

UNITED STATES



OF AMERICA

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 76<sup>th</sup> CONGRESS  
THIRD SESSION

## *Appendix*

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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 76<sup>th</sup> CONGRESS, THIRD SESSION

## Appendix

### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. BUCK. Mr. Speaker, from reports carried in the newspapers generally throughout the country during the recess of Congress, it appears that those who have hitherto opposed the reciprocal trade agreement policy of the administration have renewed their attacks with the hope of preventing the extension of the Trade Agreements Act beyond the date on which it is now due to expire, June 12, 1940. As usual, these attacks have been accompanied by misrepresentation and by misstatements as to the objects of the agreements, the manner in which they are negotiated, and the results that have come from them.

About the end of November last one of the candidates for the Republican nomination for the Presidency this year, the senior Senator from New Hampshire, Hon. STYLES BRIDGES, delivered a speech on the subject of trade agreements in the city of Sacramento, Calif. It was a very bitter attack against them. It aroused editorial comment in both the morning and evening dailies published in that city. The latter, the Sacramento Bee, editorialized as follows:

#### A FACTUAL STUDY OF TRADE PACTS IS NEEDED

Senator STYLES BRIDGES, of New Hampshire, who is now on tour of the country promoting his own candidacy for the Presidency, in his address in Sacramento recently, made a vitriolic attack on the trade treaties negotiated by the Roosevelt administration.

Without going into details he declared the effects of concessions made in these treaties have been adverse to American interests, particularly to agriculture, and declared if the negotiations of such treaties were to be continued they should be made subject to ratification by the United States Senate.

On the other side, Congressman FRANK BUCK, of this district, who certainly cannot be charged with not having the interests of agriculture at heart, has been one of the champions of the pacts, declaring they have opened wider markets for numerous California products.

The whole subject is to be given a thorough going over in the next Congress, for the very good reason that the authority to negotiate these pacts expires on June 12, 1940.

It will be unfortunate if the question of whether this authority is to be renewed or denied is settled on a purely political approach—the Democrats being for renewal, the Republicans against

it—on partisan grounds only, and making all their arguments from that angle.

Some 20 of these pacts are in effect.

Some of them have been operating for 4 years.

And it should be possible to determine, not from the political but the economic angle, what have been their actual effects.

In the discussion of these and kindred subjects, where partisan feeling and advantage are engaged, the tendency is to generate heat rather than to seek the light.

Must this always be so?

Must policies of this character always be determined by appeals to prejudice and emotion rather than by impartial diagnosis and study?

Why not more of the laboratory approach, a willingness to get all the data and then study it with an open mind before jumping to violent conclusions?

An expert fact-finding body, with no axes to grind, no thesis to support, and no votes to solicit, could be named by the President to go into this reciprocal trade treaty business thoroughly and render its verdict according to the facts it developed.

Then the average voter, as well as Congress, would have something concrete to chew on in making up his own mind as to what the national policy should be. Now he hears only the too strident voices of those who know they are right because prejudice and partisanship tell them so.

The writer of that editorial is an able man, well-educated, and versed in public affairs, which it is his duty as editor to follow and to comment upon. Yet even he felt called upon to ask questions which indicated he did not realize that the "laboratory approach" which he suggested should be used was in fact the method now in effect. If that was so in his case, I reasoned, would it not be even more so in the case of thousands of our citizens who have not had presented to them a true picture of the manner in which trade agreements are entered into? It is therefore my purpose this afternoon to explain something of organization and methods of negotiation under the Trade Agreements Act.

When that act was passed the preliminary question was how to devise an effective method to carry out the task imposed upon the President of negotiating these agreements. At that time there was in the Department of Commerce the Bureau of Foreign and Domestic Commerce, which had been working to develop foreign trade. The Bureau of Agricultural Economics in the Department of Agriculture was then, and still is, studying and reporting on foreign agricultural conditions and their effect on American agricultural exports. The Tariff Commission maintained a group of economists engaged in surveying the effect of various imports on domestic production of competitive commodities. The Treasury Department was likewise interested in this same subject of foreign trade.

It must be remembered that the men who were and are engaged in these studies and surveys are practically all of them civil-service employees. They do not owe their appointment to any political, in the sense of partisan, consideration. They are experts, and therefore they constitute expert fact-finding bodies. It must be further borne in mind that the groups I have referred to had operated with little or no coordination, although in November 1933 the President had authorized the creation of a policy committee of high-ranking officials of the agencies concerned in order to coordinate and centralize in the hands of a single agency the supervision of Government action as it might affect our import and export trade. This was named the Executive Committee on Commercial Policy, and it has continued to function since that date, meeting weekly.

Using this committee as a model, when the Trade Agreements Act was passed in 1934, a similar interdepartmental organization was built up, consisting of several committees. The first created was the Trade Agreements Committee, established by the Executive Committee on Commercial Policy, on June 22, 1934. High officials from the Departments of State, Commerce, Treasury, and Agriculture, the Tariff Commission, and the Agricultural Adjustment Administration, constitute this committee. It is strictly non-partisan, and those who compose it have been experts in the study of foreign and domestic trading problems for many years past. This committee has appointed subcommittees, composed of civil service economists and experts, for pursuing specific studies. For example, when it is thought possible that an agreement might be entered into with "X Country" an "X Country Committee" has been appointed to make detailed studies of our trade with that country. Similarly, "commodity committees" have been named to deal with specific groups of commodities, and technical committees have been appointed to deal with exchange or quota problems, or trade discriminations.

In addition to these committees and subcommittees, the President, by Executive order, on June 27, 1934, created the Committee for Reciprocity Information. Representatives from all the departments concerned in foreign trade comprised this committee. It is the contact committee between the public and the Inter-Departmental Trade Agreements Committee. Since it is composed of permanent Government officials it has, as the Sacramento Bee suggests such a body should have, no axe to grind, no thesis to support, and no votes to solicit. The sole object of the committee is to secure factual information. Its verdicts have been rendered according to the facts it has developed.

Since Section 4 of the Trade Agreements Act provides that before any trade agreement may be concluded opportunity shall be given interested persons to present their views, this committee receives the written views of any interested person on any subject in connection with the proposed trade agreement. It also gives opportunity in open hearings for oral presentation of these views. After an agreement has been concluded, its experts follow the course of its working and the actual operation of the agreement is analyzed and digested for the benefit of the various governmental departments concerned with foreign trade.

Every effort has been made to make the people, and particularly the farmers, believe that the public is not heard nor listened to. Farmers have been led to believe that the Department of Agriculture is not consulted in the negotiations. These are pure, bald misrepresentations of fact. Let me set out the text of section 4 of the Trade Agreements Act:

Before any foreign trade agreement is concluded . . . reasonable public notice of the intention to negotiate an agreement . . . shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate.

With this in mind, Mr. Speaker, perhaps it would be advisable for me to say a word about the manner in which these agreements are initiated. Naturally, informal discussions between officials of the State Department and other departments to determine whether the negotiation of any

trade agreement seems to merit consideration and if the foreign government with which it is proposed to negotiate is in a receptive mood form the basis for a preliminary report from the Trade Agreements Division of the Department of State, recommending consideration of the question by the Trade Agreements Committee. This Committee then covers the whole field of our economic and trade relations of the country under consideration. What concessions we may obtain; what will be the effect on domestic industries resulting from tentative proposals; what trade barriers could we reduce ourselves; problems of exchange and quota control—are all carefully gone into by the experts who compose the Trade Agreements Committee.

If, after a thorough and impartial consideration, the agreement seems practicable, the Trade Agreements Committee appoints an Interdepartmental Country Committee, to which I have previously referred, and this Country Committee gets down to the real work, which may take months. The Department of Agriculture, as well as the Department of Commerce, is represented on the Country Committee, as well as on the Trade Agreements Committee, each by one or more experts who are responsible for preparing detailed studies of the products we export to the country concerned, foreign tariff rates, prospects of reduction in them, and similar questions. There is on each of these committees a member designated by the Tariff Commission, and that member is charged with preparing studies, analyzing in the same detail information regarding our imports from the country under consideration. These studies discuss the question of what concessions might be made by the United States, consider conditions in competing American industries, and conclude with recommendations either for or against a concession on any given subject.

After these full studies are completed, the Country Committee prepares a list of commodities imported by the country in question from the United States on which concessions are to be requested, together with their recommendation of whether there should be a tariff cut, quota change, binding of duty, or some combination, and the extent thereof. It similarly prepares a list of concessions which the United States might consider granting in return. Let me repeat that partisan or purely political considerations play no part throughout this long study. Each commodity is carefully examined in the light of its past tariff history, of the relation of imports to domestic production, of the probable effects on domestic production of greater imports and effects on competing domestic commodities before any concession is recommended for consideration. It has been stated before, and I repeat, that "the sole criterion is economic cause and effect; the sole objective is improvement of American commerce, foreign and domestic, from the viewpoint of the country as a whole."

These studies sometimes run into many volumes before they are submitted to the Trade Agreements Committee as final arbiter, as to whether any or all of the recommendations of the Country Committee shall be further considered in any negotiation.

Let us assume that in the meantime the State Department has found that the country in question is willing to consider the negotiation of an agreement. Let us assume that the decision of the Trade Agreements Committee is favorable to such an agreement. All of this, of course, so far has been tentative and has merely been the amassing of factual data.

The Secretary of State now issues the usual preliminary announcement that negotiations are contemplated with the country in question. The purpose of this preliminary announcement is to enable any interested person in the United States to suggest to the Committee on Reciprocity Information that such and such an export or import commodity should be included in the negotiation. Such suggestions are received by the committee, and they are likewise all carefully analyzed, and many times are added to the schedules, which have previously been prepared by the Country Committee. Usually about a month after the preliminary announcement, the Secretary of State gives a formal public notice of intention to negotiate. This notice is accompanied by a list of products as to which the United States will consider granting concessions to the other country. The reason this list is made public is to save the necessity of anyone filing a brief



covering commodities which are exchanged between the two nations but which are certain not to be included in the negotiations. The mere listing of a commodity, however, is no indication whatsoever that it will be the subject of a concession. The history of previous negotiations clearly demonstrates this.

The formal notice fixes a closing date for filing of briefs before the Committee on Reciprocity Information, and also the dates for oral presentation of arguments. These briefs and statements are then as carefully digested by the various departments involved and by the representatives on the Country Committee as were the original data submitted by the experts. The Country Committee may, and frequently does, revise its tentative recommendations as a result of these hearings. Its final conclusions are then reported to the Trade Agreements Committee, which again studies the two schedules of concessions to be given and concessions to be asked for, with the result that considerable modification generally occurs. When the schedules are finally approved by the Trade Agreements Committee they are then submitted to the Secretary of State, and ultimately to the President for their consideration, modification, or approval.

It is not until after all of this preliminary work has been done, and open and public hearings held, that the formal negotiations begin with the country in question. Every effort has been made to safeguard the preparation of the data required for negotiation from partisan or political influence. If there could be more of a laboratory approach than is now actually in existence under the present set-up, I would be the first to urge its adoption. We must realize, however, that the appointment of a group of men outside of the departments to pursue this same work would be almost a physical impossibility. There would be the fundamental difficulty of securing disinterested and dispassionate men engaged in any field of trade, commerce, agriculture, or finance, who would be able to give their time to complete the work on any one agreement, let alone all those which have been negotiated. Then there would still remain the problem of such a body securing the necessary factual data, on which to base their conclusions. In my opinion, they inevitably would have to come back to the experts in the departments of the Government at Washington for their figures, and for such statistical material as they would need. They would have to come to those same experts and technical advisers who are now serving on the various committees to which I have referred. Finally, since, as I have pointed out, these experts and advisers are practically all civil-service men, career men, they are far freer from political considerations than would be any group of men taken out of ordinary life, who naturally have leanings one way or the other politically.

The real truth of the situation is that the violent imprecations, such as were made in Sacramento by the gentleman from New Hampshire, are made because the Trade Agreements Act has already provided such a nonpartisan method of approach to the tariff question that it no longer permits politicians, lobbyists, and special interests to write the tariff policy of the Government. It will be developed in the course of this session, I am sure, that the interests of the industry, commerce, and agriculture of the United States have been protected in every agreement entered into so far, and I have no doubt they will continue to be protected.

The life of the Trade Agreement Act should be extended, not because there are so many other nations with which, with the world at war, we might now write agreements, but because we need to have this trading policy in effect and at hand to use as our contribution to the restoration of some sane economy of the world when war shall end. Failure to extend the life of the act would be notice to the rest of the world that we will not lift a hand to prevent an international economic debacle following the next peace similar to that which followed the end of the first World War. To repudiate our trade-agreement policy now would be a deadly blow to our moral leadership in behalf of international cooperation and peace. The minority Members of Congress have proposed to investigate the results of these agreements. The majority members of the Ways and Means Committee, which is responsible for this policy in the House, will not only gladly welcome

such an investigation but propose to develop to the full the actual benefits that have resulted from the negotiation of the agreements to date. Today I have not time to discuss these in detail; I shall go into the subject further, later.

What I emphasize today is that, though I personally may disagree with some of the details of the agreements, and while I might have found differently in some cases, nevertheless the agreements are the result of laboratory approach, made by experts with willingness, desire, and ability to get together all the necessary data.

I want to assure my good friend the editor of the Sacramento Bee that there will be no appeals to the emotions, no generating of heat by the majority, but we will depend upon facts and not upon reckless misstatements and distortions of figures and bitter appeals to prejudice for the sake of partisan advantage.

In conclusion, I might suggest to my Republican investigating friends that it might be well for them to adhere to facts as well. In proof I offer the other editorial that I referred to at the outset of my remarks. The Sacramento Union, an out-and-out Republican newspaper, spoke thus in its leading editorial of November 30, 1939:

#### NO RED HERRINGS

We profoundly believe the welfare of the Nation demands the ouster of the Democratic administration at next year's election.

In addition to an orgy of spending and haphazard experimentation, we hold the Rooseveltian new dealers accountable for the building up of a vast bureaucracy which dangerously threatens our democratic processes of government.

But the Sacramento Union intends to hold to the fundamental issues (good and sufficient in themselves) and will not be a party to red-herring tactics.

Senator STYLES BRIDGES, of New Hampshire, speaking here Tuesday in the interests of his own candidacy for the Republican Presidential nomination, emphasized integrity, decentralization in government, economy, and peace.

On those four general points we agree 100 percent. But when he goes on to drag in the "red herring" of the reciprocal-trade treaties we not only disagree but must say that such vote-courrying arguments do not enhance Senator BRIDGES' chances of being the G. O. P. standard bearer.

Secretary of State Cordell Hull is by long odds the ablest member of the Roosevelt Cabinet, and the principle of his trade treaties is sound. Furthermore, figures show that the pacts have achieved their main purpose—an increase in the Nation's exports.

If the United States is to sell its products abroad it is axiomatic that it also must buy abroad. However, to be in a position of favorable trade, we should sell more than we buy—a situation in which we happily find ourselves.

Our foreign trade had shriveled alarmingly at the time Secretary Hull, seeking to revive it, negotiated the first of the reciprocal treaties. The resulting uptrend kept pace with the signing of additional pacts.

Therefore, for Senator BRIDGES to say that the trade treaties have injured American agriculture and constitute a threat to the American standard of living simply does not accord with the facts.

The treaties have not benefited some agriculturists and some manufacturers, it is true, but that cannot be avoided under any system of trade regulation. If the cotton raisers of the South have benefited somewhat at the expense of the lumber interests of the Northwest, this has been offset by the fact that less Government aid (the burden of which is shared by the lumbermen) has been required by the cotton producers. If the pork producers and packers have been hurt some by the treaties, on the other hand, they have proved a boon to the fruit industry in California and Florida. In weighing the effects of the pacts, one has only to visualize what would happen in all lines if our foreign trade shrank to a mere trickle. We repeat, if we as a nation expect to sell, we also must buy.

#### John Andrew Martin, Late a Representative from Colorado

#### EXTENSION OF REMARKS

OF

#### HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EULOGY ON THE LATE JOHN ANDREW MARTIN, OF COLORADO,  
BY HON. CHARLES A. PLUMLEY, OF VERMONT

Mr. LEWIS of Colorado. Mr. Speaker, the Honorable JOHN ANDREW MARTIN, Representative in the Congress of the United

States from the Third Congressional District of Colorado, died in Washington, D. C., early Friday morning, December 23, 1939. Escorted by a committee of Senators and Representatives his body was removed to Pueblo, Colo., his home for over 40 years, where on Thursday afternoon, December 28, 1939, funeral services were held in the city auditorium by his Masonic brethren and by his comrades of the World War. Interment was made in Mountain View Cemetery in the city and State which he loved and served so well.

On Tuesday afternoon, December 26, 1939, shortly before the departure of the funeral party from Washington, D. C., more than a hundred colleagues and other friends of Representative MARTIN gathered informally to pay to his memory their last tribute of affection and respect. On this occasion the following eulogy was delivered by the Honorable CHARLES A. PLUMLEY, the Representative in the Congress from the State of Vermont:

JOHN ANDREW MARTIN, late of Colorado, came first to Congress in March 1909. Across the aisle from him as they first took their oath of office as Representatives in the Congress of the United States stood my father, the late Frank Plumley, of Vermont.

Differing diametrically in their partisan politics, these two men were personal friends who had many attributes and characteristics in common. They served together two terms. JOHN MARTIN declined a reelection in 1913 and later was induced to return to Congress. My father declined reelection in 1915, and never again was a candidate for reelection.

Nothing that I can say can add to the fame of either of these two gentlemen. Both, honored by their State and Nation, lived lives studded with extraordinary achievement, and their rank among those with whom they lived and worked was higher than any position either of them ever held; their honor was greater than that of any office bestowed upon or held by either of them.

Our friend JOHN ANDREW MARTIN saw in the holding of public office an opportunity which belongs to no man who does not feel the consequent responsibility and who is not determined to measure up to its obligations. Public life, in his estimation, is honorable only to such as honor it, and the scroll of fame, in his opinion, was for those only who can write their own name on it. Such were the demands he made upon others and which he set for himself. He gave all he had to the faithful and efficient discharge of the onerous and arduous duties of the offices which he held, and, taking and holding office, he met in full measure the high standard of public duty he set for others and for himself, with an eye always single to the honor and glory of the State from which he came and of the country that he so devotedly loved. The highest obligation which he owed his country as a citizen JOHN ANDREW MARTIN liquidated in full.

"That man is great, and he alone  
Who serves a greatness not his own,  
For neither price nor pelf;  
Content to know and to be unknown  
Whole in himself."

The welfare of this country depends upon such courage and spirit and understanding as actuated our friend with his undeviating sense of honesty, justice, and truth, together with those other virtues and qualities of character he inherently possessed, all of which made him great in spite of himself. Qualities and characteristics which at any time, and at all times, in any person, have won and always will win a positive and indestructible claim to a place among the select nobility of mankind.

Occasions such as this that make us meet here this afternoon give us to understand how William Dean Howells felt, and we can appreciate just what he was thinking about and know exactly what he meant when he wrote his never-to-be-forgotten poem entitled, "The Bewildered Guest"—who speaks as follows:

"I was not asked if I should like to come,  
I have not seen my host here since I came,  
Or had a word of welcome in his name.  
Some say that we shall never see him, and some  
That we shall see him elsewhere, and then know  
Why we were bid. How long I am to stay  
I have not the slightest notion. None they say,  
Was ever told when he should come or go.  
But every now and then there burst upon  
The song and mirth a lamentable noise,  
A sound of shrieks and sobs, that strikes our joys  
Dumb in our breasts; and then, some one is gone.  
They say we meet him. None knows where or when.  
We know that we shall not meet him here again."

"But in the night of death hope sees a star, and listening love can hear the rustle of a wing," and John Burroughs, born the same year as his contemporary Howells and who survived him for 1 year, strikes a sweeter and a different chord, comforts us by making us temporarily unmindful of our bewilderment, and under circumstances similar to those in which we find ourselves today, he writes:

"Serene I fold my hands and wait,  
Nor care for wind, nor tide, nor sea.  
I rave no more 'gainst time or fate.  
For lo! my own shall come to me!"

"The stars come nightly to the sky:  
The tidal wave unto the sea,  
Nor time, nor space, nor deep, nor high,  
Can keep my own away from me."

I have lived long enough to know that there is no heroic poem in the world but in reality is a biography of a man; that there is no life of a man faithfully recorded but is in itself an heroic poem, rhymed or unrhymed. So it seems to me that—

"Perchance beyond the veil unreal there lies  
Somewhere fulfillment we now court in vain;  
Perchance beyond this haggard life that dies  
Dwells that for which our spent ideals strain.

"We play with life, a game that ends in losing,  
And yet still must be played, though cards are stacked.  
What matter if the deal is not our choosing?  
What matter if we play with bodies racked

By pain or filled with joy? The game is such  
We gamble till death shows the winning hand.  
Yes: truly we must trust God overmuch  
To play a game we do not understand.

It might be that the game is never ended  
Though death may win from life, there still may be  
A power beyond time, uncomprehended,  
That does not fear to fight for such as we.

To futures that forever will endure  
This life and death may be the overture."

Finally, I doubt if I could pay our friend a finer or more deserved tribute than to say that through the years as I have observed him and heard him and known him he constantly reminded me of Abraham Lincoln. Many, many others have been similarly reminded.

Lincoln-like he was; and as Edwin Markham said of Lincoln, so may we say of JOHN ANDREW MARTIN:

"He held his place—  
Held the long purpose like a growing tree—  
Held on through blame and faltered not at praise—  
Towering in calm, rough-hewn sublimity.  
And when he fell in whirlwind, he went down  
As when a lordly cedar, green with boughs,  
Goes down with a great shout upon the hills,  
And leaves a lonesome place against the sky."

### Third-Term Bugaboo

#### EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EDITORIAL FROM TIMES AND DEMOCRAT, ORANGEBURG, S. C.

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to insert an editorial from the Times and Democrat, a daily paper at Orangeburg, S. C., referring to 1940 politics, entitled "Here's What You Will Hear," as follows:

#### "HERE'S WHAT YOU WILL HEAR"

The third-term bugaboo will be trotted out to head off the President and to discount his influence upon the convention. The conservative Democrats—and there are a number in this country—will dedicate their efforts to peace and harmony, so-called, and they will urge the selection of a pseudo-liberal who will gradually alter policies to conform to the ideas that all but wrecked the Nation during the mumbo-jumbo era of Harding, Coolidge, and Hoover.

There will be some talk about burdensome taxes and many crocodile tears shed over the fate of the poor man who has to bear them. Nothing much will be mentioned about the reduced interest rates that save most people more than they pay in taxes, and you will hardly know that there is a social-security program in operation. The battle cry will be "Let business promote recovery," and the Government will be urged to make it easy for business to make prosperity in the good old American way.

This would be laughable if the people could be depended upon to remember as far back as 1929, but the bright boys who control the Capital of the Nation bank heavily upon the fact that the people have little memory and less brains. Business had the reins up to 1932. Under the Harding regime, when the boys on K Street were raking the Nation, and under the Coolidge administration, when the Government did everything that business thought would lead to greater profits, and likewise under the Hoover leadership, when two cars and two chickens were to be located in every garage and pot, respectively, the business boys had their day, and when they finished the game of profits for themselves there was little left in the Nation.



WAS ORANGEBURG COUNTY AFFECTED?

Did any of this evil penetrate into Orangeburg County? Well, how many banks closed in this county between 1920 and 1932? How many farmers lost their farms? Even some of our so-called well-to-do can tell you of the "investments" they made in "gilt-edge" stocks during the big days when poverty was being banished from America. Some of our bankers, if they care to talk about the dark days, will be able to show you how some of the money from this county went into foreign countries, from which it probably will never return. All this, mind you, in the good old days when the big boys of business were showing America the way to permanent prosperity under the doctrine of individual initiative and private enterprise.

We could go on, but why dig up a corpse? We do not blame the financial wizards who yearn for their lost profits if they desire the defeat of the policies set in motion by President Roosevelt. We do not blame manufacturers, protected by an absurd tariff, if they fight farm benefits and the reciprocal trade-treaty program. In fact, we do not blame those who expect to make huge profits out of cooperation with the Government if they yearn for a new day in which to walk hand in hand with the Chief Executive.

ATTEND YOUR CLUB MEETING

For much the same reason we suggest to the people of this area that they take a decided stand in favor of the administration that has done so much to make their opportunity greater. Individuals who favor active democracy and have some faith in the ultimate improvement of mankind ought to be in favor of continuing the New Deal. Farmers who have gone through the past decade and a half and who face an uncertain future ought to be interested in maintaining in office those who have exhibited concern over their plight.

Out of my observation in speaking with people on an extensive western trip recently, holding hearings on the forestry problems of the United States, I was able to ascertain that they were deeply conscious of the wonderful efforts on the part of President Roosevelt in his many legislative programs and policies instigated in the interest of the great common masses of the people.

I also know that this is true with the people in the Southland.

It is true that some of the policies of the President have been miserably administered, and perhaps we have not gotten the results that were in the mind of the President. However, this certainly cannot be charged to the man in the White House.

The large majority of the people who are kicking the President today are those who came to the administration in 1933 on bended knee begging that something might be done to relieve the serious situation which this country had gotten into because of uncontrolled, wild, speculative, monopolistic, selfish price fixing, all of which absolutely bled the country white.

The only thing that is holding down normal prosperity at this time and a square deal to the average citizen of this great Republic is selfishness and greed, all of which is doing more to breed communism than anything else.

If these selfish, monopolistic groups, who are spending millions in propaganda and doing everything possible to break the President's neck, and defeat the policies of this administration, would join in heartily in working out a broad, constructive program whereby the unorganized millions in this country would have a chance, the months and years would not be many before we would have a happy, contented people—a people who would be owners of their own homes and farms, and the unemployed would be employed, thereby enjoying some of the real benefits from the great natural resources of our country, to which they are clearly entitled.

I agree with the editor in this editorial that it is time for the people to give serious thought to the propaganda that will be carried in the press and over the radio, and especially in books and magazines written or paid for by these selfish individuals for the sole purpose of defeating those who are interested in any program whereby the unorganized might be given an equal opportunity with the organized and a square deal as to fair wages and a fair price for that which they produce.

I am sure that if the people will keep this in mind and vote accordingly in the coming election the months and years will not be many until these monopolistic groups will be forced to operate on a live and let live basis, and that thousands of parasites who are now operating between producers and con-

sumers, sapping the very lifeblood out of both of these great classes of people, will be weeded out.

Why are the Finns today putting up such a brave and courageous fight? They have something to fight for.

Perhaps 90 percent of the Finns own their own property, they are a happy and contented people. I know that this is true in a great many of the Scandinavian countries.

In the coming session of Congress there will be many lengthy and loud speeches made for the purpose of spending untold millions in building airplanes, battleships, and so forth, in the name of preparedness while, as a matter of fact, there is no possible indication of any foreign country coming over and interfering with this country, and certainly we do not expect to go overseas to engage in the present war or any other foreign war.

If Great Britain and France should win, and I hope that they will, certainly we need not fear any aggression on the part of these countries, and if Germany should win or lose, anyone with any experience out of the past wars that we have had should certainly realize that it would take Germany from 25 to 40 years to get in any position to even protect herself against the aggression of any other country, let alone coming over and tackling the United States.

If this is true, may I ask: "What other countries are we fearful of making raids on the United States?"

My friends, it is all propaganda by the War and Navy Departments, and those who would love to see the United States get into war, those who have a selfish purpose, who are anxious to make profits by producing millions of dollars' worth of implements of war at the expense of the taxpayers, which would be perfectly useless between now and any time that this country may ever have to engage in a war in defending our own country.

I agree with the President, in his message to the Congress today, wherein he stated:

The building up and preserving of our natural resources for the people, and in doing those things that would make out of our people a happy and contented people, would be one of the greatest moves on our part in building up our defenses.

If only we had more men in Congress deeply conscious of our domestic problems, who would give of their time and attention in building up our natural resources, rehabilitating the great, unorganized masses of the people in such manner that they might be able to secure some of the benefits from the great resources of our country, to which they are clearly entitled, which would enable them to own their own homes and farms, securing proper prices for that which they produce, to my mind we would be able to do more to build up our defenses and in preparing our people and our country for war or any emergency than anything that could be done.

I do not believe the people of this country will forget the determined efforts on the part of President Roosevelt during his administration in their behalf, especially the great masses of the people.

Abraham Lincoln, a great defender of the people, on one occasion said:

You can fool all of the people part of the time, and part of the people all of the time, but it is impossible to fool all the people all the time.

William I. Sirovich

EXTENSION OF REMARKS

OF

HON. JOSEPH A. GAVAGAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EULOGY BY RABBI ELIAS L. SOLOMON

Mr. GAVAGAN. Mr. Speaker, ladies and gentlemen of the House, as a friend of our lately lamented colleague,

Dr. WILLIAM I. SIROVICH, of New York, I think it fitting and appropriate that the beautiful eulogy delivered at his bier by the Reverend Rabbi Elias L. Solomon be inserted in the CONGRESSIONAL RECORD.

We have come here to bemoan the great loss which the entire community has sustained through the sad passing of our friend, Congressman WILLIAM IRVING SIROVICH. We are all fellow mourners, for Dr. SIROVICH belonged to the community and to the Nation whom he served faithfully in great things as in small. His life and achievements give evidence of what a democracy like ours can produce.

His parents came here some 60 years ago. The simple piety and homely virtues amidst which he was raised, coupled with the ideals of our great Republic, molded the sterling and admirable character of Dr. SIROVICH. He appreciated to the full his double heritage—his heritage as a son of the great historic people, Israel, and his heritage as a citizen of the United States of America—and he repaid both in full measure by his lifelong, intelligent, and devoted service.

Dr. SIROVICH was a champion of his people—a proud, upstanding, self-respecting Jew. He understood full well that the Jew is truest to our beloved America when he is truest to the best things in his spiritual inheritance. He knew that the intelligent, worthwhile non-Jew respects the Jew of genuine faith—and SIROVICH was that. He was loyal to the God of his fathers, regular in his devotions and observances of his ritual, attached to the synagogue—a Jew in every fiber of his being.

He early learned the quality of Jewish hospitality, and his home was an open house to countless men and women of all creeds who came to him for help, advice, and guidance. In all this was manifest the beneficent influence of his pious parents—his sainted father, Rabbi Jacob Sirovich, and his revered mother, Rose Sirovich.

He possessed what our ancient Talmudic sage regarded as the best asset anyone can acquire, the "lev tov"—the "good heart." In his breast beat a heart overflowing with the "milk of human kindness" and as a great humanitarian he will be remembered by thousands.

His humanity is best shown by the following episode:

One of his college professors once visited him in his office and complimented him on his progress to fame and fortune. Modestly and wittily SIROVICH replied: "As to fame, I don't know anything about that; and as to fortune, this is the situation: You see here about 25 patients; of these, 15 I treat gratis. To 5 or 6 I will have to give a few dollars to enable them to pay for the prescription; the rest will probably give me promises of payment."

After giving up his practice to attend to his official duties in Washington he still treated many of his patients gratis on Saturdays and Sundays, visiting the poor in their wretched homes on the lower East Side.

Congressman SIROVICH loved his country with all the ardor of his soul, and eloquently he preached American ideals. He was unsparing of himself in the performance of his duties. He strove for better government and for the better administration of justice.

The author of Proverbs says: "Seest thou a man diligent in his work? He shall stand before kings." WILLIAM SIROVICH was diligent and faithful in his work, and he stood before kings and princes. He stood before the greatest in the land and won the esteem and the friendship of all—the President of our country, the Governor of our State, the mayor of our city.

Now SIROVICH is standing before the Supreme King on high. He can say, "Father, judge me. My hands are clean; my heart is pure. I have ever striven to perform my duty in accordance with my ability. I have faithfully served my God, my country, my people, and my fellow men."

The life and achievements of our friend can serve as an object lesson to the whole world as to the possibilities of development and accomplishment in a free, democratic country like ours.

May the memory of his noble life be a source of solace and inspiration to his stricken sisters, his beloved nephews and nieces, and the rest of the family. May God heal the broken-hearted and wipe away tears from off all faces and send healing to all suffering, sorrowing humanity.

### A Splendid Man Passes

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EDITORIAL FROM THE WASHINGTON POST REGARDING THE LATE ROBERT FECHNER

Mr. RANDOLPH. Mr. Speaker, it was my privilege to personally know Robert Fechner during the years he was associated with the Civilian Conservation Corps. It was my pleas-

ure on several occasions to have him visit my home State and town. He was a quiet, unassuming gentleman who rendered outstanding service to his Government. That splendid organization, the C. C. C., will stand as a lasting tribute to his genius and ability. I include the following editorial from the Washington Post of January 1, which I believe is a fitting testimonial:

[From the Washington Post of January 1, 1940]

ROBERT FECHNER

Robert Fechner has been so closely identified with the Civilian Conservation Corps that the success of that organization must be counted as a part of his record of public service.

Early in the Roosevelt administration Mr. Fechner was called to Washington to organize the C. C. C. From that day until his untimely death yesterday Mr. Fechner had devoted virtually all his energy to the development and supervision of the C. C. C. Indeed, his devotion to that task and his long hours of work to make it a success are said to have been one reason for the ailment which led to his death.

Under the careful direction of Mr. Fechner the C. C. C. has become a symbol of human reclamation. A total of 2,500,000 young men have learned the discipline and healthful routine of C. C. C. camps. Taken from the road, from street corners, and from homes in distress, young men were taught to work and given a new outlook on life. The useful tasks they have performed are numerous, but the greatest achievement of Mr. Fechner was in rescuing these young men from blind alleys and giving them new opportunities they could not otherwise have enjoyed.

President Roosevelt's statement on the passing of the C. C. C. Director indicates deep appreciation of the work he has done. Appreciation can best be shown, however, by preserving the C. C. C. in the form in which Mr. Fechner developed it. The Director had vigorously resisted every move to militarize the conservation camps, because that would divert them from the worthy purpose they now serve. It would be a pity if that sound policy should be weakened now that Mr. Fechner has passed on.

### Education of Indian Children

#### EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ADDRESS BY ROBERT YELLOWTAIL

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by Robert Yellowtail, superintendent of Crow Indian Reservation, Crow Agency, Mont., upon the question of the necessity of educating Indian children:

WHAT SHALL WE DO TO BE SAVED?

An avalanche, in a form of a highly complicated and swiftly changing economic order involving every phase of our economic rehabilitation in the United States of America, has enveloped our people. The question now is: What shall we do to adjust the untutored mind of the Indian to the many problems presented and developed by this crisis.

Work and education alone will liberate the Indians as a self-sustaining and contributing people. Without work of a constructive nature or an education sufficient to understand the swiftly changing complicated economic order and problems of today, the Indians as a people and as individuals are sunk. They will remain dependents, incompetents and in a ward status as long as the Government will permit.

Honest work of any kind, be it either common labor or otherwise, is honorable. Abraham Lincoln, before he educated himself as a lawyer, split rails (the hardest kind of common labor) for a living.

The command of God to Adam and Eve in the Garden of Eden, namely: "By the sweat of thy brow shalt thou eat bread," is as true today as then. The Indians are no exception to the rule—they too must roll up their sleeves and by the sweat of their brows feed the hungry stomachs of those dependent upon them for support and food.

The world owes no one a living and this includes the Indians. Work or starve is the rule we all must bow down to. The lazy and those who refuse to work must begin their starvation process—the minute they cease to work; they suffer not alone—his wife and children starve and suffer with him to a greater degree.

The great liberating force is education or intellectual development. This need not be in books alone, it may be in a mechanic's



workshop, or it may be behind some musical instrument, or some other one of the many arts. Yet, whatever it be, it is above the common laborer's status, and brings to the recipient no drudgery connected with the work of the hands, feet, and back muscles which brings only a miserable pittance as pay.

The ideal station of life is to develop the intellect to that degree where you may command a remuneration commensurate with your needs and of those dependent upon you for support and, in addition, the ability to accumulate and lay aside something for your support and comfort in old age.

The educated man's talents and ability know no bounds, except the deep-blue sky above and the utmost bowels of the earth and that of the sea, while the uneducated can perform only as common laborers and receive a mere pittance for such labor. It, therefore, appears that the salvation of the Indians individually and as a people is constructive work and education, and the ability to apply same to some useful ends. These are the only doors that open to the economic salvation and the intellectual deliverance of the Indians of the United States.

#### EDUCATION

Education, taken from the Latin word "educare," to lead out, is a never-ending process. It begins the day we are born and ends the moment we die.

There are two schools in which we seek our education:

1. The public-school system in all of its successive grades from the kindergarten to the university; and
2. The outdoor school of experience in which we are jostled about by hard knocks in an effort to stand on our feet in competition with others.

The question is: Which one of these two schools shall I take my training in?

A recent investigation into the worth in dollars and cents of an education by a large insurance company discloses the following interesting figures:

1. \$1,440 is the average yearly income of an eighth-grade graduate.
2. \$2,020 is the average yearly income of a high-school graduate.
3. \$3,500 is the average yearly income of a college graduate.

Their figures prove conclusively that a higher education pays large dividends and is absolutely necessary to meet the complicated problems of today.

Regardless of the above figures the education road is strewn with those who quit, give up, and refuse to inform themselves of the things that they should know in order to be able to compete with others on equal terms under the highly competitive economic conditions that we are forced to live under today.

The first group composes those who quit the free schools—those who prefer to work with their hands, feet, and back muscles instead of their heads.

The second group are those who choose the schoolhouse, with all of its successive grades, complete their training therein, and profit by the experience gained then and thereafter, and are now at the end of the education road enjoying the rewards of a full and understanding life. Their lot is a never-ending opportunity to better and advance themselves because of their training and perseverance. The lot of the other group, which might properly be called quitters, is despair and regret, with all of its attendant circumstances.

#### THE COMMON LABORER

The common laborer, like the horse and buggy, belongs to an era that has passed—never to return.

Organized labor in all its subdivisions refuses to recognize him as a competent artisan worthy of membership in their ranks or unto whom employment should be extended. The highly mechanized industrial set-up under which laborers seek employment looks for trained artisans in all the branches of the labor organizations; and hence they, too, refuse to recognize him or extend employment to him. He, therefore, is forced to seek employment wherever he can get it and principally to the farms of the country, which also are now highly mechanized and require trained mechanics to operate the farm's machinery.

Where shall the common laborer go to find employment in order that he may feed and clothe his family and those depending upon him for support is the most serious question that confronts him. Indeed, whenever he is given employment at odd jobs, it is at a low and miserable wage.

Statisticians give us some interesting figures in connection with his plight. They are as follows:

"Out of every hundred men looking for work only 17 will find work as common laborers."

The foregoing truth should be an urge to the rising generation, which includes the Indian boys and girls, to educate themselves out of the common-laborer class by mastering some useful occupation or line of work that will assure them of the ability to lay aside something now in the days of their youth for happiness and comfort in their old age.

The lot of the common laborer, under our highly mechanized industrial set-up, is work only once in a while and then at a miserably low wage that is entirely out of proportion to his needs.

Let us all strive to educate ourselves out of the common laborer's class, which is the pick-and-shovel squad, the grief squad, and the squad of despair and despondency.

#### Census Jobs

#### EXTENSION OF REMARKS

OF

HON. OSCAR YOUNGDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. YOUNGDAHL. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to again call to the attention of this body the bill which I introduced at the last session of this Congress, H. R. 7148.

Briefly, that bill provides that all persons given temporary employment in the taking of the 1940 census, other than those under veterans' preference and civil service, be taken from the rolls of those certified as being in need of public relief.

I have just returned from my own State of Minnesota. I know there are hundreds of well-qualified persons in Minnesota who need this Government work. I have been told that already married women whose husbands are employed in private industry have been engaged for this work. I do not doubt but that other States are in exactly the same position as my State.

With millions of persons desperately in need of employment, I feel that it is unjust for the United States Government to give out these census jobs purely on a basis of party patronage and political favor. If the Government has jobs to offer, let us give them to those who need them as long as those persons are qualified to do the work.

I intend to press for consideration of this bill and to demand its passage.

#### The Old Pioneers

#### EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EDITORIAL FROM THE BIG TIMBER (MONT.) PIONEER

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in the Big Timber Pioneer, of Big Timber, Mont., dedicated to the pioneers of that locality, written by the Honorable Jerome Williams, editor of the Big Timber Pioneer:

[From the Big Timber (Mont.) Pioneer]

#### TO THE OLD PIONEERS

This golden jubilee edition of the Big Timber Pioneer is dedicated to the pioneers, living or dead, who came here a half century or more ago by covered wagon, bull team, saddle horse, or slow-moving train, not by auto or airplane.

The work of preparation has been extremely arduous, handicapped by lack of equipment usually found in a country office, and a force limited to four.

With this explanation, it is presented to you, also to many who have moved to other places but still retain memories of Big Timber and Sweet Grass County.

Good or bad, it is your golden jubilee edition.

Journeying back 50 years or more, as you scan its pages, it will revive events of other days, better days, days that will never return. Changing conditions prevent that.

You will recall the time when men lived within their income, when their credit was good at any store, their word accepted at face value, their debts paid when due, in full; sheriff's sales very seldom.

Also the days when parents supported their children, and in time children returned the favor. Today relief, old-age assistance, social security, and unemployment compensation support both.

Days of the horse and cattle thief still linger in memory lane, but, numerous and active as they were, each, in time received his just desserts. Today you meet the unreliable promoter, come and

go boomer, worthless-stock salesman, defaulting banker, ever-present deadbeat.

Originally you started for the county seat at 5 a. m., team and wagon, made your purchases, and returned home in time to milk. Today you leave at 5 p. m. by auto, make your purchases, attend a movie, and are home by bedtime.

Further back you recall the day of no telephone, few decent roads, doctors traveling by saddle horse or buggy, arriving many times after death had paid the first visit.

You remember the midnight candle or kerosene lamp midwife, bringing one more into the world in a squatter's cabin, one who in later years picked up the labor you had been forced to lay aside, and carried on the pioneer development of a pioneer father.

Today the hospital trained nurse in uniform, attending physician by telephone call, brings in a member of the third or fourth generation, assured of a white-collar job at any time he presents a high school or college diploma.

Then, turning backward the pages of memory, you recall the oldest pioneer of all, Father Time.

First you picture him with his small force of captains and lieutenants—pneumonia, rheumatism, consumption, fever, Bright's disease, dysentery, smallpox, paralysis, diphtheria.

Today you see him surrounded by an ever-increasing official staff, an army of recruits and regulars—general debility, major operation; captains or lieutenants heart attack, embolism, cancer, ulcer, obstruction, myocarditis, arthritis, neuritis, sinus, gland, infantile paralysis, tonsil, adenoid, appendicitis, with orderlies and corporals galore.

You find that diet, rest, fresh air, ear drum, bifocal, false teeth afford a temporary but ineffective resistance.

Father Time, a persistent and relentless enemy, moves slowly but surely.

So, as you turn the many pages of the Golden Jubilee it will revive the enthusiasm of youth, bring back faces almost blurred on memory's page. Streets and buildings, unique wearing apparel, whisker, mustache, saddle horse, bull teams, jerk-line caravans may cause an occasional tremor of the lip, tear in the eye. Then eyes will brighten as in days of yore; pulse beat faster, step quicken; and laughter, real laughter, will ring with all the vigor of youth. And then—

And then what?

The answer is given in the following beautiful poem, written more than 50 years ago by Bessie Chandler, whoever she may have been:

#### KEYS

Long ago in old Granada, when the Moors were forced to flee,  
Each man locked his home behind him, taking in his flight the key.  
Hopefully they watched and waited for the time to come when they  
Should return from their long exile to those homes so far away.  
But the mansions in Granada they had left in all their prime  
Vanished as the years rolled onward 'neath the crumbling touch of  
time.

Like the Moors, we all have dwellings where we vainly long to be,  
And through all life's changing phases ever fast we hold the key.  
Our fair country lies behind us; we are exiles, too, in truth,  
For no more shall we behold her. Our Granada's name is Youth.  
We have no delusive daydreams, and rejoice when, now and then,  
Some old heartstring stirs within us, and we feel our youth again.  
"We are young," we cry triumphant, thrilled with old-time joy and  
glee,

Then the dream fades slowly, softly, leaving nothing but the key!

### Old-Age Insurance

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EDITORIAL FROM THE NEW YORK TIMES

Mr. RANDOLPH. Mr. Speaker, when I voted for the Social Security Act I realized that it was only a beginning in our efforts to bring about aid to the aged, assistance to the unemployed, and benefits to the crippled and blind. I shall support an extension of aid to these groups. In this connection I include the following timely and thought-provoking editorial from the New York Times of Friday, December 29, 1939:

[From the New York Times]

On January 1 the Federal old-age insurance plan, for which the country has been paying taxes for 3 years, will go at last into full effect. As of that day the Government will begin paying benefits under the plan. It will be a notable day, certainly, in American social history, for prior to the passage of the original Social Security Act the United States lagged far behind other great coun-

tries in the provision made for its aged. Next month it will begin payments to aged men and women under a social-insurance system far broader and more liberal than any ever undertaken by a government.

The history of the Social Security Act supplies an outstanding example of the great advances possible under a cooperative democratic process. The original act was passed somewhat hastily; the administration was more interested in establishing a broad principle and in meeting a great need than in scrutinizing methods or details. But with the passage of time the original act was seen to have many inherent weaknesses. These weaknesses and their possible remedies were uncovered by study and discussion. The study was carried on officially by the Social Security Board and, more importantly, by the Social Security Advisory Council appointed by a Senate committee and the Board for that very purpose. Outside of official circles there was much illuminating discussion by economists, actuaries, and others. The changes made in the law in the last regular congressional session grew out of this educational process.

In popular discussion the weakness of the old law that was most frequently emphasized was the attempt to build up a huge reserve fund. But it came to be recognized in time that this contemplated fund was merely the byproduct of deeper weaknesses in the whole original nature and scale of benefit payments. It was seen that the old law was based on a false analogy with private insurance, which rests on the principle of individual equity; whereas social insurance, as one able commentator has put it, should be "designed primarily to serve society as a whole—not the particular individual." This is the objective of the Social Security Act as now revised. It recognizes, as the original law did not, that benefit payments are useless unless they are adequate. It recognizes, also, more clearly than the original law, that benefit payments cannot be justified under a governmental plan if they are much more than adequate. Finally, it recognizes that the family, not the individual as such, is the important financial unit in any social plan.

It is on these principles that the present plan is based. So that the payments that begin immediately may be adequate, they are based on the individual's average earnings rather than, in the old plan, on his total or accumulated earnings. And so that payments may provide for genuine needs, they are varied in accordance with family requirements—providing for aged wives, for widows and dependent children—and not in any strict accordance with previous earnings. The bureau in charge of the plan is now busily engaged in searching out those entitled to benefits and notifying them accordingly. Those who establish their claims in time will receive their first checks from the Government at the end of January.

Though the present Federal old-age insurance plan appears to be in many ways admirable, the scale of benefits and the qualifications necessarily represent a series of compromises, and experience will no doubt bring out anomalies and abuses. We should be ready to correct these promptly when they appear. Serious problems confront us, also, in connection with extending the coverage of the plan in the future and in financing it in later years when larger payments are necessary. These problems will require expert study. An excellent model has already been established in the appointment of the Social Security Advisory Council. Congress would do well if in the coming session, instead of rushing into any new social legislation, it were to appoint similar bodies to study and report upon the great problem of health insurance and the question of framing unemployment-insurance programs more satisfactory than those which we have at present.

### The Late F. A. Silcox

#### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EDITORIALS FROM THE WASHINGTON POST AND WASHINGTON EVENING STAR

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an editorial from the Washington Post of December 21, 1939, in which the brilliant editor of that great daily newspaper, in superb English and trenchant phrase, pays condign tribute to the late Dr. F. A. Silcox, Chief of the United States Forest Service.

I had the good fortune to be a warm friend of Dr. Silcox and heartily concur in the sentiments expressed in this editorial. In the passing of this great public figure the United States has sustained a heavy loss. Dying as he did, a few weeks subsequent to the passing of Robert Marshall, brilliant



and distinguished Chief of the Recreation Division of the Forestry Service, that branch of the Federal Government has sustained telling blows.

Mere words are feeble as instruments with which to eulogize a man of such distinction. I therefore leave it to the editorial to express the feeling entertained by thousands of sincere admirers of the late Dr. F. A. Silcox:

#### A GREAT PUBLIC SERVANT

F. A. Silcox, Chief of the United States Forest Service since 1933, was the very paragon of a public servant.

A man of fine presence, keen intelligence, and superb technical competence, he never demeaned his service as a Government official by regarding it merely as a means of livelihood or as a stepping stone to greater material rewards outside. Private avenues of preferment constantly beckoned to him. During the post-war years, as well as during his earlier days in the Forest Service, he had proved himself to be a man of unusual administrative ability with a remarkable capacity of winning the loyalty and enthusiastic cooperation of his subordinates.

But Mr. Silcox refused to be lured away from his professional career. He was equally uninterested, as his refusal recently to accept the post of Under Secretary of the Interior indicates, in offers of higher administrative posts in the Government if it meant the abandonment, even in part, of the task of saving America's dwindling forests. To that task he had consecrated himself. And he performed it with high devotion and unflagging energy.

The Nation, the Government, and a host of friends in Washington and throughout the country are poorer by his untimely passing.

Subsequent to writing the above there was published in the Washington Evening Star of December 22 another editorial relating to F. A. Silcox. Because this editorial is so eloquent and pays such a deserving tribute to the deceased scholar and public official, I am likewise incorporating it in this extension of remarks. The editorial referred to is as follows:

#### MAJOR SILCOX

In the estimation of those who knew him well and comprehended the value of his work, every tree in the United States may be regarded as a monument to Maj. Ferdinand Augustus Silcox. His services as Chief of the Forest Service of the Department of Agriculture justified such appreciation. Among citizens who have chosen to devote their talents and their energies to their country's welfare he always must be remembered with gratitude.

Major Silcox pledged himself to a single career. A native of Columbus, Ga., born on Christmas Day, 1882, he was educated at the College of Charleston and at Yale University, specializing in science. High ideals for the protection of the Nation's natural resources prompted him to enlist in the Forest Service at a time when conservation was little understood. He rose from the ranks to the post he occupied from 1933 until his sudden death.

The philosophy which Major Silcox undertook to put into practice was one which still requires explanation to the lay public. He believed that the forests should be used, but objected to their being wasted. From abundant experience he was qualified to deplore the wreckage of whole acres of timber by lumber operators interested in cutting only a few trees. With his own eyes he had seen the havoc which a merciless policy can effect. A moral indignation rose in his soul, and he launched a campaign of correction whose results already are apparent.

But Major Silcox was never a fanatic. He possessed stern convictions and guarded them with care, yet he also was endowed with "a sweet reasonableness" which made him popular with other men. His success as an arbiter of labor difficulties testified to his diplomacy and tact. If on occasion he "laid down the law" in terms which could not be challenged, he took pains to be certain that he was right before he spoke. His methods were not adventurous; he was not an experimenter in his attitude toward facts. Perhaps his scientific training was responsible for the dignity of his procedure and the delicacy with which he dealt with the problems he was called upon to solve.

Major Silcox has passed from the world too soon. He was an American who could ill be spared in an age when vision and a genius for achievement are wanted.

### Just What Political Activity Is "Pernicious"?

#### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ARTICLE FROM THE WASHINGTON POST

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend and revise my remarks and include therein a very able

summary of the Hatch Act as given in the Washington Post. I think the subject is so important that any attempt to gather together both the summaries of the Department of Justice and the opinion of Senator HATCH himself is worth while.

Many of us have been literally besieged by inquiries during the last few months as to the implications of this act. I appreciate that Senate Document No. 135, relative to pernicious political activities, is extremely helpful, but I also think that the availability of the outstanding features of this pamphlet in the CONGRESSIONAL RECORD would also be helpful, and while supplementary in many cases, in others would be a source of information.

#### GALLERY GLIMPSES—A SENATOR IS ASKED TO EXPLAIN HIS ACT—JUST WHAT POLITICAL ACTIVITY IS "PERNICIOUS"?

North of the border, down New Mexico way, Senator CARL A. HATCH is being kept busier than a one-armed caballero explaining his own act.

Seems everybody had about forgotten his act until these Democratic \$25-down Jackson Day fiestas came along to hurl doubts at the conscience of Federal officials and worry State officers soliciting funds.

Yes; all knew that the Hatch Act banned "pernicious political activities." But none knew whether a \$25 contribution was pernicious and what that had to do with food and speeches served up for all tried and true party men at a political dinner. Were they illegal as well as indigestible?

After all, this was the first real test of the Hatch Act.

Most gun-shy of all were some of the State officials to whom the National Democratic Committee passed the buck of collecting the funds and staging the January 8 rallies.

Beset by doubts, they manfully mailed out the notices, and then wondered:

Was the mere asking of all good men to come to the aid of the party pernicious?

Was inviting a Federal official to plunk down \$25 doubly so?

And was just attending a Jackson Day dinner a "political activity"?

Somebody happened to remember that the Democrats themselves complained the Hatch Act would put the kibosh on Jackson Day dinners before the bill actually became a law.

Among those who worried was Ralph Trigg, chairman of the New Mexico Jackson Day dinner. His problem was doubly troubling, because it was a fellow New Mexican, Senator HATCH, who put him on that spot.

And then a brilliant idea occurred. Why not ask Senator HATCH? He wrote the law. His opinion ought to be pretty authoritative. Now Trigg no longer worries. It is HATCH's turn. It is his law and he has to explain it.

HATCH rose courageously to the occasion.

"It is not against the law to solicit money from Federal employees or to accept it from them for political purposes," ruled the New Mexico Senator.

"They may attend the dinner, of course, and may make such contributions to political parties as they wish."

Then HATCH had to explain some of the exceptions—that Federal employees themselves may not actually solicit the funds, even though they may be solicited.

That cleared up everything except what to do about one point—speakers at the dinners. About this time you get down to hair-splitting, but it seems attending a Jackson Day dinner isn't political activity, but speaking at the dinner is. And that bars from speeches all Federal officials except Members of Congress, Cabinet officers, and others in policy-making positions exempted from the law.

HATCH himself has some doubts about how far down in the Government the exemption extends, and whether certain members of Federal commissions are eligible for the speaker's table.

So that leaves Trigg still with one small problem—how to find a speaker who is eligible to speak and is still a drawing card.

The moral in all this for United States Senators is—one better think twice before framing a law, because sooner or later he will have to explain it.

HATCH hasn't received all of the queries on the intricate workings of his act. The bulk has gone to Attorney General Murphy and the Justice Department.

With Jackson Day nigh, they have grown more and more numerous as State Democratic campaigners ponder that dread word "pernicious" and conjure up visions of the jug.

District attorneys, too, have received their fair share of anxious questioning but have generally passed on the problem to Mr. Murphy, who has his answer ready.

It is all wrapped up in a little eight-page pamphlet labeled "Senate Document No. 135—Relative to Pernicious Political Activities—Interpretation of the Hatch Political Activities Act." There Jackson Day chairmen may learn that officers and employees of State and local governments are exempt from the act, even though their employment involves the expenditure of Federal funds.

The National Democratic Committee made sure of that before they placed their \$25-per-head Jackson Day campaign on a State drive basis.

As for Federal officials (nonpolicy making) who come under the ban, Murphy has seven prohibited political activities all neatly listed for their benefit.



Lest they forget, pernicious Federal official deeds are:  
 Holding office in a political party or a political club.  
 Attending political conventions as a delegate or alternate.  
 Serving on committees of a political party or a political club.  
 Distributing buttons or printed matter in support of any candidate.

Serving at party headquarters or as watchers at the polls, or otherwise assisting a party or candidate in any primary or election campaign, whether or not Federal offices are involved.

Being a candidate for elective office—Federal, State, or local.  
 Soliciting funds for a political organization or campaign fund.  
 Now, these don't say anything against eating political dinners or even forking up \$25 for the privilege. But they bar one from ringing the gong or yelling "Soup's on."

So Federal employees had best just slip in quietly and not kick about the service. A protest to a waiter might be a political speech.

The Hatch Act isn't hampering the Republican fund-raising drive. One reason is there won't be any Lincoln Day dinners next year. Another is there are not enough Republican Federal officeholders to meet Chairman Hamilton's minimum 15-cent-contribution requirement. A third is, if Republicans solicited Federal employees for funds it wouldn't be "pernicious," but just plain futile.

So Chairman Hamilton will be content with raising his party's \$655,000 deficit the easy way—collecting \$1,000 subscriptions from 655 affluent and generous nonoffice-holding Republicans. And the Hatch Act doesn't say anything about that.

Forced to take the hard-way detour around the Hatch Act in their \$750,000 Jackson Day campaign, the Democratic National Committee can't ignore departments filled with loyal party men. But employees will be given the option of easy installment payments—\$12.50 down and the balance to come.

### Money From Heaven

#### EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ARTICLE BY HARLAN MILLER

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Harlan Miller:

[From the Washington Post of December 8, 1939]

OVER THE COFFEE

(By Harlan Miller)

MONEY FROM HEAVEN

You and I don't get any money from the Government, and I'm not so sure about you. But almost half the rest of our fellow Americans do know the bitter-sweet taste of "Washington money."

Here's a thumbnail portrait of the Republic's pay roll, plus other Government benevolences. You can paste it in your hat, look at it for cheer when you get that bilious attack of tax illness. Use is like smelling salts.

To begin with, perhaps the most deserving: 397,412 war vets got last year, an average of \$40.24 monthly for war ailments, \$27.33 for non-war ailments; 113,418 widows, orphans, or surviving parents got from \$15 to \$45 a month.

Vets may get from \$10 to \$275 a month, only a few of the most war-torn drew the top figures, and those richly deserved it. It all amounted to \$242,865,913 last year, or \$3,880,233,265 since the war. Some 329,263 other war pensioners average \$572.96 yearly, totaling \$173,837,953, including one pensioner of the War of 1812 who gets \$240 a year.

Some 5,248,796 farmers last year got an average of \$84 a year for soil conservation. You thought it was more, eh? At that, 62 percent of them got less than \$60 for the year. But it added up to \$440,000,000.

In these families were 22,000,000 persons.

Since W. P. A. began 7,500,000 different persons (whose families totaled 28,000,000 persons) have drawn a little over seven billions. Now there are 1,986,999 on W. P. A.; they draw from \$31.20 to \$94.90 a month for 130 hours' work, and average \$55 a month.

Nearly 300,000 C. C. C. boys draw \$30 a month—\$8 for themselves and \$22 for their destitute families—plus their own board and room.

This number may soon be increased by 200,000 boys for military training at only \$5 a month.

Retired wage earners who have been anteing for at least 3 years will be getting from \$20.60 a month for those whose monthly wages averaged \$50 up to \$41.20 a month for plutocrats whose wages averaged \$250 a month, under social security.

By these scales their widows and orphans will get from \$15.45 (lone widows) up to \$72.10 a month for a widow with two tots. In 1940 these pensioners will total 912,000, drawing \$114,000,000.

Destitute oldsters—who haven't been anteing—are now averaging \$19.17 a month in Federal aid to their State grants. Washington money is now going to 1,896,982 of these. But some niggardly States are paying only around \$6 a month. To States paying up to \$30 Washington contributes half; after January 1 Washington will contribute half of grant up to \$40 monthly. (Which makes the official \$19.17 average payment now seem too high.)

Down to here we have survivors of normalcy, refugees from Coolidge prosperity, except, of course, the vets.

Some, but not all, of the above is largess. Not largess, but still Washington money, is upward of a billion going to about 1,000,000 full-time Federal employees, from Franklin Delano Roosevelt and the Justices down to \$900-a-year clerks and postmasters.

The Federal shilling goes also to more than 500,000 soldiers and sailors of the Army, Navy, Marine Corps, Reserves, and militia. Last year this totaled \$418,696,598, not mentioning cost of board and room.

Also, Washington money is behind 149,000 loans on houses, at 5-percent interest or less, running from 4 to 25 years. These loans are for 80 to 90 percent of the value of houses up to a \$16,000 maximum. These home loans average \$4,362.42, and the total is \$650,000,000. But it's partly private money.

In a way, the wage and hour law ought to be mentioned here. It now requires 30-cents-an-hour wages a week of not over 42 hours, with time and a half for overtime, or a princely minimum wage of \$12.60 a week. The law affected 1,380,000 this year, and next year it will bring more than 3,000,000 down to a 40-hour week; the hour wage goes up to 40 cents in 1945.

But that's the boss' money, by courtesy of the New Deal.

Did I say I don't get any money from the Government? I had forgotten. On second thought, I remember a check for some ninety-odd dollars last time I did 2 weeks' active duty as a captain in the Reserve Corps.

If you add up all the Republic's beneficiaries and multiply by 3.76, the average number of persons in a family, it'll total half of our 130,000,000 Americans partly on the Republic.

Maybe Gallup should poll these people about 1940.

### America's Duty to Civilization in the Russian Aggression Against Finland

#### EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTINGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. PITTINGER. Mr. Speaker, with the opening of this Congress the United States starts the eighth year of New Deal control and domination in the affairs of government. Leadership and responsibility rest with the party in power. This Congress faces the opportunity and duty to help shape legislative enactments. Since adjournment at 6:35 p. m. on November 3, 1939, of the second session of this Seventy-sixth Congress, there have been world developments which directly concern this country. I refer to the Russian invasion of Finland on November 29, 1939, and to the fact that that communistic country has been carrying on a warfare against its small neighbor, Finland, ever since that date. True, the Russian high command predicted that the war would be over in 10 days. True, the Russian high command was mistaken, and the heroic struggle of Finland against the greatest odds ever faced by a free people from an aggressor nation is at this moment still in progress.

This war, if such it can be called, is more than an attempt of a small republic to escape destruction at the hands of a large and powerful nation. The conflict represents a menace to our type of civilization. If Russia wins, it marks the possible beginning of the triumph of communism as a rule of life as against what we call our present-day civilized world.

Therefore the duty of this Congress and of the leadership in our Government is clear and unequivocal. This country should help the Finnish people, so far as that help is needed, with every resource at our command to the end that the challenge of communism to the rest of the world may receive a death blow. So today, and not tomorrow, is the time to cut the red tape of bureaucracy and to furnish resources and supplies to Finland. The time element is important, and every aid, so far as the United States deems it proper, should be furnished without delay.

We cannot look upon the destruction and conquest of small and peace-loving countries by those more powerful as anything less than a blow at the fundamental rights of mankind and as a direct attack upon human decency in the realm of government. The very recent past compels us to note the fate of other small countries—Ethiopia, Albania, Austria, Czechoslovakia, Danzig, and Poland. The ruthless, merciless, and cutthroat methods employed against these countries are still fresh in our memory. It was only a few weeks ago that Poland was outraged, dismembered, and ruined. We should heed the lesson of that tragedy. Such a procedure is a mockery at government and shocks the sense of decency of man. If condoned, we recognize the rule of the gangster in the role of nations.

If civilized countries are to approve of this procedure, then what is to happen to other small countries, not only Norway, Sweden, Denmark, but Holland, Belgium, and so forth? There is but one answer. The fate of those countries will be the same as that of Poland.

If there is any question as to the fact that fair-minded people everywhere have been not only surprised but horrified at what has taken place, let me quote from the press. I note that ex-President Hoover said at Duluth, Minn., on December 30, 1939, in an address at a public meeting there:

Civilization struck a new low with the communistic attack upon peaceful Finland. It is a sad day to every decent and righteous man and woman in the world.

Then I have before me the proclamation of the mayor of Biwabik, Minn., in which he says:

Biwabik joins the world in condemning Russia's attack upon Finland as a new high in brutality, and Biwabik also joins the entire world in praying that these people may yet be saved.

Let me say in conclusion, Mr. Speaker, that we in America ought to wake up to the peril of communism in this Republic of ours. Communism has made progress in the United States. I note on December 29, 1939, an account of the action of the American Students Union meeting at Madison, Wis., and that this organization refused to name Russia as the aggressor in the war in Finland. This is only an incident that points out to me the inroads that Stalin has made against freedom. When we have students in universities who are so blind to the facts as to condone what Russia is doing, then it is high time that we looked into the question as to whether universities serve any useful function in this country. If these students are typical of the results of education, then a higher power than human will have to help save America.

Mr. Speaker, may I again remind you that now is the time and here is the place for work to be done to help Finland in its leadership in efforts to save world civilization.

Need for prompt help for Finland is emphasized in an editorial in the Washington Post this morning, in which is pointed out the necessity of promptness and the importance of—

That form of assistance which alone can stop the Communist bombings—antiaircraft guns, ammunition, and pursuit planes in quantities. \* \* \* Today Congress convenes. The new session should not be many hours old before steps are taken to translate the will of the people into a form of Government help which would be wholly consonant with the neutrality law.

### Compare Here and Over There

#### EXTENSION OF REMARKS

OF

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. NELSON. Mr. Speaker, in December, with the approach of the Christmas season, I suggested in the following press release to the newspapers of the Second Congressional District of Missouri that we compare our United States of America with other places, almost any other place:

Butchering hogs here, butchering humans over there; carols and singings here, crying and sinkings over there; corn shocks here, shock troops over there; electric light and telephone lines here, Maginot and Siegfried lines over there; football fields here, fighting fields over there; lighting our streets for Christmas here, "black-outs" of cities for safety over there; bringing in coal from mines for comfort here, putting out floating mines for destruction over there; building homes here, bombing buildings over there; happy boys in C. C. camps here, miserable men in concentration camps over there; a President fighting to keep men working here, dictators working to keep men fighting over there; freedom for every man to worship God as he wills here, restrictions as one man wills all worship over there; a free press and free speech here, censorship and suppression of truth over there; every man having some say in government here, one man having all say in government over there; prayers for "peace on earth" here, a war that few want and nobody wins over there.

### Preserve American Sugar Market for American Farmers

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

RESOLUTION BY THE ASSOCIATED CHAMBERS OF COMMERCE OF SOUTHWESTERN IDAHO AND EASTERN OREGON

Mr. ANGELL. Mr. Speaker, one of the outstanding problems that confront this Congress is finding adequate markets for American agricultural products. The northwest portion of the United States has developed a great industry in the growing of sugar beets. My own State of Oregon has developed this industry with remarkable success. I took occasion earlier in this Congress to call attention to the fact that the new sugar refinery erected by the Amalgamated Sugar Co. at Nyssa, Oreg., set a record on a 112-day run, producing 750,000 bags of sugar, which was 100,000 higher than its anticipated production. In addition to this, the company fed 8,000 head of cattle from beet pulp as a pulp-feeding demonstration.

Oregon has great areas under irrigation which are admirably adapted to the production of sugar beets. However, the A. A. A. crop-control program has restricted this industry to such an extent that large portions of the sugar-beet land cannot be placed in production, and curtailment is threatened in the areas already in use. The one plant above referred to has added a million dollars to the assessed value of Oregon.

Not only Oregon, but many other States in the western United States, are admirably adapted to this industry, which, if permitted to develop to its full capacity, will be a big factor in restoring profits to farmers.

Notwithstanding the fact that our own country is admirably adapted to the production of sugar, we import a large portion of our sugar demands from Cuba, the Philippines, and elsewhere in direct competition to our own product. It seems a short-sighted policy to refuse to permit the American sugar-beet and sugarcane growers to supply the American market insofar as they are able to do. A proper policy would be to permit full development of our own industry in the American market, giving only the surplus to foreign producers. We want to help the farmers. This is one way it can be done without raiding the Federal Treasury.

The Associated Chambers of Commerce of Southwestern Idaho and Eastern Oregon, on December 15, 1939, adopted a resolution which is worthy of our consideration in connection with this important problem. By it they memorialize the Congress to right the wrongs suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar by proper legislation to permit the progressive, orderly expansion of the production of sugar within the continental limits of the United States and to maintain the production market by quota regulations and adequate



tariffs on foreign sugar. I ask permission to include this resolution as a part of my remarks and respectfully urge my colleagues to consider the facts set forth in the resolution in connection with legislation on this important subject.

[Associated Chambers of Commerce of Southwestern Idaho and Eastern Oregon. Member chambers: In Idaho—Boise, Caldwell, Emmett, Fruitland, Homedale, Nampa, New Plymouth, Parma, Payette, Weiser, Wilder; in Oregon—Nyssa, Ontario, Vale]

EMMETT, IDAHO, December 15, 1939.

The following resolution was made and adopted at the regular bimonthly meeting of the Associated Chambers of Commerce in New Plymouth, Idaho, December 11, 1939:

"Whereas only 29.5 percent of domestic sugar sales are allotted to domestic producers at present, Cuba has practically the same amount, and our insular possessions 41.5 percent, American producers are rightfully entitled to all of the domestic market that they are able to supply; and

"Whereas the import quotas of raw sugar set at the present time have brought the farmers, the workers in the sugar factories, and the laborers in the beet fields in direct competition with the poorly paid labor in the sugar-producing territories outside of continental United States; such competition has the direct result of lowering the standard of living of these farmers and laborers to a level incompatible with the American way of life; and

"Whereas sugar beets can be effectively grown at a reasonable profit in western United States and there is no food more valuable to the consumer in nutritive worth even at a much higher price than at present; and

"Whereas the production of sugar beets provides employment at good wages for many times as many workers as the same acreage of other crops adapted to western agriculture and any control of the expansion of sugar-beet acreage means more unemployment and more relief clients who could otherwise make a living in this industry; and

"Whereas there is grave danger that the present policy, if continued, will result in many now employed in this country losing their means of livelihood, thereby further increasing the already tremendous burden of unemployment; and

"Whereas our beet growers, if permitted to make a reasonable amount of money are, due to their standard of living, many times better customers for eastern industry than are foreign sugar laborers and planters; and

"Whereas an orderly and sound expansion of beet plantings in accordance with the development of suitable land and the building of new factories to take care of the increased production is a reasonable and necessary process to the building up of our Western States and should be encouraged; and

"Whereas the expansion of the domestic production of sugar should be encouraged as a policy of national economy and defense; the acute shortage of sugar during the World War having demonstrated our need for a much higher continental sugar production in time of emergency; and

"Whereas because of the adaptability of this crop to the needs of this region and the dearth of substitutes, the restriction of the beet industry means the throttling of our agriculture by eliminating the best cultivated crop in a proper rotation for maintaining soil fertility and for control of weeds and crop pests; and

"Whereas the development of profitable agricultural operations is vital to the business of Western States, and therefore should be given most serious consideration by our lawmaking bodies; and

"Whereas the Associated Chambers of Commerce have given serious and careful consideration to the present sugar quotas, and the above facts have been definitely established: Now, therefore, be it

*Resolved*, That it is the prayer of your memorialists, the Associated Chambers of Commerce, that the Congress of the United States should, by proper legislation, right the wrong suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar, by proper legislation to permit the progressive, orderly expansion of the production of sugar within the continental limits of the United States, and to maintain the protective market by quota regulations and adequate tariffs on foreign sugar; be it further

*Resolved*, That a copy of this memorial be sent to the Secretaries of Agriculture, Interior, and State, and to the Members of the Senate and House of Representatives of western States in Congress."

## We Should Double the Mighty Handful

### EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

### A TESTIMONIAL TO THE UNITED STATES MARINE CORPS

Mr. OLIVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimonial

written by Thomas Earle Dwyer, a distinguished citizen of Maine, in commemoration of the one hundred and sixty-fourth anniversary of the birth of the United States Marine Corps, which anniversary occurred on November 10, 1939:

#### WE SHOULD DOUBLE THE MIGHTY HANDFUL

(By Thomas Earle Dwyer)

The 10th of November richly deserves an honored place amid the historic anniversaries dearest to the hearts of all Americans, for it was upon that day of that month of the year 1775 that the Continental Congress authorized the recruiting of the first military organization to serve the embattled Colonies in their war destined to strike off the yoke of British tyranny and to establish the Republic and the right of freemen to life, liberty, and the pursuit of happiness.

Entering upon that great struggle for liberation, before a single vessel of the Navy was sent to sea, before, in fact, the Regular Navy was organized, the Congress resolved:

"That two battalions of marines be raised, consisting of one colonel, two lieutenant colonels, two majors, and other officers as usual in other regiments; that they consist of an equal number of privates with other battalions; that particular care be taken that no persons be appointed to offices or enlisted into said battalions but such as are good seamen, or so acquainted with maritime affairs as to be able to serve to advantage by sea when required; that they be enlisted and commissioned to serve for and during the present war between Great Britain and the Colonies, unless dismissed by order of Congress; that they be distinguished by the names of the First and Second Battalions of American Marines."

The magnificent fruit of that resolution of the Continental Congress is emblazoned upon the history of the 164 years which have elapsed since the birth of the United States Marine Corps. Even as the sparsely settled, weak, and poverty-mantled Thirteen Colonies of 1775 have waxed great and become the heart of the richest, the most powerful, and the most blessed Nation upon the face of this earth, so has waxed the fame and the world-wide prestige of a peerless corps sprung from those two battalions of dauntless soldiers of the sea of Revolutionary days, a corps the entire history of which has been one of active service. No military organization of its kind in all the history of the world boasts a more glorious record nor more justly deserves the acclamation and the whole-hearted support of the Nation it serves.

During the American Revolution our marines distinguished themselves in action under Commodore Hopkins and John Paul Jones at sea and with Washington's army in battle at Trenton and Princeton and during subsequent engagements leading to the victorious culmination of that struggle for freedom. They served in the naval war with France from 1798 to 1801, and in the war with Tripoli from 1801 to 1805. The War of 1812 found them sharing in the most glorious actions asea and ashore, including the victory of Lake Erie, the invasion of Canada, the defense of Baltimore, and the Battle of Bladensburg.

From the War of 1812 to the War between the States, action followed action for the "mighty handful." They fought against the Indians in Florida and against the pirate strongholds in the Caribbean. They assisted in the capture of Veracruz and formed part of Scott's column in the march on Mexico City in 1847. They took part in many actions upon land and sea in connection with the conquest of California during the years 1845-47. And during the years subsequent to the Civil War, a period marked by general inactivity upon the part of our naval and military forces, the fame of our Marine Corps increased with its every expedition to disturbed areas wherein the lives and property of Americans were imperiled.

The Spanish-American War found marines distinguishing themselves afloat and ashore, with the battle fleet and in Cuba and the Philippines during the war, and in the pacification of disturbed areas. They nobly defended the legation quarter of Peking during the Boxer Rebellion and performed heroic deeds in performance of duty with the relief column. And the brilliant record made by them while serving with our Army in France remains too fresh in the memories of all Americans to require recounting.

Yet few Americans are aware that since the Boxer Rebellion our marines, in addition to their various regular duties upon ships of the Navy and in guarding our navy yards and shore stations about the world, have taken part in no less than 35 expeditions beyond our shores for the protecting of American citizens and have successfully intervened in civil strife in Santo Domingo, Haiti, and Nicaragua, withdrawing to leave those countries with stable governments, with public-health facilities, schools, roads, and public works which stand as a monument to our civilization and to the efficiency of the United States Marine Corps.

All too truly has it been written that such is our faith in the ability of the Marine Corps to handle any emergency that may confront it, that the moment we are told it is on the job our anxiety vanishes. No finer compliment could be paid to any servant of our Nation; no fact more fully demonstrate our utter confidence in our marines. Yet in so niggardly a fashion have we provided for the maintenance of that corps that today it has a strength of but about 1,280 officers and 21,000 enlisted men, which it is striving to recruit to 25,000.

In the present unsettled state of the world every thoughtful American well may devote consideration to the truth expressed by the Saturday Evening Post when, under date of February 18, 1933, it editorially declared:

"Since time out of mind we have been doing lip service to the Marine Corps. Time and again it has thrilled us with its exploits

and its traditions. Its very mention brings to American faces an expression of sympathetic admiration. That was all very well when we were wanting it to do for us some little job a thousand miles from home, which, by the way, was always done with neatness and dispatch; but now it is time for us to do something for the corps.

"These leathernecks of ours are a race apart. They spend most of their time away from home, afloat and ashore. They fight in the jungle, take chances with native snipers, tropical fevers, and every variety of hardship all for about a dollar a day. Why do they do it? The dollar a day is no answer. Their real pay is the chance they get to be on hand whenever there is trouble—that and their pride in the traditions of the service to which they belong. Semper fidelis, always faithful, is the motto of the corps. If it has lived up to this sentiment—and we know it has—we owe it some loyalty in return. The least we can do for it is to maintain it on a decent footing, so that it may carry on in the future as it has in the past."

In this one hundred and sixty-fifth year of the existence of the corps let it be our hope and our prayer that the Congress it has served so faithfully and so well will see fit to reward its fidelity. For, in the face of the menace of a war-mad world, what action more certainly could instill respect and hesitance in the minds of possible aggressors than the resolution of our Nation to strengthen the ranks of those leathernecks, whom militarists the world over know and respect and prefer to leave strictly alone?

Indeed, now it is time for us to do something for the corps. We should double the mighty handful.

### Some Lessons From the Armistice

#### EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ADDRESS BY FRANK E. GANNETT

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Frank Gannett delivered on Armistice Day before the American Legion and Chamber of Commerce, Rochester, N. Y.:

Again and again, in recent weeks, there has flashed across my mind that poem written by Col. John McCrae, who was in command of a Canadian regiment in the World War. You're all familiar with it. But let me repeat it:

"In Flanders fields the poppies blow  
Between the crosses, row on row,  
That mark our place; and in the sky  
The larks, still bravely singing, fly,  
Scarce heard amid the guns below.

"We are the dead. Short days ago  
We lived, felt dawn, saw sunset glow,  
Loved and were loved, and now we lie  
In Flanders fields.

"Take up our quarrel with the foe!  
To you, from failing hands we throw  
The torch—be yours to hold it high,  
If ye break faith with us who die,  
We shall not sleep, tho poppies grow  
In Flanders fields."

We gather here today for two purposes. First, to celebrate the end for us of the World War; second, to rededicate ourselves to the cause of peace, so that those men who sleep "neath poppies in Flanders fields" and on other battlefields of Europe shall not have died in vain.

#### TIDINGS OF JOY

Naturally our thoughts go back to a November day 21 years ago, to the eleventh hour of the eleventh day of the eleventh month of 1918. We remember with what frenzied joy we all received those glad tidings of peace. Mothers and fathers, brothers and sisters of the 4,000,000 men who had gone into service for our country rejoiced as if they had gone mad; for their loved ones were no longer to be targets for deadly guns, bursting shells, and exterminating gases. Never in our lives had we seen such unbounded happiness as prevailed throughout the world that memorable day.

At 10:55 that morning guns were thundering the length of the western front from Switzerland to the English Channel. At 10:59 guns were still thundering; men were dying. One minute later silence fell, a silence that for more than 4 years had not been known along the boundaries of "no man's land."

On either side of the line soldiers scrambled out of their trenches, utterly bewildered. They had lived to see the end of the war. One minute before 11 o'clock—war. To kill men was then a patriotic act. One second after 11—peace. To kill a man now was murder.

Seven hours earlier, in a dining car on a railway siding in a French forest, the armistice was signed. A few hours later Marshal Foch, Generalissimo of the Allied armies and the man who dictated the terms of the armistice, was in Paris talking to the premier of his Government. "My work is over," he said, "yours has just begun."

But alas, the work of war leaders was not yet over. Last August, baffled statesmen said to their generals, "We've done our best; we can do no more. Now your work has begun."

#### ECHO FROM THE PAST

And so, 21 years after the end of the last war, we have another war in Europe and again we are told—how it sounds like an echo from the past, a voice from the dead—we are told that this is a war for the defense of civilization. It is being fought by the sons of the men who waged the last war. Already some of them stand where their fathers rest under rows of small white wooden crosses.

Some 10,000,000 young men have been mobilized to fight this new war. It is difficult for our minds to grasp this figure. If these 10,000,000 men could be marched past us in military formation, 55 days and nights would elapse before that vast army could pass. That is the number of men already called up in the warring countries.

What tragic irony! That is the number who died in the last war—10,000,000 dead! Ten thousand miles of wooden crosses!

#### COUNTING THE COST

But death of millions was only part of the great cost of the World War. Two hundred billion dollars' worth of property was destroyed, twenty millions were maimed for life, thousands of hospitals were filled with men who never again can live normal lives. Worst of all, perhaps, in country after country, the war turned back the hands on the clock of liberty 150 years.

We went into the last war with the highest ideals. We were told it was to be a war to end war. We were told it was a war to make the world safe for democracy. We sought nothing for ourselves, we spurned all the prizes of war, refused to take any spoils from victory.

Another war is now under way in Europe which may be still more horrible than the one whose end we are celebrating. With this new war in progress, we meet today with mixed emotions. While celebrating that great event of 21 years ago—when we said "it must not happen again"—we are today gravely concerned, frightened over the state of world affairs, hoping and praying for a second Armistice Day that will end this useless waste of lives and property, and remove this great threat to civilization.

It is needless to discuss the absurdity and stupidity of war. We see it crystal clear. We know from that awful experience of 1917 and 1918 what a devilish, devastating, murderous, useless thing is war. Every country that participates must be the loser. No matter who may be called the victor on the battlefield, both sides are victims.

#### WAR DESTROYED LIBERTY

In spite of our tremendous sacrifices, in spite of the staggering cost in lives and property, the war we fought did not make the world safe for democracy. It had rather the opposite effect. Out of the muddled peace came totalitarian governments which destroyed political, religious, and economic rights, deprived men and women of life, liberty, and the pursuit of happiness, took away their freedom, and made millions of helpless people mere vassals of the state, doomed to a bare existence.

Five European nations, it is true, did rid themselves of their monarchs and set themselves up as republics. Encouraged by the doctrine of self-determination of peoples, six new republics were founded. Today, of the five former monarchies which became republics, four have succumbed to dictatorships. Of the six new republics, but one, Finland, is left, and today she fears the Russian menace. Czechoslovakia is gone. Poland is gone. The three Baltic republics are under the bloody thumb of Moscow. And so war comes again, this time not against autocracy, but against totalitarian tyranny.

Instead of making the world safe for democracy, they made it unsafe for democracy. Indeed it is difficult to see where, so far as Europe is concerned, anything was gained from those terrible losses.

#### OUR COSTLY LESSON

But, for America, our tremendous sacrifices may not have been in vain. If the lessons that we learned from that experience serve to keep us out of another World War, then we shall not have broken faith with those who died, and they may sleep undisturbed "where poppies blow in Flanders' fields." It is a terrible price to pay, but if those sacrifices do save this country from war for generations to come, they will not have been futile.

No war is justified except a war of defense to protect our homes. It is fitting today, therefore, that we here solemnly resolve to keep out of this new war in Europe. There is no doubt that our deep sympathies are for the democracies. We abhor totalitarianism. But we must not let these sympathies and our emotions lead us into this present struggle, which Europe may find in the end to be as much in vain as was the last.

Let us not be misled; this war does not threaten America. No matter what may be its outcome, we, in this hemisphere, thanks to the Atlantic Ocean, can be made immune from subjugation by any Old World dictator.

#### A RINGING KEYNOTE

National Commander Kelly, of the American Legion, surely has sounded the keynote for this Armistice Day in saying it should be



devoted to strengthening our determination to remain neutral—to keep out of this war.

Here are his words, which I heartily endorse: "More than 4,000,000 men and women, who served this country in the World War, feel more deeply about the observance of this Armistice anniversary than we have at any time since 1918. We who have known war want peace."

"We will combat propaganda vigorously, of whatever kind and regardless of its source, when it is designed to break down our neutrality. Make Armistice Day an occasion to warn our fellow citizens against the hysteria of propaganda."

Let us then, upon this 21st day of remembrance of our World War sacrifices, make this our unyielding resolution: "Millions for defense, but not one man for Europe."

We must resolve with equal firmness that there be no armistice, now or at any time in the future, in our struggle to preserve here at home our system of constitutional democracy, which will be in grave danger should war come.

#### FACE STAGGERING DEBT

Conditions today are different. Then we had a national debt of only a billion dollars. Today it is forty-five billion. Then we had little unemployment; today nine or ten million are unemployed. Should we enter the war, we might easily spend another \$50,000,000,000 and create a public debt that could never be paid. Such a debt would bring inflation, wipe out all values, make insurance policies and savings-bank deposits worthless and destroy the financial structure of our country. We should be in such dire straits that only a dictator could then save us from complete ruin.

Just as unbearable economic conditions made possible the dictators in Europe, so intolerable economic conditions here would bring dictatorship upon us.

Plans already have been carefully drafted, after years of study, for efficient but ruthless regimentation of the country for prosecution of war, if it comes. We should surrender all of the rights and privileges we now enjoy. Not only would our youth be sent to battle but every man and woman would be drafted for some form of service.

#### SURRENDER ALL RIGHTS

The Government would have complete control over our lives, over our whole economic system. The Government, in case of war, would say for how much and how long we should work, what and how much we should eat, how much light and heat we should have in our homes. Freedom of the press, freedom of radio would disappear. Should we enter the war, our Government would have all the dictatorial powers now in the hands of the rulers of totalitarian states in Europe.

If we are to preserve our system of constitutional government, our freedom, and our liberty, we must make sure we do not enter this war.

There are, of course, many who would now like to help the Allies, a few who would even take up arms on their side. But for my part I am puzzled over the question what this war is all about, what can be accomplished by it. Certainly no one yet has stated the cause in a way that convinces me that our own vital interests are at stake.

We can understand why France and Britain feel that they must overthrow Hitler who, they are convinced, is the aggressor, the liar, the murderer, the man who cannot be trusted. We can understand how these nations must have an end to the terrorism under which they live.

#### POLICING THE WORLD

But it is not our business to police the world or to determine what kind of government the German people shall have, or what kind of government the Russian people shall have, or the kind of government any other people shall have. We do not permit any country to interfere with our ideas of government. Why should we interfere with theirs?

If, on the record of oppression and aggression, we feel we should take up arms against Hitler, we should also take up arms against Stalin. Indeed, today Stalin is a greater menace to the world than is Hitler. Surely because of our desire to see democracy fostered and protected, we cannot take upon ourselves the titanic task of overthrowing all the dictators of the world.

No; our task is to make America great and strong, to develop here a country so happy and prosperous that other nations of the world will be drawn to emulate us.

#### EXAMPLE FOR THE WORLD

What an example we already have set for the rest of the world. Here in America live people from all the countries of the globe. They reside side by side in peace. They become friends. They intermarry. There is never a thought that anyone should attack another because the governments of their fatherlands in Europe may be on unfriendly terms, or even at war.

If people of all nations can live here as brothers and friends, why cannot they so live in the Old World?

None of the peoples in those countries now at war in Europe wanted this war. Yet this world catastrophe is man-made. There are many factors in the situation, but most potent of all, perhaps, is the urge, on the part of the governments, to provide tolerable economic conditions for their peoples. But when this urge takes the form of greed for power and territory, the resulting aggression does not solve the problem, but creates more economic distress.

Five years ago, returning from Europe where I had the opportunity to see and talk with leading statesmen, premiers, and dictators, I predicted in this very hall that unless representatives of the

various nations were called to a conference for settling their difference around the table, we should have this horrible situation in which Europe finds itself.

#### NEED ABLE LEADERSHIP

Sooner or later there must be an armistice to end the present war. Why wait until millions more of the promising youth of the world are slaughtered and all the dire consequences of war suffered? Why not a real peace effort now and thus avoid the frightful losses, the ruin and disaster of war? Are there not statesmen able and strong enough to formulate a plan that will put an end to this greed for territory and power, bring about disarmament, provide greater social and economic justice, and thus take from the backs of suffering humanity the burdens that are crushing so many nations?

The world cries out for statesmanship and able leaders, statesmen free from selfish motives, free from hatred and prejudice and fear—frank, generous, just men who follow the teachings of the Prince of Peace and His commandment to "love thy neighbor as thyself."

While waiting for that happy day when this war will end there may be little for us to do about it except to build up our defenses and make them adequate to protect us against any aggressor or any emergency. We must, however, keep always in mind that what we seek is a peace among nations that will make armaments unnecessary.

#### SANE PREPAREDNESS

In the early days on our western frontier every man was armed. But the time came when it was found that guns could be laid aside, under the protection of officers of peace. If men have found it unnecessary to carry arms, why can't nations adopt a similar policy, of course, within limits that will make possible the enforcement of law?

So long as we must arm, it is gratifying to see the American Legion urging a program of preparedness, sane preparedness. You men who went through the World War know too well how unprepared we were. Men just out of civilian life were rushed to France. Some were sent into battle without ever having been taught how to load and fire a rifle. Thousands of American lives could have been saved had we been better prepared in 1917.

Today our military preparedness is not being overlooked. We can, I am sure, find a way to make our defensive forces adequate and effective without making this a military nation.

#### PRESERVATION OF DEMOCRACY

But let us think not merely of war; rather of peace, where greater victories can be won than on the battlefields; can be won not with guns and bullets but with minds, hearts, and ballots. We must fight for the defense and preservation of the ideal for which we were willing to go to war, our ideal of democracy. We must fight not to kill some foe, but for equality, for opportunity for all, for equal justice for all, for freedom to say what we believe, freedom to worship as we believe, to assemble and live as we wish so long as we do not harm others; fight for freedom to achieve our ambitions.

In short, we must fight for the privilege of enjoying life, liberty, and the pursuit of happiness. We must resist the interference of any despot or dictator; we must be sure that the Government does not assume control, regiment or regulate the life of the individual.

We must see to it that none of us becomes a subject of the Government. Instead we must keep the Government subject to the people.

#### PRODUCT OF THE AGES

In the 19 centuries of our Christian era, some 40,000,000,000 of people have lived and died. Those 19 centuries saw the destruction of Roman civilization, followed by the intellectual vacuum of the Dark Ages. Then came the sunrise of the Middle Ages, the Renaissance, the discovery of America, the beginnings of a constitutional government, and finally, in this country, the drafting of a document which was not a grant of powers to the people won by them or grudgingly given them, but was a grant by the people of limited powers to their Government.

And thus it is that in the 19 centuries since the birth of Christ less than 3 percent of those 40,000,000,000 beings ever knew what freedom was, and less than 1 percent ever had opportunity of enjoying it as we enjoy it today in America.

How precious is such a heritage. It must not be jeopardized.

One reason why democracy is such a rich heritage is that it had to be won. It has never been given to a people. What autocrat or dictator, ever suddenly and of his own volition, decided to make his people free? No people ever gained freedom without a struggle, and once it has been won the struggle must go on.

Since it was adopted, there have been, again and again, threats to our Constitution. Recently terrific forces have arisen to menace it. Only eternal vigilance and effort by every citizen will save from these destructive forces our Constitution and our democracy.

#### LEGION IN FOREFRONT

The American Legion, with its large membership, has already seen this great opportunity to serve our country again, and has been in the forefront of the fight against those who would overthrow our democracy and substitute for it some foreign "ism." I am hopeful that, with equal zeal, they will fight against every move that would increase the authority of our Federal Government or give to any President powers that may lead toward a dictatorship.

The experience of those hapless countries of Europe proves that when the people once surrender powers it is too often impossible to regain them. Our liberties and our freedoms must be held so dearly that we will never surrender them to anyone. It was only



through appalling sacrifices over the centuries that we are free men—free from slavery to government. We must not now lose this liberty and freedom through cowardice and indifference.

On this occasion it is good, also, not only to look back but to look ahead—to look at America's future.

#### KEEP OUT OF WAR

If we preserve our form of government, protect our Constitution and our system of free enterprise, keep out of war, except in case of attack; if we accept our full responsibilities of citizenship and see to it that we have what we should have—the best government on earth—then there will be no limit to the development of our great country.

We have not reached the last frontier, for new frontiers are opening up to us every day. In research laboratories throughout the land science is drawing aside the curtains and giving us a glimpse of a new world. If we're only allowed to develop our possibilities, even the wonderful progress that we have made in the 150 years under our Constitution—the greatest progress the world has ever seen—will be dimmed by new achievements, and we shall advance into a world of abundance and happiness the like of which the greatest dreamer never dreamed.

As we have fought the foe on our battlefields, we must fight our enemies of peacetime. We must wage unceasing war on poverty, disease, ignorance, intolerance. We must wage war against special privilege and see to it that everyone has an opportunity to improve himself and develop to the utmost his talents. In these battles for a higher standard of living and prosperity, for the enjoyment of our freedom and liberties, we need men of the same courage as our soldiers showed in the World War. We need sane, patriotic leadership. We can win this war for a better world as we have won all our other wars. We must win.

#### GUIDED BY A SUPREME POWER

Today let us all resolve anew to battle everlastingly for peace, to keep up our efforts to end all war, to carry forward the torch the men who fought in the World War have passed on to us.

Repeatedly through our history it has seemed that the destiny of this great Nation has been guided by a supreme power. We have passed through many dark, discouraging days only to find that hard, bitter experience ultimately has meant progress toward a better world.

Some day I feel sure we shall realize that the 4,000,000 men who went into service in the World War, the men whom we honor today, not only did their full part to win the war but through their sacrifices nobly helped to bring us closer to that day of which mankind has dreamed ever since the Nazarene lived His sacrificial life, when there shall be "Peace on earth, good will toward men."

### "Peace on Earth, Good Will to Men"

#### EXTENSION OF REMARKS

OF

### HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA,  
AT THE PROGRAM ON THE EVENING OF DECEMBER 24, 1939,  
AT THE LIGHTING OF THE NATIONAL COMMUNITY CHRISTMAS TREE

Mr. RANDOLPH. Mr. Speaker, it was my high privilege to preside as chairman at the lighting of the national community Christmas tree. The President of the United States gave an excellent message, and my colleague Representative LOUIS LUDLOW has placed that speech in today's RECORD. I presented the Chief Executive as a man who not only believes in peace but who works for peace. I have that firm conviction.

At this point I include the brief remarks which I made as a part of the program:

Of all time-honored festivals Christmas awakens in our consciousness the strongest and most-treasured associations. We think of carol singers, candle-lighted churches, and happy homes.

We sense a sacred and solemn feeling that blends with our gladness and elevates the spirit to a state of hallowed and lofty joy. The dominant theme, both human and religious, is peace—the peace of the first Christmas when heralding angels bestowed their benediction on the earth.

To us in America this perception of peace should be acute this Christmas Eve. In parts of the world tonight the angelic salutation of the first Christmas goes unheeded. Its message is scorned. Some men choose to follow the dark stars of their own destiny instead of the luminous Star of Bethlehem. Their lust for power has led them far from the path of those ancient and wiser rulers, the three kings who sought to pay homage to the Prince of Peace.

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The people in those nations are restless for peace but, all too sadly, their leaders have failed to realize the true meaning of the Nativity.

For ourselves we are deeply conscious of a happier and a nobler realization. The message of Christmas is conveyed to us this year with a clarity that is strikingly significant in contrast with the dull rumble of the wars about us. We are at peace, and we intend to preserve that peace as a part of our national substance.

With a full comprehension of the preciousness of our possession, and in the genuine spirit of this joyous season, it is our fervent prayer that the blessing of the peace we cherish so dearly may descend in all its fullness on those less fortunate than ourselves. In that prayer, and in our earnest desire for its fulfillment, we shall give to our fellow men the most magnificent Christmas gift we can bestow. This Christmas Eve the power of peace needs regeneration in the hearts of all.

Let us in America dedicate ourselves to the preservation of the ideal of the first Christmas—"Peace on earth; good will to men." May the peace of our Christmas overflow the world until the sense of an unbroken joy is experienced by mankind everywhere.

I trust that this sense of unity and universal good will may enter into all hearts and bring hope and promise for the New Year.

#### A United America

#### EXTENSION OF REMARKS

OF

### HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. THORKELSON. Mr. Speaker, a question to be decided some future day is unification of the many groups into which our Nation is now divided. Such unification is desirable and simple if all citizens can meet on a common ground.

Suppose we now assume that all of our people believe in the principles as set forth in the Constitution of the United States. What would be the result? The result would be a united patriotic Nation composed of patriotic and loyal American people. It is upon these principles that all Americans must unite, and those who cannot do so must be looked upon as problem groups by their own selection, unassimilable, and therefore anti-American.

#### SOCIETY AND GOVERNMENTS

Let us now for an illustration compare the peoples of a nation to a pyramid, the base representing the plain or common people, and the apex, the titled and rich people. We have in such picture a fair contrast of society levels, from the highest to the lowest. A nation is, of course, composed of many social groups, but to serve my purpose I shall for simplicity divide society into two groups; that is, the much-discussed and publicized "haves" and the "have nots." To carry out this illustration, I now divide the people into two political groups, each forming a distinct type of government: The "right," an autocracy under the rule of a king or emperor, comprising the titled and the rich people wielding the power of money; the "left," a democracy under the rule of a dictator or despot supported by the police and the military, wielding the power of force. Both types of such governments are undesirable and will, as they swing to the right or left, become unbearable to the people over which either type rules.

Russia provides examples of both types. Under the Czar, the Russian Government was an aristocratic despotism, "autocracy." Under the present dictator the Russian Government is a democratic despotism, "democracy." Of these two types, the present "communistic democracy" is the most pernicious and destructive, reason for which may be found in the fact that the Russian Government is anti-Christian.

Lenin and Trotsky paved their road to power with the bodies of murdered innocent people. The despotic dictator, Stalin, has maintained his position by liquidating all opposition in the present Russian "democracy."

The imperialistic Russian Government under the Czar was also a despotism, but it was Christian and, therefore, less obnoxious. The Czar did not engage in mass liquidation but committed political offenders to Siberia. His leniency toward such political offenders as Trotsky and Lenin eventually brought about his own downfall.

The founders of our country having lived under tyrannical masters were well familiar with aristocratic and autocratic despotisms. It was with this knowledge fresh in mind that they set to work to organize the first Government of the United States. The first attempt was a failure, for the Articles of Confederation did not establish balance or unity, but left each of the Thirteen States independent and free, with little responsibility to the Central Government. The Articles of Confederation, while forming the basic principles of the Constitution of the United States, was in reality nothing more than a mutual-defense pact among the Original States. I quote articles 2 and 3:

ART. 2. Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right which is not by this confederation expressly delegated to the United States in Congress assembled.

ART. 3. The said States hereby severally enter into a firm league of friendship with each other for their common defense, the security of their liberties, and their mutual and general welfare, binding themselves to assist each other against all force offered to or attacks made upon them, or any of them, on account of religion, sovereignty, trade, or any other pretense whatsoever.

It is clearly evident, after reading the Articles of Confederation, that the draftsmen had two definite objects in mind: First, that each State retain its sovereignty, freedom, and independence; second, that the United States should control the Federal Government. The manner in which this was to be accomplished is set forth in article 5:

ART. 5. For the more convenient management of the general interests of the United States, delegates shall be annually appointed in such manner as the legislature of each State shall direct, to meet in Congress on the first Monday in November in every year, with a power reserved to each State to recall its delegates, or any of them, at any time within the year and to send others in their stead for the remainder of the year.

Each State shall maintain its own delegates in a meeting of the States and while they act as members of the committee of the States.

In determining questions in the United States in Congress assembled, each State shall have one vote.

It is quite evident that the gentlemen who wrote these paragraphs into the Articles of Confederation had the same thing in mind when they wrote the Constitution of the United States, for in it provision is also made for State representation in the Senate of the United States and for the withdrawal of such representatives when they violate their obligation by misrepresenting their State.

The States, after operating under the Articles of Confederation for 9 years, found the instrument incomplete, and to correct the error and provide a balanced government, "In order to form a more perfect union," they called the Constitutional Convention in Philadelphia, May 1787. The Constitution was ratified on September 17, 1787. In regard to this, Washington said:

I conceive, under an energetic general government, such regulations might be made and such measures taken as would render this country the asylum of pacific and industrious characters from all parts of Europe—a kind of an asylum for mankind.

Of the many governments that have ruled nations throughout the ages our Government, as formulated in the Constitution, is the best, for it blends the better elements of the two major types. It is not an aristocracy and it is not a democracy, but it is instead a democratic republic in which the people, by electing the government of each State, provide an instrument of their own choice—the State legislature—with power to select two men to represent the State in the Senate of the United States. In this manner the party in power and the State legislators, in a certain sense, sponsored and put their stamp of approval on their State senators. This procedure of selecting Senators established State control of the United States Senate. It was through this representation in the Senate that the 48 United States directed the Federal Government in its international relations and national administration.

It is clearly evident, after reading the Constitution, that the entire Federal Government is subservient to the Congress of the United States. Congress, in transferring its power to the Executive and other Federal departments, reversed this wise provision of the Constitution by unconstitutional dispensation of its delegated powers. The Executive and all

executive departments through their chiefs are directly responsible to the Senate, the Senators are responsible to their State governments, and the Senate to the United States of America. That is clearly evident after reading article II.

Mr. Speaker, I now charge that State rights and direct State representation and equal suffrage in the United States Senate were abolished when the seventeenth amendment was adopted. I further charge that this drastic change removed balance and destroyed our republican form of government as set forth in the Constitution of the United States.

To prove my assertion I quote:

ART. IV, SEC. 4. The United States shall guarantee to every State in this Union a republican form of government.

And—

ART. V. \* \* \* No State, without its consent, shall be deprived of its equal suffrage in the Senate.

It is my desire to call attention to the fact that a republican form of government and equal suffrage in the Senate cannot be abolished except by unanimous consent, because the 48 States, according to article IV, section 4, guarantee these rights to themselves and to each State in the words:

The United States shall guarantee to every State in this Union a republican form of government.

Since adoption of the seventeenth amendment there has been no State suffrage in the Senate and, therefore, no legislative balance. It was State influence and control in the Senate that provided balance in the Government, and it was that which was destroyed when this amendment was adopted. There is a technical question involved in the adoption of this amendment because of the wording in the Constitution, as already expressed. If the adoption of this amendment was not ratified unanimously, there is a possibility that it is now null and void.

It should now be clear that if we continue operation under the seventeenth amendment the Government will in time swing entirely to the left and we will then have a true democracy in its real meaning. To this I believe every patriotic American will object; and if we fail to provide correction by restoring States' rights, the final result will be revolution. Americans will never submissively kneel to a dictator.

### Americanism

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ARTICLE BY K. L. BROWN

Mr. ALEXANDER. Mr. Speaker, the Elks recently offered a prize of \$100 for the best definition of "Americanism." The prize was won by K. L. Brown, Scout executive of the Boy Scouts of America. I submit Mr. Brown's article to the House because it carries and amplifies the expression I have so often made that Americanism is the practical working application by government of the principles of Christianity in our everyday lives. Here is Mr. Brown's definition:

Americanism is an abiding faith in the correctness and justice of the principles contained in the Declaration of Independence, the Constitution of the United States, and the Bill of Rights.

Americanism is a way of life, based on this abiding faith. It is a willingness to live in peace and harmony with our fellow men, regardless of political or religious faith.

Americanism is a willingness to apply the principles of free speech, free press, and freedom to worship God to our fellow men, even when their ideas and speech and methods of worship are opposed to our own.

Americanism is a willingness to live for the principles of America in peacetimes, as well as a willingness to die for American principles in wartimes.

Americanism brings to each American liberty under law, and a regard for law which means liberty and happiness for each of us.

Think this over and see what a very good definition it is.



**The Late Robert Marshall, Director of the Division of Recreation and Lands, United States Forest Service**

**EXTENSION OF REMARKS**

OF

**HON. JOHN M. COFFEE**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 3, 1940*

ARTICLE FROM THE NEW REPUBLIC OF DECEMBER 27, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein an article from the New Republic of December 27, 1939, entitled "Gap in the Front Lines," written by several coauthors and dealing with the life, achievements, and significance of the work of the late Robert Marshall.

I happen to have had the good fortune of knowing Bob Marshall intimately. He was a source of inspiration to me in my work as a Congressman. His engaging personality, his unflinching geniality, his brilliant analytical mind, his philosophic bent, all combined to make him a man among men. His passing at the premature age of 38 from the world's scene makes a gap which it will be very difficult to fill.

Bob Marshall was a man possessed of an immense income, but who lived modestly and used his income for the purpose of helping others. Inconspicuously and without fanfare he donated a fortune every year in order that indigent individuals and pecuniarily embarrassed liberal groups might have their ambitions and objectives made nearer of accomplishment. I call him an ameliorator.

The article is as follows:

[From the New Republic of December 27, 1939]

**GAP IN THE FRONT LINES**

(By Catherine Bauer, Thomas and Catherine Blaisdell (executive secretary, Temporary National Economic Committee), Lillian and John Coffee (Member of Congress), John Collier (Director, United States Indian Service), Gardner and Dorothy Jackson (ex-"brain truster," prominent publicist, and nationally known liberal), F. A. Silcox (now deceased, was Chief Forester of the United States), Raphael and Anna Zon (forester and publicist))

SIR: Robert Marshall, who died suddenly on November 11 at the age of 38, would have deplored any time, space, or energy devoted to a solemn eulogy of himself or his works. If convinced that some memorial was unavoidable, he would certainly have advised his friends to take a 30-mile walk, get dressed up and go dancing, or engage in a good rousing fight with the most obstructive stuffed shirt available.

But a lot of very fundamental qualities—absolute honesty, realism, belief in human beings—took on a kind of inspired and flashing force in Bob. And these qualities, rarely enough found among the intellectuals even in less crystalline form, are vital to the difficult process of improving this world—particularly when they are directed with such systematic energy toward the concrete and useful ends which Bob had always before him.

And so, in a season marked by more than usual cynicism and confusion, it seems imperative to notice publicly the painful gaps created by his death. Perhaps there are some able youngsters coming along who will be encouraged to know that such a whole-hearted and at the same time hard-boiled idealist as Bob not only can be extremely useful and effective but also have a very swell life.

Here are some of the things Bob was. No one person can be exactly this again, but the country needs everyone who can do any part of his work.

He was the protector of the remaining wilderness areas, passionate enough to know that the fight is worth while, even though it may be a generation before the masses of the people have the chance to find pleasure and recreation in them, but also convinced that the fight will not have been worth while until that is achieved. The right person must be appointed to Bob's old job in the Forest Service—Director of the Division of Recreation and Lands—the job which was made for him and which marked the Forest Service's first major recognition of the recreational value of our forests and wilderness. (One of the primitive areas he helped to save will soon be named for him.) And the Wilderness Society, that compact and useful mouthpiece and educational instrument, must be kept going and strengthened. Within the next few years Bob would certainly have written the classic book on natural environment in America and there have outlined a long-term social-economic policy

for our natural heritage. Someone must step into the breach and train himself for this responsibility.

He was a lively and insistent cross-current in the Washington scene. The great tragedy of even the best bureaucrats is that they tend to mill around in ever smaller and smaller circles, caught in a sort of downward vortex of expertise and office gossip. Great ideas and fundamental principles become embarrassing in ordinary conversation. But Bob had the nerve systematically to get all kinds of people together—Congressmen, prima donna "brain trusters," professional civil servants, promoters of this or that—hand them a dubious drink, and then insist that they debate seriously and exhaustively on some such topic as the public ownership of resources, Soviet Russia, or our refugee policy.

He was an unwearied, unsentimental, common-sense radical who never supported any movement without participating in it wholeheartedly and responsively. His ideals were always fitted to real people and real situations, and he was therefore never swallowed up by the frustration which sooner or later overcomes intellectuals who embrace abstract credos and then confuse the salvation of their own souls with the common weal. The organization of the unemployed and the sharecroppers he saw and supported as necessary immediate steps, whatever might come thereafter.

He was a scientist who, on the one hand, applied a disciplined objective method in even the most trivial observations, and who, on the other hand, loved all kinds of people because he understood them so well and could satisfy his insatiable curiosity about people because he loved them so well. He never took one of his 40-mile walks without making a dozen friends and learning something valuable about the people as well as the landscape. Even the simplest souls liked and trusted him enough (though he may often have seemed rather a "nut" to them) to give him something of themselves and to accept something of him in return. His "Arctic Village" is an extraordinarily fresh and significant work in the field of social and regional analysis. More studies need to be made in this spirit.

He was an effective and energetic public servant who proved that candor plus knowing your "stuff" can often work more miracles than the smoothest guile, but who very well understood how the wheels go round, and when and where to fight, to ridicule, to accept. Enjoying his own work thoroughly (and embroidering the civil service occasionally with such stimulating deeds as his heroic burlesque fight with the dead hand of the Comptroller General's office), he was the one guy who could always pull you out of the "squirrel cage" and make you feel again the excitement, importance, and opportunity in what you were trying to do. When he died he was just about to take 2 months' leave to write a book which had long been in his head—a book on Federal public administration, which would certainly have given pleasure, a sharp and witty picture, realistic information, and useful advice to those numerous responsible citizens who curse or praise Washington by the hour but haven't the faintest understanding of the actual workings of this gigantic instrument which is in their hands. Here's another job for someone.

**Robert Fechner's Fine Service**

**EXTENSION OF REMARKS**

OF

**HON. WILLIAM L. NELSON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 3, 1940*

EDITORIAL FROM THE ST. LOUIS GLOBE-DEMOCRAT

Mr. NELSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Globe-Democrat:

The inclination to evaluate the fine service of Robert Fechner, Director since its inception of the Civilian Conservation Corps, in terms of field, forest, and farm betterment, leaves the most valuable part of his work practically unsung. We may measure the worth of soil-erosion projects carried on under his direction, count the trees planted and the forest stands improved, show in miles the truck trails and minor roads constructed, add up the check dams erected, streams bridged and cleared, and fish planted, give worth to insect and rodent control, and weigh hundreds of other projects up to real values. But we have no way of laying a yardstick on the worth to youth itself this emergency device has offered by taking some 2,400,000 young men of the Nation off of street corners, teaching them arts and industry, and handing most of them back to their communities ready to fend for themselves.

Mr. Fechner, who died Monday, of particular fitness for the work, made the most of his opportunity. His chief thought in processing idle youth during the depth of the depression when youth was at loose ends was to turn them back to civil life better prepared to care for themselves than when they left it to enlist in the corps. There are hundreds of thousands of instances, no doubt, which will stand as living examples of the effectiveness of the method.

Mr. Fechner himself followed the work road upward. He was at an apprentice's bench in a machine shop at 16 and as a journeyman was a "boomer" machinist, following his trade in Central and South America for a number of years until he realized the worth of settled roots, as a railroad employee in Georgia. From that point he advanced in labor circles, and was active during the World War in settling labor disputes in various war industry factories. Later he was invited to lecture to students of Harvard University and other institutions.

But his most useful service was that of organizing and directing the first emergency relief effort of the Government in March 1933. First known as the Emergency Conservation Work, the agency became the Civilian Conservation Corps, and it is doubtful if any man could have armed it as promptly or as effectively for its purpose of getting unemployed youth off of the streets and into useful work as it was armed by Mr. Fechner. His understanding was immediate and his methods of administration undoubtedly gave the new picture the fine color it has borne to this day. No agency of public relief has a comparable record, and no method of human rescue will have more lasting effect of betterment without dregs.

### God Bless America

#### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ARTICLE BY M. M. GUHIN

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks by including a thoughtful and patriotic Christmas sentiment sent out by one of the distinguished citizens of my congressional district, Mr. M. M. Guhin, of Aberdeen. I take the liberty of calling the attention of this body to this statement, which is entitled "God Bless America," because it seems to me it conveys some significant thoughts which it behooves us all to ponder carefully as we enter upon our duties on this first day of the closing session of the Seventy-sixth Congress. I find myself in whole-hearted agreement with the sentiment expressed herein, and I hope that each of us may receive something of inspiration from the reading of this patriotic Christmas expression.

GOD BLESS AMERICA

(By M. M. Guhin, Aberdeen, S. Dak.)

The theme of this song is both a thanksgiving and a prayer. God blessed America even in its geologic formation. Its mountains were inlaid with veins of gold, silver, coal, and iron ore; its forests, if conserved, would have provided dwellings for men as munificently as they did for birds; its Great Plains were the potential garden spot of the world; and great subterranean lakes of oil lay placidly waiting for man's ingenuity to develop and utilize them.

God blessed America when He piloted the Pilgrims to its lonely shore. They came from southeast England, descendants of the Angles and Saxons, who, centuries before, migrated from old Fredonia, a province which had never fully yielded to the power of Caesar. It was in the homeland of the Pilgrims, too, that the English barons wrested the Magna Carta from stubborn King John. With a centuries-old background of liberty-loving aspirations, the Pilgrims sought self-government and the right to worship God as their conscience dictated; the Mayflower Compact was a prophecy of the Constitution. Other persecuted peoples soon joined the Pilgrims in America—Puritans in Massachusetts, Quakers in Pennsylvania, Catholics in Maryland, poor debtors in Georgia, and Royalists in Virginia. Challenges to autocratic power permeate colonial history. With invincible courage and fortitude, Bacon, Hutchinson, Roger Williams, Franklin, and other prophets of liberty asserted man's right to self-government and to freedom of speech, press, religion, and assembly.

God blessed America by inspiring faith and hope in the great patriots of the Revolution, led by the immortal Washington in the field of battle, and by Jefferson in the field of thought. The story of the Revolution is the illad of liberty and self-government striving for realization. Dark days of near chaos, "the times that tried men's souls," followed the Revolution before the God-given inspiration of union gave promise of an enduring nation. The Constitutional Convention was the greatest assemblage of statesmen in the world's history. It produced the American Constitution, called by Gladstone, "The greatest document ever conceived by the mind and purpose of man." Truly it was destined to be "the wonder and the admiration of all future generations and the model on which all future governments shall be built." The Nation was singularly

blessed, too, by having Washington, as President, initiate the greatest experiment in democracy in the annals of history. True, a dark cloud of impending evil hung over the land in the form of slavery, but God gave us martyred Lincoln as the savior of the Union when the crisis came which tested the fundamental principles of the Declaration of Independence and of the Constitution. From the awful carnage of Civil War emerged a chastened and purified nation dedicated for all time to "liberty and union, now and forever, one and inseparable." Gradually fundamental principles of justice were crystallized in other reforms, such as the Australian ballot and the enfranchisement of women.

God blessed America by making it the refuge of the oppressed, the persecuted, and the suffering from many lands—German refugees from the revolution of 1848, Irish from plague-stricken Erin, Scandinavians from their crowded homelands, Hollanders, Poles, Russians, Italians, and migrants from the Balkan states. All were impelled by a desire for greater opportunity, more freedom, and more self-determination. The leaven of democracy permeated the Nation, and invariably the immigrant became "an American and nothing else." Thus for the first time in the history of mankind there evolved a nation free from bonds of tribe or clan, camouflaged now by the term "race." We are not a race but a melting pot of 60 different races. Racial consciousness, racial hates, racial superiority complexes have no place in America's destiny. Americanism has no racial import; Americanism signifies the acceptance of certain eternal laws of rectitude, certain axiomatic principles of government based upon the postulate of the Fatherhood of God and the brotherhood of man. Americanism denies that there is, or ever can be, a man great enough to rule his fellows without their consent. Americanism means the elimination of all class distinctions and discriminations based upon race, color, religion, or economic status. Americanism is the soul of America in the individual striving for realization in everyday life. As Rabbi Wise said: "America seems destined, in the providence of God, to be the meeting place of all the peoples, to be the world's great experiment in human brotherhood—all of us learning that other races are not inferior, other nations are not barbarians, and other faiths are not Godless."

God bless America, however, is an invocation as well as a thanksgiving. Never since the frail *Mayflower* dared the storms of the Atlantic has democracy faced greater perils than it does today. Great nations have repudiated it for dictatorial government; war stalks like an evil spirit in two continents, threatening the very existence of white civilization. The world seems to be facing the terrible dilemma of having "Truth forever on the scaffold, Wrong forever on the throne." Save us, O Lord, from the awful horrors of modern warfare! Give us continuing peace, that we may be a ministering angel to a blood-drenched and war-weary world, when men again listen to the angel chorus paying homage to the Prince of Peace—"Glory to God in the highest, and peace on earth to men of good will." May we cherish faith, hope, and charity; may we still believe that—

"Behind the dim unknown

Standeth God within the shadows keeping watch above His own."

God bless America and help it prove the efficacy of democracy. The fate of Christianity, the fate of democracy will not be settled on the battlefield. Christianity did not die when its Founder was crucified, leaving only His 11 loyal apostles to carry on the work of redemption. Democracy did not die when colonial farmers, numbering less than Chicago's present population, challenged a great empire; it did not die when a rebel army was threatening Washington City. Democracy will not die if men are loyal to the belief in a Supreme Being who created and endowed man with a dignity which only a democracy can satisfy. Democracy will not die if we retain the faith of our fathers in both religion and government, if we cherish the glorious history of our country; if we keep troth with the countless dead, who sacrificed all that democracy might live. Democracy cannot die if "We here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, and for the people shall not perish from the earth."

God bless America and help us eliminate those national taints which afford arguments against self-government. May we cease to be the most lawless Nation on earth, with an annual crime bill of \$15,000,000,000. May we find a way to end the age-old struggle between capital and labor. May we eliminate the anomaly of surpluses and human suffering as coexistent evils. May democracy function not only in government but in industry, in economics, in education, and in social living. May we realize America's tremendous responsibility to all future ages as the custodian of those priceless privileges to maintain which myriads of young men died. The principles of human brotherhood, equality, liberty, self-government—all that our flag symbolizes, all that our country means—are ours to preserve for all future ages. America!

"Lo, before us gleam her campfires, we ourselves must Pilgrims be. Launch our *Mayflower* and steer boldly through the desperate winter sea;

Nor attempt the Future's portal with the Past's blood-rusted key."

God bless America, that we may think more in terms of the general welfare and less in terms of sectional, State, or personal gain. America was not instituted nor maintained by asking, "What do I get out of it?" or "Am I my brother's keeper?" but by noble self-sacrifice, wholehearted patriotism, and martyrlike devotion to high ideals. May we realize what America means to destiny and resolve that it shall not pass away; may we strive to exemplify its principles in our daily lives. America is the world university in govern-



ment, the refuge of the oppressed, the citadel of liberty, the cradle of religious toleration, the land of freedom, the world laboratory in human brotherhood, the great exponent of man's inherent dignity; surely it cannot die if we are worthy of the priceless privilege of American citizenship.

America!

"Humanity with all its fears,  
With all its hopes of future years,  
Is hanging breathless on thy fate."

God bless America. On this holy festival, may you, my friend, and I, and every loyal American bow our heads in sincere reverence, too awed to be proud, our souls overflowing with gratitude for what America means and the glorious peace that pervades it today, and, rededicating all that we are or ever hope to be to its perpetuity, let us humbly pray with Tiny Tim, "God bless us every one"; let us pray, "God bless America."

## What Started State Rackets?

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. THORKELSON. Mr. Speaker, 1 year ago many new Members appeared on this floor, and I predict many more will be seen here next year. I hope the new crop will be statesmen instead of "yes" men, for the Government needs a thorough cleaning from top to bottom.

Deterioration in our Government is an old story, but we have today greater deterioration than ever before, and this in spite of the fact that the Government is now composed of professors, teachers, and social and economic experts.

The daily press and other periodicals are filled with their advice on problems that should in reality be the sole concern of Congress. In this group of egotists and self-elected rulers, we find the heads and underlings in nearly all departments except the Navy. Strange as it may seem, the Navy Department has not even given advice on maritime affairs, which I am sure that Department knows more about than the Department now giving such advice.

It is not my intention to unduly criticize expert ability, for where such ability exists results may embarrass the critic. I am, however, of the opinion that our Nation is being deprived of a very valuable service in retaining these gentlemen as department heads and molders of administration policies, when they could serve a greater good as leaders in industries. This change in employment would also be a more valuable experience to them, for as operators of industries dependent on private capital, they would be more cognizant of the danger now confronting our Nation. As employers, creators, and producers of wealth on their own capital investments, the steadily increasing Federal operative cost would become more realistic to them, and so would the steadily mounting national debt.

Mr. Speaker, the object of this discourse is to discuss an article recently released in a New York paper, which appeared under this heading:

#### KILL THIS STATE RIGHTS' RACKET

Secretary of Commerce Harry L. Hopkins proposes formation of a thoroughgoing Government committee to study and coordinate the Government's activities in combating the trend toward interstate trade barriers.

Mr. Hopkins states the case conservatively when he says:

"In the past few years the problem of interstate barriers to free trade between the several States has grown to be a serious threat to the economic life and business well-being of our country. It has resulted in loss of business generally."

It has done and is doing something else as bad as or worse than that. It is fanning up interstate ill will, envy, hatred, and malice.

Numerous States have set up what amount to customhouses at "ports of entry" on their borders, meaning at points where big highways cross their borders. At these "ports of entry" various kinds of fees are extorted from truckers and tourists and business travelers seeking to enter the State—inspection fees, tolls, in many cases actual though disguised tariffs on certain kinds of goods whose home producers the State wishes to protect from other-State competition.

It is my desire to call the Secretary's attention to the fact that State rights were killed in 1913, when the seventeenth amendment was adopted, and what we need now is an inquest.

We are today, instead of 48 united States with representation in the Senate of the United States, 48 separate feudal States, each with little interest in the others. In other words, in eliminating State control of the United States Senate, we removed the very principle which makes this a Republic of 48 united States. Hence nothing can be expected except that of which the writer complains; that is, 48 socialistic Commonwealths upset with dissension and class hatreds. It is this unhappy state that is gradually but persistently leading us toward dictatorship. This chaotic condition is clearly evident as each State fights for the larger share of Federal appropriations. Little consideration is given to the fact that all money is borrowed on the credit of each State. It is instead, as with pirates of old, a division of spoils, even if the spoils are a mere mirage.

No thought is given by the pillagers to the fact that exhaustion of credit spells ruin and destruction. No indeed; no sanity or reason is evident in these statesmen, who, antipodally bent, deplete the national exchequer. Other statesmen, not to lose face at home, must participate in this orgy, for how can they go home and face their constituents without treasury scalps in their belts? The fact that all this is planned by the same group that developed planning in Russia, England, and France escaped many of our astute lawmakers. Many of our legislators do not grasp the fact that our domestic money is prepared for us by this group of planners, and is, in fact, of no greater value than the inflated marks they turned loose in Germany.

The point to bear in mind is that when credit is exhausted, when the till is dry, no matter what money is used, someone takes the loss. The question we, the people, should ask ourselves is, Who absorbs this loss? Is it the national and international financiers? No indeed; for they are well protected in the ownership of gold, real estate, and other industrial property. It was planned so for them by agents of the invisible government now planning in the New Deal administration.

It is you, Mr. Citizen, who takes the loss. It is the owners of Government bonds, life insurance, and all paper investments that are knocked over when the lions of finance take you for a ride. Provision has also been made for your care when you find yourself unsaddled, with your nose stuck in the mire of the financial coliseum, for the keepers of the lions hope to flank the vestal virgins with the Army and Navy, to give you thumbs down should you object to the ride.

This planning is not quite complete, and it is for that reason the Secretary suggests another Government committee. This is not only in line with his own dictatorial policies, but it is also intimately interwoven in Government planning.

The question may be asked, Where is the money to come from that is to pay the salaries of over 1,000,000 Federal employees and the operating expenses of the many bureaus and committees? Why is new legislation required to care for this so-called State racket when regulation of State rights is clearly defined in the Constitution of the United States:

ART. I, SEC. 9. No tax or duty shall be laid on articles exported from any State.

ART. I, SEC. 10. No State shall, without the consent of the Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts laid by any State on imports and exports shall be for the use of the Treasury of the United States, and all such laws shall be subject to the revision and control of the Congress.

These two paragraphs clearly defined limitation on States' rights, and the following quotation states equally clearly the procedure to correct violations:

ART. I, SEC. 8. The Congress shall have the power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

It is therefore the duty of Congress to regulate the interstate commerce among the several States by directing the



Interstate Commerce Committee to proceed against such States as violate this provision of the law. Should Congress foolishly follow the advice of the Secretary, as proposed in the article, it would in such legislation violate the Constitution and aid in the concentration of greater power in the executive department.

It is this unwarrantable and unconstitutional transfer of power from the legislative to the executive department that is responsible for the deplorable condition in which we find ourselves today. I do not believe anyone will disagree with the article and its condemnation of "rackets," but "let he who is without guilt cast the first stone." What racket is greater or more pernicious than the Federal racket of planned destruction?

What racket is greater than Federal invasion of private industries? Invasion and usurpation of the States' and the people's right? Negotiation of trade pacts and treaties destructive to agriculture and other production? Confiscation of gold and gold securities? Inflated and unsecured domestic currency? Studious tolerance toward the Communists, the anti-Americans, within our gates?

As a matter of fact, is not the Federal Government, in its planning, engaged in a most contemptible racket, which has for its purpose conversion of private industries to Federal ownership? Is it not a fact that premature exposure of planned conversion of the Government is an obstacle that the administration is now facing in its planned Federal control? Is it not a fact that there are too many loyal Americans in the Army and Navy opposed to such conversion? Is it not a fact that the power of impeachment, which Congress still retains, may be employed as a weapon of justice? Is it well to remember that Congress still holds the power and can act in the common defense and for the general welfare of the United States.

The Secretary of Commerce, Mr. Harry L. Hopkins, does not hesitate in conniving for more power to satisfy the administration's dictatorial desire, for the article to which I refer ends as follows:

The Federal Constitution forced on these stubborn States the principle of free trade within our own national borders—and that principle, more than any other, is to blame for our present-day wealth.

We can't picture little local politicians stopping the throat cutting on their own initiative.

It looks to us as if Congress will have to pass some stern laws prohibiting interstate trade barriers of all kinds, those laws to be enforced by militant and far-reaching endeavors on the part of the executive branch.

One thing that would help would be a network of Federal roads, with "port of entry" robber roosts ruled strictly off them, and with Federal police regulating them to the exclusion of State and local police. That would drive the State-regulated roads into free-trade practices.

Let's get going on this reform before we come undone as a nation.

I have taken the liberty to quote from this article because it follows closely the philosophy of Stalin, the communistic despot of Russia.

The first paragraph in this quotation is obscure, both in its premise and its conclusion, for the Constitution of the United States was voluntarily ratified by each State and is not the Federal Constitution, but is instead the Constitution of the United States, in which the people provide protection for themselves from the Government of their own creation. In this document the people reserve all rights to the States and to themselves that are not specifically delegated to the three branches of the United States Government.

The reference to the "throat-cutting little politicians" is ill-timed, for they are only finishing the cutting which the big politicians missed when they cut the Nation's throat. It is even possible that these little politicians may aid in relieving pressure on the higher-ups when all of them are driven to cover.

We have two national political organizations with headquarters in Washington and the expenses of both are paid by the actual rulers of this Nation. In this oligarchy are those who controlled the national monetary wealth and it is this group that I have labeled "the invisible government."

It is this group that selects the Presidential candidates, and is it any wonder? Certainly not, for they are the "sugar daddies" of both parties. Do you, Mr. Citizen, believe that such influence is for the better interest of the Nation and the general welfare of the people? If you do, look around and take stock, observe dormant business, closed factories, and the idle walking the street looking for work. That should be sufficient evidence that we need a change. Unfortunately this group has acquired more and more power since you, Mr. Citizen, destroyed this Republic by abolishing State representation in the Senate of the United States. Those who have followed my remarks will find that I have already referred to this deplorable change in the Government, but the actual extent of the damage will become more acute as balance in government breaks down. As a further result of this, each State is now attempting to protect itself by establishing barriers around its borders. This can only lead to centralized dictatorial government, and it is that very thing those "anti-Americans" had in mind when they promoted and the people foolishly adopted the seventeenth amendment.

What is needed today more than anything else is a national party composed of all patriotic Americans in both major parties. This will leave the remainder of the two parties a party of anti-Americans, crooked politicians, and their cohorts.

We need a Congress composed of men who will adhere to their obligation "to preserve, to protect, and to defend the Constitution of the United States" as it was given to us by the founders of this Republic.

We need a President who is independent in thought and action—a real "he" American—who will unflinchingly adhere to his obligation:

I do solemnly swear (or affirm) that I will faithfully execute the office of President of the United States, and will to the best of my ability preserve, protect, and defend the Constitution of the United States.

The President of the United States must be free from entangling alliances, national as well as international. He must not be dominated or controlled by monetary or other predatory interests now so destructive to our Nation. He should, instead of asking for extension of power, insist that Congress repeal all powers granted to the Executive which are in conflict with the Constitution. He should insist that Congress assume full responsibility for the Government of the United States and that congressional committees be appointed to operate within Federal departments in order to familiarize themselves with their delegated duties. He should recommend changes in banking which will leave money available for development of outlying districts. Control of money should not be allowed to remain as it is now—in the hands of a selected few. He should recommend that the Government withdraw from all business which is competitive and destructive to private industries. He should insist that each State resume its constitutional status so that the 48 States will again be represented in the Senate of the United States.

There is nothing wrong with the Constitution. Our difficulty may be found in the fact that we are not operating according to this document. It is therefore the duty of the people to take notice thereof now, as failure to do so can only end in national disaster.

A nation, to operate for the general welfare of all, must be equally as careful in administration and operative cost as a well-managed business.

The attitude taken in the editorial quoted—that is, coercion and Federal policing—is anti-American and dangerous. The American people will, I am sure, be glad to cooperate and aid in national reconstruction, but they should not and will not submit to persecution by ill-advised public employees.

I live in the hope that everyone will take a greater interest in our Government and, as the danger of the seventeenth amendment is recognized, that a general public demand will be made for its repeal. Do not be deceived, for the time will come when we, the people, must set the Government right.

## The President's Yuletide Address

## EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. LUDLOW. Mr. Speaker, in the city of Washington on Christmas Eve President Roosevelt delivered a sublimely beautiful yuletide message, in which he pointed out to a war-cursed, sorrowing world the great truth that the way to salvation lies by the Rock of Ages.

The President on that night stood erect and foursquare as the moral leader among the rulers of the world when he invoked the beatitudes and humbly prayed that the peoples in all the nations which are at war "may read, learn, and inwardly digest" the deathless words spoken by the Saviour in His Sermon on the Mount.

Those who have read and pondered over the President's yuletide address and have given thoughtful consideration to its importance and its widespread implications in a world of strife have found in it somewhat the charm of Lincoln's address at Gettysburg. Its deep significance is in the fact that with humanity in so many lands sunk to the lowest levels of distress and suffering; with the better instincts of so many mortals submerged in barbarism; with man's inhumanity to man making countless thousands mourn, he suggests what amounts to a program of a great moral and spiritual resurgence to lift the world out of hell.

It recalled another occasion a few years ago when in a statement born of true inspiration he said:

No greater thing could come to our land today than a revival of the spirit of religion—a revival that would sweep through the homes of the Nation and stir the hearts of men and women of all faiths to a realization of their belief in God and their dedication to His will for themselves and for their world. I doubt if there is any problem—social, political, and economic—that would not melt before the fire of such a spiritual awakening.

In calling the attention of the warring nations to the saving power of the Sermon on the Mount, the President at the same time gave to us in America a lesson that should have a tremendous effect in shaping sentiment at home in conformance with high ideals of peace, morality, and religion. Today we have before us a new concept of America's opportunity. It is based not on death and destruction, but on a conservation of life and hope. Not by slaughtering a single human being, not by creating a single widow nor by orphaning a single child, nor by causing the shedding of a single tear, but by precept and example we may do a grand part in safeguarding democratic institutions and putting an end to war. The magnificent destiny which we contemplate for America is not based on battleships and battalions but on the moral righteousness that is so brilliantly reflected in the President's yuletide message.

Because I think no finer address ever graced the pages of the CONGRESSIONAL RECORD than this address of President Roosevelt I have today secured unanimous consent of the House to insert it in the Appendix of the first issue of the RECORD following its delivery, and I hope that as a document of the highest worth it will go on and on doing good in a troubled world. It is as follows:

The old year draws to a close. It began with dread of evil things to come and it ends with the horror of another war adding its toll of anguish to a world already bowed under the burden of suffering laid upon it by man's inhumanity to man.

But thank God for the interlude of Christmas. This night is a night of joy and hope and happiness and promise of better things to come. And so in the happiness of this eve of the most blessed day in the year I give to all of my countrymen the old, old greeting—"Merry Christmas—Happy Christmas."

A Christmas rite for me is always to reread that immortal little story by Charles Dickens, A Christmas Carol. Reading between the lines and thinking as I always do of Bob Cratchit's humble home as counterpart of millions of our own American homes, the story takes on a stirring significance to me.

## NEIGHBORLINESS SPREADS

Old Scrooge found that Christmas wasn't a humbug. He took to himself the spirit of neighborliness. But today neighborliness no longer can be confined to one's little neighborhood. Life has become too complex for that. In our country neighborliness has gradually spread its boundaries—from town, to county, to State, and now at last to the whole Nation.

For instance, who a generation ago would have thought that a week from tomorrow—January 1, 1940—tens of thousands of elderly men and women in every State and every county and every city of the Nation will begin to receive checks every month for old-age retirement insurance—and not only that but also insurance benefits for the wife, the widow, the orphan children, and even dependent parents? Who would have thought a generation ago that people who lost their jobs would, for an appreciable period, receive unemployment insurance; that needy, the blind, and the crippled children are receiving some measure of protection which will reach down to the millions of Bob Cratchits, the Marthas, and the Tiny Tims of our own "four-room homes"?

In these days of strife and sadness in many other lands, let us in the nations which still live at peace forbear to give thanks only for our good fortune in our peace.

Let us rather pray that we may be given strength to live for others—to live more closely to the words of the Sermon on the Mount, and to pray that peoples in the nations which are at war may also read, learn, and inwardly digest these deathless words.

May their import reach into the hearts of all men and of all nations.

## BASIS OF MESSAGE

I offer them as my Christmas message:

"Blessed are the poor in spirit, for theirs is the kingdom of heaven."

"Blessed are they that mourn, for they shall be comforted."

"Blessed are the meek, for they shall inherit the earth."

"Blessed are they which do hunger and thirst after righteousness, for they shall be filled."

"Blessed are the merciful, for they shall obtain mercy."

"Blessed are the pure in heart, for they shall see God."

"Blessed are the peacemakers, for they shall be called the children of God."

"Blessed are they which are persecuted for righteousness' sake, for theirs is the kingdom of heaven."

## So-called Predictions Which Are Not Intended as Predictions

## EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

Mr. MURDOCK of Arizona. Mr. Speaker, it is the right of a Congressman's constituents to know how their Representative in Congress stands on public questions and on vital issues, and it is the privilege of the Congressman, as well as his duty, to make his stand and attitude plain and unmistakable, as nearly as he can, to those whom he represents. It is my desire and intent to represent the majority of my constituents in Arizona on all important matters, and to make my attitude understood on all vital matters. I may seem to some to be provincial in having greater concern for those matters that pertain directly to Arizona and having less for those that pertain to the Nation at large and still less for those that are international in their aspects. If this be provincialism, it is necessary, because it is impossible for me to be informed thoroughly about all the matters which come before the American Congress. Having nothing to conceal, I am always glad to try to let my constituents know what I have done as their Representative at Washington and, again, as far as it is humanly possible, what I propose to do in the public interest. Accordingly, I have been glad to accept invitations to speak before various groups, such as patriotic clubs, political organizations, and civic bodies. In a limited way, I have tried to keep the press informed through releases from time to time and also, to a certain extent, by this privilege of extending my remarks in the CONGRESSIONAL RECORD.

I am often asked by citizens of Arizona to forecast or predict the outcome of great issues before the country, or to furnish "tips" on what will be done at Washington. As I



frequently say to my friends, "I am not a prophet or the son of a prophet, and it ill behooves me to prophesy." In fact, I have an aversion to predicting. I know it is foolhardy for me to predict the outcome of certain proposed measures before Congress, especially if they be of a highly controversial nature, because any ordinary mortal cannot be sure. Especially am I cautious in regard to predicting the passage or failure of certain bills, and I dislike to indicate how I shall vote on any bill before it reaches the voting stage. This is not because I wish to keep my proposed vote secret, but because I do not know the precise provisions of the proposed law very many minutes in advance of the time for voting. Bills are subject to so much amendment that one may need to change his mind and also his vote just a few moments before the roll call. That is why I feel it unwise to predict my own vote on this or that bill.

During my recent trip to Arizona I was credited with having predicted concerning several things of great interest in the public mind. I did not intend as predictions those that are attributed to me. For instance, I never predicted the exact outcome of a trade agreement now in the process of study and negotiation between the United States and Chile. I hoped for a certain outcome in that case and worked toward that end, and it happened. It is true that I relieved my own mind and tried to relieve the distress in other minds by stating that I believed the chief Assistant Secretary of State having charge of this particular matter had become convinced that copper ought not to be included. That was a wish and hope on my part, but was not intended in any sense as a prediction, though it may have been misunderstood as such. What I wanted to happen was evidently misunderstood also.

Fortunately, the State Department made a certainty of the matter by the announcement that there was no intention to include copper in a trade treaty with Chile. That hoped-for announcement certainly brightened Christmas in Arizona.

Again I was credited with having predicted that Russia would win in the European war. Some individuals seemed inclined to regard that not only as a prediction but something more than a prediction; and again I must say that I intended to make no predictions with regard to the outcome of the European war, and I announced to my audience that I made no predictions. On that occasion I was not discussing Russia or the European war but referred to it incidentally while giving a service club a picture of the situation with regard to our efforts to keep out of war through the recent neutrality legislation.

Sometimes a few words, not the principal theme of a speaker, lifted out of their context and overemphasized, make it appear that a speaker said something that he never even had in mind. Such was the case in regard to my last accredited prediction. I never made any prediction that Russia would win the European war in a military sense and become the sole state in Europe. I did say that it seemed to me that Stalin had already "won the war," having no reference, however, to the unequal struggle at this moment going on between Russia and Finland. My own sympathies are naturally with Finland. I sincerely hope that this courageous, plucky, self-respecting, debt-paying nation of the Far North may very decisively turn back the "red" horse from her borders. If Finland is able to do this, it will be a splendid stroke, not for Finland only but for the whole world and for civilization itself.

What I had in mind about Stalin and this war was not a prediction but a fear. My fear is that, due to the alliance between Hitler and Stalin, with Russia benefiting without military participation, the war in Europe might be long drawn out until the chief contesting parties were utterly exhausted while Russia grew in strength. In such a case Russia might become a far greater factor in European affairs than if this general war had not occurred. My fear is that because of the turn of events—not counting the stubborn resistance of Finland—communistic Russia might succeed completely in turning her face toward the west instead of the east, where she logically belongs, and thus become an arbiter in European affairs. Prior to the outbreak of the European war Russia seemed cut off from western outlets, faced definitely toward

Asia, and the red menace of communism, with its anti-Christian forces, seemed on the wane.

The trend of some recent events has enabled Stalin, without the loss of blood, to possess a large portion of Poland, to exert his influence toward the Baltic Sea, and likely to revive the dangerous zeal of bolshevism through such conniving. This change in Russia's condition is a fact and not a matter of prediction. To my mind, it is a matter to be feared. I do not want such a system of human society, as represented by Stalin's regime, to become a dominating force in Europe. The possibility that it might is all the more reason why the United States of America should build a strong American system of society in a democratic American way, so as to be superior in power, in quality, and in every other respect to such a possible communistic force in Europe. It is because we must use all our energies to build a better and stronger America that I made any reference to the possible menace abroad.

I have just listened to the President's address today at the opening of the second regular session of Congress. I noticed that, although he approached the state of the Union through a discussion of foreign affairs, he emphasized the importance of our domestic problems. With that I thoroughly agree. One sentence from the President's message struck me with great force. He said:

The social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship, and war are the same as those which we here are struggling to adjust peacefully at home.

While I favor adequate military and naval defense, I have always favored a sound political, economic, and social life for all American citizens as the best possible scheme of national defense. Let none of my constituents think for a moment that I am making predictions concerning the ultimate outcome of any European ideologies or expressing sympathy for any totalitarian dictators. Let them know for a surety that I want America to have that defensive posture of which George Washington spoke. I would have American life so sound and firm through our building on the democratic process that we need fear no storms from without because properly safeguarded from storms within. I make no pretense of knowing the future, but I certainly have a right and duty to hope and work for a desirable future for our state and country.

## Cooperation of Religious Organizations for Peace

### EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

LETTERS FROM THE PRESIDENT TO THE POPE AND OTHER RELIGIOUS LEADERS AND THEIR REPLIES AND AN ADDRESS BY THE POPE

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix, the letters from the President of the United States to the Pope, Dr. George A. Buttrick, president of the Federal Council of Churches of Christ in America, and Rabbi Cyrus Adler, president of the Jewish Theological Seminary; their replies to the President; and a recent address of the Pope to the College of Cardinals on the basis of world peace.

Never in recorded history has humanitarian and far-sighted leadership been so necessary to the ultimate salvation of the civilized world. Cooperation in the cause of peace by these great leaders has won grateful thanks wherever freedom, justice, and international good will have a welcome place in the hearts of men.

There being no objection, the correspondence and address were ordered to be printed in the RECORD.

The President's letter to the Pope reads in full as follows:

DECEMBER 23, 1939.

YOUR HOLINESS: Because at this Christmas time the world is in sorrow, it is especially fitting that I send you a message of greeting and of faith.

The world has created for itself a civilization capable of giving to mankind security and peace firmly set in the foundations of religious teachings. Yet, though it has conquered the earth, the sea, and even the air, civilization today passes through war and travail.

I take heart in remembering that in a similar time Isaiah first prophesied the birth of Christ. Then, several centuries before His coming, the condition of the world was not unlike that which we see today. Then, as now, a conflagration had been set; and nations walked dangerously in the light of the fires they had themselves kindled. But in that very moment a spiritual rebirth was foreseen, a new day which was to loose the captives and to consume the conquerors in the fire of their own kindling; and those who had taken the sword were to perish by the sword. There was promised a new age wherein, through renewed faith, the upward progress of the human race would become more secure.

Again, during the several centuries which we refer to as the Dark Ages, the flame and sword of barbarians swept over western civilization; and again, through a rekindling of the inherent spiritual spark in mankind, another rebirth brought back order and culture and religion.

I believe that the travail of today is a new form of these old conflicts. Because the tempo of all worldly things has been so greatly accelerated in these modern days, we can hope that the period of darkness and destruction will be vastly shorter than in the olden times.

In their hearts men decline to accept for long the law of destruction forced upon them by wielders of brute force. Always they seek, sometimes in silence, to find again the faith without which the welfare of nations and the peace of the world cannot be rebuilt.

I have the rare privilege of reading the letters and confidences of thousands of humble people living in scores of different nations. Their names are not known to history, but their daily work and courage carry on the life of the world. I know that these, and uncounted numbers like them in every country, are looking for a guiding light. We remember that the Christmas star was first seen by shepherds in the hills long before the leaders knew of the Great Light which had entered the world.

I believe that while statesmen are considering a new order of things, the new order may well be at hand. I believe that it is even now being built, silently but inevitably, in the hearts of masses whose voices are not heard, but whose common faith will write the final history of our time. They know that unless there is belief in some guiding principle and some trust in a divine plan, nations are without light and peoples perish. They know that the civilization handed down to us by our fathers was built by men and women who knew in their hearts that all were brothers because they were children of God. They believe that by His will enmities can be healed; that in His mercy the weak can find deliverance and the strong can find grace in helping the weak.

In the grief and terror of the hour these quiet voices, if they can be heard, may yet tell of the rebuilding of the world.

It is well that the world should think of this at Christmas.

Because the people of this Nation have come to a realization that time and distance no longer exist in the older sense, they understand that that which harms one segment of humanity harms all the rest. They know that only by friendly association between the seekers of light and the seekers of peace everywhere can the forces of evil be overcome.

In these present moments no spiritual leader, no civil leader, can move forward on a specific plan to terminate destruction and build anew. Yet the time for that will surely come.

It is therefore my thought that, though no given action or given time may now be prophesied, it is well that we encourage a closer association between those in every part of the world—those in religion and those in government—who have a common purpose.

I am therefore suggesting to Your Holiness that it would give me great satisfaction to send to you my personal representative in order that our parallel endeavors for peace and the alleviation of suffering may be assisted.

When the time shall come for the reestablishment of world peace on a surer foundation it is of the utmost importance to humanity and to religion that common ideals shall have united expression.

Furthermore, when that happy day shall dawn, great problems of practical import will face us all. Millions of people of all races, all nationalities, and all religions may seek new lives by migration to other lands or by reestablishment of old homes. Here, too, common ideals call for parallel action.

I trust, therefore, that all of the churches of the world which believe in a common God will throw the great weight of their influence into this great cause.

To you, whom I have the privilege of calling a good friend and an old friend, I send my respectful greetings at this Christmas season.

Cordially yours,

His Holiness PRUS XII,  
Rome, Italy.

FRANKLIN D. ROOSEVELT.

The President's letter to Dr. Buttrick reads in full as follows:

DECEMBER 23, 1939.

MY DEAR DR. BUTTRICK: Because at this Christmas time the world is in sorrow, it is especially fitting that I send you a message

of greeting and of faith. Realizing the spiritual kinship of all who believe in a common God, I have sent a like greeting to the Pope as head of the Catholic Church and to Rabbi Cyrus Adler as an outstanding leader of the Jewish faith.

The world has created for itself a civilization capable of giving to mankind security and peace firmly set in the foundations of religious teachings. Yet, though it has conquered the earth, the sea, and even the air, civilization today passes through war and travail.

I take heart in remembering that in a similar time Isaiah first prophesied the birth of Christ. Then, several centuries before His coming, the condition of the world was not unlike that which we see today. Then, as now, a conflagration had been set and nations walked dangerously in the light of the fires they had themselves kindled. But in that very moment a spiritual rebirth was foreseen, a new day which was to loose the captives and to consume the conquerors in the fire of their own kindling, and those who had taken the sword were to perish by the sword. There was promised a new age wherein through renewed faith the upward progress of the human race would become more secure.

Again, during the several centuries which we refer to as the Dark Ages, the flame and sword of barbarians swept over western civilization; and, again, through a rekindling of the inherent spiritual spark in mankind, another rebirth brought back order and culture and religion.

I believe that the travail of today is a new form of these old conflicts. Because the tempo of all worldly things has been so greatly accelerated in these modern days we can hope that the period of darkness and destruction will be vastly shorter than in the olden times.

In their hearts men decline to accept for long the law of destruction forced upon them by wielders of brute force. Always they seek, sometimes in silence, to find again the faith without which the welfare of nations and the peace of the world cannot be rebuilt.

I have the rare privilege of reading the letters and confidences of thousands of humble people living in scores of different nations. Their names are not known to history, but their daily work and courage carry on the life of the world. I know that these, and uncounted numbers like them in every country, are looking for a guiding light. We remember that the Christmas Star was first seen by shepherds in the hills long before the leaders knew of the Great Light which had entered the world.

I believe that while statesmen are considering a new order of things, the new order may well be at hand. I believe that it is even now being built, silently but inevitably, in the hearts of masses whose voices are not heard, but whose common faith will write the final history of our time. They know that unless there is belief in some guiding principle and some trust in a divine plan, nations are without light, and peoples perish. They know that the civilization handed down to us by our fathers was built by men and women who knew in their hearts that all were brothers because they were children of God. They believe that by His will enmities can be healed; that in His mercy the weak can find deliverance, and the strong can find grace in helping the weak.

In the grief and terror of the hour these quiet voices, if they can be heard, may yet tell of the rebuilding of the world.

It is well that the world should think of this at Christmas.

Because the people of this Nation have come to a realization that time and distance no longer exist in the older sense, they understand that that which harms one segment of humanity harms all the rest. They know that only by friendly association between the seekers of light and the seekers of peace everywhere can the forces of evil be overcome.

In these present moments no spiritual leader, no civil leader can move forward on a specific plan to terminate destruction and build anew. Yet the time for that will surely come.

It is, therefore, my thought that, though no given action or given time may now be prophesied, it is well that we encourage a closer association between those in every part of the world—those in religion and those in government—who have a common purpose.

I therefore suggest that it would give me great satisfaction if you would, from time to time, come to Washington to discuss the problems which all of us have on our minds in order that our parallel endeavors for peace and the alleviation of suffering may be assisted.

When the time shall come for the reestablishment of world peace on a surer foundation it is of the utmost importance to humanity and to religion that common ideals shall have united expression.

Furthermore, when that happy day shall dawn, great problems of practical import will face us all. Millions of people of all races, all nationalities, and all religions may seek new lives by migration to other lands or by reestablishment of old homes. Here, too, common ideals call for parallel action.

I trust, therefore, that all of the churches of the world which believe in a common God will throw the great weight of their influence into this great cause.

To you, whom I have the privilege of calling a good friend, I send my sincere greetings at this Christmas season.

Cordially yours,

FRANKLIN D. ROOSEVELT.

DR. GEORGE A. BUTTRICK,

President, Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York, N. Y.

The President's letter to Rabbi Adler reads in full as follows:

DECEMBER 23, 1939.

MY DEAR RABBI ADLER: Because at this Christmas time the world is in sorrow, it is especially fitting that I send you a message of greeting and of faith. Realizing the spiritual kinship of all who



believe in a common God I have sent a like greeting to the president of the Federal Council of Churches of Christ and to the Pope, as head of the Catholic Church. You will perhaps permit me to send this message through you, as president of the Jewish Theological Seminary of America, to all members of that faith, among whose rabbis I have many friends.

The world has created for itself a civilization capable of giving to mankind security and peace firmly set in the foundations of religious teachings. Yet, though it has conquered the earth, the sea, and even the air, civilization today passes through war and travail.

I take heart in remembering that in a similar time, Isaiah first prophesied the birth of Christ. Then, several centuries before His coming, the condition of the world was not unlike that which we see today. Then, as now, a conflagration had been set, and nations walked dangerously in the light of the fires they had themselves kindled. But in that very moment a spiritual rebirth was foreseen—a new day which was to loose the captives and to consume the conquerors in the fire of their own kindling—and those who had taken the sword were to perish by the sword. There was promised a new age wherein, through renewed faith, the upward progress of the human race would become more secure.

Again, during the several centuries which we refer to as the Dark Ages, the flame and sword of barbarians swept over western civilization; and, again, through a rekindling of the inherent spiritual spark in mankind, another rebirth brought back order and culture and religion.

I believe that the travail of today is a new form of these old conflicts. Because the tempo of all worldly things has been so greatly accelerated in these modern days we can hope that the period of darkness and destruction will be vastly shorter than in the olden times.

In their hearts men decline to accept for long the law of destruction forced upon them by wielders of brute force. Always they seek, sometimes in silence, to find again the faith without which the welfare of nations and the peace of the world cannot be rebuilt.

I have the rare privilege of reading the letters and confidences of thousands of humble people, living in scores of different nations. Their names are not known to history, but their daily work and courage carry on the life of the world. I know that these, and uncounted numbers like them in every country, are looking for a guiding light. We remember that the Christmas star was first seen by shepherds in the hills long before the leaders knew of the Great Light which had entered the world.

I believe that while statesmen are considering a new order of things, the new order may well be at hand. I believe that it is even now being built, silently but inevitably, in the hearts of masses whose voices are not heard, but whose common faith will write the final history of our time. They know that unless there is belief in some guiding principle and some trust in a divine plan, nations are without light and peoples perish. They know that the civilization handed down to us by our fathers was built by men and women who knew in their hearts that all were brothers because they were children of God. They believe that by His will enmities can be healed; that in His mercy the weak can find deliverance and the strong can find grace in helping the weak.

In the grief and terror of the hour these quiet voices, if they can be heard, may yet tell of the rebuilding of the world.

It is well that the world should think of this at Christmas.

Because the people of this Nation have come to a realization that time and distance no longer exist in the older sense, they understand that that which harms one segment of humanity harms all the rest. They knew that only by friendly association between the seekers of light and the seekers of peace everywhere can the forces of evil be overcome.

In these present moments no spiritual leader, no civil leader, can move forward on a specific plan to terminate destruction and build anew. Yet the time for that will surely come.

It is therefore my thought that, though no given action or given time may now be prophesied, it is well that we encourage a closer association between those in every part of the world—those in religion and those in government—who have a common purpose.

I therefore suggest that it would give me great satisfaction if you would from time to time come to Washington to discuss the problems which all of us have on our minds in order that our parallel endeavors for peace and the alleviation of suffering may be assisted.

When the time shall come for the reestablishment of world peace on a surer foundation, it is of the utmost importance to humanity and to religion that common ideals shall have united expression.

Furthermore, when that happy day shall dawn, great problems of practical import will face us all. Millions of people of all races, all nationalities, and all religions may seek new lives by migration to other lands or by reestablishment of old homes. Here, too, common ideals call for parallel action.

I trust therefore that all of the churches of the world which believe in a common God will throw the great weight of their influence into this great cause.

To you, whom I have the privilege of calling a good friend and an old friend, I send my sincere greetings at this Christmas season.

Cordially yours,

FRANKLIN D. ROOSEVELT.

RABBI CYRUS ADLER,  
President, Jewish Theological Seminary of America, Broadway and One Hundred and Twenty-third Street, New York, N. Y.

The President received the following acknowledgments to the Christmas letters he addressed to the Pope, as head of the Catholic Church; to Dr. George A. Buttrick, president of the Federal Council of the Churches of Christ in America, as a Protestant leader; and to Rabbi Cyrus Adler, president of the Jewish Theological Seminary of America, as a leader of the Jewish faith:

NEW YORK, N. Y., December 23, 1939.

The PRESIDENT:

This telegram gratefully acknowledges your Christmas message of hope and faith. We are glad that through your action we have the public opportunity to extend our cordial greetings to His Holiness, the Pope, and to Dr. Cyrus Adler, and to all whom they represent. We share your confidence that men and women in every land have a basic faith in God, and therefore in human brotherhood, and that even in the present chaos and darkness they are preparing a better day. We join you in the prayer that a lasting peace of justice and good will may soon bless mankind. Your invitation to the continued opportunity of conference is gratefully accepted. The Federal Council of the Churches of Christ in America pledges itself through you to the people of America and of every church and land to seek under God a world order in which unmerited poverty and lurking fear and the threat of war shall be banished. Appreciating the leadership indicated in your telegram, we assure you of our Christmas wishes and our prayers that God may guide you.

GEORGE A. BUTTRICK,

President of the Federal Council of the Churches of Christ in America.

WASHINGTON, D. C., December 25, 1939.

The Most Reverend FRANCIS J. SPELLMAN, D. D.,

Archbishop of New York,

452 Madison Avenue, New York City, N. Y.

YOUR EXCELLENCY: His Eminence, the Cardinal Secretary of State, requests me to acknowledge receipt of the message of the 23d instant of His Excellency, the President of the United States of America, to His Holiness, Pope Pius the Twelfth. I am charged to assure the President, through Your Excellency, that the message brought very great joy to the heart of the Holy Father, coming from so exalted a source, inspired by such noble sentiments, and containing such high hopes of spiritual and civil benefits for the cause of peace. While the Holy Father desires himself to make a personal and official reply to His Excellency, the President, for so important and significant a document, I am requested to express to the President His Holiness' profound gratitude for the choice of the Honorable Myron Taylor as the representative of the President of the United States of America, with the rank of Ambassador Extraordinary. The Holy Father desires to assure the President that his representative will be cordially received in a manner befitting the highly important mission entrusted to him.

The Holy Father invokes the heavenly assistance of Almighty God, on the occasion of Christmas, upon the President of the United States and the whole American Nation.

In transmitting this letter to Your Excellency, I desire to request that you express graciously to the President my own sentiments of deepest esteem.

With cordial good wishes, I remain,

Sincerely yours in Christ,

A. G. CICOGNANI,

Archbishop of Laodicea, Apostolic Delegate.

PHILADELPHIA, Pa., December 24, 1939.

The PRESIDENT,

The White House:

I am only now able to acknowledge your telegram of December 23, owing to delay in delivery of the message, which has just reached me. Your fellow countrymen and the world at large take new courage from the fact that you are again throwing your vivid and forceful leadership into the cause for peace.

It is a noble deed to bring the forces of religion together. I have the confident hope that the leaders will unite the members of their churches and synagogues into a unanimous support of your efforts. I gladly take the opportunity to send good wishes to His Holiness the Pope and to Dr. Buttrick, and feel sure that all true men of good faith will in their several ways follow your inspired leadership.

I shall, of course, convey your message to the various rabbinical associations for transmission to their congregations, but I can say without qualifications that the watchword of the Jewish people in Israel's mission is peace, and that this holds true for all the scattered communities to which the Jewish people have been dispersed and are now, alas, being further dispersed with great brutality.

I take this occasion to express to you our grateful thanks for the bringing together of the Evian conference and the further efforts you have made in aid of the sorely tried refugees.

It will be a privilege for me to have the opportunity to visit you at the White House. With the hope that you will have the time to spend a happy holiday with your family, I am faithfully yours.

CYRUS ADLER,

President, Jewish Theological Seminary of America.

[From the New York Times of December 25, 1939]

**AN UNOFFICIAL TRANSLATION OF THE TEXT OF THE CHRISTMAS EVE ADDRESS DELIVERED BY POPE PIUS XII TO THE 25 CARDINALS RESIDING IN ROME**

Amid the strife and tumults of various happenings in the world, imperturbability of spirit is the real joy which is placed in the power that withstands storm with trust in God and we unite with Christ, principal and fount of every grief and joy.

Where others lose themselves, where the waters of affliction and desperation submerge souls in cruelty, those who trust in Christ can do everything and in harmony with order and the justification and magnificence of God arise above the disorders and storms of the world with equal courage and order.

The indescribable disaster of war, which Pope Pius XI with profound and extreme regret foresaw, and with the indomitable energy of his noble and most high spirit wished by all means to avert, has broken out and is now a tragic reality.

Before this tremendous war an immense bitterness overcomes our souls, sad and worried that this holy feast of Christmas, this feast of the Prince of Peace, must be celebrated to the funeral roar of cannon and under terror of flying war missiles, in the midst of menaces and dangers of armed navies.

It seems that the world has forgotten Christ's message of peace, the voice of reason, and Christian brotherhood. We have been obliged to see a series of irreconcilable acts, irreconcilable both in regard to international law and to principles of national law and to the most elementary sentiments of humanity, acts that show in what chaotic and vicious circles has the sense of justice been deviated from useful consideration.

In this category are premeditated aggressions against a small, industrious and peaceful people on the pretext of a threat that neither exists nor is desired nor is possible.

**"CRY FOR VENGEANCE OF GOD"**

Atrocities and the illegal use of means of destruction, even against noncombatants, refugees, old persons, women, and children, and the disregard of human dignity, liberty, and life are acts that cry for the vengeance of God, as does evermore extensive and methodical anti-Christian and even atheistic propaganda, mostly among young persons.

To preserve the church and her mission among men from every contact with such anti-Christian spirit is our duty, and this is also our sacred and intimate wish as the father and teacher of the faith.

With anguished worry we are forced to contemplate the accumulating spiritual ruin before us, accumulating because of the mixing of ideas that more or less voluntarily shadows and distorts truth in the souls of many people, whether involved in war or not.

We, therefore, must think with fright of the immense work that will be necessary—when a world tired of fighting wants to restore peace—to break down the walls of aversion and hatred that have been built up in the heat of the fight.

Aware of the excesses to which that way of life leads and of the doctrines and works of policy that ignore the laws of God, when the dispute became critical we attempted, as you know, with every endeavor and right to the last, to avoid the worst and to persuade men in whose hands power was and whose shoulders bore the grave responsibility to abstain from armed conflict and so save the world from inestimable disaster.

These efforts and those coming from other influential and respected sources failed to produce the effect hoped for, above all because of profound and apparently immovable distrust—mistrust grown during recent years, which raised insurmountable spiritual barriers.

**MISTRUST STOOD IN THE WAY**

The problems were not unsolvable, but this mistrust, originating from a series of particular circumstances, stood in the way with almost irresistible force and to such an extent that there no longer was hope for promises made or for the duration of possible amicable conventions.

Finally every effort to promote a peaceful solution became hopeless. There was nothing left but to try and lighten the burdens of war, although the action of bringing Christian charity to regions where the most urgent need of it would be felt was obstructed by difficulties not yet overcome.

With undescrivable anguish we watched this war initiated and proceeding in such unusual circumstances.

If up to now—excepting the blood-stained soil of Poland and Finland—the number of victims may be considered fewer than was feared, the total sorrows and sacrifices have reached such a point as to inspire great anxiety in those concerned with the future economic, social, and spiritual conditions of Europe and not Europe alone.

**DANGER BECOMES MORE ACUTE**

The more the war monster strives for, swallows, and allots itself material means that are placed inexorably at the service of war needs that mount from hour to hour, the more acute becomes the danger for nations directly or indirectly hit by the conflict of what we might call pernicious anemia, and they are faced with the pressing question, How can exhausted or weakened economy at the end of the war find means for economic and social reconstruction among difficulties that will be enormously increased and which the forces of disorder that lie in wait will seek to make use of in the hope of being able to give the final blow to Christian Europe?

Such consideration of the present and future must cause considerable worry to the leaders and sane members of every people, even in the fever of the fight, and cause them to examine the effects and reflect on the aims and justifiable finalities of war.

We believe those who look on these serious forecasts with watchful eyes and consider the evolution of events will, notwithstanding war and its horrible needs, hold themselves entirely ready to define clearly, so far as they are concerned, the fundamental points of a just and honorable peace at the opportune moment and would not flatly refuse negotiations whenever the occasion presents itself with necessary guaranties and security.

**FIVE-POINT PEACE PROGRAM**

First, the fundamental condition of a just and honorable peace is to assure the right to life and independence of all nations, large, small, strong, or weak. One nation's will to live must never be tantamount to a death sentence for another. When this equality of rights has been destroyed, injured, or imperiled, juridical order requires reparation whose measure and extent is not determined by the sword or selfish arbitrary judgment but by the standards of justice and reciprocal equity.

Second, that order reestablished in such a manner may be tranquil and durable—the cardinal principles of true peace—nations must be liberated from the heavy slavery of armaments and the danger that material force instead of serving to protect rights become the tyrannical violator of them. Conclusions of peace that did not attribute fundamental importance to disarmament mutually accepted, organic and progressive both in letter and spirit, and did not take care to carry it out loyally would sooner or later reveal their inconsistency and lack of vitality.

Third, in any reorganization of international neighborliness it could conform with the maximum of human wisdom for all parties concerned to deduct the consequences of past gaps or deficiencies, and, in creating or reconstructing international institutions that have a mission so high but at the same time difficult and full of serious responsibilities, account should be taken of experiences that arose from the inefficacy or defective functioning of similar previous initiatives.

And since it is so difficult—one would be tempted to say almost impossible—for human weakness to foresee everything and assure everything at the time of peace treaties, when it becomes difficult to be free from passions and bitterness, constitution of juridical institutions which would serve to guarantee loyal and faithful carrying out of terms and, in case of recognized need, revising and correcting them, is of decisive importance for honorable acceptance of a peace treaty and to avoid arbitrary unilateral breakings and interpretations of treaty terms.

Fourth, a point that should attract particular attention, if a better arrangement of Europe is wanted, concerns the real needs and just demands of nations and peoples as well as of ethnical minorities; demands which, if not always enough to form a strict right when there are recognized or confirmed treaties or other juridical documents that oppose them, deserve anyway benevolent examination to meet them in a peaceful way and even, where it appears necessary, by means of an equitable, wise, and unanimous revision of treaties. Once real equilibrium among nations is thus brought back and the basis of mutual trust is reestablished, many incentives to resort to violence would be removed.

Fifth, But even better and more complete settlements will be imperfect and condemned to final failure if those who guide the fates of peoples and the peoples themselves do not let themselves be penetrated evermore by that spirit that alone can give live authority and obligation to the dead letter of articles in international arrangements; by that sense, namely, of intimate, acute responsibility that measures and weighs human statutes according to the holy, unshakable rules of divine law; by that hunger and thirst for justice that is proclaimed in the beatitudes in the Sermon on the Mount, and which has as a natural presupposition moral justice; by that universal love that is the Christian ideal and therefore throws the bridge also toward those who do not have the benefit of participating in our own faith.

**RECOGNIZES GRAVE DIFFICULTIES**

We do not fail to recognize the grave difficulties that interpose themselves against the accomplishment of the aims that we outlined in order to lay foundations, to put into effect and to preserve a just, international peace.

But if there ever was an aim worthy of the meeting of noble, generous spirits, if ever there arose a spiritual crusade that with new truth sounded the shout, "God wills it," it is truly that high aim and this crusade engaged to lead peoples back from the muddy gulf of material and selfish interest to the living fountain of divine law, which alone is powerful and gives that morality, nobility, and stability of which a lack has been felt far too long, and which is gravely needed to repair the damage done to most nations, to humanity, and to these ideals that are at the same time the real ends of peace based on justice and love.

We await and hope that all those who are united to us by the bond of faith, each at his post within the limits of his mission, will keep both mind and heart open so that when the hurricane of war ceases and is dispersed there will rise up in every nation and among all peoples far-sighted and pure spirits animated by courage who will know how and will be able to confront the shady instinct of vile vengeance with the severe and noble majesty of justice, the sister of love, and companion of all truth and wisdom.

Of this peace, which alone can create and assure peace, we and those who are listening to us know where to find a sublime example, intimate impulse, and sure promise.

Let us go to Bethlehem. There we find lying in the manger the newborn Son of Justice and by his side the Virgin Mary, the mirror of justice and the Queen of Peace, with her holy guardian Joseph, a



just man. Jesus is the Awaited of Gentiles, the prophets called Him this and sang His future triumphs.

When this heavenly Child was born another Prince of Peace reigned on the banks of the Tiber and had with solemn ceremonies dedicated an Ara Pacis Augustae, whose wonderful but broken remains, buried under the ruins of Rome, have been resurrected in our own days.

On that altar Augustus made sacrifices to gods who do not save. It is permissible, however, to think that the true God and eternal Prince of Peace, who a few years later descended among men, heard the petition of that time for peace and that the august peace anticipated that supernatural peace which only He can give and which every true earthly peace must include.

#### BETHLEHEM'S GUIDE TO PEACE

That supernatural peace is gained not with steel but with the wood of the cradle of this infant Saviour and with the wood of His future cross of death, stained with His blood—not the blood of hate or rancor but that of love and pardon.

Let us go then to Bethlehem, to the grotto where the new-born King of Peace is heralded by a choir of angels, and kneeling before Him in the name of this troubled and upset humanity—in the name of numberless legions without distinction of race or nation, who are bleeding or dying or plunged into tears and misery or have lost their country—let us direct to Him our invitation to peace and good will, for aid and salvation, with the words the church puts on the lips of its sons in these days in which it prays God to save all mankind.

While in this prayer we express our insatiable desire for peace in the spirit of Christ, mediator of peace between heaven and earth, and warmly exhort all faithful Christians to join with us in their prayers and sacrifices; we impart to you, venerable brethren, and to all whom you have in your hearts, to all men of good will, especially all sufferers, anguished, persecuted, imprisoned, and oppressed, of every region and every country, with an unchanging affection and as token of grace and consolation and celestial comfort, the apostolic benediction.

### War, Peace, and the American Farmer

#### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY HON. CORDELL HULL

Mr. LUCAS. Mr. President, in December last the American Farm Bureau Federation held its annual convention in the city of Chicago. On the evening of its annual banquet the Honorable Cordell Hull, Secretary of State, appeared on the program as the principal speaker. The title of his address was War, Peace, and the American Farmer.

I have read the speech and analyzed it. I am constrained to say that, in my humble opinion, it is a masterpiece of logic, clarity, and sound reasoning upon current economic world problems as they affect agriculture and other industry in this Nation. I hope those who are looking for economic light instead of political heat upon the industry of agriculture as it is affected by the reciprocal-trade agreements may find the time to read and digest the remarks of this great American. I ask unanimous consent that the address may be incorporated in the RECORD as part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This annual meeting of the American Farm Bureau Federation is an appropriate occasion for examining every essential phase of our agricultural problem, in both its domestic and its international aspects. Both phases are of the utmost importance, and both should be given the fullest attention.

In the present world crisis it is the first duty of every nation still at peace to be on the alert for its safety and security. To this end, in a country like ours, an informed and unified public opinion in support of a sound program of foreign policy was never more important. Tonight we may well consider, in the light of recent experience, some outstanding problems as they affect the future welfare of American farmers and of all other citizens as well.

Throughout the long period of tension which preceded the outbreak of present hostilities, our Government strove untiringly to strengthen the forces of peace. For many months it had been all too clear that, unless policies of peaceful and constructive cooperation could be made to prevail over policies of armed threat and conquest, the only possible outcome which would be a major war.

Our efforts for peace failed. Today a large part of the world is engaged in armed conflict. With the same zeal with which we strove to avert this catastrophe our Government is now seeking to provide every possible assurance against our being drawn into it. The recently enacted neutrality legislation and other measures which have been and are being taken testify to this fact. This country should not, and must not, be drawn into war.

But even though we remain at peace we cannot insulate ourselves from the economic and other effects of a major war anywhere in the world. Already we have begun to feel the impacts of this conflict. Wartime controls, with their disrupting effects, have replaced the normal processes of trade with areas where hostilities are in progress.

As the warring nations readjust their import trade increasingly to war necessities, both agriculture and industry in this country feel the effects. Some branches of industry experience the temporary stimulus of war demand. On the other hand, tobacco growers, fruit growers, and other producers of farm products not regarded as strictly essential to the prosecution of war are suddenly cut off from important markets. Many kinds of manufactured exports likewise feel the weight of such restrictions.

For the duration of the war we must be prepared to accept as unavoidable many of these temporary disarrangements. Nations at war give their first concern to military purposes. Naturally this Government is striving to keep foreign markets for our products open and to secure a relaxation of restrictions newly imposed. But there are broader and more far-reaching problems involved. Temporary difficulties must not blind us to the importance of following policies which will both cushion the shock of current developments and enable us to grapple successfully with the colossal problems of the future.

In the welter of disruptive forces unleashed by the war, it is vital that we omit no step which will help to keep this country united and strong. One of the foundation stones for such unity and strength is a sound and prosperous agriculture. In February 1938, before the National Farm Institute, at Des Moines, I said:

"I believe it to be vital for the Nation's stability and security that our farming population be adequate in proportion to other parts of the population. A wise policy for the Nation requires that the conditions under which those engaged in agriculture live and labor shall be just and fair and that life on the farm should be attractive and adequately rewarding."

No one will question the soundness of this objective. The only problem is how best to promote it.

To attain that objective one of the basic facts that must be recognized is that the prosperity of agriculture in this country is tied in with that of the Nation as a whole. Upswings and downswings in factory pay rolls are reflected in rising and falling demand in our cities for products of the farm, just as ups and downs in farm prosperity influence factory pay rolls and thus affect the incomes and purchasing power of city people.

Second, full and stable prosperity for our Nation is definitely linked to economic conditions in the rest of the world. Full employment by domestic measures of our national economic welfare is, of course, always essential. But it is idle to expect a satisfactory degree of sustained economic recovery in this country while the buying power of other countries is reduced to a mere fraction of what it ought to be. When we cannot sell abroad our great exportable surpluses of farm and factory products, agriculture, industry, and labor—all three—must pay a heavy penalty. Agriculture suffers from the loss of its foreign markets. It also suffers from the shrinkage in its home market that takes place when great manufacturing industries find their export outlets curtailed, with resulting unemployment and reduced purchasing power in our cities for products of the farm.

In brief, the thing that I want strongly to emphasize is that the prosperity of agriculture and of the whole Nation is closely tied up with the presence or absence of a healthy flow of trade between nations. The existence of actual military warfare abroad, with its disrupting effects upon production, trade, and finance, does not in any sense change the fundamentals; it only aggravates the problem and delays the solution.

On this subject of foreign trade, unless every farmer and every other American citizen thoroughly understands the lesson of what happened after the World War, we shall merely repeat the disastrous experience of that period.

By the close of that war the whole international economic machine had been thrown violently out of gear. Normal channels of trade and finance had been disrupted. Everywhere the condition was one of serious maladjustment and dislocation in both agriculture and industry.

The obvious need was for the restoration of normal and healthy trade relations among nations as the only possible means of establishing secure foundations for enduring peace and for the economic well-being of the peoples of all nations. But that is exactly what did not happen. Instead the world pressed headlong down the perilous road of narrow nationalism. On all sides there grew up a vast network of trade restrictions and other impediments to normal economic intercourse imposed on the mistaken theory that such extreme measures would bring greater prosperity. Instead new dislocations were added to old. Agricultural and other surpluses piled up in some parts of the world, with no way to sell them. At the same time other regions were living on short rations, their purchasing power seriously reduced by inability to sell their industrial and other surpluses to foreign lands.

Finally, at the end of the twenties, came the sharp descent into the severest depression the world has even known—followed by a

further intensification of the very same policies of narrow nationalism which had done so much to bring on the general economic collapse. Every conceivable device for restricting trade was brought into play. Higher tariffs, quotas, import licenses, exchange control, barter arrangements, currency manipulation, and many other devices increasingly choked off international trade.

Grave mistakes of policy on the part of the United States, as well as of other countries, contributed greatly during the twenties to the impairment of the whole world economic situation, culminating in the general break-down at the end of that decade.

We refused to face the realities of the situation. We raised our tariff sharply and indiscriminately and thus made it impossible for other countries to keep up their purchases of our farm and other products, and at the same time make payments on their debts to us. We then tried to escape the consequences by loaning the money to pay for our own exports. Finally, after announcing in 1928 our intention of once more raising our tariff, we capped the climax of an ever-narrowing economic policy by putting on our own statute books in 1930 one of the most ill-timed and costly pieces of legislation in the entire history of this country—the Hawley-Smoot Act.

What followed is painful history. Foreign countries retaliated by drastically increasing their tariffs and other trade barriers against our products. Our exports of farm and other products slumped heavily. The claims of those who had blandly asserted that farmers and others would be assured permanent prosperity by this embargo tariff legislation were at once exposed to the relentless test of facts. Surpluses of farm and other products were dammed up; prices collapsed; factories were closed; many millions were thrown out of employment; and agriculture was in a state of bankruptcy.

It was to cope with this extreme economic emergency that Congress enacted the trade-agreements program. This program while retaining thoroughly ample safeguards for our domestic producers, is designed to reopen the clogged-up channels of mutually beneficial trade between our country and other countries. An emergency program to deal with emergency conditions, the trade-agreement policy is the only practicable method open to us for the purpose in view. The only suggestions seriously put forward today by opponents of the program are poorly disguised maneuvers to return this country to the Hawley-Smoot embargo policy, or its equivalent.

Solid progress has been made during the past 5 years in the operation of the trade-agreements program. We have negotiated agreements with countries that account for practically three-fifths of our total foreign trade. Valuable benefits, through safeguarding or improving our access to foreign markets, have been secured for literally hundreds of products, both agricultural and non-agricultural. On farm products these benefits (including guaranties of continued duty-free entry of certain items, notably cotton) cover nearly half (47 percent) of our total exports of farm products to all countries. They affect about three-fourths of our total exports of farm products to the trade-agreement countries themselves.

A few illustrations will be helpful.

After a period of less-than-average supplies, the corn-hog industry is again becoming heavily dependent upon export outlets. Reduction of barriers against our exports of pork, ham, or bacon has been obtained in 10 countries. On lard 9 countries have reduced barriers, while 3 others have agreed not to impose new restrictions. Of special significance is the removal in the agreement with Great Britain of a burdensome preferential duty on lard, originally imposed in retaliation for some of the superprotectionist provisions of the Hawley-Smoot tariff.

On grains and grain products, foreign-trade barriers have been lowered in most of the agreements now in effect. Great Britain has removed its discriminatory duty on wheat, also originally imposed in retaliation for our action under the Hawley-Smoot tariff, and has agreed to keep corn on the free list.

Fruits, vegetables, and a long list of other farm products have also materially benefited from the concessions obtained in the trade agreements.

That these benefits have been helpful in disposing of our agricultural surpluses is sufficiently indicated by the fact that between 1935 and 1938 our exports of farm products to trade-agreement countries increased by nearly 50 percent, whereas to other countries they did not increase at all but declined slightly. In addition, of course, the benefits obtained for exports of nonfarm products have created employment in our cities, and hence a better domestic market for farm and other products.

We have thus gone far toward safeguarding and reopening important foreign markets for our farm and other products. The agreements which we have negotiated are standing us in good stead now, at a time when, as a result of the war, our exports are faced with severe new trade restrictions in many countries. They provide an effective means of insuring better access to these markets than we would otherwise be able to get.

The work of rebuilding international trade on a sound basis, thus begun and substantially carried forward has been for the present rendered more difficult by the outbreak of a new major war. The scope of operation of the trade-agreements program in the immediate future will, of course, be restricted by war conditions. But that is no reason, as some contend, for abandoning the entire program for the duration of the war. These counsels of despair and defeat overlook the all-important fact that the chances of sound economic restoration after the war, in which we shall have a vital interest, will be almost nonexistent if we now abandon our work in behalf of sound trade policies and cease our efforts to induce other

nations to keep alive the imperative need for such policies. This is no time to strip ourselves of necessary means of action.

If there is anything certain in this world, it is that, after present hostilities come to an end, there will be an even more desperate need than there was in recent years for vigorous action designed to restore and promote healthy and mutually beneficial trade among nations. The fact that during the past 5 years 21 nations showed their willingness, by entering into reciprocal-trade agreements with us, to modify their trade policies in a more liberal direction offers a solid basis for the hope that, with peace regained, there will be a good opportunity for completing the work of trade restoration. That precious opportunity will be lost if we, who have in the recent past taken a position of leadership in this vital work, should now reverse our own policy and turn our face straight back toward suicidal economic nationalism, with its Hawley-Smoot embargoes.

It is in all these implications, that the trade-agreements program should be considered by our people. Much of the propaganda that is being poured out upon the farmer brushes aside lightly not only the inherent soundness of the program itself in its relation to domestic prosperity but also its decisive significance in connection with the whole problem of the restoration and maintenance of enduring peace and of general economic reconstruction and progress. The central claim of such propagandists is that the trade-agreements program has caused an increase in our imports of agricultural, or so-called agricultural, products, and that this has hurt agriculture.

Let me say to you in perfectly plain language that if there were the slightest suspicion in my own mind that farmers in this country were being hurt rather than helped by the trade-agreements program I would be the first to favor dropping it. But the facts tell a different story.

Let us look at the latest figures. During the first 9 months of 1939 we imported into this country \$795,000,000 worth of agricultural, or so-called agricultural, products. Those who use our agricultural import figures as a basis for attack on the trade-agreements program would have the country believe that these imports mean that American farmers have lost that much of their home market. Never was a more palpable and insidious falsehood perpetrated on our farm people.

What are these imports of agricultural products that you hear so much about? None of the self-styled friends of the farmer will ever tell you the fact that two-thirds of what we brought in during the first 9 months of 1939, or about \$530,000,000, were products which even the authors of the Hawley-Smoot tariff considered so incapable of displacing our own farm production and so indispensable for our people that they were left on the free list in the Tariff Act of 1930. Among these were such products as coffee, rubber, raw silk, bananas, cocoa beans, tea, carpet wool, and sisal, etc., which we do not produce at all in this country. What farmer was hurt by the \$121,000,000 of rubber we brought in during this period? Or by the \$101,000,000 of coffee? Or the \$75,000,000 of raw silk? Or the \$22,000,000 of bananas, the \$20,000,000 of cocoa beans, the \$19,000,000 of carpet wool, or the \$15,000,000 of tea, and so on?

The products comprised in the remaining third of the total agricultural imports are predominantly of the two types: First, commodities of which we do not produce enough for our domestic requirements, notwithstanding that we have for years imposed—and still today impose—high tariffs on most of them; and second, products—most of them also subject to high duties—which we import because of special quality or use, or differences in marketing season, or other special considerations. These imports do not displace—they supplement—our deficient domestic supplies. Without hurting our domestic producers, these imports are also necessary for the economic well-being of our Nation and the comfort of our people.

Those who are responsible for the maneuver of laying so much unwarranted stress on farm imports claim that these limited importations are materially hurtful to American agriculture. Where is their evidence? If farmers had been hurt, it would be reflected in farm income. That is the real test for every farmer.

By 1932, after 2½ years of Hawley-Smoot tariff embargoes, farm cash income had fallen to 4.6 billion dollars. By 1938, after 4 years of trade-agreement policy, it had risen to 7.5 billions, excluding benefit payments. Were farmers hurt by this \$3,000,000,000 increase in farm income?

The most reckless claims of injury have been made regarding the dairy and cattle industries. Yet the fact is that the income of the dairy industry—which had declined, under tariff embargoes, from \$1,844,000,000 in 1929 to \$991,000,000 in 1932—rose, under our trade program, to \$1,398,000,000 in 1938. Does this indicate injury? The income of the cattle industry—which, under tariff embargoes, fell from \$1,495,000,000 in 1929 to \$620,000,000 in 1932—rose, under our trade program, to \$1,144,000,000 in 1938. Does this indicate ruin?

And bear in mind that even in the period of our heaviest dairy importations, back in 1924-29, imports of dairy products never exceeded 1½ percent of our domestic production. In 1938 the imports were only one-half of 1 percent. Bear in mind, too, that the cattleman has today, as he has always had, 95 to 98 percent of the home market.

What about farm prices? None of us can ever forget how prices crashed between 1929 and 1932 when the Hawley-Smoot embargoes ruled the day. But let us not forget either how they have come back in recent years.

What farmer was hurt by the increase in the average farm price of wheat from 39 cents a bushel in 1932 to 66 cents in 1938? What



was injurious about the increase in the farm price of corn from 28 cents in 1932 to 49 cents in 1938? What farmer was aggrieved by the increase in hog prices from \$3.34 a hundred in 1932 to \$7.74 in 1938? What cattleman suffered from the rise of cattle prices from \$4.25 a hundred to \$6.53 a hundred? What dairyman was hurt by the increase of butterfat prices from 17.9 cents a pound to 26.3 cents? What wool grower found reason to complain over the rise of wool prices from 8.6 cents a pound to 19.1 cents? On most of these products prices today are higher than they were a year ago. Hog prices are off at present but are still nearly double the 1932 figure.

Not for one moment would I want to suggest that conditions for farmers today are nearly as good as they ought to be. First, last, and all of the time I am for improving them. But I know that agricultural conditions cannot be satisfactorily improved without the expansion of both domestic and foreign markets. That is precisely why I have faith in the effectiveness of the trade-agreements program, which is the best method in the continuing emergency for accomplishing this result.

If experience is any teacher at all, it should have taught every one of us by now that the notion that farmers can be saved by embargo tariffs is a snare and a delusion. It is politically impossible to grant tariff embargoes to some groups and withhold them from others. When such embargoes are granted generally the result, as was the case in 1930-32, is a collapse of our foreign trade, vanishing foreign markets for our farm and other surpluses, a prostrate agriculture, and a prostrate Nation.

It is not a question of giving the American market to the American farmer or taking it away from him. He has already got practically all of the American market, as he has always had it, except—as I have said—for a few types of products that we do not grow in sufficient quantities for our own needs, even though we impose high tariffs on most of them. Nobody proposes to adjust any tariff rate in such a way as to diminish the sales of American farm products in the home market. The sole aim is, rather, to increase such sales in both the domestic and the foreign markets.

We all know that the home market just will not absorb our large surpluses of cotton, corn and pork products, tobacco, wheat, and fruits of various kinds, not to mention other products. We must either find outlets abroad or else see these surpluses back up on us until we are overwhelmed by them.

The contrast between our present trade policy, which contemplates an expansion of both the domestic and foreign markets for farm products, and the embargo policy, which shrinks both of these markets, has been admirably stated by Secretary Wallace as follows:

"By all means let us make the most of the home market. But I want you to think seriously about the fact that farmers have more to lose through nationalistic policies than any other group. In the present year, 1936, farmers are cultivating probably thirty-five to forty-five million acres that are going to produce things which will be sold abroad. The most additional land they could use by cutting out imports would be perhaps 10,000,000 acres. It just wouldn't be good sense to risk having to leave thirty-five or forty-five million acres idle in order to try to gain a market for 10,000,000 acres. I don't think farmers are foolish enough to trade dollars for quarters, no matter how strong the pressure may be by those who are busy grinding their own axes."

To sum up, the case for trade agreements comes down to the simple proposition that by reducing excessive and unreasonable tariff barriers and inducing other countries to do likewise, thus permitting a healthy growth of mutually advantageous trade, we greatly enlarge the purchasing power and the market outlets for our farm and other surpluses, both at home and abroad, to the benefit of American agriculture, American industry, and American labor.

The best test of the trade-agreements policy and its administration is to be found in the 22 agreements already negotiated. No tariff adjustments have been made in our trade agreements without the utmost care to see to it that the branches of production concerned, in agriculture or in industry, are amply safeguarded. What warrant is there for assuming that whatever tariff adjustments may be made in the future will not be as carefully considered and as adequately safeguarded as those made in agreements already negotiated?

The record of achievement under the trade-agreements program is an open book. I invite any person to show a single instance of general tariff readjustment either upward or downward, in the entire fiscal history of the Nation, wherein there has been exercised as much impartiality, care, and accuracy as to facts as has uniformly characterized the negotiation of our 22 trade agreements—or any more solicitude for the welfare of agriculture, labor, business, and the population of the country in its entirety.

Full and stable prosperity for our Nation can be achieved only in a world which is at peace. War and threat of war, even when we succeed in keeping ourselves free from embroilment in actual hostilities, imposes upon us a heavy burden of expenditure for armament and an even heavier burden of economic dislocation. This burden of economic maladjustment persists long after the guns of war are stilled. And hope of enduring peace among nations is little short of an illusion unless there can be provided for it a solid foundation of economic well-being for all nations. For this, healthy and sound international trade relations are indispensable.

In the difficult days which lie ahead, the greatest of all issues will be whether or not the world will be reconstructed along lines

of economic security and of firmly established order under law, which will make unthinkable a repetition of conditions of international lawlessness and of economic chaos such as we have witnessed in recent years. In the resolving of this issue, the weight of our country's influence may well prove to be decisive. By adhering to the trade policy which we now follow, we can throw our influence on the side of economic progress and of peace and order—to our own immense benefit. Were we to abandon this policy, under the pressure of narrow and short-sighted attitudes on the part of some of our people, we would render infinitely more difficult the process of building an orderly and prosperous world, and would thus inflict upon ourselves an incalculable injury.

This is a truly national problem. With so much at stake in the dangerous world of today, a united public opinion in support of the type of trade policy we have so far pursued has never been so essential to our country's welfare. A nation cannot prosper in a disordered world any more than an individual or a group can prosper within a nation when the country as a whole is in the throes of destructive chaos. Upon each and every one of us rests the responsibility for the choice of the course of action which we as a people shall pursue.

## Life Insurance and the Monopoly Investigation

### EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY HON. EDWARD R. BURKE, OF NEBRASKA

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me on December 21, 1939, at Omaha, Nebr., before the Association of Life Underwriters on the subject, Life Insurance and the Monopoly Investigation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I consider it a great honor to have the privilege today of addressing this Association of Life Underwriters. Everyone who is interested in the welfare of our country recognizes how great a service has been rendered by those responsible for the marvelous development in the field of life insurance. It has been the instrumentality of saving countless homes, preserving unnumbered business institutions, and making life tolerable for untold millions of bereaved dependents.

With these thoughts in mind, the vast army of policyholders, and others interested in the business of insurance, are closely watching the hearings being conducted by the so-called Monopoly Committee. It is gratifying to note the remarkable tributes which have been paid before that committee to the soundness of American life-insurance companies, and to the efficiency and devotion to the public interest of their officers and directors. Nevertheless, it should be recognized that the probable result of this inquiry will be proposals for an extension of the Federal Government's regulatory authority into the field of life insurance.

If current reports may be accepted, the implications are disturbing. Fundamental issues respecting the function of the Federal Government in the field of economic planning and regulation and its attitude toward large aggregations of wealth as represented in leading insurance companies are shaping up for consideration by Congress.

Suggestions which have been heard are that Federal regulation may be superimposed upon the present supervision of life-insurance companies by the States; that the Securities and Exchange Commission may be given control over the investments of the companies; that this Commission or some other Federal agency, perhaps a brand new addition to the already long list of bureaucratic bodies, will take charge of elections of directors of mutual insurance companies; and that a limitation may be placed upon the size of companies.

If any or all of these proposals are made effective, it will mean that new impetus will be given to the movement toward socialization of business and industry, that the Federal Government will encroach further upon the sovereignty of the States, that the burdens and problems of the insurance companies will be vastly increased, that a Federal bureaucracy will create new maladjustments in the economic structure through its attempts to apply untried social and economic theories, and that citizens in their capacity as taxpayers will suffer from the new costs of regulation and in their capacity as policyholders will feel the adverse effects of unwarranted interference with private management.

The monopoly investigation was authorized by Congress about a year and a half ago. The investigating group created under the terms of a joint resolution is officially designated as the Temporary

National Economy Committee. Its printed hearings bear the heading "Investigation of Concentration of Economic Power."

The resolution for the inquiry authorized the committee to investigate questions raised in a message by the President on April 29, 1938, with respect to "monopoly and the concentration of economic power in and financial control over production and distribution of goods and services" with a view to determining "(1) the causes of such concentration and control and their effect upon competition; (2) the effect of the existing price system and the price policies of industry upon the general level of trade, upon employment, upon long-term profits, and upon consumption; and (3) the effect of existing tax, patent, and other Government policies upon competition, price levels, unemployment, profits, and consumption." The very broad scope of the inquiry as thus indicated is further extended into the monetary field with a mandate to the committee also to "investigate the subject of governmental adjustment of the purchasing power of the dollar so as to attain 1926 price levels."

The resolution provided for a committee of 12, consisting of 3 Senators, 3 Representatives, and 1 representative each of the Department of Justice, the Treasury Department, the Department of Labor, the Department of Commerce, the Securities and Exchange Commission, and the Federal Trade Commission.

The inquiry is unusual in that it is conducted jointly by representatives of the legislative and executive branches of the Government. Each of these coordinate branches has six members on the committee. Nominally neither branch has an advantage, but actually the executive branch is in the better position to dominate the proceedings. The six Members of Congress were selected on a bipartisan basis, four of them being Democrats and two Republicans. They represent different viewpoints with respect to social and economic policies and may not always vote as a unit. The six members from the executive branch, on the other hand, represent departments and agencies which are a part of the administration. Presumably they will be in substantial accord on controversial issues. Furthermore, the major part of the funds of the committee was appropriated directly to the President for allotment among the six departments and agencies. Under the practice followed studies of various phases of the broad problem of monopoly and concentration of economic power are conducted by the different departments and agencies, and they present the evidence before the whole committee. Thus, the presentation of evidence is largely controlled by the administration. Final recommendations of the committee will be similarly controlled if one or two of the six Members of Congress approve proposals of the six departmental representatives.

Senator JOSEPH C. O'MAHONEY, of Wyoming, chairman, and Representative HATTON W. SUMNERS, of Texas, vice chairman, have tried to keep the investigation on an objective basis and to avoid anything resembling a "witch hunt." They have been successful to a considerable degree. The public hearings, which commenced in December a year ago and are still in progress, have been on a much higher level than most investigations of a comparable nature. The facts assembled and analyses made will be of great value in the consideration of economic problems covering a wide range. No similar inquiry of a comprehensive character has been made for many years. The facts and conclusions in earlier studies are out of date by reason of economic changes during periods influenced by the World War, the recent depression, and the new European war.

While the usefulness of the assembling of basic facts must be conceded, this does not mean that the interpretation placed upon them by the committee of its recommendations should be accepted without careful consideration.

The line of inquiry, as required by the resolution of authorization, has followed the course charted in the President's message to Congress. The social and economic views of the administration have been dominant.

Specifically, the departmental representatives who have been most conspicuous in the hearings have a strong bias against big business. They believe firmly that a concentration of power in the Federal Government is necessary to break up a concentration of power in private industry. They see monopoly in every large aggregation of capital and are prone to overlook such benefits as are derived by the masses of our population. They think our economic system has failed and that far-reaching changes must take place. The structure which they envision has more resemblance to Socialist and Fascist states than to the American system of free enterprise.

That the subject of life insurance should be brought into an investigation of monopoly is symptomatic of the astigmatism which has affected the viewpoint in these quarters. No one has made any charges reflecting on the soundness of the management of life-insurance companies. There were not even assertions as to the absence of competition between the larger companies and those with a less formidable array of assets. The public generally had been impressed with the manner in which the insurance companies survived the depression. Only the inhibitions of limited incomes were holding back a tremendous rush toward the use of savings in insurance in preference to all other forms of investment.

The one and only reason for the investigation of insurance companies may be found in the large amount of wealth represented in these companies. In this aggregation of wealth were seen evils because of a concentration of economic power.

The original suggestion for the inclusion of insurance companies in the inquiry may be found in the President's message to Congress. He said:

"The tremendous investment funds controlled by our great insurance companies have a certain kinship to investment trusts, in

that these companies invest as trustees the savings of millions of our people. The Securities and Exchange Commission should be authorized to make an investigation of the facts relating to these investments with particular relation to their use as an instrument of economic power."

The President's statement was referred to as the basis of the inquiry when the Securities and Exchange Commission commenced its presentation of evidence with respect to insurance companies before the Monopoly Committee on February 6, 1939.

William O. Douglas, then the Chairman of the Securities and Exchange Commission and a member of the Monopoly Committee and subsequently appointed as an Associate Justice of the United States Supreme Court, said in an introductory statement:

"The President, in his message to the Congress, spoke of the tremendous investment funds controlled by our great insurance companies and asked that authorization be given to investigate the manner in which these investments are used as 'an instrument of economic power.' It is on this broad problem that we will present to the committee facts concerning the insurance business. \* \* \*

"It is our present task to survey the economic power inherent in the vast investment funds controlled by the insurance companies and to study the impact of that power upon our national economy. The scope of our problem is as broad as the sphere of influence of the insurance companies themselves. Inquiry into that problem of necessity takes us from Wall Street to Main Street, from the capital markets and financial centers of the East into the farm lands of the West and South. It will properly bring us in time to a consideration of the extent to which insurance-company influence permeates areas of national importance, such as the capital markets, the supply of mortgage funds available to farmers, railroad reorganization, and perhaps the financing of low-rent housing. It will of necessity demand inquiry as to the future of investment banking in this country, and, indeed, the extent to which insurance companies have come to dominate security issuers, underwriters, and investors. These are not boundaries of our making. They inhere in the character of the insurance business."

Examination of part 4 of the printed hearings of the committee, which consists of nearly 500 pages of testimony and exhibits relating to insurance, discloses much evidence as to the soundness of insurance companies, the efficiency of their management, their large resources, and the commanding position they occupy in the financial world. One searches in vain, however, for specific charges as to any conspiracy among the insurance companies for the use of their resources in a concerted program involving the exercise of economic power, or even as to the use of funds of any particular company with a view to exercising such power. Nowhere in the testimony does there seem to appear any evidence that the effect of the investments made by the insurance companies as a whole has been injurious to our economic structure.

The preliminary report made public by the committee last July contains a section on insurance, but here again it is impossible to find anything indicating that the concentration of economic power in the insurance companies through large investment funds has had adverse effects upon the general public. In this report it is stated that "the first hearings on insurance were primarily important for establishing certain facts with respect to concentration of control of life-insurance assets and perpetuation of management." It is noted that in 1937 there were 398 legal reserve life-insurance companies with total assets in excess of \$27,650,000,000, that these companies had about 64,000,000 policyholders, and that at the end of 1938 the insurance in force amounted to about \$110,000,000,000. It is further noted in the report that legal-reserve life-insurance companies have absorbed more and more of the country's savings, that in 1937 the assets of these companies exceeded by almost \$10,000,000,000 the combined assets of savings banks and building and loan associations in this country and were far greater than the savings deposits in State and national commercial banks. It is also noted that while the population has doubled since 1890, the insurance assets have been multiplied 25 times. So great have the assets become, the report states, that industry and Government discover themselves increasingly dependent upon life-insurance companies for essential financing. To illustrate this point the report states that on December 31, 1938, the 49 largest legal-reserve life-insurance companies owned 11 percent of the direct and guaranteed debt of the United States Government, 9.9 percent of all State, city, municipal, and political subdivisional debt; 22.9 percent of all railroad bonds; 22 percent of the entire public-utility debt; 15 percent of the industrial debt; 11 percent of all farm mortgages; and 14 percent of all city mortgages.

To a layman these figures would seem to offer impressive evidence that the insurance companies have played a tremendously helpful part in the financing of our industry and agriculture and in making it possible for our governmental bodies to operate on a deficit basis without disaster.

The report contains not a word of criticism as to the use made by the insurance companies of their funds. There is not a line to indicate that a single policyholder in a solvent company has ever lost a dollar. Not a word is said about any insolvent companies, which evidently have been so few in number as not even to justify mention. There is no suggestion of the need of emergency or other legislation. Presumably that will come later.

One gets only a vague hint as to what is in the wind. The report notes that the 25 largest insurance companies own 87 percent of all the assets, 16 of the 25 own 80 percent, and the 5 largest own 54 percent. It is further asserted that the direction of



the investment of the huge reservoir of funds rests with the officers of a comparatively few companies in a limited eastern area, and that 16 companies, whose home offices are located in the New York area and in New England, own 74 percent of all the assets.

General observations with which the committee concludes its preliminary report also are significant. The committee states that the tendency toward the concentration of control of the economic system in fewer and fewer business executives seems proved, that the consequence of the tendency is a steadily lessening number of competitors, that the financial and other resources required for economic endeavor are becoming increasingly difficult for the ordinary enterprise to obtain and that concentration of economic power and wealth is accompanied by increasing unemployment and narrowing markets.

In its preliminary report the committee did not offer a remedy. It is obvious that in the final report some sort of a plan or plans will be presented for greater governmental control of business and industry.

In a nutshell, the investigation of insurance companies seems intended to establish the existence of a concentration of wealth which will be offered as *prima facie* evidence of the need of governmental control.

The premise in this inquiry, as in others recently conducted, is that big business is essentially evil and that the existence of unemployment proves that contention.

This particular matter represents merely one phase of the movement toward a planned economy, a movement so dear to the hearts of many advanced thinkers. It is proposed, and much of the program already has been enacted into law, that Federal bureaucrats shall supervise the management of our industry, agriculture, and finance. Control is to be taken away from private businessmen, farmers, and financiers, and vested in the Government. The pattern is strikingly similar to that which has been followed in the totalitarian countries of Europe but is in violent conflict with our system of free enterprise.

In this particular case the economic planners want to obtain control over the investment of funds by the insurance companies. It is part of a policy for a rationing of capital as a means of directing the course of industry and agriculture.

The drive against the insurance companies, which undoubtedly will result in a proposal for legislation to give the Securities and Exchange Commission and possibly other agencies authority over them, is not actuated by any concern for the safety of the funds of policyholders but is part of a much broader movement to vest in the Government complete economic power. Again and again during the hearings it was emphasized that no question was being raised as to the soundness of the companies.

Mr. Douglas in his opening statement said: "At the outset I want to make clear that this inquiry does not attack and in no way questions the adequacy of the reserves of any insurance company within its scope. Under State laws the legal reserve companies are required to set aside in restricted investments, funds sufficient to assure that each policyholder will receive the amount of his policy when his risk matures. No policyholder need have any concern that any fact brought out in this inquiry will in any way jeopardize the protection which he counts upon through his insurance policy."

Dr. Donald H. Davenport, special economic consultant to the insurance section of the Securities and Exchange Commission, one of the chief witnesses presented by the Commission, told the committee that, despite the depreciation of real estate and similar losses, the strength of the insurance companies was unimpaired and that there was no suggestion of possible insolvency.

In connection with a chart showing the operations of the four chief types of savings institutions, the life-insurance companies, the mutual savings banks, the building and loan associations, and the savings departments of the commercial banks, Dr. Davenport said:

"The chart based on the aggregates reflecting the growth of these four principal types of savings institutions in the United States raises certain questions to which we cannot give final answer at this time; however, it is apparent that the life-insurance companies have never shown a decline. Every year for which figures are available, total assets of life-insurance companies show an increase over the assets of the year before. This was true in 1918, the year of the influenza epidemic, when death losses were exceptionally high. It was also true throughout the depression years of 1932, 1933, and 1934. In this respect the life-insurance companies are unique among financial institutions. The reasons for the momentum which has carried the life-insurance companies ever upward are many. Among them may be mentioned the fact that premium receipts, which constituted about 72 percent of their total income in 1937, have been almost always more than sufficient to meet expenditures for all purposes."

At the conclusion of the insurance hearings, Senator O'MAHONEY, chairman of the committee, in a statement to the press, asserted that the evidence submitted had "amply justified" the statement by Mr. Douglas at the outset that "no policyholder need have any concern that any facts brought out in the inquiry would in any way jeopardize the protection he counts upon." Senator O'MAHONEY said that "nothing whatever has developed at the hearings to reflect upon the integrity or the ability of the men who administer these huge organizations."

Senator O'MAHONEY added:

"I am personally satisfied that there is not a single responsible official of any of these companies who is not as sincerely interested

in restoring and promoting economic prosperity in the United States as is any public official, and I cannot forego taking advantage of this opportunity to thank the insurance leaders for the cooperation which they gave to the committee.

"It would be a mistake to let the testimony which was produced with respect to the pure formality of the election of officers and directors in some of the companies cast a reflection on either the companies or their officers, and I trust that no one has gained any such impression. So far as any testimony produced before the committee is concerned, all of these companies are operated in full compliance with the laws of the State by which chartered and in which they operate."

Although the attorneys and experts of the Securities and Exchange Commission who were in charge of the presentation of evidence were not greatly interested in anything except a possible concentration of economic power, the hearings contain considerable testimony as to the valuable contribution of the insurance companies to the prosperity of the Nation. Besides providing protection for the future and safeguarding savings of the policyholders, the companies were shown to have done much toward promoting the health of the people and extending the average length of life.

Another aspect of the insurance situation which those presenting the evidence to the Monopoly Committee were not anxious to emphasize was the adverse effect of present Government policies upon the companies and upon policyholders. The so-called easy-money policy, which has been promoted by the administration both as a means of providing low interest rates to industry and to facilitate the financing of Treasury deficits, has seriously affected insurance companies, endowments, and other institutions, and private citizens dependent upon income from investments. Testimony before the Monopoly Committee showed that the insurance companies have had increasing difficulty in finding investments with satisfactory yields because of the prevalent low interest rates and that the lower earnings have been reflected in dividends to policyholders. Furthermore, the companies have been forced to increase greatly their holdings of Government securities. The large percentage of the public debt held by the insurance companies is not due to any desire of the companies for economic power but rather to the increasing monopolization of investment opportunities by the Government which has made such a trend unavoidable.

Inflationary trends under the present administration also have been a menace to the insurance companies. If there should be a runaway speculative boom, which could easily occur on the basis of enormous excess banking reserves, the depreciation in the purchasing power of money would deal a severe blow to holders of insurance policies. If interest rates should rise to a level which was normal a few years ago, it would mean a decline in the market value of the companies' large holdings of Government securities to a point below par, with a consequent heavy loss.

Statistics which appear in the printed hearings of the committee show that on December 31, 1938, 17.9 percent of all life-insurance assets was represented by securities of the United States Government. A decade ago, in 1929, only 2 percent of life-insurance assets consisted of Government securities. The part of total assets represented by farm and city mortgages has greatly increased, which may be attributed to the responsibility assumed by the Federal Government in these fields.

Various Federal policies, including low interest rates, enormous expenditures of the Government in disregard of a balanced Budget, and the paternalistic trend shown in relief and social-security programs, have all tended to weaken the habit of thrift which formerly was ingrained in the American people. The alarming tendency to depend on the Government for security, not only in old age but in the prime of life, cannot fail to retard the expansion of the business of the life-insurance companies.

Another possible menace to the companies is Federal competition. The proposal has recently been renewed for a voluntary system of old-age pensions under the Government. Under the plan the Government would engage in the insurance business for the purpose of providing annuities to persons with small income at a cost less than is possible through private companies. Congress refused to approve this scheme when it was presented by the administration at the time of the enactment of the Social Security Act because of possible injurious competition in an important field of private business. That the proposal should be renewed is indicative of the constant trend toward a socialization of business and industry.

Just what the Federal bureaucracy would desire with respect to a new allocation of investments by the insurance companies in various fields of industry, agriculture, and finance is not clear. It seems obvious that the concentration of economic power in Washington would be far more dangerous than any present concentration in the areas where the principal financial markets are located and which operate under our system of free enterprise.

Furthermore, the need of the assumption of regulatory authority by the Federal Government has not been made evident. The evidence before the Monopoly Committee does not appear to show any laxity in the supervision of the insurance companies by the States. Any regulation imposed by the Federal Government would be superimposed upon that of the States. While the Federal Government may encroach upon the sovereignty of the States, as it is doing increasingly with respect to the regulation of business, industry, and agriculture, it cannot destroy their sovereignty. The result of Federal regulation would be a new burden on the insurance companies. Already the taxes to which they are subject both at the hands of the States and the Federal Government are very heavy. Any extension of Federal authority probably would mean more

special taxes, ostensibly in part to finance the added cost of administration. The policyholders would lose more than they could possibly gain from Federal supervision.

The movement with respect to Federal control of the life-insurance companies presents a definite challenge to American principles of government. It represents an encroachment upon the sovereignty of the States which has not been shown to be justified. It involves an assumption of economic power in the Federal Government which follows trends in Europe but is inconsistent with practices generally accepted until very recently in the United States. It raises an issue which must be met if the tendency toward a startling centralization of power in Washington is to be checked.

## Laying the Cornerstone of Jefferson Memorial

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix the address delivered by the President of the United States on the occasion of the laying of the cornerstone of the Jefferson Memorial at Washington, D. C., November 15, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the earliest days of the Republic, under the Constitution, the Representatives of the several States were in substantial agreement that a National Capital should be founded in a Federal district set apart from the jurisdiction of any individual State. This purpose was in a true sense a symbol of a realization of national unity; and the final location of the National Capital proclaimed a proper compromise between the interests of the North, the South, the seaboard, and the interior, as they existed at the time.

In all of the hundred and fifty years of our existence as a constitutional nation many memorials to its civil and military chiefs have been set up here. But it has been reserved to two of these leaders to receive special tribute in the Nation's Capital by the erection of national shrines perpetuating their memories over and above the appreciation and regard tendered to other great citizens of the Republic.

Today we lay the cornerstone of a third great shrine—adding the name of Thomas Jefferson to the names of George Washington and Abraham Lincoln.

I have spoken of the national character of the District of Columbia itself, a capital which represents today the vitality, not of 13 Atlantic seaboard States but of 48 States which encompass the width of our continent.

This vitality envisages many-sided interests, and it is therefore fitting that among hundreds of monuments to famous Americans the three great shrines are dedicated to men of many-sided qualities.

Washington represented abilities recognized in every part of the young nation and in every part of the civilized world, for he was not only a great military leader, not only a great moderator in bringing together discordant elements in the formation of a constitutional nation, not only a great executive of that nation in its troublous early years, but also a man of vision and accomplishment in civil fields, talented engineer and surveyor, planner of highways and canals, patron of husbandry, friend of scientists, and fellow of political thinkers.

Lincoln, too, was a many-sided man. Pioneer of the wilderness, counsel for the underprivileged, soldier in an Indian war, master of the English tongue, rallying point for a torn nation, emancipator, not of slaves alone, but of those of heavy heart everywhere, foe of malice, teacher of good will.

To those we add today another American of many parts—not Jefferson, the founder of a party, but the Jefferson whose influence is felt today in many of the current activities of mankind.

When in the year 1939 America speaks of its Bill of Rights we think of the author of the statute for religious liberty in Virginia.

When today Americans celebrate the Fourth of July 1776, our minds revert to Jefferson, author of the Declaration of Independence.

When each spring we take part in the commencement exercises of schools and universities, we go back to the days of Jefferson, founder of the University of Virginia.

When we think of Benjamin Franklin as the experimenter in physics, we remember that Jefferson was an inventor of numerous small devices to make human life simpler and happier, and that he, too, experimented in the biology of agriculture and livestock.

In the current era of the erection of noble buildings we recognize the enormous influence of Jefferson in the American application of

classic art to homes and public buildings—an influence which makes itself felt today in the selection of the design for this very shrine for which we lay the cornerstone.

But it was in the field of political philosophy that Jefferson's significance is transcendent.

He lived as we live in the midst of a struggle between rule by the self-chosen individual or the self-appointed few and rule by the franchise and approval of the many. He believed as we do that the average opinion of mankind is in the long run superior to the dictates of the self-chosen.

During all the years that have followed Thomas Jefferson the United States has expanded his philosophy into a greater achievement of security of the Nation, security of the individual, and national unity than in any other part of the world.

It may be that the conflict between the two forms of philosophy will continue for centuries to come, but we in the United States are more than ever satisfied with the republican form of government based on regularly recurring opportunities to our citizens to choose their leaders for themselves.

Therefore, in memory of the many-sided Thomas Jefferson and in honor of the ever present vitality of this type of Americanism, we lay the cornerstone of this shrine.

## Politics as a Profession for Businessmen

### EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and timely address delivered by Hon. James A. Farley before the Wharton School of Finance, University of Pennsylvania, at Philadelphia, Pa., December 4, 1939. The subject of the address is Politics as a Profession for Businessmen.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a privilege for me to address the members of a great university which, among its other functions, maintains one of the best-known schools of business in the world. I am particularly glad to talk to you quite frankly and simply about politics. One of the most useful things that any of us can do is to look occasionally at the other man's job. It would be very helpful if all politicians could look occasionally at business through a businessman's eyes, and if all businessmen could occasionally have a glimpse of public affairs through the eyes of politicians.

I am a politician, and am proud of being one. I am also a businessman, and I am proud of that. But I do think it is fair to say—though politicians frequently do not say it—that in politics we probably have to take account, and do take account, of the views of businessmen perhaps even more than businessmen take account of political factors.

Politicians probably stand more abuse, year in and year out, than perhaps any other group of individuals. And yet the success of our democracy in large measure is directly and continuously dependent on them and on their work. Public opinion in a democracy has to find some way of expressing itself in an orderly and effective fashion. This we do through political parties, which give effective form to the desires of the public and the views of our citizens. The organization of political parties and the using of them to express the public will is the work of politicians. It is they who must harmonize conflicting points of view; who must reach compromises; who must look always for the greatest common divisor of public opinion and give the result form and substance. In practice this means reaching agreements on candidates, on policies, and on legislation which meets the needs of the country.

One may almost say that whenever the politician fails, democracy fails. In some countries abroad, where politicians were unable to work out a general unity, when parties divided and subdivided to an intolerable degree, and when agreement could not be had on men and measures, the structure became so weakened that dictatorship was invoked as a relief from confusion.

The vices of the politician have so often been attacked that I think it is fair, for a change, to fire a shot in his defense. A well-known author once wrote a most elaborated study about politics and politicians, taking careful account of all their virtues and of all their failings; but he wound up with the conclusion that, after all, in the prevailing state of the world, politics was one of the noblest professions in the world. It did endeavor to create, maintain, and safeguard the public order, within which individuals everywhere could work out their own lives in peace and freedom.



Is politics a profession for businessmen? I think it can be, and should be, if certain facts are appreciated. Many of the qualities required for success in both callings are the same. At bottom, as usual, they turn on character. A businessman's greatest asset is his reputation for keeping his engagements; and the greatest asset of a politician is the knowledge that his word is 100-percent good.

A politician's promise is called by other politicians a "contract." It is frequently not the kind of contract that businessmen talk about—that is, an arrangement by which one man promises to do something in return for the promise of his opposite party to do something for him. More often than not in political matters it is a promise to try to work out some particular problem; or to take a particular position, and there is no consideration of any kind received for the promise. When in political life it is said of a man, "He keeps his contracts," he has achieved the first essential to success. This is exactly what a businessman has attained when the banker, his customers, and his competitors, all know that he is a man of his word.

Likewise, a politician, like a businessman, has to be extremely careful about giving his word. He has to try to estimate whether, when he gives his word, he can fulfill it. Men who are experienced in public life are very cautious about giving their word. They know that all kinds of considerations enter into the problem; and they know that it is much easier to promise than to make good. This is also the characteristic of a cautious and capable businessman.

A third requirement is certainly the same for success in both politics and business. This is the kindly quality of courtesy and generosity. There is temptation in both fields to say unkind things about other men or to belittle their motives; yet experience teaches that lack of generosity, and willingness to take liberties with other men's reputations, eventually spoils the most promising career. The other man is entitled to his point of view, and nothing is gained by not recognizing that he is probably honest about it. Political battles, like business competition, are hard fought; but successful fighting does not descend to personalities. Where you hear of personal attacks in politics, you usually find that an amateur is back of them.

Again, in both fields, moderation and self-control are essential. To take undue advantage of a situation is always a mistake, if only because in the fast-moving panorama of human events situations are apt to reverse themselves. Moderation in the hour of triumph rests on something more than mere self-preservation. It is essential to democratic government. If the successive political victories of various groups were followed in each case by an attempt to make trouble for the defeated party, democracy would soon break up in a set of meaningless rebellions. Politicians know, just as businessmen know, that if an advantage is pushed too far, eventually a day of reckoning comes.

But if the qualities needed for the profession of business and of politics are somewhat the same, it must be recognized that the profession of politics does require certain elements which businessmen frequently do not need to have. In public affairs men are never entirely their own masters, nor are they masters even over the particular situations in which they appear to be dominant. A businessman can, within limits, give an order. He can settle policy according to his own best lights. A politician has not only to make up his own mind as to what he thinks ought to be done, but he must also find out as well as he can what the public thinks or will think about a situation. In fact, his ability to estimate public opinion is one of the very reasons why he is able to mobilize that opinion so as to bring about some definite result.

Public opinion is not simple. It is made up of an endless number of strands. There are groups with special interests; and others with sentimental attachments; and still others with directly opposed interests; and all of these have to be considered. Frequently students, professors, or analysts, are at work on advanced ideas in any particular situation; ideas which have not yet won public support, but which may do so in the future. All of these have to be taken together and appraised. Frequently the appraisal of them is instinctive; because good politics, like good business, is an art; and there is a genius of politics, just as there is a genius of business. Understanding and estimating currents of public opinion is not a thing which most businessmen have to do; and learning the art is sometimes not easy.

In public life I have often seen men come from business into public affairs. In some cases, I have noticed that their first feelings are unhappy. They consider a problem; make up their own minds about it; and then go to work to get something done. This is what they would do in their own business. Suddenly they discover that a number of people do not agree; or that a great number of people who are only incidentally interested feel that they have a right to be consulted. The press somehow presents their ideas in an unhappy light.

To a man new in public life, the process seems interminable and cumbersome. Why in the world, they think, can you not make a straightforward decision and give quick answers to plain questions? Yet when action is taken without going through all of this troublesome process of consultation, consideration, and cooperation, the measure is often not successful. Things crop up which were not considered before. Units in the government whose existence is hardly suspected, have to carry out the policy; and unless these units are sold on the idea, the results seem not too happy. Some men never do learn the process.

But there are others, and many of them, who do realize the difference in the two processes. Among them have been some of the most successful of public servants, outstanding in political life. In every case, I think, you would find that these men had learned not only to make up their own minds, but to consider that the public business means also meeting the minds of all kinds and sorts of people, and considering the interests of many and varied groups. These men have usually learned that ambition is just as legitimate a human motive as is the desire to make a profit—provided it is used moderately, and provided the means of attaining the ambition, like the methods used in making a profit, are honorable.

Ambition is to politics very much what the profit motive is to business. It is right and just that it should be so. As a legitimate profit ought to rest on a legitimate service rendered, so ambition to rise in the public service is worthy when it is satisfied by the faithful performance of useful work. In very large measure political ambitions are satisfied by cooperation rather than by competition; I myself have found that the best method of working with many men is to try to help as many of them as possible to satisfy their legitimate ambitions, as an honest reward for work in the public interest.

A business grows more complex as it gets larger, and political problems grow more difficult as they cease to be local and become national. In this respect I believe the United States is peculiar. It is the largest group of people anywhere on earth which endeavors, through political processes, to work out measures suitable to 130,000,000 people spread over a huge empire. Though conflicting interests have to be considered even in the smallest local district, they are as nothing compared to the conflicting interests in national matters.

Yet our economic success is due directly to the fact that we have been successful in finding common measures suitable, at least in part, to all; for otherwise, instead of having one republic, we should long since have been cut up into regional units each endeavoring to take advantage of the other; and we should probably be headed toward the tragic chaos in which the continent of Europe finds itself today. That we were able to escape this is not merely good fortune. It was due, first, to the singular clear-sightedness of the men who drew the Constitution of the United States specifically in order to form a more perfect union. But it was also due to the fact that American politicians, whatever their sins, in general have realized that their task is to make the machinery work, and not to find ways by which it can be made to fail.

Let me say a word about a phrase which is often heard in these days. People ask for "more business in government." There is a great deal of truth in this, but only if some of the limitations I have tried to note above are kept in mind. The methods of government can certainly be improved. We are a long way from that smooth, clean-cut efficiency in public affairs which all of us hope to see. But when that is said, it nevertheless is true that government is a great deal more efficient than many people suppose. Do you know anything, for instance, on which you can depend with greater certainty than you can on the United States Post Office? Year in and year out, I think any fair-minded person would agree that it is as dependable and effective as any other business.

Even the process of legislation, I think, stands up pretty well by comparison. It is true that there are endless delays and compromises and modifications in order to work out a measure which will finally have the general support of the people. But if you have ever tried to secure agreement on a measure in, let us say, a trade association representing a large number of businessmen, I think you will agree that the process is almost as difficult as in a legislature. In trade associations or other conventions, there are endless modifications and delays; discussion is easy, but action difficult. What is more, you will find that in the trade association, as well as in the State legislature or in the Congress, if action is hasty, if there is not this full discussion, the job is apt to be badly done.

Businessmen sometimes complain of this, thinking of their own desks where they can make decisions by themselves. And yet even there, I think, a wise businessman knows that though he seems to decide the question by himself, in reality, he does a good deal of consulting first. He consults his technical people and his plant managers. Frequently he consults the representatives of his labor as well, and the decision he finally takes is a composite of all their views. Unless he does this, his business decision is likely to have disappointing results. When it is remembered that even a small task in government is huge compared to most tasks in business, you begin to discover that there is a reason for this apparent slowness and delay.

I believe that there is a great opportunity in public service for businessmen. The certainty of the business method, the search for the thing that can be done instead of for the impractical idea, the insistence that the customer shall be satisfied—all are qualities of the highest use in public affairs. But to these must be added a certain sensitive quality—the ability to understand public opinion; the willingness to compose differences; the realization that in politics no one can act alone, whether the affair concerns the fifth precinct of the sixth ward or the national interest of the United States. I do not hold out any hope of great material reward, nor even of great reputation, as an incentive. Frequently the only reward a politician ever has is the feeling that a great many people are happier because of his labor, and the friendship of the men with whom he has worked. Often he works unseen; still more often he is

viciously attacked. Occasionally the fortunes of the game, the loyalty of his friends, and the triumph of his ideas will carry him to great heights.

Politicians, like businessmen, can go wrong; too often they do. But in the main the politician carries on the fabric of American political life, and it is today the most successful government in the world. He parallels the businessman who carries on the fabric of our economic life, which likewise is today the most effective economic organization in the world. Our country has made good use of both; it has every reason to be proud of both. It has every reason to demand of both groups that we improve our methods and enlarge our ideas. But it has every cause to believe that if the two professions understand their own tasks and understand each other our democracy is well served and our country is safe.

### Laying of Cornerstone of Roosevelt Library

#### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY THE PRESIDENT

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by the President of the United States on the occasion of the laying of the cornerstone of the Franklin D. Roosevelt Library, Hyde Park, N. Y., on November 20, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Half a century ago a small boy took especial delight in climbing an old tree, now unhappily gone, to pick and eat ripe sickle pears. That was 100 feet to the west of where we stand. Just to the north he used to lie flat between the strawberry rows and eat sun-warmed strawberries. In the spring of the year, in hip rubber boots, he sailed his first toy boats in the surface water formed by the melting snows. In the summer with his dogs he dug into the woodchuck holes of this same field. The descendants of those same woodchucks still inhabit the field and I hope they will continue to do so for all time.

It has, therefore, been my personal hope that this library, and the use of it by scholars and visitors, will come to be an integral part of a country scene which the hand of man has not greatly changed since the days of the Indians who dwelt here 300 years ago.

We know from simple deduction that these fields were cultivated by the first inhabitants of America—for the oak trees in these fields were striplings 3 centuries ago and grew up in open fields as is proved to us by their wide spreading lower branches. Therefore, they grew in open spaces and the only open spaces were the cornfields of the Indians.

This is a peaceful countryside, and it seems appropriate that in this time of strife we should dedicate the library to the spirit of peace—peace for the United States and soon, we hope, peace for the world.

At the same time we can express the thought that those in the days to come who seek to learn from contemporaneous documents the history of our time will gain a less superficial and more intimate and accurate view of the aspirations and purposes of all kinds of Americans who have been living in these times.

Of the papers which will come to rest here I personally attach less importance to the documents of those who have occupied high public or private office than I do to the spontaneous letters which have come to me and my family and my associates from men, from women, and from children in every part of the United States, telling me of their conditions and problems, and giving me their own opinions.

To you who have come here today to take part in the laying of the cornerstone, you who have contributed so greatly to the building of this library, and to you who have also helped who could not be present, I give my appreciation and thanks.

This wholly adequate building will be turned over to the Government of the United States next summer without any cost whatsoever to the taxpayers of the country. During the following year the manuscripts, letters, books, pictures, and models, will be placed in their appropriate settings and the collections will be ready for public inspection and use, we hope, by the spring of 1941.

All of you who have been so generous in making this library possible—all of my friends and associates who have given so greatly of their time and their interest in the planning of the work—will join me, I know, in feeling well rewarded if for generations to come the people of the United States approve our planning and believe that the life of our Nation has been enriched.

### The National Health Act

#### EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY HON. EDWARD R. BURKE, OF NEBRASKA

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me on December 6, 1939, before the Chicago Medical Society on the subject of the National Health Act.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The so-called National Health Act, S. 1620, introduced by Senator ROBERT F. WAGNER, of New York, in February 1939 and considered at extensive hearings before a subcommittee of the Senate Committee on Education and Labor during April, May, June, and July, is approaching a stage requiring a decision by the Congress. It is assumed that the bill may be reported to the Senate during the coming session and that it may be pressed to a vote in both Houses while the primary and election campaigns of 1940 are in progress.

Seldom has more formidable propaganda in behalf of legislation been organized than in the case of this measure. The bill had its genesis in the work of committees organized under the President's Committee on Economic Security, which formulated the general outlines of the program incorporated in the Social Security Act of 1935. Following the enactment of that law President Roosevelt, in August 1935, appointed the Interdepartmental Committee to Coordinate Health and Welfare Activities. This committee, with the assistance of a technical committee selected from Government departments, prepared the comprehensive program which is the basis of the present Wagner bill. A general conference, selected for the most part from groups known to be favorable, considered the program in July 1938. President Roosevelt submitted the report of his committee, together with his own endorsement, to Congress in January 1939.

The bill upon its introduction in the Senate was referred to the Committee on Education and Labor rather than to the Committee on Finance, which was in charge of the Social Security Act and which in the 1939 regular session reported and obtained the enactment of comprehensive amendments to the original law. The present Wagner bill is in the form of amendments to several titles of the Social Security Act, with all of which the Finance Committee is intimately familiar. The assumption is that the proponents of the bill believed the prospect for complete approval of their far-reaching plan was better at the hands of the Committee on Education and Labor, whose members were selected chiefly because of their interest in subjects related to education and labor, rather than if it were entrusted to the Committee on Finance, whose members have as their primary responsibility the raising of revenues to meet the costs of the Government.

The subcommittee which conducted hearings was composed of Senators JAMES E. MURRAY, of Montana, chairman; VIC DONAHUE, of Ohio; ALLEN J. ELLENDER, of Louisiana; and ROBERT M. LA FOLLETTE, of Wisconsin.

Emphasis upon objectives rather than methods has become a common practice in the promotion of panaceas for existing evils. The official title of the bill, "the National Health Act of 1939," appears to indicate a program to which no objection can be advanced. The title, however, typifies the objectives rather than methods of accomplishing them. Everyone wishes to promote the national health. Anyone found in opposition is accused of sinister motives. A Member of Congress seeking reelection takes his political life in his hands when he ventures to vote against a bill which on its face, advances the health of the Nation and provides better care for the underprivileged portion of the population.

The Federal Government has taken long strides in its recent assumption of responsibility for social welfare. This trend has had a large measure of justification in the unusual conditions of the depression which swept over the world in 1929. Sufficient time has elapsed, however, to make it clear that the actions of the Federal Government have not always proved wise and that the schemes of well-meaning enthusiasts require more careful examination than has sometimes been given. The rejection in some of the recent State elections of fanciful old age and other social security plans was a hopeful sign. The people are turning their attention more to methods and do not propose longer to be confused by those who stress worthy objectives but fail to put forward a proper mechanism for their attainment.

Objections to the pending National Health Act may be grouped around four points, as follows:

1. Enactment of the legislation would be a further step toward a centralization of authority in the Federal Government and a destruction of the sovereignty of the States.



2. Paternalistic features of the plan would weaken the moral fiber and tear down habits of self-reliance and the exercise of individual initiative which have been fundamental characteristics of the American people under our system of government.

3. The origin and manner of presentation of the program afford a striking example of the tendency of bureaucracy to expand its power.

4. Cost of the program, on top of tremendous obligations already assumed for social services, would be a serious drain on the budgets of Federal and State Governments, and its financing would add a further obstacle to the functioning of our economic structure.

The dual system of government, under which the Federal Government and the States each possess sovereignty in their respective fields, has been one of the checks and balances which has kept the United States on an even keel through the years. It has helped to prevent a centralization of authority in the Federal Government, which inevitably would have led to abuses of power resulting in a breakdown of the governmental system. Except for the existence of the checks and balances provided by the dual form of government, the division of powers of the Federal Government among three coordinate branches, and the guaranties of individual liberties in the Bill of Rights, the United States might have been caught in the world movement toward dictatorships. Even with the existence of these checks we have witnessed an alarming tendency toward centralization of power.

From the beginning of our Government matters relating to the health of the people have been primarily the concern of the States and local governments. It has been contrary to our system to regiment our people from Washington, even if the regimentation is intended to improve their health. We tried through a constitutional amendment to have the Federal Government control the drinking habits of citizens, but an aroused electorate finally instructed Congress to propose repeal of the amendment.

In the past decade the storm and stress of depression have been responsible for a very great increase in Federal power at the expense of the States. To some extent this movement has been based on necessity. The financial plight of our local governments made it impossible for them to bear the entire burden of relief and other activities intended to relieve the distress of victims of the depression. At the same time, many of those who favored Federal appropriations for social purposes have recognized that the new system would lead to waste and extravagance and might be responsible for a new generation of people without the sturdy, self-reliant characteristics of previous generations. Because of the abuses and injurious effects of our present relief system a future Congress is likely to restore a greater measure of responsibility to the States and local governments.

The proponents of the National Health Act emphasize that it does not provide for Federal administration of the expanded health program. As described by the President in his special message to Congress last January, "the essence of the program recommended by the committee is Federal-State cooperation." It is true, as he stated, that the bill, instead of proposing a great expansion of Federal health services, provides for a comprehensive program to be administered by States and localities with the assistance of Federal grants-in-aid.

Nevertheless, the program contemplates the expenditure of Federal funds to meet a very considerable part of the costs and requires Federal approval of the original plans of the States and of their administration. The Federal Government proposes to coerce the States into embarking upon elaborate health programs, whether or not an acute need may exist or whether the local share of the funds might be better expended for other purposes. Thereafter, the Federal Government proposes to remain in complete control, a State exercising its discretion only at the peril of being cut off from Federal funds.

The Federal Government will be in a position to coerce the States to adopt health programs. If a State does not choose to accept Federal money it is passing by an opportunity to share funds contributed by taxpayers of the entire Nation. Furthermore, regardless of whether the State takes Federal money, taxes paid by its own citizens to the Federal Government will be used for health programs of other States. Under the circumstances, few if any States will refuse the grants-in-aid. Acceptance means that the States themselves must expend very considerable amounts for the same purposes, these amounts being expended not at the discretion of State or local officials but as required by the Federal bureaucracy in Washington. The expenditures of State or local funds may mean that no money will be available for purposes which in the judgment of resident citizens are more urgent.

In effect, the sovereignty of the States will be destroyed. The administrative agencies in the States will become mere puppets of the Federal Government. All of this would not be strange in a totalitarian government of Europe, but it would represent a flagrant violation of our principles of government.

An examination of the provisions of the Wagner bill will help to make the situation clear.

The first part of the bill provides for grants to States for maternal and child welfare. Under this heading are (1) maternal and child health services, and (2) medical services for children and services for crippled and other physically handicapped children.

The second part provides for grants to the States for public-health work and investigations.

The third for grants to the States for hospitals and health centers.

The fourth for grants to the States for medical care.

The fifth for grants to the States for temporary disability compensation, or in other words, for compulsory health insurance.

Under the first subdivision of the first part of the bill grants are authorized "for the purpose of enabling each State, as far as practicable under the conditions in such State, especially in rural areas suffering from severe economic distress, to extend and improve services, supplies, and facilities for promoting the health of mothers and children, and medical care during maternity and infancy, including medical, surgical, and other related services, and care in the home or in institutions, and facilities for diagnosis, hospitalization, and after-care." The grants under the second subdivision are "To extend and improve services, supplies, and facilities for the medical care of children and services to crippled and other physically handicapped children in need of special care, such services and facilities to include medical, surgical, corrective, and other related services and care in the child's home or in institutions, and facilities for diagnosis, hospitalization, or other institutional care."

In the second part of the bill grants are authorized to enable the States "to extend and improve public-health work, including services, supplies, and facilities for the control of tuberculosis and malaria, for the prevention of mortality from pneumonia and cancer, for mental health, and industrial hygiene activities, and to develop more effective measures for carrying out the purposes of this part of this title, including the training of personnel." As a second subdivision under this part appropriations are made to the Public Health Service through the National Institute of Health for investigations relating to health, disease, sanitation, and matters pertaining thereto.

The third part of the bill authorizes grants to enable the States "to construct and improve needed hospitals, to assist the States for a period of 3 years in defraying the operating cost of added facilities, and to develop more effective measures for carrying out the purposes of this title."

The fourth part of the bill authorizes grants to enable the States "to extend and improve medical care (including all services and supplies necessary for the prevention, diagnosis, and treatment of illness and disability), and to develop more effective measures for carrying out the purposes of this title, including the training of personnel."

The fifth part of the bill authorizes grants to assist the States "in the development, maintenance, and administration of plans for temporary disability compensation."

The authorizations for appropriations under the first part of the bill are: For maternal and child-health services, for the first 3 fiscal years, \$8,000,000, \$20,000,000, and \$35,000,000, respectively, and for medical services for children and services for crippled and other physically handicapped children, for the first 2 fiscal years, \$13,000,000 and \$25,000,000, respectively.

Authorizations of appropriations under the second part of the bill are: For grants to the States for public-health work, for the first 3 fiscal years, \$15,000,000, \$25,000,000, and \$60,000,000, respectively, and for investigations by the Public Health Service through the National Institute of Health, for the first 3 fiscal years, \$3,000,000, \$3,500,000, and \$4,000,000, respectively.

Authorizations of appropriations under the third part of the bill for grants to States for hospitals and health centers for the first 3 fiscal years, are \$8,000,000, \$50,000,000, and \$100,000,000, respectively, with additional unestimated amounts for each year for mental and tuberculosis hospitals, and also an annual amount, commencing at \$1,000,000, for administrative expenses of the Public Health Service.

The authorization of appropriations under the fourth part of the bill for grants to States for medical care, for the first fiscal year, is \$35,000,000.

The authorization of an appropriation under the fifth part of the bill for grants to States for temporary disability compensation, for the first fiscal year, is \$10,000,000, with \$250,000 additional to the Social Security Board for administrative expenses.

In each case the authorization provides for continuing appropriations for an indefinite period of such amounts as are "deemed necessary" or are "sufficient" for the specified purposes.

These sums, including amounts for the second or third years equal to the authorizations for the first or second years but not including the unestimated amounts for mental and tuberculosis hospitals, total \$93,250,000 for the first fiscal year, \$169,750,000 for the second fiscal year, and \$270,250,000 for the third fiscal year.

According to the sponsors of the plan, total expenditures of the Federal Government and the States by the time the program has been in operation for 10 years will amount to as much as \$850,000,000 annually. The Federal part of this cost will be considerably more than the \$270,000,000 indicated for the third fiscal year.

The five separate parts of the bill contain somewhat similar provisions with respect to conditions which must be met by the States before they can obtain the Federal grants-in-aid. In each case broad power is vested in a Federal bureau or board. The Chief of the Children's Bureau, subject to the approval of the Secretary of Labor, is the controlling official in the case of grants for maternal and child-health services, and for medical services for children and services for crippled and other physically handicapped children. The Surgeon General of the Public Health Service is the official who must approve the plans of the States in connection with public-health work. The same official controls grants to the States for hospitals and health centers. The Social Security Board is given jurisdiction over grants to States for medical care and for plans for temporary disability compensation.

Some idea of the maze of red tape which will be involved in the contacts between the States and the Federal Government may be gained from this scattering of authority among these three different Federal agencies. It is more than likely that in most States all of the health services will be under a single agency, which will be subject to the orders of three Federal agencies, the Children's Bureau, the Public Health Service, and the Social Security Board.

The power of the Chief of the Children's Bureau in the case of grants to States for maternal and child-health services is typical of the authority vested in the Federal bureaucracy under each of the five parts of the bill. The amount of allotments to the various States will be determined in accordance with rules and regulations prescribed by the Chief of the Children's Bureau with the approval of the Secretary of Labor. Factors to be taken into consideration are (1) the total number of births in the latest calendar year for which statistics are available, (2) the number of mothers and children in need of the services, (3) the special problems of maternal and child health, and (4) the financial resources of the States.

Before a State can get its money it must submit a satisfactory plan. This plan must provide for financial participation by the State. It must provide for a State-wide program or for extension of the program each year so that it shall be in effect in all political subdivisions in need of the services within 5 years. It must provide for the administration of the plan by the State health agency or for the supervision by that agency of any part of the plan delegated to another State or local agency. It must provide such methods of administration as are found by the Chief of the Children's Bureau to be necessary for the efficient operation of the plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis, and methods of establishing and maintaining standards of medical and institutional care. It must provide for an advisory council or councils composed of members of the professions and agencies, public and private, that furnish services under the State plan, and other persons informed on the need for or provision of maternal and child services. It must provide that the State health agency shall make such reports, in such form and containing such information, as the Chief of the Children's Bureau may from time to time require, and comply with such provisions as that official may from time to time find necessary to assure the correctness and verification of such reports. It must provide for cooperation and, when necessary, for working agreements between the State health agency and other public agencies. It must provide that the State health agency shall have authority to make such rules and regulations as are necessary for efficient operation of the service.

Besides the advisory council or councils to be set up in the States the Chief of the Children's Bureau is authorized to establish one or more such bodies. It is noteworthy that in the case of none of these councils is there a requirement of representation of the professional organizations, such as the American Medical Association. Members of the interested professions are to be on the councils, but they may be hand picked by the Federal bureaucracy rather than by the profession itself.

The requirements with respect to grants for other purposes are very similar to those outlined relating to maternal and child welfare. In the case of grants for the development and maintenance of plans for temporary disability compensation, certain general specifications are provided for such plans. It is stipulated that the legislatures of the States in enacting laws for what the bill refers to as temporary disability compensation, but which is more commonly known as health insurance, must surrender their sovereignty. The State laws must contain provisions giving the Federal social security the final voice in the determination of administrative plans. The State agencies administering health insurance must make reports to the Social Security Board in conformity with its regulations.

Considerable discretion is vested in the Federal bureaucracy in the determination of allotments to the various States under the different grants. In the case of health insurance the Federal Government would bear one-third of the total cost under approved State systems. With respect to the four other types of grants the States will fare inversely to their financial resources. The Secretary of the Treasury, the Secretary of Labor, and the Chairman of the Social Security Board are authorized to determine the financial resources of the States annually on the basis of their per capita income. The percentage of the total cost of State programs for maternal and child welfare, public health, and hospitals and health centers will vary from 33% to 66% percent, the richest States to get the smaller allotments and the poorer States larger amounts. In the case of State programs for medical care the percentages will range from 16% to 50. Intermediate percentages between the low and high amounts will be worked out by the Federal officials in an exact rating of the financial standing of the various States.

It requires no further elaboration of the details of the legislation to prove that the Federal Government will be in complete control of activities which under our system of government are the primary responsibility of the States, counties, and municipalities. The system of dual sovereignties is completely destroyed with respect to these activities.

The entire program smacks of paternalism. It is proposed that the Government do for citizens what they have been accustomed to do for themselves. Such a program is not out of place in socialistic or Fascist governments, but is in sharp contrast to the habits

of individual initiative and self-reliance which have formed the basis of our system of free enterprise.

Our experience with relief programs in recent years has given everyone first-hand evidence of the demoralizing effects of a paternalistic system. Provision for relief has been necessary, but it has been demonstrated conclusively that the dispensing of relief on too liberal a basis and without local responsibility for its cost is weakening the moral fiber of our citizens.

The testimony before the Senate subcommittee made it evident that the health program has been drafted on a basis far more liberal than can be justified by actual needs.

Health insurance figures prominently in the program, although details as to the proposed State laws seem to be kept purposely in the background. While the Wagner bill says nothing about compulsory health insurance, there is no question but that it is in contemplation. It means that Federal bureaucracy will exert pressure upon the States to enact laws making this form of insurance compulsory to the same extent as unemployment insurance and old-age pensions. The model bill of the American Association for Social Security, which has been introduced in many State legislatures, provides for contributions from employers, insured employees, and the State government, the three classes of contributions totaling 6 percent of the wages of insured persons.

It is not strange that the American Medical Association has objected to health insurance with its regimentation of the medical profession to provide treatment in wholesale quantities to persons insured. The doctors are well aware that the treatment thus given in European countries which have health insurance is vastly inferior to that under our system of private practice; that the availability of health insurance in those countries has encouraged idleness of workers with minor ailments; that the medical statistics of such countries show that, instead of improving the health of the people as a whole, the opposite has been true; and that far greater progress has been made in the United States without any system of subsidized medicine.

It has long been recognized that one of the greatest evils of a government bureaucracy is its tendency to perpetuate and expand its power. No more glaring instance of such a tendency has ever come to light than the movement for the adoption of the National Health Act. The program was drafted within the Federal bureaucracy with a singular disregard for the opinions of organizations of the professions most familiar with existing needs.

The original sponsors of the program were Government officials and employees. The committee which presented the plan to the President was named by him and designated as the Interdepartmental Committee to Coordinate Health and Welfare Activities. Chiefly responsible for the details of the plan was a group known as the Technical Committee for Medical Care. The only members of this committee were employees of the Children's Bureau, the Social Security Board, and the Public Health Service. The testimony before the Senate subcommittee shows that the American Medical Association, the American Dental Association and various organizations of other similar groups with a recognized standing were not consulted in the original framing of the program. The suggestions made subsequently by these groups when so-called conferences took place were completely ignored.

There is a mass of evidence before the subcommittee to show that many of the assertions with respect to the need for the legislation are erroneous. Sponsors of the program are accused of exaggerating the situation with respect to a present lack of adequate medical care. Spokesmen for religious as well as other groups which maintain hospitals testified that their capacity is greatly in excess of actual demands, and that construction of public hospitals on the scale contemplated is unnecessary and would be injurious to existing institutions.

The public has become so accustomed to loose methods in the expenditure of public funds that proposals requiring annual expenditures running into the hundreds of millions no longer attract much attention. There is danger that sufficient consideration will not be given to the cost of the health program under the Wagner bill.

If nothing had been done to provide social security the situation would be different. A recent daily statement of the Treasury shows that during the fiscal years 1936, 1937, 1938, 1939, and 1940, up to the end of October, there had been collected by the Federal Government in taxes under the Social Security and Railroad Retirement Acts a grand total of almost \$2,000,000,000. In the same period grants to the States under the Social Security Board, the Public Health Service, and the Children's Bureau, the three agencies named in the pending bill, amounted to nearly \$925,000,000. Expenditures for the administration of the Social Security Act, the Railroad Retirement Act, and the Railroad Unemployment Insurance Act, in the same period, amounted to about \$75,000,000. Besides amounts raised from Federal taxes the Treasury has had the custody of funds raised under State unemployment insurance laws amounting to an aggregate of about \$2,135,000,000, about \$1,400,000,000 of which remains on deposit in the form of investments in Government securities.

Under the present Social Security Act it is expected that annual collections from Federal taxes for old-age pensions alone eventually will approach \$2,000,000,000, or half the amount of all expenditures of the Federal Government.

The permanent obligations of this character which have been entered into by the Government aggregate an amount so huge that there is no present prospect of raising sufficient funds by taxation to avoid an annual deficit.



Not only do the ever-increasing expenditures for social and other purposes constitute a serious menace to the Budget, but any increase in taxation will aggravate further an excessive burden on the functioning of our economic institutions.

Congress, in its recent amendments to the Social Security Act, recognized that the pay-roll taxes were a factor in retarding business recovery. The effective dates of increased tax rates, the total of which will eventually be 9 percent of the amount of pay rolls, were deferred. It is obvious that additional pay-roll taxes in the States to finance health insurance, together with such financing methods as are used to raise the Federal Government's share of the cost, would be a further depressing influence on business, tending to offset any benefits to the population as a whole.

In the face of the realities of the situation the proposal recently made by the trustees of the American Medical Association for the creation of a Federal Health Agency, headed by a Secretary in the President's Cabinet, or a commission including competent physicians deserves consideration. The program suggested for coordination of health functions of the Federal Government, the appropriation of funds by Congress for allotment to such States as show actual needs in connection with the prevention of disease, promotion of health, and the care of the sick, continuance of primary local responsibility for the public health, utilization of existing medical and hospital facilities to the utmost continued development of the private practice of medicine, and such expansion of public health and medical services as is consistent with the American system of democracy seems eminently sound.

Unless the American form of government is to be gradually broken down, the United States should not tolerate a socialization of medicine or the complete assumption by the Federal Government of responsibility for the public health at the expense of the sovereignty of the States. Congress should resist the movement sponsored by the Federal bureaucracy for the broadening of its powers under the terms of the so-called but misnamed National Health Act.

### Cost of Government

## EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY ALFRED H. STONE

Mr. HARRISON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a very able address delivered by Hon. Alfred H. Stone, president, The National Tax Association, before the San Francisco conference, on October 16, 1939. Mr. Stone is chairman of the Mississippi State Tax Commission and is recognized as an outstanding authority in the field of taxation and governmental administration. I am sure that Members of the Senate will find his address most interesting and informative.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I

Conferences of the National Tax Association are held, I take it, for two primary purposes: First, for the discussion by specialists of subjects of consequence in the general field of taxation; second, for affording opportunity for the commingling of men and women of common interests for the informal exchange of ideas, opinions, and experiences. On these annual occasions the president of the association should not take himself too seriously. Notwithstanding the somewhat ponderous quality of the subject of these reflections, I shall endeavor this evening to observe my own injunction. And I shall ask you to bear in mind that the president speaks only for himself. He submits no brief and makes no commitments for either the association or its members.

My thesis is simple. So simple, in fact, as to subject me perhaps to the charge of dealing with something which is so obvious and indisputable as to be inherently removed from the category of debatable subjects. But this is only a surface view. Some years' experience as a member of a State legislature, as chairman of its house committee on ways and means, more than 7 years' experience as an administrator of tax laws, and many years of critical observation have convinced me that the problem of governmental costs, with its far-reaching implications, is a matter of supreme importance to the American people—something which should challenge their profound concern while there is yet time to translate such concern into effective thought and action. My proposition is that, under our system, the Government costs what the people who constitute the Government are willing for it to cost. Governmental costs are, first and last, subject to the determination of

the people who compose the Government, who pay its taxes, furnish its revenues, share its responsibilities, and enjoy its benefits. When we talk about the ever-rising tide of taxes in this country as something which is threatening to engulf and destroy us, we are simply using other terms for describing the ever-rising cost of government—Federal, State, and local. Increased taxes, in the main, represent the response of lawmaking bodies to a demand for an expansion of governmental services already established or for the creating of new services not previously enjoyed. This demand may be a normal growth or it may be artificially created and stimulated. Or it may be a combination of the two. In either event, the results are the same—higher taxes, more bond issues, greater public debt. And there is never a corresponding cessation of the demand for more services. The impulse is never backward. The tide never recedes.

II

One of my lifetime habits is that of reading local newspapers as I travel about. I always give my Pullman porter a standing order for such papers as he may be able to secure at railway stations as we pass through the country. Not a bad way to study America. Coming south from New York, in the summer of 1933, my newspaper reading did not yield much of interest until we crossed from Virginia into Tennessee. Then, in a Knoxville paper, I found this arresting item, under a Pound, Va., date line:

"The little town of Pound continues to grow. Six new houses have just been completed. Only recently it was connected with a power line and a water system was installed. Now it has a fire department, with a Mr. Banks as chief. The chamber of commerce has begun a move to build sidewalks."

We have here, within the compass of a brief statement, of evident simplicity and sincerity, an epitome of the history of the beginnings of the growth of the governmental functions which are the foundation stones of all governmental costs. At all levels of government, the course of the story runs true to form: Six new houses just completed, electric lights, waterworks, and a fire department; a chamber of commerce to promote the construction of sidewalks. With few exceptions, the great cities of the world were once as small as the little town of Pound. Each and all of our units of government have grown through essentially similar processes of expansion. More people mean more houses. More houses mean more electric lights, more waterworks, and a larger sewerage system. Houses must be protected against fire, and people and property against crime; hence, the need for fire and police departments. More people mean more children, and more children mean more schools, and more equipment, and more teachers, and all the other paraphernalia of the educational system. And all these things mean more taxes and more officials to collect and to spend them. And always there must be a chamber of commerce, and a group of civic clubs, to think up and promote new programs of progress—more sidewalks and more suburban additions, more parks, more swimming pools, more playgrounds, more municipal golf links and tennis courts, larger and finer and more accessible landing fields for airplane services, larger collections of wilder animals for the municipal zoo, and so on to the end of the chapter. But the chapter has no end—not as long as human nature and human impulses remain as they are, and as they have been through all the generations of mankind.

The Little Town of Pound is simply New York, Chicago, Boston, Philadelphia, or San Francisco, in embryo. Just as long as this or any other little town itself takes care of its expansions, so long as it meets its increasing governmental costs from its own increasing revenues, so long as it looks the world in the face and meets its obligations from its own resources, so long as it educates its children, cares for its afflicted, ministers to its poor and needy, feeds its hungry, and buries its dead—it will present no problem, either to State or Nation. More, much more, than this—it will likewise preserve and foster one of the oldest, most fundamental, and most valuable of all American traditions—that of independence and self-reliance.

But in some evil hour the officials and citizens of the Little Town of Pound, no longer in swaddling clothes, will learn that a benevolent National Government, under a new conception and a new dispensation, has billions to bestow, for all the uses and purposes and projects which the most progressive chamber of commerce can devise. When this happens, only a miraculous endowment of wisdom and independence of spirit will prevent the Little Town of Pound from joining the endless procession which moves on Washington, and on State capitals and county seats throughout the Nation—a procession which adds millions to the cost of government in America, every hour of the day.

III

To quote my own words, as used elsewhere:

"It is a common belief that our forefathers fought the Revolutionary War mainly because of taxes. This belief is not justified by the facts. Revolutionary unrest was not provoked by taxes, per se, but rather by the form and circumstance of their imposition and collection. The Declaration of Independence makes this distinction clear. Among the numerous counts in its indictment of George III, only two, directly or indirectly related to taxes. One of these was: 'He has erected a multitude of new offices, and sent hither swarms of officers to harass our people, and eat out their substance.' The other was 'for imposing taxes on us without our consent.'"

The Revolution and the Constitution forever removed in this country the condition of taxation without the consent of the taxed. If the power to tax involves the power to destroy, according to John Marshall's dictum, that power has been removed from alien hands, and in our country placed directly within the control of the people themselves. If taxation ever results in the destruction of the governmental fabric of either the Nation or the State, it will be self-destruction. It will be a case of political and economic suicide. No indictment may now be brought against any foreign dictator, "For imposing taxes on us without our consent." The disease and the remedy are within our own hands. We not only have the exclusive privilege of imposing taxes upon ourselves, but we are exercising this prerogative to an extent never dreamed of in their day by George III and his ministers. And when it comes to erecting a multitude of new offices and filling them with swarms of officers, we have demonstrated a capacity which would put George III to shame. The difference is that the offices are of our own creation, and the officers are part of our own wonderful system of political patronage.

I am not an alarmist. But I believe in facing the facts. The trend in American life is increasingly in the direction of self-indulgence and away from the habits of self-help. And this trend is particularly marked in the matter of getting the Government to gratify our desires, to give us what we want, with the expenditure of a minimum of effort upon our part. The change of attitude and outlook toward the functions of government, at all levels, which has gradually come over the people of this country, and with increasing emphasis in recent years, is the greatest of the underlying causes of the constant expansion of governmental services, which is, in turn, the primary cause of increased governmental costs, with the inevitable sequence of greater tax burdens, larger bond issues, and greater public debt. And more than all these combined, this change of attitude means a gradual undermining of the moral fiber of our people, a loss of stamina and of the vital spirit of individual independence upon which this Government was founded—a trend toward the drying up of the source and substance of the qualities which have made us great.

This is old stuff, you say? Perhaps it is—more's the pity. But if the real heart of this country is to endure, if it is to continue as the great outstanding example of liberty and democracy achieved through sacrifice and made secure through the preservation of undying ideals—if this is to be accomplished, it must be through a return to the consecration of our fathers. There must be a regeneration of faith in the individual man as a symbol of American destiny and achievement. Tennyson's poetic utterance, "The individual withers and the world is more and more," may be true in abstract fact, but it sounds a false note as an expression of governmental philosophy.

## IV

On February 16, 1887, Grover Cleveland sent to Congress a short veto message which has been frequently quoted, and often misquoted, during recent years. The present Department of Agriculture, dealing in hundreds of millions of money, was then merely a Commissioner of Agriculture, without Cabinet rank. The sum involved was trifling, a pittance, as such things are measured by current standards. The difference between the sums dealt with then and now, great as that difference is, is dwarfed by the difference between the governmental concepts expressed by Grover Cleveland and the theories and practices of the present time. Congress had passed a bill to authorize the Commissioner of Agriculture to distribute seed in certain drought-stricken counties of Texas, and had appropriated \$10,000 for the purpose. Mr. Cleveland wrote:

"And yet I feel obliged to withhold my approval of the plan, as proposed by this bill, to indulge a benevolent and charitable sentiment through the appropriation of public funds for that purpose. I can find no warrant for such an appropriation in the Constitution, and I do not believe that the power and duty of the General Government ought to be extended to the relief of individual suffering which is in no manner properly related to the public service or benefit. A prevalent tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that, though the people support the Government, the Government should not support the people. \* \* \* Federal aid in such cases encourages the expectation of paternal care on the part of the Government and weakens the sturdiness of our national character."

On October 31, 1936, another American President gave utterance to another conception of the duties, functions, and responsibilities of this Government of ours. Mr. Roosevelt was addressing the American people on the eve of a momentous national election. His enumeration of the things which he thought the Government should do, and which he had advocated during the 4 years of his first administration, marked the culmination of the tendency against which Grover Cleveland had warned 50 years before, and against which he had implacably set the full force of his rugged and uncompromising character. Those who agree with Mr. Roosevelt's conception of governmental functions may call it progress. Those who, like myself, are old enough to have voted for Grover Cleveland, and who, regardless of party affiliations, believed then and believe now, in the principles for which he stood, as the very bedrock of our national life, regard it as something potentially dangerous, if not actually destructive of the living roots of our governmental system.

In Abraham Lincoln's first inaugural address, on March 4, 1861, he discussed the two conflicting theories and conceptions of the nature of the Government which then stood upon the brink of war; one, that the American Union was a nation, with all the powers and attributes of any other nation; the other, that the relation of the States to each other was of the nature of a purely contractual agreement, from which any member might withdraw at will. The contrast between these two concepts, the distance between them, was not greater nor the difference more profound, than is the difference between the conception expressed by Mr. Cleveland and that which so largely obtains at the present time. Please do not misunderstand me. Mr. Cleveland was neither more honest, more patriotic, more sincere, nor of finer character than is Mr. Roosevelt. The difference is not to be found in the personal qualities and attributes of the two men. It transcends all personal considerations. It goes to the very fundamentals of the relationship between the citizen and the State. The conception which many of us still have of what that relationship should be was once expressed in these words by another great American—Henry W. Grady, then editor of the *Atlanta Constitution*:

"Exalt the citizen. As the State is the unit of government, he is the unit of the State. Teach him that his home is his castle and his sovereignty rests beneath his hat. Make him self-respecting, self-reliant, and responsible. Let him lean on the State for nothing that his own arm can do, and on the Government for nothing that his State can do. Let him cultivate independence to the point of sacrifice and learn that humble things with unbartered liberty are better than splendors bought with its price."

## V

I have used no figures in this approach, and please keep in mind that it is only an approach, to a consideration of the problems of the cost of government. Concrete figures are not of first importance for our present purpose. No matter how impressive their totals, they, in fact, merely indicate the distance traveled between such dates or decades as we may select for purposes of comparison. It is not a matter of primary consequence to know that the cost of government under the first administration of Mr. Roosevelt exceeded that of all previous administrations combined, since and including those of George Washington. Granting the statement to be true, and I neither affirm nor deny it, it is of little significance or value merely as a statement of fact. Regardless of their volume, it is only as we analyze these figures and study their composition that their true relation to the real problem of the cost of government becomes apparent. When we thus bring into view the picture of the uses of the vast sums which have been and are being expended, their application to purposes not heretofore dreamed of as governmental functions, we realize that we are dealing with something fundamentally much more serious than a mere statistical exhibit, no matter how staggering its size. We are concerned here with a philosophy of government rather than with the implements of governmental operation. We are witnessing the process of a gradual but sure decadence, if I may so express it, a certain lowering of the standards, of a liberty-loving, individually independent, self-reliant people into dependent masses and groups, bringing upon the Nation and the State every conceivable form of pressure for securing for themselves every conceivable form of governmental service or benefit. We see enacted before our eyes the tragedy of a bloodless revolution, through which all units and levels of government, even sovereign States themselves, apparently have come to be willing to sacrifice their pride, and all but literally subscribe to pauper's oaths, in order to obtain what they call "our share" of public bounty. We are undergoing a test of our capacity for self-government under the forms of a representative democracy.

While I yield nothing of my personal allegiance to the principles for which he stood, as a practical man I know that we have now gone too far to permit an orderly return to the ultraconservative position held by Grover Cleveland. On the other hand, we have gone far enough in the opposite direction, far beyond the limits of emergency excuse, to realize the dangers involved in attempting to give effect to new and novel visions and ideals of service, no matter how noble, through their incorporation into permanent policies of government. There must be found some sane and substantial ground between the two extremes. To discover and determine the location of this zone of safety, to fix its reasonable boundaries, and by fair trial to prove it—this is the duty, as it should be the privilege, of all patriotic Americans, regardless of whether they look with apprehension or approval upon some presently popular governmental policies and trends.

## VI

It is not within the province of the National Tax Association to attempt a solution of the problems presented by the progressive costs of government in this country. This association has no such function, just as it has no responsibility whatever for these statements and views as to the problems themselves. But, as members of the association, we may with propriety discuss this or any other problem. As individual citizens we may, in our several capacities and spheres, each take his stand, according to his particular inclination and belief. So, venturing again to express a personal conviction, when we face the facts and clarify the issues, certain conclusions seem to me to be beyond escape. The redemption of commitments made under present policies and practices will require the continuance of expenditures upon a vast scale. The reactions of these policies and expenditures upon the States, counties, and municipalities of the Nation are pronounced and potentially dangerous. These projects, programs, and commitments, National and



State, mean the collecting of huge amounts in taxes from those from whom the money may be collected—from all who are able to pay or who may be made to pay.

How far may we extend with safety this social-service theory of taxation? How far may we go in the present direction without realizing Grover Cleveland's apprehension of a weakening of our national character through encouraging a constantly increasing dependence upon paternalistic governmental care? How much further may we go without inviting ultimate economic, social, and political confusion?

We may count ourselves fortunate if, at the end of our calculations, we are able to confine our exhibit of governmental costs strictly to monetary terms—if the debit side shows only a loss in dollars and cents. There are qualities and attributes of character which are no less valuable to governments than to men.

Nature has endowed our country with an incomparable situation and with incomparable resources. Providence endowed our forefathers with incomparable courage and wisdom. Through no merit of our own we are the heirs of an incomparable heritage. But these endowments do not perpetuate themselves. There is no guaranty in nature or government against the consequences of the exercise, in whatever degree, of the liberty of self-destruction.

### Temporary Custody of Magna Carta by Library of Congress

#### EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESSES BY LORD LOTHIAN AND ARCHIBALD MACLEISH

Mr. MURRAY. Mr. President, on November 28, 1939, Lord Lothian, British Ambassador to the United States, and the Librarian of Congress, Mr. Archibald MacLeish, participated in an interesting ceremony at which the temporary custody of the Magna Carta, the great charter of English liberty, was entrusted to the Library of Congress. I ask leave that the able and significant addresses delivered on that occasion by the British Ambassador and by Mr. MacLeish be printed in the Appendix of the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

REMARKS OF THE RIGHT HONORABLE THE MARQUESS OF LOTHIAN, C. H.,  
BRITISH AMBASSADOR TO THE UNITED STATES

This copy of Magna Carta—the best of the four original versions—is the property of the Dean and Chapter of the Cathedral of Lincoln, and their most treasured possession. It was brought to the United States early this year, safely enclosed in the bronze airtight casing in which you now see it, to be the central exhibit in the British pavilion of the New York World's Fair. There it was guarded by day and by night. This ancient document, for 700 years treasured and honored in Britain, has been welcomed and honored not less deeply in the United States. In the last 6 months more than 14,000,000 people passed along the gangway and bent down to read its obsolete Latin legal phraseology, which none but a handful of experts now understand.

Why all this fuss and trouble about a medieval relic? If one reads Magna Carta with the cold objective eye of the historian, it is clear that the protagonists in the historic struggle against the exactions and oppressions of the Crown were not the people but the barons of England. And the barons were certainly more concerned to preserve their own rights and privileges than to extend the liberties of commoner and villein. Yet from that day in 1215 when Magna Carta was signed on the field of Runnymede, by the Thames, a site now fortunately a national preserve, the almost self-evident truths it pronounced have echoed through the pages of history. They have been repeated decade after decade, century after century, by individual citizens and subjects, by groups of petitioners, by rebels and conservatives, by parliaments and congresses, as the sufficient ground on which to base their claim for liberty and responsibility.

Here are some of its redoubtable sentences: "No freeman shall be taken, imprisoned, disseised, outlawed, banished, or in any way destroyed, nor will we proceed against or prosecute him except by lawful judgment of his peers or the law of the land." "To no one will we sell, to none will we deny or defer, right or justice." "No scutage or aid shall be imposed in our kingdom unless by common council thereof, \* \* \*"

In these immortal words, and in others, inscribed on the musty parchment before us, we see the nucleus of most of our liberties,

of trial by jury, or habeas corpus, of the principle of no taxation without representation, of the Bill of Rights, and of the whole constitutional edifice of modern democracy, and of what my predecessor in office, Lord Bryce, described as "the supremacy of law over arbitrary power." From those days they have been the inspiration which nerved the hands of my countrymen who struck for freedom and who in later generations built the institutions which secured it.

The principles which underlay Magna Carta are the ultimate foundations of your liberties no less than of ours. Samuel Adams appealed to "the rights of Magna Carta to which the colonists, as free subjects, have an undoubted claim." It was in their name that your ancestors threw the tea into Boston Harbor and rejected the claim of King George III to tax the Colonies for defense. It was in their name that, after bitter sacrifices and frustration, they drew up that Constitution which Mr. Gladstone, one of the greatest champions of human freedom, described as "the most wonderful work ever struck off at a given time by the brain and purpose of man." And it was in their name that Abraham Lincoln fought a 4-years' war to loosen the fetters from the slaves and to preserve the Union which alone could ensure that the anarchy of national sovereignties, the insatiable breeder of war in Europe, should not appear on this continent.

It has therefore been a true and penetrating instinct that has come to regard with peculiar veneration a document which has represented, not the findings of philosophers or the dreams of idealists but a victory in the grim struggle of national life for the principles of freedom from which we draw our being.

But if seven centuries have passed since they were first formulated, in these times their full meaning has still to be understood and realized. We still have our liberties, though at the moment they are being challenged by totalitarian imperialism, both from the right and from the left. But the fulfillment of the infinite promise they contain depends upon the way in which we use them. The correlative to freedom is responsibility. Without responsibility, freedom fails. Individual self-government, which begins with fidelity to principle, is the only lasting foundation for democracy. If we enjoy free government today, it is because the makers of our parliamentary system and of your Federal system felt deeply the moral responsibility which rests upon free citizenship and rose nobly and heroically to the sacrifice of self and the creative social imagination which it requires. There is a no less vast task of achievement before our generation today if Magna Carta is to come to its full fruition.

It was, therefore, but natural that when the second great war of this century descended upon us this autumn the British Government should have hesitated to imperil so priceless a possession by trusting it to the angry transit of the seas back to its cathedral shrine. It, therefore, instructed me to enquire whether a home for it could be found in the Library of your National Congress for the duration of the war, or till it was needed elsewhere. To our great delight, the Librarian has granted our request, and his courtesy has found for Magna Carta this wonderful position, where it lies alongside its own descendants, the Declaration of American Independence and the American Constitution, and where, like them, it will be guarded by day and by night. Mr. Librarian, I have the greatest pleasure in entrusting Magna Carta to your benevolent care.

REMARKS OF ARCHIBALD MACLEISH, THE LIBRARIAN OF CONGRESS

Mr. Ambassador, it is with pleasure that I accept the trust—pleasure that an American library should be honored with the custody of so notable a document—particular pleasure that the library so honored should be the Library of Congress. For the deposit in the Library of Congress of the Great Charter of 1215 has, or so it seems to me, a peculiar and a deeply moving significance. The Library of Congress is, as its name implies, the library of the people's representatives in the Federal legislature. The Magna Carta is one of the great symbols, to all English-speaking peoples, of liberty within the law. The deposit of such a document in such a place is an action full of meaning for our time.

I am aware of course that the precise historical significance of Magna Carta is in dispute among the doctors. I am aware that a skeptical generation of scholars has found much to question in the view, so confidently held by Bishop Stubbs and Sir Edward Coke and Sir William Blackstone, that the barons who dictated the Great Charter "in the meadow called Runnymede between Windsor and Staines" were acting for the people of England to establish the people's rights. Fierce-sniffing philosophers like Prof. Edward Jenks, who can smell out the errors of the intellect even in the muniment room of Lincoln Cathedral, after innumerable generations of vicars and occasional generations of the vicars' pigeons, have strongly implied that the barons of Runnymede were less concerned for the rights of the people of England than for the privileges they had planned to pocket for themselves.

But this dispute, like so many disputes between the doctors, has little reference to realities. The liberties of the people, throughout the popular experience of liberty, have often been established by those who had no interest in the people. It is not important in the long view of history whether the limitations upon absolute power were limitations imposed by a particular class for the intended advantage of that class, or whether they were limitations imposed by popular will. It is only important that the limitations should exist. The far-carrying phrases which you, sir, have just quoted, may have been meant by their contrivers to safeguard the

vested rights of a few landowners and deer killers in thirteenth century England. They have inured to the benefit of the people of seven centuries and of continents of which their authors never heard.

No learned dissertation will persuade the Americans that the document you have so generously deposited in their national library is not a witness to the ancient warrant of their rights. Nor will any amount of scholarly dissension blind them to the meaning of its presence here. The deposit of the Magna Carta in the library of the people's representatives in Congress is a plain and intelligible statement of a plain intelligible fact—the fact, namely, that the institutions of representative government are the protectors, and the only possible protectors, of the charters of the people's rights. For generations past we have taught our children in this Republic that our institutions of representative government were dependent on our constitutional charter for their existence. We have more recently learned, and now believe, that the opposite is also true: that without the institutions of representative government the charters of the people's rights cannot be saved.

There are those in this country, sir, as there are those in yours, who have told us by direction and by indirection that we should abandon representative institutions. There are those who disparage the people's representatives in Congress and who lose no opportunity of publication or of public speech to explain that representative government is not efficient government in a complicated and industrialized society like our own. But though there is much talk there is little listening. For we have been brought to observe, in these last several years, that government by the people's representatives, whatever else it may or may not be, is the one government of which history has record under which the people's liberties have been secure.

Government by the people's representatives, like other governments, can be misled. Government by the people's representatives may, from time to time, mistake for true defenders of the people's rights, the false defenders of the people's rights—the demagogues, the same in every generation, who appeal to liberty in order to destroy it. Government by the people's representatives may, from time to time, substitute inquisitions and espionage for the equal protection of the laws, and may permit the inquisitors, in their reckless search for enemies of liberty, to break down liberty. But government by the people's representatives is the one government which has never suffered these dishonors long—the one government in all experience of governments, which has always, in the end, restored of its own will the people's limitations on its powers.

History has many curious and circuitous passages—many winding stairways which return upon themselves—but none, I think, more curious than the turn of time which brings the Great Charter of the English to stand across this gallery from the two great charters of American freedom. Thomas Jefferson, who was the true founder of this library as well as the true author of the noblest of our charters, would have relished the encounter. But Thomas Jefferson would perhaps have relished it with a different understanding from our own. For Jefferson was a man who dared to think of history in timeless terms, and of the rights of men as rights which have existed, and which would exist, in every time and every country, rights which nothing done by tyranny had ever yet destroyed or ever could.

To Thomas Jefferson, the deposit, beside the Declaration of Independence, of this charter of the liberties of those from whom we won our independence, would not have seemed incongruous but just and fitting—an affirmation of the faith in which this Nation was conceived.

### The Third Term

#### EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

EDITORIAL FROM THE BALTIMORE SUN

Mr. TYDINGS. Mr. President, appearing in yesterday's Baltimore Sun was an editorial entitled "The Third Term," which is written so temperately and so logically and is so steeped in Democratic philosophy that I should like to have it printed in the RECORD immediately following my remarks. I am offering the editorial not because I suspect any particular person of thinking about a third term—I do not believe the present President will seek a third term—but because it is so concise and clear, and so in consonance with real liberalism and democracy, that I hope it may serve for

all time to express the logical and unanswerable point of view on this question.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of January 3, 1940]

#### THE THIRD TERM

Mr. Roosevelt should declare publicly his obedience to the unwritten law against a third term. The rule has the sanction of history. It has been given the approval of the most popular and the most powerful of Mr. Roosevelt's predecessors. It has been confirmed and reinforced in validity by the enormous expansion of power in the Presidential office during Mr. Roosevelt's own service.

From time to time, in the Congress and elsewhere, there is research into the views of the fathers on this subject. Their views as stated in several documents are less important than their acts. They were erecting a new political system for a new continent and in their discussions they occasionally became speculative and occasionally changed emphasis in opinion. Their final decision is clear.

Washington surrendered the office after two terms. Jefferson, perhaps the most powerful politician ever to hold the Presidency, surrendered it after two terms, and so did each of the two lieutenants, Madison and Monroe, who followed him. Jackson surrendered it. Grant was put under pressure to obey the rule. Theodore Roosevelt and Calvin Coolidge leaned backward to respect it, though neither served two full terms.

These examples from the past must have great authority in the minds of sober and thoughtful people. They disclose the judgment of men who made the most of the Presidency and, therefore, may be accepted as the most competent of witnesses on all opportunities of the office—including the opportunities for unwise or dangerous or evil developments in long-continued exercise of Executive power.

But if the two-term rule had not been given to us by the fathers and those who followed, we should today be under the necessity of inventing it.

We have lodged in the Presidential office such power as Washington and Jefferson, in their prescient concern for the future, never imagined. We have given the President command of a veritable army of officeholders, and the potentialities of this army are known to every politician in the land. We have given the President control, direct or indirect, over payment of subsidies to citizens which run into billions of dollars annually. We have given the President, acting through obedient subordinates, authority to make regulations which have the force of law in governing the lives and the property of 130,000,000 human beings.

This unprecedented power must not remain for long in any man's hands.

It ought voluntarily to be laid down after such a reasonable period in its possession as is permitted under the two-term rule.

In insisting upon this, one need not talk excitedly of a Hitler. Nor need one talk excitedly of the power of a President to reelect himself indefinitely. It is very doubtful that Mr. Roosevelt, possessing vastly more power than any other President and also enjoying widespread personal popularity, would be able to win reelection, although he might be able to force renomination.

The great danger is that a serious effort to break the two-term rule, by an audacious and resourceful politician, will set in train grave and permanent abuse of the power of the Presidential office, with the result of insidious wasting of our substance and subverting of our institutions.

It has been an axiom of American politics that a President in his first term devotes much of his energy and uses much of his resources to assuring himself of a second term; and that in his second term, facing permanent retirement, he is free to devote himself more wholeheartedly to the service of the people and to the accomplishment of public purposes.

Let the two-term rule be challenged by a powerful and popular President, let continuous tenure become a possibility, and a temptation is created for every President to act in every term as most Presidents have acted in their first terms. A temptation is created for every President in every term to be preoccupied with continuance in office and so with politics. And this temptation will be a temptation to make full political use of the veritable army of officeholders of the swollen subsidies, and of the regulatory commissions.

With all deference to Mr. Roosevelt, no one can doubt that he will set an example of full political use of the power of his office, should he challenge the two-term rule. In fairness, let it be said that most of his predecessors have, in varying measure, used the power of the office to advance their own political aims. But with equal fairness, it must be said that Mr. Roosevelt has made no attempt to destroy this custom. The flagrant use of the resources of the Presidency against Senator TYDINGS is known to all.

No politician in this country doubts that, in the event of Mr. Roosevelt's candidacy for a third term, the army of officeholders will be brought into action. No politician doubts that such a subsidy-dispensing authority as the Department of Agriculture will strain every nerve to bring and hold the millions of farmers under his banner. Some of the regulatory commissions probably will become political instruments.

If Mr. Roosevelt should challenge the two-term rule and triumph, this will become the chronic condition of the office.



Every President will, as in the past, seek a second term and play politics up to the hilt in his first. The popular and the powerful will seek third terms, and they will play politics up to the hilt in their second terms.

The brake of the two-term rule will have been removed. In the 150 years behind us, that rule has been a standing check on the vicious circle of using office to create a great political machine of officeholders and subsidy-receivers and of then using the political machine of officeholders and subsidy-receivers to retain power. When the two-term brake shall have been removed, the vicious circle will whirl continuously. The emphasis in the Presidential office will permanently be on political self-preservation.

It will mean, in the natural course of politics, enlargement of the army of officeholders, expansion of subsidies, manipulation of regulatory commissions. It will, therefore, mean the wasting of substance and the subverting of institutions, in a way more dangerous in a free country than would be any direct challenge from a politician ambitious to be a despot.

To these fundamental considerations, arising from the nature of our political organism, are to be added certain particular considerations. It is gravely to be doubted that any man is physically and mentally capable of bearing the present strains of the Presidential office for more than 8 years. Mr. Roosevelt possesses extraordinary energy and resilience, but 12 years would be a savage tax upon any man.

This danger of overtaking the strength of a man in this office becomes the more serious when it is considered in relation to the cry that a given President is indispensable. This cry will always be put forth in defense of a third term. And the cry of indispensability will not only go into the ears of the people. It will go into the ears of a President, who is surrounded by deference and adulation. It is possible to have a President accepting the theory of indispensability, and accepting it at the time that he is slowing down.

A more perilous combination of facts for the American people would be hard to imagine.

There are further particular considerations to which Mr. Roosevelt should give heed. One has to do with the course of events should he seek a third term and be successful in the Democratic convention and in the general election. The other has to do with the course of events should he seek a third term and win the nomination, but lose the election.

If he should be renominated and reelected, he will face a revived and militant Republican Party. Every indication at this time points to a Republican Party largely restored to strength. If to its own present popular strength is added the strength which will come to it from Democratic and independent voters who are opposed to a third term, the Republican Party will be a powerful force after 1940 in the Congress and in the popular forum, even though it may be defeated. Allied with it, in sympathy if not in formal relations, will assuredly be a band of Democratic leaders who will be equally militant.

And on all the familiar grounds of opposition and distrust—Mr. Roosevelt has been singularly gifted in arousing opposition and distrust—will be superimposed the vehement, passionate suspicion created by his flouting of the tradition established by Washington and Jefferson. The consequence may be impossibility of cooperation between the Executive and the Congress, with millions of citizens supporting the Congress. Distrust, fanned to fever heat by the flouting of the historic tradition, may, indeed, cause a condition approaching paralysis in the relations between the Executive and powerful forces in the Congress.

In peace or in war, firm decision and firm action by the President and the Congress may thus become impossible. Distrust may go so far, as a result of flouting of the rule against a third term, that the President would fail to hold effectual parliamentary and popular support in some national crisis.

Should Mr. Roosevelt seek a third term and be defeated in the general election, he must consider the danger of turning discriminating resistance into indiscriminating revulsion, with opportunity for release of the blinder forms of reaction.

The gentlemen now mentioned as available for the Republican nomination are all men of character and would not wish the defeat of Mr. Roosevelt to be the signal of blind reaction. The Republican Party itself is not now arrogant. It is chastened. But it is possible to unloose forces which will get out of control. A people who are overstrained, and who crave a period of thoughtful moderation, cannot be subjected to accumulating emotional tensions without the danger of which we have spoken—the danger that discriminating resistance will be turned into indiscriminating revulsion. If this should occur, the most patriotic leadership may be unavailing against reaction.

There is a lesson for all in the end of Mr. Wilson's administration. He was sick unto death and his unusual political skill departed, leaving only an imperious will. He refused adjustment and compromise in the face of a tired people who wished relaxation of mind and spirit. The consequence was the turning of resistance into revulsion and a landslide, which left the cool prudence of a Republican Root as futile to influence the people as was the passionate fervor of a Democratic Wilson. The consequence of that was the lifting of effectual popular restraint upon the Harding administration and the opening wide of doors for the corrupt and the stupid among the Republicans.

If Mr. Roosevelt, using the enormous powers at his command, forces renomination and seeks a third term, he must include in his

calculations the danger of such a revulsion among large sections of the people as will destroy critical popular thought and make easier the way of blind reaction.

Measuring all these considerations, general and particular, Mr. Roosevelt's candidacy for a third term would be a peril in the life of the American people. In the long view it would be a peril to our national economy and our political institutions. In the immediate future it would be a peril to orderly relations within the Government, whether the immediate future holds in store for this Nation peace or war.

It is a peril which ought definitely to be removed. And the threat of that peril ought definitely to be removed. These are not times for the growth of such suspicion, in the Congress and in public places, as must inevitably follow from silence on Mr. Roosevelt's part while members of his Cabinet and his diplomatic corps, and others within his intimate group, openly attempt to promote a third term. These are times when, above all else, there is need for that mutual trust and that sense of solid foundations which follow from respect in high places for tested principles and tested precepts.

Mr. Roosevelt should declare publicly his obedience to the unwritten rule against the third term.

### Tribute to the Late Representative Sirovich, of New York

#### EXTENSION OF REMARKS

OF

#### HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

EDITORIAL BY HARRY H. SCHLACHT

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial tribute to the late Representative WILLIAM IRVING SIROVICH, of New York, by Harry H. Schlacht, published in the East Side News of New York City of December 23, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the East Side News of December 23, 1939]

CONGRESSMAN WILLIAM IRVING SIROVICH—A SOLDIER OF HUMANITY  
(By Harry H. Schlacht)

The East Side is grief-stricken at the untimely demise of Congressman WILLIAM IRVING SIROVICH. Few men have played so brilliant a part in the Congress of the United States as the celebrated East Sider who for nearly two decades has been a great leader of American opinion. Truly, "a great oak has fallen in the forest of our public life. It fell not when its leaves had gone and its branches were bare, and it had lost its beauty, but at the very height of its perfection, of its usefulness and its charm. It was still putting forth its branches; its leaves were yet green; its roots struck daily deeper into the soil of our affection."

No spirit shines by its own illumination and none can transmit more light than it receives. Hence the strength and range of his influence reflected Divine Providence which "shapes our ends, rough hew them as we may." Dr. SIROVICH faced a sequence of events for which his poise and steadiness were exactly fitted. The tumult of our times with its complexity of problems enlarged his capacity for human service. He combined in one symphonic splendor the amazing unity of discordant elements about him. Indeed, he made such use of his equipment that the country he served idealized him as a model of representative government and its finest personal embodiment.

Dr. SIROVICH comes of a long line of pious and devout ancestors—Talmudic scholars—whose learning was as plain as their thinking was high. It was from his noted rabbinical father and mother—whom I had known so well—that he derived the flame of intellect, the glow of spirit, and the beauty of temperament that was so unique. It was his saintly mother who taught the infant lips to lisp the first prayer. She shared his childhood griefs; she stood in the doorway to give her blessings as the lad started for school, and when the young man went forth to college and his ultimate graduation as school teacher and later as physician. Wherever he wandered her prayers followed him. In truth, from the moment SIROVICH saw the light of day until his premature grave, the Bible saturated his being. His addresses—classics of American oratory—are sprinkled and studded with Biblical ideas and phrases. And thus upon this solid rock of the Scriptures, he built his career.

The East Side is the shore front to Ellis Island. Throughout the years he has been in a special sense the friend of all comers. Just as he broadened the visions of school teachers, social workers, and physicians, so he stretched the imagination of his fellow

Americans of older stock as the interpreter of the stranger within the gates; interpreter also of one race to another; of one generation to another; and of one economic class to another. The common brotherhood of man was not a phrase to him. He knew people. He knew moreover the psychology of human conflict. His opposition to war and militarism was deeply rooted in his experience as a neighbor of all races on the East Side.

His blazing intellect, fed and enriched by the constant study of the best thoughts of the great minds of all ages; his all-persuasive eloquence, his teeming and radiant imagination electrified his audience; his brilliant and sporting fancy illuminated the most arid subject with a glow of sunrise; his prodigious and never-failing memory and his playful wit always bursting forth with an irresistible impulse had been the subject of wide commendation in all circles.

It was his steadfast conviction that we are a nation of immigrants and that all have played a conspicuous and majestic role in the establishment of a great nation and that all races from the *Mayflower* down the corridors of time have marched to one measure, to follow the one flag. Dr. SROVICH has added new glory to old glory.

In the Chambers of Congress he was a faithful disciple of President Franklin D. Roosevelt, and bore aloft his standard. He felt that no greater dream ever rose in the minds of men than that vision which came to the founding fathers. It was his great brain that designed, his flaming heart that forged, and his sublime eloquence that sounded the cry for old-age pension legislation. And for that alone he has procured for himself a niche in the Temple of Faith. And yet, who shall deny him preeminence in the cause of education, in the promotion of relief for the poor and needy, for silencing the cry of the widow and the orphan, and in his last great struggle for the underprivileged of the Nation.

Dr. SROVICH, the scholar, the statesman, the philanthropist and great American is not dead. His record of achievements will ever be green and vivid in our memories and will blossom in our lives with a supernatural beauty. He was a soul of statesmanship. He made the world his debtor as a soldier in the service of humanity. And when he died in the supreme hour of life, the human race lost one of its noblest examples, and all friends of freedom and justice, in whose cause he lived and died, joined hands at his grave.

"Statesman, friend to truth of soul sincere,  
In action faithful and in honor clear,  
Who broke no promise, served no private end,  
Who gained humanity's title and who lost no friend."

## Principles of the Hatch Act and the Possibility of Their Extension to State and Local Governments

### EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY GEORGE C. TAYLOR

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address delivered by Hon. George C. Taylor, attorney at law, of Albuquerque, N. Mex., at a dinner meeting of the New Mexico Business and Government Conference, held at the University of New Mexico on December 8, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"Government has become the predominating influence in our internal affairs. As government penetrates more pervasively our daily occupations the necessity for emphasis upon the maintenance of an effective public service becomes of increasing importance."

So says Stanley Reed, United States Supreme Court Justice.

'Twas not ever thus. Once upon a time we had a widely scattered, sparse population, a few small towns and cities, and 90 percent of our people lived in tiny farm communities that were virtually self-sufficient little worlds. Today 90 percent of our people are utterly dependent on an intricate, complex system of cooperation, specialized occupations, transportation, and trade. A century ago most of us would have lived a lifetime without paying a sales tax, meeting a traffic cop or milk inspector, or seeing a burial permit. Today—well, what you are "gripping" about is not too much government, but too much rank incompetence in Government employees. Democracy won't work today, and neither will dictatorship, as long as you put a barber in a judge's job, a groceryman making loans on

sheep, and an embalmer in charge of title records to your home. The world over, the same conditions have necessitated a growing increase in governmental functions, and, in my humble opinion, for weal or woe, we may certainly anticipate more of the same.

But perhaps I had better mention my text. Senator HATCH's pet law does this:

It promises 1 year's free board at the Leavenworth pie counter, plus \$1,000 fine, to any person who may "intimidate, threaten, or coerce so as to interfere with the right of any other person to vote as he pleases." It is another crime for any person, directly or indirectly, to promise a job or any other benefit made possible by any act of Congress as a reward for any kind of political activity. It is a crime for any person to "deprive, threaten, or attempt to deprive" any person of any job, compensation, or other benefit made possible by any act of Congress appropriating funds for work relief or relief purposes on account of race, creed, color, or any political activity. This last clause is only a more specific way of phrasing the rather general first clause. Please note the use of the term "any person." Also, please note it is not limited to national elections, but is limited to national funds. To illustrate: It will be perfectly legal (until we have an adequate State law) in the next city election for Mayor Tingley to promise me a job on the city police force, because Congress did not make that job possible (and provided the Lobo football squad does not protest). It will violate the Hatch bill, however, if the mayor promises me a P. W. A. job or an increase in veterans' compensation, in exchange for my political support. The distinction emphasizes the need of appropriate State legislation to supplement the Federal act.

Another provision of the act relates to any governmental administrative official, and makes it a crime for him to use his official authority for the purpose of interfering with or affecting the election of any candidate for Federal office. To illustrate this clause as I get it, the official—the mayor, sheriff, or Governor—may legally have me arrested or pardoned to get a vote for any sheriff, member of the legislature, or other State or county officer, but must beware of a candidate for Federal office. Hereafter the Governor, the sheriff, or mayor, as well as any other person, must be cautious in advocating the election of the United States Senators and Congressmen and the President. "Governmental administrative official" may be restricted by courts to Federal officials.

I need hardly remind you that laws, like automobiles, need good drivers to go places and see things. The Hatch bill must be administered by the very drivers it seeks to curb. Let us pray.

The Hatch bill, of course, is negative, but it seeks to eliminate the most vicious element of our present Federal public service, and it invites us to go places and do things toward the establishment of a real merit system in the Federal, State, and local administration of governmental functions.

Let's see briefly what we have.

For the first 40 years following the adoption of the Federal Constitution and the setting up of a government of the United States the apparent wishes of the founding fathers were followed, and practically all civil employees were appointed for life or during good behavior. Relatives of George Washington who sought Government jobs while he was President received only reprimands. President Adams removed only 19 of Washington's appointees. When Jefferson went into office he found practically every Federal officeholder bitterly opposed to him politically, and yet he removed less than one-fourth. In 1820, the term of 4 years was fixed for the most important Presidential appointees. Even after the passage of this law President John Quincy Adams offered to continue the appointment of a Cabinet officer who had opposed Adams, and did keep the Postmaster General, who was using his job to promote Jackson's candidacy. Washington refused to give veterans any preference, except in the Army, and refused one veteran on the ground that the job required a good penman rather than a good swordsman or sharpshooter.

With all these earlier Presidents, fitness and training for the particular job constituted the only criterion. After Jackson, the only criterion became political affiliations. As might be imagined, public service went from bad to worse. A Polish general living in Washington, who read and spoke eight languages, was employed as a translator in the State Department. Tammany Hall had him replaced by one of its members who spoke only Tammany English. By Cleveland's time, civil-service reform had become a national issue, and the United States adopted its first civil-service law in 1883. New York State adopted a similar law in the same year. By now about one-third of the States have some sort of merit-system law, as have quite a number of cities and a few counties. The British merit system got a start in 1855, and by 1879 had about reached the stage that our civil service has now attained through the Hatch bill. The British civil service today gets the pick of England's college graduates. A British civil-service employee holds as honorable a position, with a commensurate income, as a man practicing any of the other professions. Many of the highest official positions in England are held by men who entered as civil-service clerks. In France the highest judicial offices have been filled from their merit-system employees.

Let me give you a concrete illustration of what we have under the existing system. A young engineering student at State university had helped his fraternity house to get a new radio in exchange for some political work. When graduation time approached,



like other students, he bethought himself of a good engineering job; so he visited the political friend, and was promised an engineering job if the student would help out in an approaching election. The student helped to the extent of persuading other students to have their names registered as voters; later, when election day came, he persuaded some of them to vote illegally, and himself voted several times by using the names of those registered who had failed to vote. A few days after graduation he had his job. Soon thereafter he was assigned the duty of locating a proposed new road. The boy was somewhat ashamed of his election-day exploits, and resolved to do a job in keeping with the best engineering tradition.

Eventually he brought in his sketch of the road. The sketch showed a minimum of curves and bridges and expensive grade work—a good road at low cost. The politician looked it over, and then ordered certain changes in the sketch. The road had to pass in front of so-and-so's filling station. Then it had to make a bad turn across an arroyo so as to go by Mr. Whosis' general store, then back over the arroyo and into the main line again. Result—two bad curves, two additional bridges, considerable additional filling, and the taxpayer got an inferior, dangerous road at a greatly increased cost.

The political leader had prostituted his office and time to accomplish a black eye for his administration and the young engineer had discovered that he was not holding an engineering but a political job. When the administration changed and he went out to seek private employment he made the sad discovery that 2 years' experience as a politician did not enhance his standing as an engineer.

A bad curve in a political highway near Albuquerque has cost several lives, many injuries, wrecked automobiles, and lawsuits. Mrs. ——— paid her taxes, got a receipt, and lost her home because an incompetent county treasurer credited the payment to the wrong person and then sold Mrs. ———'s property for delinquent taxes; and our Supreme Court could not save her. Charge that to the spoils system. Many suits to quiet title originate with incompetent employees in the county officials' offices.

Is a postmaster more or less efficient because he believes in a high tariff or the Immaculate Conception? Does operating a machine gun or getting married have any relation to making out your tax receipt or teaching arithmetic? Did you ever see a Republican adding machine or a Democratic typewriter? Did you hear about the county clerk who requisitioned a new typewriter? His reason was that he was tired of black and wanted a typewriter with a blue ribbon.

Shortly before his assassination Abraham Lincoln saw a group of job hunters in the White House anteroom. Pointing to them, Lincoln said: "We have conquered the rebellion, but that is a much greater danger."

President Franklin D. Roosevelt, in a letter to the National League of Women Voters, said, "The Government functions for all, and there can be no question of greater moment or broader effect than the maintenance, strengthening, and extension of the merit system established in the competitive principles of the Civil Service Act."

Governor Fitzgerald, of Michigan, recently broadcast this statement: "Public office became a dumping ground for the inefficient."

"Government was not very close to the people in those days. They were too busy making money to pay much attention to public affairs. Today there is a changed attitude. Men and women everywhere in this country are awake to the realization that the administration of public affairs is a service which touches almost every aspect of life—health, education, the protection of life and property."

Governor Fitzgerald also said that turning down job hunters left little time for his real duties.

Mayor LaGuardia says this:

"American cities can no longer afford the luxury of being administered under the spoils system. City administration has become a science. City departments have highly specialized and technical duties to perform and services to render. The science of government cannot be learned overnight; neither can it be learned entirely out of a book. It requires experience—many years of actual experience and training. \* \* \* The spoils system—and by that I mean political patronage—turning out city employees after election and appointing a new set as a reward for political activity or work in a campaign is not only costly but so inefficient as to ruin a city. The staggering debt of the cities, the bonded indebtedness of almost every city, are the living witnesses of inefficient city governments of the past."

A league of women voters, investigating their home town, discovered that it cost 75 cents a square foot to clean the courthouse and only 25 cents a square foot to clean an adjacent office building, and the courthouse was not nearly as clean as the office building. In San Francisco, under the spoils system, the writing of 75 tax bills was a standard day's work. Two years after the introduction of a merit system 200 a day was standard. Milwaukee, under a merit system, spent 70 cents per registered voter for its elections. Kansas City, under the spoils system, spent \$2.70.

The spoils system stultifies legislation which too often aims only at creating more political jobs. Its untrained personnel defeats desirable legislation. Through its corrupt machines it thwarts the

public will. It hamstring sincere executives. It corrupts voters and ultimately makes a bum out of the pie-counter boy.

Under an independent merit system, elected officials not only would have more time for their duties, but also would find it more difficult to give away public funds and grant large contracts without competitive bids.

I am indebted for much of my data to Mr. Frank Everett and E. O. Griffenhagen, of the firm of Griffenhagen & Associates, with 30 years' experience in public administration. Mr. Griffenhagen offers this interesting statement:

"I doubt that most people realize how small a part of the governing is now done by the executive offices or the members of the legislative body. \* \* \* It is ridiculous to claim that any body of law can do more than indicate the barest outlines of what is to be done, or that any group of executives can do more than suggest in the most general way how it is to be done. The decisions, at the point where the community sees and feels and gets the results, are made by the men and women who make up the civil services of our governments. They do the governing. By their judgment, skill, and faithfulness they determine the kind and quality and appropriateness of the public services rendered."

Perhaps I can summarize all the foregoing with one further illustration. The railroads are in a bad way. Imagine, if you can, what would happen if they suddenly decided to help business by firing all their yardmasters, train dispatchers, conductors, and firemen, and replacing them with shoe clerks, lawyers, dentists, and soda jerkers.

The State of New Mexico is considering rebuilding and enlarging the statehouse to make room for State civilian employees. Let me suggest this substitute measure: A few years ago Congress passed a law adding several hundred employees to the Bureau of Engraving and Printing without a civil-service examination. When these men reported, the Bureau chief found they were not only useless but they got in the way of other employees, and slowed up their work; so he had bunks built in a shed at the rear of the plant and induced these new employees to spend their time sleeping. How about a new bunkhouse instead of a new building? One prominent Albuquerque citizen, a former State official, stated that he found 12 mimeograph machines in the Capitol, but no employees trained to operate one of them.

Senator HATCH's idea has long prevailed in the United States military service. Uncle Sam knows there are no Democratic machine guns or Republican TNT. Every candidate for the Army is subjected to a careful examination. He is then educated and trained to be a private or an officer, and, when graduated, is assigned to the various branches of the military service to perform a specific duty or job, whose requirements have been expertly determined. The military folks are concerned with doing a job, not with who holds the job.

An ideal merit system would do just exactly that. One centralized planning bureau in Washington should expertly determine the requirements of every type of public-service job, from hot-dog inspector and janitor up to the chief of the Public Health Service. It should cooperate with educators in giving every boy an opportunity to enter the civil service with the assurance of a lifetime job if he merits it, and promotion for efficiency. In administration, the bureau should be sufficiently decentralized to recognize the difference between the requirements for a good school teacher at Escabosa and one in New York City. "Is the applicant qualified to fill the particular job?" should be the criterion. It should be quite irrelevant to ascertain whether the applicant is married or single, white, or black. A disabled veteran has no place in the civil service by reason of military services. The Veterans' Administration should see that the disabled veteran is properly cared for, and not shoved into a job for which he is unfitted or untrained. An Albuquerque girl who is a competent stenographer in the city hall should be sure of a lifetime job there if she wants it, or eligible to transfer to New York City without any residential difficulty, or to the Federal service without regard to the State apportionment law.

When the public clearly understands the distinction between policy-making elective officials and administrative employees who carry out those policies, and when the cost to the taxpayer of inefficient administrative employees is realized, plus the citizen's personal loss in dealing with inefficient public servants, we will get rid of the spoils system and get a merit system. There are no obstacles except the public's indifference to the public's duties and obligations as voting citizens of a great democracy.

More specifically, a merit-system league in New Mexico, aided by our present primary law, could readily establish a real merit system for the State and all its political subdivisions. It would soon point to the desirability of an indefinite tenure of office for competent sheriffs, treasurers, and other administrative officials qualified to do a particular job better than anyone else, with policy-making officials such as our county commissioners and city commission performing their appropriate legislative functions. Politicians should deal with policies—legislation—making laws. Just as the architect draws the plans and then turns construction over to the concrete mixer and the bricklayer, so the politician should leave administration to trained technicians.

Let's organize, and use the Hatch bill as our starting point.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

Mr. BROWN of Ohio. Mr. Speaker, of late much has been said relative to the administration's reciprocal trade agreements program. In his annual message at the opening of this session of Congress the President came out strongly for legislation to continue the reciprocal-trade program. Glib statements, filled with glittering generalities, claiming that the reciprocal-trade agreements are beneficial to the United States have been made.

Therefore, I believe that it would be well for the American people to look at the record. Let us read the story the official figures of the United States Government itself tells as to the actual effect of these reciprocal agreements on the foreign trade of the United States. Realizing there can be no sound prosperity within our Nation unless we have a sound and prosperous agriculture, and knowing present agricultural conditions and the urgent need of assistance and protection for agriculture, I am calling the attention of the Congress to the effect of the Roosevelt-Hull reciprocal trade program on our foreign trade in agricultural products. The following table, made up from the latest official figures of the United States Department of Commerce, comparing the first 10 months of 1939 with the first 10 months of 1938, will not be encouraging news for American farmers, nor of much comfort to the proponents of the reciprocal trade program:

*Agricultural exports and imports, 10 months ended Oct. 31, 1938 and 1939*

Agricultural products	10 months ended October 31—		Change in 1939 from 1938
	1938	1939	
Total agricultural:			
Exports.....	\$689,615,000	\$514,288,000	-\$175,327,000
Imports.....	794,685,000	897,051,000	+102,366,000
Trade balance against United States.....	105,070,000	382,763,000	277,693,000
Total trade.....	1,484,300,000	1,411,339,000	-72,961,000

These figures, as will be noted, show that our total foreign agricultural trade, both in exports and imports, has declined by \$72,961,000 during the first 10 months of this year; that our exports have decreased by the amazing amount of \$175,327,000, and that our agricultural imports have increased by \$102,366,000. This means that with a decline in the United States agricultural foreign-trade total, the balance of trade in agricultural products has increased against the American farmer by the astounding sum of \$277,693,000. The official records of the United States Government disclose that our agricultural exports were 27.1 percent of our total exports in 1938 and that the percentage of such exports of 1939 has decreased to 20.7 percent. In the first 10 months of 1939 the United States only exported \$514,288,000 of farm products, while during the same period of time the value of agricultural products entering this country amounted to \$897,051,000; making an almost unbelievable trade balance of \$382,763,000 against American tillers of the soil.

These figures go far in explaining why American agriculture is not prosperous.

As time goes on I expect to present to the Congress other official figures showing in more detail changes that have occurred in our foreign trade to the detriment of American interests as a result of the administration's reciprocal trade program.

## The War and Gold

## EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

RADIO ADDRESS BY HON. CARL HINSHAW, OF CALIFORNIA, DECEMBER 2, 1939

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by me over the Columbia Broadcasting System from their Washington studio on December 2, 1939, concerning Our Country and the War, with particular reference to the effect of purchases of foreign gold by the United States:

I am here in Washington to represent nearly a half million of the finest people in America. They are alert and intelligent. They are industrious and honest. I am very proud of them. Being a Member of Congress from California, and its Eleventh District especially, has some drawbacks. It doesn't seem really quite right to be away from California during the winter and spring. And then, here comes the Pasadena Tournament of Roses on New Year's Day—and right after it comes the Rose Bowl football game, and I have to miss it again. Oh me!

But it all goes to prove that we do have real sportsmanship here in America. We are a Nation of good sports. We get all heated up over a big game—or an election—but after the final score has been hung up, all agree that the best team won—shake hands all around—and go back to work until the next time. That is one reason why Americans have such a revulsion of feeling against the powerful and quite brutal sport of great nations massacring weaker ones such as China and Poland—and apparently Finland is to be next. Such ruthless cruelty and inhuman lust for blood and power is entirely foreign to the true American spirit.

We don't want war in this country, and we certainly have no yearning to go abroad again to fight. Wars have been going on in the world since the beginning of time—and the last one apparently has not been fought yet. What can we do to avoid war—to be at peace? When I think of that—the deep and eternal truth in the advice of the Father of our Country rings out clear and strong. He said, "Observe good faith and justice toward all nations. Cultivate peace and harmony with all." "Why," said George Washington, "Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice? It is our true policy to steer clear of permanent alliance with any portion of the foreign world." I wish everyone would read Washington's Farewell Address again.

We cannot be the policemen of the world and remain at peace. The only right answer I can see is to strictly mind our own business and be so strong that no nation dare attack us.

When I think of game little Finland, all ready for the 1940 Olympics, a fine new stadium built, athletes in training, all ready for a big show and a lot of fun, it makes me sick, this war business. They probably will have to call off the games on account of darkness over Europe—a rotten stench over civilization.

So many crazy things have happened in this generation, it seems that lunatics must rule the world. But among the craziest things I can think of is the policy we have adopted in this country of buying gold and silver from all over the world, and at a fancy price. Our Government used to pay \$20.67 an ounce for gold. Then a bright professor, whose chief claim to distinction must lie in his discovery that by keeping lights turned on in hen houses they would lay more eggs and die young, a professor by the name of Warren, advanced the idea back in 1933 that if we raised the price of gold that all other prices would rise along with it. He evidently persuaded the President that that would happen, so prices being generally quite low in 1933, it sounded like a good idea, and a law was passed by a rubber-stamp Congress giving the President the power to buy gold at prices up to \$41.34 an ounce, and he proceeded to buy, and he bought and bought, bidding higher and higher, until he had boosted the price up to \$34.88 an ounce, and then he proclaimed on January 31, 1934, that from then on our Government would pay 12 cents more, or an even \$35, an ounce for gold. Believe it or not, we insisted on paying nearly twice as much for gold as we had been paying, just to raise prices. It was a noble experiment. As a matter of fact, prices are still about as low now as they were in January 1934, when the gold-buying spree really got started. They were lower before this war started.

Supposing somebody came up to you when cotton was selling for 10 cents a pound and said, "I'll pay you 17 cents a pound for



all the cotton you can deliver to me." What would you do? Or supposing somebody offered to pay you 35 cents a dozen for all the eggs you could lay hands on when the market price had been 20 cents a dozen. Well, the whole world did just what you would do. The world said to Uncle Sam, "O. K., sucker, get ready; here it comes"; and the whole world started in to sell us gold—and they are still selling it to us—at \$35 an ounce, and we are still taking it at that price. I can see where there might be some sense in paying American gold miners \$35 an ounce for gold, just to boost the business of gold mining. After all, nearly every other business, including farming, has been on relief for several years now, so why not the gold miners? But for the life of me I can't see any very good reason why we should pay these huge profits to foreign banks and foreign gold miners. Somebody said that it aided our foreign trade. Oh, certainly; no question about that; why not? But who gets the best of the trade—the side that trades wheat at \$1 per bushel or the side that trades gold at \$35 an ounce?

The people who used to preach the old commodity dollar—those who wanted to fix the dollar by passing a law declaring that 20 bushels of wheat was worth \$20 and was equal in value to an ounce of gold should take a look at what has happened. Today it takes 35 bushels of wheat to equal in value an ounce of gold. In other words, the foreigner with an ounce of gold can now buy 35 bushels of wheat with it, when it used to be that even at today's price of wheat he could only buy 20 bushels. So what are we doing but making the foreigner a present, giving him a bonus of 15 bushels of wheat for every ounce of gold he sends us for that purpose? The same thing is true of other commodities. That is one way of looking at it; here is another:

Supposing you are a very rich foreigner and we are back in January 1934. You have a big stock of gold. Over in the United States the President has proclaimed that now the American Government will pay \$35 an ounce for gold, when a few months ago they would only pay \$20.67 an ounce. You might take a look at the American stock market and say to yourself, "Ah ha! If I ship my gold to America I can buy American shares of stock, and very cheap. They take my gold at a fancy price, so I can buy 35 shares of stock now where I could only buy 20 before. Even Americans can't do that, because the American Government took in all the gold from the American people before the price was changed. I can even ship my American \$20 gold pieces back to America and get nearly \$35 apiece for them. American's can't do that; it is against the law for them to have American gold coins in their possession."

And so it is—that we let the foreigners buy our shares of stock at a big discount. Now the stock market has gone up a long way. A war is on—and war industries are booming. They can sell back to us these shares of stock at a good profit and buy war supplies from us. The question is—who is the loser? I venture to say that in every such transaction the foreigners are getting away with war supplies at much less than fifty cents on the dollar. In other words, America, by buying foreign gold at a fancy price, is helping to pay for the wars in the world, and our people don't know it.

Take one good example. Take Japan. The Japanese probably didn't go into the American stock market, but the Japanese Government has sold us a lot of gold. Before January 31, 1934, Japan had a supply of gold that was worth \$212,000,000. Then almost overnight, it was worth \$359,000,000 in America. Japan is smart—so she has collected some more gold and sold most of it to us. We have since paid \$539,000,000 for gold from Japan that was worth \$320,000,000 before we boosted the price. The profit to the foreigners in this deal appears to be well over \$200,000,000. That \$200,000,000 has probably paid for a lot of scrap iron and gasoline that has been used in killing Chinese.

Since January 31, 1934, we have bought nine and one-half billion dollars' worth of foreign gold at \$35 an ounce. America's gift to these foreigners, therefore, amounts to nearly \$4,000,000,000. What have they done with it? Have they purchased the products of our farms and factories? Some—yes—but the record shows that we are just holding for them in safe keeping another \$990,000,000 worth and that they own \$7,000,000,000 worth of bank deposits and American stocks and bonds that can be cashed in for war supplies. Think of it—and Finland pays her war debts.

But here is another interesting angle. Over in South Africa there is a great deal of gold and much gold mining. Some is high-grade digging, and some low. But do you know what it costs to recover an ounce of gold in South Africa? It is amazing. The best producers get gold for about \$7.25 an ounce. It runs from there up to \$20 an ounce, and a good guess at the average cost is about \$12 an ounce. Then, we give them \$35 an ounce for it. If you owned a gold mine in South Africa would you run it full blast and sell your gold to London to be shipped to America—or would you—to get from 200 to 400 percent clear profit out of Uncle Sam?

This is so crazy that it is almost funny. Think of it—here we sit—buying gold taken from holes in the ground all over the world and what do we do with it when we get it? We just bury it again in a hole in the ground in America. Let me read to you a news item from the Washington Post of November 10. It is an Associated Press dispatch:

**"TREASURY TO MAIL FIVE BILLIONS IN GOLD"**

"The Treasury is getting ready to mail \$5,000,000,000 or \$6,000,000,000 worth of gold. As soon as Congress authorizes the postage (about \$1,000,000), the Treasury wants to shift part of its huge gold hoards from New York and Philadelphia to the subterranean vaults built for the purpose at Fort Knox, Ky. Fort Knox already

contains \$5,523,000,000 worth of the metal, but none has been added for a couple of years, while the Treasury stocks outside of Fort Knox have grown to exceed \$11,600,000,000. Shifting some of the gold would relieve congestion in outside vaults and at the same time increase its safety. When the Treasury sends gold by registered mail, the extra postage compensates the Post Office for guarding the gold with hundreds of inspectors and soldiers."

Now I ask you, in all sincerity, did you ever hear of such a thing? And they ship \$5,000,000,000 worth to Kentucky by registered mail. Registered mail, mind you. Why? I don't know; do you? Maybe Jim Farley needs a little business for the Post Office Department. It beats me; I can see a lot of reasons for it, but none of them very good reasons.

Gold is queer stuff; you can't eat it, but you can use it to fill teeth. It makes nice jewelry, too—watchcases, wedding rings—I suppose you could make beautiful doorknobs out of it, but it is too soft for hinges. What are we going to do with it anyway? It certainly isn't doing any good buried in a hole in the ground in Kentucky. Why, it takes 2,500 soldiers to guard the place. It is just an expense to guard it. And I'm not so sure that it is very safe there at that—\$16,000,000,000 in gold, a prize greater than any Croesus or King Midas or any gangster ever dreamed of, all to be in one basket soon.

Nobody has given me any very good reason why that gold wouldn't be much safer spread around in the pockets of all the people. But maybe the Government doesn't want the people to find out how small the new \$20 gold pieces would be. They couldn't be much larger than the old \$10 gold pieces were. What a shock that would be.

There is a lot more to talk about. We haven't talked about the hundreds of millions of ounces of foreign silver that have been purchased, to be buried in a hole in the ground at West Point, N. Y.; nor what that has meant to India and China and Mexico. That will have to go over to another time. I hope you are glad you listened and that you have received some food for thought. For my part, I am happy to have had this chance to talk with you, and am grateful to the Columbia Broadcasting System.

Good night.

## Safety for Fish and Men

### EXTENSION OF REMARKS

OF

### HON. WILLIAM E. HESS

OF OHIO

### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

EDITORIAL FROM THE CINCINNATI ENQUIRER OF DECEMBER 26, 1939

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cincinnati Enquirer of December 26, 1939:

[From the Cincinnati Enquirer of December 26, 1939]

#### SAFETY FOR FISH AND MEN

Announcement by Commissioner Don Waters that the Department of Conservation of Ohio will redouble its efforts to combat the pollution of streams is to be applauded, not only by sportsmen, but by all those who realize that water dangerous to fish may be even more dangerous to human beings.

One of the methods is to refrain from stocking streams near sources of pollution. This surely will help to arouse sportsmen to bring pressure on municipalities and industries to abate their dumping of poisonous wastes in lakes and streams.

This is in line with the activities of the Conservation Department of Indiana, which for years has worked hand in hand with the State board of health to clear the streams. As a result fishing has become good not only in the many lakes which dot northern Indiana, but on the upper reaches of the Whitewater and the White, which once were foul with the wastes of cities, canning factories, and manufacturing plants.

Indeed an occasional leak of wastes is the signal for Indiana State and local action since nothing shows up the befouling of streams so quickly as the myriads of dead fish.

As an illustration, Dave Roberts told in the Enquirer a few weeks ago of fish rescue work in the East Fork in a pool just below the village of Batavia in Clermont County. Scores of dead bass were floating on the surface as a result of sewage and lack of oxygen in the water. Others by the hundreds were trying to pass over a shallow bar and into a spring-fed pond. The conservation officials saved them by the thousands.

Considering that the Ohio department spent nearly half a million dollars last year in the propagation and management of fish and planted 365,000,000 fish, it is naturally a waste of sportsmen's money to plant fish where they must be rescued or perish.

And if the whole body of sportsmen will press individually and collectively this coming session of Congress for the passage of the Barkley-Spence bill as it passed the Senate, they will really accomplish something practical.

### Taxes and the T. V. A.

#### EXTENSION OF REMARKS OF HON. HERRON PEARSON OF TENNESSEE IN THE HOUSE OF REPRESENTATIVES Wednesday, January 3, 1940

LETTER FROM DR. HARCOURT A. MORGAN

Mr. PEARSON. Mr. Speaker, in view of the fact that the House Committee on Military Affairs is preparing to open hearings on the Norris bill to make provision for taxes to be paid by the Tennessee Valley Authority, I desire to call the attention of the Congress to the following letter written by Dr. Harcourt A. Morgan to the Washington Post, and appearing in that paper on December 31, 1939. This letter explains in very simple and understandable language just what the act proposes to do, and I think will serve to clear up a great deal of misinformation and misunderstanding on the subject. The letter is as follows:

TO THE EDITOR OF THE POST.

SIR: The attention of the Board of the Tennessee Valley Authority has been directed to your editorial of December 16 entitled "Taxes and the T. V. A." We believe that this editorial has missed the real point of the problem presented for solution.

In any consideration of the tax subject, it is essential to begin with an understanding of the relationship between the Tennessee Valley Authority and its wholesale customers. The Authority does not engage in the business of distribution and sale of electricity at retail; its major function is to operate the generating plants and transmit the power to the retail distribution systems owned by municipalities and rural cooperative associations to whom the power is sold under wholesale power contracts. These municipalities and cooperative associations own and operate their own distribution systems and distribute the electricity to the customers.

In the contracts between the Authority and these wholesale customers, the rates at which the power is to be distributed to the consumers are agreed upon. These rates are sufficient and as their income accounts show, they do cover all State, county, and local taxes previously levied upon the distribution properties. Accordingly, the fact is that the consumers are now paying in their rates a sum equivalent to the taxes previously assessed against these systems. The problem arises from the fact that these revenues, previously collected by the State, county, and local taxing authorities are now paid into the general funds of the municipalities. This, therefore, is not a question of "tax loss"; it is merely one of equitable adjustment of the tax collections among the State and its subdivisions.

Clearly, this is neither a Tennessee Valley Authority nor a Federal problem. The question as to whether the States and counties should recapture their portion of these payments is one of State policy that can be solved only by State legislation. The absence of such legislation accounts for a large portion of the so-called tax losses, since the taxes previously levied upon the distribution properties, owned not by the Tennessee Valley Authority but by the municipalities and local cooperatives, account for a large proportion of the total amount.

The remaining adjustment—and the only one with which the Federal Government is directly concerned—arises out of the fact that the generating plants and transmission lines previously subject to State and local taxation are now owned by the Federal Government through the Tennessee Valley Authority and are, therefore, exempt from the taxing power of the State and its subdivisions. Here again it is an error to assume that the rates at which the power produced by Tennessee Valley Authority is sold are not sufficient to cover the taxes previously paid upon these properties.

The fact is that the wholesale rate at which the Authority sells its power to the retail distributors is sufficient to cover all of the costs of producing and transmitting such power, plus a margin of about 15 percent. That margin paid by the consumers in their rates is sufficient to cover taxes upon these properties. The issue is whether it should be utilized for that purpose.

The theory of the Tennessee Valley Authority Act as now written is that the revenues derived from the sale of power over and above the cost of production should be returned to the Federal Treasury for the purpose of liquidating a part of the cost of the navigation and flood-control program. The program authorized by the statute is a multi-purpose one in which power is the paying partner.

The revenues over and above the power costs are available either for reimbursement to the Federal Treasury or for payment of State and local taxes, or for both. The issue the Congress must determine is not whether the rates should include allowance for taxes, because they already do, but is rather what method should be adopted for apportioning these revenues between the Federal Government and the local taxing authorities.

In determining this question it is necessary to weigh the great benefits that have been conferred upon the States and communities in this area by the expenditure of Federal funds against the admitted fact that the transfer of these properties from private to public ownership has resulted in some communities in temporary but serious fiscal problems.

The Tennessee Valley Authority Act already provides for payment of 5 percent of Tennessee Valley Authority revenues to the States in lieu of taxes. (Tennessee Valley Authority revenues are now about \$15,000,000 per year.) This percentage will in the course of a few years produce sufficient funds to replace all the taxes previously paid by the power companies on the facilities taken over by the Authority. However, one of the factors which aggravates the tax problem is that the formula specified in the Tennessee Valley Authority Act for the division among the States of the payments to be made by Tennessee Valley Authority does not work out equitably in the light of the situation as it has actually developed since the act was passed. Were it not for this factor, there would be no tax problem which could not be solved without additional legislation.

For this reason the bill now pending in Congress, which has been recommended by the directors of the Authority, provides in substance that the Authority shall pay to the affected States 10 percent of the gross proceeds derived from the sale of power at wholesale, this percentage being graduated downward until it reaches 5 percent in 8 years, this rate to be paid in each fiscal year thereafter. It is further provided that the minimum annual payment to each State shall not be less than the 2-year average of the State and local ad valorem property taxes levied against transmission and generating property purchased and operated by the Authority in each State plus that portion of reservoir lands allocated or estimated to be allocable to power.

The total payment for each fiscal year is to be apportioned among the several States upon the basis of the amount of power sold in each State and the book value of the power property owned within each State. The bill declares it is the intention of the Congress that each State shall redistribute these payments, or a portion thereof, to the counties and other local taxing districts affected by the program of the Authority. It is to be especially noted that under this bill the payment to be made by the Authority to each State is to be at least equal to the total State and local ad valorem property taxes previously levied against the power property owned by the Authority.

Enactment of these bills will, we believe, solve equitably the only phase of this temporary problem, which is a direct responsibility of the Federal Government.

HARCOURT A. MORGAN,  
Chairman of the Board.

KNOXVILLE, TENN., December 21.

### Stream Pollution

#### EXTENSION OF REMARKS OF HON. WILLIAM E. HESS OF OHIO IN THE HOUSE OF REPRESENTATIVES Thursday, January 4, 1940

EDITORIAL FROM THE CINCINNATI ENQUIRER OF DECEMBER 23, 1939

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the Record, I include the following editorial from the Cincinnati Enquirer of December 23, 1939:

[From the Cincinnati Enquirer of December 23, 1939]

#### NEW EVIDENCE

Taking an eminently practical view of stream pollution, the State Conservation Division has decided to discontinue the stocking of streams with fish near sources of pollution. Annually, the division spends nearly half a million dollars in fish propagation and stream improvement. This fall it is estimated that many millions of the 365,000,000 fish used in the lake- and river-stocking program have been killed by polluted water.

The news is of especial interest to sportsmen, but it has overtones of importance to those who look exclusively to the grocery or delicatessen for their sea food, just as did the recent news that boat owners along the Ohio found that acid in the water was eating the painted names off their craft.



Water which even the hardiest of river fish find uninhabitable, and which cuts the paint off a motorboat, is not obviously, the *eau de vie* which a physician would recommend for the best interests of the human system.

Sportsmen by and large have been more active than the general public in seeking relief from stream pollution, though a confusion of objectives has reduced the effectiveness of their support. Theirs and the public's interest is essentially the same—to reduce pollution by the most practical method. The Barkley-Spence bill which will be before Congress at the opening of the new session provides the best avenue of attack upon pollution. In the interests of getting something done about the polluted condition of rivers and streams, the Barkley-Spence bill should command the support of sportsmen and general public alike.

## Supreme Court Protects Farmers

### EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

Mr. LEMKE. Mr. Speaker, the Supreme Court of the United States in the Bartels case reestablished the Frazier-Lemke moratorium. The provisions of this act some Federal judges, who apparently could not understand English, misconstrued and had in effect deliberately annulled. Annulled—by judicial legislation—by wrongfully permitting the eviction of innocent men, women, and children from their homes. The fact that these evictions were allowed by some Federal judges, in plain violation of their duty under an act of Congress, makes them all the more shameful.

I say some of the Federal judges—not all—because I gladly concede, and you have a right to know, that a majority of them sincerely carried out the mandates of Congress and gave full force and effect to all the provisions of the act.

The Supreme Court in the above case rendered a broad and far-reaching decision which will be of immense benefit to the debt-ridden farmers in every State. It will give to the honest farmer who is about to lose his farm and home by mortgage foreclosure, judgment, or tax sale a breathing spell of 3 years within which to refinance himself.

Chief Justice Hughes, in his opinion in the Bartels case, informs the Federal judges who by their wrongful decisions attempted to annul this law that hereafter they must carry out and enforce the provisions of the Frazier-Lemke moratorium in accordance with the plain English language of the act. He tells them that they must give full force and effect to an act of Congress whether they like it or not.

In his opinion the Chief Justice in unmistakable language informs these erring Federal-, district-, and circuit-court judges that a farmer is never too poor to go through bankruptcy; that they cannot accuse him of bad faith because his liabilities exceed his assets. He informs them that it is not bad faith for a farmer to take advantage of the Frazier-Lemke moratorium—a Federal law.

He informs these judges that a farmer debtor can take advantage of this law when he is in financial distress and that it is none of the judge's concern whether or not such farmer debtor will be able to rehabilitate himself at the end of 3 years. That is the farmer's business and the responsibility of Congress.

We quote from the Chief Justice's opinion:

The subsections of section 75 which regulate the procedure in relation to the effort of a farmer debtor to obtain a composition or extension contain no provision for a dismissal because of the absence of a reasonable probability of the financial rehabilitation of the debtor. Nor is there anything in these subsections which warrants the imputation of lack of good faith to a farmer debtor because of that plight. The plain purpose of section 75 was to afford relief to such debtors who found themselves in economic distress however severe, by giving them the chance to seek an agreement with their creditors (subsections (a) to (r)) and, failing this, to ask for the other relief afforded by subsection (s). The farmer debtor may offer to pay what he can, as Bartels did,

and he is not to be charged with bad faith in taking the course for which the statute expressly provides.

The scheme of the statute is designed to provide an orderly procedure so as to give whatever relief may properly be afforded to the distressed farmer debtor, while protecting the interests of his creditors by assuring the fair application of whatever property the debtor has to the payment of their claims, the priorities and liens of secured creditors being preserved.

We are not here concerned with questions which may arise in the course of the administration under the statute, but merely with the duty to follow the procedure which the statute defines and the district court failed to observe.

\* \* \* the cause is remanded to the district court with direction to proceed in conformity with this opinion.

We wonder how these judges feel in the face of this decision of the Supreme Court of the United States? Can they feel just right when they realize that they permitted the eviction of hundreds and thousands of men, women, and children from their homes? I wonder whether occasionally, in their silent chambers, they can see the stoic anguish on the father's face or the tear-stained face of the mother whose children they have made homeless?

All this because they would not or could not understand the plain English language of the Frazier-Lemke moratorium. Because suave attorneys, in one case paid \$60,000 by the insurance companies to assist a bank to fight a bankrupt farmer, overcame their better judgment. Let us hope that from now on these judges will more fully realize their responsibilities to this Government and Nation, and that they will reinstate, wherever possible, without red tape or quibble, every case that they so wrongfully and so unjustly dismissed.

While the Senate National Economic Committee discovered that the associated presidents of the life-insurance companies paid \$60,000 to an attorney to assist a joint-stock land bank to take the home away from a bankrupt farmer, and while they had paid lobbyists in Washington in an attempt to defeat the enactment of this law, the attorneys in the Bartels case, representing the farmer-debtor, served without compensation. May I warn these companies that, for their own good, they had better get out of the farming and lobbying business and devote all their activities to the insurance business.

The Supreme Court also reversed the erroneous decisions of the District and the Circuit Court of Appeals of Ohio in the Morrison and Gray cases. In its opinion in those cases it directs the district court to reinstate the cases and to proceed in accordance with the provisions of the Frazier-Lemke moratorium and its decision in the Bartels case.

The Supreme Court has now definitely informed the Federal judges that the provisions of section 75 of the Bankruptcy Act are mandatory. This section seems to have been the stumbling block of some judges. Every conceivable attempt has been made to destroy its effectiveness. While this section has saved hundreds and thousands of homes many more would have been saved if all the Federal judges had entered into the spirit of the act. This would have been of lasting benefit, not only to the Nation, but to the creditors as well as to the farmer debtors.

Section 75 gives every farmer who is insolvent or financially embarrassed a legal equity in his own property. That equity is the legal right to continue in possession of his farm—live in his home—for 3 years, provided he pays a reasonable rental. That equity gives him an opportunity to refinance and reestablish himself as a solvent rather than to continue as an insolvent farmer. This right no court may, now, hereafter deny him.

Under the act an appraisal is made of all the farmer's property "at its then fair and reasonable market value." That reasonable market value fixes the debtor's assets and also the limit of his liabilities. That is the rule in all bankruptcy proceedings. It is not what the bankrupt owes but what the property will bring that finally settles the question of assets and liabilities and balances the debit and the credit sides of the ledger. This via a discharge.

During the depression and recession Congress—in legislating in the interest of the Nation—saw fit to pass this section. It did this because it felt it was essential for the

preservation of the Nation. The Supreme Court of the United States in a number of decisions upheld this legislation. It gave it a broad and liberal interpretation so as to effectuate the intent of Congress within constitutional limitations.

The legislation in question is legislation on the subject of bankruptcy. The only farmer who can take advantage of this act is a bankrupt farmer. A bankrupt is a financial wreck. The question is not one of paying up in full but one of salvaging—saving what can be saved out of the wreck.

No other law has been so often and so willfully misconstrued as the Frazier-Lemke moratorium. Is it because this law protects us by protecting the farmers who feed and clothe the Nation? Similar legislation in favor of railroads and corporations has been liberally construed by these same judges, but for some reason they forgot their liberality when this law was involved.

In addition to the decision in the Bartels, Morrison and Gray cases, the Supreme Court has now rendered five far-reaching decisions in connection with the Frazier-Lemke moratorium. In three of these cases Elmer McClain of Lima, Ohio, was associated with me. The first of these is the *Virginia Wright case* (300 U. S. 440). In that case the farmer debtor owed \$6,559.50 and his assets were only \$2,828.52. Yet, in that very case the Supreme Court held the act constitutional. It did not even say that the farmer was too poor to take advantage of the law or that his assets would have to exceed his liabilities.

Next comes the *Beach case* (301 U. S. 435). In that case the debtor had a mortgage of \$100,000 on 196 acres of land. It was held that Mr. Beach was not a farmer in good faith. The Supreme Court reversed that decision and said:

The products of his toil were food for him and his dependents, and the farmhouse was his home. True, the money returns were scanty. . . . The scantiness of the yield may have turned him into a bankrupt, but it did not change his occupation. One does not cease to be a farmer because drouth, wind, or pests may have rendered the farm barren.

Next comes the *Adair case* (303 U. S. 350), in which the Circuit Court of Appeals held that the conciliation commissioner was liable for moneys paid to the bankrupt farmer, necessary in harvesting the crop on which the Bank of America had a mortgage. The mortgage expressly provided that the farmer was to care for and harvest the crop at his own expense. The Supreme Court reversed that decision. It held it was the conciliation commissioner's duty to preserve the crop and that it was proper to allow the farmer debtor the necessary expenses for harvesting the crop. The Court said:

These provisions of section 75 look forward toward the maintenance of the farm as a going concern.

Then came the *Indiana Wright case* (304 U. S. 502). In that case the Supreme Court held that a farmer had a right to file his petition under section 75 at any time before his period of redemption had expired, or before confirmation of sale where there is no redemption, or at any time before he had lost all his equity in the farm and both the legal and equitable title had been completed in the mortgagee.

And finally we have the decision in the two Kalb cases, decided January 2, 1940, not yet reported. In these cases the Supreme Court holds that the sole and exclusive jurisdiction after the farmer files his petition is in the United States district court. It holds that any action taken by any State court after the farmer has filed his petition is null and void, and that the judgment thus obtained is subject to collateral attack. The farmer is under no obligation to take any action in the State court. It must take judicial notice of the Federal court's jurisdiction.

Here let me state that no farmer should file under the Frazier-Lemke moratorium unless he is threatened with or in danger of losing his farm or property by mortgage foreclosure, judgment, or tax sale. He should not file unless he is hopelessly in debt and his creditors refuse to compromise on terms that he can meet.

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The farmer should remember when he files under this act that all of his property will go under the jurisdiction and control of the court and that he will have to pay a reasonable rental. But he will then have 3 years within which to readjust and refinance himself. He should remember that it is better to adjust his difficulties, if possible, outside of court, but he should remember also that it is his duty to protect his home for himself and family. No farmer should hesitate to take advantage of this act if it becomes necessary to save himself and his property.

Congress and the farmers have a right to expect that the district courts will now in good faith carry out the provisions of the Frazier-Lemke moratorium and obey the mandate of the Supreme Court, the highest court in this Nation. In all cases where the farm has not passed into the hands of an innocent purchaser it is the court's duty to reinstate the petitions that it dismissed. This the court ought to do of its own volition.

The farmer whose petition was unlawfully dismissed and who desires to recover his farm should immediately, if the period of redemption has not expired, or if expired, if the farm is still in the hands of the mortgagee who foreclosed, make a motion for reinstatement. He should call the judge's attention to the decision of the Supreme Court in the Bartels case. Under these conditions, the court should reinstate and reopen the case without hesitation. A court of bankruptcy is a court of equity, and a court of equity has the power to correct its own mistakes.

Again, a farmer who is threatened with mortgage foreclosure or whose farm has been sold under foreclosure, judgment, or tax sale, where the period of redemption has not expired, or the sale has not been confirmed, or where title has not yet been completed in the mortgagee, should immediately file his petition under the Frazier-Lemke moratorium. He will then have 3 years within which to get on his feet and refinance himself.

The farmers in every county who are hopelessly in debt should call a meeting, get together, and cooperate. They should see to it that they get the full benefit of this law. If your farm organizations are not assisting you, find out why not. If you will do this, you will be able to get some able attorney in every county who will be glad to find out all about this law and assist you.

May I suggest that you do not write me and ask me to act as your lawyer. Much as I would like to, that is physically impossible. While I have donated my time and assisted financially in at least 20 test cases before the United States District, Circuit, and Supreme Courts, yet, it is humanly impossible for me to act as attorney for several hundred thousand farmers throughout the United States. Please remember I also have my duties to perform in Congress. Now, with the proper construction of this law by the Supreme Court, you have the remedy at your fingertips.

In connection with the Bartels case I wish to thank Attorneys T. E. Mosheim of Seguin, Tex., and Elmer McClain, of Lima, Ohio, with whom I had the pleasure of being associated in the Bartels case. Both of these donated their time and contributed their expenses. I also wish to thank the farm debt adjustment committee of Guadalupe County, Tex., and its chairman, D. D. Baker. But for their financial assistance Bartels would not have been able to get this case up to the Supreme Court.

The Frazier-Lemke amendment to the Bankruptcy Act does not take any property from the creditors. It gives to the creditors all of the past efforts, earnings, and accumulations of the debtor, his wife and his children, but it does at the same time prevent them from taking the future earnings and accumulations of the debtor, his wife and his children. It deprives the creditors of nothing, but does prevent them from destroying all value by throwing more farm land and farm property upon the market. It conserves the home and property for those who created and accumulated it, subject to existing liens up to the fair value as judicially determined under the provisions of the act.



In dealing with bankruptcy, it is just as much the duty of Congress and the courts to consider the unfortunate debtor as to consider the unfortunate creditor. The agricultural wealth of this Nation can and will now be preserved in the hands of those who created it—the farmers.

### Red Faces

## EXTENSION OF REMARKS

OF

## HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

RADIO ADDRESS BY HON. CARL HINSHAW, OF CALIFORNIA

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of an address made by me over the Red Network of the National Broadcasting Co. on the evening of December 28, 1939, concerning the meaning of socialism to the American people and presenting my views of the liberal democracy, as follows:

A big little boy I know very well likes to have me tell him stories about an Eskimo boy called Nipantuk, who lives way up there near the North Pole. Nipantuk has had many thrilling adventures, but mostly he enjoys the work he does for Santa Claus. You see, Santa Claus works the year round making toys for good little boys, and he has to have someone to try out the toys to see that they work all right. That is where little Nipantuk comes in. He plays a little while with each toy Santa Claus makes—to be sure that the paint is on right, and that the machinery works correctly. This little 5-year-old American boy thinks it would be swell to be up at the North Pole with Nipantuk working for Santa Clause all year round.

I was telling him the last chapter the other night—and while I was talking my mind kept straying to thoughts of other little boys and girls who live in other parts of the world across the seas. What a bitter and fearful night it must have been—the guns and cannon they heard were very real ones that shake the earth and blow horses and cows and kittens and babies to bits, and the airplanes that droned overhead weren't transports. The bombs they drop smash and set fire to homes and hospitals and trains filled with women and children trying desperately to get to some place else—anywhere, but away, away.

I have seen those things myself. Maybe not such hellish ones as they have today, but samples too good for me to want to see any modern ones in action. Aren't we lucky to be Americans in America? But let us not go to sleep in our ringside seats watching these fights. Let us not be complacent about it because there are those in this country who would like to see us join in war or bloody revolution. They are busy all of the time—working both above-board and under cover at their devilish business.

There are those who think we should join in—to save democracy—somewhat as we did in 1917; that is, we joined in, but didn't save it. There are those who would have us join in to preserve the well-known status quo in world power politics—and this would possibly be to our commercial advantage. There are those who have designs for imperialistic expansion and would have us stay out by hook or crook to prevent our aiding the victims of their imperialistic aggression, and there are those who are working hard to foment world revolution so that they may step in afterward to set up a world dictatorship.

There are many aims and desires—bushels of propaganda and continuous pressure upon the minds and heartstrings of the American people from all sides—to get in, to stay out, to give aid, to refuse aid. We can understand these aims and weigh them, but the most insidious, the most diabolical, effort is that to stir up violence and revolution among us. It is about that sort of thing that I want to talk with you tonight because, in my humble judgment, there lies the greatest danger to the American people.

I am not a member of the Dies committee, and I, too, might criticize some of their methods and some of the things they do. But don't forget for one minute that they are dealing with some of the smartest organizations engaged in the most diabolical campaign of stirring up revolution that has ever been launched in the world. These subversive organizations have both money and brains; they are clever and sly. They are truly "wolves in sheep's clothing." You can't dig them out with kid gloves on.

Let us examine the background for their activities. Why do they torment us so? In the first place, the only practical difference between a Socialist and a Communist is that the Communist believes that the only way to bring about world socialism is through violent revolution—and the "liquidation" (a sweet word which means "mur-

der") of all those who do not agree with them. The Socialist, on the other hand, believes that socialism can be brought about by education, and through the ballot box. The Communist Party in America has lately ducked under cover by saying that they no longer preach revolution, but they admit that they are working to create conditions where revolution will be spontaneous. I cannot see any difference between those two positions.

But what is this "socialism" that they are trying to sell us? What does it mean? If it is as good as they say it is, perhaps we should have it. The dictionary says that "socialism is that society which believes in the philosophy of the common ownership of the means of production, and the equitable (or in the case of pure communism, equal) distribution of the products thereof." That is the definition of it. But what does it mean? It simply means that in the Socialist system the government should own all of the farms, factories, stores, warehouses, railroads, power companies—everything that has to do with producing and distributing things—then, of course, everybody must work for the government, as there are no other jobs, and everybody would then be doled out their fair share of the groceries, clothes, and housing, etc. It is what they have in Russia, and to a considerable extent in Germany, and in a somewhat modified form in Italy today.

In true socialism, nobody can own anything—as we consider ownership in America. Everyone works for the government—is paid by the government, and lives about as the government says they must.

But when the government owns all the farms and factories and stores, etc., the government must manage them all. That is a tremendous job. It takes a lot of people to do that. It means plenty of patronage, too—you do not get government official jobs unless you are in with the higher-ups. In Russia, there are usually three bosses on every job, referred to there as the "party triangle." One elected by the workers—he does not count for much—one technical boss and one political boss. I wish there were more time to discuss that. It is very interesting. But the important thing is that the political boss holds the power. He is frequently a member of the secret police—"political spy" would better describe him. Nobody ever seriously disagrees with him, because it isn't healthful. The result is generally fatal—you just disappear—are "liquidated."

Now, why is that necessary to socialism? It is very evident to anyone who will examine into it. In the first place, when government owns everything, it has to manage everything. Otherwise, nobody would have things to eat and wear—nor places to sleep. All would be utter confusion. The Socialist government, as a part of the management job, has to make a plan of production and distribution. It is the so-called planned economy. In Russia, they call these 5-year plans. In Germany, the 4-year plan is now in effect.

But remember that government can't plan production and distribution until it has first decided what is to be consumed. When you stop to think how many thousands of items everyone consumes each year—all the cereals, vegetables, and dairy produce—the wool and cotton and textile materials—buttons, thread, and cleaning fluids—soap ingredients, acids, chemicals, metals and alloys, building materials, and all the machinery to process and handle these things, etc., etc., it is an enormous task for a bunch of technicians and politicians. The only way they can figure it out is to say that each person shall be rationed out so much of this and that. Government has to ration the things the people consume. We do that for our soldiers in the Army. Otherwise, we couldn't figure out how to supply them. It is possible in the Socialist state to give the right of free choice in articles that are in good supply, but for most things, ration cards are necessary.

The Socialist government must also plan where, at what, how long, and for how much each person shall labor. If the workers could go on strike, the plan would be ruined—so in the Socialist states you can't strike. Just a few days ago, our President told a group of people working on our Government pay that they could organize, but they wouldn't be allowed to strike. When the Government is your boss, you do as you are told and like it—or else. But you dare not quit in the Socialist state, because there aren't any other jobs—and, no work—no eats. So what? Well, that amounts to the conscription of labor. And that is why the workers who go into a revolution to set up the Socialist state are so badly fooled. After they have done it, they lose their freedom.

But let us get back to this "planned economy" business. Who is going to make the plan and give the orders to carry it out? Congress? No; Congress couldn't possibly make it. There would be the greatest logrolling contest in history. Every section represented would want to work less and eat more. The plan has to be made by a central government agency with full authority to carry it out. Congress couldn't even have the right to change it—and nobody else could. If they did confusion would be the result. So, the authority has to be centralized in the planned economy. That is the reason why the Socialist countries must have dictators. Somebody must have the power to say "yes" and "no" and mean it. He must have the power to hire and fire and to punish for failure to carry out orders. A few minutes ago I spoke of a technical boss and a political boss, or spy. In the Socialist state of Russia the technical boss works for—say the secretary of agriculture, but the political boss works for the dictator. He is the boy who reports as to whether or not the orders are being carried out—and if anyone on the job doesn't like the way the dictator parts his hair. He is the political spy or stool pigeon

of the dictator. They have one on every job. They have to in order to keep the fear of the dictator right out in front. And that is why the Socialist state, as such, is an idle dream to people accustomed to speaking their minds and quitting if they don't like the work. Sit-down and slow-down strikes are never heard of in Socialist countries. That is called sabotage and is punishable by sudden death. Even failure to carry out orders is sabotage and thousands have been shot for that.

No; these smart Socialists and Communists are trying to fool our people. They organize strikes and riots and slow-downs, and stir up class hatred in this country to cripple our agriculture, industry, and commerce. Why? To foment revolution, so that they can get control of our farms and factories and stores, and so forth, and set up the Socialist government in this country, set up dictatorship, kill off those who don't agree with them, enslave the very people who helped them get control—the workers—and then outlaw the very tools they used to gain their ends and set up, in far more vicious form, the very agencies of oppression that they cried out against.

The frightening thing about all this is that these Socialists and Communists are hiding their true colors under the disguise of being "liberals and progressives." If that is liberalism, you are a Hottentot. Real American liberals like old Ben Franklin, Thomas Jefferson, and Abe Lincoln, and that great progressive, Teddy Roosevelt, must turn over in their graves every time one of these "Communazifists" calls himself "liberal and progressive." If these modern self-styled liberals can get us to spend ourselves into bankruptcy, and can cripple our agriculture, industry, and commerce sufficiently to bring this Nation to the point of widespread starvation and stagnation, then they will shortly achieve socialism in America. Are we going to stand around like a lot of jug-heads and let them do it, or are we going to offer them a one-way ticket to where they can get some first-hand knowledge and experience.

In closing, I want to give you my idea of America. Out of the ages of human struggle and experience we have learned that men can live together best when each performs according to his skill and ability and exchanges the product of his labors for those things he needs that others have produced. His labor is his own, to give or withhold; his life is his own, to be lived in peace, with due regard for the rights and the peace of his neighbor. He joins with others to promote the welfare of and justice in the whole society, and to protect and defend the whole against all enemies.

And so we have evolved the liberal democracy in a republic. It is that society of people who believe in and adhere to the philosophy of the division of labor in an exchange economy, under a common law, granting equal rights and imposing reciprocal obligations upon all the people, with special privileges for none. The division of labor must be fair, and the markets for the exchange of the products of labor must be honest and efficient. The Government shall not be the master of the people, but their servant. It shall not administer the affairs of the people, but it shall administer equal justice among a people who conduct their own affairs.

As the Old World goes to its rendezvous with death and destruction we here must hold on high the torch of human liberty—a beacon light to all oppressed peoples—a light that must at all costs be saved to rekindle and reinspire the faith in God and man that must rise again lest civilization eternally perish.

## Rubber Workers and Shoe Workers Take Their Stand

### EXTENSION OF REMARKS

OF

### HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

RESOLUTION OF LOCAL NO. 44, UNITED RUBBER WORKERS OF AMERICA, AND STATEMENT ISSUED BY LOCAL 122, UNITED SHOE WORKERS OF AMERICA

Mr. VOORHIS of California. Mr. Speaker, as evidence of their fundamental devotion to both democratic principles of government and sound union practice, I am asking to include with my remarks the following resolution, passed on December 31, 1939, by Local 44 of the United Rubber Workers of America, located in my own congressional district, and the following news release issued by the executive board of Local 112 (Los Angeles) of the United Shoe Workers, on December 22, 1939:

#### RESOLUTION OF LOCAL NO. 44 (LOS ANGELES) OF UNITED RUBBER WORKERS OF AMERICA

We, United Rubber Workers of America, Local 44, believe that it has become imperative to redefine the fundamental purposes and objectives of a bona fide union, and the conduct of the business of such an organization, and we hereby state our position as follows:

##### 1. We hold:

(a) That the purpose of a union is primarily to protect and benefit its members with reference to hours, wages, and working conditions;

(b) That, secondarily, the union's interest is the hours, wages, and working conditions generally of members of other unions and of the working class;

(c) That the education of workers can be carried on in unions for the above purposes.

##### 2. We strenuously object to, and disapprove of:

(a) The attempted control, and in some cases the actual control, of unions by the fraction system operating surreptitiously and secretly within the ranks of the unions, and existing for the purpose of seeing to it that the union follows the "party line" laid down by the Communist Party or any other political group;

(b) To attempts and in some cases the accomplished fact of diverting a union from its elemental purposes, to suit the needs or purposes of foreign-controlled political bodies, such as the Communist Party, in carrying out the policy or program laid down primarily to further the interests of a foreign power.

3. Sorry and sympathetic though we may be, for example, for the children of China and the refugees from Loyalist Spain, we object to the diversion of the energies and moneys of trade unions for such causes, or any cause promoted for the purpose of allowing the Communist Party to further its claim of being the champion of the masses.

4. Finally, we believe in truly democratic rank-and-file control of the union, the free and open discussion of union problems at union meetings, and the exposé and termination of semiconspiratorial methods foisted upon unions through the activities of "Communist Party members" and of "innocents," i. e., persons who are unaware of the fact that they are being used for such ulterior purposes.

UNITED RUBBER WORKERS OF AMERICA, LOCAL 44,

By ROBERT E. HARRIS,

Recording Secretary, Los Angeles, Calif.

Date adopted: December 1, 1939.

#### UNITED SHOE WORKERS OF AMERICA (C. I. O.), LOCAL 122, Los Angeles, Calif., December 22, 1939.

The executive board of Local 122, United Shoe Workers of America, C. I. O. affiliate, in regular session Wednesday, December 20, 1939, at 524 South Spring Street, Los Angeles, adopted a statement on the policies and aims of the union to be made public:

In view of the present conditions in the labor movement where so many agencies speak for labor, and in our opinion they create confusion in the ranks of labor and distrust in the eyes of the public at large.

Within the past few years organized labor has had to contend with organized pressure groups working from within which sought to divert unionism from its basic task. Worst of all, infiltration of such groups represented not only a philosophy totally at variance with that of the labor unions, but also was serving as the direct mouthpiece and agency of foreign governments.

The Communist, Nazi, and Fascist elements in the guise of wanting to offer to American labor a more militant program were in actuality helping to sow the seeds of discord and dissension. They were advocating a program of communism, nazism, and fascism which would destroy the rights of free speech, free press, and free assembly. And these rights, as every American unionist should know, are the very foundation stones upon which labor unionism is founded. It is because we know that labor unions can only thrive under a democratic form of government that we openly reject and denounce those who advocate any and every form of dictatorship. Communism, as vicious as Nazi and Fascist dictatorships.

Labor unions of necessity must be open to every worker engaged in the trade or industry which the union has set out to organize. Labor unions of necessity are economic organizations, dedicated to the task of winning job security, better wages, hours, and conditions of work for the men and women they represent. When a union wanders far afield from these basic tasks, its aims become confused; its activities too diffused, resulting in a weakened organization.

American labor in general, and Local 122 of the United Shoe Workers in particular, want none of Communist, Nazi, or Fascist program or procedure. And we warn all within and without our ranks who try to use our union for such purposes that we shall take appropriate actions against them.

LOCAL 122, UNITED SHOE WORKERS OF AMERICA,

ROY FIFER, President.

EMMA VOLL, Recording Secretary.

WILLIAM SELIGMAN, Secretary-Organizer.

MICHAEL W. PADGETT, International Representative.

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## A Glance at Our Neutrality Today

## EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

Mr. KUNKEL. Mr. Speaker, the present neutrality law has been in effect about 2 months. So far it has worked admirably and to the satisfaction of all concerned. Repeal of the arms embargo has caused none of the diplomatic and military disturbances which those of us, who opposed repeal, feared that it might. If the credit provisions are carefully enforced without any attempt to evade the intent of the law, there is no reason why this country should become financially involved. Financial involvement has always been the dangerous step which carried us into war. There is no question that the "carry" provisions, which were part of our neutrality legislation in one form or another since 1935, have been as beneficial as those of us who urged their adoption contended. To date no sinkings of American ships, no loss of American life, no dangerous incidents of that nature, have occurred. The effectiveness of the German submarine and mine naval warfare has been demonstrated most conclusively during this period. Had our ships not been barred from danger zones, it is most likely that some dangerous incidents would have occurred. Such incidents would have surely been reflected in American public opinion. As it is, the average citizen of our United States is beginning to become habituated to the war. This does not mean that he does not abhor it and desire above all things to have it ended in such a way as to secure freedom and liberty for as many as possible. Rather it means that he accepts it as an ugly fact, as other evils are accepted as ugly facts. He tries to cure or mitigate them. Yet he must admit their existence. He accepts the war as an ugly fact but one which is not inconsistent with, or incompatible with, peace in this country during the duration of the war. Less space is given to the war by the daily papers. Only when some startling event, such as the *Graf Spee*, occurs do we see big headlines and a front page crammed with war bulletins. There is every reason to feel hopeful and confident that our citizens, with their customary good sense, will meet the situation and take it in stride.

An important reason for the developments noted is the changed attitude of our executive department. For the past few months Mr. Roosevelt and the members of his Cabinet have abandoned the threatening internationalist attitude which had characterized their statements during the preceding 18 months. Even Mr. Ickes has kept reasonably quiet on these subjects. Now the executive department apparently is confining itself to the business at hand, which is to keep this country out of war. There is little question that this changed attitude has been caused by popular sentiment as evidenced by the large vote cast in the House of Representatives against repeal of the embargo. I feel certain that the votes of the Congressmen who voted against repeal have been of great help in keeping this country out of war.

What has been the effect of our neutrality legislation on the belligerent European nations? All of them are satisfied. England and France wanted this legislation so that they could buy war supplies here. So far they have bought little save airplanes. No doubt the airplanes which they received have been very vital to the war strategy. Germany has made no protest. At the time the bill was under debate, most well informed international lawyers thought she could and would. The reason undoubtedly is that Hitler feels he is receiving at least as much benefit from the law as are the Allies. To date, this is undoubtedly true. Indeed, Germany and Hitler have undoubtedly benefited more from it than have the Allies. Removal of American ships and shipping from the danger zones around France and England have to some

extent curtailed British and French imports. It has put a further strain on Allied shipping. It left Hitler free to start his mine warfare without fear of injuring vessels of the United States with the consequent danger of bringing the United States into the war against him. It has also tended to prevent the Allies from getting credit in this country; and thus also building up a further possible cause for our entry into the war. As time goes on, our munitions will no doubt be taken by the Allies in greater quantity and will be of greater value to them. But since Hitler has not protested up to this time, he has certainly lost any valid claim to protest in the future.

The Finnish situation has not developed extensively in respect to our country. Suffice it to say that everywhere in America there exists an overwhelming sympathy for the Finns. There is little question that our Government will go as far as possible to help them. Until an actual declaration of war is made, this will be very far indeed. The President is under no duty to invoke the neutrality law unless, broadly speaking, he finds that it is to the interest of this country to do so. Neither is Congress. It is very unlikely that either the President or Congress will invoke the law to the detriment of Finland.

The Finnish Government can also borrow from America. In fact it has done so. The Johnson Act, which prohibits loans to foreign nations which are in default on their obligations to this country, does not apply to Finland because Finland has met all its obligations both to American citizens and to the United States.

We must carefully guard against letting either our sympathy for Finland or our natural antagonism toward communism and toward the uncalled-for aggression of Soviet Russia involve us in any active participation in the war between those two nations.

Just what is our present neutrality policy? It is a new departure in the history of American foreign policy. For generations up until 1935 American foreign policy sought to maintain and extend the trade rights of neutrals and the rights of the citizens of a neutral country. Our insistence on these rights was a major influence in shaping the present rules of international law. This policy involved us in wars. It is impossible as a matter of cold hard fact for a great nation to remain a great nation if it asserts rights and then does not enforce them. If a belligerent consistently violates rights which a great nation insists upon over a period of time, that nation is forced either to surrender those rights or go to war. In the past under such circumstances the United States went to war. The knowledge that if such a dilemma confronted us we would in all probability again go to war prompted the neutrality legislation.

The preamble of the present law states that the United States "waives none of its rights or privileges, or those of any of its nationals, under international law" and expressly reserves such rights. The President and Secretary Hull have insisted upon this feature in many of their official statements. The law then proceeds to make it illegal for our citizens to exercise certain of those rights, particularly rights as to trade and trading and travel. Briefly, the gist of the law is that our Government takes steps in advance to guard the country against getting into a situation which would force the country either to retreat with loss of national honor or else go to war. It also takes into account that such incidents, which invariably include loss of life and property, react on public sentiment so as to create a belligerent feeling which may cause us to go to war. "Take no chance of a national dilemma or of an outburst of popular war sentiment" sums up our basic policy as shown by the neutrality law.

In view of the purpose of the neutrality legislation, it is hard to understand the action of the State Department in adhering to the Panama Conference. The delegates to this conference stated that the neutral American republics "are as of inherent right entitled to have those waters adjacent to the American continent \* \* \* free from the commission of any hostile act by any non-American belligerent nation." They then laid out an area of ocean surrounding

the entire North and South American continents south of the Canadian border and extending from 300 to 600 miles out to sea. They then declared that in this entire area—about 55,000,000 square miles, I believe—no hostile act should be committed. They also decided to establish a patrol if that became necessary. The foremost advocate of this united declaration by the conference was Sumner Welles, Assistant Secretary of State, who represented and acted for the United States.

This was a very peculiar step to take. The policy of the neutrality law had in effect yielded up some of our most important rights under international law in order to avoid provocative incidents. Yet here the United States claims a right which does not exist in any neutral or body of neutrals under international law. Furthermore, it was a right which sound judgment indicated belligerents could not and would not accept. It was a right which was bound to cause provocative incidents which we would be forced to resent or else overlook with a consequent loss of national honor and national prestige. It was absolutely at variance with our neutrality law and our neutrality policy. It was absolutely opposed to international law, which the administration had up until then urged as the proper course to follow and as a main reason for repealing the arms embargo. Territorial waters were defined by international law as being 3 miles from shore, in the absence of special agreement. The declaration ignored the fact that British islands (some of which contain British naval bases) were scattered throughout parts of this area. It also ignored the fact that the United States had formally given our adherence to the 3-mile limit under the treaty with Great Britain in which Great Britain had agreed to permit the search of rum runners at a distance of 1 hour's steaming from the coast. While the present administration has never hesitated to violate promises as to domestic policy made to the American people, it does seem unfortunate to have the administration act in violation of a solemn treaty obligation to a friendly nation. This is particularly true when nothing but trouble and argument can result from this treaty violation. Why should Roosevelt adopt the methods of Hitler? He says he doesn't like Hitler or his methods, yet imitation is the sincerest flattery.

On the practical side nearly the entire burden of enforcement must necessarily fall on the United States. None of the other signers—20 American republics—have any navies capable of attempting such a task. Their combined navies would be entirely inadequate. Some of the United States Navy men feel that the United States Navy itself could not adequately perform this duty. In any event such patrol duty would render less efficient, if not useless, our Navy's activities in many of its normal and more important spheres of action. Obviously, action by the United States against belligerent warships would be provocative and dangerous, both as to foreign relations and as to domestic sentiment. It is difficult to see how a battle in this area between belligerent vessels, not involving our Navy, could be either provocative or dangerous in these respects. Indeed, the greatest naval battle to date has been fought in this area with no such effects whatever, except those created by this declaration of Panama itself.

No one doubts the fact that it would be highly desirable for the United States and its sister American republics to have the belligerents observe this new territorial-waters limit. It just is not possible or practical for it to be observed. No serious results would obtain from war actions in those waters if this policy had never been announced. Since it has been made a part of our national policy, we face through our own Executive's action the dilemma which our neutrality legislation and present neutrality policy has sought to avoid: We must either enforce our claim with consequent danger of war, or we must yield it up with consequent loss of national prestige plus the evil of violating our agreement with 20 South American republics, thereby endangering our friendly relations with them and our whole "good neighbor" policy. The danger to Latin-American relations is particularly great in view of the fact that the United States was the original promoter of the policy. Latin America there-

fore naturally looks to the United States to carry out the obligations implied in its undertaking.

Let me close with a short summary. The danger of American involvement in the European war has lessened since the passage of the Neutrality Act and is continuing to grow smaller. Public sentiment is more and more coming to the conclusion that we need not be involved. Our legislative policy is succeeding in eliminating the risk of an aroused sentiment at home and the risk of a critical international situation involving national prestige. However, by its action in setting a 300-600 mile territorial-waters limit and by insisting on this claim, hitherto nonexistent under international law, the executive department has created the very situation, insofar as national prestige is concerned, that our neutrality policy has been designed to prevent. In doing so, it has clearly gone against the wishes of the great majority of American citizens, who wish to take every reasonable precaution to avoid war. Citizens of our Republic have limited their profitable rights to trade, ships, and travel as permitted by international law. Most emphatically, they do not now wish to assert new claims which can bring no profit but only trouble and grief.

### Problems of Congress

#### EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

RADIO ADDRESS BY HON. SAMUEL DICKSTEIN, OF NEW YORK

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on December 20, 1939:

The forthcoming session of Congress will be confronted with many problems, which will require thorough study and constructive work of its Members in order to bring about happiness to the American people and a real improvement of conditions throughout the Nation.

Foremost among all is the legislation which will have to follow the broad lines of activity as indicated by the laws enacted in the last few years, particularly the Social Security Act and the National Labor Relations Board Act, which will require conscientious study and some far-reaching amendments. But this time the Nation is fully aware of the fact that we can no longer ignore social problems and leave them to the States to deal with as they please.

Ever since President Roosevelt became responsible for the first congressional enactments, giving this Nation the basis for old-age pension, unemployment insurance, a regulation of wages and hours, and all that social legislation which is the envy of the whole world, it becomes increasingly important for Congress to devote more and more of its time to the perfection of these laws. Eventually the time will come when the condition of affairs which was described by our President as being a condition where one-third of the Nation is ill housed, ill fed, and ill clothed will have disappeared and our Nation will be on the whole the most prosperous on God's earth.

It was the genius of American institutions which gave this country a fine democratic Constitution and a mode of living, making us the model Nation of the world. We developed democracy, developed the right of the citizen to freely utter his thoughts, and gave every one of our citizens, be he ever so humble, the right of free worship, free speech, and a free press.

But, hand in hand with these constitutional guaranties, it is necessary that the life of the average man become, as the President so beautifully put it, more abundant, and to bring about this more abundant life it is further necessary that from time to time Congress pass legislation which will make it possible for a citizen to be really and truly protected by being allowed to work unhampered and having freedom in his daily vocation as well as security in times of need. I do not believe that we will ever go back to the ways of the United States before 1933, when the Federal Government paid no attention to the social life of our citizens and left all social obligations to the States. State lines have been very much obliterated in the lives of our people, and all problems which affect the welfare of the people of the United States are necessarily dealt with on a national basis and not on a State-wide basis. The tendency is toward more and more Federal legislation affecting the ordinary lives of our citizens. Members of Congress will not be able to close their eyes to their duty in this respect and will have



to devote a great deal of their labors to strengthening and perfecting the existing social legislation.

Hand in hand with Federal legislation comes State legislation, which still requires congressional action, because the Federal Government has embarked on the policy of giving grants to those States which will enact social legislation within their borders. It is, therefore, necessary for Members of Congress to familiarize themselves with the particular requirements of each State, and how each State would within its own borders pass laws relating to the health, safety, and well-being of its workers. This makes the task of the average Member of Congress much more formidable than was the case in years gone by. Today a Member of Congress must be particularly well informed on trends of social legislation throughout the length and breadth of the United States, and it is impossible to thoroughly legislate for the Nation unless we do become familiar with the State legislation as it affects the individual welfare of our citizens.

Nor is legislation relating to unemployment or social security the only measure of social legislation, which will engage the attention of the lawmakers during the forthcoming session. It is necessary to take care of housing and appropriate legislation will have to be enacted to enlarge the field of government aid to lending money for further building construction, doing away with slums in our large cities, and the municipalities will have to cooperate with the Federal Government by way of condemning or acquiring by private purchase areas suitable for development and modern housing. In the city of New York, for instance, it will be necessary to rebuild a very large portion of the city, since the old-time construction in the old sections of this community is absolutely inadequate to the needs of the common people and absolutely unfit for human habitation. A beginning was made in this direction, and I hope that Congress will see its way clear to enlarge the scope of Federal housing so that eventually, every man, woman, and child in this country will be able to live decently at a proper rental in homes erected in accordance with modern ideas and having all modern improvements for the benefit of the people.

In the field of labor relations, it may be necessary to provide proper legislation for the enforcement of the wage and hour law, and I hope Congress will be able to enact proper legislation to have these agencies of Government function for the benefit of the workers in all industries, stabilizing conditions for both employer and employee, and making it possible that all men and women should work only a reasonable number of hours and be paid for it in a decent manner so as to be able to partake in the life of the community as satisfied and contented citizens.

We still have a large amount of unemployment which will have to be wiped out before we can really consider conditions as satisfactory. We cannot allow our men to be idle, and mere employment of these men by Government agencies is not a solution of the unemployment problem. Business will have to proceed and progress, and will have to invest sufficient moneys to enable all those who are able to work, so that all those who wish to find positions for themselves will be able to do so. Capital will find a proper channel for investment and will feel that by starting the wheels of industry going that conditions will improve for the benefit of both the employer and employee.

I fervently pray that Congress will do something constructive for the benefit of the unemployed men and women, for nothing destroys a man's spirit more, nothing is as inimical to human happiness as the inability to be engaged in useful employment.

Hand in hand with the increase of employment and reduction of unemployment must come our national defense. Conditions in Europe and throughout the world make it necessary for us to guard the precious heritage of American liberty by proper military measures. We cannot allow aggressors to find us an easy prey, and we cannot be lulled to a false sense of security simply because we are 3,000 miles away from Europe, or 6,000 miles away from Asia. We must strengthen our military and naval forces; we must make the American Army capable of defending us in the event of invasion, and we want to have our Navy second to none, so that out of our sea power we may prevent any enemy from getting anywhere near our shores to cause us trouble.

I am sure that Congress is aware of its responsibilities in this direction, and will do everything in its power to leave this country in a strong position to face any aggressor who may dare to attack us and to protect our men, women, and children from any foreign foe.

But, along with our foreign enemies, we must not forget to protect ourselves from our enemy from within. We must not allow foreign ideologies to gain a foothold in these United States, and by the artificial use of propaganda to convert our democracy into a totalitarian "paradise." The example of Hitler and Stalin is always before us, and we must not allow any agitator to become so powerful as to drive out our own American constitutional doctrines in favor of a Fascist or Communist world. It was with this view in mind that Congress, some years ago, passed a resolution at my request, creating a committee to investigate un-American activities. And it was with this view in mind that Congress, again at my request, did the same thing when it created the present Committee on Un-American Activities. The present committee has done its work, sometimes to the satisfaction of the public, and often to the dissatisfaction of all who had occasion to examine its work. Undoubtedly at the new session of Congress this committee will come forth with a new request for appropriations and for the continuance of its own life. I think Congress will have to scrutinize very carefully the work of the committee and its accomplishments before it will vote any further funds for its inquiry.

The immigration law will likewise have to be amended with the view of protecting America from the infiltration of foreign "isms." Only persons who have a legitimate interest in coming to this country and making it their own home shall have the right to emigrate to the United States. Any person advocating totalitarianism, whether Fascist or Communist, should be barred from these shores, and every alien who believes in these doctrines should be promptly deported. We shall, however, have to clean house with reference to the illegal entrants who have been in this country for many years, and who now in most cases, cannot even be deported back. All those aliens who are here illegally, but who have demonstrated an attachment to our institutions and their ability to make a living should be allowed to remain here under proper safeguards and all other aliens should be deported. Congress will have to investigate, particularly, the "back door" of our immigration whereby aliens are allowed to enter by way of Canada and Mexico, even though the front door of immigration is tightly shut by way of steamers from Europe by our present immigration laws.

In this way, by cleaning house and ridding America of its undesirable aliens, we shall be able to draw unto us all those who are of our views and who believe in this country, believe in its institutions, and believe in the sacredness of our democracy. All others will have to go.

## Crime: Its Causes and Cures

### EXTENSION OF REMARKS

OF

### HON. ESTES KEFAUVER

OF TENNESSEE

### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

ADDRESS BY PROF. J. POPE DYER

Mr. KEFAUVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Prof. J. Pope Dyer, Central High School, Chattanooga, Tenn., delivered before the Lions' Club, Chattanooga, Tenn., November 3, 1939:

Mr. President, members of the Lions' Club, and friends, I assure you in the outset that it is a genuine pleasure and a distinct honor to appear before you today and speak briefly on the assigned subject, Crime: Its Causes and Cures. The kind introductory remarks of your chairman about my speaking ability remind me of a story that I recently heard.

A group of people in a community went to an old maid and said, "We understand that you are to be married soon." The old maid replied, "No; there's not a word of truth in it; but thank God for the rumor."

#### INTRODUCTION

Crime is not a new problem that has been suddenly thrown upon society for solution. In fact, the most heinous criminals that ever lived, according to certain historians, were the notorious Harps brothers, of what is now Knox County, Tenn. They killed wherever it was practical every man, woman, and child that they met. There was probably the greatest organized band of cutthroats and ruffians on the Natchez Trace, operating between Nashville, Tenn., and Natchez, Miss., from 1800 to 1830, that any era of our history ever knew. So you can clearly see that crime has been a tremendously significant problem with us since the beginning of our State.

Today the crime problem is with us in what appears to be an increasing degree. There are over 1,500,000 felonies being perpetrated each year, of which about 12,000 are murder, 800,000 are larcenies, and 300,000 are robberies. Crime is costing, according to experts, each one of you about \$120 a year, and, conservatively, it is costing the United States about fifteen billions annually.

A very high percentage of our criminals, about 20, are under voting age. The attitude of many of these youthful offenders was expressed a few years ago by "Two Gun" Crowley, a ruthless young killer of New York. One night he was parked in one of the parks of New York City. A policeman came up and asked to see his license. Crowley pulled his gun and killed the officer. Later his apartment was surrounded by a number of New York policemen and while they were trying to capture him in a gun battle, he wrote "In my bosom there is a heart that would do no man any harm." He was captured, tried, and sent to Sing Sing to be executed. Shortly before his execution he wrote, "This is what I get for defending myself." Frequently the young person does not realize the seriousness of his offense nor does he think of the consequences of a major infraction of the law.

#### CHARACTERISTICS OF CRIMINALS

The average citizen often asks about the characteristics of the ordinary criminal. What are some of them?

In the first place, he is about the same physically as the average person. Years ago I read where a famous writer had said that the most notorious criminals were small physically. He cited as typical examples "Doc" Barker, Clyde Barrow, and others to substantiate his assertion. I personally investigated the physical side of thou-

sands of prisoners and there seems to be no appreciable difference in the physical size of prisoners and citizens outside the walls.

Secondly, the average prisoner is lower educationally than the average citizen. We have never executed a high-school graduate in Tennessee. The average educational status of prisoners is several grades lower than the average citizen outside. There are more illiterates proportionately in prison than outside. In fact, the lack of education may be one of the major contributing causes of crime. The "big shot" criminals were poorly educated. Here are a few examples: John Dillinger, eighth grade; "Pretty Boy" Floyd, eighth grade; Clyde Barrow, sixth grade; Frank Nash, eighth grade; Alvin Karpis, eighth grade; "Doc" Barker, sixth grade; "Two Gun" Crowley, third grade.

Thirdly, the average criminal has had little moral training. A recent Governor of our State interviewed 13 men who were soon to be executed. He found three features characteristic of them all. At the time the crime was committed they were all intoxicated, in bad company, and had had little moral or religious instruction.

#### CAUSES

I regret that I do not have time to develop fully the causes of crime that I shall mention.

I feel that the lack of proper home training is the chief cause of crime. This is a busy age, and parents in their eagerness to participate in a multiplicity of civic, social, educational, and religious activities may overlook the chief function of parenthood, and that is to rear clean, honest, God-fearing children.

This theory of crime prevention has many ardent supporters. Hon. J. Edgar Hoover and Father Flanagan, of Boys' Town, Nebr., are two of the best known.

Another chief cause of crime is the economic side. Frequently, poverty drives the weak in the wrong direction. A noted criminologist recently said that the average criminal is "underfed, underclothed, undereducated, and under-understood by parents, teachers, and society."

A kidnaper, whom I recently interviewed in a prison, told me that he perpetrated the crime because he saw other boys with cars, money, and good clothes, and he felt that was the easiest way to get them for himself.

#### CURES

Such distinguished men as Lewis E. Lawes, Sheldon Glueck, L. F. Chapman, Sanford Bates, and J. Edgar Hoover have been trying to solve the crime problem for many years and have done a grand job of trying to cure this social cancer. However, may I suggest one or two means whereby it can be reduced, not completely cured?

I would like to reiterate that more crime-prevention work must be done in the home. The time to reduce crime is in the high chair, not the "hot" chair.

The Civilian Conservation Corps has done a fine piece of constructive work in keeping the wandering boy off the roads and streets. "The road grants no diploma and gives no degree, but it educates with fatal precision," and, I hasten to add, practically always for bad.

The constructive agencies of each community must pool their efforts rather than work in an independent manner. Cooperation and coordination of effort should characterize every club and agency.

The first offender must be kept out of prison as long as it is possible. Entirely too many persons are being sent to prison for minor offenses. While I do not condone stealing, I do not feel that it is worth wrecking a human life by sending a person to prison because he has stolen some small article. Probation should be used more frequently. The average person who goes to prison is never again adjusted to society. Eighty-five percent return to prison for another sentence.

We do not need more strict punishment. We need swifter punishment. Blackstone listed about 200 offenses for which a person might be executed, and yet the severity of punishment did not eliminate crime.

I realize that the crime problem cannot be solved. It can be reduced. Herein lies our challenge.

### Pollution in Fishing Streams

#### EXTENSION OF REMARKS

OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

EDITORIAL FROM THE CINCINNATI POST

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cincinnati Post of December 25, 1939:

#### THE COOPERATIVE WAY

The Ohio Division of Conservation is proposing to appropriate funds to begin, in conjunction with the State health department, a program designed to end pollution in fishing streams.

In this connection, Dr. R. H. Markwith, health department director, makes the timely suggestion that funds be allotted for study, perhaps at Ohio State University, of the most practicable and economical methods of treating industrial wastes.

"I believe industry is interested in correcting stream pollution," Dr. Markwith says. "But industrialists do not want to spend thousands of dollars on a hit-and-miss type of program. If we can show them a definite means of eliminating pollution, I believe they will be anxious to cooperate."

It is debatable, of course, whether this study of means of eliminating industrial pollution should be made on a State instead of a National basis, but the idea of voluntary cooperative action between governments and industry to end pollution appears to us to be the right way to approach this grave problem.

This is the spirit prompting such legislation as the Barkley-Spence bill. This is the spirit motivating the Ohio Valley States in their virtually completed compact for mutual action, with Federal help, for cleaning up the Ohio River and its tributaries.

The opponents of the Barkley-Spence type of legislation propose drastic mandatory action immediately against cities and industries.

We submit there is time enough for that if and when city governments and industries refuse to do their part voluntarily to end this serious health menace.

William I. Sirovich

#### EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

REMARKS BY WALTER D. FISHER AND LETTER AND RESOLUTION BY THE PACIFIC COAST MARINE FIREMEN, OILERS, AND WATER TENDERS AND WIPERS' ASSOCIATION

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief remarks together with a letter and resolution of the Marine Firemen, Oilers, and Water Tenders and Wipers' Association in connection with the death of Dr. SIROVICH:

Seamen present were J. Follette, Leonard Harrison, John Boyles, Alfred Chavez, members of the Pacific Coast Marine Firemen, Oilers, Water Tenders and Wipers' Association, and Walter D. Fisher, former legislative representative for the West Coast Maritime Union, now a regular seaman, who read the following presentation:

Congressman DICKSTEIN, we are here for one purpose, and that is to honor the memory of the late Congressman WILLIAM I. SIROVICH.

We, as seamen, realize that Congressman SIROVICH was very instrumental in trying to better our conditions, and for some of the special legislation which he sponsored we are very grateful.

I think his most outstanding accomplishment was the legislation relating to unemployment compensation for seamen. We have never had it, and Congressman SIROVICH went so far as to introduce a bill and call it the Sirovich bill. He planned at the next session of Congress to champion this bill and get it through for us. We all know that Congressman SIROVICH had no seamen in his district, and in his loss we mourn the loss of a true friend and champion.

These seamen here with me are the rank-and-file men on the Pacific coast, and we wish to state that Congressman SIROVICH's work has even reached the seamen on the Pacific coast, who have benefited also.

I have here a letter which I would like to read and a resolution which I would ask you to kindly introduce into the CONGRESSIONAL RECORD.

PACIFIC COAST MARINE FIREMEN, OILERS, WATER TENDERS AND WIPERS' ASSOCIATION, San Francisco, Calif., December 19, 1939.

HON. SAMUEL DICKSTEIN, 70 Pine Street, New York, N. Y.

DEAR SIR: Attached herewith you will find copy of resolution memorializing the late Dr. WILLIAM I. SIROVICH, Member of Congress.

We hope that you will find the opportunity to read it into the CONGRESSIONAL RECORD as some expression of appreciation of this union of the lifelong sympathy of Dr. SIROVICH with the aspirations of organized labor.

The undersigned wishes also at the same time to convey to you my personal sense of loss. In my contacts with Dr. SIROVICH I have always found him to be warm, sympathetic, and understanding. He was a devoted public servant.



The attached resolution is brought to you by three rank-and-file members of the union who have been selected as a committee to convey this memorial to you, inasmuch as you have always been so closely associated with him in his work.

Sincerely yours,

WM. L. WELCH,  
Agent, New York Branch.

Whereas the late Honorable Dr. WILLIAM I. SIROVICH met his untimely death on December 17, 1939, it now becomes the sad duty of this organization to give expression to our sorrow and to pay a just tribute to his memory.

Dr. SIROVICH served not only the entire Nation and all of his fellow citizens, regardless of race, class, or creed, but rendered an unusually important service to the cause of organized labor.

The late Dr. SIROVICH has labored devotedly for many years in behalf of the American seamen. His efforts have contributed to an unusually important extent in the amelioration of working conditions and the improvement of the health and social position of our brothers who pursue the sea as a calling.

His training as a physician and his profound insight into public affairs and social problems combined to equip him in outstanding manner to perform his duties in the National Legislature. He was an outstanding figure in Congress.

He was warmly sympathetic and understanding with the problems of labor. He was readily accessible at all times and labored incessantly at tasks of great public importance.

With the greatest of regret we have noted that he passed away in the midst of his labors and that he was prevented by his untimely end from bringing to a successful conclusion cherished plans for further betterment of the lot of the American seamen. The loss of such an able and distinguished friend cannot be easily replaced: Therefore be it

*Resolved*, That we, the members of the Pacific Coast Marine Firemen, Oilers, Water Tenders and Wipers' Association, do declare that by the untimely passing of this eminent physician and legislator the citizens of this Nation have lost a faithful, distinguished, and able servant of outstanding integrity; and be it further

*Resolved*, That the secretary transmit a copy of this resolution to the members of the family of the deceased as an expression of the deep and heartfelt sympathy of the members of this organization; and be it further

*Resolved*, That a copy of this resolution be submitted to the friend and associate of the deceased, the Honorable SAMUEL DICKSTEIN, with a request that the same be spread upon the records of Congress as a tribute of respect of this organization to the memory of Dr. WILLIAM I. SIROVICH.

## A Plea for the Great Plains Forestry

### EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

#### REPORT BY THE GREAT PLAINS FORESTRY COMMITTEE

Mr. STEFAN. Mr. Speaker, I have once more returned to Washington after visiting practically all of the 22 counties of the Third Congressional District of Nebraska, the district which I have the honor to represent. During this visit I again had the opportunity to inspect the trees planted by the Forestry Service under the direction of Mr. Paul Roberts. I found that more than 70 percent of the trees planted have shown wonderful growth. I also found that the farmers are enthusiastic over the farm forestry program and everyone with whom I talked regarding this program are anxious that we continue the work. Already the trees which have been planted are doing a great deal of good, and eventually will result in tremendous advantage to the land on which they are planted. I take this early opportunity to urge the membership of this House to give encouragement to this tree-planting program.

On December 19, 1939, the Great Plains Forestry Committee appeared before the Joint Congressional Committee on Forestry at Madison, Wis. This committee included Dr. G. E. Condra, director of conservation and survey division, University of Nebraska; W. H. Brokaw, agricultural extension, University of Nebraska; and M. B. Jenkins, Sr., in charge of forest research and survey conservation and survey division, University of Nebraska. This committee

made a very illuminating report and a sound argument for the continuation of the tree planting in the Great Plains. I include this statement in my remarks in order that my colleagues may be better informed as to what is really being done in the way of successful tree planting in the Great Plains:

Much has been said and written of late years both for and against the attempt to grow trees in the area now known as the Great Plains. No doubt much damage has been done the cause of tree planting on the Plains by extravagant statements of enthusiasts on the one hand, and critical statements displaying gross ignorance or open disregard for fact on the other. But be all this as it may, the fact still remains that some trees have been growing naturally in most parts of the region for centuries, and if heed is given to species adaptability they may be successfully grown in difficult sites by man when care and protection are given them. As an example we need only point to the 15,000 acres of conifer forest which have been planted near Halsey in the sand hills of Nebraska. Generally, trees may be safely planted where cultivated crops are grown if given equal care and protection. These factors were understood and pointed out by such early United States foresters as Dr. B. F. Fernow and N. H. Eggleston, who advocated the planting of crop windbreaks on the Plains as early as 1890. Dr. Fernow gave emphasis to the fact that in a sense "the forest creates the conditions of its own existence," and stressed the point that if crop agriculture is to be made successful in most areas of the region tree belts should be established for field protection against wind damage and rapid soil moisture evaporation.

The Great Plains region, extending from about the ninety-seventh meridian to the foothills of the Rocky Mountains, and 1,200 miles from central Texas to Canada, embraces nearly one-fifth of the area of the United States, exclusive of Alaska. Inhabited by nearly nine million people, the source of almost half of the agricultural food products consumed by the American people, and one of the great markets for manufactured goods, it is an essential economic unit whose fortunes bear strongly on the stability of the Nation's industrial areas.

The predominantly flat surface of the Plains rises gently but steadily from east to west, and inversely precipitation tapers off from amounts well above the minimum needed for tree growth to less than 14 inches a year at various places on the western tablelands. Climate ranges from subtropical with long growing seasons in the south to rigorous with long winters in North Dakota. The great variety of soils, ranging from very tight to sandy, are distributed throughout the region in crazy-quilt fashion. Nature had originally established grasses to trap winter snows, retard run-off, and combat the effects of the high summer temperatures, low humidity, strong winds, and rapid evaporation of soil moisture which is the rule in the region.

High winds and severe storms are the basic causes of the ills that afflict agriculture on the Plains, and which the recent drought period has only accentuated. When the sods were first turned over, the soil was extremely rich in organic matter so that precipitation percolated readily through the upper layer to be stored in the subsoil, and for the first few decades crops, trees, and other vegetation suffered much less severely from droughty periods than they do now. Winds and storms, however, have progressively removed organic matter and as a consequence water run-off and evaporation of soil moisture have increased proportionately; with the result that the soil is drier and more easily affected by wind than formerly, and hot winds fire crops more frequently.

Wind desiccation and destruction of the soil is still progressing, and ominous warnings already have been served that in many areas successful agriculture cannot be continued unless remedial steps are taken. Scattered over the Plains are many areas of sandy soil, once fairly rich in organic matter, whose loose texture enables ready absorption of moisture with little evaporation, and therefore at first there was slight fluctuation in crops from year to year. Such soils, however, suffer severely after only a few years' exposure to the winds, which remove the humus and leave the coarse abrasive particles as material for destruction of nearby fertile fields and sandblasting of young crops. Sandblasting presents a particularly vexing problem on well-watered lands as well as on dry areas. On the western high plains, where soils are generally fine in texture, severe damage has resulted from soil drifting, as in the Dust Bowl, exposure even of bedrock at other places, and general dissipation of the soil humus. All exposed land has suffered, the degree of damage varying somewhat with the texture of the soil. Lands generally have been so universally tilled or overgrazed that natural wildlife cover has about disappeared, causing depletion of insectivorous and game birds almost to extinction in numerous districts, with consequent increasing occurrence of grasshopper and other insect scourges.

Regardless of favorable crop conditions, a barren land is not attractive to man, and it has been learned on the Plains that where winds blow unchecked, homes are less comfortable, feeding of livestock requires greater quantities of grain and roughage, and good gardens, orchards, and small fruits, upon which a live-at-home policy depends, cannot be grown successfully.

During the early settlement of the Plains, tree planting reached the largest proportions ever known anywhere, and under the leadership of eminent early agriculturists, such as Gov. Robert W. Furness

and J. Sterling Morton, of Nebraska, who, visualizing what might happen if the soils remained continuously exposed to the winds, recommended the planting of great shelterbelts across the Plains to conserve soil and soil moisture and reduce damage to crops resulting from direct blasts of the winds. Stimulated by the Timber Claim Act and State bounties, these plantings reached their peak in the 1880's. However, most of them were made for wood lots and farmstead protection rather than to aid agricultural crops. Because of mistakes in selecting species and sites and lack of an understanding by the farmers of the fundamentals of forestry, many of those plantings failed, only a few comparatively persisting down to the present time. It is in the lee of these remaining plantings, where farmers have raised fair crops during our worst drought years, that we find the examples which demonstrate that forestry is an essential agricultural practice on the Plains.

Much of the native timber and many of the planted groves have failed because of excessive grazing which was not understood by farmers to be harmful until it was too late. Recent surveys have shown, also, that tree losses during the late drought have been less than half as heavy where the timberlands were not overgrazed. The theory of unlimited timber resource was formerly prevalent in the Nation, and farmers generally did not understand the principles of sustained yield and selective cutting, with the result that many native woodlands have been seriously depleted by unscrupulous use of the ax. Neither did they comprehend the value of timber as a perpetual farm income resource, and worthy of continuous care and protection. Many of the planted groves, windbreaks, and hedge rows were removed because they were thought harmful to neighboring crops, and it was only after the removal of these fine early plantings that farmers were given blunt demonstrations of wind damage, which brought a new realization of the tree's place in agriculture.

Because of many failures and the passing of such men of influence as Robert W. Furnas, J. Sterling Morton, and Dr. Charles E. Bessey, father of the Nebraska National Forest in the Sandhills, planting interest waned among following generations from the turn of the century until within the past decade. But during the last few years there has been a tremendous surge of interest in tree planting, occasioned no doubt by a staggering loss of trees and a fuller realization by the public that forestry is a necessary part of agriculture. In 1934 because of drought, dust storms, and widespread destruction of farms, there was general alarm throughout the Great Plains, and demands were made on the Federal Government for aid, which culminated in remedial undertakings by the Forestry Service and the Soil Conservation Service in this region.

According to our latest information, the Forest Service since 1935 has assisted farmers in planting 11,000 miles of field shelterbelts on 17,000 farms of the plains. This has required more than 125,000,000 trees and, according to conservative estimates, will eventually furnish wind protection to more than 2,000,000 acres of croplands. Many of these plantings were made where residents were convinced that trees could not be grown, but by correlation of species and soil and the application of sound principles of forestry, the Forest Service has shown that trees are successful in such areas. The faster-growing species of the shelterbelts planted in 1935 range now up to 35 feet tall in the south and to more than 20 feet in the north, this during the severest drought period the Plains have known. Many plantings were made in sandy areas which were being ruined by the winds, but already these have stabilized the soil, eliminated crop sand-blasting, prevented serious crop damage from hot winds, and brought new courage and hope to farmers who were once ready to quit. Shelterbelts on the finer textured soils are showing equal improvement to adjacent croplands and increases of crop yields in their lee are very noticeable. Wildlife, especially game and insectivorous birds, is multiplying with great rapidity under the new cover of these plantings, while the older shelterbelts will soon be a continuing source of firewood, fence posts, and other necessary wood products for the farms. In the fields protected by these plantings the fertility of the soil seems to be returning since the light organic matter is no longer blown away.

During about this same period the Soil Conservation Service has operated in the region and has aided farmers in planting thousands of acres to trees and shrubs in badly eroding gullies and drainage ways. These plantings, besides retarding gully erosion and checking damaging floods, are also forming a habitat for wildlife and will soon become continuous wood lots, as well as bringing shade, comfort, and beauty to the countryside.

Under the provisions of the Clarke-McNary Act several million trees are annually distributed for farmstead and feed-lot windbreak planting, but they supply only a small part of the needs for such plantings on the plains. These are the types of plantings to protect homes, gardens, and orchards, and, when properly located, effect considerable savings for the farmer who feeds livestock. Millions of cattle are still being wintered and fattened in the open, fully exposed to winter winds.

Probably 95 percent of the rural schoolhouses on the Great Plains have little or no tree protection, whereas every rural school needs a generous planting of carefully selected trees and shrubs around the grounds for the protection of children at play, conservation of fuel in heating the building, and to afford an outdoor classroom where youth will be trained in the knowledge of our important trees and woody shrubs and become familiar with their use in relation to our agricultural, economic, and social problems. Similar plantings are needed about churchyards, and extensive groves should

be established for the purposes of recreation. In some areas even small community forests might prove feasible.

Although the tremendous surge of interest in tree planting of the last 5 years has brought gratifying progress, the total amount of planting by all agencies—Federal, State, and private—is still far short of the immediate needs of the plains. There are still many thousands of farms upon which shelterbelts and farmstead windbreaks should be planted if any appreciable progress is to be made toward bringing general relief to agriculture in the region.

It is admitted that not all of this vast amount of work can wait to be done by Federal agencies, but, because of the diversity of conditions and very immensity of the job, the various State extension departments and State foresters need the aid and cooperation which the facilities, trained technique, and experienced men of our Federal agencies can afford. We realize that eventually these several States must take over a large share of this work, but at the present time our respective States lack the organization, equipment, and ready finance to assume responsibility for a task so urgent and so vast. We further feel, however, that since our States contribute support to the forestry program in other parts of the United States, and since we have problems of equal importance, and in many respects more complicated and difficult, we are entitled to some permanent cooperation from the Forest Service, which is the recognized forestry agency in our country. This our people ask only in fairness.

The farmers of the Great Plains now look to the Forest Service to continue its assistance and advice in their forestation problems at this time of great need. The repeated droughts of recent years have necessitated restriction of funds for our agricultural colleges, and therefore it would have been impossible for extension departments and their foresters even to have attempted an undertaking so large as that which is being carried on by the Forest Service. In Nebraska we feel highly grateful for this fine work, and stand ready not only to lend our every facility for its success, but to cooperate in such a manner that there will be no duplication, friction, nor division of purpose.

The conservation and survey division of the University of Nebraska has carried out extensive surveys relating to soils, water, land use, timber and grass lands, and their proper interrelationship in the general structure of the State's economic and social well-being. This information and our facilities are always available to all agencies, Federal, State, municipal, and private. We particularly appreciate the work of the Forest Service in our State as evidenced by the unstinted support we have endeavored to lend in a cooperative effort. We are asking this honorable committee to look with favor on the continuance of the Forest Service program in our State, and if continued pledge our efforts to make this great tree-planting program the ultimate product of the combined efforts of our State institutions and agencies cooperating with the Federal Government to conserve and restore the soils, water, and agricultural resources of our State.

The Nation is already paying the price for the ills of agriculture on the Great Plains through the loss of crops, lower purchasing power of farmers, direct relief, migration of populations, disturbance of economic balance, and other unfortunate conditions. These will continue and grow worse unless agriculture in this area is made more stable. We must have a well-planned, adequately coordinated, scientifically sound forestry program, based on the solution of the problems peculiar to our region.

One pressing need is the establishment of the Great Plains Experiment Station, which was authorized by Congress in 1936. This station has not yet been financed despite repeated appeals. There are 12 forest experiment stations in the United States, their functions primarily being to bring about the greatest economic use of forests for the production of lumber and other wood products, but with relatively little attention being given to afforestation in such regions as the Great Plains where the problems are unique, intricate, and diverse. Great accomplishments have been made in this area by State experiment stations which have been devoted primarily to improvement in grain crops and livestock by means of selection, breeding, and development of strains and species adapted to the area, but in the field of forestry little has been attempted in forest genetics, the search for more dominant strains and development of forest species more suited to this region. Sufficient work has been done elsewhere, however, to indicate that amazing results may be expected through cross-breeding of trees, as one example of the many lines of research which should be explored. Because of the great importance of forestry to plains agriculture, the vastness of the area and the complicated nature of its problems, this great outdoor laboratory is urgently needed as part of the program for shelterbelt, windbreak, range livestock protection, ornamental, recreational, and wildlife plantings. As conceived, such a station would cooperate closely with the State agricultural colleges of the Great Plains in working out the problems peculiar to their respective areas, and would become the central clearinghouse for information relating to the arboreal life of the region.

It is readily apparent from the brief résumé of the facts in the preceding paragraphs that the program of forestry on the Great Plains is of sufficient importance to this region in particular, and the Nation at large, that it must be continued. It must be put on the basis of long-time planning, not possible under the piecemeal procedure of emergency financing which of necessity is predicated on the need for relief employment rather than on the needs of agriculture. The Prairie States forestry project of the Forest Service is unstably financed, operating wholly on W. P. A. funds



as a work-relief project. This project needs stable financial status so that it can make necessary long-range plans in complete co-operation with the extension departments of our agricultural colleges and thus combine its facilities with our State agencies which are tirelessly striving to serve the best interests of agriculture. On behalf of the Great Plains States we are therefore requesting the continuance of the work of the Forest Service in our region and asking that it be given sufficient allotment of funds to permit it to operate under a sound and efficient policy.

### The Republican Valley of Nebraska

#### EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

Mr. CURTIS. Mr. Speaker, I have today introduced a House joint resolution to authorize compacts or agreements between the States of Nebraska, Colorado, and Kansas with respect to the control and distribution of the waters of the Republican River and its tributaries. This resolution, if enacted, would permit those States, or any two of them, to make an agreement for the division of the water of that river for irrigation and other purposes.

The act that I have introduced does not undertake to divide the waters of that river. It merely gives the consent of the Federal Government for the States to make such division of waters as they can agree upon. I sincerely hope that this resolution will receive favorable action at an early date. The problem of the Republican River has been neglected far too long now.

The Republican River Valley, particularly in Nebraska, is the most neglected spot in America. In the spring of 1935 a terrific flood came down that valley. Thousands and thousands of dollars worth of property were utterly destroyed. Homes were washed away and about one hundred and ten known persons were drowned. In addition to that several thousand acres of some of the finest land was damaged and much of it ruined. A deposit of loose sand and other material rendered it unfit for farming. This particular valley was at one time a garden spot. There has followed in the wake of this flood and to this day untold hardships, poverty, and heartache in that once splendid valley.

The flood of 1935 of the Republican River was not an isolated instance of floods upon that stream. In the spring of 1939 there was another flood that did a great deal of damage to farm lands, highways, and bridges. A few more hours of rain in the watershed would have caused a repetition of the 1935 experience.

The Republican Valley needs help from the Federal Government to harness those angry waters. It has been the policy of the Federal Government to assist in this work for a number of years. The fine, splendid, hard-working people of that territory are entitled to it. In addition to some flood control the farmers of that territory need this land, which was ruined by the flood, reclaimed. They need supplemental water in order to rehabilitate the territory. The need for irrigation in the Republican Valley is very great. It is essential for the continuation of that territory as a self-sustaining region. That river, as well as several of its important tributaries, has excellent possibilities for irrigation.

Irrigation projects on the Republican River and its tributaries would not be projects to reclaim a desert, it would not bring new land into cultivation to compete with other farm land. That territory has been settled for a long time. For many years some of the finest, sturdiest people in all America have made homes there and contributed to this great Nation of ours.

I maintain that my people of the Republican Valley are entitled to consideration. All America becomes alarmed if a few dozen people perish in some far corner of the globe. If a

disaster occurs and takes the lives of 100 people in a foreign land, it is blazoned on the front pages of our papers, and the agencies of this Government may advance them credit and other aids to rehabilitate themselves. But it is a sad thing when such a disaster occurs right here in America, almost 5 years ago, and to this day not one bit of construction or other aid has been had from the Federal Government. Again I say the Republican River Valley, particularly in Nebraska, is the most neglected spot in America.

It is true that the Army engineers are now making a survey and have been working on it for a long time. And it is also true that the Bureau of Reclamation agreed to conduct studies and make some recommendations some time in the future. I have faith and confidence in those departments of our Government and in the men at the head of them, and I believe that they will, so far as possible, render justice to the people of my district interested in this project.

The failure of the temporary spending agencies of our Government such as the Public Works Administration to do something for this territory while millions and millions were wasted on fantastic and needless projects in other parts of the United States is a black spot on their record. Throughout the years 1935, 1936, 1937, and 1938 hope was held out to these people that projects along the Republican River would be granted. They were never granted by the P. W. A., and were finally rejected in December of 1938. Politics has been played with human misery, and all thoughtful citizens resent it.

I believe that the majority of the citizens of all our States, as well as the majority of those in charge of all the departments of our Government, want such needed and useful flood-control and irrigation works as this is to be built. I therefore have faith that justice will ultimately be done to this territory. I hope that it will be soon, and I shall continue to tell this Congress the story of the Republican Valley and its problems until some relief is obtained.

### Should the Dies Committee Be Continued and an Additional Appropriation Made for Its Investigations?

#### EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

Mr. MASON. Mr. Speaker, several weeks ago the question of the week of the United States News was, Should the Dies committee be continued and an additional appropriation made for its investigations? My answer to that question as it appeared in the December 11 issue of the United States News, is, as follows:

The answer to your question is "Yes," with the following explanation and justification:

(a) With a very limited appropriation for the first year, \$25,000; with nothing but ridicule and lack of cooperation from Government officials; and in the face of much unfavorable publicity that came as a result of committee mistakes (mistakes made quite largely because of inadequate and inexperienced committee help, such as legal counsel and investigators) the committee succeeded during its first year in convincing a great majority of the American people that subversive and un-American groups were at work in our midst; that they constituted a real menace to our Nation's well-being; and that they should be thoroughly investigated and held up to public view.

(b) The committee started its second year with an adequate appropriation, \$100,000, and with a year's experience and mistakes behind it. A well-trained, experienced staff to assist the committee with its work was set up, and careful, painstaking field work was ordered on the part of its investigators as a foundation or basis for all public hearings. Results were soon evident. The spotlight of publicity that came as a result of facts brought out at the public hearings concerning the various subversive groups, their leaders, their foreign connections, their racketeering in money affairs, and their flagrant violation of laws, resulted not only in the prose-

cution and conviction of some of the leaders of these groups but also in the unmasking and discrediting of the organizations themselves.

(c) The investigation phase of the work of the committee has only been partially completed. No diagnosis of the causes of these un-American activities has been made. Neither has a preventive program or cure been offered, other than a few restrictive laws. The committee should be continued, therefore, to complete its work of investigation; to make a diagnosis of the causes of subversive activities; and to work out and recommend a constructive program for the cure or prevention of such activities in the future.

### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

EDITORIAL FROM THE WASHINGTON POST OF JANUARY 4, 1940

Mr. ALLEN of Pennsylvania. Mr. Speaker, there has been much misunderstanding throughout the country regarding the Trade Agreements Act. Many persons are prone to consider the reciprocal trade program from a restricted viewpoint, or from its immediate effect on their personal fortunes. Obviously such criticism is as fallacious as its premise is narrow.

A thoughtful survey of the whole reciprocal trade program will lead to the weighty conclusion that its effect on our national economy has been highly beneficial. It is a long-range program and must be considered as such. It is designed to benefit our people as a whole and has accomplished this purpose. It is the strongest agent for enduring peace that we could possibly develop at this time.

With these thoughts in mind I include in my remarks an editorial from the Washington Post, January 4, 1940:

[From the Washington Post of January 4, 1940]

#### IN WHICH DIRECTION?

The movement to destroy or emasculate the trade-agreements program, a movement which has enlisted powerful support in and out of Congress, has begun to produce the inevitable reaction. All over the Nation individuals, groups, and organizations are rallying to the support of Secretary Hull's policy.

The support is motivated by practical as well as idealistic considerations. Since the trade agreements have undoubtedly brought practical benefits, particularly to those whose welfare depends on foreign trade, it is not surprising to find important business organizations coming out strongly in favor of the continuation of the program.

In addition to such business groups, however, endorsement is being given by many organizations that are not interested in the specific effect of any individual agreement on personal fortunes. These supporters are much more concerned with Mr. Hull's trade efforts in their relation to the whole question of American foreign policy.

This explains why so much of the enlightened peace movement of the United States and why such nonpartisan bodies as the General Federation of Women's Clubs and the National League of Women Voters are prepared to do battle for the trade-agreements program.

This is no quixotic gesture on their part. For no other development which may occur during the present session of Congress will have a greater bearing on the direction of American foreign policy than the renewal or nonrenewal of the Trade Agreements Act.

If the act is renewed, it will be an indication that the United States is prepared to follow through on a cooperative policy in world economic affairs. Those nations and statesmen of the Old World whose eventual task will be to build a new and sounder foundation for peace would thus be encouraged in their endeavors by America's weighty example. On the other hand, if the trade-agreements program is scrapped, the trend toward autarchy, a trend which helped produce the present war, will unquestionably be encouraged.

The forthcoming debate on the Hull program thus involves tremendous issues. The outcome will, to a greater or lesser degree, affect every man, woman, and child in the Nation. Indeed, it would be no exaggeration to say that what the United States does with reference to the trade agreements will affect the lives and fortunes of peoples and nations throughout the world and of generations yet unborn.

### The Reciprocal-Trade Treaties Find New American Market for British Woollens

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

ARTICLE BY F. EUGENE ACKERMAN

Mr. ANGELL. Mr. Speaker, that the reciprocal-trade treaties in many respects are working havoc in American industries and subjecting the American market to foreign products is particularly evident by the importation of British woollens under the operation of the act. As shown by the Department of Commerce records, imports of wool products from Great Britain since the reciprocity treaty went into effect at the beginning of 1939 have increased from 168 to 1,000 percent.

The woolen industry in America has been an outstanding development throughout our history. One of the problems confronting the Congress is the protection of this industry and the placing of it on a profitable basis. However, if we are to permit, through the reciprocity treaty, the importation of woollens from the British Empire to displace the American product, we will undo everything that Congress has attempted to do for the upbuilding of this industry.

As a part of my remarks I ask to have included a study of the operations of the reciprocity trade treaty with respect to the American market for British woollens, made by F. Eugene Ackerman. Mr. Ackerman's analysis is as follows:

THE RECIPROCAL-TRADE TREATY FINDS A NEW AMERICAN MARKET FOR BRITISH WOOLENS

[From the Daily News Record of October 13, 1939]

BRITAIN NOT TO CURB APPAREL, TEXTILE EXPORTS—LICENSES WILL NOT BE REQUIRED, EXCEPT FOR OILSKINS, SAYS BOARD OF TRADE—IMPORT RESTRICTIONS COVER MANY ITEMS

LONDON (via Clipper).—Export licenses are not going to be required on the shipment out of Britain of textile piece goods, or for that matter of any apparel (except oilskins), according to board of trade statements to your correspondent.

So far as the American market is concerned, there is no doubt the British Government is keen to have exports of cloth and associated lines maintained at as high a level as possible, the point being that every shipment of British merchandise to American ports means an addition to dollar balances which can be utilized for war-supply purchases.

[From the New York Herald Tribune of October 18, 1939]

BRITISH TRADE PACT SEEN PERIL TO UNITED STATES WOOLENS—168 TO 1,000 PERCENT INCREASE IN IMPORTS DUE TO TREATY IS CITED BY ACKERMAN

The present war-time boom in wool textiles is obscuring the grave threat to the future permanent economic stability of the wool industry resulting from the operations of the reciprocal-trade agreement with the United Kingdom, according to F. Eugene Ackerman, merchandising consultant, and until recently vice president of the Julius Forstmann Corporation.

Mr. Ackerman made public comparative statistics of wool imports for the first 8 months of 1938 and 1939, compiled from figures of the Department of Commerce, showing that imports of wool products from Great Britain since the reciprocity treaty went into effect at the beginning of this year have increased from 168 to 1,000 percent.

Reciprocity treaty increases British wool imports up to 1,000 percent

The present wartime boom in wool textiles is obscuring the grave threat to the future permanent economic stability of the wool industry, resulting from the operations of the reciprocal trade agreement with the United Kingdom. Comparative statistics of wool imports for the first 8 months of 1938 and 1939, compiled from figures of the Department of Commerce, show that imports of wool products from Great Britain, since the reciprocity treaty went into effect at the beginning of this year, have increased from 168 to 1,000 percent.

Despite the war Great Britain is making every effort to maintain these increased imports of wool products at the highest possible level because the expanding textile market which she is cultivating in this country under tariff concessions enabling her to land woolen goods here below the American cost of production, provides her with vitally essential dollar exchange to be used in the purchase of military necessities. The British Government requires no export



licenses for textile piece goods or for manufactured apparel, and textile workers have been, to a very large extent, exempted from military service so that textile production will suffer as little interruption as possible.

#### *Increases in imports reach 1,000 percent*

Figures to September 1, the latest which are available, show that the importation of noils, wastes, and rags used in the manufacture of woolen goods, has increased variously from more than 168 percent to 1,000 percent, the largest increase being in rags. Imports of noils for the first 8 months of 1939 amounted to 4,266,225 pounds, as against 1,586,998 pounds for the same period of 1938. Wool wastes imports increased from 483,532 pounds in 1938 to 2,375,533 pounds in 1939, while rags had a phenomenal increase of from 492,123 pounds in 1938 to 5,461,000 pounds in 1939.

Imports of manufactured woolen goods also showed alarmingly large increases. Total imports of all classes of woven materials for 8 months of 1938 amounted to some 4,188,605 square yards. Imports for the same period this year were 8,749,587 square yards, or more than double the quantity. The greatest increase occurred in worsteds of over 4 ounces, which leaped from 656,645 square yards in 1938 to 2,307,348 square yards in 1939. Woolens over 4 ounces increased from 3,303,000 square yards in 1938 to 5,942,976 square yards in 1939.

The difference between the increase in quantity of imports and increase in dollar value shows interesting differences that accentuate the importance of an adequate tariff protection against low-cost foreign goods. The quantity increase in rags exceeded 1,000 percent; the increased value in dollars was 767 percent. The quantity increase in noils was 168.82 percent; the dollar increase was 99 percent. Manufactured worsted and woolen goods increased in quantity 175 percent; in dollar value 107 percent. Total dollar value of all wool products for 8 months in 1939 was approximately \$12,000,000, an increase of \$7,000,000 over the same period of 1938.

#### *Provides clothes for 2,500,000*

Translated into terms of American production as they affect agriculture, labor, and industry, the imports of noils, wastes, and rags, all of which provide raw materials for yarns, amounted in 8 months this year to 12,003,050 pounds, which is equal approximately to between 25,000,000 and 30,000,000 pounds of raw wool or approximately 5 percent of the average annual total domestic raw-wool consumption for apparel purposes. Importations of woven woolen and worsted goods amounted to 8,749,587 square yards, or sufficient materials to supply more than 2,500,000 persons with one garment apiece containing 3 yards each.

The raw wool contained in these finished goods amounts to approximately 10,000,000 pounds representing in importation of raw materials and finished products a total of 35,000,000 pounds of raw wool. This is more than 7 percent of the total wool production of the United States for the year 1936. Stated in other terms it amounts to approximately twice the average annual wool clip of such great wool-growing States as Ohio, Oregon, Idaho, New Mexico, and South Dakota, and to more than half the total average annual raw-wool production of the State of Texas, the greatest wool-producing State in the Union.

It is difficult to compute the number of persons affected by these imports of finished goods in terms of employment and loss of wages. They comprise a yardage far in excess of the annual

production of any but a few of the largest mills in the country. In terms of employment it is conservative to state that they represent, at a minimum estimate, annual employment for between 4,000 and 5,000 persons. Based on even a subnormal average annual individual wage of \$1,000 this means a wage loss of between \$4,000,000 and \$5,000,000 for 8 months of 1939 in the wool textile industry alone. The public does not benefit in the exchange of foreign-made woolens for the domestic product, because these imported woolens compete with American woolens in garments which in practically all instances sell to the consumer in the same fixed price ranges, whichever material—domestic or foreign—is used. The major difference to the public is in the selling appeal which glorifies the supposedly superior qualities and advantages of "imported" materials over the domestic product.

#### *British making strong market drive*

In studying the figures of wool-products imports for the past 8 months it must be remembered that textile wages in Great Britain are normally one-third those paid in the United States. Wages paid in Italy, France, and Belgium, all of which share in the concessions granted Great Britain, are below the British rate, and the State Department is now considering the granting of added advantages to Belgium in the reciprocal treaty under advisement. The wage differential, however, is but one part of the picture. An equal advantage over American industry is enjoyed by European manufacturers of textiles in cost of plant, equipment, fuel, repairs, renewals, and all other overhead factors which are part of the continuing cost of doing business.

Another important factor in considering the present rate of increase in imports of wool products is that it represents gains achieved during the organization period in the establishment of new markets by British textile producers. British woolen manufacturers are developing new American outlets, establishing agencies in New York and throughout the country. American buyers have made connections in London and the textile centers of England and Scotland to purchase woolen products at lower prices than they have been paying for like American goods. Representatives of British textile interests are engaging in perfectly legitimate promotion and advertising campaigns to enhance the prestige of British woolens in the United States.

What is being witnessed, in fact, is the intensive cultivation of a great new market opened to Great Britain by American tariff concessions at a time when those new markets were desperately necessary to her. Her wool textile manufacturing industry is at a low ebb, due to expansion and subnormal domestic and world demand. Her dominions of Australia, New Zealand, and South Africa face increasing difficulties in selling their great wool crops in the world markets, due to the tremendous increase in the use of synthetic fibers in fabrics once made of wool. Australia, in particular, must maintain her world markets for wool or be reduced to poverty. The richest and most fertile market is the United States. The opportunity to share in this market is provided by the terms of the reciprocal-trade treaty. Its effect on the American wool-growing and wool-manufacturing industries is apparent to date. Its future effect can only be reviewed with grave alarm by an industry which, due to adverse domestic conditions alone, has lost \$100,000,000 in the past 10 years.

A comparison of imports of wool products, first 8 months of 1938 and 1939, follows:

	1939	1938	Increase	Percent increase
Noils.....	4,266,225 pounds..... (\$1,731,427)	1,586,998 pounds..... \$870,061	2,679,227 pounds..... \$861,366	168.82 99.00
Wastes.....	2,375,533 pounds..... (\$757,410)	483,532 pounds..... \$205,806	1,892,001 pounds..... \$551,604	391.29 263.02
Rags.....	5,461,292 pounds..... (\$1,466,729)	492,123 pounds..... \$109,066	4,969,167 pounds..... \$1,267,663	1,004.74 767.55
Mohair yarn.....	6,249 pounds..... \$7,299	1,065 pounds..... \$1,783	5,184 pounds..... \$5,476	486.76 307.12
Worsteds under 4 ounces.....	498,863 square yards..... \$182,058	228,381 square yards..... 44,919 pounds.....	270,482 square yards..... 56,396 pounds.....	118.43 125.55
Worsteds over 4 ounces.....	2,307,348 square yards..... 1,223,426 pounds..... \$1,591,845	656,645 square yards..... 292,625 pounds..... \$621,275	1,650,703 square yards..... 930,801 pounds..... \$970,570	251.38 318.00 156.22
Woolens over 4 ounces.....	5,942,976 square yards..... 3,536,871 pounds..... \$1,694,965	3,305,579 square yards..... 1,927,334 pounds..... \$2,875,042	2,637,397 square yards..... 1,609,537 pounds..... \$1,819,923	79.79 83.51 63.30

### **In Defense of Democracy**

### **EXTENSION OF REMARKS**

OF

**HON. SHERMAN MINTON**

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ADDRESS BY HON. FRANK MURPHY

Mr. MINTON. Mr. President, the Attorney General of the United States, Mr. Frank Murphy, in a recent address,

has brilliantly set forth a defense of democracy. In order that his worthy remarks may be broadly disseminated I ask that his address, and a preface to it by Mr. Charles Beard, be printed in the Appendix of the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### **INTRODUCTION**

(By Charles A. Beard)

In the following pages Attorney General Murphy sets forth primary doctrines of American democracy and liberty and makes a noble plea for the preservation of the best features of our national heritage. Appropriately, he reminds us of our trespasses in the last great war—of the ways in which citizens, mobs, and public officials resorted to unwarranted spying, persecution, and prosecution in defiance of law and right. He states clearly and cogently the principles of the Constitution in respect to civil liberties and cites the

interpretations of our best authorities. Briefly, but plainly, he lays down rules for our guidance in these perilous times and in years to come. It is fortunate for America that he has seen fit to do this.

All that Mr. Murphy says has a double force, for he is no mere preacher of doctrines. In his private and public life, he has exemplified them in practice at great cost of time and energy, amid much vexation of spirit. Not that he is perfect. To mortals perfection is not vouchsafed. But he has patiently observed the precepts which he expounds. He has suffered abuse without resorting to recrimination. He knows that it takes forbearance to maintain the restraints on passion incorporated in the Constitution and yet stand firm on the line of the law against immediate public danger. It is fortunate that he now heads the Department of Justice.

Nothing that I can say will strengthen or add to what Mr. Murphy has so well said. I shall not attempt this impossibility. I should as soon think of attempting to gild Lincoln's Gettysburg Address or to retouch an impressive painting by a supreme artist. Nor will any commendation from me fortify his appeal to the country. So I shall content myself by expressing a hope—that his manifesto will be read by editors throughout the land, taught in the schools and colleges, proclaimed from the pulpits, and posted in market places and forums. Lest we forget, lest we forget.

IN DEFENSE OF DEMOCRACY  
(By Hon. Frank Murphy)

In my settled conviction the finest contribution which America has made to civilization is our loyalty to the idea of civil liberty. Now, when much of the western world is torn by a fierce and bloody war, I want very heartily to emphasize that conviction.

It is true that in certain parts of the world, might for the moment appears to be triumphant over right. It is true that in many countries the traditional civil and religious rights of the individual are no longer recognized. These are realistic facts that we must realistically face.

Common sense dictates that with virility and courage we must prepare ourselves to guard all the magnificent physical and spiritual resources that make up our national heritage. To let our defenses weaken, to be soft or infirm in our attitude toward national security, would be a faithless and unworthy thing. But while we must be strong to protect our democratic heritage, we can and must still recognize that the heart and soul of our heritage is the civil liberty of the individual, and that in protecting our physical wealth we must not destroy our spiritual wealth of freedom. For civil liberty is still the finest possession of the American people. It is still that priceless thing without which life loses its dignity and becomes only a hopeless form of spiritual slavery. And by the same measure that civil liberty is precious to us, we must be willing and determined to defend it against the forces that threaten to destroy it.

In a world filled with many uncertainties, there are some things that are certain. We know that in the hearts of the American people there is a great, steadfast desire to keep out of war. It is a desire for peace that no public servant or political leader in this land can afford to underestimate. But we also know that in a world where force has been unleashed, the mere desire for peace is not a guaranty that a peace-loving nation can remain at peace.

It is not enough for us merely to say that we want peace and that we abhor war—that we will have no part of war. When the world is aflame with war, or gravely threatened by war, it is the duty of a responsible government to do something more than talk peace. First, it must take active steps to prevent unnecessary involvement. Second, it should make itself ready to resist attack—not only attack from without, but attack from within as well—attack by sabotage and subversive activities.

I am especially concerned with our defense from internal aggression. For we cannot be unmindful of the fact that the present attack on peace and liberty in Europe originated in the internal aggression of powerful groups against the democratic authority of their own lawfully established governments. But in our zeal to protect ourselves from internal aggression, we must be on guard that we ourselves are not guilty of aggression against the civil liberties of our own citizens. We must not fall victim to the infection of despotism that in recent years has been sweeping the world. For if we suppress civil liberty, we suppress democracy itself. In our own land, this generation has seen a little of what happens when a crisis develops and the Government is not prepared to protect its people against internal attack. I have in mind the period of the World War and some of the wrongs against liberty that were done in the name of patriotism. Let me make it plain that I am not assuming the role of the second guesser who always knows afterwards what should have been done in a particular situation. I am speaking only as a citizen and public servant who earnestly hopes and confidently believes that we, the American people, will profit by our own wartime mistakes and, even more, by the mistakes of other democracies that no longer live to tell the story.

I believe we all should recognize that however tragic the wrongs that were done, they sprang from misdirected zeal rather than evil intent. We should remember that in the feverish, wartime atmosphere (an atmosphere which inevitably is dangerous to liberty) average citizens, normally calm and reasonable, became so imbued with the rightness of their cause that opposition or criticism was intolerable to them. Not only could they brook no open disagreement with national policy, but the failure of others to share their own attitude became in their eyes evidence of lack of patriotism.

From suspicion and distrust it was for some people an easy step to violence and vigilante activities. In some communities, irresponsible extra-legal organizations assumed functions that belonged properly to the civil authorities. And in some cases the civil authorities themselves were carried away by a hysteria of fear. Defenseless men and women were mistreated by such groups on mere suspicion. On many occasions the constitutional right of peaceful assembly was violated and homes were invaded and searched in the dark of night for evidence of disaffection and disloyalty. In their zeal to help defend their country, well-meaning people resorted to methods which in the calm of peacetime would not be considered.

Even if we recognize—as we must—that this condition was not general, it is a picture that friends of democracy have every reason to regret. But I want to emphasize how much I believe that instead of viewing it with rancor toward anyone, we should keep two things carefully in mind. First, we should remember that much of this was done sincerely in the name of patriotism and national defense. Second, we should keep in our minds and hearts a firm resolution that while making the security of the country our first and greatest concern in this troubled hour, we will injure not one of the qualities that have made this Nation the strongest haven of democracy and freedom on earth.

I know there are sincere individuals who earnestly believe that in a period like the present, when the country is seeking ways to avoid war, but yet must prepare its defenses, it is not possible to maintain both civil liberty and a strong defense against internal attack at one and the same time. They are convinced that we must choose between the temporary suppression of civil rights and a weak and ineffective internal defense. I do not believe that we face any such choice. I do not believe that a democracy must necessarily become something other than a democracy in order to protect its national interests. I am convinced that if the job is done right—if the defense against internal aggression is carefully prepared—our people need not suffer the tragic things that have happened elsewhere in the world and that we have seen, in less degree, even in this land of freedom. We can prevent and punish the abuse of liberty by sabotage, disorder, and violence without destroying liberty itself.

At the time of the World War, the country's defense against internal attack was not fully prepared, and events took their natural course. The civil authorities were not trained for their new responsibilities. The door was wide open for irresponsible organizations to set themselves up as agencies of law enforcement. That is precisely what happened. Today the picture is quite different. The delicate business of combating espionage has been coordinated under the Department of Justice. Under responsible direction, it will be carried on, as it is today, not by overzealous, inexperienced laymen, but by men who have been equipped for the work by careful training—training that includes instruction in the rights of the citizen as well as in methods of crime suppression. And we have every reason to expect them to be worthy of their training and instruction.

This work should be done and will be done by responsible employees of the Federal Government, acting in cooperation with the duly constituted law-enforcing agencies of State and local governments. There will be no alignment with agents of vigilante groups or private industrial organizations which are concerned primarily with industrial disputes and labor problems. Enforcement officials will themselves obey the law of the land.

I believe that in this way we can eliminate at least the occasion for many of the wrongs that were done under the stress and strain of the World War. But at the same time, I recognize that preparedness on the part of the Federal Government is not by itself a guaranty that these things will not happen again. To meet the double responsibility of self-defense and preservation of civil liberty, we need from every State and local government and, preeminently, from every citizen, an equal determination that this responsibility shall be met.

We need, and we earnestly ask, from every citizen and every government an unswerving resolve that for as long as this crisis endures, we will keep our heads—that we will not abandon our Bill of Rights—that whatever measures we may adopt for our defense against subversive activities, we will use them just as calmly and judiciously as we do firmly and resolutely.

But given a thoroughly prepared internal defense, given the proper mental attitude of calmness and cool reasoning, we need something more. We need a sound sense of direction—a clear understanding of our own policy and our own position.

First, we need to remember that in an emergency it is right and just for our democracy to be on guard not only against internal attack by foreign agents but obstructive activities by people in our own ranks as well. We have a right to expect that once a policy has been formulated and adopted by constitutional, democratic procedure, it will be accepted and observed by all as an expression of the sovereign will of the people, until such time as the policy is changed by constitutional methods. Even those who disagree with it should do their part to make it effective. This is the democratic way in peacetime; it is the democratic way in time of war.

Finally, we have a right to expect that attempts to prevent the fulfillment of a policy by sabotage, violence, or subversive activities can and will be dealt with vigorously and according to law. And here we can take our lesson from those democracies abroad that failed to deal vigorously with illegal activities against the democratic process and that now are only memories in the minds of men.



The second thing we need to remember is that an emergency does not abrogate the Constitution or dissolve the Federal Bill of Rights. That is not only good sense; it is good constitutional law.

Seventy-three years ago, 1 year after the Civil War, the Supreme Court declared in the famous *Milligan* case that "The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men, at all times, and under all circumstances." I want to give emphatic assurance that in this emergency, as well as in time of peace, the Department of Justice embraces that policy without reservation. And because we are convinced that it represents the wishes of the overwhelming majority of the American people, we are determined to apply it and to practice it as thoroughly and intelligently as men are capable of doing.

We are aware, and the people should also be aware, that this will be no simple task. It is a problem of steering an even course that will invade neither of the two boundaries that I have mentioned. In brief, it is a problem of finding a sound basis for maintaining public safety without encroaching on the Bill of Rights.

In enforcing some laws, we must not violate other laws. In upholding the Constitution, we must not infringe on the priceless heritage of civil liberty which the Constitution guarantees. To do that—to suppress or suspend the Bill of Rights—would be to destroy the very democratic principles that we are seeking to preserve. It would be to yield to the same autocratic psychology that we want to keep out of this country. We must not let that come to pass. We must have it understood that while we will oppose firmly and vigorously any illegal activities, we will do so in a responsible manner and within the orbit of the Constitution. That is the American way.

The immortal Justice Holmes laid down a formula which I believe will help us to keep a true course. In a celebrated wartime case involving the very things discussed here, he wrote these lines:

"When men have realized that time has upset many fighting faiths, they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas. . . . While that experiment is part of our system, I think that we should be eternally vigilant against attempts to check the expression of opinions that we loathe—unless they so imminently threaten immediate interference with the lawful and pressing purposes of the law that an immediate check is required to save the country."

The willingness, the determination, the ability to follow that democratic principle, so ably stated by a great friend and interpreter of democracy, will be, in my estimation, a real test of patriotism in this or any future crisis.

The true citizen of America will remember that loyalty to our tradition of civil liberty is as much a part of patriotism, as defense of our shores and a hatred for treason. He will never forget that civil liberty under the American system is a legal right in time of war as well as time of peace—that, whatever the time, it is liberty for all, irrespective of the accident of birth. The true American will remember that whether it be peacetime or wartime, there could be nothing more unpatriotic in this land of many peoples and many creeds than the persecution of minorities and the fomenting of hatred and strife on the basis of race or religion. He will realize that if, in the atmosphere of war, we allow civil liberty to slip away from us, it may not be long before our recent great gains in social and economic justice will also have vanished. For a nation that is calloused in its attitude toward civil rights is not likely to be sensitive toward the many grave problems that affect the dignity and security of its citizens. We must not let this crisis destroy what we have so dearly won.

Many years ago, in the midst of another great emergency, Abraham Lincoln put this question to the Congress of the United States: "Must a government of necessity be too strong for the liberties of its own people, or too weak to maintain its own existence?" Let us, in this troubled hour, answer that question as befits a great and enlightened democracy. Let us prove for all time that ours is a twofold strength—the physical strength of self-defense and the moral strength of unflinching devotion to our own ideals.

### . The Faith That Is America

#### EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, January 4, 1940

ARTICLE BY WENDELL L. WILLKIE

Mr. BURKE. Mr. President, every American should read and take new hope from the inspiring article entitled "The

Faith That Is America," written by Wendell L. Willkie, and published originally in the *North American Review*. I ask unanimous consent to have inserted in the *RECORD* the article as it appears condensed in the *Reader's Digest* for December 1939.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

[From The *Reader's Digest* of December 1939]

#### THE FAITH THAT IS AMERICA

(Condensed from the *North American Review*—By Wendell L. Willkie, President of Commonwealth & Southern Corporation)

For centuries my ancestors lived in Central Europe. Some of them were peasants, some were artisans, others were landed proprietors; but all of them through those centuries had been restricted in their opportunities to the group in which they were born, and no one of them had ever known the true meaning of liberty. Those who did not observe the restrictions under which they were forced to live got into trouble: one had to flee his native land because he adopted the religion of his choice; another was ostracized because he believed in the principles of the French Revolution; and still another was jailed for expressing his own opinions. In 1848, my father and my grandparents came to America to escape this repression of individual liberties.

They were led to these shores, as were millions before and after them, by a special reputation that the United States has had among nations. This reputation is founded upon one simple fact: in the United States the plain man has always had a chance.

My father and mother were the first generation in their families to grow up in America. My mother became a lawyer. My father was also a lawyer. Of course, in Europe my mother would have found it impossible to practice a profession; and my father would have found it difficult to get out of the groove worn by his ancestors. Furthermore, it would have been utterly impossible for them to have given their six children the education which we received in America. We went to high school and college.

And with schooling finished, there were no doors closed to their children just because they came from a plain family in a small town. No class distinction, no law interfered with their effort to earn a living in the occupation of their choice, or to express their opinions as they pleased.

In all the long history of their family, these six children were the first to know, from the time they were born, the blessings of freedom. I don't want them to be the last.

This family record is the record of any number of American families. For us the value of freedom has had a practical demonstration. Freedom means for us not only a theoretical ideal, but definite practical rights. Freedom means, for example, that if you run a store, you can sell your products to anybody without a government official telling you what the prices must be; if you are a professor in a university, you don't have to alter science or delete history as a bureaucrat prescribes. If you own a newspaper you don't limit your editorial opinions to what an official censor approves. If you are a laborer, you can leave your job when you feel like it for any other job you prefer; you and your fellow workers can bargain collectively concerning the conditions of your work. If you think taxes are too high, you can vote against those officials you think responsible. And there is no limitation upon your inherent American right to criticize anybody, anywhere, at any time.

These are practical applications of this thing called freedom. In this country we take them for granted—perhaps too much for granted. But in more than half the world freedom does not exist. The present conflict in Europe is perilous to this freedom because in a modern war people destroy the very things they say they are fighting for. It is because we wish to preserve our free democratic system that we must remain at peace. But we cannot remain carelessly at peace. If the price of democracy in ordinary times is eternal vigilance, in a war period that vigilance must be doubled.

We must be careful that, under the guise of "emergency," the powers of government are not so extended as to impair the vitality of free enterprise and choke off free expression of thought. Already we hear of the need for the Government to control prices, to license American business, to regiment American employees and employers, to censor the radio. In a critical time there is always a temptation to surrender the responsibilities of a free citizen, to say to the Government: "During this emergency, you take charge. You tell us what to do, what to think."

If we should yield to this temptation, the end of our free democratic system might come as readily in peace as in war. Once these responsibilities of citizenship are given up, they are not readily returned. Government, in its practical working, consists only of aggregations of men; and men, having tasted power, do not easily surrender power. We must not be misled because suggested restrictions are for humanitarian purposes, for, as ex-Justice Louis D. Brandeis recently said:

"Experience should teach us to be more on our guard to protect our liberties when the Government's purposes are beneficent. . . . The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding."

The war has not changed the grave domestic questions confronting America; it has just temporarily diverted our minds from them. For 10 years we have been haunted by our unemployment

problem. Yet its solution has been in our hands for some time. During the depression decade, American industry accumulated an enormous deficiency in plants and modern machinery. To remedy this, industry will need even more than the present number of unemployed. Industry will also need a great deal of additional capital, and there should be no difficulty in getting this, as soon as the millions of American investors are reassured as to the future of free private enterprise.

The lack of confidence within industry is partly a result of industry's own defects in the period of overexpansion which ended in 1929. But since then we have had several years of reform; and some of these reforms have gone so far as to impair the efficiency and morale of business. In promoting recovery the chief emphasis has been placed upon what the Government should do; we have had colossal expenditures for "priming the pump," and a colossal tax program to pay for these expenditures. Here is just the point where our free democracy is threatened. We are not in immediate danger of losing our freedom of speech, or of press, or of worship. The greatest threat to the American system today comes from the effort to restrict free competitive enterprise. And such enterprise alone can make economic recovery possible.

We have been told that the frontiers are gone, that our established industries are slowing down, and that there is little to be expected in the way of new inventions. We have even been informed that the very basis of the American dream is no longer true; that the plain man no longer has much of a chance. But such a philosophy is as false as it is cowardly. True, we no longer have new geographical frontiers; but other frontiers remain for searching and adventurous minds. Our people, comprising only 7 percent of the world's population, still control more than 45 percent of the world's wealth. And we enjoy the highest real wages, the shortest working hours, and the greatest percentage of home ownership on earth.

The great days of America are by no means done. We have only touched the border of our achievement. If I did not believe this, I would not believe in America. Because that faith is America.

So my creed, if I were asked to define it, would run something like this:

I believe in America because in it we are free—free to choose our government, to speak our minds, to observe our different religions;

Because we are generous with our freedom—we share our rights with those who disagree with us;

Because we hate no people and covet no people's land;

Because we are blessed with a natural and varied abundance;

Because we set no limit to a man's achievement; in mine, factory, field, or service in business or the arts, an able man, regardless of class or creed, can realize his ambition;

Because we have great dreams—and because we have the opportunity to make those dreams come true.

## Diplomatic Relations With the Holy See

### EXTENSION OF REMARKS

OF

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

EDITORIAL FROM THE NEW YORK ENQUIRER OF JANUARY 1, 1940

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein an editorial which appeared in the New York Enquirer of January 1, 1940, relative to our President's recent appointment of Mr. Myron C. Taylor, of New York City, as diplomatic representative to the Holy See. In my opinion, the resumption of diplomatic representation between our Government and the Vatican State provides an auspicious beginning for the new year and the new decade. I, therefore, commend the following editorial to the Members of the House because of its timely interest:

[From the New York Enquirer of January 1, 1940]

#### DIPLOMATIC RELATIONS WITH THE HOLY SEE

The Pope gladly accorded recognition of the independence of the United States. Indeed the papal envoy at Paris was a most intimate friend of Benjamin Franklin. American Minister to France in the days of the War of Independence.

It is anything but consonant with true Americanism that the action of President Roosevelt in appointing Myron C. Taylor as his personal ambassador to the Holy See should have provoked the angry opposition it has brought forth in some quarters.

The Taylor appointment, as the White House has been careful to point out, does not mean that our Government has accorded diplomatic recognition to the Holy See.

But had the administration actually entered into full diplomatic intercourse with the Vatican State, it would have done nothing novel insofar as the United States is concerned. Until a few years after the Civil War this Republic and the Holy See had maintained complete diplomatic relations for a considerable period.

Protestant England, pagan Japan, Nazi Germany, democratic France, and many other nations have their permanent envoys at the Vatican.

The steadfast policy of aloofness pursued by Washington toward the Pope is anything but creditable to our country, representing as it does submission to a spirit of bigotry which our Government should ever have vigorously opposed.

What can be thought of Americans who work themselves into a passion at the first sight of intercourse between our Government and the Pope, the greatest moral and spiritual force in a world so much in need of morality and spirituality, and never utter a word of displeasure with our Government's maintaining full diplomatic relations with Soviet Russia, the supreme enemy of religion, morality, and civilization?

In 1933 Washington was in a tremendous hurry to accord full diplomatic recognition to anti-God Moscow.

Time has shown the grave evils that were bound to arise from the establishment of diplomatic relations between this Republic and the despotic domain of Josef Stalin. Our Government should now admit its mistake and promptly sever diplomatic dealings with the Kremlin.

At the same time it should deal a merited and smashing blow to bigotry and to the anti-God and anticivilization forces everywhere by boldly resuming complete diplomatic relations with the Holy See.

## Congressional Outlook in 1940

### EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

RADIO ADDRESS BY HON. ALBERT L. VREELAND, OF NEW JERSEY, DECEMBER 8, 1939

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include the following radio address, delivered by me over Station WNEW on December 8, 1939:

First and foremost in the hearts of every Member of Congress entering the Capitol on the opening day of the third session of the Seventy-sixth Congress, will be the sincere desire to keep this country out of war and to prevent us from becoming involved in the unfortunate conflict now raging among the countries of Europe. Since 1918 there has never been more serious thought and consideration given to any question than was given to the neutrality bill during the entire time of its pendency in the special session which closed the first part of last month.

It is true there were two distinct schools of thought on the question at issue but each Member regardless of which school he belonged had the same heartfelt desire and was sincere in his belief that his theory was the proper one. Every Member of the House and Senate without exception agreed on one point and that was this country should not become involved in a conflict which at the present time is none of our affair.

In all probability, considerable legislation will be introduced in the first few weeks of the new session. Foremost among this will be the question of national defense. I doubt if there is any true, red-blooded, patriotic American citizen who does not believe in the fundamental theory of an adequate and proper Army and Navy to protect our land, our homes, and our loved ones from invasion by foreign nations. The only question upon which a difference of opinion might arise will be what is adequate and necessary for defense and how far we may increase our forces without going beyond the scope of defense and entering into the realm of offense.

At the present time, by Presidential proclamation our Regular Army was increased from 165,000 men to 227,000 with a proportionate increase in the National Guard and the Navy. It is true with an increase in personnel it requires an increase in matériel, housing, ships, and other appurtenant and necessary facilities for the efficient operation of the increased complement of men, which in itself, is an additional burden on the much-burdened taxpayer. However, we must be practical and forget idealistic viewpoints.

We must bear in mind that while the American public has proven they are patriotic and willing to serve their country



when the occasion arises and their bravery is beyond a doubt, nevertheless, with modern methods of warfare it takes time to train troops before they can become efficient against the highly mechanized and trained troops of the other nations of the world.

It also takes time, effort, and money to build and manufacture the necessary war materials to equip the men. In 1917 we learned the bitter lesson that emergency rush orders cost many times that of goods produced at leisure in peacetimes, with the accompanying rise in wages and prices of raw materials.

It is so easy to visualize the influx of American citizens to defend their beloved country but so hard for the average person to realize what a tremendous amount of preparation is necessitated by the augmented personnel. It must be remembered that each man must be supplied with clothing, underwear, shoes, guns, and other equipment. A place must be made to house him, beds to sleep on, mess halls to eat in, not taking into consideration food, the kitchen equipment, or the preparation of meals, training centers, communication units, rolling stock, trucks, and other transportation facilities, which is in a small degree only some of the many appurtenant and required equipment.

Willingness alone in this modern day and age does not make armies. We have seen by experience it is not as in the days of yore when countries went through the formality of declaring war. Today a state of war exists when your citizens and homes are bombed and your ships sunk. It gives no time for preparation.

Might I just dwell for a moment, and I hope my listeners will pardon the personal reference, on the condition of our present armed forces. I want it clearly understood that I am in no way by my remarks criticizing the conscientiousness, the willingness, the patriotism, nor the efforts expended by any of the officers or personnel of our Army, National Guard, or Reserve. Each and every one is to be commended most highly on the splendid progress he has made with the limited facilities, training, and time.

As a reserve officer of the United States Army, I had the privilege of actively serving in the maneuvers at Plattsburg last summer, where, as you will remember, there was the largest concentration of troops since the World War. If nothing else, the experiment proved most valuable and worth every dollar expended in showing, first, the courage, willingness, and desire to serve on the part of every officer and man participating, and secondly, the lack of training, experience, and equipment.

The experiences at Plattsburg further demonstrate conclusively the advantage of the mechanized and mobile forces over the foot-soldier. It is no fault of the officers or the men who are patriotic enough to give of their time and services, and with the limited facilities provided, to try to prepare themselves for the defense of our country when the need or occasion might arise. Those men are sacrificing time they might use for a more pleasant benefit to themselves, so that they might efficiently protect you and me, our homes, and our loved ones.

Let us for a moment consider some of the countries of the world which are in a sense the only countries with the ability and resources to be a possible enemy. Prior to the present mobilization of the countries of Europe, England, France, Germany, and Japan had more than 14 percent of the population engaged in some branch of the military, while the United States, as large and if not larger in area than any of them, had only 0.38 percent. Germany spent in 1938 over \$4,000,000,000, and Russia over \$5,000,000,000 for armed forces. Whereas, the United States spent less than \$5,000,000.

Many of the people of this great country of ours are firmly of the belief that a large Army and Navy is a demonstration of aggression. That, of course, has been true with some of the nations of the world, but we must remember the average American is peaceful and peace loving, and this being a government of the people and by the people, the great body of the population would not allow their government to make any aggressive move without their hearty approval, so different from the dictatorships of the other side where it is the will of one man whether a state of war or peace exists.

Of course, it would be a fallacy to consider that this country, in peacetime, would ever attempt to have the standing Army of the nations abroad, and it would indeed be an unnecessary burden on the American public to support an armed force comparable to the armies of the world. With our Navy it is different. That should be second to none, and adequate to protect this country on both oceans.

How then might we have the training necessary to the potential army without the staggering cost of a million men under arms? The American is an apt and willing pupil but he must have trained and expert teachers. There is, in my opinion, the solution. At the present time, we have a very fine National Guard to train the civilian soldier. A little more training and equipment would, in a short time, make it an excellent and efficient fighting force, and a cadre for the training of others in the case of emergency. We must not forget, however, that the Regular Army and National Guard are the first line of land defense, which will be only a hindering force to the enemy until the citizen army can be mobilized and trained. That training will be the lot of the Reserve officer.

Over 100,000 patriotic, self-sacrificing men have accepted commissions as Reserve officers, and serving without pay, striving through the limited facilities allowed by the appropriations to train themselves for service to their country. To them, who for years have given up vacations for training, nights for school, and many evenings for correspondence courses, should go a vote of thanks of the American people. Because of a limited appropria-

tion only 30,000 of these officers could go to camp last year. They are willing and anxious to learn and serve. They are the ones who will have to help officer the Army in an emergency, and yet with the limited training available, how can they properly prepare themselves for that task? Would it not be money well invested to give these men proper training and equipment to make the teachers, so badly needed, and which cannot be developed overnight? Poorly trained officers and men are costly in lives and money, and to say the least, a comfort to the enemy. A dollar well invested now will save manyfold in the future.

Economy is most desirous, but false economy is foolish. A proper and well-thought-out program of expenditures for national defense over a period of time now will save many millions in a lump sum in the future should an emergency arise, and God forbid that it does.

In dealing with foreign nations, especially when they are in the throes of a major conflict, with their tempers and nerves on edge, it is advisable to use the policy expressed in the words of the immortal Theodore Roosevelt, "We should speak with a soft voice but hold a big stick in our hand."

## Abuse of the Bill of Rights

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

Mr. THORKELSON. Mr. Speaker, a few days ago my attention was attracted to a rather interesting and odd article which appeared in one of our local papers. It was interesting in its failure to properly estimate the danger of communism, and odd in that it advises all citizens to read the first 10 amendments of the Constitution, or the Bill of Rights.

My reflection was: What a blessing it would be if the other side of the family would recognize the evil of communism and the inherent value of the Bill of Rights by "taking care that the law be faithfully obeyed," and the Bill of Rights respected. This would serve justice and "provide for the common defense, and promote the general welfare of the United States."

Enforcing the law would protect our people against the Communists and the anti-Americans. Enforcing and respecting the Bill of Rights would protect the people against the Federal Government's snooping, meddling, and persecution. History clearly shows that it is not the people that destroy the government, but it is instead certain individuals in the government itself that bring about corruption and destruction of governments.

It is well to remember and the people should constantly keep in mind that the Constitution was drawn by the people, to protect themselves against Government usurpation, as a measure to provide for greater protection. The people wisely reserved the right to themselves to retire and to direct Congress to impeach all Government officials betraying public trust.

The article to which I refer appears under this heading:

MY DAY—FIRST LADY URGES READING OF THE BILL OF RIGHTS—THE CRIMINAL SHALL HAVE CERTAIN RIGHTS

December 15 will mark the one hundred and forty-eighth anniversary of the ratification of the Bill of Rights.

I hope that every citizen in this country will read over those first 10 amendments to the Constitution and keep them constantly in mind, particularly articles IV, V, and VI.

In article VI it mentions the fact that in criminal prosecutions the criminal shall have certain rights. I am wondering if in the present day these rights should not be observed for all people, whether accused in a criminal case or whether merely accused through the public press.

I shall not discuss the rights of criminals, for they are well cared for even in time of war, when our Nation's law-abiding youth sacrifice their lives on battlefields to protect the rights of all.

I am in accord with Mrs. Roosevelt and sympathetic in her feeling toward the press. In clippings from the Daily Worker, as well as other communistic and anti-American

publications, I find the First Lady frequently featured. In the *Daily Worker*, June 9, 1939, page 4, appears a picture of the First Lady in company with David Lasser and Lee Morgan, the Workers Alliance secretary. In the July 7th issue is a notice: "Mrs. Eleanor Roosevelt is to be the principal speaker at the Monday meeting. She is to speak on New Frontiers of Youth." The First Lady spoke praisingly of the efforts of the Youth Congress, which is, of course, her business. It is, however, generally accepted, and those who know believe, that the Youth Congress is communistic and, therefore, anti-American. To substantiate the point I have made, I quote from the *Daily Worker*, Saturday, July 8:

#### THE CONGRESS OF YOUTH

As was pointed out by the spokesman for the Young Communist League, communism stands for the greatest democracy. And let no one be misled by reactionary misuse of the phrase "proletarian dictatorship." This phrase signifies the rule of the working class in alliance with the farmers and all the toilers. It signifies socialism, a state which extends the democratic liberties of the people and is a higher form of democracy, paving the way to a classless society, communism.

Every true democrat, every supporter of the Youth Congress can prove this for himself by his own experiences. Is it an accident that the Young Communist League has been in accord with every major decision of the Youth Congress and has supported its actions in behalf of American democracy?

The First Lady should not feel hurt or resentful for the publicity she has enjoyed in the communistic press. It is only natural for the sponsors of these papers to give favorable publicity to those who are favorable to them, and, vice versa, defame and heap ridicule upon those who oppose them. It was the candor and patriotism of witnesses before the Dies committee that brought about unjust criticism and ridicule by the communistic and anti-American press.

It is not my desire to enter into extensive discussion on the Bill of Rights, but I believe this quotation from the *Brooklyn Tablet* will be interesting:

The United Christian Minute Men, New Ridgewood Hall, 1880 Menahan Street, Ridgewood, N. Y., started forth to Washington. We arrived in the city at 8:30 a. m. Sunday, September 23. Ten minutes after we arrived we were locked up in the city jail, the charges being "advertising without a license and desecrating the American flag."

In regard to the first charge, we were informed that we would have to be put under \$10 bail. The basis of this charge being that we had signs on our car such as the following: "Keep U. S. out of war," "Keep strict neutrality," etc. On the second charge, we were accused of sitting on the American flag. We had the American flag draped over the back of the seat of the car for the purpose of drying it out after driving through the fogs and dampness of Pennsylvania and Maryland. We were put under \$400 bail for this charge.

We stayed in the jail for a period of 30 hours, and during that time we were treated like the most common criminals. But the most astounding thing of all was that we were investigated by the F. B. I., and we were told that our stand on the Neutrality Act was the wrong stand and we were accused of being Nazis because we dared to oppose the powers that be.

Our trial came up before a Federal judge the next day (Monday). We had to wire all the way to New York City for counsel to represent us, and it was only through his efforts that we are free today.

We were informed that the police had orders to arrest anyone who came into Washington to protest against the Roosevelt neutrality. The orders came from President Roosevelt himself, according to information received from a Congressman from Kings County.

THOMAS MALONEY.

September 28, 1939.

About 70 of these young men and women came to my office, and they were respectable and intelligent American citizens. They informed me that they came to Washington to express their opposition to lifting of the embargo, so that this country could stay out of war. There was nothing vicious about them. As a matter of fact, they were quiet and appreciative at having gained entrance to the House Office Building. I have often wondered what provision in the Bill of Rights directed Washington officials in sending these people to jail, particularly when the Communists meet openly in Federal buildings and other public places. It appears to me that Washington and New York are the headquarters for communism, an opinion which is now substantiated in

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the exposé of the League for Peace and Democracy, which is another communistic organization. Official Washington has the cart before the horse, for I firmly believe these bright officials assume the Bill of Rights was written to protect the Communists, when in reality, if they care to look into it, it was written to protect the loyal patriotic American citizens, not only from the Communists and anti-American citizens, but also from un-American Government officials.

I cannot leave this issue without throwing a bouquet at the New York courts that placed a \$50,000 bail on the misguided Mr. Kuhn and sent him to the penitentiary for questionable misappropriation of funds, which is mere pin money as compared to the misappropriation of funds that we hear discussed in the Congress of the United States. The Non-Sectarian Anti-Nazi Boycott League no doubt stuck its nose in there, as it has in the business of foreign nations friendly to the United States. I can now hear the Communist roar, and the linotype machine dealing out infamy, but I say go to it, anti-Americans, and wave your red flag. It makes little difference to me whether upon its background is displayed the hammer and sickle or three balls, for both are on the way out.

I shall now take the liberty of quoting another short paragraph from Mrs. Roosevelt's article:

If you are not accused of being a Communist these days, you may be a Communist front and now you may be a Communist transmission belt, and these names apply both to individuals and organizations. I don't question that all three kinds of people exist, but I begin to wonder whether some perfectly innocent people may not be suffering because of the fears which are being aroused. Shortly, timid people will not dare to stand for the things in which they believe, because some may imagine that they are any one of these three dreadful things, or that they are countenancing them in somebody else.

I can only say to this, without entering upon extensive discussion, that timid people should stand shoulder to shoulder for the principles of this Republic, and in such position they will be strong, because they will be shoulder to shoulder with at least 90 percent of the American people.

I can well understand that Mrs. Roosevelt, in her busy public life and the present planned confusion, is not certain whether we have Communists, stupid gentile fronts, and communistic transmission belts; as a matter of fact, I suppose the so-called "transmission belts" refer to fellow travelers. The fact, however, is to be had particularly by anyone in the position that Mrs. Roosevelt occupies in this Government.

Mrs. Roosevelt may prove to herself that bolshevism and communism are stark realities and that the sponsors of these philosophies are the most inhumane and vicious destroyers of morals and civilization. If Mrs. Roosevelt will investigate Government intelligence reports, she will find that it was the Bolsheviks that sabotaged the Russian Army during the Russian-Japanese War. It would also be found that it was the Communists that sabotaged the Russian industries during the World War, and that the Communists are actively engaged in sabotaging the Government and our industries today. Evidence may also be had of those who financed the Bolshevik revolution in Russia, through the Rhein-Westphalian Syndicate and other European banks, including the names of their associates in New York City, and their connection with the Imperial Military Government of Germany.

Further investigation will reveal that it was the Communists who sabotaged the Spanish Government, causing misery, poverty, suffering, and death to many Christians in Spain.

I shall now quote from the *Hidden Hand*, published in Britain:

#### SPAIN

The international arms traffic to Spain is run by the following \* \* \*, whose headquarters are in Barcelona: Vladimir Bischitzki, Lurge, Fuchs. Bischitzki is the head, and has established a network of agencies all over Europe:

In Paris, the agents are the \* \* \*, Fratkan, Rosenfield, Schapiro.

In Rotterdam: Cohen, Frunfeld, Kirsch, Simon.



In Denmark: Moses Israel Diamant.

In Prague: Kinler, Kahn, Abter, Hithner.

In Austria, Bischitzki worked with Mandl, now under arrest in Austria.

After reading this book it is quite evident that the English people are well informed as to those who own and control armament and ammunition, for I quote *ibidem*:

The \* \* \* in the world of armament manufacture is a sinister example of this exploitation. I shall have something to say about a man known in his day as Zaharoff, although he was really Zachariah. He was the embodiment of the \* \* \* in armaments—selling to all and sundry, encouraging nations to embark on costly adventures, and not caring whether friend or foe were involved so long as the particular war material in which he might be interested at the moment was selling well. There you have a true \* \* \* method of causing the gentile world's downfall—the piling up of individual profits from munition making, coupled with incitement to antagonism and to antiracial activities.

I believe everyone should familiarize himself with the causes that lead to war and the life and habits of those who make war a profitable business to themselves. I am sure if the French and British soldiers could read books published on these subjects, they would pack up and go home. This would leave Germany free to settle with Russia, so as to save Finland. I do not believe it would require much urging on the part of England and France to bring this about, for Germany is no more friendly with Russia today than she was when the Communists were deported from Germany.

There is a little book published by the editors of *Fortune* called *Arms and the Men*, which I advise everyone to read.

Let us now refresh our memories by looking back and connecting odds and ends of the past in order to complete the picture that confronts us today.

In 1904, the Russian Social Democratic Party split into two factions, (a) the Bolsheviks and (b) the Mensheviks. The split was due to certain differences between the leaders of the Russian Social Democrats on the main problems of their attitude toward the Russian-Japanese War. The Mensheviks expressed their opinion that the nation involved in the war should not be disturbed in its military proceedings by internal revolutions—the Bolsheviks stated that they did not care about the fact that thousands and thousands of Russian people were giving their lives for their country in the Far East, and that they considered the war a very convenient moment for a decisive attack against the Russian autocracy and that they would start immediately a revolt in Russia and a strong pacifist propaganda among the armies which were under the fire of Japanese guns. The Bolsheviks also declared at that time that the nation as such meant nothing and that the international proletariat meant everything and therefore they simply ignored the fact that the military defeat of Russia would not only affect the Russian Government, but would also inflict heavy wounds upon the Russian people as a whole and upon Russia which anyhow was their native country.

My object in calling attention to bolshevism in 1904 is to connect it with communism today. Bolshevism has been reported by our Intelligence Service from 1904 to and during the World War, and by the United Mine Workers of America to the Sixty-eighth Congress, in Senate Document No. 14, "Attempt by Communists to Seize the American Labor Movement." Intelligence departments have been well informed about this movement for 40 years. Why has not something been done about it? Is it in fear of identifying those who are financing and sponsoring communism? I quote from the *New Yorker Staatszeitung*, November 22, 1918:

#### BOLSHEVIKI AGITATION WATCHED OVER

The spreading of the doctrine of bolshevism in the United States is being carefully watched over by the agents of the Department of Justice. Interference will take place as soon as the agitation oversteps the boundaries of the law and develops into seditious activity, so official circles say.

This propaganda is not yet regarded as dangerous, although an increase is expected among the foreign-speaking population. It is more pronounced in New York and San Francisco than in other cities.

The movement is carried on mostly by a group of former syndicalists and I. W. W., but a new element of discontented citizens with pronounced Bolshevik tendencies has joined them of late.

The Government has no interest in preventing the spreading of such ideas, but will, so the officials say, interfere as soon as the agitators make an attempt to change their theories to deeds.

Up to a certain degree, the Bolshevik movement is forwarded by enemy aliens. This is one of the reasons why the Department of Justice is still interned alien enemies.

This report is substantiated by the report, *Communism in the American Labor Movement*, published in Senate Document No. 14, which the United Mine Workers released 20 years ago. At that time they realized that communism was destroying the morale of labor, and to protect themselves they complained to Congress, asking for help, but Congress paid no attention to their complaint.

It is well to bear in mind those who were in control of the German military and civil government until 1930, for it was these people and the military government of Germany that sponsored the Kerensky, Lenin, and Trotsky revolution in Russia, and, to make it more interesting, I quote this letter:

STOCKHOLM, September 21, 1917.

TO MR. RAFAEL SCHOLAN,

Haparanda.

DEAR COMRADE: The banking house of M. Warburg opened an account for the enterprise of Comrade Trotsky, upon receipt of a telegram from the chairman of the Rhein-Westphalian Syndicate. A lawyer, probably Mr. Kestroff, obtained ammunition and organized the transportation of same, together with that of the money, to Lulea and Vardo. In form the firm of Essen & Son, Lulea, as to the consignees and the confidential persons to whom the sum demanded by Comrade Trotsky is to be handed.

Fraternal greetings,

FURSTENBERG.

This is another interesting report, which in itself is sufficient evidence that bolshevism or communism should have been cared for a long time ago.

#### PRO JUSTITIA

In the year 1918, August 10, Jules Lenche, inspector of the military secret service, duly sworn in before the president of the military court, received the following declaration from the man named Edmond Birenweig: Born at Tomachof (Russian Poland) on December 23, 1885, son of Ladislav and of Salome Rotbam (Russians), soldier in the armored machine-gun automobiles (Russian corps) of the Belgian Army, at the present time at Eu, soldier in question being on leave in Paris at 45 Rue de Sevre, made the following declaration in French:

"At the time of my passage through New York, when coming back from Russia, in June 1918, I met Furstenberg, so-called Genetsky, a Russian subject, who founded in Copenhagen, Oestergade, a concern of exportation and importation from Germany to Russia, which concern was founded toward the end of 1918. In reality this concern was nothing more than a bureau of German espionage.

"In March 1917 Furstenberg took a very active part in defeatist propaganda in Russia. He sent important sums of money to the future Bolshevik ministers, these sums ran into millions. I had the opportunity of seeing at Petrograd, facsimile of letters accrediting Furstenberg to banks in Copenhagen, Stockholm, and Christiania, but I cannot recall the text of these letters which were signed by German diplomats and military men.

"The same Furstenberg, with his friend Radek, alias, very well-known Austrian, whose real name is Sobelson, a newspaper man, took a very active part in the treaty of peace at Brest-Litovsk.

"My statements are made mostly to place the authorities of the Entente on their guard against the man named Furstenberg, whom it is certain never went to New York just for pleasure, but very likely to continue the work begun by him in Copenhagen.

"I obtained that impression from what follows:

"At the time of my mission in Siberia, I learned from an absolutely reliable source that in certain Bolshevik circles, they had taken a resolution to send secret missions to the countries of the Entente to impair or blow up the factories working for the national defense, and to use any other means possible to shake this defense.

"I must add that the Bolsheviks dispose of a lot of money as well as passports, Swedish and other neutral passports, to be used in the above-mentioned missions.

"As you know, I was part of the detachment of armored automobiles which was sent to Russia; knowing the latter country perfectly, I was sent there out of preference, and was able to obtain first-hand information. I may add that by order of the commander in chief of the Eleventh Army (Russian), and with the consent of my commandant, Maj. E. M. Semet, I was appointed as part of the committee of the army, upon the recommendation of Savinkof and other friends of General Korniloff, for the purpose of fighting defeatism.

"The orders authorizing me to be part of this committee were No. 608, of the general staff of the Eleventh Russian Army, and No. 2544 of the general staff of the First Corps De La Gards.

"At the time war was declared, Furstenberg was located at Cracovie (Austria). All the Russians who happened to be there,

and who refused to serve in the Russian legions, I ought to say Polish, in order to fight against Russia, were arrested. Furstenberg was left at liberty and could go about freely and even go to other countries, when no one else had the right to move, even in the interior of the country.

"The man whom Furstenberg works under is no other than Parvus, a notorious German agent.

"BIRENWEIG, E. C.  
"LONCKE."

The noncommissioned officer Edmond Birenweig states that he made the same declarations in New York at the time of his passage through the latter-named town to Mr. Finck, of the Department of Justice of New York, as well as to Lt. Count d'Aspramont, attached to General de Selliers de Moranville.

I can very well understand why Mrs. Eleanor Roosevelt and other staunch Americans go astray in this planned confusion; however, for a better understanding of the insidious evil in communism, I shall now quote from Foundations of Leninism:

This is what Lenin, paraphrasing the well-known theses of Marx and Engels on insurrection, says about this condition of the strategic utilization of the forces of the revolution:

"Never play at uprising, but once it is begun, remember firmly that you have to go to the very end. \* \* \* It is necessary to gather a great preponderance of forces in a decisive place at a decisive moment, else the enemy, being in a position of better preparation and organization, will annihilate the insurgents. \* \* \* Once the uprising has begun, one must act with the greatest decisiveness, one must take the offensive, absolutely, and under all circumstances. 'Defense is the death of an armed uprising.' One must strive to take the enemy by surprise, to take advantage of a moment when his troops are scattered. \* \* \* One must try daily for at least small successes—one may even say hourly, when it is a question of one city—thus maintaining under all circumstances a 'moral superiority.'" Collected Works, vol. XXI, book II, pages 97-98.

Second. The selection of the moment for striking the decisive blow, the moment for initiating the insurrection so timed as to coincide with the moment when the crisis has attained its highest pitch, when the preparedness of the vanguard to fight it out to the end, the preparedness of the reserves to support the vanguard and when the maximum consternation in the ranks of the enemy are evident.

"The decisive battle," says Lenin, "may be deemed to be fully matured when 'all the class forces hostile to us have become sufficiently confused, are sufficiently at loggerheads with each other, have sufficiently weakened themselves in a struggle beyond their capacities'; when 'all the vacillating, wavering, unstable, intermediate elements—the petty bourgeoisie—have sufficiently exposed themselves before the people and have sufficiently disgraced themselves through their practical bankruptcy'; when 'among the proletariat a mass mood in favor of supporting the most determined, unreservedly bold, revolutionary action against the bourgeoisie has arisen and begins to grow powerfully. Then, indeed, revolution is ripe; then, indeed, if we have correctly gaged all the conditions outlined above and if we have correctly chosen the moment, our victory is assured.'" (Left-Wing Communist, p. 74.)

I have up to this point attempted to show that communism is not new but is instead old and well-developed in Russia, where the first revolution took place, that cost the lives of seven in the royal family and thousands of the so-called intelligentsia. We know, of course, those who were active in this revolution, but the real criminals are those who furnished the money to promote the Russian revolution and the spread of communism throughout the world.

I quote again from the article by Mrs. Roosevelt:

Let's fight realities with all we have. Let's fight for our democracy and our Bill of Rights; and wherever we find things in which we do not believe, let's be free to express ourselves; but let us pray not to be dominated by fears or disturbed by nightmares.

I can only say in reply to this that when we are fighting communism we are engaged with stark realities which are more destructive than war. I do believe in freedom of expression, but certainly not when it is in defense of communism and other anti-American philosophies.

The Bill of Rights was never drafted to allow free expression to those who are directly engaged in the destruction of our Government, and to tolerate a communistic political ticket is an insult to the founders of this Republic. It is all right for the Russians to fight for their own democracy; and I say let them have it. Let us fight so that these United States may survive and so that we and our posterity may enjoy the blessings of liberty.

## Dedication of Building at Suomi College, Hancock, Mich.

### EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

ADDRESS BY HON. FRANK E. HOOK, OF MICHIGAN, DECEMBER 17, 1939

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the dedication of a new building at Suomi College, Hancock, Mich., on December 17, 1939:

I take pleasure in sharing the celebration of Suomi College at the dedication of its new building. Education in this State, and in America generally, owes an untold debt to the groups of men and women who have established schools and colleges dedicated to the teaching of youth, to raising the standards of culture and to maintaining the traditions of their forefathers in the development of their ideals. Suomi College is itself a notable product of the passionate devotion which Americans, often of foreign ancestry and background, have shown toward the new country in which they have made their homes and to which they have contributed so much.

It is particularly fitting that we here take note of the fact that Suomi College owed its impetus as it owed its name to one of the most valiant race groups of the world—the Finnish people. In good times and in bad, Finland has provided the world with a living example of what can be done by steadfast courage inspired by patriotic devotion. It has always been true; and never more so than today, when Finland appears as the champion of the civilization of the world against ruthless and barbaric oppression.

I take pleasure in remembering that the United States has consistently espoused the cause of Finland. At the close of the World War in 1919, under the administration of a Democratic President, Mr. Wilson, the United States was the moving force in requesting and obtaining the recognition of the independence of Finland, which had, after a heroic struggle, reestablished its government. Finland had suffered a temporary period of invasion and eclipse, and fighting against stupendous odds, had re-emerged. I am glad to think that American assistance aided the new government; and that American initiative brought it again into the family of nations, where it has every right to remain.

During the 12 years which followed, the United States Government, in my judgment, paid far too little attention to the achievements of this resolute country. Though it had been devastated by the Russian Revolution, the Finnish Government undertook the task of rebuilding and in a few short years had created a nation whose achievements were the admiration of Europe. She rebuilt her capital; provided her country with roads; set up schools; developed her resources. She gave to the world its greatest living musician, Sibelius. Still more, she gave to the world an outstanding example of honor and honesty, and alone among the European nations, recognized the aid which she had received from the Wilson administration in the form of loans, and undertook payment of her debts.

I am glad that I was among the first to have recognized the importance of American relations with Finland. During my first term in Congress, I discovered that the American legation in Finland was so little regarded that it was given quarters over a local store in Helsinki. I introduced and secured the passage of the law which provided the present legation of the United States in Finland, so that our contacts with the Finnish Government should be worthily, decently represented.

Now Finland is once more invaded. There are those who say that we ought not to interest ourselves in European affairs. Only 6 weeks ago these men were arguing that the invasion of Poland, like the present attempt to crush Finland, should be no part of the concern of the United States. I cannot see it that way. When honor and courage are crushed, American life suffers. It is properly a matter for our concern when these things happen.

In my judgment, empty words of sympathy are not enough. Active measures for the assistance of Finland can be taken, and I believe should be taken. My friendship toward the country of Finland, the Finnish people, and the principles for which they stand are well known not only in my district but throughout the United States. I made that plain many times and especially in 1935 when I brought before the people of this Nation the part played by the Finnish people and their ancestors in the development of the United States and democratic principles for the world. My feeling against communism and communistic Russia and in



favor of Finland and democratic principles was such that I addressed a letter to the President of the United States and the Secretary of State asking that all diplomatic relations with Russia be abandoned at this time. I have discussed this situation with men of high authority in the United States Government and the question arises whether or not we would be in a better position to do what is needed for more effective action by retaining our Ambassador rather than to withdraw him from Russia. It is the contention that he is needed there so that he may express to the Russians what we really think about the action of their Government in the barbaric invasion of Finland. It has been further argued that if we allow our Ambassador to remain in Russia we would be in a better position to speak in behalf of Finland in case of a peace offer. There are others also who felt upon the invasion of Finland that the best thing to do would be to withdraw our Ambassador from Moscow, and thereby indicate our displeasure to Russia. I confess that this is a very debatable question. It is being given very serious and thoughtful consideration by the Government officials and I am sure that because of the friendliness of President Roosevelt and the administration toward Finland, after cool and deliberate consideration they will decide on a course of action which will be in the best interest of all concerned.

The first aid we can give is financial. President Roosevelt has already outlined a measure which will make it unnecessary for Finland to continue paying installments on her debt. We honor her and her probity; we will not ask sacrifices of her on our debts when both common sense and generosity indicate that she should use her resources in preserving her national independence. She has honorably paid us an installment of her debt on the 15th of December; and arrangements are already being made to return that payment to her as soon as the Congress meets. I propose to support that arrangement and introduce legislation concerning past payments of the debt and interest on the debt.

In like manner I have urged, and we have been able to work out, a credit of \$10,000,000 to Finland, with which food and supplies for her population may be purchased in this country and shipped to Finland, so that her people may not be in want while her soldiers are holding off invaders. I am glad to say that as the situation now stands, there is every reason to believe that these supplies will be able to reach Finland.

In addition to that, there is every need for relief work of all kinds to alleviate and, if possible, repair the misery that is caused by the invading armies. Already a Finnish relief group has been founded, and the Government in Washington has lent full assistance to the Finnish authorities in assisting that work. The generosity of Americans may properly be called upon in this endeavor; and Americans are recognizing the obligation.

If practicable, we should make available to Finland supplies of arms, ammunition, and war material. I do not agree with those who would place an embargo on such shipments from the United States, and so put every peaceful and peace-loving nation at a disadvantage when it is attacked by a warlike and imperialistic nation.

This is a practicable, solid, and intelligent program which we have worked out in Washington for the aid of Finland. Some of it is already done; the rest will be done. I believe that I can count on the support of all of you in advocating these measures.

While we are doing this it is important that we shall not lose sight of the effects of communistic imperialism which this conflict necessarily has on our own thought and our own lives. It is freely said in some quarters that the United States ought to go into some violent measures of repression; that it ought to try to control thought, to limit freedom of speech, and to circumscribe the free instruction in our schools. Frequently this is advocated as a means of combating communism in schools and colleges. I should like here, and at this time, to say a word about that.

We shall never beat Russian Communism by surrendering to its worst qualities. We shall not drive oppression out of the world by becoming oppressors. Our social and economic system needs continuous improvement; and the need for that improvement was recognized by the Finnish group which founded the College whose guests we are today. If we are going to make those continuous advances which are necessary to prevent Communist or Fascist, or other adventurers from endeavoring to make capital out of misery; we must freely study and freely examine all ideas and methods of social progress. Colleges are the very places where that examination ought to take place. Theories which are studied in academic circles are modified, tested, or discarded by that study; and those results, when they are made available to practical life, are still further winnowed and threshed over by the practical men who must guide the course of events. I have so great a faith in American youth that I do not take seriously loose charges that American institutions of learning are likely to teach anti-American doctrine. Prudence is required in academic life, as in any other; but the spirit of our institutions and the history of our country have shown that we do not need to resort to secret police measures, to violation of civil liberties, or to repressive and oppressive measures, fearing lest some idea will break up the American system. All we need ask of teachers and students is loyalty to the American ideal of free men, freely deciding their free lives.

No better illustration of the wisdom of that course exists in the world today than that of Finland. Maintaining free government and free institutions, keeping itself clear of suppression, it has produced a state within whose borders the quality of loyalty and

courage is unexcelled; it has become a beacon light in a dark world crisis.

This, in my view, is the inspiration we may draw from this college, and the hope we may take at the dedication of a new unit of this school. This is a symbol of America with its ideal of free education and free thought; with its sympathy and admiration for a gallantry in peace and in defense; with its rejection of selfish isolationism or narrow nationalism; with its constant search for the truth that over the centuries has made men free.

## Security and Democracy

### EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

ADDRESS BY GOV. RALPH L. CARR, OF COLORADO

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Gov. Ralph L. Carr, of Colorado, at the Newark Advertising Club dinner on October 19, 1939:

On behalf of the people of the State of Colorado, to whom I feel that this bronze impression of the great seal of the State of New Jersey is really given, I thank you.

With feelings of deepest gratitude, I acknowledge this as a symbol of the many good things which have already flown into our great mountain country from New Jersey through the efforts of one of America's most illustrious sons, the late Thomas Alva Edison.

May I say to you, Mr. Stringfellow, as a member of the organization which Mr. Edison founded and which is continuing to carry on his work in bringing light and happiness to the world, that I am honored in being permitted to participate in the movement to commemorate his birthday by national observance.

To Governor Moore, may I acknowledge my gratitude for this gift and say that it has already become dear to me and to my people because of the manifold agencies and activities which have brought it about. It stands first as a recognition of the greatness of Thomas Alva Edison. It symbolizes the accomplishments of today in your State, in his name, and in his memory. It bespeaks all the activities of New Jersey and her citizens which have placed her among the greatest in the sisterhood of States. It is the immediate handiwork of the Disabled War Veterans in their arts and crafts shop under the direction of Maj. George Geiger. And finally, it betokens the leadership and generosity of a great chief executive of New Jersey.

You have said that as the result of Mr. Edison's activities, most of the minerals dug from the mountains of Colorado have found a market. All too well do we realize this. But the sale of our products and the development of our mining resources is as nothing compared to the benefits which our people have enjoyed from his inventions and aids to living.

The world joins me tonight in acknowledging our debt to your beloved citizen. Through his efforts the lives of millions of people have been brightened. As Christopher Columbus discovered just one world of material blessings and possibilities, so did Thomas Alva Edison discover and make available to mankind a whole series of new and brighter and better worlds. As the poet who gives us new views of life's beautiful things through combinations of expressive words, as the musician brings pleasure and entertainment by the composition of old notes into new themes, as the original thinker in every line discloses new ideas for the enlightenment of his fellows, even so did Thomas Alva Edison, with a soul which included those of the poet, the musician, the dreamer, and the discoverer, navigate the uncharted ocean of physical science and his discoveries and disclosures become perhaps the world's greatest single benefactor.

To receive this seal, under these conditions and in this place, is an honor which I shall ever cherish. I shall carry back to the western mountains, which I call home, the sweet memory of this wonderful night and of its meaning to Colorado.

This reference to Mr. Edison and his glorious story of accomplishments furnishes me with the theme for my statement tonight.

A committee of university men and women came into my office one day last spring to protest against a rumored decrease in the amount of money to be allocated from State funds for the support of their school. In the fear that certain officials charged with the distribution of public revenues were planning to curtail the activities of institutions of higher learning in Colorado to the disadvantage of the respective student bodies, my visitors had been delegated to present the case of their kind and to prevent the anticipated injury.

Their spokesman, a keen, clear-eyed, straight-shooting lad of about 22, opened his statement with the suggestion that the university men and women of this generation are facing a world filled with unpleasant problems which are not of their making. He then made out a good case for his clients with an array of facts that could not be denied.

When he reached this point in his presentation, I interrupted to ask to be permitted to finish his complaint. I then told him and his colleagues that he was about to say that the youth of today cannot be expected to revere the institutions which their elders have developed and that the young men and women who are going to be called upon to shoulder the responsibilities which preceding generations have incurred, are not being given a fair start.

Briefly, I told them that their leader was about to announce that the thinking men and women who will be graduated from the colleges and universities of America in the next few years, will be justified in following new theories of government and social conduct since they are being asked to assume an unfair share of life's burdens. I was obliged to admit that things are in a somewhat discouraging state. I was forced to concede that the doers of yesteryear and today had not been altogether successful in solving all the problems of business, of society, and of life. It is true that their fathers and grandfathers have left many great questions unanswered.

When the picture was painted, it was far from rosy. But the interview did not close then. They were asked to hear another side of the story. Briefly, the answer given to those thinking youngsters is the one which I would like to present here to the members of this great organization with our country facing a crisis.

It is true that the world is in the throes of social, economic, and political unrest. As the result of a series of factors, civilization is torn by confusion and strife. In many places the blood of human beings is reddening the soil of their homelands. In our own country, which was dedicated to peace and brotherhood, and the betterment of mankind by its founders, economic and social questions have arisen which threaten temporarily to retard the march of America toward the heights. Millions of jobless, hungry men, women, and children are looking to governmental cupboards for the barest essentials of life. Factory wheels are not turning, and money is fearfully seeking security in the usual hiding places where this timidiest of man-made creations stagnates in time of anxiety. There is a lot of blue paint on the canvas.

But this is not the true or permanent picture. Those things which point to poverty, and defeat, and failure, and discouragement are false guides—they are merely the shadows which furnish the background; they are the challenges which are presented to the courageous and the intelligent. They are merely the unpleasant factors which spur the ambitious and the stout-hearted to action. They are the necessities which mother inventions.

The obstacles in the path of economic progress at the present time seem to be many and great. To the faint-hearted they are insurmountable. But to the man with confidence in the lessons of history, with faith in the American theory of government, and who is inspired by ever-present proofs of the goodness of the Creator of the universe, this is not the time for hand-wringing or tears.

The good things which the world enjoys today were won only because poverty, and need, and danger, and ambition, and a series of other stimulating factors aroused men and women of brains and energy and courage to rise above their problems and to blaze the way for posterity.

Man's growth is measured by the problems which he meets and overcomes. If the next generation is confronted by issues which are greater and more complicated than those which their forefathers met, then youth should count itself fortunate. It is doubly blessed—first, by the very necessity for rising to greater heights than its predecessors, and second, by the heritage of experience and equipment which the past has placed in its hands.

The man who can reach the Rocky Mountains by plane over the same route which once required 6 months by ox train, should do a faster job than the covered-wagon owner. The man who gets his facts the hour they happen by wire or wireless from the far corners of the world, should arrive at quicker, more intelligent conclusions than the businessman and the official who used to operate on advices which traveled on clipper ships. The man who has all the facilities for living, working, and thinking more efficiently and clearly, by reason of the things which have been wrought through the ages by scientists, inventors, thinkers, and writers, should be an abler man than his father. If he isn't, then in some measure at least, he is a failure.

Civilization can evolve no question which man is unable to answer. The method of solution parallels the presentation of the problem.

In this country with the examples furnished by the errors and mistakes of Europe to save us from disaster, we look for a solution, and we find it in the fact that there is a method of human conduct which has come to be known as the American way.

Out of the lessons gleaned from centuries of toil and conflict and progress in the Old World, there was framed at Philadelphia in the summer months of 1787 a written enunciation of human rights which has weathered every storm which has gathered in more than a hundred and fifty years of development, both domestic and from without.

The American system is based upon the theory of equality of opportunity. While there are those who in the past few years have cheered for the passing of the rugged individualist, we must, ultimately, after trying out every other new-fangled theory, return to the conviction that our Government has been built upon the doctrine that the individual, and not the State, is supreme. This Nation has achieved greatness upon the idea that each man may do as he pleases, attain any goal toward which he sets his eyes, and enjoy the results of his own efforts, provided only that he does not injure his fellows.

The certainty that effort will be rewarded is the lure which has induced individuals to go forward in the struggle to become better and bigger. And that, in turn, is the thing which has developed this Nation. An Edison would have developed only in such an atmosphere of freedom. An ordered process which permits of competition while it fosters and protects the interests and rights of all alike, accounts for our present position in the sun. In the past few years, competition has come to be confused with the theory of the survival of the fittest. In the American sense, it means really the paralleling of cooperative effort with rewards going to the diligent and persistent. It involves the right to attain and to enjoy the fruits of one's labors.

While all men are born equal politically, the world has long since discarded such a yardstick in measuring the abilities and capacities of humankind. It rates as outstanding the man with the brains to convert a few strands of wire, a glassed-in vacuum, and an electric spark into an agency which turns night into day. The utilization of the combustion engine in an awkward bird-like house which leaps clear across the American continent with a score of persons in less than a day is an accomplishment.

There are workers and drones, brainy men and dullards. There are those who originate and others who merely absorb. The American system recognizes the doer, but places upon him the limitation that he may use his works only for the benefit of himself and his neighbor, and never to the disadvantage of another. It is only when this law is transgressed that suffering and strife are born. Our major problem is to minimize the violations and to attempt to erase inequalities.

The future holds for the youth of America the opportunity to meet the greatest problems that have ever confronted any generation. The idle muscle does not develop, and the unused talent decays. Men and women do not develop character when all their needs are supplied. No military leader ever attained greatness on the parade ground; no champion was ever crowned who did not first meet and overcome competition.

The chance to face the issues of business and political life today is a privilege which we should welcome. To be permitted to participate in the struggle to return this Nation to the place where poverty, unemployment, and need will lose their importance, and plenty and industry and happiness will attain the ascendancy is an opportunity for which we should be grateful.

When a friend told me a few years ago in a fit of despondency over what he considered the loss of our national perspective, that he was sorry that he lived to see the day, I told him that I considered myself one of the most favored of human beings; that I prayed that I might be fortunate enough to live through the next 25 or 35 years in order that I might view the approaching panorama of world events. History is in the making during every passing hour.

And finally, let us remember these things are not of man's invention. The humble Carpenter who went about among the hills and villages of Galilee 19 centuries ago gave us the key to the riddle of the universe. The lessons which He taught those simple folk in His walks and talks are the basis and the structure of the American system. The Constitution of the United States is the practical application of the Golden Rule to the business of life. The Sermon on the Mount contains the answer to every man-made problem. It is the inspiration and the guide to nations and to man. It is the hope of democracy.

## Annual Meeting of National Association of Manufacturers

### EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA,  
DECEMBER 8, 1939

Mr. WALSH. Mr. President, on December 8, 1939, the Senator from Montana [Mr. WHEELER] delivered an address in New York City at the annual meeting of the National Association of Manufacturers. I ask that the address may



be printed in the Appendix of the RECORD as part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Coonly, ladies, and gentlemen, I thank you and return to all of you a most cordial greeting. There is sincerity in your president's introduction, matched only by the warmth of your reception. I am fully mindful of the national interest in what is said at this important annual dinner of the leaders of American industry.

Your invitation to speak here tonight was accepted because I could not shirk a responsibility. The attendant circumstances are quite obvious. You men control the tremendous part of this Nation's economic structure that we call American industry. I come from the great agricultural and mining State of Montana, and its people, of very moderate means, have sent me as their Representative to the United States Senate. You are charged, among other things, with being ultraconservative on public questions. I am known as a liberal and often charged with being a radical—or something worse. So we start evenly.

This Nation of ours faces a grave crisis, perhaps the most threatening in our history. The country that gives us all an opportunity, the country that gave you your chance to become a leader in industry, the country that gave me the privilege to sit in the greatest deliberative body in the world, needs our best. There is a common call, a sacred summons, and you and your associates, and I and my friends, regardless of our label or views, must respond. We must answer not as industrialists, not as legislators representing one State or any group, not as Democrats or Republicans, not as liberals or conservatives, but as American citizens interested in the welfare of 130,000,000 of our fellow men.

You take pride in being practical businessmen. And I in my way, with my liberal viewpoint, want to be practical. We have a definite and realistic task before us. Let the dreamers and the publicized intellectuals enjoy any and all flights of fancy. But let us, with our feet on the ground, examine that which faces us. Let us analyze it as you would a production or sales problem, and as I would an issue before the Senate Committee on Interstate Commerce.

Foremost in our minds today is the war situation. The United States must keep out of war. Regardless of so-called scientific polls, I refuse to believe that even a small percentage of the American people think we should become involved in any foreign conflict. I am convinced it is the current determination of President Roosevelt, the Congress, and the American people to avoid war. I voted against repeal of the arms embargo, but I believe those who voted for repeal are equally determined that the United States remain at peace.

We must insure this same sentiment in the executive branch of our Government, in the Congress, and everywhere in the Nation—not only now but it must follow the elections of 1940, 1942, 1944, and all those to come. No one need tell me that business leaders do not want war. I have respect for your good common sense. We must maintain our present sense of balance and our intelligence, regardless of any incident or series of incidents which might arouse our emotions, as in 1915 and 1916.

Recognizing our unity of purpose in avoiding war and accepting your declarations against it, let us turn to the domestic picture. Far more threatening to democracy and to this republic than any mad European dictator are the unsolved economic problems of the United States.

From the dawn of civilization and from the time that man has recorded events the No. 1 economic problem facing industry and the world has been one of production—man wanted and needed more goods and more services than were generally available. You have spent millions in research laboratories. You have devoted endless hours to study and thought. You have experimented at heavy cost. You have concentrated your energies on production, and to your everlasting credit you found its answer. You developed an industrial system of production which has made the luxuries of 50 years ago the virtual necessities of life today. Low unit cost has made it possible for 30,000,000 Americans to have pleasure cars, for 10,000,000 of us to spend \$3,000,000 a day to see motion pictures; and in over 80 percent of the 27,000,000 homes in the United States we find radios that bring to us the latest national and world events, music, drama, and entertainment. Refrigeration is obtained by pressing a button and at less expense than the old ice box. You have produced in this country a higher per capita income than any other national economy enjoys.

All of these benefits for mankind because of your industrial genius—all of this because you planned intelligently and risked wisely. It could have happened only in a democracy.

With mass production and abundance there came problems—economic and social difficulties of an almost Frankenstein character. Some have denounced this undeniable progress—this machine age—but retrogression is no solution. Who would today trade incandescent light for the candle and open hearth? These evolutionary problems must be met with the same sanity, with the same reason, and with the same energy which solved the problem of food, clothing, and shelter.

Why do granaries bulge when people are hungry? Why are bales of cotton piled higher and higher when people lack clothing? Why do workers walk the street when we need more adequate housing facilities? What has created the paradox of want amid

plenty? What is it that leads man to destroy wealth—to create wealth? These economic riddles came with mass production—and they will go with mass consumption.

The problem of consumption has become the No. 1 problem of the twentieth century, and its solution lies basically with two great underprivileged segments of American society—the farmer and the unemployed.

It is my deliberate opinion that the unemployment and farm problems must be solved before this Nation can prosper—before we will know economic normalcy. Agriculture, with its 30,000,000, and the nearly 10,000,000 who lack real jobs must be given an opportunity to consume not only the necessities but also some of the luxuries of life.

Too many of us have for too long regarded the farm problem as some nebulous affair—one that did not directly affect industry. Such is not the case—and enlightened industrialists recognize this more and more clearly. The farm problem is at once an economic, a political, and a social problem of the first magnitude. Its continued presence constitutes an indictment of the intelligence of the American people, when administration after administration—Republican and Democratic—have failed in its solution.

The farmers cannot solve the farm problem. They are too individualistic to cooperate as have great business organizations. The politicians have not and cannot solve it.

Coldly and analytically the farm problem is industry's greatest sales problem.

Intelligent selfishness makes it necessary for you to devote yourself to it—to attack agricultural underconsumption with the same vigor, with the same energy, and with the same application of your resources that you did production. Treat it as it should be treated—as a sales problem.

The Government of the United States has recently appropriated money for the establishment of agricultural laboratories to study new uses for surplus farm products. Industry already has great laboratories manned by the best technicians; why shouldn't their work supplement Government research; or, better, why don't you as individuals or as an organization let the Government supplement a great constructive service by you? Here is a great field for industry, one in which neither the farmer nor the politician can act effectively, but one in which you could render a great public service. Solve it and the wheels of industry will hum the tune of national prosperity.

You make the mistake of overemphasizing your sales and merchandising activities on the assumption that shrinking patronage can be bolstered through redoubled sales effort. As a matter of fact, I believe you have the cart before the horse.

You do not need to high pressure John Jones into buying a new automobile; he would like to have a 1940 model. You don't have to high pressure him into buying new clothes or more food or even a new home; he wants them all. His wife wants a new refrigerator for her kitchen.

John Jones and his wife and 40,000,000 others lack the means to buy goods with which our markets bulge. Industry has created the demand, but neither government nor business has provided the necessary purchasing power.

This country is neither exhausted economically nor inefficient industrially. On the contrary, we are rich in men, money, and machines. You have created a potential market. But until you have also helped provide the means whereby this potential market becomes an actual market, the job is only half done. Your energies must be devoted to finding ways to give the farmers and the worker—a great consuming public—the purchasing power that will keep your factories running, not at 50 percent or 58 percent but at 100 percent all the time.

The unemployed, like the farmer, represent a sales problem for you. Any industrial center will have abnormal unemployment when the farmer lacks purchasing power. There are other factors that create unemployment, but certainly when over a fourth of our population cannot buy the products of labor, unemployment is accentuated.

It is to our best interest that those who want work can find gainful employment. Either private industry must employ them or the Government will. The taxes to do this will be imposed upon business. This will be true regardless of the administration in power. No democracy can long endure when large numbers of its people are in want. To keep them on a Government dole will destroy the moral fiber of any race. Starving, denial, and depression have accentuated the quest of the individual for a better country in which to live. The people are demanding this. I would not charge private enterprise with the sole responsibility for economic and social stability. But there are those who do—and people lacking the necessities of life are not given to wisdom and moderation. They become extremists. They turn against government as well as business. If the conflict continues over a long period of time, both sides forget their stake in democracy and turn to dictators of one kind or another.

Business has a real investment in democracy, a heavy investment, and one that must be protected. Protected because only under a democratic form of government does the competitive system exist, and, conversely, if you destroy competition you destroy democracy. Do not be misled. From Switzerland, not many days past, came the story of a twice disillusioned businessman, one who did not have the strength to live as a democrat. There are many like him. They heard the promises of the dictator. He would smash all labor unions. He would protect them from the labor leader. He would control all markets, fix all prices, and reduce

business costs. A dictator does all that. Organized labor is destroyed; markets are controlled; prices are fixed; costs are reduced; and profits are greater. But the profits are not for business; they are pocketed by the dictator.

But this industrialist, first disillusioned by democracy, then disillusioned by the system which with his aid replaced democracy, is a wiser refugee. His story is an old one—individual and free enterprise can exist only in a democracy.

The emphasis which I have placed upon the investment of business in democracy might lead some to believe that government does not share that responsibility. Such a thought should be dispelled. Our Government is a part of our country's social and economic life. It cannot and will not withdraw.

A democracy that fails to provide the essentials of human dignity for its people is not worthy of the name. The social reforms that have been inaugurated by this administration have my hearty approval. I believe in old-age pensions, unemployment compensation, aid to children, and assistance for the blind. I likewise feel that programs designed to furnish educational or other opportunities for the youth of the Nation are highly meritorious.

Statistics indicate that well over 3,000,000 young men and women under the age of 24 lack employment. Such a condition is a challenge to industry—but it is more of a challenge to democracy. With industry facing either a potential or actual shortage of skilled workers it would seem practical for you to inaugurate a system of training or apprenticeship for this American youth. If industry does not, again government must, and you will pay the bill. You could do it more efficiently, with less politics and with better results for the youth. Why not undertake it?

Industry in retrospect will recognize the benefits that have accrued even to them in some of the programs of economic reform. Long-delayed and sorely needed action has been taken by Government during the past 7 or 8 years. The regulation of our security markets, the stabilization of our banking system, the use of Government credit when private credit was unavailable—all of these have my support.

Progressive legislation, carefully drafted, openly debated, and competently administered but strengthens democracy. Some recent legislation has been subjected to the most bitter denunciation. Divergent labor groups and industry have sharply criticized the National Labor Relations Act and its administration. Congress is now studying this, and I have no doubt but that corrective steps will be taken. Public opinion in a democracy, sooner or later, furnishes protection from bad laws and inefficient executives.

The hour has come when we must stop, look, and listen. We must reinforce our much advanced position in the battle of economic and social reform. The effects of existing legislation and its operation is being carefully studied by the public much more carefully than the zealot contemplates. Every intelligent businessman realizes we must have reforms to meet changing conditions—but reforms must be constructive and not destructive. They should always be within the framework of free government.

In national affairs the functions of government and the functions of business can never be irrevocably separated. An unswerving line cannot be drawn where the legitimate activities of government end and those of business begin. A growing economy is productive of new problems—and new problems require new solutions. A dynamic economy makes impossible the complete stability of the relationship between government and business.

But business seeks the greatest possible degree of stability. Business plans for tomorrow must be projected today. Shifting economic philosophies reflected in legislative enactments makes difficult, if not impossible, such planning by business. Statutes construed and manipulated by overzealous administrators creates an uncertainty more feared by business than drastic, though specific legislation.

As you fear uncertainty so do you fear new taxes. I do not believe that you businessmen will protest taxation necessary to produce revenue for the legitimate activities of government or for the alleviation of human misery. The American people and the American businessmen do object, and with great justification, to waste and extravagance of public funds by Government officials. I am not an expert on taxation. Able Under Secretary of the Treasury John W. Hanes is devoting himself to the tax problem. The results of his study and his recommendations are awaited by everyone in and out of government. I have not served on a committee charged with consideration of tax bills. But it is a well-recognized principle of economics that taxation can reach a point beyond which it produces less for government and is destructive to industry. No government can spend more than its income over a considerable length of time without coming face to face with bankruptcy. And it should never be forgotten that financial bankruptcy is the first and most direct step to political bankruptcy—to dictatorship. A dictator is but the receiver of a bankrupt nation. Let us, of course, realize the periods of national emergency, such as we have been experiencing, puts the possibility of a balanced Budget beyond the power of either a liberal or a conservative administration. We all want lower taxes—we would all like to pay less for government. Every thinking person realizes that every effort should be made to balance our National Budget. The present Congress of the United States is aiming in that direction.

Democracy is an enterprise in which government and business are partners. Of course there are other large stockholders—labor, agriculture, and the public—partners all possessed of a vital interest in making democracy work. But no partnership can be successful, no such venture can long endure unless there is cooperation between

the interested parties. It is the patriotic duty of business to cooperate with government. And it is likewise the duty of government to cooperate with business. There is no disposition on the part of Congress to strangle or thwart business. Members of Congress are sincere and determined to aid honest business. If prosperity results from cooperation by business, government, and labor, there would be more revenue from taxes for government, more profits for business, more work and better wages for labor, more markets and better prices for the farmer, and more security for the public.

In the spirit of constructive cooperation we must face the future of America with confidence. Our problems are many but our opportunities are great. We have the richest, freest country in the world. We are not engaged in a bloody conflict to preserve these riches and this freedom. Together we can solve our problems. United we can face the world with a nation so strong and so free that no nation or group of nations would harbor even a thought of interference with us. Our destiny would be obvious. We would ever remain a sanctuary for democracy, peace, and civilization.

## One Hundredth Anniversary of Virginia Military Institute

### EXTENSION OF REMARKS

OF

HON. CARTER GLASS

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY THE PRESIDENT

Mr. GLASS. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD the address of the President of the United States on the occasion of the one hundredth anniversary of the founding of Virginia Military Institute.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

General Kilbourne, friends of Virginia Military Institute, it gives me peculiar pleasure to participate in this observance of the one hundredth anniversary of the founding of Virginia Military Institute. I very deeply regret that I cannot carry out my hope and expectation of being with you in person, but I know you will understand my difficulty of being away from Washington at this trying time and also my desire to attend the already historic simple ceremony at the Tomb of the Unknown Soldier at Arlington.

We, as a nation, like Virginia Military Institute, are determined to pursue our way within the Scriptural command not to "remove the ancient landmarks which thy fathers have set"; and, like our ancestors, we work for peace, we pray for peace, and we arm for peace.

The whole history of Virginia Military Institute is a triumphant chronicle of the part which the citizen soldier can play in a democracy. Virginia Military Institute bears eloquent witness to the necessity for institutions of learning which, while adhering to the primary purpose of preparing men for work in the arts and sciences, have also a byproduct in their military-training system. We need today, as we have always needed, and always shall need, citizens trained in the art of military defense. By no other means can we hope to maintain and perpetuate the democratic form of constitutional representative government.

On this account I greet Virginia Military Institute as it celebrates the one hundredth anniversary of its beginning, and what associations come to mind as we commemorate this anniversary. We remember among countless others that the immortal name of "Stonewall" Jackson is part of the imperishable heritage of Virginia Military Institute, and we honor not less the town of Lexington as the resting place of that superb soldier and his dauntless chief, that knightly figure without reproach and without fear, another of the great commanders of history, Robert E. Lee.

There is nothing inconsistent in saying a word about peace at this anniversary of a great school of arms. In our history the two have always had a connection. We have never had the illusion that peace and freedom could be based on weakness.

Jackson and Lee, famous for their military courage, never lost sight of the fact that the only legitimate aim of armed force was to restore civil peace, in which armed force would no longer be needed.

The only object of arms is to bring about a condition in which quiet peace under liberty can endure. It is fitting to remember this today. In this season we have been used to celebrating the anniversary of the armistice of the World War. Now we need a new and better peace—a peace which shall cause men at length to lay down weapons of hatred which have been used to divide them and to forego purposeless ambitions which have created fear, ambitions which in the long run serve no useful end. We seek a



language in which neighbor can talk to neighbor, in which men can talk to men, and by which the common and homely and human instincts which are found everywhere may reach expression through the elimination of fear.

I have sought—I still seek—in all simplicity to try to find the road toward this peace. It must be the goal not only of men trained to arms but of all of us everywhere whose dearest desire is a quiet peace under liberty.

To all of you—faculty, students, and graduates of the Virginia Military Institute—I send my warm greetings on your centennial. Live up to your great heritage, your noble record, and your simple faith throughout the second century that lies before you.

### Tribute to Senator Glass on His Birthday Anniversary

#### EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA, AND OTHER TRIBUTES

Mr. HARRISON. Mr. President, following the distinguished and illustrious senior Senator from Virginia [Mr. GLASS], I ask unanimous consent that the speeches delivered by the junior Senator from Virginia [Mr. BYRD] and others at the recent celebration in Virginia of the birthday anniversary of the senior Senator from Virginia, together with certain other tributes, be printed in the CONGRESSIONAL RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA, DELIVERED AT THE CEREMONIES OBSERVING THE EIGHTY-SECOND BIRTHDAY OF SENATOR CARTER GLASS AT SWEET BRIAR COLLEGE, LYNCHBURG, VA., JANUARY 4, 1940

Mr. Chairman, Senator GLASS, distinguished guests, ladies, and gentlemen, to establish here at beautiful and enlightened Sweet Briar a Carter Glass professorship of government means perpetuation of CARTER GLASS' philosophy, his ideals, and his aspirations for America's welfare.

It will succeed, because in the hearts of millions of Americans Senator GLASS stands today as a symbol of American patriotism and American achievements; a statesman whose every day work symbolizes those things that have made our country great; whose character, appearing to have been carved out of the unblemished granite of truth and loyalty and sincerity, hates deceit and detests a lie; a private life and a public career which we may proudly hold up for emulation and tribute by our children and generations to come, seeking the ideal of the highest American citizenship.

He is the most beloved Member of the Senate of the United States and the most respected. He is beloved because of his tender sympathy, his tolerant understanding, and his loyalty. He is respected for his fearless honesty and straight thinking.

A Senator is either brave or lacking in discretion when he invites a controversy with the senior Senator from Virginia, and few do. It does not take new Members long to learn why the late Senator Ollie James, from Kentucky, called him the "snapping turtle," nor does it take them long to learn to love him.

A distinguished Washington columnist said of Mr. GLASS recently: "A voice that for many years remained silent, and even now is raised but rarely, has today a power to command attention throughout the Nation as great as that of the President and greater potency than any other in bringing Members of the Senate into the Chamber and holding them there in quiet, respectful attention."

This businessman who accepted public office after he was 40, who served for years in the House before he made a major speech, and then spoke on the Federal banking system without interruption for more than 5 hours, with the closest attention of his colleagues, is one of the outstanding orators of America. Always speaking extemporaneously, he never corrects his remarks for the CONGRESSIONAL RECORD and speaks with a conciseness of expression rarely equaled and not excelled in contemporary literature.

A great educator, in awarding Mr. GLASS the highest honor of an ancient college not long ago, said:

"You have reached a position of distinction and eminence which has placed you above the powers of others either to add to your honor or to detract from your fame."

I imagine that of all the honors that come to him, the confidence and love of his own people in Virginia please him most.

Beginning his public career in the position as clerk of the City Council of Lynchburg, he was drafted to represent his district in

the State senate, was a leader and a very notable figure in the State constitutional convention of 1901, elected and reelected to the National House of Representatives, twice endorsed for the Presidency of the United States by the Virginia Democracy, elected and reelected to the Senate of the United States, where, pray God, he may stay for many more years to serve his country in straight thinking and high action and to give the joy and delight that come to his friends through association with him.

His long career in the representation of Virginia has been interrupted only when once he resigned from Congress to serve with great distinction as Secretary of the Treasury and intimate adviser of his close friend, Woodrow Wilson.

He has known the hardships of youth in a war-torn home. He has seen his beloved Virginia recover from the ravages of a Civil War when Virginia was the battleground of those brave men who fought on both sides in this mighty struggle; and no man has contributed more to Virginia's restoration or has more reason to be proud that Virginia stands today foremost among the States of the Union in sound progress and worth-while development.

We know of the South's ordeal in the days of reconstruction. In some respects it was more terrible than war itself. That school of experience formed the foundation for the clear thinking and the progressive and fearless leadership which Mr. GLASS spreads so indelibly across the public records of State and Nation. By his career he is known in every quarter of our Republic. Whether they agree or disagree with his clear-cut and boldly expressed policies, it is certain that people everywhere universally admire him for upholding his own convictions on the most controversial subjects, completely indifferent alike to criticism and praise.

He is always for the things that are good in life, for the things that have made America great, and for the things that will continue to make his country better. His ambition is to make his country and his people better because he has lived. A more noble purpose can motivate no man.

Mr. GLASS applies his rugged individual experiences to the benefit of all his fellow men. The leaders of his time pay high tribute to him. The leaders of time yet unfolded will look upon his achievements and contributions as even greater than described by his contemporaries. Honor has come to him from his city, his State, and his Nation—from public and private institutions in the four corners of the Nation. He dislikes the accompanying pomp, and loves to mingle among unpretentious friends, where no man is better company, and his wit, humor, and sympathy make him a joy to all who know him.

He asks no quarter with justice. He speaks only when there is something to be said. He acts when there is something to be done. His forthrightness not infrequently brings criticism down upon him. But I have never known him to go long without vindication.

Just as adversity tests a man, praise and laudation test even more his character and his poise.

From the day he held his first public office as clerk of the City Council of Lynchburg, at a salary of \$300 per year, until now, Mr. GLASS has been a shining example of that rare product of our political life—a statesman without fear and above reproach. Universities and colleges throughout the land have conferred degrees and paid high tribute to this man, who never matriculated at a college. Recently no less than 11 great institutions of learning have paid him signal honor, and among the medals awarded him was the Roosevelt medal—Theodore Roosevelt. And throughout it all, with high praise coming from such sources that could be inspired by only genuine appreciation of his merit, we see Senator GLASS here tonight with us, the sincere, modest, and straightforward man he has always been.

In every household in America his name stands for the highest type of public official—a gentleman unafraid, a statesman whose life and character are an inspiration to those who still believe a man can be elected and reelected to public office and at the same time be true to his character, true to his convictions, and true to his patriotic impulses of high public duty.

Today we hear many modern definitions of liberals and conservatives, some of these definitions coming from very high station. Senator GLASS' definition of a liberal is:

"A liberal is an individual who doesn't have to consult the shades of his ancestors, no matter how proud of them he may be, before reaching a conclusion regarding any given set of facts."

Senator GLASS is revealed in voluminous public records covering a period of nearly a half century as personifying the distinction between a liberal and an opportunist.

He was fighting reaction and reactionaries with his progressive liberalism before some of his present critics saw the light of day.

As a matter of fact, it is almost impossible for one born to reconstruction in the South to have succeeded without a soul of liberalism and progressiveness.

I will not attempt to mention here all of his achievements.

There is no greater evidence of true liberalism or of greater political courage in contemporary history than GLASS' tenacious work and fight for the Federal Reserve Act now universally recognized as one of the most progressive pieces of legislation of the twentieth century, but at the time of its enactment branded in many quarters as the most radical.

Of this legislation Woodrow Wilson, as he signed the bill, said:

"There have been currents and counter currents, but the stream has moved forward. Men are no longer resisting the conclusion which the Nation has arrived at as to the necessity of the readjustment of its business. Men who have fought for this measure

have fought nobody. They have simply fought for those accommodations which are going to secure us in prosperity and in peace."

Mr. GLASS fought and worked for every single measure of Wilson's new-freedom program.

As Secretary of the Treasury he advocated stock control, the predecessor of the Securities and Exchange Act, for which he later voted.

He would have taxed every share of stock not held longer than 60 days in an effort forever to rid the country of stock-market gambling. Had the Congress then adopted his farsighted advice, the disasters of the 1929 panic in which stock gambling was a large factor would have been greatly tempered.

There is no clearer insight into his effort to protect the less fortunate from the unscrupulous than his advocacy of separating security affiliates from banks to prevent big banks from unloading upon the unsuspecting small savers securities, foreign and otherwise, that would never pay off.

I have said you may differ with Senator GLASS, but he has not gone long without vindication.

An instance: In 1933 the bitter controversy between Charles E. Mitchell, then head of the powerful National City Bank of New York, and GLASS, over the divorcement of deposit banking and underwriting business was one of the highlights of that time.

Mr. Mitchell, testifying only a few days ago before a congressional committee, said that while he regarded the Glass Act a "disaster" when enacted, he now looks up to it as "one of the great steps in the path of the Nation's progress."

Had this legislation, long advocated by Senator GLASS, been adopted earlier, innocent investors would have been saved billions in the purchase of worthless securities. In this GLASS was vindicated by the testimony of his bitterest adversary.

Yes; he rebels against all things he believes to be to the detriment of his country. Some of our most costly mistakes would have been averted had we followed in at least some of his rebellions. Nevertheless, insofar as he is concerned, we may be sure that this trait of his will never yield to reconstruction.

Senator GLASS proves the paradox that one can be a great liberal and a great conservative at the same time. He is a liberal who realizes the importance of conservatism in its true sense. He is a conservative who realizes and practices the humanity of liberalism. The manner in which he combines and coordinates the best of these philosophies makes Senator GLASS the great individual that he is.

He is a liberal who favors continued improvement in the Nation's economic and political life. He is a conservative who is unwilling to advocate unworkable measures having political expediency as their primary objective and waste and extravagance as their inherent characteristics.

He is a liberal who is opposed to concentration of power; he is a conservative who fights to conserve for the States and the individuals those powers and rights which are properly theirs.

He is a liberal who demands freedom of speech, freedom of press, and freedom of religion for all regardless of their political or religious views; he is a conservative who does not hesitate to defend for our citizens their fundamental rights when they are endangered by packed courts or to denounce every effort to reduce the legislative body to dependency.

Some of his contemporary critics may call him a reactionary, but in the calm perspective of the future historian the place of CARTER GLASS in the public life of America in constructive achievements for the good of our Republic is secure, founded upon the true liberalism of equal opportunity for every citizen and the curbing of all abuses of power whether by the plutocracy of wealth, by high political office, or any other powerful class of organized minority.

In predepression days before 1929 GLASS stood almost alone in the wilderness of fast, furious, but synthetic business practices in warning those who most needed to listen that they would crack into the panic which later came.

Those days of warning came to a climax on the floor of the Senate in 1929 when Senator GLASS, referring to "that New York crowd," said: "Those people have run away with the market. They have been permitted to use the trust credits of the Federal Reserve System for stock-gambling purposes, which they should not have been permitted to do. And now they want the commerce and industry of the country to be paralyzed to correct the situation which they, themselves, have precipitated. The only way to correct this inconceivable and wicked riot in gambling is to put a tax on gamblers, and that, I suggest, be done at this session of Congress."

GLASS is always a dangerous foe to the kind of ruthless public utilities, and any big business so conducted as to abuse their power. He will always be a bitter foe of excessive tariffs.

If one were called upon to sum up his liberal philosophy, a passage from one of his most recent speeches might well be used—when he said—

"There are certain things necessary to be done, of course, which the people in their private capacities lack the power to do, and in such case the public must operate through the government. Privileges which are entrenched and greedy must be curbed, and it is the proper function of government to prevent the erection of any unnatural barriers to the equality of opportunity. But when equality of opportunity is assured government should interfere as little as possible with the normal activities of the people and the normal processes of trade and industry."

If Senator GLASS' liberalism is to be judged by the test, illogically applied by many today, as to how liberal he is willing to be with

other people's money, he will not qualify under such a definition, yet he would spend the last dollar in the Treasury to prevent any American citizen from starving or suffering for the necessities of existence, but he would not spend a penny for political expediency or for waste and extravagance of the people's money.

As chairman of the Senate Appropriations Committee, he has been making heroic efforts in recent years to protect the solvency of the Nation, the act of a true liberal, because financial solvency will always be the foundation stone of any organized government, and large and increasing debts for future generations to pay are ever to be avoided except in times of a great national emergency. That his efforts for economy have been largely unsuccessful is no fault of his, but, again, I predict he will not go long without vindication.

He knows from his vast experience that farsighted, long-enduring, true liberalism worthy of the name must be based upon farsighted, long-enduring, truly conservative fiscal policies. But Senator GLASS cares not what definition is applied to his statesmanship. His only concern is acting in accordance with his conscientious convictions and his own good judgment.

A privilege for which I shall be eternally grateful is that of being his colleague in the representation of Virginia in the Senate of the United States. Virginia in her history has contributed some great men to the Senate of the United States, but Senator GLASS is Virginia's outstanding Senator and will remain so, I predict, for many generations to come. My admiration for him is exceeded only by my love and devotion to him.

Of my close and intimate association with him I can only speak with deep emotion. I have never spent even a short time with Senator GLASS without feeling an inspiration to try to do my duty better. Only yesterday I inquired of a Senator what has been Senator GLASS' most noteworthy achievement. He replied that his greatest contribution to our Republic has been his example to youth; that high ideals, devotion to duty, and fine character still give the best rewards.

May I be permitted to pay my tribute tonight to two of the Glass family who have given a lifetime of service to education—Dr. Meta Glass, his sister, whose work at Sweet Briar gives to her a place in the very front rank of American educators, and Dr. Edward Christian Glass, his brother, who held the unique distinction of being the head of the public-school system of Lynchburg for 53 years, longer than any other who has held a similar position in Virginia, and whose patriotic and unselfish work will ever stand as a monument to his memory.

Today, on Senator GLASS' birthday, it is fitting that his friends and admirers everywhere should signify their appreciation for his nearly half century of noteworthy public service; we express our gratitude for the privilege of knowing him and for the inspiration to seek and champion those things worth while. Moreover, it is very appropriate that it should be observed here in the halls of Sweet Briar College in the presence of his family, his friends, and the surroundings he loves so dearly.

I voice Virginia's hope and the Nation's hope in saying to Senator GLASS:

May the Lord bless you and keep you another 82 years, and give you the grace and happiness you so richly deserve in this life and ultimately the peace eternal for which all of us pray in the life to come.

JANUARY 4, 1940.

HON. META GLASS,

*President, Sweet Briar College, Sweet Briar, Va.*

DEAR PRESIDENT GLASS: I am greatly honored to have been invited to speak at the ceremonies creating the Carter Glass professorship of government at Sweet Briar College January 4, the Senator's eighty-second birthday, but unfortunately a severe and stubborn cold will deny me the pleasure which I would so much enjoy.

Others will no doubt speak about CARTER GLASS' long service to Virginia and the Nation as your Representative in Congress, as Secretary of the Treasury, and in late years as the senior Senator from the Old Dominion. In all of these high posts he served with distinction and great honor both to himself and to Virginia.

I should like to repeat here what I have said on other occasions—that history will record in the first decade, the teens, the twenties, the thirties, and the forties of the new century, that CARTER GLASS carried on the great tradition of Virginia, a tradition which goes back to the colonial days.

CARTER GLASS brought to Washington a balanced mind, good judgment, and a capacity for hard work. Soon his colleagues in Congress recognized his great force. The Nation acclaimed his statesmanship, and Woodrow Wilson leaned heavily upon him. Year by year his horizon has widened. His political creed is a broad liberalism framed within the basic American tradition. CARTER GLASS never in his life played to the gallery. He has always seemed unaware that a gallery existed.

It has been my privilege to know CARTER GLASS for a good many years. I know him in many roles. I have seen him in fiery debate with his caustic tongue routing sham and hypocrisy and leaving pretense in wreckage, for surely no man of our times has been able to put so much velocity in just plain speech.

I have seen him in counsel around committee tables, the role in which he has played such a great part in shaping the Nation's fiscal system.



I have seen him at baseball games and football games, enjoying those sports with all the enthusiasm of the greatest fan. I have seen him at the races, wrestling matches, and prize fights with his lifelong friend, the late Admiral Cary T. Grayson, another great Virginian. And they do say he indulged in chicken fighting in his younger days.

Finally, my own life has been greatly enriched by many hours of his charming companionship. His support and confidence have been of great benefit to me as a Government administrator charged with unusual responsibilities during the past 8 years. I value CARTER GLASS. I value his confidence and his friendship.

I have thrilled at his fighting qualities, admired his sure and deep convictions, esteemed his straight thinking, and loved him for himself.

Sweet Briar is bringing honor to itself in establishing a Carter Glass chair, and I could wish no happier communication for Sweet Briar, for Virginia and the Nation, than that the establishment of this chair would contribute to the development of just one patriot and statesman of the approximate dimensions of CARTER GLASS.

Sincerely yours,

JESSE H. JONES.

ADDRESS BY ROBERT V. FLEMING

I consider it a high honor to be able to participate in this occasion, not only on account of my interest in and affection for Senator GLASS but because of my interest in the State of Virginia.

My father was a Virginian, having been born just outside Richmond, and served throughout the Civil War in the Richmond-Fayette Artillery. Following the war and after resigning as assistant city engineer of Richmond, he entered the profession of architect and builder in Washington and was one of the principal members of a group responsible for the creation of the Home for Confederate Veterans at Richmond. Therefore it will be seen that, while I have lived all of my life in Washington, I have quite a sentimental interest in the progress of the great State of Virginia, its institutions, and its citizens.

In recent years—particularly during the last year—I believe all thinking people have been shocked at what has occurred in other parts of the world. Because of economic stress, the peoples of some nations have given up their liberty—that most precious of all human possessions—in the hope of obtaining economic security. To accomplish that end they have allowed their governments to take the form of dictatorships, whose methods of achieving economic betterments have been the application of brute force of arms rather than the evolution of peaceful conferences and the development of commerce and trade on a friendly basis. The terrible result is that the world today stands on the brink of what may develop into one of the darkest periods in the history of mankind.

In the light of these conditions, therefore, encouragement is to be found in the establishment of schools of government by our great universities and colleges in America. One of the best ways of safeguarding the continuation of democratic processes of government in this country is by educating young men and women in our form of government so that those who, in a short space of time, will have on their shoulders the responsibility of guiding the course of this land, may have an understanding of the sound basis on which our Government is founded.

Without question, Sweet Briar College is peculiarly adapted to undertake such a great work as this. Through a combination of fortunate circumstances it has on its board of overseers that great son of Virginia, Hon. CARTER GLASS, and for its president the sister of this distinguished statesman and herself an outstanding educator, Dr. Meta Glass.

In the establishment of the Carter Glass chair of government here at Sweet Briar, the career of Senator GLASS brings to this great educational institution a splendid background and tradition for this particular phase of its work. From the time he first entered public life, Senator GLASS has stood for sound government, for the democratic processes of government. He has always been one of the forward-looking statesmen of our Nation. He has ever maintained the belief that progress should be made soundly and upon firm foundations. His contributions to all types of legislation have been constructive and outstanding. Having spent all of my life in the business of banking, naturally I am most familiar with the efforts he has made on behalf of our people in the creation of legislation designed to place the financial structure of this Nation on the soundest possible basis.

Senator GLASS was not only the architect who framed the Federal Reserve System, but, in addition, since its creation has been ever ready to lead in such legislative action as might be necessary to adapt the system to changing economic conditions. Furthermore, he has been the system's staunchest defender.

In his work as chairman of the House Banking and Currency Committee, where his brain and leadership conceived and brought about the passage of the Federal Reserve Act, and afterward as the distinguished post-war Secretary of the Treasury, he won not only the high praise and confidence of our great war President, Woodrow Wilson, during whose administration this legislation was enacted, but the commendation of all the people. As a tribute to him, and so that all who enter this magnificent symbol of the financial

stability of this country might visualize the creator of the system, there hangs on the wall in the entrance hall of the Federal Reserve Building, opposite the plaque honoring Woodrow Wilson, a bronze likeness of Senator GLASS. Beneath it is this quotation from the Senator's book, *An Adventure in Constructive Finance*.

"In the Federal Reserve Act we instituted a great and vital banking system, not merely to correct and cure periodical financial debauches, not simply indeed, to aid the banking community alone, but to give vision and scope and security to commerce and amplify the opportunities as well as to increase the capabilities of our industrial life at home and among foreign nations."

Having served as chairman of the committee on Federal legislation of the American Bankers Association, and having been honored by my associate bankers in this Nation to serve as president of that organization for the term 1935-36, I have had many opportunities for close observation of and contact with this great son of Virginia.

I know intimately of the great part he has played in the trying period of the past 10 years. I know also what a vital force he has been in shaping and revising legislation which brought our financial structure so quickly out of the collapse which occurred in 1933. Every piece of legislation with which he has been identified carries his lofty purposes and high concept of economic security for our people. There have been times in the past when banking and business interests have differed with Senator GLASS, but these have been differences of opinion. Never has there been any question as to the lofty purposes and the high concept of the public interest which have motivated Senator GLASS throughout his career. Today there is no man who is more revered, more highly honored for his unswerving integrity, and for whom the banking and business interests of this Nation hold a greater admiration than for the gentleman in whose honor the professorship in government is being established here at Sweet Briar tonight.

Senator GLASS has been the recipient of many notable recognitions from the great universities of this Nation for his magnificent contributions to sound government. I happen to be familiar with the honorary degree of doctor of laws conferred upon him by the distinguished president of William and Mary College and outstanding son of Virginia, Dr. James Stewart Bryan. The citation accompanying this honorary degree so epitomizes the career of Senator GLASS I should like to quote from it, as follows:

"In time of crumbling standards he has stood like a rock in a wasted land. An eternal foe to ignoble compromise, undeterred by demagoguery, unblinded by fallacy, unswerving by speciousness, with the courage of a soldier, and the devotion of a patriot he has brought to his high responsibilities the statesmanship that became a Secretary of the Treasury, a Senator of the United States, and a son of Virginia."

And so, may I say again what a privilege and honor it is for me to have the opportunity of taking part in the creation of this chair of government honoring Senator GLASS. I should like to add that I am glad also of the opportunity this occasion affords me to publicly express to Senator GLASS my appreciation for the great contribution he has made to the financial structure of our Nation, for his many courteous and considerate acts, for his fine understanding and cooperation. I want to assure him and his fellow Virginians present here tonight of my high admiration and deep affection for him, and that I consider it has been a rare privilege to have been favored with an intimate contact with one of America's greatest statesmen.

Russell C. Leffingwell, of New York, Assistant Secretary of the Treasury when Mr. GLASS was Secretary, presented to the Senator the book containing the signatures of those who contributed to the endowment.

In lauding his former chief, Mr. Leffingwell referred to Senator GLASS' part in establishing the Federal Reserve System:

"In a democracy no great measure is the sole achievement of a single man; but of all the many people, politicians, bankers, and businessmen who contributed to the creation of this Federal Reserve System, CARTER GLASS plainly stands out as the man who devised and piloted through the legislature and enacted this great measure."

In making the presentation of the endowment for the donors, Mr. Leffingwell declared the study of government is important for women.

"Evidently it is essential that woman's instinct for good house-keeping, and her experience in it, should be applied to the affairs of the National Government, and that every educated woman in particular should have an opportunity to know and understand the business of government, how it is conducted, and how it ought to be," he said.

Continuing his remarks on Senator GLASS, Mr. Leffingwell said: "A free and fearless and untrammelled press he stands for and exemplifies; a free and fearless life in politics he stands for and exemplifies. There is something else that CARTER GLASS has that few have. He is uncontrollable in his devotion to truth. He is possessed of command of the English language unrivaled in his day, and has the power of indignation and the gift of enthusiasm. CARTER GLASS is the true example of the leader of a free people."

## Balancing the Budget

## EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an impressive and revealing address delivered by the Senator from Ohio [Mr. TAFT] before the Chicago Bar Association, and broadcast by the National and Mutual Broadcasting Co.'s on Friday evening, January 5, 1940, on the subject Mr. President, Here's How To Balance the Budget.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the Chicago Bar Association, it is a pleasure to discuss public questions before a body with the long record of public service which your bar association has, particularly when my old friend and classmate, Tap Gregory, is your president. I appreciate particularly your kindness in inviting me to speak on a political subject to an association whose membership includes many Democrats, among them your president.

This is a time of year when members of the bar are advising men and women and businesses on their financial position and their tax liabilities. It is a time when every father is preparing his own budget for the coming year and trying to find out whether he can pay rent and taxes and still buy enough food for the family and clothes and shoes for the baby, or whether he is on the road to bankruptcy and the relief rolls.

Last month I made the statement that the Budget of the Federal Government must be balanced if we are to avoid national bankruptcy, and that it can be balanced in 2 years. The President of the United States deigned to offer me a handsome prize if I could show him how it could be done. While his statement was no doubt made in a jocular vein, it has extraordinary implications. In effect, he says that the Federal Government cannot possibly balance its Budget and get on an even keel by the 1st of January 1942; or else he must be asserting that he does not want to bring about that condition by January 1, 1942. In either event, he admits that if he should continue to be President at that time the Budget would not be balanced 2 years from now.

He also admits that he does not know how to do it himself. Since I prepared this speech, apparently, he has decided to compete for the handsome prize himself, and the Budget message presented to Congress moves very gingerly in the right direction. But a good deal more will have to be done before the President can claim his own prize. I question the genuineness of the President's new-found desire to reduce spending, and I think he still needs the advice for which he has asked.

FIRST: THE PRESIDENT MUST WISH AND BE DETERMINED TO BALANCE THE BUDGET

The first prescription for balancing the Federal Budget is that the President of the United States shall wish to balance it, and must be determined to balance it now. I have been in the Senate for a year, and I have seen no evidence of a desire on the part of anyone in the present administration to abandon the deficit borrowing policy. No Government planner suggests or even asks where the money is coming from to pay his increased expenses. Project after project is presented without its sponsors feeling the slightest responsibility to raise funds to pay for it, except by more borrowing.

The administration has been guided by a deliberate philosophy of using Government borrowing in an effort to produce prosperity. Mr. Eccles has said that deficits are a blessing in disguise. As late as November 1939, at St. Louis, he opposed proposals that the Government, in an effort to balance the Budget, reduce expenses in any line involving payments to consumers because it would reduce purchasing power. In short, he is still a strong advocate of the pump-priming theory, as are many other members of the Government. Only this week was published the annual report of Harry Hopkins, Secretary of Commerce, one of the President's most intimate advisers, in which he devotes pages to a defense of the discredited theory that the Government can spend itself into prosperity. A theory so convenient to the politician as one involving more spending and lower taxes is not easy to abandon.

The President himself has at times wholeheartedly embraced this theory. On January 6, 1936, he said: "Secure in the knowledge that

\*\*\* it is the deficit of today which is making possible the surplus of tomorrow, let us pursue the course that we have mapped." It is 4 years since that statement was made, and tomorrow has never dawned.

In November 1937, Secretary Morgenthau declared that the Budget must be balanced, but his words were hardly uttered before he had to yield to the spending group in the administration. The President in his message to Congress on January 4, 1939, only 1 year ago, declared that an effort by the Government to balance its Budget by cutting expenses would invite disaster, and that only by liberal Government spending, which he lightheartedly referred to as investment, could prosperity be restored in the United States. He then presented a plan for the year ending July 1, 1940, which would add \$3,300,000,000 to the public debt. As a matter of fact, the deficit this year will be closer to \$4,000,000,000.

Think of it, citizens and taxpayers! We are used to astronomical figures, but \$10,000,000 is still a lot of money. Every day, every 24 hours, the Government is borrowing and spending, over and above all the taxes it collects, the huge sum of \$10,000,000. Every 3 days the Government is borrowing more than the value of all the farms in an average rural American county. What the Government borrows the citizens owe and some day are going to have to pay.

If a man promises to reform and fails to do it, we may still feel that he has sincerely tried; but when he goes on promising and never takes a step toward carrying out his promises, we may well doubt his real desire to reform. So with the promises of the President. In the campaign of 1932, the President repeatedly promised a Federal Budget annually balanced, as pledged by the Democratic platform. In 1933 he told Congress that there was a reasonable prospect that within a year the income of the Government would be sufficient to cover the expenditures of the Government. In 1934 he promised a balance for the fiscal year 1936, and he made the same promise in 1935. The year 1936 added \$4,000,000,000 to the public debt. In 1936 the Budget was to be balanced in 1938. In 1937 he said: "We expect, moreover, if improvement in economic conditions continues at the present rate, to be able to obtain in 1939 a completely balanced Budget with full provision for meeting the statutory requirements for debt reduction." The deficit for 1939 was \$3,600,000,000. The 1939 Budget message did not even express any hope that the Budget would ever be balanced, and about the same time the new dealers acclaimed a book published by seven young professorial economists, which advanced the theory that the Budget should never be balanced.

Furthermore, only 6 months ago the President presented and tried to force through Congress the notorious spend-lend bill, authorizing expenditures close to \$5,000,000,000 by Government departments without securing any appropriation by Congress, a new spending trick developed by the New Deal spenders. The bill was so framed that expenditures would not have appeared among the regular expenditures of the Government, but the departments would have been authorized to borrow money on the Government's guarantee and thus increase the Government debt. On Wednesday, Ernest K. Lindley, columnist closer to the New Deal than any other columnist, and the President's biographer, said of the Budget just presented: "As drawn by the President, the Budget is a heavy concession to political expediency." Not to sound Government, or political morality, or common sense, my friends, but to political expediency. If that doesn't mean that the expenses are being reduced in an election year to be increased again when there is no longer any political expediency, I don't know the English language.

There is no evidence that the President wants to stop spending. He has complained from time to time that Congress has exceeded his recommendations. It did so last year with relation to farm benefits and flood control, but over the whole period Congress has appropriated within 2 percent of the official Budget estimates. Furthermore, if the President had been sincere in his desire for economy, he could have vetoed the farm and flood-control appropriations. But he said not a word and signed the bills. He has not vetoed a single spending bill since the bonus bill in 1935. Is it any wonder that most Congressmen do not believe that the administration objects to more spending, particularly when it provides liberally for all its own pet projects?

There is a good deal of ghoulish glee on the part of the new dealers today because the President is now cutting projects supposed to be dear to the hearts of Congressmen. This is said to put them on the horns of a dilemma, and the President evidently expects them to restore the cuts so that he will not have to stop spending. If he will stop playing a game with Congress, and show that he sincerely means business, he will get plenty of support for his vetoes.

A President who really wants to balance the Budget is going to have to use his veto power fully to support his position, as every other President, Republican or Democratic, has done in the past. As a matter of fact, under present conditions the President's influence in Congress is so great that if he exercised the same pressure for economy which he exercised last summer for more spending in the spend-lend bill, he would have no difficulty in holding Congress without a veto to the appropriations he recommends. I do not maintain that balancing the Budget is an easy feat, but it can be done if there is a conviction and determination that it must be done on the part of the President of the United States.



**SECOND: ELIMINATE BUREAUS; REDUCE NUMBER OF EMPLOYEES; REORGANIZE**

When that requirement is met, he can turn to the Budget itself. I have here last year's Budget, a book 2 inches thick, with about 1,000 pages and 50,000 items. It takes the departments and the Director of the Budget a full year to prepare it. I don't suppose the President expects me to present a detailed Budget, but I intend to state definitely the principles which must guide its preparation with specific examples of each principle.

A small committee of men with practical experience in business and in Government should be appointed to plan the Government's housekeeping in detail for several years to come in the light of what the people are willing to pay their housekeeper. That committee will have a broader task than the Budget Director, for they will have to determine which activities of Government are essential, and which are less important and can be dispensed with, however desirable, if there is no income to support them. They will have to state what limits of expense have to be imposed on a farm policy, a relief policy, a preparedness policy, if the Budget is to be balanced on the present tax system; and state what additional taxes are necessary if those limits are exceeded. They will have to recommend the cutting of appropriations in every department, and affirmative legislation to change or abolish bureaus which are now required by law.

There are certain obvious principles to guide such a committee. President Roosevelt himself said on October 19, 1932: "You cannot go very far with any real Federal economy without a complete change of concept of what are the proper functions and limits of the Federal Government itself . . . . You can never expect any important economy from an administration committed to the idea that we ought to center control of everything in Washington as rapidly as possible." President Roosevelt pointed out that the growth of innumerable boards and commissions, which have grown up as excrescences on the regular system, were the case of the increase in expense. In short, my second definite recommendation is that Bureaus which are performing less important functions, however desirable, be eliminated, and that the number of employees be reduced in all others.

I cannot say finally, without such a detailed study as I have proposed, which bureaus are the less important, and should be abolished or their functions transferred to others. Of what substantial value today to the people of the United States are the Electric Home and Farm Authority, Central Statistical Board, National Resources Planning Board, National Power Policy Committee, Disaster Loan Corporation, the Codification Board, the Office of Government Reports (formerly the National Emergency Council), Maritime Labor Board, United States Employees' Compensation Commission, National Advisory Committee for Aeronautics, Division of Cultural Relations and various International Boundary Commissions in the State Department, Puerto Rico Reconstruction Administration and Bituminous Coal Division in the Interior Department, various consumers' councils, various information services of the different departments which are really propaganda agencies, and many others. I suppose few of my listeners ever heard of any of these organizations, but they are all in Washington with secretaries of their own, and members and employees, and sometimes legal counsel, and drawing money from the Federal Government. If any of them have essential functions to perform, is there any reason why they should not be transferred to a regular department without increasing its personnel?

The divisions which formerly made up the National Emergency Council spend a million dollars a year with a Division of Press Intelligence and Information Service under the Executive Office of the President, and a Film Service and Radio Division under the Federal Security Agency. What emergency they are dealing with no one knows. What they do or are supposed to do, except conduct New Deal propaganda and provide jobs for deserving new dealers, no one has ever been able to discover. The New Deal, in spite of the criticism which Mr. Roosevelt made, has increased the number of Federal employees from 563,000 in 1933 to 932,000 today. The additional pay roll alone totals \$1,200,000,000.

As an example of what can be done with a regular department, let us look at the Department of Agriculture. In June 1933 that Department had 26,540 employees. On June 30, 1939, it had 107,712 employees, or 4 times the number employed by Hoover. They are scattered all over the United States, wasting the substance of the farmer like a plague of grasshoppers. The farm program must be changed so that there is no detailed regulation of the individual farm, which not only limits the farmer's freedom but quadruples the Federal pay roll in 6 years. Why should there be a dozen bureaus regulating and loaning money to the farmer, with 3 or 4 different set-ups occupying offices in every rural county seat?

The same general condition exists with regard to business regulatory agencies like the National Labor Relations Board, the Wage-Hour Division, the Walsh-Healey Division, the Social Security Board, the Internal Revenue Bureau, and the Department of Justice. The businessman is subjected to constant and repeated visits and orders from all kinds of overlapping Government agents. The regulation of business and agriculture must be cut to a minimum and operated with not more than 2 field forces instead of 10. That course is necessary, anyway, if private enterprise is to be restored and men put back to work. Why should there be 5 different independent agencies dealing with housing? But reorganization will not save money unless it is undertaken sincerely for that purpose.

Reorganization and consolidation of bureaus can reduce expenses if undertaken by someone who wants to effect economy. Last year

the President was given power to reorganize, and he did so frankly without any interest in securing economy, but with the statement that the combination would save the Government pay roll fifteen to twenty million dollars a year. Yet the total Government pay roll increased between April 1939, when this order was issued, and August 1939 at the rate of \$100,000,000 a year.

**THIRD: CHANGE METHOD OF HANDLING RELIEF, HOUSING, AGRICULTURE, GOVERNMENT LOANS**

Thirdly, to secure real economy you cannot stop merely with the cutting of appropriations. Positive changes in policy must be made, as I have suggested, in the field of helping the farmer. There is not time to detail all the duplication and overlapping and confusion in the vast bureaucratic set-up in Washington as I did specifically in my speech to the Union League Club of Chicago at noon today. There is not time to detail all the changes in New Deal policy necessary to reduce expense and also necessary if any of the more desirable objectives which we all approve are ever going to be attained. In housing, in agriculture, in business regulation, in loaning money, legislation can save money while improving administration.

I am going to discuss relief, not because any greater proportion to savings can be made, or should be made, there than anywhere else, but because it is a large item and supposed to be a "hot potato." When economy is suggested, we are still met by the question intended to be so devastating—whether we would economize at the cost of starving the unemployed. The answer is "No." But the name of relief has been misused to justify expenditures for every kind of bureaucratic activity. The Federal expenditures for relief this current year will amount to one billion and a half dollars out of total expenditures approximating \$10,000,000,000, or less than one-sixth. The way to save money in relief is not to throw men off W. P. A. back to States and localities which have no money to increase their own overburdened relief rolls. Relief can only be effectively handled, without gaps between Federal and State relief, if direct relief and work relief are administered by a single local agency, handling both employables and so-called unemployables, with Federal assistance equal to about two-thirds of the entire cost.

W. P. A. today is a Federal work program, with little relation to relief needs of the different counties or to the amount advanced by localities. Some years ago the President announced that the Federal Government would care for the employables, but would not assist the States in taking care of unemployables. No such distinction is reasonable. The Federal Government has never taken care even of those it admits to be employable because the expense of a Federal work program is too great even for a spendthrift administration. The people whose relief was cut in Cleveland were mostly employables for whom the Federal Government had undertaken to provide.

The reduction in W. P. A. rolls has thrown back on the States and local communities a burden which they are often unable to bear because their taxing power is necessarily limited. This has been the basic cause of the crisis existing in Cleveland, where unemployment is especially severe. The W. P. A. in Cleveland has been reduced in a year from 75,000 to 30,000, and yet the W. P. A. spent about \$36,000,000 in Cleveland in 1939, whereas the whole relief crisis was caused by the fact that Cleveland and its surrounding communities were able to raise about \$17,000,000, but were unable to find \$2,000,000 additional to care fully for 32,000 cases the W. P. A. would not touch. There are few cities in the country which could not handle their entire relief problem if they had paid to them one-half of the money spent by W. P. A. in their territory in the calendar year 1939, combined with the money they are themselves spending on relief today. In Cincinnati the W. P. A. today is spending at the rate of \$7,000,000 a year, and the city at the rate of \$2,700,000, plus \$2,000,000 of sponsors' contribution. The city manager tells me that if the city had \$4,000,000 a year from the Federal Government, it could do a bang-up job and provide both direct and work relief; four million instead of the seven the Federal Government is spending now.

Federal assistance, of course, should be conditioned on the adoption of a plan in each State adequate to meet the relief situation, with civil-service personnel, and a contribution of at least one-third from the States and local communities to insure economy in local administration. In cases of extreme local poverty or unemployment, provision should be made for the Federal Government to carry a larger share of the expense. On the other hand, the cut which the President is proposing in Works Progress Administration will produce tremendous hardship in the United States unless the whole Works Progress Administration policy is changed, because it is so expensive that it will reach only a fraction of those needing relief. That change has been urged on the President by the associated Community Chest organizations for several years. If the change is made, the cost of relief to the Federal Government can be reduced to about \$750,000,000 in 1941, and relief itself administered in a more equal and effective manner.

**FOURTH: END GRANTS FOR LOCAL PUBLIC WORKS; REDUCE FEDERAL PUBLIC WORKS; REDUCE SUBSIDIES**

In the fourth place, all grants to localities for local public works must end, the public works program for projects which are Federal in character should be reduced to a normal amount each year, and payments in the nature of subsidies, whether to agriculture or housing or industry, will have to be reduced substantially below the 1940 figure.

It is said that pressure groups have been taught to lean on the Government, and have attained such power that public opinion

will not support a reduction in private benefits and local public works. In my belief, public opinion will support such a reduction if it is made at the same time in all characters of activity and in all localities in the United States. How often have you heard your neighbors or your public officials say that they disapprove of the payments they are receiving, but that since everybody else is getting them, they are going to do their best to get their share? How often have you heard them say that they are paying their share of the taxes, and that if they don't accept the Government projects or payments, someone else will get their money? It is my own belief that there is not a community or a group in the United States so shortsighted or so selfish that they will not join in a general movement to avoid national bankruptcy if they can be assured that every other group is required to go along. But it requires leadership toward individual self-reliance and common sense in Government, instead of leadership toward bigger and more liberal spending and subsidies.

**FIFTH: PLAY NO FAVORITES; SUBJECT ARMY AND NAVY ESTIMATES TO CRITICAL ANALYSIS**

There is no department which can be excepted from a critical analysis of its expenditures. Certainly the Army and Navy should not be. We are spending \$1,775,000,000 a year today on the Army and Navy—more than we have ever spent before in peacetime. They have been rapidly increased; yet the President today is proposing to increase the Navy by 25 percent, and the Army by about the same percentage. Certainly we are all in favor of completely adequate defense, and there are no doubt deficiencies in some branches which should be strengthened. On the other hand, perhaps some branches of the services are obsolete and could be cut down. But we were told in 1938 and 1939 that the increased Army and Navy then provided were adequate for defense, and I see nothing which has changed the situation since then. Foreign navies are likely to be smaller rather than larger at the end of the present war. Developments of naval and aviation technique in the present war may make obsolete many of our present plans. What the President proposes is no temporary measure; it is a permanent increase of Army and Navy expense to two and a quarter billion dollars for many years to come.

We are in favor of adequate defense, but we would like to be certain what we are defending. Do we wish a navy large enough to defend all of South America? Is the increase being proposed in order to carry out the ridiculous and dangerous policy recently adopted by the Government of trying to exclude the warships of all belligerent nations from a zone 300 miles off our coasts?

Certainly every tradition of this country is against the idea of a standing army of 600,000 men.

The record of the administration is such that I cannot help suspecting that a good deal of the new spending is proposed, not for the sake of defense but for the sake of spending.

**A BALANCE AT ABOUT SEVEN BILLION**

If these 5 points are complied with, I have stated that I believe the Budget can be balanced at a figure of approximately \$7,000,000,000, without abandoning a reasonable allowance for relief, old-age pensions, housing, and soil conservation. If prosperity returns, our present tax system should provide that amount of money. Of course, the best way to restore prosperity is to restore some confidence to business by reducing the regulation which constantly discourages today the growth of private enterprise. We can only put to work the 9,000,000 unemployed in private industry. We can increase the revenue from profitable commerce and manufacture at the same time we reduce the amount which has to be spent on relief and agricultural assistance.

Seven billion dollars is certainly not an unreasonably low figure. It is approximately twice the cost of the Government under President Hoover. Candidate Roosevelt severely criticized Hoover because Government expenses rose to \$4,000,000,000 during his administration, although a considerable part of that expenditure was for emergency relief projects. It was only 2 years ago, January 3, 1938, that President Roosevelt in his message to Congress said: "In my judgment the expenditures of the National Government cannot be cut much below \$7,000,000,000 a year without destroying essential functions or letting people starve. That sum can be raised, and will be cheerfully provided by the American people if we can increase the Nation's income to a point well beyond the present level."

If the present tax system does not raise \$7,000,000,000, we will have to increase taxes, undesirable as that is, for the alternative is worse. As long as we do not admit the necessity of raising the cash which we pay out, the whole Nation believes it can get something for nothing. While that belief exists, expenses are bound to increase because most of the projects proposed are nice things if you can afford them. The policy of borrowing is an immoral policy, because the longer it goes on, like a habit-forming drug, the more impossible it is to return to self-reliance and self-respect.

The Budget can be balanced: The authority for my whole position that it must be balanced, and the figure at which it can be balanced, is, no, was, Franklin D. Roosevelt himself.

**THE ALTERNATIVE IS NATIONAL RUIN**

There is no conceivable alternative to balancing the Budget. If it cannot be balanced by January 1942, when can it ever be balanced? Does an emergency still exist after 7 years of New Deal rule? What other excuse is there for not paying our way as we go? Is an emergency still going to exist on January 1, 1942? The President must think so. If he does, he admits that the New Deal, after 7 years of more power than any government in the United States has ever enjoyed, has utterly failed to restore this country even to normal prosperity, and cannot do so in 2 years more. His very challenge

to me to show him how to balance the Budget admits that he is unable to get the Government or the country back to normal. If the present administration asserts, as apparently it does, that the Budget cannot be balanced, then it cannot appeal for a vote of confidence to the people of the United States, for the only alternative to balancing the Budget promptly is national bankruptcy.

Of course, a government does not go into the bankruptcy court, and does not frankly repudiate its debt, but it can accomplish the same thing by inflation of the currency. No one can say what the largest safe debt limit is. It is not a question of figures but a question of public opinion. Every country which has continuously maintained an unbalanced budget has come sooner or later to inflation. The debt becomes heavier and heavier, the interest charge greater and greater, the whole deficit larger and larger. Sooner or later the people refuse to tax themselves for the sins of the past, and start to pay the debt and the deficit in paper money. When that time comes, prices begin to rise until a pair of shoes costs \$1,000, or as in Germany at one time, \$100,000. A man with money in the savings bank still has the money, but he can't buy anything with it. Millions of men have spent their lives building up life insurance for their widows and families. Those widows will find that they get a check for dollars, but dollars that won't even pay the water bill.

Inflation is national bankruptcy, and it means the destruction of the whole basis on which private enterprise has been built up in the United States. It means utter poverty for the man on a salary and for the average workman, even more than for those who own property; and it means a depression which would make the depression of 1932 look like Coolidge prosperity. In order to prevent starvation itself, the Government would have to take over practically all business, which is just what some of our parlor socialists in Washington would like.

No one has pointed out more graphically than Franklin D. Roosevelt the dangers of the alternative which he seems to regard as inevitable. In his Pittsburgh speech in 1932, he said: "If the Nation is living within its income, its credit is good. If in some crisis it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy." He said again: "Our Federal extravagance and improvidence bear a double evil: First, our people and our business cannot carry its excessive burdens of taxation; second, our credit structure is impaired by the unorthodox Federal financing made necessary by the unprecedented magnitude of these deficits." He was talking of deficits considerably less than one-half the deficits of today, which had come about only in the extraordinary emergency and downhill slide of the 1931 depression, largely through a falling off in tax receipts. As a matter of fact, the increase in public debt in 4 years of the Hoover administration, after allowing for the repayment of loans made at that time to preserve industry, was less than \$1,600,000,000, whereas in 7 years the Roosevelt administration has added over \$20,000,000,000 to the public debt, of which not more than two billion is recoverable.

**CONCLUSION**

No American President, Republican or Democrat, has ever asserted before, when the country was at peace, that the Government under his charge could not balance its Budget in 2 years. Only our actual experience with the present administration for 7 years can make me believe that the President really thinks he cannot do so. He has chosen to debate and defend that New Deal policy which is the most utterly indefensible of all New Deal policies; a policy which will destroy all the good that may come of some of the reforms he has initiated. Let no one say that a sound fiscal policy is too hard-bolled toward the more unfortunate among our people. It is the poor who will be cared for by a solvent government. It is the poor who will suffer most when the Government goes into bankruptcy. "Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger."

**One Hundred and Seventy-fifth Anniversary of the German Society of Pennsylvania**

**EXTENSION OF REMARKS**

OF

**HON. JOSEPH F. GUFFEY**

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH

Mr. GUFFEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD the address delivered by the junior Senator from Utah [Mr. THOMAS] before the German Society of Pennsylvania in Philadelphia on



January 7, 1940. The German Society of Pennsylvania was founded in 1764 and the meeting on January 7 was its one hundred and seventy-fifth anniversary meeting.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If my history serves me right, the Greeks under the leadership of Aristotle invented logic at a time when civilization began to crumble and chaos became the order of the day. About the same time after things had been bad among the warring states of China for many hundred years and then took a turn for the worse, Hsun Tsu invented logic there. Query: Does intelligent and logical thinking require chaotic background? If it does, I tonight should be able to deliver a masterpiece of pure reason.

Conditions in Europe could not have been so good 250 years ago when the first Germans came to this land. Conditions in Europe have never been so good during any of the great periods that have brought to America many of her adopted sons and daughters who have contributed so greatly in the building of the American Nation. Yet while it is true that many outstanding Old World personalities who found an opportunity to express and make articulate their genius on American soil left under protest, or, to be thoroughly honest, left because they had to, it was not the Europe of their backward dreams that made them what they became, but it was the promise of American life that touched their souls and caused them to become partakers of America's spirit.

In a governmental sense the American Constitution stands today as the mother of all constitutions. That is, America's Constitution is the oldest of the constitutions of the world. Yet it is in America that we look for the land of promise, and in spite of her Constitution's age, she stands in spirit youthful because never once has she turned back. Thus we have the key in our national life to what may become Ponce de Leon's dream of the Fountain of Youth—a nation which builds onward and upward and does not turn back.

These are not mere words; they are facts of history. The techniques to which those nations have turned, which today are the children of the waste of the World War, which today are the children of internal strife, which today are the children of privation and reduced standards of living—these techniques to which these nations have resorted are those of a law of force, of dictatorial action, or of a single will. We find each of these states attempting to make the whole a unit and thereby making unimportant the individuals in that whole, each attempting to destroy the differences in individual characteristics in men and women, each attempting to make fewer the individual's loyalties to many ideals, each attempting to cause the individual, the subject, to lose more and more his entity in fusion in the whole. The technique of the dictatorial, single-willed state is the technique which the ancient Greek democrat felt was so offensive when he drove off the Persian horde. The technique of the single-willed, dictator-controlled state today is the technique used by Tsin Shi Huangti when he burned the books of the scholars in ancient China, when he built the Great Wall to hold the foreigner out, when he attempted to bring about a forced unity by crushing all thinking inconsistent with his centralizing ideas.

American governmental and political theory, comparatively old as it is when we view living states today, is in very deed the only one of youthful promise; and it is here that I am sure the thoughtful German in America sees in a sense a fulfillment of the dreams of his immigrating fathers, but sees also the promise of a greater and fuller life for his children.

I trust that I may not be misunderstood. America is not perfect, and life in the dictatorial, single-willed states has not become completely stifled. That is not my point. Comparatively speaking, man for man, there may be greater happiness, there may be higher standards of living; but can man, who has within him in very deed the gift of gods—not only the ability to remember the past and to observe and judge the present, but also the ability to project himself into the future—can man in his fullest ever be completely full if his thinking must be bounded, if his aspirations must be limited, if he must submit his thought and action to the will of another? Can man honestly worship if he is not free to worship as he wills? Can a man honestly discover if he is not free to search where he will? What constituted the glorious research period, the years of Germany's leadership in education? It was the freedom of thought in the academies and in the laboratories. What has contributed to leadership in culture anywhere in the world but freedom of action and the right to soar?

Now, some persons present might think that I am going to condemn that which we do not like in other places, but far be it from me to do that. Without condemning, I should rather explain how the backward steps which certain nations have taken are doomed to failure; but my thought is not on Europe and Asia. My thought is here. Can America avoid those backward steps? If the revolution in Russia, if the revolution in Germany, if the revolution in Italy, and if the turn to the strictly military government in Japan, and the various revolutions of the Tu Chan in China, all have their origin in poverty, privation, waste, and a reduced standard of living, should we not be thoughtful about ourselves? Can a land which today shows actually a per capita reduced income and therefore less wealth per person than it did 10 years ago maintain its standards and its political ideals without creating that misery and that privation which makes the advantage-taking leader resort to the ways of the demagogue and build the army of his marching

men on some hate? Social institutions built upon hate destroy in the individual his ability to have many loyalties. Without his many loyalties, the individual's freedoms are soon lost.

Now, I must be concrete in giving an example of what I mean here or else I shall be misunderstood. You represent a German-American society that has been in existence for over a century and three-quarters. Men who do not sympathize with the real characteristics of free men may object on a given occasion even to your hyphenated name; but to deny the contributions of German thought, of German blood, of German heritage, German cultures, to American life would be the equivalent of destroying something very fine in American life. But the interesting thing about these contributions, when we analyze them, is that they were really not German at all. What do I mean by that? It is only when German—or any other—culture hits the high plane of a great universal that it influences the outside world. It is only when the individual culture contributes to the onward and upward development of all men that it is worth while.

The Rocky Mountains are American, the Alps are European, but the grandeur of a painting of our glorious mountains or your majestic peaks appeals quite as much to the Asiatic artist as it does to the native of those mountains who feels a longing of homesickness rather than an appreciation of art. Can you call Wagnerian music German? In a sense, yes; but had it remained German only it would have died with its creator. What we want to find and what we want to get is that social and political technique in life which will make it possible for us to enjoy in the present the great universals, rather than having to seek them in the past. To hate Jesus because he was a Jew is to curb the soul; to refuse to read Socrates because he was a Greek would belittle any man. It has been a law of history that whenever the bounds of a people have been set in a given groove, that people has never contributed to the development of world culture and has always ultimately stifled its own.

### Our Crippled Children

#### EXTENSION OF REMARKS

OF

#### HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY HON. ARTHUR CAPPER, OF KANSAS

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on January 4, 1940, before the Kiwanis club of this city, by the senior Senator from Kansas [Mr. CAPPER] on the subject *Our Crippled Children*.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have addressed many luncheon clubs and district organizations in my 21 years in the National Capital, but no subject assigned to me has appealed to me quite as much, none has been closer to my heart, than the subject which you have given me today: *Crippled Children and What Can Be Done for Them*.

I am glad that you are honored by the presence of my colleague, Senator ALEXANDER WILEY, of Wisconsin, one of your Kiwanis brothers and a friend of crippled children. Wisconsin had not been represented by a Republican in the Senate for many years until Senator WILEY arrived a year ago. I am pleased to tell you Senator WILEY has already made a great many friends in the Senate. They like him.

I have had many interests in the course of my busy life, but let me tell you I have never known a heart appeal quite equal to that which comes from helping crippled children. I know of no heart-warming tonic to equal a sight of the happiness of a crippled child made whole. They are often too young to comprehend the full extent of the blessing that has come to them. They only know they are free to run and play like other children. They have yet to realize that instead of dragging through life, a burden to themselves and to others, they may grow to be useful and active men and women, with as fair a chance for happiness and independence as the best of us have.

It is my belief that no human being is quite as deserving of help as the crippled child. Robbed first of the ability to enjoy the pleasures of childhood, he sees himself held back and handicapped in the effort to attain development along lines which mean success or failure in later life. Certainly, my friends, there is no movement more worthy of wholehearted support. Helping a little child to health and happiness is an act which returns to the giver a lasting blessing in full measure.

All of you probably have pictures in your minds, as I have, of crippled children with twisted legs, bent backs, and other deformi-

ties; but strictly, according to the White House Conference on Child Health and Protection, a crippled child is "one whose future capacity for self-support is threatened by disease or defect of the bones, joints, or muscles."

This same White House conference, incidentally, recommended that county, State, and Nation provide by means of constructive and coordinated planning a program of child care relating to prevention and cure of crippled children. When such a program is carried out in each community as it should be, the number of crippled children will be reduced to the lowest possible figure and a large percent of those crippled will be helped greatly, if not entirely cured. Thus the number of crippled adults who now have such a terrible time getting along in grown-up life would be drastically reduced.

Today in the United States it is estimated there are between 300,000 and 400,000 crippled children, ranging up to 16 years of age. Their number was considerably increased a few years ago by a wave of infantile paralysis that swept across the country. According to these estimates, these 400,000 children are so deformed as to be of no use to themselves. They are charges upon those near to them. In thousands of cases, they are financial charges upon the communities in which they live. Ninety percent of these cases come from the homes of poor families. Yet this movement to make deformed or crippled children normal is almost new. Little or no thought was given this problem 25 years ago. Today the crippled children's movement, I am glad to say, is spreading with marvelous rapidity. There is so much satisfaction to be gained in realizing the difference in the condition of the crippled child before and after its little body is repaired that many persons are gripped by the thrill of having had something to do with such blessed work.

I wish I had the power to show you what it means to have this great army of deformed boys and girls in the United States. It would reach from horizon to horizon and far beyond. Some would be crawling, some upright on crutches, some unable to lift themselves in any posture above the ground. You would see little boys 5 and 6 years old who could not stand, much less walk. You would see tiny babes clasped close in the arms of despairing mothers who love their children not the less, but more, because of the limbs twisted at birth and feet bent so that they may never be able to walk. I know of nothing more pathetic in this world than a child of poverty, deformed, uncared for, unwanted by society.

You must remember that most of these children are crippled only physically. Mentally they are normal. Hence it is vitally important that care be provided for them which as nearly as possible will enable them to achieve the fullest development.

We find that special education for crippled children is confined mainly to cities. An amazing difference exists among the different cities in the methods and cost of education, which ranges per child from about \$187 a year to almost \$600 a year. The special education of crippled children is designed to prepare them to live harmoniously with those who are not handicapped. It is important that citizens should be taught that this education is not charity but is sound public policy. Lack of understanding of this fact on the part of the average man and woman is a terrible hindrance in inaugurating better community programs for the care of the child.

As is the case in public relief, the care and education of crippled children is slowly being shifted from private agencies and institutions to those maintained by public funds.

Important as education is for crippled children, equally important is proper treatment. I am sure you will not mind if I tell you a little about the Foundation for Crippled Children, at Topeka, which a few of us helped to organize at Christmas time in 1920, and which is still doing good work. More than a thousand children, with the assistance of this foundation, have been given intensive orthopedic services by the best surgeons and in the best hospitals to be found in all the world.

The work of the foundation is limited by no boundary line and discriminates in favor of no race or creed. Crippled children from 15 different States have profited through our foundation, and letters of information, encouragement, and advice have been sent on application to parents of unfortunate children in every State in the Union and other parts of the world. I have never been interested in any work which gave me quite as much satisfaction.

Our job for the crippled child will never be done until we are able to control diseases and accidents to such an extent that no child will be crippled; until we have such knowledge of the situation that we can provide proper treatment for every crippled child; and until the Nation is providing proper education for every crippled child.

It is unfortunate that comparatively few crippled children have the advantage of early discovery, treatment, and training. In small towns and rural communities children are at a much greater disadvantage than in cities. This is due to lack of facilities for their care. It is a striking fact that the less seriously crippled children are far more neglected than those in a serious condition.

As I see it, there are at this time three great needs for crippled children in the United States which ought to be supplied.

The first is a Nation-wide survey of crippled children. We should know exactly how many there are, how they became crippled, what their needs for treatment or prevention are, and how we may organize to handle these needs.

The second need throughout the country is for more adequate facilities for treatment and training of crippled children.

The third need—and we find it right here in the District of Columbia—is for more adequate appropriation for the conduct of our schools for crippled children. I am exceedingly interested in that problem, and I know you are. You have been of very great assistance in solving this problem for something like 17 years.

You know, of course, that crippled children require more care than normal children. But as far as possible they should be treated as if they were normal, and not as a care or a liability to the family or the community. With the right kind of care and a helpful attitude of mind on the part of those who are caring for them, crippled children can be made social assets to the community, instead of liabilities.

There is an economic side to this work, too. Most State hospitals, where a good deal of the food needed by the inmates is produced on the place, estimate the cost of food and care of the young patient at \$200 a year. Of course, that doesn't include interest on the investment in buildings, the cost of the buildings, or any such items. But on this basis it would cost \$60,000,000 annually to maintain the 300,000 deformed children for 1 year. That would give them a bare existence. Supposing the average life of such a child is 40 years; that would mean their subsistence for that length of time would total \$2,400,000,000—if they were allowed to remain in their deformed State throughout life.

But suppose these 300,000 crippled children were restored, were able to make their own way, and to help support others; what would be the result?

The average earning capacity of a human being in the class of the average deformed child is estimated at approximately \$1,000 a year. That would mean that these 300,000 crippled children in their average life of 40 years would earn exactly \$12,000,000,000.

By restoring these children to some measure of usefulness, instead of having to spend \$2,400,000,000 to take care of them until they reach the age of 40, they would add \$12,000,000,000 to the Nation's earning power, a stupendous sum.

Here, then, is further proof that there is no investment in the world whose returns can compare to what you invest in restoring a deformed child to a condition of happy usefulness.

I am reminded of an occasion a few years ago, on which I invited the crippled children of your Washington schools to be my guests in the Senate gallery during one of the interesting sessions. It was something of a task to get them there, but I had the capable assistance of the school officials and the officials and employees of the Senate. It proved to be a wonderfully thrilling event for the children and almost as much of an event for the Senators.

You know, of course, that the District of Columbia, which is doing such fine work for these little folks, has an association for crippled children of the District and I am proud to say has made me a member of its board of directors from the beginning of the organization. I am glad to say also this association, headed by Mrs. Cary Grayson, has done some really worth-while work.

Washington, too, is the center of another movement for the benefit of crippled children; I mean that sponsored by President and Mrs. Roosevelt. The Warm Springs Foundation, established by our President in Georgia for the aid of these handicapped children, I regard as one of America's greatest humanitarian achievements. It means so much that the proceeds from the hundreds of birthday balls throughout the country, amounting to large sums, goes to the crippled children in every State in the Union and the District of Columbia. I am glad that already plans are well under way for the event on January 30, with indications of a record-breaking success. I know you Kiwanians will do your part.

Special gymnasium facilities in the schools have been a great blessing to crippled children, as well as have special opportunities from swimming. You remember what a great help it was to President Roosevelt in his recovery from infantile paralysis to swim down in Georgia, and how important a part in his present well-being it seems to be to have a swimming pool installed in the White House. You know, of course, that many children are crippled from infantile paralysis exactly as our President was. These children have had marvelous benefits from the Warm Springs establishment, as well as from the numerous hospitals throughout the country.

I have talked of education and, to some extent, treatment of crippled children, but I have said little of the prevention of crippling. There are definite ways of preventing crippling. For example, health laws and automobile traffic laws properly enforced, and other safeguards, such as clinics and stations for diagnosis, have greatly lessened the number of accidents and the number of serious causes of disease which result in crippled children. This matter of prevention has not yet been given the attention it should receive. It happens that much more funds are available for the care of crippled children than for preventive measures. I think we should provide more funds for treatment. I also think we have great need for funds and more resources for prevention.

It is most encouraging that crippled children have received the attention of more volunteer and professional organizations than have any other group of the handicapped. During recent years this attention has been shown in many States by clinics provided by law and by better facilities for diagnosis and treatment. There is, however, a great need for comprehensive research work to investigate every angle of the problem of these children. Constructive experiments for the purpose of learning how these children can best be adjusted to normal living conditions are very necessary.

I say to you, the problem of the crippled child presents a challenge to the people of the United States, to Congress, and to the administrative agencies of the United States, and a challenge to



the legislatures and cities of our country. Certainly every child of our Nation is entitled, so far as is possible, to the ancient prescription of a sound mind in a sound body.

Right here in Washington the challenge has been made, and I am glad that you men of Kiwanis are accepting it. Your clinic and hospitalization for crippled children is indeed deserving of praise, as is your annual Christmas party and other work.

And now another challenge has been thrown before you, that of setting up a school for the crippled children only of the District of Columbia. As I understand the problem, at least \$2,000 must be raised to remodel another building and make it suitable for the needs of the crippled children.

The crippled children's school, as it now exists, was established by Congress in 1929, and has since been accommodated by assignment as a separate unit in a regular school—first at the Weightman and now at the Langdon School.

I have also been told that the school authorities of this city consider it most desirable that the education of crippled children be in a separate school building, rather than a unit of a regular school. And I understand that this policy is approved by the Federal Bureau of Education, citing in support thereof that practically every city in the United States which has a population comparable with that of Washington has such a separate building for the education of its crippled children. The Washington School Board, I am further told, in pursuance thereof has for the last 4 or 5 years included in its budget an item for appropriation to start such a building, but this item has been stricken in every case, I believe, before it reached Congress.

Now, I understand, the building at Allison and Thirteenth Streets NW., which has been used as a health school for children threatened with tuberculosis, is to be vacated, and that it can be readily adapted to the needs of the crippled children. I have been informed that by making minor, but sufficient, changes in the building, the cost probably would be only \$2,000, and that your club possibly is willing to volunteer its services and contribute sufficient cash to absorb most of, if not all of, this expense.

Your offer, your attitude in regard to this move, is a wonderful thing. I know that is the spirit of Kiwanis, and I compliment you on such action. And I assure you that I shall give my utmost support to that program.

I say there is no greater call to which men can rally than around the standard of helpless children. We must get them out of the wheel chairs. We must make them walk. We must give them courage and, so far as possible, give them an even chance with other boys and girls in the race of life.

Again, I say, the work for crippled children is the finest expression of modern civilization. It is the finest because it is based on the most beautiful human attributes which prompt us to help those who cannot help themselves, and it is fine because it fits in with the highest ideals of our Christian civilization. That is why Kiwanis is so keenly interested in crippled children.

Before I close, my friends, I want to say thank you for allowing me these few moments, and again I want to compliment you on your fine work, and wish you success.

My last word is a touching poem, written by a physically handicapped woman—Ann Shulman, of Chicago. She heads it "Challenge":

"Give them opportunity;  
Make the youngsters straight and strong;  
Pity is not what they want;  
Let them know that they 'belong.'  
  
"Help them with your understanding;  
Give the pennies you can spare;  
Rid them of all backward feeling;  
Teach that you can 'do and dare.'  
  
"Know their capabilities;  
Give each one an equal start;  
Open wide the door for them;  
Open wide your heart."

### American Rights on the Sea

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ARTICLE BY GENERAL JOHNSON

Mr. REYNOLDS. Mr. President, in view of the fact that some interesting and important notes have recently passed from the hands of our very able Secretary of State, the Hon-

orable Cordell Hull, to officials of the British Empire in regard to the stoppage of our ships and the seizure and censoring of our mail, I ask unanimous consent to have published in the columns of the Appendix of the CONGRESSIONAL RECORD an article by Gen. Hugh S. Johnson which appeared in the Miami Daily Herald, of Miami, Fla., under date of December 29, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Miami (Fla.) Daily Herald of December 29, 1939]

#### BRITISH RACKET

(By Hugh S. Johnson)

WASHINGTON, D. C., November 28.—No nation ever made as great a sacrifice of international rights as have we. We got off the ocean to avoid having to vindicate our rights at sea.

Did we do that altogether because we didn't want the Germans raising a cause of war by sinking our ships in submarine warfare? Partly, but it must be repeated that, up to our severance of diplomatic relations with Germany in the World War, only one American ship had been attacked by submarines—and she was traveling with a British convoy. She wasn't, as this column once stated in error, sunk. She was the tanker *Gulflight* and she is still in service.

A principal reason for recent American abandonment of rights was to avoid arguments with England. It was a handsome gesture. The lifting of the arms embargo is proving to be even more handsome. It is going eventually to give the Allies supremacy in the air as our science, production, and ingenuity begin to provide more and better war planes than the Germans can produce.

But all this was apparently not enough to satisfy our British cousins. They have an undoubted right to stop one of our ships anywhere on the seven seas, to visit and search her and, if she carries contraband, to seize her. But they have no right to seize American ships, convoy them to her ports, rifle and censor the United States mails and delay voyages until they become unprofitable.

#### AMOUNTS TO RACKET

Neither has she any right to demand an alternative to this abuse of our rights, that American ships submit to her agents schedules of their sailings and manifestos of their cargoes. What that amounts to is an indirect blockade of our ports under threat of grossly unlawful action if we do not accede. In plainer words, what it amounts to is a racket—with every aspect of an Al Capone "protective" society.

A new question that requires our attention is the British threat by "orders in council" to seize on the high seas goods of German origin, regardless of ownership, as an act of "reprisal" against German sinkings by submarines or mines.

These British "orders in council" regulating the commerce of the world and riding roughshod over neutral rights are acts of supremely arbitrary audacity. We fought England in protest of them once. There is no precedent in international law for seizing enemy exports, possibly of neutral ownership. That isn't reprisal against an enemy. That is reprisal against neutrals—or such fake neutrals as we have been—"friends" to the very limit of the letter of the law—with little regard for its spirit. It is a kind of disguised piracy to which other presumable neutrals have objected, but which we have swallowed without a word. Can it be supposed that England would ever have dared that kind of gross affront without assurance that we would not protest? Have we a new Walter Hines Page at the Court of St. James, and a new Lansing in Washington? Isn't this the road to war?

There is no question here of how many of our goods are involved. It is solely a question of how many of our rights are involved. We are strangely silent here—but we are strangely vociferous in the Orient where many British dollars are involved and few of ours. We seem to be about to sacrifice \$400,000,000 of our annual Japanese trade to protect \$100,000,000 of big business fixed investment in China at the very moment when we are inert to British confiscation of our rights at sea and Communist confiscation of our property rights in Mexico.

Every time I write a piece like this I am accused of being pro-Hitler. I am no more pro-Hitler than Rabbi Wise, but it is time for somebody to be pro-American.

#### Farm Imports

#### EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

Mr. BROWN of Ohio. Mr. Speaker, last week I called the attention of the Congress to the fact that our balance of foreign trade in agricultural products is heavily against the

American farmer, and gave official Government figures to prove that our export trade in agricultural items has been declining and that our imports of such items in direct competition with American agriculture has been rapidly increasing.

Today I wish to call the attention of the Congress to the United States Department of Commerce figures on farm imports for the first 10 months of 1939, as compared to the first 10 months of 1938. These figures undeniably prove that the present administration program of reciprocal-trade agreements certainly has been of injury rather than of benefit to American agriculture. They are:

*Farm imports—United States imports of agricultural products, 10 months, 1938 and 1939*

[U. S. Department of Commerce figures]

Import items	Unit	10 months ending October—	
		1938	1939
Cattle	Head	330,653	664,339
Meat products (total)	Pounds	123,732,000	136,552,000
Canned beef	Pounds	65,833,000	78,073,000
Cheese	Pounds	44,423,000	49,249,000
Eggs (in shell)	Dozen	182,844	267,326
Hides and skins (total)	Pounds	131,896,000	258,889,000
Cattle hides	Pounds	39,338,000	104,217,000
Sheep and lamb skins	Pounds	25,496,000	50,085,000
Silver fox fur skins	Number	13,749	75,067
Casein	Pounds	317,000	6,876,000
Barley	Bushel	126,000	745,000
Oats	Bushel	5,258	2,612,000
Wheat (all)	Bushel	2,433,000	9,310,000
Wheat flour	Pounds	12,237,000	16,929,000
Barley malt	Pounds	84,752,000	90,626,000
Hay	Tons	13,505	35,550
Wheat byproduct feeds	Tons	27,173	372,951
Chickpeas, dried	Pounds	6,390,000	7,507,000
Potatoes, white or Irish	Pounds	36,315,000	48,072,000
Sago	Pounds	8,695,000	21,252,000
Tapioca	Pounds	183,322,000	295,088,000
Arrowroot	Pounds	4,799,000	7,681,000
Peas, canned	Pounds	325,000	1,070,000
Tomatoes, canned	Pounds	45,096,000	47,773,000
Pineapples, prepared or preserved	Pounds	28,918,000	67,632,000
Apples	Bushels	8,004	24,661
Wool, unmanufactured	Pounds	69,810,000	197,026,000
Cotton, unmanufactured	Pounds	93,107,000	84,443,000
Tobacco, unmanufactured	Pounds	60,968,000	64,544,000
Flaxseed	Bushel	12,324,000	14,724,000
Castor beans	Pounds	90,570,000	116,555,000
Potato starch	Pounds	4,939,000	7,316,000
Maple sugar and sirup	Pounds	3,798,000	12,136,000
Wool noils, wastes, and rags	Pounds	3,275,000	15,200,000

Note increase over 1938.

After studying the above figures the farmers of America can judge for themselves as to whether or not the present Democratic administration under the New Deal has been properly protecting the American market for the benefit of American agriculture. A continuation of such heavy increases in agricultural imports will mean the ruination of those who till the soil of America. We must call a halt to the New Deal program of entering reciprocal-trade agreements that work to the injury of our farmers through the flooding of American markets with farm products imported from foreign lands.

Within a few days I expect to give some interesting information as to the astounding decreases in our agricultural export trade during recent months.

### The Challenge of Intolerance

#### EXTENSION OF REMARKS

OF

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

ADDRESS BY HON. FRANK MURPHY

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks, I am very glad to include therein a most impressive and humanitarian address entitled "The

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Challenge of Intolerance," delivered by the Attorney General, the Honorable Frank Murphy, newly appointed Justice of the Supreme Court of the United States, at the National Conference for Palestine, on January 7, 1940, at the Mayflower Hotel, Washington, D. C.

I commend this very able analysis of the abuses of tolerance that have descended upon so many countries abroad today, to the Members of the House and the people of my State because of its cosmopolitan and timely interest. Thousands upon thousands of the good people of the State of New York, or their ancestors, fled the Old World, driven by the scourge of similar abuses in other days of tyranny and oppression to experience and ultimately to cherish the freedom and the joy of our democracy. And so, in these perilous days when the tentacles of foreign isms are attempting to stretch like a malignant growth from the land of dictatorships to the land of the free, it behooves us to heed the analogy drawn by the Attorney General. Tolerance is the bulwark of the heritage of every American, life, liberty, and the pursuit of happiness; and it should be treasured and nurtured beyond the realm of theory and into the realm of practice as one of the proudest possessions of our country today. The address follows:

For many of the human family the period we live in is one of heartbreak and tragedy. Helplessly, the humble, unknown thousands whose only wants are bread and peace see their homelands overrun by invading armies, their homes and fields ravaged by the lightning strokes of war. Life for them is a nightmare of destruction and hate, too horrible to be believed, if it were not that the harsh facts lie before their eyes.

In such an era, earnest efforts on the other side of the ledger—endeavors to find and to build homes for the homeless and oppressed—must come to all men of good will as a source of cheer and encouragement. I am grateful for the opportunity to visit with you who are engaged in such a movement.

To one like myself who was brought up from early childhood to read and revere the Bible as the book of books, Palestine is not simply a distant country, nor are the people who first made it the Holy Land simply another race. The land of the book and the people of the book are peculiarly part of the religious heritage of civilized men.

And so it is that your efforts to help build a sanctuary for the harried and homeless of the Jewish people have a mighty appeal to those of us of other faiths and races who still find refuge, when the world about us seems the darkest, in the spiritual teachings of the humble prophets who dwelt in Zion and in Galilee many centuries ago.

We recall that America itself came into being at the hands of harried and homeless people searching for the blessings of peace and freedom. Remembering their great struggle, we sympathize the more with this effort of yours to create in Palestine a haven of refuge and a center of culture where your kith and kin, free from oppression and persecution, can find life and peace in the land of their forefathers.

The particular tasks which you have set for yourselves are necessitated, and at the same time complicated, by external events. We are living through a dark and emergent period in the world's history. Unquestionably it is a period of transition and change, although the exact nature of the transition and change is something that few of us know enough to understand or are wise enough to foretell.

Men and women everywhere are haunted by a feeling of insecurity, of helplessness to protect the things they cherish most. And yet, while their present state is so unhappy, they also have a fear of change, and of the unforeseeable and unknowable consequences of change. They fear that change instead of bringing them greater security will take away the things they want most to keep.

We live, therefore, amid the clash of social and economic forces which at times become motivated more by passion and fear than by reason and knowledge. The forces of discontent, mistaking change for progress, attack what is good as well as what is bad in the established order of things. To achieve change for the sake of change and the aggrandizement of their own power they would trample over other men's religion and other men's freedom to think and say what they believe. On the other hand, forces, fearing change or having a vested interest against change, blindly defend what is bad as well as what is good in the established order of things. To prevent change and to stop the stars in their courses they would deny other men political liberty and economic opportunity, and would crush all efforts to appeal to reason or even to God.

The forces of enlightenment today are not those which resist all change or the forces which favor any change. They are, instead, the forces which seek to achieve, in time, such improvements in the established order of things as may be necessary to protect in a moving world the gains which civilized men through centuries of struggle have acquired.

That, essentially, is the aim of the forces of enlightenment, the forces of religion and true conservatism, without regard to political



partisanship, in this country and other countries where the lamps of reason have not been extinguished.

But in large sections of the world where the lamps of reason have gone out or have flickered low, the enlightened effort to improve the lot of all men has given way to a resurgence of bigotry and intolerance as cruel and as barbarous as history has ever recorded. And today, as in the olden time, it is the Jewish people—homeless and so the least able to defend themselves—who have suffered first and suffered the hardest. Once again, they have served as the most readily available scapegoats for those who accept force as their gospel and find virtue in refusing to be guided by the laws of reason or the laws of God.

But the world will make a grave mistake if from these facts it concludes that the revival of intolerance is primarily or peculiarly a Jewish problem. For already it is apparent that the Jews are serving not merely as a scapegoat but as a smoke screen to conceal more aggressive designs of power-mad men. Already those who started out and who continue to bait the Jews are baiting Protestants and Catholics whenever they find that they have the force to succeed and that the loot makes their effort worth while. The worship of force is not only anti-Jewish, it is anti-Christian, it is a revolt against reason and God.

This is not a lesson for Europe alone, or simply for lands other than our own. It is a lesson that Americans, also, need to learn and to carry with them through life as an inseparable part of their citizenship, for the virus of antisemitism has made itself felt here as well as abroad.

The purveyors of hatred, the provokers of division and strife, the swaggering apostles of force and violence are methodically and with premeditation laboring to bring to the United States the same conditions of group hatred and civil war that have destroyed the peace of Europe. Treacherously they camouflage their true nature by representing themselves to the unwary as defenders of God, America, and the Constitution. Unscrupulously they stir up riots in the city streets, they intimidate peaceful citizens, they invade meetings, and they peddle as truth the malicious lies which people of their ilk have invented to blacken those whom they hate.

Some of this professional hate mongering government can and will combat through the laws of the land. But in the main American democracy must look for its defense to the wisdom of the people and their determination not to be led on the paths that have taken other peoples to communism and fascism.

Not guns nor battleships will ultimately preserve democracy, but the devotion of a people who have the good sense to realize that intolerance is no respecter of persons—that once unleashed it has no regard for religion or race or economic status; or, least of all, for that dignity of the individual which lies at the basis of our civilization. Democracy in America will be saved if as a people we are wise enough to know that if we do not respect other's faiths the day may come when other men will not respect our faiths.

The refugee problem is not a problem of or for any one race or religion; it is a challenge to civilized man the world over. In helping to give your people or any people a chance to live a free life in a free country we are helping to do our part to preserve justice and liberty in a civilized world. We are not merely relieving suffering and distress; we are helping to preserve for ourselves and our posterity those ideas and spiritual values without which life would be a barren and brutish thing.

There are some things in this era of transition on which we all cannot agree—some matters of national policy about which there are bound to be honest differences of opinion.

But there is one question of policy that should not and must not divide us. Should it eventually do so, the end of American democracy will not be far behind.

That policy is the creed of tolerance which for a century and a half has sustained civil liberty and representative government in this land.

There is no hope for us in turning away from that policy. And those who preach that we will prosper by doing so preach a black and destructive doctrine. They preach a doctrine that is the betrayal of everything that the fathers of the Republic hoped and planned for. They preach a philosophy that can bring nothing but hate and misery and ruin to this Nation, which has become great only through harmony and mutual faith among those who built it.

America was not built by anti-Semitism, or anti-Protestantism, or hatred for the Catholics, or by the fantastic doctrines of racial superiority that are practiced elsewhere. America was built to greatness by a partnership of men and women who represent every race and nationality that inhabits the globe. The good things of life that you and I enjoy we owe not to Catholics alone or Jews alone or Englishmen or Irish alone—we do not owe them to Aryans or non-Aryans alone or to white or black alone—we owe them to all God's children of every color and nation and creed—to all God's children whom He loves each alike with that same love which "passeth all understanding."

What folly, what awful tragedy, what disloyalty, to talk of dissolving that God-inspired partnership now when democracy needs it most.

America's mission is not the propagation of hate. Our mission is that of helping to prove that only in peace and brotherhood will men find happiness on this earth. Our mission is to show that by reasonable and peaceful means, men of different natures can build a common security in which justice and liberty are denied to none.

To those who ask if we are worthy of such an errand, let us give the answer of a Nation united in its friendship for those who are oppressed, disdainful of any who would take away from us the matchless blessing of our friendship for each other.

## Recreation—the American Way

### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

ADDRESS BY HON. JOHN W. McCORMACK, OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the second annual dinner of the Associated Community Planning Committee of Boston, held in Boston the evening of December 13, 1939:

Every group of people throughout time immemorial has developed its own pattern of behavior, its own way of thinking. A pattern which permeates all phases of their thought and behavior.

Today we find ourselves in a bewildered and confused world, a world torn by two sharply contrasting ideologies. On the one hand we have in Germany, Italy, and Russia, a form of government which we know by that accurate descriptive term—totalitarianism. On the other hand, we have what has come to be known as the American way—democracy. Each of these is striving to inculcate their ideals and standards in the minds of their peoples. In Germany, Russia, and Italy, the way of life is totalitarianism, and the manner in which these people are oriented to their philosophy is dictatorial, by orders from above, by orders to do certain things, by orders not to do certain things. These countries, as modern tyrannies, are controlled and regulated by a small group of self-constituted superior men. These dictators, believing in nazi-ism and communism, seek to perpetuate these forms of government by forcing their people to accept their policies. Quite accurately they realize that if communism and fascism are to be accepted they must seep through all aspects of the individual's life. Therefore, they seek through orders, cruelty, and relentless punishment to force people to accept principles of dictatorship.

Our situation in this country is quite the reverse. We have a democratic form of government because that is the form of government which the American people want. The people of this country decide what they want and then issue orders through elections and referenda to their elected officials. These officials, under orders from their voters, then put into practice those plans and programs which the people decide they will have for their own benefit.

Totalitarianism, which in objectives and methods, consists of authority at the top and responsibility from below; democracy, which in objectives and methods, consists of responsibility from above and authority from below.

Our contemporaries divide life into four important constituent parts: Worship, work, health, and play. Man must satisfy the strivings of his inner soul through worship and reverence of God and those religious teachings which humanity has accepted. Man must satisfy his creative and productive desires by working and contributing to the material and nonmaterial wealth of civilization. Man must maintain his physical well-being in order to accomplish the other objectives. And, you will note, along with these other important components of behavior, play has been included. Essential to a well-ordered social existence is the opportunity for clean, healthy recreation and play.

The Fascist and communistic countries well know the importance of recreation in the lives of their peoples. The Italian Government early developed its government-subsidized program of recreation. The German and Russian Governments, too, have stressed the importance of recreational programs. These programs have been imposed from above, however. The government has decided what types of recreation are most desirable, which will aid their totalitarian plans, which will contribute to the strength of their military might, and which are wasteful in what they do no more than please the people. Thus, the totalitarianism is reflected in their recreation and play.

What reflection of the American way do we find in the recreational program of our own country?

In an active, growing country, abundant in natural resources and wealth, there is a tendency to ignore the necessity for play and recreation. Abundant money enables people to become dependent upon professional entertainment and recreation, rather than rely on themselves. With the tightening of our economic belts in 1929, with the disastrous aftereffects of the uncontrolled orgy in financial speculation by people who cared little for the plight of the forgotten man, with the great increase in wealth of the few at the expense of the many, the opportunities for healthy, natural recreational activities lessened. The average person no longer had the money with which to pay for his recreation, he no longer could afford the equipment needed to indulge in his choice avocation, he shunned his former social companions because of fear of being disgraced through his lack of employment, and he no longer had entree to those clubs and associations where he had

once partook of his recreational fare, a place where he could indulge in his recreation.

According to a Nation-wide survey we find, for example, that over 18 percent of our youth at this time had no other leisure-time activity than loafing, that over 21 percent indicated attending movies for their leisure-time activity, and that 24 percent indicated dating and dancing as their principal leisure-time activity. That loafing included idling, talking on street corners, such inactivity accounted for our high rates of juvenile delinquency and for the fact that almost 50 percent of our first offenders are under the age of 24.

Older people, hard-hit by the depression, fearing through false pride to associate with their former friends while unemployed, lose interests, and resort to activities which are disastrous to our religious beliefs and economic structure, to the inviolability of the family and ultimately, as a result, to the very existence of democracy itself.

A new administration, a farsighted administration, an administration under the leadership of one who valued democracy as a living, vital entity, set itself to the task of aiding unemployed people through the establishment of the Works Progress Administration; to the development of our most valuable asset—our youth, through the establishment of the National Youth Administration and the Civilian Conservation Corps; to the creation of a Social Security Administration which would give succor to the aged, aid to the dependent mothers, security to the unemployed wage earners, help to the blind and crippled.

While devoting himself to the control of those instruments of finance which had led our country into a period of depression, which had nearly shattered the pillars of democracy, and in bringing back new life, new vitality, new strength, to the democratic way of life, President Roosevelt was farsighted in realizing that recreational opportunities must be provided to those who have been plunged into despair and want. Thus it was that the Works Progress Administration and the National Youth Administration were authorized by the President of the United States to develop a recreational program. Unlike Russia, unlike Germany, unlike Italy, where such a decision would have resulted in a small group of self-authorized government officials imposing upon the people a plan for recreation, the administration of our country authorized the development of adequate recreational programs in the American way, the democratic way.

The program which has been developed here in Boston is typical of the Nation-wide program and in fact, the Boston program has been copied by many other cities and States. With the assistance of the Community Service, Inc., of Boston, the Works Progress Administration and the National Youth Administration first established associate recreational planning committees in the natural divisions of the city. These twenty-odd planning committees, composed of business, civic, educational, and social leaders of each district, met and sought to express the desire of the residents of each community as to the recreational needs. Each committee, independent of the other, then made recommendations as to the development of a supervised recreational program. Racial background, economic composition, social environment, and other necessary factors were taken into consideration by each committee because each committee was representative of its community. Thus, instead of regimentation such as Russia, Germany, and Italy, have known, Boston developed its own recreational program, designed to meet the needs of the residents of each. In certain parts of the city, musical projects were developed, in others, theatrical projects, discussion groups, forums, playroom activities, dancing, contests, clubs, whatever the community itself decided that it might need.

Here is no regimentation, here is no coercion, here is no dictatorship, here is the essence of democracy: The Government of the United States under inspired leadership of President Roosevelt, providing leadership and assistance to the local communities so that the local community may develop its own program which it itself has selected in the recreational projects of Boston. Through the Associated Communities planning committees we find the development of the democratic philosophy in recreation in the democratic way, the American way.

## Free Enterprise Versus Feudalism

### EXTENSION OF REMARKS

OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

ADDRESS BY PAUL G. HOFFMAN

Mr. GRANT of Indiana. Mr. Speaker, under leave to extend my remarks in the Record, I include the following

address by Paul G. Hoffman, president of the Studebaker Corporation, before the American Petroleum Institute's twentieth annual meeting at Chicago, Ill., on November 15, 1939:

On February 5 of this year, Dr. Bruning, the last Chancellor of free Germany, told me that if there were war, Germany and Russia would be allies, because, as he said, their ideologies are similar—both are feudalistic in concept. By his use of the word "feudalistic," he implied that there was nothing new about the modernisms, that they were merely a streamlining of the old idea that the individual is a servant of the state. He might have used the adjective "tribal," because in ancient times the same belief prevailed almost universally. As a matter of fact, of the thirty-eight to forty billion people who have lived since the beginning of the Christian era, less than one billion have ever known the meaning of personal liberty and economic freedom. No, there is nothing new about the idea that rulers should completely control the lives of the people.

The new idea—the dynamically new idea in human history—is that individuals, if given a reasonable opportunity for a free expression of their abilities, can bring about a higher standard of living and a better social order for themselves. Speaking broadly, that concept is only about 200 years old. It has had application in only a few countries—in modern England, France, Holland, Sweden, Norway, the United States, and some smaller countries, and for a comparatively brief time in Central Europe. It is worth noting that only the billion who have enjoyed freedom have ever experienced an improved standard of living. The common man in all totalitarian countries, from the days of the tribal chiefs to present-day dictators, has lived either at a subsistence or starvation level. The burning issue at the present time is whether the concept of individual liberty and economic freedom shall live or perish from the earth.

I do not propose taking time for any impassioned appeal for the preservation of individual liberty. I assume that you are as determined as I am that there shall be no turning to feudalism as far as America is concerned. I have no fear of the enslavement of free Americans by any sudden military coup, or by any legislative action by which we will vote ourselves into bondage. There is no prospect of a black-out of freedom in America. I do believe that there is danger of a fade-out as a result of certain pressures which threaten free enterprise. I do not need to remind you gentlemen that personal liberty and religious freedom cannot survive if free enterprise is supplanted by regimentation. Speaking historically, civil and religious liberties have always followed and not preceded the breaking of governmental controls over the market. In England, France, and Holland, people gained civil and religious liberty after they had fought for and won the right to conduct free business enterprise—not before. In Germany and Italy, on the other hand, as we have seen in our own day, the people lost their civil and religious freedom after they lost free enterprise. We must either maintain free enterprise or accept feudalism.

The outward and visible manifestation of the hazard to free enterprise is the excessive and constantly mounting burden of Federal, State, and local taxation. Some years ago I heard a most challenging address in which the speaker analyzed the fall of civilizations. It was his theory that either anarchy or regimentation was inevitable once taxation reached a point where it was absorbing in excess of from 35 to 45 percent of national income. He first recited the case of ancient Egypt, where the mounting expense of the priesthood eventually absorbed more than half the earnings of the producers, with the result that there was revolution and chaos. He then laid before us the history of Greece, where the expense attendant upon the conquests of Alexander finally brought about a similar disaster. Then he showed how in more modern times in France the nobility took such a toll from the workers that revolution became inevitable.

Let us see what is happening in America. In the year 1913 our national income was \$31,450,000,000. Federal, State, and local taxes were approximately \$2,194,000,000, or 7 percent of the national income. Twenty-five years later, or in 1938, national income was \$62,450,000,000—approximately double that of 1913. Ordinary governmental expenditures were \$17,100,000,000, which was 27 percent of national income. Of this amount, \$13,700,000,000 was raised by taxes and the balance by borrowing. In addition to the ordinary expenditures, our Government incurred additional contingent and credit liabilities of \$3,700,000,000, bringing the total to \$20,800,000,000, or 33 percent of national income. Governmental expenditures were almost 10 times what they were 25 years ago, whereas national income was just double. We are approaching the danger point.

There are those who contend that the best method to reduce this dangerously high percentage of national income being taken by taxes is through a drastic reduction in governmental expenditures; others, with equal vehemence, argue that the only answer is a sharp increase in national income. It is my opinion that we must move in both directions. However, neither howling about expenditures nor shouting for prosperity will suffice. Before we can proceed intelligently we must find out why governmental costs are high and, secondly, why national income is low. An adequate answer to either of these questions would take hours which are not available and a profound knowledge which I do not possess. I shall limit myself to making certain observations, with the full realization that they do not constitute either complete or authoritative answers to either question.

Let us first consider this problem of reducing governmental expenditures. Obviously the first attack should be on the wasteful



use of tax money. Everyone recognizes that it is difficult to get full value for a tax dollar. When we think of governmental expenditures we think of the Federal Government, forgetting that there are 175,000 governmental spending units in the United States. It seems to me that the most sensible approach to this problem of eliminating the wasteful use of tax money is contained in the recommendations of the Tax Foundation, of which Mr. Lewis H. Brown is chairman and Mr. Fred A. Eldean, formerly of the American Petroleum Institute, is executive director. They suggest that the tax battle will be won in the county, just as national elections are won in the precinct. They urge that the county taxpayers organize and subject county expenditures to an intelligent audit and analysis. State organization proceeds naturally from county organization. The State of Nebraska has more or less provided the pattern where during 1938 the Nebraska Federation of County Taxpayers Leagues, working with public officials, brought about tax savings of \$139,000,000 and a reduction in debt for local governmental units totaling \$39,000,000. It would seem evident that this technique is sound. Our need is for its application in a wider area.

In addition to curtailing the wasteful use of tax dollars we face the equally important problem of how taxes should be raised. This is particularly true insofar as it applies to the Federal Government. At best, taxes are a retardant to business, but a given amount of taxes raised in one way may leave our economy functioning and in another seriously cripple it. Let us, for example, consider the effect of present Federal taxes on venture capital, which has been virtually driven from the market.

Merle Thorpe, editor of *Nation's Business*, in an address delivered nearly a year ago, told a story in one succinct paragraph which I want to quote. Mr. Thorpe said:

"It is a fact that from 1900 to 1930 three billions each year of new capital, or savings, went into the development of new things and another three billions into the expansion of industries already established. Eighteen of these new things, such as automobiles, radio, rayon, today furnish employment to nearly 10,000,000 wage earners, one-fourth of the total number of those employed in gainful occupations. Since 1930 less than one-tenth of \$3,000,000,000 each year has ventured in this way."

Along with other businessmen, I have ideas as to what might be done to free up venture capital. For example, I concur with Mr. H. S. Vance, who is chairman of our board and who was a member of the Fortune round table on taxation, that great benefit would come from a further revision of our method of taxing capital gains as distinct from ordinary income. The low rates on capital gains established by the 1938 Tax Act were calculated to attract venture capital. Failure to produce the desired result is due solely to the retention of the time restriction that securities must be held at least 18 months before gains can be segregated. When one considers the obvious uncertainties which hang over all business transactions today, 18 months is a long time. In Mr. Vance's opinion, the time restriction should either be eliminated entirely or reduced to an extremely short period. The only objection which has been raised to this is that it might encourage speculation—particularly by people of moderate means. Apparently due consideration has not been given to the fact that up to the \$18,000 level the rate of income tax under our present laws is less than 15 percent. If a flat rate were applied without option, it would be a deterrent rather than an incentive to speculation so far as the vast majority of taxpayers is concerned. As it is, the time restriction has mitigated against the usefulness of the revision from a standpoint of encouraging venture capital, much of which must come from those in the higher income brackets.

Of far more importance than any specific change was the recommendation of the Fortune round-table conference, to which I have already referred, of the immediate appointment of an impartial competent tax commission empowered to make a scientific study of our whole problem of Federal taxation. We have among our Congressmen some very able experts on taxation, but, insofar as possible, taxation must be moved out of the political arena if we are to have a sound system. So long as taxes are considered from the standpoint of producing the greatest revenue and losing the fewest votes, it is wishful thinking to expect anything other than continuing shocks to our economy. It may be wishful thinking to believe that even a plan recommended by nonpartisan experts could run the political gamut, but I am encouraged to believe that it might because in 1924 the Socialist Labor Government in England appointed a commission headed by Lord Colwyn, and their program was accepted by Parliament.

The possibilities of such a study are limitless. The report issuing from it might well become our magna carta of taxation for years to come. The commission might well prepare schedules of tax sources and rates to meet budgets of varying sizes. It could formulate the ideal tax plan to meet the needs of a \$6,000,000,000 budget, a \$7,000,000,000 budget, and so on to a \$10,000,000,000 budget, pointing out the difficulties and the dangers of each progressive upward step in the total. Such a report would make visual to all the people their tax burden at various governmental cost levels. It would serve to protect this generation and the next against any further experimentation with tax devices intended primarily to promote social reform, to punish certain individuals or groups, or to achieve political advantage.

Perhaps the principal advantage that would come out of the local and State tax audits and analyses suggested by the Tax Foundation, and the tax commission proposed by the Fortune round table, are the questions that would be raised as to whether certain governmental services are worth while in view of the burden that

they impose. I am of the opinion that, even though taxes were raised in the most scientific manner and our tax dollars spent wisely, we would still be faced with a burdensome cost of government because we, the people, have demanded too much of government. During the last few years we have witnessed the sorry spectacle of organized groups from business, agriculture, and labor fighting for their share of the loot in the form of subsidies or services. If free enterprise is to be saved, we have got to stop fighting separately for our share of the swag and unite in a battle to eliminate needless services. Any government will topple over if its citizens lean too heavily upon it. Only a self-reliant people can successfully carry on a government of the people, by the people, and for the people.

Now let us indulge in the brash assumption that governmental expenditures are cut by as much as one-third and that the tax program is sound. Will that insure real recovery in these United States? I don't think so. It will be merely a preface to recovery. Our big job is to substantially increase the national income. At the moment we are experiencing a kind of prosperity influenced, in part at least, by the war in Europe. Over the long pull we would be far, far better off without this stimulant.

The big question is, What can be done to speed up our domestic economy so that, under normal conditions, we can look forward to a satisfactory and mounting level of national income? I don't pretend to know how far we can go in raising national income, but I do believe that within the next 25 years we can go far beyond the most optimistic figure that has yet been mentioned. Certainly anything less than \$100,000,000,000 in the decade ahead would be an unsatisfactory goal. I have nothing new to propose as a basic solution, but, rather, a return to the old concept that the best way to expand markets, profits, and income is by maintaining or improving the quality of our products and selling them at a lower price. Business, labor, and agriculture have all largely departed from this concept during this decade of depression. A return to it calls for a drastic change in both attitudes and actions.

In the field of agriculture an attempt has been made during the last 10 years to solve its manifold problems by creating artificial scarcity and thus raising prices. I admit to a fundamental antipathy to such a procedure, but, at the same time, I recognize the natural resentment of our farmers against being compelled to sell on a free market when, according to their beliefs, both industry and labor benefit by monopolistic controls. Within the last year in talking to farmers, I have sensed a growing skepticism as to whether the elaborate agricultural controls now in vogue will work to their advantage over the long pull, and a conviction that perhaps they can be made to work only by a complete regimentation of agriculture. An overwhelming majority of farmers are opposed to any such eventuality.

Labor has contributed to higher costs by undue emphasis on high hourly rates and by supporting legislation unduly restricting hours of work. Along with an overwhelming majority of industrialists, I firmly believe in high wages. We cannot have mass production without mass consumption. At the same time we cannot have mass consumption if the unit cost of our products is pushed up beyond the level where there can be mass purchasing. The building industry furnishes a notable example of the adverse effects on the worker of abnormally high hourly rates. The net result is such a scarcity of work that an increasing number of skilled artisans have had to go on relief. It is my hope that as labor leaders become more experienced, their viewpoint will be broadened and they will make common cause with employers, who are willing to broaden markets by lower prices and thus expand the volume of available work. Of one thing I am certain—we have got to work and not loaf our way back to prosperity.

Now I want to pay my respects to that section of the *Wages and Hours Act* which restricts hours of work. The operation of that law will inevitably bring one of two results. It will either decrease the annual earnings of workers or raise the cost of goods if there is an adjustment in wages to make up for the lost hours of work. Even more important, it introduces the principle of controlling hours of work through legislation rather than through collective bargaining. I wholeheartedly believe in collective bargaining and feel that it is a necessary element in the functioning of a competitive economy. I am equally antagonistic to the idea of legislative control of hours of work, which, as I see it, belongs only in a regimented economy. I am certain that through collective bargaining management and men can work out a far better solution to this problem of hours of work than can legislators who have little knowledge of the manifold problems in the varied industries. The present law exempts workers in certain seasonal occupations, but practically all of industry is seasonal in character. As an example of how the law works I should like to cite our own experience. Ever since early last spring we have had more orders than we could fill. That situation has been aggravated this fall and yet we had to shut our plant down on Saturdays when the 42-hour provision became effective because we can neither afford to open the plant for 2 hours nor can we pay overtime because our gross margins are too small. Our men would have been glad to work 48 hours in the peak season in the spring and in the peak season this fall, but they have been required by law to loaf and not work. Thus is free enterprise sabotaged because to function successfully it must not be subjected to needless rigidities but, rather, it must have flexibility. It is my hope that labor, protected as it is by collective bargaining, will some day join with us in a fight to repeal this restrictive legislation.

Most businessmen are, of course, in complete agreement as to the desirability of having both agriculture and labor recognize the importance of expanding the volume of business through lower unit costs. As a rule they feel pretty smug about business and hold the view that we are the chosen defenders of free competitive enterprise, or the American way of life as it is sometimes put. I agree that most businessmen not only give lip service to free enterprise but are willing to take their chances in competing under the system. Unfortunately, business has been badly positioned by a highly articulate minority. That minority is likely to torpedo free enterprise unless it is stopped.

Let us first of all clearly define the relationship which should exist between government and business. Our Government represents all the people and has not only the privilege but the duty of protecting their interests. In that area of our economy where monopoly is natural and most efficient, the Government must assume a large measure of control. In that larger area where competition is the natural control from the standpoint of the consumer, then government has the obvious duty of maintaining competition and of protecting businessmen themselves against underhanded and unfair competitive attacks. The interests of the customer come first—as a matter of good business and as a matter of good government. Those of us in the competitive area should recognize the need for Government policing, but resist efforts at governmental control. We should fight for those governmental activities designed to protect the customer. We should fight against any effort of the Government to help us make profits—that's our job. We should fight to the death against legislation which has as its objective taking competition out of the competitive system, for in free competition lies the force which will operate inexorably to bring down costs and thus expand markets.

Where has articulate business stood on the maintenance of open competition? Business has had several clear-cut chances to express itself on this issue. One of the first was when N. R. A.'s Blue Eagle went on the hunt.

The N. R. A. was an experiment in Fascist control of business. It was deliberately designed to control competition—not to promote it. If there ever was a time when every believer in the free competitive system should have shouted to high heaven, it was when that law was proposed. Actually the businessmen who did oppose it were conspicuous. Henry Ford stood out to the last. The Automobile Manufacturers' Association, which includes all manufacturers except Ford, accepted a code for labor standards, but refused, in spite of all kinds of pressure, to adopt a trade-practice code. Here and there throughout industry arose other last-ditch fighters for free enterprise, protesting because they knew that free markets and free thought were inseparable; that political liberty could not survive alongside economic regimentation.

Today the N. R. A. is a dead issue. But its spirit lives and stirs and rises again in Hydra-headed persistence. Since its demise the Miller-Tydings Act has legalized price maintenance and price fixing. State fair-trade practice acts have been passed in 44 States. Laws to license business leap from the floor of every State legislative session. This year in the State of Michigan alone 26 licensing bills were proposed by 26 business groups, all aimed at throttling free and open competition, all designed to put some competitor out of business.

More than 200 bills were introduced into 44 State legislatures this year with the objective of raising additional trade barriers between our various States. Already in existence are more than 300 such barriers to commercial intercourse between our States, most of them attempts on the part of some business group to get "protection" from competition—to dodge the hazard of letting the customer be his own judge and jury, as he must be in the court of true, free enterprise.

Have businessmen condemned and fought against these attacks on our American system of free competitive enterprise? The answer must be a reluctant "No." The fact is that the State capitals and Washington, D. C., have been infested with businessmen seeking licensing laws or some other form of special privilege all aimed, as they put it, "to civilize competition."

Need these businessmen be reminded that the American Indians were civilized by the United States Government and that they are now wards of the Government?

Granted, that these business seekers after special privilege are in the minority, the great majority of businessmen have given tacit consent to such activities by their silence. They have not even been articulate in their recognition of the Federal Trade Commission as public friend No. 1 of free competitive enterprise. Charged with partial responsibility for maintaining open competition and with full responsibility for protecting business against unfair competitive attacks, this great agency has not always had the vigorous support of business. Minority groups have attacked it unfairly; there has been resentment of its so-called interference with business. These attacks have missed the main point. The Federal Trade Commission makes no attempt to control or manage business, but merely to police business to its own advantage. The theory of its operation is sound from the standpoint of preserving free competitive enterprise.

What I have been saying in effect is that business has a whale of a job of housecleaning before we can assert our right to leadership in this battle to save free enterprise. Those of us who believe in free competition must not only practice it but, in addition, must train our guns against those who seek a short cut to profit by inviting legislative restrictions on competition. We must intensify our efforts to expand volume by doing the best job we have ever

done in history for our lord and master—the American customer. If we so dedicate ourselves, we can, with justification, hope that agriculture will abandon its doctrine of scarcity, and labor its philosophy of high hourly rates and less work, and join with us in a determined effort to provide that more abundant life.

This is the appointed hour for action. Our country is not involved in war and we are still free to fight against regimentation. If war should come—which God forbid—regimentation is inevitable, but by swinging into action now we can so fortify free enterprise that it could recover even from the shock of war. If, however, we are lulled into any false sense of security by the ephemeral war prosperity we are now experiencing, and continue to trade our liberty and freedom of action for special privilege or fancied security, free competitive enterprise might not survive, even if peace continued. Involvement in war would at best leave us with a shadow and not the substance. It is going to take courage of a high order to resist the allurements that may be offered in the form of governmental regulations as a quick way to profits, to turn our backs on any and all forms of price fixing, but our goal is the preservation of the American way of life, of civil and religious liberty, and of economic freedom. What could be more worth while? May I remind you, as a final word, that "security" has been the fashionable objective in this decade of depression and decadence. This country was not built up by seekers of security but by self-reliant adventurers, and we must recapture their gallant fighting spirit. If we do, nothing can stop the resurgence of that old singing, dynamic America we once knew.

## Origin of Jackson Day Dinners

### EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

EDITORIAL FROM THE SATURDAY EVENING POST OF  
JANUARY 6, 1940

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Saturday Evening Post of January 6, 1940, entitled "A Toast," which indicates the true origin of Jackson Day dinners 105 years ago.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of January 6, 1940]

#### A TOAST

Word comes from Washington that the Jackson Day dinners of January 8 may be used by the White House inner circle—whether with or without the President's sanction, no one knows—for a sort of submarine launching of the third-term movement.

The Jackson Day dinners are customarily the occasion for hundreds of orations extolling the greatness of the Democratic Party and offering up thanksgiving for the traditions handed down by Andrew Jackson—by "St. Andrew," as he is still called in many parts of the country. In recent years, these dinners have become \$100, \$50, \$25 and \$10 a plate affairs, at which attendance by office-holders is advisable. Still more recently, they were the occasion for the delivery, by 11 party chieftains at various places, of 11 speeches, all written by the same inner administration circle member—or so, at least, he claimed. Now, it appears, Jackson Day may mark the beginning of a draft-Roosevelt campaign.

Of all days of the year for such a political maneuver, Jackson Day is perhaps the most incongruous. That its choice could even be thought of by the draft-Roosevelt Democrats speaks volumes for their sense of the political proprieties. For there could be no greater affront to either middle-of-the-road and conservative Democrats who venerate the Jackson tradition or to the memory of Jackson himself.

Everywhere, at these dinners on January 8, 1940, there will be Democrats choking back thoughts utterly unlike those expressed in the canned speeches of that night. Perhaps one of them, more courageous than the others, will rise in his place to remind the draft-Roosevelt Democrats of what Jackson Day really means. Perhaps he will say something like this:

One hundred and five years ago, on the night of January 8, 1835, the greatest of these great traditional dinners took place at Brown's Hotel in Washington, D. C. Held on the twentieth anniversary of Jackson's victory of the Battle of New Orleans, the dinner was called to celebrate a greater victory still, a victory for which Jackson had striven 6 years. It was held—so read the announcement in the Globe, the semiofficial organ of Jackson's



Administration—"in honor of the extinguishment of the national debt."

So Democrats meet on January 8, 1940, ironically, to celebrate the anniversary of the party's dedication to two great principles—the principle of economy in government and the principle of national independence from European entanglement or interference.

Democrats—the same Democrats whose administration has seen the national debt increase by more than \$20,000,000,000—meet to pay tribute to the memory of the President whose first inaugural address expressed his burning determination to wipe out the national debt because it was "incompatible with real independence," and because its extinguishment would "counteract that tendency to public and private profligacy which a profuse expenditure of money by the Government is but too apt to engender."

This man whom the Democrats of 1940 delight to honor is the same who, 110 years ago, vetoed a spending measure with these words:

"\* \* \* many of the taxes collected from our citizens through the medium of imposts have for a considerable period been onerous. In many particulars these taxes have borne severely upon the laboring and less-prosperous classes of the community, being imposed on the necessities of life. They have been cheerfully borne because they were thought to be necessary to the support of Government and the payment of the debts unavoidably incurred in acquisition and maintenance of our national rights and liberties. But have we a right to calculate on the same cheerful acquiescence when it is known that the necessity for their continuance would cease were it not for irregular, improvident, and unequal appropriations of the public funds? \* \* \* How gratifying the effect of presenting to the world the sublime spectacle of a Republic \* \* \* In the fifty-fourth year of her existence, after having passed through two protracted wars—the one for the acquisition and the other for the maintenance of liberty—free from debt and with all her immense resources unfettered! What a salutary influence would not such an exhibition exercise upon the cause of liberal principles and free government throughout the world!"

Here was the watchword of Andrew Jackson's administration. It was his battle cry in the valiant 6-year fight he carried on against those who proposed to dissipate the public revenue. The Tories of his day were against him. They sought ever greater contributions from the public treasury. His answer was veto after veto. Finally, on the 8th of January 1835, he achieved his purpose, and he summoned his party to a thanksgiving.

The chivalry of the Democratic Party gathered at Brown's Hotel that night—that night whose anniversary the Democrats of 1940 celebrate. Members of the Cabinet, Senators, Congressmen, envoys from foreign countries, friends of the party from everywhere were gathered. Senator Benton, of Missouri, presided as toastmaster. Woodbury, of New Hampshire, the canny Yankee who helped Jackson achieve his dream, was there. Vice President Van Buren, who long ago had been assured the right to the succession, was an honored guest.

But Jackson himself was not there. He sat at home, smoking his reed pipe, planning the message that he was to send to the dinner. When he knew that the dinner had reached a conclusion and the speeches were to begin, he sent his message—short, clear, triumphant. Senator Benton stood up and read the scribbled note:

"The payment of the public debt: Let us commemorate it as an event which gives us increased power as a Nation, and reflects luster on our Union, of whose justice, fidelity, and wisdom it is a glorious illustration."

This is the man in whose memory the Democrats of 1940 meet.

Andrew Jackson believed not only in economy but, after a lifetime of experience, in sound money. A week before his death, he said: "\* \* \* it is from them [the laboring classes] that the country derives all its prosperity and greatness, and to them we must ever look to defend our soil when invaded. They have never refused—no, sir, and never will. Give them an honest government, freedom from monopolies and privileged classes, and hard money, not paper currency, for their hard labor, and all will be well."

This is the man in whose memory the Democrats of 1940 meet.

Andrew Jackson, by his victory at New Orleans, dashed the last hope of a European nation to gain ascendancy in the United States. Jackson was no chauvinist in his dealings with Europe. His cardinal principles in international affairs were the essential independence of this country, its disinterestedness in the rivalries of Europe, its dedication to the building up of the Western Hemisphere and its inflexible determination to defend America under any and all circumstances. But he believed that the place to defend the United States was at home. He distrusted the seductive voices that suggested then, as they suggest now, that we could best defend the future of America by participation in the everlasting and eternal power politics of Europe.

It is to honor him that Democrats have met each January 8.

Andrew Jackson lived down the long years that stretched from the war for independence through the anarchy that compelled the making of the Constitution, through the writing of the Constitution and its adoption, through the creation of the new government in 1789, through the building of that constitutional system into a great body of basic law and tradition. He knew the value of tradition. He knew that there are things unspoken in the Constitution which nevertheless bind Americans just as strongly as the written word. He saw Washington, Jefferson, Madison, and Monroe each retire from office at the end of 8 years. Perhaps beyond all men of his time he knew the uses of personal power and the dangers to free institutions that lay therein. He saw

that government—constitutional government—required those salutary limitations that maintain the ascendancy of popular government over personal rule.

It was Andrew Jackson who said: "There are, perhaps, few men who can for any great length of time enjoy office and power without being more or less under the influence of feelings unfavorable to the faithful discharge of their public duties. Their integrity may be proof against improper considerations immediately addressed to themselves, but they are apt to acquire a habit of looking with indifference upon the public interests and of tolerating conduct from which an unpracticed man would revolt. Office is considered as a species of property and government rather as a means of promoting individual interests than as an instrument created solely for the service of the people. Corruption in some and in others a perversion of correct feelings and principles divert government from its legitimate ends and make it an engine for the support of the few at the expense of the many. \* \* \* I cannot but believe that more is lost by the long continuance of men in office than is generally to be gained by their experience."

And in 1837, still the triumphant leader of his party, with vast popularity among all classes of people and with a deep sense of public obligation exceeded by no one in all our history, Andrew Jackson retired. He retired after 8 years in the Presidency.

This is the man to whose memory the celebrations of January 8 are dedicated each year.

Ladies and gentlemen, we give you Andrew Jackson and these principles for which he stood.

## Conservation

### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

ADDRESS BY HON. CLARE E. HOFFMAN, OF MICHIGAN

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein the following talk given by me at a meeting of conservationists held at St. Joseph, Berrien County, Mich., on December 13, 1939:

Fellow Americans, conservation means the preservation of natural resources; the preservation of our forests, our rivers, our creeks, our lakes, great and small; our valuable, useful birds, animals, fish, that dwell therein.

Conservation includes the moderate, economical use, as distinguished from the wasteful destruction, of our game and fish; of our natural resources, that is, the gas and oil beneath the surface of the earth; the coal, the iron, the copper, the silver, and the gold and all the other of Nature's treasures hidden deep in Mother Earth.

Conservation means, too, the advantageous and the moderate use, not only of the timber in the forests, but of the grasses, the shrubs, the vines, and the products of the soil, and of the soil itself.

True conservation goes one step further and includes and means, or should include and mean, in addition to the preservation of what we have, the betterment, the improvement, of all those natural resources, such as forests, rivers, lakes and harbors, land and the fertility thereof, to which use and value can be added by man's efforts, and an increase in the number and variety of the fish, birds, fowl, and animals.

In short, conservation on its physical side means the preservation and the adding to of all the good things of Nature, which the Lord has so generously bestowed upon us.

Because our ancestors found Nature so lavish with her gifts; because our lakes and streams abounded with fish of all kinds easily taken; because the forests were filled with game and clouds of passenger pigeons, flocks of ducks and geese, sometimes obscuring the sky, and across our plains roamed countless herds of elk and of buffalo, some men, ever selfish, ever living in the present, ever wasteful, unrestrained, so abused their privileges, so misused their opportunities, that a plenty became a scarcity and some forms of fish, as the grayling, of birds, as the carrier pigeons, vanished from the earth.

So it is that organizations similar to the one which meets here tonight, composed of men who see the dangers, of men who unselfishly have their eyes fixed on the future; of men who are willing to give of their time and their money, were formed and are earnestly, progressively, and intelligently endeavoring to repair some of the damage done in the past and to reestablish some of the conditions, replace some of the flocks of birds, some of the herds of wild animals and schools of fish, so that future generations may profit, not only materially and physically, but mentally and morally, through spending more of their time in the great outdoors.

It is there from Nature herself we learn of the laws which are eternal and which govern and control man in his short existence here on earth. It is well that man should live more of his life out in the open, where the rising sun of the morning assures him of another day; its setting at night brings home to him the realization that all that live, including himself, will some day cease to be in their present form. Where wind and storm, rain and sunshine on mountain, valley, marsh, or plain bring home to him who thinks the knowledge that time is endless, the laws of Nature inescapable; that each and every one can do something by true conservation to better his own and the condition of his fellow man; add a little something to his own enjoyment and the pleasure of his children.

There is no more worthy cause than that of conservation. There is no more useful, unselfish, productive work in which man can engage than that of promoting the cause of true conservation.

There is no wider field open to mankind than that of conserving what we have, for to everyone at some time comes the opportunity of protecting the things which swim or fly or run upon four feet.

Whether the act be withholding the finger from the trigger of the gun, the throwing of spear or the casting of bait, the preservation of natural cover in woodland or in water, the feeding of birds or of deer, the rescuing of quail or grouse deprived of their food by winter's icy covering, or the simple turning aside in its onward rush upon the highway of the automobile which would destroy wildlife, there is opportunity for everyone to practice conservation.

Nor is conservation difficult or its results uncertain.

It is no difficult task to aid in preserving wildlife and in increasing its productivity. When far afield with rod or gun, a slight restraint applied to greed or pleasure, a little consideration for the welfare of future generations, marks the difference, makes the distinction, between a game hog and a sportsman.

A full game bag, a bursting creel, may be the trade-mark of the all-too-successful huntsman or fisherman, affording him the opportunity for boasting; but the true sportsman is not made downhearted when fish or fowl escape his skill.

The satisfaction and contentment of the true conservationist is not lessened, as he sits before campfire or fireplace, by the knowledge that the deer's alertness, its speed, and sagacity, sent him home without trophy. He recalls, as he smokes his pipe and swaps yarns with his fellows, that, after all, he has been out in the open where the wind has roughened his cheek, where the sun has added to his strength, where his tramp has created a desire for, and given him the ability to enjoy, his food and drink, and that there is, after all, another day and that the game which escaped him today is waiting to test his skill tomorrow.

Crumbs of bread, pieces of suet, a little grain, scattered for the birds which have delayed too long their southward journey and been caught by winter's storm is conservation.

Bundles of hay and fodder left in deer yards or on runways may mean the difference between starvation and next year's opportunity for many an additional hunter to proudly wend his way homeward with antlered trophy.

Wild rice, wild celery, duck potatoes, or any one of many foods easily planted, which attract the waterfowl, may sustain life and give an increased game bag the following fall.

In many places, in many ways, each and all may practice conservation in one form or another.

Always our efforts to make friends with wildlife meet with a quick and ready response. More than 40 years ago the deer disappeared from this and surrounding counties. Within the last 10 years a few have been brought back and today not only the waste places but some of the cultivated lands in my home county are overrun by wild deer; and it is no uncommon thing in an afternoon or evening to see a lordly buck, a doe or two, accompanied by fawns, in fields or oak groves adjoining the highway.

This past fall in the corn and wheat fields of the Todd farm just south of Fennville, Allegan County, Mich., thousands of wild geese and wild ducks found safety in the sanctuary there maintained. A like situation existed at the Kellogg Sanctuary in Calhoun County, Mich., and the whole surrounding territory profited enormously by the small effort made, the safety zone maintained, for these feathered friends.

No one who has driven past any of our lakes and streams after the closed season, has failed to note how devoid of fear are the winter ducks which follow southward the mallards, the teal, the wood duck, in their flight.

Because of practiced conservation, of sanctuaries, of laws which permit a period of safety for the waterfowl, the elders as well as the children, city folk as well as those who reside in the country, become familiar with the sight and habits of many wild fowl which formerly were strangers.

To Michigan each year from cities and adjoining States, from far to the south, come hundreds of thousands of tourists who pay well for their pleasure, attracted and satisfied as they are because of the fish in our streams, the wild fowl upon our lakes, the deer and bear in our forests.

Statistics show that during 1932—the last year for which figures are available—more nonresidents bought fishing licenses in Michigan than in any other State in the Union.

So it is that to the man who wishes to observe, to read, and to learn comes the knowledge that conservation pays materially, pays in a business way, and certainly it pays in cobwebs swept from tired

brain, in restored clear thinking, in health-giving, health-maintaining recreation.

True conservationists will not confine their activities to the things that can be seen with the eye or grasped with the hand. Conservation means more than the preservation of physical things, of land and buildings, of fields and streams, of harbors, of natural resources.

Conservation means the act of keeping, of protecting from loss or injury, one's health, one's strength, of the social order under which we live and under which, be it good or bad, we prosper or we fail.

To conserve their right to worship the God of their choice in the manner they desired, to preserve the right to work at the tasks they chose, to spend or not to spend the rewards of their toil, to keep their freedom our forefathers left home and fireside, friends and relatives, the graves of their ancestors, embarked upon an unknown sea, and here in this land, confronted by hardships to which we are strangers, conceived and gave birth to a form of government under which their descendants have more greatly prospered than any other people known to history, modern or ancient.

Atoms, as it were, on what might be termed the narrow beach of an inhospitable continent, a shipless ocean at their backs, a trackless forest confronting them, committing themselves to, and seeking the help of, the Almighty, with grim determination, uncomplaining, they wrested from earth, from forest and from sea, their livelihood, and at times a little more. This little surplus, through conservation, provided for the morrow, and the rainy day. It became the foundation of our Nation.

Practicing always self-denial, thrift, by unremitting toil; enduring cold and hunger; existing in rude huts which housed only the bare necessities of life, they slowly won their way until, in our time, the humblest citizen, if he cares to practice conservation may live far better than the princes and kings of old.

From the tallow candle and the pine knot to the brilliancy of the electric globe there is a long, long trail; but under conservation, with the spirit of a true American, the goal was certain.

From the trudging pioneer up by way of the oxcart, through the steam engine, the steamboat, the locomotive, by way of conservation, came transportation. Today, the expert skims by speedboat across the water 131 miles an hour; by locomotive, he roars along the steel rails at 125 miles; by motorcar, on air-filled cushions, he flashes along the beach or over the desert, at 369 miles; in airplane, far above the clouds, beyond the sight of man, swifter than the eagle, he wings his way across a continent, across the sea, at 469 miles an hour, the birds themselves his defeated rivals.

And farm and factory worker has placed at his command the commercial service of these agencies which, at little cost, carry him, in a little more than no time, a distance the Pilgrim fathers never hoped to go in a lifetime.

For the luxuries which we, the common people, enjoy, and which were unavailable to the wealthiest man in bygone days; for the things which are to us but necessities—a thousand and one which save us time and labor—let us thank the powers above and the practice of conservation.

For the blessing of free speech, a free press, the right to worship the God of our choice; for our intellectual freedom, our material prosperity; for a brighter future with a greater opportunity for the man who is willing to work and practice conservation, let us thank our God and our fathers.

For the preservation of all these and of our individual liberty let us ask Divine help; but let us by all means realize now and hereafter that upon our own shoulders rests the responsibility for the preservation of this land of ours, of our form of government, of our liberty and the liberty of our children.

Mean and selfish indeed must be the man who accepts as his birthright all these blessings won through toil and hardship almost unbearable, through suffering and through death, and who fails, through indolence, indifference, or inaction, to conserve, to preserve, them for his children and his children's children.

From the "red" menace with its brains in Russia, its agents and its organizations in a hitherto free America, where they brazenly and wickedly tell us that religion is a fraud, Protestant minister and Catholic priest a hypocrite, and deny the existence of a Divine Being, may we rise and with strong arm deliver ourselves.

Let us here tonight again renew our pledge to conserve not only our natural resources, but with mind and heart and soul carry on the unceasing battle for the preservation of our civilization.

## The Status of Ordnance Procurement

### EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address before the Chicago post, Army Ordnance Association, by



Maj. Gen. C. M. Wesson, Chief of Ordnance, United States Army, Chicago, Ill., November 6, 1939:

Mr. Russell, Mr. Preston, distinguished guests, gentlemen, I am truly delighted to be here in Chicago tonight to meet with the industrialists and engineers of your great city. I am particularly happy to foregather with my fellow countrymen, who are giving of their time and effort in the perfection of industrial preparedness for this great commercial district. In an emergency the industrial load here in Chicago, and in the adjacent areas comprising the Chicago ordnance district, will be great. We are counting upon you to carry the load.

Your presence here tonight connotes a recognition of your responsibilities to the Nation in the matter of national defense. It is also evidence that you subscribe to the fundamental principle that national safety can be assured only by national preparedness.

Defense preparedness is today a question constantly in the mind of every responsible citizen. Any steps toward that end, it seems to me, must be considered in their relation to our national policy. What is that policy? Certainly I profess no qualifications to speak with authority on the Nation's policy, but there are certain facts which are of common knowledge. Let us consider these briefly.

We may safely say that the Monroe Doctrine on the one hand and the iron resolve of the people of this country to avoid European entanglements on the other hand form the basis of our national policy.

A national policy of any kind is utterly fatuous unless the Nation is prepared to enforce it against all comers if and when an attempt should be made on the part of others to violate it. Hence, a policy of necessity should generate enforcement plans. These plans, to be effective, must be accepted by the Nation, not only as to personnel but also as to matériel.

In furtherance of these concepts of national policy, our country demands for itself a navy not only second to none but one that can reckon with any probable combination of aggressors in the waters that wash our shores.

As for the Army, the national policy is expressed in the National Defense Act of 1920. This act provides for a small Regular Army and National Guard for continental defense and for certain troops for our insular possessions. It contemplates that this force will be augmented in time of necessity through the medium of our Organized Reserves. The personnel provisions of the National Defense Act are comprehensive. But, as regards the matériel, that is, the arms, ammunition, and other forms of munitions, the National Defense Act is mostly negative.

By far the most important provision of the National Defense Act is that which authorizes plans for putting industry to work on the production of war matériel if and when the emergency arises. This phase of industrial preparedness I will refer to more in detail later, because it is here in Chicago and other industrial districts that in cooperation with industry we are attempting to carry out this provision of the National Defense Act.

Let us consider the actual matériel now available for the armed forces such as I have referred to. Our matériel is all important, not only as to quantity but also as to quality. Permit me to emphasize that our military armament is noncommercial in character. It is highly technical. It requires special facilities. It takes a long time to produce. To have it available at a given time, provision for its manufacture must be initiated from 1 to 2½ years in advance. If it is not available in quantity and quality, our splendid Army of our fellow citizens rush to the defense of our country beaten before they start. They may be forced to fight an enemy equipped with weapons and implements of war immeasurably superior to their own. We must not regard such a possibility with complacency.

Recall our recent armament history. At the end of the World War 21 years ago we had large stocks of matériel—equal in quality to that possessed by any nation and sufficient in quantity to meet any possible situation. There came a general lethargy throughout the world in the matter of reequipping armies with new and improved types of equipment. These were years of war weariness—the years of pacts and treaties. War in our time was out of the question. The lethargy to which I have referred quite embraced this Nation. Ordnance engineering and production facilities in private industry were dismantled and dispersed. Appropriations for new equipment were practically nil. Our arsenals were reduced to almost a caretaking basis. The small sum applicable for ordnance research and development was all but grudgingly granted.

What a comfortable period it was. A period of self-sufficiency and contentment. Our fighting equipment was growing obsolescent, but let it grow. There was no apparent need to be concerned about providing ourselves with the newer and improved implements of defense which engineering and scientific processes were able to produce. The war to end war had been fought—so we were told, and far too many of us believed.

A few years ago a radical change took place. We were startled suddenly to find ourselves in a world where others were either completely rearmament with the latest types of equipment or feverishly attempting to attain this goal. Billions were being spent annually on military land armaments by others in contrast to very few millions for ourselves.

At last, perforce, we began to take some notice.

In 1938, \$25,000,000 was appropriated for armament. This represented a definite increase. But the comatose armament program was really bestirred from its stupor, however, in the fiscal year ending July 1939 by an activating dose of \$50,000,000, which sum

was several times that devoted to this purpose for many preceding years.

What was the cause of this sudden increase? It was not the result of War Department recommendations, for War Department recommendations had not changed. As a matter of fact, the recommendations of those in the War Department responsible for obtaining funds were pared and trimmed by the various agencies through which the estimates must pass.

When finally laid before the Congress, the estimates were only a fraction of the amount originally requested. But during the winter of 1937-38 the increased amounts were added by the Congress. Why were these increases made? Various answers might be given to this question. My opinion is that the bombing of Chinese and Spanish cities and the pictorial publicity of the effects of these bombings were the motivating reasons. I base this opinion on the fact that the increases were made largely for antiaircraft guns and airplane bombs.

I suppose it was concluded that if that sort of warfare was to be in vogue in the future, we ought to be getting for ourselves some guns to shoot at airplanes that might come to strafe us, and that also we should acquire a few retaliating bombs to drop on the other fellow if need be.

Last winter a more serious attempt was made to correct our immediate armament deficiencies. Congress was presented with two definite programs:

(1) To increase the number of Army airplanes.

(2) To furnish essential new and modernized equipment and ammunition reserves for the Regular Army and National Guard and to provide for strengthening our seacoast and insular defenses.

Funds were provided for both of these programs, the armament features of which aggregate approximately \$120,000,000.

This progressive increase in appropriations during the past 3 years has enabled the Ordnance Department gradually to build up procurement and inspection organizations to meet the situation and has afforded the Department valuable experience in handling an enlarged program. The result is that the present \$120,000,000 program is being handled in an orderly way and with the same effectiveness as the much smaller programs of previous years.

Some very interesting orders have been placed with industry in connection with these programs. Over one and one-half million dollars were placed with the York Safe & Lock Co. for 3-inch antiaircraft carriages; over two and one-half million dollars with the Bethlehem Steel Corporation for bomb bodies; over six millions with the American Car & Foundry Co. for light tanks; and over eight and one-half millions with the Winchester Repeating Arms Co. for caliber .30 semiautomatic rifles, known as the Garand, as well as hundreds of other orders of lesser size.

In connection with the order with the York Safe & Lock Co. it is interesting to note that they placed suborders with other producers, to the number of 70, to supply their needs. These suborders were placed all the way from Chicago to Boston, and I am very happy to say that the York Safe & Lock Co. has done an excellent job in producing a new item with which they were not familiar.

Another very interesting case is an order placed with the Eclipse Division of the Bendix Aviation Co. for mechanical time fuzes. This order was for something like \$1,000,000. After 1 year of preparation, the Bendix Co. are now turning out fuzes of excellent quality and in good quantity.

These cases are cited to show that our confidence in American industry is not misplaced. Each one of the items cited is a very special noncommercial item of ordnance, difficult to produce, and in each case we are assured that we will receive material of excellent quality within the time specified and at a reasonable cost.

Under the current programs, contracts with industry amount to \$70,000,000. For most of the items placed with industry, it takes approximately 2 years from the time money becomes available until delivery is completed.

Why, you may very properly ask, does it take so long to get guns, ammunition, and equipment after money has been appropriated for it? The answer is simple—you cannot buy ordnance off the shelf. Commercial plants which receive orders generally have to obtain new machine tools; all of them have to make production layouts. Jigs, tools, and fixtures have to be designed and built and then proved in practice. Frequently changes and corrections have to be made in these accessories before the all-clear signal can be given. Finally, the organization has to go through a certain period in acquiring the necessary production technique.

But all this is to be expected. Was it not more than a year from the time Mr. Ford stopped producing the Model T car before he could get into production on the Model A? Is it not a less difficult problem to produce a new design of motorcar by a well-trained and equipped automotive company than, for example, a company building bank safes to undertake the manufacture of antiaircraft-gun mounts? Or for an organization making automobile accessories to plunge into the fabrication of artillery fuzes? Or for the makers of freight cars to convert their organization and plant to the manufacture of light tanks? All these things American industry can do and has done. But time—time is the priceless ingredient.

Consider further demands on time. Peacetime procurement—which is based on law—is inherently slow. Proposals to purchase must be drawn with consummate care. Bidders often demand an extension of the dates selected for opening bids. This has happened even in cases where 60 days has been the allotted time. When we consider that some of the items involved necessitate over 1,000

detail drawings, the contractor's viewpoint may be appreciated. Before he can bind himself in the form of a proposal, he must analyze the item in question from a production standpoint. He must secure options on raw material and new equipment. He has to negotiate with his subcontractors. He cannot jump from making bank vaults to making gun carriages all in the day's work.

Now, when the bids are opened, departures from specifications have to be considered and weighed. The responsibility and the ability of certain bidders successfully to complete a contract sometimes have to be investigated. Finally a decision is reached as to the lowest responsible bidder. The announcement of this frequently elicits protests by other bidders. These protests then have to be considered and in some cases the involvements are so great that the entire matter has to be referred to the Comptroller General for his opinion, which is final.

Enough has been said to explain why the procurement of ordnance takes time, and enough, it seems to me to convince anyone that our requirements for the necessary implements of defense must be anticipated. Today we might paraphrase the adage: A gun in time saves nine.

My remarks on the peacetime procedure of placing Government contracts are not made in a spirit of criticism. The methods employed are based on law. They are designed for the protection of the Government and to guarantee open and free competition.

In connection with contract making, conditions are now developing which have a strong influence on industrial enterprise. These are rising material prices, shortage in skilled labor, long-time machine-tool deliveries, possible wage increases, profit limitation on certain types of armament, which provision requires that the basis of amortization of special equipment required by such orders has to be established before a contractor is on sound ground to tender a bid. Government financing of certain orders is being suggested. These factors are tending further to complicate the procurement problem. Prospective contractors are evidencing distrust of long-term commitments, in the absence of protective guarantees against these uncertainties. This protection, which may be afforded under contracts made under emergency conditions, cannot be legally provided under our peacetime methods. If these conditions become more acute and we become committed to a larger rearmament program, some cognizance must be taken of them; otherwise, we may encounter almost insurmountable difficulties in placing contracts for certain items.

My comments on current procurement problems are somewhat in the nature of a digression from my main theme. But I do feel they are well to ponder.

I have discussed some of the mechanics; now let us get to principles. The combined strength of the Regular Army and the National Guard is known as the initial protective force. This force, we are now undertaking to provide with essential items of equipment and with sufficient reserves to maintain it in action until industry can produce matériel for consumption and wastage factors.

When this has been done, this force will be ready to take the field without delay.

What could we do in a major emergency when this force of 400,000 men is obviously inadequate?

We could no doubt quickly recruit a larger force. These newly raised units, when amalgamated with the trained units of the Regular Army and National Guard, could be brought to a fair degree of efficiency in comparatively few months. But these units would be of little avail without the implements and supplies necessary to equip them and sustain them as a fighting force. Men can be recruited and trained far more quickly than their weapons can be produced, and without the weapons of defense men are truly cannon fodder.

Will our country be content with this situation when it knows the facts? The next logical step in armament preparedness would be to provide the equipment and reserves for that larger force, which is called the protective mobilization force. This force consists of the Regular Army, the National Guard brought to war strength, with the addition of certain specialized units. This force would consist of 700,000 men in the organized units and 300,000 in the reserves. For a nation as great as ours, with so much at stake, the contemplation of producing equipment for such a modest force would, I believe, meet with general approval. Remember that it will take 2 years to provide the additional equipment for such a force, should its services ever be required. A few hundred million dollars necessary is a small premium for a very large amount of insurance.

In addition to the program for new equipment and supplies, other measures are being taken in the interests of armament preparedness:

(1) Special machinery: We have a modest program for procuring and holding in stand-by certain very special machinery which is difficult to produce and which takes a long time to make, such as powder-making machinery, equipment for centrifugally cast guns, and machines for small arms and small-arms ammunition manufacture.

(2) Rehabilitation of arsenals: We have a program for rehabilitation of arsenals under which we are replacing obsolete machines now in our factories. Some \$6,000,000 is being devoted to this purpose during the current year. The arsenals are now working to capacity employing some 16,000 people.

(3) Educational orders: Some \$16,000,000 has been appropriated for this purpose, of which the ordnance department's share is approximately \$10,000,000.

There has been much discussion about educational orders. Their purpose is to acquaint selected firms with the manufacture of critical noncommercial items of armament through experience to be gained by the production of a comparatively small number of the items. In connection with this training it is proposed to acquire the minimum number of machines, special jigs, tools, and fixtures necessary to fabricate the matériel in the most approved manner. Finally, with the knowledge and experience gained, the educational order includes a production plan for the production of the article in quantity at a given rate.

Last year the ordnance department placed four educational orders. From current funds 46 critical items have been selected for orders with 90 or 100 firms, depending upon prices bid.

The law governing educational orders permits awards to be made to other than the low bidder. Bidders are selected from among those firms which, as a result of comprehensive surveys, have been allocated to wartime production for the item in question.

The Government is being educated by these orders as well as industry. For example, last year we placed an educational order for shell forgings here in Chicago with one of your very best firms. Difficulties arose in arriving at the desired rate of production and at the same time complying with the rather rigid specifications. The specifications were designed to minimize the amount of machining on the rough forging. It now seems that it will be in the interest of the Government to ease the tolerances on forgings, even though some extra machining may be required. So education is good for teacher as well as pupil. However that may be, if we do not have guns and ammunition in reserve we must at least strive to have private plants in reserve to make them.

(4) Now, the fourth and last measure is all important—procurement planning. To appreciate the importance of this work we must examine the underlying doctrine of supply. The requirements for an army in the field are the cumulative sum of three items—initial equipment, predicted wastage, and consumption factors. From this sum we may deduct any equipment we have on hand. The difference for any item is the quantity and rate of delivery that must be obtained from industry. If munitions were ordinarily produced commercially and were available at the corner store in the amounts desired, there would be no occasion for procurement planning. Unfortunately, this is not the case. We must therefore list our deficiencies in war matériel, place them before industry, determine which plants are best fitted to produce them, develop a system by which plants are allocated to the production of a specific item, have these plants work out production schedules, go just as far as possible short of making a definite contract so that in the event of an emergency a minimum time will be consumed in getting under way. Remember that armament stocks on hand plus our wartime production schedules are our true war reserve. If we reckon on a definite production of a given item which is not met, we may find ourselves in a difficult situation. These production schedules are therefore of paramount importance in our scheme of national defense. Many of them have been prepared under conditions which have undergone a change. They need now to be revised in the light of present conditions.

This brings me to the Chicago ordnance scene. The medium through which industrial planning is being organized is the ordnance procurement district. Our country is divided into 14 such districts, and the Chicago ordnance district is among the most important of them.

The chiefs and assistant chiefs of these districts are prominent industrialists. Here in Chicago we have Mr. Fred A. Preston as chief, and Mr. C. Raymond Messinger, of Milwaukee, as assistant chief. May I take this opportunity publicly to thank them for their unselfish and untiring efforts in planning for wartime ordnance production? In this work we have had, I am pleased to say, the hearty cooperation of industry and our engineering societies.

I acknowledge also our indebtedness to the Reserve officers of the ordnance department. They have been of great assistance to us in our work, and I commend them for their interest and efficient aid.

Here also are the representatives of another group—that is, the Army Ordnance Association. This association has stood for reasonable armament and adequate industrial preparedness since its birth 20 years ago. During all that time it has never wavered from its course. I wish to congratulate Mr. Edmund A. Russell on the representative membership of the association here in Chicago. Mr. Russell is an old friend and a great worker for national defense. He organized and operated the Chicago Ordnance District during the stress of the World War 20 years ago; he was its chief in the following period of peace until Mr. Preston took over a few years ago. Mr. Russell is a tower of strength to the industrial preparedness of the United States. I tender him a salute.

The job of preparedness is never finished. The work that has been done must be continued with intensive vigor. Much yet remains to be done. Reasonable preparedness must be our goal. This must be obtained as soon as possible, and we must keep it.

It has been a great pleasure to be your guest here this evening. This large and representative gathering and the cordial reception accorded me here is stimulating to a marked degree. As a representative of the War Department, please accept my grateful acknowledgments. Those of us who are charged with supplying our troops with munitions of war have a great responsibility. We have definite objectives to gain. Working together in the future, as we have in the past, we shall render a good account of ourselves.



All of us here, I am sure, pray that our country never again will be subjected to the trials and sorrows of war. Real preparedness, I believe, is the best means to the end that the noble ship of state may avoid the rocks, round the point, and steer for the open sea.

## Removal of Civil Service Employees

### EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

STATEMENTS BY HON. ROBERT RAMSPECK, OF GEORGIA; BY THE CIVIL SERVICE COMMISSIONERS; AND BY MR. BURLEW, FIRST ASSISTANT SECRETARY OF THE INTERIOR

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statements:

STATEMENT ISSUED BY UNITED STATES CIVIL SERVICE COMMISSIONERS MITCHELL, M'ILLIN, AND FLEMMING, JANUARY 6, 1940

The Secretary of the Interior, Harold L. Ickes, in his statement dealing with certain administrative situations in the Bureau of Mines, is quoted in the press as stating that a "bureaucratic clique" was protected by civil-service regulations and that any attempts to "can them" would necessarily result in trials.

This statement has no basis in fact.

In another newspaper account of the same interview with the press the Secretary states that the formation of such cliques "happens all the time when people have a life tenure under civil service."

The allegation that persons under civil service have a life tenure also has no basis in fact.

Such statements by high-ranking administrative officials can have no other effect than to unjustifiably discredit the Federal merit system.

The actual facts are as follows:

An administrator who desires to remove an employee in his department who is inefficient and who seeks to obstruct the established policies of the department has all the leeway anyone can ask for. He is both the judge and the jury.

All the administrator needs to do is to set forth in writing his reasons for desiring to remove an employee, give the employee a copy of these reasons, and allow the employee a reasonable time for personally answering the charges in writing. Once the administrator has received the employee's reply he can terminate the employee's services immediately.

Civil-service rules specifically provide that no examination of witnesses nor any trial or hearing shall be required, except in the discretion of the officer making the removal.

Furthermore, if the required procedure is followed, the employee has no appeal to the United States Civil Service Commission unless it is alleged with offer of proof that the removal was for political or religious reasons.

Any administrator who alleges that it is impossible for him to deal with an administrative situation in his own agency because of civil-service rules or regulations is attempting to explain his own unwillingness to act by providing the public with misinformation.

In the Eleventh Annual Report of the United States Civil Service Commission, a report which was written when Theodore Roosevelt was a member of the Commission, the Commission stated that it was "one of the favorite untruths of the spoilsmen" to allege that the examination questions asked by the Commission were irrelevant or unpractical.

In recent years one of the "favorite untruths of the spoilsmen" is to allege that a person who receives a classified civil-service status remains on the pay roll for life. As indicated above, the inefficient employee can be removed by any administrator who has the courage to take such action. In addition, if Congress fails to appropriate money for particular positions the employees concerned go off the pay roll whether they have civil-service status or whether they do not have civil-service status.

Secretary Ickes also stated in his interview that he was in favor of "more civil service instead of less" because he considered it the lesser of two evils in selecting Government employees.

In other words, Secretary Ickes, instead of being an advocate of a strong and vigorous merit system in the Federal Government, is one who "damns it with faint praise." The American people have not and are not being asked to choose the lesser of two evils. They are being asked to determine whether the spoilsman is to discharge the tremendous responsibilities which have been placed on government today, or whether persons are to discharge those responsibilities who have been selected by fair, open, practical, competitive tests.

STATEMENT BY REPRESENTATIVE ROBERT RAMSPECK, CHAIRMAN, HOUSE COMMITTEE ON THE CIVIL SERVICE

If the newspapers correctly quote Secretary of the Interior Ickes, I am astonished at his apparent lack of knowledge of civil-service law and regulations.

If any civil-service employee is guilty of sabotage in regard to the policies of a Cabinet officer, there is nothing in the civil-service law or regulations to prevent the discharge of such an employee. The only thing required by the civil-service law and regulations is that such an employee be served with written charges and be given an opportunity to reply in writing.

If an employee is found guilty of the charges he can be dismissed or otherwise dealt with by the Cabinet officer, and there is no place where the employee can appeal. The Cabinet officer is the judge and the jury.

The only protection an employee has in such a case is public opinion.

I realize that an erroneous opinion exists in the minds of many people regarding civil-service employees. They believe that civil-service employees cannot be discharged. The fact is that it is often less difficult to discharge a civil service employee for just cause than it is to remove a political or patronage employee who has strong political backing.

I am surprised that any Cabinet officer should labor under such a misconception.

STATEMENT BY FIRST ASSISTANT SECRETARY OF THE INTERIOR E. K. BURLEW, JANUARY 6, 1940

Because of the absence from Washington of the Secretary of the Interior, who cannot be reached immediately, I wish to correct any public misapprehension concerning the attitude, record, and practice of the Department of the Interior on the question of the civil-service merit system.

From the published comments, those who do not know the whole record might incorrectly be led to believe that the Department of the Interior under Secretary Ickes does not subscribe to the merit system, while as a matter of fact the record is directly to the contrary.

Having been associated with Secretary Ickes for more than six years and engaged actively on personnel work, I can testify as to his belief in the civil-service principle and equitable handling of personnel problems himself.

It happened that for a number of years the Secretary had authority to appoint thousands of employees to exempted positions as well as to those under civil service. There was considerable political pressure naturally to fill exempted positions without competition. Secretary Ickes, however, set up under my general supervision a miniature "civil-service commission" in the Public Works Administration, where position requirements were established and eligibles were given, in effect, a nonassembled examination and rated according to their training and experience. The Civil Service Commission itself cooperated in this by loaning several of its technically trained examiners to get it started. The Secretary went further and applied the civil-service procedure in making separations of employees for cause, which it was not necessary for him to do under the law. Actually, disciplinary actions in connection with the more than 40,000 employees in the Department of the Interior and the 10,000 in the Public Works Administration were handled identically so far as the merit principle was concerned.

If Secretary Ickes could be reached, I am sure that he would agree with the views of the Civil Service Commission and Congressman RAMSPECK as to the principles of civil service, as he did in effect in his interview when he stated, "I ardently believe in civil service."

Secretary Ickes in 1937 made an address in defense of the civil service in which he said executive officers "are helpless so long as the statutes continue to except large numbers of Government jobs from competition. \* \* \* Too many of the higher-grade positions are filled through political preferment which forecloses advancement from the ranks so that a Government career has not had attached to it the prestige that it should have. \* \* \* Increasing emphasis should be placed on public service as a career and the National Civil Service Reform League is doing immeasurable good along this line. The civil-service agency should be given an opportunity to conduct an aggressive program of improvement. It has been handicapped for many years by insufficient funds. I know of no more useful purpose for which the public's money can be spent than in the improvement of the public's own service. \* \* \* Whether under a competitive or a spoils system, however, the effectiveness of personnel administration will always depend on the stamina of supervisory officers."

Even in the absence of Secretary Ickes, fortunately his considered views on civil service are of record for anybody who may be interested today. They are set forth by himself in a broadcast speech of January 14, 1937, in full as follows:

"One of the urges that finally landed me in active politics was my interest in the administration of public affairs. Many a good fight, if many a losing one, have I helped to wage for economy and efficiency in government. It has always seemed to me to be axiomatic that we cannot hope for that degree of economy and efficiency to which the taxpayers are entitled unless we have a carefully worked out and a genuinely administered system of civil service. I am here tonight to attest to my belief in civil service, and the occasion is one that gives me especial pleasure because at the same time I can pay tribute to the National Civil Service Reform League which was so largely responsible in the beginning for the abolition of the 'spoils' system, and which throughout the years has vigilantly stood guard to prevent any breach in the wall and has abated many abuses. Even more outstanding results are to be expected from an organization that is under the leadership of Mr. Robert L. Johnson.

"The Government is entitled to demand superior qualifications in its civil employees. The business of government is the most important business of the people as a whole, and they should not sanction mediocrity of service in their public any more than in their private business. Inferior qualifications in personnel mean added cost of government, inefficiency in performance, and even failure of the objective sought.

"It has happened often in history that a man symbolizes a social, economic, or political condition. It has been the lot of Mr. James A. Farley to have had to take the responsibility for a system of patronage over the development of which he personally has had as little control as the average citizen. I am speaking of the so-called Farleyism in Government employment, and the Mr. Farley whose name was misused in the late campaign to signify a political Goliath dripping with the blood of spoils. And I would like to testify at this time that in all my dealings with Mr. Farley he has never made a demand on me for the appointment of a single person.

"After all, Congress, representing the will of the people, rightly or wrongly established many great emergency agencies in the Government with the recruitment excepted from civil-service requirements. In my opinion, there was justification for this action by Congress in order to staff the new agencies quickly in the emergency, but this policy should not be perpetuated nor applied to a permanent force.

"The country may congratulate itself that President Roosevelt is in sympathy with the movement that is gathering force in Congress to place the newly created agencies within the competitive classified civil service. In his administrative reorganization plan for the Government which he announced only 2 days ago, the President took an advanced stand for a most fearless, comprehensive, and practical system of Federal administration. The President is determined to press for a more efficient administration of the peoples' business through a long-needed reorganization of the Federal agencies. It is significant that a comprehensive and widely extended merit system occupies an important place in the plan that he has asked the Congress to authorize.

"Mr. Farley and other executive officers, and even the President, to say nothing of Members of Congress themselves, are helpless so long as the statutes continue to except large numbers of Government jobs from competition. Representatives and Senators, being elected by the vote of their constituents, are rarely able to stem the pressure of solicitation for jobs. Do not get the impression that I am criticizing Members of Congress; I sympathize with them. They, as well as we in the executive branch, are victims of a system.

"There is no justification for the assumption that because the personnel of the emergency agencies were exempted from civil service they therefore were necessarily unqualified. I have appointed over 35,000 non-civil-service employees in the past three and a half years. To say that I have made no political appointments would be untrue. I have made appointments on the recommendations of Representatives, Senators, and Governors. I have also made appointments on the recommendations of lawyers and ministers and college presidents, and even of civil-service reformers. If recommendations had not been made to me, I do not know where I could have found the men necessary to staff the emergency agencies of which I was in charge. However, I have always insisted upon character and ability as a *sine qua non* to appointment. I have always exercised the right of separating promptly from the service, regardless of political or other influence, any employee who did not come up to specifications. In short, I have operated on a merit basis so far as was possible. At the beginning I established in my own office a miniature civil-service commission for the rating of applications, certification of names, and other necessary procedures. The Civil Service Commission was good enough to lend some of its technically trained examiners to help me get started.

"Based on my experience as the administrative head of two emergency organizations, I want to say that, in character, ability, and in devotion to the public service, these employees could have stood the most rigid test. No one could have shown more devotion to their work than these same non-civil-service employees.

"George Washington, speaking with the vision of a prophet in the swaddling-clothes period of the Republic, said: 'Influence is not government'; nor, may I say, in the words of Defoe, is the purpose of government 'to get some men put out and some put in.' When I came into the Government I heard much of the 'handicap' caused by the permanent staff to newly appointed ambitious executives; in fact, I myself had a feeling of apprehension on this score. But I have since come to realize that an experienced permanent organization on its mettle honestly to serve good government through whatever political party is in control is the strong right arm of a wise executive of limited tenure. However, every principal executive should have the right to appoint, without regard to the civil service, a few men in whose fidelity, capacity, and loyalty he has complete confidence and trust.

"While I favor a competitive civil service, I admit that the growths which have become attached to it throughout the more than half a century of its operation have made it lacking in flexibility. Too many of the higher grade positions are filled through political preferment, which forecloses advancement from the ranks so that a Government career has not had attached to it the prestige that it should have. Even now the compensation paid, especially in the higher bracket jobs, is inadequate. This defect also the President is seeking to remedy. Promotions have been slow and no satisfactory method of making them automatically or on merit has been developed. In many instances qualification requirements have not

been rigorously observed. No effective effort has been made to recruit young executive material for training, although some progress has been accomplished within the last few years by the Civil Service Commission in persuading a number of the colleges and universities to include courses in Government administration in their curricula.

"In order to secure a real civil-service system it must have the support of the legislative and executive branches of the Government and the public alike. Increasing emphasis should be placed on public service as a career, and the National Civil Service Reform League is doing immeasurable good along this line. The civil-service agency should be given the opportunity to conduct an aggressive program of improvement. It has been handicapped for many years by insufficient funds. I know of no more useful purpose for which the public's money can be spent than in the improvement of the public's own service.

"The first step is to recruit the best material. In times of depression and when private business lags the Government is able to obtain the services of persons of outstanding ability, but at the first flush of prosperity many of the more highly qualified employees return to private fields. Such circumstances served the New Deal in 1933 and 1934 but handicap it now through the loss to it of some of its finest personnel.

"Contrary to the belief in some quarters that employees should be penalized for leaving the Government service for private industry, I believe that a certain number of such transfers should be encouraged. But it is a serious condemnation of our present system that the Government can be used as a stopgap or as a school to train experts to turn their knowledge against the Government. Unfortunately, for many years the Government has not had its share of the best talent and has not been in a position to compete successfully with industry.

"Even an adequate competitive recruiting system is not sufficient, however, if the appointing officer is not free to exercise his best judgment in selecting eligibles and in demoting, shifting, or separating the incompetents. The executive should also have discretion, with the consent of the civil-service agency, to appoint, without competitive examination, to positions requiring special and unusual qualifications. I am not in favor of a political-nepotism-amical merit system. Political influence and favoritism toward relatives and friends should be stopped. It would be a protection to Senators, Congressmen, and executive officers alike, who are often victims rather than aggressors. Who knows but that in the future any improper interference or manipulation of appointments will be made a penal offense. This is not as revolutionary as it may sound. There is a statute at present prohibiting Members of Congress and other Government officers from prosecuting claims against the Government. Why not a law preventing taking advantage of the Government through appointments?

"Nor does competition in itself, however, insure against the drones, the inefficient, and the misfits. The term 'civil service' does not of itself guarantee faithful performance of duty in the public interest. There should be no sit-down life tenure of office merely because the Government is the employer and the shirker has managed to pass a competitive examination. The first test should not be the final one. There should be periodical appraisals of the services as well as in-service training of employees. This would assist the ambitious to advance and would make possible the proper placement of the inefficient or the slothful either within the service or outside of it. Whether under a competitive or a 'spoils' system, however, the effectiveness of personnel administration will always depend on the stamina of supervisory officers.

"If I were to embark upon a sea voyage my sense of security and comfort would not be enhanced by the knowledge that the particular qualifications of the crew were that they were the friends and constituents of Congressman Blank who was largely responsible for their selection. With a personnel selected and maintained in the way that I have indicated, the crew can manage the ship competently no matter what direction may be charted by the captain."

## Reforestation of Forest and Waste Lands

### EXTENSION OF REMARKS

OF

HON. EUGENE B. CROWE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

STATEMENT BY HON. EUGENE B. CROWE, OF INDIANA

Mr. CROWE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me this morning before the Committee on Appropriations:

Mr. Chairman and gentlemen on the subcommittee on appropriations, I am again appearing before your committee and appealing to you in the interest of the purchase of forest lands and waste lands which need reforestation for the national forests of



the United States. I have in the past pointed out numerous reasons and sound reasons for this expenditure by the Federal Government. Some good reasons may be briefly stated, and I will state them briefly enough that I hope they will challenge attention and be read.

First, Flood control: Definite evidence has been submitted in the past by me that on land covered by timber the foliage, the body of the tree itself, the leaves and decayed vegetable matter on the ground, together with the loose soil under the trees absorb a tremendous amount of water and hold it, distributing it over a long period of time instead of immediate run-off.

Second, Erosion: In the Ohio Valley alone only 23 percent of the land remains intact without any erosion whatsoever. Much of this land is hilly and vast areas of it are unsuitable for farming, yet it is farmed and is constantly eroding more and more, flowing down with the water into the channels to clog the channels with silt, sand, gravel, and dirt, which ultimately is carried down into the Mississippi River itself. The results in the Mississippi are too obvious to have more than passing notice. Great levees have had to be constructed and in places the bottom of the channel of the river is as high or higher than the land outside.

Third, Streams, rivers: Particularly at the sources and the smaller streams this cleared waste land and where the timber is scanty and pastured, the water speedily finds its way to the streams when there are rainfalls causing floods and great damage. In the year 1937 there was more than \$400,000,000 of damage in the Ohio Valley alone by the great floods. Even though the valley had been timbered, there would no doubt have been some floods anyway, but not so great, not so devastating, and the crest would not have been nearly so high as it was. On the other hand, the water having flowed off quickly causing the floods has gone ultimately to the ocean, and the small streams dry up, destroying the fish which in the past were a source of food to many people. Furthermore, the lack of forests in many of these areas also is the cause of the destruction of fowl and game, which, too, have fed many people in times past.

Fourth, Labor for Civilian Conservation Corps camps and other unemployed: Since today and perhaps ever after, or at least for many years to come, with our present set-up and economic structure, there will be hundreds of thousands of unemployed both among the young just emerging from school and college and by the older people who have passed the machine age of usefulness, I know of no better source of employment than in the preservation of our natural resources, making fire trails, roadways, and proper utilization of forest lands. Planting millions of forest trees on denuded lands would be good occupation for a million or so people in the United States. It would ultimately build up tremendous forest lands and valuable forest trees would be the result.

Fifth, Utility: In the past thousands of woodworking plants furnished employment for many thousands of people throughout the country, particularly in forest sections. They not only furnished employment for people in the factory itself but there was employment in cutting the timber, sawing it into logs, hauling it to the sawmill, shipping it from the sawmill to the factory, unloading it, stacking it, making it into various and many kinds of wood products, including furniture. In many sections local supplies have become exhausted and many factories have closed down or have moved to other parts. Those that have not are compelled to ship some great distances, which in many cases put them out of business. Rebuilding our national forests would, after a few years, again furnish employment for many thousands of people in areas in which they are now unable to maintain themselves.

I am better acquainted in Indiana than elsewhere, as a matter of fact, because I live there and I live in the hardwood timber section of the State. I find in one little city of 4,800 population that several furniture factories are operating or have been, employing a total of 1,350 people with an annual consumption of 21,000,000 board feet. Some of these factories have already reached the end of their local material. Others are nearing that today, and all of them will ultimately reach it unless something drastic is done in southern Indiana to protect them. Other small towns in Indiana that have had factories find them now entirely closed down and moved away or the factory building rotting down. We have many acres in southern Indiana in the Hoosier Forest area, in fact some 700,000 acres in the area which should be bought and carefully and selectively reforested. It would only be a matter of some 10 to 20 to 30 years until all of the land so purchased would again begin furnishing saw timber if properly and selectively taken out.

I have introduced a bill, H. R. 7641, a copy of which I am leaving with you. I am asking for an appropriation of \$15,000,000 for the fiscal year ending June 30, 1941. This, I realize, is far beyond the amount appropriated for the current year which is \$3,000,000. You realize, however, that \$15,000,000 is far less than the sums appropriated several years ago. Those appropriations caused a great expansion by the Federal Government in the forest areas and they were increased from 47 to 88 units.

Take for instance in Indiana, the Federal Government several years ago selected areas in 9 southern Indian counties containing more than 700,000 purchasable acres. Not knowing that only a small bit would be purchased, agents were sent out to option land and, following that, to buy land. Approximately 100,000 acres were optioned, of which nearly 35,000 acres were purchased. Not knowing that this program would be so drastically curtailed no special attempt was made to buy this land in blocks and inte-

grated but it was bought when and where the options would come in and the purchases readily completed. These 35,000 acres have been purchased over a rather wide area. The expense to the Government of handling must of necessity be very great. It cannot possibly be otherwise. Furthermore, proper protection by trails, roads, and fire lanes cannot be had because of the land of other people between these various sections which the Government owns. By all means, at least a reasonable amount of purchases should be made to consolidate what has already been purchased. I submit that if it was a good thing in 1934 and 1935 to purchase large forest areas, it is a good thing in 1940 and 1941. If it is not a good thing to do in 1940 and 1941, it was not a good thing to do in those previous years and it has not been a good thing to do for the last 40 or more years that the Forest Service has been in existence.

We spend vast sums for the immediate. I know of nothing that can be done which is more forward looking to the future than work such as this. When you plant a waste piece of ground to timber, it grows while you sleep. It grows year after year with the least bit of attention. The ultimate result will be untold millions of dollars in value and will be distributed among the five points that I have listed above, as well as many other points which I am listing. I realize the great complaint about spending by the Federal Government and that much effort is being made to curtail expenditures for the coming year. I agree with that policy in the main. I do not, however, agree with the policy if it is going to result in great loss to some department of our Government. You cannot point to anything about our Federal Government which in the long run and over the long haul is going to bring more dollars of return ultimately to the dollar expended than will this service. Therefore, I hope there will be no saving at the spigot in this connection and that this honorable committee will accept the resolution which I have offered to the House as a basis for the appropriation by your subcommittee.

### A Civil-Service Opportunity

### EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR OF  
JANUARY 5, 1940

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Christian Science Monitor of January 5, 1940:

[From the Christian Science Monitor of January 5, 1940]

#### A CIVIL SERVICE OPPORTUNITY

Reports that congressional leaders have agreed to place the Ramspeck bill for extension of the merit system in the Federal civil service high on the calendar of the present session of Congress constitute good news, indeed.

It is true that this measure would blanket into the classified service many thousands of politically appointed employees, with the requirement of only a qualifying examination. But this is the only way it has been found possible to make civil-service extensions, and to restaff agencies now which have been functioning for several years would make tremendous confusion.

Some of the agencies which the Ramspeck bill would authorize President Roosevelt to transfer to civil-service status are the H. O. L. C., F. H. A., R. F. C., T. V. A., and several branches of the Department of Agriculture operating on emergency funds, such as the Farm Security Administration. Altogether it is estimated that 250,000 employees might be affected.

Representative ROBERT RAMSPECK, of Georgia, sponsor of the bill and chairman of the Civil Service Committee of the House, has good reason to expect the support of the President since Mr. Roosevelt has put complete inclusion of all Federal employees in the merit system under his reorganization plans. It is certainly undesirable that so many positions should be at the disposal of political spoils-men.

No one recognizes this better than Government employees themselves. The Federal Employees National Federation has consistently backed the measure and is in the field again this year in its support. The National Civil Service Reform League, under the new presidency of Samuel H. Ordway, Jr., former Civil Service Commissioner, will campaign for it. Congress could put no brighter star on its escutcheon for 1940 than the passage of the Ramspeck bill for merit-system extension.

## America at the Crossroads

## EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

EDITORIAL FROM THE SIOUX CITY (IOWA) TRIBUNE

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by O. L. Brownlee from the Sioux City Tribune, Sioux City, Iowa, entitled "America at the Crossroads":

[From the Sioux City (Iowa) Tribune]

## AMERICA AT THE CROSSROADS

This Nation has come to a point in its development where some important decisions must be made by the American people. These decisions are inexorably bound up in the politics of the country. The political decisions which will be made in 1940 are therefore of transcendent interest because they will inevitably shape the course of things to come and their effect will be reflected throughout the future history of the United States.

In a broad manner of speaking the issues resolve themselves into 10 or a dozen topics or subjects which involve such matters as the underlying philosophy of our economic life, production policies, pricing legislation, the relationship of industry to labor and raw materials producers, money and credit policies, foreign trade and political policies, spending and lending, the threat of alien "isms" to our republican democracy and the effort to enthrone rationalism in our collective lives.

America stands at the crossroads! Shall this Nation progress along democratic lines or shall it retrogress through the spread of mass poverty and the establishment of totalitarianism?

Both major parties are trying, sincerely and earnestly, we believe, to understand the aspirations of the American people and translate them into terms of law and social and economic order. Subversive elements are sniping all constructive effort from the sidelines.

It is important that we, the people, know the facts because the final determination, under a democracy, rests with us.

This series of editorial discussions has been prepared for the purpose of supplying background material and information which, it is hoped, will be helpful in enabling Tribune readers to form sound opinions and conclusions concerning these matters as they develop in the forthcoming campaign. We hold no brief for either political party—all we will ask is performance.

It can be said in all truth that there is no serious division of opinion among the people generally nor between the majority elements of both major parties concerning objectives. There are crackpots and subversive groups and futile elements in both parties but they are not dominant.

The most potent enemy of the United States today is ignorance concerning the fundamental things.

Too many of our political leaders lack understanding, are confused, and their confusion is reflected in the minds of the masses. There is plenty of the will to do but a woeful lack of knowledge about what to do.

This confusion does not concern so much the underlying philosophy of our plan of life or our form of government but what government can do, how much government should be permitted to do, to improve the economic security of the individual, and to promote the mass welfare of the people.

Our major differences of opinions concern means and methods, but since means and methods are essential in translating theory into practice, our differences of opinion concerning them are vital.

Almost without exception the American people aspire to a higher order of culture, greater security for the individual, and perpetuation of political democracy and capital economy.

Our problem has not yet become a matter of choice between a government by law and a government by men, but—

Unless we can solve our economic problems by reason expressed through laws enacted by popularly chosen parties and representatives, the alternative of a government by men will tend to force itself upon our considerations.

Therein lies the danger. Democracy must be made to work. Democracy, if it shall survive, must solve the problems with which the people are confronted, the spread of poverty, the spread of unemployment, the loss of homes and property, and means of livelihood, and become an instrument for the preservation of peace at home and the restoration of peace in a distraught world.

It is not difficult to determine where and concerning what the American people are in disagreement, nor to follow the guiding philosophy of the disputants.

We are in disagreement concerning policies of production, one faction favoring more production of the products of the earth, another favoring less production.

There is disagreement concerning the pricing of what we produce, one faction favoring a higher price base, the other adhering to the belief that reduced prices will generate wider diffusion of goods.

We have fallen violently apart among ourselves concerning tariff policies, one element favoring a gradual approach to free trade, the other favoring use of the tariff to promote a greater degree of economic nationalism.

There are two sharply defined schools of thought on the matter of Government economy and Government spending, one group contending for a balanced Budget, the other for free use of public funds for investment in permanent improvement, for relief, loans, and other departures from orthodox practices.

There is a sharp disagreement over the tendency toward centralization of government as against greater sovereignty of the States and the people.

There is seemingly an unending dispute concerning gold, silver, and other monetary and credit policies.

One powerful element holds out for social reform ahead of economic curatives; an opposing element seeks economic reform ahead of social undertakings.

There are violent conflicts among our people concerning the mutual relationships and responsibilities of labor and capital, with public interests beginning to assert itself as a third element in that dispute.

And so forth, and so forth, and so forth.

But there is nothing in any of these matters which cannot be dissolved in the light of reason and common sense if the spirit of fair play and compromise can be brought to bear upon consideration of them.

The danger lies in one group becoming all-powerful and continuing hard-headedly in the practice and pursuit of policies the fallacy of which has been demonstrated by experience.

As matters are shaping themselves in the formative stages of the forthcoming Presidential campaign, we believe that the pros and cons of these matters will be fairly well represented in the principles that will be set forth in the platforms of the respective major parties.

The Democrats, unless they completely reverse themselves, will follow closely the pattern of Rooseveltian principles even if they refute some of the details and measures of Rooseveltian policy.

The Democrats are pretty definitely committed to a program of social reform; but if returned to power next year, their social program likely would receive less attention than would be given to economic problems. True national economics is the best social legislation.

In all probability the Republican campaign next year will stress economic measures, tariffs, farm legislation, labor measures, etc., and the party will advance policies that will be in sharp contrast with those of the present administration.

If the Republicans are smart, they will not advocate wholesale repeal of social legislation nor renounce policies of obvious economic value.

We may anticipate a more intelligent campaign than that of 1936, one in which there will be less abstract discussion of the broad principles of government and more attention to details, less hokum about democracy and liberty and more consideration of concrete proposals, less fulmination about glorious traditions and more talk about how to provide bread and beans for the future.

Conditions which it now develops the leadership of neither party fully understood have had the United States stymied for 10 years.

When the stock market collapsed in 1929 we had come to the end of a period without realizing it.

We had overrun and exploited the last of the open frontiers. We had cut off immigration. We had superimposed a new industrial civilization upon a foundation of agrarian culture and economy.

Internationalism even then was nearing the end of its course. By internationalism we mean control of money and credit by banker groups, control of raw-materials supplies, control of prices through speculation and wirepulling and manipulation.

The period had ended when favored groups might continue the ruthless exploitation of the producing masses, when market riggers could bilk earners out of their savings through the sale of worthless securities.

For more than a century we had produced wealth more rapidly than even the most rapacious of the freebooters could take it away from us. But their system finally caught up with itself in 1929.

Readjustments were inevitable. The country had to find a new set of standards. It might even be said that the country had to find its soul.

The national leaders of both parties, the people themselves, were poorly prepared to meet the situation that had come about. It was contrary to their traditions. Their education had not been directed toward the new lines that must be followed. They were bound by orthodox patterns of thought and practice.

Ten years have elapsed since that fatal black Friday on Wall Street, 10 years of painful trial and error, 10 years of disillusioning heartbreak, 10 years of groping, 10 years of battling the strong currents of adversity.

But out of their experience the American people, both commoners and leaders, have learned many valuable lessons. We at



least know now some of the things not to do. Many new ideas have been developed and are taking form.

The campaign of 1940 will be marked by the unfoldment of new plans if not new ideals, new methods if not new objectives. It will bring new names and new faces into the national picture. It will have a cleansing and clarifying effect upon the collective mind. By means of it and the election in November the American people will express themselves concerning policies and measures.

Because of the experience they have had and the dangers which they now clearly foresee, we believe that the American people next year will express themselves more intelligently and with less passion than they have in any election in recent years.

We must forget the past, cut loose from the hokum in our traditions, and march forward into a glorious future hand in hand with God.

### Western Comment on Murphy's Appointment to Supreme Court

#### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

EDITORIAL FROM LOS ANGELES TIMES OF JANUARY 5, 1940

Mr. HOFFMAN. Mr. Speaker, the President seems determined to have a packed Court. Unlike other Presidents, he has not made his selections for appointments on a non-partisan basis. Other great Presidents, fair-minded Presidents, have endeavored at all times to keep the Court non-partisan. The President evidently believes quite strongly in his appeal for national unity made in his message to Congress. But the unity which he desires seems to be a unity of decision which he hopes to get by a packed partisan Court—a rubber-stamp court similar to his rubber-stamp Congress. He wants unity with himself as the unit. As a further illustration of this we are now advised through the press that Madden, who is by many considered unfit to sit on the National Labor Relations Board, is to be appointed a circuit court of appeals judge.

The President's theory seems to be that if we can find a man who has demonstrated his unfitness kick him upstairs; reward him with a higher position.

That the public the country over is aware of the unfitness of some of the President's appointments is evidenced by the following article from the Los Angeles Times of January 5, 1940:

#### MURPHY TO THE COURT

Concerning the nomination of Attorney General Frank Murphy to the vacancy on the Supreme Court, the nominee furnished his own comment several days ago. He said he thought others were much better qualified than he, an opinion which is widely shared. The Murphy nomination is by no means as bad as that of Mr. Justice (Ku Klux) Black. If Murphy is seated by the Senate he will take a chair far behind that of Mr. Justice Frankfurter, but one from which Black will not even be visible. He is not as good a man for the job as Mr. Justice Reed, but may prove better than Mr. Justice Douglas.

Candid judgment of his year's work as Attorney General must be that he has improved the work of that office considerably. This, however, was not hard to do; Attorney General Cummings did not set much of a mark to shoot at. Murphy has done a good deal of grandstanding during the past year, but he did initiate, or permit, one very worth-while inquiry—that into racketeering in building construction. His announcement that he intended to make a number of cities, including Los Angeles, wholly virtuous was somewhat silly, but his office is aiding a clean-up at New Orleans with good results. His campaign against the race-betting racket is also a good piece of work.

This year's record is in such contrast, however, to his previous record, when as mayor of Detroit he did nothing to restrain the notorious "purple gang," one of the worst aggregations of thugs and hoodlums ever to disgrace an American city, and when as Governor of Michigan he permitted the C. I. O. mobsters to terrorize the automobile industry, as to raise grave questions. The "purple gang" may come back to haunt him if the Senate makes a really thorough inquiry.

The nomination of Solicitor General R. H. Jackson to be Attorney General and of Justice Francis Biddle to be Solicitor General are

run-of-the-mine New Deal appointments. Jackson has furry ears and Biddle showed in no very favorable light when he was counsel to the Tennessee Valley Authority and helped to hush up the scandal there.

However, the country ought to be grateful the appointments are no worse. The President could have named Senator MINTON to the high court.

### Remarks on the Occasion of the Jackson Day Dinners, January 8, 1940

#### EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

Mr. BENDER. Mr. Speaker, if Andrew Jackson could come back to life on the 8th of January, 1940, he would probably wish himself back among the shades immediately. No man in American history was more indifferent to the lavish pomp and ostentation with which the Democratic Party remembers his name. The very thought of "Old Hickory" attending a banquet costing \$100, \$50, or even the extravagant \$10 per plate would have driven him frantic.

For, in the many things that Andrew Jackson disliked, banquets were high on the list. His biographers tell us that on the 26th day of June 1833 President Jackson was scheduled for no less than five separate dinners. He lasted through three of them, and became dangerously ill. I am sure that he would not be able to last through even one of the fancy dinners scheduled for this evening.

In fact, General Jackson would be the first to protest against any effort to honor him with a dinner. I do not know if he was the first politician on record who ever refused a testimonial dinner in his honor, but he is the only one I have ever heard of. The only time he willingly attended one was on January 8, 1840. Just 100 years ago, in spite of the fact that he was sick, racked with pain, Andrew Jackson did lend himself to a series of receptions, speeches, and dinners. But his purpose was the payment of his adopted son's debts. He was trying frantically to save the credit of his beloved child. Year after year he spent New Year's Day paying off every one of his bills. He started the year 1838 by ridding himself of debt, even though he had to sell his lands in west Tennessee to do it. He wrote these words:

I have no opinion of holding property when I need the money, and I will not borrow.

How ironic Andrew Jackson's words would sound in the mouths of those who are rising to address a score of audiences this evening. His classic toast, "The payment of the public debt. Let us commemorate it as an event which gives us increased power as a Nation, and reflects luster on our Union, of whose justice, fidelity, and wisdom it is a glorious illustration," should haunt every speaker who rises to praise the Democratic Party today.

His determination that a free people must be a people "free from debt," that a free nation must be one with "all her immense resources unfettered" rings hollow these days.

What would Andrew Jackson have said if he could have foreseen the \$20,000,000,000 increase in our national debt which his followers have created? We have the record of a celebrated conversation to give us an answer. Congress was preparing to pass an appropriation measure, and Andrew Jackson was preparing to veto it. Representative Johnson, of Kentucky, came rushing into the White House to demand the President's approval. Andrew Jackson jumped to his feet. "Sir," he shouted, "have you looked at the condition of the Treasury—at the amount of money it contains—at the appropriations already made by Congress—at the amount of other claims upon it?" Johnson admitted that he had not. "Well," said President Jackson, "I have. There is no money to be expended as my friends desire. I stand committed before the

country to pay off the national debt. This pledge I am determined to redeem."

I trust that the men and women who revere the memory of Andrew Jackson tonight will remember their history.

### The Democratic Process

#### EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

EDITORIAL FROM THE NEW YORK TIMES OF JANUARY 7, 1940

Mr. ANDERSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the following editorial from the New York Times of January 7, 1940. As one of the new Members in the House last year I was unfavorably impressed by the time wasted before we were able to function as an efficient legislative body.

In some cases many months were lost before the House committees were ready to consider the many bills referred to them. Pressing national problems were sidetracked while minor affairs were receiving attention. This led to a terrific rush in the closing weeks of the first session, and when bills are jammed through the House or Senate, without due consideration, the country suffers the consequences.

The editorial to which I refer is particularly pertinent and apropos at this time and I call it to the attention of my colleagues with the hope that some of the suggestions be followed.

[From the New York Times of January 7, 1940]

#### THE DEMOCRATIC PROCESS

We Americans nowadays are not making as much fun of Congress as we used to. We know that it is slow, clumsy, and inefficient; we know that too few of its Members are deep students of the great problems with which they have to deal, that some of them are fond of empty oratory, that too many are timorous in the presence of pressure groups, and that the great majority will be playing politics in an election year. But developments abroad in the last few years have made us increasingly conscious of how immensely fortunate we are that such an institution as Congress still exists among us. For Congress and the various State legislatures that also met last week symbolize the settlement of social issues by peaceful compromise of conflicting views, by full discussion, by consultation of the interests of the groups concerned, by constant reference to public opinion.

They symbolize also the great lesson that the centuries have taught, but that mankind through bitter misery is having to learn all over again—that political power, even at the cost of inefficiency, must be dispersed. It is always dangerous, and often disastrous, to permit it to be concentrated in the hands of a small group. It is true that the small group can "get things done." But the things that it gets done turn out, in the long run, to be almost invariably the wrong things. They are the things that aggrandize and consolidate the power of the ruling clique itself, that stamp out one by one the liberties of the people, and that usually lead in the end to war and misery and death.

All this does not mean that Congress can afford to be smug about its own shortcomings. On the contrary, it is precisely because impatience with the real or supposed defects of the parliamentary system has led one country after another to abandon it in recent years that the remaining democratic legislative bodies should take every possible step to improve their machinery and to cure any defect that is not inseparable from their virtues.

One of the main reasons why the parliamentary system has been abandoned in some countries in recent years is that it has attempted to do too much. That system was not designed for minute regulation of the economic life of a country or for all-pervasive control over the individual. When it attempts this, it is forced increasingly to delegate power. The inconsistencies of policy and duplications of functions that develop soon create a demand for coordination of control under a single individual. Parliamentary government should protect itself by a wise limitation of the tasks which it undertakes.

Our own Congress in recent years, in addition to trying to regulate too much, has failed to improve its own machinery. One clear way in which it could do this would be by the appointment of an interim committee, or council, to study leading problems between sessions and present the whole Congress with a definite legislative

program when it met. If this had been done at the end of the last session, Congress today would have something already formulated to deal with. The country would have before it—on national defense, the Wagner Act, relief and agricultural programs, and the like—definite proposals to discuss, and the prospects for business-like and well-considered legislation would be much greater than they are.

Last year, a month after Congress had met, Majority Leader BARKLEY was urging the various committees to speed their work "so that the Senate may not be required to adjourn from time to time for 3 days because there is nothing to do." Two weeks after his urging, Washington dispatches to this newspaper still reported that "neither the House nor the Senate has before it any pressing business. The Senate has literally no business of a national scope ready for debate." Yet by June Congress was working desperately in day and night sessions to pass new monetary and relief legislation before "deadlines" that were perfectly well known in January. This dawdling, followed by feverish haste, could be almost entirely avoided by the device of an interim committee consisting of a few congressional leaders chosen by Congress itself to formulate a legislative program to be presented in an orderly fashion when the full body met. Such a reform would make our democracy far more efficient without sacrificing any of our liberties or constitutional safeguards.

### A National Transportation Policy

#### EXTENSION OF REMARKS

OF

HON. CLYDE M. REED

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, January 8, 1940

ADDRESS BY HON. CLYDE M. REED, OF KANSAS

Mr. REED. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me before the National Industrial Traffic League at Chicago, Ill., on November 21, 1939. The subject of the address is, A National Transportation Policy.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I dictated the prepared address which I shall shortly make, last Thursday. Two days after that I attended a meeting called at my request at Fredonia, Kans. Let me tell you the story of that meeting:

The rivers and harbors bill this year contained a "pork barrel" item of \$31,000,000 for "flood control" in the Verdigris Valley in Kansas. That was the first I knew of it.

The Army engineer's report recommended, not too strongly, the construction of four reservoirs on the river and its tributaries, that would run into \$31,000,000. In the same report they said: "The permanent carrying charges of the project would be \$1,266,100 a year." The average flood damage on the flood plain was \$426,400. The project, therefore, stated in simple terms, was that we would spend \$31,000,000 to protect land and improvements valued at \$8,805,600, and a permanent carrying charge of \$1,266,100 to protect wholly or in part an average flood loss of \$426,400. The land inundated would be about 40,000 acres. The land below the dams, which would be wholly or partly protected from flood damage, would be between 70,000 and 80,000 acres. The objection of the people who came to see me was that the scheme, if carried out, would destroy the best land in their community and, by taking it off the tax rolls, increase the burden of taxation upon other land. Some counties said it would bankrupt them.

Finally, to get everybody's views, I called a general meeting at the most central point, which was Fredonia. So I wrote letters to every mayor, every chamber of commerce, every newspaper in the valley asking for a meeting at Fredonia at which everybody would be heard, both pro and con. About 700 people came. About 80 percent of them were farmers.

The national debt as of Tuesday, November 14, was \$41,206,401.939.58, and the estimated deficit this year was \$3,426,343,200. I told the people frankly that under the circumstances there was but one of two things that Congress could do if it passed this bill and other bills of this kind. We must either increase taxation or increase the statutory limit of debt so as to enable the Treasury to borrow more money. \* \* \* I laid the facts before them—facts with which they could not be familiar, but with which I as their representative must be familiar, because it was a part of my business to be familiar with these things. \* \* \* I asked them what they wanted me as their representative to do. Would they want me to vote to increase taxes? I asked for an expression of the audience—there were no affirmative votes. I said, "All right; if we don't impose more taxes we must increase the statutory limit of the national debt. How many of you want me, as your Senator, to vote



to increase that limitation?" Nobody voted in the affirmative.

A few of the farmers who would be directly benefited by protection to their lands spoke in favor of the appropriation. All the newspapermen present—and there were quite a number there—estimated that somewhere from 80 to 90 percent of the farmers agreed with me and opposed the appropriation.

I am speaking now to a select group of men whom I regard as the most expert body in the United States on traffic and transportation matters. I wonder if I were calling for a similar expression from this body of men would I get a response that contained as much patriotism and unselfishness and devotion to the public interest as the farmers down at Fredonia, Kans. I fear I would not. The body I am addressing contains many able traffic men, who represent cities on the inland rivers, who are devoted to the interest of their company, or their city, or their chamber of commerce, and don't care how much money the Federal Government spends so long as it is spent for their benefit; they are as a whole opposed to the extravagance and waste of the present administration so long as this extravagance and waste is for the other fellow, but when it comes to extravagance and waste for their particular community, that was all right.

Now I am going to deliver the address that I dictated 2 days before the Fredonia meeting:

The United States of America has a surplus of commercial transportation facilities of all classes; because of that fact not only have railroad operating statements shown a deficit but the highway and waterway transporters are also in the red. None of them is prosperous. There is more transportation being offered than there is traffic to move. In the last two decades the United States has more than doubled its investment in transportation facilities, including the building of highways and money reasonably expended on economical water transportation and improvidently wasted on uneconomical water transportation for which there is no demand, and which never can be economically justified. It is because of this situation that I am today talking about a sound national transportation policy. We are 20 years late in adopting such a policy. Our delay has cost the country as a whole a wasteful expenditure running into billions of dollars. There is now pending in the Congress a bill which is the beginning of a national transportation policy. It does not go far enough, but it is a beginning.

The Wheeler-Lea bill has passed both Houses of Congress. Conference committees from both Houses will meet about December 10 to reconcile any differences in detail. There are no irreconcilable differences in principle. The finished product of the conference committees will be available for consideration early in January and doubtless will be adopted. The country will then have made a start toward a national policy in dealing with transportation.

I am addressing the most expert body of transportation and traffic opinion in the country. The only reason for the invitation to me to do so comes from the fact that through a long and busy life I have dealt constantly with transportation matters, always from the public standpoint. What I say today is out of that experience. I have no preference for any one form of transportation, and no prejudice against any other form. What I want and what I am trying to do as a United States Senator is to help the country straighten out its tangled transportation situation so that the most efficient and economical service may be given to the public at the lowest cost. When I say cost, I mean cost. In our national history there have been periods when it might have been advisable to use the Public Treasury to subsidize some form of transportation. That period has passed. We have come to a time when every character of transportation should stand on its own feet without burdening the taxpayer by wasting his money, whether by unwise governmental expenditure or wasteful competition between private capital investing in unneeded transportation facilities.

That is the philosophy and the purpose of the Wheeler-Lea bill. It is only a beginning. I ask the intelligent consideration of the National Industrial Traffic League, and its support, for a correct, sound, and economic policy. I hope this league is big enough, broad enough, and brave enough to tackle the problem in its fundamental aspect and disregard special interests, special pleaders, subsidy seekers, and those who have made a "racket" out of transportation fallacies. Let me say here that I share the general satisfaction over the improvement in general business which has lessened the tension in transportation agencies. But the increase in traffic resulting from this improvement in business has not solved the problem. It can never be solved until the country adopts a sane and sensible and logical national policy. I am appealing to the membership of this league for their help to that end. You in your way have a responsibility fully as great as I have in my capacity as a public servant. All of us should take advantage of the temporary breathing spell to seek and find and adopt sound principles.

The first vital need of the human race is to produce food and shelter and clothing. After that comes a production of the things which we call comforts and luxuries which makes life easier. Next to production itself the transportation is the most important thing. Without transportation any surplus above its own needs that any community might produce would be wasted effort. Only through transportation are the surpluses of myriads of communities moved to myriads of other communities which have need of them and can make use of them. Transportation is the great civilizer and the great leveling influence of the world.

More times than I can easily remember I have been bored by long and able discussions of the development of transportation in its various forms. Doubtless you have had the same experience and the same feeling. I shall try to compress any necessary reference to that phase to a single paragraph. I want to use this occasion for discussion of practical and pressing matters.

In the beginning, of course, humanity moved from one place to another by walking. It carried its movable property on its back. Then came the domestic animal. Then came the use of water. Then came the building of highways. The old Roman roads still stand as the one enduring thing of the first approach to modern civilization. We still use water transportation out of necessity in moving goods between continents and because of economy, in instances like the Great Lakes and some rivers. Water transportation, under some circumstances, is the most economical known—I shall not here deal with air transportation. Its development is so recent as to cause difficulty in evaluating its possibilities, except in the saving of time.

Our own country, so far as the white man was concerned, began settlement along the ocean's edge. It moved inland along the rivers. The land was a trackless wilderness. The laying out even of dirt roads and clearing a right-of-way for them through the wilderness was a slow process. When our population spilled over the Appalachian Mountains into the Mississippi Valley, we still used the rivers where we could. They were better than the dirt roads, or no roads at all. We had an era of building canals, because they were better than dirt roads. The Mississippi River and its tributaries were so important that the new West once considered splitting off from the Original Thirteen States because the bottleneck of its commerce at New Orleans was in the hands of France or Spain; sometimes one; sometimes the other. Jefferson's extra-constitutional Louisiana Purchase was partly, perhaps mainly, to remove that barrier to the commerce of the rapidly growing West.

Then came the railroad. It was a form of transportation so superior in convenience, in rapidity, and in cost, that it put the canals out of business. Rivers continued to be used only where railroads were not yet built and available. What we call inland waterway transportation in the United States was never rapid or dependable, or efficient, or economical, except in comparison with the dirt road. Traffic, both human and material, left the river and went to the railroad whenever the latter became available.

No other country in the world ever developed so rapidly as the United States. There were several reasons for this, one of which was the improvement in transportation facilities through construction of the railroads. It was a thing unprecedented in the history of the world. Not even the coming of the steamboat, which preceded the railroad by a generation, affected the shifting of traffic to the most efficient transportation agency. When a railroad was built along a stream on which steamboats were operating, the bulk of traffic moved from water to the land. This continued for 100 years.

Then came the internal combustion engines which revolutionized land transportation. There has never been anything in the experience of the world that so affected the habits of mankind as the automobile and the truck. They needed better highways on which to travel, than the dirt roads. Therefore, in the last quarter of a century we have more than duplicated the cost of building railroads, in the building of concrete and other types of highways, which "took us out of the mud." So we came to have our railroads; our highways on which motor vehicles operated, and our waterways. Between them, they now provide more facilities for transportation than there is traffic to move. Between them they represent an enormous investment of capital, public and private. Between them has become that degree of competition that always arises when there is a surplus of any commodity or any form of service. That competition today is so keen as to bankrupt all forms of transportation unless that competition can be directed and controlled.

During the 100 years of railroad development, it came to have a virtual monopoly on transportation. The railroads became so strong as to partly control and influence government itself.

In addition to obvious benefits conferred, railroad management committed many sins, both against units of government, and investors of capital. I shall not undertake to rehearse these offenses against the welfare of society and of the welfare of the railroads themselves. To this audience, these things are an old story.

No sovereign, whether a monarch or a republican form of government such as ours, can permit a monopoly to control an essential service or a production of an essential commodity. Therefore the antitrust laws; therefore the beginning of regulation of railroad transportation which started with the Interstate Commerce Commission Act of 1887. The degree to which we have regulated railroad transportation is, again, a subject so familiar that I shall not spend any time in discussing it.

Some 10 or 15 years ago motor-vehicle transportation operation over roads constructed with money from the Public Treasury developed to an extent that it was not only a threat to the railroads through diversion of traffic, but it was ruinous to the highway operators themselves. In 1935, after some years of discussion and agitation, we undertook as a national policy to regulate highway transportation in somewhat the same degree and following to some extent the same pattern as had been followed in the regulation of railroad transportation. One essential difference is that railroads

and railroad business are highly centralized and comprise comparatively few units. On the other hand, highway transportation is highly decentralized and includes millions of units. This distinction must always be kept in mind. While the railroads were at the height of their power, while they retained their virtual monopoly on transportation, while the adequacy of their regulation was still a matter of doubt, there came a movement to revive river transportation as a check upon a monopoly which the public feared and which no one was certain as yet could be adequately regulated. There was no other reason for a revival of inland waterway transportation. The inland waterways never have, do not now, and never can handle traffic as efficiently, as expeditiously, or as cheaply as the railroads; or, for that matter, as the highways. True, inland river rates are lower than parallel and competing railroad rates, but river transportation is not "cheap" transportation. It is not low-cost transportation. It is the highest cost of any of the general forms of transportation. The difference between the charges on the inland waterways or the railroads and the highways, is made up by a subsidy out of the Public Treasury which is paid by the taxpayers as a whole. Of course, low river rates can be maintained if the taxpayers' money improves the channels of the rivers, provides the wharves, and pays all expenses except the actual operation of a boat or barge. In this connection it must be considered that the railroads which compete with the waterways are taxed to meet part of the cost of creating and maintaining a river channel right-of-way for their competitors.

There is no justice in such a policy. Not even when adequate and complete regulation of railroad service was achieved did the pressure for inland-waterway improvement cease. By that time it had pretty largely become a "racket." It is that now. Many smart men are making a living out of promoting a so-called inland-waterway improvement. They get support from cities, from newspapers, large corporations that own their own barges and can move their own freight on a publicly built right-of-way at a lower charge than the railroads make; they make a business of interesting chambers of commerce and commercial bodies; in putting pressure on Senators and Representatives for huge appropriations for "river improvement" which will give some particular city or number of cities a "freight-rate advantage." To these commercial bodies, to the newspapers who advocate this policy, the only thing of interest is their immediate advantage. They are willing to have the general public taxed for benefits for themselves, for their own communities, and for the traffic of large corporations.

I repeat, inland-waterway transportation is not low-cost transportation; it is the highest cost transportation as compared with the highways or the railroads. The only reason for lower charges is the subsidy paid by taxpayers out of the Public Treasury. Without such a subsidy, inland-waterway transportation could not exist for a month.

The important thing in this connection is whether we are going to continue to tax the whole people for the benefit of a comparatively small number of people. Are the cities and trade centers located off the rivers to be not only taxed but additionally penalized by lower freight charges given their competitors located on the rivers? My answer is, "No."

There is no more outrageous and no more unjustifiable and no more flagrant waste and misuse of public money than in subsidizing high-cost transportation for the benefit of a comparatively few people and creating favoritism and discrimination between localities, trade centers, and cities. I find no fault with Great Lakes transportation, which is efficient and economical transportation. I am in favor of maintaining that character of water transportation, but as long as I am a Member of the United States Senate I shall oppose this inland-waterway transportation racket.

We Members of Congress are pestered by waterway racketeers, as well as some earnest and honest people, who do not understand that to not only maintain but to extend the public subsidy given is uneconomic. These men appear before committees of Congress, purporting to represent farm organizations and appeal to farmers as being benefited by "cheap river transportation." I would not undertake to say that no case can be found where some individual farmer may have secured a slight benefit in the price of his grain because of subsidized river transportation, but I do make the flat declaration that farmers as a whole have not profited a cent by the billions of dollars spent on "river improvement." If traffic moving on the rivers had to pay all of the cost attached to river transportation, including the improvement and maintenance of the channel, no traffic of any consequence would move upon the rivers.

The inland-waterway racketeers, individuals and organizations, hold out to the public the idea that it is getting some benefit from raids upon the Public Treasury to make river navigation possible. The fact is that the bulk of tonnage moving upon channels created with public money belongs to great corporations that own their own boats and move their own traffic. In most cases the commodities so moved are sold to the public, not on a basis of lower river rates, but on a basis of the higher railroad rate. The great corporations pocket the difference. This has been proven over and over again. The great oil companies, the great cement companies, the great steel companies, the great coal companies move their own traffic on their own boats and barges and sell to the public, generally speaking, on a railroad-rate basis. They take an additional profit because of what has been done with public money.

I proclaim my belief here and now that a sound public policy would be one that imposed upon all traffic using facilities created out of the Public Treasury tolls that would reasonably recompense the taxpayers for the money taken from them. If that were done traffic would move by the cheapest and best route. Only recently a representative of one of the great oil companies called upon me to discuss the status of the transportation bill now pending. I stated to him what I have stated here. He very frankly said, "Well, if you do that we will not use the river and we are getting ready to use the river in a big way." My answer to him was that as long as I was representing the public interest in the Senate of the United States, and praise God, I shall never represent any other interest except the public interest in the Senate, I intended to advocate the policy I have outlined here with all the strength and vigor I possess.

I realize that among my hearers are traffic managers for the corporations described, and for cities who desire favorable transportation conditions paid for out of the Public Treasury. Some of them I number among my very good friends. They naturally do the best job for their company, or their city, that they can. I expect them to do that. I expect them to take advantage of all the damn foolishness that their companies, and cities, and waterway-improvement associations can induce the Government of the United States to commit, but I don't want them to ask me to vote to continue that damn foolishness, and I don't think they will. In their hearts they know the truth as I have stated it here.

We in Congress meet with a singular phase of this situation. There are great newspapers, all of which claim to be reputable, and most of them are, who will condemn rackets and racketeers for corrupt and wasteful use of taxpayers' money in their own cities but these same newspapers will advocate a policy that is more wasteful than any political machine in their own city has ever been. When we come down to the talking about public morality in the handling of public money, I find it difficult to make a distinction in my mind between Tom Pendergast taking a million dollars out of the Kansas City treasury, and Missouri River promoters inducing the United States to waste \$200,000,000 on trying to make the Missouri River navigable. It can't be done. Even if it could be done successfully, the benefit derived would be nothing in comparison to the money spent.

A sovereign should do justice as between his subjects. We have three competing forms of transportation, i. e., the railroads, the highways, and the inland waterways. The railroads provide and maintain their own rights-of-way. Motor-vehicle operators on the improved highways pay a substantial sum in the form of fees—tonnage taxes, personal-property taxes, and gasoline taxes for the use of the highways. Whether the sum so paid is adequate or not is a matter of dispute, but there is no dispute over the fact that it is a substantial sum. Both of these forms of transportation are regulated by the sovereign. In other words, the Government.

Their competitor upon the river has his right-of-way furnished and maintained without cost to him. There is no justice in that policy but he objects to regulation. The Wheeler-Lea bill brings water transportation under regulation, differences in character of the transportation considered, comparable to that imposed upon the railroads and highways. That is simple justice. No fair-minded man can object to that policy. It is a sound national policy, and for the first time in the history of the country Congress is proposing equality of regulation upon the various competing forms of transportation. I do not mean by that, equality of rates. I make this statement, lest someone misrepresent. The bill by its terms requires the Interstate Commerce Commission "to recognize and preserve the inherent advantages of each form of transportation." No fair-minded man could ask more.

I have but one further suggestion. The Wheeler-Lea bill goes a long way, but not far enough. There should be vested somewhere in the Government the duty and responsibility to pass judgment upon the transportation necessity of inland-waterway expenditures before they are made. You can't build a mile of additional railroad without getting permission of the Interstate Commerce Commission; you can't operate additional busses or trucks upon the highway without going to the Interstate Commerce Commission, and getting a finding that the additional service is in the public interest. But Congress goes along appropriating hundreds of millions of dollars for various waterway projects in the name of cheaper transportation. Most of this is purely "pork-barrel stuff" logrolled through Congress. Beyond that, anyone can operate a boat on the river, even though there are more boats operating now than the traffic requires. This doesn't make sense. It is not sound public policy.

What I suggest finally, is that before Congress appropriates any money for any water projects, because of their claimed transportation value, it should have a finding from the Interstate Commerce Commission that the additional transportation is necessary. The Interstate Commerce Commission can call upon the Army Engineers through the War Department to advise as to the engineering feasibility, which would, of course, be a factor.

I close as I began—the country has a surplus of commercial transportation facilities. No more should be created, especially at the public expense without a finding by a competent and authoritative public body that the expenditure will be justified, and they all should be equally regulated. That would be a sound national transportation policy.



## Amendment Regarding Homestead Lien Law

## EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

Mr. ALEXANDER. Mr. Speaker, soon this Congress will be considering additional appropriations and amendments for relief and old-age assistance. Due to the rush and haste which always seems to accompany the consideration of these bills as soon as they appear on the floor of the House from committee, it is consequently not too early to consider suggestions for amendments and improvements in the laws governing social legislation.

Recent reverberations from the great State of Ohio and rumblings from other sections of the Nation indicate that the time is not far distant when the people will demand that certain reforms be enacted and corrections made in our defective legislation.

I have just received a symptomatic communication from an active State-wide civic organization in Minnesota known as the Minnesota Stabilization Council regarding several present defects in the State and Federal relief set-up and suggesting an amendment to the present Federal laws governing old-age assistance. It is interesting to note the trend of thought contained in the following letter:

MINNESOTA STABILIZATION COUNCIL,  
Minneapolis, Minn., January 2, 1940.

Congressman JOHN G. ALEXANDER.

HONORABLE SIR: The following information is for your consideration and the Minnesota Stabilization Council hopes that you will be able to exert your influence in Congress to remedy the great injustice that has been done by an unthinking legislature. We of the Minnesota Stabilization Council are of the opinion that the old-age recipients should be protected in accordance with the intent of Congress when these social laws were enacted. For the purposes of this discussion let us consider briefly the history of old-age assistance and then the present situation in Minnesota and some other States.

## RELIEF VERSUS OLD-AGE (PENSION) ASSISTANCE

*Early pension laws*

According to Webster's Dictionary a pension is a "periodical allowance to an individual, or those that represent him, on account of past services or some meritorious work done by him; especially such an allowance made by a government." Most of our legislation is based on the old English law.

*English pension law*

The Old Age Pension Act (United Kingdom), an act of Parliament passed in 1908, effective January 1, 1909, entitling every British subject of 70 years of age who has been a resident 20 years in the United Kingdom, and whose annual income does not exceed £31 10s., to a pension varying from \$0.25 to \$1.25 per week. It will be noted one does not have to be indigent nor does one have to acknowledge a lien on the homestead.

*The Norwegian law*

In Norway the old-age pensioner is protected by a national law; the disbursements are made by the National Government. The recipient does not have to remain in one locality and may travel in any part of the country if they so desire. The Norwegian law recognizes the fact that the old people may not be vigorous in health and a change in climate may be necessary. On the other hand, these people may have relatives in another state that could furnish partial aid, such as a room or other benefits.

The care of the aged is a public necessity and most of the old-age assistance acts passed by the various State legislatures do not comply with the intent of Congress.

## BILL OF RIGHTS

The Bill of Rights declares, "The general assembly shall not grant to any citizen privileges which upon the same terms shall not equally belong to all the citizens." The various State laws on old-age assistance conflict with the national law and do not afford equal protection under the law.

## RELIEF BENEFITS VERSUS OLD-AGE BENEFITS

A relief recipient in order to qualify must be indigent and must sign a pauper's oath. The applicant for old-age assistance must pass the same qualifications in order to be eligible. This reduces both applicants to a true relief status. However, the relief re-

cipient is not forced to agree to a lien on his homestead, he does not even have to be a citizen of the United States. In addition to this, the relief budget is higher than the old-age benefits. Here are two relief programs that do not afford equal protection under the law to citizens whose needs are the same. These two programs separate the relief recipients into two classes and penalize the individual that may have been thrifty enough in his productive years to acquire a home by placing a lien on his homestead. These old people are the ones that pioneered the State and helped produce its wealth. Many of them gave their sons in the last war, and these veterans with their broken health will not be able to redeem the lien on the homestead.

*Old-age recipients discriminated against*

In Minnesota there is no other relief or assistance program that demands a lien on the homestead. For the meritorious contributions that they made to the building of the State the old people are unjustly discriminated against. And they will be haunted in their declining years by the thought that the home that they and their children created will become the carrion for the vultures that grow fat on human misery. We have been informed that this group did considerable lobbying to get the lien clause in the Minnesota law.

*Federal law should be amended*

As there is a conflict between the Minnesota law and other State laws with the national law, and in view of the fact that there is a group of people that plan on acquiring the homes of the old people on a large scale, we suggest that the Federal law be amended so as to deny financial aid to any State that asks a lien on the homestead or does not comply with the intent of Congress. The Minnesota old-age assistance law not only conflicts with the national law but is also in conflict with the poor laws of the State and is an unjust piece of class legislation. The administrator of State welfare, Mr. Finke, in a talk the other day, made the statement that the lien would be on all money given to the old-age recipient. There are in the State of Minnesota 65,000 old-age recipients that receive an average of \$22.75 per month. The relief budget averages \$30 per month. As a result most of these old-age groups have to be subsidized by the city relief in Minneapolis. We are at a loss to understand how the State can ask a lien for the money that the Federal Government has contributed to this fund, but the Minnesota law states that such money shall be collected.

Respectfully yours,

T. O. FREDELL, Secretary.

I invite comments and suggestions relative to the above communication.

## Friends for the Aliens

## EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

EDITORIAL FROM THE NEW YORK WORLD-TELEGRAM OF  
DECEMBER 7, 1939

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York World-Telegram of Thursday, December 7, 1939:

[From the New York World-Telegram of December 7, 1939]

## FRIENDS FOR THE ALIENS

Dr. William Allen Neilson president emeritus of Smith College, has just accepted the cochairmanship, along with Ernest Hemingway, the author, of a farsighted and useful movement now getting under way under the name of the American Committee for Protection of Foreign Born.

Kicking around the aliens in America regardless of individual merits has become a widespread demagogic device. It is time enlightened citizens rallied to express their disapproval. Such a distinguished name as Dr. Neilson, along with the others of unquestioned patriotism and intellectual eminence should be of the greatest help to this cause.

Hardly a single thoughtful citizen would deny that for every Fritz Kuhn, for example, there are scores of useful aliens in America whose arrival here was a benefit to the country. Yet in feverish times of war and propaganda it is so easy by a mere slip of the tongue to group them all as undesirables. More than 70 so-called antialien bills were pending in Congress, Dr. Neilson has pointed out. The movement for sanity and decency toward aliens is true Americanism.

## War and Peace

## EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

ARTICLE FROM FORTUNE MAGAZINE FOR DECEMBER 1939

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the December issue of Fortune Magazine, entitled "War and Peace":

[From Fortune for December 1939]

WAR AND PEACE—THE PEOPLE OF THE UNITED STATES MUST NOW CHOOSE AMONG RETREAT, ISOLATION, AND INTERNATIONAL LEADERSHIP

There is no word less well understood than "peace." It has bred almost as much extemporized philosophy as Pilate's word "truth," almost as much sentimentalism as Shelley's abstraction "love," and more political pathos than either of them. A kind of divine confusion was invested in this word by the founder of Christianity Himself when He said, "I came not to send peace, but a sword." The nations have neatly turned His great phrase to prove any thesis that suited them, to enslave peoples beyond the seas, and to fight wars to end wars in a warlike world.

It is true that until relatively modern times the problem of the meaning of peace was largely solved by disregarding it. The basic peace concept of the Roman Empire was the concept of force, and during most of European history peace was not a valid concept at all. But to say that the meaning of peace is typically a modern problem is not to say that we are close to the solution of it. Who, for instance, if given absolute power, could devise a peace plan capable of settling the present European conflict on a permanent and constructive basis? Can any possible arrangement of boundaries and spheres of influence satisfy all the parties, or for that matter do justice to more than half of them? Whether there is a peace with victory for the Allies, or a peace with victory for Germany, or a peace with no victory, or even a kind of Wilsonian peace based on a concept of victory without spoils, who will be satisfied? Who will feel secure? The answer to all these questions is plainly, "none." There is in Europe a war that has no prospect of peace. Unless some new ideal is born, the best that the world can hope for is armistice, for a year, 10 years, or, like the last one, 21 years.

This fact has a profound bearing upon the United States in that it demands of us a realistic foreign policy. We have never had this before. We have never needed it. We have always been able to dodge behind what went by the name of international peace. To be sure that kind of peace was nothing much; it was negative, based on a balance of economic and military power; it was merely not war. Nevertheless, in combination with the oceans, it served well enough to enable the United States to participate in trade without incurring any real political responsibility. But that kind of peace, so useful to us, was based upon a civilization, which, for purposes of reference, can best be labeled nineteenth century liberalism. Like that of a ball game, the success of this civilization depended upon all the players playing the rules; and when the Union of Soviet Socialist Republics, Italy, Germany, Spain, and various other countries recently abandoned the rules, the game could no longer be played. The balance has therefore broken down. And since there seems no way whatever to stop the revolution against the liberal system that is now in progress, the collapse may be expected to continue (possibly over a very long stretch of time) until only chaos or militarism remains.

This is exactly why the United States must on no account enter the war. We could not in all conscience send soldiers over there to fight for nothing. Yet the full implication of what this means has not yet dawned upon us. Our ideology, our politics, our economic system, and all our basic rights and liberties are geared to function in an essentially peaceful world. If there were any prospect of reestablishing such a world, we might fight as we did in 1917. But without that prospect it would be suicidal to fight. And we are therefore confronted with a problem that may turn out to be the most serious in our history. That is to say, we are confronted with three choices. We may risk involvement by clinging to the old order of things, conducting such trade as we dare, and hoping against hope that something will turn up. Or we may insure ourselves against involvement by adopting a policy of extreme isolation behind the oceans that have hitherto protected us. Or, finally, we may take the leadership in formulating and implementing a new peace. For the sake of our posterity it is necessary to be clear concerning the choice that we make.

## THE POLICY OF RETREAT

First, the attempt to worry along on the old basis, conducting such trade as we may, and hoping against hope for a European peace of some sort, will bring the definite risk of involvement. In order to avoid that risk we shall have to engineer a wide economic retreat. The present Cash and Carry Act, which bars our ships from belligerent waters, will have the effect of limiting our European trade to war supplies that the belligerents want badly enough to come and get. And while this leaves a relatively wide area of trade still open to us, nevertheless the odds are high that as the war proceeds the area will become smaller rather than bigger. If the "neutral" totalitarian powers become involved, the shrinkage will be drastic. And if, having become involved, they are successful, it will be infinite. In short, by a hoping-for-the-best policy we risk war for the privilege of staging a retreat in the face of forces whose objectives may be unlimited.

## THE POLICY OF EXCLUSION

If we do not like this policy, the next possibility is total isolation. By this means we shall be sure of avoiding war, since it is inconceivable that anyone would be foolhardy enough to attack us directly. We would be required to shut off all international trade, sell our ships, develop practically all of our own supplies, and reduce our defense strategy to the absolute minimum necessary to protect our continental area. We might be able to sell the Panama Canal, which inevitably involves us in world commerce, and fall back on our transcontinental railroads. And we might even be able to do all this and still keep our libertarian system, our rights of man, and our free-acting democracy. But clearly the problems arising from such a course would be stupendous. The virtual certainty is that they would lead to that very totalitarianism that characterizes every state that has attempted self-sufficiency. Leaving aside the grave question of economic growth, we could only avoid absolute government regimentation of our production by relaxing our isolationism, in order to permit a freer flow of goods. But relaxation would again involve us in the risk of clashing with other powers and hence in the risk of war. Isolation, in a modern interoceanic world, means isolation.

## THE POLICY OF A NEW ORDER

There remains, finally, the possibility of leadership. If the United States should take this third course it would have to participate in formulating an entirely new order of peace to replace the old one that has broken down. Moreover, the participation would involve something much more than a mere suggestion or peace plan. It would involve definite commitments toward peace, a definite implementation of the new order. To provide such leadership the United States would have to take her place among the nations as a force for peace.

Now, this is something that the American people have never been willing to do. And their unwillingness appears to be just as strong today as it ever was. So far as the past is concerned, there was certainly very little reason for them to mix in international affairs while a balance-of-power peace was being maintained by Britain. And, so far as the present is concerned, their unwillingness to mix in a peaceless international situation—as already stated—is sound. Yet it cannot be doubted that the people want world peace. And if a new ideal or a new order were presented to them, holding out a reasonable hope, they might want to change their policy, as they have changed other policies in the past. At any rate, since the alternatives are so desperate, it would be criminal to take blind refuge in a refusal to consider anything. As a Nation dedicated to the theory and practice of free speech, it certainly behooves us to consider what peace plans there are; to be aware of their possibilities and their pitfalls; and to search diligently for the ideals that inspire them.

We cannot pause here to enumerate, let alone describe, all the peace plans that have been proposed. And we may at once eliminate two general categories. On the one hand, we may eliminate wishful plans that assume that the old balance-of-power peace can be revived. On the other, we may eliminate the utopian dreams of the pacifists; the hope that peace can be established upon the entire earth within a realistic period of time. Because our problem may be desperate, our discussions must be realistic.

With these eliminations the prospects of peace divide themselves into three categories.

## EMPIRE; LEAGUE; UNION

The least radical line that can be taken with regard to peace is a kind of renovated and modernized imperialism. This new system would be based upon the wishes of the totalitarian powers, on the one hand, and the Monroe Doctrine on the other. The idea is that the major powers should divide up the world into spheres of influence. The United States, under the Monroe Doctrine, would build up a kind of economic empire in the Western Hemisphere, an area of preferential trade. Japan would do the same in China. Germany would do the same in Eastern Europe. Britain would be left with most of her empire, France with most of hers, and the Union of Soviet Socialist Republics would stay within her present borders. It is a neat picture, and it is realistic enough to have attracted the dictators—if indeed it was not their own invention in the first place. From the point of view of the



democracies it has many disadvantages, which cannot be elaborated here, but which may be summed up in the fact that it is this very concept that they are now fighting. Even so, "regional imperialism" ought not to be dismissed without discussion because it would represent a certain minimum improvement over the current situation.

The second category of peace has its cornerstone at Geneva with the League of Nations. Clinically the League is not dead; it is merely in a state of suspended animation. Its international services still function and the vestiges of the assembly may meet soon. Moreover, everyone knows in a general way what was the matter with the League. First, it became a political instrument in the hands of Britain and France for the enforcement of their special brand of peace, as defined chiefly by the Versailles Treaty. Second, when the opportunity came for the League to act, these same powers ducked the responsibility of economic sanctions—a new and powerful implement of peace which has thus never been fully tried. Third, the United States was not in the League. If at least two of these faults could have been corrected, the League might have worked; and it is conceivable that they might be corrected by some further development of the League idea in the future.

This possibility—of a further development of the League idea—leads directly to the third category of peace. It may be that the League is to the history of the nations what the Articles of Confederation were to United States history: a bad flop, which nevertheless prepared the way for the eventual solution. For the United States the solution turned out to be the principle of federal union. And this principle is being widely discussed now as the solution of the democratic world.

Clarence Streit's proposal for a gigantic union of the democracies was outlined in *Fortune* for April 1939, under the title of "Business and Government." It is not, however, the only such proposal, and it need not detain us here. It is more important at present to set up the union idea against the historical pattern of peace, to see the relationship that exists between them.

#### THE MEANING OF UNION

Most peace has been negative—that is, not war. But every so often a group of separate political units, discovering a community of interests, integrate themselves into a new area called a nation; an area in which peace becomes the rule rather than the exception; an area of positive peace, in that, by the consolidation of resources, manpower, traditions, and laws, the whole becomes greater than the sum of its parts. Most modern nations are compositions of this kind: France, for instance; Germany (which was built of 25 states, integrated in turn from about 1,800 principalities); Italy, the Union of Soviet Socialist Republics, Australia, Canada, and the United States.

Now the striking fact is that, with obvious set-backs and temporary reversals of trend, the size of these integrations has persistently increased. The task of integrating the little island of England once seemed insuperable; today, the Union of Soviet Socialist Republics is integrating one-seventh of the land area of the globe. The reason for this lies in the development of transportation, communication, and other technologies, which bear upon the problem in two ways. First, they make the integration possible by linking the political or financial or industrial centers together; and second, they make integration desirable by creating a community of interests where there was none before. In the days of the horse a community of interests was defined largely by natural barriers. If these happened to be mountains, as in Switzerland, the community might be very small. If they happened to be oceans, as in the United States, it might be very large. But however small or however large, the community of interests tended to expand under the pressure of technology. When New York was 6 weeks removed from London no true community of interests existed between them, even though "relationships" might be friendly (i. e., negative peace). But today, when New York is closer to London than it used to be to Philadelphia, a community of interests, while it may not exist, is certainly not inconceivable.

As a means of integration for a modern community of interests, Federal union has no equal. In Federal union the autonomy of the constituent States is retained; only a limited portion of their original powers is forfeited to a central government for the purposes of integration. This arrangement has three important merits: First, not only the traditions but the inherent liberties of each of the parties to the union are preserved. Second, by reason of the elasticity of the structure, a great diversity of economic areas can be grouped together into a meaningful whole. And, third, since each autonomous State governs its own area, such a union can become very large without breaking down at the bottom. It is because of this fact that the United States—concerning which dire predictions were made—never became "too big."

The application of this principle to the present international scene sets up a great hope. It is not the unrealistic pacifist hope of world peace. It is the realistic hope that a number of nations will discover among themselves a community of interests real enough

to enable them to apply the federal principle and thus integrate themselves into a new and larger area of positive peace. By pooling their resources and their manpower under a common system of law, they could stand off the forces of disruption and aggression, set up a vast domestic market, develop a fabulous industrial system, and enjoy the fruits of an expansion comparable to that which followed the formation of our own Union. They could do this without losing their nationalities, their traditions, their native arts and customs, their religious practices, or their civil liberties. On the contrary, these would be underwritten and guaranteed. The Western World might in this event discover new light to dispel the darkness and hopelessness of our present era.

It is not necessary, or indeed possible, for the United States to decide immediately as between all these various courses. But the day has gone when we can dismiss them from the so-called realities of existence. These issues are as real as our industries, our laws, our individual careers; the solutions to them will affect the purposes for which we live, and will determine the manner in which we shall die. From a remote abstraction encountered only in books and state papers, the foreign policy of the United States has become a personal problem for each of the 80,000,000 adults in the land. It is for these people to choose whether they are prepared to create a new world, as their forefathers did, or whether they will be more content to live as best they may among the ruins of the old. And in the casting of this choice it is the duty of everyone to open up all the vast resources of learning and information, education and inquiry, criticism and research, that this Nation of free speakers affords. For it is by no means an exaggeration to say that the destiny of mankind is in our hands.

### The Gavagan Antilynching Bill

#### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

Mr. BOREN. Mr. Speaker, there is brought before the House today a resolution for immediate consideration of the Gavagan antilynching bill. No one is more strictly opposed to mob violence than I, but to insist that the Congress give this particular measure precedence over the far-reaching issues that agitate this country and the world at this time is, in my judgment, political chicanery, and I propose to vote against its consideration.

Let me call your attention to the fact there were 12,000 murders in the United States last year and only 3 lynchings. Of the 3 lynchings, 2 were Negroes and 1 white. Of course, 3 lynchings are too many for an enlightened nation, but in the body of State and national law there is, at the present time, every necessary legal instrument to control murder, whether it come at the hand of individual or mob. This bill, in my judgment, would not add one single ounce of strength to the legal safeguards now offered American citizens.

Second. This bill indicts our entire police system. It is an automatic indictment of every police system in every municipality, county, and State in the Union. But we have the finest, most patriotic, and capable police in the world.

Third. It is my opinion that this bill is being used as demagoguery's tool to mislead the Negro race in America. I do not believe there is any doubt in the average mind of Congress whether or not this bill will become law. After a few days of unnecessary debate, the bill will pass the lower House and then will lodge in the Senate to die there, after absorbing a great deal of time which should be devoted to constructive purposes, and after remaining an obstruction in the legislative channels throughout this session of Congress. We know this bill is not going to become law—both those who are for and those who are against it know. I feel it is unpatriotic and unfair to the Nation and to the Congress to take the time and energy of this body in this wasteful fashion.

**Jackson Day Dinner**  
**EXTENSION OF REMARKS**  
 OF  
**HON. SAM RAYBURN**  
 OF TEXAS  
 IN THE HOUSE OF REPRESENTATIVES  
*Tuesday, January 9, 1940*

ADDRESS BY HON. WILLIAM B. BANKHEAD, OF ALABAMA

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the Speaker of the House of Representatives at the Jackson Day dinner, Washington, D. C., January 8, 1940:

Mr. President, Mr. Vice President, Mr. Chairman, and fellow Democrats, inasmuch as this is the third time in succession that I have been invited to deliver a short address at the Washington Jackson day dinner after the speech of President Roosevelt, I am beginning to get a little bit suspicious that Jim Farley and his associates have been unable to induce any other victim to take the very hot spot of following so captivating and popular a speaker as our President. However, I again enfold myself in asbestos and crave your sympathetic indulgence.

In looking out over this vast assemblage of my fellow citizens, I am distressed, as was the President, to note the absence of at least three very distinguished gentlemen who were extended pressing invitations by our former Attorney General to attend these festivities. Their absence is lamented not only from considerations of personal hospitality but from more significant reasons of the public interest. I pass by without comment the opportunity they so flagrantly dismiss of obtaining a hundred-dollar dinner for nothing. I am inclined to excuse them upon the theory that Republicans of their class and standing do not know exactly what it means to be as hungry as we lean Democrats sometimes get. I am also inclined to believe that the only seduction that might have caused them to waive their scruples would have been for the President to have made an unconditional promise that at this time he would make some definite declaration as to a third term, a matter about which our Republican friends, and maybe some Democrats, seem to have amassed a very considerable curiosity. However, there is a larger reason than mere rations why we would have welcomed them at our board. We think it might contribute to their general well-being occasionally to hear the pronouncement of some sound political doctrines. We must, nevertheless, confess that their unwillingness to be here is at least understandable.

Andrew Jackson fought all his life for the principle that in a democracy the major purpose of government is to advance the well-being of all the people. He waged constant warfare against the false conception that government is the property of a favored class and that minority groups are entitled to special privileges. In view of the history of the leaders of the Republican Party for the last half century or more, I can readily appreciate how the present leaders of that party would hardly feel entirely comfortable sitting down to dine with the shade of Andrew Jackson.

It now appears that the country is upon the threshold of another vigorous and fiery campaign. There is now every indication that the opposition are upon the point of rejecting our most reasonable and brotherly suggestion that our party be allowed to continue the administration of the Government. That being the case, we are prepared to wage war.

That assertion is not made upon any impulse of breast-beating or boastful party pride, nor are we whistling through a graveyard. The Democratic Party enters the Presidential year of 1940 prepared and anxious to go before the electorate upon its record of accomplishment during the past 7 years in office. In taking over the reins of government during the bleak days of March 1933, our party gave a solemn pledge to the people that its efforts would be directed to the furtherance of those ends for which this Nation was founded—the establishment of justice, the promotion of the general welfare, the insurance of domestic tranquillity, and the continuance of peace and the blessings of liberty. This pledge has been fulfilled. We are proud of the record; proud of the fact that in its policies and its program, the Democratic Party has remained faithful to the principles of a just government laid down for its guidance by Thomas Jefferson and Andrew Jackson. We candidly admit some mistakes in judgment and some errors in the work of carrying out our objectives, because temporary mistakes and errors were unavoidable in the broad task of reconstruction, salvation, and rebuilding which had to be accomplished.

I think it appropriate in connection with the name of Andrew Jackson to make brief comment upon a statement made by a

distinguished Senator last week, in which he made gleeful reference to the fact that he had discovered in an old paper that 105 years ago a dinner was given to President Jackson in Washington in celebration of the fact that the national debt had been discharged, the inference being, of course, that a similar demonstration should be held tonight on the same grounds. But I desire to remind that Senator that when Andrew Jackson first came into power for his 8-year administration he was not confronted with the same type of desperate and devastating conditions in the country under which President Roosevelt and his party took over the affairs of the Government in 1933. Andrew Jackson's administration was not already encumbered with a national debt of over \$20,000,000,000. He was not confronted with a pitiful appeal of 15,000,000 American citizens, hungry and unemployed; his midnight slumbers were not disturbed by the crashing of unnumbered banks in the country. The farmers of his day were not appealing to him in tragic tones for some form of relief that would give them some semblance of security against bankruptcy and ruin. The industry of the country was not then paralyzed and in a state of hopeless confusion, nor were the people covered by a withering blanket of doubt and loss of hope. Those were the conditions under which our party inherited authority from the previous 12 years of Republican rule, with its indifference to the storms that any intelligent party leadership must have anticipated. Their only balm in those dark days was the fugitive promise of a duplex garage and a steaming capon in every kettle.

I repeat that every single act written into the statute books under the present administration has been put there for the purpose of advancing the general welfare and promoting the economic, social, and political security of the great masses of the American people.

The most convincing proof that this program has been essentially successful lies in the fact that the minority party has now given its grudging approval to these enactments and, after hearing from the people, has arrived at the unhappy conclusion that it would be political suicide to advocate repeal of the major programs of this administration. There is ample evidence that the leadership of the Republican Party itself has no plan of action as to any alternative program that they desire to suggest. I refer them to a recent statement by the Republican Governor of New Hampshire, from which I quote:

"Even more am I disturbed by the lack of unity exhibited by these would-be leaders. At the present time the three recognized spearheads of our party are traveling in three different directions in their conceptions of party policies and their views of what is best for the future."

It reminds us of the old nursery doggerel: "One flew east, one flew west, and one flew over the cuckoo's nest." As far as we are concerned those birds are at liberty to continue their flight into the deep shadows of political oblivion.

One of those flyers has made the amazing discovery that the main thing about the present Democratic administration to which he objects is the so-called spirit of defeatism which underlies its philosophy of government. We wonder where that young man was living back in the bleak days at the end of the Hoover administration when his party was about to give up the ghost after 12 years of uninterrupted control of Federal affairs. Apparently he never heard of the bread lines the 15,000,000 unemployed men and women in the country, the queues of anxious depositors in front of toppling banks, or the thousands of despondent farmers who watched their holdings disappear under the cruel hammer of the auctioneer. Apparently he has forgotten about a certain United States Senator, a member of his own party, who got up in the Senate and gloomily predicted that perhaps a dictator would be necessary to restore order and prosperity to this land of abundance. There, indeed, you had a period of defeatism and despair.

One hesitates to think of what would have been the state of our people, and, indeed, the Government, if the spirit of defeatism then existing had continued to crush the country and if it had not been happily removed by the advent of an administration that dared to do bold and heroic things for the preservation of our institutions. There is a lesson for each one of us here tonight and for every American citizen in the recent history of our country. That lesson is the inescapable conclusion that to continue the rule of beneficial government in Washington, the Democratic Party must retain control of Federal affairs.

A magnificent program of social reform enacted in the last few years is now beginning to bring its blessings to the American people. This program must be guarded carefully; it must be strengthened and improved in the light of administrative experience and wise judgment; but it is unthinkable that the affairs of government should again be turned over to that party which has shown it is incapable of instituting such reforms and of removing such burdens of injustice and inequality as had grown up in the country under the 12 years of maladministration. To trust the execution of our beneficent program to the unsympathetic hands of those who did everything in their power to block its enactment would be a tragic gamble for the American people. The duty devolves upon us in the coming campaign to bring home to the



electorate, including the independent voters, this great truth; and if we state the case honestly and with bold confidence, there can be no doubt about the outcome.

It has been asserted that one of the chief hopes of the Republican strategy in the November election next will be important gains in the farming sections of the country. To illustrate such a vagary, I assert that because of our Democratic administration the farmers of the United States have been brought out of the darkness of despair into the daylight of new hope, new prosperity, new security. I say "because of our Democratic administration," for the bald truth is that most of the Republican Members of Congress—after themselves neglecting the farmers for 12 years—have not only failed to help but have actually tried to block nearly every important farm measure enacted since 1933. We passed the Triple A act, under which farm prices and farm income immediately began to rise and farm buying began to turn city factory wheels. The Republicans tried to block that. We passed the Farm Credit Act, which kept thousands of farmers from losing their farms. The Republicans tried to block that. We passed the Soil Conservation Act, under which the farmers are saving and building up their land. The Republicans tried to block that. We passed the second Triple A Act of 1938, which gives farmers and the entire Nation the protection of an all-weather, ever-normal granary and crop-insurance program. The Republicans tried to block that. We voted parity payments to give farmers economic equality. The Republicans tried to block that. Last summer we voted money to continue the commodity loans. Even one of the most prominent Republican aspirants for the Presidency voted against that. Another Republican aspirant for the Presidency has called the farmers' honest efforts a "racket." Today, thanks to the constructive help of the Democratic administration, more than 6,000,000 of the 7,000,000 farmers of the United States are taking part in the national farm program. Farmers are enjoying an income double that of 1932. Their money flows to the cities and helps business throughout the Nation. That is a Democratic record of which we can all be proud.

One of the laughable incidents of the last few weeks has been the report that the select Republican committee that was sent west by JOE MARTIN to assemble material for an attack upon the Democratic farm program, concluded their hearings as speedily as possible after becoming convinced that a great majority of the farmers of that section of the country were unwilling to abandon the present Democratic farm program. The truth of the business is that they have no farm or other program, and in this connection I recall that 2 years ago speaking in this place I made some reference to the Dr. Glenn Frank committee that had been set up, supposed to be composed of the best Republican minds, if such there be, to formulate a program of party policy for the 1940 election. So far as any of us have been able to learn, the Frank committee has done only one thing, and that is to provide the most remarkable biological phenomenon of all times, in that during a period of 2½ years of political gestation, they are, as yet, unable to produce even the promise of progeny.

The minority party may make pretensions to being liberal, and in all fairness, some of its leaders may actually think they are liberal. But the fact remains that its new-found devotion to progressive government is nothing more than shotgun liberality. The habits of a lifetime are not shaken off that easily. The wealthy gentlemen who pour their contributions into the treasure chest of the Republican Party are not doing so to make sure that the economic needs of the farmer, the workingman, the unemployed, and the needy are given adequate consideration by the Federal Government. They pay the piper, and they propose to call the tune, no matter what the party candidates or platform may promise before election.

The year 1940 is notable for something more than the forthcoming Presidential election. This year marks the beginning of payments under the Social Security Act, a measure which, during the years ahead, should take its place as one of the finest and most humane pieces of legislation ever devised by a wise government. From the dawn of civilization, there has been nothing more tragic than the plight of millions of worthy citizens who faced the twilight of their years without sufficient income to provide them with the bare necessities of life. In this machine age, the problem has become more acute. The victims have been compelled to depend for their assistance upon the generosity of kind relatives or the hard and bitter bread of charity. The Social Security Act was designed to meet this problem. It is just now getting under way. Its enactment was a shining landmark in the history of civilized government. This act is one of a whole series of laws which the Democratic Party has put into effect to preserve and protect the economic security of the average citizen. That composes the record upon which we are content to go before the people at the next election. Security has been the watchword of this administration; the security of deposits in banks, both Federal and State, and the assurance that in case of failure every dime will be paid to depositors across the counter; security for 2,000,000 youths of the country at worth-while tasks in the C. C. C.; security in the adjustment of farm incomes until they double the annual amount received when this administration came to power; security of employment for millions of idle men on buildings, highways, and other useful construction projects; security in bringing some of the comforts of urban life to 300,000 farm families of America through rural electrification; security for decent homes for slum dwellers in the congested areas of the country; security under the

H. O. L. C. for the preservation of hundreds of thousands of American homes from sale and foreclosure; security of the right of collective bargaining by the labor organizations of the country; security against the crookedness and dishonesty of stock manipulators through the Securities and Exchange Commission; security of a balanced flow of our foreign trade through the enactment of the reciprocal-trade programs; security for the preservation of our own land and country through the modernizing and increasing of the power of our Army and Navy against any possible foreign attack. And, last, the greatest security that comes to the hearts and the homes of the people of America on the issue that has caused the greatest anxiety and apprehension; namely, whether our country shall be drawn into the foreign wars, this administration, through its President, its Secretary of State, its Members of the Congress, has stood, now stands, and will continue to stand resolutely for peace and nonparticipation on our part in a war we did not make and which this administration did everything humanly possible to prevent.

The people of America will not forget the great lover of peace who has had charge, in large part, of our international destiny—Franklin D. Roosevelt—nor the political party that has sustained him in his prayers and efforts for world peace.

### The Militant Democracy of Andrew Jackson Answers a Challenge—We Move Ahead

#### EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

ADDRESS BY HON. JOSEPH R. BRYSON, OF SOUTH CAROLINA

Mr. BRYSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me last night at the Jackson Day dinner, Wilmington, Del.:

I am grateful for the honor—the very distinct honor—of being your guest tonight. My gratitude is for the privilege of meeting with the stalwart people of Delaware, for Delaware was one of those Thirteen Original States with which my own State of South Carolina struck the blow and won the struggle for American independence. We have in common the heritage of a great, historic tradition.

And I am also grateful for this opportunity to address you on this special occasion when we do honor to the memory of that great American and foremost standard bearer of the Democratic Party, Andrew Jackson.

But it should be remembered that we come together here tonight not merely to glory in the achievements of our great leader but also to attest our loyalty to the principles of democracy for which he fought and then to rededicate ourselves to the great task of keeping them alive.

Of Jackson a great writer has said: "A lover of liberty, he gave his blood to it; a crusader of democracy, he gave his life to it; and liberty and democracy in America will never die so long as the people treasure the memory of his battles and follow the shimmer of Andrew Jackson's sword." How splendid is this description of the militant democracy of Andrew Jackson, how priceless does democracy find the example of his life.

And here I think something should be said of the actual experiences of Jackson's life. Something should be said of just Jackson himself as he rose from birth in the most humble of circumstances to the Presidency of the United States.

I make no effort to conceal my pride at this moment in mentioning here the fact that my home is in the State which holds to be the birthplace of Andrew Jackson. While other States have attempted to claim that honor, South Carolina gave birth to this American hero. And in his last will and testament Jackson distinctly avowed, with all the solemnity attending a testamentary paper, that South Carolina was his native State.

Andrew Jackson was born in obscurity and, like his own mother and father, who had spent much of their lives in Europe, might have died in obscurity. But the fate of Andrew Jackson was better than this, for he was born at an eventful time in the history of an eventful nation.

In a cabin of plain and simple but comfortable design situated in the Piedmont hills of South Carolina Andrew Jackson was born on March 15, 1767. Yes; he was born at an eventful time, because before he attained manhood there was to be signed a Declaration of American Independence and there was to be adopted a Constitution which Gladstone so aptly described as "the most wonderful work ever struck off at a given time by the brain and purpose of man."

In Jackson's day, as in the present day, the opportunity for a young man to rise from the depths of obscurity to the realm of

recognition was greater in America than anywhere else on the face of the globe. The important thing was that Jackson possessed the vision, determination, and driving power to realize his ambitions in this Nation of almost unlimited opportunity.

Jackson's early life was largely that of an orphan, because his father died several days before his birth and his mother died before he reached the age of 14. He had some common-school education and began the study of law while he was still very young. He was admitted to the bar and licensed to practice law before reaching the age of 21.

In 1788 his pioneering instincts carried him westward, and he established himself in the frontier State of Tennessee. He was destined to become Tennessee's most renowned soldier and statesman. In 1789 he was solicitor of one of the Tennessee districts, and the next year he became United States attorney.

In 1796 Jackson was chosen the first Member of Congress from Tennessee, which had just been admitted to the Union. At the age of 30 he was elected to the United States Senate, but resigned at the end of the first session. The following year he became a justice of the Tennessee Supreme Court, where he served 6 years and then resigned.

From the date of his resignation from the Tennessee Supreme Court until the outbreak of the War of 1812 he devoted considerable of his time to farming, at which he was moderately successful. It was during these intervening years that he became a major general of militia.

Placed in command of 2,500 Volunteers in 1813, he marched toward New Orleans. When he reached Mississippi he was directed to disband his forces. Because this would leave them stranded, he had the order modified and marched back to Tennessee. The hardships which he endured on this march won for him the title of Old Hickory.

An uprising of the Creek Indians in Mississippi and Alabama caused him to be sent into that district, where he forced them to terms of peace. It was during 1814 that he became a full major general in the Regular Army, in command of the Department of the South. From that time on he became a national figure.

In the late fall he invaded Florida, then a Spanish province. He claimed it without orders and captured Pensacola on the ground that it was a base used by English troops. Going from there to New Orleans, he began the defense of that city. He was attacked by the British and defeated them in the famous battle of the 8th of January 1815.

And it is fitting that we are gathered here this 8th day of January—a century and a quarter later—to memorialize Jackson's great feat at New Orleans. Jackson's brilliant achievement at New Orleans did much to redeem other reverses which the American forces had suffered on land. General Jackson had now become undoubtedly the foremost military hero of his country.

Although a great military hero, a fighter, a conqueror, Andrew Jackson was at the same time a man with all the refinements of a devoted husband. His devotion for his beloved wife, Rachel, was well stated in the inscription which Jackson himself had written on her tomb, reading:

"Here lie the remains of Mrs. Rachel Jackson, wife of President Jackson, who died on the 22d day of December 1825, age 61 years. Her face was fair, her person pleasing, her temper amiable, her heart kindly. She delighted in relieving the wants of her fellow creatures, and cultivated that divine pleasure by the most liberal and unpretending methods; to the poor she was a benefactor, to the rich an example, to the wretched a comforter, to the prosperous an ornament; her piety went hand in hand with her benevolence, and she thanked her Creator for permitting her to do good. A being so gentle and so virtuous that slander might wound but could not dishonor. Even Death, when he bore her from the arms of her husband, could not transport her to the bosom of God."

During the next few years he was engaged in the Indian wars. He again invaded Florida, and after the purchase of Florida was ratified in 1821 Jackson became its first Governor. He resigned this post several years later and returned to his home in Tennessee.

Although Jackson was being bitterly criticized by some of his enemies he remained an outstanding, popular figure. In 1823 he was again chosen to serve the State of Tennessee in the United States Senate.

But already Jackson was being considered for the Presidency. As a candidate for the Presidency in the campaign of 1824, he received 99 electoral votes against 84 for Adams, 41 for Crawford, and 37 for Clay. This threw the election into the House of Representatives, where the support of Clay went to Adams who was accordingly made President.

However, 1828 saw Jackson waging a vigorous campaign for the Presidency. He achieved a remarkable victory in the election of 1828, securing 178 electoral votes, while John Quincy Adams received only 83. I have given here only a brief biographical sketch of Andrew Jackson from the date of his birth to the time of his inauguration as the seventh President of the United States.

Andrew Jackson made great and lasting contributions to democracy during his two terms as President. Jackson must be credited with translating the democratic philosophy of Jefferson into reality. It was he who threw democracy into action; it was he who set in motion all the wonderful processes of democracy. It was the militant democracy of Andrew Jackson which set the pace for our growth into a great and powerful nation.

I should like to read to you here what the contemporary writer, Claude G. Bowers, has to say about Jackson:

"Andrew Jackson was the organizer of democracy. He mobilized the scattered forces of ordinary men, vitalized them with his energy, fired them with his faith, and made sharpshooters of them, every one. He made the trapper in the wilderness, the worker on the wharf, the toiler in the factory, and the farmer in the field realize that the Government is his Government in days of peace as well as when he is solemnly reminded of it in days of battle."

Continuing, Mr. Bowers adds: "His devotion to human rights did not blind him to the legitimate rights of property. He was not an enemy of business; he was so much the friend of honest business that he fought to make it free."

The assumption that the devotion of the masses to Jackson made him the enemy of business is ill founded and false. The assumption that the devotion of the men and women who toil in the field and factory to our present leader, Franklin D. Roosevelt, makes him the enemy of business is equally ill founded and false. To those who are ever ready to do this country the injustice of projecting bitter arguments on this false assumption, I say to them, examine the facts, ascertain the truth.

The fact is that we must keep the smoke pouring out of industry's chimneys if this Nation is to prosper, and the President of the United States seeks today, as he has always sought, ways and means to promote industrial recovery. The American people will long remember that Roosevelt met the disaster of our business depression with positive action—action which restored confidence and launched recovery.

At another Jackson day dinner in Washington 4 years ago President Roosevelt said:

"I am happy to stand here tonight and declare to you that the real issue before the United States is the right of the average man and woman to lead a finer, a better, and a happier life. That was the same issue, more than 100 years ago, that confronted Andrew Jackson."

As we assemble here tonight let us proclaim the fact that this issue has been squarely met. The day when our Federal Government failed to deal with problems of unemployment, bank failures, agricultural distress, sweatshop labor practices, discrimination against organized labor, and the ruthless exploitation of national resources—that day, when our Federal Government stood idly by and remained unconcerned about the consequences of these national problems—that day, I say to you here tonight, is gone forever. America will never abandon the great social and economic gains which have been achieved during the administration of Franklin D. Roosevelt.

Just as the militant democracy of Andrew Jackson answered the challenge of his day, the social and economic democracy of Franklin D. Roosevelt has answered the challenge of our day.

First. Yes; we believe in the Social Security Act. It points the way to a brighter day for the aged who have made their contributions to the upbuilding of this Nation to the blind, lame, and halt, and to the men and women who become unemployed through no fault of their own. I say to you most emphatically we may improve the provisions of this act, but we shall not abandon it.

Second. Yes; we believe in the Fair Labor Standards and National Labor Relations Acts. They assure to the working men and women of this Nation a decent standard of living and point the way to a brighter day in industrial relations. I say to you most emphatically we may improve the provisions of these acts, but we shall not abandon them.

Third. Yes; we believe in the banking legislation of recent years. This legislation has stabilized banking and afforded protection to the Nation's bank depositors. I say to you most emphatically we may improve certain features of this legislation, but we shall not abandon it.

Fourth. Yes; we believe in the conservation policies adopted in recent years. These policies point the way to the future protection of America's wealth of natural resources; and I again say to you most emphatically we may modify and alter these policies in certain respects, but we shall not abandon them.

Here, without elaboration, I wish to make this single, yet pertinent, reference to the President's foreign policy. In short, it is a thing of outstanding statesmanship, protecting American interests in the present world crisis and doing the all-important job of keeping us out of Europe's war.

Thus, I could continue in the enumeration of the many legislative landmarks established during the past 8 years. But the achievements I have already cited are alone enough to assure the American people that the Federal Government under the leadership of Franklin D. Roosevelt has answered the social and economic challenge of this day—we are now moving ahead.

The outlook in America today is much as the President described it in his report last week to Congress on "The state of the Union" when he said:

"The American people will reject the doctrine of fear, confident that in the thirties we have been building soundly a new order of things different from the order of the twenties. In this dawn of the decade of the forties, with our program of social improvement started, we must continue to carry on the processes of recovery so as to preserve our gains and provide jobs at living wages."

And as the President added:

"In the spirit, therefore, of a greater unselfishness, recognizing that the world—including the United States of America—passes



through perilous times, I am very hopeful that the closing session of the Seventy-sixth Congress will consider the needs of the Nation and of humanity with calmness, tolerance, and cooperative wisdom.

"May the year 1940 be pointed to by our children as another period when democracy justified its existence as the best instrument of government yet devised by mankind."

In conclusion, I give my political creed. I believe in the philosophical democracy of Thomas Jefferson, I believe in the militant democracy of Andrew Jackson, I believe in the idealistic democracy of Woodrow Wilson, and in the social and economic democracy—the democracy of the forgotten man—of Franklin D. Roosevelt.

### The Reconstruction Finance Corporation Versus A Small Business, the Hickory Clay Products Co., of Mineral City, Ohio

#### EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

STATEMENT BY CLOYD W. MILLER

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Cloyd W. Miller, president of the Hickory Clay Products Co., of Mineral City, Ohio:

#### TWO SIDES OF THE DISCUSSION—GOVERNMENT (R. F. C.) VERSUS A SMALL-BUSINESS MAN REGARDING LOAN, TERMS, RESPECTIVE RESPONSIBILITIES

##### THE GOVERNMENT'S SIDE

R. F. C. offers to loan \$20,000.  
R. F. C. demands security as follows:  
First mortgage on property it appraised at..... \$171,930  
Outside security..... 50,000  
221,930  
R. F. C. demands 11-to-1 factor of safety.

Twenty thousand dollars offered.

In defense of this sum the R. F. C. said I had said, "We may not need as much as \$35,000 and would not accept any more than needed up to \$35,000." I did say this, confirming our intent not to borrow a penny more than needed and to use the money carefully.

Ronan, of R. F. C., said we could not get money elsewhere, implying this was a reason for accepting whatever R. F. C. offered, regardless of whether the sum was sufficient or the terms fair.

##### THE BUSINESSMAN'S SIDE

We need \$35,000.  
We offered:  
First mortgage on property R. F. C. appraised at approximately \$125,000.

We offer 3.6-to-1 factor of safety. We are asked relatively more security per dollar loaned than larger industrial corporations, and the railroads are granted better terms even than they.

Thirty-five thousand dollars needed.

It would be the worst sort of management for us to try to do what we must do with 60 percent of the money we may need. Too, the sum allocated or set aside for us should be in fair proportion to the security offered. We, as sound managers, must keep in mind the risk of failure and that failure would take from us a plant worth \$125,000 and liquidate the present ownership of our company.

The two banks with whom we deal have declined to loan, one of them saying that our risk is the type R. F. C. should handle. Ronan used argument such as might be used by a private institution that had no obligation such as has the R. F. C. under the law, and to this I add that Shannon of the National City Bank of Cleveland, said to me, November 4, in his office, that Government administration and legislation of recent years probably have had much to do with his bank's adoption of its present policy toward small enterprises such as ours. It takes more than the application of straight banking principles to redevelop ailing industry.

#### THE GOVERNMENT'S SIDE—CON.

Ronan, for the Government, says (1) that the business is ours; (2) that we want to make money; (3) that if we are going to repay the loan, extra security is of no importance. Coombs, for the Government, says (4) that the R. F. C. Directors do not think we have a Chinaman's chance to make any money; (5) that we must accede to Government terms regardless; (6) that were it not for my persistence it would not loan us money; and (7) something was added about gambling with us.

#### THE BUSINESSMAN'S SIDE—CON.

We submit Government only needs security. Asking that we provide a mortgage first on assets which are separate from manufacturing operation for which money is sought plus guaranty by my outside personal income imposes unreasonable requirements, and this very imposition compels examination of R. F. C.'s conduct and motives, and Government's responsibilities to small private enterprise. We want no favors; what we ask is based solely on our rights under the law.

Government puts a premium on reason in absently denying that legislation of recent years has not made the possibility of profit more difficult.

That its policies of the last 5 years in labor, price raising, social security are not disadvantageous as compared with former conditions.

That its railroad administration, permitting our transportation rates to exceed railroad operation costs 25 percent to 40 percent are not subversive. (I. C. C. cost study 3681, file No. 28-A-12.)

That permitting the use of a "secret" railroad weighing system iniquitous in character on our material does not make our problem more difficult and hazardous. This system has for years encouraged vicious and unconscionable competition within our industry and may be in violation of I. C. C. law.

That public utterances of high Government policy-making officials, Berle and Corcoran, do not raise a fair question about Government's motives. Corcoran calling businessmen "polecats," deserving no quarter, and Berle saying Government will ultimately own all productive plants.

Such thinking is absurd when it is realized that our plant cost \$125,000, and it is in splendid working condition. Furthermore, if we wanted to get out of business we could probably sell the plant for more than \$50,000. We have faith in this property as a means of making money, and we want to save it so that the benefits to be derived from it will accrue to our ownership. It is a natural resource-conversion project.

On the subject of research, we asked Chairman Schram months ago to send a competent person to Ohio to see our industry, the competitive plants, what changes there have been in recent years, the transition there has been in the industry, what we must do to adjust our company to existing conditions. Without adequate research, how can intelligent discretion be exercised?

We reviewed it very carefully, and found it contained six errors of fact, and, naturally, due to these errors, erroneous conclusions. We carefully answered and corrected each and every statement therein. Later the fact that we had in our possession a "private" Government document seemed to cause so much consternation in the R. F. C. office that our answering effort apparently accomplished little. But our facts and

There is an implication in the Government's observations that in getting a loan of \$35,000 from it that we want to unload our plant on the Government and get out from under.

We have finally gotten Director Husband's word that he will send shortly a competent person to visit us.

One of the directors of R. F. C. gave me a copy of their decision, dated July 5, 1939, turning down our loan application. I presume it was given to me to defend, in a general way, the Government's position. I believe after this was done that my contact and discussions should have been solely with the directors because of embarrassment to subordinates it caused. Minor officials are entitled to considerate treatment as well as we are.

## THE GOVERNMENT'S SIDE—CON.

The Government makes no attempt to justify its favoritism in terms in making loans—it ignores our statements on this subject completely.

## THE BUSINESSMAN'S SIDE—CON.

arguments persist and are valid. We thought we were being nice to R. F. C. to help it get its facts straight. This decision contained this sentence: "Management does not appear sound." A captious remark wholly unsupported by evidence—we adequately answered this. The soundness of our management is established, and is not now questioned, so far as I know. On the subject of soundness we may properly say that New Deal economics have not yet been proved sound, and much of it is sharply challenged by the ablest economists in the United States.

Government loans railroads enormous sums on secondary security without expecting they will be repaid out of profits; no personal guaranties asked. It loans close industrial corporations without personal endorsement.\* From us it has asked prime security plus personal endorsement.

It surely was not intended by Congress that R. F. C. should exercise biased or favoring discretion in the allocation of public funds.

The practice of increasing the severity of terms as the business operations are less in magnitude shows how the difficulties of small-business men are increased, rather than diminished. Was this the intent of Congress?

Regarding statements of Government, it seems to us they are mostly platitudes showing a serious lack of understanding of our business problem. There has been a lack of willingness of R. F. C. highest officials to discuss the matter. The subordinates say too much in a peremptory manner about what we must do. An air of boredom is displayed.

Our statements have been supported with facts. The note of flippancy in statements of R. F. C. men—for instance, the one that the directors do not think we have a Chinaman's chance to make money—speaks for itself. Such remarks do not indicate understanding of the importance of our problem and are a far cry from constructive or sympathetic assistance to a small enterprise.

### The Hickory Clay Products Co., of Mineral City, Ohio, Applies for a Loan From the Reconstruction Finance Corporation

#### EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

LETTER BY CLOYD W. MILLER

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by Cloyd W. Miller, president of the Hickory Clay Products Co., of Mineral City, Ohio, to Sam Husbands, of Washington, D. C.:

MINERAL CITY, OHIO, November 11, 1939.

Mr. SAM HUSBANDS,  
Reconstruction Finance Corporation, Washington, D. C.

DEAR MR. HUSBANDS: Mr. Mitchell arrived yesterday morning at 6, and we started our tour of inspection immediately. We visited and saw 13 plants. The résumé below shows the total number of kilns, the number formerly used in the manufacture of fireproofing and since changed to burning of other kinds of material, part to products for the steel industry, and the balance to very high-grade glazed material. Of the kilns not in use our nine are the only

\*Goshen Clay Products Co., Newcomerstown, Ohio, was loaned \$70,000.

ones really fit to use, the other two plants having about gone to pieces. We plan to make a medium grade of facing tile for which there is a growing market.

## Beehive kilns

1. National Fireproofing Co., East Canton (also 2 circular continuous kilns for spray glazes)	20 afire.
2. Stark Brick Co., East Canton	48 afire.
3. Metropolitan Paving Brick, Minerva	18 afire.
4. Consolidated plant, near Minerva	20 idle.
5. Malvern Clay Co., Malvern	28 afire.
6. Robinson Clay Products Co., Malvern	16 afire.
7. P & M plant, near Waynesburg	28 idle.
8. Whitacre-Greer Fireproofing Co., Waynesburg	51 afire.
9. National Fireproofing Co., Waynesburg	20 afire.
10. National Fireproofing Co., Magnolia	18 afire.
11. Whitacre-Greer Fireproofing Co., Magnolia	17 afire.
12. Hickory Clay Products Co., Mineral City	9 idle.
13. Fairfield Brick Co., Zoarville	6 afire.

299

	Total beehive kilns	On highest-grade ware	Not in use	Survivors on fireproofing	Converted to steel products	Face brick	Sewer pipe	Formerly on fireproofing
1.	120	20						
2.	48	48						8
3.	18	18						18
4.	20		20					20
5.	28			28				28
6.	16						16	
7.	28		28					28
8.	51				51			51
9.	20	20						20
10.	18			18				18
11.	17				17			17
12.	9		9					9
13.	6					6		
Total	299	106	57	46	68	6	16	217

<sup>1</sup> Plus 2 circular continuous kilns for spray glazes.

I want you to reflect for a few minutes on what the above facts mean and what the possibilities are in the Ohio clay industry from the viewpoint of expanding American industry. Formerly there were 217 kilns, 13 extrusion machines, making hollow ware or fireproofing in this district. This has been reduced to 46 kilns, 3 extrusion machines, and the others have either quit entirely or converted their properties at considerable expense to manufacture other material. This conversion has been required for one reason which is entirely controlled by national economic policy in freight transportation. If freight charges properly considered the economic welfare of the Nation, all of these plants which were formerly in fireproofing, and low-grade clay products would still be in this field. If that were true, there might be new plants with 100 to 150 kilns making the material to which these old plants have been converted.

I have been disgusted with politicians and economists in the last few years saying we no longer have any frontiers in America. The facts are that we have economic frontiers all over America which have been destroyed utterly by maladministration of the railroads and a shortsighted public transportation policy. As a matter of fact, low transportation costs, probably half what they are now, were the reason the frontiers could formerly be exploited in the public interest. The railroads became an integral part of the frontiers. Over the years railroad influence became the most singly powerful and subversive in the country, and I believe it is today. That is the reason I think Jesse Jones does the country a disservice when he so often releases to the press information about what the R. F. C. is doing for the railroads. This is political catering to a powerful minority that has had, I believe, the most to do with preventing American economic recovery.

With the information about our industry here and from Mitchell you will know what I meant in writing to Bassett about research. Work such as Mitchell and I did yesterday is of great value to you in determining whether applicants should have credit; it also provides invaluable information on which to base recommendations to Congress. The fact that your agency has to allocate public funds gives force to your recommendations to Congress far greater than from any other governmental agency.

Mr. Mitchell met Ralph Schory, the vice president of our company, and also Paul Belden, one of the leading and most successful operators in the Ohio industry. Ralph is one of the ablest operators in the business, a ceramic engineer from Ohio State University and a splendid person. Paul has become a good friend of mine over recent years. Mitchell will tell you about these men and my friendship and association with them. Mitchell and I had a delightful day, although we missed our lunch, at least Mitchell did. We went to see Schory at his home about lunchtime, and I went to the kitchen and visited with Helen and had a piece of pie while Mitchell and Schory talked.

I thank you for sending Mitchell. He seemed to get more interested as he proceeded, and I was gratified with his comprehension, even though we crowded a great deal into the one day.

Sincerely yours,

CLOYD W. MILLER,

President, the Hickory Clay Products Co., Mineral City, Ohio.



**The Life Story of Cloyd W. Miller, President of the Hickory Clay Products Co., of Mineral City, Ohio, Submitted to the R. F. C. in Connection with Application for a Loan**

**EXTENSION OF REMARKS**

OF

**HON. EARL R. LEWIS**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 9, 1940*

ARTICLE BY GENEVIEVE BURKE AND CLOYD MILLER

Mr. LEWIS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following story of the life of Cloyd W. Miller, president of the Hickory Clay Products Co., of Mineral City, Ohio, written to the Reconstruction Finance Corporation for the purpose of securing a loan from that Corporation:

**MY LIFE—CLOYD MILLER**

This story is written for the benefit of, and dedicated to, the directors of the Reconstruction Finance Corporation at Washington, Emil Schram (chairman), Carroll B. Merriam, Charles B. Henderson, H. B. Klossner, and Sam Husbands.

I have been trying for over 16 months to borrow money from the R. F. C. and during this time have confined my information largely to my business experience, our enterprise, etc. Little has been said about my formative years or training prior to entering business. Very recently I learned that the R. F. C. is still inquiring about my character, and I believe it will be helpful to you to have knowledge of my early training, in what environment I grew up, and what I did prior to entry into business. The Horatio Alger tone may provoke merriment, but I can take it. I think what I seek to bring out justifies the intrusion upon your time.

I was born on February 7, 1883, in Goshen, Ind. My father was a cabinetmaker and my mother a school teacher. After 3 years mother divorced father and he died when I was 7. Mother taught school in Elkhart County for 37 years; still lives in Goshen, in her eightieth year. From the time I was 6 to 11 she balanced an annual family budget on \$320 a year—8 months' work at \$40 per month. I vividly recall the account book, a 5-cent memorandum, which had income on one side and outgo on the other, and was accurately balanced each week. I saw her annual summaries over these years, showing it cost us \$305 to \$315 each year to live and pay our debts. It took her 5 years to retire a \$25 debt, at \$5 a year, to a local dry-goods store contracted while she was living with my father. Five dollars per month rent was our maximum, but we had a fine, clean home in as little as two rooms. Balanced budgets were firmly impressed upon my mind very early. At 11, I started selling newspapers, and from then on bought my own clothes, though I paid no board until after high school. Sold collar holders, ice picks, Success magazines, and worked in a truck patch and on farms in summer during high-school years. Graduated a Latin student from Goshen High School at 17 in year 1900.

In July went to work for the Goshen Buggy Top Co. It jobbed blacksmith supplies, carriage hardware, and built buggy tops. I was stenographer, office boy, invoice clerk, janitor, etc. During the first winter began to go to Elkhart, Mishawaka, and South Bend, Ind., to sell our goods to blacksmiths. Pay started at \$4.50 per week and within a year advanced to \$5, and later to \$6. During that time I nearly memorized a 52-page catalog of the goods we bought and sold.

The boys in our high-school class often discussed going out to make our fortunes. Becoming restless in the summer of 1902 I solicited the interest of Haines Egbert, the local hardwood lumberman, who knew men in Helena, Ark., and he got me a job with the Helena Box Co. Went there in October 1902 to learn the lumber business. Inspected lumber on the yard, handled a crew of men, worked 11 hours a day, did a little stenography work in the office, and received \$50 per month. After 8 months I was put in charge of the output of a cottonwood sawmill located 8 miles from Reydel, Ark., on the Arkansas River. My pay was raised to \$75 per month. Graded the lumber at the sawmill, handled the teamsters who moved it to the railroad and loaded the cars. Reduced the cost of tearing down the lumber piles at the mill about half, using 3 men to do this work which formerly took 6 or 7 by changing handling methods. This job ended abruptly. I was fired because I wrote a sassy letter to my boss at Helena. Later I frequently referred to him when seeking a better job. He was both annoyed and embarrassed by my persistence in this and wrote me about it. Years later I met Mosby at a resort in Florida, we played golf together for 2 weeks, but he did not mention firing me.

Went back to Goshen with \$300 saved during 15 months in Arkansas. Haines Egbert got me another job with the Studebaker Corporation at South Bend at \$7 a week. Worked 2 days and quit

because I wasn't satisfied with this pay, and remember how sharply Mr. Egbert scolded me for quitting.

In February of 1904 went to work for the Lesh-Prouty-Abbott Co. in East Chicago, Ind., as a stenographer and walnut lumber inspector at \$50 per month. My experience there was dull because I didn't have enough work to do. Mr. Abbott, a Goshen man and very successful, was a splendid person. One day when I almost killed the driving horse by driving into a down wire after a storm he said, "Well, Cloyd, I can't criticize you for driving too fast because I drive too fast myself."

Within 6 months was looking for another job because I wanted more pay. Mr. Abbott didn't think my job warranted a raise. I answered ads seeking help in the American Lumberman. One was from the Ford River Lumber Co., with offices at Wells, Mich., Upper Peninsula. Met Daniel Wells in Chicago, told him I wanted \$60 a month to start. In a few days he wired me to come, and I left East Chicago for Wells in October 1904. At Wells I was in an office in which was done part of the work of the I. Stephenson Co., the Ford River Lumber Co., Mashek Chemical & Iron Co., and the Escanaba & Lake Superior Railroad. My work was stenography in the land and lumber department of the Ford River Lumber Co. Daniel Wells was the son of J. W. Wells, of Menominee, Mich., who built up these interests. He owned about one-third. Mr. Wells gave me a pass on the Escanaba and Lake Superior Railroad to visit logging camps and told me to be gone 1 day a week. The Ford River Lumber Co.'s plant office and general books were kept at Ford River, Mich., 10 miles from Wells. In about 5 months the bookkeeper there resigned and I asked Mr. Wells for the job, although I had never kept books. The books at Ford River required five full foolscap pages for the trial balance. Mr. Wells asked me whether I could keep books; I answered yes and got the job. The retiring bookkeeper stayed for a month to show me the work, became utterly disgusted because not only was I a poor writer but I smeared the books with erasures and dirty hands and failed to get my first trial balance. This was pretty bad, but good fortune was on my side. Mr. Wells hired an expert cost accountant from Chicago to install a new set of books and cost system. DeVor, the cost accountant, spent nearly a month in Ford River showing me how to use his forms and transferring our accounts from the old ledgers to the new books. He taught me how to keep books and I got the next trial balance. From then on it was easy. For that company I developed each month thereafter a 14-page cost and profit and loss statement, showing every department of our operation. It was completed, copied, and mailed from our office on the 5th day of the month to five directors, all done in longhand. I am sending a copy of this statement, which I prize very highly, to Director Husbands and want him to return it. This experience provided knowledge of cost accounting which has been invaluable to me throughout my business career. My pay at Ford River was raised to \$90 a month, a 50-percent advance, in 5 months. In about a year I was made buyer and manager of the company store, which sold \$10,000 worth of merchandise monthly. I made frequent trips to Chicago to buy. My pay was raised to \$166.66 per month. In 1906 the directors of these companies fell out. The properties were owned, one-third by J. W. Wells, one-third by Isaac Stephenson, former United States Senator from Wisconsin, and one-third by the Daniel Wells, Jr., estate, controlled by Milwaukee trustees. The J. W. Wells interest sold out for \$750,000 cash. This change brought to the attention of old Isaac Stephenson my salary of \$166.66 a month; he said the most he had ever paid a bookkeeper was \$125 a month, and I could stay on at that. I told Senator Stephenson that if I had to start over I would start with a different company and resigned.

While at Ford River I checked out under my signature alone over \$300,000 each winter to logging producers and their woodsmen. The company stopped hiring an outside auditor, which had been an annual practice, because I showed Mr. Wells the audit was of no value. It simply verified my trial balances and got exactly the same profit-and-loss results I had already ascertained. I showed Mr. Wells that these auditors, who charged us \$1,100 for 2 weeks' work, had failed to check the cash disbursements I had made to woodsmen on time orders from the logging camps; also how I might have embezzled \$40,000 or \$50,000 the previous winter, which would not have been detected by this auditor. Mr. Wells forthwith quit outside auditors, raised my pay, and raised my bond from \$10,000 to \$40,000.

Left Ford River early in 1907, again answered an ad in the American Lumberman, and hired out to the Wheeler Lumber & Bridge Supply Co. at Des Moines, Iowa. Started at \$100 a month, to be raised to \$125 in 6 months and \$150 in a year. My boss was George A. Field, a fine person. This firm had a large retail lumber yard, and at wholesale sold 3x12x16 Oregon fir bridge plank to the county supervisors of Iowa. My work was of a clerical nature, and during the 6 months there I heard lumber salesmen from the producing districts trying to sell lumber to Field. I also got my first first-hand information about graft in government. Iowa was split three ways by three wholesalers who sold to the counties. Wheeler worked on his one-third, and the others laid off. A number of the county supervisors, but not all of them in our group of counties, had special arrangements with Wheeler to divide unearned increment. I was not well satisfied with my work here because again I did not have enough to do, and made up my mind I was going to sell lumber. I told my wife I was certain I could sell more than the dumb Doras who were calling on Mr. Field.

In 6 months I resigned without another job, but as before I was negotiating by mail with firms that had ads in the American

Lumberman. Was called to Cleveland, Ohio, by the Robert H. Jenks Lumber Co. on November 1, 1907, to interview them about a sales manager's job. They were the largest wholesalers of lumber in Ohio at that time, employed 50 people in their office, consisting of 13 stenographers, plus clerks, accountants, and 5 sales managers, who handled different woods in each department. I was hired for northern woods, white cedar posts, shingles, and west coast material, which was just coming into Ohio. My experience in Des Moines, where a great deal of west coast material was used, got me this job. Went to work on December 1, 1907, and a year later was in charge of enough sales of that company to produce over half of the gross profit of the entire business. We had 17 salesmen on the road, and frequently I went out with salesmen who had been selling for years to show them how to do it, although up to that time I had never had a day's road experience as a lumber salesman.

Within the first year with this company I saw how I could get into the lumber business with very little money. My positions had mostly been in manufacturing where it took enormous sums. In the summer of 1909 I wrote to Daniel Wells, my former boss at Ford River, Mich., and told him what I wanted to do. He had moved to Detroit and had invested heavily in the steel business. In September in Detroit I told him I had \$2,100 saved and that we needed \$5,000 to start. I offered my bankbooks as security for a loan of \$2,500, which would be my share in the business if he would put up \$2,500 for his share. He agreed to do this, and said, "Do you want to start business next week?" which took me back a little. I said, "No; I think we should start January 1," so I could complete my plans. Went to Detroit at Christmas time, got Mr. Wells' check for \$5,000, and as I walked out of the Ponchartrain Hotel I took the check out of my pocket and said to myself, "Well, squirt, you are in business now and its too late to crawlfish." I was just 26 years old, but I realized fully, I think, the responsibilities I had undertaken. We had a partnership. Mr. Wells gave me a copy of his personal statement, which we sent to the Lumbermen's Credit Association and to Dun's and Bradstreet's. We started business with a commercial rating in these agencies of \$100,000 capital responsibility, first-rate credit.

I never called on Mr. Wells for additional money. We paid spot cash for our lumber in carload lots, bought and sold 360 cars the first year, discounted all our bills, and lost no accounts. We made, as I recall, \$4,200 the first year. Each year we added to our cash reserve, keeping most of the money in the business to take care of our growing volume. In 1913 we incorporated. This business continued active for 18 years, and we made quite a lot of money during the war. In 1917 we shipped millions of feet of lumber to a housing project in Firestone Park in Akron. After 1928 the wholesale lumber business dwindled and within a few years most of the wholesalers in Cleveland were out of business. My time after 1926 was more and more taken by the Hickory Clay Products Co. at Mineral City, Ohio.

In 1913 I built a home on Cleveland Heights, a suburb of Cleveland. In 1914 I had saved about \$12,000, which was outside the Miller-Wells Lumber Co., and decided to build an apartment to permanently protect the living of my family. We organized the Cloyd W. Miller Co.; I took about \$13,000 of the stock myself and sold \$11,900 to others. We borrowed \$30,000 from the Cleveland Savings & Loan Co. and built a 16-suite apartment, the first English basement apartment in Cleveland. It is located at 1871 East Ninety-seventh Street. This company owns it today, and it has enjoyed practically full occupancy for 23 years. It has paid an aggregate of 190-percent dividends during these years, plus retirement of the mortgage. Rents went up during the war, gradually declined during the twenties, so by 1932 they were below what we started with. Since they have gone up some and are now about what they were at the beginning. Fortunately, we picked an excellent street, which has not deteriorated, and is within 10 minutes' walk of One Hundred and Fifth and Euclid Avenue, one of the best outside centers in Cleveland. Many of our customers have been with us for years. I presume some elements of sound management have contributed to the history of this property.

Along in 1925 I decided to promote and build a clay plant. I acquired control of clay lands in 1923 to 1924. I knew something about the clay industry of Ohio having sold a great deal of bulkhead lumber to sewer-pipe companies over the years. There were a good many reasons why I wanted to get into the manufacturing business. I was tired of logging it on the road selling lumber. I wanted to produce my own product so that I could build quality into it and sell something that I would not forever have to explain and apologize for. Wholesaling lumber from widely scattered sources involves a lot of work which is not needed on one's own product. I knew something about the conversion of timber having had experience at sawmills. The clay resources which are tapped in Ohio were well located as to markets and I thought always would be. I did not foresee what has transpired in railroad history. When the building industry began to decline in 1927 I supposed, if I thought about it at all, that transportation would follow economic trends. Such things at that time were taken for granted. Transportation had been raised about 100 percent during the war on most products, and on the clay products in this section up to 70 percent. It was not until 1931 that I realized the railroads had no intention of bringing down their rates to help solve the economic effects of the depression. It seems they were to be saved on the backs of the people. This is perfectly clear now. They started with a program in direct opposition to the trend of price levels. They have persisted in it and, actually in the last few years, have

had their rates restored to the war peak of 1920. They were reduced 10 percent in 1922 and about a year and a half ago this 10 percent was again added.

In 1932 we filed a freight rate case with the Interstate Commerce Commission, and since I have participated in most all of the big cases, Ex parte 103, Ex parte 115, Docket 25000, not in Ex parte 123, and also took a leading part in Docket 26515, Eastern Brick Rates. The first speech I ever made was before the Interstate Commerce Commission. This work required much study and through it I began writing on building and transportation economics.

When I first approached the Reconstruction Finance Corporation for a loan, I suppose I might have given you this more intimate history of my life, but it did not occur to me that it might be helpful or that it was necessary. My interest in public affairs has gradually increased in recent years. It sprung from my study of the railroads and what their administration has done not only to this industry and our company but the entire country. They have had much to do with the failure of the Nation to recover. Not only have they hurt the country but they have nearly destroyed themselves—poor management and too much political influence have been their undoing. Economic correction in transportation will regenerate the energies of the country beyond the fondest hopes of social dreamers.

One purpose of this story is to give the directors of the Reconstruction Finance Corporation my background, my early experience, my successes and failures. As for character, I believe it is a growing, living, virile thing—it is slowly acquired through experiences, many harsh and bitter, others pleasant and delightful. It needs most the vehicle of work and opportunity. Whether I have good character is for my friends and acquaintances to say, but I surely have had the opportunity to develop it.

My associations in Cleveland and my friends are largely within the City Club. This is an intellectual group which has conducted a public forum for years. It is nationally known for its fairness. It leans to the liberal side. I am a conservative, reactionary, perhaps, economic royalist, but still said to have a good social outlook. The thing I have in common with the most liberal men in that organization is my atheism, with a certain contempt for hypocrisy and intolerance.

Whatever you get from this personal story, you will be impressed with the opportunities I had as a young man. I could get jobs, could be promoted, could get backing, and could go into business. Public concern today is the lack of such opportunity. Opportunities for young people do not now remotely compare with those I enjoyed. This we must correct. I think in recent years our country has done many things which however well intentioned are in the wrong direction and will fail completely to accomplish what is expected or desired. Some of the results already appall us, the confusion does not seem to lessen and it may be increasing.

Maybe it is an indication of character to express myself frankly, or maybe I exhibit vanity, or maybe it is pressure which has been delicately referred to. You decide.

It is not clear why our loan was not made months ago. It is doubtful whether a better hypothetical case could be designed. Our problem is a perfect example of what Congress had in mind when the R. F. C. law and its amendments were passed. The administration of the law seems to have encountered imponderable difficulties which may not be lightly ignored. Is the task too complex for mastery? If R. F. C. administration cannot rid itself of every last vestige of politics and if constructive research is not emphasized and done, I fear the law will turn out disastrously for the people.

### Summary of Information Furnished R. F. C. in Support of Application for a Loan to the Hickory Clay Products Co., of Mineral City, Ohio

#### EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

LETTER FROM CLOYD W. MILLER TO RECONSTRUCTION FINANCE CORPORATION

Mr. SMITH of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Cloyd W. Miller, under date of December 11, 1939, to the Reconstruction Finance Corporation:

MINERAL CITY, OHIO, December 11, 1939.

Mr. SAM HUSEANDS,  
Director, Reconstruction Finance Corporation,  
Washington, D. C.

MY DEAR SAM: De-airing: Referring to our phone conversation Sunday morning, you, of course, should know something about a de-airing extrusion clay machine, which is an improvement we propose



to install. Why you should not have known it before is hardly a fault of ours. No one in your organization ever asked me about it.

This technological advance in extrusion clay machinery got on the market about 6 years ago and almost revolutionized the industry. This machine has a vacuum chamber on the front of it which, under about 27 pounds' pressure, pulls all of the air out of the moving column. This produces denser material, a much smoother piece of ware, and eliminates blisters entirely, which have been the curse of the facing-tile industry for a generation. The industry has gradually adopted this machine, and I know of no operator in this part of Ohio that does not have one. The experimental stage has passed. Some manufacturers questioned the principle involved when it was introduced, but gradually the machine has been installed by almost everyone, and for the material we propose to make this machine is necessary. To improve the quality of our ware so we may compete with other facing tile we must have it. Your suggestion that we buy the machine on time is unsound for several reasons. If we pay cash we can probably buy it for several hundred dollars less than on time. On time we will have to pay 6 percent on unpaid balance, while the money from you should not cost over 3 percent. This is sound management and financing.

Face tile: Your persistence in classing us with brick plants seems inexcusable at this stage. I have repeatedly explained the difference to you. There is a growing market for facing tile. I do not know whether this is true about brick. I am not a brick producer. The firms in this locality that have dickered with me for this property during the last year have wanted it for facing tile. The fact that your clay loans as a whole are in arrears may not be used against this application, because most of them have been brick loans. Furthermore, many of those loans were made for the shallow purpose of employing men, without exhaustively analyzing their business possibilities. Do you not need more competent research talent, of a kind you can rely upon?

Sum needed: I have asked you to loan us \$35,000—\$10,000 for improvements; \$15,000 for inventory; \$10,000 to carry accounts. We below list the improvements we may need:

Shed 90 by 300, open on all sides for stock.....	\$3,000
Addition to machine room 24 by 60, two sides and roof.....	2,000
De-airing machine and installation.....	6,000
Power cutter.....	1,000
Hummer screen.....	1,500
Excavating behind plant.....	1,000
Steam powerhouse, 20 by 30, for drying steam.....	3,000
14-inch lathe and small shaper.....	500
Roof over raw clay, two sides, 16 by 60.....	1,250
Oak plank on overhead tram for trucks.....	250
Engineering.....	1,000
Total.....	20,500

Am I fair in asking you to loan me \$10,000 toward this \$20,500 of improvements? Does this look as if I am unwilling to accept my fair share of the responsibility in this undertaking? Do you think that \$10,000 is too much working capital to carry the accounts for sales of \$15,000 a month? Could you handle that volume of accounts on any less? If you think you could, tell me how you would do it. Do you think that a \$15,000 inventory is too large? We have had on this yard as much as \$30,000 worth of fireproofing in years gone by. How can \$25,000 do a \$35,000 job, the former amount being your latest suggestion yesterday? What is at the bottom of offering one-half of our needs?

Profit record: You referred to our lack of profit record of the last 5 years, though you know why we have not made profit. Plants of this kind do not make a profit when they are not operating, and the carrying charges invariably cause serious loss. Using this 5-year rule in approaching this risk is wholly destructive. Twelve years ago when I started this business we used \$125,000 to make these plant improvements. Did we have any profit record before that to guarantee that we would make money on the investment of \$125,000? Did we have any acquaintance in this trade? Did we have any good will to back this plant when that investment was made? Of course not, and if anyone had tried to apply the rules that you now impose for the continuance of this business the improvements would never have been made.

Repetition: Over the 16 months that I have been negotiating with you I have time and again explained this entire situation and these facts to your subordinates and to the directors of your organization, and your failure to understand is incredible.

Paternalism: You suggested that I go ahead with a sort of promise you would loan us more should we need it, depending, of course, on how we get along. Starting with less than is surely needed would be suicidal, hopelessly unsound. I do not want to be the subject of a paternalistic government. I want my rights under this law so I can proceed with what I deem a reasonable chance of success. I also want to retain my self-respect.

Transition: Several weeks ago you sent Mitchell out here to look over the plants in this neighborhood and to confirm what I had told you in letters and in person. I took him to 13 properties, and I showed him the transition in this industry. Out of 290 kilns, 57 are inoperative and 48 are ready for the junk pile. I also showed him that 217 kilns out of the 299 had formerly produced fireproofing, a low-grade product commonly called hollow tile, made out of No. 6 clay. Of those 217 kilns, only 46 continue the manufacture of this low-grade ware; 57 are inoperative and 114 have turned to the manufacture of new products using for the

most part No. 5 and No. 4 clay, which are better clays, instead of No. 6. We have in this locality very fine clay deposits, and it is indeed fortunate that there is available to these plants or to some of them higher grade clay (No. 5) which contains less objectionable matter and therefore can produce facing tile and high-grade glazed ware. We want to make facing tile and kindred products; in other words, utilize to the most profitable advantage the excellent qualities inherent in No. 5 clay. This is the reason it is not necessary to destroy our plant, as hundreds of plants have been destroyed in the clay industry throughout the country.

Building labor rates: I have dealt with causes of the transition of the industry in our locality in other communications. High costs of building are responsible, and these costs are directly traceable to governmental policies in transportation and labor. Your directors know something about the high costs of building. Thurman Arnold is now doing, in my opinion, the most constructive work for the building industry that has been done in a generation. Assuming, however, that he cleans out all the rackets and criminal activities that today exist and have for years in the building industry, we will still be left with craft labor rates in the building trades probably 50 percent too high in terms of average rent yield. What has been done by any candidate for office in the United States in recent years about this economic realism? Do you know a politician in the United States today that has guts enough to get on a public platform and say that building labor rates are twice as high as they should be? Will your directors make a recommendation to Congress to examine this fact and ask them to correct it?

Freight rates: As to transportation, what politician or public official do you know today who has the courage to say on a public platform that freight rates are 35 to 40 percent too high? Ask Joe Eastman what he thinks. Freight rates were raised about 100 percent on low-priced industrial and farm products from 1915 to 1920, and there they now are. Do you know a financier or banker of railroads today—and you directors are prominent in that field—that has the courage to say that freight rates are too high? Daniel Willard, the president of the Baltimore & Ohio Railroad, told me in his office several years ago that I was absolutely right about freight rates, and still he, one of the ablest railroad men in this country, seems to be without influence in this practical situation. Government is responsible for these uneconomical conditions in transportation and labor, and government has failed us.

Expediency: The philosophy of expediency, opportunism, in this country has run its course. The challenge to the democratic form which we have enjoyed is here now. If public opinion will not support fundamental economic remedies in the interests of the people as a whole as against advantages to minorities, we will lose our present form of government. Insidious measures designed principally to roll up votes must stop. They belong permanently in the dog house. Fundamental barriers to the exchange of goods and services must be removed.

Destruction of productive industry: Millions of dollars' worth of plants converting natural resources have been dismantled and destroyed in recent years. In our locality the Metropolitan Paving Brick Co., who make tile, face brick, and paving brick, has destroyed 4 plants, one of which cost more than a million dollars. The Cleveland Builders' Supply Co., at Cleveland, which formerly had 14 plants producing brick and tile in Cleveland, is now operating but 4; it has destroyed several and said recently that it will probably never operate more than 6. The Camp Co., at Mogadore, near Akron, formerly had 2 large plants, one of which it has destroyed. The National Fireproofing Co., it is reported, will soon tear down 3 units at Aultman, Ohio. It owns a very large plant at East Palestine, Ohio, which has not operated for 8 or 9 years, and unless conditions change it will probably be destroyed in the not distant future. These have been natural-resource conversion projects located right in the heart of the greatest potential building markets in the world, and still our Government stupidly, carelessly ignores these potential production facilities. How in God's name are we going to find jobs for six or seven million men when Government policies continue to encourage the destruction of productive enterprise?

Pressure upon directors: When Mitchell was here he very courteously remarked that your directors "would not submit" to pressure. He also said to Ralph Schory, our vice president, that my letters "confused" your directors. He added to me that he would not have answered your decision of July 5, which was handed to me by Merriam. He tried, I believe, in a gracious way to tell me that one needed to use subtle methods to help get a loan approved. He could not have meant anything else because I believe he was sincere when he said, "Miller, you have not applied for enough money," and I believe he was sincere when he said as I left him, "Miller, I am going to do all in my power to get your loan approved." He had previously said he understood exactly what we need. Now, the questions arise: Do you not believe your own man? Have you no confidence in your own man's ability to appraise this situation? Do you think that I somehow deceived him when he was here? Is it not humanly possible to get across to your directors the facts? As to pressure, his use of the word implied improper pressure, but I do not believe that the directors think that I have used improper pressure. Pressure of facts and argument and conclusions, sure, but based wholly upon merit. The Government, of course, does not intend to imply that I dare not discuss publicly my relations with it in a public matter. The loaning of public money to anyone is a public matter.

Politics: One of the faults of R. F. C. administration is its reliance solely upon the directors' own final decisions on every loan, of all sizes, everywhere in the United States. How can responsible subordinates ever be developed without some authority? How can politics ever be rooted out? How can centralization of power in Washington be reduced when 5 men hold on to it so zealously? The scheme for covering all sorts of political ramifications involved in the handling of public money is too obvious and thus surely defeats the sincere purposes of the act. If Jesse Jones desires an efficient, effective bank, he can only have it by building men to impartially do the work. Let America examine the banks in Canada. If a change of R. F. C. administration were made along these lines, it would obviate the need of the Mead bill.

Schram: Jones' comment—Why are your directors so remote and distant? Why are they so unapproachable? When I drive 350 miles to see one of them on Sunday, why does he not reciprocate the compliment and talk to me a few minutes? Jesse Jones said in his congressional testimony on the Mead-Allen bill:

"The directors and executive force of the Reconstruction Finance Corporation are most sympathetic to the problems of loans to distressed business. We live with it day and night, Sundays and holidays, and it could not be otherwise."

Very generous terms: As to terms, I quote from Jones' testimony before the same committee:

"Any deserving borrower, who can furnish security that will reasonably assure repayment of his loan, can have a loan, if he will apply to the Reconstruction Finance Corporation for it, and on very generous terms, provided the loan will serve a useful purpose and is consistent with the law \* \* \*"

If this is the intent why has our loan not been made? We have offered "adequate" security required by law. Why does Reconstruction Finance Corporation deny us "very generous terms" and demand triple adequate security plus \$50,000 of disciplinary security? Jones' statement was doubtless made in good faith but our experience denies it utterly.

I also quoted from Jesse Jones, printed in an article, "Big Texan," by Webb Waldron, Readers Digest for December.

"A man may have all the assets in the world but without character he's a poor risk."

I provided you with a 4,000-word thesis on my character. I have made an acceptable case in support of my application of this loan, straightforwardly showing you the weaknesses of a property as formerly operated, the causes of the transition in this industry, the character and ability of our management. I have contacted 15 to 20 different men (Gelback, Smith, Hall, Carpenter, Fraser, Cheadle, Davies, Merriam, Bassett, Ronan, Cole, Schram, Clark, Husbands, Coombs, Mitchell, Henderson, Klossner, Costello, and Coit) in your organization repeating endlessly the facts about this proposal. Was turning me over to a new person time after time a part of a plan to tire me out, or was I the buck literally being passed around, or is this simply governmental inefficiency?

Discord: Despite my disposition to be generous and considerate toward your agency it is curious indeed why we have been treated so. There is a limit to which even governmental bureaucracy may sensibly go in trying to put a citizen in his place or belittle him. For any intelligent person not to think this loan has been scuttled time after time for ulterior reasons, is simply beyond credence. Your directors understand the merit and common sense of our proposal. A loan applicant is being made the martyr of discord among the directors themselves. Stuffed-shirt formality, commonly called high hating, and evasion is a transparent cloak in these circumstances. Since Merriam gave me that decision which I innocently answered there seems to have been a deliberate effort to wear me down. My letters go unanswered. I have been forced to go to Washington several times and nothing I've done there could not have been accomplished better by mail were sympathetic response and attention being given our application.

With kindest personal good wishes, I am,  
Sincerely,

CLOYD W. MILLER, President.

Wallace E. Pierce

#### EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

Mr. DOUGLAS. Mr. Speaker, words are a feeble gesture on an occasion such as this. We often think we can command the proper words to express ourselves, but could I call on a limitless vocabulary, I am sure when I try to speak about my beloved friend, WALLACE E. PIERCE, words seem inadequate to express my feelings of bereavement, sympathy, and appreciation.

No words of mine are needed to endear him to you or for him to have the place he rightfully occupies in the community and in the country.

His entire existence was hallowed with the love of his Creator and man and consecrated with the helpfulness of those in distress and cheer for those struggling out of despair. Ever dedicated to the cause of human freedom, he struck off the shackles of unmerciful dominion wherever he found them.

WALLACE PIERCE was a strong and vigorous American, conservative without being reactionary. Possessing a keen mind and a great force of character, he applied himself industriously to the study of national affairs. He led a useful, patriotic life, and it is a great sorrow to us all that so young a man was not spared to enjoy the brilliant future that lay before him.

Memories of his noble endeavor, of his geniality, and of our pleasant associations shall linger so long as we survive. The Congress can ill spare men of his kind.

#### Bodies of "Red" Dead Lie Frozen in Fantastic Forms—Thousands Add to Weird Aspect of Silent Near-Arctic Wilds

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

ARTICLE BY LELAND STOWE

Mr. ANGELL. Mr. Speaker, the extraordinary session of the Congress recently concluded was given over entirely to consideration of war legislation. It was clearly demonstrated, not only from the discussions in the Congress, but from the Nation at large, that the American people are of one mind—that they will not again take part in a foreign war. Our duty is at home. Our own democracy is on trial and our welfare is in the balance. As time passes and we note the progress of the wars now taking place in the Old World, the destruction of property and of lives, more and more we are convinced that we must not under any considerations send our own forces overseas. That we may the more clearly appreciate the destruction that is being wrought between the contending forces now engaged in the northland, I ask leave to extend as a part of my remarks a report made by Leland Stowe, foreign correspondent for the Chicago Daily News, with the Finnish Army in the east. This report appeared in the Washington Evening Star in its issue of January 3, 1940. It is as follows:

In this sad solitude lie the dead: Uncounted thousands of Russian dead. They lie as they fell—twisted, gesticulating, and tortured. But they lie beneath a kindly mask of 2 inches of new-fallen snow. Now they are one with the cold, white shapes of the illimitable pine and spruce trees. An unknown legion of fallen, they have been sacrificed by Winter's hands and covered over with Winter's spotless sheet. They will not go back to the earth now for many months.

But even this profuse, virginal coverlet of near-Arctic wilderness cannot quite conceal the anguish of their last movement or the catastrophic suddenness of their end. Here all the pain and all the cruelty of their betrayal has been preserved by the frost king of the far north. It is as if Madame Tussaud, of the famous London Waxworks Museum, had decided to preserve one of the war's final horrors—as if she had created this scene of false peace and inexpressible tragedy and with appropriate simplicity had called it the field of battle.

Every January deep solitude hovers above the snows of Tolva-jarvi. But today it is infinitely deeper than in other years, for it is heavy with the ultimate loneliness of death, and thousands of the dead may be as lonely as a single one. Endless, profound, and voiceless peace, where the wounds of war are frozen and will bleed no more. In this place we have heard of a great, magnificent



victory. In this place the silence speaks of things which man may destroy but never more restore or resurrect.

#### SHATTERED TANKS ON ROAD

When we rode out upon the narrow finger of Lake Tolva's peninsula, we were not prepared for this. It is a thin and twisting road with pines and spruces standing high on either side and the white, frozen, bosom of the lake just beyond. All along this central artery of the battlefield, all along the road that leads to Lake Agla, 20 miles away, we saw the shattered tanks, and broken supply lorries, and heaped debris of the "red" army's annihilated divisions.

All along the roadway we saw strange shapes bulging beneath the snow among trees and shapes sometimes which might have been logs. Sometimes they looked like crooked limbs cast into the discard by the woodsman's axe. Sometimes heavy felt boots, bared of snow by the stumbling contact of some passing Finnish soldier, protruded suddenly and revealed the naked truth. Sometimes, too, we saw soldiers dragging frozen shapes, like pieces of cordwood, from the forest, and here and there bodies lay in crude contorted piles waiting for a final, nameless, common grave.

But, for the most part, last December's snowfall had cloaked these forms in the immaculate anonymity of the far northern winter. Nature had done her charitable best. It still did not quite seem possible that these could have been human beings only a few days ago, or that the mask of Tolva's snow concealed more and more hundreds of dead.

Then our white-painted army bus stopped at a point on the crest of the ridge. We climbed out and followed our guide into the forest on the left. "There are many of them here," he said. "They were all wiped out by our machine-gun fire." It was true; there were very many of them here.

#### SHOCK TROOPS LIE DEAD

Suddenly we found ourselves among whole groups of white-covered figures. Some lay straight on the ground, but mostly the arms were drawn convulsively upward or projected stiffly above the shoulder. Mostly their legs were bent or doubled. Sometimes one body, curiously oversized with its 2-inch coating of snow, lay grotesquely across and against the surrounding white. These were the Russian dead; and soon we saw that most of them wore heavy overcoats, that their boots were good, and that all had carried gas masks. They belonged to a picked shock-troop division of the Red Army. Now they were strewn on both sides of the road for more than a mile along the extended peninsula, and then, farther on, and yet farther, among the spruces and beside the road that leads to Aglaarvi.

All about us lay featureless human shapes, their masks of snow making them more anonymous than death itself. Beside one of these I paused. Why did one wonder what these men looked like and what might be written on their faces? Slowly I brushed the snow away. An unshaven face with an alabaster forehead emerged first, and then the stubble of close-cut black hair. This face was peaceful, as if its owner had fallen asleep here in the blizzard. It was the face of a man of 30—still frozen and lifeless.

But there were other faces on which was written such suffering as can scarcely bear contemplation. One of these belonged to a young soldier who had been shot in the right knee. He lay with both hands clutched desperately against the wound. This had been the young Russian's last action, and the terrible frost of 25° below zero—perhaps 35° below—had mummified him in the precise attitude in which he had died.

We could not look for long. Never has any battlefield been more deeply saturated with the imploring silence of the dead. It was all about us; that and the frozen figures and motionless, speechless faces.

Steel helmets with a slender red star painted on them lay where they had fallen. From some of the pockets protruded letters or newspaper clippings, or membership cards in the Bolshevik Comsomol organization; these had spaces for dues to be paid up to the year 1946. Oddly enough beside one soldier we found the photograph of a young man lying in a coffin. It would be impossible even to dig a grave for his brother here until spring.

#### LETTER FROM SOLDIER'S WIFE

Someone also picked up a packet of letters written by a soldier's wife back in Leningrad. Although they were written by an almost illiterate woman, he was able later to translate them. They told how she had written letter after letter, but still had received no answer since he had been taken by the "red" army in October; how she had sent 5 rubles this time and 20 rubles another; how she had sent a picture of their little boy Loonja; how the bills could not be paid, and how they waited for him to come home.

"I spent the holiday, November 7, very badly," wrote the soldier's wife. "I cried all the time. Loonja keeps asking when is daddy coming home. He asked Uncle Pete, 'Haven't you seen my papa?' Uncle Pete said he had not seen you, but that you were coming home soon. Loonja said, 'Well, tell mother that daddy is coming home and that if he comes at night, she must wake me up as soon as he comes.'"

I hope that I did not see this Russian soldier's face. We left him there, with countless hundreds of other proletarians of the Soviet Union, in Tolva's snow-bound forest of dead. There must have been many Finnish dead also, though we did not see them—perhaps because they had been the first to be carried away. On almost all these rigid, frozen bodies there must have been similar letters.

But they will never be read again. In this vast solitude, all will return to the earth when another inevitable spring burgeons the pine and spruce forests of eastern Finland.

### Voice of the Unknown Soldier

### EXTENSION OF REMARKS

OF

HON. FRED C. GARTNER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1940

ARTICLE BY COL. VINCENT A. CARROLL

Mr. GARTNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Col. Vincent A. Carroll, which appeared in the Philadelphia Inquirer on Sunday, November 5, 1939:

#### VOICE OF THE UNKNOWN SOLDIER

(By Vincent A. Carroll, colonel, Cavalry Reserve, U. S. Army, past national vice commander, American Legion)

Flags were flying when this soldier of America marched off to the World War. Bands played along Fifth Avenue and Main Street. Cheers rose to the skies, and he smiled at the crowds, because he was young and unafraid.

Today he rests beneath a monument which bears the phrase, "Known but to God." It's a lonely phrase, but then the Unknown Soldier died in a lonely way. And today, as war grips Europe again, I feel that this soldier might like to return and talk to America.

"We were not afraid to die," he might say, "the soldiers that I represent. Many of us volunteered. Some left college courses half finished; some left fields half plowed. But all went willingly when the time came, because every man thought he was going to fight for something great and good, something bigger than himself."

"I was the youth of my generation," he might continue. "I had ambition and hope for the future. I was the son of a brakeman or a railroad president, or the son of a manufacturer or a farmer. I had inherited an American's birthright, the opportunity to chart my own destiny in a free nation. But today I am the Unknown Soldier."

"I am a symbol of all those men who slipped from the war theater like ghosts, leaving only the empty word, 'missing.' We didn't want to go out that way. We didn't want our families and our friends to wait and worry and never be able to say, 'He is here, or he is there.'"

"But the past 21 years have blurred those memories. They have become like lengthening shadows, finally settling to the peace of darkness. Until this Armistice Day my spirit has been at rest. Now that peace is troubled."

"Mixed with the even tread of the sentry guardians there are new and ominous sounds. Is America preparing to march again? Are these sounds a prelude to war? Will they finally be translated into another sound—the sound of a bugle blowing taps for the young men of this generation over a grave like mine?"

"It must not, it cannot be. There are no more wars for America to fight except the last one on earth, and only if need be to protect and maintain her form of government. Men build monuments to memories. And I hope that the monument above my body will keep the memories of 1917 and 1918 alive."

"Through the years since those memories were born I have heard my comrades raise their voices and urge that America be kept safe from within as well as from without. I have also heard voices from other lands. These voices have spoken not to America but to people from their own lands who have come to America, urging them into action that would destroy our American Republic and leave us helpless in the face of a world revolution. Other foreign voices talk of our entry into new wars. But these voices have not troubled my spirit."

"I remember too well the imperishable principles given us by George Washington. He warned against foreign entanglements. And I know that those of my generation wish to see this warning preserved. We want to see it handed down unchanged to the next generation, just as we received it in American schools."

"I know, too, that those of my time were more sensible of the American tradition than even were the founding fathers. For when it came to us this tradition had been tried and found good. It was a refuge to the oppressed and an example to the oppressor."

"That tradition was named democracy in free America. The democracy we fought for and died for was different. Ours was made for freedom and peace; the other was made for dictators and war. The clashing imperialisms of Europe and Asia are not for us. Our first duty, our every obligation, is to America. We cannot interweave our destiny with the destiny of other nations."

"Today, as gentle autumn winds rustle bright leaves above my resting place, I would like to make a quiet plea. I would ask that

the peace of this season remain and be carried through successive seasons. I would ask sane thought, rational actions to preserve this peace. For, with the vast legion which I represent, I feel that American youth should never again have to die the lonely way on foreign soil because of wars which have no meaning or value to the land they represent—America."

#### A LEGION FOUNDER

Once Vincent A. Carroll took off his full-dress suit and gave it to Prince Nicholas of Rumania so that the distinguished visitor could attend a Philadelphia dinner in his honor. But most of the rest of Mr. Carroll's life has been spent doing things for his own countrymen.

Born in Philadelphia, he was graduated from the University of Pennsylvania Law School and was admitted to the bar in 1915. Two years later he exchanged his brief case for a rifle. In August 1917 he was commissioned a second lieutenant in the National Army, sent to Camp Meade, Md., and assigned to the Seventy-ninth Division.

Five months later his title was Captain Carroll, the only officer out of a thousand-odd, then being promoted, to jump more than one rank. In France he won high efficiency rating, the rank of major, and was cited for gallantry in action and recommended for the Distinguished Service Medal by his commanding general.

The summer of 1919 found him back in Philadelphia picking up the threads of his interrupted law practice. Shortly afterward he was appointed Special Assistant Attorney General of the United States and a special United States attorney at Philadelphia; then he became assistant district attorney of Philadelphia County.

Tall, carefully dressed, and a fearless prosecutor, Mr. Carroll has tried hundreds of murder cases, thousands of other cases growing out of Philadelphia's more serious crimes. Somehow he has found time to keep up his duties as a Reserve officer, although, in his own words, "I work 25 Sundays a year and at least 2 nights every week." As a Reserve officer he became Lieutenant Colonel Carroll, then Colonel Carroll of the Cavalry Reserve, United States Army, in command of the Three Hundred and Fifth Cavalry.

Colonel Carroll was one of the founders and original members of the American Legion and a past national vice commander. He was the first commander of Philadelphia's Post 270 and later chairman, National Defense Committee, Department of Pennsylvania.

Perhaps the best index of Mr. Carroll's services to his city, State, and Nation may be had from a note:

"Again I congratulate you. Keep up the good work.

"CHARLEY."

"Charley" was Charles Edwin Fox, then district attorney, and his words needed no repetition. For Mr. Carroll tends naturally to service, whether it is in the form of a full-dress suit or in fighting for his country. Certainly no man could be better equipped to voice the imagined thoughts of America's Unknown Soldier.

#### Ferdinand A. Silcox

#### EXTENSION OF REMARKS

OF

#### HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 4, 1940

#### RESOLUTION BY CHAMBER OF COMMERCE OF JUNEAU, ALASKA

Mr. DIMOND. Mr. Speaker, in the recent untimely death of Ferdinand A. Silcox, Chief of the United States Forest Service, the Nation suffered a distinct loss.

In Mr. Silcox were to be found the ability and the outstanding virtues which eminently fit a citizen for public service. Possessed of high intelligence and really prodigious capacity for intellectual work, of unimpeachable integrity, our late great friend at the same time was so sound in judgment and so keen in his appreciation of relative values that his passing leaves a void not likely soon to be filled.

The death of Mr. Silcox was sharply felt in Alaska. The esteem in which he was held in the Territory is shown in a resolution adopted by the Chamber of Commerce of Juneau, Alaska, on December 21, 1939, which is as follows:

Be it resolved by the Juneau Chamber of Commerce, That the people of Alaska have heard with profound regret of the death of Hon. F. A. Silcox, Chief Forester of the United States; that in the death of Mr. Silcox, Alaska has suffered a severe blow in the loss

of an official charged with the important task of administering the forest reserves of the Territory, an official who understood his work and fully appreciated his responsibility and who convinced the people of Alaska during his recent visit that the administration of his department, while he remained at its head and while his theories of government were permitted to be carried out, would be in their best interest at all times; that Mr. Silcox' charming personality, common sense, and frankness made for him firm friends of all who were privileged to meet him last summer; and therefore we feel free to speak for all the people of Alaska in our expression of sorrow in the loss of a real friend; be it further

Resolved, That in appreciation of the high regard entertained by the people of Alaska for the deceased forest chief we express to the President of the United States and to the Secretary of Agriculture the sincere hope that Mr. Silcox' work may continue to live in a perpetuation of his methods and theories of administration; be it further

Resolved, That copies of this resolution be sent to the President of the United States; the Secretary of Agriculture; Hon. A. J. Dimond, Delegate to Congress; and Hon. Ernest Gruening, Governor of Alaska; and to Hon. B. F. Heintzleman, regional forester.

#### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

#### HON. ALBEN W. BARKLEY

OF KENTUCKY

#### IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

STATEMENT BY HON. CHARLES L. McNARY, OF OREGON, AND  
LETTER BY HON. CORDELL HULL

Mr. BARKLEY. Mr. President, a statement issued by the distinguished Senator from Oregon [Mr. McNARY] was the basis of a letter written to him by the Secretary of State on December 16, 1939, to which I referred on Monday last, dealing with certain phases of the reciprocal-trade agreements. I ask that the statement of the Senator and the letter of Secretary Hull be printed in the RECORD.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR McNARY

It is notable that Secretary of State Hull has never discussed reciprocal-trade agreements in the light of changed conditions made necessary by the conflict in Europe.

For 5 years the United States has been operating under the trade-agreements program. These agreements were concluded in peacetime, and definitely assumed a continuation of normal trade and economic activity in the world. Even in normal times these agreements have proved a real hardship to many American producers. Since hostilities have ensued, new elements have entered the picture, and are creating additional hardships to those who produce and toil in America.

The most immediate effect of the war is a depreciation of foreign currency in relation to the American dollar. It will be noted that from December 1, 1938, to December 1, 1939—exactly a year—the British pound declined 17 percent in relation to the dollar; the French franc declined 66 percent from May 1936, to December 1939, in relation to the dollar; while the Canadian dollar has declined practically 12 percent from December 1 of last year until the same date this year.

Depreciation of currency imposes a heavy burden on this country whose currency remains at the old level. Indeed, the effect is two edged. First, it raises the price of American goods to foreign buyers in terms of their money. This results in a decline of demand for American goods and a diversion of trade from the United States to other countries. Second, and most important effect of trading with countries having depreciated currency, is the ease with which they sell their own articles of commerce. In plain language, it means a substantial reduction in the price of articles imported into the United States. The practical effect is that it removes the tariff on imported articles and places labor on the farm and in the factory on a level with the underpaid workers in other lands.

As an example, if an article cost one pound in England, American importers had to pay \$4.72 for the article at the time of signing the trade agreement. Today, this article costs but \$3.90. Actually, we are subsidizing imports of goods which we produce. Any program which permits goods from countries which have depreciated currencies to enter the United States at substantially reduced duties is opposed to the best interests of American agriculture and industry.

However, there is a partial remedy for this situation. In all these so-called reciprocal trade agreements provision is made for modification or cancellation if at any time variations should occur in



exchange rates which either Government considers prejudicial to its industries or commerce.

Here the power is conferred upon the Secretary of State to act upon his own initiative. In my opinion he should avail himself of negotiation or cancellation of the various agreements in the interest of fairer treatment of American producers.

TEXT OF LETTER, DECEMBER 16, 1939, FROM THE HONORABLE CORDELL HULL, SECRETARY OF STATE, TO THE HONORABLE CHARLES L. McNARY, UNITED STATES SENATE

The Honorable CHARLES L. McNARY,

*United States Senate.*

MY DEAR SENATOR McNARY: Thank you for sending me your statement to the press, enclosed with your letter of December 12, 1939. I am glad to comply with your request to give you my views on the subject matter of the statement, which deals with certain aspects of the trade-agreements program.

I find in your statement a number of categorical assertions. At least the more important of these should certainly be examined in the light of actual facts.

The central point of your argument relates to the effects upon our foreign trade of recent wartime currency depreciation in Canada, Great Britain, and France, especially in connection with the adjustments of our tariff rates granted to these countries in the trade agreements concluded with them. You claim that our country has suffered so serious an injury as a result of the depreciation of these currencies that we should immediately invoke the exchange rate provisions in our trade agreements for the purpose of modifying or canceling the agreements themselves.

Your sole evidence of injury is the citation of a theory—that when one country depreciates its currency unit, another country, whose currency remains at the old level, inevitably finds its exports to the depreciated-currency country retarded and its imports from that country stimulated. Without discussing the merits of the theory, let us look at the facts.

An examination of what happened to our export and import trade with the three countries you mention during the first 2 months of the war—namely, September and October, 1939 (the latest complete figures available)—as compared with the corresponding period of 1938, reveals the following data:

In the case of Canada, our exports to that country rose, between the two periods, by \$35,989,000, while our imports from that country increased by only \$23,322,000.

In the case of Great Britain, our exports to that country rose by \$8,121,000, while our imports from that country increased by only \$1,320,000.

In the case of France, our exports to that country rose by \$1,131,000, while our imports from that country declined by \$4,503,000.

Taking the three countries together, our exports to them showed an increase of \$45,241,000, while our imports from them rose by only \$20,139,000.

Whatever may be the case in the future, the theory you cite, in its application to the situation with which we are immediately concerned, falls completely to square with the facts. Yet it is on the basis of this theory, which to date has been entirely at variance with the facts, that you ask the Nation to upset trade agreements with three commercially important nations.

Experience shows clearly that variations in foreign exchange rates constitute only one among many factors which influence a country's export and import trade. Depending upon the operation of these other factors, a depreciation of foreign currencies may or may not adversely affect a country's industries and commerce. To protect ourselves against the possibility that a depreciation of foreign currencies may have such an adverse effect upon our trade, we have written into our trade agreements a safeguarding provision, which, in the agreement with Great Britain, for example, reads as follows:

"If a wide variation should occur in the rate of exchange between the currencies of the United States of America and the United Kingdom, and if either high contracting party should consider the variation so substantial as to prejudice the industries or commerce of the territories of that high contracting party, such high contracting party shall be free to propose negotiations for the modification of this agreement; and if agreement is not reached within 30 days after the receipt of such proposal, the high contracting party making the proposal shall be free to terminate the agreement in its entirety on giving 30 days' notice in writing to that effect."

We are prepared to give full effect to this safeguarding provision whenever adequate evidence is developed to show that the depreciation of another country's currency has, in fact, prejudiced the industries or commerce of this country. Your statement contains no such evidence. Nor has evidence of this type, with reference to any country with which we have concluded a trade agreement, been presented, to date, to the interdepartmental organization charged with the execution of the trade-agreements program.

Equally unsupported is your assertion to the effect that "even in normal times these [reciprocal-trade] agreements have proved a real hardship to many American producers." To which producers do you refer?

Surely you do not mean those millions of producers in agriculture, forestry, mining, and manufacturing industries—including many in your own State of Oregon—who, in recent years, have been overwhelmed by lack of adequate foreign markets for their surplus output, and to whom the reduction of trade barriers in

foreign countries, secured through trade agreements, has given a new hope, a new opportunity, and an actual expansion of sales at home and abroad. They could not have been hurt by the trade agreements.

As for the branches of production immediately affected by the adjustments of our tariff rates embodied in the trade agreements, every possible care has been exercised by the interdepartmental trade-agreements organization, comprising five departments of the Government, to make sure that the producers concerned are amply safeguarded against injury. Experience in connection with the negotiation and operation of 22 agreements offers abundant proof of this. It also affords full demonstration of the fact that, here again, we are prepared to reconsider any action taken whenever adequate evidence is developed to indicate the need for modification—whether such need arises out of the appearance of facts previously unknown to the Government or out of changed conditions.

Let me cite two cases. In 1938, after the trade agreement with Czechoslovakia was signed and its terms were made public, new information was presented to the interdepartmental organization, which indicated the desirability of making changes in the duty adjustments granted in connection with certain glass and cork products. Accordingly, before the agreement was put into effect, we negotiated an amendment embodying the necessary changes. In recent weeks, because of emergency conditions arising out of the European war, it has been found desirable to alter the terms of our trade agreement with Canada as regards the reduction of our import duty on fox furs and skins. Accordingly, on November 30, 1939, I issued formal notice of intention to negotiate with Canada a supplemental trade agreement relating to these products.

There is in existence a convenient channel through which information and views bearing on every feature of the trade-agreements program can be presented by the interested parties both before and after the negotiation of any agreement. It is the Committee for Reciprocity Information. With that channel you are well acquainted since you have availed yourself of its facilities on several occasions to furnish the interdepartmental trade-agreements organization with valuable data in behalf both of industries concerned with a possible adjustment of our tariff duties and of industries seeking to secure a reduction of trade barriers against their products in foreign countries. If you or anyone else have evidence pointing to the desirability of change in any phase of the trade-agreements program or in any of the existing trade agreements, such evidence is thoroughly welcome. But I am sure that you would neither expect nor desire the Executive branch of the Government, in performing a function with which it has been charged by the Congress, to act on the basis of unsupported assertions.

Finally, I should like to refer to your statement that "Secretary of State Hull has never discussed reciprocal-trade agreements in the light of changed conditions made necessary by the conflict in Europe." More than 2 months ago, in an address before the National Foreign Trade Convention in New York, on October 10, 1939, I gave special consideration to precisely this problem. I dealt with it even more extensively in my address before the national annual meeting of the American Farm Bureau Federation in Chicago on December 5, 1939. In case these addresses have escaped your notice, I take pleasure in sending you herewith copies of the full text.

I should like to call your attention particularly to my Chicago address. On that occasion I presented what I consider as conclusive evidence of the advantages secured by the country as a whole, and more specifically by our farmers, from the operation of the trade-agreements program. I also indicated some of the urgent reasons why this Nation, in its own best interest and in the face of the present grave emergency conditions, should continue to adhere to the policy underlying that program.

Please let me assure you that the Department of State and the other appropriate agencies of the Government are studying with the utmost care every phase of the possible effects of war in Europe upon the foreign trade of the United States and upon the operation of the trade agreements now in effect. The step we have taken with respect to the Canadian agreement, mentioned above, is an example of our readiness to act whenever circumstances point to the need for action.

Your entire statement, taken in conjunction with other utterances recently made by you, clearly has for its purpose the discrediting and destruction of the trade-agreements program, which would mean a return to the embargo tariffs of the Hawley-Smoot regime or their equivalent, and to a process of iniquitous logrolling in tariff adjustment. The "evidence" you now adduce in support of your assertions that trade agreements have imposed hardships on our domestic producers is on a par with the "evidence" trumpeted throughout the country 10 years ago by the sponsors of the Hawley-Smoot tariff, in support of their reckless assertions that tariff embargoes would give our agriculture and industry permanent and resplendent prosperity.

We all know that the operation of the Hawley-Smoot tariff did not prevent, but was largely responsible for, the worst economic disaster which has ever struck our country. No one can disprove the fact that the trade-agreements program has been an essential factor in bringing about the substantial economic recovery from the heartbreaking conditions of the early thirties which has occurred in this country during the last 6 years. During the present emergency no greater misfortune could befall our Nation than a return to the evil policy of tariff embargoes which would inevitably be the case if the trade-agreements program were abandoned.

That would be tantamount to leading the country back to the kind of economic prostration into which a policy of tariff embargoes helped so greatly to plunge it only a few years ago.

Sincerely yours,

CORDELL HULL.

## The Significance of Inter-American Solidarity

### EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ADDRESS BY HON. JOSEPHUS DANIELS

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by Ambassador Josephus Daniels before the Institute of Public Affairs of the Southern Methodist University, at Dallas, Tex., on December 2, 1939, on the subject The Significance of Inter-American Solidarity.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The American countries, by evolution, have in our day reached the high plane where their relations are characterized by the term "good neighbor." This designation connotes the ideal which forward-looking men have desired in past years when suspicion has been a fruitful source of misunderstandings and conflicts.

There was a time when our neighbors to the south characterized the United States as "the Colossus of the North," regarding our superior wealth and strength as giving us the power, which was sometimes used, to assert dominance. Later they described our policy as one of "the big stick"—as, for example, when they felt we took Panama in order to build the Canal connecting the Atlantic and Pacific Oceans. Theodore Roosevelt frankly avowed his belief in the so-called "big stick" policy in a message to Congress September 6, 1904: "The United States may be forced to act as a police force, however reluctantly. In applying the Monroe Doctrine to Cuba, Venezuela, and Panama we have acted in our own interest as well as in the interest of humanity at large." Amplifying this policy, Theodore Roosevelt said:

"Any country whose people conduct themselves well can count upon our hearty friendship. If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, it need fear no interference from the United States."

Otherwise—with Uncle Sam as jury and judge—the advocate of the "big stick" promised intervention.

Others, when marines were landed in small countries and assumed the right to supervise elections and direct certain fiscal operations that benefited American investors, were not slow to designate such assumption of power as "dollar diplomacy." It was in the Taft administration that the policy of the State Department's active interest in regard to business came to be known as "dollar diplomacy." Secretary Knox declared that the Monroe Doctrine "did not depend upon technical legal right but upon policy and power." Under Secretary Welles not long ago made a declaration showing the change of policy when he declared: "Dollar diplomacy, I am glad to say, is now a thing of the past."

Again, when, without force or reaping benefits, Uncle Sam was believed to be taking smaller nations under his wing and preaching to them a morality he himself did not always practice, there was no lack of criticism at the attempt to play the "big brother," an attitude which ran across the grain of a sensitive and proud people. These accusations were sometimes unjust and sometimes had more or less justification. They were not without some support in the United States, as when Woodrow Wilson in 1913 at Mobile said that small pan-American countries "had the hardest bargains driven with them in the matter of loans than any other peoples in the world," and declared "we ought to be first to take part in assisting in that emancipation."

Woodrow Wilson, on January 6, 1916, said that "the Monroe Doctrine demanded merely that European governments should not attempt to extend their political systems on this side of the Atlantic," and observed that there "was no promise in it of what America was going to do with the implied partial protectorate which she apparently was trying to set up on this side of the water." Mr. Wilson added that the pan-American countries had not been certain what the United States would do with her power, and commented: "That doubt must be removed." It was not removed until the Franklin Roosevelt administration gave assurance that the Monroe Doctrine would not be used as a shield for imperialistic activities. He made it clear that the Monroe Doctrine was "for the Western Hemisphere against outside aggression, not as a weapon to be employed by one American government against another."

Thus was set at rest the fear expressed by a Honduran statesman: "The Monroe Doctrine, instead of being considered as a guar-

anty of independence by Latin-American countries, has been regarded as a menace to their existence." The utterances of orators and editors in the United States contributed to such fears, as when Henry Watterson declared for the annexation to the United States of every foot of land from the Rio Grande to the Panama Canal, and a flamboyant jingoist speaking at a banquet in New York opined:

"American for Americans, yes; but understand it means North America for North Americans. We must take all of the territory south of the Rio Grande. \* \* \* Looking at the map of South America, we see that it is the shape of a ham. Uncle Sam's favorite dish is ham."

It has been such imperialistic bombast, misrepresenting the sentiment of our country, that has embarrassed all diplomats and statesmen charged with incarnating the true American spirit.

If there was fault and misunderstanding and crimination and recrimination, as there were, the blame was not all on one side. Some orators and writers south of the Rio Grande were quite as violent in condemnation of the policies of the United States as the most vocal critics in our country. This situation confronted Mr. Roosevelt when he became President. He did not declare that his country was all white and the other countries all black. He did not review the misunderstandings of the past or assess the praise or blame of his own people and Government or other peoples and governments. In effect, he wiped the slate clean by a new declaration shot through with brotherhood and friendship and mutual cooperation, summed up in the words "good neighbor," saying in his inaugural address:

"In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

It may be—I do not know—that Mr. Roosevelt was familiar with a golden Mexican legend which runs like this:

San Ysidro was plowing his garden one spring day. He looked up and saw an angel, who said to him: "The Lord wants to see you, Ysidro. Come with me." He answered that he was busy. "I can't go now. You tell the Lord that I am late in getting my corn planted and that I'll see him when I have finished."

The angel retired, but soon another heavenly messenger appeared in the field and said: "The Lord wishes to see you immediately, Ysidro, and directs me to say that if you do not come at once, He will send hot winds and drought that will wither your corn."

Ysidro, dripping with perspiration in the hot sun, continued plowing, pausing to send back the message: "I've seen hot winds and droughts many a time before. They don't bother me. I can bring water from the river. Tell the Lord I can't come now, but I will see Him when I have finished planting my corn."

Not long afterward another heavenly courier with stern mien tapped Ysidro on the shoulder and said, "I am commissioned to tell you that the Lord does not like your attitude and sends word to you that unless you come with me right now, He will send a plague of locusts to devour your corn from the top and a plague of cutworms to eat its roots."

Ysidro did not stop plowing, but sent back the answer: "That does not frighten me. I've had plagues before, but by use of fire and hoeing and hard work I've harvested my crop all right. You tell the Lord I'll finish my plowing tomorrow and will see him when my work is completed."

The messenger from the skies disappeared, and before the fourth messenger descended he had finished several furrows. This last angel had the appearance and bearing of authority. As he flapped his wings and walked along the furrows to keep step with the stubborn plowman, the angel spoke sternly: "The Lord isn't going to argue with you any more, Ysidro. He commands me to tell you that if you do not come with me without a moment's delay, He will send you a bad neighbor."

That threat terrified San Ysidro. He called, "Whoa" to his mule, who stopped short, and he wrapped the reins around the plow handle. The look in his eyes showed that fear had taken possession of him.

"The Lord says unless I come He will send me a bad neighbor, does He? I cannot stand that infliction. Life isn't worth trying to live with a bad neighbor. You tell the Lord I can stand hot winds and droughts, locusts, cutworms, and all kinds of plagues. I can endure anything but a bad neighbor. I'll go with you right now," and he stopped short in the middle of the row, not even waiting to unhitch the mule from the plow.

The announcement by President Roosevelt of the good-neighbor policy created an atmosphere of friendliness in all Pan America, which was strengthened when deeds followed words, eliciting from Dr. Saavedra Lama, Argentine Minister for Foreign Affairs, the statement that it had brought about "for the first time a current of community of ideas and sentiments without suspicions and without ill will." Certain powers of semiguardsmanship in Cuba, under the Platt amendment, were surrendered by the United States; marines were withdrawn from Central American countries; a revision of the Panama Treaty that cemented friendship with the isthmian republic; the declaration at the Montevideo Pan American Conference that no country had the right to intervene in the internal or external affairs of another; the negotiation of treaties of reciprocity to promote the exchange of commerce and the placing of foreign trade upon bases of mutual benefit; and other guarantees formulated by the recent Pan American conferences have resulted in the closest and most friendly relations between the countries on this hemisphere.



In December 1933, in an address at the celebration of the birthday of Woodrow Wilson, President Roosevelt quoted with approval the historic declaration of President Wilson, made at Mobile in 1913, in which Wilson had said, "The United States will never again seek one additional foot of territory by conquest." I had the honor to accompany President Wilson on that trip and was thrilled when I saw that his speech was received with enthusiastic applause by diplomats south of the Rio Grande, as well as by his own countrymen. It is well at this time further to reflect upon Wilson's epoch-making address, concerning which Roosevelt said, "The complete fruition of that policy (largely as a result of the convulsion of the World War and its aftermath) has not in every case been obtained." He added, "And in this we, all of us, have to share the responsibility." He continued:

"I do not hesitate to say that if I had been engaged in a political campaign as a citizen of some other American republic I might have been strongly tempted to play upon the fears of my compatriots of that republic by charging the United States of North America with some form of imperialistic desire for selfish aggrandizement."

"As a citizen of some other republic, I might have found it hard to approve of the occupation of the territory of other republics even as a temporary measure."

"It therefore has seemed clear to me as President that the time has come to supplement and to implement the declarations of President Wilson by the further declaration that the definite policy of the United States from now on is one opposed to armed intervention."

The high-water mark of the "good-neighbor policy" was reached at Panama this October, insuring continental solidarity, when the declaration of Panama was promulgated by the unanimous vote of all the 21 pan-American countries. That conference fulfilled the aim of Simon Bolivar, who called a like gathering at Panama in 1826. He was unable to bring his proposal to that happy fruition it so richly deserved, but his failure was obviously due to the fact that his ideals were those of today, of a hemisphere linked by the churning screws of steamers, by beating wings, and by words and messages transmitted with the speed of light under the seas or through the air; but the lack of communication in those days could not but jeopardize the free and friendly exchange of ideas between the peoples of the Americas.

A quarter of a century ago, war clouds rose over Europe. The Americas, strong and prosperous with the first flush of youth, but lacking in the understanding only to be gained through experience, were not ready for the moral upheaval, for the disruption of their sea-borne trade and their overseas markets and sources of supplies, nor for the financial crisis which so quickly seized the world. The ideals of Bolivar had not yet matured. We in the Americas were still young and still lacked the light cast so long before by George Washington and Simon Bolivar. We did not yet realize what should be our goal and our service to humanity—a continental solidarity, both moral and economic, for the maintenance of peace in this hemisphere—a tolerant and secure haven for the oppressed and a place where our folk may enjoy their God-given right to the pursuit of life, liberty, and happiness.

One hundred and thirteen years after Bolivar's Panama conference, the clouds of war have again risen over Europe. But this time, the Americas are prepared, and the ideals of Bolivar found their expression in the harmony of understanding which brought about the meeting of the ministers of foreign affairs of the American republics in Panama from September 23 to October 3, 1939.

This conference was called on the basis of the declarations solemnly taken by these American republics in Buenos Aires in 1936 and implemented at Lima in 1938. In Buenos Aires, the nations of this hemisphere entered into an agreement, in the case of an international war outside this hemisphere which might menace the peace of the American republics, to consult as to how best the signatory states might effectively cooperate in the preservation of peace on the American Continent. They also agreed, in the Declaration of American Solidarity and Cooperation, that every act susceptible of destroying the peace of America affects each and every American republic and justifies the initiation of the procedure of consultation. At Lima the American republics reiterated the principle of consultation and provided that it should be resorted to whenever the peace, security, or territorial integrity of any American republic is threatened and with this in view the conference implemented the principle by establishing that the ministers for foreign affairs of the American republics, when deemed desirable and at the initiation of any one of them, should meet.

Shortly after the outbreak of war it became evident that a situation had arisen which might disturb the peace of America and which would justify the initiation of the procedure of consultation, and so the Government of Panama, following a preliminary exchange of views among several of the American republics, extended invitations for consultation at Panama.

The purposes of the meeting may be listed briefly as follows:

First. The American republics should endeavor to reach some uniform standards for use in each government's individual determination and assertion of its rights and obligations as neutrals. The advantage of reaching such a uniform basis for consultation of these matters would obviously strengthen the capacity of each individual government to maintain its sovereign rights and also to strengthen the collective capacity of the several nations to maintain and preserve peace on our continent.

Second. There was the question of individual or collective measures to preserve our lands from the conflict overseas and keep war away from our world.

Third. Recalling the destruction and dislocation of inter-American economic, financial, and commercial intercourse so costly to the Americas during the years of the Great War, as well as thereafter, the conference had agreed to discuss and consider practicable steps to defend national economies of the American republics against the shock of the present war as well as to establish long-range programs to cover the years when this tragic incident may have run its course.

Finally, the making of efforts to endeavor to arrest the present conflict or at the very least to humanize its effects.

There were some 14 basic resolutions taken, and I feel that it may be of interest to you for me to tell you a little about some of them.

Regarding the maintenance of neutrality there were several declarations and resolutions. The meeting approved a resolution that each government of the American republics transmit to the Pan American Union in Washington, D. C., for the information of the other governments, the text of all measures that might be taken by that government relative to its neutrality in the present war. This, you will readily understand, makes it possible to obtain a measure of cooperation which otherwise might not so easily be reached. In the joint declaration of neutrality of the American republics reference was made to the spiritual union attained by the peoples of America through the similarity of their republican institutions, their unshakable will for peace, their profound sentiment of humanity and tolerance, and through their absolute adherence to the principles of international law, of the equal sovereignty of states and of individual liberty without religious or racial prejudice, and the meeting of the Foreign Ministers reaffirmed the status of the general neutrality of the republics, leaving to each government and people the right to establish in its individual and sovereign capacity the methods of application; to see that their right and status as neutrals would be fully observed and respected by all belligerents. They further declared that they would keep their territories from being utilized as bases for belligerent operations, to prevent the inhabitants of their territories from engaging in unneutral activities, to make such regulations with regard to belligerent warships that would prevent the taking place of action such as would disturb the peace of this hemisphere and to take other measures of similar import, so as to fulfill their obligations as neutrals. They also resolved to formulate subordinate rules facilitating police and judicial measures seeking the maintenance of neutrality; and finally they resolved that should the war and the present state of emergency still exist a year hence that the Foreign Ministers would meet again in Habana on the first of October of 1940.

The humanitarian measures taken are interesting for their high ideals which reflect the spirit of high civilization in this hemisphere. In the joint declaration of continental solidarity the governments of the American republics, while reaffirming the declaration of solidarity proclaimed at Lima in 1938, also stated that they would make every effort, both spiritual and material, to maintain a strong peace and harmony among the republics of America as an indispensable requirement to the effective fulfillment of their duty to humanity in the world-wide historical development of civilization, a resolution free from any selfish purpose of isolation and inspired by a deep sense of universal cooperation, the American nations in the resolution entitled "Humanization of War," resolved to appeal to the European countries now in conflict to settle their controversy by pacific means, by justice and law, and not by brute force; also to appeal for their abstention from the use of those methods of warfare which would increase the suffering of those wounded engaged in the war and those who remain at home; and to express the hope that the work of the Red Cross be supported and protected by every effort available to the peoples of this hemisphere. Interesting too for its noble conception was the resolution regarding contraband of war; the meeting resolved to register opposition to the listing as contraband of foodstuffs and clothing intended for the civilian population and not destined directly or indirectly for the use of a belligerent government or its armed forces; to declare that the granting of credits to belligerents for the acquisition of such foodstuffs and clothing is not considered contrary to neutrality. In the resolution entitled "Maintenance of International Activities in Accordance With Christian Morality" the foreign ministers of the American republics representing their several governments declared the reaffirmation of their faith in the principles of Christian civilization; their condemnation of attempts to place international religions and conduct of warfare outside the realm of morality; their rejection of all methods for the solution of controversies between nations based on force or the violation of treaties; their qualification as unjustifiable the violation of the neutrality or the invasion of weaker nations in the conduct of war and their protests against all belligerent actions not conforming with international law and the dictates of justice.

The foreign ministers also resolved to establish a close and sincere cooperation between the American republics for the protection of their economic and financial structure. With this in view there was the resolution that the governments of the American republics should designate experts to constitute the Inter-American Financial and Economic Advisory Committee. The purpose of this committee would be to protect the stability of economic relations between the republics and to promote a greater and freer exchange of economic supplies between these countries.

Finally, in the declaration of Panama, the governments of the American republics, through their representatives at Panama, having solemnly ratified their neutrality in a conflict disruptive of the peace of Europe, set forth their views that the present war could in

no way justify the interests of the belligerents prevailing over the rights of neutrals. With this in view, the conference suggested that the waters to a reasonable distance from the coast lines of the American republics should remain free from the commission of hostile acts or belligerent activities by nations involved in the European conflict.

In accordance with the second resolution taken by the consultative meeting, the representatives of the 21 republics of the Americas went in a body to the statue of Bolívar, the liberator, at the close of the session, to pay their respects and to express the gratitude they felt for their immortal predecessor.

In lands beyond the seas, where flaming death rides the clouds of war, bringing misery and disease, both moral and physical; bringing tragic squalor and poverty; impoverishing the minds, the stock, and the good earth of the nations involved, there appears the dawn of a futile tragedy, such that the civilization for which our forefathers strove and died, and the hopes of mankind for a permanency of peace, liberty, and well-being—all seem to be plunging into a veritable twilight of the gods, a holocaust amidst the blood-red rays of the setting sun of human civilization. But, God willing, the spirit of Bolívar, as manifested at Panama, will guide us through the stormy seas of this tragic era and bring us into the lee shore of sanity and human decency, where our folk may continue to live in sentient concord in a stronghold where the American republics will preserve and forever maintain a haven for liberty, tolerance, and peace.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

### HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

RADIO ADDRESS BY HON. ARTHUR CAPPER

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by me on January 7, 1940, as a part of the American Forum of the Air on the subject Reciprocal-Trade Agreements.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I am opposed to the reciprocal-trade agreements as now being applied. In the few minutes that I have to discuss this subject, I shall attempt to deal with the principles involved, and with the effect of these agreements upon our farmers, especially, as well as upon the producers of other raw materials.

In voicing opposition to these reciprocal-trade agreements, and in opposing any extension of the Trade Agreements Act, I can assure you in good conscience that I am engaging in neither personal nor political partisanship.

Frankly, I have the greatest liking and sincere respect for Secretary of State Cordell Hull. I believe in his sincerity, in his personal integrity, in his patriotism; my heart warms to him for his stubborn courage. There is much in his "good neighbor" program that I heartily approve, but I think the present system of carrying on these trade agreements is wrong.

On the score of political partisanship, I believe my record in and out of the Senate verifies the statement that I never have approached the farm problem, or any other important question affecting the welfare of the United States and the people of the United States, from a politically partisan angle, and I trust that I never will.

I have supported—and I have opposed—policies and programs of Republican Presidents, just as I have supported and I have opposed programs and policies of Democratic Presidents, solely on what I believed to be the merits of the proposition under consideration.

I have cooperated at every turn of the road with Secretary Wallace and his Triple A, even when I felt that some of its policies were unsound and some of its methods impractical.

I say I never have played partisan politics in connection with the farm problem nor any matter where the welfare of the American people was at stake, and I trust that I never will.

Now I am in favor of building up our foreign trade, but not at the expense of our domestic welfare.

I am not in favor of sacrificing the farmers of the United States nor the independent oil producers of the United States in order to promote foreign trade.

Any attempt to build up our foreign trade at the expense of our domestic economy is attacking the problem from the wrong angle. I hold it is a fundamental fact that our trade with foreign countries flourishes most in periods of domestic prosperity.

When farmers have adequate purchasing power—and that is multiplied seven or eight times through its extension to national

purchasing power—then is when we import the largest quantities of necessities and spend most freely for foreign luxuries.

I say that those interests in the United States which are interested in shipping, in importing, in exporting, even those interested in foreign trade for its effect on our political relations with foreign nations—I say the intelligent way for these interests to stimulate and expand foreign trade, exports and imports alike, would be to join the forces who want to create first a sound domestic prosperity. In the long run, trade depends upon markets. Markets depend upon purchasing power.

Anything which improves the purchasing power of the American people will encourage foreign trade. Anything which tends to destroy or to impair the purchasing power of the American people, or of any considerable group of the American people, defeats the admittedly desirable objective of increasing foreign trade.

I am for increasing our foreign trade through policies that will increase the purchasing power of the American market.

I am opposed to what I consider the fallacy of trying to build up foreign trade through diminishing the purchasing power of the American market.

Now, there are one or two things in connection with the reciprocal trade agreements policy that I hold are self-evident.

The reciprocal trade agreements policy is based upon mutual adjustment of tariff rates downward; upon removing or lowering tariff barriers. That sounds fine. But let us look at what it means in fact rather than just in sound.

I believe it is self-evident that the purpose of reducing the tariff rate on any commodity in these reciprocal-trade agreements is to encourage the country with which it is made to believe that it will dispose of more of those commodities in the American market.

When a Canadian agreement is made reducing the tariff on beef cattle shipped into the United States, the Canadians have a right to believe they will ship more beef cattle into the United States. And they did, and they do sell us more beef cattle under the treaty.

When the excise tax on imports of crude petroleum and fuel oil is cut in half, as in the recent agreement with Venezuela, it is the plain intention to encourage the shipment into the United States of more crude and fuel oils from Venezuela—and, under the favored-nation policy, also more crude and fuel oil from Mexico.

Recently we have heard a great deal about a proposed trade agreement with Argentina. It happens that nearly all of the products of Argentina are directly competitive with the products of American farms. When it was proposed that changes be made in the tariff rates on numerous farm products of Argentina, we were entitled to believe—and Argentina was entitled to believe—that meant more of these farm products would be imported into the United States from Argentina.

If it did not mean that, then the State Department was attempting to flimflam the Argentine people—and Secretary Hull would not be guilty of flimflaming those people. The Argentine negotiations seem to have been abandoned in the past few days. I have no doubt the negotiations were dropped at this time for political reasons; but the fact that this agreement was not finally negotiated does not make the trade-agreements policy any more desirable—it simply temporarily saved the American farming and livestock interests from being seriously injured through one of these reciprocal agreements.

Every one of these agreements is in effect a promise to the country with which it is negotiated that more of its commodities will be disposed of in the American market.

Now I hold another fact is almost self-evident. That is that no American farm product produced in surplus quantities is bringing better than parity price on the American market. Many of our farm products are selling away below cost of production.

You cannot beat the law of supply and demand in an open market. If you increase the supply in an open market such as we have inside the United States for farm products, you lower the price.

So it is inescapable, as I see it, that when you increase imports of farm products into a domestic market already oversupplied, you drive the price still farther below parity—and this while the Federal Treasury is pouring out billions of dollars in the attempt to bring parity prices to the American farmer.

My friends, these two programs, the Triple A and the reciprocal-trade agreements, just do not make sense. Try to reconcile them and see where you get.

Now I know that supporters of trade agreements will produce figures and statistics galore—to show that the additional imports of wheat, or beef, or dairy products and so forth, are such a small percentage of domestic consumption that the effect is imperceptible.

But the effect is not imperceptible. It is immediate and very noticeable.

The reason is simple.

In an open market the lowest offer sets the price.

We have an open market on farm commodities inside the United States.

I could produce plenty of figures to prove this, if it were necessary, or even if time permitted. Heavy shipments of beef cattle from Canada at St. Paul sent the markets down at Kansas City, Chicago, St. Paul—at every interior market. In 1 year under a 2½ cents per pound tariff rate, Argentina shipped into the United States 23,000,000 pounds of casein; in a year under a 5½-cent rate, less than a quarter million pounds.

I could multiply these examples countless times. I could read into the record—as I expect to do some of these days in the Senate,



where Senators are not limited to 12 minutes—hundreds of letters from farmers and exhibits and figures and statistics from producers and from official records, showing beyond reasonable doubt that the bulk of the trade agreements already negotiated have resulted in decreasing the American market for American farm products, with resultant lowering of farm income and sharp contraction of farm purchasing power.

I am firmly convinced that those manufacturing interests that are seeking foreign markets for their products at the expense of producers of raw materials in the United States are contracting their American markets far and away more than they are increasing their foreign markets. They are pursuing a most short-sighted policy—trading the substance, a good American market, for the shadow, foreign markets in low-income countries.

I am opposed to the reciprocal trade agreements program because it is taking away from the American farmer enough of his American market to drive farm prices down to the point where the American farmer's purchasing power is seriously impaired.

American farm purchasing power is more essential to American industry and to national prosperity than the foreign markets that are opened up to our manufacturers through the trade agreements.

With all due respect to Secretary Hull and those interests which support his trade-agreements program, I say they are paying a higher price for a little foreign trade than the foreign trade is worth to the United States.

Again I say the American farmer is entitled to the American market.

I propose to do everything in my power to protect our livestock industry, our dairy industries, our farmers, and producers of other raw materials against the continuance of this baneful and destructive reciprocal trade agreements program.

I say again, and I cannot state my view too strongly, the Reciprocal Trade Agreements Act should be taken off the statute books.

No one man, nor any executive department, should be given the power to negotiate trade agreements that affect so vitally the interests of American producers of farm commodities and other raw materials; that touch the very heart of our agricultural and industrial life.

If reciprocal-trade agreements are to be made—and as I said before, I am in favor of extending our foreign trade but not at the expense of our farmers—if they are to be made, they should be ratified by the Senate or by the Congress elected by the people before they become effective. They are too important to be subject to the autocratic power of one man who is an appointed official, the people having no voice in his selection.

I believe in getting government as close to the people as possible. I know of no other major nation with a democratic government that allows such treaties or agreements to go into effect without legislation approval. For us to do so is contrary to the spirit of our own Constitution.

This power should be returned to the legislative branch of government, where it belongs, if it is to be exercised at all.

### Jackson Day Address

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ADDRESS BY HON. FRANCIS T. MALONEY, OF CONNECTICUT

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by me at the Jackson Day dinner held at New Haven, Conn., January 8, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It gives me great pleasure to return to Connecticut on the great occasion of Jackson Day to join with the members of my party in celebration of the victory of "Old Hickory" at New Orleans. Democrats gather on this day this year, as every year, to perpetuate the never-fading memory of a forceful, purposeful, and energetic soldier and statesman, a man of steadfast quality and high ideals, who, in spite of a cutting criticism and the wounds of an undying bitterness, refused to turn from his path, and who left to us a heritage that we treasure and that members of a grateful and an enduring party shall forever cherish.

Jackson began life under difficult circumstances. Through a humble beginning, in a humble place, he early learned the problems of the oppressed, and he never lost his love for the underprivileged and the unfortunate. He had a hatred of special privilege and the courage proven on the field of battle and in peacetime conflict remained with him until the last day of the wintertime of his life at the Hermitage.

As a practicing lawyer, a Member of the House of Representatives of the United States, a Member of the United States Senate, and of the Supreme Court of Tennessee, as well as in far-flung wars against internal and foreign foes, he saw life in its saddest and more bitter aspects. His trials were many, and the path he traveled was more often rough than even, but he went to the Presidency of the United States in 1829 splendidly equipped to render a great service to his country—and he rendered that service.

Jackson was a frontiersman and in many other respects a pioneer, and he inspired the Democrats who came after him to hold high the torch which he kept so brightly aglow. That inspiration seems never to have been more effective than during the period through which we have just passed.

We do not meet here particularly to criticize those who oppose us politically, nor especially to boast of our accomplishments, but it is fitting, it seems to me, that we give some notice to what goes on about us, both within and without the party of Jackson. It is fitting that we should give praise where praise is due, admit mistakes where there have been mistakes—and there have been some—and perhaps it is not altogether unfitting that we should refer briefly to certain expressions of some of those who are not of the party of the hero of 1812.

Ours has been a sad period in many ways—as was the life of Jackson—but it has been joyful in other respects, as was his experience in part joyful. He suffered from sadness in Washington. He was subjected to ridicule, and he endured the burning hate of men who enjoyed a special privilege that he was determined to destroy.

It is but natural that on this night, of all nights, we should think of the present occupant of the White House; and as I think of him, I find ever so much in his public life that reminds me of Jackson. I feel that in some instances President Roosevelt is entitled to greater credit than Jackson, for Jackson, while he came up from the depths the hard way, learned the plight of the unfortunate through the easy learning way of bitter experience. President Roosevelt was born in an atmosphere of comparative ease and comfort and was compelled to study the problems of his less fortunate countrymen. Early in life he stepped out of the role in which he seemed to have been cast to play a more difficult part, which compelled a personal sacrifice. Since that time he has personified the steadfastness of purpose, the hatred of special privilege, and the unyielding courage with which Jackson was endowed.

A day or two ago a distinguished Republican—one among the multitude available for the Presidency of the United States—found that the original Jackson Day dinner proudly observed the "extinguishment of the national debt," and suggested that a newspaper report of that occasion might serve as a suitable souvenir for the Jackson Day dinners of this date. He neglected to mention, however, that Jackson's election to the Presidency of the United States closely followed the administrations of distinguished Democrats and outstanding statesmen, and that it was easier to sail in the wake of Jefferson and Madison and Monroe and Adams than it was to come after the devastating decade during which we were under the direction of Harding and Coolidge and Hoover.

I do not want to dwell long upon the record of the administration which just preceded that of President Roosevelt or to refer much to the first and second and third term of special privilege, because the story is an old story now, and is burned indelibly upon the minds of the American people. That period has left scars not easy of erasure, and to expect that any man or party could so soon undo all of the mistakes of that era is beyond the bounds of reason.

In the presidential heritage of Franklin Roosevelt were failing banks, stricken business, broken homes, and broken hearts—and more than a hundred million people weary and worn and afraid—and a rapidly ascending national debt that was inevitable after a period of carelessness and governmental neglect. Aside from the national debt of \$21,000,000,000 there was an additional staggering public debt which involved about all of our towns, cities, counties, and States. The private debt was almost too terrible to think about, and many of those who had not surrendered to despair were anxious to surrender. Some of them clamored for dictatorship as a way out. Some of them—not of our party—saw in Franklin Roosevelt a potential benevolent dictator who might possibly save them from catastrophe. And my fellow Democrats, let me remind you—with all of the seriousness that I possess—that he did save them from catastrophe, and without dictatorship.

It is well enough now—when the storm is nearly over—much of public and private debt wiped out—when American business has returned to an all-time high—when the financial standing of cities has been restored—when banks have been bailed out and homes and savings protected—when the frightened men who had known a special privilege in the better days, have regained their composure—to condemn the captain for getting a little water in the boat, and for reaching port and safety a trifle late with some discomfort to the passengers.

If we had the time, nothing would give me a greater pleasure than to review in some detail the succession of accomplishments of the years following the political revolution of 1932. Mistakes—of course. Failure here and there—certainly. Bureaucracy—no doubt of it. But some of us cannot, and will not, forget that Franklin D. Roosevelt, almost alone, with a courage that equaled if not surpassed that of Jackson, saved our system, and put us on the road to safety.

They may—those of them who do not like President Roosevelt—enjoy the "humor" of club car jests, and try to take unto them—

selves the victories of his administration, but you may be certain that the great masses of the American people understand and are truly grateful, and that the historians of the future will make the record clear.

We in Connecticut, with an administration friendly to business—where men are leading the way back to work—are again enjoying improved conditions. Incidentally, for so long as I can remember, all administrations in Connecticut have been friendly to business, and of late years, as we elected a larger Democratic representation to the legislature, our administrations have become friendly to labor. If anyone disputes this, I would like to have him tell me what particular administration in the history of our State has been unfriendly to business or name a Democratic administration that was not friendly to labor. And in Connecticut men are returning to work in large numbers, because action by the Federal Government and the brighter national outlook have accelerated business. Our market places are in the other 47 States of the Union and in many of the other countries of the world.

A courageous and determined national administration opened up these markets to a very great extent, and the industrial State of Connecticut is naturally among the first to enjoy the harvest. The national administration has been attentive to all of the States of the Union, although there were some selfish people who were willing to deny to Americans living elsewhere the opportunities and benefits that we enjoy.

I have visited most of the States of the Union during these past 10 years and have had opportunity to look upon stricken regions and saddened people, and I am grateful to God that I live in a section which seems especially blessed and is certainly among the more fortunate. For that reason, among many others, I am among those who have been not only willing but anxious to cooperate with our national leadership in the noble and determined effort to raise the standards in these stricken places and desolate regions. The effort is going forward, and some day in the future—and I hope in the not too distant future—when men measure what Franklin Roosevelt left by what he found, he, too, will join the immortals, among whom Jackson was outstanding. He will be recorded as one who overrode a selfish group which was powerful, and he will have done it because his love for the less fortunate was stronger than their hate.

He will be recorded as one who had an intense interest in young people and no less a love for the aged and those in between. Oh, that time permitted a recital, in specific detail, of the instruments and agencies through which he afforded relief and comfort and some measure of security. His work is not yet done.

How long it will take only Heaven knows, but it will be done, because our people will continue to meet in the shadows cast by Jackson and his illustrious predecessors, and the sterling stalwarts who came after him, down to Franklin D. Roosevelt.

President Roosevelt did not just establish new principles. He made old principles living realities. It seems that it was left to him to put into effect the dreams of Jefferson and Jackson and Lincoln and Wilson, and those of some others, of course. He has given new life and new hope and a new meaning to democracy, and down through all of the years this enduring Nation will be grateful that he was at hand in a dark hour of our national life.

President Roosevelt is leaving a list of achievements and accomplishments too long for one volume, and among them are the fulfillment of those democratic principles pronounced more than a century and a half ago—principles long advocated and almost as long partially neglected.

President Roosevelt has restored a faith in government, and, like Jackson, returned the power of government to Washington and transferred the financial capital back to the Nation's Capital.

President Jackson's greatest fight was with an all-powerful banking group. That part of his experience excites my interest, because I am a member of the Committee on Banking and Currency of the United States Senate.

Several days ago the banking commissioner of the State of Connecticut said something distressingly amazing. Connecticut papers printed a story declaring that he had said, in a statement prepared for our Governor, that the bank depositors of Connecticut "should be made to realize" that the "unfriendly attitude of Washington toward enterprise in general is the direct cause of lower savings-bank dividends."

Made in an informal statement, I should regard that as indicative of carelessness, but in a prepared statement it was most unfortunate and it is untrue. Here, again, time denies me the opportunity to comment in detail, but if President Roosevelt has been especially friendly to one group within our midst, that group is made up of the bankers of the United States.

He saved their banks.

No longer is it necessary that small depositors, with whom our banking commissioner is so much concerned, worry about the loss of their small deposits.

As a matter of fact, since the establishment of the Federal Deposit Insurance Corporation, two insured banks have failed in Connecticut, with deposits totaling over a million and a half dollars. Funds replacing the insured deposits were immediately made available by an agency of the Federal Government.

Since 1933 the Reconstruction Finance Corporation has bought over \$7,000,000 of the capital obligations of Connecticut banks, thus further increasing depositors' protection.

The Home Owners' Loan Corporation has refinanced for banks and trust companies in Connecticut nearly 7,000 distressed mortgages, aggregating \$26,000,000.

One hundred and three of the one hundred and twenty-one State national commercial banks in Connecticut are insured by the Federal Deposit Insurance Corporation. These 103 banks, so I am informed, recently had deposits of approximately \$480,000,000. Over 98 percent of the depositors were protected by deposit insurance as of the beginning of last year.

Contrary to what seems to be a general impression, bank earnings during the past few years have been very satisfactory, although some bankers continue to complain of their low level. I am told that for the year 1938 over 80 percent of all insured commercial banks had net earnings in excess of \$5 per \$100 of invested capital, and I am further advised that nearly 40 percent had net earnings in excess of 10 percent of their total capital funds. It is unlikely that the 1939 figures will give a much different picture.

Also in his statement Commissioner Perry said: "They (savings bank depositors) should be made to realize that every successful enterprise pays directly or indirectly into the earnings of (1) bank stocks, (2) railroads, and (3) power companies, and every hindrance to successful enterprise of every sort tends therefore to reduce savings bank dividends."

If it were not apt to excite the emotion and fear and ill feeling of some of our people, that statement would be amusing. I am unaware, as I said a moment ago, that bank earnings have been at a particularly low level. Railroad securities, it is true, have suffered to a great extent, but I would like someone to tell me in what way Washington has been unfriendly to the railroads or, better still, in what way the trouble of the railroads may be attributed to Washington. Jesse Jones has been criticized for his lack of generosity in many instances, but his attitude toward the railroads has been entirely free from that form of criticism.

And the power companies are not doing very badly. More electric power is being sold today than ever before, and the securities of those companies which have been free from questionable practices are well priced. Mr. Perry also seems to forget that banks for the most part hold only bonds of power companies, and as a matter of fact only the bonds of the "better" power companies. So that if the net income of the utilities were doubled, it would not, therefore, greatly affect the yield on utility securities held by banks, as bonds are fixed-interest obligations.

I am not so sure that Mr. Perry is not unfriendly to Washington, and while I am not now offering a criticism of the reduction in interest rates, I should like to have Mr. Perry, if he cares to do it, give the people of Connecticut a list of the salary decreases to which bankers have been subjected. I have no criticism of bankers. I have a high regard for the bankers of this State and I have a feeling that they deplored the statement of Commissioner Perry.

Democrats have a cooperative spirit toward Republican administrations other than at election time, and we gave little annoyance during the three-term administration of special privilege which held office prior to 1932, excepting during the presidential campaigns. (I might say in parenthesis that we didn't annoy them much even then.) We have not enjoyed such treatment, however, and those who are willing to play blind during a Republican panic, see a bogeyman "just around the corner" each day that the Democrats are in power.

I do not like name calling. I have never resorted to that practice, and when I cannot approach political opposition in a charitable and courteous attitude, I shall leave public office. I know that members of the administration of which I am a part have been guilty of name calling and, in some instances terribly guilty; but in my opinion it did not begin to compare with the name-calling practices of those opposed to this administration.

There are conscientious and good men in the business life of our country, within and without our party, who sincerely and properly deplore name calling and insist that if the administration would only stop the practice there would be a better feeling throughout the land.

I think that is true, but if these men would only devote their effort to those closer to them, who excite the feeling and sometimes the anger of the administration by a name calling, the name calling, in my opinion, would be over. But just so long as men outside practice verbal abuse they will excite it on the inside—because men are human—and there are some things that human nature cannot endure.

Let us again condemn all of those of our party who have been abusive and deceitful and dishonest, and express regret and apology for those who have been misguided.

Let me urge you, my fellow Democrats, to be tolerant in every respect. I must remind you again, as I have before, that we were harshly critical of those opposed to us in the days before 1932, because they were neglectful of certain groups in our national life, and especially attentive to other special groups. Let us avoid the mistake they made. Unless we do avoid it we have failed, and we deserve the same kind of criticism, and we deserve to be driven from office. If we fail to protect business, and bankers, and industrialists, we cheat ourselves, and we help to destroy.

Perhaps it is natural that we have a much greater interest in those sometimes described as the underprivileged, because so many of us have come from the neighborhoods in which they dwell, but our natural sympathies should not excite us to the point of neglecting the interests of other groups—and for more than one reason. First, it would not be fair, or American, and next it would be stupid, because our structure of government and economic system is the best yet devised, and it should be protected at any cost—even at



the cost of political defeat. Let us erase the demagogue from our lists, adhere to the teachings of the founders, and keep faith with those who entrusted us with the governmental guidance of their affairs.

This administration has not been unfriendly to business, and like every other administration is quite aware that only through the success of business can the administration or the country or our people enjoy success.

We are now, and always, prepared to give an accounting of our stewardship in Washington. We make admission of our mistakes, and we demand recognition of our accomplishments. Our party average will be high. Some of the mistakes are but natural, because all of humanity, even where gifted with brilliance or genius, is frail.

Measure President Roosevelt with the leader of any government in the world, and find me an American who would exchange him for that leader.

Measure the welfare and conditions of our country with those of any other country in the world—taxes and depression and all—and show me the man who would live there rather than here.

Tell me the place where the future is more bright or where the opportunity is greater.

Dictators are born in depressions. Freedom is stifled by panic. If President Roosevelt were of a dictatorial mind, let me remind you that he was afforded the chance to "take over." He is hateful of dictator government and, courageous and patriotic American that he is, he has raised the standard of democracy in America because of his insistence that we practice what we proclaim. Under his leadership we are pointing the way toward a better world.

We have kept the peace at home and we will show the way of peace to the nations now suffering the horror of war. President Roosevelt leads America's peace bloc, and when peace and quiet come to the rest of the world, and he looks back, I pray he will find comfort and consolation in the memory of the part he played.

I am confident he will have the gratitude and kindly feeling of men and women everywhere. I am sure that he will find joy in a recollection of the dark days during which he ever pressed forward.

It is true that in many cases the laws passed in these late years need changing and correction and perfection. Almost every business, even with its rightful dictatorial power, goes through that experience. Every plant in America knows an occasional failure in its plans and models and sometimes has to scrap its tools and dies. It is then the way of America—to try anew—and again—and harder. That has been the way of President Roosevelt. Through the light given us by such leaders as Jackson, and kept aloft and aglow and fanned to a greater brilliance by President Roosevelt, it will always be that way.

Do not be too greatly alarmed by the unfair critics. There is certain to be political persecution and criticism in the days ahead. Such has been the situation since the dawn of civilization. There have been black sheep in every flock and in every party—and a betrayer in every group—but the majority have been good, and in most instances the leadership most bitterly condemned was proven to be right. I think it is so now.

But be expecting a criticism, and welcome it if it is fair or sincere. We deserve some of it. We also deserve some praise.

The people of the United States are witnessing the dawn of a greater security. The Government is going to recognize the continuing needs of the people. They will be protected in their youth, and those who are deserving in their old age. They will be protected when ill health darkens their door. The people of the country know this. They will not turn back.

I have a feeling of certainty that Jackson is tonight looking down upon the country he loved and served, smiling his satisfaction and joy because the Presidential leadership of the United States is in the hands of another man of courage and strong faith, another frontiersman, another pioneer leading his countrymen on the path of governmental righteousness. Jackson knows how rough is the way, but he knows as well—better now than he could have known a century ago—that righteousness will prevail, and that the people of the United States desire to press onward.

### The President's Annual Message

#### EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ANALYSIS BY PAUL BLOCK

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an analysis of the

President's message by Mr. Paul Block, which appeared in the Pittsburgh Post Gazette January 8, 1940.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

[From the Block newspapers]

PRESIDENT ROOSEVELT'S MESSAGE

We have always had high respect for the office of the President of the United States, but at times have found it necessary to disagree with the views and actions of various Presidents. In the case of President Roosevelt we have had to disagree frequently because of his apparent dislike of industry and businessmen. This attitude is most unfortunate, since it, more than anything else, is responsible for the lack of confidence in Mr. Roosevelt and his administration which businessmen have.

And so, if we do not agree wholly with President Roosevelt's message to Congress, it is only because it seems so clear from his words that his greatest concern seems to be about the war in Europe rather than the serious economic problem which faces us at home.

We fully appreciate the gravity of the wars in Europe and Asia and their effects on our country and our people. Few will quarrel with the President's insistence on adequate defenses. Nor can we deny that complete isolation, as Mr. Roosevelt indicated, is unthinkable in a world where the relationship among nations is more intimate and more interdependent than ever.

It is rather on the means by which he proposes to pay for the needed defenses that we differ. Taxes added to the present burden will only work greater hardships on business and consequently produce greater unemployment among workers.

Could not the President have agreed that, for every dollar spent for national defense, a dollar would be cut out of the extravagant expenditures of the administration? Could he not have said, for example, that while there were approximately 500,000 persons employed in the executive branch of the Government when he took office, there are now well over 900,000, an increase of some billion dollars a year in the cost of government? Could he not have promised to reduce this staff to its former size, urging Congress to use the saving for defense?

And if the President is so concerned about national defense, what is to be said of the condition in which the country enters a war period? Thanks to New Deal spending, the national debt is greater than ever before in history. Despite New Deal panaceas, millions continue without jobs. Certainly this is an unsound internal condition constituting a real obstacle to national defense.

Nor does our grave domestic situation make us any more secure against the intrusion of alien philosophies. As the President himself well pointed out, dictatorship gains a hold only when democratic action has failed. Should not war conditions therefore focus his attention more than ever on the prompt solution of our troubles here at home? To neglect them is to hide one's head ostrich-like in the sand just as much as the complete isolationist whom Mr. Roosevelt so effectively scored with the same comparison.

But perhaps the most controversial portion of the message was that which dealt with the reciprocal-trade treaties. My newspapers have already made plain their opposition to some of the harm created by these treaties, and we have supported these views with facts and figures. Many, and especially the farmers, declare that the treaties have not helped our agricultural interests, as the President claims. During years when we were producing and destroying agricultural surpluses, we were importing the same commodities in increasing amounts from abroad. If the treaties are as flexible as the message indicated, why were they not sufficiently elastic to allow us to change our imports to commodities we do not produce in excess of our needs?

And what is the furious rush about these treaties, the "emergency" about which the President speaks? The usefulness of the pacts as forces for peace is certainly questionable. And since it has taken long months to negotiate many of the treaties, it would hardly seem ruinous to take the short additional time necessary to pass them through Congress.

For his eloquent appeal for national unity Mr. Roosevelt is to be praised. The plea, however, sits somewhat strangely on his tongue. We, with the President, abhor doctrines which set class against class. We agree that angry controversy wins less than calm consideration. But is he not the man who said he would bring business to its knees? Is he not the man who spoke of "economic royalists"? Does one not recall hasty remarks about a horse and buggy or an attempted purge meted out as the reward for independence?

Mr. Roosevelt could have proved the sincerity of his desire for national unity and recovery if he had announced in his message that the indictment and the threats against business which constantly come from the various branches of his administration would be postponed—at least temporarily. Had he done so, he would have acted in the interest of both business and of labor, for, as business is helped, workers are helped as well.

If it has seemed that we disagree with much of what the President said, it should be remembered that we applaud him for his earnest devotion to the cause of peace and for his proper concern in our national defense. Only because we feel he has consistently failed to reach a solution of our first and most vital problem—national recovery—do we take exception to a considerable part of his message.

PAUL BLOCK, Publisher.

## Public-Debt Carrying Charges

## EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ARTICLE BY ERNEST K. LINDLEY

Mr. BILBO. Mr. President, apropos the subject under discussion today—the President's Budget and our national debt—I ask unanimous consent to have printed in the Appendix of the RECORD an able and interesting as well as consoling article by Hon. Ernest K. Lindley, appearing in the Washington Post of this date.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 10, 1940]  
CARRYING CHARGES—THE KEY TO THE NATION'S DEBT  
(By Ernest K. Lindley)

The most significant figure in the Budget to me is the cost of paying interest on the national debt. Last year it was \$940,000,000. This fiscal year, the President estimates, it will be \$1,050,000,000.

The cost of paying interest is the most accurate absolute measurement of the weight of the Federal debt. This year this cost is rising above \$1,000,000,000.

Think of it! For interest alone, \$1,050,000,000! About \$8 for each man, woman, and child in the United States. This is a lot for the taxpayer to have to put up just for interest. (It is also a lot to receive. Every dollar put up by taxpayers for interest is paid out to the bondholders. One billion dollars plus is a lot of money, either way, whether you are paying it or receiving it. It is no larger on the paying side than on the receiving side.)

Nevertheless the cost of the interest payments—the cost of carrying the debt—is what I, as a taxpayer, am interested in. The carrying charges are part of the operating cost of the Government. They have to be paid when they come due. The debt itself does not have to be paid. It can be refunded. When current receipts exceed current operating costs there will be a surplus, which may be used to reduce the debt.

## MELLON PREFERRED TO REDUCE TAXES

But the debt does not have to be reduced; we can just keep on paying interest on it indefinitely. This is the way it has been done by the British, whose name and customs stand for financial orthodoxy. It has been many a long year since the British Government has made any effort to reduce its internal debt. For more than a century the British national debt has been going up—in wartime by leaps and bounds. During that period the British have never had a severe inflation. Their worst was during the World War, and it was about as severe as ours during the same period.

Even Andrew W. Mellon did not think it necessary to pay off our national debt. While he was Secretary of the Treasury it was reduced, partly by cashing in on assets the Government had acquired during the World War, partly by an excess of tax revenues over current expenses. During the twenties the entire Federal debt could have been paid off without hurting anybody. But instead, Mellon preferred to reduce taxes. As a result, the debt was not paid off. Many people, including myself, thought he and Presidents Coolidge and Hoover, and Congress, made a serious mistake. Nevertheless, Mellon showed by his actions that he did not consider it important to pay off the national debt when it could have been paid off easily.

What is most interesting (or, if you prefer, most alarming) about the rise in the cost of carrying the national debt above \$1,000,000,000 is this: It has happened only twice before in our history. The first time was in 1919–20, while CARTER GLASS was Secretary of the Treasury. The second time was in 1923, while Mellon was Secretary of the Treasury.

## THE 1920 DEBT INTEREST HIT BILLION MARK

The cost of carrying the national debt—its weight on the back of the taxpayer—was \$1,020,000,000 for the fiscal year 1920. The next year it was \$999,000,000, higher than it has been at any time under Roosevelt up to this year. In 1922 it was \$992,000,000, still above the Roosevelt record up to now. In 1923 it jumped up to the all-time high of \$1,056,000,000.

Maybe my memory is faulty, but I can't recall anybody complaining about the back-breaking burden of the national debt during those years 1919–23. Especially not in 1923. There was a round of applause, I believe, when Mellon finally got this burden safely below \$1,000,000,000, the point which Roosevelt is just coming up to after several years of the loudest wailing about a back-breaking burden which has ever been heard from a supposedly sturdy people.

When CARTER GLASS and Andrew Mellon were in the Treasury the burden was more nearly back-breaking, of course, because we had fewer backs to support it. Our population was smaller. Also,

during some of those years our national income—measured in dollars—was smaller.

## DEBT WEIGHT CUT SINCE HOOVER ERA

This brings us to the truest measurement of all of the weight of the Federal debt—the carrying charges in relation to ability to carry them—our national income.

On March 3, 1933, the day Herbert Hoover left the Presidency, the cost of carrying the Federal debt was about 1.77 cents out of each dollar of the national income. In his current Budget message President Roosevelt gives his predecessor a "break." He takes the income for the calendar year 1933, which was somewhat higher than for 1932 and early 1933, and uses the debt on June 30, 1933. This works out at 1.63 percent of the national income for 1933.

In 1939 interest on the Federal debt took only 1.45 percent of the national income. In other words, the weight of the debt had decreased since Hoover left office. The total debt was much larger; the interest payments were somewhat larger. But our ability to pay—our national income—had increased so much that the debt is now lighter. If it is back-breaking now, what was it 20 years ago when CARTER GLASS was Secretary of the Treasury, 15 years ago when Andrew Mellon was Secretary of the Treasury and Calvin Coolidge was President, and 7 years ago when Herbert Hoover sat in the White House?

## The British Debt

## EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ARTICLE BY HUGH S. JOHNSON

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an article by the pen of Gen. Hugh S. Johnson pertaining, in part, to the subject matter of another one of his articles which I inserted in the RECORD of Monday, January 8, 1940, relating to British stoppage of our ships and British seizing and raiding of our mails. The article also deals with the excuses put forward by Lord Beaverbrook for England's failure to pay her war debts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of January 8, 1940]

## ONE MAN'S OPINION

(By Hugh S. Johnson)

In the news of a single day we learn (1) from Lord Beaverbrook that America and not England is responsible for the British ducking of her billions of debt to us and (2) that the British Government has ignored our protests of her interference with our rights and commerce on the high seas—seizing, reading, and censoring our mails; hijacking our ships on the high seas; taking them through waters where, by our neutrality laws, they are not permitted to go and subjecting them to extravagant and costly delays; blockading not merely Germany, which she has a right in international law to do, but also blockading German exports to us, which amounts to blockading us. This she has no right to do. Finally the British have imposed, without much protest from us, a system of so-called navicerts, which requires an American ship to get clearance from British representation in America if she wishes to escape interference or seizure by the British Navy. This also is a form of blockade of our coasts without warrant in international law.

The matter of British indifference to our few remaining rights at sea which we have not already surrendered to avoid conflict with her, is in course of diplomatic discussion. It is therefore not ripe for critical comment—more than to say that Britain again, as in the World War, is doing some of the things for which we fought her in 1912.

But this blast of Beaverbrook's adds insult to injury. He says that when America cut the gold content of the dollar, British citizens who held American bonds were forced to accept paper dollars worth 40 percent less than the gold guaranteed in the bonds. Technically this is correct. But the effect of the dollar devaluation was to permit British money overnight to buy more American goods and common stocks—in fact to buy them at a cheaper price than American money could buy them. The net result was overwhelmingly in favor of Britain by billions of value.

The British lord of the press says that President Wilson, General Pershing, and eight wartime Congressmen, "encouraged Britain to think that the war debts would be canceled and that the money was a contribution in lieu of immediate manpower."

If there was any such encouragement, I never heard about it, and I was pretty close to headquarters at the time. But if there



was, what responsibility or authority would any American official have so blithely to wipe out several billion dollars of taxpayers' money?

We didn't need to contribute money "in lieu of manpower." We gave the manpower with a lavish hand. For what we bought from Britain—and it was a great deal—we paid in cash. She repaid us in jawbone and then resold much of the bargain to her own people for cash and recouped herself.

It is a damned poor time to revive this "Uncle Shylock" British alibi which has been exploded over and over again. The Allies never asked us for anything in that war that we did not give without a single selfish reservation. The debt settlement scaled down the actual debt heavily. They were made freely by the British—and kept only so long as she could squeeze the money to pay them out of the Germans. Lord Beaverbrook's is a welcher's squawk.

### Jackson Day Address

#### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ADDRESS BY ROBERT H. JACKSON

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Robert H. Jackson, Solicitor General of the United States, at the Jackson Day dinner held at Cleveland, Ohio, January 8, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I begin to feel that Andrew Jackson needs an attorney—to defend his memory from his followers. These \$25 and \$50 and \$100 dinners are turning this man of the people into our most expensive Democrat. What a politician he must have been. His name is still our best money-raiser—a century after he had lost all power to appoint anybody to anything. His creed has a strong appeal to us tonight. He had a fighting faith in a republican form of government—completely controlled by Democrats.

But Andrew Jackson's policy rose above mere party expediency. He was the first American political leader to seek his support among all the people and to shape his policy for the needs of all the people.

But Andrew Jackson knew better than to think a party can serve itself alone. I know what it was that attached families to his cause with an intensity which has lasted for generations. My own people, pioneering not far from here, in debt to eastern land speculators, hailed him as the champion of humble men—the ill clad, ill housed, and ill nourished of his day. This faith kept us "regular" Democrats. We looked always for another such leader of the people, and found him in Franklin Delano Roosevelt.

Forces are gathering for a fight in 1940 that in many ways resembles the line-up for Jackson's great battle of New Orleans. We are holding lines for democracy today as truly as he held them a century and a quarter ago.

Our scouts would report today, as did his, that advancing against us are the "regulars" of a standing army—well drilled, well fed, and perfectly equipped.

They have the artillery of the press, the machine guns of the big interests, and the best commissary that money will buy. And regulars are unlike volunteers—they fight from training and interest rather than from the inspiration of a leader.

So the first principle of our campaign is that we Democrats should waste no energy worrying about what the Republicans may do. Who their candidate is and what their platform is will not much matter. They are a party of money and organization, not of enthusiasms. There probably is not a million popular votes difference between their best candidate and their worst one. This is apparent from the fact that their best leadership and performance in office has produced for them but relatively few votes more than their poorest leadership and performance. Their vote has become remarkably unresponsive to either their record, their promises, or the personality of their candidates. Let me read you cold figures of their vote in the five Presidential elections since the Great War. Notice how steady and dependable it has been.

1920—Harding	16,000,000
1924—Coolidge	15,700,000
1928—Hoover	21,000,000
1932—Hoover	15,700,000
1936—Landon	16,600,000

This is a significant consistency in the light of the vicissitudes of 20 years.

The Harding record, so bad it produced a third-party movement, could not drive its 1924 vote below 15,700,000. A rare combination of prosperity and bigotry could not lift it above 21,000,000 in 1928.

Four elections out of five indicate that we should begin our calculations by conceding any candidate they name, on any kind of platform, an all-weather, dependable vote of around 17,000,000, which they are pretty powerless to much increase and on which we are not likely to make any inroads.

Great transitions in politics make their sign so simply we often miss the meaning. For generations the Republicans met in convention ahead of us, and appropriately so. The real leadership of the country was in their affirmative program.

Today they are openly afraid to lead, and if they do meet first it will be because of a greater fear of being known to be afraid to lead. Whatever of leadership the Republican Party had has passed, and today it admits it must wait to see what we do so it may know what to be against. Its policy is to wait, and then say "no" whenever we say "yes." That, of course, is not statesmanship, it is not leadership, it is not helpful to the country. But do not forget that whatever it is, it is good for about 17,000,000 votes. And don't forget that those 17,000,000 are at least a couple of million more than any Democrat ever got—except Roosevelt.

Seventeen million regulars for the Republicans—how many for us?

Our following shows, in the same elections, no such steadiness or consistency. On the contrary, it is extremely sensitive to our party attitudes and leadership. Look at our volatile vote:

1920—Cox	9,150,000
1924—Davis	8,300,000
1928—Smith	15,000,000
1932—Roosevelt	22,800,000
1936—Roosevelt	27,400,000

One important fact is clear; it is the fluctuation in the Democratic vote which has decided the last five elections. Our standing army has at times dwindled to less than 9,000,000 votes—approximately one-half the standing army of the Republicans. We can only win by calling to the aid of our regulars the volunteer militia who join our campaigns because they feel they are fighting for something dear to them—as the frontier militia fought for Jackson at New Orleans.

These election returns therefore should convince us that the elections of 1940 will turn on the Democratic convention, not on the Republican convention.

And they also ought to convince us of the futility of trying to nominate a candidate to please Republican editors or to get Republican votes. We do not win elections by converting Republicans, and whenever the country has to choose between two of a kind, it takes a Republican.

This is now well understood. I no longer fear, therefore, as I did a year ago, that we Democrats might try to compete with the Republicans in naming a conservative. Life among the majority is still dear to conservative Democrats, and they are not going to a convention hell-bent for suicide. We will recognize the real conservative voting strength to be what it was in 1936—about 17,000,000—and recognize that no substantial part of it ever did or ever will vote for a Democrat.

Our problem is to keep the volunteers we have twice had under the leadership of President Roosevelt. Our strength is only equal to winning when the most people vote. The voters who stay at home decide these elections, and every stay-at-home vote is a help to the Republicans in the doubtful States. We are always defeated when the country feels there is not enough difference between the two parties to be worth the trouble of voting.

It is plain that our chances depend on a candidate and a program that will reach down into the precincts with an appeal to the average man and woman strong enough to overcome all lethargy and bring them to the polls. We cannot get more than 17,000,000 votes, and therefore we cannot win, unless we have a candidate who reaches votes which cannot be organized and can only be reached as Franklin Roosevelt has reached them—through the heart: the vast army of quiet, unassuming people who have followed Roosevelt since 1932, in the teeth of organized ridicule, social ostracism, and political chicanery, because they believed in what he said he believed.

Of course, a strong affirmative character who can rally our allies like that to the side of our outnumbered regulars always offends some timid persons. Always we have some groups "taking a walk."

But there are few men who can bolt the party without bringing in others to take their place, just because those others like a man who has enemies—if they are the right enemies.

The great walk was in 1936; that was the year we had the most votes.

Give the Democratic Party the usual stay-at-home voters and we can let the Republicans have all the "walkers"—both left and right. If you add all of the Smith votes of 1928 to all of the Davis votes of 1924, you count all dyed-in-the-wool conservative Democratic strength twice. But the aggressive liberal of 1936 had more votes than both of them put together, and on top of that some 4,000,000 more to throw away. Every Democrat knows that we have not won Republicans to our side and that the only problem is to get our votes from the same people who gave them to us in 1936. This can only be done if those same people feel that our party's success has some deep meaning in their lives, if they feel we are still fighting for them and for their homes.

Under these circumstances it is inevitable that we should first turn to the one leader who has this loyalty and devotion in the humble homes of the Nation whence cometh our help. Of course, I do not know what his answer will be. But I do know what the rank and file of Democrats and of citizens generally hope it will be.

Whether President Roosevelt ultimately will allow or will not allow his renomination, I am one who earnestly hopes that he will not announce to the public or even make within himself any decision at this time.

Why should President Roosevelt become the one man in all public life now committed to accept or not to accept a nomination?

What public good would be served by binding him when all others remain free?

Of course, it would serve the convenience of other aspirants if Mr. Roosevelt would tie himself up to some commitment so they could lay plans of their own. But why not let Mr. Roosevelt know the other fellows' plans before he decides, instead of letting the other fellows know his plans so they can decide?

We don't want the greatest asset of the Democratic Party put in hock. We enjoy the President's making fun with those who use the hunter's strategy of trying to "smoke out" his game. The American people want Mr. Roosevelt, before he decides on whether he will retire, to know such important things as the state of the international situation; what issues arise in this session of Congress affecting his program and the public welfare; and, more than all, what would the consequences of his decision be in terms of party policy and leadership.

While the country, along with the rest of the world, is going through a period of tension and danger, the people feel more comfortable if the one man of experience, of great following, and of great power remains a free man.

The cool confidence with which this country today faces the modern clash of social and economic forces, which have been mismanaged in Europe to the point of revolution, dictatorship, and war, is fundamentally due to confidence in the competence and good will of this man.

Lincoln had that power—to hold his people's courage to the great moral issues of their time—to hold them together not only to start, but to finish, after the first flush of excitement was past and the burden became really heavy.

That same magnificent power to give men the steady courage to throw themselves against problems bigger than ever men have faced—that same power to inspire the trust of millions who trust nothing else, and no one else, in our political and business life, in our common defense and our general welfare—rests in the White House today in Franklin Roosevelt.

He is our Lincoln.

We must not make the mistake of treating lightly the responsibility of our own party in this hour. The very fact that leadership is cast upon our party makes the country doubly critical of our performance—and rightly so. The first concern of the American people at this hour is that no interests, no prejudices, no hates, and no ambitions be allowed to involve us in the war abroad. President Roosevelt's bold, but prudent, foreign policy, keeping the American flag far enough from the fire to keep it from being singed, has in a few months changed the feeling that it was inevitable that we must become involved to a feeling that it is inevitable that we must not, and will not, become involved. The opposition in the coming campaign may be free to play politics with foreign policy, but we in whose hands destiny rests must stand squarely with the President against every pressure to let American policy get into zones of danger.

And the second great concern is much like the first. We do not want America to go to war, but more than that we do not want the war to bring its moral and intellectual consequences to us. We want none of its dictatorship either of a proletariat or of the Fascist kind; we want none of the censorship, the suppression, the ideology, or the hysteria that follows in the train of war. Rather, as one historian, with the perspective of the scholar, has well said: "The real danger, from the liberal point of view, is not that Nazis and Communists will destroy liberal democracy by free speaking, but that liberal democracy, through its own failure to cure social ills, will destroy itself by breeding Nazis and Communists."

That comes close to being the keystone of our liberal philosophy today. We must fight radicalism by removing its provocations. The New Deal must go forward—not perhaps at the same pace, and certainly not without heed to the lessons of its own experience. We must not fall into the error for which we so freely blame others of letting pride or stubbornness prevent us from learning or correcting shortcomings in our own legislation or administration.

But our liberal attitude must always be that unrest in America must be dealt with by remedy of its legitimate grievances. Under such a program dissatisfaction might be noisy, but never dangerous. To this end our program of unemployment insurance, old-age benefits, relief, the youth administration, farm recovery, and public works must go on, as the need appears, the cost of them far more than offset by the terrible cost of not having them.

On the last day of the old year an outstanding historian, free from the bias of practical politics, called attention to our entrance into the fifth decade of a century whose story already includes among its decades "one of world-wide war; one of anxious, uneven recovery; and finally a fourth decade of renewed collapse, ending again in conflicts that are spreading devastation over two continents and all the seas." It would be a humiliating thought that our country, richest in material things, most resourceful in invention, should leave such a record of itself. But Professor Nevins also points out that we have also had the "decade of a great rally." He characterizes "many of the new American efforts" as "stumbling and inept," but he proceeds to say:

"But it is also true that the great rally of 1933 and the succeeding years released a new spirit, a fuller comprehension of the interdependent character of the various elements in American economy, and of the need for a firmer social solidarity. It is too much to expect that the first 10 years would furnish us with many well-wrought applications of the new attitude. To have the new spirit itself is gain enough."

The country will choose to go forward to better-wrought applications of this spirit. And it will not choose to do so under any leadership that has missed knowing the spirit itself. As the nineteenth century owed the release of its latent spirit of democracy to Andrew Jackson, so the twentieth owes the release of its spirit to Franklin D. Roosevelt. For our country, no less than for our party, this spirit is our greatest heritage and our only hope.

Andrew Furuseth

## EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

TRIBUTE BY PETER B. KYNE

Mr. GIBSON. Mr. President, during his service in the Senate, Senator Robert M. La Follette, Sr., father of the present distinguished senior Senator from Wisconsin, was the author of the seamen's bill and other legislation helpful to those who sail the seven seas. In the work of framing the legislation, and in pushing it to final enactment, Senator La Follette was assisted by a sailor named Andrew Furuseth. They worked together for years. Furuseth called on the Senator every Sunday morning to discuss legislation for the benefit of the sailor. Furuseth died about a year ago, and his ashes were scattered at sea, as he had requested.

Peter B. Kyne has written, in appreciation of the work of Andrew Furuseth, an article which appeared in the December 1939 issue of the Reader's Digest, under the title of "St. Andrew the Sailor." I ask unanimous consent that this article may be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Reader's Digest of December 1939]

ST. ANDREW THE SAILOR—THE MOST UNFORGETTABLE CHARACTER I EVER MET  
(By Peter B. Kyne)

When the bloody water-front federation strike gripped San Francisco in 1903, I was a 23-year-old clerk in a lumber company office. One of our schooners had arrived with redwood lumber to be discharged on a barge out in the harbor—with scab labor, of course. The boss ordered me to procure some scabs, and a water-front policeman furnished three for \$10 a head. Although there was a strong possibility that I would be beaten or killed by strikers, the boss blandly ordered me to escort the men out to the vessel.

After some adventure I got them aboard safely. I realized, however, that I would have to stay there to protect them; the skipper had a riot gun and a rifle but was too jittery to use either. Before we could start work, a launch filled with strikers bumped alongside. As one man grasped the shrouds to pull himself aboard I poked the riot gun at him and said sweetly: "And when the other foot comes up on the rail, mister, you get 11 buckshot in your belly."

A year of soldiering in the Philippines had given me the ability to say that sort of thing with an air of conviction. So he stood there on one foot and we stared at each other. He wore an ill-fitting suit, shabby and cheap, and a brown derby was shoved well down on his large ears. He would have been tall if he hadn't been stooped and round-shouldered. His piercing brown eyes and high cheeks and prominent nose gave him the look of an eagle. I knew he was a leader. He said he wanted to come aboard to argue with my scabs. I couldn't permit that—not after having paid \$30 for them—so I bade him be off before I blew a hole in his launch at the water line. He departed.

Long after the strike had ended the same man entered the office one day and said, "I am Andrew Furuseth, secretary of the Sailors' Union of the Pacific, and I wish to see your manager." I had heard of Andrew Furuseth and nothing good of him, either. He was a radical, a disturber of the maritime status quo, an insolent fellow who dared tell the bosses how many hours their employees should work and for how much. So I demanded to know his business.

Now, lumber schooners in the Pacific coast trade in those days were not equipped with toilets, washbasins, shower baths, or mess-rooms. At meal time the men squatted around large pans on deck



and helped themselves, while the cold winds chilled the soup and rain and salt spray diluted the stew. Sailors had always been fed that way, so why change?

In prowling over a schooner we operated Furuseth had discovered an unused space 9 feet long between the after end of the deckhouse and the winch. He wanted the company to build there a little mess hall where the sailors could sit down at table and eat like human beings; he had a blueprint and bids that proved it would cost only \$250. So I sent him in to the Pooh-Bah. Furuseth soon emerged weeping. "You are a cruel, hard-hearted man," he cried. "It is true. When the slave becomes a master he, too, becomes a tyrant. It will not be long before public opinion will force you to do what you are not decent enough to do willingly."

After that we began to have difficulties. Crews would make one voyage and quit, and the vessel would lie at the dock all day while a new crew was rounded up. This was expensive and the Pooh-Bah blamed Andrew Furuseth. Finally I suggested that he tell Furuseth we would build the mess hall. He did—and Andrew Furuseth was happy. He held no grudge. He knew he was educating that man.

I stayed on at my job. The romance of the business had gripped me; I was laying up treasures of material that later I peddled to the magazines. I was having fun and some of it lay in getting acquainted with Andrew Furuseth, in our office and in a water-front restaurant where we ate 20-cent luncheons.

Andrew Furuseth, born in Norway in 1854, had sailed under seven flags. He knew sailors, and knew the conditions in every port of the seven seas. Those were the days of wooden ships and iron men. Sailors poorly housed, badly fed, terribly overworked, in many cases brutally treated and paid starvation wages, were the last slaves under the Stars and Stripes. Andrew Furuseth came ashore to dedicate his life to setting them free.

He started with the organization known still as the Sailors' Union of the Pacific. Strikes? Plenty of them and bloody, too, for single men in fo'castles, like Mr. Kipling's single men in barracks, do not grow up into plaster saints. It was a long hard war and neither side gave quarter. Men hate and fear the one who reduces their dividends and Andy was hated and feared, misunderstood and vilified. The late Robert Dollar, founder of the Dollar Steamship Line, once said to me passionately: "That Furuseth is a damned Socialist." As a matter of fact he was not. But after 40 years of battle Dollar came to understand and appreciate Andrew Furuseth and they were friends at the finish.

Furuseth haunted Congress 21 years to press for the revision of the seamen's laws. In 1915 his congressional lobbying bore fruit as the La Follette seamen's bill. Senator La Follette said on the floor of the Senate: "I shall never be able to express my great obligation to Andrew Furuseth, who for the past 4 years has called on me almost every Sunday morning to talk with me about this legislation. He is one of the most intelligent men it has been my good fortune to meet. For 17 years he has been sitting up there in that corner of the gallery waiting to be made free. . . . Woodrow Wilson later said Furuseth held him spellbound with the power of his speech and argument."

Opposition to the La Follette seamen's bill had been terrific; after it became a law a powerful publicity campaign, led by Dollar, was launched to rescind it even before it had been tried out. I had left the water front 7 years before to become a writer. I realized the public was being misled and that Andy didn't know how to start a backfire and had no money to do it. So I wrote an article which blew the shipowners out of the water. Andy was very happy about it and very grateful when I brought him hundreds of favorable clippings. A year later when I called on him to ask how the law was working out he told me sadly that it had been nullified "by interpretation" by the Secretary of Commerce. Seventeen years of patient waiting and labor gone with the wind! Yet Andy was not embittered and not defeated.

Although he had little formal schooling, Andrew Furuseth was easily the world's greatest authority on maritime economics and the history of laws affecting seamen, from the days of the Hanseatic League onward. He was the workers' delegate to the Geneva Conference of the 28 large maritime nations in November 1935.

He was the most honest and fearless man I ever knew. He kept his covenants and expected his sailors to do the same. Once he even took court action against the leader of a committee on a steamer for falsifying the position of the strikers. Often, in the old days, I saw him whip his sailors into line. They had a habit of claiming overtime not due them—according to the mate—and by the contract with the sailors' union the mate's decision governed. So, just before the vessel was due to sail, they would desert and stand on the dock, hoping the captain, to save the loss from demurrage, would call them back and approve their claim. I used to bring the pay roll down to the vessel and hang around. Whenever one of these outlaw strikes was pulled I would telephone Andy. The sight of that gaunt figure hurrying to the fray would send the strikers back on the job and the ship would be moving away before Andy could come aboard. But from the dock he'd shake his fist at the men who had let him down, promising to discipline them when they returned to port.

In 1921 Communist voices in the sailors' union cried for a new contract based on the wartime scale of profits to shipowners. But a depression was on and the wise Andy vigorously opposed the movement. The demagogues won and the strike was called. The shipowners had no business anyhow, so as fast as the vessels arrived in port they laid them up and ignored the strike. In 4 months the sailors and the longshoremen who had struck in sympathy were back under the paw of the owners. However, from that

time on Andy's influence in the union began to fade; he had been elected president of the International Seamen's Union and he gave more and more of his attention to national legislation affecting sailors as a whole.

To me he was always a pathetic figure. I can see him now walking up the Embarcadero with long strides, his ill-fitting suit flapping around him, his brown derby down on his ears, in his eyes the flame of the zealot, looking neither to left nor right. He never married and I think he never had a really good meal or slept in a decent bed until the last year of his life when he was in hospital. Once, when it was reported to him that he was to be arrested, he said: "Very well! They cannot give me plainer food than I've always eaten, they cannot give me a narrower bed than I have always had, and they cannot make me lonelier than I have always been."

Andy never drew a salary in excess of \$75 a month; he would not accept more from the sailors' union than a sailor earned. And when they sent him to Washington with a liberal expense account he lived in mean thrift, walked miles to save taxi fares, and brought the saving back to the union treasury. Once when Senator La Follette asked him what provision he had made for his old age Andy replied: "I have made no provision. When my work is finished I hope to be finished. I shall borrow no fears from time."

When the San Francisco general strike came in 1934, Andy lived in a wretched little room out on Divisadero Street. He heard his sailors contemplated action which he deemed unwise. The street-car operators and taxi drivers were out. Andy, then 80 years old, walked nearly 3 miles to Sailors' Union Hall on the water front to plead for moderation. The Communist element booed him off the stage. Andy's old boys wouldn't have done that.

The long walk and the emotional crisis put too great a strain upon the brave old heart and he collapsed. Back down the years a young physician named Alonson Weeks had read in the Coast Seamen's Journal a bitter attack on the Marine Hospital and its staff. The hospital was no great shakes, but the staff was capable, honest, hard-working, and devoted. Young Dr. Weeks telephoned Andy a roaring protest, and Andy, always fair, always honest, came out, investigated, acknowledged error, and promised there would be no more unjustified attacks. The next time he required medical care Andy went to Weeks and for 30 years he trusted no other doctor. So when his heart betrayed him he was carried to St. Luke's Hospital, where Dr. Weeks was now one of the staff surgeons. At St. Luke's he clamored to be put in a ward but was outvoted. They put him in a private room, and the International Seamen's Union paid for it.

Four years later I met Andy in Dr. Weeks' office and he put his arms around me as if I were a son. Weeks said, jokingly, "Do you know this nut of an author, Andy?" And over my shoulder Andy said: "Peter Kyne was the best friend the sailors ever had with the exception of Senator La Follette." I choked up; I remembered that in my youth I had promised to put 11 buckshot in the old saint's belly. The old man held my hand like a little boy afraid of the dark. He reminded me he was 84 years old and that his heart was a ruin but he was going back to Washington, hoping to get one more piece of legislation over; that accomplished, he was willing to die. He was borrowing no fears from time.

He died in Washington—it was only last year—and his ashes were scattered at sea, as he had asked.

In my 50 years I have adventured and I have met some colorful men, but Andrew Furuseth was easily the most unforgettable man I ever knew. He had an ideal and never lost sight of it, never quit fighting for it, and never fought unfairly. He was just, kind, gentle, considerate. He loved his fellow man and laid down his life for that love. He was industrious, brave, and an aristocrat of the mind. If we had Andy back with us we would be kinder to him now than we used to be; we had to have a Harry Bridges in order to appreciate Andy. If he were back with us, young and militant, San Francisco would not be as it is—practically a closed port. How he would have fought the class hatred that stains unionism now!

I cherish the hope that one day some wealthy shipowner will erect a colossal statue of Andy on Telegraph Hill overlooking the port, where, in the days of '49, the semaphore signaled to the argonauts the arrival of a vessel off the Golden Gate.

Vale, Andy! Pax vobiscum!

## Dedication of Southern Research Laboratory

### EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2d

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

ADDRESS BY HON. THEODORE G. BILBO, OF MISSISSIPPI

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by the junior Senator from Mississippi [Mr. Bilbo]

on the occasion of the dedication of the Southern Research Laboratory at New Orleans, La., December 29, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The beginning of civilization is coincident with the domestication by man of plants and animals.

Human progress for 6,000 years thereafter was exceedingly slow. The next step forward in the advancement of civilization was the invention of the printing press. Then followed a rapid spread of learning until a new world, crowded with undreamed-of possibilities, swung into view.

About the beginning of the seventeenth century the human race began to try to understand the world in terms of physical force, with no apparent advancement at that time in knowledge concerning the organic or living. The incentive to invent penetrated all strata of society with the result that the machine age was ushered in, based primarily upon discoveries made in the science of physics.

In the beginning of this age the motive power was coal. Those countries possessing coal, iron, and other minerals and skilled labor took the lead in manufacture and acquired fabulous riches. Then came the World War, also the invention by Haber and Bosch in 1913, usually described under the title of "fixation of atmospheric nitrogen," a process that gave to agriculture the key to increased plant growth.

Here was opened the field for organic chemistry. The late European war demonstrated that a nation failing to establish itself on an organic chemical basis cannot keep pace with the progress of the world. Organic chemistry stands out preeminently as the source of future unprecedented accomplishments. The mechanical inventions of the machine age for the past 100 years will appear infinitely small in comparison with the chemical discoveries destined to be made for the next century.

Organic chemical processing contemplates an unrestricted utilization of Nature's renewable resources. Improvement of manufacture and supply of mechanical power characterized the machine age. The chemical age centers upon the supply of better source materials from organic life for mechanical power and industrial use.

The problem confronting the country today is the realization of the dream of farm chemurgists which has for its objective the displacement eventually of approximately 250,000,000 tons of raw materials now drawn annually from the mineral kingdom by a like amount of organic farm products drawn from the vegetable kingdom for industrial uses in the United States.

When the mineral output equaled the farm output unemployment was unknown. Today with the farm product in tonnage far below the mineral output unemployment threatens our social order. To balance this production so that each kingdom will produce an equal tonnage is the problem with which we are now confronted. It is useless to attempt to help the farmers in any other way except we bring about a situation whereby the farm land will supply the larger part of the raw materials for industry.

The demand of this chemical age in which we now live is that the raw products of industry shall come increasingly from the farm. The leading organic chemists of today confidently claim that industry can make use of all agricultural surplus; that industry can substitute organic chemical material produced on the land for practically an equal volume of presently processed inorganic or mineral materials; that industry's finished products, as they become more and more organic in composition, will surpass in quantity and efficacy their present-day counterpart of wholly inorganic composition. Therefore, the objective of the modern organic chemists is the full utilization by industry of the agricultural output. Civilization can never return to a state of complete employment until there is a shift from mineral to vegetable sources for the raw materials of industry.

According to an eminent authority, later historians will write concerning the powerful nations of that future day: "These great nations took careful heed of the dawn of the chemical age. They adjusted their internal affairs to a chemical basis and directed utilization of agricultural output so that main products and by-products met total consumption."

Having envisioned this approach to the farm problem and the unemployment situation of the country the Congress of the United States passed a law in 1938 establishing 4 regional research laboratories devoted to the discovery of new and wider industrial uses and outlets for farm products, 1 in the North, 1 in the South, 1 in the East, and 1 in the West. We have here met to lay the cornerstone of the Southern Laboratory in New Orleans, La. This laboratory will be devoted to the discovery of new uses for industry of farm products grown exclusively in the Southern States. These laboratories are adequately financed by an authorized appropriation of \$1,000,000 yearly for each, and an initial appropriation of \$4,000,000 for the construction of the buildings and the purchase of the necessary equipment. It is estimated by Secretary Wallace that there will be 800 scientists employed by these 4 laboratories, 200 for each.

It has come to pass that after 6,000 years or more in the history of the world have gone by organic chemistry has brought us back to the study and nurture of plants and animals, those natural agencies that first engaged the attention of the human race as it was emerging from the darkness of barbarism into the light of civilization.

Theodore Rousseau said many years ago: "The artist does not paint the picture on the canvas; he merely lifts the veils, one by one, that hide it."

It is in this sense that the organic chemist, the research scientist, will lift the veils from the face of Nature, one by one, and show us through the on-flowing years the sources of a fabulous wealth that today lies concealed in the organic products of the soil.

These are the new frontiers that are yet but soon to be crossed. The geographical frontiers have disappeared but we are slowly coming to understand that the call of the wild and the call of the unknown are the same.

All honor to those adventurous souls—800 strong—who will be drawn into a life of research with and through the scientific facilities here afforded. It is my confident belief they will transform the "Number one economic problem of the South" into the one universal hope of the Nation.

We are, at this moment, entering upon a new day. We stand, as it were, tiptoe upon a lofty eminence, supported by four chemurgic columns of Herculean strength—the four chemical laboratories that rest on the four corners of the Nation—and behold the rising sun of this new day making purple glory in the east.

## The Farmer Under the Industrial-Mobilization Plan

### EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 10, 1940

RADIO ADDRESS BY FRED BRECKMAN

Mr. BYRD. Mr. President, it gives me pleasure to request unanimous consent to insert in the CONGRESSIONAL RECORD the radio address delivered by Mr. Fred Breckman, Washington representative of the National Grange, entitled "The Farmer Under the Industrial-Mobilization Plan."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Since the outbreak of the European war more thought has been given in this country to what is known as the industrial-mobilization plan, the detailed provisions of which are virtually unknown to the people of the United States. This plan embodies the ideas that have been worked out by the military and naval authorities of the country, as to the methods to be pursued in coordinating and assembling the financial, industrial, agricultural, and human resources of the Nation for concerted effort in the event that this Nation should become involved in war.

After the World War had ended, a study of its history revealed that the state of unpreparedness in which the United States was caught when it went into the war resulted in a serious delay in our actual participation in the conflict. There was tremendous waste, due to our lack of organization, our inexperience, and duplication of efforts. Our standing army was not much larger than the combined police forces of several of our largest cities; we needed arms, ammunition, and ships, together with all kinds of other supplies and equipment. All this was required at once and regardless of cost.

#### EVILS ENTAILLED BY "COST-PLUS" PLAN

Those who received contracts from the Government were paid on the basis of cost, plus 10 percent. The higher the costs soared, the greater the profits of the contractor, because it will readily be seen that a profit of 10 percent of \$1,000,000 netted him a larger return than a profit of 10 percent on \$500,000. This led to the payment of wages previously unheard of—in ammunition factories, in shipyards, and in all kinds of other establishments holding war contracts. Salaries and bonuses of executive officers were boosted in proportion. If a concern holding a war contract had a president receiving \$10,000 a year, it was regarded as good business to increase his salary to \$20,000, thereby assuring larger net profits to the owners or stockholders.

During the period of America's participation in the war, tens of thousands of new millionaires came into existence, and notwithstanding the heavy taxes that were levied by the Government to defray the cost of the war, at its conclusion we had a national debt of more than \$27,000,000,000.

The high wages paid to workers in the war industries and the huge profits made by contractors supplying war materials to the Government gave rise to the demand for adjusted compensation on the part of those who served in the armed forces, eventuating in the payment of a soldiers' bonus some years ago.

#### GENESIS OF MOBILIZATION PLAN

As a result of the studies made by the military and naval boards subsequent to the war, it was seen that some adequate plan for the



control and coordination of military and civilian activities would be necessary before we should get into another war.

The industrial mobilization plan was the result of these studies. The genesis of the plan goes back to 1924, when there was a widespread demand through the Nation for what is generally termed "universal mobilization for war purposes." Under the authority of various resolutions passed by Congress, the Committee on Military Affairs of the House held extended hearings on the subject.

The studies of the Army and Navy boards were continued until 1928. Then the general demand for a universal draft law which would conscript manpower, wealth, and industrial resources in time of war resulted in the introduction of legislation to this end. Hearings were held before the Committee on Military Affairs, but there were no tangible results in the way of legislation. The agitation of 1928 for a universal draft bore fruit in the appointment of a War Policies Commission in 1931. It was to this Commission that the original industrial mobilization plan was submitted in detail. That plan was the progenitor, so to speak, of all the revised plans which have since been produced.

The metamorphosis into a secret document of the original industrial mobilization plan, the purposes of which were to be educational and to promote peace by the Nation-wide dissemination of its details among the people, has been a singular evolution. In a statement of the War Policies Commission on May 13, 1931, Gen. Douglas MacArthur, then Chief of Staff, in submitting the War Department's mobilization plan, described its purposes in the following language:

"As a practical step, then, in the promotion of peace the War Department strives to assist in impressing upon our own people the serious and terrible nature of modern war and the obligation devolving upon every citizen and upon every resource to participate equitably in carrying the burdens it imposes. A widespread knowledge of these fundamental truths, backed by a program to insure a proper distribution of war's burdens, cannot fail to have a sobering influence upon any group tempted from selfish motives to urge the adoption of national policies that might eventually result in international conflict."

#### WHAT CAREFUL STUDY REVEALS

The industrial mobilization plan of 1931 was revised in 1936 and again in 1939. A study of these plans discloses that the different methods of control set up under the various boards, commissions, and bureaus shall be effective at the moment the President shall declare a national emergency due to the imminence of war, and would give us nothing short of a military dictatorship. Under the mobilization plan the instant Congress passes the validating legislation the President of the United States as Commander in Chief of the armed forces, becomes in fact the sole arbiter of our destinies. His orders and proclamations would have the force and effect of law. Under the various controls provided in the mobilization plan the fate of finance, banking, industry, labor, agriculture, commerce, and the disposition of the persons and the activities of the civilian population would rest entirely in the hands of the Chief Executive and such subordinates as he might designate to carry out his will.

The President would be advised, and in most cases represented by, special boards and commissions, the composition of which in every case is set forth in the mobilization plan.

#### FARMER WITHOUT REPRESENTATION

On these boards and commissions, and particularly on the advisory committee set up to assist the boards and commissions, finance and industry would be heavily represented. Organized labor would have some slight representation, but nowhere in these plans does there appear to be any provision for agriculture to have a voice in shaping the policies which will so vitally affect the destiny of our basic industry and the whole agricultural population. Nowhere does there appear any provisions for representation for agriculture in the determination of priority control, price control, commandeering, control of foreign trade, and the various other controls which constitute an absolute and rigid regimentation of finance, industry, commerce, agriculture, labor, and the civilian population as well.

The American Federation of Labor took notice of this state of unbalance in the plan and at its annual convention at Cincinnati last October passed a resolution condemning the mobilization plan because of the controls it would establish over labor without proper representation on boards and commissions of control.

Not only the hosts of labor, but those engaged in agriculture and all the other groups in our national life should seek to familiarize themselves with the details of the industrial mobilization plan and have an opportunity to do so.

Following the fashion that has been in vogue for some years, the plan is designated alphabetically for sake of brevity as the IMP. The letters IMP combine to form the word "imp." If this plan is not drastically modified in conformity with the processes of democracy, there is justification for saying that it is the imp that will destroy our liberties in the event that we should be drawn into another war.

#### CONSTITUTIONAL RIGHTS SUSPENDED

A perusal of the plan makes it clear that virtually all the rights and immunities granted to the citizen under the Constitution and its Bill of Rights would disappear the moment the Chief Executive of the United States should declare that an "emergency due to the imminence of war" existed. All that would be necessary to bring this about would be the validation of the plan by Congress, which, under emergency conditions, might happen almost over night.

Under the mobilization plan, there have been provided a number of ways in which the free and independent status of the American farmer could be very speedily changed. To put it briefly, under the plan, the farmer would no longer be able to plant and reap as he saw fit; he would be compelled to work under the orders, direction, and compulsion of the military authorities, or of the civilian authorities operating under them. Not only would the farmer have to submit to these controls and compulsions, but so would his wife and children. A study of the various measures designed for the control and regulation of our agricultural, industrial, and commercial activities under the plan reveals the powerful and complete way in which these controls can be used to compel acquiescence on the part of the people. There is, for instance, the Bureau of Priority Control. Any farmer who might not like the orders issued or the slim returns granted him for the work of himself and his family could be brought into subjection, because, if the Government so willed, he could get no supplies, fertilizer, machinery, or fuel.

A second instrumentality is price control, while a third is the power of commandeering. In addition, any farmer who did not readily submit to the directions of the different agencies constituting his immediate contact with the Government could be deprived of credit at the banks, if the Government so decreed.

There is a clause in the 1939 revision of the plan that will startle every liberty-loving American citizen. This clause contains the suggestion that it might be found advisable to continue during the reconstruction period the various agencies and controls set up for wartime purposes.

Twenty-one years have elapsed since the close of the World War, but we have not yet succeeded in repairing the damage sustained by our agricultural, industrial, and economic system as a result of that conflict. Who can forecast, even with approximate accuracy, the duration of the reconstruction period following the next war?

Is there not full justification for the fear that during the progress of another war, with the strict controls and the universal regimentation that it would bring in its train, together with the long period of reconstruction, the liberties which the American people have enjoyed for a century and a half might be lost beyond recovery? Under these circumstances, we certainly should not plunge heedlessly and needlessly into another war.

It is both wise and necessary that we should have an industrial mobilization plan; but the people have a right to know what it contains, and it should be in harmony with the genius of our institutions and the fundamental principles of American democracy. When Congress reconvenes in regular session next month, the veil of secrecy which now enshrouds this vital subject should be lifted and the whole matter brought to the full light of day.

### Commission to Survey National-Defense Requirements and Resources of the United States

#### REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. VAN ZANDT. Mr. Speaker, today I offered a resolution providing for the establishment of a commission to survey the national-defense resources and requirements of the United States.

My resolution, I wish to emphasize, is not offered in a spirit of criticism. On the contrary, I am in complete accord with the objective the President desires to reach. However, I cannot agree with the methods by which the President proposes to bring security to the Western Hemisphere. There are a number of matters in connection with our national defense on which I believe the Congress and the people should have more light before we proceed further with the \$2,000,000,000 program to bolster our defenses. That is the sole purpose of the proposed survey.

The proposed commission would be truly representative. It would be composed of Members of the House and Senate, Cabinet officers or their representatives, representatives of agriculture, labor, business, industry, and finance, retired Army and Navy officers, flyers, and women.

I would like to help the President "sell" his program to the country, but I also would like to know whether greater efficiency and economy could be attained by streamlining our national defense. Every other great power has long since unified its defenses, some retaining separate air forces. This matter should be explored.

There also is every reason to believe that a national defense planning board should be set up to formulate a long-range program. The surprising rise in a few short years of dictators whose only god is force behooves us to look ahead.

Hence, my sole object is to lay down an organization that is so sound in principle that political changes will not alter the principle or the policy of our national defense. We all know about the distressing experiences of the past when a change in our national administration has changed our entire national defense policy.

If the United States is prepared to defend the Western Hemisphere, the American people might as well know now just how we propose to go about it. Once they know, they will not begrudge the money spent in defense of their liberties. Since the taxpayers pay the bills, they are entitled to a maximum of security at a minimum cost. Professional jealousy should not stand in the way of progress.

Providing for the establishment of a National Defense Commission for the purpose of surveying the national-defense resources and requirements of the United States, including the advisability of adopting a permanent progressive national-defense policy, the establishment of a Department of National Defense, a National Defense Planning Board, and for other purposes

*Resolved, etc.*, That to provide for "the common defense," to promote the "general welfare," and to insure "domestic tranquillity" in the United States of America, there is hereby established a commission to be known as the National Defense Commission (hereinafter referred to as the "Commission").

The Commission shall be composed of five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and five Members of the Senate, to be appointed by the President of the Senate. The Commission also shall include among its members the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of Commerce, and the Administrator of Veterans' Affairs, any of whom in the event of their inability to serve are hereby authorized and directed to each appoint a representative to serve as members of the Commission.

The Commission is hereby authorized and directed to select and appoint as members of the Commission one member each to represent the interests of agriculture, labor, business, industry, and finance. The Commission is hereby authorized and directed to select and appoint as members two Army officers and two naval officers, not on the active lists of the Regular Military Establishment, two aviators with at least 10 years of experience in aeronautics, and two women recognized for their meritorious service in wartime. The chairman of the Commission established under this resolution shall be chosen by the members thereof.

SEC. 2. That for the purpose of obtaining information necessary for legislation the Commission is hereby authorized and directed to conduct a comprehensive survey and study of the national defense, including the following:

(1) The advisability of completely revising the National Defense Act in the light of events in Europe and Asia and the need for legislation to establish a peacetime defensive system, based upon the national objectives of the United States, which can be rapidly expanded into a wartime defensive system, which will carry out the national objectives of the United States.

(2) The advisability of establishing a Department of National Defense, under which the armed forces of the United States would be combined and coordinated to provide for a more adequate national defense in any emergency.

(3) The practicability under a Department of National Defense of promoting and accomplishing among all branches of the armed forces: (a) Coordination of effort and efficiency; (b) savings in purchases of military and naval matériel; (c) unified responsibility; and (d) elimination of duplication of effort and conflict of authority.

(4) The advisability of establishing a National Defense Planning Board to formulate a long-range national defense policy that has sufficient flexibility to meet any changes required by developments and maintain an orderly, progressive program.

(5) The advisability of expanding and speeding the naval program and to examine the necessity for what is known as a "two-ocean Navy."

(6) The advisability of further expansion of the air forces of the Army and Navy, the number and type of planes required and a coordinated program and policy for training personnel and cooperation between Army and naval air operations.

(7) The advisability of granting Government subsidies to commercial air lines, requiring their transport planes to be convertible bombers and specifying that their pilots be commissioned in the Reserve corps of the Army and Navy.

(8) The advisability of perfecting a comprehensive program for rapidly mobilizing industry and commercial shipping into a defensive force.

(9) The advisability of supplementing "educational orders" by providing an adequate "liquid fund" to be expended under the direction of the Secretary of National Defense for the encouragement of inventions, research, experiment, and development of arms, munitions, and implements of war.

(10) The advisability of determining the interests and responsibilities of the United States under the Monroe Doctrine, the

Declaration of Panama, and the pledges made in the name of the United States by the Chief Executive to defend Canada in the event of an armed attack by any other power.

(11) The advisability of determining the interests and responsibilities of the United States in the Philippines if and when that Commonwealth becomes independent in 1946.

(12) The advisability of formulating a definite military and naval program in keeping with the announced policy of the United States in the Orient and the possessions of the United States from the Aleutian Islands to the Samoan Islands.

(13) The advisability of acquiring territory in the Atlantic Ocean and the Caribbean Sea which might serve as enemy bases.

SEC. 3. That the members of the Commission shall receive no compensation for their services but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties.

SEC. 4. That there is hereby authorized to be appropriated the sum of \$100,000 to defray the necessary expenses of the Commission. The Chairman shall be authorized to appoint, with the approval of the Commission, such assistants and subordinates as he deems necessary to the conduct of the survey.

SEC. 5. That the Commission shall submit preliminary reports to Congress from time to time, if deemed advisable by the Commission, and shall submit a final report and recommendations to the Congress on or before January 3, 1941.

SEC. 6. That the Commission, or any subcommittee thereof, shall be authorized to sit and act during the present Congress at such times and places within the United States, whether or not the Senate and House are sitting, have recessed, or have adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpoenas may be issued under the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by such Chairman or member. The Chairman of the Commission or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said Commission or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the matter herein authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States, as amended (U. S. C., 1934 ed., title 2, sec. 192).

## Exports of Farm Products

### EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. BROWN of Ohio. Mr. Speaker, as a result of New Deal policies the balance of foreign trade of the United States in agricultural products has been steadily going against the interests of the American farmer. Imports of farm products from foreign lands have been increasing. Exports of agricultural products raised on American farms have been decreasing at an alarming rate.

Official figures of the United States Department of Commerce show that our exports of agricultural products for the first 10 months of 1939 are much less than our exports of the same products during the same period of time in 1938. The decline in such exports cannot be attributed to war conditions, as only two months—September and October—of the war period are included in these figures. They are:

*Farm products—United States exports of agricultural products, 10 months, 1938 and 1939*

[U. S. Department of Commerce figures]

Export items	Unit	10 months ending October—		Decrease, 1939 from 1938
		1938	1939	
Grains:				
Barley.....	Bushels.....	14,755,000	5,087,000	9,668,000
Corn.....	Bushels.....	137,709,000	25,634,000	112,075,000
Oats.....	Bushels.....	7,144,000	203,000	6,941,000
Wheat.....	Bushels.....	77,382,000	61,165,000	16,217,000
Total grains.....	Bushels.....	236,990,000	92,089,000	144,901,000
Hay.....	Tons.....	60,629	2,106	58,523



Farm products—United States exports of agricultural products, 10 months, 1938 and 1939—Continued

Export items	Unit	10 months ending October—		Decrease, 1939 from 1933
		1933	1939	
<b>Fruits:</b>				
Pears, fresh	Pounds	130,213,000	76,774,000	53,439,000
Peaches, fresh	Pounds	10,745,000	9,510,000	1,235,000
Prunes and plums, fresh	Pounds	15,964,000	13,724,000	2,240,000
Prunes, dried, or evaporated	Pounds	182,022,000	138,206,000	43,816,000
Total pears, peaches, plums, and prunes	Pounds	338,944,000	238,214,000	100,730,000
Oranges	Boxes	7,141,000	5,543,000	1,598,000
Apples in boxes	Boxes	5,814,000	4,856,000	958,000
Apples in barrels	Barrels	759,000	472,000	287,000
<b>Nuts:</b>				
Pecans	Pounds	3,682,000	2,378,000	1,304,000
Walnuts	Pounds	12,332,000	7,829,000	4,503,000
Cattle hides	Pounds	28,671,000	23,267,000	5,404,000
Fox furs, undressed	Number	141,288	48,403	92,885
Tobacco, unmanufactured	Pounds	379,690,000	297,095,000	82,595,000
Cotton, unmanufactured	Bales	3,665,000	3,387,000	278,000
Cottonseed cake and meal	Tons	42,145	5,421	36,724

There is real food for thought in the above figures.

Our reciprocal trade agreement program is a two-edged sword wreaking havoc with American agriculture. On the one hand, the American market is not being properly protected against agricultural imports from foreign lands. On the other, the sale of our own farm products to other countries has declined greatly. No wonder American agriculture is not prosperous. No wonder our farmers are looking to Congress for understanding and aid. The American farmer is fast awakening to the fact that the present administration has been selling him down the river.

### Forest Purchase Units

#### EXTENSION OF REMARKS

OF

HON. EUGENE B. CROWE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. CROWE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

Members of Congress in whose districts purchase units are located

State	Congressman	Purchase unit
Maine	Ralph O. Brewster	Grand Lake.
Do	James C. Oliver	White Mountain.
New Hampshire	Arthur B. Jenks	Do.
Do	Foster Stearns	Do.
Vermont	Charles A. Plumley	Green Mountain.
Pennsylvania	Robert F. Rich	Allegheny.
Do	Benjamin Jarrett	Do.
West Virginia	Jennings Randolph	Monongahela.
Do	John Kee	Monongahela-George Washington.
Do	Andrew Edmiston	Monongahela.
Virginia	Thomas G. Burch	Jefferson.
Do	Clifton Alexander Woodrum	Jefferson-George Washington.
Do	A. Willis Robertson	Jefferson.
Do	John W. Flannagan, Jr.	Do.
Kentucky	Joe B. Bates	Cumberland.
Do	Andrew Jackson May	Jefferson.
Do	Virgil Chapman	Cumberland.
Do	John Marshall Robison	Do.
Tennessee	B. Carroll Reece	Cherokee.
Do	Estes Kefauver	Do.
North Carolina	Zabulon Weaver	Nantahala-Pisgah.
Do	A. L. Bulwinkle	Pisgah.
Do	Robert L. Doughton	Do.
Do	William O. Burren	Ucharie-Yadkin.
Do	Harold Dunbar Cooley	Ucharie.
Do	Graham Arthur Barden	Croatan.
South Carolina	Butler B. Hare	Sumter.
Do	Joseph R. Bryson	Do.
Do	Clara G. McMillan	Francis Marion.
Do	James P. Richards	Sumter.
Georgia	Malcolm C. Tarver	Chattahoochee.
Do	B. Frank Whelchel	Do.

Members of Congress in whose districts purchase units are located—Continued

State	Congressman	Purchase unit
Florida	Robert Alexis Green	Osceola.
Do	Millard F. Caldwell	Choctawhatchee.
Do	Joe Hendricks	Ocala.
Alabama	Frank William Boykin	Tombigbee.
Do	George M. Grant	Conecuh.
Do	Sam Hobbs	Talladega.
Do	Joe Starnes	Talladega-Chattahoochee.
Do	Pete Jarman	Talladega.
Do	William B. Bankhead	Black Warrior.
Do	John J. Sparkman	Do.
Mississippi	Wall Doxey	Holly Springs.
Do	William Madison Whittington	Delta.
Do	Ross A. Collins	Bienville.
Do	William Meyers Colmer	De Soto.
Do	Dan R. McGehee	Homochitto-Delta.
Louisiana	A. Leonard Allen	Kisatchie.
Texas	Martin Dies	Sabine-Angelina.
Do	Nat Patton	San Jacinto - Davy Crockett.
Oklahoma	Wilburn Cartwright	Ouachita.
Arkansas	Wilbur D. Mills	Ozark.
Do	Clyde T. Ellis	Do.
Do	Fadjo Cravens	Ouachita.
Do	David D. Terry	Ozark, Ouachita.
Do	William F. Norrell	Ouachita.
Missouri	Dewey Short	Table Rock, Pond Fork, Gardner.
Do	Clyde Williams	Wappapello, Fristoe, Gardner, Gasconade, Clark, St. Francis.
Do	Orville Zimmerman	St. Francis, Wappapello, Fristoe.
Illinois	Claude V. Parsons	Shawnee.
Do	Kent Ellsworth Keller	Illini, Shawnee.
Indiana	Gerald W. Landis	Pleasant Run, Lost River.
Do	John William Boehne, Jr.	Patoka, Lafayette.
Do	Eugene B. Crowe	Pleasant Run, Lost River, Patoka.
Ohio	James G. Polk	McArthur, Little Scioto.
Do	Thomas A. Jenkins	McArthur, Symmes Creek, Hocking Valley, Little Scioto.
Do	Harold K. Claypool	McArthur, Hocking Valley.
Do	Robert Thompson Secrest	Muskingum, Hocking Valley.
Iowa	Thomas E. Martin	Koosauqua.
Do	Karl M. LeCompte	Chequest, Chariton, Grand River.
Do	Cassius C. Dowell	Chariton.
Michigan	Albert J. Engel	Manistee.
Do	Roy O. Woodruff	Manistee, Huron.
Do	Fred Bradley	Marquette, Hiawatha.
Do	Frank E. Hook	Ottawa.
Do	Fred L. Crawford	Manistee.
Wisconsin	Reid F. Murray	Nicolet.
Do	Joshua L. Johns	Do.
Do	B. J. Gehrmann	Nicolet, Chequamegon.
Minnesota	Harold Knutson	Chippewa.
Do	William A. Pittenger	Superior, Chippewa.
Do	Richard T. Buckler	Chippewa.
North Dakota	Usher L. Burdick	Souris-Cheyenne.
Do	William Lemke	Souris-Shetonne.
Utah	Abe Murdock	Davis, Provo.
Do	J. W. Robinson	Provo.
Idaho	Compton I. White	Arrowrock.
Do	Henry C. Dworshak	Do.
Oregon	James W. Mott, W. M. Pierce	Marys Peak.
California	Clarence Frederick Lea	Northern Redwood, Southern Redwood.
Do	Harry L. Englebright	Eldorado, Tahoe.
Do	Bertrand W. Gearhart	Sequoia.
Do	Alfred J. Elliott	Do.

### The Antilynching Bill

#### EXTENSION OF REMARKS

OF

HON. W. F. NORRELL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. NORRELL. Mr. Speaker, there has never been a time since our Government was created when it was important that we move as a unit more so than it is today. With wars and rumors of wars all about, with trouble and dissension prevailing in most all parts of the world, except probably our own Nation, and when we in this Nation are faced with an

unbalanced Budget, faced with unemployment by millions, unsolved problems relative to industry, labor, and none of the economic problems of agriculture and other domestic subjects having been solved, we find a majority of the membership of the House of Representatives casting aside these questions and calling the antilynching bill up for consideration and final passage.

This bill has made its appearance in the Congress just before election day since 1922. It does appear, however, that above all times in the history of this Nation that, in place of trying to "play politics," the membership of this House should be concerned in devoting their time toward trying to solve our own economic problems and toward endeavoring to move as a unit in world affairs so far as our Nation is concerned, it should be at this time.

I am opposed to the antilynching bill for several reasons:

First. Because the problem of lynching has already been solved by the people of the United States. There was a time when lynchings occurred at the rate of more than 100 per year, but last year there were but 3 incidents in the entire United States—1 of a white man and 2 of Negroes. It is possible, and highly probable, that there will be no lynchings in 1940 if our ratio of past improvement continues.

Second. Because the antilynching bill is unconstitutional. It places Federal supervision over the States and their subdivisions as well as their officials and thereby takes from the States powers not delegated to the Federal Government. Under the provisions of the bill it is possible that the officers of the States and counties and municipalities, and even private citizens, might face felony charges in the Federal courts for failing to do something that they had no knowledge of or opportunity to prevent. The bill provides that the county where the crime of lynching is committed shall be liable to pay liquidated damages to the relatives of the victim in sums varying from \$2,000 to \$10,000, and the county would be called upon, of course, to pay such sum as fixed by the Federal court. How would the Federal court collect this money? The county treasurer might take the position that, under the laws of his State, he has no authority to pay the judgment. There might not be any State law providing a method of payment of such judgments. In all of these events the officers could be held for contempt of Federal court, under the provisions of this bill. You would have the county officials obeying the laws of their States and, at the same time, held in contempt of Federal court.

Third. I am opposed to this bill because it is an attempt to destroy our democratic form of government. Under the American system the States are the only agencies through which a democracy may function. A democracy is not controlled from the top but from the bottom. In place of having a central form of government, democracy recognizes the rights of the people to govern themselves. Back in the early days when the original States recognized their need for some central form of government to do certain things which the States separately could not do, the representatives of the Thirteen Original States met in Philadelphia and proceeded to delegate limited functions to a central agency of government then established. If the Federal Government can take over the enforcement of penalty for murder, through lynching, by that same authority it can take over the enforcement of all other criminal laws, and by the same act it can take over the enforcement of all civil laws, and all local self-government would thereby be destroyed. With the destruction of self-government goes the destruction of democracy and the administrators of the Federal Government must of necessity become the dictators.

My fourth reason for opposing this bill is that if the Federal Government supervises the enforcement of the law against murder by lynching it should at the same time include murder by the machine-gun gangsters of New York, Chicago, and other cities of the country where murder has increased rather than decreased during recent years. The sponsors of this bill do not exhibit much interest in punishing the racketeers and gangsters, kidnapers, and others who are committing heinous crimes in their own sections; but in order to fool the Negro just before each general election they shed crocodile

tears over the horrors of lynching when, as a matter of fact, there are now no such crimes being committed.

My fifth reason for opposing the bill is because it is evident that if the antilynching bill is to become the law of the land it should not further penalize and punish the victim of the criminal who has been lynched, as the present bill would do; but it appears that the woman who has been outraged by the Negro beast should be placed upon an equal basis with the Negro criminal at least and be given the same financial consideration. If the Federal Government is to protect the rapist, it certainly should also protect the one outraged. It may be said that rape has not caused all of the lynchings, but it is a fact that out of the total of 1,055 lynchings in the United States from 1882 to and including 1936, 908 were of Negroes who had committed the heinous crime of rape upon some white woman. Yet there is no relief given to the victims, and under this bill they are punished by having to assist in the payment of judgment to be rendered in favor of the family of the one who committed the crime and was lynched, and also the relatives of the victim who was raped face prison sentences.

Sixth. The last reason I shall give for opposing the bill is because it is unfair to the South, which is more interested than any other section in preventing lynching. It is calculated to injure rather than help the Negro, who must of necessity depend upon his neighbors for protection rather than some Federal official of remote distance. I hope that it is not an exhibition of the feeling which may have at one time divided this great Nation into sections, because, although I am the grandson of a Confederate veteran, and others of us from the South are descendants of Confederate veterans, we are anxious now that this Nation be not composed of North, South, East, or West, but that it be composed of one people united for the common good of all. In conclusion may I repeat, Mr. Speaker, that the American people are expecting this Congress to devote its time toward making an honest effort to balance the Budget and toward solving the problems of agriculture, labor, the unemployed, and aged, and the many other problems which must be met and dealt with by the present Congress?

H. R. 7693

## EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. ALEXANDER. Mr. Speaker, on January 4 I introduced H. R. 7693, a bill entitled "Granting pensions and increase of pensions to certain soldiers, sailors, and marines who served in the Philippine uprisings and campaigns from July 5, 1902, to December 31, 1913, and for other purposes."

This bill, as the title indicates, provides a modicum of justice for those men who gave the best years of their lives in the service of our country in the wilds and jungles of the Philippine Archipelago during those tough years of reconstruction and rebuilding immediately following the Spanish-American War.

I have just received a letter from one of these men which states that when I introduced the bill I executed a humanitarian act for the veterans of the Pulajane and Moro campaigns.

Other veterans of the Insurrection of the Philippines have been granted pensions and have justly enjoyed such benefits for these many years, while these veterans of the Pulajane and Moro campaigns carried on during the years immediately following the official closing of the Philippine Insurrection are classed as peacetime-service men.

Those veterans who are qualified by the provisions of H. R. 6827, now H. R. 7693, to receive benefits are past middle age, many permanently disabled, and all are generally suffering ill



health, largely as a result of service in the jungles of the Philippines at a time when sanitary conditions were practically unknown in the islands. It can readily be seen that those veterans are greatly handicapped in the struggle to provide for themselves and dependents.

In view of the above statements, and in justice to those men who gave honorable and hazardous service to the Nation by putting down the uprisings against the authority of the United States of America in the Philippines between the dates of July 5, 1902, and December 31, 1913, I ask you, in the name of justice and equality, to do your utmost to bring this belated recognition to those veterans by giving all possible assistance to enact H. R. 7693 to law at this session of the Congress.

I have received many other letters regarding this same matter, indicating a widespread interest in the question. The following from a comrade in Tennessee is representative of the others:

JOHNSON CITY, TENN., January 8, 1940.

HON. JOHN G. ALEXANDER, M. C.,  
House Office Building, Washington, D. C.

DEAR CONGRESSMAN ALEXANDER: I have noticed in the CONGRESSIONAL RECORD of January 4 that you had introduced a bill, H. R. 7693, providing pensions and increases of pensions to certain soldiers, sailors, and marines who served in the Philippine uprisings and campaigns, from July 5, 1902, to December 31, 1913. Inasmuch as this bill, if enacted into law, may materially help me, I am deeply interested in same, and would appreciate very much you sending me a copy of this bill if and when same is printed.

I would like to give you a very brief description of my personal case, that you might know just how much your bill will mean to me. I enlisted on January 22, 1904, served until January 21, 1907. During this time I served practically all of my enlistment in the Philippines and was engaged in numerous battles, engagements, expeditions, and skirmishes, which are a matter of record in the War Department. Then, after being discharged from the service, I applied for a pension under the general pension laws, and was given a small rating, which was increased in the years following until I was at last rated as total permanently disabled, and was receiving pension for such degree when the Economy Act was passed; then I was reduced to a small amount, which was eventually discontinued.

You may be assured that my sympathy is with your bill and that I will communicate with my Congressman and two Senators urging them to support your bill.

Yours very truly,

SAMUEL M. BOOTH.

## Wildlife in New York State—The Great State of New York Has Its Own Open Spaces

### EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

ARTICLE FROM THE SYRACUSE (N. Y.) POST STANDARD

Mr. CULKIN. Mr. Speaker, pursuant to the permission of the House, I append hereto an article taken from the Post Standard, Syracuse, N. Y., telling of the take of deer in New York State during the 1939 fall hunting season. I invite the attention of the Members to the fact that the kill amounted to 14,511 deer. They were all bucks, as the legislature is chivalrous, and there is no open season on does. The average Member of the House visualizes New York as the home of the predatory interests, with Wall Street in the saddle. This article will convince the House that New York has a mixed terrain. Besides the "sidewalks of New York," we have vast stretches of woodland and bosky dells where the deer are permitted to live out their lives naturally and are free from interference except during the 30-day hunting season. The Members from the Western States take great pride in that they are the possessors of the great open spaces where nature's processes are unhampered except where a seagoing Member at the behest of an ambitious chamber of commerce procures the spending of a couple of hundred million dollars on some reclamation project.

It should be remembered that this is a scientific killing and in no way depletes the herd. However, it does not include the deer killed with fish poles in summer. Dame Rumor, who is, of course, a "lying jade," says there are many such. I am wondering if any Western State can match this kill. If not, they must yield the palm to my State and cease their prating about the inherent and natural wildness of their localities. The appended article is proof of the foregoing:

[From the Syracuse (N. Y.) Post Standard]

STATE HUNTERS KILL 14,511 DEER DURING SEASON

ALBANY, January 1.—The largest number of deer ever reported to the conservation department was taken in New York State during the 1939 fall hunting season. Figures compiled by the bureau of game and released today by the conservation department show that a total of 14,511 elusive whitetail deer were killed during November. This figure, representing an increase of slightly more than 20 percent over the previous year, was largely attributed to the opening of six new counties in the southern tier.

Deer hunting was permitted in 33 counties of the State during the 1939 season, 5 more than in the previous year. Open seasons in the Adirondacks, the Catskills, the southern tier, and what are termed as outside counties were also substantially changed last fall. In the Adirondacks the season opened 15 days later than usual, and the department officials said that despite the fact that hunting conditions were far from favorable the later season was a contributing factor to the increased kill of deer. Likewise, the counties in the Catskill region showed a slight increase. Here, too, the increase was attributed to the change in the open season.

In the 9 southern-tier counties, 6 of which were open to deer hunting for the first time this fall, a total of 3,968 deer were reported. A decrease was noted in the take in Broome, Cortland, and Steuben Counties, where an open season prevailed for the first time a year ago. Gardiner Pump, superintendent of the bureau of game, said the slight decrease in these 3 counties indicated that open deer seasons are an effective means in harvesting the surplus of the game crop and in reducing the size of the herd, thereby minimizing damage to farmers' crops.

Five counties throughout the State, namely, Hamilton, Allegany, St. Lawrence, Franklin, and Essex, each reported more than 1,000 deer taken during the open season. Cattaraugus County in the southern part of the State fell just outside of this classification with a total of 933. The largest number of deer taken in any county of the State was reported by Hamilton. A total of 1,571 deer was reported from this county, an increase of 75 over the previous year. In the Catskill region, Sullivan County was again the most productive, with a total of 796 this fall.

In the counties listed as outside counties there was a decrease of 219 deer killed this fall. However, this was due almost entirely to the fact that no hunting was permitted in Putnam County this year. Last year 208 deer were taken in that county.

Conservation Commissioner Lithgow Osborne, in releasing the deer-take figures, declared that the exceptionally large number of deer reported killed in the southern-tier counties substantiated the department's contention that an open season in this part of the State was necessary to reduce the size of the deer herd. The commissioner also pointed to the fact that two of these counties—Allegany and Cattaraugus—were included in the first six counties reporting the largest total. Both of these, the commissioner said, are classed as semiagricultural counties and provide ideal food and cover, a factor largely responsible for the enormous increase in the number of deer in this part of the State.

## The Antilynching Bill

### EXTENSION OF REMARKS

OF

HON. JOHN L. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. JOHN L. McMILLAN. Mr. Speaker, I would like to take this opportunity to say a few words regarding the so-called antilynching bill which is before the House for consideration at the present time. I cannot understand why my fellow Democratic Members of the House from New York and the other Northern States should insist on bringing a measure of this nature before the House of Representatives at this time. We all know that we have hundreds of problems to be considered this session of Congress, both of national and world-wide importance.

First, I want it distinctly understood that I do not advocate lynching and do not believe that there is a single Member of this House who would not prefer giving every prisoner

the full advantage of the law. I am just as certain as I am standing here today that should this bill become a law there would not be a single court in the United States that would hold this legislation to be constitutional.

We all know that if we place a law on the statute books giving the Department of Justice or some other Federal bureau authority to walk up to a county treasurer and ask him to pay the Federal Government \$5,000 of the county tax fund because a mob had committed an act of lynching the result would be that the county treasurer would refuse to pay same, as he would have no authority to pay funds of this nature to the Federal Government under the Constitution.

Furthermore, I know that all the Members of Congress are well aware of the fact that all trials of this nature in the South would be handled by a southern Federal judge, southern jury, and southern United States district attorney, which would make it impossible to secure a verdict against any sheriff when he had been overpowered by a mob. I believe every sheriff and peace officer of the United States would be justified in tendering his resignation if Congress should place a law of this nature on the statute books.

I cannot understand why this bill was not presented to the Judiciary Committee of the House, which membership is composed of some of the best lawyers in the United States. We all know that, if this bill had been presented to the committee as other bills are presented for legislation, it would never have reached the floor of the House.

I am a new Member of the House and do not have very much authority; however, I find that there is a way to let my views be known to the other Members on legislation of this nature. We all remember that it has been only a short time since South Carolina and Mississippi held the Democratic Party together and nursed it in its infancy until it grew into the party we have today. Our northern democratic friends would certainly not be here on the floor of the House today as Democratic Members of Congress had it not been for the South holding the party together after the Republican landslide in 1928.

We people of the United States have practically solved the lynching problem and I am glad to say that lynching is practically a thing of the past. I believe that there are more murders committed by gangsters of New York in 1 hour than we had lynchings throughout the United States during the entire year of 1939. Therefore, you can see that there is only one reason why this bill is being forced down the throats of the southern Members of Congress here today—to get votes for the northern white Members of Congress and to enrich the pockets of the highly educated, colored northern bosses and different officials of the colored societies. I am glad to say that I do not have to depend on getting votes in that manner and, when the time comes that I find it necessary to secure votes by antagonizing my fellow Members of Congress and the less fortunate people of my district by making them think they are getting beneficial legislation when they are actually getting legislation calculated to cause serious racial trouble in sections of the United States where everyone is peaceful at the present time, I will go back to the farm. I certainly have nothing against the colored race as I was born and reared on a farm where my father worked and housed approximately 100 Negroes at all times. I know that they are as happy to see me when I return home as any of my constituents and they are well aware of the fact that they will be prosecuted if they commit a crime, the same as any of the white citizens living in my district.

I am proud that I am a southerner, having lost both my grandfathers in the Confederate Army during the War between the States; and, in my opinion, I think it is high time that the sections of the country which became rich on account of the Civil War should stop crucifying us and permit us to continue to solve our own problems in the most efficient manner which we have been following during the past 60 years. I do not believe that any other country could have made the progress the South has made during the past 60 years with the racial problem and hundreds of other similar problems facing them after the Civil War.

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As I stated before, this Government is composed of two systems of government—Federal and State. I am a strong advocate of States' rights and believe that every State should be allowed to solve its own problems; and, in my opinion, we people in South Carolina have done a good job of this, and will continue to do so, without any meddling from far distant outside sources.

We may pass a law which will control and direct the sheriff, judges, and peace officers and lay a tax of \$5,000 upon the taxpayers of the county, but again I would like to state that I believe every thinking man in this House will agree with me that a law of this nature would not be held constitutional. I certainly hope the time will soon come when members of our own Democratic Party of the North will not try to get votes by making the Negro race think they are getting something when their real friends are among the southern Members of Congress. I believe that education and religion will completely do away with all lynching within the next few years, as justice has been expedited so that it is possible for a prisoner to receive due process of the law without delay.

I can assure you that the so-called reformers are not assisting our colored race by irritating the white people of the South, who are actually the best friends the Negro race has at this time. We have just about solved the lynching problem in my State and I believe that, if outsiders would stop meddling in our business, lynching would soon be a thing of the past.

As stated before, I do not advocate lynching and do not know of anyone in my State who does not believe in giving a prisoner the full advantage of the law. I do hope every Member of the House will study this legislation very thoroughly before they cast their votes and try to consider the possible effect legislation of this nature will have on our future generations.

### A United America

#### EXTENSION OF REMARKS

OF

#### HON. J. THORKELSON

OF MONTANA

#### IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. THORKELSON. Mr. Speaker, previously I have discussed the Senate and shall now discuss this subject further. Looking back, I can only reach the conclusion that the founders of our Republic were fearful of imperialistic domination similar to that which they had experienced in the various countries wherefrom they had emigrated or from which they had been expelled for political or other causes. It was for their own protection that State and State governments were designated to represent the aristocratic element in our Government and given power by the people to select two Senators to the Senate of the United States. With the same foresight, they provided article I, section 2:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States.

The wisdom of the rule for electing Members to Congress was apparent, in that the people themselves controlled the election of all public officials, the United States Senators indirectly through their own State governments, and Members of the House of Representatives by direct election. In this manner, the two Houses became a check upon each other establishing a finer balance in the government, one for the interest of the State, and the other for the interest of the people. To provide a still better balance, two special powers were granted to the Senate and two to the House of Representatives. The Constitution provides that the Senate shall approve treaties and Presidential appointments, and shall conduct hearings on impeachment of public officials. The House of Representatives shall appropriate all moneys, and shall prefer charges of impeachment.



The wisdom of this arrangement is apparent, for the powers of controlling the purse strings and removal of public officials by impeachment were left to the House of Representatives. In this manner, the people again protected themselves, for excessive expenditures and corruption of public officials can be controlled by instructing newly elected representatives to proceed as directed by their constituents.

The adoption of the seventeenth amendment did not affect the House of Representatives, but did affect the upper House, for the Senators are now elected by direct vote, in exactly the same manner as the Representatives. At first glance this may appear better, but on further study, it will be found to penalize the people. The Senators, like the Representatives, now depend for election entirely upon the majority vote, and will like others no doubt sacrifice soundness to be elected to office.

The evil of this is well exemplified in this administration. In many instances the only ability required to be elected to Congress since 1930 is simply faith in Roosevelt and the New Deal, which, of course, received public acclaim. It was for that reason that many Members in both Houses were elected to office on promises to blindly follow the leader. Many people who voted for the followers of the New Deal are now opposed to it, yet nothing can be done about it, because the followers were elected for 6 years, and will go on under the next administration until they run their course.

All of this could not have happened before the seventeenth amendment was adopted and is, in my opinion, a most convincing reason why we should not tamper with the Constitution of the United States.

In discussing this subject, I find that many people have forgotten that the States at one time were represented in the Senate of the United States, and that States' rights and representation in the Senate were abolished when the seventeenth amendment was adopted. This lack of interest may be forgiven in the younger generation, but it is certainly inexcusable in older, matured business people. It is difficult to account for this indifference toward the Government, for surely no one can be blind to the eventual outcome. Let us not forget the words of Washington, "Despots arise on the ruins of public liberties."

While discussing the loss of State representation and State control of the Senate, I often encounter this observation: "Do you recall the corruption in the United States Senate before the adoption of the seventeenth amendment? Do you remember how many Senators were bribed by the vested interests, and that frequent Senate scandals were largely responsible for this change in the Government?"

My answer, of course, is yes. I do remember and I admit that conditions were, to say the least, disgraceful. But would you, if one or two houses in your town were burning, set fire to the whole town to prevent future conflagrations? Or would you extinguish the fire and remove fire hazards.

Do you believe we were justified in destroying States' rights and State representation in the Senate of the United States in order to eliminate a few corrupt Senators? Do you not believe that it would have been a wiser plan for the State legislatures to recall these traitors and treat them as common criminals?

I am firmly convinced that our present chaotic State follows a well-laid plan directed by pseudo nobles in a decaying empire the purpose of which is to secure their position by weakening our Government, the empire's most threatening competitor. To bring this about, our Republic had to be destroyed, and it is my conviction that the interest which is now engaged in sabotage of the Government and private industries is the same anti-American interest that engaged in bribery and corruption of public officials in order to mold public sentiment favorable to the adoption of the seventeenth amendment. The full effect and danger of this is far-reaching and will become more acute as the older statesmen cease to guide the Government.

Before adoption of the seventeenth amendment, each State through its representatives in the Senate directed the Federal Government in the interest and for the general welfare of the United States. Today the reverse is true. Each State

is now seeking aid from the Federal Government in its own interest, with little consideration for the United States.

Our ancestors moved forward and carved the Nation you see. We are sitting and whittling the structure away.

The States, however, cannot escape responsibility, for money borrowed by the Federal Government must be repaid by industries, business, and people within each State. When the Federal debt and our currency are repudiated, the people again pay, through the losses they will sustain in investments and savings. The point to bear in mind, however, and one that should be of interest to everyone, is that the international bankers, designated on the Treasury Balance Sheet as "Interests Outside of the Treasury and the Governors of the Federal Reserve Banks," will not sustain any loss, for they own and control over \$15,000,000,000 in gold, now stored in the Treasury of the United States, and in addition, many of the Nation's larger industries. So it is, for us, "Heads they win, tails we lose."

This should be of interest to every State in the Union, as their own representatives in Congress propose larger appropriations for Federal spending. Agriculture and industry should also bear in mind that money borrowed by the Federal Government on States' credits when loaned to foreign governments becomes a weapon of destruction to agriculture and industries in the United States. The truth of this may be found in restricted and regulated crop production, and in the steadily increasing surplus of farm produce.

Unemployment springs from closed food processing plants, stagnant business, and idle factories, all of which can be charged to unsound administration trade policies. It is this planned destruction of farming and manufacturing that Congress should stop, before it destroys our Nation's industries.

Expression on this subject must come from the electors of the Congressmen who voted for this legislation, and in the future it is imperative that each State give the most serious consideration to the ability and patriotism of those chosen to serve in the Nation's Congress. It is only by the most careful public selection of candidates in primary elections and the same support in the general elections that the evil of anti-American influence can be overcome in both major parties. For the benefit of those who blindly follow the dictates of political parties, I quote the first President:

I have already intimated to you the danger of parties in the State, with particular reference to the founding of them on geographical discriminations. Let me now take a more comprehensive view and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness and is truly their worst enemy.

The common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms; kindles the animosity of one part against another; fomented occasionally riot and insurrection. It opens the door to foreign influence and corruption, which find a facilitated access to the Government itself through the channels of party passion. Thus the policy and the will of one country are subjected to the policy and will of another.

These are cold facts, spoken by President George Washington in his farewell message, when, after two terms in office, he voluntarily retired as President of the United States.

His words are as true today as they were then, and the wisdom of his advice is evident as we observe the evils rampant in both major political parties.

Nothing can be expected from either political party, for the national organizations of both are subservient to those who pay the expenses. This is also true of the Presidential candidates, for they, too, are dominated and led by the same financial interest. On the election day it makes little difference to these invisible rulers which candidate is elected to office of President, but if there is a preference, the weight of the rulers in the invisible government will favor the candidate most suitable to them. This statement proves itself as we identify past and present administration advisers.

I realize this is not the language of a politician and while I have been frank in my statements, I do not want them to appear antagonistic but rather as a friendly criticism of an outworn political system. On this point, however, I wish to be clear: I want those who read this to understand that I have no greater respect for political parties than the esteem in which they were held by the first President of the United States when he said:

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result gradually incline the minds of men to seek security and repose in the absolute power of an individual, and sooner or later the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purposes of his own elevation on the ruins of public liberty.

Let none of us forget that the Senators, the Presidential electors, and the Members of the House of Representatives are now elected by direct vote, so it does not matter about political parties, creed, or color; majorities put them in office. Should anyone object to the candidate elected, it will be of little avail, for such objection will be overruled by the majority that elected him to office. The majority can now elect its candidate, no matter whether he be anti, pro, or just a plain American. The majority rules. In other words, we are now a democracy instead of a republic with State representation and control of the Senate. It is this destruction of constitutional government which is responsible for the many differences of opinion, not only among the three branches of the Government, but also among public officials and the people themselves. It is a deliberate and planned confusion created by anti-Americans, so that they may step into power on the failure of the American people to grasp the true situation.

In conclusion, it is well to keep before us the fact that we are in the midst of a plan to confuse the people as to the actual situation, not only in the United States but throughout the world. The daily press has been of no aid in revealing the true situation and should, for that reason, receive scant attention from its readers, in this respect. This is clearly evident as we read editorials and other remarks published by the various columnists in which they use the words "Nazi," "Fascist," "antiracial," "anti-Semitic" as stock names for those with whom they disagree, for those names were created by the anti-Americans as a cloak to shield their own subversive activities. We should instead demand that everyone adhere to and be guided by those fundamental principles, so clearly set forth in the Constitution of the United States, for it is only upon that ground we can again become a united America. The people should demand that each Member in Congress, in the executive and judiciary branches of the Government, honor his oath of obligation, for in so doing they will preserve and protect the people's rights by defending the Constitution of the United States.

### An Address of Welcome to the Newly Admitted Citizens Before the United States District Court at Chattanooga, on November 22, 1939

#### EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

ADDRESS BY HON. GUS A. WOOD, OF CHATTANOOGA, TENN.

Mr. KEFAUVER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following welcoming address by Hon. Gus A. Wood, of Chattanooga,

Tenn., to the newly admitted citizens before the United States district court at Chattanooga on November 22, 1939:

May it please the Honorable Court, Mr. Chairman, newly admitted citizens, and ladies and gentlemen, I consider it a distinct privilege and a high honor to greet you here on this occasion and as a representative of the American Legion to address you for the first time as fellow citizens of our great country. We of the American Legion would have you regard us as an organization dedicated to the great task of fostering and perpetuating a true spirit of Americanism, earnestly striving to inculcate not only in you but in every citizen of our common country a spirit of individual responsibility to the community, State, and Nation. Now, for the first time, we can regard you newly admitted citizens as our fellow workers—joint laborers in a common endeavor to impress upon our own generation and to transmit to posterity those eternal principles of justice, freedom, and democracy which have in the past and will continue to make these United States of America a beacon light of hope for the oppressed peoples of every generation.

We are proud of you newly admitted citizens; proud of the fact that you have seen fit to voluntarily lay aside old loyalties and old allegiances and to assume new ones; proud of the fact that of your own free will and accord you have foresworn each and every obligation which you previously owed to any foreign prince or potentate and have in turn assumed, upon your solemn oaths, the duty to support and defend the Constitution of your newly adopted land. It is our sincere wish for each of you that your future here among us will be fraught with the greatest possible measure of happiness, and that none of you will ever have the slightest cause to regret the solemn step that you have taken here today.

Citizenship in our great country is no insignificant thing and should not be taken lightly by any of us. Our form of government, of which you have now become an integral part, offers to its citizens many advantages that cannot be fully enjoyed at this time by any other people on the face of the earth. Your studies preparatory to your examination here today have doubtlessly outlined those advantages to you, and time does not permit me to mention all of them here. But I cannot but remind you that from the moment that this distinguished court pronounces the order of your admission to citizenship, from that moment and for as long as you may live the protecting arm of the mightiest of world powers is thrown around you, jealous of every personal and property right which our Constitution and laws insure to you.

Whatever may have been your status in the past; whether you come to us from one of the enlightened democracies of the old or new world, or from one of those totalitarian states where every right of the individual is subservient to the will of the state, you may now confidently assume this new citizenship, boid in your right to expect and enjoy the fullest measure of life, liberty, and the pursuit of happiness. No more will you be deprived of your right to worship God according to the dictates of your individual consciences; no more will you be tried for any real or pretended offense, but by a jury of your fellows; no more can your property be confiscated; your homes and your possessions will forever remain inviolate from the sneaking eyes and thieving fingers of a secret police. You may have your opinions and you may voice them, free from the threats of a magistrate or a mob. All of these and more are guaranteed to you under our democratic form of government, of which you are now a part.

Let me remind you, however, that these rights and liberties which we here freely enjoy are not the result of any mere fortuitous circumstance. These rights were won upon a thousand battlefields, millions of lives were freely offered that you might enjoy them. They are the result of the struggles and sacrifices of our liberty-loving ancestry for many generations, and from the dim and distant past there comes down to us through the ages the warning cry of the fathers, "eternal vigilance is the price of liberty." If we would keep them, we must be zealous in our enjoyment of them, lest in perilous times we voluntarily surrender this, our sacred birthright, for a mess of pottage in the form of some fleeting cure-all.

Therefore, I say to you in all earnestness, that from these great advantages so freely bestowed upon you, there devolves upon your shoulders the grave responsibility of doing your part to see that this Government of ours shall continue to exist, and in the words of the immortal Lincoln, "that government of the people, for the people, and by the people, shall not perish from the earth."

What are the duties and responsibilities that you here assume? In these perilous times, when the nations of the Old World are locked in deadly combat, we naturally think of the possible destruction of our country and its free institutions by a foreign enemy. I maintain that there is no real danger here. With a Navy second to none, a well-equipped army and air force, together with vast resources of men and material, should the time ever come when our liberties are threatened by a foreign invader, we can rest assured that the valiant sons of America, both native-born and naturalized, will rise to a man and sweep the invader from off our shores. Woe be unto that nation who mistakes our sincere love of peace and hatred of war for a philosophy of "peace at any price." Some 22 years ago it was said of us that we had become a nation of money lovers—had grown soft and flabby by luxurious living and would never be able to wage a successful war. The pages of world history have recorded in no uncertain way the utter falsity of that idea.

But there are other duties of citizenship which, though not so glorious and spectacular, are equally as important, and in the zealous performance of these commonplace duties lies the real destiny



of America, and in our failure to realize their importance and to be responsive to them lies the only danger that can ever confront our institutions. It is through our failure to appreciate the advantages of our democratic form of government and to safeguard it by every thought and act that our real danger lies. Just as our arm, bound to our body in inactivity, will soon wither and become useless, so these duties of citizenship, which are both a privilege and an obligation, will be forever lost to us if we underestimate their importance and neglect to perform them. The duty to vote in every election—not blindly with only a party label in view but intelligently—after a thorough investigation of both the men and the measures proposed; the duty to support your elected officials, both high and low, as long as they continue to make an honest effort to serve you and are free from the carping criticisms of petty politics; the duty to observe the laws of your State and Nation, regardless of whether you personally approve them or not, remembering always that the method of changing these laws has been secured to you in the ballot; the duty to contribute honestly and gladly your fair share of governmental expense in the form of taxes; your duty to serve as jurors whenever called upon to do so, and to support with your voice and influence the administration of the law by your courts; the duty to rear children and to equip them with a thorough education to the best of your ability. These are some of the duties of citizenship which you here have assumed, and having performed these duties to the best of your ability, you, as humble citizens, are fully entitled to all of the honor and glory which illuminate the pages of our sacred history.

And having done your part to preserve the dignity of this great Nation, when you come to the end of life's brief journey and to lie down to quiet rest, the place of your final earthly abode may well be known as hallowed ground, and upon the hearts and minds of your fellow citizens there may well be carved in loving memory their greatest tribute:

"There lies an American."

### Purchase of Radio Time for Discussion of Controversial Questions

#### EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

#### RESOLUTION OF THE BILLINGS TOWNSEND CLUB NO. 1 OF BILLINGS, MONT.

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by Billings Townsend Club No. 1, of Billings, Mont.:

Whereas the National Association of Broadcasters, representing about 90 percent of the American broadcasting stations, has issued an edict barring the purchase of radio time for discussion of controversial questions on the air; and

Whereas said association still allows the discussion of political questions, discussions of the Federal Social Security Law, discussions of religious matters by persons not objectionable to the association, and also the discussion of the advantages of the use of cigarettes, all of which questions are highly controversial, and yet have refused to allow Dr. Townsend to discuss the Townsend plan, one of the most important economic issues before the American people today; and

Whereas advertisers on radio programs, by their patronage, are, in effect, supporters of the unjust and tyrannical action of the broadcasters; and

Whereas the legitimate radio field has been circumscribed by said rule to the detriment of radio users all over the United States: Now, therefore, be it

*Resolved by Billings Townsend Club No. 1, That our Senators and Representatives in Congress be urged to immediately demand that the Federal Communications Commission cancel the radio licenses of all stations adhering to the above-mentioned rule and denying the right of persons to discuss controversial questions on paid time. If such licenses are not canceled by the Federal Communications Commission, we urge our representatives in Congress to pass a bill requiring such action by said Commission, when the constitutional right of free speech is infringed or denied by any broadcasting station or chain of stations: Be it further*

*Resolved, That we urge all persons believing in the right of free speech on the air to refrain from buying or using any products now advertised by any manufacturers over stations affiliated with the National Association of Broadcasters until the aforementioned rule be abrogated: Be it further*

*Resolved, That we urge all persons to refrain from buying any more new radios until the freedom of the air can be assured: Be it further*

*Resolved, That copies of this resolution be sent to the Montana Senators and Representatives in Congress, and that they be urged to take immediate, appropriate, and united action to protect the rights of American citizens to be heard over any radio stations or network in a fair and temperate discussion of any controversial question.*

(Adopted at regular meeting November 27 and signed by members present.)

E. E. Bagby, A. W. Stow, J. R. Barclay, Roy Wilson, Lewis Williams, Josephine Bier, Mrs. Martha Jane Browne, Mrs. Verna Olson, Art Stumley, Edna Voelker, Hazel Scarborough, Mrs. H. D. Moffet, H. O. Johnk, Richard Zahn, A. F. Miles, Fern M. Stow, H. D. Moffet, H. A. Boggs, Leo Judd, Louis Hauf, Hildon Kuntz, Clair A. Owen, Mrs. T. A. Dybrik, T. A. Dybrik, Richard Williams, J. E. McLain, E. M. Rouse, William Goetze, S. W. Matlock, Mrs. George Propson, Mrs. Mae Owen, Mrs. Pearl Musselman, Betty Ann Keepers, Helen Cox, Mrs. Bertha Abrahams, W. L. Bracken, Mrs. W. L. Bracken, Esther G. Schrader, Mrs. Anna Alber, Rosa J. Jacobs, Mrs. Iva Lou Lloyd, Mrs. Anna Berry, Mrs. Margaret M. Straw, Pauline Halmot, Mrs. Bertha Keepers, Miss M. A. Bracken, Eva L. Eastwood, Melchoir Rein, Mrs. Walter Kuntz, Walter Kuntz, C. D. Brooks, G. L. Looney, J. E. Howe, Betty McFarland, Marjorie McFarland, P. M. Lewis, Jacob Kuntz, Lena Sanguin, Elmer Sampson, Harry Dorothy, Robert Parkin, Mrs. Bertha Cooley, Mrs. Agnes Jost, W. Avery Shannon, Joseph Strachlowsky, Emanuel Reed, W. E. Spurgin, Mrs. W. E. Spurgin, Ray Hannah, G. B. Walter, Andrew Toro, Mrs. E. H. Adams, E. H. Adams, Barbara Ann Todd, Madge L. Woods, S. N. Woods, J. W. Dolson, H. Wolfe, Mrs. H. Wolfe, Millie Taylor, Lucy Carl, B. A. Shively, Fred W. Carl, Philip C. Scott, Jennie J. Scott, Virginia Bracken, Lucille Bracken, Mrs. Roy Wakeley, Mrs. Margery Lamboley, Frank Abrams, Jacob Strachlowsky, Josephine Peterson, C. A. Wheeler, Mrs. Jennie Drew, Velma Shelly, C. H. Marlow, Willis J. Moffet, Mrs. Willis J. Moffet, Mrs. Mollie Wertz, Mrs. Clara J. Shaw, Mary C. Harris, J. Frank Ryan, Conrad Frank, Fannie Ring, B. N. Ring, O. C. Houchin, H. A. Seely, Mrs. C. E. Anderson, C. Byron Kellison, Howard Nye, Jr., Carl F. Eden, Birdie Eden, Mrs. Ada Hare, Mrs. Annie Farnes, Mrs. J. Herman Peterson, Mrs. M. A. Illen, Mrs. L. Farnes, Mrs. E. L. Reinier, Mrs. J. F. Schuetz, Mrs. R. E. Batiman, Ed Owen, Mrs. F. W. Brawley, Mrs. G. W. Brawley, Mrs. M. V. Tyson, Mrs. Theo Carlson, Mrs. H. G. Blakely, Mrs. Amos Mott, Mrs. Ralph Farnes, Mrs. Strever, Frank Critelli, Harry W. Roe, A. J. Stuart, Mrs. A. J. Stuart, T. W. Polly, Mrs. T. W. Polly.

### Jackson Day Address

#### EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. BURTON K. WHEELER, of Montana, at the Jackson Day dinner at Denver, Colo., January 8, 1940:

I am happy to be in Colorado again. In 1905, fresh from law school, I came to this great State to practice law. At Telluride, at Ouray, at Montrose—in fact, nowhere on the western slope—did they seem to recognize my legal talents, so I went my way to Montana, where they were more appreciative. But I still have a warm spot in my heart for Colorado.

I do not indulge in flattery when I say that Senators ALVA B. ADAMS and EDWIN C. JOHNSON constitute one of the most able and most efficient teams in the Senate. They admirably safeguard the interests of your State. And in addition they have the broad vision that marks them as statesmen. We have not always agreed. There is something wrong with anyone who always agrees with you. God gave us our intellect and a conscience, and I have an idea He intended us to use them. The truth serves everyone the best, but too many lack the courage to be frank. ALVA ADAMS and ED JOHNSON are frank—brutally so at times. That is one reason I am so fond of them.

I am sure we all miss one beloved face tonight. Edward P. Costigan has joined the immortals. A lion in defense of principle, he was sweet and gentle in all his personal relationships. His passing

deprived me of a true friend, America of an able public servant, and the poor and oppressed everywhere of a devoted champion.

I cannot pass on to the subject at hand without paying a tribute to another one of Colorado's Representatives in Congress, the Honorable John A. Martin, who just recently passed on. It may be truly said of the deceased Martin that he was a great liberal and was noted for his rugged honesty and deep sincerity. His place in the House will be difficult to fill. I might also properly add that Colorado is signally favored by the outstanding ability of all of her Representatives in the lower House.

In addressing this great democratic gathering I speak to you and to the people of this country not as Democrats, not as Republicans, but as American citizens interested in the welfare of 130,000,000 of our fellow men.

Tonight in every section of this great Nation Democrats have gathered to do honor to Andrew Jackson. He was the liberal of his day. Some called him a radical. Today we all honor him as a patriot. He was a friend of the oppressed, the defender of the Republic, and the great President of a century ago. He served, courageously and well, his Nation and its people during one of the great crises in American history.

What was the crisis of his time? The forces of reaction had assumed control of the Government and were using it to further their own selfish purposes to the detriment of the great masses. The immortal Jefferson had given us the Bill of Rights and protected our liberties. Jackson, the frontiersman, came out of the West—of that day—to seize the Jefferson torch of political freedom and to give us economic justice. Jefferson was a scholar and a philosopher. Old Hickory was neither, but he knew and loved the people. Jackson waged an unending political battle against the Tories of that time. Jackson knew that political liberties without economic justice were meaningless. Jackson knew that the way to preserve democracy was to make it work.

Under their inspired leadership an arrogant money monopoly was crushed. Land speculators seeking to preserve the public domain for themselves met defeat at his hands. Public lands were opened and courageous pioneers pushed ever westward to build their homes and to make of this a mighty nation. Jackson, for the common good, fought to protect the weak against the strong, to stamp out malpractices by a designing few, to aid the underprivileged of his day, even as it has been done in this age by our own Franklin Delano Roosevelt.

In 1932, a century later, this country faced another grave crisis—and again the Democratic Party responded to a sacred call. Liberal Republicans and Progressives throughout the Nation turned to us. The great inarticulate masses were heard to speak on November 8 of 1932, and the party of Jefferson and Jackson began the task of saving America, of bringing order out of chaos.

From 1920 to 1933 the American people witnessed an incredible era. Incredible because of the graft and corruption. You remember all too vividly the little green house on K Street; the Teapot Dome scandals; the Veterans' Bureau; Jess Smith, Gaston Means, and Doheny. You will remember that we drove an Attorney General from the Cabinet into oblivion, and a Republican Secretary of the Interior from the Cabinet into the penitentiary. We saw banks fail, savings wiped out, and mortgages foreclosed. Factories stood as silent as tombs. Workers crowded the breadlines and farmers were driven from their farms. Towns, cities, and States were bankrupt. You in this State remember the tourists that came to Colorado, in box cars, during the good old days of 1929 and 1930. But old guard Republicans only chanted the slogans, "back to normalcy" and "prosperity is just around the corner."

During those dark days a farmer in North Dakota said to me, "Senator, we are living in round houses. We have worn off the corners looking for the prosperity that is just around the corner."

And in this tragic period the Republicans did nothing; nothing about the human suffering; nothing about mortgage foreclosures; and nothing about corruption, until a few of us Democratic Senators, including your own Senator Adams, forced their hand.

Is it any wonder that the rank-and-file Republican joined most of the Nation in welcoming the Democratic Party into power?

This administration, under the leadership of your great President, acted—acted quickly to stabilize the banking system. We provided jobs for the jobless and loans to the needy farmer and distraught home owner. Legislation was promptly enacted that insured bank deposits, recognized the rights of labor, curbed gambling by the speculators with other people's money, and prevented the sale of worthless securities to widows and orphans. A shattered and demoralized nation breathed again—but the task was not done. Assistance for the aged, for the blind, and for widows and dependent children was furnished. A permanent old-age pension and unemployment-compensation program was launched that will mitigate the terrors of old age and workless periods. We recognized the existence of a youth problem and established the Civilian Conservation Corps and National Youth Administration, which have since aided young America. All these tasks and many more were accomplished without sacrificing civil liberties or resorting to dictatorship. Our job was to save American democracy and to do it quickly.

We made mistakes—those that always attend the necessity for action—we Democrats made the mistakes, and we Democrats will correct them. During the next 5 years our party will perfect and consolidate the reforms and advances of the past 7 years. And we will do it within the Constitution of the United States.

I am not surprised that we make mistakes. I am surprised that a Congress, that has done so much, has not made more of them. Thousands upon thousands of bills are introduced, and it is hu-

manly impossible to read and digest them. Some inefficiency is the cost of democracy. It is possible to have more efficiency under a dictatorship, but not necessarily so. Witness what is happening in Finland where a small efficient army fighting for their liberty is hurling back the hordes of an inefficient Mongol dictator.

If we remain true to the Democratic Party, if we unite upon a sound liberal platform, we shall elect a President of the United States in 1940.

Let us admit that the Republicans did not make as many mistakes, but they made one grand blunder—that of doing nothing. They fiddled while democracy waned.

The question the voters will answer in 1940 is simple. Will the country go back—back to the old guard Republican—back to the party that saw no corruption and unbridled graft; that heard no pleas from the oppressed and the underprivileged who walked the road of starvation; and that did nothing?

Some of you will recall the Presidential campaign of 1924. You will recall how I attempted to put the Republican nominee on the witness stand in an effort to determine his views on certain vital issues of the day. Tonight I would like to ask old guard Republicans what legislation would they repeal? Would it be the Social Security Act, bank deposit insurance, C. C. C., the power programs, or legislation designed to aid the farmer and labor? The G. O. P., as in 1924, will not answer. No Republican candidate will.

The Republicans have denounced New Deal reforms. Some old-guard leaders will publicly, though not privately, state they approve "the principle" of many liberal enactments. These generalities will confuse no one. It is true they dislike the principle less than the concrete reform. Actually you and I know that, returned to power, the G. O. P. would destroy all progressive accomplishments. And the people have not forgotten that incredible era which preceded 1933 when the old guard reigned supreme. They successfully thwarted every attempt made by the Democrats and progressive Republicans to aid the underprivileged or to reform glaring evils.

As a Democrat I would like to tell you that we have solved all of our social and economic problems—but in good faith I cannot do so.

Nine or ten million workers are unemployed. Farm foreclosures have not stopped. Though farm income has increased, the problem of agriculture is still with us. Government expenditures continue to exceed revenues. A democracy that does not furnish the essentials of human dignity for its people is not worthy of the name. No government can long endure when large numbers of its people are in want. Government doles destroy the moral fibre of a people—it makes them easy prey for the demagogue or the man on horseback.

In addressing the National Association of Manufacturers a few weeks ago I said, "Let us, of course, realize the periods of national emergency, such as we have been experiencing, put the possibility of a balanced Budget beyond the power of either a liberal or a conservative administration."

Immediately a Pennsylvania newspaper in a front-page editorial criticized it and asked the question, couldn't we balance the Budget if mills, factories, and railroads were working at full speed? Then it added, if the Government of the United States would cooperate with business, industry would immediately run at capacity and the Budget could be balanced without difficulty.

I agree with that part of the editorial that states that if factories, mills, and railroads operated at full speed we could quickly balance the Budget. I will go further and state that if business picked up to that extent very few people would complain about paying taxes—and we could soon retire a considerable portion of our public debt. I would go still further and say that I know of no Democratic Senator who isn't willing and anxious to cooperate to the fullest extent with honest business in an effort to effect prosperity in this country. It is the patriotic duty of every Government official from the lowest to the highest to cooperate with its customers—the general public—whether they are businessmen, farmers, or workers. We all want prosperity. And we must restore it to preserve democracy.

The American genius for production has long been recognized—but mass production requires mass consumption. Fair prices for the farmer and employment for the worker at good wages mean legitimate business will boom. It is a sort of trinity—business, labor, and agriculture. Each is dependent on the other. Impoverish one and catastrophe visits the other. Each must cooperate with the other and with government if democratic United States is to continue to be the great Nation we presently know.

Labor and management of one great essential industry are cooperating. Many regard the solution of the railroad problem as a key to prosperity. Certainly it would be a vital factor. Over a million people are directly employed by the railroads of this Nation—the livelihood of thousands and thousands more is dependent on huge railroad purchases of steel, lumber, and supplies. Railroads do not have a perfect record. Their financing methods, their reorganizations, and their public relations have too often left much to be desired. I have introduced legislation to correct many of the evils and to bring about a coordination of all forms of transportation. It will presently become law. But we must not let our outlook be clouded by past mistakes. We must look to the future—one who would destroy the railroads or the savings of the investors in any enterprise should undergo a mental examination.

The cooperation between railroad labor, railroad industry, and the Government can and should constitute a guide for other great industries.



There are other conditions to which we must devote ourselves. The youth problem is a challenge to democracy itself. Statistics indicate that over 3,000,000 young men and women under the age of 24 lack employment—over 600,000 new persons swell the labor market each year—and technological improvements constantly make production possible with fewer and fewer workers. Because industry faces a shortage of certain skilled workers I have suggested to business that they inaugurate some system of training or apprenticeship. If industry does not act to serve the youth, government must—and the cost will come in increased taxes.

Another problem confronting the country is the conservation of natural resources. There was a time when the people of the West believed that the precious metals in our mountains and the timber in our forests constituted our greatest resources. But today we have come to realize that the water flowing from snow-clad mountain peaks is our greatest resource. We of the Democratic Party are making every effort to conserve it and make it serve mankind. Dry-land farmers must be taken from a Government dole and given an opportunity to farm irrigated acres—to rear and educate their children, to build homes, schools, and churches. As contented citizens they can help save this Nation. Many arid acres have been reclaimed but there are many more. Water conservation is still in its infancy. Such a program not only serves the West, it serves the Nation by affording the East a market for its manufactured goods. Conservation of natural resources creates rather than destroys the wealth of the Nation.

Much has been said and done about the monetary problem. Our Republican friends, like the English, French, and Japanese, criticize us for buying the gold and silver of the world. But my friends, one of the reasons why Government bonds and American currency are so valuable is that we have gold and silver in our vaults. Worthless, do I hear you say? Let the Government turn it loose, put the Government stamp upon that gold and upon that silver and see how quickly it will be grabbed by our Republican friends, their financial backers, and by every country in the world. From the beginning of time everybody has wanted and will always continue to want our gold and our silver. When the world regains its sanity—when the murderous wars in Europe and Asia end—gold and silver must again be the basic money and world trade will be resumed.

I have just come from Washington. There they are predicting peace in the spring. I hope they are right. The next peace treaty must be productive of a lasting and enduring peace—not merely a cessation of hostilities. The full force of this Nation's moral influence must be directed to this end. The next peace treaty must be within the spirit of justice and humanity—and not in avarice and revenge. It must do more than revamp the map of Europe, it must readjust economics to permit every nation to live and its people to work and to enjoy not only the necessities but some of the luxuries of life. It must be a treaty to serve the people—not tyrants, dictators, or rulers. Only such a treaty will insure the blessing of peace to mankind.

As Americans, Democrat or Republican, our first and final duty is at home, not in Europe and not in Asia. We need not fear armed invasion by any means from any nation 3,000 miles away. We can and should, therefore, devote ourselves to a solution of domestic problems—not European difficulties. The danger to the United States and to democracy comes from within, not from without. We have nothing to fear from a mad dictator in Europe, but we do have much to fear from continued unemployment and an unsolved agriculture problem. These are the primary problems that face us and their solution must be found within the framework of traditional American principles. In a spirit of constructive cooperation we can do this. American labor, agriculture, and capital working with Government can solve all our problems. We do not hate any race or nation. We must keep peace with the world and at the same time extend the borders of economic and social justice at home. We are the richest, the freest country on this earth and the last haven, the last frontier of tolerance and reason. By making the United States a better place in which to live, by maintaining our sanity and balance, we best serve democracy, civilization, and the world.

### Trade Agreement With Argentina

#### EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

JOINT STATEMENT BY THE GOVERNMENTS OF THE UNITED STATES AND ARGENTINA

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint

statement by the Governments of the United States and Argentina issued by the Department of State:

JOINT STATEMENT BY THE GOVERNMENTS OF THE UNITED STATES AND ARGENTINA

In the reciprocal-trade negotiations between the Governments of the United States and Argentina, notwithstanding the efforts of both parties, it has not been found possible to reach a satisfactory basis to permit the conclusion of an agreement, and the two Governments have agreed to terminate them.

In effect the Argentine Government on the one hand has not been able to admit that concessions to be obtained from the United States for their typical regular export products to that country, such as linseed and canned beef, among others, should be restricted through the acceptance of a system of customs quotas which would tend to limit the possibility of expanding its shipments of said products to that country. At the same time it has not been possible to accede to the adoption of commitments considered incompatible with an adequate financial policy and of the defense of the currency.

On the other hand, the Government of the United States, in accordance with its policy as invariably applied in the 22 agreements already negotiated, of not exposing domestic producers to material injury in the process of promoting healthy international trade through reciprocal concessions, has felt obliged to insist on limitations of the kind referred to above with respect to certain commodities.

This divergence between the two Governments is recognized by both in the same frank and friendly spirit which has characterized the whole negotiations.

### Trade Agreement With Uruguay

#### EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

ANNOUNCEMENT BY THE DEPARTMENT OF STATE

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following announcement from the Department of State:

DEPARTMENT OF STATE,

January 8, 1940.

The Department of State announced today that trade-agreement negotiations with Uruguay had been terminated. These negotiations have been conducted in an atmosphere of the utmost friendliness and cordiality. However, because of the similarity in important respects of the export trade of Uruguay and Argentina with the United States, it has been found necessary, in view of the recent termination of negotiations with Argentina, to terminate also the negotiations with Uruguay.

### Wage Earners' Protective Conference

#### EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

LETTER FROM THE AMERICAN WAGE EARNERS' PROTECTIVE CONFERENCE

Mr. BOLLES. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include a letter from the American Wage Earners' Protective Conference, as follows:

Very recently America's Wage Earners' Protective Conference (the tariff group of the A. F. of L.) met to discuss experiences had under reciprocal-trade treaties and again to consider labor's attitude on this subject.

Enclosed you will find copy of statement unanimously approved which sets forth in unmistakable terms the position of America's

organized workers on reciprocal-trade treaties. Included therein are likewise several recommendations which it is hoped will merit your serious and favorable consideration.

In brief America's wage earners' opposition to reciprocal-trade treaties is based upon the following:

1. That Congress cannot divest itself of powers delegated solely to it by constitutional provision, and that any attempt to do so either by shifting such authority and power to the President or anyone else is wholly unconstitutional.

2. That the merger of powers into one department of government fixed jointly in the executive and legislative branches of government is not only contrary to constitutional prohibition but is essentially destructive of the fundamental conception of our Government founded on balances and checks.

3. That the unconstitutional delegation and merger of authority indicated in points 1 and 2 has been so adroitly accomplished as to prevent even the review of such unconstitutional acts by the Supreme Court of our land, which in itself is an unconstitutional method of approach.

4. That reciprocal-trade treaties entered into in violation of the foregoing two points and without the approval of the United States Senate are unconstitutional, and that these treaties are therefore void.

5. That the alleged protective and essentially important terms and provisions of a number of these unconstitutional trade treaties are being disregarded by the other nations, and without protest or any attempt on the part of our Government officials to have the terms of such trade treaties fully observed.

6. That the terms and provisions of these alleged reciprocal-trade treaties are contrary to and in conflict with the established labor policy of our Government as manifested in many of the laws enacted by Congress in that products of workers in foreign countries are produced under what we consider and legislatively recognize as substandard labor conditions, and such products are permitted to enter our American markets in competition with products produced by American workers employed under such labor standards as have been obtained through collective bargaining and the Fair Wage and Labor Standards Act. If we are to protect our American standards of labor we must preclude competitive products of workers in foreign lands produced under substandard labor conditions. Any other procedure is bound to be of great detriment, not only to the retention of our labor standards but likewise through the loss of our job opportunities. By permitting the continuance of such competition the whole of our national labor policy is being undermined and slowly destroyed.

7. That the protection of job opportunities accorded to America's wage workers under the restrictive immigration and Asiatic exclusion laws are being nullified through the permitting of entry into American markets of the competitive products of workers in foreign countries, such workers themselves being denied entry into our country.

8. That the terms and provisions of such illegal trade treaties can only result in further demoralizing our national economic structure and in transferring additional job opportunities of America's workers to workers in other countries.

9. That the only reason our American markets have not been flooded with products of workers in foreign countries is due to the fact that millions of persons in European and Asiatic countries for the past few years and now, temporarily we hope, have been denied employment in peacetime pursuits and have been engaged exclusively in the armed forces and in providing equipment and supplies to those under arms. This condition cannot last indefinitely and the reckoning will be ours unless we take immediate remedial action now. Hopeful, as we are, that these workers in foreign lands will soon be free again to engage in peaceful pursuits, it is realized that unless actual customs protection in the form of an excise tax is imposed on the entry into the American markets of competitive products of workers in foreign countries, and, unless the provisions of the Fair Labor Standards Act are extended to such competitive products, our national economic structure will be still further jeopardized, and, the job opportunities of additional hundreds of thousands of America's workers will be placed in jeopardy, if not actually transferred to workers in foreign countries.

Therefore, we petition the Congress of the United States to:

(a) Repudiate by formal action any and all existing treaties with foreign nations which treaties have not, as the Constitution specifically requires, been ratified by the Senate of the United States.

(b) Impose an excise tax on the entry of competitive products which products compete in the American market with the products of America's workers so that products of America's workers will be privileged to enter into American markets at total delivered costs which are not higher than the delivered costs of competitive products of workers in foreign countries.

(c) That the provisions of the Fair Labor Standards Act be extended to cover all workers, engaged in the production of competitive products entering into American markets whether such workers be employed in the production of such competitive products in the United States or any other country.

Trusting that this petition will receive your early, careful, and favorable consideration.

Respectfully yours,

MATTHEW WOLL, President.

## Justice to Colored Race Demands Enactment of Antilynching Bill

### EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. WOLVERTON. Mr. Speaker, today we face an issue that challenges our belief in democracy. Equal protection under the Constitution for all classes of our citizenship is one of the fundamental principles of our form of government. It is our duty to uphold and preserve that principle to the fullest extent. There can be no deviation from it to the slightest extent without thereby weakening the structure of our Government.

Today, by the provisions of this bill, it is sought to guarantee and make certain the application of this principle in the interest of a class of our citizens who have, on too many occasions in the past, been denied the right of trial by jury, which is the very foundation of equal protection under the Constitution and law of our land. To lynch any citizen, even the humblest Negro, is a denial of one of the most sacred rights guaranteed to us by the Constitution. To permit such is to substitute hate, fury, and prejudice for judicial procedure. There is none who can justify such a substitution.

The claim is sometimes made that conditions create a necessity to do so. There is no condition that makes necessary an exception to the constitutional right of trial by jury. There is no condition that creates the right for any infuriated mob to take the law into its own hands.

We must never lose sight of the fact that the right of life is a sacred right and as such is entitled to have every protection. The right of trial in a court of law, before life can be taken, is an equally sacred right. This bill seeks to do nothing more than protect this sacred right as against those public officials who, derelict in the performance of their sworn duty, permit that sacred right of the citizen to be interfered with. It is a principle of justice that is so inherently fair and right that there can be no reasonable question raised to its validity.

It is also frequently said that lynching is decreasing, that it does not happen as frequently as it did some years ago. We may well be grateful that in some measure this is true. But the fact remains that there is no denial that lynching does occur. Even one case would be one too many. It was not so long ago that one of the most horrible cases of lynching did take place. Its brutality was beyond description. As long as such do occur there is need for a law of the kind now before the House. Infrequency of lynchings now as compared to heretofore is no answer to the enactment of this antilynching law. If conditions should improve to the extent that no lynchings would take place, then, of course, there are no prosecutions under this act; but if a lynching should occur, then the provisions of this bill would be in effect. It is the hope of those of us who favor its enactment that the necessity will never arise for its enforcement, and certainly those for whom its enactment is sought would likewise be equally pleased. But the law should be upon our statute books ready for enforcement if and when any lynching should occur.

In presenting my views on this bill I have sought to avoid making any argument that would inflame passion or prejudice. I have even avoided giving the gruesome details of lynchings that have happened in recent times. I have presented my views upon a basis that would justify its enactment as a further evidence of our belief in the fundamental rights of American citizenship. The enactment of this bill would leave no doubt of our desire and willingness that every



citizen should enjoy to the fullest extent the equal protection of our laws. It would make more certain and secure those constitutional rights of which we are all justifiably proud. There is no greater obligation upon us as Members of Congress than to do any and all things that will establish and guarantee to our people, regardless of race, color, or creed those rights given them by the Constitution. In the fulfillment of that obligation and duty I shall support this anti-lynching bill because it seeks to guarantee equal protection of the law to a class of our citizens who have at times been denied the benefits of that great principle.

### Dies Committee

#### EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. CARLSON. Mr. Speaker, I have just read the report of the Dies committee to Congress and personally I believe this committee is entitled to commendation and praise for its splendid work. Every American citizen who studies the rapid growth of communism, fascism, and the other forms of dictatorial government in Europe must be concerned about the future of our democracy.

As a nation we cannot stand idly by while these movements are growing in foreign countries, with any feeling of security, unless we, through thorough investigations and the spotlight of publicity, expose every subversive influence in our land.

We are spending hundreds of millions of dollars for national defense, but I hope we will not be so concerned about foreign enemies that we will forget our domestic ones. Someone has said that our country could never be destroyed by an enemy from without, but if we are not on the alert we might be destroyed from enemies within.

The committee report reads that not over 1,000,000 people of the United States have been seriously affected by un-American activities. This, if it is true, is but a small percent of our total population, but we must remember that a small amount of leaven soon permeates the entire loaf. This propaganda can be subtly spread through such groups as the Workers Alliance, American Student Union, and several other organizations that are listed as front organizations for the Communist Party.

These organizations and movements thrive and greatly extend themselves during periods of economic stress. With unemployment, labor disturbances, farm problems, and a general social unrest, our country is a most fertile field for those who preach and teach foreign doctrines and foreign "isms."

Thousands of aliens have entered our country illegally during the past few years. Many of these were smuggled over the border or by ships docking at various ports. Several thousand who came over on visitors' visas overstay their allotted time and remain in this country. Many of these aliens are here for no other purpose than to spread dissension and distrust in our own land. They are apostles of communism and other doctrines foreign to our democracy. This is another reason for the continuance of the Dies committee.

The first session of the Seventy-sixth Congress voted an appropriation of \$100,000 for this important work. In my opinion it is one of the best investments we made. We can and do vote sixty to eighty million dollars for the construction of one battleship, and it is my contention that the Dies committee might well be considered as part of our national-defense program. Let us vote to continue it and not be niggardly with its appropriation.

### Dramatic Proof of the Danger in the Third-Term Threat

#### EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

EDITORIAL FROM THE BALTIMORE SUN

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a very enlightening and interesting editorial which appeared in the Baltimore Sun on this date, which editorial is as follows:

[From the Baltimore Sun]

#### DRAMATIC PROOF OF THE DANGER IN THE THIRD-TERM THREAT

The Jackson Day dinner in Washington was one of those occasions on which an unexpected incident overshadows the scheduled feature. Mr. Roosevelt's speech was, of course, the scheduled feature. He was in half-humorous, half-philosophical vein. His underlying theme was that motives of public men are all-important, but, after elaboration of that theme, he added that information, experience, and good manners also are important. It was a good enough sort of speech, rather vague, rather abstract, not too profound, not too clever. It left some of the political analysts thinking it was a Presidential valedictory, some thinking it was a Presidential bid for a third term, some thinking it was a Presidential hedge. It might have been any of these, and, therefore, it is not strange that an incident of the dinner overshadows it in importance.

Mr. Essary writes in his report of the dinner that an embarrassment occurred at the beginning of the formal part of the program. Distinguished guests, seated at the head table, were introduced to the great gathering. Among them was Senator HATCH, of New Mexico, who sponsored the law which undertakes to restrict the political activities of officials and employees of the Federal Government. Mr. Essary says that when Senator HATCH was presented: "A veritable storm of boos greeted him as he rose. It continued for what seemed to be minutes. The officeholders restricted in their political activities by the Hatch Act finally were diverted by calling the name of Secretary Hull." In that incident is a subject which deserves far more attention from the thoughtful citizen than speculations about the political significance of a speech which is open to three different interpretations by Washington's analysts.

When Mr. Roosevelt assumed office the Federal Government had 563,487 civil officials and employees. On November 30 last—after Mr. Roosevelt had been in office 6 years and 9 months—the Federal Government had 932,654 civil officials and employees. The increase during Mr. Roosevelt's administration thus far has been 369,167, or a shade less than 66 percent. Many of the top men whom Mr. Roosevelt has appointed, to old posts and to new posts, were at this dinner in Washington. The charge for the dinner was \$100 a plate, and only top men could afford that price. And it was these top men who attempted the humiliation of Senator HATCH because he had undertaken to restrict their political activities. It was these top men who sought publicly to humiliate a Senator because he had practiced Mr. Roosevelt's preachment at this very dinner on the "relative unimportance" of politics "compared with the paramount importance of government."

No sober citizen can ignore this demonstration when considering the third-term issue, which Mr. Roosevelt avoided. The essence of the tradition against the third term lies in fear that the vast powers of the Presidential office will be abused if continued too long in the hands of one man. That was the fear which governed when Jefferson followed the example of Washington and when his lieutenants and successors, Madison and Monroe, followed his example and made the tradition secure for generations. For many years past the serious danger of abuse of the powers of the Presidential office has been in manipulation of the army of officeholders. In our day the danger is the greater because this army is enormously increased and now, under the President, controls billions in subsidies and makes regulations which have the force of laws. And yesterday we saw the top men in this army attempting publicly to humiliate a Senator who would limit their political activities.

The incident was in itself shameful. Mr. Roosevelt, talking later about good manners as one of the valuable elements in public life, might well have made the incident an object lesson. But above all is the revelation that has been given of the quality and temper of the top men in this army of officeholders which Mr. Roosevelt in

less than 7 years has increased 66 percent, from 563,487 to 932,654. There, in that revelation of quality and temper, is a shining nugget of fact for the sober citizen to consider when the continued validity of the third-term tradition is debated before him. This army of job holders will obey a political commander in chief in anything.

### A. F. of L. Does Not Oppose Trade-Agreement Program

#### EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

#### CORRESPONDENCE BETWEEN SECRETARY OF STATE AND PRESIDENT OF AMERICAN FEDERATION OF LABOR

Mr. BUCK. Mr. Speaker, in view of the misleading headlines and articles which appeared in the morning papers of Monday, January 8, 1940, with reference to the attitude of the American Federation of Labor toward the trade-agreement program, I take this opportunity of inserting in the RECORD the following correspondence between Secretary of State Hull and President William Green, of the American Federation of Labor.

The following is the text of Secretary Hull's letter to which President Green replied:

JANUARY 8, 1940.

HON. WILLIAM GREEN,  
President American Federation of Labor,  
Washington, D. C.

MY DEAR PRESIDENT GREEN: I notice in a number of the morning newspapers of today headlines and implications to the effect that the American Federation of Labor has expressed its opposition to the reciprocal trade agreement program and to the further continuance of the entire program, together with existing trade agreements negotiated under it.

I shall thank you to inform me as to whether this correctly represents the official position of the American Federation of Labor. Sincerely yours,

CORDELL HULL.

In reply President Green wrote as follows:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., January 8, 1940.

HON. CORDELL HULL,  
The Secretary of State,  
Washington, D. C.

MY DEAR SECRETARY HULL: I am pleased to reply to the inquiry submitted in your esteemed favor dated January 8. The headlines and implications appearing in a number of newspapers this morning to the effect that the American Federation of Labor has expressed its opposition to the reciprocal trade agreement program, and to the further continuance of the entire program, are incorrect. No such action as set forth in the headlines referred to has been taken.

I express regret that the misleading headlines referred to were published in a number of the morning newspapers. Very sincerely yours,

WILLIAM GREEN,  
President, American Federation of Labor.

### Must There Be an End to Progress?

#### EXTENSION OF REMARKS

OF

HON. GEORGE HOLDEN TINKHAM

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

ARTICLE BY PROF. GUSTAV CASSEL

Mr. TINKHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by

Prof. Gustav Cassel entitled "Must There Be an End to Progress?" in the October 1939 number of the Quarterly Review, issued by the Scandanavian Bank, Stockholm:

[From Skandinaviska Banken]

MUST THERE BE AN END TO PROGRESS?

(By Prof. Gustav Cassel)

Ever since the world economic crisis broke out just 10 years ago, people have been accustoming themselves to trade depression as a natural state of affairs, and have come to regard a temporary rise up to the level of 1929 as the utmost that could be hoped for. In other words, people have given up the idea of continuous progress as the normal course of economic development. They have thus lost the right standard for what should be considered as a healthy development and, in judging all the economic experimenting that has been going on in the world, have contented themselves with far too small demands. According as hopes of continued progress have sunk, the quondam interest in a redistribution of what we already possess has been revived, and has manifested itself in ever sharper relief both in the social struggle and in the contest of nations for the dominance of the world.

It seems to be a matter of considerable importance to endeavor to reply to the question whether there is really any objective necessity for abandoning the idea of continued economic progress at the pace we had previously accustomed us to regard as normal. When I drew up the fundamental principles of my theory of social economy, I found it to be essential to throw clear light on the conditions requisite for progress and especially to concentrate my analysis on the simplest case, namely uniform progress. On the basis of the very defective material which at the time was available, I considered that the figure for normal progress could be put at about 3 percent per annum. Roughly speaking, this means the doubling both of capital and income in the course of every 25 years. Many people presumably regarded such a development as something quite incredible. Subsequent investigations, which were based on a very extensive material, have, however, shown that production during the time when commerce was free has, on an average, actually increased fully to that extent. Carl Snyder's index for the world's physical production shows for the period 1865-1914 an average increase of 3.15 percent per annum. An immigration country which at the same time received large supplies of capital from outside came up to a considerably higher standard. In the United States, for example, one could probably reckon with a normal rate of progress of 4 percent per annum, which meant the doubling of production in the course of 18 years. Estimates made at Cornell University show that the country's total basic production during the period 1839-1914 increased by 4.03 percent per annum (Farm Economics, February 1932, where Snyder's figures are also given with diagram).

The World War naturally interrupted this course of development, but as soon as the post-war crisis with its revolutionary effects on the monetary system had been overcome, economic progress recovered its former characteristic intensity. From 1924 to 1929 world production, according to Snyder's statistics, increased by somewhat over 20 percent, or by 3.9 percent per annum. This fact indicates that progress has an interior force which cannot be repressed even by such a catastrophe as a world war. Why then should the year 1929 be regarded as a turning point, after which no further progress is to be expected?

There is, I presume, scarcely anyone who would seriously contend that the physical conditions for continued progress are lacking. Generally speaking, raw materials exist in an abundance which the world, in its present strange condition, almost regards as a misfortune. In cases where some shortage of raw materials might be expected to manifest itself, there are possibilities, for a long time ahead, for the opening of new fields of production. True that continued progress cannot be conceived without some geographical redistribution of production. But this is an idea to which we have long been accustomed. Russia has possibilities for large-scale production on modern lines, which as yet can merely be dimly conceived. It can scarcely be doubted that Russia, with a more efficient economic organization, could attain results in the way of progress which would fully equal what any other country has achieved, nay, indeed, might stand out as new world records.

The world economy has shown an astonishing capacity for adjusting itself to the requirements of progress. These requirements have nowise been uniform in respect of different raw materials. On the contrary, as the result of technical developments, certain materials have acquired greater relative importance; but it has also proved possible to increase the output of those materials at a more rapid pace than that of average progress. Professor Högbom's investigations into this question must be regarded as some of the most remarkable material that has been placed at the disposal of modern economists (Mineral Production, Ingeniörsvetenskapssakademins Handlingar Nr. 117, Stockholm, 1932). This author has found that for each of the principal raw materials there is a characteristic and singularly constant quota of progress. This quota differs considerably in respect of different materials, being, for example, 4.5 percent per annum for pig iron, 5.9 percent for copper, and 3.6 percent for lead.

Despite the fact that the requirements of different raw materials have varied greatly according to the course of development, it has always been found possible to produce those materials in precisely



the proportion required. Does not this remarkable fact strongly support the view that it would be possible for a long time ahead to increase world production at the pace that was previously normal?

Why, then, should we abandon the idea of continued progress and indulge in fruitless and devastating controversies regarding the distribution of the limited supplies that already exist? There has been much talk about the profound "structural changes" of the post-war period as an impediment to continued progress. But does not this talk indicate an attempt to escape responsibility for the trade depression? Have not passed times also had their structural changes, and has not a vigorous economic movement succeeded in overcoming the difficulties of adjustment and maintaining the rate of progress? There is also reason to ask how far the unsatisfactory structural conditions of the present time may be due to irrational human action, which it should be possible to change. For example, the aggregate effect of the commercial policy of all countries has undoubtedly been to impede international commerce, with a consequent marked reduction in the effectiveness of the world economy. It is, in fact, impossible to maintain that the stagnation of progress is in any way due to objective necessity.

Progress has never been a machine. It has always been dependent on whether human forces working for increased progress have been allowed sufficient scope. It is possible to narrow that scope in such a degree that progress is stopped. But then people must not declare that the stagnation was necessary or that it was idle to believe in the possibility of continued progress.

The world-production index published by the League of Nations, which comprises 81 primary articles, rose for the years 1925-29 from 95 to 106, but afterward fell back to 103 for 1935. The development during the first-mentioned period was not particularly marked (somewhat less marked than according to Snyder's above-mentioned index); but the decline during the following period must be regarded as very considerable, if viewed relatively to the development which would have ensued if progress had only continued at the pace of the preceding period. The fall of the index during the period 1929-35 is solely due to the marked shrinkage of production in North America, where the index number fell from 103 to 87. None of the other countries for which separate index numbers are given shows any decline in production during this period, whilst several of them exhibit a considerable increase. This gives us reason to direct our attention particularly to the course of development in the United States.

The Federal Reserve Board's index for American industrial production, the basis of which is 100 as an average for the years 1923-25, had in 1929 risen to 119. For 5 years this meant an increase of 19 percent, corresponding to an average rise of 3.8 percent per annum, which for industrial development in the United States must be considered extremely moderate. Industrial production in that country subsequently fell, for the year 1932, right down to 64. This catastrophic fall was followed by a recovery. A new maximum was reached in 1937 with the index number 110, but in the following year the index fell again, down to 86. Now what does this signify? Had progress after 1929 been allowed to continue at the same pace as in the preceding 5-year period industrial production for 1939 should have reached the index number 169. And yet the average for the first 7 months of 1939 is only 97. These figures give us some idea of the real extent of the devastation to which American industrial production has been exposed.

The general economic decline in the United States is reflected in the figures for the national income. The annual statistics of the United States Department of Commerce for the national income (estimated as "the gross value of all goods and services produced minus the value of raw materials and capital equipment consumed in current production operations") showed for 1929 a figure of 82.7 milliard dollars. For the year 1933 this figure fell to 42.5 milliard dollars. For 1938 it was 64.0 milliard dollars. These figures must now be corrected to allow for the changes in the purchasing power of the dollar. If we take as a basis the Labor Bureau's index for wholesale prices and recalculate all the income figures in the 1926 dollar, we shall find that the course of development in regard to national income shows less violent changes, but that it in any case exhibits an extremely disheartening decline. The figures are reproduced in the accompanying table, and the chart illustrates the trend. (Original figures for income, unbroken line; recalculated in the 1926 dollar, broken line.)

[Chart not printed in Record.]

	National income in milliard dollars	Bureau of Labor Statistics wholesale price index 1926=100	National income in milliard dollars and 1926 value of money	Hypothetical national income in milliard dollars and 1926 value of money if annual increase from 1929 were 4 percent
1929	82.7	97	85.2	85.2
1930	69.1	86	80.4	88.6
1931	54.2	71	76.4	92.1
1932	40.1	65	61.7	95.8
1933	42.5	66	64.4	99.6
1934	50.6	75	67.5	103.6
1935	55.8	80	69.7	107.7
1936	65.2	81	80.5	112.0
1937	71.9	86	83.6	116.5
1938	64.0	79	81.0	121.2

In order to realize the significance of this trade depression, let us assume that the increase in the national income after 1929 had proceeded at a normal rate. With a 4-percent annual rise in the national income, the United States could have increased it up to 121 milliard dollars for 1938. The difference between this and the actual figure, 81 milliards, is 40 milliard dollars with the 1926 purchasing power. Expressed in the 1938 dollar, this corresponds to 31.6 milliard dollars. Thus, instead of an income of 64 milliard dollars, the year 1938 should have shown an income of 95.6 milliard dollars. Such figures must be kept in mind if we wish to form a true idea of what American economy has lost by dropping its normal rate of progress. In the chart the assumed normal development is represented by a dotted line. It graphically shows the immense loss that has accumulated during this period as a whole.

If we now ask ourselves: What are the reasons of this portentous deterioration in the effectiveness of American production? we shall be entering on a very controversial subject. I do not intend to engage in a detailed discussion of this question. Anybody can see from the chart that the process of deflation which began in 1929 and which entailed a very marked increase in the purchasing power of the dollar, must have been a factor of fundamental importance. How this deflation could have been avoided, and how the recurrence of such a calamity could be prevented for the future, is a central problem of monetary analysis as well as of practical financial policy.

What is intended here, however, is to endeavor to eliminate such explanations of the trade depression as are quite at variance with reality but which, as experience shows, are nevertheless very popular and are liable to influence economic policy. I am alluding primarily to the theory that the course of development up to the year 1929 had proceeded at an abnormally rapid pace and had entailed an inordinate accumulation of capital assets. This view is completely devoid of foundation, as anybody can convince himself by comparing the period in question with previous booms in the United States. I have dealt with this subject in an article in this quarterly for October 1932, and, though the views expressed there have never been refuted, the talk about an abnormal development of capital up to the peak of 1929 has been perpetually recurring.

This theory becomes quite grotesque if it is contended that the said boom, in view of its excessive intensity, must necessarily be followed by such a set-back as that which subsequently occurred. There is no necessity at all for such a set-back. A continued increase of the volume of American production at the previously normal rate would undoubtedly have been quite possible. In the United States there was a sufficiency of manpower and most other factors of production. The raw materials which had to be imported could easily have been procured, seeing that the United States, as a rule, have had what is commonly called a favorable balance of payments, which might have been utilized for something far better than an enormous importation of gold. We are thus forced to the conclusion that the immense loss sustained by American economy after 1929 must have been due to errors in organization. Such errors it should be possible to remedy. But, if we are to make a determined effort in this direction, we must above all things free ourselves from the view that after 1929 all idea of continued economic progress would have to be abandoned. Our figures show that nothing of any real value is to be gained for the masses by a better distribution of the unduly reduced national income, but that, on the contrary, with continued progression vast resources would be available for raising the standard of life of the entire population. A rational social-welfare policy has undoubtedly had a great mission to fulfill, and much work still remains to be done in this field, but it lies chiefly in the direction of enhanced efficiency of labor, or, rather, in the spread of the high standard of efficiency already reached in some lines to all parts of the national economy. A mere reshuffling of a national income which in itself is quite insufficient would evidently be an ineffectual remedy. Conceived in this sense, a new deal will be a most misleading program.

## Magna Carta Overrated

### EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

EDITORIAL FROM THE GAELIC AMERICAN, NEW YORK CITY, DECEMBER 16, 1939

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a recent editorial published by the Gaelic American, of New York City, on the subject *Magna Carta Overrated*.

[From the Gaelic American, New York City, December 16, 1939]

MAGNA CARTA OVERRATED

The Lincoln Cathedral original of the Magna Carta, which was exhibited at the New York World's Fair, has been placed in the

custody of the Librarian of Congress for the duration of the European war by Lord Lothian, English Ambassador. In entrusting the Latin document to the Librarian Lord Lothian spoke to the people present and said, without qualification, that the charter was the foundation of American liberties.

The Magna Carta was not even a foundation of liberty in England or anywhere else. It was a Norman-French document, written in Latin, and the Anglo-Saxons had no part in its drafting or signing. In King John's time the Anglo-Saxons were hewers of wood and drawers of water in the service of the Norman barons. A very much overrated document, the Magna Carta hardly recognized the rights of the common people. The barons were made subings in their own bailiwicks and their tenants and laborers had no more rights than the cattle and sheep that browsed on the manorial demesnes.

There was nothing original or startling in the provisions of the Magna Carta. The limited liberties enumerated were known at the time and in force in most of the European countries. After signing the much-lauded and much-misunderstood document, King John did not observe it in all its provisions and it was centuries after before the common people of England got any relief from the overlordship of the barons. The unwritten English Constitution did not recognize that farmers, tradesmen, agricultural laborers, and those who worked for a living had no rights that the barons need respect. Even as late as the last quarter of the eighteenth century the House of Commons was composed of landlords or their kindred and the Members of the House of Lords held their seats as a hereditary privilege. In both the Lords and the Commons the Members belonged to the same class—the lords of the soil. The owner of an estate secured his own election or that of his son or other followers, as those who had the franchise had to vote at the bidding of their landlord and were brought to the polls in cars supplied by the candidate or his friends. Rotten boroughs were many, and it was of this last quarter of the eighteenth century that Sir Robert Walpole said of the Members of Parliament that every man had his price. Liberty, as it is understood in America, was unknown in England. Up to a recent period the franchise was restricted and only a small minority of the English people had the privilege of voting at parliamentary or other elections. In 1932 the total of the English electorate was 430,000; today is 29,000,000.

The colonists, even those who came from England to America, heard nothing of the Magna Carta. They had to seek foreign homes to make a living and to enjoy that freedom and opportunity denied them in the land of their birth. The Magna Carta was not regarded by the American patriots as a foundation of liberty. At the time of the American Revolution the people of England outside the titled caste had no voice in this Government. The descendants of the Norman barons were yet in the saddle, and to a large extent the same caste still dominates the English Parliament. Freedom of the press was almost nonexistent, and every denomination outside the state church was outlawed and persecuted. It was to escape persecution and exploitation that the early emigrants endured the hardships and long voyages on unsanitary and frail ships. Even the colonists of English descent did not look on the land of their birth or extraction as a land of liberty, and those who wrote the Declaration of Independence and the United States Constitution had some other inspiration than the Magna Carta or the English system of government. The framers of the United States Constitution were versed in history, ancient and modern, and they embraced what was good in all systems into a Constitution that is unique and original. The men who framed it were no mere imitators, or copyists, nor had they any foolish illusion that the Magna Carta, embodying caste government, was a good model to transplant from a monarchy to a republic.

A very pretentious New York paper had an editorial on the depositing of the Magna Carta for safety in the Congressional Library, calling it a precious relic of the Anglo-Saxon race. The Anglo-Saxons had little or nothing to do in forcing King John to sign the Magna Carta. It was written in Latin, and if any particular credit goes out to anybody for the class document, it must go to the Norman-French who enslaved the Anglo-Saxons.

### A National Referendum Before Conscription for Foreign Wars

#### EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following joint resolution (H. J. Res. 408) providing for a national referendum before drafting citizens and aliens for military service outside of the Western Hemisphere or the Territorial possessions of the United States, which I introduced on January 8, 1940:

House Joint Resolution 408

Resolved, etc., That after the approval of this joint resolution no citizen of the United States nor alien therein shall be drafted for

foreign service in its armed forces outside of the Western Hemisphere or the Territorial possessions of the United States, unless and until Congress deems a national crisis to exist, in which case Congress shall by concurrent resolution refer the question to the people, to wit:

"Shall citizens of the United States and aliens therein be drafted for military service outside of the Western Hemisphere or the Territorial possessions of the United States?"

Sec. 2. The people of the United States who are qualified to vote for Representatives in Congress shall be given an opportunity to express their sentiments on the foregoing question on the first Tuesday after the expiration of 30 days following the adoption of a concurrent resolution by Congress submitting the question, in like manner as provided by the constitutions and laws of the several States for the submission of amendments to a State constitution, the result thereof to be transmitted promptly by the constituted authorities of each State to the presiding officers of the two Houses of Congress, to be by them tabulated and presented to their respective bodies.

This resolution differs materially from the Ludlow war-referendum resolution, which is opposed by the veterans' organizations as jeopardizing our national defense and interfering with the constitutional right of Congress to declare war, and does not call for a constitutional amendment. It could be adopted by a majority vote in the House and Senate at this session of Congress.

I want to emphasize that this resolution carries out the sentiments and desires of 90 percent of the American people to keep out of foreign wars, and particularly not to send our youth to fight in foreign lands. I propose to make an active campaign for the adoption of this resolution at the present session of Congress and have already received pledges from numerous important groups that they would give it their active support and that resolutions in support thereof will be or have already been adopted, and I shall bring it to the attention of all such interested groups for their consideration and action. It is my intention to take the issue to the people over the radio and in every way possible in order to insure action at the present session of Congress.

This resolution far transcends party lines, and I have been assured of the cooperation of the gentleman from Indiana, Representative LOUIS LUDLOW, as well as a large number of Members of Congress who have heretofore opposed the Ludlow war referendum. This resolution in no way interferes with national defense or the constitutional right of the Congress to declare war.

All interested groups or organizations are invited to cooperate in behalf of the early consideration and adoption of this resolution and urged to contact their own Members of Congress in behalf of its passage.

### The Grapes of Wrath

#### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. BOREN. Mr. Speaker, my colleagues, considerable has been said in the cloakrooms, in the press, and in various reviews about a book entitled "The Grapes of Wrath." I cannot find it possible to let this dirty, lying, filthy manuscript go heralded before the public without a word of challenge or protest.

I would have my colleagues in Congress who are concerning themselves with the fundamental economic problems of America know that Oklahoma, like other States in the Union, has its economic problems, but that no Oklahoma economic problem has been portrayed in the low and vulgar lines of this publication. As a citizen of Oklahoma, I would have it known that I resent, for the great State of Oklahoma, the implications in that book.

Mr. Speaker, this great American Nation is distinguished from all other countries in the world in that the Government makes no distinction between its people in such a way as to lay any lines of demarcation between classes, whether



social, political, or economic, and I want it understood in my subsequent remarks that I use the word "class" in the sense of economic concept and not in application to individuals or groups. I would say that the class of people who make up the farmers of America, and more particularly the tenant farmers, are the most patriotic, most democratic, and finest moral fiber in the Nation. I am 30 years of age and 20 years of my 30 years have been spent on the tenant farms of Texas and Oklahoma.

I stand before you today as an example, in my judgment, of the average son of the tenant farmer of America. If I have in any way done more in the sense of personal accomplishment than the average son of the tenant farmer of Oklahoma, it has been a matter of circumstance, and I know of a surety that the heart and brain and character of the average tenant farmer of Oklahoma cannot be surpassed and probably not equaled by any other group in the world. Today I stand before this body as a son of a tenant farmer, labeled by John Steinbeck as an "Okie." For myself, for my dad and my mother, whose hair is silvery in the service of building the State of Oklahoma, and whose hands are calloused with the toil known by every tenant farmer of Oklahoma, and for every good man and good woman, every fine son and noble daughter of the great, good class of people which this putrid-minded writer labeled as "Okies," I arise to say to you, my colleagues, and to every honest, square-minded reader in America, that the painting Steinbeck made in his book is a lie, a damnable lie, a black, infernal creation of a twisted, distorted mind. Though I regret that there is a mind in America such as his, let it be a matter of record for all the tenant farmers of America that I have denied this lie for them.

Some have blasphemed the name of Charles Dickens by making comparisons between his writing and this. I have no doubt but that Charles Dickens accurately portrayed certain economic conditions in his country and in his time, but this book portrays only John Steinbeck's unfamiliarity with facts and his complete ignorance of his subject. Let me call to your attention the fact that in the first few pages of his manuscript that he had tractors plowing land of the Cookson Hills country where there are not 40 acres practical for tractor cultivation. He had baptisms taking place in the irrigation ditches in country near Sallisaw, Okla., where an irrigation ditch has not run in the history of the world. He took Sallisaw out of the hills of eastern Oklahoma and placed it in the Dust Bowl. His careless disregard for these matters indicates only his complete disregard for the truth. It is certain that he wrote about a country he had never visited and a people with whom he was not acquainted and had never contacted.

Some have said this book exposes a condition and a character of people, but the truth is this book exposes nothing but the total depravity, vulgarity, and degraded mentality of the author.

I am surprised that any preacher in America could find a word of commendation for a book which brings such malicious vulgarity to the door of the church. Let me ask you, and every man of mind and character in America, if there is one of you who would sanction placing this book in the hands of your young daughter?

Let it be to the eternal credit of the Postal Service of the United States that they have banned its obscenity from the mails.

I have worked in the cottonfields, the broomcorn fields, and the wheatfields in almost every area of the State of Oklahoma, yet there is not one thing in the book which would remind me of the thought, the action, or the conditions of the people and the places I have known. I have traveled over the most of the United States and a few foreign countries, and the only places in all America that I ever saw anything which compared in complete negation to this manuscript were the writings on a toilet wall in a dilapidated depot. Take the vulgarity out of this book and it would be blank from cover

to cover. It is painful to me to further charge that if you take the obscene language out, its author could not sell a copy.

The grapes of wrath that John Steinbeck would gather in a world of truth and right would press for him only the bitter drink of just condemnation and isolation for his unclean mind.

I would have you know that there is not a tenant farmer in Oklahoma that Oklahoma needs to apologize for. I want to declare to my Nation and to the world that I am proud of my tenant-farmer heritage, and I would to Almighty God that all citizens of America could be as clean and noble and fine as the Oklahomans that Steinbeck labeled "Okies." The only apology that needs to be made is by the State of California for being the parent of such offspring as this author.

Mr. Speaker, let it be a matter of record that the English language does not hold vituperative contents sufficient for me to pronounce completely the just condemnation of this man and his book. The lies that he has written he cannot recall; the words he has put into the mouth of these people will whisper eternally in his ear and haunt his wretched soul as the degraded creations of his hallucinations in filth and mire.

### Mr. Roosevelt's Budget

### EXTENSION OF REMARKS

OF

### HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

EDITORIAL FROM THE BLOCK NEWSPAPERS

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks I desire to include the following editorial from the Block newspapers:

#### MR. ROOSEVELT'S BUDGET BILL

As head magician of the New Deal, President Roosevelt staged a brilliant performance of sleight-of-hand in the Budget which he has presented to the new Congress.

For some years now we have been accustomed to wander annually with Mr. Roosevelt through the wonderland of his budgets, admiring their sly underestimates of expenditures, their bright prophecies of increasing revenues sprung from nowhere, their booby traps of shifting figures, hidden items and other artful snares for the unwary. The harsh realities about national finances which we have to face the next morning have nothing whatever to do with the rabbits and the rope tricks which the President evokes like a prestidigitator at a children's party. That, however, is not important. It's still a great show while it lasts, and one can only come away with increasing admiration for the Roosevelt wizardry.

This year the Presidential Houdini was in top form. Presto! The six hundred millions the New Deal will extract from the taxpayers for social security disappeared from the Government's receipts and also from its expenditures, permitting the illusion of a neat reduction. Chango! A billion and a half dollars appeared from nowhere; only the sharpest eyes in the audience detected the magician in the act of extracting it from the Treasury's working balance. A few more words of stage gibberish and seven hundred millions were deftly slipped out of the capitalization of the Federal lending agencies. And as a final act of breath-taking legerdemain, he turned to some of his assistants in Congress, and asked them to produce four hundred and sixty millions for defenses by additional taxes.

Mr. Roosevelt's magic has allowed him thus neatly to avoid the problem of spending as much as ever, without exceeding the legal limit of the debt which the deficit now so nearly approaches. Examined without benefit of sleight-of-hand, the President's fiscal plans call for spending \$9,027,000,000 as against receipts of \$6,151,000,000. This leaves an actual deficit of \$2,876,000,000, which will place the New Deal in the position of exceeding the debt limit. Only Mr. Roosevelt's lighter-than-air bookkeeping has saved the appearance, if not the fact, of borrowing more than the law allows.

Mr. Roosevelt's eighth successive deficit budget is a mightily able exercise in magic, but is a cruelly disillusioning document to those who still believe in honest bookkeeping and who know that no person, no business, and no government can for long spend more than is received without being overwhelmed in bankruptcy.

## Antilynching Bill

## EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. THILL. Mr. Speaker, I will vote for and support the antilynching bill—H. R. 801—because it will do much to prevent the disgrace and tragedy of lynching.

I am opposed to lynching because it violates every principle of honor and legal procedure. The mob which participates in lynching acts on hearsay evidence, which is barred by the courts of the United States. The members of the mob act as judge, jury, and executioner. Under such circumstances the mob victim is deprived of his constitutional right of facing his accuser. He is deprived of the right of defense by counsel. He is deprived of those precious rights guaranteed by our Constitution.

It is a reflection upon the locality where such mobs overrun constituted legal authority and show no confidence in the courts. In such places where lynchings take place, is it not self-evident that the accused has little chance to escape proper punishment? If the victim is guilty, he would no doubt, under the law, receive proper punishment within a few weeks instead of taking punishment at the hands of the mob shortly after the crime is committed. When such action by a mob is condoned, it sets a dangerous precedent in that it implies that anyone at any time or place has the right to take the law in his own hands. When an innocent man is lynched, the guilty one escapes and for all practical purposes the courts have been closed to the guilty one who is still at large.

The United States Government should extend its strong hand to protect its citizens against murderous mob action, and those responsible for such mob action should not be permitted to scoff at law, order, and civilized decency. Our Constitution, Mr. Speaker, insists that the life of every American citizen shall be protected by our Government; that all of us, white or colored, shall enjoy the equal protection of the law, and the mighty force behind governmental authority.

It is reasonable to expect that the passage of this bill will exert a beneficial influence upon the Negroes, who have so often been the victims of mob action. We must remember that the American Negro in a short space of time has made more progress in the ways of civilization than perhaps any other people in a similar period of time. There is no field of American science or culture to which the Negro has not made valuable contributions. George Washington Carver, working in the quiet of his study and laboratory, has done immeasurable service to American agriculture and industry. It is my belief, that the passage of this bill will do much to improve the spirit and self-confidence of our colored brothers and will still further promote their scientific advancement and achievement.

I am happy to be able to support the antilynching bill, which will to a great extent discourage lynching and foster orderly procedure under the law.

## Milk Problem in the State of Vermont

## EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to call attention to the ever-

present milk problem with which the dairy farmers of the State of Vermont are confronted.

The Vermont dairy farmers produce, as many of you realize, over one and one-third billion pounds of milk each year; the milk produced goes in tremendous quantities to the metropolitan areas along the New England and north-eastern seaboard. To illustrate this I need only call your attention to the fact that 52 percent of all the fluid milk consumed in the so-called Boston milkshed is produced in Vermont; great quantities likewise go to the New York market.

Thus, each owner, each operator of a dairy farm in Vermont, is vitally interested and concerned in the price of this particular farm product; he is similarly concerned in the stability of this important milk market to which he ships his production.

Much time, much effort, much study has been given to this whole problem, including the disruptive elements which continue to create instability in the milk market, which continue to deny to the dairy farmer the just profit to which he is entitled for his labors. In this connection I would like to incorporate in my remarks at this point the statement of my friend, the Honorable E. H. Jones, the commissioner of agriculture for the State of Vermont, who also is the chairman of our Vermont Milk Control Board.

The statement is as follows:

SOLUTION TO MILK PROBLEM LIES IN LOWER COSTS OF DISTRIBUTION—COMMISSIONER JONES FAVORS DIFFERENTIAL BETWEEN PRICE OF DELIVERED AND STORE-SOLD QUARTS; SCORES HIGH UNION TRUCKERS' WAGES

(By E. H. Jones, Commissioner of Agriculture and Chairman, Milk Control Board)

The Fortune Magazine article, "Let 'Em Drink Grade A," as summarized in the current issue of Readers' Digest, is so full of practical information that it may well be studied by everyone who has difficulty in understanding the complexities of the milk situation. While the title is something of a misnomer, the author obviously is no novice in milk marketing affairs.

He says "The trouble with milk is price." Right. "And that is not incurable." Right again we hope. He goes straight at the root of the matter with this inquiry: when farmers receive 5 cents per quart or less for their milk, why are consumers asked to pay sometimes as high as 16 cents per quart for it? It is now generally understood that farmers receive barely enough for their milk to cover the cost of production, and the public apparently does not begrudge them a price sufficient to provide a decent living. It is also conceded that the price to consumers under present conditions should not be advanced. Therefore, the remedy must be sought somewhere between these limits. This means lower costs of distribution if and where possible.

## TRUCKERS' PAY UNJUST

Casting no reflection on the substantial old line distributors, most of whom are of the same kind of flesh and blood as we ourselves, it is believed that many of them have become involved in systems of distribution which are not only expensive and uneconomical, but which throw the whole milk industry out of balance. With the ridiculously low compensation for long hours of labor performed by the producer, it is neither fair nor equitable for city union truck drivers to extort \$50 per week for transferring the milk from processing plant to consumer's door step, thereby saddling the industry with an expense of 4 cents per quart for their short hour service which carries no risk or investment. Whether this injustice can be remedied remains to be seen, but there are several other projects in sight by which it may be possible for this excessively wide spread between producer and consumer to be equitably reduced.

## SHOULD LOWER DELIVERY COST

It is earnestly hoped that we are on the eve of an overhauling of milk distribution which will bring the desired results without injustice to any of the participants. A plan to avoid the huge cost of daily deliveries by many distributors covering the same territory seems one of the first tasks to be undertaken. Already United Farmers' Cooperative Creamery Associations, which operates a distributing plant in Boston, is attacking the problem of less deliveries. Sheffield Farms Co. of New York, which purchases large quantities of Vermont milk, is trying out a two-quart paper container at a reduced price per quart. At the recent meeting of the Vermont Dairy Plant Operators' and Managers' Association in Burlington, R. W. Bartlett of the University of Illinois, a native of Orleans, Vt., gave a most interesting description of a new process for extracting the oxygen content of milk, thereby prolonging its keeping qualities several days. If this project should prove practicable and workable milk so processed might properly be delivered weekly rather than daily with a reduced delivery cost which would be a tremendous aid toward the objective of a narrower spread. More power to these people who are honestly endeavoring to work out this problem.



## FAVORS TWO-PRICE SET-UP

It is the firm conviction of the writer that the principle of a price differential between delivered milk and that sold in stores is sound. It is just as sound as the universal practice of self-service in cafeterias. It was given a fair trial in Burlington, but had to be abandoned because it didn't work in that market area. The milk-control board reached the conclusion the benefits of the plan were outweighed by the difficulties, delays and costs of a hew-to-the-line policy of administration. Failure in Burlington, however, does not disprove its usefulness elsewhere. In our search for practical methods to increase consumption and reduce the producer-consumer spread in large city markets the promotion of store sales at a proper differential is worthy of consideration. Too high delivery costs drive the consumer to the use of canned milk and milk substitutes.

As the author of Let 'Em Drink Grade A points out, an exorbitant premium is sometimes charged for grade A milk. It is true that the difference in butterfat value between it and grade B is negligible, but the use of grade A should not be discouraged. It must meet a higher standard of sanitation in its production and must carry a materially lower bacteria count, which adds to its desirability and to the safety of its use. The Vermont Milk Control Board has several times been requested to fix a premium of 2 or 3 cents per quart on grade A and vitamin D milk, but has kept the premium at 1 cent because it believes that it is sufficient to cover the extra cost of production.

## MUST SOLVE OWN PROBLEMS

It is noted that the Fortune magazine writer has avoided reference to Federal milk orders and agreements. Many of us Vermonters who oppose the general principle of Federal intervention in State affairs are very willing to recognize the benefits we have received from Federal control of the milk markets of Boston and New York, to which most of our milk is shipped. It is not desirable and should not be necessary, however, for Federal supervision to be continued as a permanent policy. It is essential that our best thought and effort be directed toward solving these marketing problems for ourselves, to the end that the northeastern milk tub may eventually stand on its own bottom.

Now I would like to incorporate in my remarks at this point the digest of the Fortune article appearing in the Readers' Digest, to which Mr. Jones refers in his statement.

The digest is as follows:

## LET 'EM DRINK GRADE A

(Condensed from Fortune)

Most Americans know that there is a milk problem. They know it because milk is continually in the news and the news is always bad: news of farmers who, having milked the American cow, proceed to dump her product into the country lanes in fierce milk strikes; news of racketeering of unions that upset milk delivery wagons in the city streets; news of endless investigations into the milk trust, which is damned for manipulating prices. But behind the headlines, Americans know there is a milk problem in a very practical sense. They know that whereas the farmer gets between 3 and 5 cents for his milk, they are asked to pay from 9 to 16 cents for it. So farmers feel they are underpaid; housewives are sure they are overcharged. Both are correct.

American business has a long record of bringing products such as the automobile and the radio to an ever-larger public. But with milk the problem of low-price mass distribution remains unsolved. Between 1929 and 1936 our per capita consumption of milk dropped 6.8 percent.

The milk business is bigger than the \$2,000,000,000 automobile business and the \$2,800,000,000 meat-packing industry. Milk brings in the biggest single chunk of all farm income, 19 percent of all cash United States farmers receive. Obviously the milk business, because it is so big, affects our whole economy; an increase in the cash received by farmers for milk helps to stimulate industry, a decrease to depress it.

But vast though the dollar dimensions of the milk business are, its measurement in human terms is even more significant. The great majority of Americans are not consuming nearly as much milk as they should for health and stamina. Dietitians estimate roughly that children should have a quart of milk a day and adults at least a pint. By this standard our per capita consumption of fluid milk would be about 250 quarts a year; actually it is 170 quarts. Dr. Herman Bundesen, president of the Chicago Board of Health, recommends a quart a day in his newspaper column; consumption in his own city is seven-tenths of a pint.

The trouble with milk is price. And that is not incurable. Milk can be distributed so as to bring the farmer the same 5 cents, or better, and be sold to the city housewife at 9 cents or 10 at the outside. It will not be easy—the one company in Chicago that has tried to get milk to the consumer at low prices has had to fight labor, big business, and the Department of Agriculture. But it can be done—and is being done, here and there.

The forces that operate to keep the price to the consumer so high form a standard pattern. It is a rare city where two or three companies do not supply at least half of all milk sold. The big distributors buy their milk mostly from cooperative associations of farmers. The farmer receives one price for milk consumed as fluid milk, another and lower price for the same milk if it is used as "surplus," for making butter, cheese, condensed milk, or ice cream. The money he actually receives is the "blended price," based on the

apportionment of the total milk supply between these two uses. The big companies buy all the farmer's milk and then tell him how it was used. The farmer has no facilities to check up on the companies' reports.

Another element in the struggle is labor. Unionized milk drivers are paid \$50 a week in Chicago—an average of 4 cents for each quart they deliver. They earn \$40 to \$50 in New York, similar high rates in other cities. Naturally they want to keep their jobs, so they encourage home deliveries and discourage store sales. In Chicago, union drivers warned stores not to buy from strike-breaking independents; stores that did not heed were bombed. One price-cutting farmers' co-operative suffered 75 percent breakage of its bottles. Milk-wagon drivers have urged union labor in various cities not to buy milk in paper containers (handled in stores). Pins have been stuck in the containers to make them leak, lemon juice has been needled into them with hypodermic syringes to sour the milk.

Governmental agencies have used strong tactics to hold up the price of milk. The Federal Government no longer tries to set retail prices, but State, county, and city authorities have been busy. It is cheaper to sell milk through stores than to deliver it to homes, yet in 30 out of 129 cities recently studied State law forbids any difference in price, and in 35 other cities the price in stores and from delivery wagons is the same. Where there is no law there are other ways of getting results. Most powerful weapon is the refusal of health authorities to inspect and license farmers who want to ship milk and thus increase the supply. In a famous Chicago case 300 farmers willing to pay all inspection costs had to go to court before they could compel the city's health department to send inspectors. In Portland, Oreg., efforts to limit the milkshed went so far that licenses and quotas were for a time traded for cash like stocks and bonds. Ordinances regulating pasteurization also can be manipulated to close the market to newcomers.

The result of all these factors is that the retail price of milk has remained high throughout the depression, higher than other foods, higher than the cost-of-living index, higher than wages. Consumption of fluid milk has fallen off.

Milk magnates sometimes express doubt that the consumption of milk would increase measurably if the price were to come down. But there is considerable evidence that it would. The First National chain began to sell milk in its Boston stores at 2 cents under home-delivery price and its business was increasing rapidly until a new law limited the spread to 1 cent and for good measure added that milk sold in paper containers should be priced a cent above bottled milk. Milk consumption in the Boston area thereupon dropped 100,000 quarts a day. Boston stations sold milk at 5 cents to people on relief, 7 cents to W. P. A. families. Use of milk by relief families went up 50 percent; total consumption for Boston increased 10 percent.

As income rises the consumption of milk rises with it. Families with \$15 to \$20 a week use a little less than 2½ quarts a week per person. Families with \$50 and more buy upward of 3½ quarts per person.

Another significant fact: Since 1927 the price of condensed milk has been sinking steadily, and sales have increased by 60 percent.

The one immediate hope that more people can get all the milk they want lies with store distribution, but the present price is set by the cost of home delivery, a service that many people cannot afford.

Even home-delivery costs could be brought down somewhat. A Milwaukee survey showed 7 companies delivering in each of 147 blocks; 2 blocks were visited by 17 trucks. But the saving here could hardly be more than a cent a quart, even if some legal way could be found to enforce less duplication.

But the typical 4-cent spread between the price of milk at the pasteurizing plant and at the retail store can be cut drastically, especially by chain stores. Safeway stores, delivering milk to 29 of its units in 18 California towns, found the cost to be four-tenths of a cent a quart, not 2½ cents, which is the average spread elsewhere. All in all, the store price of milk could be 4 cents under the home-delivery price without taking anything from farmer or storekeeper.

The trend to store sales is apparently on the increase. In Chicago, Detroit, Washington, Los Angeles, and Boston independent operators are selling milk through stores at cut prices. Store sales are growing in New York. In that market Borden and Sheffield keep their own brand names out of the stores, but they have subsidiaries under other names selling milk to stores for resale at a cent under their own home-delivered brands.

Why in many cities do the store prices remain high? The answer is pressure—pressure from the unions, from the big milk companies, from the farmers. The companies do not want to antagonize the unions. They have large investments in home-delivery equipment. For all their protestations, they may make fairly good money out of home deliveries in ways not immediately apparent. For example, there are profits on special items. Grade A milk, its difference from grade B negligible, has sold in New York at 3 cents more a quart. It averages only 0.15 percent more butterfat, and that is like buying butter at \$8 a pound. Then there is vitamin D milk, containing a few drops of fish-liver oil or exposed to irradiation, and sold at a cent over grade A. Every move the milk companies make, from their chocolate-vitalax extras to their advertisements, shows plainly that they regard themselves as being in a specialty business and not as dealing in a staple.

But store sales at lower prices would vastly increase the sale of milk. Why don't the big companies want that added volume? The answer reveals the structure of the milk companies in all its beauty.

They do not need to push the sale of fluid milk because the milk not taken fresh by consumers is "surplus" milk, at a class 2 price, and they convert it into milk products in which there is a big profit. In 1936, 89 percent of Borden's net income was from manufactured milk products. National Dairies increased its scale of milk products 40 percent, while its fluid-milk volume dropped 21 percent.

As for the farmers, they have been convinced by a long series of painful demonstrations that any price cut in the cities will come out of their hides. The big companies explain regretfully that their own costs are fixed and that they cannot possibly absorb the drop in price. Only the big companies, so the theme goes, prevent "chiselers" from battering down prices paid to farmers. True, where the law permits, independents pay the farmer a price a little below class 1 but above the "blended" price, so that the farmer's actual cash return is greater. But what, ask the big companies, would happen to the class 1 price if price cutters and chains got the upper hand? Are not chain stores notorious for loss-leader tactics, wrecking a market? So the farmers have become staunch supporters of the class price system, which they thought up in the beginning, and hostile to the chains and independents.

The chains are in a spot. They are unpopular in many quarters, afraid of further antichain legislation. If they should cut milk prices, even though they paid the farmer the same price as ever, it is likely the big buyers would cut the farmer's price "to meet competition" and the farmer would retaliate through his lobby with some new law cracking down on the chains.

How soon milk will be cheaper is largely up to the consumer and the clarity with which he formulates his wants. If he thinks it over, he will not wish to destroy the home-delivery system, but will insist that those who do not want it shall not be required to pay for it. Similarly, he will not want to insist that all stores sell milk at the same price. Stores which sell a big volume should be allowed to reflect resultant economies. Then the housewife could make her choice; she could have milk delivered at the top price, get it at the neighborhood store for a lower price, or buy it at a shopping center for even less.

If public opinion can form along some such lines, a change in the parlous state of milk might proceed very fast. Some big companies are already experimenting cautiously with a 2-quart container selling at a lower price per quart; some are paying more attention to store sales. Once increased consumption from lower prices is demonstrated, then the big companies and the farmers both may see the light.

### New Philosophy of Government Laid Down By President

#### EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. SHAFER of Michigan. Mr. Speaker, in his recent Budget message President Roosevelt laid down a new and startling philosophy of government which explains the tax-spend-lend-elect formula which the New Deal administration has followed for the past 7 years. In his message the President had a paragraph which reads as follows:

In the early thirties—prior to 1933—fiscal policy was exceedingly simple in theory and extraordinarily disastrous in practice. It consisted of trying to keep expenditures as low as possible in the face of a shrinking national income. Persistence in this attempt came near to bankrupting both our people and our Government.

If this paragraph means anything, Mr. Speaker, it means that if an individual, or a city, or a state, or a nation gets into a position of having an income so depleted that it does not meet expenditures the old rule of thrift, of economizing to make both ends meet, is a sure way to bankruptcy. The reverse of this policy necessarily must be that when income is depleted, one should borrow and spend to get rich.

The point the President sought to make, of course, was that back in 1933 the New Deal had immediately begun to borrow and spend far beyond the Government's income and had put idle wage earners back to work. Of course the flaw in this reasoning is the startling fact that after 7 consecutive years of increasing annual deficits and a national debt now approaching the \$45,000,000,000 mark, there are almost as many wage earners out of work today as there were in 1933. If the war in Europe had not speeded up some of our industries

during the past few months, the number of unemployed wage earners January 1, this year, would have been fully as large as the number of unemployed wage earners back in 1933.

### Antilynching Bill

#### EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. DUNN. Mr. Speaker, my reason for wanting to support the bill which is now before the House is because I look upon it as a humanitarian measure.

I do not believe there is a race of people in the world who has been and is being more persecuted than the unfortunate Negro. He is discriminated against in every State in the Union. The South is not any more responsible for obstructing the progress of the Negro than the North, East, and West. In my opinion, in proportion to the population of the rest of the country there are just as many people in the South who have and are today doing what they can to promote the welfare of the Negro.

I hope the time is not far off when the persecution of colored people and all other peoples who are being discriminated against because of their religion, nationality, or race will be permanently discontinued.

### Prohibition of Certain Exports to Japan

#### EXTENSION OF REMARKS

OF

HON. WILLIAM H. KING

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, January 11, 1940

LETTER BY HON. HENRY L. STIMSON, FORMER SECRETARY OF STATE

Mr. KING. Mr. President, the situation in the Orient, now and for a number of years last past, presents tragic aspects. Though China and Japan are distant from the United States, we cannot close our eyes to the conditions there, and to the cruel and relentless war which has been prosecuted and is being prosecuted by Japan against inoffensive Chinese. It is reported that more than 40,000,000 Chinese have been driven from their homes, and their property, in part, at least, destroyed, and that several million Chinese have been killed; cities and towns have been bombed, and defenseless men, women, and children in noncombatant areas have been destroyed.

A number of years ago, when Japan seized Manchuria, there was universal condemnation of that act. An American statesman, Hon. Henry L. Stimson, was then Secretary of State. In a very able state paper he protested against the conduct of Japan, and, as I recall, called attention to the fact that the seizure of Manchuria was a violation of the Nine Power Pact, if not the Four Power Pact, and certainly was in contravention of the terms of the Kellogg-Briand Pact.

Unfortunately, Great Britain did not join our Government in protest against the illegal course of Japan. Undoubtedly the failure of the signatories to the treaty in question to join the United States in protesting against Japan's course encouraged Japan to violate further the terms of the treaties



and to seize territory in China. The failure of the signatories to the treaty in question to act promptly when Manchuria was seized has undoubtedly been regarded by Japan as evidence of the fact that they would not adopt measures that would interfere with the predatory course which Japan is now following.

In a letter appearing in this morning's New York Times, Mr. Stimson calls the attention of the public to the situation, and recommends legislation to prohibit the export to Japan of arms, munitions, and raw materials entering into the manufacture of war materials. I believe the majority of the American people agree with the views expressed in Mr. Stimson's letter. I therefore ask unanimous consent to have the letter inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of January 11, 1940]

In the problems presented to them by the present chaotic conditions of the European world the Government and people of the United States have taken successfully their first step toward an affirmative foreign policy. They have repealed the automatic arms embargo, which made them in effect an unwilling ally of those nations of whose international conduct they disapproved. They have returned to the policy of their fathers, who believed that peace-loving nations, when they were unjustly threatened or attacked, should be allowed to defend themselves with arms purchased in neutral markets.

Our people have thus shown that they were not afraid to discriminate between right and wrong. They have recognized that there is a difference between official neutrality and moral blindness.

And so far there have followed no evil results of this action, but, on the contrary, much good. The nations which are standing for the kind of international conduct in which we believe have been greatly encouraged, and we ourselves have shown no sign of losing our heads in wild adventures. There has been no uncontrollable war boom, and the American public is studying deeply and trying carefully to appraise the difficult problems with which we are confronted.

#### PROBLEM IN THE EAST

Now we are approaching another national problem brought about by war—this time on the opposite side of the world—in Asia. For 3 years the great resources of our country to a major degree have been thrown continuously to the aid of wrongdoing in the Far East. They have been used not only to assist unprovoked aggression against China but also to facilitate acts of inexcusable cruelty toward unoffending Chinese civilians—women and children. They have been used to promote the violation of treaties which we initiated and which represent the hope of modern civilization in the Far East. They have been used to destroy the humanitarian work carried on in China by American churches, missionaries, and educators. The evil which we have assisted in China has been much more widespread and brutal than anything which has yet happened in Europe, but American responsibility in dealing with it is somewhat different.

It is not our national legislation which is at fault, but a comparatively small number of individual Americans who are directly responsible—chiefly the merchants who are selling to Japan the ore, steel, and scrap iron indispensable for her bombs, and the large oil producers who are selling to her the even more indispensable aviation gasoline for her planes. Today that responsibility has become more clear than ever. The resources of the very few other nations who formerly joined with us in that traffic are now nearly all absorbed in the European war. Except in America there are very few of these indispensable materials for aggression which are now left available to Japan. The focus for responsibility is thus almost wholly centered upon us. The figures of the sordid traffic have been published and republished many times and there is no need for repeating them here. If a prophet Nathan were abroad in the world today, his finger would point unerringly at Uncle Sam and there would be no doubt in his decision, "Thou art the man."

And yet as to the American people as a whole that would be an unjust condemnation. Both the press and the Gallup polls overwhelmingly show that there is no international question on which our people are more thoroughly united than as to the Japanese aggression against China. From the beginning they have accurately appraised the Far Eastern issue and from the beginning their decision has been overwhelmingly against Japan—against her on the original aggression and even more against her on the brutality with which that aggression has been carried out. More than four-fifths of those who have expressed their opinion in a recent Gallup poll are in favor of stopping the evil with an embargo.

#### PLACING RESPONSIBILITY

The real responsibility therefore rests first upon the comparatively small group of Americans who have been willing to soil their hands with this dirty traffic; and, secondly, upon those political leaders who have tried to frighten our Government from doing anything to prevent the wrong by warning them that to do so would surely lead them into war with Japan.

Experienced observers have promptly recognized and publicly stated that such a fear was without credible foundation; that the very last thing which the Japanese Government desires is a war with the United States; and that on the contrary every act and word of our Government in respect to the Orient is followed with most anxious solicitude in Japan. Admiral Yarnell, in a discussion in the New York Town Hall Radio Forum was one of the most recent of such observers, and certainly his authority is outstanding.

But the clearest demonstration came when our Government, after a long period of forbearance with repeated violations of our own rights in China, took sudden and vigorous action and on July 26 last denounced the Japanese-American commercial treaty of 1911, to become effective 6 months from that date. This was followed on October 19 by an extraordinary public address by our Ambassador to Japan expressly warning the Japanese people "that American public opinion strongly resents some of the things that Japan's armed forces are doing in China today"; also that this public opinion "is unanimous."

#### NEW TREATY SOUGHT

Did Japan bluster and threaten war after these abrupt and very direct warnings from our Government? She did not. She at once put the brakes on the long series of aggressive acts of her agents against Americans in China. She promised to reopen the lower Yangtze River. She uttered other conciliatory statements. Some of her statements indicated a complete misconception as to the character and cause of our resentment, but they were certainly not warlike.

And ever since there has been going on in this country a concerted movement, very evidently originating in Tokyo, composed of suggestions and requests addressed to chambers of commerce, Members of Congress, and other prominent persons urging that pressure be brought to bear on our Executive to hasten into negotiation for a new commercial treaty with Japan.

We are also being urged from quarters usually quite easily traceable to Japanese sources not to lose the present "golden opportunity" to offer our good offices toward bringing the hostilities in China to an end. In short, a course has been followed which can be at once recognized as characteristic of Japan's diplomacy ever since, under the leadership of her military leaders, she embarked on her conquest of Manchuria.

Those leaders desire strongly to subjugate China, but they also clearly recognize that a head-on quarrel with us would be fatal to that project. As a result, there follows a suggestion for our mediation, they knowing full well that nothing undesired by Japan can come out of such a proposal, while in the meanwhile any action by our Government to stop our traffic in arms with her will be effectively forestalled.

On January 26 next the 6 months' notice given by our Government of the abrogation of the treaty with Japan will have expired. Our Government will then be morally free to act with respect to our commerce with that country. It is therefore important that our people should consider and discuss the matter thoroughly and in its broadest aspects so that our Government may act in the light and with the support of an intelligent public opinion.

In the first place, our interests in the Far East are not limited to the narrow interests of our present commerce in that region. They are far broader and more permanent. We are the largest nation bordering on the eastern side of the Pacific Ocean. We are increasingly concerned with what happens on the other side. In the past we have not hesitated to recognize the responsibility which that position involved. We have been active and potent in spreading the influence of our civilization as a moral and cultural force among our neighbors on the opposite shore of that ocean. Not only have American missionaries and educators been more influential than those of any other nation in attempts to spread there the peaceful influence of our American principles and mode of life but in the Philippines for over 40 years we have been building up a very successful demonstration of self-government among some 15,000,000 of Filipino people.

#### MOVES FOR PEACE

Our purposes in doing this have not been chimerical or fantastic. They have represented the long-range interests of our country. In each of these methods we have sought to lend our influence toward the maintenance of principles of peace and stability among the crowded populations of Asia. We have recognized that along that line rested the far-sighted interests of our own country. It has been clear to us that among these interests was the continuance of the stability and independence of the naturally peaceful culture of the Chinese Nation.

If for no other reason, we foresaw that in the future development of that culture there rested stable relations and great possibilities of fruitful commerce with us. Today anyone who thinks can see that it is for our interest that there should continue to exist in eastern Asia three independent and stable nations, Japan, Russia, and China, rather than that one or two of these nations should successfully conquer and dominate the third.

Furthermore, when we examine their history during the past 50 years, we do not believe that the Japanese are capable of establishing in China a regime of peace, possessing the characteristics of security, law, justice, order, and stability. In their conquest of Korea, their subsequent 21 demands upon China, and their still later invasion of Manchuria, we recognize that the Japanese have been heavy contributors to the conditions of disorder which have sometimes developed and prevailed in the Chinese Nation; and, last of all, during the past 3 years we can easily see that the methods

of the Japanese Army in China have produced on the part of China's 400,000,000 people a prevailing suspicion, fear, and outright hostility, such that even if Japan were able to occupy forcibly all of China, the relationship between the Japanese in China and the Chinese population would be characterized by constant resort to force and manifestations of violence.

Furthermore, we recognize that the immediate responsibility for this rests upon the Japanese Army, which during the past 10 years has succeeded in obtaining a domination over the civil authorities of Japan to an extent which is contrary to all the democratic principles which we believe in as the best security for a stable national or international policy.

#### TAKING ISSUE TO PEOPLE

For these reasons we have a strong feeling that it is highly desirable in the interests of the United States that the Japanese military organization should become discredited in the eyes of the Japanese people. We know that the Japanese people are highly patriotic and that until they themselves become convinced that their army has embarked on a venture which is a failure and which also has brought severe burdens and hardships upon the Japanese people, it will be unlikely that the people will cease to support it.

I think that in the foregoing I have stated briefly what are the current views of an overwhelming majority of the American people who have at all considered what is going on in the Far East.

Now what are natural deductions from such views and beliefs? In the first place, what light does it shed upon the position we should take toward the organized movement that Japan is evidently making in this country today suggesting that our Government should mediate with a view to stopping hostilities in China? What prospect is there that our efforts would result in any kind of a peace which would be in accordance with the historic interests and aims of our country in that region? Is there any likelihood that Japan would accept a peace of such a character that any high-minded or patriotic American could take satisfaction in it? Is there any likelihood that China would willingly accept the only kind of peace which the Japanese Army would be willing to consent to? Should this country lend its influence toward imposing on China a peace which disrupted her territory or destroyed her independence or made her economically or militarily a vassal of Japan?

#### CHINA'S CONFIDENCE RENEWED

I cannot but believe that the unhesitating answer—the almost unanimous answer—by all such Americans to these questions would be in the negative. I do not claim knowledge of the military situation in China other than what is in the possession of any interested and careful reader of the daily press; but, from such observations as I have been able to make I am convinced that the recent developments in China have given the Chinese Government renewed confidence in the capacity of China to resist and that China has no intention of making peace on the basis of Japanese terms as constantly outlined by her spokesmen.

On the contrary, I have the strong impression that it is Japan whose efforts are beginning to bog down, and these impressions are confirmed by the hurried efforts which the Japanese military authorities have been making to establish in Nanking a Chinese puppet government and to proclaim it as having the support of the Chinese people—a fact which any observer can see is to a very high degree untrue.

So in short I see no reason why our Government should now offer its efforts to force a peace upon China. I believe that to do so would fail to bring any enduring peace; that it would seriously discredit the United States to have abandoned the principles toward China and the Far East which for nearly half a century it has maintained; and that it would seriously impair our future interest in that entire region. I believe further that it would merely tend to assist Japan in acquiring a legal title to some portion of China that the Japanese Army has seized by force. Consider what the effect of such an action on our part would have upon our moral influence toward peace in other portions of the world where war is raging. To one who has learned to value the influence of this country in foreign affairs as one of the noblest and highest influences in a broken world, such a prospect would seem lamentable indeed.

No. Such steps as we take should be in the other direction. They should be toward supporting and effectuating our principles and objectives in the Far East rather than of abandoning them. Holding that aim in view, the course of action easiest and most practicable for the United States would be to discontinue the assistance which some of our people are now rendering to the efforts of the Japanese to destroy the independent sovereignty of China. Without going into detail, there are several lines along which our Government could act.

#### EFFORTS FOR EMBARGO

One step it could take today and that step is in line with what it has already done. It could address its powerful leadership and influence toward persuading those Americans who are now engaged in exporting iron ore and scrap iron as well as aeronautical gasoline to Japan to cease their exportations. The Secretary of State has already successfully applied this method of a so-called moral embargo toward preventing further exports to Japan of airplanes and of machinery for the manufacture of the special kind of gasoline necessary to fly airplanes.

It is hard to see why we should stop with those efforts and not go on and try to stop the export of the special gasoline itself. The

stoppage of the machinery for manufacturing that gasoline is of little present avail so long as we permit the export of the product itself. The readiness of our merchants of airplanes in the past to accept such leadership of our State Department should encourage it in the belief that it would have the support of our oil and scrap merchants in further efforts.

Compliance with such a request by our Government would be worth while as an immediate step in the line of restoring our own self-respect. And it might well be an effective step. But it could hardly be more than a step. In the light of the violence which Japan during the past few years has done to the principles advocated by this country, as well as to our material interests in Asia, such a step can hardly be thought adequate. In order to impress Japan with the seriousness of the feeling of our people as to this matter, I think our Government will probably have to go further.

#### BILLS BEFORE CONGRESS

There are at least four bills now pending in Congress proposing directly to prohibit the export by us to Japan of arms, munitions, and the raw materials out of which arms are made. One of these bills bases its proposed action specifically upon the reason that the arms and materials thus prohibited are intended to be used in violation of the sovereignty and territorial integrity of a nation whose sovereignty and integrity the United States is obligated by treaty to respect.

The passage of such legislation would have the great advantage of demonstrating more clearly than any other method the reason for our action and the emphasis which we place upon right conduct in international relations and particularly upon the treaty for which we are mainly responsible, undertaking to respect the integrity and independence of China.

Furthermore, the fact that our Congress representing our entire people had taken such action would carry with it a weight of influence which would be far more effective in impressing the people of Japan with the sincerity of our purpose than any other action. The stable equilibrium of eastern Asia, in which the United States is so deeply interested and which is now menaced by Japan's attack upon China, cannot be restored without a complete reversal of the conduct followed for several years by the leaders of the Japanese Army. And among the influences which would be effective in ultimately accomplishing that reversal next to the courageous and stubborn resistance of the Chinese Nation would be the knowledge in Japan that the United States, through the action of its representative Congress, had deliberately and clearly taken such a weighty step to evince its disapproval.

Indeed, the influence of such action by our Government would transcend even the great crisis in Asia. Throughout the broken and warring world of today it would show that this Nation recognizes its responsibility for making efforts toward the restoration of law and order and that wherever its peaceful influence can effectively be thrown it will be thrown on the side of independence and freedom and against militarized aggression. It would thus powerfully tend to confirm the already great influence which has been exercised by the repeal last autumn of the automatic embargo legislation.

HENRY L. STIMSON.

NEW YORK, January 10, 1940.

### Tributes to Senator Glass on His Birthday Anniversary

#### EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 11, 1940

ADDRESS BY RUSSELL C. LEFFINGWELL AND VARIOUS COMMUNICATIONS

Mr. BYRD. Mr. President, on Monday last the Senator from Mississippi [Mr. HARRISON] had printed in the RECORD a number of tributes to my distinguished colleague, the senior Senator from Virginia [Mr. GLASS], on the occasion of the recent celebration of his birthday anniversary. Included in those tributes was part of the remarks of Mr. Russell C. Leffingwell, of New York. I now present, and ask to have printed in the RECORD the full text of Mr. Leffingwell's remarks on that occasion, together with communications on the same subject from a large number of Senators and other distinguished Americans.



There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ADDRESS BY RUSSELL C. LEFFINGWELL

Because of the high admiration they have for him and the love they bear him, friends and admirers of CARTER GLASS all over the country wish to mark his eighty-second birthday by establishing a professorship of government in his honor here at Sweet Briar.

Here in Virginia CARTER GLASS was born. Here he has made his home. Here he has lived his life, and here, a few miles from Senator GLASS' birthplace and his home his distinguished sister presides over the destinies of this young, thriving, and beautiful college for women.

The business of government has always been an important concern of a free people. It is more than ever the concern of a free people in these days when government is taking to itself more and more activity in the affairs and lives of the citizens.

The enfranchisement of women, an event so recent in the history of our democracy, so recent, indeed, in the lifetime of CARTER GLASS, and of many of us older folk, makes it important that government should be studied by the educated women of the country in order that they may know what is and what is not the function of government; what is good government and what is bad government; what is the free government of a free democracy and what is despotism; and how government should be administered.

We are discarding a free economy, or seem to be doing so. We are tending away from a government of laws to a government by bureaus and to bureaucratic administration. To quote Arthur Macmahon on government in the Encyclopaedia of the Social Sciences:

"The abandonment of laissez-faire is indicated most forcefully in the multiplication of ad hoc regulatory boards. Far from representing sound legislation and perfected administration, they are significant as confessions of a need and as the crude beginnings of control. A society intent on exploitation and schooled to leave adjustments to initiative and competition has become uncomfortable and been forced to act without knowing what it wished to do. The first steps have taken the form of a congeries of unrelated statutes nearly devoid of policy, by which undigested problems have been devolved upon amorphous agencies that administer a kind of compulsory arbitration among conflicting interests."

Evidently it is essential that woman's instinct for good housekeeping, and her experience in it, should be applied to the affairs of the National Government, and that every educated woman in particular should have an opportunity to know and understand the business of government, how it is conducted, and how it ought to be.

If the study of government sounds arid and dreary when presented in terms of the language I have quoted from an encyclopedia, then let it be made fresh and vital by the study of the lives and utterances of the great men who have made the Government of the United States what it is.

The business of government is not an arid thing. It is a human thing. It is in the lives of great men that we find inspiration to study the science and art of government and to seek to apply it to our own times. Virginia was the home of Washington, Jefferson, Madison, and Monroe. It was the home of Patrick Henry, of Marshall, and of Robert E. Lee. It was the birthplace of Woodrow Wilson. This same Virginia is the birthplace and home of Carter Glass.

It was 22 years ago that I first met Mr. GLASS. Those were war-times. He was chairman of the Committee on Banking and Currency of the House of Representatives and I was Assistant Secretary of the Treasury. He had been the chief author and the congressional sponsor of the Federal Reserve Act and the man most of all others entitled to be honored for devising and enacting and instituting the Federal Reserve System. The creation of that System was the most constructive monetary achievement of the United States since the foundation of the Republic. Without the Federal Reserve System the United States could not conceivably have financed its part in the Great War without chaos. In a democracy no great measure is the sole achievement of a single man, but of all the many people, politicians, bankers, and businessmen who contributed to the creation of this Federal Reserve System CARTER GLASS plainly stands out as the man who devised and piloted through the Legislature and enacted this great measure.

After armistice, Secretary McAdoo resigned and CARTER GLASS succeeded him; and for a year and a quarter, or thereabouts, Secretary GLASS presided over the finances of the United States; and in particular it was he who led in the flotation of the Victory Liberty Loan. Secretary McAdoo, in the effort to finance the war, had drawn into the Treasury a little Treasury cabinet mostly of New Yorkers known to him or to his associates in the field of law and finance. To these men, mostly strangers to him, the new Secretary of the Treasury gave his confidence and support in the work they were doing for the Treasury. Secretary GLASS inherited the problem of financing the overhang of the war burden, not less difficult than that of financing the war during the period of active hostilities. The public debt continued to rise very rapidly from Armistice Day until it reached its peak in August 1919. Secretary GLASS had to find means to finance this mounting public debt after the fervor of the war spirit had abated. Then the members of the great Liberty Loan organizations which had been created during the war were naturally anxious to return to their private lives and to the serious business of earning a living in the difficult period of post-war readjustment. And the people of America who had been taught to stint themselves in order to finance their government at

war were likewise weary of the sacrifices imposed upon them by the war and anxious to relax from the high tension and self-sacrifice of the war days. In spite of these difficult conditions, the rapidly mounting debt of the war's overhang on the one hand, and the rapidly waning war fervor of the people on the other, Secretary GLASS launched the Victory Liberty Loan and campaigned the country for it. He never feared failure and never stood in danger of failure. And his great Victory Loan was a great success.

During the year and a quarter when CARTER GLASS was Secretary of the Treasury we lived and worked together daily. Then he went to the Senate and I, not so long after, went back to my law practice in New York. But in those 15 months I learned to admire and love this man of Virginia; this man of the frail, but seemingly indestructible physique, the indomitable will and the great heart. And that love and admiration and the friendship then formed are as much alive today as when our paths separated 20 years ago.

And if it is, as I believe it is, the business of a government of free men, both to govern these men and to preserve their freedom, then the life of CARTER GLASS, of Virginia, as a politician, as a newspaper editor, and as a statesman, is in itself a lesson in government. A free and fearless and untrammelled press he stands for and exemplifies; a free and fearless life in politics he stands for and exemplifies. There is something else that CARTER GLASS has that few have. He has the power of passionate eloquence in a cause. He is uncontrollable in his devotion to the truth. He is possessed of command of the English language unrivaled in his day, and has the power of indignation and the gift of enthusiasm. CARTER GLASS is the true example of the leader of a free people. A great editor, a great legislator, creator, and defender of the Federal Reserve System, Secretary of the Treasury, Congressman, and Senator of the United States, fiery and eloquent defender of the truth: this is CARTER GLASS. In his name and honor friends and admirers of his throughout the country present this birthday gift to Sweet Briar.

And to you, Senator, as a reminder of this birthday party we give this book containing the signatures of many of your friends with best wishes for many happy returns of the day.

James A. Farley: "It is with sincere regret that I find myself unable to accept your invitation. I am particularly sorry because there is no one I would more readily wish to honor than Senator CARTER GLASS. He has been a friend of mine ever since we first met, and I have for him a very high regard and affection."

Mrs. John Nance Garner: "The Vice President regrets that it will be impossible for him to be present. He dearly loves and admires the Senator and considers him one of the greatest living statesmen and one of the most patriotic of our American citizens. It is always a joy to do honor to such a man."

William McC. Martin, president of Federal Reserve Bank of St. Louis: "No honor is too great for Senator GLASS and we are disappointed in not being able to personally tell him so."

Senator KENNETH McKELLAR, of Tennessee: "I am more than sorry that I cannot be present. Virginia has cause to be proud of many of her sons, but of none should she feel more proud than she does of CARTER GLASS. I am one of his greatest admirers."

President John Lloyd Newcomb, of the University of Virginia: "There is no public servant of Virginia more worthy of honor than the distinguished senior Senator, and we would like very much to be of the company on January 4. Please convey to the Senator our very keen regret at our inability to be present."

Senator ARTHUR H. VANDENBERG, of Michigan: "I deeply regret that I cannot accept your invitation. I shall be with you in spirit, joining as always in any tribute to the superlatively splendid citizenship and patriotism of the senior Senator from Virginia."

Senator WILLIAM E. BORAH, of Idaho: "I deeply regret I shall not be able to attend the dinner to be given in honor of Senator GLASS. But I should like you and friends of the Senator to know how grateful I feel to have been invited to have a part in doing honor and paying tribute to Virginia's distinguished statesman and patriot."

"But why should I say Virginia? In the truest and finest sense he belongs to the Nation. To the Nation he has long contributed the wealth of a gifted mind and the unselfish and superior services of a devoted spirit. His unflinching courage in public affairs, the stainless purity of his private and public life, and all those qualities of greatness which make up the genius of CARTER GLASS, as in the case of so many celebrated leaders of the Old Dominion, are imperishably a part of the pride and the glory of the Republic."

DEAR MR. LANCASTER: Will you please convey to both Mr. GLASS and Mr. BYRD my best wishes and very greatly oblige?

Yours very sincerely,

PAUL A. REDMOND.

WASHINGTON, D. C., January 4.

SWEET BRIAR COLLEGE,  
Sweet Briar, Va.

Please give my affectionate greetings to my beloved friend, CARTER GLASS, to whom you are doing honor tonight. To him all honor is due, no less for what he is than for what he has done. His stature has gained in moral grandeur with the years as his character has in massiveness. Few statesmen anywhere at any time have shown such consistent integrity of mind, character, and purpose as he. God bless him.

ADOLPH MILLER.

WASHINGTON, D. C.

Miss META GLASS,

*Sweet Briar College, Virginia:*

Wish it were possible for me to be present tonight and join in the fine tribute being paid your illustrious and distinguished brother, Senator CARTER GLASS. He is beloved by all of his colleagues. He is truly one of the great statesmen of this generation and deserving of the high honor being paid him. The principles for which he has stood and the courage he has always displayed as a public servant should ever be an inspiration to us all. I congratulate Sweet Briar College in the establishment of the CARTER GLASS professorship of government.

PAT HARRISON,  
United States Senator.

RICHMOND, VA., January 4.

DABNEY S. LANCASTER,

*Sweet Briar College:*

Owing to unpromising weather am compelled to deny myself the great pleasure of being with you and your guests tonight. Please convey to Senator GLASS my respect and admiration for his magnificent service to our country. My best wishes for the success of the evening and your good work.

JOHN M. MILLER, Jr.

RICHMOND, VA.

DABNEY S. LANCASTER,

*Sweet Briar College:*

Regret I will not be with you to honor Senator GLASS tonight.  
BUPORD SCOTT.

WASHINGTON, D. C., January 4.

Hon. HARRY FLOOD BYRD,

*Sweet Briar College, Virginia:*

Please convey to Senator GLASS my very deep appreciation for the opportunity I have had to know one of America's noblest citizens.

EDWARD R. BURKE,  
United States Senator.

RICHMOND, VA.

Dr. DAENEY S. LANCASTER,

*Sweet Briar College:*

Please convey my congratulations to Senator GLASS.  
Col. JULIEN H. HILL.

WASHINGTON, D. C., January 3.

Dean EMILY H. DUTTON,

*Sweet Briar College, Virginia:*

It is with the keenest regret that I am denied the privilege of being present at the dinner honoring Senator CARTER GLASS on the occasion of the establishment of the Carter Glass professorship of government for Sweet Briar College. Senator GLASS is a great American, an intellectual and courageous public servant, and a lovable man. He occupies a rare place among the patriots and statesmen in American history.

TOM CONNALLY,  
United States Senator.

RICHMOND, VA., January 4.

President META GLASS,

*Sweet Briar College, Virginia:*

Terribly disappointed, impossible attend celebration. Congratulations to CARTER GLASS and Sweet Briar.

BELLE BOONE BEARD.

WASHINGTON, D. C., January 4.

Dr. META GLASS,

*President, Sweet Briar College:*

It had been my intention to be present personally tonight to felicitate Senator CARTER GLASS on his birthday and to voice my hearty approval of the establishment of the Carter Glass professorship of government at Sweet Briar College. Senator GLASS is one of the great Americans of all time and we honor ourselves in honoring him. It is a source of great joy to me to see this tribute paid to a fine American while he is still able to enjoy it.

ALBERT B. CHANDLER,  
United States Senator.

WASHINGTON, D. C., January 4.

DABNEY LANCASTER,

*Sweet Briar College, Virginia:*

My warmest congratulations to Miss Glass and to you and her associates at Sweet Briar on establishing in the name of this great American a foundation for the teaching of history, which I hope will always be held in the channels of sanity, patriotism, and common sense which our great American so vividly exemplifies. Please express to Senator GLASS the great admiration and esteem which we all hold for him and congratulate him on so courageous and useful a career. I deeply regret that I cannot be present to witness this fitting tribute to one of Virginia's greatest sons.

GEORGE Y. WORTHINGTON, Jr.

WASHINGTON, D. C., January 4.

Dr. META GLASS,

*President, Sweet Briar College, Virginia:*

Regret my inability to be present. In a very imperfect way, I desire to express my personal congratulations to Senator CARTER GLASS on the occasion of his having rounded out 82 years of a very full life. I deem it more appropriate, however, to congratulate America on its being the birthplace of a good and manly man. The strength and endurance of democracy is structured by far-sighted, fearless fellows like the courageous young man who today rounds out his eighty-second year amid the praise of his native State and the plaudits of the country, to which he has rendered, as a citizen and as a Senator, so much service. History will speak more eloquently of CARTER GLASS than is possible of those who affectionately greet him tonight, of which number I am one in spirit.

Senator PAT MCCARRAN.

WASHINGTON, D. C.

DABNEY S. LANCASTER,

*Executive Secretary, Board of Overseers, Sweet Briar College, Virginia:*

Sweet Briar has endeared itself to all of us by honoring that great Virginian and great American, CARTER GLASS.

JAMES F. BYRNES.

My DEAR MR. LANCASTER: There is no man in public life whom I more admire, and my affection for the distinguished senior Senator from Virginia knows no bounds. His contributions to the welfare of our country are widely applauded at this time, as they have been for years; but, in my opinion, it will be left to historians of the future to properly and completely tell how much his presence meant to his country and his countrymen. No man in the Senate commands more respect, and there is none here who more completely compels the affection of his fellows.

May I say again that I am terribly sorry that circumstances beyond my control denied me the opportunity of sending a word to you that might be added to those being prepared for Senator GLASS. I am among the millions who hope and pray for his continuing good health and lasting happiness.

Sincerely yours,

Senator FRANCIS MALONEY.

In spite of press reports that Senator GLASS does not like to celebrate his birthday, I do not feel that I can let the occasion pass without extending my best wishes and expressing the hope that he will have many more, and that he can continue his useful and valued service to the country.

RONALD RANSOM.

I would not feel that the year had officially started if I did not write to congratulate Senator GLASS upon his birthday on the 4th of January. It is with great pleasure that I do this now, and I hope that 1940 will be a year of health, happiness, and good fortune to him. I am looking forward to our various contacts during the course of it.

With congratulations and warm good wishes for the Senator,  
HENRY MORGENTHAU, Jr.

We glory in the honor that is justly Senator GLASS'. He is deserving of the highest tributes and worthy of man's praise. Mrs. Halsey joins in many happy returns.

EDWIN A. HALSEY.

I regret that I cannot by my presence evidence my deep personal respect for Senator GLASS as a statesman and my sincere affection for him as a friend.

L. W. DOUGLAS.

Although we are separated by almost 2,000 miles, I am thinking of Senator GLASS on his eighty-second anniversary, wishing him health, happiness, and a world of every good thing throughout the year ahead.

SAM G. BRATTON.

Congratulations to Senator GLASS. I wish for him many more years of usefulness and happiness. Sorry I cannot be with him. With affection and admiration.

P. H. DREWRY.

All blessings on Senator GLASS this day and every day.

AMELIE TROUBETZKOY.

Owing to previous engagements, I find it impossible to attend the dinner given to Senator GLASS. For over a quarter century I have been privileged to enjoy the association and protection of his friendship, and like millions of others unknown to him have reaped the benefits of his wise and courageous statesmanship. Any honor or tribute will be but a small evidence of the admiration and affection in which he is held by his countrymen. May good luck, happiness, and peace be his for many years to come.

Sincerely,

BERNARD M. BARUCH.



Accept my hearty congratulations upon the splendid and well-deserved tribute paid to Senator GLASS by Sweet Briar. Certainly he has reason to be proud of the universal esteem, respect, and affection in which he is held by all of the people of this country. Mrs. Battle joins me in affectionate remembrances and warm personal regards to Senator GLASS and his sister.

GEORGE GORDON BATTLE.

### Institute of World Affairs, Riverside, Calif.

#### EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Thursday, January 11, 1940

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH

Mr. BILBO. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] before the Institute of World Affairs at Riverside, Calif., on December 15, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Dr. von KleinSmid, colleagues on the program, and members of the institute, I have a feeling, President von KleinSmid, that I am not going to give a very good talk tonight, because when I asked the good Lord to help me through with it I just offered a prayer that I might do well enough to be invited back again. By not being here for the full session I have missed the inspiration of this occasion and the meetings of the institute. I have listened tonight to the only two talks that I have heard, the splendidly optimistic talk of Dr. Martin, who last year, in describing what he had seen first hand in Europe, gave me more information right here, more real thought about what was taking place over there, than I got from the three Ambassadors who came over to tell us about it and from anyone else during the whole year. That is an extremely hopeful sign. And the deductions that Dr. Martin made last year, like those he made tonight, were true, just as true as the hunches of Dr. Rowell's Greek friend. The world lives both by study and by hunch, and that is my supplement to Dr. Rowell's definition of faith.

I cannot help but put in here a touch of the religious under the inspiration of Dr. Rowell, and say that the world must ever live by faith, and we individuals in the world must live by faith, because if we try to live by knowledge we have to deal entirely with the present and the past, living by those things we remember. The glory of man's mind is his ability to project himself into new situations; for when man learned how, after he discovered the concept of time, to seek a future, then man arrived at the present, thus justifying faith in man and in his ultimate solving of the problems of life.

Dr. Rowell left us with somewhat of a feeling that even if we do not go to see What Price Glory, we are still convinced that this is a cockeyed world. Well, that is nothing very new. I get all mixed up in my contemplation of ancient lore, but I think there was a day back in the time of Greek mythology when Diana was the goddess of directions. She was called not only Diana of the Hunt and Diana of the Crossroads, but also, by the wits of ancient times, who then represented those persons who accepted the theory of a cockeyed world, Diana of the Cross Eyes. A Chinese once said that when things were as bad as they possibly could be and then take a turn for the worse, then China is normal. I, too, have spoken in the way in which Dr. Rowell spoke, and many a time I was accused of being a pessimist. But do we want a world without problems? Do we want a passive world? Does anyone want a condition of bliss?

I remember one description of a preexistent state where the gods met together in their glory and after planning the new world they decided to people it. And one plan that was offered called for the sending of souls down and the bringing of them back perfect. Another plan was to send them down and let them work out their own and the world's destiny. I am sure that it was then that the angels shouted for joy. I should have wanted to be one of the angels who said "Give me a chance," and not a guaranty of perfection.

That is the kind of faith I have in this world. Having been a school teacher and watched boys and girls grow into manhood and womanhood, I remember the story of three little pigs experimented on at an agricultural station. The three little pigs were taken at birth. One pig was given everything a body should have, including vitamin B; another, just a little of the good; and the third was turned loose to rustle for himself. At the end of the experiment the first was completely economically worthless, although I suppose spiritually all right; the next was one that you and I would never

want; but the third little pig who rustled for himself developed into the kind of pig that made him economically and socially a going concern, a pride to himself and his owner.

Let me show you some remarkable things that have taken place in this world lately; and it is through institutions such as this one which we are now holding that some of these things have been made possible. Dr. Beard, in his latest article, makes fun of these study groups and makes fun of anyone who teaches international relations, but the fact remains that within a generation it has become extremely hard to lead a country such as ours into war, while it was very, very easy to do so in generations past. As Dr. Martin has pointed out, these wars which are going on are wars which no one wants, not even those who are fighting them. In 1916, after President Wilson delivered his preparedness address, I suppose because I had had my photograph taken in a uniform once, I was asked to help with the parade in my home city. All the citizens marched, including the professional men and the clergy, urging that America prepare for war. Thinking of the experiences of 1916 and the first part of 1917, we remember a war party in the United States which included the majority of our people—for it was the people of the United States and not the Government that urged war. We read such statements as that of Theodore Roosevelt, whom I am sure we could point out as a leader of the war party in America, describing President Wilson as being too weak to lead us into war and writing a letter to an English friend saying that probably America would never understand, under the leadership of such a man as Wilson, that we have to gain our salvation through a baptism of blood. If anyone were to say this today, the statement would be rare enough to be news, but no newspaper would play it up as being representative of the ideals of the people today.

There is—and I have just now been through more than half the States of the Union—there is absolutely nowhere in the United States any war sentiment at all, and this is not because the American people are not willing to do their part for the world; it is not because they are cynical; it is because they have learned down in their hearts the futility of war in solving any great question, and that is why, along with other things which have to do with war, nations are backward in hurling their masses of citizens into battle. Those persons who have scoffed at teachers of international relations are not responsible for the people's having learned this lesson. That credit should be given to those who have thought that if the people understood war as it actually is they would appreciate its futility and learn to hate it as a medium of settling misunderstandings. The war going on is terrible, but extremely scientific, and science and knowledge together sometimes will contribute toward preventing the futility of an experiment.

Not only are we convinced but it is a fact that America would serve no good purpose at all in entering this war, even if we could find in its complex nature that side which would be consistent with American ideals. As pointed out by Dr. Martin, the peace of 1918 and 1919 failed because it was written by scores of nations, all of them belligerents. Scores and scores of nations had gone into war and just a few had remained out. Only here and there was a nation left to temper the influence of the victors over the vanquished. And so much was that the case that constructive agencies of peace were interwoven with the destructive hates incident to the war and some of the peace treaties did not become effective even after the war. Constructive thinking was tied up with destructive action. Our hope for the future is that neutral will for a peaceful world will guide thought toward a constructive peace, a peace looking toward a better future, not looking back with vengeful hate. Peace, tempered by the will of the noncombatant world, is the promise we should like to see fulfilled.

Now, what will America's part be in this peace of tomorrow? I do not know. I frankly do not know. The American Government is such a complex one that it is hard for us to know where the last word is; yet I think that, if the will of the American people is applied, the American contribution will come from America's experience.

The technique of world organization is a very vital thing. The great stabilities of the oldest social democracy and economic democracy of the world are those that rest upon simple principles. There is a political democracy when there is an economic and social democracy, for we do not have a political democracy unless we have an economic and social one. America's contribution can, first of all, be a political contribution. The world has already seen this technique at work. Where can we find any better form for substituting reason for force than that found in courts of justice? The need, therefore, for an international court of justice is just as apparent as it ever was. That ideal is as good as it ever was. It probably has not functioned quite as well as it might have functioned. It probably has not been accepted quite as universally as it might have been accepted, but we must not lose sight of the fact that in our own Government the importance of the Supreme Court of the United States was not accepted at once.

Then we turn to the ideal of the League, the debating of questions, the settling of disputes by bringing them out before the people. The world has known that more than 60 nations have sat down around a discussion table, and that these nations will not lose that ideal in spite of present noneffectiveness of the League. If we are going to have peace in this world, what better ideal can we have for a lasting peace than the hope and aspiration of an international labor organization such as is represented by the International Labor Office, an international peace brought about by advancing social justice. Thus we have those ideals and while they are not 100 percent effective, they are habit-forming ideals,

and when once the nations of the world start to use them, they will become great and stabilizing influences.

But, you say, security through international action has failed. Just what has not failed? The only wholly successful technique that I know of is that of Ghandi, who by his utter weakness still makes Great Britain listen and act. Here there was never failure, and Ghandi is true, not only to his ideals, but also to the accomplishment of his purpose, and right now he is not the type of man to thrust a dagger into the back of his opponents. There is, then, some hope.

Armaments do not bring peace and security. One would imagine the United States might have an army of 2,000,000 people, and trust to that sort of thing. But Poland had an army of 2,000,000 people; that is, the nation that was Poland had. We cannot put our faith in arms and have it count. And what about the Russian hordes? They have men under arms. What if we see in Finland overpowering force defeated, it would not be the first time in this world that a small force, fighting for the right marshalled with right on their side, have overcome millions fighting for what they know not. If right should prevail, we would see that there was something to be extremely happy about in this world of ours.

But the best of all is that as far as this great Nation is concerned, war as an instrument of accomplishing national ends is considered utterly futile. Our new national attitude in this is a step forward. Then we realize that our own experiences have given us now what the world needs in the technique of governmental organization—the federal idea. We do not have to have a union of states to apply the federal idea. That is America's contribution to the art of government, to be sure, but all we need to do is what we have done in our own Union, temper in some way the absolute sovereignty of the entity of the larger states and emphasize the fact that those activities which are of universal concern shall be treated in a universal way, and those of local character be treated in a local way, and we have the governmental technique for a better world. This America can offer. And under that system it could be possible, and it should be possible, to receive into that community of nations states of every known ideological theory.

In the United States we are now being pressed to cut off relations with Russia. Why? Because we are indignant. But what shall we have accomplished by this? Nothing more than to cut off one more peaceful process which we must turn to again later. No; we do not want to go to the bottom again. Let us build on up. Let us not carry the banner for those who do not want to have anything to do with Hitler, Stalin, or Mussolini. Their own people and time will take care of them. Let us remember this: That one hundred and thirty-odd years ago, when a great dictator was running rampant over the world and needed gold to carry on aggression, that our own Thomas Jefferson entered into negotiations and paid him gold for Louisiana at a time when he knew this money would be used for more aggression. If we say that because we do not like our neighbor we shall not have anything to do with him, we do not do anything but make it harder to live with him. The ancients, when they taught us the truth of life, wrote of the utter futility of attempting to be social by unsocial means.

The trouble with this world is that it was a fine world as long as Adam was alone with the animals in the garden. But as soon as they turned Adam into a social being all the ills followed. And there is no greater lesson in the whole range of the Old Testament than the lesson of teaching the people to live together, though we have not succeeded fully yet. What good does it do not to talk to Hitler? What good does it do not to carry on relations with Russia? Russia will still be there; the German people will still be there. While we would consider that the world on which international law rests has been abused, and nations which theoretically were guaranteed an equality with other nations have been wiped out, one laughs exceedingly loud when, for example, a Hitler overruns and destroys an Austria, and overruns and destroys Czechoslovakia, and overruns and destroys Poland, and then protests on the grounds of the breaking of a rule of international law that Rumania is unneutral in allowing a change of the Polish Government to take place in Rumania while the Government is in retreat there. Even in a situation of that kind we see something that is hopeful, because international law still is used for an arguing point if nothing else. That means it is not dead.

So in the experience of the United States there has been enough of the political technique developed so that we can constructively offer something to the world. Now, if we can only find the other truths that are so essential, the economic one, for example. If we could recognize the economic facts of the world, much would be gained. A recognition of an actual world unity by a comparative study of national aims would follow. I do not despair. You do not despair. Dr. Rowell mentioned Germany in the good old days. I was there. This fine old Germany we dream about was not a Germany of freedom of thought and action, and it is the same with a number of things that seemed so good because they are in the past. I must say, bad and discouraging and hopeless as the world seems, in our own country, for example, more happiness is actually being enjoyed by more people in the United States today than was ever the case before.

And let me leave you with this one thought. We as members of a democracy do not like the authoritative state, realizing that it means the curbing of a man's soul, mind, property, and all that he has which makes him a man in the sense of America's freedom. Nevertheless, there is no dictator today who does not rule as a result of taking care of the common people. I do not believe that

anyone ever used the expression "Let them eat cake," but one thing that no dictator accepts today is the possibility of escaping the responsibility of feeding his people.

## Labor Problems in Oregon

### EXTENSION OF REMARKS

OF

HON. RUFUS C. HOLMAN

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, January 11, 1940

ADDRESS BY RALPH E. MOODY

Mr. HOLMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Ralph E. Moody before the Members' Forum of the Portland Chamber of Commerce on January 8, 1940, on the subject How Labor Can Cooperate in Developing Oregon.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mortal man is influenced by two inconsistent emotions—spiritual aspiration and material actuality. Neither can be considered or treated from the standpoint of the other. It is, however, that desire to mix them which affords the opportunity for the demagogue and gives him his following. Theorists who base their doctrine upon any such mixture are false prophets. Permanent or perpetual material utopia always has been, ever will be, a mere fiction, never a fact.

Our forefathers, who were Christian in profession and belief, and sometimes in practice, gave us a Constitution solely in the domain of realism, which wisely and fully provided for individual liberty and freedom of speech and action, and guaranteed protection in the possession of legally acquired property, thus stimulating and encouraging industry and thrift.

The Constitution did more—it provided for a government of laws, and not of men. The forefathers in making and ordaining this fundamental law created and established a democratic form of government, relying upon the patriotism of the people in nurturing and protecting such wonderful heritage. President Abraham Lincoln had the right conception in realizing these truths when he said that his "legs were long enough to reach the ground." Let us, therefore, not permit our feet to be lifted from the ground when considering the enactment of laws or when sitting in judgment on our chosen officials in their administration of the laws.

There is no effect without cause, and the relationship between labor and capital in Oregon has been unwholesome and certainly retarded the development of this great Commonwealth.

You are all familiar with the troubles which existed a few years ago when strong-armed squads, presumably representing labor, but in fact representing only racketeering leaders and corrupt capital which used labor to stamp out competition, ran riot in this State. To you I need not repeat the details of the labor war in Oregon. The indifference of the law-enforcement officers to act in some of the localities of the State, and the inability of those officers who were anxious and willing to act to properly and effectively cope with the then existing conditions, was made apparent to General Martin, who was then our Governor. He saw a situation which was throwing thousands of workers out of employment, stagnating and destroying business, causing irreparable loss and great inconvenience to the general public. He instantly and patriotically met the challenge to the State's welfare. Taking control, he directed the State police to aid and assist the local officers, and he appointed a coordinator in order to secure cooperation with all the law-enforcement agencies of the State. You've been told and retold the story of the prosecutions which landed leaders in jail and the penitentiary, which gave back to the worker the control of his own labor organizations, if he is not too indifferent and unpatriotic to accept the responsibility which has been placed directly on him. Right here I want to say that when the history of the labor troubles of this decade is written, General Martin and the State of Oregon will be shown to have led the way out of the morass of discord and loss which labor wars breed.

You have asked me how can Oregon labor contribute to the development of this Commonwealth.

Not alone, God knows, can labor accomplish peace. Let me use the trite old comparison which says that labor and capital is a team which must pull together. That is true. But the general public, every man and woman who enjoys the right of franchise, must sit in the driver's seat and direct that team in the way of progress.

Lead by demagogues and self-seekers who have been psychology-wise but lacking in the fundamentals of patriotism, unsound theorists, who have woven fancy and fact into alluring promises,



labor, capital, and the general public have lost sight of the American ideal of common welfare.

Indifferent, selfish, greedy, capital has—and perhaps here lay the fundamental trouble—taken advantage of the system of government which was to guarantee us our personal and property rights, to force enactment of unwise legislation which gave capital an unfair advantage over the worker. That was wrong.

With the same indifference to the welfare of this country, with the same selfish purpose and greedy emotion, labor has permitted the control of labor organizations to fall into the hands of unscrupulous racketeers. Labor has been exploited, first in some instances by capital, though the number of unfair employers have always been a small percentage. Then came the labor lord, the racketeer who saw in organized labor, blocks of votes which would yield political power and prestige, indulging in the promise of increased pay rolls to come to those workers.

Under the cloak of so-called liberalism, we saw developing in this country, class consciousness. Russia saw an opening. Agitators, who aggravated every trifling labor dispute, directed from Moscow, worked their way into labor organizations. Troubles developed. Work stopped. Pay rolls stopped. Mills and factories closed. In some instances, and here I say is one of the greatest sins, corrupt businessmen and industrialists dealt with unscrupulous labor lords, to force out of business, competition. Workers suffered. Business suffered, and labor lords waxed rich. If the rank and file of labor could speak, strikes would be few and most generally justified.

Labor in its selfishness and unwillingness to look upon itself as an integral part of the country as a whole, permitted itself to be exploited as a political force. The demagogue flourished. Men have been elected to our State legislatures and to Congress solely because they represented labor. How fundamentally wrong this is.

Until our law-making bodies are cleansed of this class-conscious group and filled with honest straight-thinking Americans whose recognized patriotic duty is to legislate for the good of all the people, bad conditions will exist.

Good government depends upon the willingness of the men and women who should be the government, to vote honestly for what they believe to be the best interest of the country. Class legislation fought over in legislative halls engenders bitterness, and drives further the wedge between capital and labor.

The self-seeker and the demagogue, who for the purpose of getting votes and retaining himself in office and who looks at every piece of legislation in the light of votes, is a traitor to the principles of American government and a traitor to the misguided majority who listened to his crooning promises and placed him in office.

Every time a so-called piece of labor legislation is approved which will further hamstringing business the so-called friends of labor are simply throwing more men and women out of work and adding to the already-overburdened relief load.

Every time a committee presumably representing labor makes demands upon an employer which weakens the financial structure of business the destruction of more jobs, with its resultant suffering and despair and destruction of our American system, is effected.

Russia is aware of this and that is the reason we find men either openly or secretly allied with bolshevism, so frequently in positions of power in labor organizations.

It is not only a sad commentary but a baneful influence to the welfare of our Nation that the present head of the Labor Department of the Federal Government is an alien in thought and action to the fundamental ideals of our Government. Labor certainly is not contributing to the development of business or to our country's welfare in insisting upon or approving the action of the Secretary of Labor in referring to a pink intellectual the fact-finding power of determining whether Harry Bridges is a Communist or not, or an otherwise undesirable alien. The sensible and patriotic American will not be lulled to sleep on this important question by the referee's 75,000 words of anesthetic.

Patriotic Americans should be aware of fellow travelers, parlor pinks, editorial and magazine writers who use every means available to spread propaganda of ideologies basically opposed to the American system of free enterprise. They are either dreamers or self-seekers, who assiduously tear away at the foundations of this Government. While on this subject, another group which is an insult to the intelligence of this country is our news commentators who clutter up the air, blasting forth on our radios to "interpret" the news of the day. They take it for granted the American mentality is so debased and degraded that from straightforward news stories people of this country are unable to form their own opinions.

The subsidized columnist and the crusading commentators are becoming the most effective means of spreading radical propaganda in this country today.

Labor should not be fooled or illusioned by any theoretical and professional uplift group, who see no good in the American system of government, but have a utopian dream which includes the destruction of capital, free enterprise, and freedom of workers, subordinating all to the spiritual dream of an ethereal society. Practical rules cannot be successfully combined with a dreamer's brain child.

Labor can aid in the development of Oregon. There must be capital to give labor that opportunity. Capital must be made to feel safe from persecution by labor groups and biased administrative officers. No man with a few thousand dollars and an idea and a good market in view is going to risk that money in development if he cannot count on the cooperation of labor. Capital has

a right to a fair return on its investment. Investment at best involves risk—market change; the future is always uncertain. But, if added to the natural chances, he also faces constant labor war; if he cannot retain friendly relationship with the men and women who must be basically important in that development, then he is not going to take a chance, and business is lost, pay rolls lost, and jobs are lacking—thus no development. When the rank and file of labor cleanses itself of racketeering leadership and is willing to cooperate with the employer in retaining business on a healthy basis, labor will then be giving a great contribution to the development of Oregon.

Labor leaders decry technology replacing men with machines. They should remember that machines don't make unjust demands; and if labor makes hand work unprofitable, then machines will replace men. Capital, on the other hand, should take into consideration that in replacing men with machines, pay roll is being reduced, and so is the buying power of the country being reduced, and so are markets being eliminated. There must be friendship and the understanding of a common cause between labor and capital, if the general public is to be protected from this evil.

Last fall, when the farmers and fruit growers of Oregon initiated the law to protect the employee, the employer, and the general public in cases of labor controversy, I spoke in its behalf. I supported this measure because I believed and now believe it to be fair and just. I have always believed that if the truth of the situation could be gotten to the voters, the result would be an approval of the truth, for I have the utmost confidence in the honesty, integrity, and patriotism of the American people, and I know that the vast majority want to do right when they know what that right thing is to do.

This statute does not in any respect hamstring the rank and file of labor; it protects them in all their fundamental rights, and it protects labor from racketeering, if the workers are willing to exercise the rights it guarantees to them. The law gives to employers no new rights, but protects them in their fundamental rights, and, most important, it protects the public from uncontrolled labor warfare, such as has caused the great loss and subsequent retarding of the development of Oregon.

The morning after the election, when I realized the rank and file of labor, the workers who are the backbone of the Commonwealth, had accepted this act which freed them from racketeers, I remarked that it would be my purpose to fight against any employer taking any improper or unfair advantage of any of the provisions of this act, and there is no evidence that he has, or has attempted to do so. I believe that the rights of the workers are just as sacred as the rights of capital, and should be protected with the same vigor.

Our forefathers bequeathed us a heritage of freedom—a freedom based on a government of laws, not of man. Every time we sit idly by and see our freedom lost through compromise, and see the administration of government placed in bureaus rather than laws, we are destroying our heritage—throwing it away for the temporary gain sometimes enjoyed.

Elections are events of every 24 months. Yet we find that 18 months out of the 24 the average American citizen drifts. He may crab about government, but he takes no more than 6 months, and generally about 3 months, of his time to be actively interested in correcting evils of government.

Twelve months of every year should be devoted to interest in government. Where an evil exists, there should be a concentrated program of education, not propaganda, to tell the general public the truth of the situation. The leaders of every community should be glad to accept this task. Taxation and regulatory measures are not matters for hasty action. It should mean study, education, truth, facts. It is unfortunately true that in recent years the "crooner," the "left-wing windjammer," the Donald Ducks, have had a grand time entertaining the American public. But I still believe in the fundamental patriotism and honesty of the majority of the voters of this country, and I believe that common sense, once we find leaders with courage to use common sense, will have the greatest appeal to our countrymen the Nation over.

Let's stop political burlesqueing. Let's stop putting on a good show for 3 months out of every 2 years as we battle for some law which should have been having a chance to be before the voters for a year for their study and judgment—yes, if possible, for 2 years.

Do not think because you vote at an election that you are a good citizen. Vote intelligently, and, as leaders of your community, make an endeavor to see that others have the facts before them so that they, too, may pass intelligent judgment upon the issues which come to them in a lawmaking and office-selecting capacity.

The pioneer statesman saw public service as an obligation of a patriot, not as a meal ticket. Perpetuating one's self in office is not public service in its highest sense. The unwillingness of sound, right-thinking practical businessmen to enter politics and sacrifice, if necessary, their personal affairs while they serve their Government has become a rare practice. The field has been left open for ambitious, self-seeking demagogues, who have landed this country in a dangerous, chaotic condition, which only practical, sound business principles applied to government can restore and correct.

Here, again, labor can help Oregon. As long as the worker listens to the man who seeks office merely for what he can do for labor, regardless of the welfare of the general public, he is traitorously using his right of franchise to help put these self-seekers into

office. It is time we had some honest, common-sense thinking on the part of workers and capital alike, and honest leadership which thinks of the welfare of the State as a whole rather than vocal and selfish minorities. Labor can be a big help by throwing off the yoke of political leadership, in the way they did in the last election, when their leaders so bitterly fought the initiative regulatory law before referred to.

Oregon—and American democracy—is safe so long as we safeguard the fundamental principles of government—strictly material principles, but based on the golden rule of conduct. But we must be ever alert—we have sat silently by while our high schools, universities, and colleges have been permeated with left-wing leaders who have insidiously instilled into the plastic and idealist youth—our leaders of the future—false ideologies, false principles, tearing away at the foundation of democracy like so many termites. We must remember that in the youth of today lies the welfare of our Nation tomorrow, and the glamorous ideologies of these traitorous intellectuals must be purged by the application, through speech and action, of old-fashioned American patriotism.

It is a favorite trick of these so-called intellectuals to preach class distinction. They pretend to be champions of labor—but in reality they are the destroyers who tear down a system which gives the worker his individual freedom and his chance to rise in this land of equal opportunity. The lachrymose intellectual may be a soul-stirring leader, but when the light of reason is turned on his antics, he becomes a hypocritical demagogue, frequently motivated by his adherence to some other government rather than our own.

Labor can help by disowning these radicals in education, these men who are undermining the foundation of private enterprise, and so denying to workers the right to jobs and freedom. A regimented labor is not a free labor, and if workers sacrifice their freedom in pique and selfishness, they will face regimentation with the industrialists of the nation.

When labor recognizes the right of capital to a fair return on its investment, when capital recognizes the right of labor to a fair share of profits, then labor and capital will have made a great stride in the path of Oregon development.

When the workers govern their own unions and accept that responsibility of self-government, rather than exploitation by racketeers, then one of the greatest evils will have been eliminated.

When wage demands are kept within the ability of industry to meet and are not destructive of business then enterprise can thrive and jobs will be open to workers.

When executive, judicial, legislative, and administrative offices are filled with patriotic Americans rather than class representatives, then general welfare will be attained and minority interests better protected, through the enactment of fairer laws, construed according to the words of the Constitution, and not by judicial amendments thereof, and such laws will be executed and administered reasonably, fairly, and impartially.

Labor must cast off the yoke of political serfdom invoked and imposed by its selfish leaders, and think and vote independently. Capital must be unselfish and keep its partisans out of office. When all these matters are given a full-time consideration, rather than a 3-month period of election hysteria, a right kind of government will be maintained.

The demagogue, the radical, the spellbinder, must not dominate politics. The vote seeker, who promises everything for the sake of a maintenance job or political power, must be eliminated.

In Oregon the direct primary placed the selection of candidates in the choice of the people. They may have been swayed by too many emotions, greed, self-pity, self-interest, hatred, to be wise in their judgment. A great power has been given to them and they must learn to use this power judiciously and well.

Oregon cannot progress without labor. Labor cannot progress without a bigger and better Oregon. Common sense, cooperation, common interest are the fundamental need.

Capital and labor must not forget that while they must pull together, the general welfare is the primary aim of the American system, and if there is continuous discord the same regulatory treatment which has been accorded business in recent years will be applied to labor. Neither business nor the workers can run wild with complete disregard of the general welfare.

The message I am endeavoring to bring to you today is that the matter of government is an individual matter—practical, not theoretical.

Labor and capital and the general public have a sacred trust. That trust is the preservation of good government ideals of democracy and free enterprise. Do not think about government only during the time of an election period. It is a full-time job to be a good American. Do not act selfishly. Think and consider first, What is good for my country? Then all of the people will be better served by the improvement of the general welfare.

Think for yourself, let not spellbinders, suave propagandists, soap-box orators, and egotistic commentators, and all the rest of the stratospheric brigade who are gnawing at the foundations of our Government, befog the real issue—Americanism.

This is your trust, this is your means of preservation of the liberties so dear to you. Arise to the situation before we are lost in the bedlam of discord which replaces freedom with the slavery of regimentation and dictatorship.

Evansville, Ind.

## EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 11, 1940

ARTICLE BY RAYMOND CLAPPER

Mr. MINTON. Mr. President, it is very gratifying to us in Indiana, and especially in southern Indiana, to have called to the attention of the Nation by one of its most astute and ablest writers, Mr. Raymond Clapper, the record that Evansville, Ind., has made during the depression years and, from the business standpoint, the healthy condition in which that city finds itself at this time. As Mr. Clapper points out, this record is a tribute to the businessmen and municipal leaders of that community. This article indicates what has been done, what is being done, and what can be done in the future where there is intelligent, forward-looking leadership. I ask unanimous consent that there may be inserted as part of my remarks the article by Mr. Clapper, which appeared in the Washington Daily News of Monday, January 8, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of January 8, 1940]

### PROSPERITY PORTRAIT

(By Raymond Clapper)

EVANSVILLE, IND., January 8.—They're not doing much worrying here. The principal anxiety of the moment is whether Evansville lands that new factory. If it does, then two medium-sized apartment houses will be built.

If Evansville doesn't land the new factory, well, it's no blow—just a little velvet that didn't come along. The bankers have more deposits and are making more loans than in 1929. One of them said he didn't know anybody in the town who wasn't better off than he was 10 years ago. There has been only one strike, and that was abortive; the employers have kept the outside unions down by fair wage policies which have kept the employees satisfied.

Thomas E. Dewey says there is defeatism in the land. These businessmen in Evansville pride themselves upon being outdone by none in their hatred of President Roosevelt. That is part of the ritual. But they are making money and planning to make more of it—and they have done it through remarkable personal enterprise which has built several new businesses here since 1929. These new businesses—refrigerators and allied products—were created by old-fashioned individual initiative, and are now the backbone of the town's healthy economy. Mr. Dewey doesn't need to worry about defeatism in Evansville.

Some of these smaller American cities are worth a look. The American small town, the small city of 100,000 or less, the rural townships, are going to be important in the next election and in determining national direction. The small-town voter and the rural voter swung back to the normal Republican allegiance in the 1938 elections, and the Democrats dropped out of the elective jobs as if a scythe had whacked them down.

Evansville happens to be a Democratic town and is likely to stay so, even though the State is on the dope sheets to go Republican next fall. Evansville's mayor, William Dress, may be the Democratic candidate for Governor. The McNutt organization has offered it, and thus persuaded the mayor to head up the McNutt Presidential campaign work in this congressional district.

But Evansville is of more interest economically than politically. It is this kind of community, largely native-born, small enough to be a neighborhood, which is the balance wheel, the backbone, the stabilizer, the core, or whatever you want to call it, of American life.

Look at Evansville in October 1929 and again in October 1939. Ten years ago, at the peak of the boom, there were 21,256 water meters in Evansville. Ten years later there were 24,305—an increase of almost 15 percent during the depression. Some 3,000 families began using running water.

Gas meters increased in these 10 years from 16,153 to 23,549. Electric meters increased from 27,058 to 40,315. These increases of some 40 percent in gas and electric meters mean that for several thousand families the standard of living went up during the depression—population growth does not account for any considerable portion of the increase.

Telephones in use have grown in the 10 years from 18,973 to 22,700. That's a growth through the depression representing partly



increased business use and partly increased residential use—again indicating quite conclusively a considerable increase in the standards of living of some families here. Bank deposits in October 1929 were \$53,800,000; 10 years later they were \$58,900,000. Building permits are larger in number, though smaller in value.

There's a striking personal-enterprise story behind these figures. Three independent enterprises, built up during the depression by three different go-getting young businessmen, competing to a large extent, have given this town life and steady employment and reasonable prosperity at a time when many large cities were wracked with depression problems. You haven't heard anything about Evansville since the flood a couple of years ago. The reason is that Evansville has been hard at work attending to business.

## Inaugural Meeting of the Inter-American Financial and Economic Advisory Committee

### EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

ADDRESS BY HON. SUMNER WELLES

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a most interesting and informative address by the Honorable Sumner Welles, Under Secretary of State, at the inaugural meeting of the Inter-American Financial and Economic Advisory Committee at the Pan American Union, city of Washington, November 15, 1939.

The address is as follows:

I regard it as a very great personal privilege to have the honor in the name of the Government of the United States to offer a most cordial and friendly welcome to the representatives of the American republics upon the Inter-American Financial and Economic Advisory Committee.

We enter upon the task entrusted to us under highly favorable auspices. Trust, understanding, and an identity of purpose unite the American Republics. The entire world knows that they are as one in their determination to safeguard their security and to preserve the peace of the Western Hemisphere. They are happily free from those rivalries and antagonisms which would put cooperative commercial and economic action in their common interest beyond the bounds of possibility. Such a condition in the relations between countries is exceptional, and we must make exceptional use of these fortunate circumstances.

This committee, appointed to deal with the economic and monetary questions confronting the American republics, was created by resolution of the consultative meeting of the ministers for foreign affairs of the American republics, held in Panama a few short weeks ago. The immediate cause was the gravity of the situation created by the outbreak of war in Europe. By the terms of the resolution which created it, the committee is called upon to study and to recommend solutions of general problems, many of which urgently require determination. But the tasks of the committee, as I see them, are composed of two somewhat different kinds, corresponding to their two different lines of origin.

The European war in many directions and in many countries has disturbed economic activities and economic balance. Some of the governments represented upon the committee, faced abruptly with difficulties and dislocations, will wish to bring these immediate problems before this body with a view to securing counsel and assistance. I feel sure we will all agree that the committee will accord to each such request prompt, helpful, and adequate consideration.

Second, the committee is called upon to make a continuous effort gradually to create conditions, or perhaps even institutions, which will enlarge and stabilize economic and financial dealings between the American peoples. Here we shall have to consider, through such subcommittees and such continued technical help as may be necessary, what can be done to increase healthy trade between us; to improve the monetary and financial mechanism by which trade and other commercial transactions are facilitated; to stimulate the employment of capital in such productive directions as may be found sound; to improve, not only immediately but permanently, the means of transport and communication between us; and to make more fully available among all of us that kind of technical ability and experience which has now become so important.

These make a vast array of potentialities. The effort to progress toward their achievement should be no less than our fullest abilities and our most earnest endeavor.

Commerce between the American republics has already reached considerable proportions. We supply, one to the other, much of what we consume, and we thereby give profitable employment to our nationals. This field of commercial exchange can, I am confident, be greatly enlarged. Trade and tariff obstacles between some of us are still in certain directions excessive and can be modified with benefit to all our national economies. The trade agreements which have been negotiated between some of our countries, or which are now in process of negotiation, constitute a long and a highly desirable step in this direction. Improvement of the standard of living which we are all seeking in our several countries could further permanently augment our commerce. New fields of complementary production within our boundaries await sufficiently capable hands and organized effort to provide new opportunities for profitable trade between us. This committee can play an important role by discriminating study and encouragement of such governmental actions as may be necessary and desirable. Achievement is possible without creating any form of discrimination against the legitimate commercial interests of nations outside of this hemisphere.

In the sphere of our monetary and banking relations I believe that our studies may show that we have similar opportunities. Monetary and credit arrangements constitute, of course, only an intermediary assistance toward more basic economic activity. Therefore, anything which we may attempt in this field must necessarily be in accord with the underlying economic facts.

With regard to questions involving temporary financial assistance to tide over immediate emergencies, or with regard to the movement or the investment of capital also, I feel that this committee can render assistance and guidance and possibly even, in some circumstances, may be enabled to play a more active part. There exists in this hemisphere a large potential amount of capital available for that kind of employment which offers a sufficiently assured reward. Undeveloped natural resources in many of our countries offer possible fields for such investment. There are also many branches of industrial production which, competently developed, would lead to the supply of goods on better terms than are now available and thereby give enhanced employment.

In summary it may be said that both within each of our republics as between them there is much opportunity to achieve vast results of general benefit provided proper human and economic arrangements and conditions can be established and maintained. That is a problem in which we are all of us vitally concerned, and I think we will all recognize that our approach to the problems which we are called upon to consider is rendered far easier by reason of the fact that there is no longer the thought in any of our minds that the citizens of any one American republic can claim to enjoy a privileged status in any other republic. The citizen of one American nation who undertakes to do business in another American country, or who invests his money in another American republic, recognizes today that his business and his investment are subject to the laws of that country. He has solely the right to expect that he will receive justice under those laws, and in accordance with the generally accepted principles of international law.

All of us also recognize that if confidence on the part of any of our nationals in the justice of the treatment which they will receive, or which their legitimate investments will receive, at the hands of the people or the authorities of a neighbor country is shaken credit is correspondingly undermined. As has been truly said, confidence is the mother of credit. Without such reciprocal confidence on the part of all of our peoples, that increase of inter-American trade and investment on a sound and mutually beneficial basis, which we all desire and from which we would all profit, will necessarily remain an unattained goal.

I have attempted in these brief words to review some of the immediate and urgent objectives which lie before the members of this committee, as well as some of the long-range problems with which I believe the committee will feel called upon to deal. I am confident that as our sessions continue many of the members of the committee will bring before you additional and valuable suggestions. Of two things I can speak with intimate conviction: First, of my confidence that if the members of this committee are afforded the opportunity by the governments they represent of solving the practical problems presented in a forthright and practical manner, the highest interests of the peoples of all of the Americas will be greatly advanced; and the second, that in such an endeavor the members of the committee can count upon the wholehearted cooperation of every branch of the Government of the United States.

It is appropriate to note, in closing, that the group here assembled is attempting a task new in the history of world affairs. This is an international committee to forward the cause of cooperative economic life in our hemisphere. It meets, not in a spirit of competition but in the desire to work out methods of common action by which 21 American peoples recognize the just right of all of the member nations to live their normal lives, and to have made available to them the means by which they may improve the condition of their people. This has come about, not through empire or conquest but through common sense and reason. If we succeed, as I feel sure we will, our success will stand as a great milestone on the road to a peaceful, a happy, and a prosperous New World.

Address at Breakfast of B'nai B'rith in Honor of  
Hon. Irving Lehman

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

ADDRESSES BY HENRY MONSKY, PRESIDENT OF B'NAI B'RITH,  
AND HON. IRVING LEHMAN

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Henry Monsky, president of B'nai B'rith, in honor of Hon. Irving Lehman, Chief Justice of the New York State Court of Appeals, and his reply thereto:

ADDRESS BY HENRY MONSKY, PRESIDENT OF B'NAI B'RITH

It is, indeed, a privilege to participate in this program. District Grand Lodge No. 1, the oldest of all B'nai B'rith district grand lodges, has chosen to do honor unto itself by the presentation of its ninety-sixth anniversary award for "honor, duty, and achievement" to the Honorable Irving Lehman, Chief Justice of the New York State Court of Appeals, a distinguished American and an outstanding Jew.

B'nai B'rith was founded 96 years ago in the city of New York. Its history is inseparably interwoven with the history of the Nation and with the history of the people of Israel throughout the past century. It has influenced Jewish life beyond measure. It has contributed to the cultural development of our people. It has preserved and enhanced the ability of the Jew to contribute much and effectively to the life and the progress of the larger community of which he is a part.

"B'nai B'rith," its preamble declares, "has taken upon itself the mission of uniting Israelites in the promotion of their highest interests and those of humanity." This declaration of purpose has been the guiding principle of its course and the determining factor of its destiny. B'nai B'rith has founded and now supports philanthropic and benevolent institutions. It maintains cultural and religious centers for Jewish youth at colleges and universities. It sponsors a cultural program through its junior organization, the Aleph Zadik Aleph. It has relentlessly opposed all foreign "isms." It has, through its antidefamation league and other related activities, carried on a program calculated to promote tolerance and good will among men of all creeds and nationalities. Its emergency relief fund has given aid and comfort to victims of catastrophe and calamity, man-made or natural, in every section of the world. Its broad program has ministered perhaps more effectively than any other agency in Jewish life to the diversified problems which vitally affect the Jews of the world.

The aims and purposes of B'nai B'rith, and its record resplendent with achievement, suggest the reason for the selection of the Honorable Irving Lehman as the recipient of this ninety-sixth anniversary award, an award for "honor, duty, and achievement."

Judge Lehman is the symbol of the philosophy of service and sacrifice which has characterized the activities of the B'nai B'rith. His life and career have been consecrated to the promotion of social progress and human welfare. Judge Lehman has made an immeasurable contribution to the progress and welfare of his native State. Notwithstanding extraordinary private and public responsibilities, the latter incident to one of the highest judicial positions in the State of New York, Judge Lehman has found time and energy for many and varied philanthropic, benevolent, and educational activities, calculated to enhance the status of his fellowmen.

May I recount briefly only a few of the many of these activities. He is president of the Jewish Welfare Board; vice president and member of the executive committee of the American Jewish Committee, trustee of the graduate school for Jewish Social Work, member of the board of governors of the American Friends of the Hebrew University, and vice president of the Good Will Union.

I have selected these from a large number of activities as sufficient to demonstrate his breadth of vision, his capacity for service, and his genius for achievement.

Let us discuss for a few moments the program of the B'nai B'rith, in the light of the pattern of the life of Judge Lehman.

He is vice president of the Good Will Union. He is affiliated with other organizations whose purpose it is to promote better understanding between men of all creeds and all nationalities. This is especially important in our day and generation. The world is beset with difficulties. The chaos and devastation, the human misery and horror, now tragically prevalent in Europe, are the results of philosophies wholly incompatible with our concept of the laws of humanity. The ruthless persecution of minorities, the invasion of

man's freedom of conscience, that freedom which is the birthright of all free men, the deprivation of fundamental human rights, the oppression, the destruction, the annihilation of innocent victims because of considerations of race and religion—these are incomprehensible to every liberty-loving American worthy of the name. Yet such conditions unfortunately do exist even in this enlightened day and age. Catholic, Protestant, and Jew has each in his turn suffered from the lash of the oppressors. They have suffered in varying degrees, to be sure, but this is unimportant. The significant thing is that all religion and all religious groups, according to the menacing philosophy of those who are presently making an assault upon our civilization, must be uprooted. Religion as we know it, and the spiritual qualities and values it represents, cannot co-exist with a philosophy of force and hate; cannot exist with a program of power politics and unscrupulous aggression.

If civilization is to be preserved, it is clear that all which religion symbolizes must be protected. Our Nation and the principles upon which it is founded, our ideals and institutions must be protected against these sinister forces—against these alien philosophies.

We are a nation of many different races and religious groups, each first and foremost completely loyal to the Government whose blessed protection and freedom we enjoy. Any propaganda, whether racketeer sponsored or stimulated in the attempt to spread foreign ideologies, which endeavors to drive a wedge of discord between our citizens, to set class against class, group against group, religion against religion, threatens our unity and our vitality. Such propaganda is a menace to the peace and the security of this Nation. It is the business of democracy to build up an immunity against these forces. Passion and hate, it was once well said, "are like pestilence and epidemic; they know no bounds, geographical or moral; they move as upon the winds, from land to land, and from section to section." They must be quarantined by means of the moral indignation of an ethical world, imbued with a spirit of justice.

Whenever rights, privileges, and immunities of citizens are considered in respect to racial, national, or religious affiliation we do violence to the fundamental principles of the whole concept of democracy. When this is done justice and equality are devastated; tolerance and good will become lost virtues; injustice, hatred, and persecution must ultimately follow as a consequence; civilization will then disintegrate. When the rule of force and paganism becomes the established and entrenched order, devastation of human rights, confiscation of property, and ultimate annihilation of the people living under such regime, physical and spiritual, may be expected. To defend against such eventuality, to build a bulwark that shall resist any such contagion is the task which the antidefamation league of the B'nai B'rith and our department for Americanism have undertaken in your behalf, and this task has been and is being, in my judgment, magnificently done.

When we contemplate the tragedy of other lands, then do we realize that democracy is the final protective force for civilization. An important characteristic of democracy, a characteristic unique with and peculiar to democracy is its courageous and careful regard for human personality and for the rights of free men. This is the spirit of America.

The preservation of that spirit is imperative. One way to preserve it and to keep it unsullied is to inculcate those ideals which shall immunize our people against any and every such attack. The rantings and the ravings of the demagogues, the racketeers, the hate purveyors, and bigots who threaten to destroy the very liberty, the very freedom, which they enjoy will fall on deaf ears if the American spirit prevails. I have faith in the stability of the people of America. I have faith in their loyalty to and their zeal for the American way of life. They will not be deceived. They will not be misled by the Pied Pipers of undemocratic doctrines.

Judge Lehman has placed special emphasis upon those activities which, on the basis of a long-term program, build for positive values in Jewish life. The Jewish Welfare Board, whose purpose is to promote educational and cultural activities through the medium of community centers, Young Men's Hebrew Associations, and Young Women's Hebrew Associations, and similar organizations, is making a very real contribution to the vitality of the American Jewish community. His interest in such organizations as the Teachers Institute, the American Friends of the Hebrew University, and like agencies is but another evidence of his perspective and his appreciation of the importance of positive values in the life of a people. The B'nai B'rith program, true to the same philosophy, is not one merely of defense and relief. It is constructive and positive. It builds Jewish loyalties; it preserves Jewish values; it is a program which qualifies Jewish leadership.

Through our B'nai B'rith Hillel Foundations, now established in and serving 30 universities and colleges in America, our youth are given the opportunity to become familiar with the history, the traditions, and the faith of their ancestors. They drink deeply from the fountain of inspiration represented by that history, that faith, and those traditions. They must learn not to interpret or look upon Judaism as primarily or simply philanthropy or social service or as chauvinism. They must see it as a prophetic heritage, as a religious intellectual tradition. They must become conscious of the richness and beauty of their heritage. The ideals and moral precepts which are the fundamentals of Judaism have been and may well continue to be our great contribution as Jews to the spiritual uplift of humanity.



Our glorious Republic, we remember, found inspiration in the quotation from Leviticus of the Old Testament, inscribed on the Liberty Bell, "Proclaim liberty throughout the land and to all the inhabitants thereof." The distinguished non-Jewish historian, William Edward Lecky, says, "Hebraic mortar cemented the foundations of American democracy." Not for what we receive, but for what we may be credited by way of contribution as a result of our history and our experience, may we be grateful.

It is my judgment, therefore, that the Jew who is interested in the problems of his people and guided by the teachings of his religion is more likely to make a greater contribution to the society in which he lives than the Jew who has drifted away from those teachings and who has become indifferent to those problems.

The rainbow, with its many and varied colors, presents a spectacle lovely to behold; the symphony, with its many different instruments, produces soul-stirring music; the literary classics of all ages find their great strength and their enduring quality in the broad and universal experiences of men. Our Nation is the composite of all religions, all races, and all groups and nationalities that constitute its great citizenship, and it draws upon all that is rich and beautiful in the literature, the life, the history, and the culture of each of these groups. America has thus maintained and will ever continue to maintain its supremacy among the nations of the earth as the exponent and symbol of justice and equality, the arch enemy of injustice, intolerance, and bigotry.

The Jewish college youth of today will be among the leaders of our communities tomorrow. If they are possessed of those spiritual qualities, so essential to balanced leadership in a chaotic world, they will be better equipped to assume the responsibilities of that leadership. The possession of those qualities will in part have been our contribution to the welfare of the Nation.

Judge Lehman, we have reason to believe that a leadership thus endowed will adequately cope with the realities of Jewish life. We recognize the task of building defenses against assaults, but more important, I cannot emphasize too strongly, is the building of those qualities of character symbolized in this award. It is because of your long and distinguished judicial career; because of the incalculable contribution that you have made to the welfare of your fellowmen, because you have served well and faithfully your country, your State, your community, and your people in the many ways that have already been mentioned; it is for these reasons, sir, and because you have so splendidly exemplified the principle of service, basic in the philosophy of B'nai B'rith, that you have been chosen to receive this ninety-sixth anniversary award for "honor, duty, and achievement." It is my great privilege, as President of the supreme lodge of the B'nai B'rith to present to you, Judge Irving Lehman, this plaque, made of everlasting and indestructible material, as permanent and enduring evidence of your permanent contribution to the welfare of humanity.

ADDRESS BY HON. IRVING LEHMAN

With feelings of mingled pride and humility I have listened to your words, and now I gladly receive the award which you bestow upon me. The Order of B'nai B'rith was formed almost a hundred years ago to preserve and to strengthen in this country ideals and traditions which Jews have cherished for thousands of years. To receive from you an award for duty and honor and achievement, even though I fear it is undeserved, is an honor which I value highly. Though I know that friendship has made you kindly judges and though I must register my dissent from much that you have said about me, I cannot but feel proud and happy because you have said it. I feel proud because you have told me this morning that I have achieved the things which as a youth I hoped I might achieve; because you have told me that I am the kind of man I hoped in my youth I might become. I feel humble because I know in my heart how far I have fallen short of what I should like to be and what you think I am, but I am happy because your friendship enables you with sincerity to say of me much that I have not deserved.

Thousands of years ago it was written that on the slopes of Mount Sinai the Lord entered into a covenant with our fathers—not only with those that were there that day but with all who might come thereafter. In their sacred books Jews read the commands, "Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy might"; and "Thou shalt love thy neighbor as thyself." "The stranger that sojourneth with you shall be unto you as one born among you, and thou shalt love him as thyself." The commandments, "Thou shalt love the Lord thy God" and "Thou shalt love thy neighbor as thyself," heard by the Jews on Mount Sinai, were repeated for all the world to hear by Him who is worshipped by all Christendom. The founders of the Republic heard these commands and made them the cornerstone of the Nation they were building. They are embodied in the words of the Declaration of Independence: "We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness." Upon the bell which rang out to this country the glad tidings of liberty they placed the words of Leviticus: "Proclaim liberty throughout the land unto all the inhabitants thereof."

In the free life of America it was inevitable that the synagogue and the minute and literal observance of the commands of the Jewish law would no longer dominate men's lives; and, too, men were beginning to doubt the literal truth of a direct Divine revelation. Jews might doubt as a historic fact that the Lord had, through Moses, spoken to their fathers on Mount Sinai, or that

their fathers had in truth entered into a covenant with the Lord and had become unto Him a nation of priests and holy people. They could not doubt the historic fact that it was belief in that tradition which had guided and sustained their fathers in good days and in evil days. They could not doubt that rather than abandon the covenant which they had been told their fathers made for them, Jews for centuries accepted hideous persecution and oppression. They might doubt whether the Jews were the chosen people of the Lord; they could not doubt that the life of Jews had been sanctified because they had accepted and followed what they believed to be God's literal commands.

"Sons of the covenant" we call ourselves, but we have no right to call ourselves by that name unless we voluntarily assume the obligation of the covenant according to its spirit if not its letter. We love America, but we can prove our worth as Americans only by obedience to the commands of God manifested by service lovingly rendered to God and our neighbors. Those who join the B'nai B'rith must accept that duty as Jews and as Americans.

The Divine commands to love God and our neighbors are the foundation of social justice, and of charity and mercy, and of righteousness. The world is torn by hatred and strife. Dictators who place might above right, whose will is law, and who recognize no other law have destroyed freedom and justice and mercy in their own countries. They rule in unrighteousness over great nations and assert the right to subject other nations to their rule.

We have learned the bitter truth that where men accept the doctrine that the world belongs to so-called races which exalt might over right and regard love of God and man as an unworthy weakness, Jews are subjected to persecution worse than that of the Middle Ages. To the glory which was Germany's, Jews have made glorious contribution. In the shame which is Germany's, they have no part. They have been cast out and deprived of their worldly goods, but their spiritual heritage of the age-old tradition of faithfulness by their fathers to the covenant of God is beyond the reach of any dictator. Those who obey God's commands can never bow to the will of a ruthless dictator who knows neither love of God nor love of neighbor. Dark though the world appears today, the light of God is still seen by those who seek it, be they Jews or Christians. In Germany itself, though synagogues are closed and rabbis exiled, the word of God is still preached by Protestant pastors and Catholic priests, yea, even by the great Prince of the Church. The word of God has gone forth from Jerusalem, and even in this time of war and hatred we can harbor no doubt that the time will come when, in accordance with the prophecy "men will beat their swords into plowshares and nations will not know war any more," when men everywhere shall dwell without fear, in peace with their neighbors. To that ideal America is pledged. The spirit of God's covenant is a living force here, and we who call ourselves sons of the covenant would fail in our duty as Americans and as Jews if we do not cherish that spirit here.

### Committee to Investigate Un-American Propaganda Activities (Known as the Dies Committee) Has Rendered Fine Service

#### EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

Mr. PITTENGER. Mr. Speaker, I call attention at this time to the Special Committee to Investigate Un-American Activities and Propaganda in the United States. This committee is popularly referred to as the Dies committee. No other governmental agency has attained the importance of this committee during the past months. Much has been said about the work of the committee and its methods, and so forth, and apparently a lot of misinformation is now being manufactured for the purpose of discrediting the committee and its work.

Those who are familiar with the activities of the committee should begin now to rally to its defense and make plans to continue it and to vote funds for that purpose. The enemies of democracy do not want this committee continued and hope to destroy it. They will do so unless we insist now that the House of Representatives vote additional funds.

The committee was created by resolution of this House on May 28, 1938—

For the purpose of conducting an investigation of (1) the extent, character, and objects of un-American propaganda activities in the United States; (2) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign

countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution; and (3) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

I quote the exact language of the resolution, because any efforts to challenge the work of the committee question directly the purpose for which it was created. See House Resolution No. 282, Seventy-fifth Congress, third session, passed February 3, 1939.

As a Member of the Seventy-sixth Congress which convened on January 3, 1939, I voted for House Resolution No. 26, authorizing this committee to continue its work during the Seventy-sixth Congress, and I voted to appropriate additional funds so that the committee could carry on its work. See House Resolution No. 81, passed February 9, 1939.

We must, therefore, realize that the committee is no longer in existence and its work is ended unless the Members of this House by appropriate resolution vote to continue the work of the committee for another year and also by appropriate resolution vote additional funds so that it may carry on its activities.

Has the committee justified such procedure? Most emphatically I claim that we should continue the committee and vote additional funds for its use. Its work has been most valuable to the people of the United States. For the first time in recent years this committee is the only governmental agency that has uncovered the treachery and danger of communism in the United States. Testimony before the committee has revealed to the people of this country the fact that communistic Russia has financed the Communist Party in the United States and that we have people here who are either Communists or fellow travelers, who do not like our form of government, our Constitution, or the institutions which exist on this continent. The Dies committee has fearlessly uncovered the facts. Naturally the guilty were hurt. They should have been hurt. Those who fraternize with Russian communistic ideas and ideals should be looked up and exposed to the public for proper consideration. The Dies committee has done a splendid piece of work in showing to our people just what has been going on.

In the United States we still have a government of law and not of men. We still have human freedom. We still have the philosophy that people can live their own lives in their own way, limited only by the rule that they must not injure society. We have freedom of speech and freedom of worship. Russian communism is opposed to all of these things and is busy teaching its doctrine of regimentation. The Dies committee has rendered an unselfish and public service in bringing out to public view people and organizations that are distinctly un-American.

In my opinion, the work of the Dies committee is not finished. I attended on many occasions the hearings before this committee. I know that the committee is composed of splendid level-headed men, and I know, because I have attended those hearings, that the committee has been fair and has acted wisely in the conduct of those hearings. I say this because I note with much disappointment a criticism by a certain columnist in one of the papers for today. He is absolutely misinformed if he thinks that there is any Member who has supported this committee who is ashamed of its attainments. Its procedure has been correct. When a rotten mess has to be cleaned up, naturally, the ones affected by the clean-up are going to feel hurt.

Now, Mr. Speaker, this committee is an agency of the House of Representatives. I note in yesterday's newspapers a statement which indicates that another branch of government seeks to interfere with the work of this committee. This House should put its stamp of disapproval on any interference with the work of the Dies committee by any other branch of government. Further, any attempt to abolish the committee and transfer its functions to some other branch of government should not be tolerated.

Let the proper resolutions be presented to this House promptly and after the roll call no one will need have any doubts as to the question of whether or not the American people approve of the Dies committee.

William I. Sirovich

## EXTENSION OF REMARKS

OF

HON. JAMES G. SCRUGHAM

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

TRIBUTE BY THE DEMOCRATIC STEERING COMMITTEE OF THE HOUSE

Mr. SCRUGHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tribute to the late Representative SIROVICH by the Democratic steering committee of the House:

In the passing of WILLIAM SIROVICH, the Democratic steering committee of the House of Representatives has lost a faithful member and a conscientious officer.

His broad experience, good judgment, and wise counsel proved valuable to the work of the Democratic steering committee, and he won the respect of all with whom he was brought into contact.

Mindful of their long association with Representative SIROVICH as an official of this body, and of his constructive work on behalf of this organization, the members of the Democratic steering committee gratefully record its appreciation of him by adopting the following:

*Be it resolved*, That we attest to the inspiration and support Representative SIROVICH brought to the deliberations of this committee, and the House committees upon which he faithfully served; and be it further

*Resolved*, That a copy of this resolution be spread upon the minutes of this organization, and that a copy be sent to the family of Dr. SIROVICH as a testimonial of our sincere appreciation of his usefulness, not only as a member of the Democratic steering committee, but also as a member of the United States House of Representatives.

## America's Outlook

## EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

PROGRAM OF THE AMERICAN FORUM OF THE AIR

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following discussion on America's outlook, which was broadcast on the American Forum of the Air, December 31, 1939:

Announcer McCORMICK. WOL, in cooperation with WOR, presents the American Forum of the Air.

Once again we invite you to listen to another "American Forum" program emanating this evening from New York, Boston, and these broadcasting studios of the new Department of the Interior Building, in Washington, D. C.

The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational radio programs pertaining to national problems, and treated in temperate discussion under nonpartisan and nonpolitical auspices.

Your chairman tonight, as usual, is Theodore Granik, pioneer in educational radio discussion and newspaper columnist who personally directs and arranges these broadcasts.

Chairman GRANIK. Thank you, Mr. McCormick.

We are poised on the threshold of a new year. America's 130,000,000 will greet 1940 at midnight with many wishful New Year's resolutions—to stay out of war and to face the many difficult domestic problems with courage and with hope of their solution. We query how to continue to solve the problem of our millions of jobless—about one-third of whom are youngsters. What is in store for them and for the other youths of America—our citizens of tomorrow? What about their elders, who are passing their productive years, and must look forward anxiously to some form of security and protection in old age?

Americans view with great satisfaction industry's spurt in the last few months and hope that these impressive advances in production and profits, which were matched by equally spectacular gains for the Nation's workers, will follow into the year ahead.



And will the near-record purchasing power now enjoyed by the country's employees continue into 1940?

As for other groups, the farmers received a total cash income greater than last year, and dividends disbursed to investors also registered an increase.

Can we continue these gains which have resulted in a national income paid out to the entire population rising to \$70,000,000,000?

The present European conflict and the complex structure of our social and economic life causes us to consider our national-defense program, and to ponder what magic lies ahead in the field of communications and radio, and what role the press will continue to play in our daily lives; and what is the immediate future of our educational, scientific, and cultural worlds?

And so tonight, New Year's Eve, the American Forum of the Air departs from its customary debates to present 10 leaders in various fields of American life to discuss America's outlook. Our participants are:

Frances Perkins, Secretary of Labor; W. Gibson Carey, president of the United States Chamber of Commerce; Sam A. Lewisohn, noted art and music patron; Frank Graves, commissioner of education of the State of New York and president of United Chapters of Phi Beta Kappa; Prof. Walter B. Cannon, of Harvard, president of the American Association for the Advancement of Science; James Lawrence Fly, Chairman, Federal Communications Commission; Eugene Meyer, publisher of the Washington Post; Brig. Gen. Frank M. Andrews, Chief of Operations of the War Department; Milburn L. Wilson, Under Secretary of Agriculture; and Gov. Paul McNutt, Federal Security Administrator.

We are making pick-ups from New York, Washington, and Boston. And may we express our gratitude to all of our participants, who have been kind enough to leave dinner parties and other engagements in order to join us this New Year's Eve. And now as our opening speaker, Secretary of Labor Frances Perkins, speaking on the Outlook for American Labor. We take you to our New York studios.

#### ADDRESS BY FRANCES PERKINS

Secretary PERKINS. The new year finds American industry well on its way toward higher levels of activity and with the outlook excellent for a continuation of the upward trend. Improvement in economic conditions was substantial during the past year, and wage earners, management, farmers, merchants, and investors benefited accordingly.

Total nonagricultural private employment, as of November last, was 34,703,000, an increase of more than 1,300,000 over the same period in 1938 and a rise of more than 8,600,000 over March 1933. Weekly pay rolls of factories reporting to the Department of Labor amounted to \$193,092,000 last November, an increase of nearly \$33,000,000 weekly over the previous year and a rise of the huge sum of more than \$120,000,000 weekly over March 1933.

Nonfarm residential building construction, which stimulates employment in many other lines, amounted to \$1,700,000,000 last year, an increase of \$400,000,000 over 1938 and the enormous advance of \$1,500,000,000 over 1933.

Manufacturers also enjoyed an increase in profits during 1939, the net gains of leading manufacturing corporations in the first 9 months of the year being about double the profits earned in 1938. This contrasts sharply with the losses which were being shown by most concerns in 1933.

It is estimated that American farmers received \$7,625,000,000 from marketing of their products last year. This represents an increase of 63 percent during the last 7 years. Cash farm income slumped to a low mark of \$4,682,000,000 in 1932.

Despite these significant gains, unemployment has not been eliminated. Rather, it has been reduced, mitigated, and modified. Among the programs designed to overcome unemployment which have emanated out of the Department of Labor's continuous study of this problem are the following:

First. An immediate recommendation early in 1933 that there be some quick relief in the way of Federal appropriations to assist the States and localities in meeting the primary relief needs of the people who were then unemployed and had been unemployed for a long time in the emergency of general depression.

Second. A program of straight public works. The recommendation for it and the justification for it, and the basic figures and information came out of the Labor Department. The conception of finding special work for those who could not be absorbed on straight public works also sprang from a meeting of labor leaders, Government officers, and others in the Department of Labor early in 1933.

Third. The Wagner-Peyser Act, which established well equipped, free public employment offices, also came from recommendations of this Department as a method of taking care of the effective placement of persons looking for work where there was work to be had, so reducing the loss and waste of poor placement of the job hunting.

Fourth. The labor sections of the N. I. R. A. were contributed by this Department and its advisers in an effort to offer employment opportunities and labor protection in private industry.

Fifth. The Public Contracts Act, which required not over 40 hours and a fair minimum pay on Government contracts in manufacturing. This act sprang out of the recommendations of the Department, advised by a conference committee of State labor department officials and labor leaders.

Sixth. The Wage and Hour Act, which was the first effort to establish on a Federal basis a floor to wages and a ceiling to hours.

This grew directly out of the recommendations of this Department, advised again by a conference of State labor department officials and labor representatives following the abandonment of N. I. R. A.

Seventh. Unemployment compensation, which is an adjustment for the loss of wages due to the accident of unemployment. Again this had its origin in the studies and recommendations of the Labor Department and its advisory committees.

Eighth. Contributory old-age insurance for the future and Federal assistance to the States for providing old-age assistance to aged needy persons. These programs were adopted partly to enable the elderly to leave the labor market and so offer more employment to persons at the peak load of their responsibilities.

Ninth. Limitation on the employment of young persons under 16 years in the N. I. R. A. Act and later in the Public Contracts Act and Wage and Hour Act. These provisions were aimed partly at keeping the immature workers out of the labor market and so offering more jobs to those in middle life.

Tenth. The basic information and recommendations for the development of the C. C. C. as a form of constructive educational employment for young persons. This, too, had its inception in the Department of Labor.

Chairman GRANIK. Our second speaker is Mr. W. G. Carey, President of the United States Chamber of Commerce, and as such tonight, spokesman for American commercial interests. We introduce Mr. Carey, speaking on The Outlook for American Business.

#### ADDRESS BY W. GIBSON CAREY

Mr. CAREY. Tomorrow our national greeting will be "Happy New Year." As we say it there will be gladness in our hearts. Subconsciously some of the elevation of Christmas will still be in our attitudes. Peace on earth, good will toward men!

But 1940 will have 366 days. I am supposed to say something as to how we shall fare during that period and I am supposed to say it from the business viewpoint. Truthfully, there isn't such a thing, in any definite sense. Some men in business are optimists and some are pessimists. For this reason I intend talking simply as an American citizen.

We can and we will make a lot of progress next year. I'm an optimist on America. What God did for us in location, climate, size, resources, and natural beauty can't be beaten. What our forefathers did was marvelous. What we've done of late years is a crime, not so much against ourselves as against our children. We men haven't had courage, energy, and foresight enough to keep America on a safe track. I'm sure of this because my mother-in-law told me so. Excuses don't go with one's mother-in-law. It's a good thing they don't.

In 1940 the men and women of America have a job to do, and they are going to do it together. In the first place, we're going to stop knifing one another like a bunch of Bolsheviks. Maybe the trouble is we have too many of that breed here. In the second place, we're going to work to produce goods and services so we can all have the share we earn. Trying through Government or propaganda to control the major conditions of life, including who gets what, isn't American. Worse than that, it doesn't work. A good many million unemployed know that from sad experience, and yet many of them don't really understand. They think capital is on strike, or some have too much, or business leaders are all Republicans, or some such stuff and nonsense. The truth is we've socialized and experimented ourselves into a stalemate with laws, innuendo, and bad will. We can get along very nicely from now on without the innuendo and bad will. As for the laws, some of them are splendid; some too restrictive and burdensome. We have a selective job to do.

It may amaze you to hear me say that I am not much interested in the \$80,000,000,000 national income about which some people talk so blithely. What I want to see is our entire Nation back at work. I also want to see us start toward a balanced Budget. We haven't paid our way in so long that many of us think that isn't necessary any more. This error springs from a belief in pump priming. Unfortunately, economic pumps don't work that way, at least when politicians do the priming.

If we stop telling employers and employees just how to greet one another and just what to say; if we stop scaring everyone who has a \$10 bill; if we stop talking of leisure and spending and talk rather of work and saving, this country has the greatest future in history. Then we can have \$100,000,000,000 national incomes, because we've earned them. We can at least make a start in that direction in 1940. To do this, we must, of course, stay out of any foreign war.

I have said things tonight which some people may not like hearing, but I am not blaming anyone. The truth is, we are all somewhat at fault, and I am here to take my share.

And, finally, all I have said is in the American tradition and on behalf of America's future. In my heart and mind are:

Peace on earth, good will toward men, and happy New Year. Chairman GRANIK. We turn now to American culture—the field of music and literature and fine arts. Our third speaker on this special program is Mr. Sam A. Lewisohn, who is well known as a writer, as a member of the board of the Museum of Modern Art, and as principal sponsor of the musical concerts presented annually at the stadium in New York, bearing his name, the Lewisohn Stadium. We now present Mr. Lewisohn, speaking on the Outlook for American Culture.

#### ADDRESS BY SAM A. LEWISOHN

Mr. LEWISOHN. America's zest for culture has been a natural offspring of her zest for life. Our youthful enthusiasm for every activ-

ity which we follow is one of the most attractive features of the American scene. This zest, this enthusiasm, is behind our revived interest in painting and sculpture, our revived interest in music and literature, not to forget the theater and the dance. It should be a refreshing influence on the gifted individuals who are coming to us from every part of the world. I feel confident that the creative energy of these men will be invigorated by the American environment. For zest is contagious.

Besides, of course, we possess an enormous native talent which is only just beginning to assert itself. Certainly in literature and the drama there has been some very pungent material written. In painting, for a young country, it is surprising what interesting work has been produced, as yet more by individuals than by cohesive groups. The so-called regional art, in which there is an enormous interest springing up, has promise of providing a vigorous infusion to the old forms.

When it comes to audiences, there is no question as to the intensity and breadth of the awakened interest. Never before have weekly periodicals of enormous circulation carried articles and photographs depicting the fine arts and musical personalities. Art books reproducing everything from Giotto to contemporary Americans have an unprecedented circulation. Indeed, there has never been such an interest in books on art.

In literature, best sellers are not confined to meretricious fiction, but include some of the most solid and excellent of our authors.

The attendance at the stadium concerts at the College of the City of New York last summer was one of the largest in its history, and programs of comparatively severe classical music attracted more and more listeners. What was particularly pleasing was that such an austere personality as the great Finnish composer Sibelius should have had so great an appeal.

The deep interest evinced by this city, with its broad cultural background, in the finest quality of music has been most gratifying. Of course it is not confined to this city alone. The large audiences in Philadelphia, San Francisco, and all over the country at stadiums and popular gatherings, attest to the enormous interest in the very best of music on the part of the public.

One of the most interesting developments has been the large number of visitors at art museums, particularly those which exhibit the works of recent masters. The attendance at the more sensational exhibits of the Museum of Modern Art of this city, such as those of the current Picasso, Van Gogh, and surrealist art exhibits, has been enormous. But almost more encouraging has been the attendance throughout the country at the traveling exhibits of this museum.

Another development of outstanding importance is the great interest aroused in the developments centering around the work fostered by the Procurement Division of the Treasury Department in Washington under that gallant figure, Edward Bruce. Never in the history of this country has there been such an outpouring of work in the field of murals. They range from vivid folk chronicles of deep America to profound allegorical interpretations of our underlying philosophy. Some of the results have been outstanding landmarks in the history of mural painting in this country.

Finally, I must mention the astounding work done by the radio in the cultural field, and the gratifying response. Who would have thought 30 years ago that millions of people in this country could have been provided with the very best in music and, what is more remarkable, actually listen to it with keen enjoyment and interest. To me this seems the most promising development of all. It is proof of our cultural rebirth, and it is proof that we have modern facilities to satisfy the awakened appetites for the best in culture.

Chairman GRANIK. Our next speaker in this discussion of America's Outlook is Mr. Frank P. Graves, Commissioner of Education in New York State and president of the United Chapters of Phi Beta Kappa. Mr. Graves will now examine the Outlook for American Education.

#### ADDRESS BY FRANK GRAVES

Mr. GRAVES. To many of us the war now raging in Europe finds its basis not so much in economic difficulty as in a fundamental difference in the way of life of the nations involved. To a dictator it is the immediate consideration of material well-being which is of paramount importance—or perhaps even more than that, it is the use of the moment for the aggrandizement of an individual. In times of danger and stress, however, truly democratic nations ever remember those timeless values which they have come to cherish through ascending years of cultural development. They have become actively aware, for instance, of that personal liberty and mental and spiritual freedom which they have accepted without conscious thought, for it has been of the very air they breathe and of the soil from which they gain their living.

And so it is that we are beginning to be acutely aware of powerful forces struggling for dominance in American education—and in that struggle democracy is the pawn. On the one side we have that force which since the beginning of the machine era has brought to itself increasing importance and has entered our schools and colleges through vocational and technical education. On the other, we have the formerly traditional education in the humanities with the more recent addition of pure science. In overemphasis on the technical we encourage our schools and colleges to produce dictators and its subjects for dictators. In a narrow conception of the humanities we chance a medieval separation of learned and illiterate classes. Either extreme is not without its peril for democracy, but having broken the aristocratic bonds of traditional educa-

tion, we must now seek to escape from the toils of a mechanistic and totalitarian training.

Happily both parents and advisers are today beginning to lay less stress upon educating children for the mere getting of jobs. They are seeing the forces for dictatorship crowd out the liberalizing and enlightening study of such subjects as literature and history and the pure sciences. Tomorrow they will know, through the bitter error of what has gone before, that enlightened personality, broad knowledge and sympathy, scientific processes of thought, and cultivated tastes are those attributes which must be expected of our youth and which our educational system must consciously promote.

America's outlook today is the brightest in its history. Too long have we been content with our accepted role of materialistic and mechanical supremacy. Now we have in our province the preservation and development of civilization in a world ravaged by irrational greed and violence. We must accept the torch which has thus suddenly been thrust upon us and we must train American youth not only to guard its flame but to bring it to even fuller and steadier brilliance.

Our schools and colleges are accepting the challenge. If the present international crises should lead, as we all hope, to a union of peoples which would free for education the vast resources now horribly wasted in human slaughter, our institutions could give American youth still greater educational opportunities. Our national economy should ever bear this in mind. In a democracy such as ours, every individual man and woman is called upon to help decide questions of national and international importance. Every citizen, in varying degree, is expected to be a leader in those human relationships in which he is competent. In spite of its limitations and shortcomings, our vast educational system has had incredible success in the last few decades in preparing our citizens for the greatest responsibility and opportunity with which men and women were ever entrusted. And to the morrow we look for a completely cooperative program in which forces now clashing in educational policy and practice will find their proper spheres of usefulness.

To every American, old or young, we shall hope to bring the maximum opportunity to satisfy the profoundest desire for spiritual development and intellectual power.

Chairman GRANIK. We now turn to science and introduce one of America's foremost men of medicine, Dr. Walter B. Cannon, president of the American Association for the Advancement of Science. Speaking on the Outlook for American Science, we introduce Dr. Cannon from Boston.

#### ADDRESS BY PROF. WALTER B. CANNON

Dr. CANNON. The topic assigned to me is America's Outlook for Science. The outlook for science in any country depends primarily upon whether the conditions for the activities of scientific workers are advantageous or not. In that respect no doubt the United States, compared with other countries of the world, now stands almost alone as a favored nation. In justification of that statement let us look for a moment at the conditions best suited for successful scientific effort.

First, there must be freedom of research. Experience has repeatedly proved that as a rule the most significant discoveries, those which are disruptive, which break through barriers and open new vistas, result from the individual, deep-delving interests of the truth seeker. If important consequences are expected, therefore, his attention must not be narrowly confined to immediately useful prospects, nor to a so-called "nationalistic science," nor to the support of any group of political or social ideas.

In some foreign countries freedom of research has been severely hampered. Careful observations, opposed to accepted doctrines, have been roundly denounced as not being orthodox. Creative investigators, having to their credit illustrious achievements and enjoying international renown, have been discharged from their posts, subjected to indignities, and exposed to exhausting privations. How fortunate are we in the United States to be free from such repression and injustice, to be permitted to push our inquiries without check or hindrance wherever we may wish, and to publish our results without the obnoxious intrusion of a censor.

A second favoring condition for scientific progress rests on the support which it receives, both material and moral, including respect for past achievements and a trust that its methods will assure further benefits. These propitious conditions are commonly found in universities. In foreign countries some universities have been utterly destroyed, others have been closed, and still others have lost their social value as sanctuaries for scholars where search for new knowledge is untrammelled. Again, in this country note how privileged we are. Not only in universities but also in research institutes and in the laboratories of great industrial plants the activities of scientific investigators are warmly appreciated and favored. Furthermore, among intelligent citizens is widely diffused a well-established confidence that scientific imagination, experience, and skill, if applied to problems, will bring satisfactory and helpful answers. In that confidence large funds have been set aside to meet the financial needs of scientific studies. From the foundations every year many hundreds of thousands of dollars are distributed in order to promote the interests of productive investigators. The material and moral significance of this support is incalculably stimulating.

A third condition which is to a very great degree advantageous to science in our country is our noninvolvement in war. War itself limits freedom of research. Scientists whose labors might yield new knowledge serviceable in lessening human ignorance and distress and increasing human welfare are compelled during a war to cease their free enterprise and to concentrate their attention on



problems of military importance. Also, during a war vast resources which, if applied to scientific research, would bring enlightenment, comforts, and conveniences into the lives of hosts of the less privileged are appallingly wasted in wanton destruction. In Japan and Germany, France and Finland, in former Austria and Czechoslovakia, in England and her scattered dominions, warfare has forced scientific workers away from their individual interests and occupations and mobilized them into the service of the fighting forces. In other nations bordering on the nations now at war fear and the basic impulses of self-preservation have spread widely and destroyed the possibilities of calm attention to scientific study. Counting aside most of Asia, Africa, and Latin America, where active interest in serious research has scarcely awakened, we find that the United States remains as almost the sole country in which, without fear or obstacle, the precious liberty of learning still prevails.

We should look upon our good fortune not only with deep satisfaction but also with a deep sense of responsibility. We have full freedom in our inquiries, we enjoy unsurpassed opportunities and generous grants for scientific investigation, we are not oppressed by the overwhelming demands of warfare; in laboratories throughout our land are thousands of well-trained investigators. Surely the torch of science has fallen to us Americans. In the present darkness of the world we must carry it onward for the good of all mankind.

Announcer McCORMICK. You are listening to a special New Year's Eve program titled "America's Outlook," and presenting 10 leaders in various phases of American life examining the outlook for our country's immediate future. This program, one of the regular American Forum of the Air series, is coming from Washington, New York, and Boston. We pause momentarily for station identification. This is the Mutual Broadcasting System.

Chairman GRANIK. Mutual's special New Year's Eve program, America's Outlook, continues now with the examination of American communications. Our next speaker, James Lawrence Fly, Chairman of the Federal Communications Commission, will speak to us from Washington, D. C.

ADDRESS BY JAMES LAWRENCE FLY

Chairman FLY. If the field of communications were to be characterized in a word, that word would have to be "progress." Yet even we who have lived through most of this great advance have a tendency to take the benefits of our far-flung communications system for granted. It may, therefore, be fitting to recall that it was only a quarter of a century ago that the first transcontinental telephone conversation was held. But 10 years ago the average time required to make a toll call was about 3 minutes. Today, 93 percent of all long-distance calls are completed without the caller leaving the telephone. And the advance in the telephone industry promises to continue unslackened.

Through the use of telephone wires great networks of radio stations have been set up. The first radio broadcast station, KDKA, Pittsburgh, it may be remembered, began operation in 1920. Since that time radio broadcasting has come a long way to where it now has a tremendous impact on our national life. There are more radio sets in the United States than in all the rest of the world. With rapid strides the industry moves forward. Television shows ever-increasing possibilities. Radio engineers are speculating on the improved interference-free and noise-free service possible through a different type of broadcasting known as frequency modulation. And facsimile broadcasting—a service by which one day your morning newspaper may come to you through the air—is being improved.

It was in 1844, 5 years before the gold rush, when the first telegraph line between Washington and Baltimore was constructed. The telegraph soon followed the westward trek along the lines of the land-grant railways. Of late years, this industry has suffered grievously from telephone and air-mail competition from without, and from cut-rate inducements and duplication of facilities from within. However, public expenditure of a \$133,000,000 for telegraph service in 1 year indicates its importance to the Nation. It is hoped that in the new year some way will be found to solve the telegraph problem; and to put these important members of the communications family on an equally firm basis, thereby strengthening even further the foundations of our communications system as a whole. For it is a vast and complicated machinery which must ever move forward in step with the social, economic, and defensive needs of our country. And as it progresses, its activities will always be correlated with those of the extensive international system. By means of this system, with its hundreds of channels, by radio, by telegraph, by telephone, by radio telephone and radio telegraph, or by cable, a private message or news of greatest significance is relayed to and from the far corners of the world almost instantaneously.

The important role of communications in modern warfare is all too obvious. In this country, however, we prefer to contemplate the system of communications as an instrument of peace. In the constant light it radiates, the cloak of mystery cannot long enshroud international events. The American citizen of 1940 is an alert, well-informed citizen of the world, with an independent judgment on international problems. It is therefore something more than the sincere wish of all of us that the year to come will see the world's great communications machinery allowed to do its important part in weaving more firmly the ties of understanding among the peoples of the world.

Chairman GRANIK. Thank you, Chairman Fly.

And now as our next speaker, one of America's outstanding leaders in the newspaper world, Eugene Meyer, publisher of the Washington Post, who will speak on the Outlook of the Press.

ADDRESS BY EUGENE MEYER

Mr. MEYER. I am asked, as we stand on the threshold of a new decade, to say a few words on "The Outlook for Journalism and a Free Press in the United States." Prediction is always dangerous. It is unusually so at this moment. But we can assert with some confidence that as long as the United States retains its traditional ideals the newspapers of this country will be doing their part.

No American newspaper is perfect. All are conducted by fallible human beings affected by individual outlooks; limited in their knowledge, hampered by the scant leisure for reflection which is an inevitable condition of daily publication.

Newspaper men and women, like those in other walks of life, are rising to the challenge of the times. They realize that all institutions having large powers are under scrutiny. The right to exercise power must be justified by the responsibility with which it is exercised. The safeguards with which the liberty of the press was surrounded by the Bill of Rights cannot be used as a protection against criticism where criticism is proper.

Publishers and their staffs are aware of the increasing social importance of their calling. They appreciate the educational values for good or for evil of the press. They recognize that it is up to them to justify the guaranty of a free press, which is written into the Constitution.

In the 6½ years that I have been publisher of the Washington Post I have seen many evidences of this growth of professional responsibility in what is called the fourth estate. Partly because there is still room for progress in this direction, there is every reason to anticipate such growth in the future.

I have mentioned the constitutional guaranty of a free press. It is well to remember that this guaranty does not stand alone in the Bill of Rights. It is one of a series of associated provisions in the first amendment to the Constitution. It reads as follows:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

The grouping together, as essential democratic rights, of freedom of religious faith, freedom of speech, freedom of assembly, and freedom of the press was not mere accident. They are associated rights; they stand or fall together. If one were undermined, the others would all be jeopardized.

Above all things the press must endeavor to be unbiased and fair in the presentation of the news. When feelings run high, as they do today on many subjects, the press can be a great stabilizing force if it remains impartial and dispassionate in giving its readers the facts on all public questions. Such fair-mindedness can contribute to the solution of our many problems and thereby justify the role of the press in modern civilization. This desire to be fair has been steadily growing. There is every reason to expect continued growth. The basic element in impartiality is tolerance; never has the country been in greater need of this spirit of "live and let live" than it is today. By being tolerant themselves, the newspapers can exert a great moral force and help reason instead of passion to prevail.

The public desire for accurate and full information will guarantee the freedom of a press that has these two essential qualities: fairness and tolerance.

The very urgency of our problems has accentuated the national impulse of newspapermen toward self-improvement. The progress made in recent years by the press is the best guaranty of still greater progress in the future. Our press has long been the best in the world. But in the immediate future I feel certain the free American press will more than ever justify the confidence of our people, and will play an ever-increasing part in molding the future of our Nation.

Chairman GRANIK. Thank you, Mr. Meyer.

And now we present Brig. Gen. Frank M. Andrews, initial commander and organizer of the General Headquarters Air Force and the present Chief of Operations of the War Department, who will discuss national defense.

ADDRESS BY BRIG. GEN. FRANK M. ANDREWS

General ANDREWS. When Gen. Malin Craig retired last summer as Chief of Staff of the Army, he made a very significant statement. "Military planning," he said, "is one of the most serious responsibilities that can confront a people. \* \* \* The plans deal with the nation's future, with hundreds of thousands of lives and untold wealth. They must be coldly and painstakingly considered in the light of intense realism as the basis of all future military strategy and tactics. What transpires on prospective battlefields is influenced vitally years before in the councils of the staff and in the legislative halls of congress."

Our plans for national defense are based of necessity upon the establishment maintained as a result of funds annually appropriated. We have a very small Regular Army, a larger National Guard, and a group of Reserve officers to be utilized in the event of an emergency. We lack adequate modern equipment. Several years ago Congress made initial appropriations to procure for the Army some of the modern weapons it would need if called upon to take up arms once more in the defense of this Nation. The Congress at its last regular session appropriated additional sums of money to rectify many of our deficiencies in weapons, such as tanks, semi-

automatic rifles, antiaircraft guns, and airplanes. Generous as were the appropriations of the last Congress, considerable time will elapse before the appropriations will produce actual deliveries of military equipment. This unavoidable delay in translating money into material is usually ignored by the public, but it is one of our greatest problems concerned with the national defense.

Last July our Regular Establishment numbered about 165,000 men. Actually, that strength would have permitted the Army to place in the field in continental United States only 70,000 combat troops. The remainder were on duty guarding our overseas possessions and manning our arsenals, depots, warehouses, overhead, coast defenses, and the General Headquarters Air Force.

At that time the United States Army did not have as a complete organization a single infantry division, which is a basic yardstick among military men for measuring military strength. Our mobile troops were scattered among a hundred different Army posts where they secured splendid individual training and training as small units, but were denied the opportunity for team training in the normal large combat groups.

An even more serious deficiency in the welding of effective combat teams resulted from the extreme limits to which the Army was forced to go in skeletonizing its units. For example, infantry regiments were usually short one of the three essential battalions, and artillery battalions had one out of three batteries eliminated. This meant that commanders had to assume situations and organizations which did not actually exist. Our military maneuvers and war games were, therefore, played by teams in which numerous key players were missing. Naturally, the results were largely hypothetical, just as if in football practice a team would take the field with an end and several backs missing and on each play assume that the missing individuals were in the line-up. In war, or even in scrimmage practice, as in maneuvers, such assumptions are impracticable or impossible.

In 1939, actual or threatened conflicts involved a number of important European nations. These nations for years have had to consider their military defenses from the viewpoint of intense realism. Defenses had to be adequate or disaster resulted. For example, when Poland was invaded she had available to meet the enemy over 30 infantry divisions, with 750 airplanes, but they were not enough against Germany's 70 divisions, aided by 7,000 airplanes, all of which Germany did not find it necessary to use. At that time, as I said before, the United States did not have available one completely organized division. Hence, it was high time that we looked to a strengthening of our defenses. With almost unanimous public approval, the Congress made available to the Army substantial appropriations with which to improve our national defense. As a result, our Army has been enabled to depart, to a certain degree, from its highly skeletonized and hypothetical version into what we hope will be, as the Secretary of War recently pointed out, "An army in being." The Army is now embarked on an air program which will result by 1941 in practically doubling the combat strength of the Air Corps. We have organized many of our widely separated units into five infantry divisions. Four of them are now concentrated in the South for maneuvers. One is concentrating on the west coast, later to proceed to California for training. In the spring these divisions will be grouped for corps maneuvers. Opportunity will be given National Guard commanders and certain of the higher Reserve officers to witness and participate in this training. The National Guard has been given additional drills each week and additional days of field training.

New equipment is being procured, both for our Regular troops and for the National Guard. Steps are being taken to build up stocks of strategic raw materials for which we are largely dependent on foreign sources.

All of these preparations are being made, not to meet any immediate or specific threat of war but rather to place our Army in a position of readiness to perform its duty of defending the Nation. The present international situation focuses public attention on everything pertaining to our security or defense, but let us hope that this interest will not lapse into the indifferent antagonistic attitude of the past, resulting in an emasculation of our Military Establishment and arrangements, and the same old story of refusing to spend ten million to provide what fifty million cannot procure in a crisis of our international affairs.

With all Americans the members of the United States Army join in the hope that during 1940 our country will continue to enjoy the blessings of peace. I know that all good citizens are grateful to know that our peace is being made more secure because we are building a more adequate defense.

In behalf of the Army, may I wish every one of you a happy and a peaceful new year.

Chairman GRANIK. Thank you, General Andrews.

And now the outlook for the American farmer will be discussed by our able Under Secretary of Agriculture, Milburn L. Wilson.

ADDRESS BY MILBURN L. WILSON

Under Secretary WILSON. These last few hours of a decade are a time for long thoughts, and this night no Americans will be thinking longer thoughts than the farm people. The 1930's have marked a turning point for American agriculture.

In the 1920's the foundations of rural life were crumbling, though the rest of the Nation was on a short-lived spree of prosperity. In the first years of the thirties all the people joined the farmers in despair. The foundations of economic life and the security of soci-

ety were going to pieces under our whole civilization in those dark days. We ate the bitter bread of our past mistakes.

Farm people and city people came to understand that things were different now from what they had been when we had an open frontier of good free land—when the world was eager to get our goods. In no branch of American society were the changes more profound than in agriculture.

The farmers had been trying through the twenties to obtain national action that would help them adjust to the new conditions and overcome some of the disadvantages they were under because the rest of the Nation refused to face the new facts. In the late twenties the representatives of all the people in Congress conceded that national action was necessary in justice and in wisdom, but the Executive head of the Government at that time refused to grant approval. In the thirties both legislative and Executive acted on behalf of the whole people and in the interest of the general welfare to bring a variety of assistance to help farm people in overcoming the evil results of past mistakes. There was help in adjusting production, balancing income as between farm and city, conserving the soil and water resources which are the fundamental basis of all our living, and conserving our rich human resources of rural people which were going to waste because of rural poverty.

Now, as we start into the fifth decade of the twentieth century, the 1940's, farm people are learning to use democratically and efficiently new methods of working together to achieve these purposes. It is a new situation for American agriculture—and a promising situation, on the whole.

Slowly, and with set-backs here and there, the farm income has climbed upward from the rock-bottom depths of 1932. With the exception of 1937, farm income this year stands at the high point of the decade. Farm production is abundant for all the needs of our own people and for all the markets that are open overseas. More than 4,000,000 farm families are taking part in the local and national programs to conserve soil and water and trees and grass and farm in a way that will make this a permanent country; not one of the vanishing lands which have washed or blown away from under great civilizations of the past. What other nations war over, we have—rich resources, skilled people, abundance potentially for all. Farm and city are sharing farm abundance through a food-stamp plan and surplus distribution.

Looking into the new year, farm people see as through a glass darkly. "What will the effects of war be on our trade with the world in farm products?" they ask. What will the weather bring in the way of crop yields? They have found already that the trade controls being used now by the fighting nations work against exports of our farm products. The blockade shuts our products out of central Europe. Belligerents want to save their dollars to buy military goods; in their buying, they want to favor their own colonial possessions, and the neutrals whose goods may go to enemies.

Farmers know that the weather situation is disturbing over wide areas. The most intense fall drought in history has prevailed in many parts of the wheat country. The condition of winter wheat is very low on this last day of the old year. But the growers are protected against total loss of income by crop insurance—more than 300,000 of them; and they have been able to hold last year's crop through the loans of the ever-normal granary, and this time to realize for themselves the profits from price increases that speculators used to realize in such situations.

So the outlook as to production and markets abroad is clouded. But we have ample reserves in the ever-normal granary; we have a better prospective home market as employment and wage earnings pick up. And the general prospect is for higher prices and better incomes for farmers. However, they will not be getting the parity of income that is the declared policy of the Congress and the people, and the legislative branch will be considering ways and means of bringing farm income to a fair share of the national income during the coming session.

Even so, the prospect of the new decade in its first months is dismaying to the farm people, though economically it may turn out to be on the side of improvement. For farm people and all our people are sick at heart that the tragedy of war has come again to the world. And on this New Year's Eve, farm prayers join with city prayers that the human spirit may soon be spared the indignities of war and rejoice in the freedoms of peace.

Chairman GRANIK. Thank you Secretary Wilson.

And now as our concluding speaker is tonight's American Forum of the Air presentation on American Outlook, we present Gov. Paul McNutt, Federal Security Administrator, who will discuss Youth and Social Security.

ADDRESS BY GOV. PAUL M'NUTT

Governor McNUTT. One generation, having completed its task, relaxes its hold and leaves the Nation's work to others. At the other end, a new generation slips imperceptibly into the ranks. In the meantime, those of us in the middle of life carry on. We momentarily bear the load. But those generations at the extremes are vitally important. The country must look to its youth if it is to retain its physical vigor. It must look after its aged if it is to maintain its spiritual strength. Democracy cannot afford to let hope die in the first group. Humanity will not let it die in the second. There are 4,000,000 unemployed under 25, old enough to work. There are 8,000,000 unemployable past 65, too old to work. What prospect does the new year hold for those 12,000,000 special wards of the Nation?



The National Youth Administration and the Civilian Conservation Corps will keep about a million young people occupied on important work projects. This will keep them healthy with exercise and decent food. It will afford an opportunity to acquire work habits and skill. It will fortify them in mind and spirit with the knowledge that they are performing useful services and contributing to the support of their loved ones. Moreover, they are coming to know and to love their country, because, on the many projects of conservation and public works, these boys are helping to build and remake America. In doing so they become better Americans.

But what of the 3,000,000 young people for whom no provision has yet been made? I am happy to report that important forces are coming to the assistance of the Government in this problem. The recent report of the Youth Commission, representing wide business and industrial interests, is reassuring. It recognizes the necessity, at any cost, of adequate opportunity for the oncoming generation. Two weeks ago, a youth conference in this city, also representing far-flung business interests, agreed that private enterprise must mobilize its forces to close the gaps in the youth program. It will be a great day for America when business and Government complete a cooperative program to conserve the most valuable asset of both—the Nation's youth.

The Federal Security Agency, on its part, pledges unrelenting attention to the plight of young men and women without jobs. Throughout 1940, a heavy accent will be placed on youth. It will require time, thought, and money, but the investment is in capital goods. It is important that there be a balanced Budget, but it is equally important that there be a balanced diet for those who must champion democracy in the ensuing years.

For the aged, too, the outlook is brighter. At midnight the 1939 amendments to the Social Security Act become effective. Thirty million workers will have the satisfaction of knowing that the initial monthly benefits are payable under the law designed to afford them security for the remainder of their lives. It is expected that more than \$100,000,000 will be disbursed during 1940 on about 900,000 claims. It is estimated that these claims will be received at the rate of about 2,000 a day during the month of January. Both the number of beneficiaries and the size of benefits will increase vastly as wage credits are accumulated in the future years; 1940, however, will always be remembered as a significant milestone along the path which leads to independence and security for the aged.

The whole is no greater than its parts. Our collective social security is the sum of the security of each individual citizen. For both youth and old age the prospects are brighter than on the last New Year's Eve. We can expect them to be brighter still on the eve of 1941.

Announcer McCORMICK. Thank you, Governor McNutt.

Mutual has presented a special New Year's Eve program, titled "America's Outlook." You have heard 10 leaders in various phases of American life, discussing the immediate outlook for our country's future. Those on the program included United States Secretary of Labor Frances Perkins; Federal Security Administrator Paul V. McNutt; James Lawrence Fly, Chairman of the Federal Communications Commission; M. L. Wilson, Under Secretary of Agriculture; Frank P. Graves, New York State Commissioner of Education; W. G. Carey, president of the United States Chamber of Commerce; Eugene Meyer, publisher of the Washington Post; Dr. Walter B. Cannon, president of the American Association for the Advancement of Science; Brig. Gen. Frank M. Andrews, present Chief of Operations of the United States War Department; and Sam A. Lewisohn, noted patron of the fine arts. This program was one in the regular series of the American Forum of the Air, arranged and directed by Theodore Granik, nationally known radio and newspaper commentator. In tonight's special broadcast Mr. Granik was assisted by Alvin M. Josephy, Jr. Tickets to these broadcasts may be had by sending your request to Station WOR, New York, or WOL, Washington.

In the interest of education, there are printed and distributed, free of charge, a limited number of copies of the entire proceedings of these broadcasts.

Address your requests and comments to Mr. Granik, care of WOL. Stephen McCormick speaking.

This is the Mutual Broadcasting System.

### Landis Vindicates Bridges

#### EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

EDITORIALS AND NEWS COMMENTS OF REPRESENTATIVE NEWSPAPERS

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following

editorials and news comments by representative newspapers of the United States on the report and recommendations of Dean James M. Landis to Secretary of Labor Perkins, concerning the deportation of Harry Bridges.

I respectfully urge my associates in the Congress to carefully read and consider these excerpts:

[From the Reno (Nev.) Gazette of December 30, 1939]

#### LANDIS VINDICATES BRIDGES

Harry Bridges whose violent career as a labor agitator and promoter of strikes on the west coast from which have resulted millions in losses to employees and employers as well as bloodshed and deaths, is not a Communist according to Prof. James M. Landis of Harvard University and so is not liable to deportation on that ground. Thus this Harvard teacher named by Secretary Frances Perkins to conduct the hearing into the deportation proceedings against Bridges paves the way for their dismissal.

Probably as Professor Landis finds, Mr. Bridges was not really a member of the Communist Party and did not agitate at meetings. However, testimony was submitted that he was a member and that he met with Communists in a party capacity. Landis, however, says these witnesses lied.

Also, still Landis finds that while "Bridges' aims are energetically radical . . . the proof fails to establish that the methods he seeks to employ . . . are other than those that the framework of democratic and constitutional government permits."

Thus also this distinguished professor, who holds a chair at Harvard and who was handpicked by Mme. Perkins to inquire into the methods and affiliations of her friend Mr. Bridges, finds that his violent and bloody course on the water front of California square perfectly with American conceptions of a constitutional and democratic government. This conclusion by Professor Landis demonstrates unmistakably where his sympathies lie. By his own words he is condemned as being anything but a fair and impartial examiner.

Thus the sweet and saintly Bridges is duly whitewashed by the examiner chosen by Mme. Perkins' Labor Department. He does not find that Bridges belonged to the Communist Party. That conclusion may be true. Perhaps he was while soliciting and welcoming its aid most careful not to join—and the specific charge against him was that he was one of its members—he consorted with Communists, adopted their methods, invited their support, behaved like one, and as an alien here by the sufferance of the American people outraged their hospitality by fomenting violence and flouted the laws. However, he has been given a New Deal bath. No doubt there is rejoicing in the Labor Department and in the White House. Professor Landis did his work well for those who selected him.

[From the San Francisco Examiner of December 30, 1939]

#### BRIDGES HAPPY TO LEARN RULING

Harry Bridges was eating his spaghetti course in a dark corner of a Broadway restaurant last night when he first received the report that he'll not be deported.

"Naturally," he said, "I am very happy to learn that after a fair hearing this constant charge of membership in the Communist Party has been cleared up; that Dean Landis has not recommended deportation from the country I happen to want to live in just as much as these luckily already here."

"I hope that now this 'red herring' has been worn out by its frequent dragging across the trail."

The restaurant telephone was deluged with calls for Bridges, but he refused to answer them, meanwhile carrying on an animated conversation with his dinner companions, Louis Goldblatt, Congress of Industrial Organizations executive; Mrs. Goldblatt; and Miss Eleanor Kahn.

Notified of the news at home, Mrs. Bridges said she was "happy" and "relieved." Their daughter Jacqueline was attending a movie. Mrs. Bridges said she knew Jacqueline would be greatly thrilled.

#### LANDIS LATER SHOWS LITTLE CREDENCE IN UNITED STATES EVIDENCE

Certain of the Government testimony in the Harry Bridges deportation case apparently was not given much credence by Trial Examiner James M. Landis. This was seen here by local observers in a close review of the letter of transmittal which accompanied Landis' finding to Secretary of Labor Perkins.

In Landis' phrase "painstaking and minute analysis of their testimony . . . which permits a fleeting doubt to be dismissed," observers saw that much of the testimony had gone out the window. There was considerable interest, however, in what Landis had reported on Bridges' "cooperation" with Communist members and party officials. This was not available last night.

Considerable evidence had been produced along that line, and Bridges himself has admitted receiving and welcoming support of the Communist Party in water-front strikes here.

Incidentally, it was learned here that Landis had made a number of visits to Washington for discussion before the final report was given.

[From the San Francisco Chronicle of December 30, 1939]

. . . The decision of Dean Landis was placed in the hands of Secretary of Labor Perkins yesterday. When she released it Secretary Perkins notified wire services throughout the country that

she would place the decision in their possession for release to the public in editions of Monday morning newspapers.

The Chronicle was one of the newspapers serviced by the news syndicates supplied with a copy of the decision. The Chronicle, possessed of the information, kept the confidence imposed upon it by the Department of Labor.

Another morning newspaper did not keep the confidence.

It appeared on the street with the ruling.

When it did so it violated the confidence imposed upon all ethical newspapers.

The information regarding the decision was in the possession of the Chronicle at the same time it was in the possession of the other morning newspaper but the Chronicle refused to do so much as to speculate about it until it had been formally released in accordance with the instructions given by Secretary Perkins.

When the other newspaper had printed what should have been held inviolate in its possession until its Monday morning editions the Chronicle could do nothing more than apprise its own readers of the facts.

In doing so the Chronicle notified those who had imposed the confidence of the position it was placed in. Permission was then given to "print the news."

[From the Oregonian, Portland, Oreg., of December 30, 1939]

#### CHARGES ALMOST IGNORED

The Bridges defense—operating on some \$28,000 contributed by C. I. O. and A. F. of L. unions, virtually ignored except by denial the Government's showing that Bridges had a party card and had a party name Rossi allegedly after San Francisco's bald conservative mayor. The showing stated no time or place of affiliation and was unsupported by documentary evidence. \* \* \* Defense attorneys Richard Gladstein and Aubrey Grossman, assisted by Carol King, of New York, made the defense mainly an effort to discredit Government witnesses and to show that the deportation arrest warrant issued in March 1938 was inspired by an employer-police conspiracy.

The conspiracy that was contended resorted to "improper methods" of obtaining affidavits and witnesses and placing them in the hands of a receptive Pacific Northwest immigration official. \* \* \*

[From the Christian Science Monitor of January 2, 1940]

#### RULING BY LANDIS FAILS TO CLOSE BRIDGES CASE

WASHINGTON, January 2.—Far from closing Harry Bridges' deportation case the finding of Dean James M. Landis of the Harvard Law School that the alien west coast labor organizer is radical but not a Communist tosses another controversial issue right into the lap of the returning Congress. It is already apparent that congressional opinion is not ready to accept without further questioning on its own part the conclusion that Harry Bridges is not liable to deportation under the law, and before the issue is finally disposed of there will be steps looking toward clarifying or tightening the deportation laws. \* \* \*

#### UP TO CONGRESS

Congress will be asked to provide that procedure early in the coming session. In the meantime there is already some questioning of the validity of the Bridges decision and Congress may make independent investigations before accepting the Landis finding.

The active role which Communists have played in industrial disputes on the Pacific coast is brought into focus in the trial examiner's voluminous record, and Dean Landis makes it clear that while in his judgment Mr. Bridges did not affiliate with the Communists the Communists affiliated with Mr. Bridges. "Communists were undoubtedly to be found in the membership or on the executive boards of one or more of these (Bridges') organizations," Dean Landis writes; that the general policies pursued had the support of these Communists and the officials of the Communist Party seems more than likely, for Communist policy tends to support, even agitate, for any industrial unrest.

[From the Chicago Tribune of January 2, 1940]

#### THE BRIDGES AFFAIR

James M. Landis, dean of the Harvard Law School, informs Secretary of Labor Perkins that the evidence does not permit a finding that Harry Bridges, alien C. I. O. Pacific-coast agitator, is affiliated with the Communists. Mr. Landis was appointed special Labor Department examiner to investigate the status of the Australian-born dictator of the Pacific-coast shipping and advise the court if he were subject to deportation because of his political ideas and activities. Mr. Landis heard a great many witnesses, some of whom said that Bridges was connected with the Communist Party, and (he) examined Bridges himself at length. Bridges denied that he was a Communist.

Active membership in the Communist Party is a matter of paying dues and being registered. Many of its sympathizers, followers, and supporters are not in this sense members of the party. They may shade even from the true "red" to "light pink." It might be difficult to determine legally that a person not a party member was a Communist unless he was willing to admit it. The party itself has revised its constitution to obtain legal immunity, and it pretends that no one advocating violent overthrow of Government is eligible to membership.

Mr. Landis commented on Bridges' views and said that they were energetically radical but that proof failed to establish that the methods he seeks to employ are hostile to democratic and constitutional government. For almost in any other country in the world the case of Bridges would have been a very simple one. He has dominated a turbulent labor scene on the west coast whose purpose was political, not economic, and it has done about as much damage to American shipping as could be done by a hostile fleet. Under his direction boats have been tied up to the docks, food shortages have been caused, and great property loss occasioned.

An alien would not have been permitted to create such disorder in another country. The foreigner would have been sent away as an undesirable alien. An alien resides in these other countries by the tolerance of the government, and if for gross and even trivial reasons his behavior is found objectionable out he goes. Bridges has been in this country over a period of years and that has not changed his status, and he is not a citizen. American hospitality has stretched a long way when it must protect an alien who undertakes to conduct a civil war against America.

Mrs. Perkins has sheltered and stopped the attempts of the immigration officers on the west coast to deport him. It will be the general opinion that Mr. Landis was selected as the Department's examiner because he was a man who would make a plausible finding upon which Mrs. Perkins could carry out her determination to give Government encouragement to a man who has acted with the most destructive communistic principles and practices with or without membership in that party.

The administration has of late professed to be shocked by the brutalities of the Stalinites in Russia. It shows no signs of being shocked by the activities of the Communists in the United States. It pretends to be anti-Communist in the conflict abroad but it is still pro-Communist in America. Not only the sympathies but the ideas of the new dealers run in the same groove with these "reds." That is why Harry Bridges is able to remain in this country and make war on it.

The Washington Post of December 31, 1939, in reporting on the decision of Dean James M. Landis in its news column, says:

"The trial examiner rejected the testimony of most of the 31 witnesses who appeared against Bridges.

"These included American Legion leaders, city and State police, and numerous others, who said they had seen Bridges at meetings restricted to Communist Party members, had heard him tell of his membership, and testified that Bridges used a party name 'Rossi,' allegedly after San Francisco's conservative mayor.

"Landis described one witness as a 'self-confessed liar.' One he said was 'neither a candid nor a forthright witness.' Of another's testimony he declared, 'in evasion, qualification, and contradiction, it is almost unique.' Commenting on witness-stand story of a police officer, he added, 'The conclusion is inescapable that his testimony is far from reliable.' \* \* \*

"Among the principal witnesses for the Government were Maj. Laurence A. Milner, Portland, Oreg., a National Guard officer; John L. Leech, a Los Angeles painter; Harper Knowles, who headed the California American Legion's radical research committee; and Capt. John J. Keegan, of the Portland (Oreg.) police department. \* \* \*

"The trial examiner made clear that he gave great weight, when reaching his decision, to Bridges' own statement of his political beliefs.

"It was given not only without reserve," the statement said, "but vigorously as dogma and faiths of which the man was proud and which represented in his mind the aims of his existence."

"It was a fighting apologia that refused to temper itself to the winds of caution. It was an avowal of sympathy with many of the objectives that the Communist Party at times has embraced, an expression of disbelief that the methods they wished to employ were as revolutionary as they generally seem, but it was unequivocal in its distrust of tactics other than those that are generally included within the concepts of democratic methods."

The New York Herald Tribune on January 1, 1940, commenting editorially on the report of Dean James M. Landis to Secretary of Labor Perkins concerning the deportation of Harry Bridges, said:

"It is a verdict which, considering its author, must be accepted as the product of a splendid legal scholarship and conscience. Nevertheless, it is disappointing. In the first place, if an alien like Bridges, notoriously allied with Communists, if not one of them, can thus escape being considered in the Communist category, even an approach to enforcement of the deportation law becomes something of a joke. In the second place, what most of us hoped for from the hearing has not been forthcoming, and that is a settlement of the question whether the Communist Party is a subversive organization in the definition of the statute.

"Dean Landis, no doubt with full propriety, has avoided this question, as did the Supreme Court in turning Strecker loose. He does note that Federal courts in the past have assumed the subversive character of the party and acted accordingly in deportation proceedings, but he suggests that the assumption needs review 'in the light of changing economic and political conditions.' Then, since he finds that Bridges is not a Communist, he dismisses the subject as irrelevant and leaves the public and the Communist Party, for that matter, groping in the dark. This is a pity, for the very obvious reason that in the absence of an authoritative appraisal of Communist aims and advocacy the country must remain the prey of a controversy already prolific of prodigious name calling and bitterness."



## John Black's Body

## EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

ARTICLE BY ZULA BENNINGTON GREENE

Mr. LAMBERTSON. Mr. Speaker, under leave to extend my remarks, I want to place in the RECORD the comment on the book, John Black, as made by Zula Bennington Greene, of Topeka, Kans., one of the leading columnists of my State:

JOHN BLACK'S BODY  
(By Zula Bennington Greene)

In common with other parents I have fussed and fumed and complained that children take more pleasure in the colored comic books than in proper orthodox printed stories. We parents get together, cluck and shake our heads, and tell each other self-righteously that our children's taste in literature is only another sign of the mental inertia and decadence of the times.

But all we have ever proved is that we are ourselves old-fashioned. This is the picture age, on screen, in textbook, story-book, newspaper, and magazine, and the young are availing themselves of its opportunities.

Never again shall I be critical of the pictured story, not since I have seen John Black's Body, a book of 48 pictures and 403 words by Ben Martin, that can be read in 3 minutes, but which says more than a hundred solemn, long-winded, trite essays on the futility of war.

The pictures, done in bold economical strokes in black and white, are deliciously ironic. They hit you between the eyes with their sweeping satire and impudent caricature—the rotund businessman, the droopy-jowled college professor, the minister in his lace-trimmed pinafore vestments, the scowling general, and meek little John Black himself.

The book is about John Black's body, in which is tied up a lot of money for various miscellany from toothpaste to tonsillectomies. John got an education, but couldn't get a job.

The businessman, the college professors, the ministers didn't know what to do, but the politician did. He started a "nice little war."

It's a fine, patriotic war for democracy and civilization, of course. Stocks are going up, the 4-minute men are having a peck of fun. Everybody cheers. That is, everybody but John Black. You see, he had to fight the war and he is too cold and hungry and scared and tired and lousy to cheer.

A shell whizzes down and they pick up John Black's body in a bucket, and bury him under a 98-cent cross with his name spelled wrong.

Later the politicians and businessmen and ministers lay a pretty wreath on his grave and make nice speeches about his sacrifices for democracy, and everybody else "spends the rest of his life working to pay back" the \$1,244,151.16 invested in John Black's body.

Here I have written no telling how many words and still haven't told you nearly as much as the 48 drawings and 403 words do. I guess I'll have to learn to make pictures.

## Americanism

## EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 11, 1940

ARTICLE BY THE RIGHT REVEREND JAMES E. FREEMAN,  
D. D., LL. D.

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a timely and most inspiring definition of the term "Americanism" by the Right Reverend James E. Freeman, D. D., LL. D., bishop of Washington:

## AMERICANISM

Americanism is complete and unequalled loyalty to the ideals of government set forth in the Bill of Rights, the Declaration of Inde-

pendence, and the Constitution of the United States. It is respect for and ready obedience to duly constituted authority and the laws of the land. It is freedom without license, religion without bigotry, respect for all nations without entangling alliances, Christian charity without bias or race hatred, love of flag and a readiness to defend that for which it stands against every alien and subversive influence from without or within. This, I believe, is Americanism.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

STATEMENT BY HON. CORDELL HULL, SECRETARY OF STATE

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I am inserting a statement made by Hon. Cordell Hull, Secretary of State, before the Committee on Ways and Means of the House of Representatives on yesterday.

Secretary Hull is one of the outstanding leaders of the world today and is probably doing more to restore the trade, as well as the peace, of the world than all the other great premiers combined.

I hope every Member of the House will take the time to read this statement, for it is one of the most convincing arguments yet to be found on this subject.

The matter referred to follows:

Mr. Chairman, members of the committee, it is always a pleasure for me to appear before the Ways and Means Committee, of which I was myself a member for 18 years. I particularly appreciate the opportunity thus afforded me to discuss with my old friends on the committee and with its newer members important problems of economic policy, the successful solution of which is essential in promoting the welfare of our Nation and the well-being of our people.

Outstanding among these problems is that of foreign trade and of its essential relationship both to our domestic prosperity and to world peace. This is something with which we are all deeply concerned. This is something which requires the best cooperative and foresighted efforts of both the legislative and the executive branches of the Government, if the interests of our people are to be properly served. In a matter which is so vital to the Nation, political considerations and partisanship should have no place.

I

In 1934 our Nation embarked upon the reciprocal trade agreements program as an emergency means of meeting grave emergency conditions. In inaugurating that program the Congress and the Executive were grappling with the pressing needs and deplorable conditions, here and abroad, with which the Nation was confronted.

Our country and the world were still facing the difficulties and distress resulting from the worst economic depression of modern times. That great disaster had resulted from many causes, chief among which were the economic policies pursued by the nations of the world, including our own, since the end of the World War.

The 4-year war had taken a frightful toll of suffering and destruction. It had left in its wake profound maladjustments and dislocations. Post-war reconstruction required the fullest possible utilization of the natural resources of the world and of the marvelous achievements of science and technology for the purpose of repairing the ravages of the war and of laying the foundations of economic progress and stable peace. This could have been accomplished only through vigorous and mutually advantageous trade among nations, the only practicable method of bringing within the reach of all nations the advantages of natural resources and of human skills, so unevenly distributed over the face of the earth. Instead, the nations of the world, including our own, entered upon the road of narrow economic nationalism. They built up a constantly extending network of disruptive trade restrictions and, in this manner, piled new and even more painful dislocations upon the profound maladjustments produced by the war.

## Precarious structure bound to collapse

For a time the true nature of the situation was obscured by the reckless international borrowing and lending which characterized the first decade after the war. But the unhealthy structure, built on these precarious foundations, was bound to collapse sooner or later and to spread ruin to all phases of economic life everywhere.

The signs of approaching disaster were plainly visible for some time before the collapse actually came at the end of the twenties. In the face of this terrifying prospect, and even after the calamity

was already upon us, the statesmen of the world, including our own, made the fatal blunder of resorting to the very thing that lay at the root of the disaster—a still more exaggerated protectionism. Trade barriers of every kind, old and new, multiplied. Unsalable surpluses became dammed up everywhere. Combined with other factors, the drastic decline of international trade in both volume and value caused the great depression to spread in extent and intensity, with results in terms of widespread human suffering and sacrifice that none of us can ever forget.

Contrary to all theories of autarchy and economic self-containment, the fact is that the domestic prosperity of every country is tied in with the condition of its foreign trade. A collapse of foreign markets inevitably brings with it disorganization and disruption of the domestic economy, as we discovered to our sorrow in the period following the enactment of the Hawley-Smoot tariff. In this country the ill effects of the collapse of export outlets for the great surplus-producing branches of both agriculture and industry rapidly permeated all branches of our economic life. Even those very industries which thought they were saving themselves by means of embargo tariffs soon discovered that, instead, they merely helped to ruin their own markets right here in the United States.

In those tragic days, when the avalanche of economic dislocations threatened to plunge into chaos our entire economic life, vigorous and bold action was desperately needed in a number of directions. Many measures of a purely domestic character had to be taken to restore employment, to rebuild prices and values, to return to solvency our farms, our factories, our banks, our means of transportation, and all the other phases of our national life. But it was also clear that the hope of attaining full and stable prosperity was utterly futile unless we could at the same time restore our shriveled foreign commerce. At the bottom of the depression our foreign trade—exports and imports combined—amounted to less than \$3,000,000,000 a year as compared with the predepression level of more than nine billions. Billions of dollars of lost business activity had to be regained if recovery was to be attained and economic progress resumed.

## II

The disruption of international trade, which brought on the collapse of our domestic economy as well, resulted primarily from the rise of excessive and unreasonable trade barriers. These were of two types: First, higher tariffs, embargoes, quotas, import licenses, exchange controls, and numerous other devices for preventing imports from abroad; and, second, various types of discrimination, which caused a diversion of much of what remained of international commerce into unnatural and abnormal channels. Our exports had suffered heavily from both of these types of trade obstructions. Our sales abroad fell from five and two-tenths billion dollars in 1929 to one and six-tenths billions in 1932. The exports of other countries to us had suffered heavily from the excess of our protectionism. Our foreign trade could be restored only through a reduction of these excessive barriers here and abroad.

To accomplish this end, three courses of action were open to us: (1) We could attempt to secure agreement among a large number of nations for a reduction of trade barriers; (2) we could lower our own tariff in the hope that other countries would do likewise; or (3) we could negotiate mutually beneficial trade agreements with individual countries, based upon a reciprocal reduction of excessive trade barriers.

The first of these methods, under the conditions which prevailed, was impracticable. The second held no certainty of effectiveness, since it offered no assurance that other countries would also move in the direction of reducing trade barriers or trade discrimination. The third was the only practicable method of securing these results. It was the method we adopted, the method embodied in the trade-agreements program.

The action of the Seventy-third Congress in enacting the trade-agreements program was based on the following line of reasoning: Exports and imports are interdependent; nations cannot sell without buying. The promotion of our exports cannot be divorced from the treatment we accord to our imports, and vice versa. To induce other nations to mitigate their excessive obstructions to our exports we must, of necessity, stand ready to adjust our own excessive trade restrictions. In a world caught in a net of complex and complicated trade barriers, in a world in which other governments possess means of swift action for dealing with these restrictions, it was obviously necessary for the legislative and the executive branches of our Government likewise to cooperate in order to provide the means of dealing with the emergency.

These basic ideas were translated into the Trade Agreements Act. By empowering the Executive to proclaim modifications of tariff rates and of other methods of regulating imports through the negotiation of Executive agreements which provide for improved treatment of our exports by other countries, the Congress recognized the necessity for an emergency agency to deal with a grave emergency condition and created an instrumentality of swift and effective action on our part for the promotion of our foreign trade admirably suited to the special needs of a disturbed world. In doing this the Congress carefully defined the policy, the methods, and the limitations of the reciprocal trade agreements program and then entrusted to the Executive the duty and responsibility of administering and carrying into effect the provisions of the Trade Agreements Act. These instructions of the Congress were so faithfully carried out and subsequent events so fully vindicated the eminently practical and constructive nature of this method of solving a pressing and difficult problem that the Seventy-fifth Congress

in 1937 extended this authority and responsibility for another 3-year period.

We are now approaching the end of this second period. Your committee begins today the consideration of the next step. That next step should, obviously, be examined in the light of past experience, as well as of the outlook for the future. I should like, if I may, to place before you my thoughts with regard to both of these aspects of the problem.

## III

The trade-agreements program was enacted for the express purpose of expanding our exports through the reduction of trade barriers in other countries. I submit that it has done so.

We have concluded 22 reciprocal-trade agreements. The countries with which agreements are now in effect represent about 60 percent of our total foreign trade. In these agreements valuable concessions have been obtained for literally hundreds of our agricultural and nonagricultural products. Important foreign markets have been kept open or expanded for our producers of cotton, wheat, corn, hog products, fruits, vegetables, tobacco, lumber, iron and steel semimanufactures, automobiles and trucks, electrical apparatus, machinery of various types, rubber products, textiles, chemicals, paints, hides and leather products, and a host of American specialties.

In the face of grave hindrances growing out of fears of war and preparations for war, the operation of the reciprocal trade agreements program had the effect of inducing many important nations to halt their runaway races in the erection of excessive economic barriers to trade and gradually to move in the opposite direction, while still other nations were induced to slow down their efforts to attain economic self-containment. Furthermore, the program was an important factor in bringing about a development of closer general relationships with and among many nations while it was making its important contribution to income and employment in the United States.

In considering the actual trade results of the program, let me emphasize this fundamental fact: When we secure a reduction of obstructive trade barriers, as we have done in hundreds of instances, we make it easier for our trade to flow. This self-evident fact is studiously ignored by many persons who are constantly seeking to confuse and mislead the public.

Taking the average figures for the years 1934 and 1935 and similar figures for the years 1937 and 1938, we find that our exports to all foreign countries increased by \$1,000,000,000, or 46 percent. This increase was obviously caused by several factors, but the role played in it by the trade-agreements program is suggested by the following figures: Our exports to trade-agreement countries rose, during this period, by 61 percent, while our exports to nonagreement countries increased by only 38 percent.

The effectiveness of the trade-agreements program as an agency for expanding our exports may be measured in another way. The countries with which we have concluded trade agreements have generally increased their purchases of American products more than they have increased their purchases of the products of other countries. For example, in the years 1936-38, the period of the operation of our first trade agreement with Canada, that country's imports from the United States were 42 percent greater than in 1934-35, while its imports from other countries than the United States increased by only 22 percent.

These substantial and welcome increases in our exports resulted, in large measure, from the mitigation of the other countries' trade barriers, to which I have already referred. They were also the result of an undertaking on the part of some countries, which had previously discriminated against our goods, to accord our products nondiscriminatory treatment under the operation of the most-favored-nation principle in its unconditional form, better known as the principle of equality of treatment.

The application of that principle is the only effective means of insuring for our producers a position of equality of treatment in foreign markets. In trade agreements which they conclude with us the other countries agree to extend to our products, immediately and automatically, concessions granted to third countries. The most-favored-nation clause, inscribed in our agreements, is thus an invaluable insurance policy for our exporters against one of the most injurious obstructions to trade—discrimination in favor of their competitors in other supplying countries.

Under modern trading conditions, when the producers of many countries usually compete in the same markets, such assurance of nondiscriminatory treatment is obviously of the greatest importance to our exporters. This fact has long been recognized in our country, as well as the obvious fact that we cannot secure this type of treatment abroad unless we are prepared to extend it to other countries.

It was because of this that in 1923 President Harding and Secretary of State Hughes formally incorporated the principle of equal treatment, or most-favored-nation policy in its unconditional form, into the structure of our commercial relations with other nations. Since then numerous commercial treaties embodying this principle were negotiated and were approved by the Senate. It was for precisely the same reason that the principle was retained in the Trade Agreements Act and has been applied in connection with the trade-agreements program.

Congress has repeatedly insisted that we demand unconditional equality of treatment from all other countries, empowering the Executive, if necessary, to impose penalty duties on the goods of countries refusing to accord us equality. I cite as typical instances



of this the provisions of the Payne-Aldrich bill, section 317 of the Tariff Act of 1922, passed in the Harding administration, and section 338 of the Tariff Act of 1930, passed in the Hoover administration. Of necessity, if our Government is to insist on equal treatment, it must be prepared to accord it to others. That is all that there is to the generalization of concessions under the most-favored-nation policy in its unconditional form, which, as stated, is simply the principle of equality.

When we extend to other countries which do not discriminate against our goods the benefit of concessions granted in individual trade agreements, we thereby insure equality of treatment for our exports over an area far larger than that covered by the trade agreements themselves. This is not a case of giving away something for nothing. So far we have safeguarded in this manner a volume of exports several times greater than the value of trade on which we have granted generalization of concessions to non-agreement countries. The policy of equal treatment is not only an indispensable means of defending our trade against the blight of discriminatory practices in other countries, but one of the most powerful instruments for placing international trade relations upon a basis of fair dealing and friendliness, without which commerce cannot prosper.

## IV

By enacting the trade-agreements program, the Congress authorized limited adjustments of our tariff rates as a means of promoting our foreign trade through securing similar adjustments of excessive trade barriers in other countries. It was obviously the intent of the Congress that, in the process of negotiating trade agreements, our own domestic producers should be helped rather than hurt. I submit that, in carrying out the program, the executive branch of the Government has willingly and scrupulously complied with this intent of the Congress.

We have reduced duties only in those cases in which, after a most careful examination of all relevant factors, it was found that existing duties were unnecessarily and unduly burdensome, and we have done so only in those cases in which other countries have agreed to accord better treatment to our exports in return for tariff adjustments on our part. We have reduced duties only to the extent to which, after an equally careful examination, it was found that such adjustments would not be prejudicial to any established branch of production in agriculture, in mining, or in manufacturing industry. Where necessary, as an additional safeguard, we have limited the amount of imports which would be permitted to come in at the reduced rate of duty.

In adjusting tariff rates we have kept well within the limits prescribed by the Congress. We have gone about the matter as objectively and as scientifically as possible, always keeping in mind both the position of the particular branches of production affected and the interests of the Nation as a whole.

No evidence of serious injury has been adduced in the assertions and allegations which have been put forward by the opponents and critics of the trade-agreements program. Naturally, in some individual cases, producers have had to make adjustments to the new rates. Generally speaking, because of the moderate, painstakingly considered, and carefully safeguarded nature of the duty reduction made in the trade agreements, such adjustments have not occasioned serious difficulty. They have been helped by the general improvement of domestic conditions and expansion of domestic markets, resulting in part from the increase of our exports.

In an overwhelming number of cases allegations of injury in connection with each of the agreements we have negotiated have been made before the particular agreement was concluded—at a time when no one, not even those who were engaged in the negotiations, knew whether the duty on a particular commodity would be reduced; and if reduced, to what extent. Frequently allegations of injury are made with respect to commodities on which existing duties have not been reduced, or with respect to commodities which were left on the free list even by the authors of the Hawley-Smoot tariff. In my entire experience I do not recall a more flagrant and unscrupulous suppression and misuse of material facts on an issue which is of vital significance to every citizen, every home, every farm, and every factory.

The loudest assertions of injury have been made in connection with agriculture. What are the facts?

Farmers, as all other producers, reckon their well-being basically in terms of the income which they receive. By the end of 1932, after 2½ years of Hawley-Smoot tariff embargoes, farm cash income had declined from 11.2 billion dollars to 4.7 billion dollars. By 1938, after 4 years of the trade-agreements program, it had risen to 7.6 billions, excluding benefit payments. Does this indicate injury?

The most reckless claims have been made in connection with the cattle and the dairy industries. The income of the cattle industry, which had fallen from \$1,495,000,000 in 1929 to \$621,000,000 in 1932, rose to \$1,144,000,000 in 1938. The income of the dairy industry, which had fallen from \$1,844,000,000 in 1929 to \$991,000,000 in 1932, rose to \$1,398,000,000 in 1938. Does this indicate ruin?

It is sometimes asserted that such increases in income do not take into account the devaluation of the dollar. But changes in the purchasing power of the dollar are, of course, measured by prices. Making due allowance for price changes, the farm income in 1938 represented at least 40 percent more purchasing power than did the farm income in 1932.

I do not claim that the recovery of farm income or the rise of the national income in general from forty billions in 1932 to sixty-four

billions in 1938 and sixty-eight and five-tenths billions in 1939 was wholly attributable to improvement in our foreign trade which has occurred under the trade-agreements program; numerous influences combined to bring this about. But I do maintain that the increase of our exports has been a factor of great importance in this connection, just as the catastrophic decline of trade under the Hawley-Smoot tariff had unquestionably contributed powerfully to the general economic collapse of the early thirties.

Some light is shed on the present situation by the fact that many of those who are now insisting upon advising American agriculture in opposition to the reciprocal-trade policy, which has demonstrated its benefits to agriculture, were among the identical persons who advised the farmers in 1930 that the Smoot-Hawley Act would bring them permanent prosperity, whereas under such advice the farmers of this Nation were piloted straight into unprecedented bankruptcy. I dare say that the farmers will think twice before accepting a second time such reckless advice, supported by still more reckless statistics.

## V

The reason why no evidence of material injury to our farmers or to any other group of producers, resulting from the operation of the trade-agreements program, can be adduced is that no such injury has, in fact, occurred.

During the period of operation of the trade-agreements program, increases have occurred in both our exports and our imports. Taking the average figures for the years 1934 and 1935 and the years 1937 and 1938, we find that while our exports rose by \$1,000,000,000, our imports increased by six hundred and seventy-one millions. In 1937 and 1938 the excess of exports over imports averaged \$700,000,000. In 1939 the picture has been approximately the same.

The trade-agreements program has expanded markets at home and abroad for all groups of producers. This result has been due primarily to the method employed in carrying out the program.

I am sure that I do not need to describe that method in detail. It has been in operation for 5½ years. Its results are embodied in the reciprocal-trade agreements negotiated to date. Let me recall to your minds its main features.

An interdepartmental organization, consisting of experienced and well-informed practical experts of the Departments of State, Agriculture, Treasury, and Commerce, and of the Tariff Commission handles the preparation and negotiation of the trade agreements. All interested parties are given ample opportunity to present their views, orally or in writing, with respect to every phase of the program. No decision is reached with regard to action on any particular customs duty without an extended and profound study of all pertinent data, both those assembled by the interdepartmental organization itself and those presented to the organization by the interested parties—the producers, the consumers, and the merchandizers of the commodity involved, and anyone else who feels that he or she has an interest in the proceedings. The results are reviewed by the responsible heads of the departments of Government participating in the work and, finally, by the President.

The work of the interdepartmental organization in connection with a particular agreement does not cease with the proclamation of the agreement. The operation of the agreement is under constant review in every phase. The interdepartmental organization is always ready to receive representations from the interested parties regarding any aspect of the agreement. It is prepared to act whenever new circumstances warrant.

I invite any person to show a single instance of general tariff readjustment either upward or downward, in the entire fiscal history of the Nation, wherein there has been exercised as much impartiality, care, and accuracy as to facts as has uniformly characterized the negotiation of our 22 trade agreements—or any more solicitude for the welfare of agriculture, labor, business, and the population of the country in its entirety.

The method under which we have been negotiating trade agreements is democratic in every sense of the word. It is a method under which no interested party is denied a full hearing and under which all representations are given the most careful study. It is a method under which the immensely difficult and complex task of promoting general prosperity through stimulation of foreign trade without material injury to any domestic producers—a technical task which can be performed only by impartial and qualified experts—is handled by such experts, within definite limitations laid down by the Congress. It is a method under which the Congress reserves its basic prerogatives, while putting into operation temporarily the most effective means that can be devised to meet a grave emergency situation through cooperation of the legislative and executive branches of the Government. The powers given to the Executive are strictly limited in both scope and duration. I am glad at this time to report on the manner in which we, who have been entrusted by the Congress with a difficult and responsible task, have sought to perform it.

## VI

I should now like to turn to another aspect of the problem. There are some who claim that we have gone too far in tariff adjustment in our efforts to expand trade. There are others who think that we have not gone far enough. To all such critics I would say that they have failed to take into consideration all the various and complicated aspects of the problem. There is nothing paradoxical in my statement that the duty adjustments we have made have not been such as to prejudice the interests of our domestic producers and yet have been sufficiently attractive to other countries to enable them to grant us valuable concessions for

our exports. Many of the commodities with respect to which duty adjustments have been made are of a type of which we do not produce quantities sufficient for our needs, notwithstanding that we have long imposed extremely high tariffs on most of them. Again, many imported commodities are so different in grade, quality, price, or marketing season from commodities produced in this country that reasonable reductions of existing duties on them help foreign producers and benefit our consumers without hurting our producers. All of these imports, while being useful and beneficial to our people, provide our foreign customers with the means of paying for our burdensome surpluses.

This situation is frequently confused by the use of misleading slogans designed to deceive us into a disastrous policy of complete embargoes which would destroy both our foreign and our domestic markets. The size of the American market depends upon the Nation's purchasing power, which, in turn, depends upon the volume of business activity—that is to say, farm production, factory production, employment, and all the other factors which create the Nation's purchasing power. There is a direct and unmistakable connection between business activity and the volume of exports. Our cotton belt, our tobacco belt, our wheat belt, our corn-hog industry, our fruit and vegetable growers, our lumber producers, our machine manufacturers, and many other branches of our production cannot prosper unless they have adequate foreign markets for their surplus output. Deprive them of such markets and their purchasing power shrinks and with it the whole Nation's purchasing power declines.

Let me cite again the cases of dairy products and of cattle. The dairy industry supplies over 99 percent of the domestic market. The cattle industry supplies from 95 to 98 percent of the domestic market. Under a system of complete embargoes, these two industries would have 100 percent of the home market, but it would be a vastly reduced market, disorganized and shrunken as a result of the destruction of purchasing power in the hands of the exporting industries and the consequent curtailment of the Nation's purchasing power.

Under a system of complete embargoes, we would take out of cultivation four times as many acres as we could put into cultivation by attempting to produce the agricultural commodities we now import. That, as Secretary Wallace once said, would be like trading dollars for quarters.

To be sure, there would be no sense at all in our going to the other extreme and throwing our domestic market open to foreign competition without any regard to the effects of such action upon our domestic producers. There is a middle ground between these two extremes. There is a way of clearing the underbrush of excessive protectionism and, in the process, stimulating rather than impairing the healthy growth of our national economic activity for the good of all of its parts.

That is the crux of our effort. It requires caution and infinite care. Our task is to correct the errors of the past without producing new dislocations. Our aim is to pave the way for expansion and progress, not to tear down what must be preserved if expansion and progress are to be made possible.

VII

It is necessarily a slow process. In a world headed steadily in the direction of narrow nationalism, with all its attendant disasters for the well-being of our country and of all countries, we have taken a position of leadership in an effort to reverse this fatal trend. Our work has borne tangible fruit during the 5½ years of the operation of the trade-agreements program. But the stupendous task involved was only partly completed when a widespread war again broke out. That calamity has imposed upon us new tasks and new responsibilities.

While hostilities are in progress it is necessary for us to defend our export trade from the inroads of wartime controls and dislocations. For this purpose the trade agreements now in effect are of inestimable value. The scope for going forward with the program during the war is naturally restricted. But the need for facilitating trade and for keeping alive the principles which underlie the trade-agreements program is of crucial importance. For our actions now will have an enormous influence upon the problems of economic reconstruction when hostilities have ceased.

The experience of the two decades which elapsed between the end of the World War and the outbreak of a new war in Europe has brought out in sharp relief the validity of two basic propositions. The first of these is that our Nation, and every nation, can enjoy sustained prosperity only in a world which is at peace. The second is that a peaceful world is possible only when there exists for it a solid economic foundation, an indispensable part of which is active and mutually beneficial trade among the nations. The creation of such a foundation is the second of the two primary objectives of the trade-agreements program, which seeks the advancement of our domestic prosperity and the promotion of world peace.

The establishment of sound international trade relations will be an essential problem of post-war reconstruction. What role will our country play in this process?

In the years following the World War we led the procession of destructive protectionism. Are we to play this same role again?

That would be the case if we were now to abandon the trade-agreements program. For it would be the equivalent of destroying the only policy which stood in the recent past and can stand in the immediate future as a bulwark against a complete reversion to policies under which the channels of trade will become more and more blocked and the nations of the world will continue their disastrous march toward increasing economic nationalism, regimentation, eco-

nomic distress, the dole on an ever-growing scale, social instability, and recurrent warfare. Under such conditions there can be no enduring peace and no sustained prosperity for our Nation.

The trade-agreements program has served us well during a period of national emergency. It has enabled us to expand our foreign trade without introducing far-reaching governmental controls, such as have been employed in many other countries.

The world needs today and will need increasingly tomorrow the surplus production of our agriculture and industry, just as our farmers and our workmen and our businessmen need foreign markets for the maintenance of their prosperity. The choice before us is whether we shall throw away these precious opportunities by abandoning the trade-agreements program or whether we shall keep ready for use, whenever possible, the necessary means of prompt and effective action provided by the program. The choice before us is whether we shall lead the way toward the slough of despair and ruin for ourselves and for others, or toward the heights of economic progress, sustained prosperity, and enduring peace for our Nation and for the world.

VIII

Before I finish I should like to say this: If there were any suspicion in my mind that the trade-agreements program hurts rather than benefits our people, I would be the first to abandon it. I have searched diligently and painstakingly the mass of evidence on all phases of this vital question, and I am firmly convinced that it proves overwhelmingly the beneficial nature of the trade-agreements program and points unmistakably to the dangers inherent in an abandonment or weakening of that program.

I have sought to place before you some of this evidence. My associates in the Department of State and the representatives of the other departments and agencies participating in the trade-agreements work are ready to supply you with any further information you may desire.

## Veterans' Benefits

### EXTENSION OF REMARKS

OF

HON. GEORGE M. GRANT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

ARTICLE BY HON. JOHN E. RANKIN, OF MISSISSIPPI

Mr. GRANT of Alabama. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by the gentleman from Mississippi [Mr. RANKIN], which appeared in the Alabama Legionnaire:

[From the Alabama Legionnaire]

REPRESENTATIVE RANKIN WILL LEAD VETS' FIGHT BEFORE CONGRESS—  
BENEFITS NOT TO BE CUT FOR NATIONAL DEFENSE

(By JOHN E. RANKIN, of Mississippi, chairman, Committee on World War Veterans' Legislation)

It is being suggested in various quarters that veterans' benefits be reduced at the present session of Congress in order to meet the expense of strengthening our national defenses, or raising money to finance the war in case we should get into the present European conflict.

This is the same old argument that has usually been advanced by the enemies of veterans' benefits, who, as a rule, have opposed taxing the profiteers who got rich out of the last war.

In the first place, it is not necessary for us to get into these European wars. They are not our wars, and we should keep out of them by all means.

But if we should get into one of them, we should not tax the disabled veterans to pay for it.

As chairman of the Committee on World War Veterans' Legislation, I want to serve notice now that we are not going to penalize the disabled veterans and their widows and orphans in order to protect the fortunes of these war profiteers, or of those multimillionaires who got rich out of the World War.

If we should go to war, we should see to it that all profits are taken out of the sale of munitions, as well as out of the usury charges of the money changers. Then we should go back and tax the profits of the last war to the same extent.

In that way we could raise money to finance the war and at the same time stop these selfish interests from continuously trying to drag us into another one. They are beginning to realize that the service men in the House and Senate are not going to let them get away with their blood money again; and for that reason the propaganda in favor of our going into another European war is dying out.

The service men are being heard from. Another reason for their starting this barrage was to kill off proposed legislation for compensating widows and orphans of World War veterans. These selfish interests pretend that the passage of such a measure would impose



an enormous burden upon the Federal Treasury. As a matter of fact, it probably would not cost any more to compensate those widows and orphans through the Veterans' Administration than it would to employ them through the W. P. A. or to place them on relief, and it would not take half as much to administer it.

Besides, the widows and orphans of men who offered their lives in defense of their country in times of war should not be compelled to go on relief; and I, for one, do not propose to sit idly by and see them forced onto the relief roll or compelled to beg their bread from door to door so long as we have the swollen fortunes of those war profiteers practically untaxed and entirely undiminished.

Besides, the money that is paid out to the disabled veterans and their widows and orphans is the most equitably distributed of any funds spent by the Federal Government and does the most good for the amount of it.

It all goes to Americans, and it does not discriminate against the farmers and other independent laborers.

#### FARMERS LEFT OUT

Social security entirely leaves out the farmers, except that he has to help pay for it in added prices of the articles he buys.

The old-age pension violently discriminates against the old people in the agricultural States, because the people of those States, who are penalized with exorbitant freight rates, burdened with tariff charges, loaded down with interest rates, and forced to sell their produce in an open market in competition with the poorly paid laborers of every other nation on earth, see their old people turned aside with a small pittance of \$6, \$8 or \$10 a month, while in the rich industrial and commercial States the old people are paid the full amount, the Federal Government paying half of it and these farmers being compelled to pay their part of that half in indirect taxes.

The Federal wage-and-hour law fixes a minimum wage of something like 32 cents an hour for industrial workers, while the average farmer works for about 10 cents an hour, or less.

The Social Security guarantees protection to the industrial worker when he becomes old or disabled, but the farmer is invariably turned aside to eke out a miserable existence on \$6, \$8, or \$10 a month old-age pension—if he gets that.

No such discriminations are found in veterans' legislation. The veteran in the back alleys of our congested cities, or in the remotest cabin on the most isolated farm, is treated just the same as if he lived on Fifth Avenue or came from the blue bloods in other sections of the country. His widow and orphans are treated with the same degree of equality, and are not shoved aside by the alien hordes who have poured in upon our shores in recent years in violation of our immigration laws.

These veterans' benefits are equitably distributed to every nook and corner of the United States, and, as I said, do more good for the amount involved than any other fund paid out by the Federal Government. And instead of stimulating resistance to constituted authority and antagonism to our form of government, or disloyalty to American institutions, they are encouraging and perpetuating American patriotism by letting the world know that this great country of ours does not neglect the man who bared his breast to the enemy in time of war, or compel his widow and orphans to seek the cover of the poorhouse or beg their bread from door to door when he is gone.

If anyone else raises the question as to whether or not we are going to reduce veterans' benefits in order to balance the Budget or raise funds to fight another war, they should be told that the answer is most emphatically no.

We are not going to balance the Budget on the disabled veterans.

### Apportionment of Representatives in Congress

#### EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

#### LETTER FROM THE PRESIDENT

Mr. DUNN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the President of the United States:

THE WHITE HOUSE,  
Washington, January 4, 1940.

MY DEAR MR. CHAIRMAN: I desire to call your attention to the bill (S. 2505) entitled "An act to amend an act to provide for the fifteenth and subsequent decennial censuses, and to provide for apportionment of Representatives in Congress, approved June 18, 1929, so as to change the date of subsequent apportionments."

This bill has passed the Senate and is now pending before your committee. It proposes a suitable amendment to those provisions of the Census Act which relate to apportionment of the number of Representatives as between the several States. The necessity of legislation on the subject arises because of the change in the date of the opening of regular sessions of the Congress, brought about by the twentieth amendment to the Constitution.

By the act of August 8, 1911 (37 Stat. 13; U. S. C., title 2, sec. 2), the number of Members of the House of Representatives was fixed at 433, with a provision that if the Territories of Arizona and New Mexico should become States they should each have 1 Representative.

The act of June 18, 1929 (46 Stat. 21), which provided for the taking of the fifteenth and subsequent decennial censuses, directs that the census be taken as of April 1, 1930, and every 10 years thereafter (sec. 1 and sec. 6; U. S. C., title 13, secs. 201 and 206). The tabulation of population by States as required for the apportionment of Representatives must be completed within 8 months from the beginning of the enumeration (sec. 2; U. S. C., title 13, sec. 202). Consequently, the Sixteenth Decennial Census must be taken as of April 1, 1940, and the tabulation of population completed in November 1940.

Section 22 (a) of the act of June 18, 1929 (U. S. C., title 2, sec. 2 (a)), requires the President to transmit to the Congress on the first day or within 1 week thereafter of the second regular session of the Seventy-first Congress and of each fifth Congress thereafter a statement showing the whole number of persons in each State, excluding Indians not taxed, as ascertained by the census, and the number of Representatives to which each State would be entitled under an apportionment of the existing number of Representatives, made according to each of three formulas named in the act.

As the second regular session of the Seventy-first Congress commenced in December 1930, it was contemplated that the tabulation of population made in the Fifteenth Decennial Census should be transmitted to the Congress at that time. It was also contemplated that the second regular session of the Seventy-sixth Congress would commence in December 1940, by which time the tabulation prepared under the Sixteenth Decennial Census would be ready for transmission to the Congress.

As a result of the twentieth amendment to the Constitution, however, the second regular session of the Seventy-sixth Congress commences in January 1940, instead of December 1940. Consequently, it will be impossible to comply with the direction of the 1929 act that the tabulation of population be transmitted to the second regular session of the Seventy-sixth Congress, because such tabulation will not even be begun until after the commencement of the session.

Subsection (b) of section 22 of the 1929 act provides that if the Congress to which the statement mentioned above is transmitted by the President fails to enact a law apportioning Representatives among the several States, then each State shall be entitled to the number of Representatives shown in the statement, apportioned in accordance with the method used in the last preceding apportionment.

Subsection (c) provides that this section shall have no force and effect in respect of such apportionment unless the statement required by subdivision (a) was transmitted to the Congress within the time prescribed in subdivision (a).

Since the twentieth amendment makes it impossible to transmit the statement of population within the time prescribed by the 1929 act, it would appear to be debatable as to whether or not the apportionment provisions of that law are any longer operative. Some action by the Congress would seem to be desirable in order to clarify this matter.

The bill (S. 2505) to which I have referred above proposes to eliminate the difficulty by striking out the words "second regular session of the Seventy-first Congress" and substituting therefor "first regular session of the Seventy-seventh Congress." The result of this amendment would be to direct the President to submit the statement of population to the Congress at the regular session fixed for January 1941, instead of at the session fixed for January 1940.

I suggest favorable consideration of the legislation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

HON. MATTHEW A. DUNN,  
Chairman, Committee on the Census,  
House of Representatives, Washington, D. C.

### Resolutions for an American in 1940

#### EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

Mr. BENDER. Mr. Speaker, let us be tolerant. Every American, reading his daily newspaper, must be impressed by

the constant stream of hatred which pours into the world from every foreign capital. The lip service paid to high ideals and their complete repudiation in daily practice are taken almost as a matter of course, and from this repetition of hypocrisy there rise new generations of cynics who laugh at principles of human conduct and mock the sanctity of life itself. From the cradle, boys and girls across the oceans are impregnated with theories of racial and religious intolerance. Worship of one's own nation, coupled with a complete refusal to recognize the worth of others, has made civilization synonymous with brick buildings and stone hearts. It has made peace no more than the brief intervals between savage wars. The ideal of human tolerance has become nothing but a sign of weakness in the bitter ideologies of Europe and Asia.

America thus far has escaped this mortal illness. We have sought constantly to purge our system of the germs which breed this deadly spirit of intolerance. Our great universities still teach the glories of German poetry, the beauty of Goethe and Schiller, the intellectual purity of Immanuel Kant. Our orchestras have not forgotten Beethoven and Bach in the midst of warfare. Nor do we seek to blot out the memories of Dostoevski and Tolstoi because we despise the contemporary activities of the Russia which gave them birth. Here in America we have discovered that hatred is a pestilence which spreads to epidemic proportions from the most insignificant beginnings.

We must be tolerant. And our tolerance must not be the inactive, passive tolerance which comes from indifference rather than from conviction. The organizations within our land which seek to breed friendship between Protestant and Catholic and Jew, between white man and black, must strengthen their hands. Our children must be led to understand the beauty of alien cultures. They must learn to love, rather than to hate. This is the kind of Americanism our fathers built. It was an Americanism which could find place for the peoples who could find no place anywhere else, an Americanism which stretched forth its hand to the Puritan and the Catholic, the revolutionary and the exiled nobleman, the rich and the poor, with equal magnanimity.

Let us be wise. In a world gone mad with fear and hatred, we must keep level heads in the bitter conflict raging everywhere about us. There is a war of weapons ravaging whole nations in Europe and Asia. Bombs are hurling cargoes of death and destruction upon the heads of innocent women, children, and men no less innocent. Cities are being burnt. Nor is the war confined to those areas which are being afflicted with physical destruction alone. A war of ideas is encompassing the world. New conceptions of the state, with an emphasis upon the political rulers of our generation and a corresponding refusal to accord the individual a place in the sun, have swept from nation to nation. Even in our own land the influence of this novel spirit has extended its sway.

This theory has dominated men's minds before, but it is new to our generation. Louis XIV proudly proclaimed to his courtiers, "The state, I am the state." It took more than 150 years to overthrow the state supremacy which he so boldly announced. It took the lives of thousands of men and women in the era of the French Revolution to reverse the principle and to establish the supremacy of individual life over the claims of the kings. We in America are fortunate; for we are products of the individual rebirth. Our Constitution was built upon the theories of those who overthrew the doctrine of the divinity of kings. Here the state exists for the benefit of the individuals who live within it. We do not exist for the benefit or the glory of the state. We have not adopted the theory of Benito Mussolini, "Multiply and be productive, for Italy has need of your sons." America wants no youth for cannon fodder.

We must not succumb to the lures which the state dangles before our eyes—the lure which leads to complete dependency for our livelihoods and our futures upon the bounty of the state; the lure of submission of the human will to the domi-

neering influence of a far-off bureaucracy. Wisdom requires strength, restraint, a refusal to yield to the easiest course open to us.

Tolerance and wisdom can travel far together. They can make America a citadel of life and civilization which will preserve the good things men have so laboriously created against the day when reason returns to a war-torn world. If we lose our balance, if we grow intolerant; if we are stampeded into the folly of forgetting American self-reliance and independence, yielding up our rights to the state, we shall repeat the follies of Europe and the Orient. Then truly civilization, as we have known it—honor, idealism, kindness, and the spirit of brotherly love—will vanish completely from the earth, and we shall be as savages living in marble halls.

These must be our resolves for the year 1940. Let us be tolerant of our fellow men; Christian, Mohammedan, and Jew; white or black or yellow; German, Russian, Italian, French, or British; rich and poor. True tolerance demands sympathy and an effort to understand even if we do not agree. To know all is to forgive all. And in this tolerance lies the beginning of wisdom. With it we survive. Without it men must perish from the earth. Let us resolve in America to assure our survival and the survival of what is good in our world. Tolerance and wisdom will guide us safely ahead.

### Study of Nation's Military Installations

#### EXTENSION OF REMARKS

OF

#### HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

ARTICLE BY HON. JOHN J. SPARKMAN OF ALABAMA

Mr. PATRICK. Mr. Speaker, let me add to the Appendix of the CONGRESSIONAL RECORD by contributing an information-giving article by the Honorable JOHN SPARKMAN, Member of Congress from the Eighth District of Alabama.

It appeared in the January issue of the Alabama Legionnaire and develops better than anything I have run into how the palings were falling off of our national defense, our guns growing rusty, and our equipment being dwarfed by modernity.

The article is as follows:

[From the Alabama Legionnaire]

STUDY MADE OF NATION'S MILITARY INSTALLATIONS—SPARKMAN TELLS OF OBSERVATIONS BY COMMITTEE

(By JOHN J. SPARKMAN, Member of Congress)

I have just returned from a trip of approximately 20,000 miles, made at the request of the War Department and as a member of the Military Affairs Committee of the House of Representatives, for the purpose of inspecting the multiple and far-flung military installations of the United States. It is, of course, impossible to give anything like a full report in the limited space available. I shall therefore hold myself to some general statements and observations regarding our present defense status.

For nearly 20 years we had let our national-defense system run down. Our guns were old, often outmoded, and badly mounted; our equipment was incomplete, our transportation inadequate, our regiments skeletonized and often inactivated—all this in the name of economy and disarmament. And for the last decade this was in the face of the fact that certain other nations were arming "to the teeth" and apparently for aggressive purposes.

In the enactment of the National Defense Act of 1939 a great step was taken in the correction of this condition. Following the authority given by that act, with more generous appropriations, and under liberalizing Executive orders issued by the President, the War Department has set itself diligently to the task of providing for our country an adequate national defense. Our Air Corps has been given new life through a great augmentation program increasing our first-class fighting ships to a reasonable number, increasing the Air Corps personnel, both commissioned and enlisted, and providing the world's best and most comprehensive training program for efficient Air Corps operation. Our troops are being equipped



with a semiautomatic rifle, thereby having the fire power tremendously increased.

We are fast completing the building of 338 new antiaircraft guns. As fast as the arsenals can turn them out, the new 37-millimeter antiaircraft guns for defense against low-flying planes are being manufactured. The new streamlined divisions have been concentrated in southern training centers where intensive training can be given throughout the winter months without interruption and with the division as the unit. The National Guard has had its training doubled, with more frequent and intensified field work. Inactive regiments have been brought to life and skeleton outfits have been filled out. A great housing program to put our soldiers in permanent and comfortable quarters is under way. Temporary quarters reminding of World War cantonment buildings have been built in practically every post to house the young men coming in ever-increasing numbers into the American Army under the authorized increase.

At this point it may be of interest to know that everywhere we went on the recent inspection trip commanding officers commented on the high type recruits coming to their respective commands and of the resulting high morale. They are young, eager, ambitious, for the most part high-school graduates—many of them former college students—clean, clear-cut, and of fine appearance. Such praise was not exceptional; it was the same story everywhere.

Another great advance, and one of the most badly needed, has been in connection with our defenses in the Canal Zone. The uninterrupted operation of the Panama Canal constitutes the most vital link in our defenses. It is imperative that it be kept open at all times in order to allow our Navy to pass quickly from one ocean into the other. Our defenses had not kept pace with the development of attack methods, particularly the growth of bombing technique. The locks were vulnerable; we had no first-class air base from which our defending planes could operate; our antiaircraft was inadequate, and the personnel strength was far below that necessary to man the guns. It was gratifying to see the progress that has been made within the last year in correcting these conditions. We have authorized the building of a third set of locks at a safe distance from the others. These are to be as nearly bomb-proof as possible, and their use will be restricted in order to insure ever-ready passage for our naval vessels. Plans have been made, and the sites have been selected. It is expected that work will get under way in the near future.

There is under construction on the Pacific side one of our finest air bases. Ample space and long runways will afford safe operations to a great number of fighting planes. Many more planes have been based in the Canal Zone and others will go there as the facilities are increased. New, modern, long-range antiaircraft guns are being emplaced and the personnel has been increased sufficiently to man the defenses. When the present program is completed, the Canal will be, in my opinion, just about as impregnable as human ingenuity can make it.

We visited many fields, air bases, training schools, and airplane-manufacturing plants. We viewed many demonstrations of the performance of both planes and personnel. All of these serve to make us proud of the developments in the field of air defense. Personally I believe that we have the best airplanes in the world and the best-trained personnel to man them.

In short, we are fast approaching that point at which we can say that we now have an adequate national defense. Our Army is not the largest in the world—we would not have it so. Our Navy is not the biggest in the world—we do not need it so. But we do need and I believe the country wants us to have the best Army in the world and the best Navy in the world.

There are certain needs that should be provided and must be provided if we are to be secure. I list them as they occur to me and not in order of their relative importance—they are all highly essential:

- (1) Procurement of needed material—guns, trucks, motors, semi-automatic rifles, etc.—for the initial protective forces.
  - (2) Adequate equipment and housing for the permanent personnel and assurances of adequate procurement of additional equipment, clothing, services, and supplies if and when war comes.
  - (3) Completion of our air bases strategically located and of our airplane procurement program authorized by the last Congress providing also the training of personnel in this augmentation program.
  - (4) Building up of our antiaircraft defenses now wholly inadequate.
  - (5) Pushing the defenses of the Panama Canal to the point that this vital link may be absolutely impregnable.
  - (6) Coastal defenses and antiaircraft on the Atlantic seaboard.
  - (7) Decentralization of our munitions plants and strategic war industries from the present restricted areas near the seacoast and removal to the protected interior.
  - (8) A program to insure no break-down in industrial production, transportation, and the generation of electric power in case of war.
- The completion of such a program will give to us a fine Army—a great defensive force. It will constitute not an aggressive force but will be of sufficient striking force to serve notice on all nations of the world that we stand ready not to make war on anyone but to defend against everyone our land, our homes, our institutions, and the principles and ideals that have made America great.

## Construction of Locks at Falls of St. Anthony, Minn., and Savings in Water Transportation

### REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

Mr. ALEXANDER. Mr. Speaker, very shortly I anticipate the House will be asked to consider the appropriation for the United States Army engineers. In that appropriation, I understand, they are going to put an item which will be used for starting the construction of the locks in the Mississippi River through the Falls of St. Anthony at Minneapolis, so as to provide us with a harbor that our industries can use there and access to the Nation's river waterways.

This morning I received a letter, which I have here, from one of our industries in Minnesota, which shows that they are saving this year, on their coal shipments alone, \$7,000 as a result of using water transportation which has been provided for them via the St. Croix River. They have already shown a saving of \$154,671.21 on another item of raw material which they ship in to their factory for use in making up articles they sell to farmers and other users in Minnesota and the northwestern area generally, including the Dakotas, Wisconsin, and Michigan. These are real savings that are passed on to the consumers or the users of the products manufactured in this one industry, and this is only one illustration of what can be done in most of our industries if we can get this upper river development through the falls of St. Anthony, and can then build some docks and use the waterway at the great city of Minneapolis.

I hope you will all vote in favor of the Army engineers' request for this appropriation for the extension of the 9-foot channel through St. Anthony Falls at Minneapolis, because, without that improvement and extension of the waterway, the facility is practically useless to us.

Read the following letter and charts showing the marked savings in one industry alone:

MINNESOTA STATE PRISON INDUSTRIES,  
Stillwater, Minn., January 9, 1940.

HON. JOHN G. ALEXANDER,  
Congressman from Minnesota,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN ALEXANDER: We are enclosing herewith a copy of statement covering the tonnage received by this institution through the Stillwater River Terminal for the 1939 season via the St. Croix River.

In referring to this statement you will note we had a saving of \$13,216.63 on last season's sisal shipments moving barge-water route against the all-rail route, and that this saving was \$154,671.21 since the terminal was completed in 1929. In addition to this we had an additional saving in transportation costs on agricultural implement wheels and burlap which moved through the terminal.

The United Electric Coal Co. obtained the contract to furnish the coal for this institution for this season, and last fall they placed a storage supply on the Stillwater River Terminal property to take care of our season's requirements. Since the first barge load of coal was docked in October we received 2,864.95 tons to take care of our requirements to January 1. This coal was loaded into gondola rail cars at the storage pile and switched to our plant, and we had a saving in transportation charges against the all-rail rate of \$2,320.61. We will require approximately another 6,000 tons for the balance of the season which will bring our saving to approximately \$7,000 on this season's fuel. This coal is fine bituminous coal and originated at Pyatts, Ill., moving rail to Alton, Ill., thence barge-water to Stillwater.

We manufacture binder and cordage twines, ropes, agricultural implements, and parts thereof, therefore any saving in transportation cost is passed directly to the consumers of our products through lower prices.

We are opposed to all proposed legislation, purpose of which is the regulation of port-to-port rates or the charging of tolls for the use of our waterways. Such proposals are decidedly not in the public's interest and would add tremendously to the cost and would seriously interfere with the development of industry in the Mississippi and St. Croix Valleys.

We are also opposed to the proposed fixing of prices and regulations which interferes with the rights of the public to the benefit of savings that may be accomplished by the use of waterways on bituminous coal, and ask that you voice our objections at any hearings now in progress and take such other action as in your judgment the importance of this matter may require.

Your cooperation in this matter will be greatly appreciated.

Very truly yours,

MINNESOTA STATE PRISON,  
A. W. KLEINSCHNITZ,  
Manager, Traffic Department.

*Savings in transportation cost on fiber tonnage received by the Minnesota State Prison through the Stillwater River Terminal via the Federal barge lines all-water route New Orleans to Stillwater, against rates applicable via the Federal barge lines New Orleans to St. Paul and rail beyond to Stillwater*

Season	Weight	Stillwater rate	Rate via St. Paul	Saving
1929-38.....	Pounds 98,954,489			\$26,452.47
1939.....	8,260,393	\$0.48	\$0.52	3,304.16
Total.....	107,214,882			29,756.63

*Savings in transportation cost on fiber tonnage received by the Minnesota State Prison through the Stillwater River Terminal via the Federal barge lines all-water route New Orleans to Stillwater, against rates applicable via all-rail routes New Orleans to Stillwater*

Season	Weight	Rail rate	Water rate	Saving
1929-38.....	Pounds 98,954,489			\$141,454.58
1939.....	8,260,393	\$0.64	\$0.48	13,216.63
Total.....	107,214,882			154,671.21

*Tonnage received by the Minnesota State Prison via inland water routes since operation of the Stillwater River Terminal, also terminal and switching charges paid to the Stillwater River Terminal Co.*

Season	Commodity	Weight	Terminal and switching charges paid to Stillwater River Terminal Co.	
			Rate (per hundred-weight)	Amount
1929-38.....	Fiber.....	Pounds 98,952,107		\$45,193.70
1929-38.....	Burlap.....	1,185,455		296.38
1929-38.....	Wheels.....	3,842,063		2,567.93
Total.....		103,979,625		48,058.01
1939.....	Fiber.....	8,260,393	\$0.05	4,130.22
1939.....	Burlap.....	94,297	.025	23.58
Total.....		8,354,690		4,153.80
Total, 1929-39.....		112,334,315		52,211.81

NOTE.—1939 tonnage was received at the Stillwater River Terminal in: 9 barges, transferred to 172 boxcars and consisted of 18,317 bales of fiber and 99 bales of burlap.

*Coal tonnage received by the Stillwater River Terminal Co. via rail to Alton, Ill., and barge water route beyond to Stillwater, Minn., for domestic and commercial storage supply, season 1939*

Barge No.—	Pounds
CB-3.....	1,747,500
CB-6.....	1,739,300
FBL-285.....	3,076,100
FBL-209.....	3,153,600
FBL-281.....	3,134,000
FBL-203.....	3,185,000
FBL-210.....	3,227,000
Total (9,631.85 tons).....	19,263,700

*Coal tonnage delivered from the Stillwater River Terminal Co. storage supply to the Minnesota State Prison as required, 1939*

October.....	1,926,100 pounds or 963.05 tons.
November.....	1,711,900 pounds or 855.95 tons.
December.....	2,091,900 pounds or 1,045.95 tons.

*Saving in transportation cost on coal tonnage delivered to the Minnesota State Prison by the Stillwater River Terminal Co., rail-water rate against the all-rail rate, season 1939*

Weight.....	tons.....	2,864.95
Rail rate.....		\$3.61
Water rate.....		\$2.80
Saving.....		\$2,320.61

Much of our struggling industry and trade in Minnesota would profit similarly if we could develop our greatest harbor, the one above St. Anthony Falls at Minneapolis, where much of the State's industry is centered.

## Republican Press Lauds Federal Housing Administration

### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE OF JANUARY 8, 1940

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune of January 8, 1940:

[From the New York Herald Tribune of January 8, 1940]

#### BUILDING ACTIVITY AND THE F. H. A.

The Federal Housing Administration, according to an announcement by its head, Stewart McDonald, ended the year 1939 with more than \$3,000,000,000 of home-financing insurance on its books. Of this total, approximately \$960,000,000 was written during 1939, establishing a new F. H. A. record.

One of the outstanding features of last year, it is emphasized in the financial and business reviews now appearing, was the continuance of the recovery in residential construction. At the bottom of the 1929-33 depression, home building fell off to an annual rate of only slightly more than \$250,000,000, and this area was among the last to feel the recovery urge. Residential building continued well below the \$500,000,000 level until 1936, but its rise to \$801,000,000 that year and to \$915,000,000 in 1937 had much to do with the approach to prosperity in those 2 years. Moreover, where so many series in the business indexes turned sharply downward in 1938, residential building enjoyed an even better year than in 1937, with contracts totaling \$984,000,000. And now, with only about 10 days' figures missing, it is clear that last year has not only far surpassed 1938, but that it has been easily the best year since 1929. With total building contracts of \$1,340,000,000, it has run some \$200,000,000 ahead of 1930, previously the best 12 months of the last decade. (The \$1,340,000,000 figure lags, of course, far behind those of the twenties, when the annual average was well above the \$2,000,000,000 level and when 1928 produced a peak of \$2,788,000,000.)

There is no question that the F. H. A., which substituted the long-term amortized mortgage for the old short-term first- and second-mortgage set-up so widely used in the twenties, deserves much of the credit for the revival of residential building in the last 2 or 3 years. And if such construction has not yet soared to the high levels of 10 and 15 years ago, there are some aspects in which the present situation is distinctly preferable to that one. In the first place, it is quite probable that so far as actual home ownership is concerned the country is closer to the position reached in the twenties than the mere totals for building contracts suggest. Of the F. H. A. insurance, only \$112,500,000 has been issued in connection with large-scale projects. Small home mortgages have accounted for \$1,975,000,000 of the \$3,000,000,000 total, with property-improvement loans accounting for the remainder. Final figures for the year may show that the number of single-family dwellings erected during 1939 actually exceeded that of 1929, which was featured to a substantial extent by large-scale building operations. Again, the F. H. A. has measurably raised the standards of building construction, and, although its specifications and inspection service may not be foolproof, there is little doubt that there is less shoddy construction today than there was before this agency was created. And, finally, speaking generally, it may be said that little of the construction of 1939 was attributable to such boom phenomena as we witnessed in Florida and other widely scattered sections of the country at various times between 1925 and 1929.

All this is not to say that the F. H. A. is the perfect instrument for the financing of residential building. Being a political creation, it has the faults that stem from that fact. The most conspicuous



example is the overly attractive terms offered, particularly in the case of small dwellings, which require a down payment of only 10 percent of the purchase price. A serious depression in the near future might conceivably result in a demoralizing volume of repossession. With this and certain other minor reservations, however, it will, we believe, be generally agreed that the Federal Housing Administration is one New Deal agency that has abundantly justified itself.

### The Dies Committee

#### EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

ARTICLE BY WESTBROOK PEGLER

Mr. CURTIS. Mr. Speaker, much has been said concerning the continuation of the Dies committee on un-American activities.

In submitting for the RECORD an article entitled "Fair Enough," by Westbrook Pegler, which appeared in the Washington Post on January 12, 1940, I offer this not as my own opinions, but, rather, to show the opinion of an able columnist who has frequently upheld the New Deal and its policies.

[From the Washington Post of January 12, 1940]

FAIR ENOUGH  
(By Westbrook Pegler)  
DIES' FOES CONFOUNDED

The report of the Dies committee has received much approval, rising in some cases to the pitch of cheers, but some of the standard New Deal package goods dispatches out of Washington have taken a peculiar attitude in their embarrassment. Dies and his committee were expected to turn out in their report a masterpiece of clumsy absurdity, but he crossed up the propagandists of the administration by delivering something that was distinctly major league.

DIES was heckled in his own hearings and harassed constantly in print by a campaign of ridicule, for most of which, it may readily be admitted, he furnished plenty of raw material. But when he unexpectedly delivered a good report he was attacked with fresh vigor, obviously inspired by chagrin, on the ground that he had not prepared the report himself alone. It was also reported—and with such similarity of detail as to suggest a propaganda pipe line—that the more liberal members of the committee made a chump of Mr. DIES one day by proposing that now was the time to name the Communists in the New Deal and that DIES, thus confronted, could not make good.

NEW DEAL CLAQUE LIKES GHOST WRITERS

It is immaterial whether DIES himself prepared the report or employed a ghost, and the New Deal propaganda corps should be the last to criticize any man on such grounds in view of the admitted fact that President Roosevelt himself often obtains several drafts of a speech or state paper from members of his political household and selects one or a combination of several as the version for which he will take the credit or the blame. This is a practice which has been defended by the New Deal claque with such enthusiasm and skill that it has received public approval. Therefore, DIES was only following distinguished precedent, and the merits of the report cannot be used against him.

As to his inability to name any Communists in the New Deal, there is more to be said than merely that he wouldn't or couldn't name names when and if he was challenged or put on the spot. He could no doubt have named many individuals who have all the characteristics of Communists and who, up to the invasion of Poland and Finland by the Russian Army, had nothing but praise and excuses for the Stalin government and little else but abuse and contempt for the American system. He could have pointed out that when Harold Ickes found occasion to deliver speeches he turned up as the guest of the Lawyers' Guild and the Newspaper Guild, both of which organizations have been strongly influenced and imposed upon by Communist agents.

TOLERANCE SHOWN UNTIL NAZI PACT

DIES might have developed the fact that, although this administration has been opposed to Hitlerism from the very beginning, there had always been, until the Russian alliance with Germany, a generous tolerance for communism and Communists. Communism, although indistinguishable from Hitlerism, was a meritorious experiment, but Hitlerism was a vile thing. No Nazi, imported or domestic, was welcome in the administration, either socially or politically,

but individuals who lacked only Communist Party cards to confirm their identity were welcome.

It will be recalled that when DIES was investigating Nazi activities he was congratulated by the same press that was to slash at him a little later for using the same methods on the Communist conspiracy. And it may be pointed out that on a previous occasion the same propaganda vigorously defended a 100-percent New Dealer whose methods of investigation had been even more dangerous to civil liberties than most of the Dies committee. That one would be Senator Black, of Alabama. But Senator Black was not run out of public life or even reproved for his ethics and methods. On the contrary, amid cheers from the New Deal claque, this late backslid member of a night-riding and lynching organization was appointed to the United States Supreme Court. As one who would "liberalize" the Court.

DIES was guilty of much awkward foolishness, but to those who condoned Black's methods of investigation and the deliberate degradation of the Supreme Court intended and achieved by his appointment, he owes not even the courtesy of a contemptuous reply. Look at their hands.

### Stream-Pollution Bill

#### EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

SUPPLEMENTAL LIST OF PUBLIC HEALTH ASSOCIATIONS, HEALTH OFFICIALS, AND OTHERS WHO ENDORSE THE BARKLEY-SPENCE ANTIPOLLUTION BILL

Mr. CULKIN. Mr. Speaker, an extension appearing in the Appendix of the RECORD, volume 84, p. 3767, called attention to the overwhelming number of State and Federal health associations and officials who endorsed the purposes and scope of the Barkley-Spence bills (S. 685 and H. R. 922). The list of these endorsements published at that time seemed to me to establish the fact that this legislation had the universal backing of all those who have a technical knowledge of the subject and wished to approach it in a practical fashion, free from hysteria. The Barkley-Spence bills were twice reported by the Rivers and Harbors Committee after intensive hearings on the subject matter involved. It is a rational bill and promises a solution of a problem that has become very acute in America. Pollution is a Federal problem because most of our great rivers flow interstate and the problem must be approached from that angle.

The following supplemental list of groups and health officials who endorse this bill, taken in conjunction with those endorsing it in my extension of August 2, 1939, represent an almost complete Who's Who of those who are prominent and active in health work throughout all of the United States. I suggest a reading of these comments by all who are interested in this grave national problem.

The following is the list of supplemental endorsements:

American Paper and Pulp Association, Association of Newsprint Manufacturers, National Paper Board Association (1939 House hearings, p. 47): "What the industry does believe is that the problem can be solved most quickly and less expensively by a common-sense, stepwise program. \* \* \* Both the public and industry are inexorably involved. These interests dictate the need for cooperative action; and that is exactly what H. R. 922 provides."

Cincinnati, Ohio (Clarence O. Sherrill, city manager, 1939 House hearings, p. 53): "I am interested in getting rid of this pollution. \* \* \* the legislation covered by some of these bills \* \* \* insofar as they have the principle of working with the State and urging State-through-State compacts \* \* \* are sound. The cooperation of States and groups of States in this matter, it seems to me, is vital."

National Petroleum Association, Pennsylvania Grade Crude Oil Association, Western Petroleum Refiners Association (1939 House hearings, p. 127): "We are not opposed to any legislation on this subject, which is of the general character of the Barkley-Vinson bill."

National Association of Boat Manufacturers (Ira Hand, secretary, 1939 Senate hearings, p. 95): "We are intensely interested in the purification of navigable waters. It is my personal belief, Senator,

that the cooperation of the Federal Government with the States might serve the best purpose."

National Coal Association (1939 Senate hearings, pp. 175-176): "A statute designed to bring about closer cooperation of all the agencies involved through surveys, investigations, recommendations, and mutual help in the actual work of abatement is the type of legislation which will stand the test of time and bring about maximum effectiveness."

Louisville, Ky. (Hon. Joseph Scholtz, mayor, Senate hearing, 1939, p. 51): "I say again, as a city official and one who is interested in the health of approximately 400,000 people who drink water which is taken from the Ohio River and purified by the city of Louisville, \* \* \* that my association with the Public Health Service and with the State health service of the State of Kentucky has convinced me that they are fully capable of handling any problem which may arise."

Kentucky State Department of Health (Dr. A. T. McCormack, commissioner, Senate hearing, 1939, p. 51): "Kentucky is most vitally interested in the Barkley bill which will enable the cleaning up of the Ohio River and its tributaries. \* \* \* I cannot too strongly urge that Congress pass the Barkley bill providing the necessary aid and assistance in remedying these most insanitary conditions."

American Public Health Association (Abel Wolman, president, Senate hearings, 1939, p. 53): "Regulation appears to be, on the surface, a simple device for curing all the problems of the United States. We do not share that view. The State governments exist and we feel should continue to play a part in the game."

Treasury Department, Public Health Service (Asst. Surg. Gen. W. F. Draper, Senate hearing, 1939, p. 83): "Reporting on S. 3958 and S. 13. Both of these reports by the Treasury Department recommended against enactment of legislation having regulation features for the reasons which are again stated in subsequent paragraphs of this letter."

President of the United States (Hon. Franklin D. Roosevelt, quoted from veto message, Senate hearing, p. 84): "I appreciate the importance of the results sought to be accomplished by legislation (Barkley bill) and I fully approve the establishment of a division of water-pollution control in the Public Health Service."

President of the United States (Hon. Franklin D. Roosevelt, message of February 15, 1939, to the Congress): "It is my opinion that pending further experimentation with interstate and State-enforcement activities, Federal participation in pollution abatement should take the general form of establishing a central technical agency to promote and coordinate education, research, and enforcement."

United States Senate Committee on Commerce (Rept. No. 1199, 75th Cong.): "Your committee decided, as the public health is the main object to be considered in connection with this legislation (H. R. 2711), that the Bureau of the Public Health Service is the logical division in which to place the administration of this legislation."

Senator BARKLEY (Senate hearing, 1939, p. 89): "There ought to be a period, at least an effort, made to bring about relief of these conditions by cooperation. \* \* \* Now, to clamp down on them (industries and municipalities) the first thing by some compulsory injunction process, without giving them an opportunity to clean up themselves through cooperation, it seems to me to be a mistake in the first step."

New York State Department of Health (C. A. Holmquist, director, division of sanitation, Senate hearing, 1939, p. 96): "Of the Senate bills, we desire to be recorded strongly in favor of S. 685, introduced by Senator BARKLEY, as being the most satisfactory for accomplishing the desired results in water-pollution control. \* \* \* This department is opposed to any Federal legislation on this subject which would vest control over pollution in the War Department or give the Federal Government authority to enforce pollution abatement through injunction proceedings."

United States Chamber of Commerce (George H. Davis, president, Senate hearings, 1939): "The chamber again urges the adoption of the principle of cooperative action rather than Federal control in any legislation dealing with stream-pollution abatement."

United States Public Health Service (Dr. Thomas Parran, Surgeon General, House hearings, 1939, p. 37): "I am of the opinion that the principles contained in H. R. 4314 should be a good working basis for the deliberations of this committee in order to report legislation that will be acceptable to the various interested parties."

Hon. S. O. BLAND (Representative in Congress from Virginia, House hearings, 1939, p. 67): "I believe that the Mansfield bill (H. R. 4314) more nearly meets with the wishes of the administration than my second bill (H. R. 2890). Therefore I am advocating the Mansfield bill. \* \* \* I cannot too strongly urge the importance of reaching an early solution in order to preserve the fisheries of the limited States."

Tanners Council Laboratories (Fred O'Flaherty, director) (House hearings, 1939, p. 92): "We feel that compulsory regulatory national legislation would be as unsuccessful as prohibition was, and that were it attempted it would tend to defeat the admirable purpose of the legislative intent."

American Mining Congress (J. D. Conover, House hearings, 1939, p. 118): "We believe that the general principle of the Barkley-Vinson bill, which passed both Houses of Congress and was vetoed by the President last year \* \* \* affords a workable and practical plan for meeting the problems of stream pollution. \* \* \*

We have cooperated along these lines, and we would expect to continue to do so under such a law."

Hon. BRENT SPENCE (Member of Congress from Kentucky; House hearings, 1939, p. 122): "I am not in favor of a drastic law that would, by processes of abatement or injunction processes, attempt to prevent the manufacturers and industrial concerns from continuing their operations as they are now carrying them on. \* \* \* I believe, if you pass any one of these bills \* \* \* that does not have any stringent provisions in it, we \* \* \* will attain the good that we are seeking."

Hon. CHARLES H. ELSTON (Member of Congress from Ohio, House hearings, 1939, p. 123): "I believe that any one of those bills, except possibly the Mundt bill, will serve the purpose. \* \* \* We were very joyous when the Barkley-Vinson bill passed, and very much disappointed when it was vetoed."

Camp Fire Club of America (Marshall McLean, House hearings, 1939, p. 87): "We are in favor of the study type of bill as exemplified by the Mansfield bill (H. R. 4314) and by the Spence bill and by the Barkley bill (S. 685). We believe primarily that this is a matter of public health and, therefore, should be in the health department and should not be in the engineer department or in the Army."

## President Roosevelt Unfairly Denounces President Green, of the American Federation of Labor

### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

Mr. MUNDT. Mr. Speaker, as one who has followed the record of the American Federation of Labor for many years and who feels that both under President Samuel Gompers and its present president, William Green, this organization has done much to help better living and working conditions among American workers, I was seriously disturbed in reading the issue of Liberty magazine for January 20 to learn that President Franklin D. Roosevelt denounces President Green as a "reactionary." It is neither necessary to defend nor to condemn the C. I. O. in saying that I think it is rendering the cause of labor generally a distinct disservice when the President of the United States projects himself into a controversy between two labor groups to the extent of criticizing and denouncing the leader of one of them. This is especially true when this criticism is as baseless as it is when directed against President Green in decrying him as a "reactionary," because in President Green's efforts to resist the New Deal drive for centralizing all political and economic power in Washington—possibly in the hands of an executive to be perpetuated in office three, four, or even more terms—he is definitely pursuing a course of genuine liberalism which has always revolved around the philosophy that men should be free alike from the tyranny of both economic and political monopoly.

#### WHY DOES ROOSEVELT OPPOSE THE DIES COMMITTEE?

I commend to all Americans the reading of the article *More Snakes Than I Can Kill*, written by the gentleman from Texas, Congressman MARTIN DIES, and appearing in Liberty magazine in the issues of January 13 and January 20 and continuing for several more weekly issues. Under leave granted me by this House, I shall follow this statement with an excerpt from Mr. DIES' article in the Liberty magazine for January 20; but to know all the cold, hard facts as revealed by the gentleman from Texas, Congressman DIES, one should read this series of articles in full. The excerpt I am appending hereto contains the startling statement by the gentleman from Texas [Mr. DIES] that President Roosevelt is apparently the source of most of the opposition being frantically inspired against continuing the investigation of communism, nazi-ism, and fascism by the committee headed by the gentleman from Texas [Mr. DIES]. Why this opposition on the part of President Roosevelt? A careful reading of the articles by our colleague, the gentleman from Texas, MARTIN DIES, supplies its own answer to that very natural inquiry.



## IN SUPPORT OF THE DIES COMMITTEE

I believe the gentleman from Texas [Mr. Dies] has the respect of every Member of this House. He has rendered heroic service to the American public in his expose of un-American activities in this country; he and his hard-working and courageous committee have been subjected to insult and injury by this administration, but they have patriotically refused to give up the fight. I join with what I am confident will be the great majority of my colleagues in assuring this committee that this House will vote it what funds are needed so that this investigation may be completed. The unfair and unfounded attacks of such job-hungry administration Cabinet members as Secretary Harold Ickes and Mme. Frances Perkins will not, in my opinion, divert one vote in this House from supporting the work of the Dies committee. Even the continued active opposition of the President himself will not deter this body from insisting that a task so nobly begun be carried out to conclusion, even though the toes of additional powerful friends of the administration must be stepped upon as this conscientious committee follows the trail of facts and lets them lead where they will, even though occasionally the path points perilously close to certain executive agencies of this Government. More Snakes Than I Can Kill is a clear-cut revelation by one of the most clean-cut Members of this House. It is my hope that the excerpt will lead you all to read this series of articles in full.

Following are excerpts from More Snakes Than I Can Kill, by Congressman MARTIN DIES, and appearing in Liberty magazine in issues of January 13, January 20, and ensuing numbers.

If I had needed any further confirmation of my belief that the administration was opposed to the investigation of communism, that confirmation was supplied by the President himself, as I shall here relate.

Our investigation began on August 12, 1933, in the city of Washington. On August 13, John P. Frey, president of the Metal Trades Department of the American Federation of Labor, appeared before the committee to give us the benefit of information which he had gathered. I had gone over his material in advance and had satisfied myself that his sources of information were reliable and his material substantially accurate and authentic. In his first day's testimony he gave the names of Communists who were and are organizers and officials of the C. I. O. His testimony was carried on the front pages of most of the newspapers in America.

On the second day of his testimony I went to the White House with Senator MORRIS SHEPPARD to confer with the President in regard to the Rockland Dam project, in which my district was deeply interested and which had been pending for a long time. This project involved the expenditure of approximately \$12,000,000 and had been previously approved by the Public Works Administration, but funds had not been allocated for it. I had a letter from the President, written before the new appropriation for public works, stating that the project was meritorious but that nothing could be done until additional funds were appropriated. Upon the occasion of the visit of Senator SHEPPARD and myself to the President's office, which was after the new public works appropriation, I showed the President his letter, and he promised to give the matter careful consideration.

At the conclusion of our conference on the Rockland Dam, Senator SHEPPARD withdrew, and the President brought up the subject of the investigation and asked me what I thought of John Frey's testimony. I told him that I thought Mr. Frey was substantially correct in his statements and that I was convinced that the Communists exercised considerable control over the C. I. O.

This did not please Mr. Roosevelt and he entered into a denunciation of the American Federation of Labor leadership and a defense of the C. I. O. He said that he had known Mr. Green, Mr. Frey, and some of the other leaders for many years and that as far back as he remembered they had been reactionary. He said that while some Communists might have gotten in the C. I. O. ranks, due to its rapid growth, it was unimportant and insignificant, and that the charge of communism that was hurled at the C. I. O. was inspired by selfish interests. In substance, he said that the thing I should investigate was fascism and nazism.

There was but one construction that I could place upon the President's conversation and that was that he expected me to lay off the C. I. O. and to devote most of the investigation to fascism and nazism. Let me make it plain that I am not accusing the President of being sympathetic with communism; I am merely relating the facts to show that the administration did not appreciate the seriousness of the Communist threat to this country. After I got back to the Capitol I told John Frey exactly what the President had told me.

## ADMINISTRATION OPPOSITION

It was now clear to me that if I persisted in my determination to expose communism, especially as it existed in the C. I. O. and

certain so-called liberal organizations, I would incur the wrath and displeasure of my own administration.

This was not long in manifesting itself. Administration spokesmen, such as Mme. Secretary Perkins and Harold Ickes, began to ridicule the committee as "witch hunters" and "red baiters." Newspaper columnists in Washington who are known to be close to the administration took the hint and joined in the campaign of ridicule and abuse which was largely directed at me. The whole radical press broke out in what appeared to be a concerted drive to destroy the investigation in the very beginning.

Because of the known opposition of the administration and the so-called liberal press and groups, we were unable at first to get many witnesses with first-hand information to testify. The Communists and their sympathizers, as well as certain public officials, had succeeded in discrediting the committee in the eyes of many liberals. This frightened off many witnesses who would have testified but who were afraid that they would suffer a similar fate.

By sheer luck the committee succeeded in getting J. B. Matthews to appear before it. In my judgment, Mr. Matthews is one of the best informed men in America on the theories and practices of the Communists. He had prepared for the committee a statement which was accurate, but which was purposely conservative because he realized, as I did, that the country was not prepared to receive the whole truth. However, he did mention the fact, in illustrating the manner in which the Communist Party exploits the names of prominent people, that the Communists had succeeded in getting certain prominent movie stars, including Shirley Temple, to send congratulatory messages to the Communist newspaper, *Ce Soir*, in Paris.

## THE SHIRLEY TEMPLE FIASCO

The mention of Shirley Temple's name was the break which Communists and their sympathizers and dupes had been impatiently waiting for. Many of the newspaper reporters fell over themselves with ill-concealed glee. The cry went out from all the radical camps that the Dies committee had accused Shirley Temple of being a Communist. As a matter of fact, Matthews had carefully stated that he was not accusing any of the movie stars who signed the greetings to *Ce Soir* of being Communists, but a large section of the press was against the committee. This was due, in my judgment, to the fact that so many reporters and writers were affiliated with the Newspaper Guild, which is affiliated with the Congress for Industrial Organizations.

As was discovered later by many editors, the Shirley Temple episode, as reported by some columnists and newspapermen, was a pure fabrication, but at the time it deceived many people and caused the committee a great deal of damage. What was so exasperating and unfair was the fact that administration spokesmen, like Mme. Perkins and Ickes, repeated this distortion and thereby gave respectability to it.

What was very obvious to me was the fact that many so-called liberals were being led blindly by Communist leaders. It was a Communist who laid down the campaign strategy in every instance, and it became more and more obvious to me that the liberal movement in the United States, which is essential to orderly government and to a proper balance, was falling into the hands of members of the Communist Party.

I must frankly admit that the Shirley Temple episode knocked the breath out of me. For a time I thought that the situation was hopeless, but the thought came to me that it might be wise to speak to the people on the radio and to explain the facts. This I did, with the result that many people had their eyes opened for the first time to the clever strategy of the Communists in the United States.

While this investigation has disclosed many startling facts, which no one suspected and which appeared fantastic a year ago, nevertheless, there are many facts which I know to be true, but which, unfortunately, we have been unable to prove to this date. There are many people who are in a position to tell some necessary facts, but who for various reasons decline to do so.

## THE BRIDGES CASE

For instance, a high official in the Labor Department came to my office at the time we were investigating the Harry Bridges case. He told me that he was troubled about the whole matter, but that if his name were mentioned in connection with what he was going to tell me it would mean that he would lose his job, which he could not afford to do. He got me to promise that I would not divulge his name. He then told me that the whole Harry Bridges deportation case was a disgraceful situation. He said that the Labor Department had no intention of deporting Bridges and that every aid and assistance were being rendered Bridges. He said that Lee Pressman, acting as Bridges' attorney, was in constant conference with officials in the Labor Department.

I have even had Government employees come to my home at night and tell me of communistic activities in the Government. But in only a few of these cases have I been able to persuade the employee to testify before the committee.

Every effort was made by Fascist representatives and organizations to confine this investigation to communism. From time to time leaders of these so-called patriotic organizations, which were Fascist in spirit and underlying principle, would undertake to confer with me with regard to Communist activities in the United States. I saw through their purposes, and I declined to hold conferences with most of them, and those I saw I met in the presence of an associate. It was very apparent to me that they were merely using the Communist issue to promote their own Fascist activities

and propaganda and to spread racial hatred under the guise of anticommunism.

Some of these Fascist organizations undertook to get their stooges employed by the committee as investigators. They would send to the committee unsupported charges and allegations with reference to communism, but in no instance did they ever send any information regarding Fascist activities. They should have known from the very beginning of the investigation that I was determined to expose Fascist and Nazi activities, the same as Communist activities. I made this very plain in radio speeches and public announcements, and their efforts to shield themselves from exposure only strengthened my determination to give the public an accurate and thorough picture of fascism and nazi-ism in the United States.

What deceived so many people was that fact that these Fascist and Nazi organizations masqueraded under laudable objectives and high-sounding titles, the same as the Communist organizations did. Many people did not seem to understand that American fascism would be patterned along different lines than European fascism. Manifestly, American Fascists would not adopt the swastika and the external forms of fascism as it exists in Europe. This very fact made the situation more serious because, under the guise of patriotism and nationalism, American Fascists would be able to make much greater progress in this country in the direction of a dictatorship.

What alarmed me was that some of our people were beginning to choose sides between communism and fascism. I regarded this as a false issue. The important task, as I saw it, was to convince the people of this country that fascism and communism were fundamentally alike and that the real issue was between Americanism on the one hand and alienism on the other. I saw also that it was necessary to publicize the fact that Americanism had nothing to do with racism or extreme nationalism, and that every person, regardless of race, religion, or economic condition, is an American if he loves this country and the principles for which it stands.

### A Theory Sustained

#### EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

EDITORIAL FROM THE BINGHAMTON PRESS OF JANUARY 10, 1940

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following editorial by Mr. Tom R. Hutton from the Binghamton Press of January 10, 1940, entitled "A Theory Sustained":

[From the Binghamton Press of January 10, 1940]

A THEORY SUSTAINED  
(By Tom R. Hutton)

Over the years George F. Johnson has held to the reasonable theory that when labor is not exploited; when it is well treated; more than that, when employers go a little out of their way to aid and assist in the establishment and the maintenance of comfortable homes—to provide formulas for recreation, hospitalization, and medical attention at the lowest possible cost to the workman and his family—then employees in the mass and individually neither need nor desire unionization for their protection and advancement.

That, generally speaking, is the old American idea, with a great deal of logic on its side. But is it an idea which in recent years has been discounted by trends toward mass organization of employee groups in various industries which previously had not been organized. That trend, it may be noted parenthetically, was made possible, not only by new laws but by the fact that over a great many years many employers, through circumstance or lack of appreciation, or actual lack of technique in the matter, had neglected some rather obvious things. American industrialization had expanded so swiftly and so hugely that great masses of people from many races and with imperfectly formed ideas of cooperative citizenship had been drawn by the centripetal forces of expansion to centers which, in the first instance, were not adequate in terms of housing, living, recreation, and medication, and which, more than that, were not prepared in terms of industrial and social absorption.

The results were almost inevitable. A point had been reached and passed where the old natural balances were upset. Channels of contact such as existed in the early industrial development of the United States between employer and employee were clogged and choked off by the very multitudinous detail involved in relationships between employer and so many employees. In too many instances no new channels were provided and out of it all misunderstandings grew and multiplied.

This condition was not wholly prevalent in the United States when the national labor relations law was established. The author of the law, Senator ROBERT F. WAGNER, of New York, knew out of personal experience and observation that at least one great industry in his own constituency, the Endicott-Johnson Corporation, had been sufficiently foresighted to provide a formula which year in and year out was meeting the requirements of employer and employee.

And the chances are that Senator WAGNER today is well satisfied with the result of the second largest vote taken by the National Labor Relations Board since it was established. His law has demonstrated in its outworkings that in circumstances such as those created by the Endicott-Johnson Corporation, the provisions of the law may be applied and its formula carried out with results reflective of actual conditions.

For, at the polls in their factories yesterday, the workers of the Endicott-Johnson Corporation sustained and vindicated George F. Johnson's theory about industrial relations and, perhaps more importantly from his standpoint, sustained his faith in human nature. The vote by which his employees in the shops and factories of the corporation announced that they desired no union affiliation for collective bargaining was in a ratio of 5 to 1. Ninety-two percent of the eligible 17,000 workers voted; and 81 percent declared by their ballots that they wanted neither the A. F. of L. nor C. I. O. affiliation.

They cast that vote after 2 years of missionary work by organizers from the C. I. O. and the A. F. of L. They cast it under the same N. L. R. B. formula which in so many cases has resulted in unionization of one sort or another for masses in industry. They cast it after a full and free discussion of the questions involved in printed type and over the air. Yet their answer to organization was negative; their answer to Mr. Johnson was affirmative; they reaffirmed their faith in "George F." and his theory which has worked so well. When they did that those men of the beam house and tannery, those men and women of the cutting and lasting and stitching and finishing departments, machine shops and shipping divisions of the Endicott-Johnson Corporation, wrote a new and encouraging page in the story of American democracy at work.

Some of them may not have realized it, but when they marked their ballots they were writing history; they were setting up a living event which will be the subject of almost endless comment in contemporaneous print and to which the economists, the sociologists, and the historians will turn as a safe and unquestionable mooring, for the figures were so overwhelming as to leave no doubt. Yes; the Endicott-Johnson workers made some history yesterday. They nailed down something rather important. They kept faith with an American idea.

Today most of them are celebrating. And what are they celebrating? They are celebrating their victory. Not a victory of employee over employer; certainly not a victory of employer over employee, but a victory of employer and employee over doubt, cynicism, suspicion, hypothesis, and formula which they demonstrated had nothing at all to do with their lives, their work, and their relationships.

And they are celebrating also a victory of the American idea which still, through the foresight of Mr. Johnson and his associates, and their good faith over the years, predominates in this valley of opportunity.

### War and Peace

#### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

LETTER FROM PUBLISHER OF FORTUNE MAGAZINE AND  
REPLY THERETO

Mr. THORKELSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written to me by the publisher of the Fortune magazine, and my reply thereto:

NOVEMBER 29, 1939.

The Honorable J. THORKELSON,  
Member of Congress, Butte, Mont.

DEAR CONGRESSMAN THORKELSON: Because I am almost sure you will be interested in seeing the War and Peace editorial which Fortune is publishing in its December issue, I am enclosing with this letter a special proof.

In some ways this is the most important editorial Fortune has ever published. And certainly it is the most controversial.

For in it our editors study what America might gain by joining other democracies in a great Federal union to achieve lasting peace and to create a vast domestic market for international trade.

I hope very much you will find time to read this editorial in full.



And it would give me great pleasure if after reading it you would care to send me your comments and reactions to the material presented and the conclusions drawn.

Cordially,

ERIC HODGINS, *Publisher.*

HOUSE OF REPRESENTATIVES,  
Washington, D. C., December 13, 1939.

Mr. ERIC HODGINS,  
*Publisher, Fortune,*  
*Time and Life Building, Rockefeller Center, New York.*

DEAR MR. HODGINS: Enclosed with this letter you will find my reply to your article on War and Peace.

You may publish my remarks if you want to. Otherwise, I am asking you to return them to me, and to defray cost I am enclosing stamps. All I ask is that you publish nothing, or all of it, as you think best.

I am,

Sincerely yours,

HOUSE OF REPRESENTATIVES,  
Washington, D. C., December 11, 1939.

Mr. ERIC HODGINS,  
*Publisher, Fortune,*  
*Time and Life Building, New York City.*

DEAR MR. HODGINS: Acting upon your letter of November 29, 1939, in which you ask for my comments and reactions to an article on War and Peace, I reply with the same candor I assume you had in mind in making your request.

It is my opinion that your article, War and Peace, is based upon false premises and erroneous conclusions, and is written to favor an international government, such as the League of Nations.

Even the heading of the article, The People of the United States Must Now Choose Among Retreat, Isolation, and International Leadership, is erroneous, for we are not compelled to choose either retreat or isolation, and certainly not international leadership, as we are well capable of taking care of ourselves without foreign or international advice or aid. As a matter of fact, internationalism is responsible for the present world turmoil, and it is from that that each country must rid itself or else be destroyed by it.

#### WAR AND PEACE

There never has been nor will there ever be peace on earth until life is no more. Constant war and destruction rage between and among microscopic and other animal life. In this maze of natural destruction, the most vindictive and insidious war is that which is created by "intelligent" human beings, for they show no pity or compassion when they begin to destroy. Man's intelligence is employed, not to promote peace, but instead to construct implements of war and instruments of torture to bring about more complete destruction. The promoters of wars may be found in governments that capitulate to internationalism and accept direction from the unseen hand of the "invisible government."

The "invisible government," being international in scope, is, of course, composed of internationalists who are not in sympathy with the nationalism of any country. It operates instead according to a code of its own, under which it levies tribute on world production. Being imbued with this strange philosophy of international ownership, it operates most successfully in such countries as are sound and prosperous.

The planners in the "invisible government" are Socialists, and the countries affected by this planning are Russia, England, France, and the United States. In order that the "invisible government" may continue and maintain itself in power, it is necessary that the military forces of all nations in which it operates be under its control, and to consummate this fiendish plan for world domination the League of Nations was created. To enhance the success of world planning the same international racketeers organized the League of Nations Bank for International Settlements and the League of Nations International Agricultural Mortgage Credit Co.

The League of Nations was to police the world under the direction of the "invisible government."

The Bank for International Settlements was to control gold and credit.

The International Agricultural Mortgage Credit Co. was to—I quote page 9 of their charter:

1. "To make long-term loans with amortization, or medium-term loans with or without amortizations, to mortgage or agricultural credit companies or institutions which, either directly or through other companies having their registered offices in the same country, make loans upon first mortgages on immovable property which is the subject of agricultural cultivation or used for the purposes of such cultivation.

2. "To create and negotiate bonds the sums repayable on which may not exceed the amount of the debts due from the national companies to the International Co. and secured by first mortgages registered in the name of the national companies, belonging to them or held by them as security."

This international supergovernment symbolized in the League of Nations was a wonderful scheme, indeed, for it was to operate tax-free and for the sole benefit of the membership. No special gift is required to visualize the far-reaching power of these organizations when operating in close harmony with national financial institutions, and national export and import banks, including our own Federal Reserve System. It is this group that I have chosen to label

"the invisible government," and within this organization we will find the producers of ammunition, war supplies, and the promoters of war. In these same organizations we find those who control and direct the publicity that is so helpful in shaping public opinion through press communications, the press, the cinema, the radio—the entire propaganda machine.

Comparing the egotism and ambition of this group of self-elected international rulers with the now popular dictators of Europe, the latter appear insignificant in their international ambitions. One thing, however, is significant: The plot to establish a world government was well planned, but, like other plans, the best sometimes goes astray, for it was the nationalism of Germany and Italy that opened the eyes of the world to this insidious attempt at world domination by the "invisible government" through instrumentalities of its own creation.

The present war in Europe is promoted by this "invisible government" in order to subdue those who have selected to remain free of its power. It was the international financiers, ammunition and armament manufacturers who brought about the World War, and it is the same group, including those who dictated the 1919 treaty of peace, that is now active in promoting the present war. It is from these international troublemakers that we must free ourselves in order again to enjoy tranquility.

It is my firm opinion that the world is awakening to the pernicious influence of the internationalist, for what right has anyone to monopolize world gold and credit at the expense of those who have earned such wealth? Is it possible that the people will forever allow themselves to be bludgeoned into submission by this obnoxious group of international pirates? Will agriculture and industry forever be willing to accept the crumbs that fall from the international family table? I think not. The American people, if I know them, will not submit to such injustice. Will the American people aid in the upkeep and in the manning of an international police force to club into submission nations that choose to be independent, when such forces may in turn be used to deprive us of those ideals that we have cherished since the creation of this Republic? Is it conceivable that the American people will be so stupid as to engage in a war to enthrone these international exploiters in the "invisible government," and so create an international power that may end in the destruction and confiscation of those liberties and rights we have enjoyed for 152 years? I do not think so.

I now quote from your article:

"This is exactly why the United States must on no account enter the war. We could not in all conscience send soldiers over there to fight for nothing."

I agree that we must on no account enter the present European war, and in principle I also agree that to fight for the "invisible government" is to fight for nothing; but, unfortunately, should we allow ourselves to be influenced by foreign propaganda, as we did in the World War, and fly to the rescue of the "invisible government," we would in such foolish procedure fight to bring about our own destruction.

#### THE POLICY OF RETREAT

There is no question of retreat. If the present European unrest would bring about cancellation of our trade pacts and trade treaties, it would be a blessing to agriculture and to our producers, for we could then at least supply our own markets with commodities raised and manufactured in the United States.

I realize that we cannot continue to import farm products and merchandise and balance such imports by the export of arms and ammunition, for such policy will bring about collapse of our economic structure when war material is no longer required.

I am one of those who believe in a first-class Navy and an independent merchant marine operated by private industry, free from graft and intrigue. A neutral can have no better argument than an efficient navy. We may also maintain neutral trade if we insist upon such rights with equal fairness to all belligerents; for example, if a cargo of contraband is consigned to a neutral state, such as the Irish Free State, it may be reasonably assumed that such cargo is for transshipment to England. If a similar cargo of contraband is consigned to Holland, it may be reasonably assumed that such cargo is for transshipment to Germany. Both cargoes are carried in our own ships bound to two neutral nations. If the English Navy intercepts and confiscates cargo consigned to Holland, we should as a neutral nation say: "Mr. England, if you confiscate cargoes in our ships bound to the neutral country of Holland, we shall not allow similar cargoes to proceed to the neutral Irish Free State; or, vice versa if a German submarine intercepts and sinks a ship with a cargo consigned to the Irish Free State." It is therefore not a question of retreat, but it is instead a case of demanding our rights as a neutral nation to trade with all nations not at war.

Our difficulty lies in the fact that we are not neutral. We were not neutral in the World War, a fact that is well known today; and we are not neutral in the present European war, a fact that is equally well known. The "invisible government" is using American credit and resources to finance the present war on an even greater scale than they were used in 1914 to finance the war for Great Britain and France. We are therefore instrumental in prolonging the war now raging in Europe and for attacks upon other nations, such as Finland. Had we, instead of repealing the arms embargo, said, "The United States will remain neutral in fact," peace would, in my opinion, prevail today, because the English and French people have as little desire to die in defense of the international financiers as we have.

## THE POLICY OF EXCLUSION

I shall now quote a section from this paragraph, because it is an indefensible conclusion drawn for no other purpose except to frighten the public and shape sympathy for Great Britain and France:

"If we do not like this policy, the next possibility is total isolation. By this means we shall be sure of avoiding war, since it is inconceivable that anyone would be foolhardy enough to attack us directly. We would be required to shut off all international trade, sell our ships, develop practically all of our own supplies, and reduce our defense strategy to the absolute minimum necessary to protect our continental area. We might be able to sell the Panama Canal, which inevitably involves us in world commerce, and fall back on our transcontinental railroads."

In the first place, a policy of exclusion or isolation is not "sure of avoiding war," any more than a person remaining in his office is sure to avoid a fight when everyone in the building is fighting. However, he would not be required to shut off all trade, sell his equipment, and reduce himself to poverty because of this, any more than our Nation would be required to shut off international trade, sell our ships, and reduce our defenses. For the contrary is true. He would provide for his own protection, and so should we as a Nation provide for national defense.

I realize, of course, that complete isolation is impossible, but in the event that other nations persist in mutual destruction, we may, to insure our own security, refrain from trading with them. As a measure of safety we should strengthen our Navy and merchant marine. We should develop our defenses and fortify all colonies as a measure of strategy for the protection of our Navy and merchant marine and as an aid to national defense. We should, instead of selling the Panama Canal as your article suggests, build another canal through Nicaragua to be used for military purposes in the event of war. We should in addition prepare to protect and consolidate the North American Continent, including all adjacent islands, in the common defense and for the general welfare of the United States.

It would have been enlightening had your article stated to whom the Panama Canal should be sold, for it is, I believe, one of the few Federal business investments that is actually paying cost of operation, for which geographical location and usefulness are solely responsible.

I recall how this part of Central America was acquired and that we later paid Colombia \$25,000,000 balm for an act that we condemn today. It is, however, difficult to understand why we are paying \$250,000 a year rent for the Panama Canal to the Panamanian Government, in view of the fact that we paid Colombia for all of this territory. I saw an item in the paper some time ago in which Panama refused the yearly rent on the new valuation of the dollar, insisting that their contract was made when the dollar contained 25.8 grains of fine gold. I believe the United States is now paying a 40-percent increase in rent as a result of the devaluated dollar, or \$350,000, which in reality should be an added profit to the operation of the Canal and therefore a help to the taxpayers of the United States.

This article on War and Peace is rather difficult to understand. For instance, this paragraph:

"Leaving aside the grave question of economic growth, we could only avoid absolute Government regimentation of our production by relaxing our isolationism in order to permit a freer flow of goods. But relaxation would again involve us in the risk of clashing with other powers and hence in the risk of war. Isolation in the modern interoceanic world means isolation."

What this little paragraph has to do with the issues discussed in a "modern interoceanic world"—which is, by the way, the same world we have always had since the creation of the earth—may be written into an article at some future date.

## THE POLICY OF THE NEW ORDER

I have discussed the policy of retreat and the policy of exclusion. I shall now discuss the third—the policy of the new order.

These "new order boys" should be discussed, for in my opinion they are anti-American, which it will not be difficult to prove. I quote:

"There remains, finally, the possibility of leadership. If the United States should take this third course it would have to participate in formulating an entirely new order of peace to replace the old one that has broken down. \* \* \* To provide such leadership, the United States would have to take her place among the nations as a force for peace."

Peace by force is not a new order of peace but is instead an old and recognized method to enforce domination. Peace by force has been employed by England to subjugate her Empire, even to keeping Ireland under her dominant heel. It was the same enforced peace that sent innocent men and women to penal colonies in English prison ships. France is not free of enforced peace, because it has been employed over her colonies, exemplified in Napoleon, and vividly set forth in the French Revolution.

Russia, under the leadership of Lenin and Trotsky, also attempted to enforce this new order of peace in Hungary, which cost that country 30,000 lives, and it is that philosophy that is now leading Russia in her attack upon Finland, a country which has given no offense to anyone.

So enforced peace is not a new order, but is, as a matter of fact, the customary method which the "invisible government" employs in the countries it rules.

It is also well to bear in mind the intimate relationship among the rulers of Russia, England, France, and even the United States. Nor should we forget that bolshevism was financed in New York through the Rhein-Westphalian Syndicate and other European banks, even after the United States was at war with Germany in 1917.

Let us at this point review the preamble to our Constitution: "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

This quotation from the Constitution is very important because it sets forth the very basic principles upon which our Government is founded. It is to establish justice and to insure domestic tranquillity, and this cannot be attained by engaging in a war of international subjugation, for that is neither just, nor will it establish peace at home. The preamble further declares that all acts must be in the common defense and for the general welfare of our own Nation and our people, so that we may secure the blessings of liberty to ourselves and our children. We cannot in any sense add to our defense or the general welfare of our people by joining other nationals or internationals in destruction, for the blessings of liberty cannot be enjoyed either by ourselves or our children if we deliberately destroy rights and liberties of other people. Your article leads me to believe that you are antiracial, particularly when you advocate forcible subjugation of other races.

## EMPIRE; LEAGUE; UNION

The least radical line that can be taken with regard to peace is a kind of renovated and modernized imperialism. This new system would be based upon the wishes of the totalitarian powers, on the one hand, and the Monroe Doctrine on the other. The idea is that the major powers should divide up the world into spheres of influence.

I do not understand how you can countenance imperialism and at the same time advocate League of Nations world control, unless it is your idea that the League of Nations should be an imperial government. If that is your idea, who should crown the king? You say, "Even so, regional imperialism ought not to be dismissed with discussion," which is my reason for even mentioning it.

I quote:

"The second category of peace has its cornerstone at Geneva, the League of Nations. Clinically, the League is not dead; it is merely in a state of suspended animation."

The League has already been discussed in this article; but when you state that it is not dead, I claim that it cannot be resuscitated, because its purpose is now revealed.

"This possibility—of a further development of the League idea—leads directly to the third category of peace. It may be that the League is to the history of nations what the Articles of Confederation were to United States history: a bad flop, which, nevertheless, prepared the way for the eventual solution."

The Articles of Confederation were not a "bad flop," as your article declares, but were, instead, too much on the "left," or the side which is now called "democracy." The founders of this Republic recognized that, and for that reason formulated the Constitution of the United States, which established balance in our republican form of government by establishing State representation in the Senate of the United States.

Clarence Streit's proposal for a gigantic union of democracies deserves no discussion, so I shall proceed.

## THE MEANING OF UNION

"Most peace has been negative—that is, not war. But every so often a group of separate political units, discovering a community of interests, integrate themselves into a new area, called a nation; an area in which peace becomes the rule rather than the exception; an area of positive peace, in that by the consolidation of resources, manpower, traditions, and laws, the whole becomes greater than the sum of its parts. Most modern nations are compositions of this kind."

It is not my intention to discuss negative or positive peace, for it is merely an expression often used to confuse the issue. Our trouble lies in the fact that we have been discovered by too many political units which are now attempting to enforce their peculiar philosophies at the expense of our traditions.

"From a remote abstraction encountered only in books and state papers, the foreign policy of the United States has been a personal problem for each of the 80,000,000 adults in the land. It is for these people to choose whether they are prepared to create a new world as their forefathers did, or whether they will be more content to live as best they may among the ruins of the old."

I cannot conceive that anyone but an anti-American would have the effrontery to insinuate that we are now living among the ruins of our Republic. It is high time that the loyal citizens of this country take note of the happenings to this Government. What is needed in the United States is a return to the fundamental principles, upon which this country was created, and ejection of all of those who cannot subscribe to such principles, including those who advocate a "new order of world control."

The foreign policy of the United States has never been a matter that 80,000,000 people should need to consider, and it is my firm opinion that Congress will not fail the people by allowing dictation of our foreign policy by agents of the "invisible government."



In concluding this review I shall quote the end of your article: "For it is by no means an exaggeration to say that the destiny of mankind is in our hands."

I have always been under the impression that the destiny of mankind is in the hands of God. But taking you at your word, when you make this statement, may I ask that you establish the identity of the author, for he must be a supreme egotist to believe that he has power over the destiny of man.

### Interparliamentary Union

#### EXTENSION OF REMARKS

OF

#### HON. HAMILTON FISH

OF NEW YORK

#### IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

#### PROCEEDINGS OF THE THIRTY-SIXTH ANNUAL MEETING OF THE UNITED STATES GROUP OF THE INTERPARLIAMENTARY UNION

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the proceedings of the Thirty-sixth Annual Meeting of the United States of America Group of the Interparliamentary Union, as follows:

#### INTERPARLIAMENTARY UNION—PROCEEDINGS AT THE THIRTY-SIXTH ANNUAL MEETING OF THE UNITED STATES OF AMERICA GROUP, JANUARY 17, 1939

The United States of America Group of the Interparliamentary Union met for its thirty-sixth annual meeting in the room of the Committee on the Library, United States Senate, Tuesday, January 17, 1939, at 10:30 a. m.

Among those present were:

Senators: Alben W. Barkley, of Kentucky, president; Edward R. Burke, of Nebraska; Ernest W. Gibson, of Vermont; Theodore F. Green, of Rhode Island; Claude Pepper, of Florida; Elmer Thomas, of Oklahoma; Wallace H. White, Jr., of Maine. Representatives: H. Carl Andersen, of Minnesota; John Z. Anderson, of California; Homer D. Angell, of Oregon; Thomas R. Ball, of Connecticut; William W. Blackney, of Michigan; Stephen Bolles, of Wisconsin; Millard F. Caldwell, of Florida; Frank Carlson, of Kansas; Albert C. Carter, of California; Ralph E. Church, of Illinois; Cliff Clevenger, of Ohio; Carl T. Curtis, of Nebraska; Charles A. Eaton, of New Jersey; Charles H. Elston, of Ohio; Hamilton Fish, of New York; Aaron Lane Ford, of Mississippi; Charles A. Halleck, of Indiana; Pehr G. Holmes, of Massachusetts; Arthur B. Jenks, of New Hampshire; Ben F. Jensen, of Iowa; Noble J. Johnson, of Indiana; Robert F. Jones, of Ohio; Harold Knutson, of Minnesota; Gerald W. Landis, of Indiana; Earl R. Lewis, of Ohio; Thomas E. Martin, of Iowa; Noah M. Mason, of Illinois; Charles A. Plumley, of Vermont; Daniel A. Reed, of New York; Harry Sandager, of Rhode Island; Joseph B. Shannon, of Missouri; Dewey Short, of Missouri; Frederick C. Smith, of Ohio; Foster Stearns, of New Hampshire; Karl Stefan, of Nebraska; George S. Williams, of Delaware.

Present also: Dr. Arthur Deerin Call, permanent executive secretary.

President BARKLEY. The group will please come to order.

I want to say at the outset that I appreciate the large attendance here this morning of our American group. I see a good many members who never before have attended these group meetings of the Interparliamentary Union, and I am certainly glad to see so many of you interested in this program and in this organization.

This is the thirty-sixth annual meeting of the American group of the Interparliamentary Union. For the benefit of those who have not heretofore attended either the group meetings or the conferences held at various places in the world, I might say that the Interparliamentary Union was organized 50 years ago.

It plans to celebrate the fiftieth anniversary at the next conference, to be held in Oslo next August. The reason this is the thirty-sixth instead of the fiftieth meeting is that our group was not organized until some years after the founding of the Union in 1888.

The Union was organized originally in order that the legislative representatives of the people in the various countries might have a forum for the discussion of international problems, for better understanding among the legislative representatives of the different nations, and for the forming of contacts enabling the parliaments of each country to understand world problems and world opinion and get the viewpoint of representatives of different nations who meet from year to year to discuss political, social, economic, and military problems, with a view of creating a body of world opinion in a semiofficial way.

Although the delegates are always members of parliaments, they have made no binding commitments either with respect to themselves or their countries. By these annual meetings and the forming of these more or less unofficial legislative contacts with the

various parliaments of the world, a material contribution could be made to arbitration, and the settlement of disputes that frequently lead to war, and the settlement of a lot of problems by discussion and the dissemination of information.

I might say it was largely, if not altogether, because of the initiative of the Interparliamentary Union that the First and Second Hague Conferences were held prior to the World War. The Interparliamentary Union, at a meeting in St. Louis in 1904, passed a resolution requesting President Roosevelt to initiate a movement for mediation in the war between Japan and Russia. I believe the Interparliamentary Union can claim to have started the movement that made the President of the United States the initiator of the efforts to bring about peace between these two nations, which, as you all know, resulted in a peace conference in Portsmouth, N. H.

The conference met every year until the World War broke out in 1914, with one or two exceptions. During that war no conferences were held, because practically all the countries were at war.

Following the World War the conferences were resumed. The first I attended was in Stockholm in 1921, when we had a large representation from both Houses. From that time the conferences have been held in various capitals. In 1925 the conference met here in Washington. I attended that. I attended one in Copenhagen in 1923, one in Bucharest in 1931, one in Paris in 1937, and the one last year, 1938, at The Hague.

I have myself, by reason of repeated attendance at these conferences, made contacts that I could not have had in any other way. I believe it is unfortunate that more of our delegates have not kept up a sustained interest in the Interparliamentary Union and in the conferences held from time to time. In order to get a picture of world affairs, it is necessary to attend more than 1 week's conference, because at some of the conferences discussions are necessarily limited to subjects in which we have only an academic interest. It is true that at the last conference, and at the one in Paris, so many acute problems existed in the world—in Europe and Asia—that many delicate questions that should have been discussed were banned because of the presence of representatives from quarrelling and fighting nations, and, in order not to create a lot of discord in the conference, many of the subjects which were most in the hearts of the delegates had to be shunned. That was particularly true at The Hague.

When I first attended these meetings, Germany always sent a very large and intelligent delegation. I remember when Mr. Loeb was a regular attendant, and Walter Schücking a very learned German professor. During the existence of the German Republic, the German Reichstag always had a large and worthy representation. This year they had none.

Italy has had strong delegations, but now, as we know, the Italian Parliament is quite subordinate to its Duce.

The result is, that the creation of dictatorships in certain countries in Europe has brought about such delicacy in the discussion of subjects that, I will say frankly, the last year or two the programs have been a little academic to us, and in some cases not as interesting as they might be, although the program taken up at The Hague Conference last year contained as a part of its agenda some matters of interest to the United States.

We discussed the development of colonial resources. We are not a colonial nation, but the development of natural colonial resources affects the markets of the world in which we trade.

There was one subject discussed which was peculiarly pertinent to our program of trade agreements, and that was the question of whether, in the negotiation of these trade agreements, the most-favored-nation clause should be preserved or abandoned. There was quite a discussion on that subject, in which some of the American delegates participated. The action taken by resolution was not entirely satisfactory to the American delegation, but there was a healthy, stimulating discussion, and, of course, as I said—May we ask for order in the other room.

Representative EATON. Would it be possible to go to a room where we could all have seats? There are as many out there as there are in here.

Representative CHURCH. I move that we do that. There are more out there than there are in here.

President BARKLEY. Where is there a room available?

Senator WHITE. Before you adjourn to another place, may I say I came here this morning because I wanted to be recorded, but I have another meeting at 11 o'clock which I must attend. If there is any vote, I am willing to leave my vote with the chairman. I would not do that on all occasions, but I will do it on this occasion.

President BARKLEY. Thank you.

Representative CHURCH. I made the motion that we adjourn to another room. I have attended these meetings every year, and there are quite a number here today. I would like to see them have the benefit of the meeting.

President BARKLEY. I am gratified to see so many present. We will adjourn to the District of Columbia Committee room.

(Whereupon, at 11 o'clock a. m., the meeting adjourned to the room of the Committee on the District of Columbia, United States Senate, where the proceedings continued as follows:)

President BARKLEY. We will again come to order. The necessity for finding larger quarters for this meeting is very gratifying. I can say that this is the largest attendance of the American Group that I think it has been my pleasure to witness.

When we recessed down there I was giving you some of the subjects that were discussed at The Hague Conference. I think I was commenting on the question of the most-favored-nation clause as applicable to our trade agreements. The trade-agreement

situation, regardless of what anybody may think of it—and I will not discuss its merits—is a matter being considered by many countries besides our own. The discussion was whether in the negotiation of these trade agreements it was desirable to retain what we have retained in all of them—the preservation of the most-favored-nation clause—or to let each bilateral agreement stand without regard to the most-favored-nation clause.

The conference adopted a resolution, the substance of which was that, to a certain extent, they favored freedom from requirements of the most-favored-nation clause in the negotiation of trade agreements. The discussion was very interesting and enlightening. Most of the speeches had been prepared in advance, except those made by us. Whatever we had to say, we said extemporaneously. We offered some amendments, some of which were agreed to, and one or two rejected.

Another subject was the international unification of legislation on copyright. The copyright laws of all nations affect the writers of all other nations to some extent, and there was a comprehensive discussion on the subject of whether it would be advisable to harmonize copyright laws throughout the world. It was somewhat along the lines of the discussions on uniform divorce laws which have been going on in this country for many years. Anyhow, it is a subject in which every country is interested.

Then there was a discussion of the initiative and framing of laws, not a new subject to us, that showed most careful preparation on the part of many delegates.

I give you these to illustrate the types of subjects discussed at these conferences. You will observe that these subjects are far removed from any war-like discussions, because some of the countries represented were themselves involved in warfare. That was unfortunate in a way, but you understand that the council which arranges the program in advance has to take into consideration avoidance of subjects embarrassing to countries involved in war, or to countries, wherein civil wars are in progress. But I believe that such a discussion—even if it should bring on a cat fight—might now and then be a good thing.

We have two members of the council, but the council meets regularly in April, when it has been impossible for the American members to go to Europe to help arrange the program and then go back and attend the conference. As a result, the American members of the council have not attended the council meetings in April, and the programs have been made up largely by the European delegations.

You will find in the World Affairs magazine of December 1933, published by the American Peace Society, Dr. Arthur Deering Call, editor, a copy of which you have all received; a very comprehensive discussion of the thirty-fourth conference of the Interparliamentary Union at The Hague, August 22-27, 1933.

With these preliminary remarks, which I felt that I ought to make for the benefit of those who have not participated in these meetings heretofore, we will proceed with the regular order of business.

Because of the congressional elections, it was impossible for many of our delegates to go to the last conference. I had, myself, quite a tussle in Kentucky, which occupied my attention until the middle of August, and because of that I was late in getting to The Hague.

Question. Did you have a campaign?

President BARKLEY. I went through the motions.

The elections of the House prevented our having as large a representation as I had hoped for. Some were unable to attend and one or two whose names were suggested at the last minute were named too late to enable them to make arrangements to go. I caught the last boat. One or two Members of the Senate who were appointed could not attend. I have always, since I have been president of the group, sought to divide the delegation equitably between the political parties. I appointed three Republican Senators who could not attend, and as a result the delegation at the last conference was a little lopsided politically, but we did have one Senator in attendance who was not a Democrat. We will try to keep the balance as nearly equitable as possible, but it depends on who can attend. We have to wait until the last minute to see who can go. Sometimes we have to revise the list within a week of the time the ship sails. Somebody will say he can go, and wants to go, and at the last minute finds that he cannot go.

Men have come to me and said they want to go to the next conference. Of course, I can't make any commitments now, but they will all be considered. When, at the last minute, a Member finds he cannot go, it makes it difficult, when we are all scattered over the United States and not in Washington, to complete the delegation. As a result, we have to wait and see who can go.

Representative EATON. I have been asked how these trips are financed.

President BARKLEY. I will explain that.

For years Congress has been appropriating \$10,000 a year as a contribution to the Interparliamentary Union. That goes to Geneva. There is a permanent secretary at Geneva. The president of the Interparliamentary Union lives abroad; he is a member of a European parliament.

Before that the American Peace Society had made a contribution of \$5,000 to help pay the expenses of the American delegates. The Union hawked around among other generous people in the country to secure enough money to make it possible to send a representative delegation.

We concluded it was rather cheap and undignified for the American Congress to go, hat in hand, and beg money for representatives to go to these conferences, although it must be admitted that the

Carnegie endowment, as well as the American Peace Society, have been most generous. I secured the passage of a permanent law authorizing the appropriation of \$10,000 to help pay the expenses of delegates. Whether that pays the whole expenses depends on how many go. If 10 go, it would be \$1,000 apiece; if 15 go, it would be less, whatever the proportion is. There is an annual appropriation of \$10,000 which goes into the Budget, and I suppose it will be continued as a matter of routine, and that is divided among those who go, after deducting certain expenses for printing and our secretary. It always results in the delegates going down in their pockets to pay part of the expenses, but we have been able to pay enough of the expenses to induce delegates to go. If any delegate takes members of his family, that is paid privately.

Representative CHURCH. Can you name the members who went to The Hague last year?

Dr. CALL. There were six Members of the Senate and two Members of the House. The United States delegation consisted of Senator ALBEN W. BARKLEY, president of the group; Senator JOSEPH F. GUFFEY, of Pennsylvania; Senator CLAUDE PEPPER, of Florida; Senator HENRIK SHIPSTEAD, of Minnesota; Senator EDWARD R. BURKE, of Nebraska; Senator LEWIS B. SCHWELLENBACH, of Washington; Representative MILLARD F. CALDWELL, of Florida; and Representative AARON L. FORD, of Mississippi.

President BARKLEY. I will say that Senator WHITE, of Maine, and Senator LODGE, of Massachusetts, whom I have asked on two occasions to go as delegates of the Senate, could not go at the last minute. Anyhow, that is the delegation that went last year.

In Paris in 1927 Senator LA FOLLETTE was a delegate. Senator WHITE was appointed a delegate, but he could not attend. There has been no uniformity in the delegation. We hold a curbstone nominating convention and pick those who want to go or who are able to go. We have steered away from appointing delegates who just want a trip. Of course, we can't always tell to what extent they are motivated by that desire. I think it desirable that, in the varying delegations from year to year, a certain panel should go so as to become interested in these international questions.

We will now proceed with the regular order of business. The first thing on the agenda is reading of the minutes of the meeting of a year ago. If there is no objection, these minutes having been printed in the Appendix to the CONGRESSIONAL RECORD, volume 84, page 83, we might dispense with that reading.

Is there any objection? I hear none, and it is so ordered.

My attention is called to the fact that we want to make reference to the death of one of our active members. Dr. Call, will you make the announcement?

Dr. CALL. Robert Low Bacon, born July 23, 1883, at Jamaica Plain, Boston, Mass., a graduate of Groton School, Harvard College, and the Harvard Law School, served as a Member of the Sixty-eighth, Sixty-ninth, Seventieth, Seventy-first, Seventy-second, Seventy-third, Seventy-fourth, and Seventy-fifth Congresses. He received the Distinguished Service Medal, holding at the time of his death the rank of colonel of field artillery. In the House of Representatives he served on the Merchant Marine and Fisheries, Radio, Claims, Immigration and Naturalization, Insular Affairs, Census, War Claims, Education, Library, and Appropriations Committees. He died September 12, 1933.

President BARKLEY. The Chair will entertain a motion to appoint a committee to draft suitable resolutions on the death of Congressman Bacon.

(The motion was made, seconded, and agreed to.)

President BARKLEY. I will appoint the committee later.

Dr. CALL. Dr. Christian L. Lange died on December 11, 1933, near Oslo, Norway.

Christian Lange was born in 1869 and dedicated his life to the cause of international peace. In 1899, while he was still a teacher at the High School of Christiania, he organized the Ninth Interparliamentary Conference, which was held in that city. The abilities which he showed on that occasion brought him to the notice of the Nobel committee of the Norwegian Parliament, of which he became secretary in the following year. In 1909 Christian Lange was appointed secretary general of the Interparliamentary Union. From then on and until 1933, when he retired, he labored unsparingly for the development of the cause to which he was ardently devoted. It may be added he received the Nobel peace prize.

I will say that upon the receipt of the notice of the death of Dr. Lange in the papers I took the liberty of writing to Mme. Lange as follows:

"Members of the United States of America group of the Interparliamentary Union, familiar with the long and invaluable services of Dr. Christian L. Lange to the upbuilding of more intelligent international relationships, grieve to learn of the death on December 11 of their distinguished leader and source of inspiration through the many years.

"They would have you know of their sorrow because of his passing and of their deep sympathy for you and yours."

President BARKLEY. The Chair would think it would be appropriate for this group to authorize the secretary to communicate the deep regret of this American group to Mme. Lange on account of the death of her husband, and to appoint a committee to draft suitable resolutions on the death of Dr. Lange.

(The motion was made, seconded, and agreed to.)

President BARKLEY. I will appoint the committee later.

There are certain commissions of the Interparliamentary Union on which we have members. Dr. Call will read the commissions of the Interparliamentary Union and the American members of these commissions.



Dr. CALL. The United States members of Permanent Study Commissions, of which there are seven, are as follows:

The first is the Commission on Political and Organization Questions. Those appointed to serve on that Commission to date are Senators JAMES F. BYRNES, EDWARD R. BURKE, JOSEPH F. GUFFEY; Representative B. CARROLL REECE.

The second is the Commission on Juridical Questions. Those appointed to serve on that Commission to date are Senators Sherman Minton, Ernest W. Gibson, Lewis B. Schwellenbach; Representatives Sam D. McReynolds and James A. Shanley.

The third is the Commission on Economic and Financial Questions, and the members are Senator Alva B. Adams; Representatives Thomas S. McMillan, Richard B. Wigglesworth, Henry B. Steagall, and Millard F. Caldwell.

The fourth is the Commission on Ethnic and Colonial Questions, the members of which are Senator HENRIK SHIPSTEAD; Representatives CAROLINE O'DAY, AARON LANE FORD, CHARLES A. EATON, and SOL BLOOM.

The fifth is the Commission on Reduction of Armaments: Senators TOM CONNALLY, KENNETH MCKELLAR, WALLACE H. WHITE, JR.; Representative ALBERT E. CARTER.

The sixth is the Commission on Social and Humanitarian Questions: Senators ROBERT M. LA FOLLETTE, MILLARD TYDINGS; Representative JED JOHNSON.

And the seventh is the Commission on Intellectual Cooperation: Senators ELBERT D. THOMAS, CLAUDE PEPPER, ARTHUR H. VANDENBERG; Representative FRITZ G. LANHAM.

President BARKLEY. The record of these Commission appointments has been made a part of the minutes of this meeting.

At the last meeting of this group a motion was adopted and a committee appointed to draft a resolution relative to the death of Senator Robinson. I will ask the secretary to report that resolution.

Dr. CALL. "On July 14, 1937, the United States group of the Interparliamentary Union learned with sorrow of the death of Joseph Taylor Robinson, long a member of its executive committee, attendant upon conferences of the Interparliamentary Union in Stockholm, 1921; in Copenhagen, 1923; and in Bucharest, 1931, always the helpful counselor, gifted as a leader in the Congress, beloved by all as lawyer, statesman, friend."

"The group incorporates this expression of affection in its permanent records and extends to the relatives of the deceased its very deep sympathy."

"Senator ELMER THOMAS, Chairman.  
"Senator EDWARD R. BURKE,  
"Representative B. CARROLL REECE."

(The resolution was adopted.)

Senator BARKLEY. Are there any other reports?

Dr. CALL. The treasurer of this group is the Honorable SOL BLOOM. He is in New York today. He called on the telephone yesterday and asked me to make his report to you to this effect, namely, that there is in the treasury of the group \$106.65.

Senator BARKLEY. I will say to the members of this group that that is not in any way a part of the appropriation which Congress makes to defray expenses of delegates and to make its contribution to the union itself. That is what is left from contributions made privately before Congress began to make its appropriations.

The next order of business is the election of officers. Dr. Call, will you give a list of the officers to be elected?

Dr. CALL. Mr. President, according to our bylaws and constitution, there should be elected today a president, three vice presidents, a treasurer, a secretary, and an executive committee. The executive committee is made up of 10 persons including the president, who serves as ex officio chairman. It is also customary to vote on the permanent executive secretary.

(Senator PEPPER nominated the existing president, Senator BARKLEY, for reelection; Senator THOMAS moved that the nominations be closed; Representative JOHNSON of Indiana nominated Representative HAMILTON FISH, which nomination was seconded and the nominations closed. Whereupon, at the request of President BARKLEY, Senator PEPPER took the chair and presided during the election of the president.)

(The vote for president was taken by show of hands. Senator BARKLEY said it was obvious that Mr. FISH was elected, and he moved that the election be made unanimous, which motion was seconded and agreed to.)

Whereupon President FISH took the chair.

The following additional officers were then elected:

Vice presidents: Senator EDWARD R. BURKE, of Nebraska; Representative SAM D. McREYNOLDS, of Tennessee; and Senator WALLACE H. WHITE, of Maine.

Treasurer: Representative FRITZ G. LANHAM, of Texas.

Secretary: Representative CHARLES A. EATON, of New Jersey.

Executive committee: Representative MILLARD F. CALDWELL, of Florida; Representative ALBERT E. CARTER, of California; Representative HAROLD KNUTSON, of Minnesota; Senator ALBEN W. BARKLEY, of Kentucky; Senator TOM CONNALLY, of Texas; Senator MILLARD E. TYDINGS, of Maryland; Senator ARTHUR H. VANDENBERG, of Michigan; Representative THOMAS S. McMILLAN, of South Carolina; Representative DEWEY SHORT, of Missouri.

President FISH. I just want to take this occasion to thank the members for electing me to this office as successor to the very distinguished Senator from Kentucky [Mr. BARKLEY], who has for so many years given his time and his ability to make a success of this union.

It is true that some Members of the House felt there should be a rotation every few years. Whatever the vote was it is certainly no reflection on the great ability of the Senator from Kentucky.

The next in order is unfinished business.

Mr. CALDWELL. I believe it is the custom of this group to take into consideration the selection of a permanent executive secretary, is it not?

Senator BARKLEY. I want to say in that connection that for the last 20 years the group has chosen Dr. Arthur Deerin Call as permanent executive secretary. That is different from the secretary you have elected. The truth is the permanent executive secretary does most of the work and goes to the conferences with the delegates and helps to arrange the program carried out at these conferences.

In view of Dr. Call's excellent service in the past, I nominate him for reelection as permanent executive secretary of this group.

Representative EATON. I second the motion, and say that our efficient secretary has done magnificent work in this connection and will perform valuable services in the future, and I wish him long years of service and even an increase in salary, if that is possible.

(Whereupon Dr. Arthur Deerin Call was unanimously reelected as permanent executive secretary.)

President FISH. Dr. Call you have been unanimously reelected, and if you have any remarks to make we will be glad to hear from you.

Dr. CALL. Gentlemen, you will wish me to call your attention to some of the publications of the Interparliamentary Union.

The work of the Interparliamentary Union expresses itself in its publications. Here [indicating] is the report of The Hague Conference. It contains the speeches made; if made in English, they are reported in English; if in French, they are reported in French; if in German, they are reported in German.

The Interparliamentary Union publishes eight times a year what is known as the Interparliamentary Bulletin. This Bulletin keeps one in touch with the work at the headquarters. It also contains every month—in French only, I am sorry to say—constitutional and documentary information of value. This can be had by paying 3 Swiss francs, that is, about 60 cents. The publication, known as the *Compte-Rendu*, can be had by paying about \$2.

Then in addition to that the Interparliamentary Union gets out every year what is known as the Interparliamentary Annual.

Question. Do any of these reports cover bilateral treaties?

Dr. CALL. Yes. The *Compte-Rendu* covers it. Only the English features are in English; but all the resolutions are in English. But here are the resolutions without price [indicating].

The Interparliamentary Union is an honest piece of goods. It publishes documents of value. After 20 very pleasant years with Members of the Congress, I find that they get out of the Union about in proportion to what they put into it. If they become interested and really take part in these commissions and attend the conferences, they almost always find that the meetings are invaluable. I thank you gentlemen for your unvarying friendly cooperation and now once again for this evidence of your confidence.

President FISH. The next in order is new business. Is there any new business?

Dr. CALL. I don't know of any.

President FISH. Senator BARKLEY, do you know of any new business?

Senator BARKLEY. I do not.

President FISH. I will say this in conclusion, although it is hardly necessary, as all Members of Congress realize it: Our parliamentary or representative form of government is more under attack today than ever before. If there was ever any need for the Interparliamentary Union, it is today. The Congress has realized that, and some 3 years ago began making an appropriation of \$20,000—\$10,000 of which goes to maintain the Interparliamentary Union at Geneva and the other \$10,000 to send delegates to the conferences.

The next Conference will be at Oslo, Norway, beginning August 15 or 22, and delegates will be appointed. There will be only \$10,000 to cover their expenses, but I think that can be divided into \$500 lots, and we can send 20 delegates instead of 10.

These meetings seek to promote arbitration and peace throughout the world, and to substitute arbitration for war. That raises one of the vital issues before the world.

I cannot be successful in this post unless we all cooperate and work together. I will make just one pledge and that is to conduct this organization as fairly as I am able.

I shall give representation to Democrats and Republicans alike. Those who want to go to Oslo, let me know.

I thank you for the election and will do all I can to make this organization a success.

(Thereupon, at 5 minutes past 12 o'clock noon, the meeting adjourned.)

ARTHUR DEERIN CALL,  
Permanent Executive Secretary.

MEETING OF THE EXECUTIVE COMMITTEE UNITED STATES OF AMERICA GROUP, MARCH 1, 1939

At a special meeting of the Executive Committee of the United States of America Group, the Interparliamentary Union, held in the Foreign Affairs Committee rooms of the House of Representatives on Wednesday, March 1, 1939, at 11 a. m., the following were present:

Representative HAMILTON FISH, president, Senator TOM CONNALLY, Senator WALLACE H. WHITE, JR., Senator EDWARD R. BURKE, Representative HAROLD KNUTSON, Representative MILLARD F. CALDWELL, Representative CHARLES A. EATON, Representative DEWEY SHORT.

Arthur Deerlin Call, permanent executive secretary, was also present. Senator ALBEN W. BARKLEY, Representative FRITZ G. LANHAM, and Representative THOMAS S. McMILLAN notified the president that they were unable to attend due to circumstances beyond their control.

The president submitted to the meeting a tentative list of appointments to permanent study commissions, and was authorized to set up such commissions and announce the appointments as soon as completed.

Representative KNUTSON moved that the president be authorized to appoint an advisory committee to the United States of America group, composed of outstanding authorities on international affairs, to consider and make recommendations to the group and to invite them to attend the conference at Oslo, Norway, in August, in an advisory capacity if they desired. The motion was duly seconded and adopted, and the president was authorized to select and appoint such a committee at his discretion.

A motion was made by Senator BURKE to authorize the president to invite the Interparliamentary Union to hold the International Conference in the United States, in 1940, in connection with the New York World's Fair, with a proviso that he should confer in advance with the President of the United States and the Secretary of State, and with congressional leaders as to their attitude in regard to the authorization of the necessary appropriations for such a conference, estimated at \$50,000. The motion was duly seconded and adopted.

There being no further business before the committee, the meeting was adjourned.

Signed by

ARTHUR DEERLIN CALL,  
Permanent Executive Secretary.

### Jackson Day Address

#### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, January 15, 1940

ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the President of the United States at the Jackson Day dinner held in Washington, D. C., on the evening of January 8, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Once upon a time there was a school teacher, who, after describing heaven in alluring and golden terms, asked her class of small boys how many of them wanted to go to heaven. With eyes that sparkled at the thought every small boy in the class held up his hand—except one. Teacher said, "CHARLIE, CHARLIE McNARY, you don't want to go to heaven? Why not?" "Teacher—sure I want to go to heaven, but" he said, pointing to the rest of the boys in the room—"not with that bunch."

A week ago three distinguished leaders of the opposition were invited to this great banquet—a \$10 dinner with all the fixin's free—no cover charge—no \$100 check—no tips—"nothin' to sign and nothin' to jine"—and a ringside seat at a nonpolitical plate-side chat. Believe-it-or-not—they sent polite regrets. Why?

There are a lot of riddles in the National Capital. I, myself, am supposed to be a self-made riddle—in fact a cross between a riddle and a Santa Claus. Most of the riddles in this town, however, are the ones posed for you in some solemn column. Like crossword puzzles and hypothetical bridge hands, they come to you morning or evening as a synthetic daily amusement feature, like fairy tales or bedtime stories calculated to keep unsuspecting children awake all night. But occasionally we get a real riddle like this one about the three empty chairs.

Why didn't our guests come? I guess the real reason is that, like the small boy, they did not want to go to heaven with this bunch.

But maybe there were other reasons. Maybe it was because they figured that we just wanted to fatten up the ducks, and that we were putting on a closed season in January merely to get better sport next fall.

Maybe they were holding out for an old-fashioned Jackson dinner. Someone called my attention the other day to a magazine article setting forth a report of a dinner in February 1834 in Andrew Jackson's White House, as made by a guest at the dinner. I quote:

"The first course was soup in the French style; then beef bouillé, next wild turkey boned and dressed with brains; after that fish; then chicken cold and dressed white, interlarded with slices of

tongue and garnished with dressed salad; then canvassback ducks and celery; afterwards partridges with sweet breads and last pheasants and old Virginia ham. The dishes were placed in succession on the table, so as to give full effect to the appearance, then removed and carved on a side table by the servants. The first dessert was jelly and small tarts in the Turkish style, then blanché mode and kisses with dried fruits in them. Then preserves of various kinds, after them ice cream and lastly grapes and oranges."

Such a dinner today would cost the full \$100 we have each and all of us paid; there would have been nothing left for Jim Farley; and the Democratic committee would have had to borrow money to provide bicarbonate of soda for all.

I had hoped our invited guests would come because I had intended to tell them not only about Andrew Jackson but about Abraham Lincoln as well; to tell them how much alike all our great leaders have been—even to give them free—though unsolicited—advice on how to reconstitute the Republican Party successfully along the lines on which Abraham Lincoln created it. As the leader of the Democratic Party I felt no reluctance to give them good advice for I was sure that they would not use it—they of little faith.

Seriously, the more I have studied American history and the more clearly I have seen what the problems are, I do believe that the common denominator of our great men in public life has not been mere allegiance to one political party, but the disinterested devotion with which they have tried to serve the whole country, and the relative unimportance they have ascribed to politics, compared with the paramount importance of government.

By their motives may ye know them.

The relative importance of politics and government is something not always easy to see when you are in the front-line trenches of political organization.

In a period of 30 years, during which I have been more or less in public life—in my home county, in Albany, in Washington, in Europe during the World War, in New York City, in national conventions, back in Albany, and finally again in Washington—I have come to the conclusion that the closer people are to what may be called the front lines of government of all kinds—local and State and Federal—the easier it is to see the immediate underbrush, the individual tree trunks of the moment and to forget the nobility, the usefulness, and the wide extent of the forest itself.

It is because party people in county courthouses, or city halls, or State capitals, or the District of Columbia are, most of them, so close to the picture of party or factional warfare that they are apt to acquire a false perspective of what the "motives" and purposes of both parties and their leaders should be for the common good today.

They forget that politics is only an instrument through which to achieve government. They forget that back of the jockeying for party position—back of the party generals—hundreds of thousands of men and women, officers and privates, foremen and workmen, have to get a job done, have to put in day after day of honest, sincere work in carrying out the multitudinous functions that the policy makers in modern democracy assign to administrators in modern democracy.

People tell me that I hold to party ties less tenaciously than most of my predecessors in the Presidency, that I have too many people in my administration who are not active party Democrats. I admit the soft impeachment. My answer is that I do believe in party organization, but only in proportion to its proper place in government. I believe party organization—the existence of at least two effectively opposing parties—is a sound and necessary part of our American system; and that, effectively organized nationally and by States and by localities, parties are good instruments for the purpose of presenting and explaining issues, of drumming up interest in elections, and of improving the breed of candidates for public office.

But the future lies with those wise political leaders who realize that the great public is interested more in government than in politics; that the independent vote in this country has been steadily on the increase, at least for the past generation; that vast numbers of people consider themselves normally adherents of one party and still feel perfectly free to vote for one or more candidates of another party, come election day, and, on the other hand, sometimes uphold party principles even when precinct captains decide "to take a walk."

The growing independence of voters, after all, has been proved by the votes in every Presidential election since my childhood—and the tendency is on the increase. I am too modest, of course, to refer to the most recent example—the election of 1936. Party regulars who want to win must hold their allies and supporters among those independent voters.

There are, of course, some citizens—I hope a decreasing number—with whom I find it difficult to talk rationally on this subject of strict party voting. I have in mind, for example, some of my close friends in the South who are under the impression that they would be ostracized in society and in business if it were to appear publicly that they had ever voted for a Republican. I also have in mind some very close friends in northern villages who tell me, quite frankly, that though they would give anything to be able to vote for me, a Democrat, it would hurt their influence and their social position in their own home town.

I have in mind the predicament of one of the ablest editors of today who some time ago said to me very frankly:



"I am really in complete sympathy with your program, but cannot say so publicly, because, Mr. President, the readers and advertisers of my paper are 90 percent Republicans, and I simply cannot afford to change its unalterable policy of traditional opposition to anything and everything that comes from Democratic sources. Of course, you understand."

Millions of unnecessary words and explanations and solemn comments are uttered and written year after year about the great men of American history—with ample quotations—to prove what Jefferson or Hamilton, Jackson or Clay, Lincoln or Douglas, Cleveland or Blaine, Theodore Roosevelt, or Bryan would have said or would have done about some specific modern problems of government if they were alive today. The purpose of all these comments is either to induce the party leaders of today blindly to follow the words of leaders of yesterday or to justify public acts or policies of today by the utterances of the past, often tortured out of context. The devil can quote past statesmen as well as Scripture to prove his purpose.

But most people who are not on the actual firing line of the moment have come to attach major importance only to the motives behind the leaders of the past. To them it matters, on the whole, very little what party label American statesmen bore, or what mistakes they made in smaller things, so long as they did the big job that their times demanded be done.

Alexander Hamilton is a hero to me in spite of his position that the Nation would be safer if our leaders were chosen exclusively from persons of higher education and of substantial property ownership; he is a hero because he did the job which then had to be done—to bring stability out of a chaos of currency and banking difficulties.

Thomas Jefferson is a hero to me despite the fact that the theories of the French revolutionists at times overexcited his practical judgment. He is a hero because, in his many-sided genius, he, too, did the big job which then had to be done—to establish the new Republic as a real democracy based on universal suffrage and the inalienable rights of man, instead of a restricted suffrage in the hands of a small oligarchy. Jefferson realized that if the people were free to get and discuss all the facts, their composite judgment would be better than the judgment of a self-perpetuating few. That is why I think of Jefferson as belonging to the rank and file of both major political parties today.

I do not know which party Lincoln would belong to if he were alive in 1940—and I am not even concerned to speculate on it; a new party had to be created before he could be elected President. I am more interested in the fact that he did the big job which then had to be done—to preserve the Union and make possible, at a later time, a united country. His sympathies and his motives of championship of humanity itself have made him for all centuries to come the legitimate property of all parties—of every man, woman, and child in every part of our land.

I feel very much the same way about Jackson—not Jackson the Democrat but Jackson the American—who did the big job of his day, to save the economic democracy of the Union for its westward expansion into a great nation, strengthened in the ideals and practice of popular government.

I have always thought it a magnificent illustration of the public's instinct for the quality of a leader, that the people triumphantly reelected Jackson in spite of the fact that in the meantime, in his fight for economic democracy, Biddle and the bank had sought to create an economic depression in order to ruin him.

Of all of these great American figures, I like to think—and I know I am right—that their purposes, their objectives, their motives placed the good of the Nation always ahead of the good of the party; that while they used the mechanics of party organization in many ways, they dropped mere partisanship when they considered it against the national interest.

I saw a good deal of the governorship of New York before I became Governor of the State, and I saw a good deal of the inside of the White House for many years before I occupied it. Many years ago it had become clear to me that, properly availed of, the governorship and the Presidency, instead of being merely a party headquarters, could become the most important clearing house for exchange of information and ideas and facts and ideals affecting the general public welfare.

In practice, as you know, I have tried to follow out that concept. In the White House today we have built up a great mosaic of the state of the Union from thousands of bits of information; from one man or woman this thought; from another, data on some event; a scrap here, perhaps, and a scrap there; from every congressional district in the Union; from rich and poor; from enthusiast and complainant; from liberal and conservative; from Republican and Democrat.

I like to think that most American Governors or Presidents have seen the same opportunity in their office and that their motives have been primarily of service rather than of party or personal aggrandizement.

Doubtless they have all been irked by the commentators of the day who ascribed other motives to them. Doubtless after much experience in the public life of America, with its free speech and press, the irksomeness wore off. Doubtless all of them wore hair shirts when they started, but if they matured in public life most of them discarded those shirts in their earlier days. They had to drop their hair shirt or else lose their political shirt.

And when you have learned not to worry about all these things there is really a lot of fun in this job.

For when you reach that point of understanding there is deep satisfaction in pursuing the truth through the medley of information that reaches the White House, the overstatement, the half-truth, the glittering generality, the viewing with alarm, and the pointing with pride. There is practical satisfaction in sifting a tiny particle of truth from the mass of irrelevancies in which it is hidden. And there is the philosopher's satisfaction of fitting that particle of truth into the general scheme of things that are good and things that are bad for the people of the Nation as a whole.

I said a moment ago that the measure of greatness of any party leadership of a country is the measure in which it gets done in its time the big job that has to be done. By this test I do not think anyone can say that the many people in these last 7 years who have given composite leadership have failed in their obligation. Most of those who call for a wholly different type of leadership must admit the fairly constant progress of these years. Most of those who complain now were the shouting optimists of 1929.

I do not believe that the American people who swallowed that canned optimism in 1929 will swallow canned pessimism in 1940—particularly out of the same can.

The people of the United States recognize two facts today: The first is that the world outside our hemisphere is in really bad shape. This is a matter not for pessimism or optimism; it is a matter for realism. It is a fact—a fact so big that few people have grasped its meaning—a fact so big in its effect on the future of the world that all our little partisan squabbles are shameful in the light of it.

The second is that we have made great gains at home in our own economic prosperity and in the security of our individual citizens. These gains must not be chipped away; they must be only a foundation on which to build further gains.

Behind us lies accomplished a really big job. It was the creation out of the funk of the early thirties of a new spirit with which we can now face the forties.

A realistic historian of our party has wisely concluded, "We have the intelligence to define our troubles and the physical means with which to meet them. In the end, whether we make America a good or a bad country will depend on what we make, individually, of ourselves. A selfish and greedy people cannot be free."

The enormous task which the Democratic Party has already performed in this generation has been to provide the energy and the confidence to steer government in the interest and under the direction of those of our people who do not want to be selfish and who do not want to be greedy.

And I am convinced that most people in the United States do have a sense—with a real feeling of pleasure in the moralities involved—that we have been moving forward these later years in the right direction.

They are really glad that on the whole the farmer is no longer an economic outcast and is getting better prices for his crops.

They are glad that we are slowly working out for labor greater privileges with greater responsibilities.

They are glad that gamblers and speculators are no longer the most honored element in our economic life.

They are glad that certain opportunities for security, once only available to the rich, like old-age insurance, are becoming available to the poor.

They are glad that we are beginning to conserve the natural resources of our soil, our rivers, and our trees for the good of our children; that we have improved our roads and added to our parks and built hundreds of schools; that we are bringing to every housewife cheap electricity's relief from drudgery; that we have made our banks safe and brought our courts up to date; that we have kept millions of people out of the breadlines.

They are glad that government is daily becoming more honest and more decent.

And one of the manifestations of that new spirit is that there are fewer Americans who view with alarm. There are, of course, some people—in addition to the professional politic viewers-with-alarm—who always look on the dark side of life, complain that things are not as they were once and who firmly believe that everybody who disagrees with them is a moron or a crook. They belong to the type of unfortunate individual of whom it is said "he is enjoying bad health."

Sometimes when I listen and listen to people like that I understand old Uncle Jed.

"Uncle Jed," said Ezra, one day, "Ben't you gittin' a little hard of hearin'?" "Yes," said Uncle Jed, "I'm afeared I'm gittin' a mite deaf."

Whereupon Ezra made Uncle Jed go down to Boston to an ear doctor.

Uncle Jed returned. Ezra asked what happened. "Well," said Uncle Jed, "that doctor asked me if I had been drinkin' any. I said 'Yes; a mite.'"

"Then that doctor said, 'Well, Jed, I might just as well tell you now, if you don't want to lose your hearin', you've got to give up drinkin'.'"

"Well, I thought it all over, and then I said, 'Doc, I like what I've been drinkin' so much better than what I've been hearin', that I reckon I'll just keep on gettin' deaf.'"

So you see I have talked with you tonight in a vein of old-fashioned philosophy, with little or no partisanship mixed up with it—just as I promised my three Republican leader friends who ought to have been here tonight. They are grand fellows, liked by me and by every Democrat in the Congress. Nowadays most everybody in the country knows that sometimes when two

Congressmen or two Senators engage in a terrific battle of words, a forensic philippic, a 15-round heavyweight championship bout, the two contestants, 5 minutes later, will be found sitting in the cloakroom with their arms about each other laughing and joking while they catch their breath.

There are, of course, a few exceptions of men who, stretching political disagreements into personal invective, prove the general rule—but why bring up unpleasant subjects at this dinner at which we are all having such a good time. I am genuinely sorry for those exceptions to the rule. They must find it hard to live with themselves—and with their families and friends as well.

Motive in the long run is what counts—motive accompanied by good manners. If leaders have good motives and good manners and, at the same time, knowledge of the different parts of the country and plenty of experience, you can be fairly safe in assuming that they won't wreck your government.

But remember that they must have other qualities—the willingness to pay \$100 for a \$10 dinner, the fortitude to eat the whole of it, and the courage to make a half-hour plate-side chat at the end of it.

## National Conference of United Palestine Appeal

### EXTENSION OF REMARKS

OF

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, January 15, 1940

ADDRESS BY HON. WILLIAM H. KING, OF UTAH

Mr. PITTMAN. Mr. President, I have in my hand a very able address delivered by our colleague, the senior Senator from Utah [Mr. KING], before the National Conference of the United Palestine Appeals at the Hotel Mayflower, Washington, D. C., on January 7 of this year. The address relates to a matter of great interest, and I ask leave that it be published in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Dr. Wise, His Excellency the Ambassador of the French Republic, members of the National Palestine Appeals, and distinguished guests, first may I express appreciation for the complimentary reference made by Dr. Wise to my activities in behalf of oppressed peoples in various parts of the world. I pay tribute to the splendid work which has been performed by the various Jewish organizations in meeting serious and indeed tragic conditions resulting from the oppressive policies of a number of European countries.

Particularly in Germany a ruthless, brutal, and barbarous course has been pursued, having for its object not only the oppression but, indeed, the destruction of persons of the Jewish race, and most cruel and inhuman practices have been resorted to in the execution of oppressive and indeed vindictive policies. Thousands, and indeed hundreds of thousands of individuals of the Jewish race have been despoiled of their property and driven from their homes to become wanderers and refugees seeking an asylum anywhere and everywhere. Many have found refuge in Palestine. The Palestine Foundation and various organizations have done much to succor the oppressed and to aid them in rebuilding the Holy Land—the land of their fathers.

This great conference has been considering ways and means to mitigate the sufferings of oppressed peoples and to adopt measures for the further development of Palestine as the natural and inevitable haven for hundreds of thousands of oppressed refugees.

The pages of history are blurred with the records of oppression and cruelty; of attempts to destroy minorities and the rights and dignity of human beings. As I have indicated, that struggle exists today. I repeat when I say that throughout the ages there has been a struggle in behalf of the preservation of human liberty, and today the struggle is identified with the contest of minorities for survival.

The year 1939 witnessed the dismemberment of nations and the destruction of important small peoples. If the sweep of brute force is not halted, the year 1940 may bring the complete disappearance of many small nations from the face of the earth. With each blow struck against small nations the rights of all peoples have been attacked and the principles of justice and liberty assailed. A world that is not safe for minorities is a world that is not safe for democracy. When Austria fell, when Czechoslovakia was mutilated and brought under the iron heel of Hitlerism, when Poland was overrun and subjected to the barbarous rule of Naziism and communism, the concepts of right and wrong, of liberty and justice were shaken. In the midst of this confusion the aggressor nations laid down a barrage of words designed to cloak bloody conquest in the robes of liberation. Success in brutal and unprovoked attack was paraded as vindication and justification for crimes

against civilization. Today, as in the case of Finland, we are again compelled to witness the immoral and rapacious onslaughts upon a valiant and patriotic people, and we are asked to regard might as the only basis for right. Because a small nation like Czechoslovakia or Poland or Finland is hopelessly outnumbered in manpower or fighting equipment, we are therefore to consider it as unfit to retain its freedom or identity. This inhuman and barbarous attack upon Finland is part of an organized attempt at the assassination of the character and integrity of all minority peoples. The whole conception of self-determination for minorities is being completely undermined. This is a process with profound implications for all countries and peoples. The road to the destruction of the rights of majorities begins in the footpath of the annihilation of minorities. The rights of majorities are guaranteed only when the rights of minorities remain inviolate.

Minority peoples may be weak in terms of numerical strength, but ethnically and intellectually they possess the strength only the constant struggle for survival can produce. The physical and cultural hardships which they have had to face through the centuries have endowed them with unusual attributes for survival. Within a small nation or people the individual is never submerged in the mass. What small peoples lack in numbers they must supply in endurance and resourcefulness. The existence of a minority is a constant challenge which evokes the most creative and productive forces.

Let us take the case of the Jewish people, the world's oldest living minority. The Jews were scattered throughout the world many centuries ago by the superior force of arms. When the temple in Jerusalem was destroyed, the roots of their national and religious life were torn up and there followed a tragic history of wandering and persecution. The odyssey of the Jews in Europe is, for the most part, a black page on the record of civilization. The Jews were made a convenient scapegoat of those who sought power or glory. Oppression narrowed their opportunities. Proscription tested their endurance to the breaking point, but the will to live that was forged on the anvil of persecution imbued the Jewish people with qualities of intellect and character that made the greatest contributions to the very civilization which sought to destroy them. It is sad indeed that in the twentieth century some nations have not yet learned that it is a grievous injustice to harass and oppress a people which has made such outstanding contributions to the progress of mankind. When Germany drove from her borders scientists, artists, and writers of Jewish blood, she was committing a grave crime not merely against the Jews, but against the entire German people. We are the richer today for the mistakes and cruelties of the Nazi regime, but the German people and German culture have suffered an irreparable loss.

Although the Jews have been severely buffeted by the storms of upheaval, they have maintained throughout an unflinching adherence to their mission of peace and good will. They have devoted themselves to the preservation of democracy, not merely because it has brought them freedom together with all minorities, but because it represents a philosophy of life which embodies the principles of tolerance and brotherhood that have long been hallowed traditions among the Jews.

In 1919, the nations of the world, moved by the suffering which the Jews had endured during the war, and for many years before that, sought to make restitution to this much wronged people. Into the peace treaties was written a pledge to restore the Jewish National Home in Palestine. In accordance with the Balfour declaration issued by Great Britain in November 1917, the League of Nations granted the mandate over Palestine to the British Government, which was entrusted with the task of facilitating the rebuilding of Palestine by the Jewish people. Our own Government endorsed the Balfour declaration by a joint resolution of Congress and by subsequent expressions of support from the Presidents of the United States from Woodrow Wilson to Franklin D. Roosevelt.

Twenty historic years have gone by. The world is now on the threshold of another and perhaps more sweeping catastrophe. In the interval between the two world conflicts minorities have risen to high levels of freedom and self-development, only to be swallowed up in the return of the martial spirit. We who enjoy peace are dedicated to maintaining our security at any cost. We are desirous of being neutral in the present conflict, but we cannot be neutral in our anticipation of the outcome. It is the sincere hope of all liberal-thinking men that the end of this war will bring the reconstitution of the small states that have been sacrificed on the altar of greed and hate. All of us are deeply concerned that Czechoslovakia, Austria, and Poland regain their independence and take their place once again in the council of nations as free and productive partners in the forward tasks of world progress.

But there is one minority which deserves at least equal recognition. I refer to the Jewish people. I refer to the Jews who were uprooted in Germany, to the Jews who were brutally attacked in Poland. I refer to the Jews who were cruelly driven out of Czechoslovakia. I refer to the Jewish people who for the past decade have been mercilessly persecuted as a means of bringing about the destruction of religious liberty and democracy throughout the world. The liberal world must surely be cognizant of the fact that the Jews were the first to feel the blows of the aggressors. When peace comes the Jews must not be the last to regain their rights. When peace comes the Jews must not be a forgotten people. The Jews have demonstrated in the most unmistakable terms that they were never meant to be a refugee people of wanderers. In the two decades in which they have been engaged in the reconstruction of the Jewish national home, they have demonstrated a capacity for creative



pioneering which has no parallel in modern times. No oppression and no despair has been permitted to stay the hands of those courageous souls who went to Palestine to plant once again the seeds of Jewish national and cultural endeavor. There are today, I understand, some 500,000 Jews in Palestine. In 1919 there were but 55,000. Though the Jews were dispersed in many parts of the world for many centuries, a remnant always remained in the Holy Land as the residue of the Jewish homeland that was and as the nucleus of the Jewish homeland that was to rise again. Today that nucleus has become a flourishing community of farmers, peasants, workers, and businessmen.

I have seen with my own eyes the remarkable achievements of the Jewish pioneers in Palestine. There is perhaps no more inspiring sight than the panorama of Jewish colonies that have risen in Palestine on land that was rocky and arid only 20 years ago. The genius, the resourcefulness, the sacrifice, and the idealism of the Jewish people have established a homeland that has brought invaluable benefits to every element of the population in Palestine. During the period from 1932 to 1939 a total of 240,000 Jews entered Palestine from Germany, Poland, Austria, and other lands where they were denied the elementary rights of existence. These same men and women who were branded and humiliated by the Nazi philosophy of hate and racism discarded their past of suffering for a future of revival and reconstruction. They built so well that the Palestine that is associated in our minds with the forgotten world of yesterday is today one of the most hopeful outposts of the world of tomorrow.

The Jews have demonstrated their talents for colonization beyond any shadow of doubt. Moreover, they have rebuilt their ancient homeland on the solid foundations of economic and agricultural planning that have greatly revolutionized its possibilities for the future. Throughout the past 7 years of violent anti-Semitism in central Europe, Palestine has been the foremost haven for refugees. Today when the Jews are faced with the grave tragedy of the destruction of their homes in Poland, today when hundreds of thousands have been herded into a reservation which is no more than one huge concentration camp of pain and torture, today when hundreds of thousands of Jews are wandering over the face of the earth in search of a home, Palestine must continue to provide a homeland for tens of thousands to whom the doors of other lands are closed. I believe that it is the solemn responsibility of Great Britain and the rest of the civilized world to think in terms of enlarging the horizon of refugee settlement in Palestine so that when peace comes the refugees of war and oppression may find immediate opportunity for rehabilitation. And so I say to you that though your people may be tasting the bitter dregs of privation and tragedy at this moment, you have in Palestine a great foundation for a project of nation building that will redound to the glory and benefit of all men of good will throughout the entire world.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, January 15, 1940

CORRESPONDENCE BETWEEN HON. ARTHUR H. VANDENBERG,  
OF MICHIGAN, AND HON. CORDELL HULL

Mr. LUCAS. Mr. President, I ask unanimous consent to have placed in the Appendix of the RECORD a letter written by the distinguished Senator from Michigan [Mr. VANDENBERG] to Hon. Cordell Hull, Secretary of State, on December 15, 1939. I also ask unanimous consent to have placed in the RECORD, following the letter of the Senator from Michigan, the reply of Hon. Cordell Hull.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NOVEMBER 24, 1939.

Hon. CORDELL HULL,  
Secretary of State,  
Washington, D. C.

MY DEAR MR. SECRETARY: I enclose herewith additional petitions from Michigan protesting any reduction in the bean tariff in connection with the approaching trade agreement with Chile.

As I have repeatedly indicated before, I believe these Michigan farmers are on firm ground. It is needless for me to appear personally as a witness at your public hearings because the facts involved will all be adequately submitted by experts. Furthermore, I have repeatedly registered my own feeling about the matter. Michigan has a deeply serious interest because we produce approximately 80 percent of the Nation's navy or pea beans. It is the united judgment of our 50,000 bean growers and our 43 farmers'

cooperative elevators and our 118 independent elevators that any reduction in the bean tariff at the present time is a direct, serious, and indefensible threat to the agricultural economy of our State. If any consideration shall be given to "the difference in cost of production at home and abroad"—and this rule ought to be in control of the situation—the bean tariff will not be reduced. It seems to me particularly illogical to contemplate such a thing at the present time because the Federal Surplus Commodities Corporation has found it necessary to buy domestic beans in order to ameliorate a serious domestic surplus problem. I respectfully submit that it is scarcely tenable for one branch of the Government to be spending public funds to relieve a surplus crisis and then for another branch of the same Government to be inviting and encouraging imports which will help rebuild the surplus.

I have also repeatedly submitted my protest against any reduction in the excise tax on copper and it is needless for me to renew my petition in detail. But I want to say again that if the copper-excise tax is reduced in the Chilean agreement, and this reduction is then generalized to the world, you will seriously cripple the great mining section of upper Michigan, which has already stood just about all the calamity it can hope to survive. Again the "cost-of-production rule" clearly requires the 4 cents excise tax (which actually ought to be increased, if changed at all) if we are to hope to maintain a domestic copper industry much longer. The maintenance of the industry is essential, not only to life and livelihood in many sections of America (upper Michigan distinctly included) but it is also essential to any self-contained national defense. I respectfully submit that it would, indeed, be a paradox for one branch of our Government to ask new billions to build further national defense (including a frank mobilization of war materials) if another branch of the Government is directly and deliberately undermining the national defense in at least one essential particular.

I again make the further point that your Department is not entitled to take jurisdiction over the copper excise tax because any reduction in this tax would violate the direct and specific assurance given to Congress when the Trade Agreements Act was passed that there would be no such reductions in these excise taxes, and the tax on copper was specifically identified in this connection. The assurance was given in the written report of the House Ways and Means Committee when the Reciprocal Trade Agreements Act was passed by Congress. The same assurance in the same connection was repeatedly given by Chairman HARRISON of the Senate Finance Committee in the debates upon the bill.

I greatly hope that Michigan will not suffer the double hazard of an attack upon its mining industry and an attack upon one of its most important agricultural commodities in connection with the pending Chilean negotiations.

I should like to add this general comment. Protests against tariff reductions through reciprocal-trade treaties are often met and conveniently dismissed on the general theory that those of us who voice these protests want to return to the old log-rolling tariff process in the Congress. At least, in my own case this is not true. I hope I shall never see another general congressional tariff revision, although I cling tenaciously to the fundamental constitutional theory that Congress must control tariff-making through the specific tariff instructions which it gives its agents when it delegates any tariff control to others. I think the essential basic American rule must be that our tariffs shall measure "the difference in cost of production at home and abroad." I think the wise process of altering tariffs from time to time is through the action of the United States Tariff Commission under the existing provisions of the "elastic section" of the existing tariff law so that as nearly as it may be possible to deal with tariffs on a scientific basis we shall be constantly endeavoring through this ministerial agency to keep our tariffs at whatever point measures the difference in cost of production at home and abroad. The only change in the existing "elastic tariff" which would be necessary to fully implement this view would be to bring the "free list" within its jurisdiction. I respectfully submit that if a protection-minded President were to apply himself as earnestly and as constructively to the use of the "elastic tariff" as the present administration has devoted itself to the "reciprocal tariff" we should most closely approach a scientific tariff. Meanwhile, within the limitations of this rule there would be no reason why reciprocal-trade agreements should not be pursued on a realistic basis in essentially noncompetitive commodities.

With sentiments of great respect and with warm personal regards and best wishes, I beg to remain,  
Cordially and faithfully,

ARTHUR H. VANDENBERG.

DECEMBER 15, 1939.

The Honorable ARTHUR H. VANDENBERG,  
United States Senate.

MY DEAR SENATOR VANDENBERG: I have received your letter of November 24, 1939, in which you express your concern over possible reduction of the duty on beans and of the excise tax on copper in pending trade negotiations with Chile, and in which you express the view that all of our tariffs should be fixed so as to measure "the difference in cost of production at home and abroad."

I am, of course, always glad to have the benefit of your views, whether upon specific tariff items or upon more general aspects of the tariff question.

With reference to the two particular items which you mention, I am sure you will appreciate that it would be improper for me, while negotiations are still in progress, to attempt to anticipate

the results of the careful study that will be given to these and other items by the best practical experts of the various departments which are collaborating in the administration of the Trade Agreements Act. Your representations in regard to these items will, of course, be carefully considered by the interdepartmental trade-agreements organization.

I do desire, however, to comment upon that part of your letter in which you state, in substance, that you do not wish to return to the "old logrolling tariff process in Congress," but instead would like to have all tariffs adjusted administratively, under a general formula laid down by Congress, so as to equal "the difference in cost of production at home and abroad."

The method which you suggest in no wise differs from that which was in effect from 1922 until the Trade Agreements Act was passed in 1934. In the Tariff Act of 1922 Congress inserted a provision whereby, within certain prescribed limits, tariff rates could thereafter be adjusted upward or downward by administrative action, predicated solely upon the rule that the adjustment would be such as to make rates of duty equal to the ascertained difference in cost of production here and abroad. This provision was inserted primarily on the ground that the rates fixed by statute during a period of rapidly changing world conditions following the World War would soon get out of line with actual conditions and would therefore require adjustment either upward or downward. At the same time there were many sincere persons who had high hopes that the introduction of this formula into our tariff-making procedure would mark the end of the logrolling method of tariff making and the beginning of a scientific method of tariff adjustment by administrative action.

The history of what happened during the years which followed shows conclusively, however, that such a formula, as the exclusive basis for tariff adjustment, is wholly unsound and impracticable. During the entire period of nearly 8 years in which the act of 1922 was in force, out of the several thousands of items in the tariff schedules, there was a total of 37 tariff adjustments under this provision, of which 32 were upward revisions and only 5—including such things as paint-brush handles and live bobwhite quail—were downward revisions. In 15 additional cases there were investigations and reports to the President, and in the most important of these cases—that on sugar—the recommendation made by the Tariff Commission for a duty reduction was set aside by the Executive.

Such was our record of futility in the realm of administrative tariff adjustment under the cost rule during the decade following the World War, in a period when rising trade barriers were increasingly undermining the foundations of prosperity, both in this country and abroad.

Then, in 1930 (after announcement in 1928 of our intention of still further raising our tariffs), came the Hawley-Smoot embargo tariff, enacted without heed to the cost formula or any other formula except that of allowing a combination of pressure groups to log-roll through Congress the most ill-timed and costly piece of tariff legislation in the entire history of this Nation. Having first increased tariffs all along the line to virtually embargo levels, the sponsors of this unfortunate legislation thereupon proceeded to incorporate into the new law substantially the same cost provision that had accomplished so little under the previous act. If their purpose in so doing was to conceal the excesses of the Hawley-Smoot Act, it was soon discredited by the rapid descent of the entire country into the worst depression in the Nation's history.

The grave objections to the use of the cost formula as the exclusive basis for tariff adjustment are recognized by practically all authorities and experts in this field. The late Thomas Walker Page, for many years a member and onetime Chairman of the Tariff Commission, and a world authority on the tariff, condemned the formula unreservedly in his well-known book on tariff making, published by the Brookings Institution. In his testimony before the Ways and Means Committee and the Senate committee in 1934, the Honorable Robert Lincoln O'Brien, at that time Chairman of the Tariff Commission, was unreservedly critical of the whole formula. Many other experts have condemned it no less vigorously.

Experience has shown that, under relatively ideal conditions for cost comparison—that is, where the comparison of foreign and domestic costs is for strictly comparable goods, with well-established industries both at home and abroad, and with ample cost data available—the cost formula is one that can sometimes be used to advantage in measuring, within broad limits, the competitive strength of the foreign industry. But neither in principle nor from the standpoint of practical administration is it suitable for general use as the exclusive basis for tariff adjustment.

Seldom can full cost data be obtained; and even when obtained, there is a wide variation of costs as among different producers. There is no such thing as "the" cost. Even if it were administratively feasible to obtain adequate cost data for the vast range of items embraced in the tariff—which it is not—there are so many variables in the whole process of calculation that, in spite of its outward appearance of exactness, this so-called rule for flexible tariff adjustment is in reality no standard at all. "To use as the basis of a general tariff act a thing so fleeting, evasive, and shadowy"—to quote Dr. Page—"would be neither right nor possible."

Former Chairman O'Brien, in his testimony before the Senate Finance Committee in 1934, touched the heart of this matter when he said:

"... the notion that tariffs between countries should rest upon differences in cost of production even if omniscience should give us the power to determine them is all wrong. The tariff is a

question of a national policy; on some things you ought to have a tariff greater than the difference in cost of production; on other things less than the difference in cost of production."

In the adjustment of tariff rates under the Trade Agreements Act, cost-of-production data, whenever practicable, are taken into full consideration, along with all other factors entering into the competitive situation. But they cannot and should not be taken as the sole guide. Other factors must be considered—the size of the imports in relation to domestic production, comparability of the imported and domestic products as to type and quality, seasonal factors, and a great many others.

If we are to get away from the old logrolling process of tariff making to which you say you are opposed, and if we are to substitute for it a more flexible and scientific method of tariff adjustment, we should adopt a system that serves the real needs of our Nation. We cannot do that by adopting a formula which is neither sound in principle nor, in its very nature, capable of scientific administration. Experience has demonstrated the failure of the type of tariff adjustment which you are advocating.

What the interests of this Nation demand, under existing abnormal conditions, is an emergency method of adjusting our tariff structure with a view to obtaining, through a reciprocal reduction of trade barriers in foreign countries, better market outlets abroad for our great exportable surpluses of farm and factory products. This means that we must have a method by which we can adjust our tariff rates below the embargo levels of the Hawley-Smoot Act, while at the same time exercising the utmost care to make sure that the branches of production immediately concerned, in agriculture and in industry, are amply safeguarded.

The existing law—the Trade Agreements Act—provides the best method of attaining precisely these objectives, and has successfully stood the test of practical application in the 22 agreements already negotiated. To abandon the trade-agreement method in the present emergency and to adopt your formula would, in effect, be a return, under the guise of "scientific" tariff adjustment, to Hawley-Smoot embargoes, or their equivalent. If experience counts for anything at all, it surely shows that such a course would be a tragic one for the future of this Nation.

Sincerely yours,

CORDELL HULL.

## Jackson Day Address

### EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, January 15, 1940

ADDRESS BY HON. HENRY A. WALLACE

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the able address delivered by the Secretary of Agriculture at Des Moines, Iowa, on the occasion of the Jackson Day dinner.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Jackson Day dinners usually have in them the joyous anticipation of a righteous fight. Their tone was set when General Jackson won the battle of New Orleans. The record of Jackson as one of the most fiery Presidents to represent the common people in the White House has given these dinners a deeper substance.

Within a few months we shall be convening in a great national convention. Fundamentally, there will be only one issue at that convention. Will the delegates unite in rededicating our party to the great human principles of Jefferson, Jackson, Wilson, and Roosevelt? Each of the four was the greatest liberal of his day. Personally, I hope that the nominee in 1940 will be President Roosevelt. Certainly, circumstances may develop in which his renomination would be imperative. But if Roosevelt cannot be induced to run again, can a man be chosen who has deeply rooted in him the fundamental attitudes of a Jefferson, a Jackson, a Wilson, or a Roosevelt? By choosing such a man and uniting vigorously behind him, we can, even if the President refuses to run for a third term, preserve the great Democratic tradition. We can keep the people with us at the polls. We can avoid the disaster of a return to Republican reaction. We can go on in the productive service of the general welfare.

As Democrats we can be proud of what we have helped President Roosevelt to do during the past 7 years. Eight years ago, when the Nation was faced with one of the worst crises in all its history, the Republican leadership was frightened but bewildered. The people called for action and results. We gave them action and produced results. In no other 7-year period of our history has so much been done. Mistakes have been made, but, on the whole, we have served the Nation honestly and well.



I am proud to have had a part, and I know you are proud to have had a part in this great constructive effort of the past 7 years. As you know, I was not born a Democrat. Nor was I born a Republican in anything like the sense in which the term has now come to be used. My grandfather and my father were both Republicans of their day. They were held in the Republican Party by the humanitarian leadership of Lincoln and Theodore Roosevelt. For many years my father and others who believed with him tried to restore the Republican Party to the principles of those men. They failed in this aim, and so did Norris and La Follette and all the other progressive Republicans who tried to reform the national leadership of their party.

No man ever strove with greater earnestness of ability to serve agriculture than did my father. I knew exactly what he was up against and sympathized with him to the utmost.

And so, in the fall of 1924, with many thousands of other independent-minded voters, I left the Republican Party. I haven't been with that party from that day to this on any vital national issue. In '28 and '32 and '36 millions of us who 10 or 15 years before had looked on ourselves as progressive Republicans—Lincoln Republicans, Roosevelt Republicans, Cummins Republicans, La Follette Republicans, or Norris Republicans—decisively repudiated national Republican leadership and definitely joined up with the Democrats. The Democratic Party ceased to be, as it had been for a while, a sectional party, and became a national party. To continue to be a national party, capable of winning national elections, and carrying national responsibilities, it must continue to appeal to those who formerly were progressive Republicans. It must keep its standing with the people of the South and at the same time appeal to the farmers of the North and West and to the workers and forward-looking businessmen in the cities.

On a great party occasion like tonight, it is our duty to tell these former progressive Republicans—these farmers, these workers, these businessmen, and these housewives—more precisely what it is we intend to stand for in the year 1940. They have a right to compare our body of faith and our probability of constructive action with that of the Republicans. My purpose tonight is to tell what I think we stand for, with special emphasis on the agricultural part.

First. The Democratic Party must go on doing everything possible to keep the Nation at peace. We are against aggression and we have amended our Neutrality Act so as not to help aggressors. All nonaggression policy is in keeping with the wishes of the 95 percent of the people of the United States who want to keep out of the quarrels of the Old World—the people who believe our job is to build a richer, finer civilization right here in the New World. That does not mean we are going nationalistic in any narrow sense. We ought to stand ready at all times to cooperate with the countries of the world in a way that is truly helpful to the cause of world peace and order. We believe in orderly international trade and we have led the way in sponsoring reciprocal-trade agreements for that purpose. It is not for us to attempt to compose all the differences and all the disputes that split the Old World into warring camps. But when and if peace comes, we must do our part to see that it does not lay the economic groundwork for a fresh batch of dictators.

Second. The Democratic Party must not relax its far-flung efforts for the conservation of natural resources—for the conservation of soil, water, grass, timber, oil, recreational areas, and wildlife.

Conservation is of tremendous value to the Nation right now and it must be continued. One hundred years—perhaps 500 years—hence those who come after us will still owe a debt to Franklin D. Roosevelt, the greatest conservation President our Nation has ever had.

Third. The Democratic Party must continue to fight for equality of opportunity and security for everyone.

It must keep on with its efforts to assure equality of bargaining power to groups which, like agriculture and labor, have lacked equality of bargaining power in the past. That duty to the separate groups is inevitably joined with another duty to the public as a whole. If government is to assure equality of bargaining power to any separate groups, then it must also see to it that that bargaining power is not abused, that that bargaining power is used for the ultimate enhancement of the general welfare.

Our people want equality of opportunity, and they also want security. They consider the social-security program a splendid start, but they want to see it broadened and strengthened and simplified. Undoubtedly that program can be improved and strengthened so as to guarantee to all our people that minimum of security which ought to be their right.

We must have equality of opportunity, we must have social security, if our democracy is to survive in this machine age. These are the foundations of our freedom.

Fourth. The Democratic Party must make our national abundance into what it should be—a real blessing for the American people.

We must find ways to get the goods which our factories and farms can produce into the hands of the people who need them. We must never again have the spectacle of great want in the midst of unusual abundance. We must never again permit such misery as that which afflicted so many million American homes in 1932.

The Department of Agriculture has started a practical attack on this problem of want in the midst of plenty with the food stamp plan now being placed in effect. The blue stamps are bringing the surpluses of our farms to be needy families in the cities. Also the school lunch program of the Department is helping to give more adequate nourishment to millions of needy children.

Such measures must be continued until the time when capital provides jobs and good wages for all our workers. The goods of idle factories are just as desperately needed on the farm as the health-giving foods are needed in the cities. We must and shall find ways to make our abundance a blessing and not a curse.

Fifth. The Democratic Party must continue to fight unemployment. Agriculture, labor, industry, and government, by pulling together, can increase our national income to \$100,000,000,000 a year. To get a \$100,000,000,000 income either private capital or Government capital must flow in increased quantities. We hope that private capital will flow. But if the times are so seriously out of joint as to prevent that, we trust there will be such a cooperative effort between Government, agriculture, labor, and industry in the use of Government capital as best to promote and expand the national income.

Very few people realize that today the interest charges on private and Government debts combined are less than in 1929 and they take no larger share of the national income than in 1929. With a \$100,000,000,000 national income, both our unemployment and the national deficit can be wiped out.

Sixth. The Democratic Party must continue to stand for common honesty—honesty in business and honesty in public affairs.

Investors the country over have had more confidence in the financial and commodity markets because of the Government's watchful eye. They want that watchfulness maintained. They want to be sure that the financial and banking system operates, not to line some marauder's pockets but to give the ordinary citizen a square deal. They want continued the present security of bank deposits, so comforting to the person of limited means.

Consumers the country over, in 30,000,000 American households, have gained new safeguards to health and pocketbook in the past 6 years. These safeguards must be continued and strengthened with the aid of consumers and honest business.

The vast majority of businessmen are honest. Government should, so far as possible, encourage them in their legitimate endeavors. They are the men who pay a large part of the Federal income taxes and who pride themselves on furnishing jobs for laboring men and markets for farm products.

And voters the country over want to be sure that corruption in public office will continue to be exposed and swept away. They want no let-up in the drive against alliances of politics and crime. They want no more Teapot Domes in this country.

Seventh. The Democratic Party must make clear that it is against all kinds of radicalism, whether it be of the Communist left, the Nazi right, or the conservative stick-in-the-mud radicalism of the Tory standpatter. All these forms of radicalism belong to Europe. They have no part in our America.

Eighth. The Democratic Party must find ways of enabling the businessman to play a bigger part in building these United States. The stamp plan worked out by the Department of Agriculture is one of the moves we have made in this direction. I hope we can find others.

Ninth. The Democratic Party must continue to work with labor and make the welfare of labor an integral part of the general welfare.

Tenth. The Democratic Party must continue to keep faith with the farmer.

Jefferson built his party on agriculture. So did Jackson. And now Roosevelt, more than any other man who has ever sat in the White House, has made agriculture his keystone. More than any other man who has ever sat in the White House, he has been willing to move to help the farmer. More than any other Congresses, those of the last 7 years have been willing to help agriculture. When I think of what my father had to go through in the early twenties in working with unwilling Congressmen, unwilling colleagues, and an unwilling President, I give thanks to the Democratic Congress and the Democratic President. And I give thanks to the Supreme Court—now reconstituted as a great tribunal of the people. When the people rule in all three branches of our Government, it is easier to do something for the farmer.

Fifteen years ago the causes of the chronic post-war farm trouble became clearly apparent. I am going to list six of these causes and ask what the Republicans did about them.

1. War-time plowing up of the grass lands and expansion of cultivated crops.
2. Change of the United States from a debtor to a creditor position and the consequent loss of foreign markets.
3. The displacement of the horse by automotive power.
4. The movement of the European nations toward self-sufficiency in food as a war measure.
5. The new farm competition in pioneer countries and colonies.
6. Growth of monopoly and price-fixing by corporations.

For 19 years the Republicans have proved by their record that they intend to do nothing about these six causes of farm trouble. In the decade of the twenties when they had responsibility, they not only refused to do anything to remedy these causes, but they actually moved in the opposite direction. They erected higher and higher industrial tariffs and made it more and more difficult for other countries to buy our farm products. By means of their industrial tariff they forced other countries to go into farm production to compete with us. They talked about "the American market for the American farmer," even though they knew or should have known that the American farmer needs much more than the American market. Here at home they fostered monopoly

and price-fixing and special privilege—but not for the farmers. For a few years they postponed the day of reckoning by making \$5,000,000,000 of new foreign loans and by piling up new private debts of \$33,000,000,000 in the United States. But that Republican house founded on sand came tumbling down, and the farmers in the years from 1930 to 1933 were crushed under the ruins.

Since 1933, when the Democrats have had the responsibility, the Republicans—with the exception of a small minority—have given no cooperation and have actually obstructed.

For 7 years the Democrats have steadily directed themselves toward building programs which would take into account the causes of the farm trouble. We have tried to recover foreign markets while at the same time we have taken positive action to adjust domestic production to the fact that only a part of the foreign markets could ever be recovered. Our farm program, while not yet perfect, has been steadily strengthened. It has been approved by the farmers themselves. Eighty percent of the farmers are cooperating and, in actual voting in the South last month, 90 percent of the cotton and tobacco farmers approved. Our program has survived two of the worst droughts in the Nation's history. It has survived adverse court decision and 3 years of bumper crops and surplus. And now that we have had the worst fall drought in the history of the country, the program is giving hundreds of thousands of farmers protection. The ever-normal granary and crop insurance, both of which I myself had suggested and stood for since the middle twenties, are both working. The wheat export subsidy plan worked when we needed it. We don't need it today, but we can throw it into gear again if conditions justify.

To cooperate with millions of farmers we had to learn more and more every year about decentralization of administration. This was hard to do, because there was necessity for a new program almost every spring until the spring of 1939. Now, with decentralized farmer cooperation, we hope to settle down for the long pull to do the job that ought to be done for the farmer's sake, the soil's sake, and the Nation's sake. We have the best farm program this year we have ever had—an all-weather ever-normal granary program which lacks only one thing—an assured and continuing source of revenue. You and I both know that farmers are more likely to get that assured and continuing source of revenue under Democrats than they are under Republicans.

Cotton growers know that for several years the program has been all that stood between them and 5-cent cotton. Corn Belt farmers know, or should know, that the 15,000,000 acres taken out of cotton by the program represent, in terms of cottonseed-oil competition, the lard in 15,000,000 hogs. With the lard market in Germany lost and the lard market in England greatly reduced, this matter of reduced cottonseed competition is one of great interest to Corn Belt farmers. Those who try to scare Corn Belt farmers with visions of tremendously increased supplies of southern hogs conveniently forget how much more lard substitute would be on the market if the South were growing its customary 40,000,000 acres of cotton now instead of less than 25,000,000 acres.

Everywhere over the Nation the farm program has done wonders for the farmers and for the workers and businessmen who depend on them. Farm income was only 34 percent of parity in 1932. It was 75 percent last year. Iowa's cash farm income was \$280,000,000 in 1932. It was \$650,000,000, or two and one-half times as much, last year. All of us here in the Corn Belt—whether we are businessmen, professional men, wage earners, or housewives—are a lot better off because corn, wheat, and cotton prices have been prevented from falling into the 1932 cellar again. Looking toward the unsettled world of the future, we know that the farm program, come peace or war, will have a great burden to carry. But the program will be equal to the load, provided the farmers and the Government continue to work together as they did in 1939.

Our results were achieved only after we had triumphed over the bitterest kind of opposition from the Republicans in Congress. The vast majority of Republicans have nothing to propose themselves, and voted again and again in opposition to all measures intended to give income equality to farmers. In November of 1938 I offered to meet with the newly elected Republican Members of Congress from the Middle West to see if they had any ideas as to a different farm program which would deal more effectively with the six fundamental causes of agricultural maladjustment. No one met the challenge at that time. No one has met it since. About as far as they go is to talk about increasing farm income by higher tariffs on farm products—the same old snare, delusion, and false promise.

The Republican enemies of agriculture in Congress outnumber the Republican friends 4 to 1. Most of this friendly minority has been serving on the Republican congressional committee which has been going around the country recently digging for bait to catch farm votes. These farm-belt Republicans, some of whom would be much happier with a Democratic label, know just as well as you and I that the Republican bosses would never let them do anything substantial to help agriculture. The best work they have ever done for agriculture is to vote for Democratic farm measures. Of course, we are anxious for the farm program to be improved in every way, and we welcome the help of all who are really friendly to agriculture. Some of these men have given farmers valuable between-election help. And now as a reward for their service to agriculture, the Republican leaders are trying to use them like collie dogs in an effort to drive the farmers back into the Republican fold once

more. Aside from a few sheep killers, most of these collies are gentle and kindly. But what a master they must serve. Perhaps that master will discover some day that farmers are not sheep after all, and that collie dogs can't herd them.

The safety of the Nation—and that applies to agriculture particularly—is in having Representatives in Congress who are both Democrats and friends of the farmer. The next best thing is to have in Congress a friend of the farmer regardless of his party affiliations. But if he be a Republican, you have to keep in mind that in any crucial matter where the leadership of his party is deeply concerned and the party whip is cracked, he will be expected to desert you for that leadership. There is no hope for agriculture in the Republican Party, as a party on a national basis, until such time as the men in control of that party are themselves convinced that their own welfare is dependent on justice to agriculture and they are willing to give the time to study all phases of the agricultural problem. Never in the past has the Republican Party approached the farm problem in that spirit; and, judging from their present leadership, we may be sure that it will be utterly impossible for them really to change their attitude at any time in the near future.

The true attitude of the dominant element in the Republican Party was expressed by Senator TAFT, one of the leading candidates for the Republican Presidential nomination, when, during his recent swing through the Farm Belt, he ridiculed the corn and wheat loans and the storage program which protects farmers and the public against a crop failure. We honor Senator TAFT for his frankness. We hope the other Republican candidates will be equally frank. But somehow I have the feeling, so far as the farm program is concerned, that most of the Republican candidates will be traipsing around the place dressed like Little Red Riding Hood's grandma. We shall have to look closely to see the long teeth.

The Republicans whom Senator TAFT represents do not realize that the absence of the corn and wheat loans, with the world in its present condition, could easily mean 15-cent corn and 20-cent wheat in years of good crops. Every farmer who took out a wheat loan this summer knows that the loan gave him the benefit of the rise in the price of wheat which took place during the last 2 or 3 months. These Republicans apparently believe the speculator should profit from the old-fashioned speculative type of granary instead of the farmers profiting from our modern ever-normal granary. The Democratic Party wants the farmers—not the speculators—to make any profit that may result from crop disaster and improved demand.

Perhaps Senator TAFT doesn't speak for the Republicans on the farm program. If not, who does? Not the members of the Republican farm committee, surely, because they have invariably been slapped in the face by their Republican colleagues whenever they have tried to do anything real for agriculture. Of course, it may be that after voting 4 to 1 against all the farm programs the Republicans have really changed their hearts. Perhaps they are really for the present program after all. If they are, why don't they say so? If they are not for the present program, why don't they say so? For more than a year I have been trying to smoke them out but their substitute program, if any, is still a deep secret. On the farm question the motto of the Republican Party is "duck, wiggle, and dodge." All the Republicans are looking for is a fancy plank that will hold together long enough to catch some votes.

No wonder the farmers are skeptical when they look at the record of the Republican Congressmen on agricultural legislation. No wonder their confidence in Democratic Congressmen is increasing. The Democratic majority in Congress again and again has done its best to serve agriculture. This winter it will have an opportunity to see what can be done to make the farm program more permanent. Next summer the Democratic Party must and will write a farm plank at the party convention which will be representative of the best interests of American agriculture. Next summer the Democratic Party must and will nominate a ticket headed by forward-looking men who will continue to help farmers to meet the fundamental causes of agricultural trouble. And next fall the voters will determine whether the farm program will be improved by its friends or scuttled by its enemies.

We are entering one of the most important political campaigns in the history of the United States. In it the Democratic Party will define its principles anew and present its leadership to the electorate for a vote of confidence.

We shall win because of our record of achievement in the interests of the people. We shall win because we deal with vital issues straightforwardly and without evasion. We must tell the voters not merely of our past results but our plans for serving the general welfare in the future.

We shall stand upon the great humanitarian principles upon which the party was founded. We shall stand upon the Jacksonian principles that Franklin D. Roosevelt has so courageously maintained. Those principles, we trust, will permeate the 1940 campaign with enthusiasm and confidence. Once again our party will be the progressive party. Our platform will be the one which points to the future. Our candidates will have the vision. Our minds, our wills, and our hearts will combine to battle for the rights of the American people. The fight has begun and we shall not stop until we have repeated in 1940 the glorious victories of 1932 and 1936. The humanitarian principles of Roosevelt must live, joyously, creatively, effectively in the decade of the forties.



## Proposed Fortification of Guam

## EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, January 15, 1940

EDITORIAL FROM THE WASHINGTON TIMES-HERALD OF  
JANUARY 15, 1940

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Washington Times-Herald of today on the subject of Guam.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of January 15, 1940]

## MAKE GUAM A SALIENT?

From some remarks dropped recently by high naval officers before the House Naval Affairs Committee we judge that the proposal to make the island of Guam a big naval station, if not a first-class naval base, is still dear to a lot of naval hearts.

A few moments' scrutiny of the map of the Pacific Ocean ought, we think, to convince any realistic American of the dangers that lurk in this proposal like the wad of explosive in a handsomely streamlined and expensively aromatic trick cigar.

To build big fortifications on Guam and propose to defend it against all comers would be to push a salient about 3,850 miles out into the Pacific from our natural Alaska-Hawaii-Panama Pacific defense line.

A salient on sea is fully as dangerous as a salient on land. Either one of them means lengthening your lines of communication and exposing the flanks of the salient to attack. If the enemy can pinch off the salient, your losses in men and material are customarily serious.

The defense of a salient is extremely difficult and expensive, both in men and money as a rule. Verdun was a salient in the World War, and the French defense of Verdun against the German efforts to pinch it off was probably the bloodiest single military operation in world history.

By setting too much store by Guam, and planting too many military and naval stores on Guam, we would be leading with our chin against the Japanese, and it would be a glass chin at that.

## DEFENSE OF THE PHILIPPINES

Of course, the plan to fortify Guam is part of a plan to defend the Philippines from the Japanese, who want them.

There are people who read into the Philippine Independence Act an obligation on our part to defend the islands until 1946, when the act takes effect as now written. There are others—and among them are the Philippines' leading politicians—who say we should rewrite the Philippine Independence Act so as to obligate ourselves to defend the islands through time and eternity.

Here again the objection to sticking a salient out into the Pacific comes up, only more so—1,730 miles more so—that being the distance from Guam to the Philippines.

What the final cost of an attempt to defend the Philippines would be, it is hard to estimate.

But the initial cost of making up our minds to defend the Philippines and buying the naval equipment necessary to undertake that defense has been estimated. It was estimated the other day by Col. Frederick Palmer, the noted war correspondent and military expert, who said that if we expect to fight in Far East waters—"In view of loss of power in ratio to distance, we should double our proposed naval appropriations to make sure of mastering Japan in her own seas."

That means that if we wanted to fight Japan in her own waters we'd have to appropriate \$2,600,000,000 for new naval construction instead of the \$1,300,000,000 asked for in the Vinson big-navy bill.

## CUT LOOSE THE PHILIPPINES

It would be the height of folly and asking for catastrophe for us to plan on fighting Japan in Japan's own seas.

If we ever have to fight Japan, the place to do it is somewhere near our logical and defensible Pacific line—a line swinging down from the Aleutian Islands, through Hawaii, to Panama.

Abandoning the idea of holding the Guam-Philippine salient means abandoning the Philippines to whatever fate may have in store for them. Well, that is exactly what we should do, and we shouldn't wait till 1946 to do it either. They're a liability to us, and they've consistently hated what we've tried to do for them, and they always wanted out from under our wing until the Japa-

nese shadow loomed up over their shoulder a few years ago. It's too late now for regrets, remorse, and revisions of the Independence Act—except a revision moving that time limit from 1946 to, say, 1940.

Two ships for one.

## Export of Agricultural Products

## EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

Mr. BROWN of Ohio. Mr. Speaker, the dirt farmers of America—those who actually till the soil—are vitally interested in markets for the raw agricultural products which they produce. They know, in a general way, that our surplus foodstuffs must find sale in foreign markets if those who work the land in the United States are to be prosperous. They also know that foreign demands for their products have been declining rapidly under the administration's reciprocal trade agreements program. However, it is doubtful if any farmer realizes just how greatly our export trade in crude foodstuffs has decreased in recent months. Here are the official Department of Commerce figures on the United States exports of crude foodstuffs for the first 10 months of 1939 in comparison with 1938, by principal classes and countries:

United States exports of crude foodstuffs, 10 months, 1938 and 1939.  
by principal classes and countries

Export items and countries	10 months ending October—		Decrease (—) increase (+)
	1938	1939	
Total crude foodstuffs.....	\$225,822,000	\$97,586,000	-\$128,236,000
Wheat.....	72,136,000	35,514,000	-36,622,000
Corn.....	89,127,000	15,475,000	-73,652,000
Vegetables (fresh and dried).....	6,682,000	8,636,000	+1,954,000
Fruits (fresh).....	38,214,000	29,235,000	-8,979,000
Other products.....	19,663,000	8,726,000	-10,937,000
Principal export markets:			
Belgium.....	16,076,000	8,684,000	-7,392,000
Canada.....	60,301,000	22,222,000	-38,079,000
China.....	73,000	2,415,000	+2,342,000
Cuba.....	1,834,000	2,369,000	+535,000
Denmark.....	4,167,000	229,000	-3,938,000
France.....	3,600,000	3,235,000	-365,000
Germany.....	12,288,000	768,000	-11,520,000
Greece.....	2,272,000	36,000	-2,236,000
Ireland.....	17,166,000	2,778,000	-14,388,000
Italy.....	1,266,000	64,000	-1,202,000
Mexico.....	3,825,000	3,364,000	-461,000
Netherlands.....	23,292,000	9,458,000	-13,834,000
Norway.....	2,651,000	1,075,000	-1,576,000
Portugal.....	2,030,000		-2,030,000
Sweden.....	2,109,000	1,058,000	-1,051,000
United Kingdom (England, Scot- land, Wales).....	64,312,000	30,660,000	-33,652,000
Total, all countries.....	225,822,000	97,586,000	-128,236,000

Source: U. S. Department of Commerce figures.

It must be kept in mind that the above figures are for crude foodstuffs only, as produced on the farm, and do not include the value of processed or manufactured foodstuffs. It will be noted that there has been a decline in such exports to every country listed with the exception of Cuba and China; and it must be remembered that the administration made an Export Bank loan to China not long ago, thus enabling the Chinese to purchase such foodstuffs in the United States with American taxpayers' money.

The above figures give another reason why American agriculture is not prosperous, and added proof that the American farmer is discriminated against under the present administration's foreign-trade program.

## Ohio and W. P. A.

## EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 12, 1940

Mr. COCHRAN. Mr. Speaker, last Thursday the gentleman from Ohio [Mr. JENKINS] made considerable reference in his speech to the activities of the Work Projects Administration in his State, saying—

The only thing in the relief situation in Ohio is Democratic politics. That is the whole story.

Following his remarks, the gentleman from Ohio [Mr. BENDER], a Congressman at large, took the floor, referred to his State and his home city, Cleveland, quoting the Governor of Ohio at length in his extension of remarks, including statements made by the Governor in his vicious attack upon the Roosevelt administration in his speech before the Ohio Society in New York.

During the speech of the gentleman from Ohio [Mr. BENDER] I asked him if it was a fact that President Roosevelt personally ordered the W. P. A. to increase the quota in Cleveland during the acute period there which was within the last 2 months. The gentleman from Ohio [Mr. BENDER] replied the President did not. I then talked over the telephone with Mr. Emerson Ross, Director, Division of Statistics, of the W. P. A., and he advised me the President had taken this action. When I took the floor to answer the gentleman from Ohio [Mr. BENDER], I quoted the statement of the Republican mayor of Cleveland made before a House committee and later over the radio that there were no politics in W. P. A. nor in any form of relief in Cleveland.

Mr. Speaker, in order to keep the record straight, I have secured copies of letters written by W. P. A. officials, as well as a brief article from the Cleveland News. The letters and article tell the real story, and, therefore, under permission granted me by the House, I include them as part of my remarks. They follow:

WORK PROJECTS ADMINISTRATION,  
Washington, D. C., December 18, 1939.

The Honorable JOHN W. BRICKER,  
Governor of Ohio.

MY DEAR GOVERNOR BRICKER: I have read the speech which you delivered before the Ohio Society of New York in New York City on December 16. Insofar as it represents an attempt to repair your battered political fortunes, it neither interests nor concerns me. However, insofar as it is a vicious attack upon my integrity as a public official, I cannot ignore it.

You charge that the present relief situation in Ohio has been brought about by political manipulation on the part of the Work Projects Administration and, more specifically, that W. P. A. employment in Ohio has been reduced to its present level as a punishment because of Republican victories in the elections of November 1938.

I took charge of the W. P. A. on December 24, 1938. The establishment of W. P. A. employment quotas since that time has been subject to my personal approval and has been made entirely upon my own initiative. I accept full responsibility for the quotas which have been allotted to Ohio. Incidentally, it would be refreshing if you would accept like responsibility for Ohio's proper share in the relief problem.

Employment quotas in Ohio, as elsewhere, have been based upon two primary considerations; first, the amount of the funds made available by the Congress; and, second, the unemployment situation which has existed in various localities. I have previously informed you that the Federal funds available for work relief in the fiscal year which included November 1938 were 50 percent greater than those available for the current fiscal year. Furthermore, I presume that you will not deny that the industrial situation in Ohio has greatly improved over that of a year ago.

For the month of December the employment authorization for the State of Ohio is 156,000, of which the allocation to Cuyahoga County is 37,000. Actual employment is below that authorized, due principally to lack of suitable projects. This in turn is caused in large part by the complete failure of the State of Ohio to facilitate the sponsorship of such projects.

The present Ohio employment authorization represents 6.8 percent of the total national employment authorized by the W. P. A., whereas the population of Ohio is 5.4 percent of the national population.

The charge made in your speech that employment quotas in Ohio were increased subsequent to the time that the relief situation there came into national prominence is entirely unfounded. The present employment authorizations for Ohio for December were approved on November 20, 1939, as the official records of this office will show.

I challenge you to produce any scrap of evidence in support of the ridiculous charge made in your speech. You have evidently adopted the ancient and shop-worn device of attempting to divert attention from the real issue, that of State relief in Ohio, by wholly unsupported and absurd statements on another topic. Perhaps this was the only method you could devise of attempting to escape from the unfortunate dilemma in which you have placed yourself by your inept handling of Ohio's relief problem.

The unwarranted attack of political manipulation which you made on me is the only one that has come from any responsible public official since I have assumed charge of this administration. I assure you, however, that your unfairness will not influence me in any way in attempting to carry out the responsibilities of the position which I hold, namely of using the appropriations made by the Congress for providing work relief for the needy unemployed in the fairest and most equitable manner possible. In other words, the unfortunate people in Ohio who need the assistance which can be rendered by the W. P. A. will continue to get it in spite of the vicious partisan political utterances of the chief executive of the State.

Yours very truly,

F. C. HARRINGTON,  
Commissioner.

WORK PROJECTS ADMINISTRATION,  
Washington, D. C., January 5, 1940.

The Honorable JOHN W. BRICKER,  
Governor of Ohio, Columbus.

DEAR GOVERNOR BRICKER: This is to acknowledge receipt of your letter of January 2 which reads as follows:

"A copy of your letter to Mr. A. T. Burns, executive vice president of Community Chest and Councils, Inc., has been forwarded to me.

"I want a definite statement from you as to what the incorrect statements made by me that you refer to in your letter were. You are a public servant and I presume responsible for what you say and I also presume that you have the facts to back up your statement."

In my letter to Mr. Burns to which you refer I simply asked whether or not the National Community Chest Association endorsed your proposed relief program as was implied in your speech before the Ohio Society in New York City on December 16, a mimeographed copy of which was furnished me by the Republican National Committee.

You are correct in your presumptions that I am responsible as a public servant for what I say and you are also correct in presuming that I have facts to back up these statements. The same facts are easily available to you.

Your request for information as to what incorrect statements were made by you seems to me quite adequately answered by W. P. A. Commissioner Harrington's letter to you of December 18.

I will take the liberty, however, of adding to and emphasizing the answer to the main charge in your speech, which was that the W. P. A. employment quotas in the State of Ohio were manipulated in 1938 for political purposes and were again manipulated in 1939 in the other direction as a punishment to the State because of Republican victories in the 1938 elections.

Commissioner Harrington has adequately answered the charge of political manipulation in the W. P. A. in Ohio during 1939.

It happens that in 1938, as regional director of the W. P. A. in the Midwest, I had the full and complete responsibility for establishing employment quotas for those States. Any charge that the employment on the W. P. A. in Ohio was in the slightest degree manipulated for political considerations is completely untrue.

I am taking the liberty of attaching a copy of a letter written by me to the New York Times following the Times report on your New York City speech.

Sincerely yours,

HOWARD O. HUNTER,  
Deputy Commissioner.

WORK PROJECTS ADMINISTRATION,  
Washington, D. C., December 20, 1939.

CHARLES MERZ,  
Editor, The New York Times,  
New York, N. Y.

DEAR MR. MERZ: In his speech to the Ohio Society of New York last Saturday, as reported in the New York Times, Governor Bricker accused the national administration of playing politics with relief and of discriminating against Ohio in its W. P. A. policy.

Until last January I was regional director of the Midwestern States, so that I am personally acquainted with the history of relief and



W. P. A. in Ohio. I can say from my own knowledge of the situation that the Governor's charges are completely untrue.

Governor Bricker bases his charges against the W. P. A. on the fact that W. P. A. employment in Ohio has been reduced some 53 percent from the peak reached last year and that this is somewhat more than the average reduction for the country as a whole. He fails completely, however, to mention the fact that W. P. A. employment in Ohio had previously increased considerably more than in the country as a whole. He fails also to mention that the current W. P. A. quota for Ohio is 7.2 percent of the national total, whereas Ohio has but 5.4 percent of the total population of the United States.

The increase in 1938 was, as everyone knows, the result of the severe slump in business activity and employment which took place in late 1937 and early 1938 and which hit Ohio and other heavy industry States particularly hard. The decline in manufacturing employment was more than 40 percent greater for Ohio than for the country as a whole.

In the spring of 1938 Congress recognized the serious relief situation which the recession of the preceding months had produced and passed a large additional appropriation for W. P. A. Following its established policy of serving as a flexible instrument to meet actual needs where they are greatest, the W. P. A. increased its rolls most in those States which had been hardest hit. Ohio was one of these.

In the business recovery of the past year, Ohio has been fortunate as compared with many other States. This is particularly true of recent months, when the machine and metal industries of Ohio have benefited strikingly from the war boom. During the last year the increase in manufacturing employment was more than 30 percent greater for Ohio than for the country as a whole.

Ohio has been notably deficient in meeting its relief responsibilities. Its contribution for general relief has been below the average for the whole country and less than half that of neighboring industrial States. With business conditions in Ohio favorable, relative to those in the country as a whole, the W. P. A. would have been unjustified in continuing the favored treatment for Ohio which had been necessary to meet the emergency created by the depression of early 1938.

Governor Bricker charges that the W. P. A. in Cleveland has large numbers of people on its rolls who are not in need. This allegation is without the slightest basis in fact. W. P. A. is required by law to take 95 percent of its employment from those certified as in need. In Cleveland 97.3 percent of all people employed by W. P. A. have been certified as in need by the Cuyahoga County Relief Agency, under a Republican administration. Thus, far from padding the rolls with people who do not require relief, the W. P. A. in Ohio is actually under the quota of nonrelief workers established by Congress.

I challenge Governor Bricker to produce the names and addresses of those W. P. A. workers in Cleveland who have been certified as in need but who are not in need. I challenge him to produce the name and address of even one such worker.

What Governor Bricker really wants is to return relief to the States. He implies that this in some magical way will both reduce total costs of the program and improve the situation of the needy unemployed. Unfortunately he does not tell us how the miracle is going to be worked. If he is acquainted with the disposition of the Federal W. P. A. dollar he undoubtedly thinks a discrete silence on the details of his scheme—whatever it may be—the better part of valor.

Of total Federal W. P. A. expenditure, 3.4 percent goes to administrative costs. This is the lowest percentage of administrative cost that has ever been recorded by any relief agency—in fact it is only one-half to one-third of what most State and local relief agencies spend on administration. In its study of W. P. A., Fortune magazine states that the W. P. A. "functions with an efficiency of which any industrialist would be proud."

The next largest slice of Federal W. P. A. expenditures, 8.6 percent, goes for materials. Any cutting of material costs results in poorer projects. If material costs are cut far enough it means a return to leaf raking or the dole. Overwhelming opinion of people in this country, as expressed in Gallup polls and otherwise, is against either of these alternatives. The people definitely feel that those who are unemployed should be given a chance to work on worth-while jobs.

The other 88 percent of the money spent by W. P. A. goes to the project workers themselves. Here obviously is where any savings that are going to be effected must come. Governor Bricker wants cheaper relief. He can get it only by taking it out of the hides of the needy unemployed who work on W. P. A. projects. The average monthly wage on W. P. A. is about \$54—this, it must be remembered, for family heads. Perhaps Governor Bricker thinks that \$54 a month is too much for an American family to get. I doubt if the majority of his countrymen will agree with him. A saving which requires American families to try to get along on less than W. P. A. wages is a very poor form of economy.

Governor Bricker is fond of accusing others of playing politics with human misery. As far as the W. P. A. is concerned it is worthy of note that the Republican mayor of Cleveland, in an

open hearing before a congressional committee in the spring of 1939, stated, without reservation, the W. P. A. in Cleveland has not been politically active in any fashion.

It is ironic to note that in 1938 it was the Democratic candidates for Congress who complained that we were favoring the Republicans and that the Republicans in Cleveland were using the W. P. A. to their advantage. Not one single complaint was made by the Republicans of Cleveland that the W. P. A. was being used by the Democrats.

To the credit of the Republican mayor of Cleveland it should be noted that investigation showed convincingly that Mayor Harold Burton at no time showed the slightest desire to use the W. P. A. for political purposes. Mayor Burton, in the midst of a recession that hit his city harder than any other in the Union, conducted his relations with the Federal Government and the W. P. A. on the highest plane.

Governor Bricker knows also that in the 3 weeks before the election of 1938, the W. P. A. rolls in Ohio were cut by some 5,000. If the W. P. A. were playing politics in Ohio it would certainly have waited until after the election to cut its rolls.

It looks as though Governor Bricker himself were the only one who is interested in turning the severe crisis of Ohio's needy unemployed into a political issue. By accusing others he seeks to divert attention from the inadequacy of the direct relief provided by his own administration. In talking loudly about politics he hopes to delude people into accepting a cheaper relief set-up which in actuality will only mean a lowering of the subsistence standard of hundreds of thousands of already hard-pressed families.

Sincerely yours,

HOWARD O. HUNTER,  
Deputy Commissioner.

[From the Cleveland News of December 25, 1939]

W. P. A. WAS WILLING TO SUPPLY THE JOBS BUT THE CITY COULD NOT FINANCE THE WORK, OFFICIAL SAYS

TO THE EDITOR OF THE NEWS.

Sir: In your issue of December 18 you make the statement that: "Washington's W. P. A. juggling before and after the 1933 elections, in which the Cleveland cut of 75,000 to 30,000 jobs was the most severe slash in the country."

On May 12, 1938, Mayor Harold H. Burton, of Cleveland, broadcast the following statements:

"About one-third of the workers in greater Cleveland are out of work. This number has doubled since October (of 1937). There were then 90,000 out of work. There are now 185,000. This means 370,000 people, or nearly one-third of greater Cleveland's population, today are unemployed or dependent on an unemployed worker."

"The Federal Government has thoroughly examined Cleveland's finances and relief policies. Based on this study, its officials in Washington, Chicago, Columbus, and Cleveland are cooperating completely with us in meeting the crisis."

"The administration of relief in Cleveland, whether under Federal, State, county, or city control has been strictly nonpartisan."

Does your comment on juggling mean that Mayor Burton was wrong—that Cleveland did not need the W. P. A. jobs?

The day following Mayor Burton's broadcast, you said in an editorial headed Facts, Figures, and Famine:

"The common sense of these statements of fact seems to us so powerful and conclusive that we cannot imagine any honest citizen of Ohio who could hear them and remain unmoved, nor any legislator who could hear them and remain blindly hostile."

Has The News changed its mind about the need in Cleveland in 1938? As to the reduction, the true picture of that is that the reduction was accomplished gradually. The peak of W. P. A. employment, 79,848 was reached on October 5—a month before election. By election day it had decreased by 2,000 workers. It decreased thereafter as follows: December, 74,563; January, 71,343; February, 67,956; March, 67,789; April, 64,113; May, 58,257; June, 52,317; July, 51,454; August, 38,960; September, 29,762; October, 30,646; November, 30,205. The News' remark about juggling before and after the 1938 election implies that W. P. A. withheld employment quota from Cleveland. On the contrary, Cleveland has for weeks had 7,000 more quota than it took advantage of. The inability of the city and other sponsoring units to provide their share of the cost of the projects kept those vacancies unfilled. And I am sure that The News would not advocate greater Federal financing of W. P. A. projects. As to the helpfulness of W. P. A. in Cleveland, Mayor Burton, in his letter of December 16, advised Governor Bricker as follows:

"Throughout the year, and particularly during this period of emergency . . . the Federal Government through its W. P. A. and its Federal Surplus Commodities Corporation, has cooperated quickly and effectively to meet the emergency. This action has been of great value to Cleveland and will continue to be of the utmost importance."

EARL MINDERMAN,  
Special Assistant, Federal Works Agency.

## Basis for a Prosperous Agriculture

## EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ADDRESS BY JOHN LEE COULTER, PH. D., LL. D., FORMER PRESIDENT, NORTH DAKOTA STATE COLLEGE, AND MEMBER OF UNITED STATES TARIFF COMMISSION

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Dr. John Lee Coulter, former president of North Dakota State College and member of the United States Tariff Commission, before the members of the American Livestock Association, on January 12, 1940, at Denver, Colo.:

Members of the American National Livestock Association, guests, and friends, I came here directly from Washington, our National Capital, where the subject of leading importance today is the movement to extend for another period of 3 years the act of Congress providing for the negotiation of reciprocal-trade agreements. So important is the subject that the President in his annual address to the Congress on the state of the Nation, after devoting one-third of his time to a discussion of foreign affairs devoted about one-third of his time to consideration of the reciprocal trade agreements program. Only one-third of his time was left for the consideration of other topics. Because of the importance of the subject and its direct bearing upon the prosperity of agriculture—and especially the prosperity of livestock growers—it seems appropriate that I should center my address today around that subject. I had, in fact, already drafted a much more general address in which discussion centered around all of the various elements which enter into national prosperity. Now, however, it seems to me appropriate that I limit myself very largely to a discussion of this one subject.

A trade agreement, as you know, is a special kind of treaty; perhaps I should say "a special type of commercial treaty." The dictionary says that "a treaty is an agreement between two or more nations." Presumably all treaties are reciprocal in the sense that each country makes certain pledges and concessions in exchange for equivalent pledges and concessions from the other or others as the case may be. It would seem perfectly proper, therefore, to briefly refer to "reciprocal-trade agreements" as "trade treaties" since they are agreements, reciprocal in nature, and deal with trade.

I believe it is true that in every country treaties are negotiated by the President and members of his Cabinet—with the assistance of ministers or specially appointed delegates to conferences—or by the king, emperor, dictator, or corresponding chief executive. In other words, treaties are negotiated under the immediate direction of the chief executive officer. I believe it is also true that in every country—except those run by dictators—treaties are then submitted to the Parliament or Congress or other representative body elected by the people for their approval. In our own country provision is made in the Constitution for the negotiation of treaties by the President and for their approval by the Senate before they become binding documents.

## EMERGENCY

In 1933-34 it was believed by the President and Congress that an emergency existed which justified a departure from the usual—and constitutional—procedure. And an amendment was adopted to the Tariff Act of 1930 providing for these special trade treaties—June 12, 1934. This act authorized the President to both negotiate and proclaim these, by calling them agreements rather than treaties, without Senate approval. But the period during which agreements might be made was limited to 3 years, and the agreements were to be effective for a base period of 3 years. Three years after, however—1936-37—it was believed that the emergency still existed or that a new one had arisen. Few agreements had been negotiated; there was little evidence of harm as a result of those negotiated; most countries were advancing more or less definitely out of the world-wide depression, so that at the request of the President the act was extended for another period of 3 years—from June 12, 1937, to June 12, 1940.

Now it is said that the emergency still exists, or that a new one has arisen, and a resolution has been introduced to extend the act for another period of 3 years, to June 12, 1943. In the meantime, revolutions and wars have spread over many nations—in spite of

the claim that trade treaties would save the world from new outbreaks of armed conflict. In the meantime, too, those engaged in agriculture, industry, and labor in the United States have found that little or no benefit has come from the trade agreements while, on the other hand, they detect much harm. Under the circumstances there are many who believe that since the Senators are employed for full-time duty and paid by the year, as are members of the Senate staff, these special treaties should be made subject to Senate approval before they are made effective, just as other treaties must have Senate approval, as provided by the Constitution, and just as treaties in other countries must first meet with parliamentary approval. If the Senate is not in session when one of these trade treaties is completed, and if it seems desirable to make it effective at a very early date, the Senate can be called into session; or the Senate can be held in session without holding Congress. This is not an uncommon procedure.

I am disposed to accept the view that if the act providing for these trade treaties is to be extended for a period of 3 years they should be made subject to Senate approval (1) unless or until the scope of these treaties is adequately delimited, (2) unless or until a measuring stick is prescribed to define concessions to be granted and to be secured, and (3) unless or until a foreign-trade board has been created with detailed instructions as to the method, scope, character, etc., of carrying out the will of the people as expressed by Congress—corresponding to the Federal Reserve Board with its jurisdiction over our monetary, banking, and credit system or the Interstate Commerce Commission over our transportation system, etc.

## RECIPROCAL-TRADE AGREEMENTS AS PEACE TREATIES

Much has been said during recent years as to the merit of trade treaties as, in fact, peace treaties. First, it was said that these trade treaties would definitely serve to maintain peace or prevent wars not only between the United States and foreign countries, but even among foreign countries, because of their unconditional most-favored-nation characteristics. But since the passage of the act, June 12, 1934, there have been more revolutions and wars—declared and undeclared—among foreign countries than during any recent comparable period. Certainly the United States ran the risk of becoming definitely involved in these revolutions and wars by launching trade-treaty negotiations with Spain and Italy and then failing to continue to a successful conclusion; also by stepping into the very center of the European confusion by negotiating trade treaties with Czechoslovakia, Finland, and Sweden; not to mention agreements with Belgium, Netherlands, Switzerland, France, and Great Britain. It does not appear that trade treaties served to maintain world peace.

Second, much has been said to the effect that a continuation of the trade-treaty program would help to restore world peace among warring countries. Just how this is to be done, for instance, in the case of Japan, Manchukuo, and China; or in the case of Germany, Austria, Czechoslovakia, and Poland; or in the case of Italy, Ethiopia, and Albania; and now in the case of Russia and Finland; or, finally, in the case of Germany, which is at war with France and members of the British Empire, has not been disclosed. There are many who are not able to comprehend how these trade treaties can do otherwise than increase the confusion and chaos.

Third, it is argued that the trade-treaty program should be carried on in order to bring order out of chaos after world peace has come. It is admitted by all that economic chaos does exist and will exist whether an early peace is restored or whether war continues until many nations have collapsed in exhaustion. But no concrete statement has been made to indicate how these trade treaties are to bring order out of chaos.

Thoughtful and conscientious national leaders, both among statesmen, educators, business leaders, and others are disposed to believe that the trade-treaty program serves no useful purpose, and is, in fact, dangerous while, on the other hand, they believe (a) that treaties between the United States and foreign countries should be subject to Senate approval, (b) that rules governing our foreign trade should be acted upon by Congress just as the Neutrality Act recently was passed by Congress, and (c) that peace and order must be restored at the world peace table.

## TRADE TREATIES IN LIEU OF TARIFF REVISION BY CONGRESS

Since the emergency feature of these trade treaties is no longer tenable and since, in fact, they are not peace treaties, did not prevent wars, cannot stop wars, and cannot take the place of a world peace treaty after wars have ceased, we may look at them for what they really are.

These trade treaties are, in fact, a piecemeal revision of the tariff by executive action. The whole program was and is a device to take tariff making away from the legislative body (the Congress of the United States) and center it in not a foreign trade board or a bipartisan commission but in the hands of the President and a member of his cabinet, particularly concerned with international diplomacy. Thus, the new program becomes, in fact, a new type of dollar diplomacy. Foreign countries are promised all manner of special advantages in the markets of the United States in return for agreeing to suggestions from the United States as to how these foreign countries should conduct their own affairs. It is a form of



interference in the conduct of foreign business which may very well in the long run involve the United States in all manner of difficulty.

#### A FEW TARIFF FACTS

Embargo versus free trade. There are no isolationists in the United States and no free traders—or at least they are as few in each group as Communists on the one hand and Fascists on the other. Of course, these few extreme isolationists and free traders are noisy and must be watched. But probably more than 90 percent of us are for something far less than embargo on the one hand, but far more than free trade on the other. That we are not isolationists is shown by the fact that whereas 100 years ago only 5 percent of our imports were on the free list, 90 years ago 15 percent were on the free list, 65 years ago 25 percent of our imports were on the free list, 40 years ago (1900) about 50 percent was on the free list, and now from 60 to 70 percent of our imports are on the free list. Our goal is not isolation but the highest possible standards of living and the greatest possible prosperity for all—producer and consumer, city and country, North, South, East, and West.

High tariff did not cause depression and low tariff will not restore prosperity. The tariff acts since the World War (acts of 1921, 1922, and 1930) averaged considerably lower than the average rates of duty in tariff acts for 50 years before the World War. I refer you to the table on page 443 of the last "Statistical Abstract of the United States," issued May 1, 1939, by the United States Department of Commerce. In other words, recent protective tariff acts did not set a new high level of tariff rates. They revised the low Tariff Act of 1913 by restoring a tariff level somewhat lower than the average of tariff acts maintained for a period of 50 years before the outbreak of the World War.

#### COLLAPSE IN FOREIGN TRADE 1929-32 WAS NOT RELATED TO TARIFF ACTS IN THIS COUNTRY OR FOREIGN COUNTRIES

We in the United States are all familiar with the fact that the value of imports into the United States decreased fully two-thirds (66 2/3 percent) between 1929 and the bottom of the world depression. Since this decrease took place at about the same time as the passage of the Tariff Act of 1930, it is not surprising that many uninformed persons (or others with special motives to promote) should place the blame squarely upon the passage of the tariff act. But closer analysis discloses, first, that two-thirds of our imports were already on the free list and were left on the free list; and second, that the decrease in value of imports on the free list was exactly at the same rate as decrease in value of dutiable imports. Third, it should be added that value of exports to all foreign countries fell to exactly the same rate, and yet we do not immediately blame that upon tariff acts by all foreign countries.

Frequent reference is made to the fact that the recent depression was world-wide in its extent. But here we usually stop. Let us, however, examine world foreign-trade figures. Imports into all nations in the world (109 countries) averaged slightly more than \$33,000,000,000 annually during the 5-year period 1925-29. Then world imports started down (in response to a world-wide collapse in prices, especially of raw materials such as rubber, sugar, coffee, milk, tin, and many others). By 1930 (before the passage of our tariff act) world imports had fallen below \$29,000,000,000, a decrease of nearly \$7,000,000,000. By 1931 world imports had fallen to \$21,000,000,000, another decrease of nearly \$8,000,000,000. By 1932 world imports had fallen to less than \$14,000,000,000, another decrease of about \$7,000,000,000. World imports decreased slightly again in 1933 and 1934. The combined reduction in value of world imports into 109 countries represents a decrease of about 66 2/3 percent between 1929 and 1932. In other words, the decrease in the world as a whole was almost exactly the same as the decrease in the United States.

What has been said with reference to the falling off in value of imports applies equally with reference to value of exports.

Just as the Tariff Act of 1930 had no measurable relationship to the world-wide decline in imports and exports, so, too, the so-called Reciprocal Trade Agreements Act had no relationship to the recovery. Imports into the United States had fallen to \$1,323,000,000 by 1932, but again had increased to \$2,047,000,000 by 1935. This was an increase of \$725,000,000, or considerably more than 50 percent before any important trade agreements had been negotiated. Indeed, the only agreements completed before January 1, 1936, were those with Cuba, Belgium, Haiti, and Sweden. Without going into detail, it is enough to add that the value of exports likewise increased almost \$700,000,000 between 1932 and 1935. Also, without going into detail, it is enough to note that world imports and exports had likewise definitely started to increase before the passage of the Trade Agreements Act in the United States.

#### PRESENT EXPANSION OF EXPORTS NOT DUE TO FOREIGN CONCESSIONS IN RECIPROCAL-TRADE AGREEMENTS

But it is pointed out by proponents of the trade-agreements program that actually exports from the United States have increased from \$2,133,414,000 in 1934 when the Trade Treaty Act was passed to \$3,094,095,000 in 1938 and that preliminary estimates of exports for 1939 are almost exactly the same. In other words, the dollar value of exports has actually increased about 45 percent since 1934. This they wish to attribute to the Trade Treaty Act. It does seem, therefore, desirable to examine the claim. First, it seems desirable to exclude exports to the countries engaged in wars and revolutions during the 5-year period in question. Japan and China (including Manchukuo, Hong Kong, and Shantung) have been in a chaotic condition. The same applies to Italy, including Ethiopia and Albania. The same also applies to Spain and Germany, in-

cluding Austria and Czechoslovakia. Our exports to these unfortunate countries have actually fallen off since 1934 a total of \$26,037,000. When exports to these countries are excluded, it appears that exports to all other countries actually increased 60 percent rather than 45 percent already noted. We may now properly divide these exports between "exports to trade-agreement countries" and "exports to other non-trade-agreement countries." I shall not burden you with detailed figures, but shall be glad to furnish them to anyone on request, taken from the official Government reports. Strangely enough, they show that the increase in exports to trade-agreement countries was 61 percent and to the other non-trade-agreement countries likewise it was almost exactly 60 percent. Thus, from the Government statistics it appears that, first, the increase in our exports only took place before any important trade agreements were negotiated as a part of world-wide recovery, preparation for war, etc., but, second, that our export trade increased as much to the non-trade-agreement countries (excluding those at war) as to the trade-agreement countries. Incidentally, the third point may be made to the effect that world imports and exports among all of the 109 other countries likewise gained at approximately the same rate.

#### TRADE AGREEMENTS DOING ACTUAL DAMAGE TO AGRICULTURE

There would be little value in this discussion merely in showing that trade agreements have accomplished no useful purpose. By far the more important subject is with reference to possible harm that may have been done. On this point it is enough to say that a recent investigation disclosed that whereas the quantity of all imports into the United States increased as a part of the general recovery extending between 1934 and 1937 by 52 percent, the increase in quantity of commodities on which tariff reductions were made in reciprocal-trade agreements increased 123 percent. From this it would appear very definitely that concessions granted in trade agreements greatly stimulated the volume of imports. The same investigation disclosed that whereas prices in general advanced about 20 percent between 1934 and 1937, prices of commodities on which tariff reductions were made decreased about 10 percent (9.9 percent). Thus, it appears that concessions made by the United States have had the following general results:

(1) They have served to force farm prices down or to prevent them from rising, or at least to slow down the advance which was taking place. On this point, they have gone directly contrary to efforts being made to improve the price level.

(2) They have displaced farm products in the American market by encouraging an increase in the quantity of imports.

(3) They have displaced factory products in many cases, thus causing unemployment and hurting the farm market by lowering the purchasing power of factory wage earners.

(4) They have been a factor in holding down factory pay rolls because of the more severe competition from foreign products, thus lowering labor's purchasing power and interfering with development of a profitable market in the United States for the products of the farm.

If time permitted, I could cite you great numbers of individual cases where these different injurious effects are clearly evident. I shall be glad to do so by correspondence if any of you desire more in detail.

#### EXTENT OF TARIFF REVISION

I am asked day after day to give facts and figures concerning the extent to which tariff revision has been carried through thus far. Permit me to cite just a few facts. A report just released by the Tariff Commission indicates that in 1937 imports of all commodities subject to duty were valued at \$1,442,000,000. Rates of duty have been reduced on commodities whose import value was \$815,000,000. Thus, rates of duty have been reduced on 42 percent of all dutiable imports. Perhaps I should say in passing that this applies equally to agricultural and nonagricultural items. In fact rates of duty have been lowered on 47 percent of all dutiable agricultural imports (including articles made from agricultural raw materials), while reductions have been made on only 30 percent of strictly nonagricultural dutiable imports. There are about 2,500 commodities subject to tariff duties. Already reductions have been made on about 1,100 of these items, or again, about 42 percent of all import commodities. On the other hand, although the law authorizes increase or decrease not to exceed 50 percent in any case, it is significant that thus far no increases have been granted. In other words, this is a broad general downward revision of the Tariff Act by the executive department charged primarily with the responsibility of maintaining friendly relations with foreign countries and not especially concerned with "keeping the home fires burning." As already noted, the law permits increases or reductions not to exceed 50 percent. The question arises as to the extent to which reductions have been carried. A recent official report from the Tariff Commission discloses that up to date reductions have averaged 38 percent. In other words, the average rate of duty has been cut considerably more than one-third. As already noted, reductions in the case of agricultural commodities have been equal to or greater than in the case of non-agricultural. While the reduction on all items has averaged 38 percent, the reduction on agricultural items has averaged 40 percent, while the reduction on nonagricultural items has averaged only 35 percent.

#### RECIPROCAL TRADE AGREEMENT PROPONENTS CLAIM THAT "SMALL REDUCTIONS WITH LIMITED TARIFF QUOTAS HURT ONLY A LITTLE"

In defending reductions, especially on agricultural products, proponents of trade-agreements program have made much of the fact

that rate reductions have been relatively small and that in many cases tariff quotas have been established. Many addresses have been made claiming that the increase in imports amounts to only a trickle. This goes directly contrary to the well-known fact that "just a little bit less than enough rain is a drought and spells disaster," or again, "just a little bit more than enough rain is a flood and spells disaster." It was because the Mississippi River gets 1 foot or 2 feet out of its banks that hundreds of millions of dollars of public money have been spent to control the flow. Scores of other illustrations could be given. The National Government under A. A. moves into a community and buys just a little to give away for relief in order to raise the price to farmers. It would seem that if taking just a little out of the bucket will keep it from overflowing, then adding just a little to the bucket will make it overflow. And so it is that the tariff program has lowered or held down prices to farmers and displaced farmers in the American market; thus leaving more natural resources idle and lowering the purchasing power of agriculture for industrial products; thus leading to more unemployment.

#### METHODS OF CONDUCTING NEGOTIATIONS

Much is said during the current debate with reference to methods of negotiating reciprocal-trade agreements compared with methods of tariff revision by Congress. Proponents of trade treaties stress the fact that "they provide for public hearings." Having presided at a dozen of these public hearings, I can bring witness to the fact that they do not compare with public hearings conducted by the Ways and Means Committee of the House of Representatives or the Finance Committee of the Senate. But far more important than this is the fact that after the public hearings, when Congress revises the tariff, there is open and extended public debate. All of this is secret under the trade-treaty program. The public is kept absolutely in the dark. If there is logrolling as claimed in either the House of Representatives or the Senate, it is in public view and in response to the demand of the people who make up the total citizenship of America. The logrolling which is carried on by those negotiating trade agreements, such as the public decision to withdraw copper in connection with the agreement with Chile or the decision to discontinue negotiations with Argentina (until after the Trade Agreements Act has been extended and after the elections have been held) is far more undesirable than logrolling before the public gaze.

Perhaps the greatest difference between tariff revision by Congress and by the President with the aid of the State Department is the fact that Congress attempts to arrive at "difference in cost of production in the case of competing commodities between the United States and the principal foreign supplier." Decision is based upon the judgment of 500 Members of Congress elected by the people of the country. In the case of trade treaties the President and Secretary of State make the decision influenced by their desire "to appease foreign countries" or "to demonstrate that we are good neighbors" or "in an attempt to influence foreign countries in the method which they have chosen to pursue in regulating their own foreign trade."

#### NEW TITLE TO TRADE TREATY ACT

If the act authorizing reciprocal-trade agreements is extended for another 3 years, there are many who believe that the title should be changed to read: "An act to bring about longer hours of labor in the United States, to force a lowering of wages, to bring about lower prices for farm products, to retire farm land from production, to increase the dependence of the people of this country upon foreign sources for their everyday requirements, to make it impossible for farmers to pay their interest, mortgages, taxes, freight rates, and other overhead burdens, and for other purposes."

#### REVENUE

The Tariff Act is a revenue measure as well as a measure to regulate the foreign trade of the United States. In 1929 the Tariff Act produced \$580,976,000—more than half a billion dollars of revenue. By 1938 this was down to only \$293,070,000—a decrease of almost \$300,000,000. It is true that part of this decrease is due to the fact that prices of imports are much lower than they were in 1929. Thus, if a given commodity was valued at \$100 in 1929 and if the tariff rate were 40 percent, the revenue would be \$40. If the same commodity at the present time is valued at \$60 and the rate of duty remains the same, or 40 percent, the revenue is only \$24. In this case the mere falling off in price of imported commodities called for a loss of \$16 in revenue. Then, too, a small part of the decrease is due to the fact that the quantity of imports is slightly lower, although it is well to note here that the quantity of imports in 1937 was exactly the same as the quantity in 1929. In other words, the number of tons, pounds, bushels, bales, barrels, gallons, etc., imported in 1937 added up to exactly the same as the number imported in 1929 so that quantity of imports is not the important factor in the lowering of Government revenue. The big factor in lowering Government revenue has been the reduction in rates of duty on imported commodities under the reciprocal trade agreements program. A recent study by the United States Tariff Commission discloses that the lower rates of duty on trade agreements thus far negotiated would produce \$113,000,000 less of revenue than the rates in effect before the passage of the act. Here then we have the National Government deliberately sacrificing an important source of revenue at the same time that other serious effects upon domestic agriculture, industry, and labor result.

#### CONCLUSIONS

This brief address would not be complete without at least some indication of what recommendations might be made in view of the present move to extend the trade-agreements program for another period of 3 years. Very briefly, I believe that the facts already presented justify the following suggestions: Trade treaties are, of course, a special form of commercial treaties, and the President and his Cabinet must necessarily be authorized to negotiate both general and special trade treaties. But, first, all of these trade treaties should be subject to Senate approval. I also firmly believe that since the whole question of revenue and of protection to domestic economic life is involved these should be subject to approval by the House of Representatives as well, even though they do deal quite directly with foreign relations. My next suggestion is that these trade treaties should be bilateral in character in the sense that they should be "conditional most-favored-nation treaties" rather than "unconditional." In other words, concessions granted in trade treaties to a given country with which negotiations are carried on should not be extended to all other countries unconditionally unless they, in turn, enter into agreements carrying equivalent concessions to the United States.

A third suggestion is that the greatest need at the present time is to establish a measuring stick or a rule setting forth the basis for changes in rates of duty, etc. The rule of Congress which attempts to measure difference in cost in production and difference in living standards seems to me to be far more preferable than the present point of view, which is largely to appease foreign countries by making concessions which are damaging to our own economic life.

My fourth suggestion is that, insofar as trade concessions are provided for under authority granted by Congress, they should be subject to a Federal foreign-trade board rather than to any one member of the Cabinet or other official.

Perhaps this is far enough to indicate the character of the problem which is receiving such widespread consideration in Congress and throughout the country. I appreciate the opportunity to visit with your organization and to discuss this subject with you. All figures which I have used in this address are taken from Government reports and are the very latest and most accurate available. There are many phases of the subject which time did not permit me to discuss, such as currency depreciation, gold movements, international exchange, foreign quota-controlling systems, foreign exchange-control arrangements, etc. I shall be glad to supplement this address by further correspondence with any who may desire to go into the subject more in detail.

### The Antilynching Bill

#### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

Mr. GEYER of California. Mr. Speaker, this Congress has before it for consideration a bill to curb lynching in the United States. While occasionally members of other races fall victim to the crime of lynching, it is chiefly the colored race that suffers. These 13,000,000 fine American citizens, one-tenth of our population, are denied the rights guaranteed by the Constitution.

#### GLAD TO SUPPORT THE MEASURE

While I am the author of a similar bill, I am glad to lend my support, along with others, to the bill now before the Congress. I am happy to state that my name appears among the first on the discharge petition.

#### LYNCING—A CRIME AGAINST GOD

The Scriptures are filled with passages that forbid the taking of a life, and the best known, perhaps, is the commandment which says, "Thou shalt not kill." Again, they are very plain as to our duty to respect constituted civil authority. In Matthew xxii: 21 we find Christ telling the Pharisees: "Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's."

Thus we see that the two elements that underlie the crime of lynching—that is, taking of a life, and the refusal to allow the law to take its course—are both forbidden by the Good Book.



## THIS BILL IS REAL AMERICANISM

We have heard much said recently on the floor of this House about Americanism. We all loudly proclaim at every opportunity that we are 100-percent American; that we abhor foreign "isms"; or that we believe in American democracy. Do we really mean these things when we say them? Here is our chance to show by supporting this measure, as it goes through the Congress, whether our Americanism is working all the time or is used only when it suits our convenience.

## LYNCHING IS CONTRARY TO THE DECLARATION OF INDEPENDENCE

I know of but one way to test an issue to determine whether or not it is American or un-American; that is by comparing it to the principles laid down in our fundamental documents. This bill is to correct practices forbidden by the Declaration of Independence.

This document states that "all men are created equal," and again that "all men have certain inalienable rights—life, liberty, and the pursuit of happiness."

Can anyone doubt that a law designed to protect one class of people against another class is according to the American way of life?

## THE CONSTITUTION FORBIDS LYNCHING

Read again the preamble to the Constitution that we have all sworn to uphold. Do the expressions "establish justice, promote the general welfare, or secure the blessings of liberty" mean anything to us?

Again, does the expression "due process of law" have any application to this subject? Reread the thirteenth, fourteenth, and fifteenth amendments, those passed at the close of the War between the States. Do these not give our colored people the same rights as any other people?

My colleagues, we must admit that if we are going to be consistent in our Americanism we must support this measure.

## LYNCHING AND THE POLL TAX

It is interesting to note that most of the opposition to this measure, both within and without this Congress, comes from the 11 States that still cling to the poll tax, a tax that keeps from the polls the very persons that are to be protected by this proposed measure.

I believe the two are very closely tied together; for whenever the victims of lynch law are able to express themselves by the ballot, then, and not until then, will they get the consideration they deserve.

I have introduced a bill hitting at the poll-tax evil. I hope it may have the support of a majority of this Congress. If we are going to talk Americanism, let us go all the way, and discriminate in no way against any because of race, creed, or economic status.

I hope the antilynch bill will soon become a law and that the poll-tax bill will soon follow.

## Trade Agreements and Shipping in Foreign Commerce

## EXTENSION OF REMARKS

OF

HON. CLAUDE V. PARSONS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ADDRESS BY HON. MAX O'RELL TRUITT

Mr. PARSONS. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by Commissioner Max O'Rell Truitt, of the Maritime Commission, at the executive luncheon of the American Merchant Marine Institute held at the Whitehall Club, New York City, on Thursday, January 11, 1940:

I am pleased to appear before this executive meeting of the American Merchant Marine Institute. The problems confronting

American shipping are many and varied. Our success in solving those problems depends upon the clarity with which we are able to view them, the energy with which we attack them, and, above all, the degree of cooperation which those of you who represent private initiative, and we, who represent the Government, are able to achieve.

There is another reason why I am glad to be with you today: That is the opportunity which the occasion affords for discussion of a matter that is of great interest to the American people and particularly to the shipping industry. I refer to the Hull trade-agreements program. The continuation of the program is of importance to all segments of the national economy. It is of special importance to those who make their living from shipping in foreign commerce.

The program was inaugurated, as you know, in 1934. It ran originally for a period of 3 years. It was reaffirmed by Congress in 1937. Agreements have been negotiated with 21 countries which normally account for three-fifths of our foreign trade. The enabling act is again before Congress. It is the earnest hope of those interested in the foreign trade of the United States that the program may be extended for another 3 years. No industry has a greater stake in the outcome than the industry represented by this institute.

Secretary Hull, more than any other person, is responsible for the trade-agreements program. During his more than a quarter of a century of public service, Mr. Hull had a good opportunity to observe the evil effects of the logrolling method of tariff adjustment. He became convinced that the right way to handle tariffs was by executive treatment, administered by experts on a national and nonpolitical basis. Accordingly one of his first acts as Secretary of State was to seek authority to negotiate trade agreements with other nations, looking toward a reciprocal reduction of trade barriers and a mutually profitable increase in our trade with other nations of the world.

There has been great controversy about the program. Some of its proponents have envisioned trade agreements as a solution for all of our difficulties. Critics, on the other hand, have predicted dire things as a result of each agreement and nothing less than national disaster if the program were continued. Actually, the issue is not, in my opinion, that important. Trade agreements are not a cure-all. They will not solve the many vexing problems with which we are confronted. They do, however, offer a great contribution, a step in the direction of trade and peace, and the prosperity upon which, when all is said and done, peace is likely to depend.

The excitement that has been generated by this program has given many people the idea that there is something abstruse, something mysterious, something occult about trade agreements. Actually, the thesis of the program is as plain as A B C. It is based upon the simple fact that a lasting trade between nations, like a lasting trade between individuals and between firms, must benefit both parties. Foreign trade, in its fundamentals, is just like any other trade. I have never understood why there should be so much mystery about it. Of course, speculation has been refined, and the mechanics of exchange have become more complicated with time, but the underlying principle, so it seems to me, is exactly the same as that which motivates trade between individuals or between two sections of the same country.

There was a time when man did not trade; he practiced self-sufficiency, and his standard of living was low. Today, even nations find it difficult, if not impossible, to get along without the products of other lands. And it is significant, I believe, that the more highly developed the nation the greater is likely to be the volume of its commerce with other nations.

Any of us, if we wished, could retire to a piece of land and produce everything required to sustain life in the human body. That is about all we could do. We certainly couldn't produce all of the foods we are accustomed to eat, the clothes we are accustomed to wear, and the amusements we are accustomed to enjoy. We couldn't have automobiles, radios, refrigerators, and the many other things which we have come to associate with modern civilization. The chances are we wouldn't have much in the way of culture, either, because culture depends to a great extent upon our association and interchange of ideas and goods with others. A nation could, of course, do a better job of self-sufficiency than could an individual, but the influence upon the standard of living would be the same. That is—bad.

Modern industry, which depends upon trade for its existence, has increased the standard of living manifold. It might be argued, of course, that we would be better off if we didn't have so many material possessions. I won't attempt to debate that point. Most of us, however, like to eat good food, live in good houses, send our children to good schools, drive automobiles, and enjoy generally as many of the good things of life as we can. We are able to have what we do have principally because of one factor—trade. And the term "trade" includes foreign trade.

It has been estimated that the industrial revolution increased man's productivity by four times. There is no way of computing the degree to which our well-being has been enhanced by trading with other nations. The degree, of course, varies for different countries. I venture to say, however, that for the people of some countries, foreign trade represents the difference between savagery and civilization. Certainly it means, to others, the difference between poverty and prosperity. I have attempted to make a rough guess of the extent to which foreign commerce increases the national income of the United States; conversely the degree by which our standard of being would be lowered if we were to attempt to produce for ourselves everything which we now import, and were ready to accept the inevitable concomitant, loss of our export trade.

My guess is that this figure would be in the neighborhood of 25 percent. In other words, those who now make \$6 a day would be reduced in their ability to buy to perhaps \$4.50 a day. This is something that those who are responsible for the welfare of the American worker should keep in mind. Moreover, the consequences of such an attempt would be the first certain step down the road which leads to autarchy, totalitarianism, and the horrible struggles which inevitably follow in the wake of state-controlled economies.

In making these observations I do not wish to give the impression that I am making a plea for free trade. Free trade, regardless of its theoretical aspects, could not possibly be applied in the world of today. There are certain segments of the national economy which, for military or other reasons, must be preserved. There are, moreover, some products which it might not be expedient to export. This is no reason, however, for abandoning all foreign trade; rather, it is but an added reason for stimulating trade in those commodities which, without injury to the national security and economy, we still find it advantageous to buy and sell.

Trade agreements are based upon the principle of unconditional most-favored-nation treatment. A lot of heavy things have been said and written about this precept. Like the fundamentals of foreign trade itself, the most-favored-nation principle is really very simple. It involves nothing more or less than an undertaking on our part to treat all comers alike. That means that when we give concessions to one country in a trade agreement we automatically extend them to all other countries which do not discriminate against us. This might look like giving something for nothing. In reality, it is the only fair way to do business, either domestically or internationally, and it is, to boot, the most profitable method in the end.

Critics of the trade-agreements program are very active at this time. Those who advocate outright abandonment are fewer now than when the program was begun. However, there have been advanced various proposals which, while ostensibly concerned with procedure, would in fact destroy the program.

One of these proposals demands senatorial ratification of each individual agreement. This has been determined by the Supreme Court as not being a legal requirement to a valid agreement. The American people are overwhelmingly dedicated to the democratic principle, to the democratic way of life. There are, however, some things which just cannot be done by caucus. One of them is tariff adjustment. Experience has shown that the only way tariffs can be adjusted in Congress is upward. Necessity sometimes dictates that they be adjusted downward. In either case, to get anywhere, the job must be done somewhere else than in the lobbies and Halls of Congress. In pointing out this indubitable historical fact I do not mean to reflect upon the integrity of any Congressman. Each Congressman does his best, I am sure, to represent the locality from which he comes. That is the essence of representative government. Unfortunately, tariff pressure, on a national basis, is almost invariably upward. In a changing world it has been found necessary to employ a more flexible procedure to maintain our place among the great trading nations. A century and a half of logrolling culminated in the disastrous Hawley-Smoot Tariff Act of 1930. Since 1934 our Government has been attempting in a patient, cautious, scientific, and orderly fashion to adjust some of the excesses of that act and by so doing to stimulate a healthy two-way trade—a reciprocal trade—with the rest of the world.

Congress, if it so desires, can insist that the Senate ratify each agreement. Insistence upon that right would undoubtedly kill the program. The executive branch of the American Government has asked Congress to approve a broad policy and then leave the mechanics of negotiation to those who are expert in such matters and who have no ax to grind except the interest of the country as a whole. This, it seems to me, is a reasonable compromise for us to make with conditions as they are. There are some who regard this procedure as a sacrifice of democratic principle. Actually, it is one of the best safeguards which we have against that regimentation of all kinds of business, particularly of foreign trade, which we have seen come about in so many other countries. If we are to have freedom of enterprise, let's have some of it in our foreign trade.

Another proposal which has gained considerable support is that we endeavor to ascertain the difference between the cost of producing articles in the United States and what it costs to produce them abroad and then make the tariff in each case equal to this difference. There are two very potent answers to this proposal. One is that you can't determine the cost of production; the other is that, even if you could, it wouldn't mean anything—there would be no business.

The most eminent tariff authorities in America, including two former chairmen of the Tariff Commission, have ridiculed the idea that you can obtain with any degree of exactitude the cost of producing things in foreign countries. One of our greatest tariff authorities once challenged any economist to give him the cost of producing a tomato in Canada. Those of us who are in the shipping business certainly know how difficult it is to ascertain the cost of building vessels abroad and operating them under foreign flags. We have a research division at the Maritime Commission employing more than a hundred people; we send men abroad to make intensive studies, yet we find it very difficult to determine the difference in the cost of constructing vessels in America, and the cost of constructing them in foreign yards as well as the difference in the cost of operating them under American and foreign flags. And ship costs, I am told by those who know, are child's play compared to some that the Tariff Commission has had to work on.

I don't know whether those who propose the cost-of-production formula know it or not, but this procedure, if actually applied, would mean the end of our foreign trade.

Suppose, for example, it were possible to grow rubber on a commercial scale in the United States; suppose further that we should ascertain the cost of growing rubber abroad, the cost of growing rubber here, and should then levy a tariff exactly equal to the difference. Wouldn't the result be that we would stop buying rubber from abroad? The only reason for buying from a foreign producer is to get a better product or one which we cannot produce economically. If you equalize the price, and if the quality is the same, it stands to reason that the consumer will buy from a domestic source. That may look like good business. The catch is that it might cost a dollar a pound to produce the rubber here, while we can get it from the East Indies for 20 cents a pound. So long as the East Indian producer is willing to sell it for that price, and to buy automobiles and other products from us, and thus develop a reciprocal trade, it seems to me that the present system is the right one.

Along with this cost-of-production discussion there has been a lot of talk about the low standards of living in foreign countries. Some of our people claim to see a great danger to the American standard of living in the fact that foreign workers are paid lower wages than our workers. I have never been able to see what that has to do with the matter. We buy a foreign-made product because it is produced more economically, because it is better, or for both reasons. The foreigner buys from us for the same reasons. Each side benefits, both the seller and the buyer. If each one didn't benefit, there wouldn't be any business. That's the thing to keep in mind. This is business under the capitalistic system, and I think we want to keep it for a while.

It may seem a bit inconsistent for me, as a member of the Maritime Commission, to discuss the liberalization of trade. One of our principal activities, as you know, has to do with ship subsidies. Subsidies are nothing more or less than a tariff in reverse, which makes them, I suppose, a form of trade barrier. Unfortunately this particular form of trade barrier is believed to be necessary if we are to have a merchant marine in foreign trade.

It costs from about one-third more to over twice as much in some instances to build vessels in the United States as it does in some foreign yards, and to run them under the American flag the percentages are about the same. That means that, if we expect to have any shipping in foreign trade, we have got to be prepared to pay subsidies sufficient to cover the higher costs of the American operator. We have found a merchant marine of some proportions desirable for the proper development of our foreign commerce and vital as an auxiliary to our defense forces. Hence subsidies in overseas shipping.

The higher costs of American operation, shipping people contend, are caused by the development of America as a protectionist country. It does not seem to be illogical, therefore, for the shipping industry to ask for some form of assistance sufficient to cover the higher costs resulting from the protection of other industries. It is not feasible to levy a straight tariff on foreign-flag shipping. We achieve the same result by paying subsidies to American operators engaged in foreign trade.

It should be pointed out while we are on this subject that the subsidies now being paid under the Merchant Marine Act of 1936 amount to approximately 13 percent of the earnings of the lines involved. That means that they are equivalent to a tariff of 13 percent. As tariffs go, this is a very reasonable degree of protection. Tariffs of 30, 40, and 50 percent are very common in the American schedule and there are some that run as high as 200 and even 300 percent.

It should also be pointed out that American operators engaged in foreign trade carry only about a third of the goods which enter and leave our shores. Here again shipping people contend that their aspirations are very modest. Some of the industries which have been most vocative in opposing the Hull program enjoy 90, 95, and even 98 percent of the domestic market. One industry which has been very critical has 99.5 percent. I have yet to find any shipping men objecting because a foreign-flag operator was able to participate in our trade to the extent of one-half of 1 percent.

There are many reasons why the shipping industry should be interested in the continuation of the Hull trade-agreements program. Some of them are common to all industries; others are peculiar to shipping in foreign commerce.

The most important reason, of course, is that the program aims at, and has achieved, an increase in foreign trade. The value of our business with other nations has increased several billion dollars during the period that the program has been in force. No one will contend that trade agreements are responsible for all of this increase; no one familiar with the situation will deny that they have helped.

The influence of the program is shown by the fact that trade with countries with which we have agreements has increased more rapidly than has trade with those countries with which we do not have agreements. It could be said, I suppose, that this is a purely accidental circumstance. That it is not accidental, however, is indicated by the further fact that most of the countries with which we have negotiated agreements have increased their trade with us more than they have with other countries.

Canada, in the 3 years of our first agreement with her, increased her purchases from us 42 percent, while her purchases from other countries increased only 22 percent. Cuban purchases from the United States have more than doubled since the trade agreement went into effect in September 1934. During the first 3 years of the agreement, Cuba increased her imports from us 193, 292, and



231 percent. The imports from other countries, meanwhile, increased only 87, 107, and 57 percent. These figures show, first, that the expansion of our foreign commerce which has taken place during the past 6 years was not accidental; secondly, that it was a sustained recovery and not a flash in the pan.

The Hull program has increased trade. A fact that is of special importance to the shipping industry is that trade has been increased both ways.

The program has also been of direct benefit in another way. Trade agreements, by their very nature, tend to stabilize foreign commerce. Security in the shipping industry is likely to depend, in final analysis, upon a reasonably steady flow of goods between nations. This is especially true of American shipping. Tramp owners are able to adapt themselves to, and even benefit by, violent fluctuations in the flow of goods. The American merchant marine, which consists almost exclusively of liner services, cannot help but be injured by such fluctuations. The program, by encouraging a healthy two-way trade, and thus encouraging stability in our foreign commerce, has contributed much to prosperity and employment in American shipping.

The indirect benefits of the program are no less important. Shipping, like many other industries, is extremely sensitive to the general health of the national economy. When the country as a whole prospers, shipping prospers; if the country goes into a decline, shipping also goes into a decline.

There is one more angle that is of interest to all of us. I refer to sane commercial relationships as a factor for peace. Trade certainly won't keep nations from fighting with each other—at least it never has—but they are less likely to fight if they do business on a mutually advantageous basis. Most of us have come to realize during the past 20 years that, although political events occupy the stage, the destiny of nations generally is decided in the cold, hard realm of economics. Anything that contributes to the well-being of the peoples of the earth is an influence for peace. Foreign trade, by enabling the people of one nation to sell what they can produce to advantage and to buy from the people of another nation that which they can produce to advantage, increases the standard of living of everyone concerned and, for that reason, makes nations less likely to resort to the cruel arbitrament of war.

The trade-agreements program attacks this problem two ways. In the first place, by increasing trade on a reciprocal basis, it contributes to the welfare not only of our own people but also of those with whom we do business. Secondly, by repudiating the idea of economic aggression, we have endeavored to create an atmosphere favorable to the solution of the impasse which has developed in foreign affairs during the past decade. War is now raging in several parts of the globe. Military warfare was preceded by years of economic warfare. I do not know which kind of warfare is responsible for the other, but there is certainly a connection. Each is the expression of an approach to international affairs that we, by means of the Hull program, have sought to temper through the application of a reasonable and equitable commercial policy. The fact that a good share of the earth's peoples are at war should not cause us to abandon our program; rather, it should, in my opinion, cause us to stress more than ever before those principles which we believe to be essential to the maintenance of progress and peace.

## Agriculture and Foreign Trade

### EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ADDRESS BY GEORGE N. PEEK

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by George N. Peek, Moline, Ill., delivered before the members of the American National Live Stock Association, January 12, 1940, Denver, Colo.:

My subject, Agriculture and Foreign Trade, involves the fundamentals of American prosperity and well-being. The subject assumes particular significance in view of the fact that this is an election year. The American people will be asked to approve or disapprove the policies followed by the present administration.

You are seeking my views, I presume, because you feel that from my long association with the effort to secure farm equality, and from my experience in Washington with this administration, I may be able to throw some light on some of the things that have been happening that have puzzled you as they have me. I shall try to do this: First, by telling you something of the past and present situation in respect to the administration's activities in agriculture

and foreign trade, then by outlining some points a constructive program must embrace.

Secretary Wallace summed up the farmers' present economic position in Chicago last month before the convention of the American Farm Bureau Federation when he said that the farmers' share of the national income "is about equal to the share they received in the 5 years before the great depression." Secretary Hull, at the same convention, said farm income in 1939 would be \$3,600,000,000 less than in 1929.

This situation requires some analysis after 7 years of supervision and expenditure of the taxpayers' money. The 5 years preceding the depression long will be remembered by farmers and livestock producers as years of great difficulties, particularly in the grain and livestock sections of the country.

Agriculture and foreign trade are so closely tied together that it is impossible to consider one without the other. Nevertheless, this is precisely what the administration has tried to do. In practice it has treated them as though they were totally separate and unrelated problems. On the one side in its domestic legislation it has attempted, however unsuccessfully, to raise domestic price levels independent of world price levels, and on the other side in its foreign-trade activities, it has pursued a policy of low tariffs, free trade, and internationalism, disregarding wage, price, and living conditions in this country compared with those in the world at large. It is like trying to ride two horses going in opposite directions at the same time. It cannot be done, and the attempt does not make sense. We must either exert our main effort to improve and maintain and protect our American standards and our national economic security, or we must move in the direction of lowering them to approximate those of the rest of the world, where peasantry, serfdom, and forced labor are too often the rule.

Most of us think that American traditions are worth preserving. Administration spokesmen protest that that is what they are trying to do. But how can you reconcile the attempt to control and regiment the individual producer and individual production at home with the concurrent attempt to expose our producers to increased competition from abroad in the form of increased imports at cut-rate prices? And how can you reconcile either policy with the goal of protecting and maintaining American traditions and American standards?

This is the dilemma with which the country has been faced for the past 6 years, but the administration has refused to recognize it. In its efforts to avoid this dilemma, of its own making, the administration has jumped to one hot spot after another. No one has jumped further and faster than Secretary Wallace. He has tried crop restriction, with and without the processing tax. He has tried soil conservation, so-called, but he makes the payments provided the farmers take the dose of acreage restriction which he prescribes. He first opposed the idea of marketing agreements, in 1933 preventing the conclusion of more than 100 agricultural marketing agreements and codes; he then later switched over to favor them on occasion. He has alternately opposed and supported the idea of export subsidies on major export crops. He has alternately opposed with violence and supported with enthusiasm benefit payments on export crops. He has favored a policy of crop loans above market levels, but at the same time he has opposed any thought of a two-price system for export crops. He has supported the administration's low-tariff program on every possible occasion, in spite of the fact that in numerous respects it is in clear opposition to the agricultural interests he is supposed to protect. Indeed, his economic adviser, Mordecai Ezekiel, is on record against the development of certain industrial uses for farm products on the ground, if you please, that they would compete with imports. Mr. Wallace seemingly has been oblivious to the fact that his policies and Mr. Hull's, combined, have cost us some of our best foreign markets for farm products and have led to a revival, in camouflaged form, of the discredited Farm Board theory of storing up surpluses without making adequate provision for disposing of them.

This is an interesting record, if not a consistent one. In two things, however, Mr. Wallace has been consistent. He has steadfastly clung to the idea of centralized political control from Washington of the individual farmer's production, with the huge appropriations and the vast bureaucracy which that places at his disposal. And, too, he has steadfastly refused to take a stand for the farmer against the Hull program with its constant undermining effect on farm prices and farm prosperity. Always he has subordinated the farmer to Mr. Hull's doctrinaire low-tariff ideals. In fact, he even sought to justify the Argentine agreement as a measure of "war insurance," although on what possible theory and against what possible war it is a little difficult to see.

Now let me turn to foreign trade. In 1932 foreign trade hit an all-time low, but even lower than our foreign-trade indexes were the indexes of farm prices and farm income. In the following 2 years some marked improvements were noted in respect to these, even though they still were far short of what was desired and necessary to recovery. In 1934 it was felt that special measures were desirable in connection with our foreign trade to supplement the domestic effort toward recovery; accordingly, the so-called Reciprocal Trade Agreements Act of 1934 was passed. Ostensibly it was, to quote from the act:

"For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various

branches of American agriculture, industry, mining, and commerce.)"

This was to be accomplished "by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States." Such was the purpose expressed by Congress.

The bill goes on to authorize the President "whenever he finds that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified," to enter into agreements with foreign governments and to proclaim modification of existing duties and other import restrictions. It limits his authority, however, to increase or decrease any charges by more than 50 percent. It prohibits transferring any article between the dutiable and free lists. It specifies that the proclaimed duties and other restrictions shall apply to all foreign countries; provided, that the President may suspend the application of the bill to any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purpose of the bill.

The changes were to become effective from and after the time specified in the proclamation. The President, however, may terminate any proclamation in whole or in part at any time.

Every agreement is subject to termination, upon notice to the foreign government at the end of not more than 3 years from the date it becomes effective, and thereafter upon not more than 6 months' notice.

The bill became effective in June 1934 for 3 years, and in March 1937 was extended by Congress for a further 3 years. Unless again renewed it will lapse on June 12 of this year, although the agreements made under it will continue unless denounced or otherwise terminated.

At the time of its first passage in 1934 I favored the act. I saw in it a bargaining weapon of great potential power, which I thought would be used primarily to move oppressive surpluses of our great exports. But what happened? Desirable trades were rejected. Instead of being used to bargain on behalf of our export crops, it was used as a means of effecting a general tariff reduction without congressional sanction. This was done by use of the so-called unconditional most-favored-nation policy, under which any concession granted to any one nation was straightaway granted to every other nation in the world, without requiring any concession in return. To make these tariff reductions as general as possible, the administration carefully declined to take note of the several hundred bilateral agreements existing among other nations of the world from the benefits of which the United States was and is excluded. It also declined to take note of many other trade agreements and trade practices among foreign nations which were and are, in fact, discriminating against the United States. Official reports of the United States Tariff Commission on this point were ignored, for to have noted them would have defeated the undisclosed purpose of general tariff reduction without congressional sanction. Only Germany was excluded from the list of the administration's tariff beneficiaries, and that for reasons which were personal and political rather than commercial or economic in nature. Even Russia and Japan were allowed to sit in on the feast, and they are still in their seats.

The administration throughout 1934 and 1935 had vigorously denied that any attempt to bring about a general reduction in tariffs was contemplated. Even President Roosevelt himself, as late as November 1935, said in a letter to me:

"Nobody is asking *laissez faire* or unconditional most-favored-nation general reduction in tariffs."

The truth is that, whether or not other nations were asking for generalization of concessions, our international altruists gratuitously gave it to all countries except Germany. Half a dozen of these agreements already had been completed when the President wrote that letter and the rest followed. The Cuban agreement is the only one where the concessions were not generalized.

Later in the same winter Assistant Secretary of State Grady, either more frank or less blind, in a magazine article, disclosed the objective and the method employed. Mr. Grady said:

"Our objective is the general amelioration of the world situation."

"We have already lowered many rates, which have been generalized to other countries. When we shall have gone the rounds of most of the important countries of the world, reducing in each case the duties on commodities of which it is the principal source, we shall have lowered our tariffs on a great many items where the case for lowering is justified. As a result of extending these reductions to virtually all countries, we will obtain, it would seem, what the proponents of unilateral tariff reduction desire; but we will do it more carefully and scientifically than is possible by legislative action."

Of course, he referred to a general reduction in the tariff.

Later in a speech at Riverside, Calif., he said:

"This new policy is of an importance that can hardly be exaggerated. We are to a greater degree than ever before meshing our domestic economy into world economy."

The fraud was apparent. The purpose now is no longer concealed. In fact, Mr. Hull in a recent speech at Chicago not only

admitted it, but boasted of the trade-agreements program as "a general tariff readjustment," which, incidentally, he claims he effected more wisely and efficiently than Congress could have done, which should be interesting news for Congress, but its main significance lies in its revelation of the extent to which Mr. Hull has departed from thinking in terms of democratic government.

He attempts to justify this usurpation of authority by blaming all the ills of the world on the Smoot-Hawley Tariff Act of 1930. He ignores the fact that the world depression set in more than a year before the Tariff Act of 1930 became effective, and that the Tariff Act of 1930 was merely a belated effort to protect our domestic economy from the world-wide collapse of commodity prices. Actually the depression resulted primarily from the impoverishment of nations, the dislocations of trade, and the destruction of international exchanges caused by the World War. In the effort to recoup the huge economic losses of the war, the various nations vastly over-expanded the production of commodities far beyond the power of the weakened world market to absorb them—coffee, sugar, rubber, copper, wheat, are prime examples—with the inevitable result in the late twenties of a general world-wide collapse of all commodity prices, and a consequent collapse of world-purchasing power and of international exchanges which contributed progressively to the confusion which followed. At the same time, however, that Mr. Hull assails the Tariff Act of 1930, he attempts to credit the Trade Agreements Act of 1934 with all the improvement since 1932. This is fancy skating on thin ice for a man who has said "figures don't lie, but liars figure," or words to that effect.

The administration program has now been in operation for more than 5 years. The claims of its advocates have been ardent but shifting. Facts have been unkind to them. For example:

(1) They have said that trade agreements are definitely helping American farmers to win back vital foreign markets. Unfortunately, the fact is that under these policies our cotton exports have been cut in half, and our wheat exports well nigh disappeared until the wartime demand from Europe developed.

(2) They have said that concessions have been granted only where imports were needed to supplement our own production. But compare this statement with the practically all-inclusive list of American farm products selling below parity (i. e., the domestic supply out-running the demand) on which, nevertheless, the administration has seen fit to lower tariffs and encourage cut-rate imports, thus inflicting further blows on an already weak structure of farm prices.

(3) They have said that unless we lower tariffs, foreigners will not be able to get the money to buy American farm products. Contrast with that the fact that from 1934 to 1938, inclusive, foreigners, through sales of gold and silver, had obtained nearly \$7,000,000,000 more than was necessary to pay for all their purchases in this country. They used it not to buy farm or other products, or to pay their debts to us, but to buy securities, to increase their liquid holdings here, and to buy elsewhere war materials and other supplies. There is more than enough dollar exchange available to foreigners now to buy American goods without our feeling we must open our markets to foreigners at the expense of our own producers.

(4) They have claimed that we needed triangular trade and the only way to get it was through general tariff reduction. But triangular trade long ago ceased to be a significant factor in our foreign trade, and it went out the window almost entirely when the present European war was declared.

(5) A final argument to obscure the real nature of the program was for a long time given great prominence, namely, that the agreements were a means of preserving the peace of the world. That argument has not been heard much since September 1, until the President revived it in his message to Congress last week, but if the opposite had been claimed, it would have forecast events more clearly.

As a matter of fact, the outbreak of war has revealed the administration policy as obsolete and ineffective an economic weapon as the bow and arrow would be on a modern battlefield. The only world in which this program would work is a world wholly at peace, a world of stabilized exchanges, a world of uniform wage and price levels—standards of living. Instead of that, we have war with its violent dislocations of trade, a fresh collapse of currencies, destruction of living standards in the belligerent and near-belligerent countries, and no indication of the outcome save that it will be tragic. This is the world economy to which the administration spokesmen have boasted of linking us—in which they seek to enmesh us further. We want none of it, and the stronger the wall we can build between us and it, the better for us and ours.

In the agreements which have been made there have been approximately 1,100 tariff rates reduced, 100 items bound on the free list, 50 bound against increase and not 1 tariff rate raised. About 200 agricultural tariffs have been reduced, although in the campaign of 1932 said Mr. Roosevelt:

"I do not intend that such duties shall be lowered."

Before leaving the subject of the trade agreements let me give you a few figures from official data—just a few high spots:

For the years 1935-38, inclusive, the Trade Agreements Act was in operation. Comparing the yearly average of exports and imports in this period with 1934, when the act was not in operation, official figures disclose that:

All merchandise: Exports increased \$654,000,000, or 31 percent; imports increased \$720,000,000, or 44 percent.

Agricultural: Exports increased \$62,000,000, or 7 percent; imports increased \$495,000,000, or 45 percent.



Industrial: Exports increased \$591,000,000, or 49 percent; imports increased \$225,000,000, or 41 percent.

For the first 8 months of 1939, which was prior to the European war, compared with the first 8 months of 1934:

Agricultural: Exports declined \$60,000,000, or -11 percent; imports increased \$203,000,000, or 29 percent.

Industrial: Exports increased \$586,000,000, or 73 percent; imports increased \$507,000,000, or 41 percent.

This increase of \$200,000,000 of agricultural imports in 8 months is at the rate of \$300,000,000 a year. Seventy-five percent of these commodities are directly competitive with our own production. They represent the production from 11,000,000 acres of good farm land figured at \$20 an acre.

The quantity imports of all commodities upon which tariff rates were reduced increased 123 percent between 1934 and 1937, the last year for which I have this data.

Competitive agricultural imports increased 61 percent in 1938 compared with 1932, while noncompetitive ones increased 28.8 percent.

In the first 10 months of 1934 cattle imports were 53,566 head; in 1939, 664,339. Canned beef imports, 35,000,000 pounds in 1934 and 78,000,000 pounds in 1939.

The figures speak for themselves and demonstrate that, so far as finding increased markets for American farm products is concerned, the program has failed. Administration theorists assert that the quantity imported is such a small proportion of our total requirements that it has no bad effect on the income of our producers. But every informed producer knows that it is the continued offering at lower prices that bears down the market rather than the quantity really imported. Income depends upon volume of sales and unit price. Imports of competitive commodities help neither for the American producer.

Does the administration claim that reduced tariffs on agricultural products increase the prices to American farmers? I for one would like to have them be specific on that.

In conclusion I shall summarize now my views of the problem and state what I think a constructive program for agriculture and foreign trade must embrace. It is essential, however, that this program, or for that matter any farm and foreign-trade program, must be administered by a competent and efficient administration in Washington. Much of it could have been realized under existing law with an administration sympathetic with its objectives, instead of one whose intent seemed to be to pervert its purposes.

The principal problem is maladjustment between industry and agriculture and between foreign and domestic prices and wage levels—living standards. So long as we keep agricultural prices on export crops tied to world price levels this problem will be with us, unless we submerge the farmer and industrial worker to the wage levels and living standards of foreign countries. This should not, and cannot, be done. This condition can be obviated in large part, I think, if we are willing to change the emphasis from production control, as promoted by the national administration, and which only nature can control, to marketing, which man can and does control.

To accomplish this (1) we should restrict and regulate to our domestic needs imports of foreign products, both agricultural and industrial, whenever prices are below decent American prices as represented by parity prices or cost of average American production, whichever is higher and more workable. The objective is to give the full benefit of the American market to our producers, agricultural and industrial, to the fullest extent of their ability to supply it. We should act in this direction at once, in the present session of Congress; when the trade agreements act is presented for renewal. Congress should reassert its constitutional control over tariff questions by requiring that all trade agreements present and future, be submitted to specific congressional approval. Failing such approval Congress should terminate them as provided in the termination clauses of the agreements themselves, usually a matter of 6 months' notice. At the same time Congress should provide that whenever specific commodities are selling below parity in the American market all importations of such commodities should be suspended until parity or American cost of production on the commodities in question has been reestablished. As to agriculture, a bill to effect this (H. R. 7590) was introduced in Congress on October 19, 1939, by the Honorable Roy O. Woodruff of Michigan, and I commend it to your attention. These are necessary first steps to the formulation of a long-range program in the interest of American agriculture. They should be taken without delay.

Once the principle of full protection of the American market is established:

(2) We should encourage the production in this country of products now imported and stimulate industrial uses for these products and for products now being produced here.

(3) We should limit, as far as possible, the operation of the Commodity Exchanges to domestic transactions at domestic price levels, thus insulating our markets against the lower prices quoted in other countries where wage levels and living standards are lower than ours. (If separate exchanges are required to serve foreign markets, let them be created. The sugar exchange may supply a pattern.)

(4) We should, if necessary, compel the payment to farmers by handlers or processors of an American price for American consumption of our principal export crops, such as cotton and wheat,

disposing of the balance after all domestic requirements are filled, through negotiations with foreign nations country by country.

To accomplish this we have several methods from which to choose.

Most, if not all the nations of the world, except the United States, have accepted this principle, although their methods differ. Their experience has demonstrated its necessity for their self-preservation. On the other hand, this administration has refused to consider such procedure even when highly desirable opportunities were presented.

How can we control the economic or political policies of the rest of the world? The answer is, we cannot. But we can attend to our own affairs and mend our own fences, economic and political.

(5) We should encourage soil conservation for its own sake, as distinguished from its use as a device to attempt to control production and administer it through the land-grant colleges or other suitable State agencies with the Federal Government's cooperation and financial assistance.

(6) We should encourage the development of cooperative marketing to the full. It is not a cure all, but your own experience shows how helpful it can be.

(7) We should reorganize the Tariff Commission into a real foreign trade board and make it responsible, under direction from Congress and the President, for policies of foreign trade and financial transactions, as distinguished from diplomatic activities, and we should compel bookkeeping records with each country. (The activities of the State Department should be confined to diplomatic and political matters, its traditional sphere.)

(8) We should keep what is good of existing legislation, amending it where necessary to include the foregoing, and improve other provisions which may be improved. For example, cooperative insurance, commodity loans, financing for farmers, purchases for relief, and in other respects.

The result, I think, would be a vast saving in the appropriations by Congress, not only for the farmer but for relief and for other purposes.

If our farmers had such a program and an administration which would aggressively administer it, I believe they would be able and willing to absorb a large part of the Government cost of removing excess supplies, which is for their benefit. They have always questioned the wisdom of the extravagant expenditure of money by this administration. They know what taxes mean to them.

I still say that my interest in politics is for agriculture—not in agriculture for politics.

The welfare of agriculture is of more importance to the Nation than that of any political party or of any administration.

Give the country the truth, and then we can see whether or not the country wants to "mesh our domestic economy into world economy," thus submerging our producers, agricultural and industrial, into the peasantry and serfdom of much of the world.

This administration has had its chance. The record speaks for itself.

We must replace theorists with realists, inconsistency with consistency, incompetency with ability, fiction with truth; and the time is now.

## The Years of the Locust

### EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

EDITORIAL FROM THE JEFFERSONVILLE (OHIO) CITIZEN

Mr. BROWN of Ohio. Mr. Speaker, the real strength of America has always been in the rural communities and small towns. Perhaps it is the pure air of the countryside that permits the citizens of the agricultural sections to have such a clear vision and to perceive a true outline of national and international affairs.

From the pen of S. C. Fuels, editor of the Jeffersonville (Ohio) Citizen, perhaps the smallest newspaper published in my district, under the title of "The Years of the Locust," comes an editorial summation worthy of the attention of every American citizen. I quote:

[From the Jeffersonville (Ohio) Citizen]

THE YEARS OF THE LOCUST

One of the most eventful decades in modern history has ended. And this Nation enters a new decade which, unless all signs are wrong, its people must face and grapple with problems, issues, and responsibilities of the most far-reaching character.

The 1930's will be known to the historians of the future as the years of one of the greatest and longest depressions this or any other nation ever experienced. They will be known as years of experiment, of trial and error, of the weighing of our old values and our old traditions. And they will be known too as years in which the democratic process was consistently attacked by some of those who called themselves its friends, as well as by those who were its frankly avowed enemies.

From the international point of view, the tragic thirties came to a cynically fitting end in that most ghastly and unnecessary of events—a war which embraces much of the world. In nation after nation the arts of peace have of necessity been put aside, to the end that war may be prosecuted to the utmost. And war destroys more than men and materials and machines and economies and states. It destroys those essential liberties for which men have fought and died in holy causes ever since the world we know began. It destroys those spiritual values which are at the root of all artistic, cultural, and humanitarian achievement. It has been truly said that in modern war there can be no victors—there are only the vanquished. It is an ironic commentary on the times in which we live that those nations which are fighting this war in the name of threatened democracy, have been forced to use the methods of the dictators in order to meet the enemy on its own totalitarian terms.

The greatest blessing which this Nation possesses today is its physical remoteness from the conflict abroad. That is a position enjoyed by no other of the world's major powers. There is profound wisdom in the attitude of the great majority of the American people who say in effect, "We can keep out of war, and we will keep out of war." There is no war party in this country; no responsible statesman urges our participation. We can all feel a deep and abiding thankfulness that this is so. Never before was it so important that we Americans keep our heads in order that we may also keep our liberties. For should this country become involved in war democracy would vanish here as swiftly and as surely as it has vanished abroad.

Turning to our own internal problems our task is great. The gratifying improvement that has recently taken place throughout our economic structure must not be allowed to blind us to the unpleasant truth that not one of those issues which we were forced to face at the start of depression has been solved. Most of them have become more complicated and difficult. The national debt, despite the heaviest tax load in our peacetime history, has nearly trebled in the past decade and will soon reach the present legal limit of \$45,000,000,000. The immense expenditures for relief continue, even though business has much improved and unemployment has consequently been reduced. The agricultural situation, in spite of a long series of extremely expensive farm relief measures, remains tangled and unsatisfactory.

On top of that there is still a strong clique high in government whose attitude toward business can be described only as strongly inimical. This is the group which backs any and all measures designed to put government into tax-subsidized competition with heavily taxed private enterprise, which stays awake nights thinking up new ways of saddling business with restrictive laws and punitive class taxes, which encourages labor excesses to the full, and which does all in its power to prevent stability and to keep chaos and uncertainty in the saddle. It is a remarkable tribute to the courage and staying power of American business that it has managed to progress as much as it has when confronted with such handicaps.

Summing up, we have plenty to do at home during the years that stretch ahead. The current Congress and those which follow have their work cut out for them, but satisfactory results will be secured only if the people as a whole are awake and watchful, are conscious of their needs, are deeply aware of their American heritage and way of life. For, in spite of the unproven claims of extremists, our only real progress has come from productive, employing industry, working under the American system of free enterprise, which brought us from a minor power to a world power in a century and a half.

Here in America we have all that is needed to bring a greater prosperity than we have ever known—the industries, the men, the resources. But unless we maintain our basic liberties, material blessings mean nothing.

### Traffic Safety Record of Providence, R. I.

#### EXTENSION OF REMARKS

OF

HON. HARRY SANDAGER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

#### EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

Mr. SANDAGER. Mr. Speaker, there is an old saying that "self-praise is no praise at all." So Rhode Islanders ordinarily are not inclined to call attention to the remarkable safety record of Providence, Cranston, and other cities of our

State, but simply to continue the good work and to extend to officials entrusted with the task of maintaining public safety every cooperation against the slaughter of that modern juggernaut, the automobile, which since 1933 has annually caused the death of upward of 30,000 people in the United States.

But when the record of Providence attracts favorable attention elsewhere, I believe we can be entitled to justifiable pride. In the issue last Saturday of the Christian Science Monitor, of Boston, appeared an editorial entitled "The Example of Providence." It points out the remarkably low Providence record of 14 fatalities for 1939, or an estimated record of 5.5 per 100,000 population, as compared with a national average which has ranged since 1933 from 24 to 30 per 100,000.

At a time when Washington is gravely concerned with the problem of traffic safety, particularly since three persons have already lost their lives since the first of the year, I ask leave to have the editorial from the Christian Science Monitor printed in the CONGRESSIONAL RECORD in the hope that this and other cities can learn from the record of Providence that "It can be done." The editorial follows:

[From the Christian Science Monitor]

#### THE EXAMPLE OF PROVIDENCE

The lesson that Providence, R. I., has given the Nation is simply that accidents are avoidable, if one drives slowly. Although impressive records were made last year by both Kansas City, Mo., and Atlanta, Ga., in reducing their fatalities by 60 and 50 percent, respectively, the New England city of Providence, despite its narrow winding streets and frequently adverse weather, has again topped them all, holding fatalities to 14, or 5.5 per 100,000 population.

The Providence campaign has many fronts. One is educational, police working with the schools, so that not a child of school age has been killed in 13 months. Another is the development by press and public officials of a lively civic pride. This has been stimulated by such things as the granting of the National Safety Council grand award.

But it is the firm conviction of police that success in Providence lies in the strict, impartial enforcement of a 25-mile-an-hour speed limit.

This is a conclusion some may find difficult to accept; but actual police records over a number of years, detailing the factor of speed in specific accidents, was so conclusive that when the superintendent of police asked permission to enforce the 25-mile limit no great objections were heard.

Byproducts of this slowing down are interesting. After driving a few blocks in Providence traffic, one begins to feel a certain measured rhythm in the movement of cars. Tension is relaxed and replaced with calm assurance. There is time for courtesy. These are doubtless contributing causes to the fact that safety-conscious people throughout the country are considering the example of Providence.

Daniel W. Bell

#### EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

#### ARTICLE BY RAYMOND P. BRANDT

Mr. COCHRAN. Mr. Speaker, the appointment of Hon. Daniel W. Bell to the position of Under Secretary of the Treasury should serve as an inspiration to the Government civil-service employees.

Twenty-eight years ago he came to Washington as a \$700 clerk. Today he is the ranking officer of the Treasury Department, receiving \$10,000 a year. His advancement, year by year, was due solely to the services he rendered. His promotions came unsolicited, and as a civil-service employee he never sought political influence, although I am sure the scores of Members of the Senate and House with whom he has come in contact in an official way would have endorsed him for any position he desired had he made the request.

Had Mr. Bell been willing to leave the civil service no doubt he could have been Director of the Budget. He served



as Acting Director, and it was at his own request he was finally returned to his old position.

Under permission granted me, I include an article by Mr. Raymond P. Brandt, of the St. Louis Post-Dispatch, printed January 14, 1940, concerning Mr. Bell. The article follows:

[From the St. Louis Post Dispatch of Jan. 14, 1940]

**CAREER MAN RISES TO HIGH POST WITHOUT BENEFIT OF POLITICS—D. W. BELL, NO. 1 IN CIVIL SERVICE—NEW UNDER SECRETARY OF TREASURY CAME UP FROM \$700 UNITED STATES JOB—PRECEDENTS UPSET BY PROMOTION OF ILLINOISAN, AN INDEPENDENT VOTER, WHO ARRIVED AT CAPITAL 28 YEARS AGO WITH BUSINESS COLLEGE CERTIFICATE—ONCE DECLINED BUDGET DIRECTORSHIP RATHER THAN FORFEIT CLASSIFIED STATUS**

(By Raymond P. Brandt)

WASHINGTON, January 13.—Until Daniel Wafena Bell, of Kinderhook, Ill., was promoted to the Under Secretaryship of the Treasury, the position had been filled by ambitious and comparatively young men who qualified politically under the Hamiltonian tradition of government by being rich, well-born, and able, whether they were Democrats or Republicans.

Bell, now No. 1 man in the classified service, is a different type of public official. During the past 28 years he has risen from a \$700-a-year clerkship to the second highest office in the Treasury Department. He is a "career man" who has dedicated his life and his talents to the Government. He says he would rather have a \$15,000-a-year Government salary than a \$75,000-a-year business salary in New York.

Of his nine predecessors in the office of the Under Secretary, five were graduates of Harvard College or the Harvard Law School, two were graduates of Yale, one of Dartmouth, and one had been a student at Cornell. Two were elevated to the Secretaryship of the Treasury. One, the late S. Parker Gilbert, became a partner of J. P. Morgan & Co. and the remainder won substantial success in law or business.

#### CLERK AND BOOKKEEPER AT 20—HIS STEADY RISE THE HARD WAY

In 1911, when Bell was 20 years old, he arrived in Washington with a diploma from the Gem City Business College of Quincy, Ill., which certified to whom it might concern that he had completed the full commercial course, including bookkeeping, shorthand, and typing. He had also passed the civil-service examinations for clerk and bookkeeper. While in the Treasury Department he obtained a law degree from the National University of Law and a degree of bachelor of commercial science from Southeastern University, where he specialized in higher mathematics. He expects to stay in Government work; and if the Under Secretaryship reverts to its customary political status, he will return to a classified civil-service position in the Treasury.

To the hundreds of thousands of employees in Federal, State, and municipal governments who have been encouraged to believe in the merit system, Bell's recent promotion is a noteworthy—and needed—demonstration that the civil service offers outstanding careers to industrious, ambitious, and intelligent young persons. It also draws attention to some of the glaring deficiencies of the present law and the need of greater and more permanent incentives in the form of higher salaries and larger retirement benefits.

Bell's rise to high governmental position by the hard way of continuous work is not unprecedented. Ebert K. Burelew, who entered Government service in 1910, is now First Assistant Secretary of the Interior; William H. McReynolds, formerly of the Treasury Department, who entered the Post Office Department in 1906, is an administrative assistant to the President; George S. Messersmith, who started as American consul at Fort Erie, Canada, in 1914, was recently named American Ambassador to Cuba after serving as an Assistant Secretary of State; Wilbur J. Carr, former Assistant Secretary of State and Minister to Czechoslovakia, started his public service as a clerk in the State Department in 1892; and the late Alvey A. Adee became Second Assistant Secretary of State during a half century of service.

When Bell's appointment was proudly announced at a press conference by President Roosevelt before Congress had convened, reporters, knowing the past political implications of the Under Secretaryship, tried to find out if he was a Democrat or Republican. He is an "independent" voter and is so registered in Illinois, where he has regularly voted. Not one of his ballots, he says, has been unscratched.

#### AN OPPORTUNITY FOR SERVICE TO GOVERNMENT AND PERSONNEL

Bell regards his present post as one which will give him his greatest opportunity for service to the Government and the classified personnel. He knows the machinery of our Federal Government as few other men have ever known it. He has rejected business offers of three to five times his present \$10,000 salary because he believes that by staying in the Government service he can raise the standards and increase the security of his fellow workers, thousands of whom he knows by name and by their accomplishments.

When he was Commissioner of Accounts and Deposits, a position sometimes called the "greatest bookkeeping job in the Nation," he refused to accept President Roosevelt's offered appointment to the Directorship of the Budget, although his compensation would have been increased from \$8,500 to \$10,000 a year. His reason was simple

and sincere. He did not want to lose his civil-service status by taking what was essentially a political appointment. He became Acting Budget Director and continued supervising the work of the Division of Accounts and Deposits. As Acting Director he completely reorganized and enlarged the Bureau of the Budget to give it direct and intimate insight into the workings of all the executive departments of the Government. With this task almost completed, he turned his organization over to Budget Director Harold D. Smith, who is carrying out his detailed plans. Without losing his civil-service status he became an assistant to Secretary Morgenthau, and he would not take the Under Secretaryship until he had been assured that his promotion did not jeopardize the classified standing for which he had worked for more than 25 years.

Bell has seen improvements in the civil service during his stay in Washington, and he believes other great changes are coming.

"For instance," he explains, "I came to Washington to a job paying \$700 a year. That same beginner's position today pays at least \$1,440. In those days even civil-service positions were greatly affected by changes in politics. When one administration went out, division chiefs were demoted to mere clerks and clerks were promoted to division chiefs. Thousands of lesser employees were let out to make places for political appointees. When the other party was returned to power, the shifts were reversed."

#### BUT THERE IS STILL WASTE AND INSECURITY DUE TO POLITICS

"Within the past 10 or 12 years only the top positions have been affected. Promotions have been made on merit. Salaries have been increased, so there is less temptation for valuable men to take higher-paying business positions. Some of the very best men were annually lost that way.

"But there is still waste and insecurity because of politics. In this Department there is every reason why deputy collectors of internal revenue should be given permanent civil-service standing. As it is now, we spend 4 to 8 years training these men and women, and when a new administration comes in, out they go with all their experience."

Bell is in hearty accord with President Roosevelt's recommendations to Congress to raise the limits of classified compensation from the present \$10,000 to a figure which will insure the retention of the relatively small number of highly trained men who hold positions of great responsibility. He likewise believes that eventually the pensions on retirement will be increased. In his own case he can retire under the present law when he is 68 years old, after 48 years' service, on a pension of \$1,600 a year, to which he has made a 50-percent contribution. Any large financial establishment wanting to get an executive of Bell's ability could well afford to buy an annuity for triple this amount if it wanted to lure a highly trained person from the Government service.

When the President announced Bell's promotion, his immediate predecessor, John W. Hanes, urged Congress to make the position of Under Secretary permanent "so long as it is held by the incoming Under Secretary."

#### PERMANENT UNDER SECRETARIES FOR POLITICAL DEPARTMENT HEADS

Perhaps Bell's friend, Chairman PAT HARRISON, of the Senate Finance Committee, will sponsor such legislation. But Bell and others intensely interested in the Civil Service are expecting that the White House Commission, headed by Justice Stanley Reed, of the Supreme Court, will soon recommend that in every executive department now headed by a political appointee, the position of permanent Under Secretary be created, to be held by a nonpolitical civil servant who will serve through all administrations, as is now the general practice in the British Government. These permanent Under Secretaryships would insure a continuity of Federal policy which is now lacking. The Reed commission is also expected to support the President's recommendations for higher top-bracket civil-service compensation and more equitable retirement benefits.

Bell's career is a model of how an industrious, ambitious, and intelligent young man without political pull can attain one of these high positions.

His father was a farmer and thrasher-machine owner, who later became a carpenter after he moved to the town of Kinderhook, with its population of 300. Daniel was the oldest son and the third child in a family of six children. None of his family, he says, had any inclination toward figures, and he took the "full commercial course" at the Gem City Business College in nearby Quincy, because he wanted to go west with a little business training. He earned the money for his schooling by working on the railroads and in the ice cream parlor at Kinderhook.

#### INTO CIVIL SERVICE BY ACCIDENT

It was an "accident" that led him into the civil service. A colleague at the Gem City school was eager to enter the Government and "just to keep him company" Bell took the civil-service examinations with him. He passed with high marks and almost immediately was called to Washington. He says he doesn't remember whether his friend succeeded in getting a job.

His first assignment was that of bookkeeper and clerk in the office of the Treasurer of the United States. The next year he was transferred to the office of the supervising architect at an increase of \$100 a year. Shortly thereafter he alone was writing the architect's annual report which formerly had been a three-man job.

When the United States entered the World War, he applied for the first officers' training camp, but Secretary McAdoo refused to

release him. Twice he was drafted and twice the Secretary insisted that he would be of greater service in the Treasury Department. This irked Bell, and he resigned to join the Army. Had he been willing to take a clerical position he could have had a captaincy. He wanted to go overseas immediately so he enlisted as a private in the Tank Corps. He was sent overseas but did not have front-line service.

The rigid Tank Corps physical examination was easy for Bell because he had kept himself fit as a sand-lot baseball player. He was on several church teams as pitcher and second baseman and was a member of the Treasury Department team that won the tricity championship for Washington over Baltimore and Richmond.

#### BACK IN THE TREASURY

Almost immediately after the armistice he was released from the Army to return to the Treasury, where he began handling the war loans. By 1923 his salary had been increased to \$4,000 a year. The next year he was named deputy commissioner of accounts and deposits, which is really the bookkeeper's office of the Department. He succeeded to the commission when his immediate superior, Robert G. Hand, died, many think from overwork. Bell's salary was increased from \$6,500 to \$8,000.

When young Lewis W. Douglas resigned in 1934 as Director of the Budget because of disagreement with President Roosevelt's spending policies, Bell was offered the post. He declined to take the title of this position because it would have cost him his civil-service status and identified him too closely with the Democratic regime. He agreed to become the Acting Budget Director and retain his classified standing as Commissioner of Accounts and Deposits. This pecuniary sacrifice was applauded by many Federal employees' groups in Washington and throughout the country.

As Acting Budget Director he became an intimate adviser of President Roosevelt and Secretary Morgenthau on budgetary matters, and more influential than most Cabinet members. He impressed reporters at the White House "seminar" on the President's annual Budget messages to Congress by his uncanny memory of exact recommendations on specific items and his ability to explain in layman's language complicated bookkeeping arrangements. He frequently corrected the President's explanations of involved estimates.

#### PROMOTIONS

The President and Morgenthau lost no opportunity to praise and advance this nonpolitical Government official. In 1935 it was found that he could be appointed an assistant to the Secretary at \$10,000 a year and retain his civil-service classification. This was done and he continued to act as Director of the Budget. After he had completed plans for reorganizing this Bureau and Smith was appointed Director, Bell was put in charge of the Department's fiscal operations and acted as a liaison officer between the Treasury and other branches of the Government. Last month, in announcing his promotion to Under Secretary, President Roosevelt in a formal statement said:

"Mr. Bell's career as a civil-service employee is a story of hard work, gradual promotions, and years in which he became the trusted confidant and adviser of many Secretaries of the Treasury. His assignment to positions of greater responsibility and trust in recent years is a recognition of his great ability and devotion to duty. He is in all respects a civil-service career man, with an unblemished record of faithful and efficient service to his Government for more than 28 years."

Until he became Acting Budget Director, Bell was not well known outside the Treasury Department. He was so self-effacing that he would not allow reporters to quote him even when he merely explained the daily Treasury statement for their benefit. With each increase of responsibility he has grown in confidence and poise, but he has retained the modesty and industry that have marked his career since he left Kinderhook.

Like many other men, he is afraid that he has a laughable middle name, and he has tried to conceal it by using only the initial. He was named Daniel after his father and the Wafena was added by his mother after she had seen a papoose about Daniel's age on the back of a squaw who was part of an Indian show visiting Kinderhook. She thought it would be amusing if she named her baby after the papoose. Bell says that he doesn't know what the name means.

#### PREDECESSORS OF DANIEL W. BELL: A CONTRAST IN BACKGROUNDS

Seymour Parker Gilbert, 1921-23: A. B., A. M., Rutgers; LL. B. cum laude, Harvard; LL. D., same and Columbia, Rutgers, Lehigh.

Garrard Bigelow Winston, 1923-27: A. B., Yale; LL. B., Northwestern University.

Ogden Livingston Mills, 1927-32: A. B. and LL. B., Harvard.

Arthur Atwood Ballantine, 1932-33: A. B. and LL. B., Harvard; LL. D., Northeastern; LL. D., Hamilton.

Dean Gooderham Acheson, May 1933-November 1933: A. B., Yale; LL. B., Harvard.

Henry Morgenthau, Jr., 1933-34: Student, Cornell University.

T. Jefferson Coolidge, 1934-36: A. B., Harvard.

Roswell Magill, 1937-38: A. B., Dartmouth; J. D., University of Chicago.

John W. Hanes, 1938-39: A. B., Yale.

Daniel W. Bell, 1940: Student, Gem City Business College, Quincy, Ill.; LL. B., National University of Law; B. C. S., Southeastern University.

## Bonneville Dam

### EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD and to include therein a break-down, by States, of the \$8,860,034.42 purchases made so far in the construction and early stages of operation of the Bonneville Dam.

Similar figures for expenditures made in the construction of the Grand Coulee Dam, or any of the large western Federal construction programs, have been placed in the RECORD, and all illustrate the same point. I wish to call the attention of Members of this House to the way in which funds appropriated for our western projects eventually come back to benefit business in nearly every district in the Nation.

I ask you to particularly note that of the \$8,800,000 spent by the Bonneville administration, about one-half was for purchases in the State of New York and a fifth returned to Pennsylvania. As the projects are self-liquidating, there has been no "raid" on the Treasury, and laborers, manufacturers, merchants, transporters, and many others have profited by receiving business they would not have had otherwise.

Alabama.....	\$1,103.33
California.....	268,356.93
Connecticut.....	15,412.71
Delaware.....	13.05
District of Columbia.....	2,976.43
Georgia.....	309.32
Indiana.....	3,641.24
Illinois.....	106,329.85
Kansas.....	78.76
Maryland.....	6,114.50
Massachusetts.....	39,845.24
Michigan.....	18,630.80
Minnesota.....	55,092.81
Missouri.....	36,793.91
Nebraska.....	19.80
New Jersey.....	4,095.45
New York.....	4,054,924.56
Ohio.....	243,370.12
Oregon.....	335,082.28
Pennsylvania.....	1,705,007.98
Rhode Island.....	762.93
Tennessee.....	3.00
Texas.....	738.68
Utah.....	57.97
Virginia.....	27.00
Washington.....	1,479,911.52
West Virginia.....	10,132.89
Wisconsin.....	11,813.63

Total..... 8,860,034.42

## The Debt Limit

### EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

EDITORIAL FROM THE WASHINGTON POST OF JANUARY 13, 1940

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a very sound and timely editorial which appeared in the Washington Post on Saturday morning, January 13,



1940. In this connection may I urge every Member of the House to read and study this illuminating editorial which deals with the subject of our debt limitations as now fixed by law.

In passing may I suggest that it is quite unusual and profoundly strange that our Nation has been compelled to pass a law in order to prevent one of our citizens, who is at the helm of our own Government, from spending excessive amounts of our taxpayers' money. The people are greatly concerned because such a step was made necessary by the very generous and highly extravagant spending of the people's money, and, we will remember, this is the first and only legislative step of this character which our Nation has been required to take in order to stop a President of this country from rushing our Nation and our people into bankruptcy.

When the records in the future scan the years in the past and discover that it became necessary for the Congress to pass a law limiting our debt in order to stop our President from squandering and ruthlessly spending money which is borrowed, to the extent that our very financial structure is imperiled—when the converse should be true—I wonder what the stern reaction of the people of that age will be? Yet, those very people in that far-removed period will be struggling, without doubt, in order to pay the vast debt, and interest, which has been created by the President and his administration.

This ruthless spending must be stopped or the debt limitation will have to be increased. I am happy to say that I will not be one of those Members of the House who will aid in creating the necessity of increasing the debt limitation beyond the \$45,000,000,000 mark, as the same is now fixed by law.

The splendid editorial appearing in the Washington Post follows:

[From the Washington Post of January 13, 1940]

#### THE DEBT LIMIT

Whether the Federal debt (exclusive of heavy contingent obligations) slightly exceeds \$45,000,000,000 at the end of the fiscal year 1941, or falls just short of that total, is relatively unimportant. But the fact that the legal debt limit now stands at \$45,000,000,000 has great political significance. Public attention would be most unpleasantly directed to the trend toward bankruptcy if Congress were forced to raise the debt limit in an election year.

In his Budget message the President made it clear that the only hope of staying within the legal debt limit during the fiscal year 1941 lies in a reduction of certain expenditures, and in acceptance of new tax proposals designed to yield about \$460,000,000. Even if Congress does not overstep the budgeted outlays, current expenses will, it is estimated, exceed current receipts by nearly \$2,900,000,000, unless additional taxes are levied.

The President hopes to narrow this gap by recapturing \$700,000,000 of capital funds from various Government corporations. But assuming acceptance of all his recommendations including tax proposals, the net deficit is expected to reach \$1,716,000,000.

Anxiety over the budgetary situation is not due primarily to the fact that we are fast approaching an arbitrary legal debt limit for direct Federal obligations. The real cause of alarm lies in the knowledge that year after year total expenditures have outstripped total receipts from taxes. As Representative Woodrum of Virginia says: "It is a simple, fundamental fact that no individual and no nation can continue to go ahead spending more than he (or it) takes in."

The United States is a rich country; it can carry a heavy debt load. Hence, it would be idle to guess how long the Government can continue spending beyond its means without encountering disaster. Modern governments, moreover, have so many devices at their disposal for keeping down interest rates and financing deficits through pressure on banks and investment institutions, that the distress signals which once called attention to the dangers of chronic deficit financing are no longer so apparent.

Yet it can be said with absolute assurance that the time will ultimately come when confidence in the solvency of the Federal Government will be destroyed unless a determined effort is made to eliminate deficits.

At present many Congressmen are either ignorant of the dangers ahead or are willing to risk future national disaster for the sake of present personal advantage. Otherwise, it is impossible to explain the reckless drive for larger appropriations that would carry expenditures even beyond the limit set by the President. One congressional bloc is demanding increases in farm benefit payments. Another is clamoring for more money for flood control. But nobody appears anxious to discuss plans for levying new taxes.

A reminder that an increase in the legal debt limit will be unavoidable unless this reckless spending urge is restrained may

have a salutary effect upon Congress. For the mounting debt is a warning signal of the perilous extent to which the Federal Government is living beyond its income.

### Rural Electrification

#### EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

EDITORIAL FROM THE WELLSBURG (W. VA.) DAILY HERALD  
OF JANUARY 13, 1940

Mr. SCHIFFLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial from the Wellsburg (W. Va.) Daily Herald of January 13, 1940:

[From the Wellsburg (W. Va.) Daily Herald of January 13, 1940]

Private electric companies have to tell their stockholders at least once a year, and usually more often than that, what the results of their operations have been. They have to report the income they receive from their customers, their operating expenses, their taxes, the bond interest they have paid, and the dividends they have paid to their stockholders.

The taxpayers of this country, however, aren't getting such reports from some of the electric enterprises they have financed. For instance, take the Rural Electrification Administration. To date it has advanced upward of \$200,000,000 to scores of cooperatives scattered over the country which are supplying electric service to thinly settled rural areas. No one can quarrel with the objectives of the R. E. A., but it is unusual that to date no report comparable to those issued by private companies has been issued on these cooperatives. The R. E. A. has not made public the gross revenues, the operating expenses, the tax payments, or any other important financial information on the cooperatives to which funds have been allotted.

The taxpayers of the country, who have advanced this money, ought to be entitled to some information on the financial progress of the cooperatives. Repeated assertions have been made that the loans made to the cooperatives would be paid off. So far, however, there is no way of judging, because no information which would indicate whether they will or will not be has been made public.

One way of giving the taxpayers information would be to have each cooperative once a year publish a report, giving an income statement for the preceding 12 months, and a balance sheet. Such a report should be published in the newspapers of the territory served by the cooperative. The reports would supply information of interest to all residents of the area served and would give an indication of whether public assurances that the R. E. A. loans would be paid off are based on hopes or on real progress by the cooperatives.

### Citrus Fruit Problem

#### EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ARTICLE BY BRUCE McDANIEL

Mr. SHEPPARD. Mr. Speaker, with the privilege granted to extend my remarks in the RECORD, I wish to again call the attention of my colleagues in the House to the adverse condition that exists in the great State of California in disposing of our citrus fruits.

We are confronted with a curtailed market and almost insurmountable transportation costs, although we have done and are doing everything possible to place upon the market regulated and acceptable high-grade fruits. We have even taken on prorate control even though other States who are producing citrus fruits have not seen fit to accept this regu-

lation. This is also causing us adversities, consequently we have been and are seeking every possible relief and method of clarifying the situation.

I wish to call your attention to the following article written by Mr. Bruce McDaniel, a man who has long been active in the production and distribution of citrus fruits in California and respectfully request that my colleagues read Mr. McDaniel's comments, as I feel that the suggestion contained therein would do much to clarify the citrus problems in the State of California:

#### SURPLUS HITCHED TO SURPLUS EQUALS SCARCITY

We urge the Federal Government to train with Federal funds 2,000 competent men and women to increase the flow of fresh fruits and vegetables through retail stores.

At a recent conference in the East this suggestion was presented to a Federal official. The purpose and effect of the plan were outlined.

The benefits to be derived are:

1. The use by consumers of more fresh fruits and vegetables is essential to maintenance of optimum health. All available data show the daily diet needs substantial increase in these necessary foods.

2. The increased volume moved will increase rail loadings and enable carriers to reduce freight rates. The rails argue that if rates are reduced they need increased volume. Under volume proration they fear restriction in shipments.

3. The increased sales by retail stores will increase their turnover and permit them to reduce their margins and still make more money. The facts show that when retail stores put special effort forth in selling citrus, their sales of other fresh fruits and vegetables also increased. This was due to the added stimulation to the produce departments resulting from the interest in pushing citrus fruits.

4. The increased sales will create more demand and tend toward price stabilization and result in stimulation of business. A retailer hesitates to buy in large volume when the market is unsteady. He doesn't wish to be caught with a volume on hand when the market drops. The fact that citrus is moving in increasing amounts daily gives him confidence. He buys in larger volume to protect himself against rising values; that is, he is in a sellers' not a buyers' market.

5. Federal lending agencies which have lent money to the railroads, to cooperatives, and to producers will be protecting their loans. The millions lent by Government to railroads, for production purposes, etc., will become assets instead of liabilities. Railroads are essential to business. They must be maintained. They must have an income to meet the costs imposed by laws respecting labor, etc.

6. The Federal Surplus Commodities Corporation which buys fresh fruits (so-called surpluses) will be helped by speeding the movement of such products to the consumer. Each year the F. S. C. C. buys apples, oranges, grapefruit, and so on. Under the stamp plan these move through retail stores. Speed up that movement and the F. S. C. C. can save its money.

7. Producers will be benefited by being able to move more good fruit into consumption. In the face of increases in production, especially from Florida and Texas, this is imperative.

8. Private and national banks will be helped by strengthening the ability of producer and other borrowers to pay back loans. No bank likes to impound funds, or load its portfolio with Government securities to the amount now in vogue. It lives by keeping its money working.

9. The men and women engaged in the work in time will be absorbed in jobs because the effects of their work will be such that alert distributors and retailers will demand their services. The objective of such a plan is to convert nonproductive labor into productive labor. Here is a way to do it.

From this very brief analysis, it is self-evident that the idea is not a selfish one, designed merely to aid producers and handlers of fresh fruits and vegetables. The beneficial effects of it will be felt in almost every major branch of our national life.

The types of persons fitted for such work are entitled to as much consideration as other groups. Thousands of ambitious, university trained men and women are available and seeking a way to serve. A young man doing this job beats putting a shovel in his hand and directing him to move dirt from pile to pile.

The cost? Well, in these days when Federal expenditures are reckoned in billions, it probably will be disappointing to some that the costs would be relatively small in proportion to the gains above set out.

Here is one way in which Uncle Sam can spend his money to achieve tangible results and build America.

They say we have a surplus of citrus fruit and of manpower.

Hitch the two together and we'll have a surplus of neither one.

Surplus manpower hitched to surplus crops will create a scarcity.

Our hats are off to the United Fresh Fruit and Vegetable Shippers Association and to its secretary, William Garfitt, for the work already done in this direction.

BRUCE W. MCDANIEL.

#### Fanfare for a Hero

#### EXTENSION OF REMARKS

OF

#### HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ARTICLE BY HARLAN MILLER

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to preserve An Armistice Day Fantasy, written by Harlan Miller for his column Over the Coffee, appearing in the Washington Post on November 10, 1939:

[From the Washington Post of November 10, 1939]

He lies on a hillside southwest of the Potomac. \* \* \* Below him airplanes rise from the drome in the lowlands and fly above the small boats in the river—a thrilling sight against the Washington backdrop, if he could but see.

On the left, beyond the formal terrace beyond the river, the gray stone buildings of the Government march from the Lincoln Memorial past the White House and the Washington Monument to the voluptuous dome of the Capitol.

There the messages were written, the speeches uttered, the laws voted with the ayes and noes and signed; there the military commands went forth which sent him across the sea to die in a foreign war, the Unknown Soldier, this most singular enigmatic hero of our century, under the marble slab in Arlington.

Hundreds have stood here whose son he may have been, whose lover or husband or father perhaps he was. \* \* \* Did he leave a son behind? An eager, militant, warlike son? A son with a bitter hatred for war? His son is trench size now.

What manner of man was he? Probably he was in his middle twenties—24 or 26. \* \* \* Was he a volunteer? Was he drafted? Did his heart leap or sink as he put on his uniform the first time? Was his blood racing with high adventure as he climbed the gang-plank?

Was he a tall, slim, silent, drawling son of the West? Was he short, husky, garrulous, passionate? Was he of Revolutionary stock or the son of an immigrant? Was he blond, dark-haired, red-haired with blue eyes? Was he shy and withdrawn, or was he the life of the party, always kidding? Was he an aristocrat like Quentin Roosevelt, or was he the obscure son of an obscure family, as unknown in life as in death? Was he a lieutenant or a noncom or a private?

What was the way of his death? Did it stalk him and find him in his trench? Did he go forth to meet it crawling in the wet, murky dawn through the stubble of some inauspicious yellow field? Did he go toward it with a rush, invincible, invulnerable, immortal?

By what sudden quirk did his death overtake him? Did he swerve to left or right to tighten a gap in the line? Did he avoid one bursting shell and praise his lucky star, only to run into another? Did death come to him with merciful swiftness? Did it torture him for agonized hours seeming like eons? Did he lie for weeks in some thicket or shellhole, half buried?

Had he ever seen this Washington, his Capital, which now lies spread out below him? Had he wandered through its avenues as a tourist with a camera? Had he once looked down from the Monument toward this Virginia hillside where he would one day lie in enviable but anonymous glory?

Had he ever strolled among these graves in Arlington, a little awed and depressed by the reminders of the illustrious dead, faintly troubled by the uneventful happiness of his own obscure, peaceful life, who is now honored for a multitude, beyond them all?

Would he smile if he stood now on these broad stone steps, watching one of his 4,000,000 buddies pose uncomfortably but stubbornly against this marble slab while a proud fortyish wife snaps a camera and the sentry marches past, eyes front, toward the canvas sentry box and the greenhouses of the experimental farm in the valley below glisten in the westerly sun?

His last hour . . . The top sergeant says we've got 'em on the run . . . Next week the war will be over . . . Anyhow, we're due to move out tomorrow . . . Damn this mud! . . . Maybe 2 weeks' leave in some dry, sunny place in the south of France . . . Haven't been dry for 3 days . . . Maybe a bottle of wine with a pretty French girl . . . Home before Christmas and a parade down Main Street . . . The job and the girl . . . The hero's homecoming . . . So much to tell . . .



## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. PAUL BROWN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

EDITORIAL FROM THE WASHINGTON EVENING STAR OF  
JANUARY 12, 1940

Mr. BROWN of Georgia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in the Evening Star of Washington, D. C., on Friday, January 12, entitled "Mr. Hull's Statement":

[From the Washington Evening Star of January 12, 1940]

MR. HULL'S STATEMENT

Opening his defense of the reciprocal trade agreements program before the House Ways and Means Committee yesterday, Secretary of State Hull confined himself to a straightforward, factual statement of what tariff-lowering agreements have done toward building up our foreign trade in the past and a confident but conservative forecast as to what may be expected in the future.

In urging that Congress renew the legislation authorizing the negotiation of the agreements, which expires June 12, Mr. Hull effectively attacked the principal argument which has been made against his program—that it has proved injurious to the American farmer.

He dealt first with the general picture, showing that there was an increase of 46 percent, or \$1,000,000,000, in our export trade in 1937 and 1938, when the influence of the trade agreements became important, as compared to our exports in 1934 and 1935. Taking up the specific case of the dairy industry, the alleged injury to which has been the subject of the most vociferous complaints, Mr. Hull made a most convincing showing. He pointed out that this industry already supplies over 99 percent of the domestic market. Under a system of complete embargo on foreign dairy products, he said, the dairy industry would have 100 percent of the home market, but that market would be greatly reduced as a result of the lowered capacity of foreign purchasers to buy our export goods and the consequential impairment of the domestic purchasing power of our own exporters and their employees. The same thing is true, he added, of the American cattle industry, which now supplies from 95 to 98 percent of the home market.

Most of Mr. Hull's statement was devoted to an exposition of the benefits to America which have resulted from the trade agreements and a discussion of the care which is exercised in negotiating them to avoid undue injury to any domestic interest, but he was equally convincing in his analysis of their world-wide influence. In the Star's opinion, there can be no valid dissent from Mr. Hull's dual proposition: That our Nation, and every nation, can enjoy sustained prosperity only in a world that is at peace, and that a peaceful world is possible only when there exists for it a solid economic foundation, an indispensable part of which is active and mutually beneficial trade among the nations.

The evidence is becoming increasingly clear that no tenable argument can be made against the trade agreements. So far as the opposition case is concerned, it was summed up, with surprising candor, by a member of the House committee, who, in acknowledging a difference of viewpoint between himself and the Secretary, said that Mr. Hull "takes the broad view that the whole country is helped," while the Members of Congress must think of "the interests of the people we represent."

That devotion to narrow sectional interests, understandable though it is, has been the bane of our tariff policy in the past, and is the best argument that can be made for continuing the present limited tariff adjustment powers of the Secretary of State and the President, whose viewpoint in the very nature of things is national rather than sectional.

## Zinc Ore Price Again Reduced

## EXTENSION OF REMARKS

OF

HON. THOMAS D. WINTER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ARTICLE FROM THE BAXTER SPRINGS (KANS.) CITIZEN

Mr. WINTER. Mr. Speaker, under leave granted me to extend my own remarks in the RECORD, I include the following

article which appeared in the Baxter Springs Citizen on Monday, January 8, 1940, entitled "Zinc Ore Prices Again Reduced":

[From the Baxter Springs (Kans.) Citizen]

ZINC ORE PRICE AGAIN REDUCED—UNSETTLED MARKET AND HEAVY IMPORTATIONS BRING CUT OF \$1.50 A TON

The importation of large quantities of foreign zinc under the reciprocal-trade treaties and the unsettled market conditions that usually obtain at the turn of the year last week broke slab zinc prices on the East St. Louis market, with a resultant cut in the Joplin price over the week end. The cut in ore was \$1.50 a ton, making the new price \$37.50 for both grades.

Sales, on the other hand, were the best in 9 weeks, with smelters taking 7,240 tons as compared with 6,690 tons in the preceding period. The purchase of "floats" amounted to 3,140 tons.

The contract price for lead ores remained steady and unchanged at \$64.54 a ton, with the outside market at \$63 to \$64 in carload lots and from \$60 upward in smaller amounts. Demand continued good.

Production generally was restricted by the wave of zero weather, which caused many mills to close down until the weather moderates. At that the output of zinc ore gained slightly over the week before and totaled 5,840 tons. Forty-three mills were running, but many were seriously handicapped by the extreme weather.

The mines and mills of the St. Louis S. & R. Co. at Waco, the Lawyers Lead & Zinc Co., the Beck Mining Co., the Guaranty, and several others resumed operation after the brief holiday, while the mine mills of United Zinc and Eunamar were dropped from the active list.

Shipments of zinc ore were the largest in 9 weeks, 8,844 tons leaving the bins of operators, together with 1,233 tons of lead ore, the largest movement in 5 weeks. The combined shipment value was \$428,916.

This year-end shipment, coupled with the movement of large quantities of Oklahoma ore, which will be settled for at a later date, reduced the actual stocks in bins of the field to the lowest point in nearly 20 years, although current figures showed the supply at 10,550 tons. Stocks of slab zinc in the hands of smelters last month showed their first gain in 6 months, rising to 65,995 tons as against 126,769 tons at the end of December 1938. Imports from Canada and Mexico practically doubled last year.

Two large Kansas properties, the Federal's Muncie and Jarrett mines and mills, closed Friday because of unsettled market conditions. They will remain down indefinitely, throwing about 200 men out of work. Other plants closing down for similar reasons include the F. & M. plant in Missouri, the open-pit operation of the Oronogo Mutual, the Eunamar, and the Lawyers.

The Federal M. & S. Co. is rebuilding an underground battery locomotive formerly used in the Federal Brewster mine. The batteries are being mounted on a truck chassis, and the new auto-locomotive will be used in underground work in the Muncie mine.

Eagle-Picher, as a result of its expanded operations in the field and at its central mills, produced 148,255 tons of zinc ore last year to become an easy first place winner in the production class. Federal was in second place, with 39,709 tons, and Commerce was third, with 22,336. The St. Louis was in fourth place; Tri-State Zinc Inc., was fifth, and Evans-Wallower sixth.

Eagle-Picher likewise led in lead production, with 23,425 tons, followed by the Commerce Co., Federal, Vinegar Hill, St. Louis, and Evans-Wallower.

## Development of Aviation

## EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ADDRESS BY RICHARD C. DU PONT

Mr. RANDOLPH. Mr. Speaker, aviation in this country is developing rapidly and the importance of feeder-line systems is constantly growing. The development of the pick-up device has been a noteworthy contribution.

In this connection, I include a timely address by Richard C. du Pont, president of All American Aviation, Inc., delivered before the annual convention of the National Aeronautic Association in New Orleans, on January 11, 1940.

The address is as follows:

Everyone here, I am sure, knows of the almost magical growth that is taking place in all phases of aviation; and those who travel by air are certainly well acquainted with the marvelous improvement in our regular transport service.

The fact that this service is so heavily patronized is a testimonial of its comfort and safety, and the ever-increasing volume of air

mail and express is further proof of the public's appreciation of its value as a superior means of transportation.

Things are happening so fast in aviation that even the most remarkable development nowadays only occasions slight surprise.

Transport planes with cruising speeds of 200 miles an hour, and capable of spanning the continent in 18 hours, have become common.

Military planes are attaining speeds upward from 300 miles an hour, and very little imagination is required to foresee the day when air transport schedules will be geared to these speeds.

In the face of these developments it is perhaps heresy to speak of the deficiencies of our air transport system.

Successful as it is, however, it still is a system that serves only a little more than one-fourth of our population, and only a handful of cities. With such limitations the system cannot conscientiously be called adequate to our national needs.

Considering the tender age of air transport, its present shortcomings may seem an unnecessary cause for alarm over its future. It has plenty of time and plenty of room in which to grow. That is true, but the trouble is that air transport is growing up in a strait jacket.

The speed of the airplane itself has provided such a fixed format of operation that future expansion of the system along present lines is definitely prescribed. In the rapid progress that air transport has been making, the significance of the fact has escaped general attention, although the industry itself has been acutely aware of it.

For example, our air lines each year are flying more miles, but there has been no proportionate increase in the number of cities that they are serving. The increase in mileage is due mainly to additional schedules over the same routes.

According to the figures of the Post Office Department, the air lines in 1934 flew a total of slightly more than 29,000,000 miles and served 178 cities. In 1939 they flew in excess of 52,000,000 miles, an increase of, roughly, 80 percent, but their routes included only 32 additional cities, boosting the total to only 210. The combined population of all 210 cities is slightly more than one-fourth of the country, and they represent only 5 percent of the 4,000 cities which have more than 5,000 inhabitants.

What is the cause of this extraordinary situation?

The answer to that question is a paradox.

Speed, which is aviation's greatest asset, has become the worst handicap to the general expansion of air transportation.

In addition to the fact that they afford the most abundant source of traffic, the advantages of speed in service to the public and to the economy of air-line operation is the reason why air transportation has been developed almost exclusively for the benefit of our large metropolitan centers.

The effort to make the most of these advantages is responsible for the constant trend toward faster and larger planes, which, with their added pay-load capacity, cost relatively less to operate. It also has caused the tendency toward fewer stops and longer jumps, which, unfortunately, already has cost some cities their service.

A lesser, but nevertheless important, detriment to the expansion of the air-transportation system to include additional cities is the heavy cost of providing the elaborate airport facilities required by big transport planes. Many communities cannot afford this expense, although they are eager for the service. Ample evidence of this sentiment is found in the fact that there are more than a thousand cities in the country which have made a substantial investment in airports in a vain effort to obtain air transportation. Their failure has not helped the prestige of aviation.

The situation is of the deepest significance to the industry itself. For instance, the increase in air mail last year, while substantial, was the smallest since 1935. Some analysts suggest that the volume has reached a plateau and is leveling off. I do not agree with this disturbing analysis, but it is plain that if future air expansion is governed by the present rigid pattern, where its sphere of service is circumscribed, it will not be long before mail and other classes of air traffic will hit a roof.

At the present time there is a tremendous volume of air mail moving by train. According to the annual report of the Postmaster General, the Railway Mail Service last year handled over 341,000,000 pieces of air mail. These figures add emphasis to the limitations of the present air system, and they also reveal the great opportunities for the expansion of the system that lie in the areas beyond the regular airways.

These shortcomings are not recited in criticism. The purpose is simply to show that the ever-increasing speed of air-transport operation, and the economic factors that justify it, have imposed physical limitations on the universal expansion of the air-transport system along present lines. This objective obviously requires a more flexible pattern.

Generally, the problem is not a new one. The aviation industry and the Government have been studying it for some time in an effort to find a satisfactory method of developing a feeder system to tap the potential traffic beyond the airways.

Every conventional approach, however, has encountered the same stumbling block which is typified by the difficulty of providing air service over short routes requiring frequent stops without losing its superiority as a faster means of transportation.

Interest of the Government in the matter has been stimulated by the growing agitation throughout the country for air mail. In response to this agitation, Congress passed an act authorizing the Post Office Department to experiment with new methods of providing this service. The present air pick-up routes were established under this act.

The success of the air pick-up operation has done much to simplify the feeder problem. Combining flexibility and speed it offers

ideal advantages for the establishment of short-haul routes. It has brought direct air service within the reach of every city and hamlet in the country. Their size, geography, or even the fact that they may have no airports are no longer handicaps to obtaining air service. A community may be small and produce little traffic, but with the air pick-up system it is nearly as easy to serve it as to fly over it. On a pick-up route the communities may be only a few miles apart, but this does not materially interfere with the celerity of the service. A town may have no landing field, but even that is not essential, as an air pick-up station can be erected almost anywhere.

The capacity of this new system to perform this service efficiently and economically and on high-speed schedules that preserve the advantages of air transport over surface transportation is being demonstrated daily on the two air mail pick-up routes which were set up by the Post Office Department in May 1939, for the purpose of experimenting with this type of operation.

These routes run through four States, Pennsylvania, West Virginia, Ohio, and Delaware, and include 58 cities and towns, many of which have no airports. The service requires 1,584 miles of flying, and 78 pick-ups daily. With the exception of the terminal cities of Pittsburgh and Philadelphia, the population of the communities served varies from 799 to 105,000. These communities are an average of 18 miles apart. Between some, the distance is as little as 7 miles. Contacts are made at frequencies of from 5 to 22 minutes, and schedules are maintained at an average speed of 110 miles an hour, which is not far below the average trunk-line schedules. In places where no airport is available, the air pick-up stations are located on farms, public parks, and hilltops.

The system has completed nearly 8 months of operation, during which more than 14,000 pick-ups have been made in over 325,000 miles of scheduled flying, representing a performance record of nearly 95 percent, which is really astonishing, considering that the routes lie over terrain where some of the worst flying conditions in the country are encountered. During this period successful night experiments were conducted in connection with regular schedules which have conclusively demonstrated the adaptability of the system to night flying.

On routes such as these, with towns so closely spaced, it would be folly to attempt a conventional operation. Communities without airports automatically would be excluded, and, in addition, the process of making a landing at every point would retard schedules to such a degree that the service would prove slower in many cases than ground transportation.

Imagine a modern transport plane making a stop every 18 miles on a run between New York and Chicago. Both the operation and the results would be ludicrous.

The operation of the system has shown conclusively that there is almost a limitless field for expansion among the cities and towns that do not now have regular service. Further, it has been shown that the need for air service is proportionately greater in these smaller off-line communities than it is in the more populous centers. This is explained by the fact that such communities are less self-contained and self-sufficient, that they are farther removed from sources of supply, and that local surface transportation is usually inferior. Air-mail patronage along the pick-up routes substantiates these statements. There is not a single community on these routes whose daily air-mail dispatch, on a per capita basis, does not exceed that of the biggest air center in the country.

Only four of the communities now on the two air pick-up routes previously had direct air service. The other 54 communities now enjoy an overnight service for mail and also express to practically every air-line point. A national system of feeder lines properly coordinated with the trunk lines would make it possible for every community in the country to possess the same advantages.

The trunk lines naturally would form the backbone for the creation of such a feeder system. As they are not competitive in any sense, the feeder routes would not deprive the main lines of any part of their revenue. On the contrary, the traffic that would be fed into them would provide them with new sources of revenue, materially improving their economic status as well as greatly increasing their scope of service.

It is an enticing prospect to look ahead to the day when air lines will be providing the same comprehensive transportation service as the railroads. The mechanical means are in sight, but the big question is, Will it pay?

The results of current pick-up operations provide broadly an affirmative answer, but there are phases of this question which deserve further examination and discussion.

The air-mail dispatch from any one of the communities on the present air pick-up routes, as previously stated, exceeds that of New York when reduced to a per capita basis. While such a statistical comparison exemplifies the need of air transportation in these communities, actual volume of their dispatch might in some instances cause grave concern over the economic justification of the service. Fortunately, for all of aviation, the Post Office Department does not balance these items too closely. If it did, most of our postal facilities would have to be discontinued. That includes the parcel post, the air mail, the delivery of your favorite magazine, and the Rural Delivery Service, the latter alone costing the Government almost \$100,000,000 a year. If cost had been the governing factor, the Post Office probably never would have started the Air Mail Service, which was the origin of our present air-transport system.

To some extent the air pick-up enjoys this favored status. It was created primarily as a mail carrier. The expressed purpose of the act under which the routes were set up was to experiment with new methods of providing air-mail service to small towns. There



is no suggestion in the legislation that such means, if found satisfactory and practical, shall be self-supporting. However, government generosity has its limits. It is recognized that the service must develop a reasonable amount of patronage to warrant its continuance and expansion.

Although only a few months old, the air pick-up routes are handling a volume of air mail sufficient to remove all fear that this type of feeder service will become an extra burden on the Federal Treasury.

Results to date indicate that with the improvement and expansion of the pick-up system which will permit greater operating economies; by the increased patronage of the air mail and development of additional revenues from express and passengers; and by the use of one-man planes on routes where only mail and express operations are justified the service will quickly become economically self-sufficient.

On the intangible side, the potential importance of the air pick-up in relation to the national defense justifies some Government financial assistance, although I believe aviation generally has somewhat overworked this approach.

As a measure of preparedness the Government has undertaken an extensive program to train a large corps of civilian pilots. The air pick-up operation fits into this plan perfectly. Expansion of these lines on a Nation-wide scale would give employment to over a thousand pilots. As pick-up flying technique closely resembles the technique found in certain phases of military flying, these men would constitute a reserve corps of special value from the standpoint of the national defense.

Adaptation of the system to include the transportation of passengers is a logical step in its development. A feeder line that does not perform this function is not complete. In this service it is planned to operate small multiengine planes capable of carrying a crew of two and from three to five passengers. Use of the pick-up apparatus on these planes will eliminate unnecessary landings when passengers are not available, thus overcoming many of the delays which would ordinarily prevent the maintenance of high-speed schedules on short routes.

The possibilities of a feeder system on a national scale have opened a new door to the future of aviation. Its development will take air transport out of its strait jacket, enabling millions of our people who are now deprived of direct air service to have its advantages. It will provide a new market for the aircraft industry; new outlets for capital. It will create a new and large field of employment. It will put every city and town in the country within overnight reach of each other, which will provide a big stimulus to business and industry generally. It will make available to all the benefits that are now reserved to the few.

Very definitely the next great expansion in aviation lies in this direction.

## Administration, a Foundation of Government

### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

ADDRESS BY CHARLES A. BEARD

Mr. SHANLEY. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address by Charles A. Beard before the Society for Public Administration, Washington, D. C., Friday, December 29, 1939:

The authors of the Constitution of the United States regarded it as a triumph for the human spirit in America that a new form of government could be established by the process of discussion, deliberation, and popular action, as distinguished from the age-long processes of violence. Looking backward from their time and forward into our own, we may say that they were justified in their celebration.

With reference to a far less momentous occurrence, this modest occasion, we may properly regard as a triumph for the same spirit a voluntary action of public officials and interested citizens looking to the resolute and continuous improvement of the public services. It is this action, the establishment of a Society for Public Administration, that we are ratifying and approving today. These officials and these citizens are no hirelings of a despotic power, taking orders from above. They are not seeking the aggrandizement of a class, bent on exploiting and holding down a subject people. They are not concerned primarily with emoluments, promotions, and honors as such. On the contrary, they are proposing to search their own hearts and minds, to study ways and means of making more efficient and economical the services rendered by government to the people. They do not wish to diminish either civil liberties or individual responsibilities in society. On the contrary they cherish these eternal values and intend to discover and

develop schemes and methods of administration deliberately adapted to the perpetuation of these precious elements in the American heritage.

The step taken today, though it may seem novel to some, is only the culmination of a long chain of events, extending over a period of 40 years and more. The establishment of systematic instruction in comparative administration under the auspices of the late Frank J. Goodnow at Columbia University long ago was among the great beginnings. The organization of the New York Bureau of Municipal Research was another advance. The foundation of the Governmental Research Association was still another. The spread of instruction in administration among our universities, the creation of numerous societies of public officials, the growth of civil-service legislation, the self-dedicated and distinguished careers of innumerable men and women in various branches of public administration, the deepening recognition of the vital relation between efficient and honorable administration, and the very existence of our society and form of government, all these and more have signaled through the years the coming of this day and the action which is here taken.

It is perhaps because I have been associated in an humble capacity with the history of this movement since my student days under that great and good man, Frank J. Goodnow, that I have been invited to speak on this occasion. Perhaps I am a gray and moss-covered monument, set down in time, as one of the marks on the long path leading to the present event. Circumstances invite memories, therefore, but I shall spare you any such recital, knowing full well that it is not what I say here but what you do here that will count fatefully in the history of our political system in the distant years to come.

It seems far more appropriate that I should summarize in a few sentences the main conclusions in respect of administration which I have reached in my experiences and studies. Paraphrasing the language of my distinguished friend Dr. Alfred Cohn, specialist in cardiac diseases at the Rockefeller Institute, I may remark, by way of preface, that it is the business of science, in dealing with any subject, to make true statements about it, of the utmost generality, and in the fewest possible words. Remembering this admonition, I present, for what it is worth and may prove to be worth, the following bill of axioms or aphorisms on public administration, as fitting this important occasion:

(1) The continuous and fairly efficient discharge of certain functions by government, central and local, is a necessary condition for the existence of any great society.

(2) As a society becomes more complicated, as its division of labor ramifies more widely, as its commerce extends, as technology takes the place of handicrafts and local self-sufficiency, the functions of government increase in number and in their vital relationships to the fortunes of society and of individuals.

(3) Any government in such a complicated society, consequently any such society itself, is strong in proportion to its capacity to administer the functions that are brought into being.

(4) Legislation respecting these functions, difficult as it is, is relatively easy as compared with the enforcement of legislation, that is, the effective discharge of these functions in their most minute ramifications and for the public welfare.

(5) When a form of government, such as ours, provides for legal changes, by the process of discussion and open decision, to fit social changes, then effective and wise administration becomes the central prerequisite for the perdurance of government and society—to use a metaphor, becomes a foundation of government as a going concern.

(6) Unless the members of an administrative system are drawn from various classes and regions, unless careers are open in it to talents, unless the way is prepared by an appropriate scheme of general education, unless public officials are subjected to internal and external criticism of a constructive nature, then the public personnel will become a bureaucracy dangerous to society and to popular government.

(7) Unless, as David Lillenthal has recently pointed out in an address on the Tennessee Valley Authority, an administrative system is so constructed and operated as to keep alive local and individual responsibilities, it is likely to destroy the basic well-springs of activity, hope, and enthusiasm necessary to popular government and to the flowering of a democratic civilization.

The validity of these axioms may be illustrated, though not proved, by reference to the fate of that great society, the Roman Empire of antiquity, which perished from the earth. Historians of the decline and fall are fairly well agreed that in the latter years of the Empire, its administrative system, which had grown ever more complicated and centralized in the days of prosperity, at last destroyed local autonomy, proved to be incompetent for its tasks, and sank into ruins with the society which it had once powerfully helped to sustain.

If these things be true and of good report, it follows that this occasion, which may seem trivial amid the rush and roar of affairs, will receive a strange elevation at the hands of those historians who, in distant years, seek to trace the trajectory of our civilization. At all events, we may be well assured that good work, honestly done, with an unflinching interest in the public welfare, is worthy of great talents and high aspirations, brings its own rewards and satisfactions, and somehow anchors itself in the economy of universal history. With this assurance and under this sign, the new society, launched today, may look forward to a service which will not end until the language of the Gettysburg address is heard no more on this continent.

## The Price of Liberty

## EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

EDITORIAL FROM THE WELLSBURG (W. VA.) DAILY HERALD  
OF JANUARY 13, 1940

Mr. SCHIFFLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial from the Wellsburg (W. Va.) Daily Herald of January 13, 1940:

[From the Wellsburg (W. Va.) Daily Herald of January 13, 1940]

A short time ago Joseph Stalin, dictator of Communist Russia, was reelected to his seat on the Moscow municipal soviet. His majority was exactly 100 percent—every vote was cast for him. According to the press dispatch telling of this it was obvious that the most strenuous methods were used by officials to get out the largest possible vote.

Those who have watched the technique of dictatorship can judge what those methods were—you support the man in the saddle "or else." And this little event, while it didn't make the headlines, is a biting commentary on what happens when the people surrender their rights and liberties to iron-clad political rule. No one attempts to win over the opposition by argument, as in a democratic nation. After all, machine guns, exile, and brutal persecution are temporarily more effective instruments for keeping in power. The man who raises his voice in dissent gets short shrift indeed.

Here in America we pride ourselves on the fact that we may still speak our minds—that no man is master of our destinies; that the forces of dictatorship have been kept firmly in leash. But pride in this is not enough. It cannot too often be repeated that the price of liberty is eternal vigilance at home. We can unconsciously surrender rights until one day we awake to realize, too late, that liberty is gone.

America watches events abroad with wonder and horror. Let America also learn from them.

Work Opportunities for All Needed as Preservative  
for the Continuance of Civil Liberties and  
Human Rights

## EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE,  
JANUARY 13, 1940

Mr. OLIVER. Mr. Speaker, under permission extended to me by unanimous consent of the House to extend my remarks, I am pleased to incorporate herewith a statement which I broadcast over station WCSH, Portland, Maine, on Saturday, January 13:

Citizens of the first district, through the generous courtesy of radio station WCSH, it is my great good fortune to be enabled to resume my customary practice of delivering fortnightly reports to you upon the progress of events during this, the third session of the Seventy-sixth Congress, wherein I have the honor of serving as your Representative.

It is, indeed, a great privilege to be able to talk to you over the air upon these occasions and to have such opportunities of reporting upon my stewardship of the office to which you elected me. Yet I find myself wishing it were possible for me so to report to you, each and every one of you, face to face—to discuss matters with you, to solicit your inquiries and your opinions and so learn how better I might serve your interests and the best interests of all our citizens. The microphone of a radio station is, after all, a distressingly cold and unresponsive audience. And there's a very old and very, very true saying that what really counts is not what a man says but how

he looks when he says it. For, my friends, not all the eloquence of all the words of all the languages known to mankind can hope to surpass that of the clasp of a friendly hand or the brotherliness of an honest smile.

But, though circumstance denies us that handshake and that smile and compels me to say it with but voice alone, wherever you may be listening—in a home of the city or the country, in your automobile upon the highway or upon a ship at sea, wherever the magic of radio carries these words of mine—here, in the dawn of a new year, permit me to extend to each and every one of you, ladies and gentlemen, my sincerest wishes that yours may prove a happy, a most prosperous, and, above all, a peaceful 1940.

Some wag has suggested that Mr. Roosevelt, since he has usurped the role of holiday changer, well might try his hand at giving us 366 New Year's Days in this year of 1940 and so make the whole just one great day of repeated resolution to keep America out of war, to keep our nose out of foreign entanglements, and our pocketbooks closed to dishonest foreign beggars, to cut out the conglomeration of bunkum and hocus pocus best known as political promises, to devote all our energies toward curing America's own ailments, to thinking more about the American citizens who need our aid here and less about the South American citizens who'd like to have us mind our own business, and, among other things, to start doing something truly beneficial for American unemployed, something honest and aboveboard about adequate care for our aged citizens, and something about a genuine, instead of a phoney, system of social security in this land of ours.

As I say, some wag made this meritorious suggestion; and it is a most meritorious suggestion. Such a repeated declaration of purpose and a resolute determination to realize it would go far in dispelling the clouds of political hocus pocus and bunk with which we have been regaled for this past decade. You may expect, ladies and gentlemen, that this next 6 months will mark the height of political activity on both sides as we go down the stretch toward the national campaigns and elections of 1940. Every issue confronting us—and there are many of vital importance to every single citizen of this great country of ours—will be handled and tossed around with this political year in mind. Jockeying for position and maneuvering for political advantage will be the order of the day, each and every day as the congressional session unfolds. Such a political background is not conducive to constructive results in the interests of our people. It is regrettable that we cannot approach our social and economic problems in a nonpartisan spirit—particularly in view of our many vitally important problems. For in such an atmosphere first things just cannot come first while procrastination and postponement are substituted for action which might be of political embarrassment. But this is the system of government under which we are pleased to operate, and we would not change it under any circumstances, especially as we review the terrible development in other portions of the globe where dictatorships prevail both by compulsion of the will of the people and also under the guise of military necessity. In this connection it is interesting to refer to a letter received recently from a keen, intelligent, and sincere constituent, who wrote as follows:

"After following the proceedings of Congress by reading the CONGRESSIONAL RECORD the last 2 years, I have been forced to the conviction that the first and most important of the business of the present Congress is a radical revision of its rules of procedure, designed to abolish the practice so generally prevalent of making long speeches to empty benches, thus delaying important legislation. I was afraid last fall that those 'talk-a-heaps' would delay matters until we were forced into another World War. Time and quick action is of more consequence than speech making under present-day conditions, and unless Congress makes radical changes in their rules, quick action is impossible. 'Cause it has all been done that way' is no reason to perpetuate mistakes and blunders. It has seemed to the man on the street that Congressmen and lawyers are too firmly wedded to precedent. What was best 200 years ago does not make it best today. Think it over. Talk it over outside with other of your Members. This is a time for quick action on many important measures. Time wasted on useless speeches may destroy our Government and must be stopped if we save it. This is the considered opinion of the average citizen."

To his most pertinent comment, I replied as follows:

"This will acknowledge receipt of your communication of January 4, and will express to you my genuine pleasure at hearing from you once again."

"The suggestion which you make, namely, to curtail debate and useless talk in the House of Representatives has often occurred to me during the past 3 years, but I suppose that such a drastic application of gagging would partake of the nature of dictatorship. I am sure that we would not welcome such a development especially in view of conditions now prevalent in the rest of the world. I also find strict adherence to precedent just because it is precedent most distasteful, and certainly feel that we must break away from the past if we ever intend to meet the unbalanced economic conditions which prevail in this country today. In any event, you may rest assured that I keenly appreciate the viewpoint which you have expressed."

Because I feel as he does, that time will not wait forever for us to meet our problems while we play politically. I am particularly disturbed by our unemployment and our insecurity conditions.

With critical conditions confronting us, during the past few days, we of the Congress have had an overabundance of opportunity to harken to the words of our No. 1 political leader. His address upon the state of the Union, his Budget message, and the talk he



delivered before the group attending the \$100-a-plate Jackson Day dinner; all these leave us with one question in our minds—what, if anything, was Mr. Roosevelt talking about? He talked a lot, but he said nothing of domestic importance. He left us wondering why he bothered to talk at all.

The President devoted his address to the Congress upon the state of the Union to a great many things. He paid lip service to the political trend of the times, but he very carefully avoided all suggestion of specific remedies for the unemployment situation in America. He talked a lot about foreign situations and troubles, but he very carefully evaded mention of adequate care for America's aged. He put forth a sales talk in the interest of his good-neighbor policy toward foreign nations, but he neglected to tell us how he proposed to adjust American economy in order to take care of the American needy. He mouthed pretty phrases of warning about the peril of our children in the face of foreign threats, but he very thoughtfully ignored the threat to those same children created by the stupendous national debt his administration has amassed. And he talked about the need for adequate defense, but he said nothing about the need for adequate economic adjustment to provide the American people with a just share of the productive wealth of their own Nation.

No, my friends, Mr. Roosevelt did not say anything of domestic importance, although he talked a lot.

Our unemployed, our elderly veterans, our underpaid millions, and, finally, our undernourished economy as a whole need action more than words. Words and the soothsaying of political leaders and sneers will constantly din our ears for the next 10 months; but what about our people who, shunted off in the nonproductive area of unemployment and poverty, are clamoring—and rightfully so—for action? To them words and political mouthings are just so much drivel.

So today, as we start the legislative juggernaut, creaking and groaning through the maze of appropriation bills for 1941, we should be marking for first consideration that type of legislative proposal which has some possibility of coping with our half-starved economy. Lack of jobs, lack of use of our productive plant structure, lack of an adequate vehicle for the financial distribution of our production—all tie together as the No. 1 issue of the day. But we stall while we fret and fume over the tax load and the Budget deficits. These cannot be satisfactorily or permanently dealt with until we put our people back to work. Work is the basis of the greatness of this Nation, and work is the only preservative for the continuance of our freedom and our liberty.

Therefore work is the issue. Our youth, our middle-aged, and our elderly citizens have no fear of the future if work is available to all those who are willing and able to apply themselves. Deny to any one of this group the right to work and by that token you deny them the fundamental right to enjoy the liberties and rights of this great Nation of ours. Of what avail is it to prate smugly about civil rights and freedom and at the same time refuse to face the fact of unemployment as it exists today in this Nation. How terribly disconcerting and downright discouraging it is to pass off with a nonchalant shrug of the shoulders and a mere passing word of comment the menace of idleness which has existed in America during the past decade. During the month of December just passed, our productive volume reached and passed the production of 1929. Think of it, 1929, the peak year of economic activity in the United States, and we exceeded this volume in 1939 and yet we have 10,000,000 unemployed and millions more just existing on the ragged edge of necessity. Balanced budgets, relief from taxation, a terrific load of bureaucracy, international complications, national defense, farm problems—certainly all these and many others comprise a tremendous headache for our national body politic and economic, but none of them nor all of them equal in importance the unemployment crisis. From idleness stems all of these other important issues. But let the people go to work and we need have no fear as to the solution of all our other ills. Keep people out of work for another decade or less and we shall have no democracy; but we shall have a demoralized and chaotic people; and we shall indeed have lost our priceless heritage of life, liberty, and the pursuit of happiness.

So it is that in the light of unemployment, words and political pap are peculiarly inappropriate and unseemly. That is the reason why I personally resent the ballyhoo of the past 2 weeks in Washington. That is the reason why I find it difficult to smile and applaud when able, capable, and intelligent leaders of our Government joke and jest while our people wait expectantly for action.

The first week of this session was, as usual, devoted to the President and nothing of fundamental interest occurred other than the recording of more words for political digestion. The second week, just ended, saw the House pass the antilynching bill, which has become somewhat of a perennial for the Senate to filibuster against and ultimately defeat. We also have considered, discussed, and passed an appropriation bill providing funds to replace dollars already expended by the Navy and Coast Guard incident to their patrol activity of our neutrality position. Also we have provided for large-scale war maneuvers for our Army and our National Guard. These activities meet with the general approval of our people, as was figured by the President when he ordered them by Executive decree just before the special session of Congress convened last fall. In view, however, of the conditions existing overseas no one will make an issue over the expenditure of this quarter of a billion dollars.

In the meantime, however, Budget difficulties mount as one department after another feels the pinch occasioned by dollars going

into defense items. Watch for repeated assaults as one worth-while Federal service after another puts the heat on for a replacement of funds which have been operated upon by the Bureau of the Budget and the President. This is all part of the political strategy. Cut down on regular services of the departments and thus shift the blame of Budget deficits on Congress, as it, responding to public pressure and requests, endeavors to replace existing cuts.

If people were working and creating national income our tax income as a result of increased production would balance our worth-while and constructive outgo. Unemployed people, through no fault of their own, constitute the drag which gives us our fiscal headache. How long are we going to endure and tolerate such a needless, such an absurd situation where people who will work are denied that opportunity? Please, do not be bored if during these next few months I continue to stress this unemployment menace.

Until 2 weeks from tonight. Good wishes and goodnight.

## For the Relief of the Distressed and Starved Women and Children of Poland

### EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

Mr. FISH. Mr. Speaker, I have introduced in the House a resolution providing \$10,000,000 for the relief of the distressed and starving women and children of Poland, which is similar to the resolution I introduced in 1924 to provide foodstuffs for the starving women and children of Germany, which was adopted by the House of Representatives.

One-third of the population of Poland are literally starving, without proper food or clothing, and in view of the fact that there seems to be no immediate prospects of improvement of these conditions among the Polish people who have always been the friends of the United States, we should contribute of our surplus foodstuffs in the United States as we have done previously in Belgium, when it was under German rule during the World War, and as we also did in the case of Austria, Poland, and even Soviet Russia, and now very properly, in Finland.

#### House Joint Resolution 412

Joint resolution for the relief of the distressed and starving women and children of Poland

*Resolved, etc.*, That the President is hereby authorized, through the American National Red Cross or such agency or agencies as he may designate, to purchase in the United States and transport and distribute grains, fats, milk, and other foodstuffs and clothing for and adapted to the relief of the distressed and starving women and children of Poland. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the President, a sum not exceeding \$10,000,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this joint resolution: *Provided*, That the President shall, on or before December 31, 1940, submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted through the agencies selected by him under the authority of this joint resolution.

The names of two American Presidents, Woodrow Wilson, who stood firmly at the Paris Peace Conference for the establishment of a strong, free, and independent Poland, and of Herbert Hoover, who rushed vast quantities of food supplies to the starving Polish people after the armistice, are held in the highest honor by the people of Poland.

The memory of the valiant and distinguished services of two Polish patriots, Gen. Casimir Pulaski, who was killed at the Battle of Savannah, and Gen. Thaddeus Kosciuszko, who was the engineer who built the defenses at West Point during the Revolutionary War, has been a strong bond between the Polish and American people for the last 150 years.

There are millions of American citizens of Polish origin in the United States who have contributed through their industry, ability, and loyalty in making for the development and progress of America and in maintaining our free institutions and American system of Government.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. THOMAS D. WINTER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

## ARTICLE FROM THE BAXTER SPRINGS (KANS.) CITIZEN

Mr. WINTER. Mr. Speaker, under leave granted to extend my own remarks in the RECORD, I include the following article published by the Baxter Springs Citizen on Monday, January 8, 1940, containing copy of letter written by Evan Just, secretary of the Tri-State Zinc and Lead Ore Producers' Association, protesting against the "virtually unqualified endorsement of the reciprocal-trade program" by Senator BENNETT CLARK, of Missouri:

[From the Baxter Springs (Kans.) Citizen]

## ORE PRODUCERS' SECRETARY SENDS A LETTER TO CLARK ON SUPPORT OF TRADE PROGRAM

Evan Just, Miami, secretary of the Tri-State Zinc and Lead Ore Producers' Association, protested against the "virtually unqualified endorsement of the reciprocal-trade program" by Senator BENNETT CLARK of Missouri, last week. The protest was sent in a letter to the Senator. The text of the letter follows:

"Senator BENNETT CHAMP CLARK,

"Senate Office Building, Washington, D. C.

"DEAR SENATOR CLARK: On behalf of the zinc mining industry of southwestern Missouri, we protest against your virtually unqualified endorsement of the reciprocal-trade program. Our protest is based upon the following circumstances connected with our own experience:

"First, we cannot see that the unconditional extension of the benefits contained in a single treaty to all countries except a few on the blacklist results in equivalent benefits being obtained by this country. An analysis of our import and export trade indicates a disproportionate increase in imports from as against exports to the beneficiaries of this policy. In the case of zinc and manganese in the Canadian and Brazilian treaties respectively, the trade-agreement negotiators violated their own stated policy of making the concessions in treaties with countries furnishing the principal sources of our imports. In the case of zinc serious damage was done to the domestic industry by the reduction in the Canadian agreement, and the principal beneficiaries were countries to whom the concession was a free gift.

"Second, in the case of zinc we have discovered in the course of a year's negotiations that the reduction was made with a very immature and impractical understanding of the zinc industry and its problems. Even as late as a special hearing given the zinc industry in September this was strikingly evident. We can demonstrate that this ignorance was not due to failure of the industry and of the Bureau of Mines to lay the facts before the trade-agreements organization. Our experience indicates beyond all doubt that the publicity ament careful and competent study given each item before inclusion in a treaty is largely poppycock.

"Third, in the case of zinc, the trade-agreements group not only violated their stated policy as given above but they insisted on numerous occasions to Senators and Congressmen who were anxious about zinc that 'no harm would be done to any established domestic industry.'

"Serious harm was done to the zinc industry, and a year of painstaking efforts on the part of the industry to improve understanding of its plight has not resulted in anything but genteel evasions. Also, there were repeated assurances given by high officials to our Senators and Congressmen before the treaty was completed that could be given no logical interpretation except that zinc would not be affected. How else could one interpret the following reply given to Congressman SCRUGHAM, of Nevada, by Harry Hawkins: 'I don't think you have any cause to worry?' The conversation was entirely about zinc; and knowing it was not the policy to make any specific promises in advance (until inspired by the political strength of copper), one could only conclude that the intention was to give an indirect assurance in regard to zinc. Certainly you were given that impression, as was also Senator LEE, Senator ELMER THOMAS, Senator KING, Congressman SCRUGHAM, and Congressman DISNEY.

"Fourth. These trade pacts are treaties. To call them agreements and fail to have them ratified by the Senate is a paltry evasion of a constitutional obligation.

"We realize that a Senator is responsible to a great variety of people as well as to his own conscience, and that it would be improper for us to ask for your outright antagonism to the entire trade-treaty program. However, it is our belief that the treatment

we have received at the hands of the trade-agreements organization warrants more extensive qualification of your endorsement of the program.

"Respectfully and sincerely yours,

"EVAN JUST."

## Finland Pays Her Debts

## EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

## EDITORIAL FROM THE MANKATO (MINN.) FREE PRESS

Mr. CASE of South Dakota. Mr. Speaker, under permission granted to extend my remarks, I offer the following editorial from the Mankato (Minn.) Free Press:

## WHY WE'RE FOR FINLAND

Does it pay to pay your debts?

Well, just take a poll of American public opinion and note how decisively it favors Finland in that plucky little nation's battle for existence against mighty Russia.

Why the contrast between the relative indifference over Germany's invasion of Poland last autumn and the vigorous condemnation of Russia's similar course now? Well, Finland is the only one of our European debtors that has met its obligations, incurred during the World War and after, on the line without defaulting, whimpering, or crying.

We admire that kind of square dealing.

And that offers a suggestion to England and France why we're not as sympathetic with their cause as they seem to think we ought to be. We haven't forgotten how readily and willingly they welshed on paying the millions that saved them from defeat in the last war.

## The Internationalism of the Administration

## EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

SPEECH OF REPRESENTATIVE HAMILTON FISH, PRESIDENT OF THE AMERICAN GROUP OF THE INTERPARLIAMENTARY UNION, AT THE ANNUAL MEETING OF THE GROUP, HELD ON MONDAY, JANUARY 15, 1940

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address I delivered before the American Group of the Interparliamentary Union at the annual meeting January 15, 1940:

I have no ambition to continue as president of the American group for another term. I have recently become the ranking minority member of the Committee on Rules, and, with my other duties as a member of the Committee on Foreign Affairs, I have enough responsibilities already.

I confess that I have no faith in the foreign policies of the Roosevelt administration, which, I believe, will eventually involve us in the European war if it is prolonged. I hold strong convictions that the internationalism of the administration, its provocative policies toward certain nations, and its so-called "measures short of war," are leading us directly into foreign entanglements and wars.

Consequently I have decided not to be a candidate for reelection as president of the American Group of the Interparliamentary Union, so that I will be free to openly oppose the administration's internationalism without fear of misunderstandings in foreign nations.

Holding such sentiments, I feel it would be for the best interests of the union during the balance of this administration's tenure in office to have as president of the American group a Member of Congress who would be more in sympathy with its foreign policies.



I shall, however, be glad at all times to cooperate with the union in all of its efforts to promote arbitration, mediation, and world peace, and to keep America out of foreign wars.

If there is any Member of Congress who can exert more influence toward keeping America out of foreign wars, I will gladly support him. That is the single greatest issue before the American people and transcends all party lines.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

STATEMENT BY HON. AUGUSTINE LONERGAN

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by former Senator Lonergan, of Connecticut, at a meeting of New England businessmen at Greenfield, Mass., in February 1938 on the subject of reciprocal-trade agreements.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### THE TRADE-AGREEMENTS PROGRAM AS A PART OF THE FOREIGN POLICY OF THE UNITED STATES

The part which the trade-agreements program plays in the consistent foreign policy of the United States relates to an easement of restrictions to international trade for the definite purpose of bringing about commercial and more peaceful relations with all countries on the basis of equality of treatment. In its broader aspects this program envisages the following 5 declarations of the 14 which Secretary Hull gave to the press in July 1937 in his clarifying exposition of the existing foreign policy of the United States:

First. We constantly and consistently advocate the maintenance of peace.

Second. We advocate steps toward the promotion of economic security and stability the world over.

Third. We advocate adjustment of problems in international relations by peaceful negotiations and agreements.

Fourth. We seek effective equality of commercial opportunity and urge upon all nations application of the principle of equality of treatment.

Fifth. We advocate lowering or removing excessive barriers in international trade.

The trade-agreements program of the United States is a practical application of these enduring principles. I might say that it is generally recognized that if these points had been an important part of the foreign policy of the United States and other important trading countries during the past two decades, many of the recent international frictions might have been allayed or avoided. Administration leaders are convinced that trade agreements made in a fair, just, and friendly way afford the best foundation on which to build permanent and peaceful relations with foreign countries. On the material side, the trade-agreements program is based upon the principle that international trade—incoming as well as outgoing—is an important factor in obtaining and stabilizing business recovery.

Some narrow-minded and extreme nationalists have been inclined to scoff at the peace aspect of the trade-agreements program. They say that trade agreements have no relation whatever to peace and point to present world conditions. This short-sighted criticism, however, generally comes from those who are not in favor of the program under any circumstances. The administration only claims that this program is one which fosters conditions conducive to peace. Secretary Hull has frequently stressed this point. Other members of the Cabinet have also publicly spoken regarding this matter. For example, the Secretary of War, Mr. Woodring, back in May said, among other things:

"Our armament policy must be accompanied by a wise and constructive foreign policy. Merely to rearm will not protect our peace and our freedom. We should disapprove continued aggression, help remove existing economic tensions, and continue our encouragement of world disarmament agreements."

"For the world to continue to rely solely on a constant expansion of its military forces and a constant addition to its military might can lead only to one conclusion—war and social revolution."

"Our national defense does not rest entirely on our Military Establishment. Economic, financial, and social problems play a very important role in the maintenance of our peace and our security. A prosperous, law-abiding nation, peopled with happy, contented citizens, will never be a dangerous neighbor."

"Viewing the world scene, I am thoroughly convinced that the removal of unreasonable trade barriers and the restoration of normal, friendly processes of international commerce offer the most satisfactory basis for a return to a stable structure of business, of peace, and of democratic government."

In considering the present causes for certain tendencies in the realm of international affairs, no one, of course, contends that a more liberal trade policy, at this juncture of world events, will turn soldiers from their threatened march to the battlefield. This, however, does not alter the fact that unfair restrictions to international trade have long been and will continue to be an incentive to war. The seeds of war have been sown in the fertile soil of restrictions and embargoes during the last two decades. A halt to these war-breeding and unreasonable self-sufficiency movements should have been called long ago.

It is held that economic disarmament, the counterpart of military disarmament, though belatedly applied, should remove some of the war-provoking causes, all too prevalent in the world today. There is no question but that trade agreements are alleviating some of these disturbing tendencies. As I have stated on other occasions, this program is being carried out under President Roosevelt and Secretary Hull in a careful and cautious way. It is a sane middle course between ostrich nationalism and mere sentimental internationalism. This program is the application of a policy of enlightened self-interest whereby we reduce trade restrictions on selected products, and in turn obtain the removal of trade barriers against our products. It is a live and let live proposition for the mutual benefit of all.

Under trade agreements encouraging progress has been made toward economic disarmament. Agreements have been concluded with 18 countries and negotiations are under way with 3 others. In addition, a new agreement is being negotiated with Canada. About 60 percent of our foreign commerce is carried on with the 21 countries involved. The record of the commercial results of the program thus far should clearly indicate the benefits to American workers, farmers, and manufacturers and the country as a whole.

According to the Department of Commerce, the trade with agreement and nonagreement countries has been as follows:

*United States foreign trade with trade-agreement countries, and with all others, fiscal year 1937-38, compared with preagreements period, calendar years 1934 and 1935*

[Millions of dollars]

	Comparison of last 12-month period, ending June 1938, with preagreement period, calendar years 1934 and 1935			
	1934 and 1935 annual average	Fiscal year 1937-38	Change	
			Value	Percent
UNITED STATES EXPORTS, INCLUDING RE-EXPORTS				
Total, all trade-agreement countries.....	756.8	1,257.7	500.9	66.2
Total, all nonagreement countries.....	1,451.0	2,143.4	692.4	47.7
Total, all countries.....	2,207.8	3,401.1	1,192.3	54.0
UNITED STATES GENERAL IMPORTS				
Total, all trade-agreement countries.....	774.4	977.6	203.2	26.2
Total, all nonagreement countries.....	1,077.0	1,383.7	306.7	28.5
Total, all countries.....	1,851.4	2,361.3	509.9	27.6

Briefly, this table shows that during the latest 12-month period, ending with June 1938, the relative increase in value of American exports, as compared with the 2-year preagreement period, has been about the same as that recorded during the calendar year 1937—namely, an increase of 66.2 percent over 1934-35 to the agreement countries and of 47.7 percent to nonagreement countries. Compared with the basic preagreement year 1934-35, the value of American imports during the fiscal year ending June 1938 increased by 26.2 percent from the agreement countries and at the slightly higher rate of 28.5 percent from the nonagreement countries as a whole.

In terms of dollars, United States exports during the past fiscal year to the 16 countries and their colonies with which agreements were in operation during the greater part of that period were greater by about \$500,000,000 than the average annual exports to the same countries during the preagreement year 1934-35, while the year's increase in imports into the United States from the same countries was greater by about \$200,000,000. Everyone realizes that only a part of the increases in trade in recent years are attributable to the trade-agreements program. No one pretends to claim that factors other than trade agreements have not influenced this favorable picture, nor can anyone deny but that they have been important.

While I do not wish to make a local issue of this program, all New England has an enormous stake on both sides of our foreign trade. For example, the hardware industry of Connecticut utilizes material from several foreign countries and in turn exports the

finished products to various parts of the world. Many of the typical and diversified industries of New England need and must have raw materials and semimanufactures from foreign countries as well as from other domestic areas if they are to operate at anything near normal capacity. On this phase of the import side the program has reduced the duties on materials of positive interest to New England industries—manganese, flax, ball bearings, coal-tar dyes.

The concessions obtained for New England export products, such as are produced in Connecticut, includes a long list of products too numerous to mention. A few examples are as follows:

*Increased imports of American products into Canada such as are produced in Connecticut and other New England States on which that country granted concessions*

	1935 (pre-agreement year)	1937 (second agreement year)	1937 gain over 1935
Rubber manufactures.....	\$1,294,000	\$2,172,000	\$878,000
Office machinery.....	1,295,000	1,962,000	667,000
Sewing machines and parts.....	417,000	754,000	337,000
Tools.....	451,000	753,000	302,000
Brass products.....	1,712,000	2,657,000	945,000
Radio and wireless apparatus.....	1,855,000	2,923,000	1,068,000
Aircraft, engines, and parts.....	422,000	1,830,000	1,408,000
Watches, cases, and parts.....	174,000	371,000	197,000
Clocks, movements, cases, and mechanisms.....	183,000	246,000	63,000
Textile machinery.....	2,084,000	3,489,000	1,405,000

We now recognize that both sides of the street must be cleared if we are to have unimpeded two-way traffic. The program is removing barriers to trade in both directions. In order to obtain the many concessions on our exports it has been necessary to make some concessions to foreign countries. Certain very carefully guarded reductions in duty have been made on products which are produced in Connecticut—tobacco, laces, watches. I know there have been many misapprehensions regarding the imports of certain products included in the agreements thus far negotiated, or in agreements expected to come into effect in the future. The inveterate enemies of tariff reduction have created unreasonable fear regarding the probable effects of each and every agreement of any importance. The results of the agreements thus far negotiated indicate that the misapprehensions have had no foundation whatsoever. Those who would seek to obstruct this program, which means much in the way of material benefits as well as strengthening the world's resistance to war, are motivated by purely selfish considerations. I have confidence that those administering the program are carefully pursuing a policy calculated to redound to the benefit of Connecticut and the Nation as a whole.

### Democracy

#### EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

RADIO ADDRESS BY MISS JEANNETTE RANKIN

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by Miss Jeanette Rankin, former Congresswoman from Montana, which was delivered at Helena, in her home State.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I congratulate the business and professional women on the subject under consideration this year. "Democracy" is the vital concern of the world.

In 1916 we were listening to the same propaganda that we hear today. We were told it was a war to make the world safe for democracy. If there is any ideal for which we should be willing to sacrifice, it is the ideal of democracy. Today the only real difference in our situation is in mechanical developments. In 1916 I talked from the street corners; now it is over the radio. This is symbolical. We have developed new mechanical devices faster than we have improved our social conduct. Governments still cling to the war system, and the problems of 1916, unsolved by the war, are here today.

We have a moral responsibility to help correct the unspeakable conditions that exist in the world. Our first duty is to understand the problem. But how can we understand the problem when apparently every day the issues are changed? It is difficult for us in

Montana to understand what is going on in the United States. How many would trust their judgment on the issues in Louisiana State politics? And when we cannot see clearly issues involved in disputes in our own country, how can we understand the issues without knowing what is really happening underneath, the secret treaties, the commitments which are involved in the difficulties that have been vexing Europe a thousand years?

Every student of foreign affairs presents a different picture. Each day a new situation is described on the radio, yet some suggest that we go to Europe to decide the century-old problems on the basis of unknown facts.

War always creates more conflicts than it solves, because the method itself is wrong. It violates moral laws which have been accepted as correctly stated for the individual, and therefore cannot be broken by a group of individuals, although the group is as large as a state or a nation.

Our forefathers left Europe largely because they wished to get away from the military system and the age-long sufferings. They established this Government on great fundamental principles of democracy. Experience made them know that neither the Union nor the sovereign States could survive if allowed to settle their disputes by war, so war between the States was outlawed. They recognized war as incompatible with democracy.

We failed in one instance to abide by the Constitution, but today public opinion is crystallized against settling disputes between the States by war. We have, in fact, for over 100 years, outlawed war between the United States and Canada. Norway and Sweden have done the same. Belgium and Holland, in the midst of the warring countries, have given up the war method. If the war method can be abolished on one border, it can be abolished on all borders.

We tried to help Europe in 1916 by using their war method, and today we realize how pitifully it failed. War, as a method of settling disputes, always fails. We must use the right method if we are going to convince the people of Europe that we believe in our ideals of democracy.

There are many definitions of democracy. Lincoln said, "The government of the people, for the people, and by the people." Jefferson said, "It is the will of the people substantially expressed."

Democracy is not concerned with the form of government; democracy must spring from the hearts of the people. If we want to preserve democracy for future generations, we must insist on democracy at home. If democracy is good for us, it must be good for the rest of the world. Therefore, they must be permitted to work out their own problems without our interference.

The United States is the most powerful Nation. Our geographical position makes us safe from attack. No nation or group of nations can successfully attack us. That is not an exaggeration. No military man of any rank will sign a statement saying this Nation can be successfully attacked.

The great military lesson of the last war was learned by the failure of England to land troops and make a permanent base at Gallipoli. When we know that troops cannot be landed on an enemy shore and that a nation cannot be subdued without troops, then we can begin to reason without fear of attack.

The difficult process of getting troops from the ship to the shore leaves them so exposed that a very little military activity can destroy them. With all the new inventions and mechanical devices, soldiers still have to walk the gangplank from the ship to the shore.

Near the end of the last war we sent 300,000 men to Europe in 1 month. It was considered a miraculous thing to do. We sent them over 5,000 and 7,000 at a time in the ships of all the countries. We sent over their food; we did not send over their guns. We had a friendly sea and modern ports in which to land them.

An army of 300,000 men is no force at all to come against the United States. It would take millions of men to make any impression on this country. They could not come, as we did, 7,000 at a time, for our ports are fortified. They would have to bring their army all at one time, together with their food and all their military supplies. Fifty thousand men at one time would take all the boats of Europe.

I was telling this to an American Legion man the other day, and he said that if they came over 50,000 at a time, that the police could take care of them, but if they came over in 6,000 loads, the Boy Scouts could handle them.

If Canada or Mexico permitted an enemy of the United States to establish a base on their land, they would be offering their country for the battlefield, and no government would voluntarily do that.

Charles Lindbergh said that there is no danger of attack by airplane because the planes in Europe are made for short distances and heavy loads. Besides, militarists know there is no military value in bombing civilian populations unless they rush in with troops.

Any country using South America as a base will have to bring troops in boats. Brazil is as far away as England. I cannot quite see a foreign enemy army marching up the Isthmus of Panama.

From time immemorial, governments have threatened the people with attack. It is the easiest way to arouse them to make the sacrifice that war demands; but we in the United States need not fear—Germany will never be able to come over.

Our concern should be, how are we going to keep our democracy and help other nations to develop theirs? A democracy can only be preserved by use. When we belittle our representative government and fail to support and direct it, we are headed toward a dictator.



If we want to preserve democracy for future generations, we must do our individual part by expressing our opinion now. Our interest is not with the forms of governments, deplorable as some of them are, but with our moral responsibility to help, by our example, the men and women in every country to abolish the war system and build democracy.

And, remember, we have no moral power unless we have moral integrity.

Our responsibility is to say, "We do not like your Hitler methods of violence; therefore we are not going to use violence. We shall cease preparing to use violence. We shall have everything that money, science, and ingenuity can devise to protect our shores from invasion. You can't come here, and we are not going to Europe to decide your century-old problems on the basis of the changing and unknown facts by a stupid, undemocratic method."

An expressed public opinion is the only power in the world that can keep us out of war. Good intentions or clear opinions are of no value unless expressed; so I am asking you to write to the President, to the Senators, and to the Congressmen. If you feel, as many do, that there is something fine in our civilization which will be lost in war, that killing young men is a permanent injury to the race, then express that opinion. Send cards, letters, petitions, and telegrams, and keep it up. Each one listening is a part of public opinion. You can help.

Your opinion expressed in Washington immediately is going to help to decide the fate of civilization. Mothers alone can prevent our entering the war if they will express their opinions now.

### Highway Deaths

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

EDITORIAL BY CARL GOERCH

Mr. REYNOLDS. Mr. President, in view of the fact that there are killed annually upon the highways of the United States more men than were killed during our entire participation in the World War, and in view of the further fact that approximately 1,000,000 persons are injured annually upon the highways of the United States, many thousands of whom are seriously and permanently incapacitated, the subject of preserving life upon the highways is a very interesting one to the American people.

I therefore ask unanimous consent that there be published in the Appendix of the RECORD a very able editorial by Hon. Carl Goerch, publisher and editor of the State magazine, published in my home State at Raleigh, N. C., entitled "How To Stop Highway Deaths."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[The State, Raleigh, N. C.]

#### HOW TO STOP HIGHWAY DEATHS

Everyone is greatly perturbed about the number of deaths that occur every year on the highways of our State.

And rightfully so, because these deaths represent a needless slaughter of human lives.

Various suggestions have been brought forward to remedy the situation, but we believe that the most practical one of all has been completely ignored.

The automobile manufacturers and the makers of tires can't be blamed for traffic accidents, because they certainly have done their share in improving their products and in making them safer.

Some people claim that our roads are to blame; that they are out of date and that they should be widened and straightened in many places. But even if we spent many millions of dollars for that purpose, we'd still continue to have accidents.

What, then, is the solution?

It's perfectly simple.

We know of a plan which, if adopted, would surely reduce our highway fatalities by 50 percent and possibly even more than that. Here it is:

Tell all the highway patrolmen to take their cars to a paint shop and have them repainted black, without any insignia or special marking whatsoever.

Then enforce the law.

If a man exceeds the speed limit, arrest him. If he goes around a curve at 40 miles an hour when the highway signs say the limit is 30 miles an hour, arrest him. If he passes a car on a hill, arrest him. If he is driving on the wrong side of the highway, arrest him. If he is otherwise reckless in the operation of his automobile, arrest him.

There's the solution to your problem. And we insist that it is an effective one.

"But," Mr. Motorist will holler, "we don't want speed cops traveling over the State in disguise, or hiding up lanes, or otherwise sneaking up behind us."

Of course he doesn't. And the pickpocket, the burglar, the murderer, and every other form of criminal objects to a police officer going around as a plain-clothes man, too.

The most ridiculous thing we know of—in connection with law enforcement—is for a highway patrolman to be riding up and down our highways in an automobile which can be identified half a mile away. Of all the absurd things, that absolutely heads the list.

It is an assured fact that when you see a highway patrolman you're going to drive carefully. But with the small number of patrolmen now at work, you see one of them only infrequently, regardless of how much patrolling they may be doing. On the other hand, if you weren't sure that the car ahead of you or behind you wasn't a patrol car, the chances are that you'd drive much more carefully all the time.

That, it seems to us, is a logical conclusion.

Summing all this up, therefore, we arrive at the conclusion that a large part of the responsibility for so many deaths upon the highways of North Carolina rests with the men who are supposed to see that our laws are enforced.

Let the patrolmen park their cars behind country stores, tobacco barns, or other places where they can't be seen. And then, when an automobile whizzes by at 70 miles an hour, let them start out after it.

Let them be so disguised on the highways that nobody would be able to recognize them or their cars.

Let them see that every violation of our traffic laws is strictly enforced.

Let Mr. Motorist howl all he wants to about these regulations. What right has he to howl, anyway? If he obeys the traffic laws, nobody is going to bother him; if he violates them, then he deserves no more consideration than does the man who violates our laws against theft or murder.

So let him howl!

You can straighten out all the curves you want to, you can widen the highways from Murphy to Manteo, but you never will be able to reduce the death rate on our highways in North Carolina until you adopt some such plan as we have outlined above. Now let's see whether our enforcement officers have nerve enough to put something like this into practice.

### Proposed Loan to Finland

#### EXTENSION OF REMARKS

OF

HON. WILLIAM H. KING

OF UTAH

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

ARTICLE BY WALTER LIPPMANN

Mr. KING. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article by Walter Lippmann which appears in this morning's issue of the Washington Post. Mr. Lippmann discusses the situation in Finland, and indicates that neutral nations—referring to Norway and Sweden—will be in danger if Finland shall be destroyed.

Without expressing any opinion as to the accuracy of the statements made or the conclusions drawn by Mr. Lippmann, I regard the article as of such importance that it may be properly considered by American citizens and also by the Congress of the United States. I therefore ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 16, 1940]

#### THE CASE FOR A FINNISH LOAN

The current news can be read only by keeping before one's eyes the map of Europe as a whole. We see then that there are three

points of extreme tension. First, the frontier of Finland on the Karelian Isthmus and in the area between Lake Ladoga and Lake Onega; second, the Netherlands-Belgium frontier, with Germany between the Ardennes Mountains and the North Sea; third, the region occupied by Hungary, Rumania, and Bulgaria.

There is great tension at these three points, because here are the three gateways through which the Nazi-Bolshevist aggression can be extended. The Finns are defending the gateway to the whole Scandinavian world; the Dutch and the Belgians, with the Allies behind them, stand at the gateway of western Europe; the Hungarians and the Rumanians, with Italy, Turkey, and the Allies behind them, hold the gateway to the Danube Valley, the Balkans, the eastern Mediterranean, and the Near East. If these three gates can be locked and bolted, the war can be limited to the struggle between the Allies and Hitler's Germany; if one or more of these gates is forced by the Nazis or the Bolsheviks, or both, the war will engulf the whole of Europe and may become a world war.

#### HITLER MAY SEND ARMY INTO SWEDEN

If we look further into the situation at these three gateways we find that at two of them the small countries involved can count upon the immediate military assistance of great powers. If the Netherlands is attacked by Hitler, the Belgians, reinforced by the military force of France and Britain, will move instantly into the breach. If the Bolsheviks and Nazis strike at southeastern Europe, they will encounter somewhere and somehow the Italians, the Turks, and the French Army now gathered in Syria under General Weygand.

But if the Soviets break through the Finnish defenses, the position of Denmark, Sweden, and Norway will be desperate. For if Russia gets within striking distance of Sweden, the probabilities are at least 10 to 1 that Hitler will send an army through Denmark into Sweden to occupy it before Stalin can get control of the indispensable Swedish iron ores.

The position of Scandinavia is like that of Poland; the victory of one partner in the "unholy alliance" between Moscow and Berlin will cause the other to move in also, and, as in the case of Poland, the Allies cannot easily intervene to avert the catastrophe. No doubt they would try. But before they could hope to do very much Denmark, Sweden, and Norway would be a shambles.

The fact that the Scandinavian countries cannot be reinforced effectively and quickly enough by the Allies is the reason why it is of such urgent importance that the Finns be given the arms which they can use so well, to hold the gateway. The Finns have demonstrated that they have an excellent strategic frontier. The arrangement of lakes, forests, and railroads is such that not only the whole of Finland but the whole of Scandinavia can be defended on the short Mannerheim line in the Karelian Isthmus and on a front of about 60 miles between Lake Ladoga and Lake Onega. If the Finns can stand in these two sectors, the front is too narrow for the Russians to bring into action their immensely superior numbers.

#### NORTHERN NEUTRALS' FATE HANGS ON FINN DEFENSE

On the other hand, if the Russians get through either of these two narrow entries into Finland, then it is difficult to see where they can be stopped until they reach the Swedish frontier. If they are not stopped before they get to the Swedish frontier, it will be as necessary for Hitler to move into Scandinavia as it was for Stalin to move into Poland. It will then be necessary for the Allies to move in also. For they can never permit Hitler or Stalin to establish naval and air bases in Scandinavia. Upon the successful defense of Finland, therefore, hangs the fate of the three northern neutrals, whether they are to be occupied and pillaged and brutalized like the Poles and the Czechs and whether they are to become one of the great battlefields of the war.

The Finns have proved their military capacity, and their judgment may be relied upon. They tell us that a credit of \$60,000,000 will enable them to resist for 4 months. They must have this credit in the United States, because that is the only country where the arms and ammunition they need can be sold to them at once. They can get something, but probably of second quality, from the more or less obsolete stocks in France, Britain, Italy, and Spain. But the only place where they can get the kind of superior weapons which their small army must have in order to deal with the terrible mass of the Russian Army is from the American factories that are making arms for the American Army. The American Army is willing to let the Finns take prior delivery on certain of its own orders. It is acting on the very sound theory that the American Army is not going to engage in this war and can, therefore, safely wait a few months for a few hundred guns and the ammunition that goes with these guns.

#### FINNS DEPEND UPON UNITED STATES CREDIT

But these arms cannot be delivered unless the Finns pay cash to the manufacturers, and the Finns cannot pay cash unless the American Government gives them credit.

This is the practical issue which is presented to the administration, the Congress, and the people. If by any chance the decision is against helping the Finns now, Congress may be sure of one thing; it will soon be confronted with the same issue but in a much more acute and embarrassing form. For if public sentiment is aroused now to the point where it wishes to see the Finns helped, what will be the state of public opinion if Finland is devastated, its army exterminated, its people starved and enslaved, and then if Denmark, Sweden, and Norway are overrun by the Nazis and the Bolsheviks?

If ever there was a case where a stitch in time may save nine, it is the case of Finland today. For today the whole catastrophe can still be averted by supplying the Finns with arms; if this is not done, an infinitely more complicated problem, involving both Germany and Russia, will confront the American people.

## Federal Housing Administration

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the New York Herald Tribune of January 8, 1940, entitled "Building Activity and the F. H. A."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune]

#### BUILDING ACTIVITY AND THE F. H. A.

The Federal Housing Administration, according to an announcement by its head, Stewart McDonald, ended the year 1939 with more than \$3,000,000,000 of home-financing insurance on its books. Of this total, approximately \$960,000,000 was written during 1939—establishing a new F. H. A. record.

One of the outstanding features of last year, it is emphasized in the financial and business reviews now appearing, was the continuance of the recovery in residential construction. At the bottom of the 1929-33 depression home building fell off to an annual rate of only slightly more than \$250,000,000, and this area was among the last to feel the recovery urge. Residential building continued well below the \$500,000,000 level until 1936, but its rise to \$801,000,000 that year and to \$915,000,000 in 1937 had much to do with the approach to prosperity in those 2 years. Moreover, where so many series in the business indexes turned sharply downward in 1938, residential building enjoyed an even better year than in 1937, with contracts totaling \$984,000,000; and now, with only about 10 days' figures missing, it is clear that last year has not only far surpassed 1938 but that it has been easily the best year since 1929. With total building contracts of \$1,340,000,000, it has run some \$200,000,000 ahead of 1930—previously the best 12 months of the last decade. The \$1,340,000,000 figure lags, of course, far behind those of the 1920's, when the annual average was well above the \$2,000,000,000 level, and when 1928 produced a peak of \$2,788,000,000.

There is no question that the F. H. A., which substituted the long-term amortized mortgage for the old short-term first- and second-mortgage set-up so widely used in the 1920's, deserves much of the credit for the revival of residential building in the last 2 or 3 years; and if such construction has not yet soared to the high levels of 10 and 15 years ago, there are some aspects in which the present situation is distinctly preferable to that one. In the first place, it is quite probable that, so far as actual home ownership is concerned, the country is closer to the position reached in the 1920's than the mere totals for building contracts suggest. Of the F. H. A. insurance, only \$112,500,000 has been issued in connection with large-scale projects. Small home mortgages have accounted for \$1,975,000,000 of the \$3,000,000,000 total, with property-improvement loans accounting for the remainder. Final figures for the year may show that the number of single-family dwellings erected during 1939 actually exceeded that of 1929, which was featured to a substantial extent by large-scale building operations. Again, the F. H. A. has measurably raised the standards of building construction; and, although its specifications and inspection service may not be foolproof, there is little doubt that there is less shoddy construction today than there was before this agency was created; and, finally, speaking generally, it may be said that little of the construction of 1939 was attributable to such boom phenomena as we witnessed in Florida and other widely scattered sections of the country at various times between 1925 and 1929.

All this is not to say that the F. H. A. is the perfect instrument for the financing of residential building. Being a political creation, it has the faults that stem from that fact. The most conspicuous example is the overly attractive terms offered, particularly in the case of small dwellings, which require a down payment of only 10 percent of the purchase price. A serious depression in the near future might conceivably result in a demoralizing volume of repossessions. With this and certain other minor reservations, however, it will, we believe, be generally agreed that the Federal Housing Administration is one New Deal agency that has abundantly justified itself.



## Citizenship for People of Guam

## EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

## RESOLUTION BY THE YOUNG MEN'S LEAGUE OF GUAM

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be printed in the RECORD a resolution adopted by citizens of Guam relative to citizenship for the people of that island.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas a bill providing for the granting of United States citizenship upon certain inhabitants of the island of Guam and to extend the naturalization laws thereto, introduced by the Honorable Senator MILLARD E. TYDINGS, of Maryland, and the Honorable ERNEST W. GIBSON, of Vermont, is again pending before the Congress of the United States; and

Whereas the people of Guam still and will ever retain their cherished desire and aspiration to obtain recognition as United States citizens through necessary legislation by the mother country to whose flag they have, for the last 41 years, proven allegiance and loyalty both in time of peace and in war; and

Whereas by virtue of the provisions embodied in article IX, paragraph 2, of the Treaty of Peace concluded at Paris in December 10, 1898, they consider themselves entitled to such rights and privileges as are afforded by and which are the heritage of free American Government; and

Whereas the people of Guam have accepted American sovereignty without question—our parents who were living when that memorable occasion took place wherein Guam was taken under the United States sovereignty in 1898, welcomed and were highly satisfied with the terms of the treaty and other original acts of government assuring Guam and people that justice and right shall prevail; and

Whereas it is the consensus of opinion of the people of Guam and others who are concerned that the time has come when our cause should be given due consideration, for generations past up to the present moment, including the 41 years of American sovereignty, our people have been deprived of their just share, namely, to enjoy in common the blessings for which the stars and stripes and its ideals stand for—to perpetuate that measure of individual and inherent rights of free people under our common nation; and

Whereas the Honorable Secretary of the Navy, since 1901, recommended to both President and Congress the right and obligation to effect satisfactory settlement of our civil rights and political status and since then to date have repeatedly recommended legislation to this effect commending on and recommending our being peaceful, law abiding, loyal, and worthy; and

Whereas we have proved all these as enumerated in the foregoing and are ready to repeat and continue doing so in order that "right shall ever be the master of might"; and

Whereas it is common knowledge that it has been the policy of the United States of America to encourage the Americanization of all persons residing permanently within American jurisdiction so as to be able to properly gain proper citizenship in the greatest democracy of all time—our common Nation—to which our people of Guam have unquestionably been loyal since the year 1899, when American sovereignty was first officially established over Guam and people: Therefore be it

*Resolved by the Young Men's League of Guam, an original and one of the leading civic organizations in Guam, whose membership, composed of 100-percent citizens of the United States and/or Guam, at its meeting held on October 23, 1939, That we endorse wholeheartedly with full appreciation for the high American idealism that prompted unselfish action and effort, measures introduced in the Congress of the United States by the honorable Senators TYDINGS and GIBSON, that will secure and effect the early consummation of the civil rights and political status of the people of Guam; and be it further*

*Resolved, That as a mark of our respect, admiration, and appreciation to both of these distinguished gentlemen who champion the cause of our people, this resolution be spread in the minutes of this organization as a permanent record; and be it further*

*Resolved, That copies thereof be forwarded to each of the Senators above-mentioned and to those interested in the welfare of Guam.*

B. J. Bordallo, president; Jose Salas, vice president; F. T. Flores, treasurer; H. J. Johnston, secretary; V. Blaz, sergeant at arms; A. P. Cruz, librarian; F. T. Ramirez; V. P. Herrero; Jose L. G. Bitanga; Juan Indalecio; Jesus M. Camacho; Jesus C. Borja; V. Rosario; Silvino T. Quenga; J. A. Perez; J. C. Torres; V. U. Atoigue; Raymond F.

Underwood; V. U. Zafra, manager of sports; A. C. Suarez; H. T. Sablan; Vicente C. Reyes; H. W. Elliott; P. B. Leon Guerrero; Joaquin L. Flores; F. B. Leon Guerrero; G. L. Salas; Leonardo P. Matias; B. F. Long; F. D. Taitague; J. A. Limtiaco; Nieves M. Flores; Juan Muna; John J. Underwood; Juan A. Roberto; Antonio C. Baza; Joaquin A. Perez; Adolfo C. Sgambelluri; Ignacio B. Mendiola; E. T. Calvo; V. T. Aflague; J. M. Cabrera; Francisco L. Guerrero; Juan R. Rivera; Joaquin T. Aguon; Juan "H" Ramos; Juan S. Okada; Jesus T. Guerrero; J. R. Rivera; Jose U. Atoigue; M. Ada; Ignacio I. Santos; S. A. Limtiaco; J. C. Artero; Manuel C. Glas; A. T. Bordallo; G. Eustaquio; Jose S. Camacho; Jesus L. Garrido; Joaquin I. Franquez; Juan A. San Nicolas (F. N. R.); Jesus B. Taitingfong; Jesus C. Duenas; Carlos Tydingco; Gregorio C. Perez; Frank D. Perez; Francisco F. Perez; J. M. Camacho; Jose L. G. Leon Guerrero; V. T. San Nicolas; Juan E. Lujan; Jose P. L. Guerrero; Gregorio C. Camacho; Francisco P. Pangelinan; Manuel F. Ulloa; Francisco C. Torres.

## Associate Justice Frank Murphy

## EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

## EDITORIAL BY RAYMOND MOLEY

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a portion of an editorial appearing in Newsweek for January 15, 1940, in reference to the qualifications of Frank Murphy for the office of Associate Justice of the United States Supreme Court.

There being no objection, the portion of the editorial referred to was ordered to be printed in the RECORD, as follows:

[From Newsweek of January 15, 1940]

MURPHY AND JACKSON

A fair knowledge of Frank Murphy's record as a judge of the recorder's court in Detroit encourages the belief that, as Justice of the Supreme Court, he will do much better than some of his critics predict.

When Murphy was elected to the recorder's court his colorful personality and his war record—factors which should not weigh heavily in the selection of judges—were inordinately stressed. Friends of the court were perturbed about what he might do with the job. There were fears that he might institute drastic and possibly unsound reforms. But as judge he showed an extraordinary capacity to learn. He was not only a humane judge—everyone expected that of him—but an efficient and highly intelligent one. The same capacity for growth marked his career as mayor of Detroit and as Governor of the Philippines. It can conservatively be said that he has always done better than all except his warmest friends ever expect him to do.

As a Supreme Court Justice, Frank Murphy will, in general, show sympathy for the legislation of the past 7 years. But he will be watchful of the rights of minorities as against bureaucratic oppression. And he can be counted upon to resist the efforts of the more fervid reformers on the Court to tell him what to think.

## National Sojourners

## EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

## ADDRESS BY HON. PAUL V. McNUTT

Mr. RANKIN. Mr. Speaker, under permission given me to extend my remarks in the RECORD, I am inserting the very able address of the Honorable Paul V. McNutt, delivered to the National Sojourners here in Washington on last Saturday, January 13.

It is one of the most masterful discussions of the great questions now confronting the American people that has yet come to my notice.

I believe it expresses the views of an overwhelming majority of the patriotic people of this country who are interested in restoring prosperity, maintaining American independence, and helping to promote the peace of mankind.

The matter referred to follows:

Brother Toastmaster and brethren, many years ago (more than I care at the moment to admit), I took part in an amateur performance of the play *Brother Officers*. Little did I think then that the title of that play would have a particular significance. I was not old enough to be a Mason, and the black clouds of the World War had not yet appeared upon the horizon. The term "National Sojourners" was not even a name to me, but during the years I have had the privilege of membership in the organization it has come to have great significance. The double bond of brothers-in-Masonry and brothers-in-arms is a tie of unusual strength; a source of inspiration and satisfaction.

It has been the lot of our generation to live in an epoch characterized by the happening of the unbelievable. Governments, like men, have been helpless to predict and prepare for the turn of events. It is little wonder that the relations between nations have been marked by confusion, uncertainty, and bewilderment. The last decade was born in the misery of world-wide depression. Each year brought another tragic chapter—10 years of chaos, havoc, and destruction. And today, once again in our lifetime, we find whole continents stricken with the plague of war. Men are dying in battle; the independence of small nations is threatened—some nations already have been swept from the map—"liquidated," as some would say.

Tonight I would like to discuss American foreign policy. That policy is not the product of accident nor of ignorance. We know that stable, lasting peace can be had only if treaty rights are respected and if there is a full flow of trade between countries. These are the two rocks upon which our foreign policy is founded. Through our reciprocal trade treaty programs we have laid the foundation for world-wide economic peace. In our uncompromising opposition to aggression, we have laid the foundation for world-wide political peace.

The relationship of these two aspects of our foreign policy will seem clearer if we examine each one separately. Let us first turn to the reciprocal-trade treaties, of which we hear so much today.

#### I. RECIPROCAL-TRADE TREATIES

After the first World War, many thousands of miles of tariff walls were constructed throughout the world. Economic isolation became the basis of the foreign policies of many countries. How thoroughly was the ground plowed, how diligently was it cultivated, how deep were the seeds sown for the inevitable crop of extreme political and economic nationalism of these unhappy years! Through our own tariff action we, too, contributed to this process.

In the thirties, however, America sought to turn the tide which had blocked world trade and had bottled up the economic life of 200,000,000 Europeans. In vain did our Government seek to batter down the barriers to world commerce. Too long had these walls been standing and too virulent were the infections of international distrust and hatred that had bred in the festering pools of stagnant business. The fate of Europe was sealed.

Tirelessly, however, did our State Department strive to relieve the tensions by encouraging peaceful trade relations. To start again the flow of the beneficent stream of world commerce became a major policy in our foreign relations. It was a policy designed to start the western world on the long road to prosperity, and prosperity is the only circumstance under which we can hope for a lasting peace. The reciprocal-trade program was calculated to eradicate the conditions which breed political and economic monstrosities and which kindle the fires of international dissension and hatred. It was a common-sense policy based upon the principle that men do not attack those with whom they have profitable trade relations nor do nations go to war with good customers.

International commerce has been for centuries one of the greatest civilizing influences in the world. It banishes prejudice and distrust. It cultivates toleration and understanding. From the time of the first merchant adventurer in the eastern Mediterranean, wandering from ancient Sidon and Tyre and later from Rhodes and Carthage, the trader has broken down cultural barriers and ideological prejudices. Thousands of years ago Solomon and Hiram of Tyre set the pattern for international commerce when they discovered the reciprocal advantages of a trade agreement.

World economy has become highly complicated since the days of Solomon and Hiram. Simple barter is possible only within narrow limits. Capitalism, however, has made it possible to obtain far greater advantages by the proper manipulation of its machinery. One of the most delicate and sensitive parts of the capitalistic mechanism is the valve of foreign trade through which surplus production can escape the walls of economic nationalism and allow the return flow of needed materials. It is this type of engineering that the reciprocal-trade negotiation accomplishes. Not until we have cleared the channels of commerce between nations will any of them in this complex world economy completely realize the advantages which the capitalistic system is capable of bestowing. It is significant that it is in those nations where these advantages of capitalism are not obtained that democracy has died.

The reciprocal-trade treaty is a rational tool for the performance of a scientific job. It takes out of the realm of politics the difficult task of balancing the economic and industrial order of our own country with those of other nations. It leaves to deliberation and discussion the task of giving and obtaining tariff concessions which will tend to raise rather than impair the standard of living in both nations. It is a job for the experts.

But world trade had too long been strangled, and with depression and despair came dictatorships and demagogues, imperialism, and aggression. In a world so disrupted by war and chaos it is difficult to follow the course of peaceful trade. With much of Europe our trade is gone. With South America, however, potentialities for the commercial intercourse of peace are almost unlimited. To be sure, not everything can be exchanged. Many agricultural products of the Argentine cannot profitably be imported. But the manganese, coffee, and rubber of Brazil can be the consideration for the petroleum, heavy goods, and manufactured articles of our own country. Already a 28-percent increase in exports to Latin America has been achieved. Unlike the temporary increase in trade during the first World War, the trade treaties are laying the groundwork for permanent relations with our southern neighbors. In the negotiation of these agreements the interests of both labor and agriculture can be adequately protected. In many particulars the production of the South American republics is complementary rather than competitive with ours. It is this situation that is capable of exploitation to the mutual advantage of all concerned.

No opportunity should be spared to cement our relations in other respects with the republics of the New World. The contact of our cultures is bound to prove an intellectual stimulus for both civilizations. The vast opportunities for mutually beneficial exchanges in art, literature, and education have been recognized but recently. They have been exploited scarcely at all. It is no reflection on any of us to recognize that mutual business advantage will be derived from continuous and increased contacts between people of different but complementary cultural and economic heritage.

#### II. NEUTRALITY

Our diplomatic as well as our trade relations with the Old World during the past few years have involved many grave and delicate problems. The thirties will forever be characterized as a decade of international duplicity and brigandry rarely equaled in any era. From the first Japanese invasion of Manchuria to Russia's thrust at Finland a succession of ominous enterprises has caused many sleepless nights for the President and his Secretary of State. Treaties have been repudiated, national boundaries violated, moral and legal rights of nations and of individuals flaunted. Might has supplanted right; justice has given way to lawless greed. Every canon of international decency has been defied; every tenet of interstate morality denounced.

Throughout this besmeared and murky era there has been one voice that has never failed to cry out against aggression and wrong, one foreign office that has invariably sought to ward off disaster from the weak. Had other governments been as strong and as unswerving in their devotion to ideals, as courageous and as scrupulous in their observance of the law, much of the havoc and devastation of the past 7 years would have been avoided.

Never once in those tragic years did America neglect to invoke the sanction of written treaties against the nation which broke them. Times there were when ours was the only protest raised in defense of the victims of tyranny. The world will never know whether the bloody sword of Japan might not have been sheathed in the East had the other parties to the Nine Power Pact insisted, with our State Department, upon the observance of the territorial integrity of China. The world will never know whether the failure of ruthless aggression in the Orient might not have stayed the hand of Italy in Africa. We shall never know the extent to which the success of Japan and Italy may not have induced Russia to deceive the democracies and by that betrayal give Hitler his supreme chance to overrun Poland. The chain of cause and effect here can never be accurately traced. One thing we know, however, at every stage of this monstrous drama the voice of the Government of the United States has been raised in protest.

Nor have ours been weak protests. It has required courage on the one hand and skill on the other to be effective yet not belligerent. These have been perilous years. Except for the fateful years from 1914 to 1918, at no time have such forces of destruction been unleashed upon the world. Only by the most adroit and skillful handling of our foreign relations have we been able to fortify ourselves in the armament of peace. It is little less than a miracle that in these trying years we have avoided the dangers which have threatened momentarily to enmesh us in the web of foreign entanglement.

It is not an easy thing to keep out of such a war. No one knows this better than Americans. No nation was ever more determined to remain at peace than this Nation 23 years ago. It is the paradox of history that we have been drawn into war under the administration of our greater peace-loving Presidents. It was so with Lincoln, and it was so with Wilson. It was only by superhuman efforts, by negotiation and forbearance, by concessions and threats, that war was averted for nearly 2 years after the sinking of the *Lusitania*. Woodrow Wilson fought bitterly against war and all but succeeded in staving it off. His will to peace, like Lincoln's before him, was unshakable. But the will to peace is not enough. Peace is not a thing which can be had for the asking. Nations do not remain at peace merely because they desire it. Neither is it a simple matter of isolation. Whether we wish it or not, we live



dangerously as part of the economic and political world. We can no more avoid the impact of world forces today than we can avoid the sun that shone over the Orient yesterday, and which will shine over Europe tomorrow.

But America is fortunate. Both by location and by natural endowment, we are in a favored position. Ours is the problem of defending this position under conditions that are spiritually tolerable, of maintaining it in a manner compatible with those tenets of decency which we regard as essential to our national integrity. This is the great issue presented by the European war. It is the more complicated because, beyond that of 1917, the present conflict is an ideological struggle. It is a struggle which imperils every proposition in the code by which human beings have made progress in 3,000 years. From a war in which stakes are so high, it is difficult to remain aloof.

A realistic appraisal of the course steered thus far by America reveals it as one of the greatest achievements of our times. It is a course characterized by sagacity and wisdom, and, above all, by a recognition of the weakness as well as the nobility of the American character. It has recognized that there is a valid distinction between indifference and neutrality. The Government, as well as the American people, has not been indifferent to the struggle in Europe nor to its outcome. At the same time, there has been a sincere and successful attempt to remain neutral in deed and act.

So, too, our attitude has been one that distinguishes between objective impartiality and the ability and duty to distinguish between right and wrong. The Government has been impartial in its diplomatic intercourse but has not hesitated to permit the mobilization of the moral forces of the country against aggressors. The course pursued has tended to satisfy the intellectual and spiritual conscience of the people and yet avoid commitments calculated to draw the Nation into the vortex of hostilities. The regulation of travel in war zones, and of shipping to belligerents, removed at once the likelihood of serious international incidents. At the same time, public opinion has sufficient latitude for adequate expression of moral indignation against international aggression. In this way has the emotional balance of the Nation been made more stable and thus better able to resist the stimulus of repeated provocation.

The realistic nature of our foreign policy is evidenced by the greatest of all preparation for the maintenance of peace; namely, by strengthening our national defenses on land, on the sea, and in the air. America is preparing for any eventuality. The events of the past 10 years have convinced even the most sanguine idealists that in the world of today, a military and naval establishment second to none is the only insurance against war. Americans are a peace-loving people. But we can never again be hoodwinked. We have learned well the lesson of preparedness. Never again will we scrap our vessels or reduce our armed forces to a level where our national safety is threatened. Peace we want and peace we hope to maintain, but we have served notice on a warring world that ours is a positive peace, a strong peace, a peace that it would be folly for any to jeopardize.

The policy thus pursued so successfully is unique in diplomatic history in several respects. In the first place, it is a thoroughly honest policy. No effort has been made to deceive the totalitarian aggressors. Japan in the Far East, Germany and Russia in the West, have no illusions about our sympathies. They know that America will never condone imperialistic policies, even if successful. They know that the Nation's good will is with the victims of their tyranny both within and without their borders. They have seen us give sanctuary to those who have fled that tyranny. They have seen us give aid to the homeless victims of their military invasions. They have suffered the loss of favorable economic relations with our people.

On the other hand, the democracies have been heartened and strengthened by our manifest sympathy for their cause. They have been materially aided by the availability of our resources, provided they assume the risk of obtaining them. At the same time, both those nations whose policies we approve and those we abhor realize that we are firmly determined to remain apart from their struggle. They know that our neutrality is strong and that we will defend it. They have found us impervious to their propaganda. They recognize that we have passed judgment, both on the merits of the current struggle and on the question of our own participation in it. They know, too, that our people are united and that their will is unbreakable. And, as they have come to realize these things, the danger of our becoming embroiled in their struggle has steadily diminished.

To accomplish this in such a world is a singular and unprecedented attainment. Not the least valuable of this program has been the enterprise to consolidate the forces for peace in the entire Western Hemisphere. All the world now recognizes that the Americas present one solid, united front against war and aggression. The traditional doctrine which originated with President Monroe has received its greatest test and has attained its greatest triumph. Of the many achievements of the administration of President Roosevelt, history will record none in such glowing terms of approbation as that of the Department of State during the troubled years of 1938 and 1939.

Ours has been a brave, strong policy and a farsighted one. It has required wisdom and insight in its conception; courage and strength in its execution.

It is a policy that only a forthright nation could adopt; only a strong nation pursue. It is consistent with the finest traditions

and the noblest instincts of a free people. It is a performance which will make our children proud they were born Americans.

In civilization, America has a mighty stake. Amidst the confusion and groping, the turmoil and fury, it is ours to hold fast to the gains of the centuries. Ours to preserve man's passion for democracy. Avoid the conflict we will, if possible. In the end, liberty may remain only here. Again ours may be the task of keeping this precious flame lighted to restore a torn and bleeding world when the forces of destruction are spent—to help all mankind again to find the path which leads to peace and freedom. No nation could have a nobler destiny.

## The North Discovers the South

### EXTENSION OF REMARKS

OF

### HON. LUTHER PATRICK

OF ALABAMA

### IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

ARTICLE FROM THE WALL STREET JOURNAL OF JANUARY 8, 1940

Mr. PATRICK. Mr. Speaker and fellow Members of Congress, I arise today as a representative of all of Dixie. We had grown into advanced maidenhood without any encouraging courting. And now, behold; this is an article appearing in the Wall Street Journal regarding Birmingham, Ala. At last, at long last, the North has discovered the South.

The article is as follows:

[From the Wall Street Journal of January 8, 1940]

NATURAL RESOURCES MAKE BIRMINGHAM INDUSTRIAL CENTER—NEAR VAST DEPOSITS OF IRON ORE, COAL, LIMESTONE, AND DOLOMITE—CITY'S GROWTH STILL RAPID

BIRMINGHAM.—Juxtaposition in this area of vast deposits of iron ore, coal, limestone, and dolomite has provided the foundation in Birmingham for the South's principal industrial center.

On this base there has developed since the city was founded in 1871 a diversified body of 478 manufacturing establishments and 58 mining operations, currently employing some 63,000 wage earners, paying them at the rate of \$70,000,000 a year, and sending to market 2,300 products with a value normally exceeding \$275,000,000 annually.

In addition the area provides employment for around 60,000 other persons in public utility, railroad, professional, and service occupations to provide a total normal annual pay roll of around \$140,000,000 a year. Few, if any, other industrial areas can show such growth in such a short period—growth which is the natural result of the unusual combination of natural resources and favorable geographic position enjoyed by the city and its environs.

#### STILL GROWING

This development, furthermore, has been continuing right up to the present, with population of the area within a 100-mile radius of Birmingham growing more rapidly during the past 10 years than any other similar area in the Southeast, to the point where it now totals 1,800,000 people.

Since 1930, population of the State of Alabama has increased by some 300,000, of which 120,000 was in Jefferson County, wherein Birmingham is located, and with much of the balance coming in nearby counties. Such expansion during a period in which business generally has been depressed can mean only that the potentialities of the Birmingham district are just beginning to be fully realized.

With the principal raw materials for the production of iron and steel available here, Birmingham is the natural southern center for location of new plants manufacturing those products made of iron and steel which the region requires. Among them are such products as farm and garden implements, can factories, washtubs and buckets, stovepipe, trailers, metal cabinets, toys, and a multitude of other products made of iron or steel which can find a market on the farms and in the cities of the South.

#### THE STEEL INDUSTRY

Faith of the steel industry in this market is indicated by the recent investment by United States Steel Corporation of \$29,000,000 in a huge new plant to manufacture tin plate here—a plant which employs 2,500 men, uses 1,223,000 tons of raw materials each year, and produces 200,000 tons of finished tin plate annually. Furthermore, the Birmingham district produces about 60 percent of all the cast-iron pipe used in the United States while its five cast-iron plants with a total capacity of 450,000 tons per year are capable of supplying the entire cast-iron-pipe requirements of the United States; the 18 blast furnaces of the Birmingham area produce in normal times 2,500,000 tons of pig iron a year with value of that commodity shipped out of the Birmingham area in 1937

amounting to \$16,000,000; and the area's production of coke in a normally good year amounts to some 3,500,000 tons with shipments going to 33 States, Canada, Mexico, and Cuba.

But while Birmingham is predominant in the South as an iron and steel center the area surrounding the city is also rich in other raw materials which help to make the city an attractive place for location of many other types of plants.

Such raw materials include cotton, average annual production in Alabama being approximately 600,000 tons, and cottonseed oil; lumber, the State having approximately 21,000,000 acres of timber of which 4,000,000 acres is virgin stand with the total available estimated at 40,000,000 board feet; dairy products; cattle; and farm products and vegetables, including peanuts and sweetpotatoes—both of which are becoming more important as industrial raw materials.

#### VARIED INDUSTRIES

These raw materials provide opportunities for manufacturers of furniture, other wooden articles, and paper; for milk-condensing plants; for packing plants; and for processors and canners of other farm products.

Likewise, Birmingham is accessible to sources of semifabricated raw materials. Alabama is an important textile State with 64 textile mills located within 75 miles of Birmingham and turning out a wide variety of products which are the raw materials for garment manufacturers; coke, which has many metallurgical uses, is available in large quantities in the Birmingham district; and pig iron, the raw material for many industries, is at hand here.

Byproducts of existing plants in the area, many of which are used in the chemical industry, include tar, benzol, sulfate of iron, ammonia solvent naphtha, carbolic acid, sulfate of iron, toluol, naphthalene, ground open-hearth basic slag and others. Blast-furnace slag, produced at the rate of approximately 1 ton per ton of pig iron, is available for manufacture of brick, tile, concrete, lime, and cement.

#### FUEL SUPPLIES

Birmingham is particularly well situated as far as fuel supplies for manufacturing plants are concerned. The city is in the center of the Alabama coal fields and good steam coal is delivered here at from \$2 to \$2.25 per ton. The district is also one of the largest coke-producing centers of the country. Both byproducts and natural gas are available. Byproduct gas is supplied from the many byproduct plants in the district and is sold at very reasonable rates by the Birmingham Gas Co., while natural gas is provided by the Southern Natural Gas Corporation, whose main line from the Monroe, La., field passes through the city. Electric power is available at low rates, large steam-electric plants at the mine mouth supplementing hydroelectric power developed in the State.

Other factors affecting plant locations such as labor supply, wage rates, transportation facilities, taxes, and water supply are also favorable in the Birmingham area.

There are 20 railroad lines into Birmingham in 9 systems, including the Alabama Great Southern; the Atlantic, Birmingham & Coast Railroad; the Central of Georgia; the Illinois Central; the Louisville & Nashville; the Mobile & Ohio; the Seaboard Air Line; the Southern; and the St. Louis & San Francisco. Birmingham is well situated geographically as a distribution center for the South and is also accessible to the major northern cities.

#### WATER TRANSPORTATION

Water transportation for heavy, slow-moving, and bulky commodities is available from Port Birmingham just west of the city on the Warrior River to Mobile, a distance of 410 miles, and from there via freighter to any port in the world or by barge to New Orleans, the intercoastal canal, and the waterways of the Mississippi and its tributaries. Uniform minimum depth of 8 feet is maintained on the Warrior River, while work now under way will deepen the channel to 9 feet, reduce the number of locks, and further straighten the channel. The Federal barge lines provide regular service from Port Birmingham to Mobile and New Orleans. Sea-going barges are also used on the river, being towed direct to Gulf ports without rehandling. Some of the larger companies maintain their own barge lines.

Birmingham also has excellent express service, with 35 express trains leaving the city every day; it is a center of truck and bus transportation. There is a modern \$1,000,000 airport.

The labor supply here is very large, with the Negro and white population of surrounding counties providing a reservoir on which to draw. There is an unusually large surplus of white female labor, due to the fact that most of the industries now established in the district provide employment for men only. Millinery, shirt, and garment plants which have located in the area in recent years have found these women learn quickly, are efficient and intelligent.

#### WAGE RATES

Wage rates range upward from 30 to 35 cents an hour for common male labor, primarily colored, of which there is a large quantity available. Somewhat better, partially skilled male labor can be had at from 35 to 45 cents an hour. The many foundries, machine shops, and fabricating plants in the area have developed a large supply of skilled labor, typical rates for which are as follows: machinist, 78 to 97 cents; boilermaker, 93½ to 97 cents; electrician, 66½ to 93½ cents; pattern maker, 78 to 97 cents; carpenter, 70 to 84½ cents; and riveter, 71 cents. The district is generally open shop and indications are that it will so remain.

Property taxes are based on assessments which are required by State law to be made at 60 percent of fair cash value, a provision which is liberally construed. Tax rates per \$100 of assessed value

in Birmingham, Bessemer, and Fairfield are as follows: State, 65 cents; county, \$1.15; city, \$1.50; school district, 30 cents; and total, \$3.60. The rates in Jefferson County, outside of municipalities, are: State, 65 cents; county, \$1.15; school district, 30 cents; and total, \$2.10.

Liberality with which the 60 percent required is construed is reflected by the fact that assessed value of Birmingham property in 1936 was \$160,000,000, as against an average assessed value of \$316,000,000 in the 15 cities of the United States in Birmingham's population class.

Per capita tax revenue in both Alabama and Birmingham are relatively low. Birmingham had the lowest per capita revenue receipts from all sources in 1936 among 65 cities in the country with a population of 125,000 or more, the Birmingham total being \$24 in that year as against \$35.56 in 1926, and it also had the lowest per capita cost of government, including operation, maintenance, and interest, of any of the 65 cities. Only 7 of these 65 cities had a lower per capita net debt than Birmingham in 1936.

### Relations With Russia

#### EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1940

EDITORIAL FROM THE DALLAS MORNING NEWS OF JANUARY 5, 1940

Mr. LUTHER A. JOHNSON. Mr. Speaker, under leave granted to extend my remarks, I submit herewith a very able and timely editorial from the Dallas Morning News upon the question of maintaining diplomatic relations with Russia:

[From the Dallas Morning News of January 5, 1940]

#### RELATIONS WITH RUSSIA

Despite the wholesale condemnation by Americans of Russia's aggression against Finland, there is no real reason to regret our recognition of the Soviet Government or to break off relations now. The main purpose in our maintaining diplomatic and consular services in Russia, as in other countries, is not to give moral approval of the type of government in force, but to look after the interests of our Government and the personal and commercial interests of our citizens.

Resolutions demanding that the State Department yank the United States Ambassador home from Moscow and close all its offices in Russia are ill-advised. We would gain nothing—and neither would the Finns—from such an official gesture of nose-thumbing. On the other hand, individual Americans in Russia and American companies doing business in or with Russia might be seriously inconvenienced and might even suffer heavy losses as a result.

Though we have no Ambassador in Berlin at the moment, we still maintain formally friendly relations with both Germany and Japan, which are as much aggressors as Russia; and we did not break off relations with Italy because of popular disapproval here of her conquest of Ethiopia. If we severed relations with every nation, some of whose official acts we do not like, we might almost as well abolish our State Department.

If Congress wants to help Finland, that is another matter. In making further loans or in giving other help that can be extended without violating our neutrality, the United States may be able to help the Finns, whose courageous defense of their homeland has won world-wide admiration. But only harm would come from boarding up the United States Embassy in Moscow.

### Pricing of New Wealth is Basic American Issue

#### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 10, 1940

EDITORIAL BY O. L. BROWNLEE

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial



by O. L. Brownlee from the Sioux City Tribune, Sioux City, Iowa, entitled "Pricing of New Wealth is Basic American Issue":

[From Sioux City (Iowa) Tribune]

PRICING OF NEW WEALTH IS BASIC AMERICAN ISSUE

The major basic problem with which this country must deal—it is both political and economic—concerns the pricing of the new wealth as it comes out of the ground at a level which will supply a solid foundation for the national income necessary to support the Government and maintain 135,000,000 people at an American standard of life or at least in a happy frame of mind.

During the first 150 years of mad nation-building on this continent the American people produced new wealth in such profusion that scientifically managed distribution was of secondary importance. They chopped down forests, plowed up prairies, dug into the earth for minerals, and turned out new wealth in such volume that everybody was fairly prosperous even under our ruthless economy.

Nobody paid any attention to the relationship between the amount and price of the new wealth produced and the price and volume of wages and the amount of collective income. We had so much that it just wasn't necessary.

Labor complained and organized because it felt it was not getting its share. Farmers complained and organized to fight for a larger share of the country's prosperity.

Capital and industry and business generally organized and fought back to hold the advantages they had contrived to gain through privileges obtained from Government in the way of favoring laws. Management brains was on the side of the privilege seekers who did not hesitate to buy legislative brains when they needed such services.

Finally, however, when we had overrun the last frontier, when production of new wealth became stabilized and growth of population began to level off, our indifferent, lackadaisical economic system caught up with itself and we found ourselves in a heck of a fix.

Before we realized it we had a condition in which one-third of the population was "ill-fed, ill-housed, and ill-clothed" and economically beyond the point of self-help.

And all because the new wealth—the real wealth—we produce has not been equitably distributed. It has not been equitably distributed because it was not properly priced in the beginning. And our system of "gyp and gouge" has operated to despoil millions of their savings when they did manage to accumulate something. The problem has been further complicated by the growth of technology.

Let's see if we cannot get at the fundamentals of this thing and come to understand it better.

The process of creating wealth starts with the production of raw materials—crops, minerals, forests, fisheries, etc.—which are obtained from God's good earth. There is no other source of new wealth. We create additional value through the operations of labor, capital, and industry in processing, transporting, and merchandising the raw materials obtained from the ground.

Without raw materials, however, there would be no call for the services of capital, machinery, or labor. They would have no function to perform. If production of raw materials stopped, the whole process of creating wealth and adding value thereto would cease.

That is the most fundamental thing in our economy.

The producers of new wealth—the farmers, miners, fisheries and forestry workers—are also a dominant factor in the consumer market for the goods produced by capital, machinery, and labor in processing raw materials.

Agricultural production roughly represents 70 percent of all the new wealth called into existence each year, and, with about two-fifths of the Nation's population engaged in or dependent upon agriculture, farm buying power largely determines the industrial demand for minerals and other raw materials. It is the chief market for industrial goods and labor.

There is not—there cannot be—any disagreement of thought up to that point.

It is here, however, that thought divides, one faction or element contending that cheap prices for foodstuffs and other raw materials will result in a wider diffusion of processed goods and larger demand for labor, the other element or faction contending that higher prices for basic raw materials will increase primary buying power and therefore lead to greater demand for the products of industry and labor.

Up to this time in our history, however, we have alternately had high prices and low prices for basic raw materials and consequent instability of business of all kinds.

There has been so much confusion—so many complexes have developed concerning agriculture and the national attitude toward the materials of new wealth generally—Congress has been unable—or unwilling—to enact adequate stabilizing price legislation.

Neither statesmen nor economists have developed a formula for gearing the agricultural cogwheel to the mechanism of national economy which has as yet been expressed in law.

But such a formula is in the process of evolving and application. It will all come about within the course of months, a few years at most, because there is no other way out. It is a case of necessity, and necessity is the mother of invention.

In broad and simple terms it all comes down to this: A dollar of farm income yields a dollar of factory pay rolls and \$7 of national income. That simple equation supplies the base for the legislation the country must have.

The statistical record proves that simple statement beyond refutation. It is admitted and agreed upon by some of the Nation's most eminent economists and industrial engineers.

It becomes apparent then that the amount of primary barter credit we create each year depends upon two things, viz:

The number of units of new wealth produced—farm products, minerals, timber, fisheries, etc.—multiplied by the price per unit received for them by the producer.

A couple of examples will clarify that.

Suppose, for instance, that a farmer takes 1,000 bushels of corn to market and receives 80 cents per bushel, or \$800 for it. He thereby attains \$800 of barter power, he will have the means to satisfy \$800 of wants or to purchase that amount of the products of other men's labor.

In the very nature of things, as revealed by the statistical record, his \$800 would yield \$800 of factory pay rolls and, when turned over in the channels of commerce for a year, \$5,600 of national income which would be widely shared.

But, if the farmer receives only 40 cents per bushel for his corn, or \$400, he will have only \$400 worth of barter exchange with which to go into the market to purchase the goods produced by the capital and labor of other men.

Here is another example showing how the formula functions when applied to the whole Nation:

The Agricultural Yearbook for 1935 shows that in 1928 total production of all grains, corn, wheat, oats, rye, barley, and flax was 5,333,000,000 bushels and for 1932 it was 5,253,000,000 bushels and the production of other crops was about the same in both years.

Yet, in 1928, agricultural income was \$11,700,000,000 and factory pay rolls amounted to \$11,200,000,000 and national income was \$82,100,000,000; while in 1932 farm income was \$5,331,000,000, factory pay rolls amounted to \$5,500,000,000, and national income dropped to around \$39,000,000,000.

We produced approximately the same number of units of new wealth both years but in 1932 the price per unit fell to approximately half the price producers received in 1928.

Neither Republicans nor Democrats nor Socialists nor mugwumps can laugh that off.

We could fill pages with farm yield, mineral production, labor wage records, and national income figures covering year after year—since the statistics have been kept, in fact—to pile proof upon proof of the accuracy of the 1-1-7 formula.

So what? you say, and well you might say it.

The problem now becomes one of translating economic fact into terms of law—and that isn't so easy as it might sound to someone who never attempted it.

But it can be done and it must be done before there can be stable prosperity in the United States or in the world.

Whoever finally writes the legislation by which a proper price base for raw materials can be placed under the business operations of the Nation must cast out of his mind all the various complexes that have been developed to bemuse and confuse sound thinking.

And the first complex that must be discarded concerns surpluses. There is not now and there never was a surplus of the materials from which all forms of wealth are fashioned.

There is underconsumption, yes; but it is due to lack of consumer purchasing power and not because we have too much.

Wealth consists of things and there never will be too many things to satisfy human wants. Crops, minerals, and timber are only the materials of which things are made. To contend that we have too many things, or the materials of which things are made, is tantamount to saying that we have too much wealth—

And that's plain silly.

## Elimination of Stream Pollution

### EXTENSION OF REMARKS

OF

### HON. BRENT SPENCE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

#### EDITORIALS FROM THE CINCINNATI ENQUIRER

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks, I insert the following editorials on the subject of the elimination of stream pollution from the Cincinnati Enquirer, one of the leading newspapers not only of the Ohio Valley but of the Nation, which carries at the head of its editorial column the platform of Cincinnati, Ohio, the first provision of which is as follows:

Building of a system for sewage disposal and use of all means to purify the Ohio, the Miamis, and other streams in the Cincinnati area.

To the Ohio Valley, as to many other congested areas of our country, the elimination of the stream pollution is a matter of supreme importance. There is a general desire in this section, as in the other affected areas, that some remedial legislation may be passed at this session of Congress.

The editorials are as follows:

[From the Cincinnati Enquirer of April 27, 1939]

#### THE SENATE ACTS

Another milestone in the march toward civilized regard for the purity of the Ohio River and its tributaries was passed yesterday when the Ohio State Senate approved unanimously this State's participation in the eight-State compact for the relief of stream pollution.

The action reflected an awareness, on the part of the whole State senate, of the broad issue of public welfare involved in putting the compact to work. It reflected also the individual effort of proponents of stream purification; to name one prominently active—Senator Fred G. Reiners, author of the bill.

Coincidentally the senate passed the bill of Senator Roy N. Merryman to qualify the authority of the State board of health with respect to mine drainage. This bill was made a companion measure to approval of the interstate compact in order to allay fears of Ohio mine interests that they would be severely affected by the campaign against pollution. Its passage does not materially diminish the satisfaction created by the senate's agreement upon the interstate compact.

The compact goes now to the house, where no opposition is expected. The representatives seem already to be impressed with the need for immediate action to relieve stream pollution, and Governor Bricker has given the measure his unqualified indorsement.

The completion of legislative action upon the bill at the earliest practicable moment is very much to be desired. Speedy approval by the house and the Governor would lend valuable impetus to the drive to clean up the streams which furnish the water of life to millions of people.

Cincinnati thanks the State senate for its appreciation of our plight and its agreement that the situation must be remedied now. This city will thank the house of representatives for undelayed concurrence.

[From the Cincinnati Enquirer of May 3, 1939]

#### ACTION AT WASHINGTON

Senate approval of the Barkley-Spence stream-pollution bill makes it reasonably certain that this important measure will be enacted at this session of Congress. Already it has been indicated by influential Members of the House that no obstacle to prompt approval will be interposed. Thus, the way is clear for one of the largest single steps in the campaign to cleanse the major rivers of the country.

By rejecting the drastic, coercive bill of Senator BENNETT CLARK, of Missouri, the Senate emphasized its preference for the principle of voluntary cooperation which underlies the Barkley-Spence bill. Thus, the Federal Government will make the maximum contribution to stream purification, without encroaching on the rightful jurisdiction of States and local communities.

The Barkley bill, now ready for action in the House, will give the Federal Government two major responsibilities in connection with stream purification. A new division of stream-pollution control will be created, to act as a clearing house for technical information on this problem. In addition, appropriations are authorized, to be used as grants-in-aid to local communities and industries, enabling them to install plants for treatment of waste.

In other words, the pending measure will use financial resources of the Federal Government as a stimulus to local governments, thus hastening the purification of streams by adding to the incentive of the municipalities. This is a sounder principle than attempting to give a Federal agency coercive power over cities and industries.

Now that definitive congressional action is certain within a month or two, it is all the more important that Ohio and other States of the valley should proceed quickly to carry out the implications of the interstate compact already negotiated. And it is likewise important that Cincinnati speed its plans for at least the first unit of a complete sewage-disposal system.

[From the Cincinnati Enquirer of May 6, 1939]

#### A NEW ERA DAWNS

After many decades of inaction and tolerance of constantly increasing stream pollution, remedial effort by the various States is becoming gradually more extensive. Including the Ohio River Valley Water Sanitation Compact, interstate agreements to control and correct the flow of sewage in four of the Nation's major river basins have been approved or under consideration in 15 States and the District of Columbia, according to a survey made by the Council of State Governments.

The Ohio Valley compact, on its way to ratification by Ohio and already approved by the Legislatures of Indiana and West Virginia, represents the most ambitious of the interstate antipollution undertakings. Intended to restrict pollution of the river throughout the entire Ohio River watershed, this compact was advanced as a safeguard of the health of the millions of people in

Ohio, Illinois, West Virginia, Indiana, New York, Kentucky, Tennessee, and Virginia who are dependent upon the Ohio and its tributaries for their water.

Meanwhile, West Virginia, Virginia, Maryland, Pennsylvania, and the District of Columbia have linked themselves in the Potomac Valley Conservancy District for the abatement of pollution of the Potomac River watershed, subject to ratification by the State legislatures. Four States—New York, New Jersey, Pennsylvania, and Delaware—have set up an interstate administrative agreement for the correction of pollution within the Delaware River drainage basin. In this case the State health departments are proceeding by agreement, and ratification by State legislatures is not necessary. Minnesota, North Dakota, and South Dakota have approved a tri-state compact for the prevention of pollution of the Red River of the North.

Compacts of this type, supplemented by the assistance of the Federal Government as contemplated under the Barkley bill recently approved in the United States Senate, provide ground for belief that the day of unrestricted pollution of American rivers has set, and in its place is dawning an era of proper regard for the purity of the streams we depend upon for the water of life.

[From the Cincinnati Enquirer of May 16, 1939]

#### GOING AFTER POLLUTION

The "floating laboratory" which the United States Public Health Service stream-pollution survey is placing in service on the middle third of the Ohio River this summer will be a highly valuable instrument for determining the sources and extent of pollution of the river. It should play an important part in setting up the factual foundation for the planned widespread attack upon pollution under the Ohio Valley stream-pollution compact and the supplemental aid of the Federal Government.

The chief value of the "floating laboratory"—converted to the purpose from a double-decked quarterboat of the United States Army engineers—lies in its mobility. It is equipped and manned to make exhaustive tests of the bacteriological and chemical pollution of the river at any point. This has a number of advantages, among them being the fact that samples of the water undergo changes in transit if they must be carried from distant points on the river to a laboratory station.

Plans for the use of the "floating laboratory" dovetail, however, with arrangements for an elaborate system of sampling stations. Nine regular sampling stations have been planned for use in the Cincinnati pool, dependent upon motorboat sample collection. Ten stations are scheduled for operation in the Huntington-Ironton section. The Maysville-Carrollton stretch of the river is to be studied more intensively than other sections of the river, since pollution conditions are acute here. Intensive study also is planned in the Huntington-Portsmouth stretch of the river.

The present pollution survey of the river, made possible by the Rivers and Harbors Act of Congress in 1937, differs from previous stream surveys in that it is addressed to the practical phases of river purification. It is aimed to provide specific data upon which remedial measures may be based. Thus it assures intelligent, coordinated action against pollution when the interstate machinery for its remedy is ready to begin functioning.

[From the Cincinnati Enquirer of May 20, 1939]

#### TIME FOR ACTION

Legislative action to pave the way for remedy of the pollution of the Ohio River and its tributaries is nearing consummation, thanks to a widespread recognition of the menace it presents to the health of the Ohio Valley's millions of residents. On two fronts—in the State legislatures and in Congress—action is being impelled by determination no longer to tolerate the use of the Ohio River as—to quote an official report—"an open sewer."

Most heartening to the cause of stream purification is the progress which has been made toward adoption of the Ohio Valley stream-pollution compact, designed to link the efforts of 8 States in curbing the abuse of the river. This week the Pennsylvania House of Representatives approved the compact by a vote of 204 to 0. Both branches of the New York Legislature have voted favorably upon the proposal, effective upon passage of the State's general appropriation bill. Indiana and West Virginia have completed ratification of the compact.

The stage is set now for final legislative action in Ohio. The bill to ratify the compact, previously approved unanimously by the State senate, is scheduled for consideration in the house of representatives next Tuesday. Members of the lower house, alert to the pressing need for action against the health menace, should send the measure to Governor Bricker without a dissenting vote. At the same time the house should concur in the senate action upon the Merryman bill qualifying the authority of the State board of health over mine drainage. Approval of this measure, regarded as harmless to the cause of stream purification, is designed to dispose of opposition to the interstate compact.

In Congress legislative achievement on the subject of stream purification also is near at hand. The House of Representatives is prepared to act upon the Barkley-Spence antipollution bill, which already bears Senate approval. The people of the Ohio Valley look to the various capitols—State and National—to see their health accorded long overdue protection. No legislator should wish to see them disappointed.



[From the Cincinnati Enquirer of May 26, 1939]

## MOVING ALONG

Only the signature of Governor Bricker is needed now to subscribe Ohio to the interstate pollution compact, thanks to the progressive spirit demonstrated by the general assembly in its almost unanimous approval of the Reiners-Deddens bill. Governor Bricker informed the Enquirer yesterday that he will sign the bill immediately. His activity in pressing for its passage deserves high commendation.

Ohio's ratification of the eight-State compact—an accomplishment in which the sponsorship of the Hamilton County legislators, Senators Fred G. Reiners and Representative W. H. Deddens, was highly effective—marks another milestone in the march toward a standard of tolerable purity of the Ohio River and its tributaries.

First Indiana, then West Virginia, then New York, and now Ohio have this year agreed formally to the terms of the interstate compact, and prospective action in Pennsylvania and Illinois extends hope that there will soon be valley-wide approval of the project.

The interstate compact, born of long study and conference, is designed to be an effective instrument in remedying the serious pollution situation which has developed in the Ohio Valley. It provides for a concerted program of State effort to curb the hitherto unrestrained pollution of the river and its tributaries. The benefit, naturally, will be accumulatively greater downstream, but the interstate compact recognizes on behalf of the States along the headwaters of the river that they are faced with a civilized obligation to the people of the lower river regions.

This is a factor in Pennsylvania's consideration of the pact. One official there sought to argue that the State should not undertake the expense of the stream purification program, since it was not extensively affected by the pollution of the river. It was to the credit of the Pennsylvania House of Representatives that they voted unanimously to support a more civilized attitude. The Ohio Valley now looks hopefully to the Pennsylvania Senate and Governor.

### For the Relief of the Anguished, Stricken, and Starving People in War-Torn and Martyred Poland

## EXTENSION OF REMARKS

OF

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

Mr. TENEROWICZ. Mr. Speaker, I am today introducing a joint resolution providing \$15,000,000 to relieve distress and starvation and prevent epidemics from spreading in war-stricken Poland.

The need for this appropriation at this time is imminent. At present there are about 150,000 people in the city of Warsaw alone who are starving. Warsaw is devastated. Sixty-five percent of the buildings in the city have been destroyed by fires and bombings. The consulate general at Warsaw is even now in the process of rearranging its files, which were damaged during the bombardment of Warsaw. Housing for this pain-wracked army of civilians is almost negligible in the face of this bitter winter season, and the coming of spring bodes no great hope, because unless medical supplies are gotten there in time, general epidemic may result.

Already the Poles of America have responded generously to the distress of their homeland. However, I feel that private contribution will not suffice in the face of this historic and colossal emergency.

House Joint Resolution 430

*Resolved, etc.,* That the President is hereby authorized, through the American National Red Cross or such agency or agencies as he may designate, to purchase in the United States and transport and distribute grain, fats, milk, and other foodstuffs and clothing for and adapted to the relief of the distressed and starving men, women, and children of Poland. That there is hereby authorized to be appropriated, to be expended under the direction of the President, a sum not exceeding \$15,000,000, or so much thereof as may be necessary for the purpose of carrying out the provisions of this joint resolution: *Provided*, That the President shall, on or before December 31, 1940, submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted through the agencies selected by him under the authority of this joint resolution.

## Vermont

## EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

Mr. PATRICK. Mr. Speaker, there is a State in this country that goes by the name of Vermont. Vermont means "a green mountain," but that does not tell very much of the story. It is lashed on the west by a lake named Champlain—brother, do not leave off the "l"—and is lashed on all other sides by the New Deal. It produces Republicans, Yankee literature, community music, maple sirup, and a peculiar dialect. It is the most conservative State there is, and regards any new laws or revamping program with the same address and disdain that a staid family exhibits toward the accidental son of the family black sheep. If someone says, "You are Vermontish," he means you are as conservative as a turtle in a mill wheel. Vermont produced Calvin Coolidge, one man who, though conservative enough himself, had too much sense of advancement to submit to two terms as President of this country under Republican management.

There are so many rocks in Vermont that you can stand on any spot in the State and fill your apron without moving out of your tracks. This was ground for some foolish pun about Vermont being a rock-ribbed Republican State; but of course the rocks have nothing to do with it. You would like the Vermonters very much, whether or not you agreed with them. They are the kind of folks you refer to as the "salt of the earth," but they are not built for speed. They are great in their ideas of staying out of the ditch, but once in they are not worth a cent at figuring how to get out—and that is how that is. The idea the Vermonters have is that you should not bother any too much about the poor and the mediocre but should legislate only on behalf of the "right people"—and should do as little of that as you can possible get by on. When the old gospel of "root hog or die" was doing its stuff in the land it caught a deep hold in the make-up of Mr. and Mrs. Vermonter, and has been handed down to and through all the Green Mountain Boys who have since come and gone along. So we do not blame anybody; there is nothing we know of on this green earth that is more natural and honest than the conservatism of the Green Mountain people, and we are perfectly willing to accept nature as she stands. It merely means that, as lawmakers, it is up to the rest of us to prepare and administer to Vermont progressive and forward-moving legislation very much as castor oil is given to a 4-year-old boy—and for about the same reason. Selah.

## President Roosevelt's Message

## EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

## EDITORIAL FROM THE BLOCK NEWSPAPERS

Mr. SPRINGER. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following editorial, which appeared in the Block newspapers of recent date in

which the President's message to the Congress is analyzed. This very carefully written editorial follows:

[From the Block newspapers]  
PRESIDENT ROOSEVELT'S MESSAGE  
(By Paul Block, Publisher)

We have always had high respect for the office of the President of the United States, but, at times, have found it necessary to disagree with the views and actions of various Presidents. In the case of President Roosevelt we have had to disagree frequently because of his apparent dislike of industry and businessmen. This attitude is most unfortunate, since it, more than anything else, is responsible for the lack of confidence in Mr. Roosevelt and his administration which businessmen have.

And so if we do not agree wholly with President Roosevelt's message to Congress, it is only because it seems so clear from his words that his greatest concern seems to be about the war in Europe rather than the serious economic problem which faces us at home.

We fully appreciate the gravity of the wars in Europe and Asia and their effects on our country and our people. Few will quarrel with the President's insistence on adequate defenses. Nor can we deny that complete isolation, as Mr. Roosevelt indicated, is unthinkable in a world where the relationship among nations is more intimate and more interdependent than ever.

It is rather on the means by which he proposes to pay for the needed defenses that we differ. Taxes added to the present burden will only work greater hardships on business and consequently produce greater unemployment among workers.

Could not the President have agreed that for every dollar spent for national defense a dollar would be cut out of the extravagant expenditures of the administration? Could he not have said, for example, that while there were approximately 500,000 persons employed in the executive branch of the Government when he took office there are now well over 900,000, an increase of some billion dollars a year in the cost of government? Could he not have promised to reduce his staff to its former size, urging Congress to use the saving for defense?

And if the President is so concerned about national defense, what is to be said of the condition in which the country enters a war period? Thanks to New Deal spending, the national debt is greater than ever before in history. Despite New Deal panaceas, millions continue without jobs. Certainly this is an unsound internal condition constituting a real obstacle to national defense.

Nor does our grave domestic situation make us any more secure against the intrusion of alien philosophies. As the President himself well pointed out, dictatorship gains a hold only when democratic action has failed. Should not war conditions therefore focus his attention more than ever on the prompt solution of our troubles here at home? To neglect them is to hide one's head ostrich-like in the sand just as much as the complete isolationist whom Mr. Roosevelt so effectively scored with the same comparison.

But perhaps the most controversial portion of the message was that which dealt with the reciprocal-trade treaties. My newspapers have already made plain their opposition to some of the harm created by these treaties and we have supported these views with facts and figures. Many, and especially the farmers, declare that the treaties have not helped our agricultural interests, as the President claims. During years when we were producing and destroying agricultural surpluses, we were importing the same commodities in increasing amounts from abroad. If the treaties are as flexible as the message indicated, why were they not sufficiently elastic to allow us to change our imports to commodities we do not produce in excess of our needs?

And what is the furious rush about these treaties, the "emergency" about which the President speaks? The usefulness of the pacts as forces for peace is certainly questionable. And since it has taken long months to negotiate many of the treaties, it would hardly seem ruinous to take the short additional time necessary to pass them through Congress.

For his eloquent appeal for national unity Mr. Roosevelt is to be praised. The plea, however, sits somewhat strangely on his tongue. We, with the President, abhor doctrines which set class against class. We agree that angry controversy wins less than calm consideration. But is he not the man who said he would bring business to its knees? Is he not the man who spoke of economic royalists? Does one not recall hasty remarks about a horse and buggy or an attempted purge meted out as the reward for independence?

Mr. Roosevelt could have proved the sincerity of his desire for national unity and recovery if he had announced in his message that the indictment and the threats against business which constantly come from the various branches of his administration would be postponed, at least temporarily. Had he done so he would have acted in the interest of both business and of labor, for as business is helped workers are helped as well.

If it has seemed that we disagree with much of what the President said, it should be remembered that we applaud him for his earnest devotion to the cause of peace and for his proper concern in our national defense. Only because we feel he has consistently failed to reach a solution of our first and most vital problem—national recovery—do we take exception to a considerable part of his message.

## Mr. Hull's Able Defense

### EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

EDITORIAL FROM THE CHATTANOOGA TIMES

Mr. KEFAUVER. Mr. Speaker, under leave granted to extend my remarks in the Record, I include the following editorial from the Chattanooga Times:

[From the Chattanooga Times of January 13, 1940]

MR. HULL'S ABLE DEFENSE

The basis of the fight against the Administration's reciprocal-trade program is political and economic, chiefly political. Two developments at the House Ways and Means Committee's hearing on Thursday are especially revealing; they showed first, that the facts are almost entirely with the administration, and especially with Secretary of State Cordell Hull, who defended the trade agreements program ably and, second, that group interests form an unenlightened amalgam which has as its front House Members who will try to use the devices of partisanship to make up for what they lack in information.

Under the Trade Agreements Act sponsored by Secretary Hull, the administration has negotiated 22 agreements with other countries covering about 60 percent of the total American foreign trade. Supporting Mr. Hull's statements as to what has happened to trade under those agreements is the prestige of his office and his own reputation as one of the best-informed men in this country on tariff matters. He is, to be sure, a low-tariff man. But in his present fight, he is armed with information showing that in 1937 and 1938, this country's exports to countries with which it has trade agreements increased 61 percent, while exports to "nonagreement countries" rose only 38 percent.

The charge of his opponents that imports increased during that period to the injury of American growers and producers can certainly not be supported if Mr. Hull is correct in saying that in the 2½ years after passage of the Smoot-Hawley Tariff Act, farm income fell from \$11,200,000,000 to \$4,700,000,000, and that, exclusive of benefit payments, it increased in the 5 years to 1938 to \$7,600,000,000. As a matter of fact, the Republican opposition and their Democratic associates have at no time seriously challenged Mr. Hull's figures with figures of their own on which anyone can rely.

Indeed, one of the complaints of the Republicans is that in his present fight Secretary Hull has all the governmental statistics-gathering machinery at his disposal. In other words, the Republicans feel the reciprocal-trade program ought to be wrong and unsound, and they are certain it has injured the country, but they cannot discover precisely where it has hurt or figures and facts which would support their contentions and their fears. Meanwhile Mr. Hull not only cites figures to prove his own contentions but also demonstrates that his opponents are "unscrupulous" in their "misuse of material facts."

For instance, Representative KNUXTON charged in a statement recently that cattle imports have increased 600 head under a particular change in the tariff rate. Informing the committee Thursday that the actual figure is 300, Mr. Hull expressed the hope that Mr. KNUXTON would withdraw his assertion, since it was inaccurate. Agreeing to do so, Mr. KNUXTON commented that "I know that in fencing with you we will have to be twice armed with facts." "With emphasis on the facts," Mr. Hull replied.

That exchange is by no means trivial. Crediting Mr. KNUXTON with having merely been uninformed, the position he took suggests the underlying fabric of the opposition. Whatever opposition exists is reflected by the statement of Representative TREADWAY to the effect that he is responsible not to one man (President Roosevelt) but to the people of his district, and that he will continue to hold his views, "especially since the elections are about to come off."

The political nature of the opposition provides the administration with an excellent opportunity to reeducate the American people on the subject of eliminating trade barriers. The admirable statement Mr. Hull made before the committee on Thursday, coupled with President Roosevelt's defense of the reciprocal-trade program in his opening message to Congress, indicates the administration will make a determined fight to preserve its program. Much more is at stake than whatever benefits accrue from reduced tariffs in the next few years. If this country attempts to withdraw into economic isolation behind high tariff walls, the inevitable result will be not only to set in motion the chain of circumstances and events which brought on the last world depression, but also to bar whatever hope exists that



the United States can take the lead after the present war in restoring the only sort of world economy in which either peace or a decent standard of living can be maintained.

### Financing the War Against Poverty

#### EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

Mr. VOORHIS of California. Mr. Speaker, the first step in keeping America out of Europe and Asia wars is to realize that we have a war of our own to fight. It is a war for democracy, freedom, and justice. It is the war against the dread specter of unemployment, the war to make possible plenty and hope. We cannot run away from this war and we cannot be neutral in it.

Basically our trouble is that our economy does not balance. We could produce abundance and all our producers would like to. We could consume abundance if our people had the money to buy it, but they do not. And one main reason is that a considerable proportion of the savings of the country does not go promptly into investment. People would like to invest, but they do not. The reason they do not invest, of course, is that they do not think it would be profitable. And the fundamental reason why it might not be profitable is because the consumer market could not today absorb the increased production without which new investment would be worthless.

So we are in a vicious circle and can only break it by bold and resolute action. For before this battle is won we must have all our people back at work, our industry running profitably, our farmers receiving their just share of income, and our older people must be retired on a decent national pension system.

Commenting on the President's message, the Philadelphia Record had the following to say:

If the administration decided to end unemployment—to fight the depression as other nations are fighting wars—and announced boldly that its policy shall be "a job for every American," our unemployment rolls would begin to vanish as if by magic.

The experience of Sweden proved that. Long before half the unemployed had been put on public-works projects, purchasing power of the nation rose to the point where private employers hired the remainder to manufacture the consumers' goods for which a demand had been created. Prosperity was bought and the price was cheap.

I agree with the Philadelphia Record. There is not one bit of doubt, in my mind, but that we can win this war. The first and most obvious thing to do is to revise and improve our tax structure. In my judgment, our taxes are today too light on money that is not spent or invested, on inheritances, and probably on individual incomes, and they are too heavy on money that is spent and invested; that is, on consumers and upon small competitive businesses. How stupid to tax consumers' purchases when the main thing we need is more consumer buying power.

And how necessary and just for us to secure funds for our own struggle against unemployment by taxing excess profits now being made by shipping American resources abroad for use in foreign wars. We should increase inheritance taxes, partly to secure more revenue and partly to check the trend toward monopoly.

A national pension system for the aged can justly be financed in part by a form of taxation where all will contribute toward their own future security. But to win our war requires a tax and pension system which can shift some \$6,000,000,000 annually from the pools of stagnant savings into the stream of active consumer buying power. General taxes cannot do this job.

Boiled down to its simplest terms we must do three things to win the war against unemployment and poverty.

First, increase the volume of credit actively available for competitive production and social investment and increase the volume of money in the hands of consumers of goods in sufficient amount to secure full production and full employment.

Second, establish and maintain a sufficiently effective and scientific tax program and pension and social-security system so that once full production has been brought about it can be maintained, with a balanced Federal Budget and a dollar of stable buying power.

Third, as soon as unemployment appears, put every unemployed person to work, creating needed social capital for public health, flood control, soil and water conservation, slum clearance, or national defense—hospitals, dams, highways, and schools.

#### FEAR OF DEBT OUR GREATEST OBSTACLE

The one serious obstacle in the way of this program, upon which the hope of democracy depends, is fear of debt. That fear must be removed. And I am convinced not only the fear but the necessity of increasing public debt can be done away with by a simple, sensible application of sound monetary principle. The Constitution says, "Congress shall coin money and regulate the value thereof." And the principle I would apply is that money should not be a commodity created at the price of increasing debt by private dealers in money, but a national medium of exchange to facilitate the transfer of goods from producers to consumers. Therefore, the volume of money in active circulation must bear a steady and scientific relationship to the flow of goods and services.

Whenever an additional volume of active money is required for the health of our whole national economy, that money should be created debt-free by the Congress instead of being borrowed into circulation by selling bonds to banks.

I do not believe for a single moment that either gold or any other type of backing is necessary to give the money of a great nation a stable value. The value of money depends simply upon the relationship between the volume of money in circulation and the velocity of its turn-over compared to the output of real goods and services. Nevertheless, there are still a good many people who feel that to back money with gold or silver makes it safer and sounder. We who believe in monetary reform can today meet those people on their own ground. We have at this moment \$1,500,000,000 of idle silver seigniorage lying in the Treasury. We have \$282,000,000 of completely idle gold in the same place. We have a stabilization fund of \$1,800,000,000, which is several times as large as is necessary, and of which at least a billion dollars could be put to better use.

In addition, by slight changes in the present law, we could replace all outstanding gold certificates with United States currency, which is really all the gold certificates amount to anyway, since the gold which belongs by law to the United States cannot be used for their redemption. Then on the basis of a 40-percent gold backing we could have available a credit or monetary base of many billions of dollars with which to finance the war on poverty. That is to say, if instead of requiring 100 percent gold backing, as now required behind gold certificates, we required only 40 percent gold backing, as is now required behind Federal Reserve notes, there would be abundant funds to finance this war on poverty, to secure a sharp increase in our production, and thus to bring our Budget into balance at a high level of production. Indeed, by this method, we would balance our Budget immediately by the simple process of making a constructive use of this gold for which the American people have actually paid so handsome a price.

These are the methods we should use to finance the war on poverty and unemployment. We should use them now.

America cannot go bankrupt financially unless we first go bankrupt spiritually. We have the greatest store of natural resources, the most skillful hard-working people, the finest governmental structure, and the greatest national tradition of any nation in the world. We have a Constitution which says Congress shall coin money and regulate its value. We also have over \$17,000,000,000 of gold which our people have

bought and paid for but which lies idle and useless in the Kentucky hills, while the Bureau of Engraving and Printing continues to grind out interest-bearing bonds on the same presses that could be turning out non-interest-bearing currency backed by the most ample reserve any nation has ever had in all the world's history.

But if, under these circumstances, Congress exercised the sovereign right of the Nation to create its own money, then the mystery of money would disappear, and no longer would the financial pundits be able to deceive the people into thinking that fiat credit created by banks is sound money while national currency created by the people's Government is not.

How tragic a thing it is that men's energies must go to waste, their children must go uneducated, and that even democracy must be put in jeopardy, all because we do not know how to write figures in books in the proper places, and because we let the wrong people write them down. The fear of the Lord is the beginning of wisdom, and I think we have reason to feel that fear so long as we permit this situation to continue.

### The National Defense

#### EXTENSION OF REMARKS

OF

HON. B. FRANK WHELCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

Mr. WHELCHER. Mr. Speaker, there is a matter to which I wish to call the attention of the Congress, and that, briefly stated, is the matter of national defense. Of course, I want it understood that we should now, as in the past, join forces with those peoples, or nations, that seek peace through treaty. This is desirable, and I favor it. But, we must not overlook the fact that a greater portion of the world today believes in the doctrine that force makes right. A number of the most powerful nations of the world believe, and practice, the doctrine of "let him take who has the power, and let him keep who can."

Facing a condition of this kind, it is the part of wisdom that we adequately prepare our national defense. You may ask, "Who is going to attack us?" I tell you that I do not know, but as just stated, there is, as the situation now stands, always a possibility of attack from some foreign power, and it seems to me that it would be better for us to arm on the possibility of attack than to remain unprepared on the theory that no one will ever attack us. This is just plain common sense. When war intrudes its unwelcome presence there is no substitute for preparedness, and with an adequate national defense, we can then state to the trouble makers of the world: "There is nothing over there that we want by way of aggression, and there is nothing over here you can get." They will understand this.

### Finland's Heroic Stand

#### EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

ADDRESS BY COL. FRANK KNOX

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Col. Frank Knox, publisher, the Chicago Daily News, at the dinner given by the Chicago chapter of the American-Scandinavian

Foundation in honor of His Excellency, Hjalmar J. Procope, Minister of Finland, Chicago, Ill., on January 12, 1940:

World history provides few great epics: The Greeks at Marathon; Sobieski and Hunyadi Janos at Vienna; William III and the Dutch against Louis XIV; Washington at Trenton; the Texans at the Alamo; and today the Finns in their heroic stand against Stalin's Russian hordes.

Each of these great epic struggles had tremendous consequences. Each marked a turning point in human affairs. An inscrutable Providence appears to permit the dark forces of reaction, the malignant power of brute force, the thrusts of benighted ignorance to extend their sway for a time, and then, in its own good time, it likewise provides a counterbalance. It raises up a race of men of heroic mold, superbly led, who, with incredible courage, smash their way to victory, and save human progress and civilization.

We are living through such an epoch right now.

We have, all of us, thrilled as we read of that meager band of Greeks who met the Persians beside the Aegean and saved that incomparable thing which was Greece for the ages.

Some of us have stood outside the walls of Vienna and swept with our eyes the field where stood Sobieski, the Pole, and Hunyadi John, the Hungarian, who flung back the Turkish horde that threatened a Christian civilization.

We have turned the pages of Motley's Rise of the Dutch Republic and felt something of the spirit of William III as he battled Louis XIV and gave a new meaning to liberty. What American is there who does not glow with patriotic fervor as history tells the glamorous story of Washington and his ragged patriot army, crossing the Delaware, to attack Trenton and make ultimate victory for the American Colonies certain? Who can read of the desperate band of Texan heroes who held the Alamo until the last one was sacrificed on the altar of country and not be a better patriot?

Today we read of Mannerheim and the Finns as they battle for their homeland in the snows of arctic winter against the conscript minions of a Stalin, with the same surge of admiration, the same thrill of pride in human courage, the same sense of epic achievement as that which flooded our hearts as we read of other heroes of other days.

No man may measure now the full significance of what is happening today on the border of Russia, where the fighting manhood of Finland is mobilized and where already thousands of Russians have fallen before the mighty prowess of a little nation, fighting for its own, armed with the courage that will not know defeat.

Already the guns of the Mannerheim line, the rifles of the skiing patrols, the machine guns that swept the frozen surface of Lake Ladoga, have punctured the fiction of Russian military power. The "red" army, apparently menacing as it marched in serrated ranks through the "red" square of Moscow, is shown to be a helpless, leaderless mob in the field, confronted by a determined, well-led, disciplined foe. No longer need the rest of the world fear Russia militarily—that bogeyman of international chancelleries has been vanquished by the resolution and the rifles of Finns, defending their country from spoliation.

Outnumbered fantastically, facing attack from the best troops that Russia could command, little Finland has made giant Russia give ground, until today, the Russians are driven back to their own lines on their own soil, and most of Finland is freed of the invader.

Your Excellency, Chicago pays homage to you as the splendid, typical representative of small but heroic Finland. We are honored to have you as our guest. We say to you that your brothers in arms who fight with Mannerheim and his commanders are fighting the battle of human freedom for all of us. We cherish the record you are making. We would aid you in every way that we can. Already a generous public is contributing to funds for Finnish relief. This will continue so long as your need may require. We delight to bring help and succor to those who cannot fight but only suffer behind your lines.

But some of us are not satisfied to give aid solely to your civilian population. We know that your land does not lack the ordinary needs of peacetime living. We know you for a self-supporting, self-respecting, self-contained people who pay your debts. But we know also the needs of that thin line of men with rifles and machine guns in their hands who man your trenches and face the full force of enemy fire.

We know these men need ammunition, need shells for their artillery, need planes to meet the attack from the air, need bombs for the planes to drop on enemy objectives. We know you want military material far more than you want food, or supplies for the civilians.

The American people, in my judgment, want their Government to find a way to help you win. If we can continue to supply 85 percent of the import needs for military uses of a Japan, using our American-made planes, equipped with American-made bombs, to ruthlessly slaughter defenseless Chinese women and children, surely we can find a way to help gallant Finland, fighting the cause of human liberty, confronting the red monster of communism against frightful odds.

Men will prate of neutrality, but how can we be neutral in our attitude when on one side we see a monstrous, tyrannical, bloody-handed dictator attempting to impose his will by brute force in order to destroy a free people; and, on the other side, we see a little nation of free men, outnumbered a hundred to one, fighting for their homes, their firesides, their national existence, and their liberties?



Shame on any American who can make himself be neutral in his thinking under such circumstances. He would be a poor American even for the defense of his own land and his own liberty.

There is a proposal now pending in Congress for the extension of a loan of many millions to your country. We helped you before with a sizable loan to help defray the cost of your fight for freedom a generation ago. You have met every obligation you then incurred, despite the fact that others, more able to pay than you, defaulted. We know your honor as a debtor, no less than we know your valor as a people. The granting of additional credits to you now will meet with overwhelming popular acclaim. And we must find a way to turn those credits into the military supplies you most need. In that way alone can we make our words of praise for your bravery truly meaningful.

Your Excellency, not Chicago, not Illinois, not just the United States, but the whole world, wherever men are free and prize their liberty; wherever liberty maintains its altars; wherever tyranny is hated and good will and peace are exalted; there you will find the friends of Finland. There you will encounter the sentiments to which I am trying to give feeble expression. There you will meet with the acclaim which the imperishable needs of your soldiers deserve. And everywhere you are honored as representing men who choose rather to die as free men than to live as slaves. Your cause cannot fail. We hail you victorious!

### The Rocks of Loose Fiscal Policy

#### EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

RADIO ADDRESS BY HON. ALLEN T. TREADWAY, OF MASSACHUSETTS, JANUARY 15, 1940

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over N. B. C. Blue Network—WMAL—Monday, January 15, 1940:

Good evening, friends of the Star Radio Forum, in his memorable economy message to Congress on March 10, 1933, President Roosevelt uttered the great historic truth which I have chosen for my subject tonight. On that occasion the President said:

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger." But have we avoided this danger?

Since 1933 Mr. Roosevelt has sent seven Budget messages to Congress. In turn, each has shown a huge deficit, each has added billions of dollars to the national debt.

Since the fiscal year 1932 annual Federal revenues have tripled, yet Mr. Roosevelt's seven Budgets to date show a combined net deficit of roundly \$24,000,000,000.

With the new Budget for the fiscal year ending June 30, 1941, we are approaching the statutory debt limit of \$45,000,000,000. And once more the Nation is asked to contribute new taxes—this time to the extent of \$460,000,000 a year.

Is it not, then, the patriotic duty of every citizen to inquire earnestly at this moment into the spending policies of the Federal Government?

The question is far above partisanship. For if we are approaching "the rocks of loose fiscal policy" against which the President so emphatically warned in 1933, the interests of every citizen is identical. Such a disaster would be no respecter of person, position, or party. In a very literal sense, we would all be in the same boat.

The dangers of reckless spending are known to the President. In his 1932 campaign he warned eloquently against these dangers. His words are worthy of repetition today:

"Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.

"If, in some crisis, it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms.

"But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy."

With that statement there can be no disagreement. But how are we to square the record of these last 7 years with such strong warnings against fabulous spending? Are we to assume these self-evident truths of 1932 and 1933 are no longer valid? If that be the case, when did the historic fundamentals of public economy cease to operate?

But, of course, we cannot make so violent an assumption. For in every message, and often in the public forum, the administration

spokesmen have assured us that ultimately the Budget would be balanced.

First, we would have a balanced Budget when the "emergency" passed. But when the first emergency had passed a second was at hand, then a third. Whatever the nature of these successive crises, they were all alike in one important respect. The only possible solution suggested by the President was more spending, more lending, more taxes, more deficits, and more debts. Taxes were increased again and again, and still the deficits continued.

At length we were told that spending could not be reduced, but that, with business recovery, increased revenues would balance the Budget.

Now the President tells us frankly in his current messages, that although industrial activity has attained the boom levels of 1929, we still need \$460,000,000 a year in additional taxes to keep the 1941 deficit down to roundly \$2,500,000,000.

These facts all point clearly in one direction, namely, that the Federal fiscal program is out of control.

The one and only reason the Budget has not been balanced during the last 7 years is because the administration never has tried honestly to balance it, either by reducing expenditures to the level of anticipated revenues or by increasing taxes sufficiently to meet current outgo. Instead, those in authority have preferred to indulge the hope that eventually a rising national income would make possible sufficient revenue to meet expenditures. That is gambling with national solvency.

On this point, too, I may cite no less an authority than President Roosevelt, himself. In his stirring economy message of March 10, 1933, the President said:

"Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger."

No one can say exactly how much national debt a nation safely may carry. But history has demonstrated many times that every nation has a limit beyond which it dare not go. No nation can afford to gamble on this vital point. It can never be safe as a matter of public policy to see how close we might come to the absolute debt limit without overreaching it. In such a gamble the chances of a miscalculation are all too frequent; and a serious miscalculation could be disastrous beyond the imagination.

Wise policy demands, therefore, a reversal of prevailing tendencies in Federal finance. For, in the end, every national problem before us today—unemployment, agricultural dislocation, national defense, social security, even the preservation of representative government itself—all these problems reduce ultimately to the overall problem of orderly Federal finances.

The last 7 years have amply demonstrated that none of our other national problems can be solved on a sound and permanent basis so long as we continue to drift in the dangerous shoals of loose fiscal policy.

Mr. Roosevelt at one time acknowledged this fundamental principle. In a radio address from Albany, N. Y., July 20, 1932, he promised "an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government."

At that time the Federal Government was operating on a Budget of \$4,000,000,000 a year. A reduction of 25 percent would have meant a Budget of \$3,000,000,000 a year. That was the promise.

But today the record shows that Mr. Roosevelt's seven budgets have averaged a little more than \$8,000,000,000 a year. Instead of a net reduction of 25 percent the Nation has been given a net increase of 100 percent annually in Federal expenditures.

Throughout these years only about 55 percent of these vast Federal expenditures have been covered by revenues. The remaining 45 percent have been financed through the increase of the public debt.

On the basis of the 1941 Budget, the end of the Roosevelt administration will find us with a national debt of \$347 for every man, woman, and child in the country, or approximately \$1,500 for the average family. The per capita debt in 1932 was but \$131.

At the moment the administration properly is building up our national defenses; but nothing has been done toward strengthening our most vulnerable flank—our fiscal position. Yet a strong fiscal position is no less vital to national security than adequate strength in arms and men.

While from the military standpoint we are today better prepared than in 1918, we are, from the financial standpoint, in a much more vulnerable position. At that time we had a national debt of only 1 1/4 billion dollars and we faced no difficulty in raising twenty-five billions during the subsequent war emergency. Today it would not be so easy to raise a comparable amount, when we already have a budgeted debt approaching forty-five billions.

In 1918 our sources of revenue were as yet largely untapped. Today they have been almost completely exhausted. Then we had no unemployment problem, no dislocation of business and industry, no farm problem. Today all these problems are with us, despite 7 years of New Deal panaceas and pump-priming schemes.

We can never achieve real national security or lasting recovery until our national finances have been put upon a sound basis.

The country was told repeatedly over a period of 5 years that great economies could be realized through reorganization of the executive bureaus and departments. About a year ago Congress passed a reorganization bill giving the President broad authority to consolidate and regroup the Federal agencies; and under that authority the President transmitted his first reorganization scheme to Congress on April 25, 1929.

In that message he predicted a saving of between fifteen million and twenty million dollars a year. But what are the actual results?

The answer is found in the official reports of the United States Civil Service Commission. These records show that during the first 4 months following the President's reorganization plan no less than 47,187 civil employees were added to the Federal pay roll.

To put it another way, employment in the executive branch increased from 885,766 on April 30 to 932,953 on September 1. Because of this hasty expansion of the Federal bureaucracy the monthly pay roll for the executive branch increased from \$133,000,000 in April to \$141,000,000 in August. Here is an increase of more than \$8,000,000 a month in the executive pay roll, or roundly \$100,000,000 a year—all within the space of 4 months in 1929.

That is a typical experience under the New Deal—a promised saving of \$20,000,000 a year in April turned out to be in September an actual increase of \$100,000,000 a year, with 47,187 persons added to the pay roll.

Such pay-roll expansion has been the unbroken record of the Roosevelt administration. As of February 28, 1933, the executive rolls carried only 563,487 names. To that pay roll the Roosevelt administration has added more than 370,000 full-time workers. Today the Federal pay roll carries, in peacetimes, approximately 20,000 more names than at the peak of the war expansion in 1918.

Such recurring evidence of runaway bureaucracy in the Federal establishment gives substance to the growing belief throughout the Nation that the New Deal administration is powerless to control its expenditures or to bring the Federal Budget into balance. This opinion, in turn, leads to a growing conviction that only through a change of administration may Federal finances be put in order and the Federal credit soundly protected.

Because it is obvious that Budget management is completely out of hand in the executive branch, it is essential that the Congress assume leadership toward sound fiscal management. A beginning in this direction has been proposed by Senator HARRISON of Mississippi, chairman of the Senate Committee on Finance. Senator HARRISON proposes creation of a special joint committee of the House and Senate to inquire into the whole question of taxes, spending, and deficits.

Such procedure was recommended by Secretary of the Treasury Morgenthau last year when he appeared before the Ways and Means Committee of the House. Such a joint committee, Secretary Morgenthau said, "would in effect be a lens through which all appropriation and revenue measures could be viewed in relationship both to what the Nation needs and what the Nation can afford."

I am gratified to note that active steps looking to the creation of such a joint committee have now been taken.

In connection with the President's proposal for \$460,000,000 in new taxes, the committee properly could inquire, first, how far we might go in reducing wasteful and unnecessary expenditures before piling on additional burdens of taxes.

The Federal tax structure already is oppressive and has been a serious drag on solid and sustained economic recovery.

Recent polls of public opinion show that 61 percent of the people favor less Federal spending.

With this fact before us it would seem a betrayal of the whole process of representative government to go on imposing new taxes and additional spending.

By evasion, by tricky devices of bookkeeping, and by some questionable methods of public accounting the New Deal has ignored public opinion on this great issue of reckless spending for 7 years. But the day of reckoning is approaching. America demands less spending.

The people demand relief from burdensome and crippling taxation. The country at large demands ordinary prudence and responsibility in the conduct of the public business.

Above all, the country demands honest bookkeeping and honest statements of account from year to year.

The joint committee might inquire also into the Roosevelt theory that huge Federal deficits are of themselves stimulants of recovery. Let us not forget that the highest national income ever enjoyed by this Nation was \$82,700,000,000 in 1929, at a time when our Federal Budget was less than half the New Deal average.

Why, we may ask, does Mr. Roosevelt assume that a nation may squander itself into prosperity? If that theory worked, would not every nation have adopted it long ago? And would not the whole world today be enjoying everlasting prosperity and peace instead of universal bankruptcy and war?

Indeed, the figures which disprove the squander theory are already at hand.

In the 10-year period 1919-29, this country spent an average of \$19,000,000,000 a year for durable goods—new plants, new equipment, new homes, new systems of transportation, and other such forms of capital goods.

But since 1933 our expenditures for this type of goods have averaged only about \$11,000,000,000 a year. We have, therefore, a deficiency of roundly \$8,000,000,000 a year for 7 years, or a combined deficiency in this New Deal era of \$56,000,000,000.

To put it another way, under the economic restraints of New Dealism we have managed somehow to get along with fifty-six

billion less of capital equipment than we would have purchased under normal conditions.

As an offset against this tremendous air pocket in our national economy, the Roosevelt administration has spent roundly \$28,000,000,000 in these 7 years for its theoretical recovery programs.

In short, the New Deal has driven out of the market \$2 of private buying and private investment for every Government dollar spent in "priming the pump."

We see, therefore, that with all its fabulous spending and all its reckless ventures, the New Deal actually has replaced in terms of purchasing power only about half of the spending it has driven to hiding through its destructive policies against private enterprise.

How long, at this rate, will it take to get our 9,000,000 unemployed back to work?

A week ago tonight President Roosevelt boasted in his address before the Jackson Day dinner here in Washington that he had achieved a happy state of immunity against public criticism. His words well may prove of great historical significance. He said:

"And when you have learned not to worry about all these things, there is really a lot of fun in this job."

Perhaps that honest confession explains in some measure the fiscal policies of the New Deal over the last 7 years.

Certainly the prodigious spending of public funds without thought of taxes or debts is a very enjoyable enterprise—particularly if no sense of deep moral responsibility to the next four or five generations mars the fun.

But there is more to sound public finance than an attitude of imperious indifference to public opinion on the part of the Chief Executive.

And that is the grave problem which confronts the Congress today.

Federal finances are out of control.

Federal spending is on a runaway basis.

Federal bureaucracy is rampant, headstrong, always grasping for more and more power over the daily lives of the people, and for more and more from the Public Treasury.

Against this situation, a sense of faithful public service and proper administrative responsibility somehow must be mobilized. If the engineer has taken his hand off the throttle and is on a care-free joy ride with the Federal taxing power, then Congress must undertake seriously to interpose some measure of public responsibility.

President Roosevelt's formal abdication of official responsibility for sound fiscal policy marks a dangerous failure of government.

Such is the record of these 7 years. After strong campaign pledges to economy and lower taxes, Mr. Roosevelt has given seven successive deficits.

He has piled up a mountain of debt which mortgages the future of 30,000,000 American families for a century to come.

Every year under the New Deal has brought more Federal taxes, and every year of New Deal economy has brought a larger Federal pay roll.

When and where shall this runaway bureaucracy be brought under control?

At the present rate of production, our national economy cannot carry more taxes.

If order and stability are to be achieved in Federal finances, they are to be achieved only by a curtailment of extravagance, waste, and reckless squandering.

This can be accomplished. But it can only be accomplished under some other administration. The New Deal has demonstrated through 7 years it has not even a will to balance the Budget.

In conclusion, therefore, I call upon the President and every officer of his administration once more to heed the warning uttered by Candidate Roosevelt in 1932, when he said with such force and eloquence:

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger."

## Actions Speak Louder Than Words

### EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, a few days ago in presenting to the House the emergency supplemental appropriation bill for the strengthening of our national defense, in commenting on the necessity to hold down expenditures and try to begin on a program that will ultimately lead to a balanced Budget, I said it would take "more than words." That definite affirmative action was called for. As I have been somewhat active among those taking such a stand, I hope I may with pardonable pride, and to keep the record straight, here record some actual accomplishments along this line.



I am chairman of the subcommittee handling the independent offices appropriation bill.

At the request of the gentleman from Colorado, Chairman TAYLOR, I have acted as chairman of the deficiency subcommittee. During this present Congress—that is, the first session of the Seventy-sixth, which began January 1939, and up to the present time, I have conducted hearings and managed on the floor of the House and in conference 13 appropriation bills. This includes the emergency deficiency bill which has just passed the House, and the independent offices bill, which is presently being taken up in the House.

With exception of the 2 latter bills, the 11 bills passed in the first session have become laws.

The 11 bills in the first session which have finally become laws, when they were reported to the House by the committee, involved something around four and one-half billion dollars and included not only regular items for post offices, pensions, and so forth, but eight hundred and seventy-five million deficiency for relief in 1939, as well as nearly two billion for the 1940 relief program. These 11 bills, when reported to the House, were two hundred and eighty-six million plus—lower than the Budget estimates—and when and after they had passed the Senate and finally become law were eighty-two million plus under the Budget. So there is eighty-two million definitely accounted for.

The emergency deficiency for defense which has just passed the House is seven million plus under the Budget.

The independent offices bill just reported to the House is in the aggregate about a billion dollars. As reported it is ninety-four million plus under Budget estimates. These two bills show a potential decrease of another fifty million—or in the present session up to date a decrease under the Budget in these bills of \$183,000,000.

In addition to these specific and definite savings, it is fair to call attention to the greatly reduced Budget item for relief in 1941. The estimate for the next fiscal year is approximately \$1,125,000,000, as against almost twice that much in the current year. Many of us feel confident that the constructive work done by the W. P. A. investigation, over which I presided, had much to do with making possible much of the reduction. Evidence at hand shows the reforms written into the current relief act have taken many undeserving off the rolls and spread the available funds much further among the needy.

The Budget just presented to Congress by the President, if adhered to, will reduce the national deficit in the fiscal year 1941 to one billion seven hundred million, as against four billion in 1940, the current year. That would be an accomplishment of which the executive, legislative, and administrative branches of the Government could be proud.

Yes; it takes more than words to do the trick.

### That Our Nation May Survive

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

Mr. THORKELSON. Mr. Speaker, there is an oriental custom of settling debts on the first of the year. This may very well be employed by Members of Congress to square up and set right such publications as, for some reason best known to themselves, presume to revile Members with whom they do not agree.

I believe the American people are beginning to appraise the evil of a national press owned or controlled by enemies of the United States. No one should forget those who lost their lives in the World War and the part our un-American press played in alining us with England. We, the people,

should not forget how we were deceived by false propaganda and distortion of news published then, as now, in a press that does not dare to come out and tell the truth; a press that dares not commend a person who expresses faith in the fundamental principles of this Republic, but will, instead, lend its pages to unjust personal attacks and abuse of anyone who exposes those engaged in sabotage of government and industries; a press that is held in no greater esteem by the craft itself than the toast which I now quote:

#### CHOKING THE PRESS

Mr. ———, a former editor of a New York paper, at the annual press dinner, in 1920, held in New York City, when toasting the independent press, said:

"There is no such thing in America as an independent press, unless it is in the country towns. You know it and I know it. There is not one of you who dares to write his honest opinions, and if you did, you know beforehand that it would never appear in print. I am paid \$150 a week for keeping my honest opinions out of the paper I am connected with—others of you are paid similar salaries for similar things—and any of you who would be so foolish as to write his honest opinions would be out on the streets for another job.

"The work of the New York journalist is to destroy the truth, to lie outright, to pervert, to vilify, to fawn at the foot of Mammon, and to sell his race and his country for his daily bread. You know this, and I know it, and what folly is this to be toasting an independent press.

"We are the tools and vassals of the rich Jews behind the scenes. We are the jumping jacks; they pull the strings and we dance. Our talents, our possibilities, and our lives are all the property of these men. We are intellectual prostitutes."

This was 20 years ago and the press is less free today than it was then. Let me quote another comment:

What is the first duty of the press to the Nation that endows it with freedom?

Isn't it to guard jealously such a state, since only that endowment makes it possible for the press to live and function?

When such a free press fails to perform that patriotic duty, isn't it a traitor to the state that created it?

And doesn't it destroy itself?

Hasn't the national press of the United States failed in loyalty to the people's representative republic by allowing its facilities to be used to give aid and comfort to communistic enemies working for the overthrow of the Government?

Our press is free—to betray us. It hides the news instead of broadcasting it. It clogs the channels of publicity with anti-American propaganda. It sells its columns to an alien enemy. Judas-like it betrays its Creator for 30 pieces of advertising silver, and like Judas commits suicide.

The truth of this is self-evident and is as appropriate today as it was 20 years ago. The daily press and magazines are now attempting to arouse hatreds by publishing atrocity stories and British propaganda, as they did in 1916 and 1917, which were later found to be pure fabrication. We must therefore be careful to properly estimate the value of all news by considering its source. We have absolutely nothing at stake in Europe and a gradually decreasing interest in the Orient, which will be entirely abolished in 1946, when the Philippine Islands receive their independence.

All the war talk now going on in Federal departments and the requests for wartime power are an attempt to consummate Federal control over our industries. If this is granted to one department, others will ask for the same, with the ultimate result that we will be working under war regimentation. This is what the administration wants, and it is what Congress should not grant. It is also a subject upon which the people should express themselves in a most forceful manner. The invisible government's owned and controlled press will, no doubt, attempt to popularize the song *Onward Christian Soldiers*; and I say, let us sing it, but let us march against those invisible rulers in our Government who are now engaged in bringing about our destruction.

Nothing can be said in defense of the anti-American owners and editors of magazines and daily papers who, in their attempt to please these masters, designate those who select to respect their obligated duty to this Government as anti-racial, anti-Semitic, Nazi, and Fascist. Those who profess Christian faiths should not be led astray nor allow themselves to be influenced by such malignant propaganda that originates in minds black with hate.

To better define Semite, I quote from Webster's International Dictionary:

SEMITES—NL (Semita fr. LL Sem, Shem, from Gr. SEM):

1. One of the descendants of Shem.  
2. A member of a Caucasian race, now chiefly represented by Jews and Arabs, but in ancient time including also the Babylonians, Assyrians, Aramaeans, Phoenicians, and various other peoples in southwestern Asia. Cf. Semitic languages.

The term "Semite" is used both in an ethnological and in a linguistic sense. As originally employed by J. G. Eichorn at the close of the eighteenth century, it embraced the peoples grouped in Genesis x as the sons of Shem. Since, however, it has been ascertained that the peoples thus grouped do not belong to one or even to allied races, the ethnological application of the term "race" has been modified to designate a race distinguished by the following features: Dolichocephalic skulls; curly and abundant hair; slightly wavy or straight strong beard, the color predominantly black; prominent nose, straight or aquiline; oval face.

Jew—Original: One belonging to the tribe or Kingdom of Judah; after the return from the Babylonian captivity, any member of the new Hebrew state; hence, any person of the Hebrew race or people or anyone whose religion is Judaism. The Jews of today do not uniformly reveal a pure Semitic type, but show evidences of intermixture in the various countries where they dwell. As a rule, they are shorter than the native population and, especially in northern Europe, more brunet.

This definition is clear and furnishes information that may be employed to clarify this discussion. The Jew is a descendant from the tribe of Judah, and his religion is Judaism. The Arabs are the descendants of Shem, inhabit Arabia and Egypt, and their religion is Mohammedanism. Inasmuch as Mohammedanism and Judaism have never been mentioned, religion is not involved in this controversy.

The term "antiracial" can refer to every nation in the world, and for that reason is so ambiguous that I shall defer my remarks on this.

The term "anti-Semitic" is used by the Communist Jew to mislead the people and protect himself. It may be compared to a communistic Norwegian using the term "anti-Scandinavian" to mislead the people and protect himself. Both terms, as I have inferred, are employed to mislead the public, a red herring used by the Communist. If either is a Communist, it would be much more honorable for him to say anti-Jew or anti-Norwegian, instead of using the general designation including other people in the same race classification.

The fact is that the Jews themselves are anti-Semitic, for they are now fighting in Palestine and Arabia against the Arabs, who, of course, are Semites. The only anti-Semites in the United States are those who are now furnishing money and war material to the warring Semitic states of Arabia and Palestine. I have always looked upon these appellations with indifference, for I realize all of them are employed by the Communist Jew as a cloak to shield his own subversive activities. However, the irresponsible manner in which these unwarranted accusations are tagged on to patriotic American citizens leads me to quote from a book by J. Soltin, *The Struggle Against Anti-Semitism*, published by Jewish Buro of the National Committee, Communist Party. This pamphlet is the text of a report delivered at the National Conference of Jewish Communists held in New York, December 24, 25, and 26, 1938:

We, Jewish Communists, have to render account to ourselves concerning the contributions we have made through our work among the Jewish masses toward the accomplishment of this great task of the present moment. The Jewish Communists must be in the front ranks of the fighters for a constructive program in the unions that will create harmony among the workers in the industry. We, the Jewish masses, have a particular reason to be among the warmest and most devoted friends of the Soviet Union. If we should regard the Soviet Union from no other than the Jewish standpoint, every Jew would find himself in the ranks of the friends of the Soviet Union, for the example set by that country to the nations of the world in solving the Jewish question is of inestimable value. In the Soviet Union, the condition of the Jews is constantly improving. It is the only country where the welfare of the Jews rises in the same degree as the welfare of the entire country, where the culture of the Jewish masses is in the midst of a mighty upsurge. The Soviet Union is building Biro-Bidjan as the future Jewish Soviet Republic despite great difficulties. \* \* \*

We base our approach to Jewish culture squarely upon the teachings of Lenin and Stalin, which are already being carried out in the life of the Soviet Union, where national cultures of peoples, among them also Jewish culture—socialist in content and national in

form—are being built with greatest devotion and enthusiasm. We heartily appreciate President Roosevelt's decision to prevent the deportation to the Hitler inferno of the 15,000 German and Austrian refugees who are now in this country on tourist visas. But we maintain that our country can and should contribute more than this toward the solution of the refugee problem. We must insist that the age-old American tradition of asylum for all victims of political and religious persecution be revived. We must insist upon a liberalization of the immigration laws so that the quotas from the Fascist countries are raised and the unused remainder of the quotas for other countries be made available to refugees. \* \* \*

We Jewish Communists have not, however, taken full advantage in our daily work of the influence and prestige of our party among the Jewish masses. Knowing that a great, strong Communist Party is the strongest bulwark for the Jews, and all oppressed groups, against the attacks of all their enemies, we have not done enough to build our party among the Jewish masses. We have not exerted enough effort to convince the most militant elements among the toiling Jews to recruit them as members of our party. We are neither aliens nor guests in America. In a country whose people "are descended from immigrants and revolutionists," as President Roosevelt aptly put it, all national groups, including the Jews, have contributed their share, and consequently have a right to enjoy everything created by our American civilization and culture. The American Nation, forged through generations of struggle in a New World, is not a nation of Nordics or Anglo-Saxons. Every conscientious American historian emphasizes the fact that America is the greatest "melting pot" of peoples and races who joined hands to build a new country where they might enjoy the fruits of their labor.

I shall not waste many comments on this quotation, but I believe it is well for the writer to bear in mind that this country was developed from the grass roots to the magnificent structure we now have by a people that subscribed, first, to Christian philosophies, and, second, to the fundamental principles of this Republic. I, with many others, was privileged to come here, to take my place and join hands with other patriotic Americans to maintain the civilization we now have and under which we have enjoyed the blessings of liberty. No one is asked to come to the United States to build a new country, and certainly no people are asked to build a national group of their own, for that leads to dissension and antiracial agitation. I believe the majority is satisfied with this country, the country we have had until the new planners came in with their own philosophies, spreading dissension and hatreds.

However, the article which I have quoted identifies the source of the many appellations which are employed by this self-identified group of Communists, to cast ignominy upon those who denounce communism. It is from this source that the words "antiracial," "anti-Semitic," "Nazi," and "Fascist" originate.

I have often wondered why those who support the fundamental principles of this Government are smeared and ridiculed by a people that by their own statement, "cannot assimilate." I quote from *You Gentiles*, by Maurice Samuel:

We cannot assimilate: it is so humiliating to us that we become contemptible in submitting to the process; it is so exasperating to you that, even if we were willing to submit, it would avail us nothing. A century of partial tolerance gave us Jews access to your world. In that period the great attempt was made, by advance guards of reconciliation, to bring our two worlds together. It was a century of failure. Our Jewish radicals are beginning to understand it dimly. \* \* \*

We, Jews, we, the destroyers, will remain the destroyers forever. Nothing that you will do will meet our needs and demands. We will forever destroy because we need a world of our own, a God-world, which it is not in your nature to build. Beyond all temporary alliances with this or that faction lies the ultimate split in nature and destiny, the enmity between the game and God. But those of us who fail to understand that truth will always be found in alliances with your rebellious factions, until disillusionment comes. The wretched fate which scattered us through your midst has thrust this unwelcome role upon us. Wherever the Jew is found he is a problem, a source of unhappiness to himself and to those around him. Ever since he has been scattered in your midst he has had to maintain a continuous struggle for the conservation of his identity.

I respect the frankness of the author but I cannot believe that his expressions are approved by or even are fair to those of his own race who are willing to join hands with other American citizens as individual units to promote the general welfare of all the people. No one in becoming a citizen is asked to change his identity by intermarrying or even by



changing his traditional customs. As a matter of fact, we have many nationalities in the United States today who intermarry among their own people, speak their native languages, and observe their own customs, yet, in spite of that they assimilate with other American citizens.

However, the author states the case fairly, for it is the continual struggle of this communistic minority to conserve identity by enforcing its own philosophies and customs upon the majority that is responsible for Jewish migration. This is borne out by the fact that there are 200 national and over 300 State organizations in the United States that promote and operate in the sole interest of this minority, at the expense of all the people in the United States. Of these 200 national organizations, 166 are located in New York. The philosophy under which this group operates is clearly expressed by Justice Brandeis in his book *The Jewish Problem—How To Solve It*, copyright 1934:

Let us all recognize that we Jews are a distinct nationality of which every Jew, whatever his country, his station, or shade of belief is necessarily a member. \* \* \* Organize, organize, organize—until every Jew in America must stand up and be counted—counted with us—or prove himself, wittingly or unwittingly, of the few who are against their own people.

One may well ask, What does the Justice of the Supreme Court mean when he classifies his own race as a "distinct nationality"? Does he mean to infer that they are not a part of the American people? Why must they "stand up and be counted" and "organize" in America, and why must those who choose to remain with the American people be looked upon as "against their own people"? Statements like this are responsible for world dissension. It is a statement that never should have come from Justice Brandeis or any other Justice of the Supreme Court or any other court in the United States of America.

I may say, at this point, that it is this attitude on the part of the communistic Jews which is the underlying cause for Jewish migration, for no majority of gentiles will ever submit to an overlordship, be they Jews or any other race. Progress in the world has been carried forward under Christian leadership on the principles advocated by the Nazarene, who came from Galilee and not from Judea.

Before I begin my discussion on Nazi, allow me to give a brief sketch of Europe and particularly Central Europe. The Zionist headquarters and the home of the Jews have for several centuries been located in Germany, now in New York. It was there the Jew enjoyed most favorable and pleasant surroundings. He controlled money and the power of gold, and therefore the military and industrial structure of Germany. In the secret report on the Balfour declaration, issued by Mr. S. Landman, February 22, 1935, and March 1, 1935, he admits that the greatest obstacle to American aid in the World War was the pro-German sympathy of the American Jews. It was for that reason Justice Brandeis' help was needed. Quote:

#### ZIONIST MOVEMENT AS THE KEY

Malcolm said further: "You are going the wrong way about it. The well-to-do English Jews you meet, and the Jewish clergy, are not the real leaders of the Jewish people. You have forgotten the existence of the principle of nationality. Do you know of the Zionist Movement?"

Sir Mark Sykes admitted comparative ignorance of Zionism, and Malcolm continued, "You can win the sympathy of Jews, everywhere, in one way only, and that way is by offering to try and secure Palestine for them \* \* \*."

Malcolm pointed out the influence of Judge Brandeis of the American Supreme Court, and his strong Zionist sympathies. If Sir Mark Sykes could obtain from the war Cabinet an assurance that help would be given toward securing Palestine for the Jews, it was certain that Jews in all neutral countries, especially the United States, would become pro-British, and pro-Allies. This appealed to Sir Mark, but he saw grave difficulties. In the first place, France was counting on the Sykes-Picot Treaty. France would have to be persuaded to support the idea of Palestine for the Jews. Then there was the Vatican (Sir Mark himself was a Catholic), which would not support a scheme which meant placing the Christian holy places under Jewish control. Malcolm replied that these difficulties must be overcome if the Allies wanted the help of the United States. Palestine meant Jewish support, which was becoming increasingly necessary.

The invisible rulers of England lived up to their reputation and so did their brothers in Germany. The English war

Cabinet, for the loan of gold and aid to involve the United States in the World War, betrayed the Arabs and forced Colonel Lawrence to repudiate a promise, which he had made to them for their help, in fighting for England against the Turks and Germans in Arabia and Egypt. Through Zionistic influence the communistic Jews in Germany, in collusion with others in France, England, and the United States, sacrificed Germany for 30 pieces of Palestine silver, and so lived up to their tradition of 2,000 years ago. This is not all, for if our own officials will consult intelligence reports of the past 25 years, they will find that secret aid was given by financial communistic Jewish interests in New York through the Rhein-Westphalian Syndicate, Nya Banken in Sweden, and other financial institutions to Kerensky, Lenin, and Trotsky for sabotage of the Russian Army, and, as I have said before, to promote communism in Russia. At the end of that revolution, the Russian Government became and is now ruled and dominated by communistic Jews, with the exception of Stalin himself, who is a Russian Communist. All atrocities and the unwarrantable sacrifice of innocent people must be charged first to those who furnished the money, and, second, to four of the most vindictive destroyers the world has ever known: Stalin, Lenin, Trotsky, and Bela Kun.

I shall now briefly compare the three dictators.

Mussolini has banished the Communists, the Maffiosi, and communism in all shades and forms. He has not attacked or destroyed churches or interfered with sacred worship. To him private initiative is the primary interest, and he favors private enterprises employing fewer than 500 persons. Mussolini is a democratic dictatorial leader.

Hitler has eliminated the Communists, consolidated Germany and German industries under Government supervision. He has tried to restore the former boundaries of Germany, with partial success. He has destroyed communistic meeting places. From reports there is no evidence that the Germans have abandoned Christian worship or forsaken their churches. It is, however, well to bear in mind that socialism is the philosophy of Karl Marx and Engels, and Germany is a national socialistic state. Hitler is the dictator of Germany.

Stalin has banished practically all Christians from his Government, destroyed all Christian places of worship, openly denying Christian worship. I do not believe there is a complete record of the lives that have been sacrificed, but the score is high. The Third International, a newspaper published in Moscow, admits Bolshevik responsibility for the loss of the following lives:

One royal family and 7 innocent persons, 28 bishops and archbishops, 6,775 priests, 6,575 teachers, 8,800 doctors, 54,850 officers, 260,000 soldiers, 150,000 police officers, 48,000 gendarmes (detectives), 355,250 intellectuals, 198,000 workers, 915,000 peasants.

Stalin, as the records show, liquidated the officers of the Russian Army, and the result of this is clearly evident in the present Russian fiasco in Finland, for an army cannot be led to victory by communistic sausage makers, except at a great sacrifice. I sincerely hope that the white or Christian Russians will join the Finns to fight the Russian Communists, for they can then even the score of the past 20 years. There can be no peace in the world until communism is eradicated and its rulers rendered innocuous. There can be no peace in Russia until majority rule is established or until the Russians themselves eliminate the communistic oligarchy that now controls the Government.

I have in my possession a number of letters which on examination of the officers and board of directors reveal a predominant Jewish background with a sprinkling of gentiles to give the organization a nonsectarian appearance. Not even one of the members has said, "I love and honor this Republic, and I am opposed to the Communist and to communism in all forms." The names on the letterheads are generally well known and are more or less prominent in organizations which promote race dissension. The sole aim of these deceptive organizations is to combat anti-Semitism, nazi-ism, fascism, and what they designate as "antiracial." It is unfortunate that Christian teachers and clergy allow their names to be used in organizations that advocate hatreds, which is so diametrically opposed to the teachings of Christ. It should be

clear if these self-appointed fighters for "human rights" would subscribe to the fundamental principles of this Republic as laid down in the Constitution of the United States they could disband tomorrow, for they would then be in complete accord with those whom they arbitrarily designate as anti-Semitic, antiracial, Nazi, and Fascist.

I shall now quote one of these letters from the Nonsectarian Anti-Nazi League to Champion Human Rights. This organization was founded by Samuel Untermyer in 1933. Its championship of human rights consists in declaring "Nazi Germany is an enemy of civilization. Refuse to trade with the enemy." There are over 700 similar organizations in the United States:

SEPTEMBER 11, 1939.

Now that war is being waged against Hitler, the fight against nazi-ism must go on with even greater energy and determination.

Recently Nazi-inspired incitements to racial hatred in our country have become so serious that our league is now leading the fight against the so-called Christian Front and others. We must be constantly on guard against the great danger that may soon confront the American people by a unified front of all those who directly oppose democratic government and rule their own people through barbaric dictatorships.

In order to be fully efficient, our bureau of propaganda investigation has been increased fivefold to expose Nazi lies and ties. Hundreds of thousands of our leaflets, *What Is the Coughlin-Inspired "Christian Front,"* are distributed weekly at Coughlinite and other street mass meetings. Our legal committee is constantly in action against their organized thuggery and violence. That our work is successful is best proved from the lips of the enemy, as, for example, when Fritz Kuhn testified before the Dies committee that "the Non-Sectarian League is persecuting me."

Our league is now raising a special fund of \$250,000 to finance a Nation-wide campaign to combat "Naziphobia" and its activities in the United States, and also to enlighten the public at large to show them that any form of dictatorship means slavery, destitution, and complete destruction. We must stop nazification.

The war has made the emergency much greater. We appeal to you to stand by us by contributing as generously as possible, so that together we can wipe nazi-ism off the face of the earth.

Please mail us your contribution immediately. Accept our thanks and gratitude for your cooperation and generous support.

Very truly yours,

PROF. JAMES H. SHELDON,  
Chairman, Board of Directors.  
SIMON M. GOLDSMITH, Treasurer.

I now claim that this letter and other quotations furnish incontrovertible evidence that the communistic Jew and his sponsors are anti-Americans, who disseminate racial antagonism and hatreds which may bring about internal strife. The fact that these people advocate "fight," and then bring in the Christians, no matter what group, is an open attack on the great majority of American people, and can only lead to "barbaric dictatorship" by this minority group. This letter also reveals premeditation, for their own bureau of propaganda investigation has been increased fivefold. It also shows that their own legal committee is interfering with article I of the Bill of Rights, by distributing their own leaflets interfering with free speech. Furthermore, the letter alleges interference with the normal process of the law, in its reference to Mr. Kuhn and the Dies committee. The letter further reveals that this league is raising \$250,000 for a campaign which can only promote and increase racial hatreds. It also shows collusion and fraud in that it uses the present war in Europe as an incentive or emergency to collect money in a deceptive manner. This money they allege will be used to wipe national socialism off the face of the earth.

The strange part of all this is that Dr. J. L. Magnes, whom I shall soon quote, admits that the Jews are Socialists and the founders of nazi-ism.

The attitude of the members in these groups is dominated first by their own philosophy—socialism—and second, by personal hatred of Hitler. With this I take no issue, because it is their own business. I, with many others, sympathize with Finland at the present time, and I am also denouncing the Government of Russia. That is my personal opinion, that I with others have a right to express. I realize, however, that I have no right to organize or finance groups through which I may visit my personal hatreds upon the Russian people—people who may be innocent—because of my dislike for the Russian Government. I also recognize that I have no right to advocate boycott and persecution of innocent people to satisfy a personal grudge, and it is an enemy act to declare

a nation with which we are at peace "an enemy to civilization." Such activities by any group are embarrassing to the Government of the United States and unfair to the majority of our people as they may actually furnish cause for war. Why any private group, like the nonsectarian and other organizations masquerading under charitable names, should be permitted to operate its own intelligence service, is a question that should be investigated by Congress. It also may be well to investigate where these groups get the money to run their own governments within the United States.

It is the overbearing attitude of these groups that is responsible for much of the dissension that confronts us today, for they attempt to enforce their own minority views not only on the majority, but even on the Government itself.

In order to make this clear, I shall quote from a speech given at the first Jewish Labor Congress, January 16, 1919, at New York City, by Dr. J. L. Magnes:

The Jewish people, traditionally and through its experience, knows the meaning of internationalism, and it must apply the method of internationalism to its own national life as well, sharing the destiny of every people, free and oppressed, in freeing the world in order that it itself may be free. \* \* \*

It was Friedrich Julius Stahl, a born Jew, who laid down the classical theory of the German Nationalstaat based upon conservative Christianity and the politics of power. It was Benjamin Disraeli who is the father of the latter day Tory democracy of England. Just so, when the Jew gives his thought, his devotion, his spirit, to the cause of the workers and of the dispossessed, of the disinherited of the world, the radical quality within him there, too, goes to the roots of things, and in Germany he becomes a Marx and a Lasalle, a Haase and an Eduard Bernstein. In Austria he becomes a Victor Adler and a Friedrich Adler; in Russia, a Trotzky.

Just take for the moment the present situation in Russia and in Germany. The revolution set creative forces free, and see what a large company of Jews was available for immediate service. Socialist revolutionaries and mensheviks and bolsheviks, majority and minority Socialists—whatever they be called; and I assume that it is not a question at all at this moment of agreeing or disagreeing with anyone of them—Jews are to be found among the trusted leaders and the routine workers of all those revolutionary parties.

It is interesting to note that the speaker claimed the credit for the German Nationalstaat, or the National Socialistic Government of Germany. That is recognized, but why do they now shout "Nazi" at their own creation? Rabbi Magnes says:

In Germany, now that the first free glow of the revolution is passing, the anti-Semites are beginning to talk of the "Judendemo-kratie." Suppose anti-Semitism does lift its ugly head in Germany and the Jews there and here and everywhere be made to suffer because of the prominence of Jews in the glorious German revolution. \* \* \*

Among the world's great revolutionaries and servants and dreamers of new heavens and a new earth are the Hebrew prophets.

It is also known that the same crowd of communistic Jews set up the Russian Government: Lenin (Goldman), Trotsky (Bronstein), and Bela Kun (Cohen). And it is they and their communistic associates who are the Russian Government and responsible for all the atrocities committed both in Russia proper and in Siberia. I was particularly interested to read an article which appeared in the Washington Post last Sunday, January 14, 1940, describing the life in one of these prison camps. It is hard to believe that such inhumanity can happen even in Russia, in spite of the fact that the government is communistic.

However, the speaker also recognized that he does not express the sentiment of all his own people, for he says:

There are some among us who say that we ought not to admit this, because it will lead to anti-Semitism. I answer, What if it does?

In other words, this rabbi did not care, but was perfectly willing to bring about what he and his own people complain of today, "anti-Semitism," or anti, or racial antagonism. The sole responsibility for this must therefore be assumed by those to whom I have referred in this discussion because they stand convicted by their own books and speeches.

I believe the American people are charitable and willing to share the good things that they have with all people. But is it too much to expect in return from those people their compliance with the fundamental principles of our Government? Is it too much for the American people who pay the expenses of this Government to ask Congress to allow them to be secured as fully as the international financiers? Is it fair to



leave the American people with inflated currency and give the gold-secured currency to the international financiers? Is it fair for this group, after having been so secured, to use the power of this gold and credit to force their wishes, the minority wishes, upon the great majority of the American people who are in reality the creators of the structure in which we live?

I realize that through certain international influences much pressure is employed by foreign nations to compel America to open her doors to European refugees. But is it not the first duty of Congress to protect the people it represents, the people who work, pay the expenses, and die in the defense of this Nation? And is it not well for Congress to consider the facts which I shall now set forth, before more immigrants are permitted to enter the United States, particularly when we bear in mind that we have approximately 12,000,000 unemployed, or 20,000,000 unemployed or on part-time employment?

Let us now compare the areas, populations, and density of population in several countries now headlining the papers:

	Area in square miles	Population	Density of population per square mile
Union of Soviet Socialist Republics.....	8,095,728	170,467,068	21
French Republic.....	4,900,101	113,284,436	23
Finland.....	147,761	3,834,662	25
British Empire.....	13,320,854	495,339,761	31
Italy (including Ethiopia and Albania).....	1,469,056	55,629,124	37
United States.....	3,026,789	130,000,000	41.3
Germany.....	225,568	79,600,000	352.7

<sup>1</sup>Estimated.

You may find it illuminating to examine this table. We have next to the highest density of population. Germany has 352.7 persons per square mile, and we have an average of 41.3 persons per square mile. But that is not a valid reason why we should open our doors to the Communists expelled from Germany and Italy.

The question may be asked: Why should the British Empire, France, and other European nations urge the United States to open its doors to these fugitives? If these deportees are undesirable to Britain, with a density of 31, to France, with 23, and to the U. S. S. R. with 21, they are much less desirable to the United States, with a density of 41.3. This is particularly true in view of the fact that many of these emigrants have criminal records.

Has the Department of Labor enforced the immigration law? No, for there is no evidence of it. This is clearly evident in the recent Harry Bridges fiasco, which was nothing but a whitewash for a Communist, and the Secretary of Labor knows it. This neglect of duty and violation of the law is not only cause for action against the Secretary of Labor, but should, if Congress has the interest of the people at heart, terminate in removal of all officials involved in protection of the Communists.

I admit that I suspected the sincerity of the Dies committee in its investigation of communism, and my suspicion was clearly justified in the early investigation, for no effort was made to investigate the Communists or their hired gentle front. The recent articles released in the Liberty Magazine, by the gentleman from Texas, MARTIN A. DIES, shed much light on this investigation, and identify those who attempted to shield the Communists by directing investigation into barren fields. I appreciate Mr. DIES' position, for he had to choose between "Rome and Caesar." He was obligated to perform a sworn duty on one hand, and to please a leader on the other, an unfortunate position indeed for the chairman of a committee to which his country had advanced \$100,000 to learn the truth.

The gentleman from Texas [Mr. DIES] also appeared to be confused in his use of the terms "fascism" and "nazi-ism," and indeed this is not strange, for these terms are intended to create confusion. After considerable uncertainty he finally corrects himself in these remarks:

Many people have overlooked the fundamental and important fact that nazi-ism, fascism, and communism are offshoots of Marxism. Hitler, Lenin, and Mussolini borrowed the fundamentals of their

cults from Karl Marx, the greatest expounder of the philosophy of materialism the world has yet produced.

Marxism, as applied in Germany, is disguised under the name of nazi-ism; in Italy it masquerades as fascism; and in Russia it is communism. But fascism, nazi-ism, and communism are merely different cults of the same pagan religion of materialism and godlessness as enunciated by its chief and most illustrious apostle, Karl Marx.

Mr. DIES then describes his difficulty in organizing his committee and the effort he made to secure the help of the F. B. I.:

I particularly asked J. Edgar Hoover and the Department of Justice to assign to our committee investigators to assist us in conducting the investigation.

Much to my surprise, the heads of the Departments refused to comply with my request and with the resolution of the House of Representatives. They did not even take the pains to assign a good reason for refusing to carry out the wish of the House of Representatives.

In other words, the Department of Justice and the F. B. I. dealt the gentleman from Texas [Mr. DIES] a hand from a "cold deck," for their interest was not in exposing communism but was instead to prevent exposure of this un-American tribe. Is it any wonder that the people are sick and disgusted with this crowd of paid subversionists? The gentleman from Texas [Mr. DIES] now finally begins to understand, for he makes this statement:

It was beginning to dawn on me what the committee was up against. The executive branch of the Government refused to carry out the expressed wish of the House of Representatives contained in the resolution authorizing the investigation.

In the second installment in January 1940, Mr. DIES relates a conference, from which, after discussing the committee's investigation with the President, he draws this conclusion:

There was but one construction that I could place upon the President's conversation, and that was that he expected me to lay off the C. I. O. and devote most of the investigation to fascism and nazi-ism.

It was now clear to me that if I persisted in my determination to expose communism, especially as it existed in the C. I. O. and certain so-called liberal organizations, I would incur the wrath and displeasure of my own administration.

This was not long in manifesting itself. Administration spokesmen, such as Madam Secretary Perkins and Harold Ickes, began to ridicule the committee as witch hunters and "red baiters." Newspaper columnists in Washington who are known to be close to the administration took the hint and joined in the campaign of ridicule and abuse which was largely directed at me. The whole radical press broke out in what appeared to be a concerted drive to destroy the investigation in the very beginning.

The criticism to which the gentleman from Texas [Mr. DIES] refers comes from the Communists and communistic publications, and is the same filth that has been employed to smear and ridicule all patriotic groups that attempt to expose communism.

Now, what are the facts? The Department of Justice finished an investigation of the German bunds in the United States, in the early part of 1938, and reported in 1939. This report fills 14 volumes, and may be found in the Department of Justice. I was interested in this investigation, and inserted a complete résumé of the report in the CONGRESSIONAL RECORD July 19, 1939. Is not it a bit strange that the President should insist that the Dies committee cover the same field in its investigation that had been covered by the F. B. I. only 8 months previously? Why did not the F. B. I. make this report public? Why was it not given to the Dies committee? Why is not the Department of Justice investigating the Communists instead of investigating the mail and magazine subscriptions of patriotic private citizens? Have we reached the point where the Communists in the Government are so powerful that orders are given to the F. B. I. to persecute loyal citizens, who are now giving their time and effort to restore sound government? If this is true, and it seems to be, is not it time that Congress itself begin to investigate these paid employees who in neglecting their obligated duty aid our enemies in sabotage of the Government?

Those who are inclined to pass by this issue lightly should scrutinize the records of the Socialist, the Bolshevik, and the Communist and observe the destruction that these carriers of evil philosophies have brought about. Their road to rule and

ruin is paved with skeletons, and their history is written with the blood of innocent Christian men, women, and children. It is the duty of all who have obligated themselves to preserve, to protect, and to defend our Government to inform themselves and warn the people of these destroyers who are now actively engaged in our midst.

The recent report of the F. B. I., in which they, in an underhanded manner, intend to convey the impression that the Christian people are engaged in destruction of their own Government, is an insult to the intelligence of our people. Why do not the Department of Justice and the F. B. I. investigate the non-Sectarian League and its seven or eight hundred affiliates that are engaged in spreading dissension and hatreds? Why does not the Department investigate the many other Jewish organizations, set in a gentile frame, that are engaged in the same activities of spreading dissensions and hatreds, not only in their books but through the mail? It should also be of interest to the Department of Justice and Intelligence Departments that the personnel of these anti-American organizations are interlocked with 516 listed Jewish organizations, and God only knows how many more. This is a fruitful field for income-tax inquiry, because there are funds in New York City that pay for this propaganda, and the Justice Department should investigate these and collect their income taxes.

No one can deny that great injustice has been visited upon many patriotic citizens who have come out clearly and fearlessly in defense of our Government and for the welfare of our people. The fact that these communistic commentators resort to character destruction and personal abuse instead of intelligent criticism is no more than what may be expected of them. They, no doubt, realize that it would be dangerous to ridicule the principles under discussion, and such liberty on their part would not sit well with the American people who are opposed to subversion and destruction of their Government.

The subjects of these vindictive attacks are, of course, at a disadvantage for not having access to the daily press; they must tolerate this criticism as a part of the game. I am, however, sure it is a sacrifice all patriotic citizens are willing to endure if it can only restore sanity and soundness in the Government.

On the first reading of these remarks it may appear that I have been too frank in my expressions. With that I shall take no issue. The point to bear in mind is that this discussion is based, not upon my opinion, but, instead, upon the published statements of those I have discussed. I am not asking for anything new. I am instead imploring you to preserve, protect, and defend the Government which has carried you safely for 152 years. It is yours—the soundest, the most practical and liberal government any nation has ever had, and I appeal to you to protect it with your life, that we and our Nation may survive.

### Political Privileges in Public Office

#### EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

ARTICLE BY H. ELIOT KAPLAN

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an article by Mr. H. Eliot Kaplan entitled "Political Privileges in Public Office." There being no objection, the article was ordered to be printed in the Record, as follows:

#### POLITICAL PRIVILEGES IN PUBLIC OFFICE

(By H. Eliot Kaplan)

The approval by President Roosevelt of the Hatch bill on August 2 released a great deal of loose talk about the futility of any law which attempts to curb pernicious political activity among governmental employees. Equally loose thinking was indulged in by the misinformed and uninformed as to the right of the Congress to impinge upon the political privileges of civil-service employees under our democratic system of party government.

That President Roosevelt saw fit when signing the Hatch Act to issue a long statement of explanation of what the new law does and cannot do, attested to the general concern with which not only the general public but public employees viewed the implications of the law. The principle of the Hatch law was well expressed by the President in this short paragraph:

"In applying to all employees of the Federal Government (with a few exceptions) the rules to which the civil-service employees have been subject for many years, this measure is in harmony with the policy that I have consistently advocated during all my public life, namely, the wider extension of civil service as opposed to its curtailment. \* \* \* It is my hope that if properly administered the measure can be made an effective instrument of good government."

#### PROVISIONS OF THE LAW

What are the provisions of this law which has caused so much discussion in political circles and among political scientists, students of government, public employees all over the country, legislators, and editors? Specifically in connection with Federal funds or activities the law forbids:

- (1) Intimidation or coercion of others for the purpose of interfering with their votes in national elections.
- (2) The promise of employment, compensation, or other benefit as a reward or consideration for political activity or the support of or opposition to any candidate or party; and the deprivation of such employment, compensation, or benefit (including work relief) on account of refusal to give such support.
- (3) Levying of political assessments on or soliciting contributions from persons paid from relief funds.
- (4) Disclosure of the names of persons receiving employment or benefits from relief funds to any political candidate, committee, or campaign manager.
- (5) Use of funds appropriated for relief or for public works for the purpose of interfering with the right of any individual to vote as he chooses at any election.
- (6) Use of official authority or influence by any administrative or supervisory officer to interfere with an election or influence its results.
- (7) Activity in political management or political campaigns on the part of any person employed in an administrative or supervisory capacity.

So far as concerns the employees in the Federal executive civil service, actually all that the Hatch law does is to extend to the entire Federal civil service the prohibitions against political activity, political coercion, and solicitation of campaign funds which under the civil-service law have long been applied to persons in the competitive service. Indeed, these prohibitions would already have been applied to more than 90 percent of the employees excepted from the civil-service rules since 1933, had they not been kept out of the competitive service by acts of Congress under the plea of emergency.

#### BACKGROUND OF THE HATCH ACT

Restrictions on the political activities of public officeholders are not new or even recent. Such restrictions were applied to certain public officials, such as judges, court clerks, and police officers, long before the civil-service laws were adopted. These inhibitions were invoked either by statute, administrative rule, or as part of a code of ethics in actual practice.

The earliest civil-service laws prohibited political considerations in appointments and promotions, and prohibited political assessments of employees in the competitive (classified) service. Beyond these inhibitions the earlier laws did not go. But even before civil-service laws were considered, political statesmen appreciated the necessity for keeping the political activity of public employees within reasonable bounds. As long ago as 1801 Thomas Jefferson in attempting to stop electioneering by governmental employees had the following order proclaimed by the heads of the Federal departments:

"The President of the United States has seen with dissatisfaction officers of the general Government taking on various occasions active part in elections of the public functionaries, whether of the general or of the State governments. Freedom of election being essential to the mutual independence of governments \* \* \* so vitally cherished by most of our constitutions, it is deemed improper for officers depending on the Executive of the Union to attempt to control or influence the free exercise of the elective right. \* \* \* The right of any officer to give his vote at elections as a qualified citizen is not meant to be restrained, nor however given, shall it have any effect to his prejudice; but it is expected that he will not attempt to influence the votes of others nor take any part in the business of electioneering, that being deemed inconsistent with the spirit of the Constitution and his duties to it."

Even Andrew Jackson as early as 1812 wrote to President-elect James Monroe:

"The chief magistrate of a great and powerful nation should never indulge in party feelings. His conduct should be liberal and



disinterested; always bearing in mind that he acts for the whole and not a part of the community."

In 1841 Daniel Webster, then Secretary of State, issued at the direction of President Harrison an order prohibiting political activity by Federal employees. In 1887 President Hayes issued an order against political activity of Federal employees and prohibiting political assessments. President Cleveland in July 1886 issued an Executive order forbidding political activity of employees in the Federal civil service, but lacking statutory authority, its application to employees outside of the competitive civil service became difficult to enforce.

#### ACTION BY T. R. ROOSEVELT

Later President Theodore Roosevelt, augmenting the Executive order of President Cleveland, sought to differentiate between classified (competitive) and unclassified employees. He required a much stricter compliance on the part of the classified employees, but believed that for most employees in the unclassified service, who were viewed as political appointees, the restriction should be modified so as to preclude the unclassified employees from engaging in offensive or pernicious political activity, and to prevent the unclassified employees from coercing the political action of the classified employees.

Under the Executive order of President Franklin D. Roosevelt, of June 24, 1938, active participation of a classified employee of the Federal Government in political management or in political campaigns is specified as one of the causes for which the Civil Service Commission may request the Comptroller General to withhold payment of salary.

#### RESTRICTIONS ON EMPLOYEES

It is section 9 of the Hatch law that is of particular interest to the civil-service employees. This section will be interpreted, undoubtedly, as similar to the civil-service rule against political activity. The latter has long been construed as prohibiting the following activities by Federal employees, directly or indirectly, in National, State, and local politics:

- (1) Candidacy or service as a delegate to any political convention.
- (2) Service on any political party committee, or holding political-party office.
- (3) Organizing or conducting political rallies.
- (4) Making political speeches.
- (5) Soliciting or helping to get out votes, or soliciting political campaign contributions.
- (6) Service as an election official.
- (7) Publishing any statement or letter for or against any political party, candidate, or faction.
- (8) Organizing or leading political parades.
- (9) Distributing political campaign literature.
- (10) Running for nomination or election to any public office.

The potency of the old political-activity rule of the Civil Service Commission had been greatly diluted by the extensive exemptions from the competitive service made by the Congress since 1933. Prior to the Hatch law we had the anomaly of 550,000 employees restrained from political activity, while at the same time such activity was permitted for more than 300,000 others. Most of the latter positions were in the same departments or agencies as the former, and the types of positions were quite similar. If the political restraint were sound for part of each department's staff, it was equally sound for the other. It is difficult to see how any departmental staff could be freed from political influence or coercion when so large a portion of the employees were permitted to indulge in political activity. This is particularly so when we realize that the excepted class of positions would normally have been in the competitive service had the positions not been excepted because of emergencies.

#### ATTITUDE OF EMPLOYEES

Many leaders of the civil-service employee groups are of the opinion that the Hatch law seriously abridges the inherent citizen rights of civil employees. Others pretend to be greatly offended by this "denial" of equal rights of citizenship because it interferes with their own game of exploitation of the civil service for selfish purposes. It is doubtful, however, whether the rank and file of public employees have any serious objection to such restraints. Most of them welcome the law privately, although for strategic reasons they appear publicly to be against such restrictions. Take, for example, the experience in New York City with the new law against employee contributions to political campaigns. When the provision was first proposed in the new charter a few years ago the employees were alarmed at the intrusion upon their "political rights" as citizens. In reality the employees supported the law at the polls largely because of the new "freedom" the new charter held out to them. Today none of the employees in New York City shed tears over their legal inability to make campaign contributions to political war chests. The same reaction will follow the application of the Hatch law.

The argument against permitting political activity among public employees was cogently expressed by Theodore Roosevelt when he was on the United States Civil Service Commission:

"A man in the classified service has an entire right to vote as he pleases, and to express privately his opinions on all political subjects; but he should not take any active part in political management or in political campaigns, for precisely the same reasons that a judge, an Army officer, a Regular soldier, or a policeman is barred from taking such active part."

When he later became President he did make a distinction between those serving in the classified and unclassified services, claiming that the latter, appointed for political reasons and having to do

with the determination of political policies, should be excepted from that rule. He never advocated the exception of routine administrative positions from the political-activity rule. There is no doubt what his stand would have been on a measure like the Hatch law. Indeed, the very nature of the Government service today, with the new social agencies created under the welfare and economic programs during the last decade, calls more than ever for impartial administration of these agencies, and elimination of undue political activity has now become imperative.

#### PROBLEM OF INTERPRETATION

In seeking to abridge the political activity of public employees, some legislatures undoubtedly will go to extremes. Little distinction, it is feared, will be made between the right of employee groups to support or oppose issues in which they may be directly and vitally concerned and their support of or opposition to a particular candidate deliberately opposing or favoring their cause. The issue may not directly, or even indirectly, involve the political party itself. How is the distinction to be made?

Equally difficult will be the problem of distinguishing between public expression of employee attitudes on nonpartisan policies by responsible representatives of the employee organizations and prohibited political activity. Where does the former end and the latter begin?

These problems are not easy of solution, and the line may be difficult to draw. It would seem, however, that both prudence and practicality will largely contribute to and determine the solution. So long as the actions of the employees or their representatives are not offensive to the public; so long as employees can justify concerted action because the issue involved peculiarly and directly affects their interest; so long as their participation does not become pernicious and obtrusive, the public will pay little attention to them. Like all disciplinary laws, the rigidity of enforcement of the Hatch law will depend on the public's attitude, which in turn will depend on the conduct of the employees and the sagacity and good faith of the politicians.

#### RIGHTS OF EMPLOYEES

The right of public employees to engage in political activity on the same basis as is accorded to all other citizens has been a topic of discussion among political leaders, public employees, and members of the legal fraternity. Often they rush to the conclusion that any such inhibitions against public-employee participation is in violation of our fundamental law—diametrically opposed to the Bill of Rights, the Magna Carta, and even the Sermon on the Mount. Not infrequently our political scientists add to the confusion by their failure to distinguish between the relationship of the State to its citizens generally and the relationship of the employee to the State.

The validity of laws restricting public employees from engaging in undue political activity or making contributions to political-party campaign funds has often been attacked by the uninformed. They fail to appreciate that the rules against political activity are not discriminatory in a legal sense; that they affect equally all persons within the classification of public employees. These laws do not deprive the employees of "fundamental" rights. They leave the employee free to vote as he pleases and to express his views privately. They do, however, prevent persons while in the service of the Government from using their official positions and money contributed by the public for the benefit of any political party.

#### ATTITUDE OF THE COURTS

The right of the Congress or the State legislatures to provide any reasonable restrictions on the activities of public employees, including prohibitions against political activity, has long been recognized by the courts. The United States Supreme Court has sustained the power of the Congress to prescribe rules of conduct for officials and employees of the Federal Government (*United States v. Wurzbach*, 280 U. S. 396). As long ago as *Ex parte Curtis* (106 U. S. 371) the power of the Congress to provide any reasonable conditions for public employment was clearly recognized by the Court. The right of the State legislatures similarly to prescribe conditions for employment by the State has been upheld (*Atkins v. The State of Kansas*, 191 U. S. 207; *People v. McCullough*, 254 Ill. 1, 98 N. E. 156; *McAuliffe v. Mayor of New Bedford*, 155 Mass. 116, 29 N. E. 517; *Gianatasio v. Kaplan*, 257 N. Y. 531).

The issue of prohibiting political activity of employees of the State was squarely decided by the Supreme Court of Oregon in 1931 in the case of *Stowe v. Ryan* (296 Pac. 857), where the court upheld the action of the civil service commission of Multnomah County (Portland) in removing an employee from office for violating the State law prohibiting employees from engaging in political activity. It was urged upon the court that such prohibitory statute was unconstitutional, as it deprived the employee of certain rights as a citizen of the State. It was attacked also as invalid class legislation, and repugnant to the Bill of Rights provisions of the Federal Constitution. The Oregon court sustained the power of the State to prescribe the conditions of service and the rules of conduct for its officers and employees to the extent that it may become necessary to promote efficiency and integrity in the discharge of their duties and proper discipline in the public service.

In the light of these decisions there can be little doubt of the validity of legislation prohibiting political activity or political contributions on the part of public employees, whether elected, appointed politically, or serving as a result of competitive tests.

#### WHAT THE PUBLIC EXPECTS

In discussions of this subject much attention has been given to the inherent political rights and privileges of employees. Unfortu-

nately little attention has been given to the rights and welfare of the public. The public is obviously interested in having the employee do his work well; in having the employee give his time and energies to the public service, not to tasks designed to benefit political organizations. Our taxpayers can hardly be expected to be enthusiastic over compensating employees for political service, rather than for public faithfulness. Nor would the public be enthralled by the spectacle of officers and employees in the public service wrangling among themselves in political factional fights, party conventions controlled by public officeholders, and political clubhouses run by public employees. Moreover, from the public employee's point of view, undue political activity invites political reprisals and results in friction and hardship to the employee himself. It is difficult to see how legitimate activities of public employees will suffer under the Hatch law. The law will hardly be construed or applied as prohibiting organized employees from protecting their rights or interests in matters directly affecting their own working conditions, grievances, and general welfare. If this may be viewed as wishful thinking or implied winking at strict and rigid legalistic interpretation and construction of the Hatch law, let us be reminded that even in application of law there is still practicality and wisdom.

#### WISDOM OF THE HATCH ACT

With the tremendous growth of our public services and the placing of new responsibilities on Government, with its regulatory and supervisory powers over private business and our new social services, the need for nonpartisan, impartial administration becomes increasingly imperative. Patently, the wisdom of the Hatch law prohibiting undue political activity of public employees can hardly be challenged.

We must take away from those who are manning our administrative agencies the right to influence unduly, if not actually to interfere with, our free elections, if our democratic system is to succeed and the free will of the people is to be made known. Democracy will succeed only if this problem can be adequately solved by proper integration of our political-party system and an impartial, disinterested public service.

### Dare We Break the Vicious Circle of Fighting Evil With Evil?

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

ADDRESS BY DR. HARRY EMERSON FOSDICK

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered on February 19, 1939, by Dr. Harry Emerson Fosdick:

For some of us it is easier to believe in the Christian theology than in the Christian ethic. A generation ago many were saying, "We cannot believe your Christian ideas of God, but the ethical principles of Jesus are the hope of the world."

Today, however, it is the ethical principles of Jesus that are difficult.

By the Christian ethic I mean no mere ordinary, humane decency, loving those who love us, but rather the radical, sometimes incredible, demands of Jesus that we love our enemies, that if smitten on one cheek we turn the other also, or if compelled to go 1 mile we go 2 instead, that we do good to those who hate us and pray for those who spitefully use us and persecute us. There is the rub today.

The reason for this is the extraordinary vividness with which a powerful temptation assails us all, the temptation to resist evil with evil. When on the western prairies a conflagration starts, men fight fire with fire, burning a swath across which the advancing flames cannot leap. What is thus well done in the physical world we are continually tempted to do in the moral world. We fight evil with evil.

#### WE COPY THOSE WE HATE

In war, if one side uses poison gas, the other side may at first be horrified, but in the end we all succumb. It takes poison gas to fight poison gas. If one side uses conscription, which is of the essence of dictatorship, the other side, being a democracy, at first is shocked, but in the end copies the technique of the enemy. It takes conscription to fight conscription.

In personal relationships we are habitually tempted to meet bad temper with bad temper, resentment with resentment, sometimes chicanery with chicanery, and in all this we are morally sustained because we think we are resisting evil—as, indeed, we are, but with evil.

At that crucial point Jesus parts company with us. It is there that his revolutionary ethic begins.

Listen to him: "How can Satan cast out Satan?" Hidden away in the third chapter of Mark's Gospel that searching question stands, summing up, I think, the essential meaning of Jesus' way of life. "How can Satan cast out Satan?" How can evil be the cure of evil? How can two wrongs make a right?

No question could be more pertinent to our modern world, where today violence rises on every side, ill will is rampant, aggressive iniquities must be resisted by good men, and the temptation to fight evil with evil is almost irresistible.

Nevertheless, the question of Jesus haunts the Christian conscience and in quiet moments of insight reveals a strange, uncanny common sense—How can Satan cast out Satan?

#### ANSWERING EVIL BY MORE EVIL

In the first place, how can the vicious circle of evil answered by more evil, answered by more evil, answered by more evil still, ever be broken unless, somewhere, someone refuses to go on with it?

Watch this vicious cycle of wrong answering wrong. Iniquity rises, demanding that we fight back. So, following the pattern of the natural ethic, against which Jesus took his revolutionary stand, we fight bitterness with bitterness, hatred with hatred, violence with violence, evil growing in a mounting crescendo as wrong answers wrong.

This process is afoot everywhere, from international relationships, where they bomb our cities and kill our women and children, and so we bomb their cities and kill them, to personal relationships, where we say, He has been unjust—I will show him, I will pay the devil in his own coin.

In this regard how like we human beings are to dogs. For one dog barks and the other barks back and the first barks more loudly and the second becomes more noisy still, in amounting crescendo of hostility. So one man excused his terrier to the exasperated owner of another. "After all," he said, "the dog is only human."

#### THE TRAGEDY OF NAME CALLING

From the time, as children, we fell into angry name calling, each trying to lay his tongue to some more stinging epithet, we all have faced this elemental problem, and now that, more mature, we are more dignified, our resentment taking a colder form but remaining still resentment quite unredeemed, who does not know that vicious circle of bitterness answered by bitterness, answered by bitterness again? It is the tragedy of the world.

Shakespeare dramatized this in Romeo and Juliet, which, far from being a drama of romantic love alone, is first of all a play about a feud—the house of Capulet against the house of Montague. The first and last words of the play concern the feud, one house against the other, hating each other, meeting violence with violence, evil growing by what it feeds upon, and two wrongs never coming out right. Remember Mercutio, slain in the duel and in the insight of his dying moment crying, "A plague o' both your houses!"

#### "GIVE ME THY HAND"

In the theater one sees people go out before the final scene, as though, the love poetry being over, they thought the play was done. Shakespeare would have disliked that. It is the final scene, the climax of the play that he was driving at, where Capulet and Montague stand ashamed and penitent, their long and bitter feud stopped in midcourse by a love that broke the vicious circle of its hate. In that final moment of the play, when a Christian might kneel as before the mystery of the cross, Capulet says, "O brother Montague, give me thy hand."

So Shakespeare, after his own fashion, dramatized what the Christian ethic would say that the world's feud can never end and the vicious circle of wrong answering wrong come to a close until somewhere, somebody refuses to go on with it. Jesus meant this by his homely saying that if a man is smitten on one cheek he should not smite back, starting thus an endless chain of retaliation.

Let him try a new technique. Better, he would say, that one adventure on a revolutionary ethic and, if two blows must be given, take both rather than give one. Let him see if he cannot thus break the endless sequence of fighting evil with evil, whereby we always become the evil that we fight.

This, of course, is what the pacifists at their best are driving at with reference to war. The most shameful aspect of our present international situation, I think, is the way we ape the enemies we hate.

#### ARE WE "YES MEN" TO DICTATORSHIPS?

The dictatorships say war, so we say war. They build vast armaments, so we build vast armaments. Step by step, day by day, we become their "yes men." They say, dictatorial control of the Nation for the sake of war's efficiency. So in Washington we propose bills that provide, on the day of war's declaration, that the Nation shall conscript life, property, labor, conscience.

The dictatorships say, let the War Department determine the foreign policy. So we, too, against the tradition of our people and the very words of our Constitution, say the same thing, and in Washington—witness the proposition for the fortification of Guam—not so much the civilian representatives of the people as the Army and the Navy begin to initiate, and so ultimately to predetermine, our foreign policy.

#### WE FIGHT EVIL WITH EVIL AND BECOME THE EVIL THAT WE FIGHT

What ayes we are. We copy those we hate. We fight evil with evil and become the evil that we fight. We will conquer them, we say, and so first of all we let them make us in their image.



All this we do, thinking Jesus to be a visionary idealist. He is not. His ethics show a more realistic insight into what is going on in this modern world than does our boasted hardheadedness.

Despite their governments, the people of all the nations, in their hearts and homes, want peace. Somewhere, sometime, millions of men and women must stand up and cry, "We're through; we will not go on forever with war causing more war, causing more war, causing more war still."

If someone says, "But we may be compelled to go to war." I ask only that the meaning of that be realistically faced. For in the war you say America is compelled to enter, every cruelty that human beings, implemented with unprecedented instruments, can inflict on human beings will be inflicted. In that terrific wrestling bout no holds will be barred. The word "sacred" will be dropped from the human vocabulary, and neither child nor woman, home, church, school, honor, nor pledged faith will be respected.

#### NO ONE CAN REALLY WIN A WAR

If we are the apes of our enemies in peacetime, in wartime we will be apes indeed. Every cruelty they devise we will match. Every devastation they inflict on human beings we will equal. In the end no barbarity will be beneath us.

The boys we bore in travail and reared in love in our homes, schools, and churches will become the "yes" men of the enemies we fight, in every dastardly deed they do. They will be compelled to.

And when it is over, in a world where all agree that no one can really win a war, with civilization, it may be, wrecked, with a thousand new problems raised for every one solved and countless hatreds engendered for every one satisfied, I can think of only one factor that still will stand quite unimpaired, namely, the strange man of Galilee whom many call a visionary idealist still asking with infinite sorrow, "How can Satan cast out Satan?"

Let us take a further step and note that whether or not this principle of Jesus that evil is not to be fought with evil appeals to us, depends primarily on what it is that most of all we want. Do we really want to cast out Satan? Do we most of all desire to get rid of the evil of the world? Multitudes of people want something else altogether—their own prestige, personal or national, their gain and profit, their vengeance even, or their private conquest. Of course, to such Jesus' ethic is preposterous.

#### THE SUPREME AIM OF JESUS

We cannot see His meaning truly any more than we can see the windows of a Gothic cathedral until we go inside, and from within His life understand what most of all He wanted. Above all else He wanted to rid the world of its evil. Whatever it cost, whether it brought Him to the cross or no, somehow to rid the world of its evil was His passionate desire. If that is what a man wants, then evil is not an instrument to use.

It is only in the light of this supreme aim and motive of Jesus that one can see His ethical principles as reasonable. If one wants most of all to cast out Satan, then an alliance with Satan is no means to that end.

#### THE FOLLY OF VINDICTIVENESS

Translate this into personal life and its truth is clear. A man does a wrong to us; what do we want? It may be that our first impetuous desire turns to vindictiveness—an eye for an eye and a tooth for a tooth.

So one man I know of had an enemy. For years financially he laid for him until he got him, sold him out, lock, stock, barrel, house, and furniture, and, with a satisfaction which only the vindictive know, cried, "My God! but that's conquering!" If a man wants that, then Jesus' ethic is preposterous.

When, however, a man did Jesus a wrong, Jesus felt concern for the man. There are different ways in which one can intimate the presence of need and none more unmistakable than to be unfair, unjust, ungenerous. When a man does a wrong it is as though he flew unwittingly a flag of distress and uttered a cry for help.

Evildoing may be variously interpreted. It may cry to us, "Revenge." It may say, "Ignore me." It may say, "S O S"; there is a need to be met, a deep want in this man's life, an evil that by good will, perchance, you may help to cure.

So when the Samaritan villagers used Jesus despitefully, He was sorry for the villagers. When Judas betrayed Him, He was heartbroken because He could not help Judas. It was the wrong-heartedness itself He wanted to get rid of, the unkindness and bitterness He wished to banish from the earth. When one takes the measure of this supreme motive, Jesus' ethic becomes not preposterous but inevitable. Satan cannot cast out Satan.

#### RISK AND SACRIFICE ARE NECESSARY

If someone says that this ethic is risky, that it is bound to cost sacrifice and when used on some people is sure to fail, I answer, of course it is. During the last blizzard, we are told, a woman living on a branch of the Ohio saw a poor dog drifting on the ice floes and, touched with pity, ran to the stream, with difficulty launched her boat, fought for 2 hours before she reached the dog and brought him safely back. Then he bit her and she died of rabies.

There are human curs like that. Of all men in history, do you think Jesus did not know it? But He would say, I think, "Take it any way you will, human life is risky; you cannot avoid risk in life, and the salvation of the world depends on men and women who will take this risk, to face ill will with good will, to try to break the vicious circle of evil's sequence, where wrong answers wrong, and when two blows must be given to take both rather than give one."

#### A MINISTRY OF GOOD WILL

If we say, in certain personal relationships this ethic can be made to work and it was only of these individual relationships that Jesus was thinking, I suspect that shows how little we know about Jesus' world. He was not tucked off in a forgotten corner of the earth. He lived on one of the major highways of the Roman Empire. Every breath of news, I suspect, from the Thames to the Euphrates soon or late came to Nazareth.

He lived in a violent generation when force ruled the world and might made right as terribly as it does today. He lived in a nation seething with violent revolt. He dealt not only with Sadducees, compromising with Rome; not only with Pharisees, waiting for their supernatural Messiah to come from heaven and redeem them; but with zealots, fiery, militant, revolutionary rebels, crying out for bloodshed to make right their heinous wrongs.

This public situation, so dreadfully like ours, Jesus had in mind when He turned His back on revenge and bloodshed and based His ministry on undiscourageable good will.

It was this public situation He faced in the temptation at the beginning of His ministry, when the devil, as it were, showed Him all the kingdoms of the earth and said, "All these things will I give Thee if Thou wilt fall down and worship me."

How perennial a temptation that is. How terribly it assails us all today. To join forces with the devil to beat the devil, to fight evil with evil—ah, Christ, how did You resist the pressure of it in Your time, and how in a world like this do You expect us to follow You?

#### SATAN CANNOT CAST OUT SATAN

Yet when in calmer moments one faces the facts, one wonders if he is not right. Satan cannot cast out Satan. All history is a running commentary on that. The means determine the end. Everlastingly that is true—the means determine the end. We of all generations should understand that.

Did we not fight a war to make the world safe for democracy? We were resisting evil. We prided ourselves on that. We were morally indignant against a real wrong and sacrificially devoted to a holy cause. We would make the world safe for democracy. Conscripted to make the world safe for democracy. Poison gas, bombing of open cities, blockades that starved millions, to make the world safe for democracy. Dictatorial control of the whole Nation's life—even of what we ate and wore—the very suspension of the Bill of Rights, to make the world safe for democracy. And in the end a treaty, the only kind of treaty modern war can issue in—vengeful, selfish, cruel—to make the world safe for democracy.

#### THE SANEST REALIST OF US ALL

So we woke up to find the world less safe for democracy than it had been in generations. We discovered that war, being essentially totalitarian and dictatorial, cannot defend democracy, but that the means determine the end. Ah, Christ, You are not a visionary idealist; You are the sanest realist of us all. Satan cannot cast out Satan.

Let us take a further step and note the positive power of this ethic when it is put to work. For it is not weak, as the average man thinks, but very strong. Of all ridiculous beatitudes, some would say, the most incredible is the one where Jesus sums this ethic up and the faith on which it is built: "Blessed are the meek, for they shall inherit the earth." What nonsense, says the average man.

Yet would you stake your credit upon the opposite? Blessed are the Hitlerers for they shall inherit the earth! Would you? Grant him every temporary victory you think possible. Would you say that in the long run he will inherit the earth? I know no intelligent person who thinks that. All history rises up against that.

#### EMPIRES BUILT ON FORCE FADE AWAY

Like children's sand houses built upon the shore, age after age the tides of destiny have risen and wiped out the empires built on force. Of all contrasts in history none could be more disproportionate than that between the Roman Empire on one side and Calvary's cross upon the other. Yet the Roman Empire has fallen and many another empire since, like children's blocks toppling in a row, but still that cross stands and haunts the conscience of the world.

So I think Jesus sat many a day upon the hills above Nazareth and looked across the plain of Esdraelon, stretching mile after mile before his gaze. There the historic battles of the world had been fought. There the empires of the Euphrates and the Nile had clashed. Age after age violence had met violence and kings and pharaohs had fallen in futility, and Satan had never cast out Satan yet.

It was from that vision, not first of an ideal but of the facts, that Jesus went out, I think, determined, though he died for it, to introduce into the world a new and revolutionary ethic—meet ill will with good will, dare to break the vicious circle of evil answering evil, never fight wrong with wrong. Satan cannot cast out Satan.

#### THE PROPER USE OF FORCE

This does not mean that all use of force is satanic. Coercion has its proper place in life, always indicating a pathological condition but capable of salutary use in the interests of the whole community, as, for example, against the insane or the criminal. Even in such realms, however, the Christian ethic has been so far influential that not retaliation but cure and reformation have become the test and aim of intelligent procedure.

Because one believes in municipal police one is not by any logic driven, as some seem to suppose, to believe in war. War is a highly

specialized form of force, in its preparations, procedures, and results distinguishable from any other of force's exhibitions. One may believe in the police and think dueling wrong; one may grant the salutary nature of coercion communally applied for the good of all and still think gladiatorial shows are unmitigated and outmoded evil.

#### WAR IS SATANIC, AND ONLY SATAN GAINS

So one may pray and work for an ultimate international community, in which the collective security of all is the aim of all, and the policing of the world is the joint affair of all, and may still see clearly that at the present moment no war will mean that or anything aimed in that direction, but will be the old satanic, retaliatory process, motivated by imperialistic ambitions and waged with sadistic savagery to an end catastrophically evil. War is satanic, and only Satan has anything to gain from it.

However some may doubt the possibility of applying this principle to public affairs, how can one doubt its magisterial power in personal relationships? I would almost venture to say that any special fineness of spirit that anybody here possesses is his because sometime he has lived at the receiving end of this ethical principle.

For there are three kinds of goodness in the world. First, coerced goodness, where someone is good to us because we can require it. That is not impressive. Then there is deserved goodness, where we have been good to someone and now, quid pro quo, so much for so much, he is good to us. That is not deeply impressive. Then there is undeserved goodness, where we have been unworthy, ungenerous, unkind, unjust, and, lo! someone comes back at us with good will and friendliness.

From the days at home when our parents so treated us, through all our lives, no force has reached so deep, laid hold so hard, lifted so powerfully as that. Thank God not everybody has slapped back at us. Thank God some people did go the second mile with us. The salvation of the world depends on the multiplication of people who understand and practice that adventurous ethic.

#### WHAT SHALL AMERICA DO?

Do not represent me as having said that it is simple to apply this principle to the world's large affairs. It is desperately difficult. No one of us is wise enough to see around the next corner. Only as Americans this seems clear, that we are at the fork of the road and that either we are going to throw the vast influence of this Nation on the side of those constructive forces that make for international good will and conference instead of violence or else we are in for an era dominated by our aping of our enemies.

They make war! We make war! They build vast armaments! We build vast armaments! They use poison gas! We use poison gas! They say, All restrictions off on the most brutal instincts of mankind! We say the same, until once more, fighting evil with evil until we are the evil that we fight, far from conquering our enemies we let them make us after their own image.

So at long last, at the end of a ruinous era, we shall be facing again the question—which God grant us grace to face now before it is too late—"How can Satan cast out Satan?"

### Problems Facing Congress, 1940

#### EXTENSION OF REMARKS

OF

HON. FRED C. GARTNER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

RADIO ADDRESS BY HON. FRED C. GARTNER, OF PENNSYLVANIA, JANUARY 13, 1940

Mr. GARTNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include the following radio address delivered by me as guest speaker for the United Businessmen Association of Philadelphia over station WFIL on January 13, 1940:

My fellow citizens, it is my purpose in the few minutes allotted to me to give to my listeners an unbiased and concise picture of the problems facing Congress, and therefore facing the Nation, for I believe Congress is the pulse of the Nation, giving a true picture of the heartbeat—the people.

Under our beautiful and unequalled system of freedom of the press and radio, the American public is the best informed in the world. One of the greatest liberties that we enjoy in this country is the fact that no one tells us what we may or may not read, hear, or say. This condition makes for the supreme health of our democratic form of government. This permits me to come before this great unseen audience to speak from my heart of the American scene as I view it. The things I say to you today are my own expressions and ideas, neither dictated nor prescribed by any master other than my own conscience.

Having made a flying return from Washington to fill this most welcome engagement, I feel that I will have made a worth-while

trip if I can leave with you some idea of the magnitude and seriousness of the affairs of the Nation. As you know, in ordinary times the duties of a Congressman are many and manifold. In normal days a Congressman develops a huge business. For instance, during the second session of the present Seventy-sixth Congress my own office had to read, study, and answer some 6,000 letters on the neutrality measure alone. Besides the task of studying legislation and attending meetings of the House and of committees, innumerable constituents bring a wide variety of problems to their Congressmen. This exchange of problems, this trading of ideas, this constant contact with the people who enabled me to reach the office which I so proudly hold, have been invaluable in guiding my actions in Washington. Truly, Congressmen, above all other persons in public office, must never lose sight of the fact that they are servants of the people, answerable at all times to their constituents. A Congressman who attempts to shut himself off from the citizenry would be as senseless as the proverbial ostrich.

I modestly believe that this present term will develop into one of the most momentous in the history of our democratic form of government, and I believe that paramount to all the problems are those concerning affairs here at home.

As usual, the session began with a Budget message from the President, which, in itself, requires endless hours of study. It is not my intent to bore you with long lists of figures that have been so prominently displayed in the local press—figures which of themselves are staggering and far beyond the grasp of the average citizen. It is too early in the session to keep these figures alive, for they will be many times revised before any appropriations are made. Besides, figures in themselves do not always give a true picture, and even trained statisticians and economists differ widely in their interpretations. That we must have money to run the affairs of our Government is elemental—the amount a question mark. Admittedly, the President says, national defense must be strengthened and the tremendous cost of relief reduced. In studying this Budget message we must bear in mind the fact that the per capita debt for all branches of Government has grown from \$59.28 in 1913 to nearly \$500 per person last year. We must bear in mind that some day a start must be made toward payment of the public debt, which will be a very painful undertaking, for those who have subscribed to the belief that we have been getting something for nothing are due for a rude awakening, and the sooner it comes, to my mind, the better off we shall be.

Another primary essential of this and future terms of Congress is to keep Americans united for peace. Of course, it is inevitable, in times of war abroad, that we approach a consideration of our home problems by way of discussing foreign affairs, but we must not lose sight of home issues because of complications overseas. There can be no more illuminating picture of what happens to nations whose internal plight becomes desperate than what is going on across the Atlantic and Pacific.

We must admit that we cannot shut the door to the economic results of Europe's hostilities, but it is gratifying to report that the unanimous opinion in the Congress is unalterably for keeping America out of those hostilities. To this end there are many steady forces in the United States constantly bringing their ideas to the Members of the Congress. The United Business Men's Association, under whose auspices I speak today, has done an excellent job of rallying public opinion. One of the greatest forces for good in the Nation today are the veterans' organizations, among whose members I am proud to be numbered, and who are constantly on the job of educating the general public to think and act neutrally, to think and act in the best interests of God and country, to think and act for the preservation of American democracy as set forth in the Constitution of the United States and the Bill of Rights. There can be no doubt that the men who participated in America's wars are still serving with far more valuable ammunition than that which fires guns and destroys lives; it is the ammunition that builds peace and good will. There are hundreds of other truly American organizations—fraternal, civic, and religious—cooperating with and augmenting each other. I say "religious" because this Nation is founded upon the principles of religion and tolerance; so long as those principles survive, so long will peace in America survive.

Again a further problem arises in the President's request for taxes to meet the cost of the needed defense increase. We must bear in mind the already heavy burden of taxes paid by our people—employers and employees, wage earners and jobless, young and old. If we are cognizant of these burdens, you can readily see that no Member of Congress can rush blindly in to cast a yea or nay vote. We must first determine what would be the best defense policy—how much we are expected to defend. As you can readily see, this in itself could well take up the time of an entire session.

We all desire a Nation so well defended from within and without that no enemy would ever dare challenge our right to live in peace and harmony, a Navy second to none, an armed force beyond question the most efficient, loyal, and ready for any emergency. May I digress for a moment to discuss the enemy within our gates, for they form a major part of our home problems. It is gratifying to read in the report of that splendid investigating group known as the Dies committee that subversive thought and action is declining. But that does not say that we can sit back and claim victory. The patriotic fervor that has aroused our citizens to combat subversive elements must be maintained until every vestige, every iota of un-American thought has been washed from our shores. We must never cease in our campaign to awaken Americans to their civic duty. We must never lessen or fail to keep alight the fires of justice, freedom, and democracy. We must be jealous of the rights of citizenship and make it our bounden duty to see that none shall



transgress thereon. We must guard our youth and protect them from the poison of foreign ideologies. We must keep ever before the public the glories that are America's. Our youth must have an undeviating faith that the sufferings of Valley Forge, the trials and tribulations of '61 and '65, the exploits and valor of '98, the great deeds of '17 and '18 have given them acres of diamonds far richer than any vague promises of a utopia beyond our shores. How anyone who for a single day could walk the streets of our beloved city, seeing and greeting friends as man to man, seeing our free commerce, people going into churches of their choice, riding vehicles of their choice, coming and going as they will, pursuing happiness in their own way, and still look across the seas for guidance, is beyond me. Anyone who would refuse to defend with his very life the richness and fullness of these acres of diamonds certainly has no right to protection here.

I regret the time does not permit to go into the ramifications of reciprocal-trade treaties and tariffs, except to say that they require deep study by experts of varying economic theories and a wide exchange of views before anything concrete can be evolved.

Another home problem, and one which may develop into the most important of all, is that of the relations between labor and industry and unemployment. Admittedly, the Wagner Labor Relations Act is unsatisfactory to both the sincere labor union and to the employers of labor. Admittedly, by both sides, it must be made equitable to all; but so that further mistakes may be prevented and further botched laws written upon the statute books, thorough and complete study of all phases of the question must be made before action is taken. It is futile to talk of a nation united for peace so long as despotic laws which foment conditions of strife remain on the statute books, but it is equally futile to believe that this situation can be righted in any limited space.

From the foregoing you can readily see that our foreign policy should not be overstressed at the expense of home problems. Millions are unemployed, billions of hoarded dollars so necessary to create business and industry are still being withheld from investment through uncertainty. Only settlement of our domestic affairs can start the wheels of true recovery and lasting prosperity. I think I can speak for the vast majority of my fellow members of Congress when I say that we will attack these problems in the true American spirit of fair play by always bearing in mind that two-party politics is the very backbone of our American system of democracy; that honest difference of opinion with those in office is the birthright of every American citizen. We must not be swayed by brilliant oratory, by half truths, by innuendoes: we must bear in mind that no party or group has a copyright on the best road to peace and prosperity.

I assure you that I will attack these problems wholeheartedly and open-mindedly, and, believe me, my every vote will be cast solely on the principle that I think my actions are guided by what I believe is best for this Nation we love.

To you, Mr. Treister, and to the United Business Men's Association, my sincerest thanks for the privilege of being with you today.

### The Cost of Tinkering

#### EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

EDITORIAL FROM THE CHICAGO HERALD-EXAMINER OF  
JANUARY 8, 1940

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Chicago Herald-Examiner of January 8, 1940:

[From the Chicago Herald-Examiner of January 8, 1940]

#### THE COST OF TINKERING

George N. Peek, who administered the agricultural program of the New Deal in its early days and parted company with it when the original objectives were abandoned, recently analyzed the present farm problem for the Hearst newspapers.

Mr. Peek is a good agricultural authority, and reliable.

When he says the farm policies of the New Deal, particularly the policy of encouraging and promoting ruinous foreign competition with American agriculture, are responsible for current agricultural depression, it must be considered as a meritorious and unprejudiced opinion.

Mr. Peek says all of that and much more.

He says the present system of burdensome appropriations by Congress for the relief of agriculture will be necessary only as long as the Government continues to impose unsound and unwise foreign competitive conditions upon American agriculture.

"The present administration," he declares "has been tinkering with the problem for 7 years.

"While encouraging imports from foreign farmers, it has spent billions of dollars of the taxpayers' money to bolster the income of the American farmer, and designedly it has undertaken to buy his independence of action."

Mr. Peek calls this an intolerable situation, "created by increasing costs of production and decreasing production itself, and by expanding imports enormously not only depressing home markets, but displacing American jobs."

Asserting that foreign farm products come from countries where lower wage and living standards prevail, Mr. Peek says:

"If our farmers have to compete in such a market as that, how can they be compensated except by a hand-out?"

He says, and he should know, having been in the New Deal at the outset, that the trouble with the New Deal farm program is that it is based on "too many blueprints" and is shaped by "too many bright young architects."

"It is well demonstrated," says Mr. Peek, "that production cannot be controlled, nor can competing imports be allowed on the theory that they raise buying power."

"Let us not camouflage the fact that domestic prices must be a little higher, but how much better that is than pouring out money in subsidies for wasteful Government bureaus to police and distribute."

Intimating that the purported reciprocal-trade policies and agreements of the American State Department tie American farm prices to world markets, Mr. Peek significantly warned:

"So long as we keep agricultural prices tied to world price levels this question will be with us unless we submerge the farmer and industrial worker to the wage levels and living standards of foreign countries."

Mr. Peek's conclusion is inescapably sound and American.

"We should," he advises, "reorganize the Tariff Commission into a real foreign-trade board and make it responsible to Congress and the President for policies of foreign trade and financial transactions, confining the State Department to the diplomatic activities and policies which have been its traditional sphere."

In short, American agriculture should be protected against its acts and policies, and it should not be solicitous of foreign welfare and covetous of foreign applause, to the detriment and disparagement of American welfare and opinion.

### The President Should Speak for Himself

#### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

Mr. MUNDT. Mr. Speaker, in view of the fact that this morning's Washington papers carry the news that the State Democratic chairman of Ohio, one Arthur L. Limbach, has announced that "Ohio's 52 delegates to the Democratic National Convention will go there ready to support the renomination of President Roosevelt for a third term," I think it is now a safe assumption to conclude that Franklin Roosevelt is an active aspirant for a third-term nomination if he can get it by use of all means at his command. Consequently, I feel that the editorial at the conclusion of these remarks will make fruitful reading for members of all parties, since it discusses something very vital to the perpetuation of the entire American ideal of self-government.

It is inconceivable that the action of Ohio Democrats was taken without the tacit consent, if not the direct promotion, of the President himself; the device of using Senator DONAHAY as a favorite-son "front" to provide a stalking horse for holding "third termites" in line is a thin disguise of the administration's ambitions. The evidence indicating the President's great desire to capture the third-term nomination is increasing every day. The timidity of all other Democratic Presidential aspirants—with the exception of courageous and capable Mr. JACK GARNER—in announcing themselves indicates the fear of the administrative "crack-down" which would follow such announcement. Such Rooseveltian hatchet men as Ickes and Jackson would speedily deliver hymns of hate against lesser men than Mr. GARNER who would dare to announce themselves in opposition to the President's personal ambitions. The pathetic spectacle of the rapidly fading McNutt, who is trying to sell himself as a leader of men and a man of Presidential capabilities, when by his own omis-

sion his courage and stamina is of such synthetic stuff that he prefaces his please-vote-for-me speeches with the vapid confession that he is a candidate "only if the President tells me I can run," is sufficiently unattractive to deter many other "if candidates" from seeking the Democratic nomination. Thus the President drives other possible aspirants to cover or forces them to campaign under such ridiculous circumstances that the public loses all confidence in their qualities of leadership and self-decision.

The attached editorial states the case fairly and fully against the fulfillment of the President's apparent ambitions to get the third nomination "even if he has to organize a self-inspired draft movement" to get it. In my opinion, one of the greatest indictments of the New Deal and of the entire Roosevelt regime is the fact that it has permitted no other leaders to develop or to reach the headlines except the Chief himself. As a Republican, I am glad our party has a steadily growing list of Presidential aspirants with courage enough to become bona fide candidates. I am happy to belong to a party not so devoid of leadership that it must rely upon the advice or ambitions of one man to determine its destiny. I am proud to belong to a party which reflects the true spirit of the American system.

In a country with more educational institutions than any other five countries in the world, it represents a terrific indictment of their output and methods to assume that we have presently only 1 man out of 130,000,000 who is wise or able enough to serve as President. Such a philosophy of "defeatism," it is true, is in harmony with the New Deal defeatist attitude that with one-third of our people under-housed and under-fed we must nevertheless reduce and curtail farm production in order to raise farm prices, with no admission of the hope that we might be able to improve methods of distribution to feed more people additional food produced at better prices. With 48 separate States training public leaders in their legislatures and in their official executive departments and with innumerable county and city governments providing training opportunities for potential national leaders, it is a sorry sort of pessimism which must pervade the Democratic Party when it prepares to confess it has no other leader capable of carrying the torch than the present occupant of the White House. If that is true in 1940, and if by some unfortunate miracle the President should be reelected for a third term, how much more true this same predicament would be in 1944. And by 1948 perhaps men of all parties would suffer from the same fears which now inhibit men like McNutt and Hull and Wallace and other "careful-hopefuls."

Americans should remember that the violation of our third-term tradition to permit Presidents to rule—I use "rule" advisedly, because with such protracted regimes they would no longer purport to "serve"—the people for 12 or 16 years would be to do in America the thing we are so loudly disapproving in the totalitarian countries of Asia and Europe. After all, 12 years is a longer period of one-man rule than is chalked up by most of the one-man governments of Europe. This country must not yield to the totalitarian influences from abroad to the extent of adopting their objectives, if not their methods, at home. With so many other issues confronting the country, it will be unfortunate if the question of abandoning government by the people for government by family dynasties should become the big issue in the 1940 campaign; but if the Democratic Party is really so devoid of leadership that it can produce no other candidate, we Republicans will welcome the opportunity to let America speak for itself, once and for all, on this epoch-making decision. The biggest contribution this country can make today to a world quaking from totalitarianism and one-man autocrats would be to demonstrate in 1940 that we can change Executives—not necessarily parties—in this country in an orderly fashion and that the common people of the country are still capable of governing themselves and of developing a steady succession of new leadership. It would have a fatal effect throughout the world if we at this time were to collectively confess our own allegiance to one-man government.

The following editorial is from South Dakota's leading daily newspaper, the Sioux Falls (S. Dak.) Argus Leader:

#### THE PRESIDENT SHOULD SPEAK

The impression grows that President Roosevelt will not be a candidate for a third term.

But as long as he fails to speak, uncertainty in respect to his intentions will exist.

Obviously, regardless of any decision he may have made in his inner mind, he is eager to maintain this uncertainty. He wants the people to continue to regard him as a prospective candidate.

In so doing, he violates at least the spirit of the third-term tradition. He indicates he is toying with the possibilities of an additional term.

In as vigorous an editorial as we have seen on the subject, the Baltimore Sun insists that the President should state that he is not a candidate for a third term.

The Sun gives voice to its attitude in the following forceful paragraphs:

"We have lodged in the Presidential office such power as Washington and Jefferson, in their prescient concern for the future, never imagined. We have given the President command of a veritable army of officeholders, and the potentialities of this army are known to every politician in the land. We have given the President control, direct or indirect, over payment of subsidies to citizens which run into billions of dollars annually. We have given the President, acting through obedient subordinates, authority to make regulations which have the force of law in governing the lives and the property of 130,000,000 human beings.

"This unprecedented power must not remain for long in any man's hands."

In conclusion it offers these suggestions for the consideration of President Roosevelt:

"Measuring all these considerations, general and particular, Mr. Roosevelt's candidacy for a third term would be a peril in the life of the American people. In the long view it would be a peril to our national economy and our political institutions. In the immediate future it would be a peril to orderly relations within the Government, whether the immediate future holds in store for this Nation peace or war.

"It is a peril which ought definitely to be removed. And the threat of that peril ought definitely to be removed. These are not times for the growth of such suspicion, in the Congress and in public places, as must inevitably follow from silence on Mr. Roosevelt's part while members of his Cabinet and his diplomatic corps, and others within his intimate group, openly attempt to promote a third term. These are times when, above all else, there is need for that mutual trust and that sense of solid foundations which follow from respect in high places for tested principles and tested precepts.

"Mr. Roosevelt should declare publicly his obedience to the unwritten rule against the third term."

The statement from the Sun carries weight because of its logic. It carries additional weight, however, because it is an old-time Democratic newspaper—a newspaper that through the years has cherished the institutions befriended by the party which President Roosevelt now represents in Washington.

A democracy cannot be a one-man nation. To say that there is no one who can succeed Roosevelt is to assert that we are incapable of governing ourselves.

### Let Us Think Sanely

#### EXTENSION OF REMARKS

OF

#### HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

ARTICLE BY DR. GEORGE W. PEAVY

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Dr. George W. Peavy, president of Oregon State College:

#### LET US THINK SANELY

(By Dr. George W. Peavy, president, Oregon State College)

In this atmosphere of peace, with these thousands of young men and women, buoyant and free, planning and building for lives of service and usefulness, it seems like introducing a discordant note in a beautiful harmony to speak of wars, or sordid ambitions, of the slaughter of women and children, of pestilence and famine, of unspeakable brutalities inflicted upon innocent people. Yet I vividly recall, as do others in this room, days like these and scenes like these 22 years ago on the campus of our own Oregon State College.



Nature was as kind then as now. Students were as happy and care-free, as ambitious, and as hopeful as the members of this student body are today. With a wide ocean between our country and war-mad Europe we felt remote and secure. But in brief months insidious propaganda, malicious misrepresentations, and unfortunate incidents transformed a placid-minded, peace-loving nation into a hysterical, crusading, revenge-seeking people, bearing aloft the banner of human liberty and having for their great ideal and objective "making the world safe for democracy." Impelled by the tremendous force of public opinion, we declared war and we sent more than a million of our choicest sons to the slaughterhouse of Europe.

#### AMERICA MUST FACE THE FACTS

The record shows it happened once. It can happen again. It will happen again unless the American people firmly resolve to be ruled by reason and not by emotion, to sift the tiny kernel of truth out of vast masses of propaganda; coolly to face the facts of history to the end that they may know the truth, and knowing the truth, may be kept free of any entanglements with the unclean and sordid political mess of Europe.

With a vivid remembrance and knowledge of what happened to our country in the period of the Great World War, of the awful price we paid for the part we played in it, and having, because of this knowledge and remembrance, a keen sense of responsibility to you, students of Oregon State College, and to the thousands like you, upon whom would rest the burden of another conflict should it come, I am compelled to counsel with you, hoping that I may help you to think straight and hoping, too, that we may stand united on a program which will best safeguard the interests of the United States of America.

To my way of thinking, as the situation now stands, the war in Europe is strictly a matter of European concern. Fundamentally, this war does not differ from the hundred and one other wars which, since the dawn of recorded history, have been fought on European soil. There have been wars to satisfy the pride and ambition of princes, emperors, and kings. There have been wars of conquest—for the sake of conquest alone. There have been wars because virile peoples have expanded their populations beyond the capacity of the land to support them and they have gone into battle to win room in which to live. Nations have been wiped out to give the strong a better chance to become stronger. Wars have been fought and thousands slaughtered to advance the cause of the Prince of Peace.

In the United States now we have no king or prince or emperor whose vaulting ambition could lead us to the field of battle. We, the people, are yet the rulers of America. There is in the spirit of the people of America no desire for conquest of other lands. With the people at the north and at the south we are at peace. To the east and to the west the oceans touch the shores of no lands which we covet. Within the confines of our Republic we have ample space for the most powerful, the best-cared-for people the world has ever known.

#### NEITHER HONOR NOR SENTIMENT IN WAR

If we have no fundamental reason for war, have we obligations to Great Britain or France sufficiently great to justify plunging this Nation into a foreign war? When we are sentimentally inclined, we speak of England as the mother country. Just how considerate has England been of her offspring? We fought England 8 long years because she refused to grant us representation in return for the taxes we paid. When the struggling young Nation began to put ships upon the seas the mother country played the part of a big bully with our shipping until we were obliged to battle her for 2 years in order to win our right to sail the lanes of commerce on the high seas. When this Nation, for 4 years, was engaged in a great civil war, to establish the principle that a nation could not exist half slave and half free, England tried to bring aid and comfort to the South by breaking the blockade of the Southern ports. Only as long ago as the administration of President Cleveland, England, with her powerful Navy, tried to nullify our Monroe Doctrine by establishing a stronghold in South America. At the conclusion of the World War, we loaned England vast sums of money which in past years she has shown no inclination to pay. With this record of loving kindness, it does not seem to me that we should put a million American boys on the battle line in Europe, just to help preserve the territories of the British Empire.

Shall we enter this world war because America has a great obligation to France? As every high-school boy and girl knows, La Fayette came to America toward the end of the Revolutionary War, bringing with him a handful of French troops, and helped us win the war with England. But remember, France was at war with England. France had lost the great Canadian country to England and France was glad to help split off from England that vast extent of territory from Canada to Florida which became the Original Thirteen States. The participation of France in the American Revolution was merely one part of the French war against her long-time foe across the English Channel. You will remember, too, that when the United States was engaged in a bitter civil war the French, with the help of the English, set up a puppet empire in Mexico, hoping to gain a foothold on the North American Continent, at a time when we were powerless to enforce the doctrine proclaimed by President Monroe. The United States, after the signing of the Versailles Treaty, ending the World War, loaned

France sums which now amount to \$4,000,000,000. This debt of honor the Frenchman, with a characteristic shrug, repudiates with the naive remark, "This was your war and this \$4,000,000,000 will help pay for the 2 years when you didn't come in."

There is neither honor nor sentiment in war. England and France, bitter foes in many wars, now have a union of convenience because their security is threatened by a common foe.

Hitler, the hysterical, who was cast up on the crest of the wave by fickle chance, at a time when Germany was mad with despair, whose hands are red with the innocent blood of thousands of a persecuted race; Hitler joins forces with Stalin, who has slain his fellow citizens by the hundred thousand because he thinks thus more firmly to fix his despotic hold upon a so-called communistic state. Hitler, with his highly mechanized military force, without warning, crushes a defenseless nation of 30,000,000 people and throws a sop of half the conquered territory to the Russian bear. Stalin seizes diminutive Baltic states to open wider his window on the Baltic Sea. And all this while Mussolini sits back like a treacherous Roman wolf ready to dash in and grab his bloody portion when the battling nations are locked in a death struggle. I repeat, there is neither sentiment nor honor in modern European warfare.

Before we go far in considering the participation of America in another European war it would be well for us to look for a moment at the cost—the cost in men, the cost in money, the cost in social values. The nations participating in the World War lost eight and one-half million men. Twenty-one million were wounded. Starvation disposed of 4,000,000 civilians. The nations at war expended over one hundred and eighty-six billions in treasure—more than all the wealth of the entire Nation. During the Great War we transported more than a million men to France. More than 126,000 American boys were killed and about 200,000 were wounded, many permanently disabled. How many were permanently diseased, how many spiritually and morally wrecked the records cannot show. Neither can the records show the years of suffering of the diseased and wounded nor the billions which must be spent "to care for him who bore the brunt of the battle and for his widow and orphans."

I stated a moment ago that I have distinct remembrance of the scenes of this campus when America went into the war. I saw classrooms deserted as boys by the hundreds enlisted and left for the camps. I saw the operation of the selective draft as other hundreds were called to the colors. I saw the lines of anxiety deepen on the faces of fathers and mothers as their boys were swallowed up in that zone of mystery "Somewhere in France." These Oregon State College boys, with alumni and faculty, 2,000 strong, went with high purpose, and they made a splendid record. We saw them return, some shell-shocked, some maimed, many disillusioned. We saw them try desperately to pick up the shattered fragments of their civilian lives. Some didn't come back, but found their final resting places under little white crosses, "where poppies bloom, on Flanders' field."

On Oregon State College campus, we erected a shrine to commemorate the sacrifices of our boys who gave themselves so freely to serve their country. We are proud of our Memorial Union and proud of the service flags with their hundreds of stars, some in gold, all bearing mute witness to the loyalty of the sons of Oregon State.

#### THROUGH ADEQUATE DEFENSE PRESERVE DEMOCRACY IN AMERICA

I have expressed the belief that this war is not our war. In saying this I would not be misunderstood. I believe in democracy, in American democracy. With a great American I can say, "The greatest service which we can render democracy in the world is to preserve democracy in America. The way in which we can best preserve democracy in America is to stay at home and attend to our own business. We might win a war and lose our liberties." With all my heart and soul, I believe in the United States of America. I do homage to the great men who supplied the Nation's leadership through all its years of development. I believe in our free American institutions, established and preserved by blood and sacrifice. I believe in adequate national defense, on land, on the sea, in the air. I am glad that in America we may worship as conscience dictates. I rejoice that in our country the Government derives its just powers from the consent of the governed. Great as our Nation is, I know that it exists for the benefit of the people, that the people do not exist for the benefit of the state. In America we cannot be deprived of life or liberty without due process of law. How wonderful it is, in America, that brother cannot set against brother, children against parents, or neighbor against neighbor, that we can live in peace and trust, one with another.

Glorious country, this United States of ours. Worth preserving, worth cherishing, worth defending, by every sacrifice. In these times of trial, when the nations of the world are coming to grips, when the mighty destroy the weak, when lust for power obliterates all sense of justice, when the plighted word of a nation's ruler is held as lightly as a vagrant breeze, when men by the million, at the command of a despot, are being led like sheep to the slaughter, in these times let us calmly turn our thoughts to our great Republic and what it means to us. And let us, with a prayer in our hearts and with determination in our souls renew our pledge to the flag of the United States of America and to the great Republic for which it stands.

## Aid to Finland

## EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

EDITORIAL FROM THE CEDAR RAPIDS (IOWA) GAZETTE OF  
JANUARY 15, 1940

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cedar Rapids Gazette of January 15, 1940:

[From the Cedar Rapids (Iowa) Gazette of January 15, 1940]

LET'S BE WARY OF ENTERING THE WAR BY THE BACK DOOR

The Associated Press reports that Congress is showing considerable skittishness in approaching the proposals that this country do something more to help the Finns fight the Russians. Members of both parties are fearful that aid to Finland might violate American neutrality.

These fears are well grounded. In considering the question of aiding Finland certain pretty well-established facts should be borne in mind, to wit:

1. President Roosevelt and other dominant leaders in the administration want Great Britain and France to win their war against Hitler. They would like to aid the Allies in any way they can without raising a howl of popular protest here in the United States. Naturally they haven't said this in so many words, but they have made their attitude sufficiently plain to all who appraise their words and acts with reasonable care.

2. The desire of administration leaders to help the Allies is hobbled by the unmistakable desire of the American people to avoid anything that might draw this country into the war. This popular sentiment is far too strong to be shaken by the sympathy most people feel toward the British and French and the antagonism they feel against the Nazis.

3. There is a strong possibility that the Finnish cause and the Allied cause may be merged openly in the near future. Finland is fighting for the same principles the Allies profess to be championing. Those principles are threatened as much by Stalin as by Hitler. And Stalin is in cahoots with Hitler. A military situation might easily develop in which striking at Soviet Russia would be the most effective way of dealing a decisive blow to Nazi Germany.

By giving direct aid to Finland the United States might maneuver itself into a position in which it would stand shoulder-to-shoulder with England and France in the European struggle for power. It would be only a short step in logic then to the contention that one of the best ways to aid Finland would be to aid the Allies. In those circumstances it would be pointed out that it wouldn't be sporting of us to leave little Finland in the lurch after going out of our way to help her.

In short, capitalizing on the traditional American sympathy for an underdog and on American good will for the only European war debtor that has fulfilled its obligations to this country could be a very slick way of easing the United States into the European war on the side of the Allies. No one can be sure it would work out that way, but no one can deny that it could. From the most optimistic viewpoint the chances are no better than even. Congress is well justified in hesitating to take the gamble.

## Reciprocal-Trade Agreements Have Injured Our Business

## EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

Mr. SPRINGER. Mr. Speaker, many matters of great importance will come before this session of the Congress, but I firmly believe there will not be a question presented which will be more important or of greater influence than the question of extending the further power to the President to make reciprocal-trade agreements with foreign powers. We are

reminded that the President now has that power, which was given to him by Congress in the year 1937. The power which is now vested in the President will expire in June 1940.

The appalling fact is disclosed that these agreements which have been made, under the authority extended therefor, affect every class and group of our people, either directly or indirectly. Our farmers, businessmen, laboring men and women, and our industrialists have suffered, and are now suffering, because of the unfair trade agreements which have been made and which are now in full force and effect with foreign countries. We must think of our own country and our own people first. While under the existing law no ratification of any such trade agreements is required, but the sole power and authority rests in the hands of the President to make such agreements, with the sole and only limitation that schedules are not changed more than 50 percent. Therefore to that extent the President has the sole power to make and to put into effect all tariff schedules—a power which never should have been given to any President—which directly affect the prosperity and well-being of all our people. The President of the United States is chargeable, therefore, with the ill effects resulting from these various trade agreements which have been made.

Mr. Speaker, agriculture has suffered greatly by reason of the fact that the existing trade agreements have permitted vast amounts of imports to come upon American markets, which were cheaply produced and which can be cheaply sold, all in direct competition to those articles produced by our own farmers. Our wage scale is higher than that paid in those countries which bring their goods into our markets for sale, therefore they can sell their products cheaper than our farmers can sell their commodities and make a profit thereon. The lack of a proper duty which would equalize the cost of placing the foreign-produced commodity upon the market here compels our own farmers to sell at a price which is less than their own cost of production, or forces them to keep their products.

Why do I say these imports have injured our American farmers? The imports have been increasing each year since the trade agreements have been in force. Let us see how some of these imports compare between the years 1938 and 1939.

Import items	Unit	1938	1939
Cattle.....	Head.....	330, 653	664, 339
Meat products.....	Pounds.....	123, 732, 000	136, 552, 000
Canned beef.....	Pounds.....	65, 833, 000	78, 073, 000
Oats.....	Bushels.....	5, 258	2, 612, 000
Wheat.....	Bushels.....	2, 433, 000	9, 310, 000

You will note the increase in 1939 over those same imports in the year 1938. After giving careful study to the figures shown above, which are from the United States Department of Commerce, the farmers of our country may be their own judges as to whether the reciprocal-trade agreements have aided or injured them. The present administration has failed to protect the American market for the American farmers. If this plan of importing farm commodities into this country continues, without any protection to our own farmers, it will result in the ruination of our greatest business and industry—agriculture. And at the same time our exports have materially decreased, all of which is shown by the following scale:

Export items	Unit	1938	1939
Barley.....	Bushels.....	14, 755, 000	5, 087, 000
Corn.....	Bushels.....	137, 709, 000	25, 634, 000
Oats.....	Bushels.....	7, 144, 000	203, 000
Wheat.....	Bushels.....	77, 382, 000	61, 165, 000
Total grain.....	Bushels.....	236, 990, 000	92, 089, 000

The imports have been largely increased, under these trade agreements, and the exports have been decreased.



We think of the agricultural policy in our country. Secretary Wallace is urging that our farmers reduce in their production of crops. On the other hand, our Government is the sponsor of reclamation projects by which thousands and thousands of acres of land are put into production—all of which have never been in production before—all of which is very injurious to our farmers. Such policies are wholly inconsistent and by adding a large acreage to the production in this country will further impoverish our farmers. It means that the reclaimed land will produce as much, or more, than the "crop reduction" decreases will reduce our production, and our Government is paying, from the taxpayers' money, huge sums to farmers because they have abstained from producing crops to the extent of their ability to produce.

We have hungry people in our Nation, and I will oppose all kinds of crop and livestock curtailment so long as our hungry are unfed.

We must remember this injury is not limited alone to agriculture but it extends to business and industry. When injury descends upon business and industry, then our laboring men and women are made to suffer in the loss of their jobs, loss of time, and in the loss of their wages and salaries. This extends further to the education of their children and to the well-being of all of our people.

How many times have our people entered a store or shop and found crowding the shelves manufactured articles and products which have the label "made in Japan" or "made in Germany," or where we found such canned goods as "Argentine beef"? This is the direct result of the failure to protect our own markets for our own people. The continuance of the power in the President of the United States to make reciprocal-trade agreements will mean a continuance of the increase of imports into our country and a decrease of exports from our land to other nations, and a further injustice to our farmers, laboring men and women, and to our industries. We must protect our markets for our products. If our own Government will not protect our markets, let us adopt the policy "buy American" and adhere to that policy; we can thereby protect ourselves from this great and growing injustice if our own Government fails us.

I am unalterably opposed to any continuance of the sole power in the hands of the President to make trade treaties or agreements with foreign countries as now. The President has almost ruined agriculture and industry and has dealt a terrible blow to labor. All treaties should be ratified by the Congress, who are the representatives of the people. No one man should control the destinies of this great mass of our people.

It is time our people awaken to the exigencies confronting them and demand that their markets be restored to them.

## The World Scene on the Eve of 1940—Scandinavia

### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 16, 1940

ADDRESS BY PROF. BEN A. ARNESON

Mr. SHANLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following speech delivered by Prof. Ben A. Arneson, professor of political science at Ohio Wesleyan University, recognized authority on Scandinavia, before the American political-science group here in Washington last month. I was present at this meeting and heard this speech, which seems to me to be timely and helpful for an understanding of the Scandinavian nations.

The term "Scandinavia," as it is most commonly—and properly—used, applies to the racial and linguistic group which makes up

three separate countries. Two of these—Norway and Sweden—occupy the Scandinavian Peninsula. The third is Denmark, 70 percent of whose territory is made up of the small peninsula jutting northward between the North and Baltic Seas, with the remaining 30 percent occupying about 500 islands, most of them very small, lying between the peninsula and the Swedish coast.

Finland can scarcely be classified as a Scandinavian country. To be sure, Finland was, previous to its absorption by Russia in 1809, for a long period a part of the Swedish Kingdom, and its state church is Lutheran—the state church also of each of the three aforementioned nations. The Finnish language, however, is entirely dissimilar from the Scandinavian; and in spite of the fact that about 10 percent of Finland's population is of Swedish descent, its racial composition is distinctly foreign to the other three northern countries. Furthermore, its historical traditions, due in part to its century under Russian rule, differ at many points from those of its Scandinavian neighbors. Even though we should agree that Finland is not in a strict sense a part of Scandinavia, it must be recognized that her geographical contiguity to her northern democratic neighbors, together with the noteworthy contributions she has made, during her brief history as an independent nation, to the field of democratic government and politics, warrants some reference to the Finnish Republic in connection with this paper. This is especially true with a Russo-Finnish war in progress.

We might get into an argument as to whether Iceland should be included as a Scandinavian nation. Originally a Norwegian possession, Iceland remained with Denmark when the separation from Norway occurred in 1814. It is now a separate sovereign state, with its own Parliament—the Althing—the oldest legislative body in the world. The King of Denmark is also the King of Iceland. In view of the fact that the Danish Foreign Office in Copenhagen handles all Icelandic foreign affairs, we shall, however, omit any reference to Iceland, and when the term "Scandinavia" is used in this discussion, it will refer to Denmark, Norway, and Sweden.

I propose in this paper to comment briefly on Scandinavia under four heads: First, the significance of these countries as contributors to the democratic experiences of the world; second, inter-Scandinavian relations; third, other international diplomatic policies and practices of Scandinavia; and, fourth, the significance of Scandinavia in the present world crisis. Under each of these heads some reference will also be made to Finland.

During the last few years the students of government in the United States have become increasingly conscious of the great strides made by the Scandinavian countries, not only in the development of democratic processes but in the results of these processes in the form of social and economic legislation, with its accompanying effects upon the lives of the people. It is, of course, needless to stress before a group like this that in Scandinavia the monarchical form is merely a form, and that in substance each of the countries is a thoroughgoing parliamentary democracy, as is also the Republic of Finland.

The elections in Scandinavia, for example, are worthy of study. In each country an intelligent, literate electorate regularly goes to the polls, with a low percentage of nonvoters, to cast their ballots after an intense campaign in which every propaganda device known to democracy is freely used. With complete freedom of speech and of the press, and with a multiplicity of parties—which multiplicity we may not necessarily approve—the verdict of a Scandinavian election probably represents the actual views of the electorate as closely as a democratic election anywhere in the world. We may not agree that the list system of proportional representation used in all three countries is the best system, but no one can dismiss this system as unworkable until he has examined its workings in these three northern countries. A 4-year term for legislators is in use, and it is interesting to note that Norway, which since 1814 has had a 3-year term for the members of the Storting, has recently adopted a constitutional amendment providing for a 4-year term. This amendment was proposed and adopted because there seems to be wide agreement among the leaders of various parties that the threat of dictatorship makes it incumbent upon democracies to avoid too frequent elections. This attitude is based on the theory that hard-fought political campaigns which may even slightly affect the efficiency of government should be as infrequent as is compatible with popular control.

The joint legislative committees of Sweden which make the bicameral system approach the unicameral might well be imported into other democracies. The one-house legislature of Finland might well be studied. We may feel that we should move toward unicameralism in the United States, but we might as well be realistic and recognize that such a change is not in sight in the immediate future, and that our problem may rather be to improve bicameralism with some such device as is used in Sweden. In the administrative and judicial fields the Scandinavian countries also have developed machinery and procedures which make for efficiency, and democracy, but time will not permit even a mention of those developments.

When it comes to the results of the many democratic instrumentalities, time will permit only the suggestion that Scandinavian experiments in the field of employment and relief, social security, the settlement of industrial disputes, public health, the cooperative movement, and many others, bear testimony to the energy—and many would say the intelligence—with which modern problems are handled by democratic methods in these countries. I am not trying to suggest that we should in our country do exactly what the Scandinavians are doing, but I do believe it would be fair to say that we might well study these procedures and their results very carefully.

Turning briefly to the matter of inter-Scandinavian relations, we find such a marked community of interest and such a degree of interstate comity that it may seem strange to one not familiar with the intense nationalism which accompanies this international comity why these nations do not federate or even merge into one nation.

What in America is called the "full faith and credit clause" seems to be in full operation in Scandinavia and in Finland. Any judgments, including those involving bankruptcy, valid in any one of the four countries, are valid in each of the others. There is the closest of cooperation in the matter of trade-marks, acts of incorporation, ship inspection, and negotiable instruments. A citizen of any one of these countries residing in any of the others receives the same benefits in the form of relief, for example, as though he were not an alien. For more than 20 years the administrative officials of each country have cooperated closely through what is known as the Northern Administration Association, while the Northern Interparliamentary Union has been an effectual instrument not only in promoting uniform legislation but in developing closer bonds in general. It is about 125 years since any one of these countries has been at war with any of the others. In fact, all three have been at peace with the world since Napoleonic times, except for Denmark's encounter with Prussia in 1864, resulting in the loss of Schleswig-Holstein.

The last show of inter-Scandinavian military hostility in 1814—which involved the invasion of southern Norway by a Swedish army—was hardly a war, as both sides desired peace, and an agreement was soon signed. Since that time war has played no part in inter-Scandinavian relations—this, too, in spite of the fact that the relations between Sweden and Norway during the 90 years of the dual monarchy was often not harmonious. When, in August 1905, the Norwegian people in a plebiscite voted overwhelmingly for separation from Sweden, this action seemed revolutionary to the latter, but the Swedish King and the Parliament showed real statesmanship by agreeing promptly to a treaty for the dissolution of the union. Sweden might easily have overpowered Norway, but here set an example of restraint and international wisdom which is representative of Scandinavian attitudes. The Norwegians, in turn, have cooperated more closely and more happily with Sweden since the dissolution of the union than before. The Norwegian-Swedish treaty of dissolution in 1905 included, among other provisions, an arbitration agreement to submit disputes to the Hague Court.

For years the Scandinavian countries have been supporters of peaceful methods of settling international disputes, not only in theory but in practice as well. A good illustration is the violent dispute which arose about 10 years ago between Denmark and Norway over conflicting territorial claims on the eastern shores of Greenland. Intense national feeling was aroused on both sides, with enough names hurled back and forth in the press and enough tension in diplomatic circles to have set off a war in many cases. As the situation grew more serious, the Danish Prime Minister, Stauning, issued an ultimatum to Norway—a new kind of ultimatum—to the effect that if Norway did not leave Greenland he would—not use force, not bombard Oslo—but would take the case to the World Court. Norway, in like spirit, accepted the challenge. Each had agreed under the "optional clause" to submit completely to the jurisdiction of the Court. When many months later the decision was unequivocally in favor of Denmark, the Norwegian Government promptly recognized the decision and withdrew from the disputed territory. An earlier illustration of the Scandinavian attitude in these matters was the prompt acceptance on the part of Sweden of an adverse decision by the League of Nations of her claim to the Aland Islands as against Finland.

The close inter-Scandinavian cooperation during the World War is well known to all students of European history. This community of interest was again evidenced, especially between Norway and Sweden, last spring when Hitler addressed the Scandinavian countries, as he did many others, asking for a nonaggression pact with each one. No action was taken by the Scandinavian countries until after a conference. It was realized clearly that Denmark, due to her proximity with Germany, could not well refuse to enter into such a pact, but Norway and Sweden each refused to do so. The failure of Denmark to follow the other two can hardly be said to be a break in Scandinavian solidarity, but rather a sympathetic understanding on the part of the others that Denmark had a special problem on her hands.

Since 1926 each of these four northern countries—that is, the Scandinavian countries and Finland—has a treaty with each of the others providing for the peaceful settlement of every dispute between them which may arise.

Let us now look for a moment at the policies and practices of the Scandinavian countries as regards their relations to the rest of the world. The essentials of Scandinavian foreign policy can in general be epitomized in three words: Arbitration, neutrality, and disarmament. Since long before the World War, Denmark, Norway, and Sweden have remained consistently neutral and free from foreign entanglements. They were among the earliest advocates of the arbitration of all international disputes. Already at the First Hague Conference in 1899 Scandinavia accepted the convention there drafted and at the second conference 8 years later the Scandinavian delegates went so far as to declare for obligatory arbitration—a stand which in general they have maintained to the present day. At all times the Scandinavian countries have striven consistently for international agreements to disarm. In each of the countries there has been public sentiment for disarmament even without international agreement. For example, in Denmark the parliamentary election of 1929 was fought almost entirely on the disarmament issue with a

coalition favoring disarmament carrying the election. As the war clouds have again gathered over Europe, the sentiment for complete disarmament has naturally lessened materially, and the expenditures for national defense have been increased. The Scandinavian countries began to realize clearly, even before the attack on Finland, that the European scene was such that neutrality might be more likely if it were an armed neutrality. Thus Sweden, for example, undertook in 1936 a thorough reorganization of her defense system which involved, among other things, important reinforcements to her air forces. There has been recently established also the National Commission for the Economic Preparedness for War. The very day after Hitler invaded Austria the Swedish Parliament voted large defense appropriations. In Denmark, Prime Minister Stauning, who in 1929 led in the campaign for armament, said in June 1939 that the northern countries should renounce the use of force unless their neutrality is threatened. The past summer Halvdan Koht, the Minister of Foreign Affairs of Norway, stated that Norway must be armed to enforce neutrality. In spite of these statements there runs through the expressions of Scandinavian leaders the firm belief that disarmament is in the long run the real road to peace. When, however, present disarmament runs contrary to another fundamental idea, namely, neutrality, it seems in their minds that arming in the interests of neutrality is desirable at least in the present crisis. Norway's fearless stand as a neutral is well illustrated by her procedure in the matter of the *City of Flint*.

No discussion, not even such a hurried one as this, of the foreign policies and practices of the Scandinavian countries would be complete without some mention of the relation of that group to the League of Nations. From its very inception and throughout its brief history, the Scandinavians were actively and officially interested in the League, although minorities, especially in Norway and Sweden, for a while opposed entrance into it mainly on the grounds that it did not go far enough in matters of disarmament and the settlement of international disputes. At the very beginning the Scandinavians stood for conciliation, for ease of admission to the League, and for ease of amendment of the Covenant. They favored the equality of states and objected strenuously to the differentiation between the victors, the vanquished, and the neutrals, and believed that the Assembly rather than the Council of the League should be given increased powers. They had little faith in great-power diplomacy, and from the very beginning championed the admission of Germany into the League. Those and many other aspects of Scandinavian attitudes and activities regarding the League are discussed in a most scholarly fashion by Dr. S. Shepard Jones in his recent book entitled "The Scandinavian States and the League of Nations," and it is this source to which I am indebted for the data included in this paragraph.

What significant part will Scandinavia play in the developing world crisis? From the very beginning of the present World War there were indications that the Scandinavian countries proposed to repeat their policies of the first World War; namely, to remain neutral. This was in accord with clear-cut statements which had been issued by official representatives of each of the countries during the spring and summer of 1939. A typical statement was that issued by Foreign Minister Koht at Oslo in the late spring—some time after Germany's conquest of Czechoslovakia. He made it clear that all political parties in Norway agree that Norway should remain neutral but recognized the tremendous cost, economic and otherwise, which neutrality would entail, and pointed out that Norway would be more likely to be drawn into a general war by economic pressures than by military ones. Koht insists that the next world war, if it comes, will not be an ideological war but rather a struggle between two powerful groups for world trade and domination. In such a contest all small neutral countries must stay out, he says—even to the extent of avoiding nonaggression pacts with any great powers. Because of their respective dangerous locations, Finland had entered into a nonaggression pact with Russia, and Denmark with Germany. Norway and Sweden, however, have refused to make such pacts with any great powers.

The Russo-German pact came as a stunning surprise to the northern countries. Furthermore, it was fraught with great dangers and special dangers for all of them. Previously they had counted on Germany to prevent Russian aggression and vice versa. It is possible that the Scandinavians had been lulled into a false sense of security because of the success with which they avoided entrance into the first World War.

The outbreak of the war on September 1 found the Scandinavian countries sympathetic with the Allied cause. Sweden which had been mildly pro-German during the first World War exhibited marked anti-Hitler sentiments. The Swedish working classes have never been pro-German. The upper classes have always been anti-Russian and therefore leaned toward Germany during the first World War. Denmark ordered her tiny army mobilized while Norway and Sweden ordered partial mobilization. All of the northern countries proposed to withstand an economic blockade, with the shortage of gasoline, for example, presenting a grave problem.

The common desire of Scandinavia and Finland to remain neutral is obviously not a matter to be decided by them alone. This Finland discovered in October when the Russian demands were made and then were followed by actual military attack in November. As the seriousness of the Russian threat became manifest, the heads of the four governments with their respective foreign ministers met in Stockholm upon the invitation of the Swedish King, a meeting reminiscent of the World War except that now, in addition to the three Scandinavian monarchs, the same three kings who were reigning in 1914, there now appeared also the President of



the Republic of Finland with his foreign minister. Out of this meeting came clear signs of solidarity and common sympathy, and the announcement of a common policy of neutrality. No military alliance was found, however, and evidently Finland was given no formal assurances of military support. Will Scandinavia join forces with Finland? That is what Stalin is reputedly anxious to know. With a total population in the four countries more than twice that of Belgium, and with well organized, though comparatively small, fighting forces, and with people, who though peace loving, may become truculent vikings when attacked, it is possible that a united front against Russia might give Stalin pause. What will be Germany's attitude toward Scandinavia? Will Hitler perchance attempt to take over Sweden to stop Stalin, or would a Russian attack on Sweden bring Germany to Sweden's aid? Will Germany in an endeavor to correct the Dano-German boundary swallow all of Denmark?

In spite of the tenseness of the situation, Scandinavia has endeavored to be neutral. Norway's bold action in the *City of Flint* constituted a slap both at Russia and at Germany but followed what Norway sincerely believed to be the proper procedure for a neutral—a belief which is shared generally outside of Russia and Germany. Denmark has shown her courage by opening fire on German planes which in violation of international law flew over her territory.

The Scandinavian countries are far from neutral in spirit as far as the Russo-Finnish war is concerned. Popular feeling in Sweden is favorable to military intervention in support of Finland. Swedish investments in Finland also are a potent influence pulling Sweden toward war. The present belligerent attitude in Scandinavia is in striking contrast to the attitude in the twenties, when the army was very unpopular. In the twenties Swedish soldiers are reported to have indicated that in case of a war they would shoot their officers and go home. This has all been changed. Even the Social Democrats now favor an increase in defense appropriations. The same changed attitude is in evidence in Denmark and Norway also.

Cooler heads in Sweden, however, believe that Sweden can serve herself and Finland best by continuing her formal neutrality. Sweden has a veritable Maginot line near the old Swedish-Russian border—that is, the present Swedish-Finnish border. A more formidable defense could be made against Russia at this point than farther east on Finnish territory. Besides, there is a certain advantage to Finland in having Sweden neutral. Swedish munitions plants turned out supplies for Finland, but cannot be bombed. In fact, even though Sweden should become a belligerent, she could not be readily damaged from the air. Her industries are scattered all over the countryside. Her scattered munition plants are well hidden. There are no great industrial centers where bombing would paralyze the nation.

If the Swedes should enter the war, they might be glad to have Norway, facing the Atlantic, remain a friendly neutral so that her many fiords might be the means of approach for supplies from abroad.

Scandinavia is at best facing great dangers. If these countries are invaded and conquered, it will be the first time in recorded history that the Scandinavians have been subjected to non-Scandinavian rule. Their subjugation, too, would mean the destruction of some of the best democratic structures in the world.

## National Defense

### EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

RADIO ADDRESS BY HON. THOMAS E. MARTIN, OF IOWA

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me recently over the radio, as published in the Iowa City Press-Citizen, of December 27, 1939:

[From the Iowa City Press-Citizen of December 27, 1939]

OF NATIONAL DEFENSE—CONGRESSMAN MARTIN DISCUSSES RECENT TRIP MADE AS MEMBER OF CONGRESSIONAL GROUP

Congressman THOMAS E. MARTIN, of Iowa City, in an American Legion address over radio station WSUI during the holiday season, told of his recent trip of inspection of the United States defenses as a member of a joint congressional committee. His speech, entitled "National Defense," is as follows:

"The European war has gone far enough to give us some idea of our own position in regard to defense. We know by now that the mere expression of a wish on our part that European nations keep their warships far from our shores will not be fully observed by either side.

"We know also by now that all sales of goods and all shipments of goods to or from all American shores are being watched most carefully by both sides. Our every move or expression of opinion is carefully scrutinized to determine our position with reference to the warring nations.

"In this situation we must speak with extreme care in discussing our problem of national defense lest in our desire to bring out the various problems and their possible solution, we are not misunderstood as to our objective.

"No nation can rightly be condemned for planning adequate defense for its shores and its people. But overemphasis of some phase of so-called defenses may be taken to indicate a fear of some type of attack from some particular source or nation or even worse than that, it may even indicate preparation for possible offense to be launched immediately on the outbreak of hostilities. Unfortunately, the line between offensive and defensive weapons cannot be clearly drawn. In fact, the entire list of combat weapons can be used in either category if circumstances require. It is really impossible to determine whether the preparation is for offense or defense unless one knows the type and extent of the forces and armament against which our preparation for possible combat is made.

"So far as I know, very few are in position to speak with certainty or authority on those points at this time, and all who speak should speak with great care in order to avoid as much as possible presenting a warped or unfair picture of our national defense problem.

"No nation is in position to defend itself from a foreign foe unless it is in position to place an adequate number of trained soldiers in the field with adequate weapons to successfully repel a threatened invasion.

"The time element will depend upon the aggressiveness, size, and proximity of the foe together with his freedom for immediate attack.

"The United States is most fortunate so far as this time element is concerned, but we must not let that good fortune lull us into a state of apathetic indifference and unpreparedness.

"The United States has just this year shown a real concern in bringing our defense up to date. And now it is exceedingly 'defense minded.' This awakening has borne all the earmarks of our awakenings of the past, generating a feverish sort of hysteria and a feeling of complete dependence upon other nations whose armor may be thicker and whose armies and navies may have been mobilized and equipped with greater supplies of modern and efficient weapons. This very feeling of dependence upon those nations equipped to make a show of might may have influenced us in shaping our foreign policy. It undoubtedly has. But why can't it also influence us to build a friendly and cooperative relationship with all our near neighbor countries to the end that they realize our sincerity of purpose in guarding against establishment of any base of operations by any European or Asiatic power within effective range of us or our neighbor nations?

"Our long proof of our own freedom from aggressiveness should help us in that matter. The recent journey of the joint House and Senate committee throughout Central America, Panama, and Mexico has convinced me that the good will of those nations can and will respond to every manifestation of friendship and good will by us toward them.

"As you probably know, the 15,000-mile journey of the joint committee was made for the purpose of studying our national defense to the end that we may be better prepared in the next session of Congress to provide for an adequate defense without extravagance.

"I will not go into detail or technical discussion of the inspections we made on that long, thorough, but rapid tour through our various factories, arsenals, airports, Army forts, and other stations of importance in our national defense system. I cannot describe in any detail in the time available the tour and visit we made to each of the countries between us and the Panama Canal. I would like to call attention, however, that this part of our trip was of great significance.

"It is my own opinion that the good will of our neighbors which can be won by a heartfelt smile and handshake may fortify us against aggressor nations through denying them footholds near our lands more successfully than an extravagant outlay for armament. We may also supplement that manifestation of good will with the determination to accept without bitter resentment the many incidents that are probable during the progress of hostilities abroad.

"If we combine the above with a reasonable preparation calculated to eliminate some of the bottlenecks in the process of manufacture of our munitions, we can stand ready to defend ourselves against any probable attack before such attack would be fully launched. And this sort of preparation could be achieved at far more reasonable cost than the cost of a vast array of obsolete or obsolescent weapons manned by a large standing Army and Navy personnel.

"Friendship and good will between us and our near neighbors can greatly reduce the requirement for vast stores of munitions and a large and expensive standing Army and Navy, but it is not expected by any nation to take the place of a reasonable defense structure.

"We are not prepared for a war of any kind to an extent that would guarantee our soldiers access to adequate supplies of modern weapons. And many of us have vivid recollections from the World War of the needless loss of our friends on the field of battle due to lack of adequate arms.

"It is my belief that our standing Army should be augmented principally in those branches of the service that require long

training in the handling of highly specialized weapons, such as aircraft and antiaircraft, and that we should not increase the great expense of maintaining a permanent or standing Army of large numbers in other branches.

"My recent trip of inspection leads me to believe the American Army has no peer in brain power, efficiency, and inventive genius. My observation in the World War leads me to believe the American soldier and sailor have no peer in personal loyalty and bravery, and that they have the ability to absorb discipline and training very rapidly. These qualities in the American soldier and sailor make it possible for us to build up adequate defense through a far less expensive system than if we found it necessary to maintain large standing armies and navies.

"It is true we need very badly a moderate augmentation of our specially trained troops and a reasonable increase in our rate of production of the most modern and efficient weapons our experts have designed, which, by the way, lead the world, and we need to expand our Reserve Officers' Training Corps, Officers' Reserve Corps, and National Guard to the end that we can mobilize and train our defense force within the time it may be needed with a minimum of expense during the long years of peace we hope lie ahead."

### Fortification of Guam

#### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

#### LETTER FROM THE SINO-KOREAN PEOPLES' LEAGUE

Mr. HARRINGTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter from the Sino-Korean Peoples' League, of Washington, D. C.:

SINO-KOREAN PEOPLES' LEAGUE,  
Washington, D. C., January 12, 1940.

Honorable Members, House of Representatives, Committee on Naval Affairs, Seventy-sixth Congress, Washington, D. C.

HONORABLE GENTLEMEN: The reverberation of last year's congressional objections to fortifying the island of Guam can be heard once more. The objection is said to be based on the noble intent to avoid displeasure of Japan's Shinto Samurais.

No thinking American can truly believe that the refusal to fortify Guam will make the Samurais restore and respect America's rights in the Far East. The Tokyo Nichi Nichi, the powerful daily in Japan, in its editorial, recently pointed out the fundamental issue between America and Japan:

"So long the United States continues its friendly attitude toward China, readjustment of American-Japanese relations is impossible. \* \* \* Too much self-confidence in America's superiority in geographical position and strong economic resources is cause for Washington's policy of interference in the Far East."

Last month the "shun-so" forcefully urged the Japanese people to "once again seriously consider the meaning of the China incident, particularly why it is a holy war to Japan, and resolve to accomplish an illustrious achievement in the history of humanity by fully utilizing the rare opportunity of settling the China incident without being distracted by the complex and mysterious international situation."

In the face of the present international situation in the Far East, the refusal to fortify Guam, the connecting link of naval defense, will not only be construed by the Shinto Samurais as America's weakness but it has caused the military and naval bases in the Philippines and Hawaii to be highly vulnerable.

Never before in the history of America have the two defensive forces in the Pacific been faced with such a precarious and apprehensive situation.

The problem of defense in these areas, including the Panama Canal, has doubly increased, largely due to the intensive Japanization activities of the Japanese residents and their Government agents against the security of America.

Let us frankly and patriotically view the Japanization activities in the Philippines, Hawaii, North, Central, and South American countries. Constantly the Shinto agents are, in the name of cultural and other means, preparing for the so-called national emergency. Remember there are more than 600,000 Japanese in these countries. They are the vanguards of Japan's samurai. Two-thirds of the so-called American citizens are still clinging to Japanese citizenship.

Last September Dr. Junjiro Takakusu came to Hawaii from Japan to lecture on the superiority of the Japanese people over the westerners. Shinto, Buddhist, and other Japanese organizations are most active in Japanizing Hawaii. So much so that one of their own leaders, Rev. Takie Okumura, said:

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"Today the pendulum has swung in the opposite direction and the Japanese community seems to be Japanized more and more."

Few months ago (August) Lt. Gen. Kiyokatsu Sato, in his book, *War Between Japan and America Imminent*, lengthily described in detail how the United States may be conquered by the invincible Shinto forces. He said:

"Japan must first seize Hawaii and undertake the destruction of Panama Canal," etc.

#### JAPANIZATION IN THE WEST COAST ACTIVE

During my tour of the West coast last September I found that the Japanese naval officers have been most active, giving lectures to confidential groups and passing out un-American literature, etc.

Attached herewith is a photostat copy of a book entitled "U. S.-Japan War," and a naval map. Please note the Japanese naval operation against America. The Japanese naval officers are said to have told their hearers that—

"Once we control the Aleutian Islands, Hawaii, Guam, and the Philippine Islands, America will bow to the will of Japan."

"In 1904 and 1905 Japan won the Russo-Japanese War with America's money and moral support; we will now win the United States-Japan war with the financial, material, and moral help from Soviet Russia."

"By 1945 Japan will have China under full control and the puppet governments will be at our command. The exhausted world conditions will aid Japan; Japan will be in a top position to dictate world politics."

On January 7 the Washington Merry-Go-Round had an interesting item of Japanese fishing activities in the Mexican waters:

"State Department and authorities are doing some quiet checking on a new fleet of Japanese fishing vessels which has suddenly bobbed up in the Pacific off the highly strategic coast of Mexico."

"Intelligence agents have learned that the boats are former British coast patrol vessels bought as obsolete early last year and reconditioned in Japan."

"The original small-caliber gun mounts were enlarged for 3-inch guns. Machine-gun nests were left untouched. Also, each boat carried powerful, latest-type radio equipment—all very strange 'fishing' tackle."

"There are about 60 of these boats, 90 to 120 feet long, all steel, \* \* \* with a cruising range of 6,000 miles. Naval experts say they can be converted overnight into raiders of commerce. But what is really worrying them is that the vessels are made to order as mine layers. \* \* \* The Japanese Government's connection with the boats is direct and unquestionable."

Reliable sources informed the league that last October 21 the Japanese Navy approved the subsidy of building 50 large fishing boats of 650 tons each. These boats are to be engaged in fishery in the west coast of Mexico.

#### AMERICA AIDING JAPAN'S SAMURAIS

Last July the Donald Douglas airplane manufacturer of Southern California sold to Japan one of the largest planes of its kind (Douglas D-C-4), with a capacity of 100 passengers, for \$726,000. According to reports, it is alleged the American plane is now being converted into bombers, and the Japanese will start the building of similar planes.

Ever since the China incident began, each year America has sold about 57 percent of Japan's war essentials to her.

American businessmen well knew that without American gasoline, arms, munitions, and war essentials Japan cannot effectively carry on a successful war in China. In spite of this knowledge they have been and are continuing the sale of these destructive war essentials to Japan. Why?

Can any American be so foolish and unpatriotic enough to justify the profit end of such a trade with a gangster? How much more so should America play a just and humanitarian part for the sake of a true peace in the Pacific?

Every dollar made by these American businessmen by such trade with Japan, the American people must spend five to six times the amount to fortify the strategic islands in the Pacific in fear of Japan's aggression.

#### ANTI-AMERICAN ACT INTENSIFIED

In 1910 America helped Japan to annex Korea. Did America profit by such an unjust act making the American-Korean Treaty of May 22, 1882, a scrap of paper?

Did Japan respect American rights any more since the refusal of the last Congress to fortify Guam?

The truth is that Japan has deliberately intensified anti-American activities.

Few weeks ago we received news from the Orient that the Japanese Government closed nearly all the Presbyterian Bible seminaries, boys and girls' Bible clubs, etc. An American missionary wrote:

"Because of these conditions I went to see Mr. Grew, the American Ambassador. \* \* \* He is interested and anxious to help. He realizes that missionaries are being squeezed out just as American businessmen are being squeezed out."

The Presbyterian foreign mission board recently appealed to the Department of State:

"You will regret to learn that most recent advices indicate that a still more serious situation is developing. Attendance at the shrine is being required not only of educational institutions but pastors of churches and religious bodies are compelled to take part in the ceremonies. Severe punishment and long imprisonment are being inflicted upon any persons who on conscientious grounds



refuse to conform to this requirement. Our entire work in Chosen (Korea) is being imperilled."

We the victims of Japan's aggressions are very apprehensive of America's security in the Pacific. Therefore we sincerely pray that the Seventy-sixth Congress take proper defensive steps to fortify Guam soon.

Respectfully submitted,

KILGOO K. HAAN,

Washington Representative, Sino-Korean Peoples' League.

## The House Committee for the Investigation of Un-American Activities Should Be Continued

### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

Mr. RANDOLPH. Mr. Speaker, this body will soon be called on to consider the extension of the so-called Dies committee and the providing of funds that the work may go on into a further investigation of un-American activities.

It has been my course, Mr. Speaker, to support this program from its inception. I have, on previous tests, on even earlier proposals, been in that group of Members, sometimes small, who felt the Congress had a real responsibility in relation to this problem.

In the current issue of Collier's I have noted with approval an editorial, To Ward Off Ruin, and I commend it to this membership for a careful reading. I think the entire comment could well be placed in the Record. But for the time being I only quote from it, to wit:

A country where the "reds" are allowed to scream warts on their vocal cords needs some agency that can scream back at them, nail their more outrageous lies and exaggerations, and dig into any criminal business they may be trying at any given time. These services have been ably performed by the Dies committee for the last couple of years, and we believe it would be only sensible for the American people to tell their Congress to tell the Dies committee to carry on, with ample funds.

I agree that it is sensible to continue the committee. I have recently talked with individual members of the group and they assure we there is work still to be done. They feel they can continue to disclose the devious devilry of persons and agencies who are attempting to cause unrest in America and tear apart our democratic system of government.

Let us, regardless of party, join together to the end that Congress stand strong against the subversive and un-American activities now being practiced in the Republic.

### Work To Do in America

### EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1940

ADDRESS BY WHEELER McMILLEN

Mr. WOODRUFF of Michigan. Mr. Speaker, under unanimous consent given me by the House, I herewith offer for the RECORD an address entitled "Work To Do in America," by Wheeler McMullen, editor in chief of Farm Journal and Farmer's Wife, and also president of the National Farm Chemurgic Council. This speech was delivered to the National Grange at its annual convention held at Peoria, Ill., on November 17, 1939.

Mr. Speaker, Mr. McMullen is a recognized authority on agricultural matters and is thoroughly familiar with its early

and recent developments. As president of the Farm Chemurgic Council he has kept in step with the development of the use of farm products in industry, and he is greatly interested in the orderly development of this new market for the products of the farm.

I offer the following speech in the belief it will be of great interest to every Member of this House and that it will contribute much to the knowledge of those of us who are really concerned about the present deplorable condition of those engaged in the greatest American industry, farming:

An enormous amount of work is waiting to be done in the United States.

Jobs have got to be found for 10,000,000 workers for whom opportunities to work have not been provided.

The 20,000,000 people who are on public relief must be restored to more satisfactory and generous living.

About forty-five billions of Federal debt, and the interest thereon, will have to be paid, besides the \$18,000,000,000 debts of local governments and private debt.

There are homes to be built and homes to modernize before all our people are well sheltered. Hundreds of thousands of American homes are yet without electricity, without water systems, without paint, without suitable floor coverings, and in need of new furniture and equipment.

There are farms to buy and farms to pay for—and hundreds of thousands of farms in need of fences, of better power and machinery, of better livestock, of lime and fertilizer, of paint and shrubbery.

A vast mileage of market roads awaits improvements. There are schoolhouses yet to build and equip, hospitals needed, library services to establish, and recreation facilities to develop. There is untold work to do in conserving the Nation's heritage of soil and water, of forests and wildlife.

#### KNOWLEDGE

Most important of all, ahead of America is a vast area of undiscovered knowledge yet to be unfolded for the benefit and advancement of mankind. Inventions are yet to be made and developed for the further increase of our wealth. Science is confronted by thousands of unanswered questions. New knowledge will extend the power of man to understand, to increase health and wealth, and will enlarge man's enjoyment and capacity to serve.

All this is but a way of saying that the tragedy of modern America is the far too great prevalence of needless poverty. Rich though we are as a Nation relative to the rest of the world, entirely too many millions of Americans are poor by the standards that the middle of the twentieth century ought to exemplify.

Tremendous as is the work waiting to be done in the United States, we have among us husbands and fathers who have never had a regular job. In the cities nearly half of the youth is without opportunity to make a living, or to establish homes unless upon relief standards.

For a few years it has been possible to moderate the severity of these conditions by borrowing from our children and grandchildren. If that procedure is followed for long enough, not only will the situation itself become chronic but the palliative will cease to be available.

Here is a challenge that must be met face to face. We have got to think out a program that will ameliorate poverty by some other means than by denying to our posterity even the opportunity of prosperity.

There are those who believe the increase of poverty is inevitable because they say the long task of creating the United States is finished, and that hereafter we must be content with a shrinking economy. I cannot participate in that school of thought. The United States still has both great needs and great resources.

In a few centuries we have built in North America a truly great Nation. Our fathers erected this structure not simply by borrowing from the future, not merely by passing laws nor by any kind of legerdemain. They built the United States mainly by a plain old-fashioned practice called hard work. I for one believe that a still greater and richer Nation can and will be built here but that it will only be done when enough Americans adopt the same practice.

#### EARNING POWER

You who are here today represent leadership in agriculture. You believe in work. From your deliberations may well come a program that can meet the challenge of turning the steps of our fellow Americans out from the alleys of poverty into the paths of prosperity. I say this deliberately, not to offer you a compliment but to suggest a responsibility.

What is the character of this problem of poverty in the presence of work that needs to be done? Essentially poverty is a lack of buying power. A lack of buying power comes from a deficiency in earning power. Earning power, of course, is simply an ability to produce something in the way of goods or services which others want enough to exchange for it their own buying power. The reduction of poverty, plainly enough, has to start with the increase and diffusion of earning power.

The great majority of all earning power has its sources in agriculture. It is because so large a proportion of the general earning power does have its roots in the soil that I attribute to you, as leaders in agriculture, a primary responsibility in meeting the challenge of poverty.

Indeed, the earning power of agriculture probably determines, more than any other single factor, the earning power of the people as a whole. For a long time it has been remarked that farm income and factory pay rolls rise and fall in almost exact unison. Also notable is the fact that the national income rises and falls in almost exact proportion to the gross agricultural income, the national income being regularly a little more than seven times the farm income.

#### A SURE WAY

The reasons for this are fairly clear. In the first place, farmers, themselves, with nearly 25 percent, constitute the largest single group of population. The incomes of another 25 percent are solely dependent upon the first crack at the farmer's dollar. Thus half the Nation must be prosperous or depressed directly as farmers are. When that half of the Nation prospers, orders for goods flow to the factories, men are hired, and in turn start buying; transport is busy, finance is busy, and the entire economic machine moves into a higher gear.

I frankly doubt whether there is any other way to restore prosperity than to build up earning power in agriculture first. You can balance the Federal Budget, you can modify Federal taxes, improve the labor laws, and give friendly aids to business with no assurance that any one or all of them will restore what is called confidence. But raise farm income and orders will flow to business in exact proportion to the raise. There is nothing like orders to tell business that confidence has arrived.

Whenever the earning power of agriculture again reaches \$12,000,000,000, the national income will again exceed eighty billions, and the problem of unemployment will cease to be serious. When agriculture can earn \$15,000,000,000, there will be more jobs in the United States than there are men.

Agriculture's present earning power is low simply because farmers do not produce enough of the goods that are now in demand, and because there is not as yet demand for all that farmers can produce.

Consequently the furious competition among farmers causes a steady and terrific pressure upon prices of farm products. More farmers go into dairying and into poultry because already the competition is too severe among farmers growing wheat and cotton and corn.

The answer has to lie in broader outlets for farm products. Merely to reduce production, even with a temporary reward for doing so, does not suffice. The result, if acreage control works, is that the individual farmer has less to sell, and if control does not work, that he produces higher yields on fewer acres and nullifies the expected price gain. That the artificial controls cannot be accepted as a permanent policy is increasingly clear.

#### POLICY

It becomes an imperative need of the Nation that a long-time, income-building farm policy be accepted. An effective farm policy is imperative in order that farmers be properly rewarded for their labors upon the land. Such a policy is doubly imperative when it is realized that the end of relief, the employment of labor, and the eventual solvency of the Nation all await its application. Until agriculture is well paid instead of half paid, there will be joblessness, relief, debt, and all the attendant ills.

A realistic view of inescapable facts leads directly to conclusions which must be factors in determining a constructive agricultural policy. One is that there is futility in continuing to produce year after year quantities of any crop in excess of the amounts the markets can profitably absorb. Another is that neither the agricultural nor the national economy can derive permanent advantage from placing limits upon production.

Fortunately between the two horns of this dilemma may be perceived a clear-cut road to the answer.

The national policy must enable farmers to supply every need of the American market which agricultural resources and skill, supplemented by scientific and industrial technique, are capable of producing or learning to produce. When the United States adopts that concept our country will again be on the road to prosperity.

This policy means that our own American farms must be permitted to grow every item we know how or can learn how to produce that is now purchased by American consumers. It means that knowledge must be developed to extend our production for the nonfood requirements of the people and the raw materials of industry. It means that at some points the subsidy of production of things we need may be substituted for the subsidy of restriction of things which we need less.

#### PROGRAM

Definitely it calls for an about-face toward a wholehearted and aggressive program of utilizing to the utmost the opportunities nature has provided here in our own 48 States.

Reduced to simple statements, a constructive national farm policy may be expressed in the following program:

1. Give every advantage of the American market to American farmers.
2. Encourage and expand by every possible means the utilization in industry of products American farmers can grow.
3. Extend and hasten experimentation to establish new crops on American farms.
4. Establish incentive payments to farmers for producing materials the United States does not grow in sufficient quantity or does not yet grow efficiently.
5. Encourage throughout both rural and urban society the habits of self-help in preference to Government help.

The extent to which the products of foreign farmers are admitted to the markets of America can hardly be appreciated without examining the records. Nor is the effect of these imports, whether directly competitive or not, easy to measure. Great pains have been taken to show that the quantities of many imports are so small that their effect upon the American price is imperceptible. To that contention it may be sufficient to point out that in an open market the lowest offer sets the price. Not a very large puncture is required to cause a flat tire.

There is a well-worn argument to the effect that if we are to export we must also import. Those of us who insist that the American farmer's home market must be fully protected wish to declare, however, that exports gained at the expense of domestic opportunity are not worth much. The fact is that we do import. Our principal imports, except sugar, are rubber, coffee, tin, and silk, which enter without duty. We import gold and silver. Our people travel abroad. We employ foreign shipping and other services. With all these we do not have to impair our domestic farm markets to promote exports.

#### THE GREAT MARKET

Farmers of the United States, if enabled to obtain the earning power, will buy far more goods from our manufacturers, and from each other, than the farmers of any other part of the world. Therefore to build up the income of our own agriculture would seem to be the simplest of plain common sense.

Sugar, incidentally, contributes an illustration in this question. Despite the thousands of acres that might profitably be growing cane and beets, our continental farmers are restricted to growing less than 30 percent of the sugar Americans consume. There is a theory that Cuba, for instance, must be allowed to sell us sugar so that she may buy our products. The proponents of that theory do not bring out the fact that one good American beet-growing county spends 10 times as much for automobiles per ton of sugar produced, and owns more than 30 times as many motor cars per thousand population, as is the case in Cuba.

Moreover, those who pay for foreign trade propaganda because they are interested in exporting, in shipping, or international banking, appear to overlook the fundamental fact that foreign trade flourishes best in periods of domestic prosperity. Then is when we import the largest quantities of necessities, such as manganese and rubber, and spend most freely for the foreign luxuries. The most intelligent way for these interests to stimulate foreign business would be for them first to join with the forces that want to create a sound domestic prosperity. None of us objects to a sound foreign trade; indeed, we look forward to its development. But foreign trade cannot and should not be built at the sacrifice of opportunity for America's farmers.

#### MORE OUTPUT

Here in the United States nature has given farmers nearly every possible combination of soil conditions and climate, of humidity and altitude, of temperature and sunshine. Somewhere in the United States can be grown, perhaps, not every, but certainly nearly every agricultural product needed now or in the future by the American people.

Certainly we can and should grow the sugar this country uses.

Thanks to the recent sweetpotato research, we now know how to fill our entire needs for starches. The second sweetpotato starch plant, operated entirely by private capital, is now at work, and the scores of others necessary to meet our needs will follow, especially when some protection is afforded to American producers.

There is no reason why American farmers should not supply the entire American market for fibers. We know how to grow cotton and wool, flax, hemp, and others. Yet practically every square foot of carpets, rugs, and linoleums manufactured for floor coverings in the United States is made from foreign fibers and other materials. It is time for a serious effort to grow our own carpet wools and other coarse wools. The head of a large textile mill, located in the very edge of the Cotton Belt, told me the other day that he had not bought a pound of American cotton in 20 years. He used Indian cotton because of some peculiar quality—and apparently no one had ever tried to find out whether Indian seed would reproduce such cotton here, whether some American strain could not be bred to meet his needs, or domestic fiber be treated to acquire the necessary characteristics.

On the same day I visited a great factory headed by a man who formerly manufactured cigarette paper in France from European materials. He had determined to Americanize his business, manufacture his product where his customers were. One result of his effort I saw in a warehouse filled with a half million dollars worth of flax fibers purchased from American farmers. In the mill were 700 American workers enjoying new earning power that had not existed a few weeks before. I refuse to believe the theory that these 700 workers and the farmer flax growers will not buy more American goods than did the Europeans whose places they take, and thereby make more jobs for other American workers.

#### COMPETITION

Our imports of fibers last year added up to more than \$67,000,000, while we brought in enough flaxseed to have required two or three million acres to grow—acres which instead produced too much wheat.

The importation of about 3,000 tons per day of oils and fats is a matter of concern to nearly every farmer. This flood of coconut oil, palm and palm-kernel oil, babassu oil, whale oil, to say little of the linseed, flaxseed, and castor beans, bears an overwhelming weight upon the prices of cottonseed, peanut, and soybean oil,



is a substantial factor in the low price of lard and therefore of hogs and corn, and even reaches to some extent toward the price of butter and therefore of dairy products. Taken together, these oils and fats, pouring in mainly from the Tropics and jungles, where a few cents a day is the reward of labor, are probably our largest import.

I might pile up the facts about the foreign competition which flings its challenge at American farmers. Rather than to add tables of statistics, let us rather examine the application to the whole problem of the remedies I have suggested.

Obviously there are several points at which tariff protection can properly be applied. The changes in duties since 1930, especially under the Reciprocal Trade Agreements Acts, have been steadily downward. A 171-page list of such changes includes nearly 100 pages of reductions in duties on agricultural products. There is no single instance of an increase. The first forward step should be the amendment of the Trade Agreements Act to require confirmation by the Senate of the agreements. The next step should be the repeal of the act itself, and then the termination of the agreements. Following that, some upward revision of duties on farm products probably would be needed.

#### INCENTIVE PAYMENTS

However, the tariff is not an adequate instrument for enabling farmers to expand their acreage in many of the new fields of opportunity. A tariff duty may have the effect of raising the price to millions of consumers in order to benefit a few thousands of producers.

For that reason I have proposed an equally effective but more economical device—the establishment of incentive payments. There is now a 65-cent tariff on flaxseed. To increase it further would be to add to the cost of paint, linoleums, and all of the multitude of items in which the oil is used. Instead of increasing the tariff, domestic production could be made profitable at no additional cost to consumers except as they are taxpayers if Congress were to authorize a payment from the National Treasury for the flaxseed actually produced. A better example might be presented in the fast-drying oils, of which we produce hardly 3 percent of our needs. A tariff on these would immediately benefit very few, but an incentive payment on tung oil, perilla, chia, or castor oil to be dehydrated, would compensate all producers engaged without taking the commodity out of its natural price range.

This device, applicable to a multitude of items which farmers might well be learning to produce, would cost the Treasury far less than the present program. It would add millions of dollars to farm income, and millions of tons of materials to the national economy. Instead of depriving workers of jobs because of reduced production it would make jobs. It would seem to make better sense to pay farmers to produce things we need in the United States than to pay them not to produce.

Also necessary to effectuate the five-point program I have outlined is vigorous research to extend, not only the markets for farm products, but the ability of farmers to produce for the markets which now exist. Now in construction at Peoria and at three other cities are splendid Federal laboratories to study new uses of the crops which now are surpluses. These laboratories are a gratifying fruit of the Farm Chemurgic Council's program which thousands of farmers have supported. Their attack upon the surplus program is necessarily slow, for research, especially Government research, cannot be hurried. They are a sound step for the future. But their work is limited now to the study of surplus crops.

#### NEW CROPS

The output of surpluses can be more readily diminished by introducing new crops to occupy the acres now growing the excessive quantities. That new crops can readily be fitted into the farm economy is clearly demonstrated by soybeans, of which 80,000,000 bushels will be harvested this year. Most of us can remember when soybeans were not yet a commercial crop. The development of sorghums to the west of the Missouri River affords another example.

I would therefore urge that as soon as public demand can be built up effort be made to obtain a fund of around \$25,000 for every State experiment station to devote to study of new crops. We spend great sums these days to learn how to grow still higher yields of wheat and corn and cotton. Would it not seem at least equally sensible to spend something to find substitute crops that the country needs? A \$25,000 fund would permit an experiment station to employ a competent research scientist, along with the necessary aid and equipment to test, for the conditions of that particular State, all sorts of possible newcomers to the crop list. Certainly somewhere in the United States American farmers can grow the vegetable oils, the fibers, the insecticides, the furs, and, in fact, most of the farm products we now calmly import, because we haven't tried seriously to find out what we could do.

You will readily see how, once experimental evidence indicates the suitability of a new crop for a given area, the incentive payment plan could be applied to hasten the commercial production. The incentive payment plan also will give assurance to manufacturers that they can depend upon domestic supplies if they adapt their facilities to use the American product.

No one can guess the results that might come from vigorous and thorough study of new crop possibilities. Most of our major crops were once new to North American soil. Exceedingly little intensive and scientific research has been devoted to new crops. Certainly no one knows even that we can't produce rubber and coffee, for no determined scientific effort to find out has ever been completed.

Agriculture, no more than industry, can afford to become static. One of the largest American corporations recently revealed that

40 percent of its sales for the year had been of items which 10 years before the company not only did not manufacture, but of items which, for the most part, did not even exist 10 years before. The other 60 percent of sales were from the backlog of standard products; they were the company's wheat and corn and cotton. In agriculture we have got too much backlog, not enough new products.

Naturally most of the new products must be for nonfood markets, for expansion of food demand can be expected only as prosperity becomes more diffused.

#### STARTING PLACE

Last month, after laying the cornerstones of the new-uses laboratories here and near San Francisco, the Secretary of Agriculture declared that the United States should help South American countries to develop noncompetitive agricultural crops for us to buy in order that we might sell them more goods. Last winter he asked Congress for \$250,000 from the United States Treasury to spend in South America for that purpose. If this is a good idea for South American farmers, I see no reason why it is not a better idea for farmers in our own country. The world's greatest undeveloped market for the goods of American manufacturers lies up and down the rural routes and in the farm villages of the United States.

The work that needs to be done in America can be done. The starting place is in agriculture. The first part of the job may be the hardest—but the way will be much harder in America if the start is not made soon and made soundly.

We in agriculture need to ask little in the way of aid from others, and that little we ask in order that agriculture may aid labor to employment, industry to activity, and the Nation to prosperity. What we ask is mainly that a few needless obstacles be removed from our path. Given full and free opportunities in the markets of this country, farmers will set the example of work. The output of their hands and of their lands, as it grows in volume, will make jobs for those who transport, who manufacture, who sell, and who serve. The money farmers earn will in turn multiply by seven to create new earning power for the rest of the Nation.

Agriculture provides most of the Nation's raw materials, supplies most of the wealth that builds our cities, and contributes the youth to replenish the city population. The earning power of farmers is the unit that determines the annual income of the Nation. Already carrying these responsibilities, the leadership of agriculture may as well assume the full role of guiding America toward getting its work done, toward creating the earning power that is the reward of useful work, and the driving power of prosperity.

### West Virginia Coal-Mine Disaster Calls Attention to Pending Legislation and Also to Work Which Has Been Done by United States Bureau of Mines in Bringing Safety and Health to This Great Industry

#### EXTENSION OF REMARKS

OF

#### HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

Mr. RANDOLPH. Mr. Speaker, we are conscious of the terrible tragedy that recently occurred in the Bartley mine disaster in West Virginia, where 91 miners lost their lives.

It appears timely that attention of Congress and the country be directed to the work which has been done by the United States Bureau of Mines in safety and health programs. I include also suggestions for broadening and improving this necessary work, with a proposal for an additional safety station in West Virginia.

For several years I have participated in first-aid and safety meets in West Virginia, particularly in the section I represent, where there are 9 coal-producing counties out of the 15 included in the Second Congressional District.

Senator NEELY, of West Virginia, will shortly bring before the Senate his measure for Federal inspection of coal mines, and it has much to commend it. I believe its provisions are needed and will help, rather than hinder, the work of State mine agencies.

#### WEST VIRGINIA AIDED FROM PITTSBURGH

The work of the Health and Safety Branch of the United States Bureau of Mines in West Virginia has been handled chiefly from Pittsburgh, Pa., though one of the all-steel railroad mine-rescue cars has been maintained chiefly in West Virginia for the past several years. However, much work

has been done by the Health and Safety Branch—chiefly by the Safety Division—in West Virginia. I am informed that in the fiscal year 1937-38, of the 105,093 persons in the mineral industries given the Bureau's first-aid and mine-rescue courses, 26,305 were from West Virginia, or about one-fourth of those engaged in coal mining in West Virginia were given the training. In addition, out of 1,902 first-aid instructor's certificates given by the Bureau, authorizing the holder to give first-aid-training instruction, 497 were issued in West Virginia. The first-aid and mine-rescue training was given in 790 towns and mining communities of the United States, and of these 121 were in West Virginia. Out of 74 first-aid and mine-rescue contests in the United States attended by workers of the safety division, 18 were in West Virginia. In addition to the above, the Bureau's engineers aided in connection with several mine explosions and fires in West Virginia, made several health and safety inspections and reports on West Virginia mines, and conducted several important investigations as to possible improvement in health and safety procedure in the mines of the State.

#### WEST VIRGINIA SAFETY STATION IS NEEDED

It has long been felt that, while much of the Bureau's health and safety work for West Virginia, and especially in the northern part of the State, can be done from the Bureau's main safety station at Pittsburgh, Pa., on the other hand, the southern and central parts of the State are too far distant from Pittsburgh for effective or economical handling of the work. In recent years there has been a fairly definite movement, actuated largely by the mining interests of the central and southern parts of West Virginia, to have a Bureau of Mines safety station not very far from Charleston; and at various times Montgomery, Beckley, and Mount Hope have been mentioned as suitable places. Recently it has been felt that, inasmuch as a new Federal building is to be constructed at Mount Hope, a Bureau of Mines safety station might well be placed at Mount Hope; and it is also understood that this has the approval of the West Virginia Department of Mines and of most, if not all, of the mine operators. I understand Mount Hope is satisfactory to the Bureau as the location for a safety station, provided the various West Virginia interests approve.

If a station is established, additional funds should be obtained from Congress, as the Bureau has no funds for the purpose, its present funds for health and safety work being inadequate for the needs of its present organization and personnel. The additional funds, personnel, and equipment required would be about as follows:

1 senior mining engineer (to be a district engineer for West Virginia).....	\$4,800
1 assistant mining engineer.....	2,600
1 senior safety instructor.....	2,000
1 assistant safety instructor.....	1,620
1 junior stenographer.....	1,440
Total salaries (annually).....	12,460
Travel funds for 4 men (annually).....	3,000
Supplies, maintenance of automobiles, etc. (annually).....	3,000
Total recurring funds needed annually.....	18,460

In addition, the following materials would be needed initially but would not be needed annually after the station had been established, as repairs, replacements, and so forth, would be included in the \$3,000 above requested annually for supplies, and so forth.

Initial supplies and equipment needed for a safety station in West Virginia:

4 passenger automobiles, at \$750 each.....	\$3,000
1 automobile truck (mine-rescue purposes).....	1,000
10 sets of oxygen breathing apparatus.....	2,500
5 all-service gas masks.....	250
1 oxygen pump.....	250
10 oxygen cylinders.....	200
10 electric cap lamps and charging rack.....	250
5 gas-detecting devices.....	300
Miscellaneous safety devices and equipment.....	500
Supplies, cardoxide, repair parts for oxygen breathing apparatus, etc.....	1,000
Total for initial equipment, etc. (not needed annually).....	9,250

It will be noted that five additional persons are requested and the annual cost of running the station would be about \$12,460 for salaries, \$3,000 for travel, and \$3,000 for supplies, and so forth; a total annual operating expense of \$18,460, which should be given to the Safety Division of the Bureau of Mines under the allotment designation "Operating mine rescue cars and stations and investigation of mine accidents," in the bill which allots funds to the Bureau every year. The sum of \$9,250 would be needed to equip the station with automobiles, truck, mine-rescue equipment, and so forth, but this item would not, of course, be needed after the first year. Each of the four men in the station—engineers and safety instructors—should have a light automobile to run from mining town to mining town, otherwise he will be of relatively little utility in putting over any safety program.

The Health and Safety Branch of the United States Bureau of Mines consists of 2 divisions; the Safety Division, with some 80 or 85 employees, and the Health Division, with about 20 persons, or approximately 100 for the branch, out of a total of about 725 for the Bureau as a whole.

The Safety Division of the Bureau of Mines was recently composed of 82 persons—29 safety instructors engaged chiefly in giving first-aid and mine-rescue training to the nearly 2,000,000 persons employed in the mining and allied industries in the 48 States of the Union, upwards of 600,000 being engaged in coal mining; 28 engineers who do some first-aid and mine-rescue training but who should be engaged in strictly engineering work—making safety examinations and reports on mines and mining plants, giving accident-prevention courses to mine workers and officials engaged in mining, and numerous other similar types of work—18 clerks, and 7 others—cooks on mine-rescue cars, laborers, and so forth. The Safety Division work is directed from 14 safety stations—San Francisco, Calif.; Seattle, Wash.; Phoenix, Ariz.; Salt Lake City, Utah; Denver, Colo.; McAlester, Okla.; Duluth, Minn.; Vincennes, Ind.; Birmingham, Ala.; Jellico, Tenn.; Norton, Va.; Pittsburgh, Pa.; Wilkes-Barre, Pa.; and Juneau, Alaska—all of these places being provided with suitable complement of mine-rescue equipment, and so forth. In addition, there are 3 field offices established relatively recently to handle petroleum safety work: Dallas, Tex.; Bartlesville, Okla.; and Houston, Tex.

The 82 employees had the following funds allotted in 1938-39: Salaries \$213,560, travel \$45,120, supplies \$18,500, contracts \$14,464, miscellaneous \$4,120; total \$295,764. This sum was available in the fiscal year for the Bureau of Mines field safety work for the approximately 2,000,000 persons engaged in the mineral industries—bituminous coal, anthracite coal, metal mining, nonmetallic mineral mining, quarries, cement plants, petroleum plants of all kinds, metallurgical plants, and so forth—in the 48 States of the Union. It is interesting to know that the State of Pennsylvania allots upward of \$250,000 for its inspection force for approximately 200,000 persons employed in coal mining. The total working allotment for the Bureau of Mines was about \$2,400,000.

The Health Division's force of 17 persons—2 in Washington and 15 in Pittsburgh, Pa.—devotes its activities chiefly to laboratory investigations into harmful gases and dusts, testing dust respirators, gas masks, and so forth, and to the dissemination of information of various kinds looking to the prevention of ill health and accidents in the mineral industries. Workers of the Health Division also do considerable investigative work in mines and tunnels every year. The funds available to the Health Division in the fiscal year 1938-39 amounted to \$43,869, of which \$37,380 went to salaries, \$2,000 to travel, \$2,489 to supplies, and \$2,000 to fixed charges and miscellaneous activities.

The total available funds for the operation of the Health and Safety Branch of the Bureau of Mines for the fiscal year 1938-39 was \$339,633.

The Bureau pursues two general lines of investigation—field and laboratory studies designed to bring about safer and more healthful conditions among workers in the mining and allied industries, and the study of new and improved methods for mining, treatment, and utilization of the numerous mineral materials essential to present-day human welfare.



The mining, quarrying, metallurgical, and petroleum industries of this country give more or less direct employment to well over 2,000,000 persons; hence, with their dependents, the welfare of probably 10,000,000 persons is fairly definitely affected by the Bureau's work of various kinds.

The Bureau has no legal authority to enter mines or other establishments or to enforce its recommendations as to health, safety, or efficiency; the regulation of mining and other mineral industries being vested in the individual 48 States rather than in the Federal Government. The Bureau, therefore, relies upon the cooperation of the mining industry and of the various State mining and other departments—chiefly through educational work, such as the issuance of published papers and pamphlets, the giving of first aid and other safety-training courses, and so forth—to make its findings and recommendations effective in trying to improve or better conditions not only as to health and safety but also as to efficiency and conservation. The Health and Safety Branch of the Bureau of Mines is essentially a service organization, though considerable research work is done also, not only on the health side but in safety also.

#### NO AUTHORITY TO ENTER MINES

With no authority to enter mines or other plants to obtain information or to enforce its suggestions or recommendations, the main function of the Health and Safety Branch is educational, and in this activity utmost effort is expended to secure and maintain close cooperation with workers, employers, State inspection and enforcement organizations, and numerous other agencies engaged in promoting health and safety.

In its various educational activities the engineers and safety instructors of the Safety Division annually come into fairly close personal contact with approximately 300,000 persons in the mineral industries; in the past fiscal year it is estimated that the approximately 60 engineers and safety instructors had fairly close contact with at least 500,000 persons in these industries. The first-aid-training work constitutes the most intimate and in some ways the most effective method of putting before the mining industry—both employer and employee—up-to-date health and safety data.

In other words, the first-aid-training course as now given is excellent accident-prevention propaganda, and probably its most valuable feature is that it reaches workers in large numbers, about 100,000 now taking the course annually. Over 1,000,000 mining people have taken this course, and it is estimated that through it at least 200 lives are saved annually and probably at least 10,000 nonfatal accidents are prevented from occurring in the mining and allied industries because of the safety consciousness given to those who take the course of instruction as taught by present-day Bureau of Mines methods and instructors. During the past year the first-aid training was given in some 750 to 800 mining communities in 38 States, more than 100,000 persons receiving certificates for having completed the course.

Those who have been engaged for any considerable period in the field activities of the Bureau of Mines in health and safety have long been of the opinion that nearly all matters pertaining to health, safety, and efficiency in the mineral industries are so interlocked inherently that any attempt to try to engage in any one without paying due attention to the other is almost certain to result in ineffectiveness, if not in absolute disaster. Hence, the Bureau of Mines employees in the Health and Safety Branch are prone to associate all three of these phases of mining together whenever any one is brought up for discussion or action. Most of the hundreds of pamphlets issued by the health and safety workers of the Bureau of Mines since its inception in 1910 have recognized this interdependence in some manner.

#### SAFETY OF MINERS IS PARAMOUNT

Unquestionably, no major industry has any greater need to safeguard the health and safety of workers than has mining, and it is generally admitted that mining is an ultrahazardous occupation unless utmost precautions are in effect at all times. On the health side the mine worker is subject to essentially all of the ills and ailments that affect persons who spend their time on the surface, and in addition he is confronted

with definitely unusual health problems almost wholly related to his atmospheric environment.

Health is the greatest asset of the miner, as it is of every human being. To the miner, however, it is probably relatively more valuable than to most people, as his occupation almost invariably demands the possession of far more than ordinary physical abilities, particularly physical endurance. In other words, the miner must be a "he man." When his health fails he is usually relegated to the scrap heap. For this reason many ex-miners at a relatively early age in some cases become watchmen, truck farmers, chicken raisers, or owners of drink emporiums or pool halls, or are engaged in some similar occupation. I have observed this fact in the State and district from which I am a Representative.

The miner has some advantages, as well as numerous very definite disadvantages, as regards health in comparison with persons engaged in other types of industrial endeavor. Practically all miners are forced to take considerable amounts of exercise, and our medical authorities tell us that only through exercise can good circulation of the blood and the efficiency of all vital organs be maintained.

Any person who loads 6 to 10 or possibly 20 tons of coal or rock per day, or who "wrestles" all day with a several-hundred-pound drill or a several-thousand-pound mining machine, or who follows a mule in the hauling of scores of cars of coal or rock, or who walks or partly runs through several miles of muddy, low, or hot underground workings, or climbs several hundred or possibly several thousand feet of ladders per day certainly expends plenty of physical effort. In this he undoubtedly derives numerous advantages—as well as some disadvantages—over those whose work is sedentary.

It is difficult to evaluate the results and accomplishments of the Bureau of Mines in its health and safety efforts for the benefit of those engaged in the mineral industries, though the bibliography of published matter issued by the Bureau in connection with investigations and their results with application to combined health and safety in the mineral industries is at least partly indicative of what has been done or at least what has been attempted.

#### SAFETY RECORD IS IMPROVING

On the safety side some definite figures are available and are offered. During the 5-year period 1906-10, inclusive, or just previous to the creation of the Bureau of Mines, 13,288 persons were killed in the coal mines of the United States, an average of 2,658 per year, and the fatality rate for this 5-year period was 5.89 persons killed per million tons of coal produced. The number killed in our coal mines in 1932 was 1,207, and the fatality rate per million tons of coal produced was 3.36; in 1933 there were 1,064 killed, a rate of 2.78; in 1934 there were 1,222 deaths, a rate of 2.93; and in 1935 there were 1,242 deaths, a rate of 2.93. Tentative figures for 1936 indicate that 1,330 fatalities occurred, a fatality rate of 2.72, the lowest coal-mining fatality rate on record. Figures for 1937 show that there were 1,467 fatalities, a rate of 2.98 (tentative).

If the 5.89 fatality rate for the 5-year period 1906-10 had continued to the 1st of January 1940, the number of fatalities in the coal mines of the United States would have been approximately 30,000 greater than they actually were. During the 30 years' life of the Bureau of Mines the coal-mine fatality rate has been reduced sufficiently to indicate an average annual saving of life of more than 1,000 persons. Similar figures as to prevention of nonfatal accidents are not available, but it is estimated that about 50 nonfatal accidents occur to 1 fatality. It is probable that about 50,000 nonfatal accidents have also been prevented annually.

If the cost to the operator of a life is put into cold-blooded dollars and cents and a relatively low amount, such as \$5,000, is taken as the value of a life, it will readily be seen that, irrespective of ethical or humanitarian considerations—and not considering nonfatal accidents—the annual saving of somewhat more than 1,000 lives may be considered as worth more than \$5,000,000, or almost three times the total amount being expended by the Bureau of Mines during the last year and nearly double the entire expenditure of the Bureau for any year of its existence. If, in addition, it is conceded that as many as 50,000 nonfatal accidents per year have been pre-

vented—and the assumption is by no means unreasonable—and the cost to the operator in compensation, hospitalization, and so forth, of a nonfatal accident is placed at \$100—some authorities estimate it at \$300—it will be seen that at least an additional \$5,000,000 annually has been saved to the coal industry through the safer operation of the past 28 years.

The benefits to the workers in and around coal mines due to this increased safety of operation are much more impressive than are those to the mine operator. The prevention of the death of 28,000 coal-mine workers in the past 27 years has obviously avoided a vast amount of suffering, pain, and misery of various kinds to the families who would have been bereft of their loved ones. And the prevention of 50,000 or more nonfatal accidents annually for 27 years certainly has saved the miners, their families, their friends, and the community a large amount of pain, inconvenience, misery, and other losses.

#### AVERAGE DEATH AGE IS 35

The financial losses that the workers have avoided through this increased safety of coal-mine operation are in themselves colossal. The average age of the coal-mine worker who is killed is about 35 years, and, in general, he should under normal conditions have a future active working period of at least 20 years. In normal times he should earn at least \$1,000 annually; therefore, in his 20 years active life expectancy he would receive approximately \$20,000 for his services. Hence, the saving of the life of about 30,000 coal-mine workers in the past 28 years through decreased death rate in coal mining has prevented a financial loss to them of at least \$565,000,000, and this does not take into consideration the financial losses saved to the worker through the elimination of large numbers of nonfatal accidents. For the past 28 years an annual saving of approximately \$21,000,000 has been made to coal-mine workers in the prevention of fatalities; \$21,000,000 is far more than the total expenditures on safety work made by the Bureau of Mines since its establishment in 1910; therefore the coal-mine worker unquestionably is reaping annual dividends of several hundred—probably several thousand—percent on the expenditures of the Federal Government in the promotion of safety in coal mining.

The foregoing detailed facts about coal mining are more or less similar to safety conditions that obtain in the other phases of the mining and allied industries, including metal mines, nonmetallic mineral mines, the petroleum industry, and so forth, all of which still have a relatively high rate of accident occurrence, though much progress has been made in the past 5 or 6 years.

#### SUFFICIENT FUNDS NEEDED

The Health and Safety Branch, like practically all other parts of the Bureau of Mines, was hit hard by the various cuts made in allotments in the depression years, and in the upbuilding of the past few years has not been given anything like the consideration the results of its activities deserve. The safety work of the Bureau is generally credited with a large share in the very definite progress which has been made and is being made in safety in the mining and allied industries of the United States. It is confidently believed that if the safety education work of the Bureau could be widened, accident occurrence in the mining and allied industries could be decreased at least 50 percent, and perhaps to even a greater extent. Although definite progress has been made in safety in mining in the United States, especially in recent years, late statistics give mining the worst accident rate of the major industries; yet we know from records of individual mines and mining companies that mining can be done with accident occurrence little, if at all, higher than most of the so-called hazardous industries.

In addition to the present work—all of which are essential and should be continued—the following programs are needed:

#### SAFETY DIVISION

##### 1. First-aid and mine-rescue training

This work is now in far greater demand than at any other time in the history of the Bureau of Mines, because of its demonstrated value as one of the most effective methods of accident prevention; it is now fairly well proven that as the result of the first-aid training of the Bureau of Mines at

least 200 lives are saved annually in the mineral industries and the number of accidents prevented by the safety consciousness instilled by the giving of the training is unquestionably of the order of many thousands annually. For years the Safety Division has been literally swamped with requests, almost demands, of the mining and allied industries, and especially the petroleum industry, for services of first-aid instructors far in excess of ability to comply with the limited personnel and funds now available. At present but 29 safety instructors are available to handle the first-aid and mine-rescue work among the approximately 2,000,000 workers in the mineral industries, strung through every one of the 48 States, and manifestly they cannot begin to handle the work at all adequately. Much of the time of the 28 engineers of the Safety Division is now occupied with first-aid training because of the shortage of safety instructors in proportion to the demand for the first-aid training; this keeps the engineers from doing real engineering work, with resultant decrease in the efficiency of the engineers' results. These men are kept practically continuously in the field going from mine to mine, hence must be provided with travel funds, including automotive equipment—cars and trucks. At least 10 additional safety instructors, with travel and supply funds, should be provided.

##### 2. Accident-prevention education

It is now almost universally conceded that safety in industry can best be achieved through education, not only of the workers but also of the officials who are in charge of operations. Some of this type of work is now being done, but the demands for this service are far beyond the ability of the available personnel to handle, and 10 additional engineers should be employed to engage in this very much worth while activity—four for coal mining, two for bituminous and two for anthracite; four for noncoal mining, two for metal mines and two for quarrying; and two for the petroleum industry. These men would spend most of their time in the field, going from mining community to mining community, organizing community safety chapters, holding accident-prevention classes, giving safety lectures, and so forth.

##### 3. Talking motion pictures on safety

The mine worker is the person most definitely concerned in mine safety, yet he is often the most difficult to convince when trying to alter an existing, long-used, unsafe practice for one now known to be safer. Generally the miner reads but little with reference to mine safety; frequently the mine-safety man or the mine officials are viewed with distrust; the first-aid-training course, while of much value, fails to handle numerous important phases of mine safety. Suitable talking moving pictures on safety in mining undoubtedly offer maximum opportunity to put over safety to the mine worker, and while several scenarios have been prepared and a few pictures have been made, the lack of funds for this work has heretofore so restricted this activity that production has been far below what it should be to achieve worth-while results. There is good reason to believe that much benefit could be derived through carrying this program into effect. The money expended would be far more than repaid in both tangible and intangible safety benefits to the mine worker, the mining companies, and the general public.

##### 4. Travel and supplies

The work of the Safety Division is almost entirely confined to activities at and around mines and mining localities, and this is necessary if it is to be even reasonably effective, as manifestly the mine worker must be contacted personally if the Bureau's safety knowledge is to be transmitted to him. To obtain this personal contact the engineers and safety instructors of the Safety Division must be in travel status most of the time, thus requiring travel funds and automobiles or autotrucks for travel.

The travel and supply funds available for the use of the Safety Division were much depleted to take care of the cuts made in 1933 and since that time have been somewhat further depleted in taking care of such matters as promotions, and so forth. The result of this is that practically 60 field workers of the Safety Division have had their activities much



curtailed in recent years due to lack of funds for travel and supplies.

#### 5. Printing funds

The present printing allotment of the Safety Division amounts to about \$10,000, which is far too low to take care of one essential printing requirement of the division, namely, the first-aid manuals. A manual is given to every man who takes the first-aid training course but this cannot be done now as our men train from 75,000 to 110,000 persons per year—105,000 in the fiscal year 1937-38—and the manuals cost nearly 10 cents apiece. For the past 10 years the Safety Division has been in the unhappy position of being forced to divert practically its entire printing allotment—and in some years this was insufficient—to first-aid manuals and as a consequence very little printed material has emanated from the Safety Division for 10 or more years.

The following suggestions are confined chiefly to standard work of the Safety Division and do not include numerous special problems, the solution of which should be undertaken when funds are more plentiful.

#### HEALTH DIVISION

##### 1. Field investigations on air dustiness

In view of the seriousness now existing in connection with the dust-health problem in mining, as evidenced by the fact that numerous requests for dust-health studies in California, Arizona, Tennessee, Kentucky, Wisconsin, Michigan, Minnesota, North Carolina, Pennsylvania, West Virginia, and other States, have been received and have not been handled chiefly because of lack of personnel and funds, it seems advisable to have additional funds to make field studies in several States in coal, metal, and nonmetallic mineral mines and plants for use as a field laboratory to try to ascertain what can be done to protect the mine worker from the menace of occupational diseases—chiefly dust disease—to help the employer to protect himself from the heavy expenses of various kinds from the disease and to save the general public from the numerous costs in human misery, charity, and relief work and other distressing phases of the dust-health situation in the mining and allied industries. Practically all of this work would be done in mining regions and ample provision should be made for travel and supplies.

##### 2. Air conditioning in mining

Hot humid air frequently dust laden is the cause of much ill health, accident occurrence, and inefficiency in mining and particularly in relatively deep metal mines. This subject has been approached only to a very slight extent by a very few mining organizations in this country and essentially no attention has been given to it by the various State governments or by the Federal Government. It is desirable that at least two engineers give full time to this subject in metal mining and two others in coal mining. While this subject is somewhat allied to dust disease, it has features not associated with dust disease and preferably should be attacked as a separate study. Practically all of this work would be done in mining regions and ample provision should be made for travel and supplies.

##### 3. Health and sanitary conditions in mining communities

With occupational disease and workmen's compensation now taking a heavy toll not only on the operating cost of mining properties but also on the health of the workman and to some extent on members of his family, the Bureau can do its part at least to some extent by making studies of health and sanitary conditions in and around mining communities with probably the making of health studies of mine workers and possibly of their families. These studies should be by all means be made by engineers and others familiar with mines and mining conditions or they are likely to cause unnecessary grief rather than be of aid to anyone. But little has been done on this in recent years, and a vast field is open for investigation with the probability of doing an immense amount of good not only to the workers in and around mines but also to the surrounding communities. One such investigation much needed is the condition of the vision of mine workers; while numerous other studies should be made, that on vision is decidedly important and could readily occupy the full-time work of several engineers and doctors though at

present one engineer could do much good in starting this particular study. Vision defects in underground mines which are very difficult to light at all adequately, unquestionably cause hundreds of accidents—and some disasters—in our mines—especially coal mines—every year. It is suggested that the Bureau employ about three engineers for this work of investigating health and sanitary conditions in the mineral industries and that sufficient funds be supplied to take care of the travel, supply, and other expenditures of doctors who may be detailed by the United States Public Health Service to participate in these studies, the doctors to be detailed for specific jobs, and on completion of those jobs return to their usual duties in the Public Health Service.

##### 4. Health laboratory research

The mining industry, including employer and employee, is beset with almost innumerable uncertainties as to the effect of air conditions not only in mines but also in surface plants, such as breathing of various dusts and gases, as well as of attendant temperatures, humidities, velocities, and so forth. Many of these problems must be solved in the laboratory, and since underground conditions vary much from those encountered on the surface, solutions worked out in general industrial work and which are applicable to the usual types of industrial plants, are very likely to be wholly unsuited to mine conditions, the solution of many of these problems as applied to the mining industry must be done by an agency such as the Bureau of Mines which is thoroughly familiar with mining conditions. This is exemplified in the fact that the present apparatus in general industrial use in the United States in the sampling and determining of air dustiness is the impinger; this apparatus and method are utterly unsuited to mine conditions, and if the mining industry is to protect itself in connection with the numerous problems arising from air dustiness, suitable equipment and methods for air dust determinations must be devised, and the Bureau of Mines seems to be the agency capable of undertaking this type of work. This matter of the unsuitableness of the ordinary device and method for mine air-dust determinations has recently been solved by laboratory workers in the Bureau of Mines, and it is but one of many problems in connection with mine air which must be solved by some agency such as the Bureau of Mines which is sympathetic with the needs of the industry and has intimate knowledge of mine conditions; and while much can be done by field investigations many of these solutions must be reached in the laboratory. Some of the work must be done in connection with other agencies, such as the United States Public Health Service. The Bureau is now swamped with requests for services of a laboratory nature in connection with dust, gas, and other subjects affecting health of workers in the mineral industries, and its meager forces and funds available for this work allow of doing but little other than the testing of respiratory equipment—dust respirators, gas masks, and so forth—and analyzing of mine gases in connection with mine fire and explosion disasters, leaving but little attention to be given to other urgently needed research. It, therefore, is very desirable that the gas and dust laboratory work, now very inadequately manned and financed, be given materially additional allotments.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

EDITORIAL FROM THE DALLAS MORNING NEWS OF JANUARY 13, 1940

Mr. LUTHER A. JOHNSON. Mr. Speaker, under leave to extend my remarks, I submit herewith an editorial from the

Dallas Morning News of January 13, 1940, commending Secretary of State Cordell Hull's stand on reciprocal-trade agreements, in opposing the new plan whereby such agreements negotiated by the Department of State would require ratification by the Senate, and also commending generally the effect of the treaties heretofore entered into.

[From the Dallas Morning News of January 13, 1940]

#### CORDELL HULL'S STAND

Commendation should go to Cordell Hull for the unyielding stand on the reciprocal-trade treaties which he took in testifying before the House Ways and Means Committee Thursday. The Secretary of State is on firm ground in opposing any concession that would give the Senate power to ratify or kill the agreements negotiated by the Department of State. Such a provision would open the door to a vicious type of logrolling that might easily kill the whole program.

Opposition of Republican Congressmen to the Hull program is understandable, if not justifiable. But those Democrats who are now trying to knife the continuation of this policy of reciprocal-tariff reduction are turning their backs on one of the basic principles of their own party. And, since the Democrats control the present Congress, theirs will be the main responsibility if the power to negotiate trade treaties is allowed to expire next June.

If the Roosevelt administration is open to any criticism on its tariff policy, this criticism is that action toward lower tariffs has not been direct or vigorous enough. But in trying to put traditional Democratic tariff principles into practice, the administration has been handicapped by the high tariffs that have been erected in other countries and by the fact that many Democratic Congressmen give only lip service to their party's tariff plank.

The Hull program of reciprocal-tariff treaties has helped to reopen foreign markets for both farm products and manufactured goods from the United States and has boosted our foreign trade. It has been a major factor in adding to the income of American farmers, which had suffered severely as a result of the Smoot-Hawley tariff rates adopted under Hoover. The interests of both farmers and consumers call for extension of this trade program.

### Putting Christ Into Uniform

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

ARTICLE BY HARRY EMERSON FOSDICK

Mr. ANGELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Harry Emerson Fosdick, which was published in the Christian Century of December 13, 1939:

[From the Christian Century of December 13, 1939]

#### PUTTING CHRIST INTO UNIFORM

(By Harry Emerson Fosdick)

This new European war calls up many memories of the last war, with some of which the pulpit has no particular concern. One memory, however, we may well face: we put Christ himself into uniform. Willingly would we let that be forgotten, that the younger generation might not know what we said and did in 1917, but with another war rampant we had better confess frankly what we did, what war always tempts Christians to do—we put Christ into uniform. Jesus was our Lord; we could not go to war and leave Him behind. We wanted Him for the comrade of our sacrifice, and the sponsor of our task, and we took Him along.

First, we made Him our recruiting sergeant. As one of the foremost ministers in America in 1918 said, "Jesus Christ calls His followers to the colors and . . . their response to the call constitutes a triumph for Christianity such as the world has never before known." But that was not enough. These men from Christian homes and churches were going out to kill; in all the ingenious ways that science gives us skill with, they were going to slaughter men—yes; women and children—in the mass murder of a modern war, and we put Christ into uniform and sent Him with them.

Said one of our leading intellectual lights in the pulpit in 1917: "As Christians, of course, we say Christ approves of the war. But would He fight and kill? . . . There is not an opportunity to deal death to the enemy that He would shirk from or delay in seizing. He would take bayonet and grenade and bomb and rifle and do the work of deadliness." Indeed, one of the loveliest Christians I knew, an intellectual, a devout spirit, whose very devoutness made it impossible for him to do anything that he thought Christ would disapprove, said this: "I would not enter this work till I could see

Jesus himself sighting down a gun barrel and running a bayonet through an enemy's body." So we put Christ into uniform.

There have been statements aplenty about what war does to everybody else but not so many about what it does to Christ Himself. It conscripts Him, too. It sends Him to the front, too. One scene in the New Testament provides our inevitable text. In Pilate's court, after Pilate had condemned Him, the soldiers led Jesus into the praetorium and mocked Him before they took Him out to crucify Him. Some items in that scene we vividly recall—the crown of thorns, the spitting in the face, the beating with the rod—but one item often is lost sight of. They "put on Him," we read, "a scarlet robe." What was that scarlet robe? Undoubtedly, part of the uniform of a Roman officer. Somewhere in the praetorium they found the cloak of a military chieftain and, putting that on Jesus, mocked Him. See Him there, the Prince of Peace, forcibly clad in the garb of military authority, while the soldiers, mocking, salute Him. Would not any Christian in his senses cry, "Take that scarlet robe off Him. Of all the disguises that misrepresent Him, that is the worst."

That was bad enough when in the praetorium long ago His enemies did it, but how often His friends have done that too. They have conscripted Christ. The burden of our message is—whatever you and I personally may think or do about war—in the name of historical accuracy, intellectual clarity, and common decency, take that robe off Jesus.

#### II

Consider, to begin with, that the Christian's motives for conscripting Jesus are easily understandable. War is a costly and terrible affair—so terrible that no one can sustain it until he sees it as a sacred duty. No nation can maintain war without idealizing it as a holy cause. Now, for Christians the simplest way to idealize any enterprise is to get Jesus into it. That does the business. If He can go to war, we can, too. We say that a Christian is one who adores Christ. Beware of saying that too easily. A man who adores Christ wants, above all else, to agree with Christ. But when a man deeply desires to agree with Christ, nothing is easier than to make Christ agree with him. The psychologists call that rationalization. Adoring Christ, we face what seems a social necessity—some enterprise such as war that seems to us wrong and yet seems necessary. How can we make it seem right? Of course, we use Jesus. We elect Him chairman of the board of sponsors for the war. What can He do? He cannot talk back. He died on Calvary long ago.

That crucifixion did not hurt Christ. He handled that magnificently. But what we, His friends, have done to Him—using Him as sponsor of every sort of evil social custom, employing Him as a rubber stamp to guarantee the rectitude of the most damnable things on earth, from czarism and feudal systems to slavery and war—that is the greatest tragedy that ever has befallen Him. And this tragedy springs—strange anomaly—from our adoration of Christ, from men and women who want so much to agree with Him that they make Him agree with them.

So, in the 1850's, an American minister defended slavery thus: "American slavery is not only not a sin, but especially commanded by God through Moses, and approved by Christ through His apostles." That sort of rationalization concerning war we were guilty of in 1917. We hated war. It was against our principles. We had had 3 years to watch it in Europe. We knew what it was like. We even had before us the words with which drillmasters in the camps taught boys the uses of the bayonet. Here is a verbatim report of one drillmaster: "You've got to get down and hook them out with a bayonet; you will enjoy that. . . . Get sympathy out of your head. We go out to kill. We don't care how, so long as they are killed. . . . And I say to you, if you see a wounded German, shove him out and have no nonsense about it. . . . Kill them, every mother's son of them. Remember that your job is to kill them—that is the only way—exterminate the vile creatures."

We knew that war meant that and a thousand things like that. Yet it seemed necessary; we thought we had to go in; we could not go in without idealizing it; so we conscripted Jesus to make it a holy cause. Especially, we ministers did that. We could not go to war and leave Him behind. One of the leading ministers in this country said, "We must keep the flag and the cross together, for they are both working for the same ends." My soul! In hooking them out with a bayonet, the flag and the cross both working for the same end!

If you say, "We would not do that now," I reply that you may be sure some of us would not. Never again! And I agree that in these last weeks the American clergy on the whole have been much more conscientiously and courageously Christian than some dared expect. Still, ever and again from some of my ministerial brethren I hear echoes of the old abomination. If the heat were put on, they would do it again. Unable conscientiously to go to war without Christ, they would put a scarlet robe on him and take him along. That is why a British general in the last war said of the clergy, "The clergy are the best fomenters of blood lust that we have." Yes, indeed, for they have Christ to use.

#### III

Consider, now, the arguments we Christians commonly have employed to justify that scarlet robe on Jesus. For, of course, we have sought in the Gospel records for historical backing to support our picture of Jesus doing the deadly business of a modern war. Some American Christians are doing that today, falling back on the same two passages that were used in the last war and arguing from them that Jesus would sanction bloody violence and even participate in it.



The first passage is the one where He says, "I came not to send peace, but a sword." One of the best selling books on the market now has for its title *Not Peace, But a Sword*, and multitudes of Christians fall back on that phrase of the Master when they wish to justify the scarlet robe. But read the passage in the Gospel. Jesus is telling his disciples that when they break free from orthodox Judaism they will have divisions in their families. Loyalty to Him, He says, will break up households, and they must have courage to endure that. So, concerning that, He says to them: "I came not to send peace, but a sword. For I came to set a man at variance against his father, and the daughter against her mother, and the daughter-in-law against her mother-in-law: and a man's foes shall be they of his own household." That is what the passage is about. It has nothing to do with war. The word "sword" is a metaphor for difference of opinion within families about religion; and in Luke's parallel passage, as though that evangelist feared someone might crazily take the word "sword" literally, he drops the metaphor and uses the word "division" instead. Says Jesus, according to Luke, "Think ye that I am come to give peace in the earth? I tell you, nay; but rather division."

Yet if tomorrow America should be dragged into this war, you would find Christians falling back upon that phrase, "Not peace, but a sword," ripped from its context and twisted to meanings that were not in Jesus' mind, whereas the historic fact is that when Jesus used the word "sword" literally, he said, "All they that take the sword shall perish with the sword."

The second passage in which justification is found for the scarlet robe on Jesus concerns the cleansing of the temple. Did not Jesus use violence, some say, when he cast the money changers out? Did he not even use a whip of small cords? Therefore, would he not use bomb and bayonet? Quite apart from the general ridiculousness of the analogy, look at the story in detail. Mark's Gospel is the earliest record. There is no whip of small cords there. Matthew and Luke are next. There is no whip of small cords there. The whip of small cords is not even mentioned until John's Gospel, about 100 A. D., and in John's Gospel the cords are evidently used not on the money changers but on the sheep and oxen. Well, what would you use to drive out sheep and oxen that were defiling the sacred courts better than a whip of small cords? And what has that to do with visualizing Jesus sighting down a gun barrel, or driving a bayonet into an opponent's breast?

Moreover, take the phrase "cast out." He "cast out" the money changers, so the record runs. The Greek word is "ekballo" and is used again and again in the Gospel records. It ought to be possible to find out what it signifies. When Jesus was sent out by the Spirit into the wilderness to be tempted, ekballo. When Jesus put the noisy mourners out of Jairus' house, that he might be alone with the sick girl, ekballo. When a man tried to cast the mote out of his brother's eye, ekballo. When a householder brought forth out of his treasure things both old and new, ekballo. When the Lord was asked in prayer to send forth laborers into his harvest, ekballo. When the Master cast out demons, ekballo. And when Jesus, backed as he was by popular indignation against the racket of the money changers in the temple, cast them forth, ekballo. What has that to do with war?

How helpless a man is when he is dead. No sooner has he gone than, as it were, men fall upon him, the very men who were his friends. They use his name for things he never would have used it for; they twist his words to meanings that he never held; they claim his sponsorship for enterprises that he hated. And what can he do? He is gone, and his name and memory are at the mercy of those that are alive. And nowhere is this tragedy of Christ more terrible than when, on the basis of things He never said and never did, men put on Him a scarlet robe and lead Him off to war.

## IV

Indeed, Christians, in their insistent endeavor to put Christ into khaki, have used still another device. Jesus, they say, did stand for benevolence and brotherliness. He did protest against the use of violence. He pleaded for good will and even for love of enemies. We are not denying, they say, that this is the distinctive emphasis of Jesus' ethic, but all this applies to individuals only in their personal relationships and not to the policies of nations. I had a long letter the other day presenting that good, bad, and indifferent; we thought we had to do and wanted backing for. And so we have obscured his distinctive message and have made him stand for everything from slavery to war, until, in consequence, he has stood for nothing clear, characteristic, and distinctive that he did stand for. That is the most tragic thing that has happened to Christ. Far better for one of us with intellectual clarity to recognize what Jesus did distinctively stand for, even if one says one cannot follow Jesus, than to go on with this perennial rationalizing, this endless use of Christ in sponsorship of things that he was everlastingly against.

As for me, I have no intelligent and conscientious choice except this: I must take that scarlet robe off Jesus and, as the Gospel record says, even the Roman soldiers in the praetorium had the decency to do, put on him his own clothes. And as I must take the scarlet robe off Christ, I must take it off myself.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

## LETTER FROM THE IOWA LEAGUE OF WOMEN VOTERS

Mr. HARRINGTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter from the Iowa League of Women Voters in regard to the reciprocal trade pact program:

IOWA LEAGUE OF WOMEN VOTERS,  
January 8, 1940.

Congressman VINCENT F. HARRINGTON,  
House of Representatives, Washington, D. C.

DEAR MR. HARRINGTON: The State Board of the Iowa League of Women Voters gathered at Des Moines for its winter board meeting wishes to express to you its views on the reciprocal-trade program.

The League of Women Voters' study and consideration of the whole problem of tariffs began in 1924. In 1936 the League began its support of downward revision of tariffs by reciprocal-trade agreements and to this end has promoted ever since the reciprocal-trade program.

The league's support of this program is not partisan but is based upon the interest of the general public welfare. The league supports this program for three reasons:

1. Because it helps the consumer by reducing the cost of living.
2. Because it is a step toward the removal of economic friction between nations at a time when the world needs peace efforts as it never has before.
3. Because the treaties provide a scientific method for the adjustment of tariff schedules by eliminating logrolling, leaving the decisions to unbiased experts and stimulating trade.

We are fully aware the wars have temporarily limited the effectiveness of the trade treaties but that is only partial and is no reason for abolishing them.

Domestically, we feel that the reciprocal-trade pacts are not a partisan issue for they are being supported by many Republicans and supported by some Democrats.

We earnestly urge you to support the retention of the reciprocal trade pact program.

Sincerely,

Mrs. R. J. De La Hunt, Ames; Mrs. John A. Vieg, Ames; Caroline Burtis, Grinnell; Margaret S. Trestree, Grinnell; Mrs. W. F. Mengert, Iowa City; Mrs. C. R. Smith, Onslow; Mrs. L. V. Phelps, Loretta Vrooman, Mrs. E. L. Nelson, Newton; Mrs. J. P. Mills, Cedar Rapids; Mrs. Charles E. Payne, Grinnell.

## Soil Conservation Service

## EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

## LETTER BY HON. LYLE H. BOREN, OF OKLAHOMA

Mr. BOREN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter which I have written to all Members of Congress on the subject of soil conservation:

DEAR COLLEAGUE: I am deeply interested in seeing the cost of government reduced, and am sure you and I both know many places in which enormous savings can be made in governmental expenditures. I am seriously concerned, however, with the proposal to reduce the Soil Conservation and the C. C. C. programs. The Soil Conservation appropriation is not a direct and final expenditure,

like so many Government appropriations, but it is an investment which will pay dividends.

Already in the United States 50,000,000 acres of farm land have been completely ruined for practical and profitable cultivation. This means 320,000 farms of 156-acre average have been permanently abandoned and those farm families formerly occupying them added to unemployment. Another 150,000,000 acres have been depleted to the borderline of abandonment. Three hundred thousand acres of land are abandoned in the United States annually because of soil erosion. This means that 28 farm families every day are forced to abandon farms. The eventual outcome is that that many more people are unemployed.

Despite improved farming methods, improved seed, improved methods of fertilization, the per acre yield per family is seriously reduced annually. Soil erosion from wind and water displaces 3,000,000,000 tons of soil each year, causes 750,000,000 tons of soil to be dumped in the Gulf of Mexico annually. And yet it takes Nature, under a protective cover of vegetation, some 300 to 1,000 years to build 1 inch of top soil.

At the present time we have organized operative districts for soil conservation pretty generally throughout the United States, with a very small appropriation given this gigantic task. Only skeletonized technical staffs are available in a small percentage of the districts. Soil-conservation work necessarily requires long-range planning. Under the present set-up a 30-year program should be the least we could expect for over-all results for the Nation.

I urge you to make a thorough and careful study of the situation which we face relative to our greatest natural resource—the land. I plead for your assistance in maintaining and expanding soil-conservation work. Let's curtail expenditures in the proper places. A few less battleships than are asked for, a few less guns than are requested, a hundred thousand less Government employees, abolition of a few useless bureaus, a lot less money down the drain pipes and rat holes will give us plenty of room for curtailment and still leave an abundance for sound investment in soil conservation.

Sincerely yours,

LYLE H. BOREN.

### Appropriation for Flood Control in Verdigris Valley, Kans.

#### EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

Mr. MANSFIELD. Mr. Speaker, my attention has been called to a speech in the Appendix of the CONGRESSIONAL RECORD, page 95, by Senator REED, of Kansas, with reference to an item said to have been embraced in the river and harbor bill of last year. This speech appears in the RECORD as an extension of remarks, embracing the speech made by the Senator before the National Industrial Traffic League at Chicago on November 21 last. A preliminary statement contains the following language:

The river and harbor bill this year contained a "pork barrel" item of \$31,000,000 for flood control in the Verdigris Valley in Kansas.

The statement shows that the item referred to is purely a flood-control provision with no reference whatever to navigation. The language used, that the river and harbor bill contained this item creates an erroneous impression.

The river and harbor bill passed the House May 18, 1939, and went to the Senate. The so-called "pork barrel" item pertaining to flood control in the Verdigris Valley was not in the bill.

An effort is now being made to have the Verdigris flood control item adopted in the Senate as an amendment to the river and harbor bill, but action upon it has not yet been taken by the Senate. If the Senators from Kansas object to the item, it will, of course, be stricken from the bill. The course is simple and easy and no appeal to the railway executives at Chicago is necessary. The Senator from Kansas holds the key.

### Amendment of the National Labor Relations Act

#### EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

#### RESOLUTION BY THE WAYNE AND HOLMES COUNTY AUTOMOBILE DEALERS ASSOCIATION OF OHIO

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution passed by the Wayne and Holmes County Automobile Dealers Association of Ohio:

Whereas as a result of disputes between automobile manufacturers and their employees and consequent curtailment or stoppage of production, automobile dealers suffer severe hardship, endangering their business and the welfare of their employees through inability to secure motor vehicles for sale; and

Whereas by reason of the fact that most automobile dealers operate under a franchise arrangement with the automobile manufacturer which requires them to handle and sell that manufacturer's product exclusively; and

Whereas automobile dealers are required to invest their own capital in dealerships and their source of livelihood is dependent upon being able to secure motor vehicles from manufacturer whose franchise they hold, and their aggregate investment in the industry is as great or greater than that of the manufacturer; and

Whereas the recent unfortunate and disastrous 8-week dispute involving Chrysler Corporation and its employees caused great loss of business to the 11,000 Chrysler dealers and their thousands of employees, rendering them helpless without recourse or protection: Therefore be it

*Resolved*, That it is the sense of a unanimous vote of the Wayne and Holmes County Dealers Association of Ohio, that in the event of industrial disputes, the rights of third parties whose interests are as great as those of disputing parties, should be adequately protected; and be it further

*Resolved*, That the Wayne and Holmes County Automobile Dealers Association recommends that the Wagner Act and National Labor Relations Act, be amended at the forthcoming session of Congress; and be it further

*Resolved*, That a copy of this resolution be transmitted to the Member of Congress from this district, also to our Senators, requesting them to provide the necessary relief and protection.

### Trend of Labor Disputes Under National Labor Relations Act

#### EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, January 16, 1940

#### LETTER BY HON. ROBERT F. WAGNER, OF NEW YORK, AND TWO ARTICLES FROM LIBERTY MAGAZINE

Mr. WAGNER. Mr. President, on November 2, 1939, the Chamber of Commerce of the State of New York adopted a report of its special committee on industrial problems and relations concerning the trend of labor strife since the enactment of the National Labor Relations Act. The accompanying resolution indicated that copies of the report are to be transmitted to Members of Congress and other Government officials.

I subsequently addressed to the editor of the New York Herald Tribune an exhaustive reply to the charges of the New York chamber. The letter was printed in the issue of



Sunday, November 19, 1939. The chamber was kind enough to make the text of this letter available to its members through its monthly bulletin for November 1939.

At this time I ask unanimous consent to have the full text of this letter printed in the Appendix of the RECORD so that my reply may be available to Senators having occasion to examine the original report.

I also ask unanimous consent to have printed in the Appendix of the RECORD an editorial in Liberty magazine concerning the National Labor Relations Act and my reply thereto.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

TEXT OF LETTER TO THE EDITOR OF NEW YORK HERALD TRIBUNE, BY SENATOR ROBERT F. WAGNER, OF NEW YORK, PRINTED IN ISSUE OF SUNDAY, NOVEMBER 19, 1939, REPLYING TO CHARGES OF NEW YORK CHAMBER OF COMMERCE THAT WAGNER ACT HAS INCREASED INDUSTRIAL STRIFE

TO THE EDITOR OF THE NEW YORK HERALD TRIBUNE:

Widespread publicity has been given to a report adopted on November 2, by the Chamber of Commerce of the State of New York, which purports to furnish "convincing evidence that the Wagner Act not only has failed in its avowed objective of diminishing the causes of labor disputes, but has been a strong incentive in increasing labor controversies." Since I have frequently cited official statistics to the contrary in the press and before congressional committees, I hastened to examine the chamber's report and check it against all the available data. I am grateful for this opportunity to present my views on this important national issue.

It is essential first to restate clearly the broad objectives of the act, against which its success or failure must necessarily be measured. The act was never intended or designed to eliminate all strikes or lock-outs, or to displace the numerous Federal, State, and local laws directed against restraints of trade, improper picketing, or violence by either party in the course of labor disputes. Instead of dealing with the effect after labor strife has run its wasteful course, the act seeks to diminish certain underlying causes of that strife. Instead of imposing upon employers and employees wages, hours, rates of production, and grievance procedure established by Government fiat, it looks to the freely chosen representatives of employers and employees to thrash out their own difficulties and make their own bargain at the council table. Instead of adopting the policy of suppression of management and labor characterizing the totalitarian states, it builds upon the framework of the American system.

As the Supreme Court of the United States has held, freedom of choice in the selection of representatives must be safeguarded if such a voluntary plan is to accomplish its purpose. Since it cannot seriously be maintained that employees have impaired the Nation-wide organization of employers in corporations, trade associations, or chambers of commerce, no legislation was necessary to protect that right of employers. But the record unfortunately shows that bitter industrial strife frequently arose because no election machinery was available to enable workers to select their representatives in case of dispute, and because employers interfered with the industrial liberties of employees. In the words of a recent publication of the Brookings Institution:

"Prior to the 1930's employers wishing to prevent unions of workers from gaining sufficient strength to establish collective bargaining were able to resort to methods which sometimes rendered empty or meaningless this general and long-conceded right. . . . The employer could refuse to meet in conference with representatives of the workers or to discuss the issues at stake; he could discharge, demote, or discipline workers in his employ who were active in promoting the cause of a union; he could persuade, advise, or threaten employees with various possible consequences in order to induce them either not to join a union or to give up already held membership therein; he could establish as one of the conditions for obtaining or retaining employment the signing or acceptance of 'yellow-dog' contracts; he could carry on espionage work concerning the activities and plans of his employees and of union members or agents; and he could establish, finance, and aid in other ways organizations confined to his own employees as an alternative to the much less congenial 'outside' union.

"In an effort to give meaning to the declared right of labor to organize, the National Labor Relations Act defines violations of that right in terms of a series of 'unfair labor practices' and creates legal machinery to prevent the commission of these defined violations." (Government and Economic Life, 1939.)

The procedure of the Labor Act had been established in our governmental system since the pioneer Interstate Commerce Act of 1887. Its underlying policy had been successfully applied by the Federal Government to minimize industrial conflicts during the World War, and is at the basis of the highly effective Railway Labor Act. So carefully had the Labor Act been framed to protect the fundamental rights of employers and employees that in 18 successive decisions by the Supreme Court not a line of the act has been held unconstitutional.

The burden of the chamber's report is that a policy so well established in our law and our practices, and so deeply rooted in our democratic traditions has proved a failure in actual operation. This

conclusion is unfounded. Authoritative and indisputable data show the contrary ever since the act has been given a fair chance to exert its pacific influence.

## II

The chamber's "factual survey" may conveniently be considered under four heads: First, the incidence of all industrial strife; second, the incidence of strife which the act was directly designed to minimize; third, the volume of cases filed with the Labor Board; and fourth, the extension of the practice of collective bargaining.

1. The chamber's report finds that in the 3-year period following the passage of the act (1936-38), the incidence of all industrial strife was greater than in the 3-year period preceding its passage (1932-34). The arithmetic is correct, but the intended inference that the act has been ineffective is entirely without foundation.

Logic and common sense tell us that because two facts concur, there is not necessarily a causal connection between them. It might just as well be said that the Labor Act is responsible for the booming profits of 1937, when 185 industrial companies listed on the New York Stock Exchange earned more than in 1929, or for the current business upturn, with industrial production exceeding the 1929 average. It is obviously necessary to go beneath any statistical assertion to appreciate what the figures mean and how they were derived.

In this case it must be recognized that the tempo of business activity, as shown by national income produced, was 50 percent higher in the period 1936-38 than in 1932-34. Since the incidence of labor strife normally follows the business cycle, as the chamber's report concedes, it is not surprising that more industrial strife occurred in the former than in the latter period. What is more surprising is the comparatively minor increase in aggregate working time lost—less than 10 percent. But even if other factors intervened to disturb this normal tendency, the chamber's analysis will be rejected by a fair-minded public because of its studied failure to distinguish between the date of the act's passage and the date when it began effective operation.

It is a notorious fact that the Labor Act, though placed upon the statute books on July 5, 1935, was virtually a dead letter until its constitutionality was upheld by the Supreme Court in April 1937. Its effectiveness during this entire 18-month period was undermined by pseudo-legal opinions that it was unconstitutional, widely circulated by the Liberty League, the National Association of Manufacturers, the National Metal Trades Association, and similar groups; by a barrage of injunction suits in the district courts; and by the widespread practice of industrial espionage. Because the law of the land was ineffective precisely where its intervention was most needed, labor had no recourse but to vindicate on the picket line the fundamental rights which the law guaranteed. Labor strife, of course, multiplied. The first Supreme Court decisions, upholding the act against every constitutional attack, were handed down in April 1937, at the peak of this unprecedented strike wave. After an inevitable but remarkably brief period of adjustment the strike wave subsided. In the late months of 1937, according to the Bureau of Labor Statistics, fewer workers were idle and less time was lost through strikes than in the same months of the preceding year. In 1938, the first full year of the act's operation under the Supreme Court's mandate, there were only about half as many strikes, one-third as many workers involved, and one-third as much working time lost through strikes, as in the preceding year.

This record for 1938 is remarkable not merely in relation to 1937, an exceptional year, but in relation to the entire strike trend of recent times. The proportion of workers involved in strikes to the total gainfully employed was lower than in any year since 1932, and substantially below the average for the last 60 years. Fewer workers were on strike than in any year since 1932. The average working time lost per striker was lower than in any year since 1927—an indication of the short duration of the strikes that did occur. Less aggregate working time was lost through strikes than in any year since 1931. Sit-down strikes fell off sharply after April 1937 and have now virtually disappeared from the American scene.

This peaceful trend has continued to date. The number of strikes in the first 6 months of this year was about 20 percent lower than in the same period of 1938, and 60 percent lower than in 1937. The time lost in strikes was relatively high, however, due to the unusually severe bituminous coal-industry stoppage.

In brief, since the law actually became effective there has been a very substantial decline in the incidence of industrial strife. This decline is all the more significant because it has occurred in a period of unprecedented organizational activity, and has run counter to the upswing of the business cycle which began in the middle of 1938. The tempo of business activity in the year 1938, as a whole, was higher, except for 1937, than in any year since 1929, and is currently estimated at about the 1937 level.

2. Let us turn now to the statistics on labor disputes which the Labor Act was directly designed to minimize.

The act is limited, of course, to labor problems directly affecting interstate commerce. As the chamber's report properly notes, only 67 percent of the strikes in 1937 and 60 percent of those in 1938 occurred in industries fully subject to the jurisdiction of the act. But the chamber's report fails to record the even more significant fact that the decline in the incidence of labor strife in those industries during 1938 was substantially greater than in industries partially or wholly outside the act's jurisdiction.

Another limitation, emphasized at the outset, is that the act is directly concerned only with issues of representation, union recog-

nition, discrimination, and the like. The supposed increase in strife over these issues, alleged in the chamber's report, is vitiated by the same objections as its conclusion concerning strikes as a whole. Here again the official statistics show a very substantial decline once the act went into effective operation. During 1938 fewer workers were involved in "organization" strikes, as classified by the Bureau of Labor Statistics, and less working time was lost in such strikes than in any year since 1932.

The peaceful trend is clearly shown by a careful break-down of the figures for the first 6 months of 1939, furnished by the Bureau of Labor Statistics. Of the aggregate working time lost, 17 percent resulted from strikes over wages and hours, and 57 percent from strikes for the closed shop (an unusually high figure attributable to the bituminous coal stoppage). Neither of these issues is within the purview of the act. Less than 15 percent of the total working time lost is properly attributable to strikes over issues which could have been resolved by resort to the peaceful procedure provided by the law.

3. The volume of cases filed with the Board furnishes the clearest indication that the strike weapon is giving way to the orderly processes of law. From January 1936 through March 1937, there were more strikes called each month than cases filed with the Labor Board. But since the first Supreme Court decisions in April 1937 the number of new cases filed each month has averaged three times the number of strikes. The increasing tendency of workers to take their cases to the Labor Board instead of going on strike is clearly evident. In 1936 the average monthly ratio of workers involved in Board cases to workers involved in "organization" strikes (as classified by the Bureau of Labor Statistics), was 5:4. In 1937, the ratio increased to 2:1. In 1938 and the first half of 1939 the ratio rose to 6:1. That is to say, six workers are currently involved in cases voluntarily submitted to peaceful adjudication for every one who is involved in an "organization" strike.

To date, almost 24,000 cases have been handled under the act, involving over 5,500,000 workers. Most of these cases were filed after April 1937. Four out of every five cases filed have been closed. About 95 percent of the cases disposed of have been closed by dismissal, withdrawal, or by agreement of the parties, all without even holding a hearing.

The chamber's report impliedly criticizes the act because of the large number of cases filed under it and the proportion of cases dismissed as unfounded. I am unable to understand how these facts can be made a basis for criticism. They seem rather to demonstrate that, more and more, labor is substituting legal process for the picket line, and that the Labor Board in administering the act has taken pains to eliminate unfounded charges with a minimum of inconvenience and expense. Such charges would be just as likely to flare into industrial strife as grievances that are well-founded.

The trend of cases handled under the act reflects the broad trend toward greater industrial peace. In the first place, the number of cases filed in the year ending June 30, 1939, was one-third lower than in the preceding year, notwithstanding a continued increase in union membership. This would indicate a diminution in the Labor Board's activities with the increasing recognition of the principles of the law throughout the country. In the second place, since April 1937 the great majority of the Board's decisions have been concerned with elections or certifications of representatives, rather than with charges of unfair labor practices. To date, almost 8,000 representation petitions have been received, involving over 2,500,000 workers, including 25 petitions filed by employers, as provided by the new regulations in force since June of this year. Twice as many workers were involved in representation cases filed with the Board in the last 6 months than in cases of unfair labor practices. Almost 1,000,000 workers have voted in elections conducted under the law. The fact that 90 percent of eligible workers have actually registered their choice in these elections is an interesting commentary on the degree of industrial democracy which is being achieved.

4. The chamber's report makes no mention of the phenomenal development of peaceful collective bargaining in recent years under the influence of the Labor Act. According to a very recent study of labor agreements by the National Industrial Conference Board:

"Five years ago only a small proportion of companies in the United States operated under formal agreements with labor organizations. A growth of membership in labor unions from around 3,500,000 5 years ago to an estimated 8,000,000 has brought about a marked increase in the extent of collective bargaining."

Since 1937 thousands of new labor agreements have been negotiated, especially in the steel, metal-fabricating, rubber, electrical equipment, automobile, petroleum, and communications industries.

The principles of the National Labor Relations Act are an indispensable foundation for this vital phase of economic democracy in America. But successful operation under these agreements depends on patience, mutual confidence, and a responsible appraisal of mutual problems by the parties themselves. These qualities cannot be legislated into existence—they must develop with experience and the exercise of responsibility. The marked tendency toward more stable relations between parties new to the ways of collective bargaining is evidenced by another statement in the above-mentioned report of the National Industrial Conference Board:

"A noteworthy difference observed in the 1939 group of contracts, as compared to earlier ones, is in the matter of duration of agreements. A majority of those included in the 1937 survey ran

for a definite period, usually a year, perhaps reflecting the management's expectation that collective bargaining would be temporary and its unwillingness to commit itself too far into the future. The prevailing practice in present contracts is to make the duration indefinite. \* \* \*

"In general, recent union agreements seem to indicate a more serious acceptance of collective bargaining than former ones. The character and working of the various provisions give the impression of an attempt to construct practical and workable agreements to cover situations that arise in day-to-day plant operation rather than of contracts entered into under duress and couched in such vague terms as to make misunderstanding inevitable and amicable administration difficult."

Our own industrial history over the past 50 years demonstrates, and the splendid report of the President's Commission on Industrial Relations in Great Britain confirms, that the key to industrial peace lies in such collective bargaining relationships between freely chosen representatives. Their fullest development presents a continuing challenge to the industrial statesmanship of labor and management.

The clear indication from these facts is that the Labor Act is functioning well as an instrument for industrial peace. We should not permit our judgment of the over-all picture to be obscured by discussion or criticism of isolated cases or issues under the act, or by the conduct of employers or employees in some particular labor dispute. Indeed, it becomes increasingly clear that many labor disputes being laid at the door of the Labor Act arise out of the substantive terms of employment and are not within its purview at all. Those strikes can be controlled or prevented by Government only through compulsory arbitration. Most Americans will agree that such measures, placing the collar of involuntary servitude on both labor and management, are too high a price to pay for industrial peace. Consistently with democratic principles, the public authority can, however, help the parties themselves to minimize and adjust such strikes through the development of voluntary mediation machinery. I have already stated my belief that the time is ripe for a further elaboration of Federal action in that direction and my intention to offer a suitable plan.

### III

Finally, no appraisal of the merit of the National Labor Relations Act is complete without mention of those values which cannot be measured in statistical terms. To increasing millions of wage earners the act is bringing increasing enjoyment in their daily working lives of freedom of expression, of the press, of assembly, and of ballot. To increasing millions of wage earners it is guaranteeing a voice and a place in our industrial system which has been too long neglected or denied. The significance of these values must be apparent in the present trend of world events.

In closing, may I say that I have always supposed that the Labor Act would be perfected from time to time if the need were shown. But the wisdom of changes in the Labor Act can only be determined upon a clear understanding of its purposes and the actual record of its operation. That is the only sure path of progress. This letter is submitted in an effort to light the way.

Sincerely yours,

ROBERT F. WAGNER.

NEW YORK, N. Y., November 15, 1939.

[From Liberty magazine for November 25, 1939]

WAGNER REGIMENTATION AND HITLERISM

[Editorial]

Labor leaders have been warned on this page on various occasions that the time would come when they would heap curses on the Wagner Act.

President Green has criticized this act a number of times, and now President Lewis, former enthusiastic supporter of this legislation, is caustic in his comments.

Labor wanted certain privileges, and if they were not secured, legal compulsion was demanded. The workers wanted laws to force the employers to carry out their desires, but you cannot keep your cake and eat it too. You cannot compel employers to respect principles of control that cannot be applied to employees. If laws can be made to control one group of people, identically the same laws can be applied to control other groups.

Now the Wagner Act is fascism pure and simple. It represents a control of business and labor closely allied to that which is now in vogue in Italy and Germany. It is just another name for Hitlerism. Under the restrictions of the present law the employers' rights are ignored, and the employees are given many privileges that are surely unconstitutional.

Favoritism is a dangerous two-edged weapon. It is all right as long as your group is receiving the favors, but when the situation changes, it is irritating beyond description.

And laws should be made not for the use of one particular group of officials representing one party, but they should demand justice for the citizens regardless of which party is in power.

The present administration has favored labor beyond the wildest dreams of the most fanatical labor leader. But how about the officials of the next administration? Are they likely to be just as liberal toward the workers? Every intelligent worker knows the situation may be reversed. The favoritism pendulum of the political clock may swing one way, allowing unusual privileges, and then it is likely to swing in the opposite direction.



If we give capital too much power it takes selfish advantage of labor. When we give labor too much power similar mistakes are made.

The commission which has been enforcing the restrictions of the Wagner Act has in some cases been prosecutor, judge, and jury, and many of their decisions have been biased to a scandalous degree.

It is the desire of some of our Government officials to place all workers in one union. They want to control business and industrial activities of all kinds, and naturally they want the C. I. O. and the A. F. of L. to join forces. With one big union, the Government's problem would be easy when the time came for them to control labor. All that would be required when ready for such a change would be to depose the leaders and place others of their own choice in their jobs.

As we have stated previously on this page, the workers who are advocating the Wagner Act are walking into a trap. They are playing with a political buzz saw. They are being led into certain regimentation. They are making it especially easy for this administration, when the time comes, to place a yoke around the neck of American workmen.

Through the American system, our workers have earned wages and maintained a standard of living unequalled in any other country in the world, and the Wagner Act is entirely foreign to our system, and it will closely ally us, both employer and employee, to the "goose step" of Europe. There is nothing American about the Wagner plan.

The workers who are being fooled into supporting this legislation will some day lose the liberties which they have valued so highly, if the principles which it represents are permanently maintained in this country.

BERNARR MACFADDEN.

[From Liberty magazine for January 13, 1940]

SENATOR WAGNER DEFENDS HIS ACT—LIBERTY GIVES BOTH SIDES—MR. WAGNER ASKED THAT HE BE ALLOWED TO ANSWER THE EDITORIAL BY BERNARR MACFADDEN WHICH IS SHOWN AT THE RIGHT—HERE IS HIS REPLY

American democracy means, first of all, the machinery of representative government—Congress, the President, the courts, the ballot box on election day. But this machinery would be empty ritual if it were not used to foster life, liberty, and the pursuit of happiness by the average citizen in his daily affairs. It would be small consolation for the American worker to know that freedom of speech, press, and assembly are included in the Bill of Rights if the exercise of those rights resulted in his being discharged as a "labor agitator." His traditional American right of collective bargaining would be a mockery if he were represented by a dummy union dominated by his employer. His right of privacy would be nullified if his every move were watched by professional labor spies. His right to "equality before the law" would disappear if the right of organization enjoyed by his employer were denied him by control of his means of livelihood.

The National Labor Relations Act makes certain that these inequities, which existed all too often in the years prior to its passage, will be permanently eliminated from our national life. By guaranteeing industrial freedom in our factories, it establishes American democracy on a 100-percent basis.

There is nothing new or untried about the Labor Act. In procedure it follows closely the Federal Trade Commission Act passed in 1914. In principle it follows the Railway Labor Act and the decisions of the War Labor Board. If the Labor Act is unconstitutional in any respect, then the courts have ceased to be the guardians of our fundamental law. In 20 successive decisions by the Supreme Court, not a line of the act has been held to infringe the constitutional rights of employers or employees.

The act has provided a peaceful forum for 25,000 disputes over employee organization and choice of representatives involving over 5,000,000 employees. Thousands of new collective agreements have been entered into, bringing to both management and labor a better understanding of mutual problems and a peaceful basis for cooperative solution.

As the fair principles of the law have become widely recognized, it is being used more and more to conduct free elections among employees instead of proceedings on charges against employers. The right to petition for an employee election, once vigorously opposed when invoked by employees, came to be demanded by employers, and that right they now enjoy under appropriate safeguards.

About a million workers—90 percent of those eligible to vote—have cast ballots in thousands of separate elections held in every part of the country. This record represents democracy at its best.

The law which brought more industrial freedom has also brought more industrial peace. In 1933, the first full year of its operation after being upheld by the Supreme Court, less working time was lost in strikes than in any year since 1931. Contrary to the normal trend, the business upswing in the year 1939 was accompanied by a decline in the number of strikes.

An increasing proportion of workers is now seeking redress through peaceful legal process rather than fight out their organizational grievances, real or imagined, on the picket line.

The Labor Act eliminates the causes of certain labor disputes, but it was never designed to settle all labor troubles. In some particular labor controversy, employers or employees may engage in violence or trespass; but against that type of offense, existing reme-

edies afford ample protection. In other controversies the legal use of the strike or lockout weapon may give cause for criticism; but we must always remember that the freedom which democracy guarantees includes the freedom to make mistakes. If we wiped out all free labor unions and employers' associations, and settled all employer-employee disputes by government fiat, there would be no "labor troubles." But when that day comes our democracy will be dead and we will have adopted the dogmas of the Communist and Fascist states.

Under the practices early established by the Nazi regime, for example, the leader of the establishment—the employer—lays down the working conditions for his followers—the employees—within the framework of certain state decrees. The free-trade union is prohibited. Men who agitate for better working conditions are jailed for an offense against social honor. Grievances in each factory are presented through a council of trusted men hand-picked by the employer and the Nazi Party and rubber stamped by the workers. Unsettled problems are submitted to the final decision of labor trustees and courts. The state-controlled Labor Front embraces both employer and employee interests. Among employees it promotes strength through joy, while stamping out materialism; that is, concern over wages, hours, and conditions of work. More recently forced labor has become the order of the day.

This systematic suppression of all human and property rights is too high a price to pay for peace in industry. The American people prefer to seek greater industrial peace within the framework of the American system. To that end the broad objectives of the Labor Act are supported by every political party and by patriotic citizens in every walk of life.

The Labor Act will doubtless be amended from time to time in the regular democratic way, in the light of experience. But whenever I find its principles obscured by disagreement over details or criticism of administrative personnel, I recall a comment made by an American statesman many years ago: "Concessions on the part of the friends of the plan, that it has not a claim to absolute perfection," he wrote "have afforded no small triumph to its enemies. Why, say they, should we adopt an imperfect thing? Why not amend it and make it perfect before it is irrevocably established?" His answer was: "I never expect to see a perfect work from imperfect man."

The statesman was Alexander Hamilton, and the imperfect plan of which he wrote was the Constitution of the United States.

## Aid to Small Business

### EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Thursday, January 18, 1940

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the distinguished Senator from New York [Mr. MEAD] at Washington on January 17, 1940, on the subject Small Business Needs a Helping Hand.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We cannot afford to neglect the problems of small business. Its welfare is too vital to the healthy heartbeat of American enterprise; too essential to our national economic stability to be victimized by inattention.

Since the economic collapse of a decade ago, industrial, financial, and political leaderships have paid lip-service to the needs of small business but, in terms of practical assistance and encouragement, only the most superficial remedies have been applied. The reasons for this unfortunate circumstance are, of course, easily understandable. Small business, in a collective sense, has been relatively inarticulate, individualistic, and unorganized. Small business, as a whole, has been unselfish, undemanding, and long-suffering. In the face of an acute and long-enduring credit dilemma, it has been reduced, in many instances, to a hand-to-mouth existence. Laboring under a constant strain of credit strangulation, it has almost miraculously succeeded in surviving a difficult decade of the sternest competition with larger and more fortunately situated business concerns.

Today the situation confronting small business is nothing less than downright desperate. Here is a cause that demands prompt championship by Federal legislation if ever one did. With national industrial prosperity predicted for 1940 by every economic expert, you may well ask why. Any small-business man can answer your question. The answer is that, after 10 years of credit famine, low earnings, and intensifying competition, he is not in a posi-

tion to participate in the current upward industrial swing. His inventories are low; his surplus funds are negligible; his machinery is antiquated; he needs long-term capital and credit in order to purchase supplies, to meet pay rolls, to buy new equipment, to modernize and to improve his plant production, to solicit new orders and to meet his big business competitor in the price field. It is right at this point that he finds he has met his Waterloo. Long-term, low-interest-rate credit, without which he cannot hope much longer to survive, is difficult if not impossible to find. Stymied by a short-sighted, insidious credit barrier, he is frequently condemned to a painful, lingering, but inevitable failure.

As, one by one, the lives of small concerns are blotted out, community problems multiply. Unemployment spreads and local relief burdens mount. Reemployment in a single small community becomes an impossibility perhaps to hundreds. Despair and bankruptcy shake civic morale to its foundations. It invites municipal bankruptcy; it contributes to wholesale distress; it creates continuing economic and social problems for that unfortunate community.

It would be improper and misleading for me to ascribe this entire chaotic condition to a lack of adequate credit facilities. Certainly there were many other major contributing factors to industrial failure during the early 1930's, but I do insist that the absence of adequate private and public credit agencies spurred on the debacle and intensified the already complicated problems of the average small-business man.

Let me make it plain that I do not lay the entire blame on the doorstep of the local commercial banker. Today I feel that he is the most potent force combating this repressive influence that stifles the very life of small business. Lately there has been a steady trend toward more sympathetic consideration by the commercial banker for the "little fellow."

Let it be said at this point that I have thought for a long time that our banks have been hampered in their efforts to meet current business-loan demands by what might be termed a triplication of bank examinations. Although this view is not shared by many in authority, the question continues to arise as to the justification for overlapping bank examinations by the F. D. I. C., the State banking departments, and the Federal Reserve System. It would seem practical, economical, and efficient to provide a more simplified system which would accomplish the supervisory purposes of the Government and at the same time relieve a great portion of the detail and red tape, of which the banks now complain.

A twofold program which would include legislation to supplement the present efforts of commercial banks to extend term loans to industry and which would simplify and diminish the existing repetitious regulations upon our banks appeals to me to be a sensible proposition. It must be pointed out that the banks are little more than scratching the surface of the business-credit problem. This fact takes on dramatic reality when we note that excess bank reserves or idle funds are now at a record peak, while business loans have shrunk to 50 percent of their volume of 10 years ago. Of the loans that are advanced, the vast bulk are in the form of short-term credits, which temporarily relieves but fails to solve the problem of small business. Compared with 10 years ago, total earning assets of the banks of the country are down 15 percent. Interest rates have sharply declined. The banks are tremendously eager to put their excess reserves to work. But, of course, it is absolutely necessary that only sound, legitimate loans be made. A bank's obligations to its depositors demand that a high degree of liquidity be preserved at all times. The degree of risk involved in the extension of a long-term loan to a small enterprise often makes such a loan unattractive to the prudent banker, and, in many instances, rightly so.

Particularly has this circumstance obtained during the past decade. As a result, the banks have largely frowned on long-term loans which would have served to bail out hundreds of small businesses and have, instead, concentrated on discreet although relatively unprofitable investments. This is shown by the fact that, over the last 10-year period, while bank loans have shrunk 50 percent, bank investments have jumped 70 percent.

In an effort to supply the long-term loans unavailable at banks, the Federal Government, in 1934, through the facilities of the R. F. C., sought to meet all unsatisfied legitimate credit needs of business. Businessmen who needed funds for any legitimate reason, which could not be obtained from local banks, provided they could offer adequate security and a reasonable chance for repayment of the loan, were invited to apply at the R. F. C. As a result, R. F. C. agencies throughout the Nation swarmed with applicants overnight. They are still applying in great numbers, which indicates the unsatisfied demands that continue to exist.

However, to the average business applicant, the R. F. C. proved to be no better than a private lending agency. Thousands of loans were extended but, in the bulk of cases, the terms demanded were too stringent for the applicant to meet. Most applicants discovered that they were dealing with an agency the demands of which equalled and often exceeded those of their local banker who was, in comparison, ill-equipped to extend the loan. In other words, the R. F. C. has failed in its appointed function to meet all unsatisfied, legitimate, long-term credit requirements of business. It has accomplished much good in many fields and I am an enthusiastic advocate of its purposes, but I am convinced that, insofar as small business is concerned, it has only fractionally met the vast demands for long-term credit on reasonable terms.

The Federal Reserve banks, in 1934, were given closely restricted authority to grant term loans to business for working capital purposes only. They have made good in this small field but, of course,

have lacked authority to widely assist in relieving the credit suffocation of small business.

We see, therefore, that small business has been struggling in a credit twilight zone where commercial and Federal Reserve banks have been unable to assist it and where the R. F. C. has, in spite of ample power, failed to materially assist it.

Such a condition, in my considered opinion, must no longer be tolerated. The credit frustration of small business must be remedied. It must be remedied promptly.

With the application of a proper credit remedy at this time, the future will be bright for small business in America. Several recent surveys have shown the rich untapped fields into which small business may successfully venture, provided it has the credit and capital to do so.

Experience has taught us that direct Federal business loans have been of only minor assistance in filling this need. A program of direct Federal loans to industry has proved to involve too much cost in time, patience, and money to the average applicant. If a practical, effective, decentralized, and convenient method for the provision of legitimate long-term, low-interest-rate loans by local commercial banks can be adopted, it will mean, in my judgment, the salvation of small business in this country. I am proposing such a method and I am urging its approval at this session of Congress.

Very briefly, my plan proposes a broadening of the present industrial lending powers of the Federal Reserve System. I would establish an industrial loan corporation as an integral part of the Federal Reserve System. This corporation could extend financial assistance to commercial or industrial businesses by acquiring their notes, debentures, bonds, or similar obligations, by purchasing preferred stock in such businesses, or by making commitments to acquire such obligations. These advances could have a maturity up to 10 years and would be principally aimed at assisting concerns needing term loans of 5 years or more.

The plan calls for the setting aside of an amount not exceeding twenty-five million as an insurance fund for insuring banks whose deposits are insured by the F. D. I. C. against losses which such banks might sustain on future loans to businesses.

This plan will require no additional appropriation, nor further indebtedness, on the part of the Government. The capital and surplus of the proposed corporation would be supplied from funds already set aside for the purpose of assisting Federal Reserve banks in making industrial loans.

I consider this a logical, sensible plan because it will utilize the existing facilities of the Federal Reserve banks and their branches. Loans will be made and passed upon locally where local community conditions are understood and appreciated. Loans will be made quickly and without the consumption of time and "red tape." Long-term loans will be encouraged and provided. The real concrete needs of small business will be recognized and promptly met.

In arriving at this legislative solution to the small-business man's problem, I have steadfastly insisted that no new bureau of government be created, that the Government must not stand to lose a cent in the application of the law, and that the initial control of credit must remain in the hands of the local banks where it properly belongs.

I wish to emphasize these points lest it be charged that I seek to project the Government further into business, or that I seek to establish a new, expensive division of government, or that I seek to open the way for an added financial burden on the Government, and, therefore, on the taxpayer. I seek to do none of these things.

What I am seeking to do is to provide a simplified, decentralized method of tapping the huge reservoirs of latent credit for the benefit of banks and businessmen alike. It seems incredible to me that we must resign ourselves to a circumstance that crushes the hope of small business and, at the same time, baffles the entire banking profession.

I submit that my plan is a modest, conservative, and yet effective answer to the present-day credit problem. We know we have got to solve that problem. The future of small-business enterprise in the United States depends upon its solution. I want the small-business men who may be listening to this discussion to let me know what they think of the proposal which I have outlined. I shall welcome comment from you and I pledge you my best efforts. Now is the time to accomplish something constructive for small business.

## Jackson Day Address

### EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESSANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

ADDRESS BY HON. HERBERT R. O'CONOR, GOVERNOR OF MARYLAND

Mr. D'ALESSANDRO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address



delivered by Gov. Herbert R. O'Connor, of Maryland, at the Jackson Day dinner held in Indianapolis, Ind., on January 8, 1940:

One may count himself as fortunate to be within the confines of the great State of Indiana and to assemble with the citizens of this great Commonwealth. It is no exaggeration to say that the sons and daughters of Indiana have ever been an inspiration in patriotism, leading citizenship, and in National and State pride. Just as Indiana is a State of extensive resources of agriculture and industry, so Indianapolis is to its visitors a city of exceptional beauty and striking vitality. When I observe, as I have, the excellence of your railroad service, centering in a commodious and well-arranged union depot; when one sees your attractive road bus terminal, the largest in the country I am told; when I think of your World War Memorial Plaza, conceived and executed on such a magnificent scale, it is not difficult to realize the vision, the resourcefulness, and the perseverance which have gone into the development of this great city and of the State of which it is the capital.

Your State capitol is, indeed, a worthy one for any State, or indeed, for any nation. It is interesting in its modern treatment to a visitor from Maryland as is our State capitol in Annapolis, the major part of which was constructed before the Revolutionary War, to visitors from your own section. All of which leads to the consoling thought that after all one of the things that makes our great Nation the leader in the family of nations today is its ability to assimilate the old and the new and to keep both in harness side by side, functioning smoothly for the mutual benefit of all concerned.

So, tonight I consider it a privilege to be among you and I am happy to bring you greetings from the people of a State whose origin may have been older by almost two centuries than those of the Middle and Far West, but whose feeling and whose loyalty for the Nation we jointly claim is as young and as vital as is yours here in this great Commonwealth.

Tonight, throughout the country, the Democratic Party celebrates its existence. Nothing is more heart-stirring than to refer to our parentage and to our date of birth. We may justly be proud to point to the fact that we were born with the election of Thomas Jefferson in 1800; that we came to full manhood with the Presidency of Andrew Jackson, 28 years later.

We gather tonight simultaneously with other assemblages of loyal men all over the Nation to pay our tribute to Andrew Jackson the cofounder of what is now the Democratic Party. More specifically, however, we grasp the opportunity to renew our allegiance to those principles of government he so ably and fully exemplified in his career and in his beliefs, which beliefs he put into practice in his life, examples which we can admire and can emulate with profit to the Nation whose course he helped to chart.

This seasoned old warrior, who could not be stopped nor swerved from his appointed course either by his opposition or by the bullets of his adversaries, had an abiding faith in his own kind—the common people of the country. He came up from among them. The son of a pair of Scotch-Irish immigrants—the father, a landless farmer, the mother a linen weaver—his boyhood was hard and his advantages few, indeed. What he knew he learned from life rather than from books. He knew warfare from his early years. He was under arms when he was 13, and ever afterward was ready for the call of his country, either to fight her enemies in the field or to serve in the guidance of her destinies. And yet, from his humble beginnings, he became judge, Member of the House of Representatives, Senator, and President. Throughout this memorable career, his course was always straight and direct; guided by his belief in what he thought was right, pursuing it undeviatingly to the end.

He knew calumny and treachery from those he thought to be his friends, and the bitter opposition of those who fought his policies as President. But he did not swerve a hand's breadth from his way, which intuitively he knew to be in the interest of the kind from which he had sprung, even if those policies conflicted with the tenets of the aristocracy of his day represented by the Clays, the Calhouns, and the Websters.

He was what in these days would be called "a rugged individualist," and he was an individualist to the core. He believed in his country and its Constitution and in the guarantees of that Constitution to the masses of its people and to the minorities. He did not propose to see those guarantees impaired by persons he regarded as nullificationists. He fought them at every turn and they fought him. In one of the greatest crises facing the youthful Nation in his day, he took hold of the situation and showed his teeth and proved his mettle. That was the instance when a mighty financial and monetary institution, the Bank of the United States, dared to assert its superiority over the agencies of the Government itself. I might be pardoned for referring specifically to this momentous event because it was with the backing and counsel of Roger Brooke Taney, of Maryland, his Cabinet officer and later to become Chief Justice of the Supreme Court of the United States, that Jackson struck down and crushed this engine of special privilege, convinced that it discriminated against the people in favor of particular classes and interests. It was but another expression and application of Jacksonian democracy exercised to relieve the masses of people from exploitation and plunder by favored classes.

He believed in the freedom of the individual to work out his own destiny. All he asked was a fair field and no favor and with

that, under the Constitution he loved, he felt that any man with the right stuff in him could make his own way. And was he himself not proof of this? Hard work, a willingness to fight for what he thought to be right, and an inflexible purpose to succeed, had taken him, a poor, unlettered boy from the hills of Tennessee, to the White House. He asked neither the Government nor anyone else to do for him what he could do for himself. But in doing for himself, he proved what America offers by way of opportunity, and he demonstrated that democracy as a philosophy of government is the soundest and surest charter of individual liberties and of human rights.

Doubtless, we are better situated to evaluate the worth of various leaders in this Nation's history than those who lived even during the stirring and eventful periods through which our country has passed. As we gaze back over the rise and fall of men and issues, it is possible to agree on what really counted. To the glory and pride of our race, men have risen who by nature and intellect sincerely believed in, and took a whole-hearted stand for, the broad application of the meaning of democracy to men and women. Unfortunately, that character of leader does not appear often. We have had probably not more than ten or a dozen in our history. Jefferson, of course, comes to mind; Lincoln made a distinct contribution; Grover Cleveland and Woodrow Wilson were bright lights in the firmament of the country; our present period is not without illustration—all humanitarians in the broad sense of the word. But no matter what names may be mentioned, the name of Andrew Jackson must be included in the list.

It is because his name and memory constitute a symbol of democracy that hundreds of similar celebrations are being held tonight throughout the Nation. Historians have said that it was only with the advent of Jackson that political democracy was begun to be realized in the United States. Prior to his selection as Chief Executive our Presidents had been chosen by a relatively small number of the dominant leaders of our social and economic life. The selection of "Old Hickory" was the result of a virtual revolution in our political system and was brought about by the upsurge of the great mass of people of that day.

One foundation stone underlying the very existence of our party has remained steadfast since the days of Thomas Jefferson and Andrew Jackson. The guiding star and great light of our party has been humanitarianism. Its supreme objective has been the comfort, the happiness, the living of people—not the people as an organized entity, but as individuals—the men, women, and children who make up the community or the State. With this broad, practical, and applied humanitarianism as their vital principle, the policies of the Democratic Party have, from period to period, taken form and substance as the contemporary requirements of the people have demanded, for their protection, relief and welfare.

The demands of true democratic humanitarianism in its application to the aid and benefit of the people in large masses are necessarily as varied and multiform as the different needs of the people from time to time. True democracy, therefore, is and must be progressive and flexible. It must be made to fit the conditions and demands of the people as those conditions and demands change and develop from age to age or from emergency to emergency. Plainly, the bedrock principle of Thomas Jefferson's political creed was a broad, benign humanitarianism. True, the condition of the American people in the limited territory of his day, along the Atlantic seaboard, did not call for the extreme applications of government aid for the relief and succor of the people. But the principle was there in its full potentiality.

And when the next great Democratic leader, Andrew Jackson, was swept into power it was as a champion of the rights and needs of the rank and file of the people in their humbler existence in the newly acquired wildernesses of the Louisiana Territory, together with the less-settled portions of the old Northwest. To bring relief, support, and assistance to the great majority of the people there, to recognize in a humane way, by humane policies, their rights to protection, aid, and relief, to extend to them the broad and beneficent humanitarianism of the cult of democracy was the great work of Jackson, and by following the same line of reasoning we can bring to our own day the application of humanitarianism through democratic administration. In recent years we have witnessed the greatest humane social benevolence ever practiced by any national administration to the benefit of suffering people.

In its administration of social security, of old-age assistance, of aid to the unemployed, to the crippled, and to the dependent children, the present Democratic Party has achieved the real purpose for which it came into existence; and in giving credit where credit is due, let it be definitely understood that the fulfillment in our day of the aims and social security to the lasting benefit of the present and future generations has been due to the leadership, the initiative, but, above all, to the humanitarianism of another great Democrat, who tonight occupies the White House, in the person of Franklin D. Roosevelt.

Running through all of those outstanding administrations is the same basic and foundational principle. It is a recognition of the worth and dignity of human beings. This prevailing attitude has spelled success for the Democratic Party and will continue to be its main bulwark.

It was Jefferson who wrote:

"The freedom and happiness of man are the sole objects of all legitimate government."

Fourteen words, but a volume of thought and philosophy and purpose embodied in one sentence; and Jefferson's doctrine, thus

expressed, was echoed by Andrew Jackson and has been enunciated in action, as well as by word, by President Roosevelt.

In addition to the actual accomplishment of a social-security program, concerning which previous administrations had merely talked, many other accomplishments can be cited to the present-day credit of the party founded by Jefferson and Jackson. No incoming administration throughout the entire period of American history ever faced a greater crisis than existed in 1933 when the closing days of the Hoover administration resounded with the clang of the closing doors of every banking institution in the United States. Many financial institutions were in collapse, and chaos threatened the country. Under the magnificent leadership of our President, this problem was not only solved but provisions were made to prevent any recurrence. The insurance of bank deposits was perfected. The gambling with other people's money by unscrupulous bankers and stockbrokers was effectively stopped.

Furthermore, a farm program has been written which for the first time has given agriculture its deserved place with finance and industry. This administration has recognized that upon the farmer's success depends, in no small measure, the success of the country.

The pump-priming activities of government undoubtedly have started the wheels of industry moving forward. Through W. P. A. and P. W. A. projects, through Federal Housing and Home Owners' Loan undertakings, the Federal Government has tided over much needed activities in various sections of the country. The inauguration and pursuance of C. C. C. camp activities have not only resulted in material assistance to countless rural and urban sections but, what is even more important, they have had an intangible value not to be reckoned by dollars and cents, through the employment and advancement of the young people of today, who as a result will be worth-while citizens of tomorrow.

We are justified in feeling that the party to which we owe allegiance has been the instrumentality of good government, and that it has been versatile and capable of meeting any situation with which the country has been faced. Discussion is frequently heard that some recent undertakings of government were never intended to be projected when a central union was conceived. We will hear more of this opposition as 1940 progresses—more talk of returning to the "catch as catch can" methods of big business; more argument to the effect that government has no responsibility toward such minorities as the sick and needy, the luckless inhabitants of the Dust Bowl, the slum dwellers, and the sweatshop children. But we contend that democracy, as represented by the party bearing that name, believes that it has a duty beyond mere governmental routine. As democracy has become more Americanized it has also become humanized. Let us again turn back a page of history.

It was Jefferson who brought the idea of equality into politics. That was a great shock to the conservatives of his day who had inherited our ideas from abroad, and the very thought of allowing the workingman to have a vote sounded like anarchy. He was a dangerous radical, some thought, and he was even called a much harsher name, "a Democrat," which, in those days was equivalent to an insult. Nevertheless, the Jeffersonian doctrine was endorsed by the voters and, strangely enough, the country survived. Not only did it survive, but it actually prospered.

What happened during the early 1800's was that democracy had taken out another set of naturalization papers. During the 28 years when the party of Jefferson remained in power, voting restrictions dropped away and the country witnessed the first great wave of popular government, culminating in the election of Andrew Jackson. But by the time "Old Hickory" came into office the radical ideas of yesterday had gathered conservative moss. A few die-hards still believed suffrage would eventually ruin the country, but they were willing to let someone else worry about that so long as government kept hands off business. And as Jefferson felt that government belonged to the people, so Andrew Jackson contended that it owed protection to the people.

His fight to subdue the monopolistic banking corporation, enthroned in the Government, revealed a new conception of social responsibility in a political party. We can tonight trace the spirit of Andrew Jackson down through the pioneering administration of other great Democratic Presidents—of Grover Cleveland, who electrified the country with his ringing slogan, "A public office is a public trust"; of Woodrow Wilson, with Thomas R. Marshall, of Indiana, at his side, whose philosophy of the new freedom opened new frontiers of humanized government; and finally down to the far-reaching, progressive, and socially minded achievements of Franklin D. Roosevelt.

No more opportune time than the present for members of our party to repeat the announced principles of Jackson and of Jefferson, and more especially to rededicate themselves to those first principles which their careers and campaigns did so much to exemplify. This is particularly true at this very hour, both because of extraordinary conditions at home and the revolutionary conditions abroad. In domestic matters, we must be alert to preserve the results of the progressive action of the Democratic administration during the past 7 years. The people of this country do not want to return to the day when social security was merely a subject of discussion, to the day when labor was denied its fundamental rights, when stock exchange manipulations and financial legerdemain were the order of the day, when the helpless unemployed were given the freedom of starving under local supervision without any act of Federal

intervention. The Republican office seekers may desire the return of that day, but 27,000,000 voted the other way about 3 years ago, and 27,000,000 Americans can't be wrong.

In referring to the situation abroad, it is unnecessary for anyone to remind you that the ideal of democracy is on trial for its life today on the battlefields of Europe. It is unnecessary for anyone to point out to you, as well-informed people, that the ground we walk on every day is the only place on earth where the great-grandsons of free men are still free and still at peace.

We have no right to be smug about it; no right to take these things for granted. Too often we are apt to suppose that democracy was a native product of the North American Continent, and that we merely fell heir to it as we did to all the other vast resources which have made us the most fortunate nation in the world. What we are tempted to forget is that our governmental systems and political philosophies and very habits of thought as to civil liberty and personal freedom became American by processes of evolution and that we must guard them jealously in order to keep them from being twisted out of shape. We will have no one to blame but ourselves if the Democratic Party is not kept continuously refreshed and revitalized to meet conditions in this changing world as they occur—and the world doesn't stand still.

Again referring to history, we have definite evidence of the differing objectives in various periods striven for by Democratic leaders from the day of Jackson until the present time. On January 8, 124 years ago, Jackson won his great victory at New Orleans. Against great odds he triumphed over the veterans of Wellington and the conquerors of Napoleon. Records of that engagement show that in the preliminary assault Jackson was supported by only 1,500 men and bested an enemy encampment of 7,000. The great climax came on January 8, which marked the end of foreign invasion of our soil. But more than that, Jackson, through military efforts, had secured permanently the absolute independence and security of this country on land and seas. This great Democrat, as a warrior, had brought success in the second war for our independence. All of this was accomplished through extraordinary military efforts.

Today the Democratic administration of Franklin D. Roosevelt is giving unmistakable evidence of its desire to use every means and method known to it to insure the peace of the country. Our people today are essentially peace-loving. They are as one in the conviction that difficulties and differences underlying wars abroad are not of our doing and are none of our business. Not being responsible for the squabbles of European countries, we are not going to "pull anybody's chestnuts out of the fire."

Every parent in America will agree that the life of one red-blooded American boy is worth more than all the raw materials, booty, and prized lands which form the basis of conflicts between our neighbors across the seas. The present Democratic administration, with President Roosevelt as its spokesman, is striving valiantly to maintain peace for the country. It is a fortunate thing that in such a crisis as the present, an experienced and courageous person is in the White House and that he is aided by such an able Secretary of State as Cordell Hull. By showing its attentiveness to the public interest, by adhering to the wishes of the great body of American people, by choosing to continue along the path of peace, the Democratic national administration gives evidence that the principles and purposes underlying its existence can be adapted to the entirely changed situation than that which confronted the country in Andrew Jackson's day.

No safer rule can be followed than to base a prediction of future conduct on that which has been done in the past. Such a rule is applicable to a group of men composing a political party just as certainly as it is applicable to an individual. Applying that yardstick, Americans can feel the safest by entrusting their destinies to a party such as yours, which has measured up to every emergency in the past. We are fortunate and thankful that the Democratic Party was, and is today, the melting pot of the North and of the South, of capital and of labor. In a day when Republicans still waved the "bloody shirt," the Democrats elected a New Yorker, Grover Cleveland, with southern votes. Then they sent a Virginia Democrat, Woodrow Wilson, to become Governor of New Jersey before he went to the White House. It was a Democratic administration that first gave labor a seat in the President's Cabinet. It was a Democratic President who first put an outspoken liberal on the Supreme Court of the United States.

But after reviewing the many developments we might ask whether the Americanization of Democracy has come to an end. Well, we might just as well ask if the human body—if any living organism—can cease to assimilate food and still continue to live. New ideas, necessary to meet new and ever-changing problems, are the very sustenance of this ageless dream.

What was radical to the Pilgrim Fathers was middle-of-the-road doctrine to their grandchildren. The French theories of Thomas Jefferson were American homespun to Andrew Jackson, and so it goes. The moment we close our minds to progressive thought, that moment we cease to be alive. This is the challenge of the Democratic Party from this anniversary of Andrew Jackson's triumph on. The year 1940 will be epochal in the Nation's history as well as in the party's annals.

Let us not draw back in alarm at the reactionaries who will always be among us to raise their voices in great alarm because something new is being suggested. In 1895 the spectre of an income tax caused Joseph H. Choate to call that form of legislation



"a communistic march." As late as 1912 President Taft was declaring that popular referendum "is socialism." We smile at those preposterous fears today, but they were the bugaboos of yesteryear. Let us go forward with confidence in the ability of our party—so many times proven—to Americanize any idea before it is digested.

Reference to the undoubtedly great part played by Jackson in shaping this country's future would not be complete without the recital of the estimate of this man by John Fiske, admittedly the outstanding contemporary authority on the Government and institutions of the United States. He said:

"The theory of government set forth in books is that the most clear-headed and powerful thinker now living in the world, is a man who, moreover, is thinking thoughts of tomorrow as well as of today. In spirit it is most profoundly American, but not in the sense in which that word was understood by Clay and the Whigs. It was Jackson whose sounder instincts prompted him to a course of action quite in harmony with the highest political philosophy."

Death came to this begrizzled warrior at his home, the Hermitage, in 1845. It can truly be said that his people, the plain people, could not find words adequately to express their grief, but they mourned him only as England mourned him in Tennyson's lament:

"Oh, good gray head, that all men knew;  
Oh, iron nerve, to true occasion true;  
Oh, fallen at length, that tower of strength,  
That stood four-square to every wind that blew."

Before he "crossed the bar," a most interesting occurrence took place with Gen. Sam Houston as one of the leading figures. Though facing death "Old Hickory" was resolved that Texas would ratify the resolution of annexation passed by the Congress, and he waited anxiously for word from the messengers he sent to the Lone Star president. Finally, on May 26, he was elated to receive Houston's favorable decision. Furthermore, he was informed that "Old Sam" was on the way to act in person to his former military chief. At dusk on June 8, some hours after Andrew Jackson had finally entered into the great beyond, a coach rolled madly into the Hermitage grounds and the towering figure of Sam Houston emerged, accompanied by a very small boy. When led into the presence of the earthly remains of his one-time chief, Houston broke down and sobbed and calling his son to his side he said: "My son, try to remember always that you have looked on the face of Andrew Jackson."

But in the light of all this, what lesson does it bring to us? What significance has it in the light of present-day problems or of future emergencies? The meaning of it and the causes for which Jackson and his cofounder Jefferson lived and fought and died would be wasted if it did not command us to carry on—now. Their party, your party, the Democratic Party, is the political organization which has lasted throughout the history of the country. It has survived a civil war, which temporarily disfranchised a majority of its members. It has lived through the lean years of defeat and, what is more remarkable, through long stretches of practically unopposed success. Doubtless therein lies the real reason for its long life. Primarily, it is because the party was built upon a rock—the never-shifting principle that government belongs to the people. And of no less importance, the party has continued to exist because of its response to progressive and liberal ideas.

Let us, on this day, rededicate ourselves to the ideals of democracy as symbolized by Jackson, by Jefferson, and by Roosevelt. In recurring instances, fraught with difficult conditions, the Democratic Party has striven to bring about betterment for the great mass of people and to chart a course in keeping with the time and conditions for our national life and activities. Also the underlying philosophy has been the same, although the means necessarily was different. But by adhering in the future to this same philosophy, by manifesting the courage of Jackson in fighting to retain the gains already won, we will so strengthen our life that the dangers which come from further difficulties will be mastered. The dangers which come from the importation of various "isms" will be dissipated through the application of this doctrine of a system of government based upon the individual's inalienable rights. The dangers which may come from wars and revolutions abroad will disappear in the face of a free, contented, prosperous, and happy people.

This, then, is the charter of our rights. The principles of Jackson are our traditions. We owe it to ourselves; we owe it to the memory of those great names which stand as the founders of the party—Jefferson and Jackson—we owe it, above all, to the country to see that the democracy which has been Americanized does not falter or fail in the days ahead.

In taking my departure I can think of no more ringing appeal than that which was inspired by the glorious achievements of Andrew Jackson and was voiced by a devoted descendant as the rallying cry to the democracy of his day, which was, and is:

"Freeman, cheer the hickory tree;  
Its boughs in storms have sheltered thee;  
O'er freeman's land its banners wave;  
'Twas planted on the lion's grave;  
Firm, united, let us be,  
Rallying around the hickory tree!"

## New Orleans—A Battle and a Boon

### EXTENSION OF REMARKS

OF

## HON. OVERTON BROOKS

OF LOUISIANA

### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Louis Johnson, the Assistant Secretary of War, on the occasion of the celebration of the one hundred and twenty-fifth anniversary of the Battle of New Orleans, New Orleans, La., January 7, 1940:

Citizens and friends of New Orleans: To bask in the warm sunshine of the traditional hospitality of New Orleans, is the dream of every American who appreciates the good things in life. You have them all here—delicious food to satisfy the most epicurean gourmet, cultural advantage to stimulate the most artistic temperament, scientific experiment to excite the most searching mind, economic opportunity to attract the most practical head and human sympathy to understand the most sensitive soul. New Orleans is a brilliant jewel in the diadem of American civilization and a united Nation wholeheartedly rejoices with you in your celebration of the epochal victory of 125 years ago.

On the outcome of the Battle of New Orleans, on January 8, 1815, hung the destiny of an entire Nation. Few people then recognized its full import. Not all Americans, even now, have caught its full significance. Yet it is fair to say, that had Andrew Jackson failed, this fair Crescent City might have remained an international football to be tossed around between Great Britain, France, Spain and perhaps other countries. Had there been no battle of New Orleans the Mississippi might have become a Rhine, a Danube, or a Vistula, along whose banks peoples live in fear and hate, and into whose waters human blood perennially flows. Had Lord Packenham and his hosts carried the day, the war that now sweeps over Europe and engulfs the Canadian shores, would have dragged this peaceful valley into its deadly maelstrom. If it was Yorktown that made us free, then it is New Orleans that has kept us so.

As for the battle itself, it was a victory of a David over a Goliath. It was a triumph of a hastily mobilized, inexperienced force of determined frontiersmen over a well-organized, thoroughly trained army of professional soldiers. As for bravery, there was little to choose between the gaily clad, clean shaved, neatly groomed British veterans, and the ragged, unshorn, and untidy American recruits.

America won, because it was fortunate in its leadership. Who but Andrew Jackson could have welded into a cohesive fighting team on such short notice, the wide variety of men and organizations that responded to his call? There were Beale's famous rifles, the pick of New Orleans' families and Lafitte's notorious Baratarians, the outcasts of Louisiana society. There were white émigrés from France, colored refugees from Santo Domingo, Indians from the Choctaw Tribe, and African slaves from the nearby plantations. Mississippi dragoons, Tennessee riflemen, Kentucky musketeers, Coffey's "Dirty Shirts," Planche's Creoles, and American Regulars vied with each other, faithfully to serve their gallant commander.

In 25 minutes of actual fighting this motley array of self-reliant, courageous "minute men" under the personal command of Old Hickory destroyed the flower of the British Army, fresh from its successful campaigns in the Spanish Peninsula, where it proved more than a match for the great Napoleon and his doughty marshals.

Second only to Jackson's leadership, the decisive factor in the victory of New Orleans was the deadly accuracy of the American riflemen. In 1815 we were a Nation of sharpshooters. We still had our frontier where hostile Indians and beasts of prey lurked in the forests and swamps, and only those survived who could shoot and shoot straight. We still had an abundance of bird and game, and gentlemen learned to shoot for sport. We still held faithfully to our traditional conception of the militia which looked upon every able-bodied man as a potential rifleman. The musket then was a household necessity and hung conspicuously over every hearth.

That American pride in individual marksmanship today, alas, no longer exists. Young men have turned to other forms of sports, just as manly, perhaps, but in an emergency, less useful. If war should ever come to us or to our children, it will be our ability to fire a rifle rapidly and accurately that will spell victory on the battlefields of tomorrow, just as it did 125 years ago along the mud walls of the Rodriguez Canal. Airplanes, tanks, and combat cars have their place, but in the last analysis it is the man with the gun who takes, holds, and defends the ground.

The War Department recognizes that fact and stresses training in rifle marksmanship in the Regular Army, the National Guard, and the civilian components. At best, however, this instruction reaches but a fraction of our young men. To increase interest in rifle shooting throughout the United States, the National Board for the Promotion of Rifle Practice which functions under my office, and the National Rifle Association of America, working together, have fostered the establishment of civilian rifle clubs throughout the country. They are not military organizations in any sense of the term. They engage in rifle shooting as a sport and merely enjoy the advantage of military arms and ammunition. Today there are approximately 2,300 such senior clubs, with a membership of about 130,000, and 1,250 such junior organizations, with an enrollment of about 50,000.

The rules for establishing such clubs are quite simple. Ten or more able-bodied men above the age of 18, residing in any locality, may organize a civilian rifle club. My office in Washington will furnish further details upon request.

I am stressing the value of these clubs to you in Louisiana today because you have taken less advantage of this opportunity than any other State in the Union. You have but one rifle club in the whole State. It is the Crescent City Rifle and Pistol Club. You may well be proud of that organization; but one club of 12 members is hardly enough for a State such as Louisiana. Montana, for instance, has 46 clubs and Utah has 33. Wyoming has a ratio of 1 club member for every 184 of its population. New York's ratio is 1 to 1,296; Texas, is 1 to 3,903; but Louisiana is last among the 48 with 1 to 177,666.

In loyalty to the traditions of Old Hickory and to the famous Beale Rifles, I trust that a more universal interest in marksmanship will be revived among you.

Today we behold throughout the country a revival of interest in all things military. At last America is awakening to the importance of adequate national defense. Congress is opening the purse strings and is covering the starved Army skeleton with flesh and muscle. Within the Army itself there is a renaissance of study of the art and science of war. Throughout the South especially the progress of the Army is stimulating discussion, for you in this part of our country are witnessing today the most significant steps taken in the peacetime history of our country toward the perfection of our military organization. I refer to the Army's new training program, which calls for concentrations and maneuvers at various points in the Fourth Corps area.

The idea of military maneuvers is not novel. We have had them before, but never in the past have they proved of great value. What in the last 5 years one let pass under the guise of military maneuvers were in fact nothing more than troop assemblies of Regulars, few in number, and of National Guardsmen, limited in experience. We called them our "minute men," but if rushed into campaign conditions upon little notice to crush a stalwart foe, they might not have lasted very much longer. Imagine a National Guard physically hardened for arduous campaign on no more than 12 to 13 training days a year under field conditions. Think of a Regular Army ready for action without corps troops and with improvised command and staff. Yet it was under such conditions that our maneuvers of yesterday had to be conducted.

When we lacked troops, we merely substituted map symbols for live men and living organizations. When we found no corps organization, we simply skipped it in our demonstrations. When we saw that we could not marshal the necessary trucks, we improvised with horses and mules. When we had difficulty in renting the ground we needed, we had to permit limitations upon our maneuvers imposed by landowners, unwilling to convert their farm lands into battle fields even when war conditions were but simulated.

All that we rapidly are changing. We have reorganized five divisions and now are putting them into the field. We are organizing and training corps troops for concentrations early in the spring. We are providing opportunities for the development of leadership and technique for command and staff duty. Morale is high. Officers and enlisted men are enthusiastic. The climate is proving ideal for training.

The Army appreciates the opportunities that this new program affords. The cobwebs that have been spun over the military art and science since Armistice Day, 1918, are being brushed aside. At last, a solid basis for the understanding and practical application of the principles of war to modern battle conditions has been afforded our Army. The results should have tremendous effect upon our military policies.

These concentrations of men and machines are bringing to light many shortcomings. They show, for instance, the difficulties of supply. We always have maintained that it takes twice as long to provide equipment for a recruit as it does to train him. Many of our divisional organizations may already be in the field but it will be May 15 before they have the minimum of motor transportation that we have prescribed for them. It is taking us more than 6 months from date of contract to date of delivery to get the trucks, the reconnaissance cars and the ambulances that we need. I say this in no criticism of the automotive industry that is furnishing the vehicles nor of the Army that has drawn up the specifications. If we could get delivery in about 6 months on every Government contract our industrial mobilization program would give us but few worries. But if it takes 6 months for a well-established, experienced, mobilized, and efficient organization such as the automotive indus-

try to deliver, think what may await us when we order guns, ammunition, searchlights, and gas masks which are not in ordinary production at all.

Thanks to the \$110,000,000 that Congress provided for equipment during the last session, we are making considerable progress in getting our Regular Army and National Guard ready but we still have many needs to be filled.

These maneuvers show us, however, not only our weaknesses, but also our strength. More and more we realize, for instance, what a valuable asset to national defense the National Guard has become. It has proven itself one of the principal boons toward the success of our present training program. Without its cooperation we would have been stymied. It loaned camps. It took on additional training in the field. Civilian employers cooperated and extended leave to National Guardsmen to enable them to attend these extra camps.

All of us, however, Regulars, National Guardsmen, and Reserves, who are intensifying our Army training and our military studies do so with the fervent prayer that we shall never have occasion to use the added experience in actual combat. We want no war anywhere against anyone, and we believe that in the increased efficiency of our Army, we present a sound investment in our national insurance against war.

If an emergency should arise, however, we shall be able, because of this increased training, better to serve our country. If go we ever must, we shall march forward in the spirit of your own famous Washington artillery. Try Us is their motto.

"You shall not find them wanting," the Nation may well respond.

## Journalism of the Bygone Days in Indiana

### EXTENSION OF REMARKS

OF

### HON. LOUIS LUDLOW

OF INDIANA

### IN THE HOUSE OF REPRESENTATIVES

Monday, January 8, 1940

Mr. LUDLOW. Mr. Speaker, the city of Indianapolis has one of the best press clubs in the United States, conveniently housed in commodious quarters facing Monument Circle, in the heart of our city. The club was organized in March 1934, with Maurice Early, one of the most outstanding political news writers of the country, as its first president. In its present location it occupies the former editorial rooms of the old Indianapolis Journal, and James Whitcomb Riley, the Hoosier poet, whose genius was first developed through the columns of the Journal, had his desk in what is now the club's front room. The club has dedicated that room to Riley's memory, and his picture is prominently displayed. The present officers of the club are: Corbin Patrick, the Indianapolis Star, president; Harry Daniels, the Indianapolis News, vice president; E. G. Bowman, the Indianapolis Star, secretary-treasurer; Walter Morse, the Indianapolis Star; Robert Hoover, the Indianapolis News; Jack Forcum, the Indianapolis Star; Bennett Wolfe, the Associated Press; Audley Dunham and James Carr, members of the board of governors. The club is composed entirely of working newspapermen and supported by them.

Since I was raised in the arms of the press and was actively identified with Indianapolis and Indiana journalism of the bygone years, the club extended to me the distinguished honor of being its guest and speaker at a wonderful reception on the night of Wednesday, December 27, last. I was introduced by Mr. Corbin Patrick, president of the club. By unanimous consent of the House, I submit for printing in the Appendix of the RECORD the following press report of my remarks on that occasion:

#### REPORT OF PRESS CLUB RECEPTION TO CONGRESSMAN LUDLOW

The Indianapolis Press Club was host last night to Representative LOUIS LUDLOW, who related many reminiscences of his early struggles as a newspaper reporter in Indianapolis and his experiences during his career of 28 years as a Washington correspondent, capping his recital with stories about the great and the near great with whom he has come in contact. There was a note of deep sentiment in his talk when he said:

"Indianapolis was good to me when I was a verdant, friendless, penniless boy, a stranger in a strange land, and part of my mission tonight is to tell her how much I love her."



The Congressman began his talk by saying that it was regrettable that the pronoun "I" would have to appear so often in his recital, but that he had not mastered the technique of relating reminiscences without using the personal pronoun. He led his hearers back to "a bright June day in 1892" when he first came to Indianapolis from the country, a lad of 18, obsessed with a desire to get a job as a writer on a newspaper.

"It may be that greener boys have come out of the deep bush, but I doubt it," he said. "I had been raised in a section of Indiana where the wilderness was still more a fact than a memory."

He first offered his services to the Indianapolis Sun, a little afternoon paper published on Ohio Street between Pennsylvania and Delaware.

"It was the smallest and least pretentious paper here, and for that reason I thought it would be the most amenable to reason," he said.

When, after a 2 weeks' try-out, the editor gave him a fatherly lecture and told him he was a member of the permanent reportorial staff at \$10 a week, he almost "burned up" with gratitude.

"The salary was his suggestion," said the Congressman. "I would have been glad to work for \$4 or \$5 a week. Ten dollars to me was a princely sum. To be known as a representative of the press was to me the summum bonum of earthly ambition. Salary was wholly secondary. I believe I would have died for the Sun, so strong was my sense of loyalty to the newspaper that had given me a job. In fact, on several occasions I did almost court death for it, for while I was utterly devoid of malice and my intentions were the best in the world, my technique was bad. When the city editor gave me an assignment, I considered it to mean that I was to execute the assignment or die in the attempt. My first regular assignment after my try-out period was to get a statement from an outstanding professional man who had been having domestic difficulties. He was at his office when I called.

"I am a representative of the Indianapolis Sun," I said. "Can you tell us, for publication, whether you and your wife have made up your differences?"

"He made a dive for me, and I made a dive for the door and beat him to it. I believed then, and I still believe, that he was displeased with that question.

"My zeal brought me into conflict with the attorney general of the State, a big man with powerful muscles, and we had a fight. I call it a fight, and so it was, in a way. Two blows were struck. He hit me and I hit the floor. When he found how well-meaning I was he apologized, and I never had a better friend than he was from that time on.

"Again I fumbled the ball when I was assigned to the death-watch over a beloved old priest who was an outstanding character in the diocese of Vincennes, now the diocese of Indianapolis, Father Augustine Bessonies. Everybody knew him and loved him, and there was much concern over his condition. The Irish girl who came to the door repeatedly put me off, and I was beginning to suspect that she did not appreciate my dignity as a representative of the press, so one day I said to her, with iron in my voice:

"I want you to send Mrs. Bessonies out to see me. I want to talk over this matter with her."

"That act of mine became noised about, and it has brought more fame to me than any other act I ever committed. It has been written up in newspapers and magazines, times without number, and even now hardly a week passes but some one says to me: 'You are the man who interviewed the priest's wife, aren't you?' Being a man of truth, without guile, I have to say, with becoming modesty, 'I am.'"

Mr. LUDLOW exhibited a key chain which he said he has worn every day for 47 years. It was given to him by the editor of the Sun, with a key to the office, so he might begin his work earlier than the regular working hour.

"The regular hour to report was 7:30," said the Congressman, "but I gathered stories around the hotels at night, and by coming to the office at 4 and 5 o'clock I would have my stories written and ready to place on the city editor's desk at opening time. I requested a key to the office, and the editor threw in the chain. Having worn it for 47 years, it has become quite a part of me. On the rare occasions when I don a dress suit I transfer the chain to it. See me and you see my chain."

The boy reporter made friends rapidly but two men in particular were always gracious and helpful—John H. Baker, judge of the Federal court, and John C. McNutt, State law librarian, father of Paul V. McNutt.

"I have been in court when Judge Baker would lecture great lawyers like Benjamin Harrison, W. H. H. Miller, and Ferdinand Winter, until he almost made their teeth rattle, but when court adjourned and I entered his chambers he was gentle as a woman. He seemed to think there was something in me worth developing, and my father could not have been kinder to me. His attitude toward me has always seemed to me the shining example of noblesse oblige. He had been a Member of Congress, and he expatiated on Washington and governmental affairs a great deal. I was entranced by the things he told me, and if it had not been for those talks I probably never would have gone to the city of Washington. I also spent much time with Mr. McNutt, where the reception was equally gracious and cordial."

Long ago in Indianapolis there was another press club which was described by Mr. Ludlow as follows:

"In the nineties we had a press club in Indianapolis. As far as I am aware Mr. Hilton U. Brown, of the Indianapolis News, and I are the only survivors of that club. It was a very anemic and inconsequential institution compared with the splendid press club you

now have. It was domiciled in a basement on South Pennsylvania Street in what is now a part of the Indiana National Bank Building. Our press club of the nineties had its ups and downs—principally its downs. When we went into the red, which was frequently, James Whitcomb Riley was our savior.

"Riley had a lecture on the peanut, which was the funniest thing I ever heard. In it he impersonated a bumptious country school master lecturing to his class and using a peanut as an illustration. His sole property equipment was a peanut, which he carried around with him at all times. Whenever our club got heavily in debt Riley would give his peanut lecture and bail us out. Riley's peanut was like a mine of gold to the press club of that time."

Describing the early type of partisan journalism, Mr. LUDLOW said:

"In these days, when newspapers try to tell the truth in their news columns, no one could imagine the extremes of partisan journalism which I witnessed in the nineties in Indianapolis, when the Sentinel, the Democratic organ, and the Journal, the Republican organ, were at each other's throats. For example, if there was a Republican political meeting with 500 actually present the Sentinel in its account would say that the meeting was attended by a couple of dozen women, a broken down old man, and a stray cat while the Journal would say that 4,256 were present by actual count. The height of partisan venom was reached when the Sentinel, displeased with a decision of the Indiana Supreme Court, poured out the vials of its wrath in an editorial captioned 'Damn Their Cowardly Souls.'"

In 1894, more in love with newspaper work than ever, LUDLOW decided to expand and went to New York City to seek a newspaper job. There he nearly starved to death.

"The memory of those times is painful to me yet," he said. "My funds soon gave out and I moved to a little dingy hall room in the slums. At the present time I am chairman of a subcommittee of four which is engaged in preparing a bill directing the expenditure of a thousand million dollars of the taxpayers' money in the fiscal year 1941. Thinking in terms of millions and billions, as I am now obliged to do, when my mind reverts to those awful days when I was hard pressed to raise the price of a plate of beans I almost have to pinch myself to realize that I am the same fellow."

In his extremity he appealed to Robert G. Ingersoll, the famous agnostic, calling on him at his law office in New York and laying his entire plight before that sympathetic man. Ingersoll took pity on him and gave him an interview.

"That was on a Friday. He told me that he lived at Dobbs Ferry and that he would take my questions home with him and write out the answers over Sunday and that I was to return Tuesday and get the interview. I did and he handed me a roll of manuscript. He had copied my questions and written the answers. It was the most precious manuscript I ever saw. Ingersoll was one of the noblest men I ever knew. He could swear in a very worldly way, but he could, and did, perform the deeds of a saint."

Mr. LUDLOW brought the manuscript with him and exhibited it to members of the Press Club. It is still perfectly legible, though stained with age. He sold the interview to the New York Sunday Herald and had the satisfaction of seeing it advertised all over New York as a coming feature. Largely on the strength of it he secured a position on the City Press Association, but by that time the ties of home were pressing and straining against his heart and he returned to the Indianapolis Sun, where he was received with open arms.

Next year the tempting bait of a salary increase took him over to the staff of the Indianapolis Sentinel. But that wasn't the only bait. He had long admired at a distance the society editor of that paper, who also was the secretary of Samuel E. Morss, its publisher.

"She was a perfectly lovely girl," he said, "and since she is not here where she can control my tongue I don't mind saying that she is just as lovely today as she was then. She was a privileged character and a general favorite at the Sentinel office and she edited her own copy and the lid blew off when she sent down to the composing room a notice in her own handwriting of our engagement. I thought the staff would ride me on a rail. They had never even suspected me."

The reporter's rough edges had worn rather smooth by that time and Mayor Joe Bell was moved to remark:

"When LUDLOW first came to Indianapolis anybody could have sold him a gold brick. Now he's selling them to the other fellow."

Mr. LUDLOW hastened to add that this compliment might be given a sinister construction, but that all Mr. Bell meant was that he had become city broke.

"I suppose the campaign of 1896 was the most unique campaign ever waged in America," said Mr. LUDLOW. "The absorbing issue was the money question. It was an abstruse, complicated issue, dealing with ratios and monetary factors and theories. While in my reportorial experience I have known many hectic and strenuous campaigns, there has been nothing comparable with the fervor with which the money issue was debated here in Indianapolis in 1896. The self-constituted professors of economics were numberless. A ground-floor room was opened on the north side of Washington Street between Pennsylvania and Delaware Streets, called the Forum and its doors, like the temple of Janus, were never closed. There the professors of economics in their florid and individualistic styles expounded the money question day and night, Sundays and weekdays, to open-mouthed and excited audiences."

"The outstanding political sage in Indianapolis in those times was Tom Taggart. He was the ablest and most sagacious politician I ever have known and a finer man never lived. In the midst of the campaign and the saturnalia of oratory I went to Mr. Taggart

and asked him for an interview on the money question. He looked me straight in the eye and said:

"Now, what do you suppose I know about the money question?" "It seemed to me that if a wise man and excellent business executive, like Mr. Taggart, knew nothing at all about the money question, what the self-constituted professors of economics knew about it represented several degrees less than zero."

When the War with Spain broke out Mr. Morss, the publisher and owner, gave Ludlow a day assignment to cull the biggest items from a pony day-press report and put them on the streets in extra editions. As editor of the war extra he found his time much occupied.

"I will venture to say that journalism has no record of as many extra editions coming hot off the press in as short a space of time," he said. "When Dewey captured Manila I got out a screamer."

When the boys returned from the war Ludlow tore the lid off of the embalmed-beef scandal in an interview with Rev. G. A. Carstensen, rector of St. Paul's Episcopal Church, who had been at the front as chaplain of an Indiana regiment. The minister was brimming over with indignation and the Ludlow interview was the spark that created the explosion. President McKinley took note of it and ordered a searching investigation. Rev. Mr. Carstensen was called upon the carpet, but he stood his ground and did not retract a word.

In 1899 Gavin Payne, city editor of the new Indianapolis Press, tolled Ludlow over to that newspaper as its political writer. In June 1900 they reported the Kansas City Democratic National Convention together. An important caucus of the Indiana delegation was held at the Coates House. Extreme precautions were taken to insure secrecy. Payne concealed himself on a ledge outside the caucus room where he could hear every word and wrote notes on a scratchpad, tearing them off sheet by sheet and dropping them to Ludlow, who caught them on the pavement below and rushed them to the telegraph office.

"By the time that secret caucus was adjourned every detail of its important proceedings was in the Press office at Indianapolis," said Ludlow. Kent Cooper, now the general manager of the Associated Press, and Ludlow were fellow reporters on the Press, and Roy Howard, another friend of Ludlow, was soon to make his appearance on the stage of Indiana journalism.

Ludlow's career as a Washington correspondent began in 1901, when the Press suspended publication and Mr. Morss, his former employer, who had been consul at Paris under President Cleveland, decided to open a Washington bureau and invited Ludlow to take charge of it. Two years later the Sentinel suspended and thereafter for 10 years Ludlow was Washington correspondent for the Star League of Indiana. In 1928 he was elected Representative in Congress for the Indianapolis district, and he has been reelected five times. He was the first correspondent to go from the Press Gallery to a seat in Congress.

"In my newspaper work I have often been interested in observing the power of suggestion. 'Plant a thought in peoples' minds and they will do the rest' is a saying that has a good deal of truth in it," continued the Congressman. "Through the columns of Ohio newspapers I once suggested the appointment of a distinguished Cincinnati attorney as a United States judge. He was not a candidate, and, in fact, did not want the office. Senator Pomerene recommended him and President Wilson appointed him. The position was distasteful to him and in a short time he resigned."

"On a hot and languorous day in the summer of 1907 I met Albert W. Wishard, an outstanding Republican, on a street of Indianapolis and he lent a sympathetic ear to my complaint that I could not find anything to write about. With corrugated brow he thought long and hard and said:

"Why don't you start a boom for Tom Marshall for the Democratic nomination for Governor. Tom and I were schoolmates together over at Wabash College, and he would make a fine candidate and a good Governor. If he should be nominated, I would vote for him, but, of course, you understand I am not saying that out loud."

"No one on earth, least of all Tom Marshall, had ever heard Tom Marshall mentioned for that place or had ever had the remotest suspicion that he would ever seek political office. His field was the law, and in that profession he was the outstanding leader in northeastern Indiana. He was on a vacation in the pine forests of northern Michigan when I printed the story. He returned to find his 'boom' well under way. He was nominated and elected, and he went from the Governor's chair at Indianapolis to the Vice President's chair at Washington, and at one time, when President Wilson was in extreme ill health, it looked as if he was headed right for the White House. That summer phantasy of mine certainly had a lot of propelling force, but, of course, it would not have gone so far if Mr. Marshall had not been a man of sterling character and great ability."

For nearly an hour Ludlow entertained his audience by relating his personal recollections of Presidents of the United States.

"During my long career as a newspaper writer, covering more than 40 years in Indianapolis and Washington, it has been my privilege to have known, rather intimately, I think, all of the Presidents of the United States from Harrison to Franklin D. Roosevelt," he said, and then he added, laughingly:

"Of course you understand I mean Benjamin Harrison and not William Henry Harrison."

He continued:

"In all of that galaxy of great men I assume the one that will live the longest and stand out the most in the solemn history of the world is Woodrow Wilson, because he was the President during the crucial period of world strife and he gave origin to the idealistic conception of the League of Nations, but I believe that if our own

Indiana President, Benjamin Harrison, had been put to the crucible as was Woodrow Wilson he would have given an equally good accounting of himself, because I think I never knew a man who had more sheer strength of character than had Benjamin Harrison."

After telling a great many stories, most of them highly amusing, about Presidents of the United States, which he had picked up in his personal contacts with the Presidents during his newspaper career, Representative Ludlow closed his remarks in a serious vein as follows:

"During my long career as a newspaper man I have met oceans of people—God's run of the mine—and occasionally I have been able to discern genius on its starry track. I have rubbed against all strata of society from the seamy bottom to the gilded top and have come into contact with the public service in all of its angles and ramifications. Among all of the superlatively great people I have known there has run one common trait and that is their sincerity. Truth and simplicity are well-springs of being among the truly great. Nor is genuine public service charted by any abstruse and recondite code of action. It all simmers down in the last analysis to one simple rule of conduct—a rule of conduct that is age-old but which time and experience have shown to be good and true—the rule of conduct which says: 'Whatsoever ye would that men should do unto you, do ye even so unto them.'"

"It was this passion for service that made Jefferson and Lincoln great beyond all comparison. I remember hearing my father tell about an old farmer in our rural neighborhood in Fayette County who went to Cincinnati to hear Lincoln speak. He was a good deal of a cynic, this old farmer, and his entire outlook upon life was acidulous. When he returned, my father, curious to know his reaction, said: 'Well, what did you think of Lincoln?' The old farmer stood for a minute as if in a daze and then blurted out, explosively:

"My God, what a man!"

"There was nothing intentionally irreverent about that remark. It was an involuntary tribute to character. The motivation and the inspiration of all genuine public service, as exemplified in the superlative by Jefferson and Lincoln and in lesser degree and minor reflection by every friend of humanity, is love. If I love you I will serve you, unselfishly, devotedly, nor ever count the cost."

"And in defense of politicians as a class, especially those who serve in the House and Senate of our country, I want to say as one who has been among them almost a lifetime, that they are not, as so many people seem to think, devoid of worth and genuineness. On the contrary, I think that as a rule they seek earnestly and faithfully to discharge their obligations to the last full measure of devotion. The fact that a shockingly large number of them have dropped dead in their tracks recently is evidence of the burden of work and worry that is upon them and their faithfulness to it. The number of those I have known who have been buried by contributions raised by their friends is a tribute to their honesty. There is a more or less prevalent idea that a politician is a dubious character, with a low mentality and even lower morals, but the highest act of nobility I ever witnessed was the act of a politician, John F. Shafroth, of Colorado. Many years ago, when I was correspondent for a long string of newspapers, including the Denver Post, I was in the press gallery when Mr. Shafroth secured recognition of the Speaker. What he rose to say was that he had been investigating the election returns and he had come to the conclusion that he had not been elected, although he had been seated as a duly elected and accredited Member. He asked that his seat be vacated and that his Republican opponent be sworn in to succeed him. I had never seen anything like that happen before, and I said to myself:

"God must be pleased with this honest man."

"Though it has been my fortune to have been close to the moving drama of the world for more than four decades, I confess that I do not even begin to understand the mysteries of life and death, but this one thing I do know, and that is that Emerson was right when he said that 'love is our highest word and it is the synonym for God,' and another thing I do know is that next to love, the highest word in the English language is the word 'friend.'"

"I think it is an experience common to all of us that there have been times when we have gone to our mothers to tell them how much we loved them and how much we appreciated the hardships they had undergone and the sacrifices they had endured for us. Indianapolis mothered me when I was a verdant, friendless, penniless boy, a stranger in a strange land, and in the years of my maturity she has honored me six times with a commission to represent her in the Congress of the United States. A part of my mission here tonight is to tell Indianapolis how much I love her. I want her to know how much I appreciate all she has done for me. There is no finer city in the world than Indianapolis. There is no more typically American city on the map. There is no city less susceptible to subversive strains and influences. It is American to the core, a city of good neighbors, of honest men and women, who have faith in God and in the destiny of the Republic. And I want you to know that while I have spoken tonight with gaiety tripping fantastically on my lips, there has been all the while, deep down in my heart, a sad refrain as the strands of memory have led me out to Crown Hill, Holy Cross, and the Jewish Cemetery, and the other silent cities of the dead, where hundreds upon hundreds—yes; thousands upon thousands—of those who knew and loved me and whom I knew and loved in the yesteryear are sleeping the eternal sleep. To them my heart goes out tonight in deepest affection. I cannot tell you how happy it has made me to be with you tonight, not only because I have been among friends but because I have been with my own flesh and blood, the newspaper fraternity, in the city that is to me the dearest place on earth, because it is my home and the city of so many hallowed memories."



## Electric Rates in New England

## EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

RADIO ADDRESS BY LEONARD FARMER, JANUARY 7, 1940

Mr. RANKIN. Mr. Speaker, some time ago Mr. Samuel Ferguson, president of the Hartford Electric Light Co., of Hartford, Conn., in a radio broadcast made an attack upon me for exposing the overcharges for electric lights and power throughout the Nation, and especially in New England.

That is the usual answer of these utility magnates when you publish the "deadly parallel" showing their exorbitant overcharges and their ruthless mistreatment of the electric light and power consumers throughout the Nation. They answer with vilification and abuse without attempting to give the people the information to which they are entitled.

I could not go to New England to answer this broadcast, so I supplied the information, giving the facts from the record, sustaining every charge I had made about overcharges for electric lights and power throughout the New England States, placed it in the CONGRESSIONAL RECORD, and sent a copy of it to Mr. Leonard Farmer, who represents the Connecticut Conference on Social and Labor Legislation.

On January 7, 1940, Mr. Farmer delivered a radio address over station WTIC, Hartford, Conn., giving the facts relative to the electric light and power rates in New England, and showing the enormous overcharges the people of that section of the country have to pay.

Under permission granted me to extend my remarks in the RECORD, I insert Mr. Farmer's speech, which I trust that every Member of Congress from the New England States will take the time to read.

The matter referred to follows:

Good afternoon, ladies and gentlemen, this afternoon through the courtesy of the management of this station I am going to speak to you on electric light and power rates in New England, and especially in Connecticut. Sometime ago Mr. Samuel Ferguson, president of the Hartford Electric Light Co., of Hartford, Conn., spoke to the people of New England over this station on the subject of Federal control of electric utilities. In that address he attacked public ownership of power facilities, especially the Tennessee Valley Authority and its yardstick rates, and finally wound up by referring to what he called "Congressman RANKIN's absurd statements" concerning overcharges in electric light and power rates in New England. Congressman RANKIN, who was the coauthor of the T. V. A. Act and chief sponsor of rural-electrification legislation, is unable to answer Mr. Ferguson personally. The Congressman, however, has directed me to be his spokesman in this matter at this time.

Electricity is now one of the necessities of our modern life, and it must necessarily be handled by a monopoly since it would be too expensive for two, three, or more different agencies to attempt to supply electricity to the same community. Therefore, since it is a monopoly of a necessity of life, it is necessarily a public business and one in which the Federal Government or the municipality has the right to engage, and especially when handling public power generated by the waters of a navigable stream.

Why should a great private monopoly with its inflated valuations and watered stocks stand between the people of New England or of any other section of the country and their own water power and exact tributes of millions of dollars annually to provide exorbitant profits for the favored few or to pay dividends on watered stocks?

According to the T. V. A. rates we people of the six New England States are overcharged for electric light and power about \$83,000,000 annually, and according to the Ontario rates we are overcharged \$93,000,000 a year.

The enemies of public power would have us believe that these overcharges are absorbed by the taxes paid by the private power interests, when as a matter of fact the T. V. A. pays 5 percent of its gross revenues in lieu of taxes, and practically every municipality that distributes T. V. A. power pays into the city treasury in lieu of taxes an amount equal to, if not exceeding, that paid by any private power company in any municipality of the same size.

But even if the T. V. A. and its distributing agencies paid no taxes at all, the argument of the private utilities would fall flat, for the reason that in the New England States, in 1936—according to

the 1935-37 report of the Federal Power Commission on rates, taxes, and consumer savings—they paid in taxes of all kinds, including State, Federal, and municipal, and even income taxes, together with all cash contributions and free services, only \$26,000,000. Now, if you take this amount from last year's overcharges of \$83,000,000 paid by the power consumers in New England last year—according to T. V. A. rates—you get a clean \$57,000,000 overcharge for which we power consumers in New England received absolutely nothing in return.

In this State of Connecticut alone the overcharges last year, according to the T. V. A. rates, amounted to \$18,000,000, and the taxes paid by the private power interests in 1936, including State, Federal, county, and municipal taxes, together with all cash contributions and free services, amounted, all told, to only \$5,000,000. Even if we give T. V. A. and its distributing agencies credit for no taxes at all, this would still leave an unquestioned net annual overcharge of \$13,000,000, for which the people of Connecticut received absolutely nothing in return.

Let Mr. Ferguson, the president of Hartford Electric Light Co., explain that overcharge away.

Furthermore, private power interests in Connecticut paid in taxes, cash contributions, and free services only 12 percent of their gross revenues in 1936, while public power systems in Connecticut paid 29 percent, or more than twice as much, of their gross revenues in taxes, etc., although their bills to consumers are substantially lower. The average monthly bill to the residential consumer in New London for 25 kilowatt-hours from the privately owned Connecticut Power Co. is \$2.19, while a few miles north in Norwich the residential consumer pays only \$1.50 for the same consumption furnished by the municipal plant there.

I would like for Mr. Ferguson to explain these differences.

Power generated by the Tennessee Valley Authority is sold at wholesale to the municipalities and cooperative associations within the distribution radius, and they in turn sell it to the ultimate consumers at yardstick rates or rates based upon the costs of generation, transmission, and distribution.

T. V. A.'s policy of cheap power has been a tremendous success in spite of the efforts of the private utility interests to smear the project. Already the T. V. A. is paying its way, and, far from having an unsalable surplus of electricity, it may be unable to meet the greatly enlarged demand which has arisen from the rate reduction it has brought about. The power system has a net income of \$1,500,000 for the year ending June 1939. The amount of power sold in its region has grown twice as rapidly as in the whole United States. The reason for this is clear when we realize that residential consumers of T. V. A. power paid an average price of 2 cents per kilowatt-hour, as compared with a national average of 4 cents. Also, during the year they used an average of 1,179 kilowatt-hours, as against 850 for the Nation.

If the people of New England had a New England power authority similar to the T. V. A. or the Ontario power system, generating and distributing the power in her navigable streams and their tributaries and delivering it to the consumers at the Ontario rates, we would have saved ourselves \$93,000,000 last year on our light and power bills. Take from that \$26,000,000, the amount paid by private power interests in New England in taxes, cash contributions, and free services, and you will still have a net overcharge of \$67,000,000, according to the Ontario rates.

Last year the people of Connecticut used 1,284,000,000 kilowatt-hours of electricity, for which they paid \$38,986,000. Under the Ontario rates the cost would have been \$18,725,000, or a savings to the people of Connecticut alone of \$20,260,000. Take from that the \$5,000,000 paid in taxes, cash contributions, and free services, and it will leave an overcharge paid by the people of Connecticut last year, according to the Ontario rates, of more than \$15,000,000, for which they got nothing in return.

I should like to hear Mr. FERGUSON explain away that overcharge.

Last year the people of Maine were overcharged more than \$5,000,000, according to the Ontario rates, after deducting all taxes, cash contributions, and free services paid by the private power companies; the people of Massachusetts were overcharged \$34,000,000 in the same fashion. The net overcharges in New Hampshire amounted to \$3,000,000; in Rhode Island, \$5,000,000; and in Vermont, about \$1,800,000.

How can the people of New England continue to stagger under this stupendous burden of overcharges, amounting to more than \$67,000,000 a year, after all taxes, free services, and cash contributions are deducted?

Probably Mr. FERGUSON has an answer for that question.

These overcharges are simply a tax levied upon the consumers—industrial, commercial, rural, and domestic—by this great utilities supergovernment which has been described as the utility fascist, that now seems to control the economic life, if not the political destinies of New England. It is this group which wrote into the New England flood compacts the power joker which would deprive the electricity consumers of New England of the benefits of public power's cheaper rates. It is this group, with its Washington lobby, which killed the Enfield dam project for Connecticut before the bill had a chance to see the light of day even, and all in the name of Connecticut consumers, too. It is this group in Connecticut, with its perpetual franchises, which deprived the farmer of the benefits of rural electrification projects, sums for which had been specifically allocated for Connecticut's use.

Let us ask ourselves the question whether the private power companies of New England possess a political force all out of keeping with their true economic position. The Ontario Power System has an investment of about \$400,000,000. It generates and distributes about one-twelfth the amount of electricity generated and dis-

tributed by private power companies in the United States. Therefore, it would be logical to assume that the private power interests in this country should have an investment of not more than 12 times that of the Ontario Power System, or about \$4,800,000,000.

Yet they claim an investment of \$13,000,000,000, or \$8,000,000,000 more than is necessary. What does that \$8,000,000,000 represent except watered stocks and inflated valuations?

Let Mr. Ferguson answer that question.

What we need is a New England power authority to develop our own water power, our last great natural resource in this barren region, and distribute it at the yardstick rates to municipal plants, in order to lift this enormous burden from the shoulders of the power consumers of our New England States.

Neither myself nor the Connecticut Conference on Social and Labor Legislation has a personal interest in this controversy. However, our position as consumers and citizens interested in the economic well-being of our Republic demands that we save the water power of this Nation for the American people to provide electricity for every home, farm, and business establishment throughout the country at reasonable rates. The war in Europe provides a particular reason for the perpetuation of economic well-being and democracy at home. A speedy solution of our economic problems through preserving our social reforms, including the Tennessee Valley Authority and rural electrification, is the common-sense goal of peace-loving Americans.

We must marshal behind this cause the moral support of the 25,000,000 electric consumers throughout the Nation, who are now paying an overcharge for electricity of more than \$1,000,000,000 a year.

This will continue to be one of the leading issues from now on until we power consumers of America receive justice in the rates we have to pay.

This will mean more to the people of New England than anything else that could be accomplished during your day or mine. New England has no coal, no gas, no oil, and her timber supply is vanishing. Her only chance to secure electricity generated with her own resources is the development of her water power; and the only chance we have to get this power at reasonable rates or at rates based upon the cost of production and distribution is through some form of public operation, such as the Tennessee Valley Authority or the Ontario power system.

The only way for private power interests to head off this movement, even in conservative New England, is to squeeze the water out of their stocks, eliminate the inflated valuations from their books, and reduce their rates at least to the rates now charged in the Tennessee Valley Authority area, and then gradually adjust them downward as time goes on. It is time for the people of New England to make their own voices heard on this vital problem.

In closing I want to call on each and every listener this afternoon to write your legislative representatives in Washington—Senators and Congressmen—demanding that the Federal Government continue its steps to make cheap public power available to the people of New England.

ANNOUNCER. You have just heard a talk on Electric Rates in New England, by Mr. Leonard Farmer, under the auspices of the Connecticut Conference on Social and Labor Legislation. Copies of this talk can be obtained by writing to the conference office at 87 Orange Street, New Haven, Conn.

### Tribute to Senator Burke

#### EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 18, 1940

EDITORIAL FROM THE OMAHA WORLD-HERALD OF JANUARY 10, 1940

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able editorial quoting a tribute by the Senator from Texas [Mr. CONNALLY] to the Senator from Nebraska [Mr. BURKE]. The editorial was published in the Omaha World-Herald of January 10, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Omaha World-Herald of January 10, 1940]

#### TOM CONNALLY'S TRIBUTE

"He has distinguished himself for ability, fidelity, and vigor as a public servant. He is truly entitled to high place in the councils of the Nation and of the party."

That high tribute was paid to a Senator of the United States at the Jackson Day dinner in Omaha. The Senator is EDWARD R. BURKE, of Nebraska.

And the speaker, one of the foremost fighting Democrats in public life, was TOM CONNALLY, of Texas, also a Senator, whose championship of President Roosevelt and New Deal objectives won grateful applause from his Nebraska audience.

Senator CONNALLY has not always agreed with Senator BURKE on public issues. Senator BURKE has not always agreed with the President. No more has Senator CONNALLY invariably agreed with the President. Like his Nebraska colleague, he is a man of courage and independent judgment. But like all strong men, he has great respect for ability, fidelity, and vigor in the public service. And he finds these qualities so outstanding in Senator BURKE that he believes they entitle him to high place not alone in party councils but in the councils of the Nation.

Many Nebraskans share that belief. They have confidence in their junior Senator and admire him. They are proud because his devotion to principle, his political fearlessness, have won him Nation-wide respect. And his fellow Democrats know that his loyalty to fundamental democracy that stems back to Jackson and Jefferson, has never been questioned.

But politics is politics. Personal rivalries and ambitions give rise to strange situations. And so ED BURKE is obliged to defend his challenged candidacy to a well-earned second term. That he will do so with the characteristic forthrightness that has distinguished his public career is assured.

The outcome should not be in doubt. For not only Nebraska and the Democratic Party but the Nation needs men with the experience, ability, and independence of BURKE in the Senate of the Republic.

### National Aeronautic Association Convention

#### EXTENSION OF REMARKS

OF

HON. WILLIAM H. KING

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, January 18, 1940

ADDRESS BY HON. PAT MCCARRAN, OF NEVADA, AND EXCERPTS FROM PRESS NOTICES

Mr. KING. Mr. President, on January 12, 1940, the distinguished Senator from Nevada [Mr. McCarran], before the National Aeronautic Association in national convention at New Orleans, delivered a very interesting and informative address which I ask to have printed in the RECORD, together with certain excerpts.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Every science has its place in the affairs of men. But that science which you here represent and that is of necessity uppermost in your thoughts, is one that has functioned to make the earth smaller by supplying speed to miles. It has brought the peoples of the earth closer to each other. It has made mountain ranges look flat; it has scoffed at the terrors of the deep. It has enabled man to view the stars from an elevation never before thought of, and it has brought under man's control agencies regarded in the years past as mythical things indeterminable.

The science of aviation has combined nearly every other science known to man, and, from the whole so combined, it today gives promise of new fields and new conquests limited only by man's ability to imagine, and his courage to dare.

Some years ago, I expressed the thought, in the presence of my colleagues in the Senate, that the day was not far distant when the sportive-minded Members of that body might board a plane in Washington Friday afternoon, hunt big game in South Africa Sunday morning, and answer the roll call in the Senate on Monday morning. I was undoubtedly challenging the extreme of imagination. But perhaps I learned to challenge that extreme when, as a boy, I read that fascinating book from the hands of the master of imagination, Jules Verne, when he gave to the world his Twenty Thousand Leagues Under the Sea.

I am reminded of the story about little Willie who was thirsty for knowledge, and interesting facts shone like jewels in his brain. "Read today," he said, "of the wonderful progress made in aviation. Men can now do anything, absolutely anything, a bird can do."

But his friend was tired of wonders—he was more matter of fact. "Is that so?" he answered. "Well, when you see an airman fast asleep, hanging onto a branch of a tree with one foot, I'll come and have a look."

Now we have learned not to bow to the word "impossible." Who is there in this day and hour conversant with the subject of aviation who will dare to question any imaginative statement as to the limits within which the science must confine itself?

Courage, imagination, and vision are human prerequisites to make the science of aviation a handmaid with all the potential power of aerial travel to serve the needs and ventures of man.



No science yet evolved has brought forth so much of human courage, and none has developed courage more. No science and no art yet developed by man has called for more of man's imagination, and certainly none has exacted from him more in the way of vision.

With propriety I may say that aviation is a science that primarily belongs to youth. Indeed it has been the toy that lately most attracted youth, and from which youth has derived the greatest measure of amusement. More significantly, it has been the instrumentality that, in the last 3 decades, has given to the youth of the world the greatest field for venture.

While youth has played with this science, so to speak, the science in turn has made great demands on strength, courage, and, in many instances, a reckless disregard of personal safety. We must glory in this, as I think it may be apt to say that when, in the individual, the love of ease overcomes the desire for adventure, that individual is grounded.

It is indeed to the credit of the youth of the world that such strides have been made in the science of aviation in the past three decades. Again it is to the credit of those who had wealth at their control that they were willing to hazard their fortunes in the development of that great promise which the science of aviation gave to mankind. To some it might seem that a long period of time has elapsed since that dramatic venture was made at Kitty Hawk. To others it is but a moment. But in that moment what accomplishments have been effected!

It is within the memory of everyone who listens to me tonight when we gladly paid \$2.50 to gain admission to some county fairgrounds where some venturesome fellow was going to "try to go up." If he got off the ground we thought we had received our money's worth; and if, by any chance, he made the circuit of the race course, we were doubly recompensed. Today, we scarcely pause to see the *China Clipper*, majestic monarch of the air, come through the Golden Gate to settle birdlike with its precious cargo on Treasure Island. Things of aviation have become somewhat commonplace with us, so much so, I am sorry to say, that the public, and indeed, many in public life, are oblivious to that thrill which comes of knowing what is going on in aviation.

Our National Congress has, through the persistence of some of us, given a most valuable aid to this great science and great industry by a comprehensive law, the Civil Aeronautics Authority Act of 1938, which some have honored by calling the Magna Carta of aviation. Let us who are assembled here tonight, and who have for years given and are now giving their best thought and personal fortune to this great work, here resolve that the spirit of this so-called Magna Carta shall continue without hindrance to be administered by an independent agency capable of keeping stride with the advancements and possibilities of aerial transportation.

If I might express my most sincere wish and hope, it is that this national association, now composed of some 17,000 interested Americans, shall continue to enlist in its membership hundreds of thousands more, that the principles of your association may thereby become more widely known and more securely enshrined in the minds of men and women who seek to promote their country's welfare and who believe that its millions should be invested in national civil accomplishments rather than expended in the activities of useless war.

That we may view the future of this science and industry, it will not be out of place to marshal the events of the past. Let it not be lost sight of that we are now in the eleventh year since the initiation of commercial air transport. In that short period of time the industry has received set-backs of no mean magnitude, one of which was the chaotic condition that prevailed following the cancellation of the air-mail contracts. It is indeed to the credit of those who had the courage to invest and to fly new lines that, notwithstanding the discouraging effect of these cancellations, the industry still continued to expand.

It will be recalled that in 1933 commerce by air in the United States, or air transport, as we choose to term it, was absolutely dominated and controlled by four separate and distinct governmental agencies—the Department of Commerce, the Post Office Department, the Interstate Commerce Commission, and the Department of Agriculture as the seat of the Weather Bureau. May I apologize when I say that an experience given me as a member of a committee investigating ocean-mail and air-mail subsidies brought very vividly to my view the unhappy situation that surrounded the industry of civil aviation under that system which gave its control to four Federal departments, each jealous of the other's prerogatives.

It was this disturbing view that gave rise to the impelling thought that if this great industry was to succeed as a commercial agency in this country, if commerce by air in America was to keep pace with the other countries, nothing short of an independent agency, untrammelled by bureaucratic ties of any kind, should come into existence with Federal sanction, so that the industry and science of aviation would grow and prosper under a regulation by which that industry and that science would be fostered, promoted, and encouraged.

In other words, it appeared to me then, as it does now, that legitimate, sane regulation would be wholesome for this infant industry, and the industry itself would become strengthened by fostering regulation; while, on the other hand, a regulation that progressed with the industry would become less irksome and binding as time went on.

Civil aviation in America and under American customs and laws may, with propriety, forget the unhappy experiences of the past

and prepare itself for a glorious future. In looking into this future and its possibilities, let us turn the eye to threatened dangers.

I would dismiss some of these dangers with mere expression of reminder.

It is imperative that the Civil Aeronautics Authority should remain independent—free from the control of any other governmental agency.

It is my conviction that civil aviation deserves a place of recognition in the National Congress through the establishment of a permanent committee in each House, on which committee will sit men whose interest, vision, and desire for progress guide them to see greater things for aviation than even the splendid accomplishments of today.

Civil aviation, especially under the American system and certainly in keeping with our democracy, calls for national encouragement and the faith and support of our citizens. This call is heard from two distinct theaters of action—national commerce and national defense.

On the commercial stage it is inevitably destined to play a great role in national development and take a leading part in civic welfare. It transports passengers, express, and mail from the Golden Gate to the Statue of Liberty in 16½ hours. In the year last passed it transported 16,000,000,000 mail pound-miles in the United States and 5,000,000,000 express pound-miles. In the year last passed it carried 1,900,000 passengers. It accomplished that feat of carrying 1,900,000 souls through the air with but 2 fatal accidents and with but 9 passenger fatalities. These are results with which to conjure. These are accomplishments unexcelled in any country in the world. The achievements of air commerce in 1939 prophesy greater results as greater venture takes its place, as greater propelling power is developed, as more encouragement is given to those who are willing to invest in this line of human activity.

In passing, may I draw the attention of the country to the fact that in every year prior to 1939, the industry as a whole, in America has operated at a financial loss. In the year last passed, for the first time, the industry as a whole is looking to a profit of something in excess of \$3,000,000.

We did much for the industry when we eliminated competitive bidding in the matter of carrying the mails, and we placed that traffic on a fair and sensible basis whereby the rate of pay may be changed from time to time, always having in mind the service rendered.

On the stage of the second theater of action, that of national defense, civil aviation will assume a role of first magnitude in the hour of need. Every air transport line is a militant challenge to an aggressor from without. Every pilot at the controls of an air transport, fortified by his training and aerial travel, his knowledge of air currents and emergency landing places, together with his seasoned experience, becomes a potential warrior should war occur.

Thus far, our present legislation, enacted and put into effect in 1938, has gone a long way in a brief time toward bringing the industry out of the rut of discouragement into which it had fallen due to many things, of which no small part was a lack of cooperation between the various agencies of Government that were formerly in control. In passing, I would like to pay my respects to the Department of Commerce, the Post Office Department, the Interstate Commerce Commission, and the Department of Agriculture, for their individual efforts and accomplishments as their respective functions would permit. It was not the lack of effort on the part of any one of these governmental agencies that made an unhappy situation before the enactment of our present law. It was rather the fact that no department had absolute control, and that each department worked without harmony with the others.

Today we have a centralized constituted Authority created by our act of 1938, and this Authority has accomplished more in one year than was brought about in all other years prior to 1938. No Federal regulatory statute has ever been enacted so broad in scope of authority as our Civil Aeronautics Act of 1938. We must realize this when we pause to consider that not only does our Civil Aeronautics Act regulate from an interstate standpoint, but its regulation extends over the seas as well as internationally. Moreover, it looks with solicitude to safety, and effects harmony between air transport and private air activities, in addition to the control of private flying and promotion of a mechanical training agency.

The scope of the powers prescribed in our present civil aeronautics law was not written into the statute by a mere haphazard venture. It was the result of years of study and volumes of counsel from those who had practical experience, and who were unselfishly interested in the industry. The cordial way in which the law has been accepted is to the credit of those whose lives and fortunes are wrapped up in aviation. In this respect, let it be remembered that, notwithstanding the scope and jurisdiction conferred on the Civil Aeronautics Authority, its acts and its regulations have to date remained unchallenged in any court. I make mention of this by way of commendation to those engaged in every phase of aerial activity. And I make mention of this for another reason—to pay my respects to the Civil Aeronautics Authority as presently constituted and to the broad vision of those who administer the law. Regulation is always best when it is liberally applied with a view to promoting and fostering the welfare of the element to be regulated; and this has been the view of the Civil Aeronautics Authority up to the present moment.

In drafting the law it was essential to take into consideration many conditions and some obstacles never before contemplated in a regulatory statute. The ancient principle of freedom of the seas cannot

apply to the air. Hence international relations and the laws of foreign countries had to be considered. Here, again, I pay my respects to the Civil Aeronautics Authority for the efficient way in which they have brought about harmony and cooperation between this country and foreign powers.

One of the most difficult features of the law to draft was that which had to do with safety. The amazing results in the protection of human life and preservation of property justifies and compensates the effort. I deal with records when I say that for the 3-year period ending September 1, 1938, there was 1 passenger fatality for every 12,000,000 passenger-miles flown. For the year ending September 1, 1939, under the new Civil Aeronautics Act, there was 1 passenger fatality for every 55,000,000 passenger-miles flown.

I was most gratified at the public statement made by the President on the 3d of November last, wherein at a press conference he said, "Last night the 17 scheduled air lines operating within the United States reached a really extraordinary record. They have now carried passengers for a total of 500,000,000 miles since they last had an accident involving the death or serious injury of any person."

At this point it is but proper to say that the conferring of duties and powers upon the Civil Aeronautics Authority, with the creation of the safety board and its specific functions within the Authority, resulting in the splendid record of reduced fatalities, was brought about by the advice, experience, and persistent zeal of the main-line pilots of America, and the cooperation of licensed pilots in general, that splendid group of the young men at the controls in the air-transport industry which insisted on provisions in our law insuring the greatest measure of safety in civil aviation.

Perhaps we have American womanhood to thank for this, as those fine young wives of these pilots have no doubt impressed upon their husbands the attitude of the young aviator's wife who was discovered in tears by one of her dear friends, who asked anxiously, "Whatever is the matter, my dear?" "I'm worrying about Harold," said the young wife. "He's been trying for a week to kill our cat, and as a last resort he took her up in his plane. He said he would take her up 2,000 feet and drop her over the side." "Well, what is there to worry about?" "Plenty," exclaimed the frantic woman. "Harold isn't home yet and the cat is."

On the occasion when the Senate was considering the reorganization bill during the first session of the Seventy-sixth Congress, unfortunate criticism was made that the Civil Aeronautics Authority now had a pay roll in excess of that of the Interstate Commerce Commission, which regulates all the railroads. This criticism was not and is not well taken when we consider that under the control of the Civil Aeronautics Authority are 44 designated civil airways in the United States and its Territorial possessions, with a total of approximately 26,000 miles. On civil airways are 12 airway traffic-control stations, 298 intermediate landing fields, 190 radio-range beacons and communication systems, 2,130 airway beacons, 57 non-directional radio-marker beacons, 35 ultra-high frequency radio fan-type markers, 30,000 miles of teletype-communication circuits serving 358 different stations. For all of these facilities there are engaged only some 2,700 employees. But however we may find justification for the pay roll, we must nevertheless look forward to the unguarded criticism which may be resorted to as a means to induce unfavorable congressional action as an impediment to the growth of the industry.

Inevitably the future of civil aviation demands consideration of those things which may not at first meet with public or governmental favor. Hence I am glad for the opportunity to bring some of these all-important matters of the future to the attention of the National Aeronautic Association in its annual convention, because it is one of the functions of this organization, and indeed one of its duties so to enlist the attention of the public as will bring the necessity for future development clearly to the forefront.

The average man looks with admiration on a great passenger airplane as it passes through the clouds thousands of feet above his head. However, the average man does not pause to think that that great instrumentality passing so majestically through the air had to leave the ground somewhere and must return to the ground somewhere. Thus people must be made conscious of the fact that a landing field with all of its facilities for safe embarkation and debarkation is as much a part of the industry and as much a part of the science as the airplane itself.

It is not going to be an easy matter to have Congress at this or the next session make adequate appropriation for airports and landing fields. We might be successful in getting an appropriation of a half billion or more for the improvement of rivers and harbors; but as yet neither the public nor Congress has become sufficiently conversant with the problems of aviation nor with its importance in national life to realize that the landing field is the harbor of the airplane, and that any community seeking to keep abreast of the times in the next half century must have an adequate, up-to-date field in which, for aerial commerce, planes may land and take off.

I would draw this to the attention of your association in the hope that we may have a concerted action and the wholehearted support of all possible agencies for an appropriation adequate to commence and carry forward a system of federally aided airports in this country.

It was with a view to arousing public interest in matters of this kind that, at the request of the industry and this organization I introduced in Congress a Senate joint resolution providing for the designation of September 11 to 24, 1939, as a period to be set aside for the celebration of air progress. The resolution did not pass, but

its introduction played at least a small part in bringing aviation to the attention of the American public. Its failure of passage must be noted by way of emphasizing what I have just said—that the American people and the Congress have not fully awakened to what is being done and what is essential to be done in civil aeronautics. Regardless of the passage of the resolution, the manner in which the industry, the Civil Aeronautics Authority, and your group took hold and made the designated week an outstanding one, is deserving of the highest commendation.

The mastery of world ocean commerce has in the past four centuries been conceded to Great Britain. A slogan emanating from the British Empire, "Britannia rules the waves," has not been denied in recent centuries. I belong to a school of thought that would give commercial mastery of the air to my country. I can see no reason why a nation of 135,000,000 people, with unlimited national resources and with courageous youth in millions stepping from the portals of thousands of educational institutions, cannot so build for the future as to be able to say with undeniable emphasis, "Columbia rules the air."

American-flag ships plying the air have today reached Asia and Australasia, as well as Europe. American-flag ships are today going southward along the eastern coast of South America, crossing the Andes, and coming northward on the western coast. No country in the world has ventured more in this science of private wealth and private energy than has America.

With this great program in mind, perhaps too far-reaching and too colossal to be freely understood at this moment, it seems to me both fitting and proper that the Federal Government, looking to this great visionary future, should open the avenues of vocation and employment in civil aeronautics to the youth of the land. Thus we introduced and had passed the bill authorizing the training of college students and of noncollege students for pilot service.

We "grandstand pilots" are in sympathy with, but do not want to encourage that kind of flying typified by the young student pilot in the British Air Force who was making a survey flight over the Sahara Desert as copilot and was busily manipulating his sextant and the various other instruments in order to determine their exact position. Suddenly he tapped the pilot on the shoulder and said:

"Hey, take off your hat."

The pilot immediately wanted to know why.

"Well," said the young student, "according to my calculations we are now flying through St. John's Cathedral."

The President advocated the training of 20,000 pilots per year, so our bill contemplated that progress. The Civil Aeronautics Authority set up a most comprehensive plan by way of experiment. So successfully did this plan work out that today 9,350 students have enrolled from 437 colleges in all of the 48 States of the Union, Alaska, Hawaii, and Puerto Rico. These enrollees, together with some 700 noncollege students, make a total of something in excess of 10,000 who will graduate this year.

The appropriation of \$4,000,000, which the conference committee finally approved, made it impossible for the Authority to accommodate even a fair percentage of the 125,000 applicants for college aeronautical training.

Here, again, I would enlist the attention of your great organization for moral assistance, because in order to carry out this program which now gives so much promise, we should have an appropriation of \$7,000,000 from this present Congress.

Up to the present moment, the greatest attention has been given to air lines of greatest magnitude. Those that were transcontinental in nature inevitably held the attention of the country. This is true today; but the future calls for encouragement of commercial air lines of less magnitude, extending from interior parts of the country to places of junction with the trunk lines. Sometimes we call this "feeder-line service"; but by whatever name it may be known, the welfare of the small line, acting as a support to the greater line, must be a thing of paramount thought and consideration.

It is by the feeder-line system that small communities, remote from the greater lines of service, will receive the benefits flowing and to flow from aerial commerce. The feeder-line system will serve its great practical purpose by bringing small communities and isolated rural districts into speedy touch with the world of commercial activity.

While aviation has definitely progressed in America, we regret to say that its progress has been hampered by the lack of adequate research facilities. The laboratory at Langley Field is a most praiseworthy activity. However, a science so far-reaching, in a country of such magnitude, is demanding and will demand and should receive the benefits of research laboratories so located as to give to the several sections of this country the best that men of scientific study in this field can bring forth. Perhaps it is true what they say about scientists—that they are men who prolong life so we can have time to pay for all the gadgets they invent, but our scientists in aviation have produced gadgets for which we are proud and grateful.

The appropriation for the laboratory at Sunnyvale, Calif., traveled a rough road in its way through the National Congress. It was finally accomplished, and the splendid work of Langley Field will be aided and augmented by laboratory facilities at Sunnyvale.

Obviously even two research facilities will not fill the needs of aviation for the future. Development almost revolutionary in nature in the art of construction has come forth from Langley Field under the National Advisory Committee for Aeronautics. But this Authority and the laboratory at Langley Field have their limitations.



Much of the development in engine construction that we find in our country today has been brought about in the private laboratories of those engaged in this line of work. The future demands governmental study and development of engine construction so that this country will not depend upon any other, nor upon the genius of any other, for its motive power in the air.

I was grateful for the opportunity afforded me by the invitation of your president to address your organization in national convention because, enlisted as I am in the campaign for the development of civil aviation in America, it is my ambition to say something to this organization, to leave with you some thought that may arouse you to greater action for the development of the science and industry in which we are so vitally concerned.

I would wish to see your membership increased tenfold.

I would wish to see the public mind trained aviation-wise by the continuous and emphatic preaching of every member of the National Aeronautic Association. We must by your efforts educate the American people to understand what can be accomplished by the air transport.

Every effort that we put forth looking to this end is an effort for the upbuilding of our country, the contentment of its people, the security of our institutions, and the strengthening of democracy as a form of government to hold the attention and admiration of the civilized world.

Thus, in accepting the honor conferred upon me by your invitation to address you, I feel that the privilege affords me an opportunity to arouse in the minds of my listeners a zeal dedicated to a greater future for civil aviation, and at the same time to perform a patriotic duty for my country.

#### EXCERPTS FROM PRESS NOTICES ON NATIONAL AERONAUTICS CONVENTION

Faith in the future of American aviation was expressed by Senator McCARRAN when he made this prediction in an address before the members of the National Aeronautic Association at the organization's convention in New Orleans, Friday, January 12.

Glowing tribute was paid the Senator by Thomas H. Beck, editorial director of Collier's magazine, who referred to McCARRAN as "the man who is superseded only by the Wright brothers in his contribution to American aviation." The Senator was introduced by George Logan, former vice president of the National Aeronautics Association, who honored the Senator as "dean of aviation" and reviewed McCARRAN's congressional career as sponsor of key measures in the Senate for a civil-aviation program. Logan emphasized the McCARRAN civil pilot training bill, passed last session, which he considered the most outstanding piece of aviation legislation since the Civil Aeronautics Act.

### Grand Street Boys' Association of New York

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, January 18, 1940

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks made by the distinguished Senator from New York [Mr. MEAD] at the celebration of the twentieth anniversary of the Grand Street Boys' Association at the Commodore Hotel in New York City, on January 13, 1940.

There being no objection, the address was ordered to be printed in the Record, as follows:

I am glad to join with the Grand Street Boys' Association, which began so hopefully a score of years ago, to celebrate its twentieth anniversary: 20 years that are studded with accomplishment and victorious venture. No one can enter the club's magnificent edifice nor stand within its walls without sensing the rich atmosphere of noble achievement, the precious combination of elements which go to make up Americanism.

The Grand Street Boys' Association finds its vitality through unselfish, patriotic, devoted leadership. This great organization already has its traditions, traditions founded on a unique and happy background.

There ought to be a Grand Street Boys' Association in every city and hamlet in the Nation, an association with the spirit, the color, and the potentiality of this one. I presume none of us who have

become acquainted with this group in more recent years can ever appreciate the real satisfaction that must beat in the hearts of those who conceived this glorious accomplishment.

The men who established this club built a greater monument than perhaps they had even imagined. They were men who loved Grand Street and who cherished the associations of their youth. Some of the early pioneers of this association had gone far afield of their youthful environment. They had established themselves in the world of business, of culture, and of human relations. But they never forgot the heartbeat of Grand Street. They never really moved "uptown." Whatever they were and to whatever heights they may have attained in financial or public success, the memory of Grand Street clung to them with an affectionate fascination. Many men carry reminiscences in their hearts for the scenes of their youth, but some lack the vital spark of initiative that these men surely had.

Here, after 20 years, is the magnificent realization of their dreams. Here is a boys' association dedicated to the brotherhood of young men without regard to race, color, or creed. In keeping with the conception of its founders, here is an organization that disregards financial standing and social prestige. It asks only that we like one another and that we maintain a wholesome respect and defense of the happy system under which we live and under which a society such as the Grand Street Boys' Association is based. In a word, the hand of good fellowship, of friendly association, and of clean living and honest thinking stretches forth to all who enter these portals. Here is democracy in action. Here in Grand Street is captured and perpetuated the spirit that has made East Side products the Nation's leaders.

Embryonic leadership is here tonight; leadership that will carry the torch far higher and far wiser than some of us who are entrusted with such responsibilities today. Leaders will spring from this noble atmosphere because the rules of fair play, of decency and respectability, kindness and tolerance are the rules which have guided the destinies of the Grand Street Boys' Association for 20 years. These are the rules that have made this club the remarkable institution that it is today. These are the rules that predestine even greater achievements in the future. These are the rules upon which democracy must be founded and without which neither domestic, industrial, or political morality can survive.

Democracy, if it is to endure in this country, must appeal to us as an opportunity for service, as an opportunity for cultivating the finer things of life. To continue to function, it must assume its rightful responsibility.

We do not propose that economic, political, or religious oppression shall ever be permitted to take root in this country. We must, however, be constantly on the alert to guard against encroachments upon our system of government. We have learned that there is no short cut to human happiness, no substitute for individual freedom. Our Government stands today for the enthronement of law and equity, the preservation of democracy, the right to individual freedom, the redemption of the oppressed, the education of the poor and unfortunate, the establishment of free institutions, and the protection of life and property. We must keep faith with that system, for it stands for justice for all. We must pledge anew our determination to make democracy work. That is fundamental Americanism.

Americanism is the trade-mark of the Grand Street Boys' Association. It has emblazoned the symbol of tolerance and good will upon the skyline of New York. It has rooted its fundamental Americanism deeply into the mud sills of a friendly neighborhood. After 20 years it has erected a superstructure that is far greater than the steel and stone, beautiful as it is, that greets the eye. That superstructure has been built by piling good deed upon good deed, by pyramiding an incalculable volume of neighborliness, and by amassing a wealth that we measure in terms of liberty, justice, and tolerance.

I always look forward to a visit here, because, to my mind, there springs from this association a blend of romance, of adventure, of something both sentimental and practical. There is inspiration in this atmosphere. There is an air of progress, of opportunity, of democracy itself, in the activities carried on here. There is blended here the mellowness of memories, the freshness of youth, and the promise of fruitful endeavor.

With another storm sweeping the earth, with the forces of greed and intolerance ravishing other nations, and with the survival of representative government at stake, we need a rebirth throughout the world of the spirit that glows here—a democratic spirit that glows like a cloud by day and a ball of fire by night. In other lands, under less fortunate governments, innocent human beings are cast into a vortex of hatred, misery, and bloodshed. Bigotry and intolerance motivates ruthless leadership there. Despotism is pitted against democracy. The specter of serfdom, enslavement, and oppression threatens again to stem the upward tide of civilization. In these calamitous circumstances the value of organizations of this type is self-evident. I congratulate you on your twentieth anniversary. I join in the most deserved tribute to Judge Goldstein, whose energy, devotion, and vision have brought you on the road to this glorious occasion. I say again, give us a Grand Street in every town; give us a Grand Street Boys' Association in every community. That is what America needs. That is what helps to preserve the democratic way in the greatest land under the sun.

## Preservation of American Liberties

## EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

RADIO ADDRESS BY HON. JOHN W. McCORMACK, OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on December 29, 1939:

Out of a confused and disturbed condition of a world nature has come a message of hope in the recent action of His Holiness, Pope Pius XII, and of President Roosevelt, action of a courageous nature, having as its objective the establishment of an honorable peace, when the proper time arrives to further prosecute their peace plans. It is the molding of decent world public opinion, of all creeds, all races, all neutral countries against the indecent and destructive forces of the world. All persons who hope and pray for an early honorable peace should support the efforts of these distinguished men, outstanding leaders in different fields of human activity, but both having the same objective—an early peace.

In a speech I made in the Congress during the special session, I stated, in substance, "Communist Russia and Nazi Germany are attacking and attempting to destroy religion and the ennobling influences that come therefrom and which lift up men and women."

I then pointed to gallant Poland, a religious and liberty-loving people, with the murdering of priests, ministers, and rabbis by the Communist oppressors. Since then we have witnessed Lithuania, Latvia, and Estonia, compelled to submit to terms that reduced them from the status of independent nations to a protectorate of Soviet Russia. We read in the press that when the Soviet military forces marched into these countries, with them went the printing presses, the purpose of which was to indoctrinate the people of these countries with communism. You and I know that if the Communist propaganda is unsuccessful, the next step will be for Soviet Russia to establish a so-called people's government, forcing a Communist state upon these fine people.

The next step was little Finland, the valor of whose people is known to all. After that, probably Norway, then Sweden, or an attack upon the people of the Balkan states; ruthless force operating with a complete disregard of the rights of small nations, not only for conquest but also to deny to those conquered the right of a free religious conscience.

We are witnessing the world forces of destruction in operation—cold, cruel, ruthless. We see little Finland, with its 4,000,000 population, whose people know what communism means, fighting for its independence against a nation with a population of 165,000,000. This nation and its brave people are fighting one of the two subversive regimes of the world. Communism and its illegitimate offspring, nazi-ism, from a world angle, are menaces. They both have the same common objective—conquest and revolution. They are both the enemies of religion, one open and direct, in the case of Soviet Russia, the other hidden and indirect, but just as determined, as in the case of Nazi Germany. The broader implications involved should be understood and appreciated by all persons who stand for decency in world affairs.

The recent action of President Roosevelt in the appointment of a special Ambassador to the Vatican, and his message to Pope Pius XII, and recognized leaders of the Protestant and Jewish faiths, and their favorable responses, coupled with the independent efforts of Pope Pius, and recognized leaders of other faiths, clearly show an appreciation of the dangers of these forces of world destruction. Such action will produce favorable results at a later date. Such leadership has as its objective the molding of the world forces of decency, spiritual and material, for peace, and not for war; for order and stability, not for destruction. To me, it is the most enlightening leadership and action since the present war started. It is a definite challenge, in an orderly and peaceful manner, to communism and nazi-ism in their attack upon religion, and in the attempt to impose their will upon the people of small and defenseless nations.

In our own country those same forces of destruction are operating. Their moves are hidden and subtle. There is no question but what they are financed from abroad. Only a few months ago, the open and avowed enemies of each other, here and abroad, today, communism and nazi-ism have clasped hands, and are working in concert with each other. They are both the enemy of our Government.

I know what their tactics are. Five years ago I was chairman of the special congressional committee that investigated communism, nazi-ism, fascism, and other un-American activities, such as the cheap, contemptible, bigoted movements which existed at that time. Every method, legal or illegal, or a combination of both, are used by them. Deception and hypocrisy are their acknowledged policies. One of their favorite tactics is to try and create hatred among Americans because of differences of race, color, or creed. They know if they can create suspicion it will lead to misunderstanding and hatred, and then to a movement of bigotry directed against some American citizens, because of either race, color, or creed. Such movements are not only contemptible, but are un-American. At the present time, according to credible testimony of the Dies committee, a determined effort is being made by the Communist and Nazi forces, in conjunction with others, to start another wave of bigotry in the United States. All Americans should oppose such a movement. Hate is a disruptive influence upon mankind. It is the main origin of evil.

As a result of the investigation by the special committee of which I was chairman, a bill which I drafted became law 2 years ago—a bill compelling foreign propagandists in the United States to register with the Secretary of State. While that bill is far-reaching in its operation, it is particularly aimed at communism, nazi-ism, and fascism. There is strong evidence that the Department of Justice is enforcing this bill. Recently, in the District of Columbia, three Communists were indicted for conspiracy to evade the provisions of this law, and pleaded guilty. This law should be vigorously enforced by the Federal authorities.

The special committee also recommended a bill making it a crime for any person to "willfully or knowingly advocate the overthrow of our Government by force and violence." That bill should become a law. What American can object to such legislation? Last year I offered it as an amendment to another bill which was pending in the House of Representatives, and the amendment was adopted by the House. It is now pending in the Senate. It is proper and necessary legislation which the Senate should pass. To those who believe in personal liberty, freedom of religious conscience, freedom of speech and of the press, the sanctity of the home, and of the family life, and of all other individual and human rights for which our institutions of government stand—communism, nazi-ism, fascism, and bigotry in any form should be vigorously fought.

When we witness the oppressive conditions in other countries—Communist Russia and Nazi Germany—with their attacks upon religion and the destruction of individual rights—we realize more profoundly what it means to be an American citizen. Here, religious freedom and other human rights are guaranteed to all and are protected by the Constitution. Here, under our form of government, freedom and liberty within the law exist as a right and not upon the will of a dictator. And yet there are those within our country who play the game of atheistic communism and pagan nazi-ism—both anti-God, both antidemocracy, and both determined, if they can, to destroy every ideal for which you and I stand.

You and I have the responsibility to protect our institutions, not only from attack from within, but to see that national policies are formulated that will not aid those forces of destruction which are now active in other parts of the world. It is the duty of all American citizens to see that necessary legislation to combat these vicious forces of destruction is enacted into law. It is our duty, in these trying days when the only law of some nations is the law of might, to see that our country is adequately protected and defended. It is our duty to see that we have a national defense that will not only command the respect of lawless nations, but will instill into their minds fear of entering into any conflict with our Government.

I am glad to state that our Navy at the present time is in admirable shape. Six years ago it was practically defenseless. During the last 6 years 106 new naval vessels have been constructed and commissioned and many others are now in the process of construction. The next Congress will be faced with the problem of whether or not our Navy should be further increased—not for the purpose of attacking other nations, but for the purpose of defending our own shores in case of attack. It is my frank opinion that our Navy should be further increased. The price that we pay is the premium for protection.

Our air forces must be materially increased. Six years ago we had practically no air force. Today we are in a different position. The last regular session of Congress appropriated money for the building of 5,500 airplanes for the Army during the next 2 years. The present conflict in Europe has shown the effectiveness of a strong air force. It has also shown the necessity of a strong air force. An adequate national defense, under existing world conditions, requires a substantial increase in our present air forces.

The first duty of a nation is to assure its own protection and continuance as a government. That is why a country must provide for its national defense. The extent to which a country such as ours, which seeks nothing that other countries possess, must go, is dependent upon the actions of other countries and upon world conditions as they exist from time to time. As I view the situation, looking over world conditions, it is imperative that there be



a further increase in our national defense on sea, on land, and in the air. This is a practical question which must be viewed from a realistic angle.

With all its human weaknesses and human imperfections, our Government is the best government in the world. Its existence is dependent upon you and me as individual American citizens.

Past generations of Americans in their day met the problems which confronted them and passed on to you and me, of this generation, a great country—the great country of which we are citizens. It is our absolute duty to persevere in our day and to pass on this heritage to the generations of Americans yet unborn. To do that we must meet our problems and determine them in the American way. One of our serious problems is the menace of world communism and nazi-ism, with their vicious and ruthless disregard of moral obligations. It is our duty to be prepared to preserve ourselves from attack—from without and from within—by these forces of destruction. An adequate national defense protects us from without. An enlightened public opinion, together with the passage of necessary legislation to combat these forces, will protect us from within.

### The Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

EDITORIAL FROM THE OMAHA WORLD-HERALD

Mr. SCHAFER of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Omaha World-Herald:

[From the Omaha World-Herald]

MR. HULL'S CASE

Secretary Hull says the people who oppose his reciprocal-trade program have been guilty of "flagrant and unscrupulous suppression and misuse of material facts."

Maybe he has something there. Any tampering with the tariff stirs strong prejudices and arouses powerful interests, and they do not always keep their punches up.

But the Secretary of State himself should be above reproach. His figures should stand like rocks imbedded in eternal truth. He should not be swayed by the selfishness and partisanship which commonly influence lobbyists and sometimes, we regret to confess, Congressmen.

Yet some of Mr. Hull's statements before the House Ways and Means Committee arouse the wonder if he, too, wasn't guilty of misusing material facts.

He began with a round of abuse for the Smoot-Hawley tariff of 1930, which is the conventional opening for any tariff discussion. Then he pointed out a sequence of events intended to blast forever the pretensions of the Smoot-Hawley advocates and to squelch the arguments of the enemies of the Hull reciprocal trade program.

Chronologically, his argument went something like this:

1929—American farmers' cash income, \$11,200,000,000; income of the cattle industry, \$1,495,000,000.

1930—Smoot-Hawley bill passed.

1932—American farmers' cash income, \$4,700,000,000; income of the cattle industry, \$621,000,000.

1935-39—Many reciprocal-trade agreements put into effect.

1938—American farmers' cash income, \$7,600,000,000; income of the cattle industry, \$1,144,000,000.

In other words, everything was lovely in this country until the Smoot-Hawley bill was passed. Then things went to hell in a basket, and no good news happened until the reciprocal-trade agreements were negotiated. Then the farm business started picking up, and now, thanks to the program, we are well started on the road back.

But the chronology does not take into account the long depression, which whacked values not only in the United States but everywhere in the world, nor does it give any credit to the worldwide recovery which got under way in about 1935. Now the Secretary's zeal for his reciprocal agreements may be so great that he can convince himself that the Smoot-Hawley tariff caused the depression and his program ended it, but he can hardly expect the rest of the country to accept that conception.

As a matter of fact, industrial statistics for the past decade have been so badly tangled by many currents that they can be used to prove anything or nothing about the tariff.

But there is one fact about the whole situation which ought to be plain to everyone interested in the American economy. It is this:

Admission into America of foreign-grown farm products which compete directly with American farm products can serve no useful purpose at this time.

It can only have the effect of increasing our surpluses, reducing our prices, forcing more American land out of production, and driving more American farmers from the land. Any tariff revisions which will force drastic changes in any basic industry, such as agriculture, should be undertaken with the greatest of care—and not at all during a time when prices are already depressed.

### The Dies Committee

#### EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

NEWS LETTER BY HON. SAMUEL B. PETTENGILL

Mr. MASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following news letter issued by Hon. Samuel B. Pettengill, former Member of Congress from Indiana:

THE DIES COMMITTEE

(By Samuel B. Pettengill)

One important, immediate matter for decision at the present session of Congress is whether the work of the Dies committee shall be continued. There is large public interest in this question. The other night we had a lively debate over the topic, in which I held the affirmative, over the Town Hall of the Air, in New York.

It was once said of a great American that "we love him for the enemies he has made." Who are the enemies of the Dies committee? Who wants it discontinued? Here are a few: Earl Browder, under indictment; Fritz Kuhn, now in prison; the Communist Party; the bund; the Daily Worker; the New Masses; the New Republic; the Nation; Labor's Nonpartisan League; the American Youth Congress; the American Student Union, which has just given its blessing to Russia's attack on Finland; the American League for Peace and Democracy; the Workers Alliance; Secretary Ickes; and Mme. Perkins. All of these were also behind the bill to pack the Supreme Court; they all favored the "dictatorship" reorganization bill; they all applauded the attempt to purge Democratic Senators in 1938. We judge the objections by the objectors. "By their fruits ye shall know them."

The American League for Peace and Democracy is the largest group fighting the Dies committee. The committee acquired its hatred by publishing the names of the Washington, D. C., members and mailing list of the league, 553 in number, nearly all of whom are employees of the Federal Government—your Government—several in key positions.

It is probable that many of these members were duped into joining an outfit which Earl Browder described as a "transmission belt" for the Communist Party, and of which he was formerly vice chairman.

But these people are not private citizens. Most of them are public officials. They hold office under the Constitution of the United States. Their salaries are paid by the loyal citizens and the hard-working taxpayers of this Nation. Now, I ask this question: What right has any public official to belong to any organization the publication of which would embarrass him in the slightest degree? Or putting it another way, has not the public the right to know the names, purposes, and financial support of every political organization to which any public servant belongs? If not, why? What right has anyone drawing his pay and groceries from the Government of our country to belong secretly to any organization whatever and to be protected in that secrecy?

Dr. Harry F. Ward, the head of this league, denies what Browder asserts—that the league is a "transmission belt" of the Communist Party and the Third International. But it is in evidence that two or three thousand dollars a year, or 15 percent of the league's budget, is contributed by the Communist Party. Dr. Ward himself has admitted that 2 out of 25 of its steering committee are Communists, and that its membership is probably 10 percent Communist.

If so, the Washington chapter is 10 percent Communist. That means that 10 percent at the very least, or 55 of 553 names, are Communists. Now I, for one, am old-fashioned enough to hold that no Communist has any business on the pay roll of our Government—not one. I submit, further, that no Government employee who is not a Communist has any business to knowingly belong to an outfit which is 10 percent or 5 percent or 1 percent Communist.

With reference to the 90 percent who are not Communists, according to Dr. Ward, I think the Dies committee should give them an opportunity to disavow any loyalty to any flag except the Stars

and Stripes, and to any political creed except the American Constitution. If satisfied of their good faith, the Dies committee should give these innocent people a clean bill of health. And for that reason, among others, I submit that the Dies committee should be continued.

No one is called upon to give a blanket endorsement to everything done by this committee. But on net balance it has done a great job against great difficulties. And now that we are spending billions to defend our land against foreign foes, we would be the prize boobs of the ages if we called off the Dies committee from continuing to expose the enemies within. Let us keep the spotlight on our navy yards, our merchant marine, our factories manufacturing military supplies, our newspapers and book reviews, our press services, relief agencies, and all public officers, our schools, and even our churches until we are sure and certain that no one longer works in secret at least to betray America to a foreign flag and a pagan god.

### The Passing of Dr. Kelly Miller

#### EXTENSION OF REMARKS

OF

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

Mr. MITCHELL. Mr. Speaker, it is my opinion that the Negro race, the educational field, and the army of loyal men and women interested in the building of a genuine democracy in America, lost one of its foremost champions in the passing of the late Dr. Kelly Miller who, though born a slave in the South, became one of the greatest scholars, philosophers, and champions of human rights in the country. For 50 years he served in various capacities as a member of the faculty at Howard University. His life was purely unselfish and he lived primarily for the good he could do mankind. His contribution in the building of substantial citizenship among Negroes and in lessening race prejudice was surpassed only by that of the late Booker T. Washington.

During my tenure of office as Congressman of the United States, it was my custom to call him in consultation about practically every important question involving the interest of the race. He was always enthusiastically anxious to do what he could to lessen race friction and to put the case of the Negro squarely before the country on its merit. In his passing I sustained a great personal loss, for it was upon his shoulders that I leaned more heavily than upon the shoulders of any other leader in the country. Because of the close relationship that existed between us, it was very fitting that the last conference he had with anyone outside of his immediate family and his physicians was with me. Although he was weak and seemed to realize that the end was near, his whole talk, lasting for more than a half hour, was about the future welfare of his people and his country. Being a great patriot, in his illness, as in his days of health, he thought of others and his country before he thought of himself.

I think it is fitting that I include here an interview which was among his last with the great commentator, Frederic William Wile. This interview with Mr. Wile was no passing fancy with Kelly Miller. His opinions on these matters are not to be regarded lightly.

"PERSUASIVE INDUCEMENTS OF NEW DEAL" BIND COLORED VOTE, DR. MILLER BELIEVED

(By Frederic William Wile)

By design, naturally, rather than by accident, that time-stained bogey of Congress, the antilynching bill, reintrudes itself on the threshold of the 1940 Presidential campaign. House debate preceding overwhelming passage of the bill on Wednesday evoked from the body's only colored Member, Representative MITCHELL, Democrat, of Illinois, the charge that the Republican party is "trying to buy back the Negro vote" with the Gavagan (Democrat, of New York) sponsored measure to prevent lynching. According to the former dean of Howard University, Dr. Kelly Miller, who passed away at the turn of the year, it is "the persuasive inducements of the New Deal" which have bound the Negro to its philosophy "with hoops of steel." Not long before Dr. Miller's death this observer asked him to forecast the direction the Negro vote would take this year. In what was probably that respected colored leader's political swan song, he declared unequivocally that "the great bulk of Negro voters having

supported Roosevelt in 1932 and 1936, all indications point in the same direction for 1940."

#### THE WANDERING BLACK SHEEP

Dr. Miller wrote: "Both parties will put forth as strenuous an effort to corral the Negro vote as any other element of strength. Already the Republicans have appointed Dr. Emmett J. Scott, a distinguished, persuasive politician, one-time editor of a Texas Negro newspaper, erstwhile secretary to Booker T. Washington, later secretary of Howard University—a man who knows the rules of the political game—to bring the wandering black sheep back into the fold. The Democrats will doubtless set up a competitive agency. But the New Deal stands on its record—a record warranting the assertion that the vast majority of the colored vote will adhere to the Democratic Party in 1940, as it did in 1932 and 1936. This is no mere wishful expression. It is based upon a dispassionate analysis of the facts and factors involved."

#### G. O. P. BROKE PROMISES TO NEGROES

"The strategy of Negro political leaders in the past five Presidential campaigns," Dean Miller continued, "was to impress both parties with the race's importance either as an ally or as an opponent. The influence of these leaders sprang from the fact that both parties believed their contention might be true. Yet the 1920, 1924, 1928, 1932, and 1936 elections were won by such landslide proportions that the Negro vote was completely wiped out. Harding, Coolidge, Hoover, and even Roosevelt, the latter both times, would have won triumphantly even if every Negro had voted against them. Neither side this year predicts victory by a landslide. This uncertainty gives the Negro vote strategic importance."

"A careful or even a casual analysis of its potentiality in the free-voting States of the North and West clearly indicates that its weight is sufficient to throw victory to one side or the other. In at least a dozen States the Negro vote exceeds the margin by which either party can reasonably hope to win. The only question now is which party will be the more seductive in suing for the Negro's favor. Up to Taft's time the Negro vote was bound to the Republican Party by ties of gratitude and tradition. But due to the retrograde policies of Taft, Harding, Coolidge, and Hoover, followed by the persuasive inducements of the New Deal, there has been a radical reversal of attitude. The G. O. P., being in the minority and without power, prestige, or patronage, no longer possesses any concretely convincing appeal for the Negro vote, especially in the big northern cities, where it is chiefly concentrated. The Republican Party has abandoned the vital issues of human rights, on which it rose to power, and has a long record of broken promises with which it beguiled its black ally. It has therefore lost its effective hold on the Negro's allegiance."

The large contribution made by this unselfish and untiring patriot is bound to live and express itself in the fruit borne out in the lives of those who are to live after him. His passing is a distinct loss to the Nation.

### Authorizing the Expenditure of \$20,000,000 for the Relief of the People of Finland

#### EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 17, 1940

Mr. FISH. Mr. Speaker, I have introduced on January 10, 1940, a joint resolution authorizing the expenditure of \$20,000,000 for the relief of the people of Finland, for the purchase in this country of foodstuffs, clothing, and other American products, including raw materials and manufactured goods, except arms, ammunition, and implements of war.

The people of Finland are facing a great national emergency, and their very existence is at stake. Finland is the one country that has paid its debts to the United States, and I believe the American people desire to assist it in every practical way in the crisis with which it is confronted.

Finland is in dire need, not only of foodstuffs, cotton, and clothing but also of copper, steel, gasoline, trucks, and other manufactured products of this country. In the past Congress has appropriated large sums of money for relief in Belgium, Poland, and Soviet Russia and there is every reason that legislation should be enacted immediately to afford substantial relief to the people of Finland at a time when it is most urgently needed and their own existence and that of their Government is threatened with disaster. Time is vital and



essential if we are to help Finland defend itself from the "red" avalanche of communism. We must act immediately.

#### House Joint Resolution 415

Joint resolution for the relief of the distressed people of Finland

*Resolved, etc.,* That the President is hereby authorized, through the American National Red Cross or such agency or agencies as he may designate, to purchase in the United States and transport and distribute grain, fats, milk, and other foodstuffs, clothing and raw materials or manufactured products (except arms, ammunition, and implements of war) for and adapted to the relief of the distressed people of Finland, and for their benefit in defense of their liberty and independence. That there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, to be expended under the direction of the President, a sum not exceeding \$20,000,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this joint resolution: *Provided*, That the President shall, on or before December 31, 1940, submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted through the agencies selected by him under the authority of this joint resolution.

### America's Deliverer (a Satire)

#### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

ARTICLE BY R. WALLACE EUGOH

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a philosophical, satirical, and good-humored treatise on the subject of propaganda and civil liberties. It is written by a friend of mine who entertains profound and vigorous views on the subject of free speech, labor, and civil rights. I am sure its reading would be of benefit to all intelligent and alert citizens, whether they agree with the sentiments and philosophy of the article or not.

The article is as follows:

The freedom of 130,000,000 people is in grave jeopardy. The very foundations of the Republic are endangered. They have been endangered ever since that alien freethinker Thomas Jefferson proclaimed the subversive doctrine that error can be tolerated safely so long as truth is left free to combat it. Had I but lived in his day, my countrymen, I would have exposed this un-American radical as a fellow traveler of the godless gang that perpetrated the damnable French Revolution.

I would have called a hearing, myself presiding, before the public, the press, and the photographers. I would have summoned witnesses from the four corners of the earth, deserters, spies, felons, renegades, and stool pigeons. Out of the hidden byways and crowded highways I would have brought them forth to share with me the limelight. Thus would I have saved the young Republic from such traitors as Jefferson and his kind. And that all the people might be made cognizant of their eternal debt to me I would have published far and wide, day after day, photographs of my heroic countenance. I would have these pictures portray me standing bravely firm, with patriotic and protecting arm about the shoulder of an exiled antirevolutionist from France, doubly shielded by the shifting alias of his identity and by the steadfast star of my destiny—and my immunity. These things and more would I have done to save my imperiled country, and to enshrine my name forever in the hearts of all blue (mind you, blue, not red) blooded patriots.

But, my countrymen, there is yet time to save America. All that is needed is more and more money for my paid informers. My spies and snoopers tell me that the dangers of today far exceed those that faced the infant Republic in the days of Jefferson the infidel. They are more subtle, more invidious, more insidious, more infectious, more contagious, aye, more devious, more devastating, more deadly, and more damnable. Think on these words and shudder. Behold, my fellow patriots, some of these evils, as I recount them in all their menacing reality.

Collective bargaining and the right of laborers actually to quit work. Tenant farmers, sharecroppers, slum dwellers, yes, even field hands, discontented with their heritage in this land of plenty, aye, sometimes rebellious against that state of life in which it hath pleased God to place them. All of them potential victims of the subversive doctrines of foreign agitators.

Make no mistake, my countrymen, these agitators will stop at nothing. They do not know the meaning of fair play, as I under-

stand it. They even make themselves familiar with Woodrow Wilson's writings and quote his statement that "the way to overcome the agitator is to remove the causes of agitation." Could anything, I ask you, be more dangerous than this? Nor are they content to quote dead Presidents. They repeat those ominous words spoken in my day concerning one-third of the people of this Nation being "ill-fed, ill-clothed, ill-housed." (I shall not name the author of these words lest with shame my cheek turn red.) My countrymen we come now to the very fountainhead of all our dangers. The inspiration of all the spirit of discontent and unrest in our land emanates from one source—the White House and its brain-trust child, the New Deal. These are the chief foes of the God-fearing, property-owning, fortune-making, power-loving people of this country. These are the real enemies within our gates.

Behold the devastating evils of the present dictator administration. Under the false front of democracy our capitalists are hampered by taxes, our banks are rigidly regulated, our stock exchange is robbed of its ancient liberty, our employers are not allowed to forbid or circumvent collective bargaining, and our industries are forbidden to pay wages as low as they want. The time-honored conservatism of our Supreme Court is flouted by the appointment of young radicals disguised as liberals. The far-flung dominions of our public utilities have been ruthlessly detached from the holy empire of holding companies, and debt-burdened farmers have been seduced by the temptation of cheap, labor-saving electricity. Our National Government has been subjected to the degradation of an unbalanced Budget, partly to pander to an unprofitable minority—the poor, the idle, and the aged.

These, my fellowmen, are but a few of the body blows against the American system by Soviet satellites installed into key positions under the New Deal. Who is to expose and overthrow these agents of Moscow and their army of fellow travelers? Can they be overthrown by the home, the church, and the school? From the lips of my informers comes the answer. They cannot. Our homes? What mother by the hearthstone can be sure that husband or son is not a subversive radical masking as a mere liberal? Our churches? Which of them can be certain it is not the voice of revolution in the pulpit that repeats the prophet's plea for social justice or reads aloud the bold denunciation of the rich by Jesus Christ? Our schools and colleges? Can any board of trustees guarantee that no teacher belongs to a labor union and that no student knows about the Bill of Rights?

Fellow Americans, the fate of our institutions is trembling in the balance. The governments of our sovereign States are being steadily undermined by insidious propaganda against privilege, the sales tax, yes, even the poll tax. Again I ask, Who shall save America, its institutions, and its people? Not our War Department, which widespread sabotage stands ready to wreck at any moment. Not our Navy Department, penetrated throughout by foreign agents of disaffection. Not our Department of Justice—God save the mark—whose Attorney General was publicly indicted as a radical by a political rival summoned by my agents—a man who in this hour of peril glibly prates of civil liberty.

Long have I known that America could be saved in only one way. The New Deal must be discredited in the eyes of the people by charging that it is infested with agents of "red" Moscow. We do not have to prove the charge. All we need to do is to spread it broadcast. Publish a list of names, no matter where or how they are obtained. Make it a long list, even if you have to pad it. Attach each name to a New Deal agency, whether it belongs there or not. Proof is unnecessary, accuracy is irrelevant. People will remember what they read in the papers. Have I not proved this? Is not my name today on the lips of millions who would never have heard of me but for the front-page headlines I have made? Ah, that blessed, that beautiful, that immortal word—publicity. As the great prophet-priest, Coughlin, has proclaimed, by deed as well as word: "The end justifies the means."

Arise, my countrymen, arise and follow me. Let our password be "suspect, suspect"; our watchword, "accuse, accuse." And our unfailing battle cry, "We see red."

Onward and forward, fellow patriots to the rescue of America imperiled. Do not fear—I will lead you. Behold America, behold in me, your deliverer and your redeemer.

### Do Machines and Inventions Cause Unemployment?

#### EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

Mr. DONDERO. Mr. Speaker, in the President's message to Congress, delivered in this Chamber on January 3, 1940, the President stated "To face the task of finding jobs faster than invention can take them away" was one of the problems of the Nation. And he further stated:

We have not yet found a way to employ the surplus of our labor which the efficiency of our industrial process has created.

How much does machinery have to do with creating unemployment? What effect does invention have on the question of jobs? In answer to those questions and to the President's challenge, the figures prepared by the National Industrial Conference Board are interesting as well as an answer to the questions.

In an editorial published in the Daily Tribune in my home city, Royal Oak, Mich., this interesting question was discussed. I believe it to be pertinent information on the challenge presented by the President in his address.

Personally I have never seen anything to convince me that, in the long run, the invention of new machinery does anything but create more jobs. Where people often get confused, I think, is in the fact that introduction of a new machine frequently does cut down jobs on some particular operation for the time being. But in the majority of cases, in the long run, it creates more jobs. For it generally makes it possible to produce goods more cheaply. Then these are sold to more people, and more men than ever are required to make them. Look at the automobile industry as an outstanding example.

In this connection I am struck by an article in the Detroit. It takes issue with the statement of President Roosevelt to Congress when he referred to the Nation's problem "to face the task of finding jobs faster than invention can take them away."

The writer took the figures of the National Industrial Conference Board, which are standard in this field, to make the following comparison between 1929 and 1937:

	1929	1937	Increase or decrease
Average annual—			
Total employed.....	47,925,000	46,639,000	-1,286,000
Agriculture.....	10,539,000	11,244,000	+705,000
Forestry and fishing.....	267,000	227,000	-40,000
Mining.....	1,067,000	865,000	-202,000
Manufacturing.....	11,059,000	11,361,000	+302,000
Construction.....	3,340,000	1,924,000	-1,416,000
Transportation.....	2,465,000	2,016,000	-449,000
Public utilities.....	1,167,000	975,000	-192,000
Trade distribution and finance.....	8,007,000	7,549,000	-458,000
Service.....	9,003,000	9,518,000	+515,000
Miscellaneous.....	1,012,000	958,000	-54,000
Unemployed.....	429,000	6,372,000	+5,943,000
Total labor force.....	48,354,000	53,011,000	+4,657,000

One of the surprising facts disclosed is this. While the total number of jobs decreased 1,286,000 the number employed in manufacturing actually rose 302,000. The drop came in other fields.

#### BIGGEST DROP IN BUILDING

By far the largest drop in employment was in the construction field, where nearly 1,500,000 fewer men were at work in 1937 than in 1929. We are hearing a lot about that in the Government's inquiry these days. Between the agreements of construction firms to hold up prices, and the demands of strongly organized unions for exorbitant wage scales, it has been made pretty difficult for those who want to erect buildings to do so.

The next largest decrease, 449,000, came in transportation, along with 458,000 in trade, distribution, and finance. The two total nearly a million people.

Another large decline in jobs came in mining. The largest share of this field—coal—is dominated by John L. Lewis. Public utilities, which have been under fire by the Government and have been subjected to the competition of Government-financed corporations, have decreased their expansion rate of previous years.

It looks as though we would have to go much further than just blaming the invention of machinery if we want to put our finger on the cause of unemployment.

### "Causative Factor" Should Go

#### EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

EDITORIAL FROM THE NATIONAL TRIBUNE OF JANUARY 18, 1940

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to revise and extend my remarks in the RECORD, I include

the following editorial from the National Tribune of January 18, 1940:

[From the National Tribune of January 18, 1940]

#### CAUSATIVE FACTOR SHOULD GO

There is now pending on the Senate calendar a bill by Senator WALTER F. GEORGE, of Georgia, to restore retirement privileges to certain disabled officers of the World War who lost their retirement by the infamous and unjust Economy Act of 1933. This bill (S. 134), should be passed immediately and sent to the House, so that early action can be had on it or a companion bill sponsored by Representative ANDREW EDMISTON of West Virginia.

In 1933, when they were overpowered by the minions of big business, the veterans lost many benefits. As Congress learned about the injustices of the Economy Act, practically all original rights were restored. Of all the vicious results of that act, perhaps the most ruthless still remains, the so-called causative factor regulation.

Directed solely at disabled emergency Army officers, this regulation requires that in addition to proving direct service connection for disabilities, these men must also show a direct relation between a service incident and the disability, a thing absolutely impossible to do in most cases. In a disability from disease, for instance, it must be shown that a germ entered an officer's system at a specific time and that the arrival of the bug was caused solely by a special factor brought about directly through military orders.

This sounds extremely ridiculous to us. How could a patient suffering from disease or a mental ailment be expected to meet such a requirement? For that matter, how could a man who accidentally lost a leg or an arm always prove that it departed from him while he was acting under specific and direct orders?

It is true that comparatively few persons are directly affected, probably not more than 2,000. This isn't many when one considers that more than 200,000 officers served in the World War. The number of men affected should in itself dissolve some of the fog once raised that too many officers were being placed on the retired lists. Only 6,500 were ever retired; two-thirds of these were cruelly penalized by the "causative factor" regulation. All of them had directly service-connected disabilities and were justly entitled to the benefits they were receiving. If this vicious principle were applied to enlisted men, we dare say less than 100,000 men would remain on the compensation rolls. Realizing this, to say nothing of the principle involved, enlisted men have supported the officers. All major veteran organizations insist that the rights taken from disabled emergency officers 6 years ago be restored.

So much water has gone over the dam since 1933, a little history is in order. Just after the World War, eight classes of officers of the nine who served were retired as provided by law—all but the emergency Army officers. Of course, all Regulars were cared for; so were the provisionals.

Navy and Marine Corps emergency officers were also voted retirement, and at the time, Franklin D. Roosevelt, now President, was Assistant Secretary of the Navy, in charge of personnel.

Fearing that the retired list would be loaded down, the War Department dodged its responsibility. Not until 1928 was special legislation enacted. When Congress then created a special retired list for emergency officers it did so without discriminating between officers and enlisted men. It recognized that, by reason of their rank, officers were entitled to higher compensation, thus following an established policy of the Nation.

In 1933 the then solicitor of the Veterans' Administration, at the behest of the President's economy committee, headed by Bernard M. Baruch, Wall Street speculator, wrote the Economy Act. The solicitor could not get rid of all those then on retired lists because the principle of retirement was too well established. He, therefore, wrote into the Economy bill the right of retirement, but with it went his pet brain child, the "causative factor" provision.

Everybody remembers the conditions under which that outrageous bill became law. Few legislators knew what it was all about. Soon thereafter, 49 Senators who voted when the bill was considered, in answer to a query, wrote that they did not realize what this "causative factor" requirement would do; those who opposed and some others were not asked about their views. To relieve the intolerable situation, an amendatory measure was passed overwhelmingly by both Houses in 1937, but was vetoed so near the close of a session Congress could not then express its will.

Efforts have been made to have the courts declare the requirement invalid. Another section of the Economy Act, however, forestalled relief because it said that no court could review any administrative action under the law. The case has gone all the way to the Supreme Court, but it has never been considered on its merits because the law says that no review is permissible.

Legislation is therefore necessary. Only 1,500 of the original list retained their rights. About 300 of the men stricken from the roll have met the requirement. It took some of them 6 years to do it. A thousand of these officers have died. The balance who ask to be restored through the George and Edmiston bills all suffer from directly service-connected disabilities. They are drawing compensation along with enlisted men.

Practically all enlisted men who suffered from the Economy Act have had their rights restored. The disabled emergency officers should have the same consideration.

Last year the new Defense Act granted the retirement privileges to emergency Army officers who may be hereafter disabled, provided



they are on emergency duty for a period in excess of 30 days. Disabled emergency officers in the future, therefore, will receive retirement with pay. Disabled officers of the past have been retired with pay, and this handful of World War disabled who have had their rights snatched from them must be restored to the roll.

Criticisms of the first retirement law for these officers have been met in the legislation now pending. The National Tribune has reason to believe that if both Houses of Congress act promptly the President will this time favor the measure. He will have the true facts laid before him, so that he may fully understand the justice of the legislation.

The "causative factor" provision of the Economy Act is a blot on legislation which has been enacted for disabled veterans of our country's wars. It is time for Congress to remove the stain.

### LaGuardia Chuckles About Terror Plot

#### EXTENSION OF REMARKS

OF

HON. CHARLES I. FADDIS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

EDITORIAL FROM THE WASHINGTON (PA.) OBSERVER OF  
JANUARY 17, 1940

Mr. FADDIS. Mr. Speaker, the activities of the F. B. I. in uncovering the plot to overthrow the Government of the United States may be of little concern to those in the great metropolitan centers, but it is of the utmost concern to the inhabitants of the small towns throughout this Nation. I include in my remarks upon this subject the following editorial from the Washington Observer, Washington, Pa., of January 17, 1940, which I believe is typical of the opinion of the average American upon this subject:

[From the Washington (Pa.) Observer of January 17, 1940]

#### LAGUARDIA CHUCKLES ABOUT TERROR PLOT

Mayor LaGuardia is reported as chuckling about the arrest of 17 men in New York City for alleged participation in the planning of plots against the United States Government and stating that such a small group could really accomplish little.

It is leaders of the type of Mayor LaGuardia, who pose as liberals but are really opportunists, who are responsible to a great degree for the unrest and disturbed internal conditions which prevail in the United States.

Even though the group under arrest may be small in numbers, the members represent an element which has been stirred and agitated by the harangues of men of the type of Mayor LaGuardia. They have helped sow the seed of discontent.

The Christian Front members in New York are only one of too numerous contingents of like caliber spread over the land.

Harry Bridges, an alien, is permitted to assume labor leadership on the contest and agitate thousands upon thousands of workers. He has been quoted repeatedly as being opposed to the American way and favoring domination of all groups by the workers.

David Lasser, of the Workers' Alliance, stamped with the taint of communism, is permitted to go to Washington and organize marches and demonstrations. He has been a close friend of Aubrey Williams, one of the New Deal leaders in the W. P. A. and N. Y. A.

Addressing a Workers' Alliance meeting in New York City, Lasser this week said the organization was "no longer satisfied to struggle for miserable relief or W. P. A. jobs." He said the new program of the organization was to obtain a guaranteed minimum income of \$2,000 a year for every American family.

The American Student Union League, which has received the blessing of Mrs. Roosevelt, at a convention recently refused to stamp Russia as the aggressor in its war on Finland. Its leaders were charged before the Dies committee with being radical.

Communists hold posts of leadership in a large number of the C. I. O. unions and are permitted to foment strikes and create strife and foment discontent which is their sole aim.

Perhaps Mayor LaGuardia can chuckle. It would be easy for him to laugh at most anything.

But serious Americans and those who are interested in the maintenance of freedom of speech, religion, and initiative and enterprise, we do not believe are inclined to laugh about such a condition of affairs.

"Little drops of water and little grains of sand make the mighty ocean and the pleasant land."

A combination of all the radical and crackpot groups would really threaten the peace of our Nation and its stability.

### Hawaii—An Historical Review of Its Annexation to the United States and Organization As An Incorporated Territory

#### EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

ADDRESS BY HON. SAMUEL W. KING, DELEGATE FROM HAWAII

Mr. KING. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me before the Columbia Historical Society of Washington, D. C., on Wednesday, January 17, 1940:

As the Delegate in Congress from the Territory of Hawaii I find it frequently necessary to explain just where the islands are, what they are, and how they came to be a part of the United States. I welcome this opportunity, therefore, to tell the story of Hawaii to so representative a group of fellow citizens. I am happy to know by your invitation to me, that your interest in historical matters includes the romantic, even if brief, history of Hawaii.

The popular picture of Hawaii, created by our tourist advertising over a number of years, is out of focus in its overemphasis on the glamor and beauty of the islands. It is also true that amazing misconceptions prevail about our people and our status under the American flag. Despite a very friendly interest toward Hawaii, it is not uncommon to find people who place us in the Orient, or even the Caribbean; who assume we were once a colony of Spain, or use foreign coinage or stamps; in fact, are not quite American. I am frequently addressed as the Hawaiian consul or even ambassador, and our position as an integral part of the United States, as an incorporated territory thereof, is frequently overlooked.

It is our misfortune that there are no longer any territories on the mainland—the last one, Arizona, having been admitted as a State in 1912. The position of a Territory has therefore become ill defined, now that the only remaining Territories are Alaska and Hawaii. It is easy to forget that 29 of the 48 sovereign States served their apprenticeship as Territories; that, in fact, the precedent of establishing a territorial form of government was inaugurated by the Northwest Ordinance even before the adoption of the constitution created a United States of America in its present form.

When America completed its expansion across the continent from the Atlantic to the Pacific and from Canada to Mexico, there was a lull of two or three decades. Then the Spanish-American War precipitated a new and different kind of expansion, an adventure in imperialism that carried the American flag thousands of miles from the North American continent. Of all the communities this "course of empire" added to the Nation during and since that war, Hawaii and American Samoa alone came in by their own volition. Like Texas, Hawaii was annexed by a joint resolution of Congress. Hawaii was not a prize of conquest, nor did it become an American property through purchase. Nor was Hawaii a vacant land acquired through discovery and settlement. As an independent nation it negotiated a treaty of annexation with the United States, and on terms mutually acceptable consummated the purposes of that treaty by a joint resolution of Congress.

Along among these recent acquisitions Hawaii followed the American tradition in the development of new areas and was promptly organized as an incorporated Territory, with a local government similar to that of the then existing three Territories of Oklahoma, New Mexico, and Arizona. At a later date Alaska was also organized as a Territory.

With the passage of the years, with the admission of the mainland Territories to the Union as States, leaving only Alaska and Hawaii in the former category, and because of the continental habit of mind of the average American, there has recently arisen some confusion as to the correct status of a Territory. There is a new tendency to consider "continental United States" as a preferred part of the United States, as compared to "offshore areas" or "noncontiguous Territories," in matters of national legislation, as though America were about to embark on a colonial policy toward its incorporated Territories because of their physical separation from the mainland.

Perhaps a review of Hawaiian and American history will help to clarify this confusion and establish the principle that, insofar as Hawaii, at least, is concerned, no such colonial treatment can be justified. The annexation of Hawaii and its incorporation as a Territory of the United States was the climax of nearly a hundred years of friendship between the two countries. With your kind indulgence, I shall review the high lights of this long and close association.

The birth of Hawaii as a nation from its previous feudal state followed closely after its discovery to the western world in 1778 by the

English navigator, Capt. James Cook. The consolidation of the different islands under one rule was accomplished by the great Hawaiian chief, Kamehameha. His dynasty and that of an allied chiefly family ruled over Hawaii as a kingdom for nearly a hundred years.

For nearly three-quarters of this period America took the leading part in upholding the Hawaiian government against the turbulence of foreign residents—Americans and others—and the intrigues of local representatives of foreign nations. While the Hawaiian kingdom was fighting to maintain itself against the cupidity of the European nations—sometimes of their agents rather than of the governments themselves—it was America that consistently held out a supporting hand; that took a stand against foreign interference with the affairs of the little nation; that advised its rulers how to meet the recurring emergencies of French demands, of British arrogance, and of Russian efforts at infiltration.

The arrival of the first group of Christian missionaries in 1820, followed by several later reinforcements, comprising devoted American men and women from practically every New England State and many of the Middle Atlantic States, set the pattern of Hawaiian life along American lines. Indeed, the cultural foundation of Hawaii today is New England culture superimposed on the old Polynesian concepts of the native Hawaiians.

The rapid acceptance of Christianity by the Hawaiian people, the high degree of confidence in which the Hawaiian rulers held the early missionaries, gave the latter great power during the formative years of Hawaii's monarchical period. This thoroughly American element in Hawaii not only offset the efforts of the smaller British colony and other foreign groups but also exercised a strong influence in the United States in favor of Hawaii.

Besides the missionaries themselves, there were other Americans settling in the islands, engaged in business and trade. My own New England ancestor came to Hawaii in 1793, nearly 30 years before the missionaries, and was one of the first king's foreign advisers. Although these traders did not always see eye to eye with the missionaries in all things, their jealousy of any other foreign influence added that much more weight to the Americanization of Hawaii, which had begun long before the United States had crossed the Mississippi River.

The American Navy was another powerful force in keeping the islands out of the hands of other nations until the inevitable workings of destiny brought Hawaii under the American flag. Hawaiian history has on its roll of honor the names of several famous naval commanders who came to Hawaii's rescue in the many crises that agitated its course as an independent nation. On one occasion, when a British naval officer had hauled down the Hawaiian flag and hoisted the British flag in its stead, and before his superior had arrived to repudiate his action and restore Hawaiian sovereignty, an American commodore—Kearney—protested vigorously and received members of the Hawaiian royal family with full honors as evidence of his refusal to recognize the British rule.

As early as 1826 United States naval commanders, then practically roving ambassadors of their country, were advising the native government, acting as referees in disputes involving foreigners and the government, and supporting law and order against those who would have liked to have left the Ten Commandments behind them when they entered the Pacific Ocean. Capt. Thomas ap Catesby Jones and Captain Finch; Commodores Downes, Kennedy, Read, and Kearney (already mentioned); and Commodore Wilkes, whose exploring expedition added so much to the knowledge of the whole Pacific area, are great names in Hawaiian history, as they are honorable names in American history.

In addition to these many bonds that drew Hawaii and America together, at first cultural and later economic as well, there were many political ties, treaties, and trade agreements, and abortive efforts at a complete union of the two countries. As early as 1842 Daniel Webster, as Secretary of State, paved the way for the recognition of Hawaiian independence by declaring it to be the sense of the Government of the United States that the Government of the Sandwich Islands (as the Hawaiian Islands were then called) ought to be respected; that no power ought to take possession of the islands, either as a conquest or for the purpose of colonization; and that no power ought to seek for any undue control over the existing government or any exclusive privileges or preferences in matters of commerce."

The same sentiments were expressed in President Tyler's message to Congress of December 30, 1842; and in the report of the Committee on Foreign Relations written by John Quincy Adams. This strong stand by the United States soon led Great Britain and France to declare jointly that they "taking into consideration the existence in the Sandwich Islands of a government capable of providing for the regularity of its relations with foreign nations, have thought it right to engage reciprocally to consider the Sandwich Islands as an independent nation, and never to take possession, either directly or under the title of a protectorate or under any other form, of any part of the territory of which they are composed."

The first formal steps toward annexation were made in 1854, when President Pierce instructed Secretary of State Marcy to commission Mr. D. L. Gregg to represent the United States in Hawaii to negotiate a treaty with Kamehameha III for that purpose. This treaty of annexation was to provide for the admission of Hawaii as a State "enjoying the same degree of sovereignty as other States and admitted as such . . . to all the rights, privileges, and

immunities of a State, on a perfect equality with other States of the Union."

The proposed treaty was not ratified, and the admission of Hawaii to the Union was not consummated at this time primarily because of the death of Kamehameha III and also because the representatives of Hawaii insisted upon being admitted as a State. The records show that efforts were made to persuade the Hawaiian officials to accept admission to the Union as a Territory, which these officials, and especially King Kamehameha III, refused to do.

The latter's successor, Kamehameha IV, terminated the negotiations, but during their course the Hawaiian authorities frankly stated that they looked forward to the time when their country might constitute an integral portion of the great North American Republic and were willing to cede to the United States "all of its (Hawaii's) territories, to be held by them (the United States) in full sovereignty, subject to the same constitutional provisions as other States of the American Union."

But they were unwilling to forego the "rights and privileges of the citizens of the United States on terms of perfect equality in all respects with other American citizens."

As an evidence of good faith on the part of the American Government, Secretary Marcy, in the first of a series of similar pledges by the United States, stated that "it will be the object of the United States, if clothed with the sovereignty of that country (Hawaii), to promote its growth and prosperity."

Although the matter of annexation lay dormant for the time being, the general attitude of all American Secretaries of State following Secretary Marcy was that the United States had a special interest in Hawaii and would not permit the kingdom to come under the control of any other power. In the meantime the economic relations of the two countries became ever closer, America's dominance of Hawaii's trade and commerce increasing steadily. As industries were developed in the islands the nearest and most logical market for their products was America. The converse was equally true that the natural source of supply for all the commodities Hawaii needed was also America.

This mutual dependence led to the signing of a treaty of reciprocity in 1875, effective the following year, which made Hawaii in effect a unit of the American economy. The treaty gave the people of Hawaii a sense of security in their trade with America previously lacking, and brought about a further development of their principal industry, the production of sugar from sugarcane, now assured of a place in America's protected market. The treaty greatly increased Hawaii's demand for American goods, now granted a preferred place in the Hawaiian market; and likewise ceded to the United States the exclusive right to use Pearl Harbor as a naval base.

It may be of interest to know that during the discussions which preceded the treaty, the King of Hawaii, Kalakaua, was the guest of Congress at a joint session of the Senate and the House of Representatives, and appeared on the floor of the House to exchange compliments with the Speaker. This incident is recorded in the CONGRESSIONAL RECORD for the Forty-third Congress, second session.

In 1893 a local revolution overthrew the Hawaiian monarchy, and set up a temporary government in its place. Its policies were stated in a proclamation announcing the abrogation of the monarchy and the establishment of a provisional government to exist until terms of union with the United States had been negotiated and agreed upon. Following out this program, the President, Sanford B. Dole, dispatched commissioners to Washington with instructions to negotiate a treaty "by the terms of which full and complete political union may be secured between the United States and the Hawaiian Islands."

President Harrison approved of the principle of annexation and designated Secretary of State John W. Foster to act on behalf of the United States. In the conferences with Secretary Foster the Hawaiian commissioners insisted that Hawaii be admitted to the Union as a State. Secretary Foster replied that "bringing Hawaii into the Union" was the main objective, and that while not adverse to statehood, a treaty providing therefor would occasion debate and delay. He said that Hawaii, by asking for annexation, had demonstrated its confidence in the United States and could rest assured that if annexed this confidence would be justified.

The Hawaiian commissioners were evidently convinced by Secretary Foster's arguments, and of his sincerity, for they modified their first request and submitted instead one for "full and complete political union" of Hawaii with the United States "as a Territory of the United States." Upon receipt of this formal request, Secretary Foster suggested that the latter phrase be omitted, on the ground that details involved therein would delay action by Congress and offered as an alternative that the treaty should contain a provision that Hawaii should "be incorporated into the United States as an integral part thereof."

To this change the Hawaiian commissioners were reluctant to agree, but after consulting the Century Dictionary, wherein "integral" was defined as "relating to a whole, composed of parts, spatially distinct (as a human body of head, trunk, and limbs) or of distinct units," with intrinsic—defined as "belonging as a part to the whole, and not a mere appendage to it"—given as a synonym, they accepted the proposed modification. The dictionary gave as an example of the correct use of "integral" the sentence: "All the Teutonic states in Britain became first dependencies of the West Saxon King, then integral parts of the kingdom." The clarification of



the definition of integral was considered extremely important by the Hawaiian commissioners, because though desirous of annexation, they did not wish Hawaii to be a mere appendage or possession of the United States in exchange for its existing sovereign status.

President Harrison was very much pleased with the treaty as finally drawn. In transmitting it to the Senate on February 15, 1893, he said:

"Only two courses are now open: One, the establishment of a protectorate by the United States and the other annexation full and complete. I think the latter course, which has been adopted in the treaty, will be highly promotive of the best interests of the Hawaiian people and is the only one that will adequately secure the interests of the United States."

No action was taken on the treaty by the Senate prior to the expiration of President Harrison's term on March 3, 1893. President Cleveland, his successor, withdrew the treaty from consideration by the Senate. Instead, he directed an investigation into the circumstances of the dethronement of Queen Liliuokalani, particularly with reference to charges that American diplomatic agents had taken an undue part in the revolution that abolished the monarchy and that the naval forces of the United States had assisted the rebels. On the basis of the report of Commissioner Blount, the President declined further to negotiate for annexation and demanded that the Queen be restored to her throne.

This the provisional Government of Hawaii refused to do, and proceeded to transform itself into a permanent government as the Republic of Hawaii. As of July 4, 1894, Hawaii adopted a constitution, one article of which provided for the making of "a treaty of political or commercial union between the Republic of Hawaii and the United States." It was undoubtedly in the minds of the Hawaiian leaders that, despite President Cleveland's opposition, the argument of events would sooner or later force the issue.

Almost immediately after the inauguration of President McKinley a new annexation commission was accredited to Washington by the Republic of Hawaii and reopened negotiations with Secretary of State John Sherman. The Hawaiian commissioners requested that annexation be expressed in terms of the Harrison treaty, namely, that Hawaii be annexed to the United States "as an integral part thereof." Secretary Sherman agreed, and a treaty was drafted incorporating that phraseology in its provisions.

President McKinley transmitted this treaty to the Senate with a letter dated December 8, 1897, in which he said that Hawaii was "realizing a purpose held by the Hawaiian people and proclaimed by successive Hawaiian Governments through some 70 years of their virtual dependence upon the benevolent protection of the United States. Under such circumstances, annexation is not a change; it is a consummation."

He further stated that "if the treaty is confirmed, as every consideration of dignity and honor requires, the wisdom of Congress will see to it that \* \* \* the most just provisions for self-rule in local matters, with the largest political liberties as an integral part of our Nation will be accorded the Hawaiians. No less is due to a people who \* \* \* come of their free will to merge their destinies in our body politic."

In the meantime war with Spain was brewing and became an actuality. Hawaii and its people threw themselves into the fray as though already a part of the United States, and were as wild with enthusiasm as any American community, greeting the transports and naval vessels en route to and from the Orient with every hospitality, official and private. The Hawaiian Government disregarded every tenet of international law in putting its services, especially the use of the port of Honolulu, at the disposal of the United States military forces, and laid itself open to any reprisal which Spain might wish to make.

The Hawaiian people accepted the possible consequences of their unneutrality with open eyes, for they felt themselves so much a part of America as to make the war as much their own as though they had by formal treaty allied themselves with the United States. Had annexation not been accomplished, no doubt punitive measures of some sort would have been evoked against the little Hawaiian community.

The treaty so strongly endorsed by President McKinley continued to languish in the Senate, until the march of events became too strong. The Battle of Manila Bay extended America across the Pacific and made Hawaii essential to America's new role in the world. Annexation was finally consummated in these war days by a joint resolution of Congress accepting, ratifying, and confirming the cession by the Hawaiian Government. The cession referred to was the resolution of the Hawaiian Senate containing the full text of the pending treaty, and for Hawaii accepting, ratifying, and confirming that document.

The treaty provided that "those islands shall be incorporated into the United States as an integral part thereof" and the ratification of that treaty by the Hawaiian Senate, as required by the Constitution of the Republic of Hawaii, is referred to in the joint resolution of annexation as the cession on the part of Hawaii upon which the joint resolution was based. The joint resolution, therefore, incorporated into itself the said basis of annexation as much as though the resolution itself had contained the above phrase.

The joint resolution was finally adopted by Congress on July 7, 1898. The formalities attending annexation were not effected, however, until August 12, 1898, when Harold M. Sewall, Minister of the United States to Hawaii, presented a certified copy of the resolution to President Dole, and the sovereignty and property of the Republic of Hawaii was transferred to the United States of America.

Mr. Sewall's instructions from Secretary of State W. P. Day, contained in the latter's letter of July 8, 1898, read, in part, as follows:

"Herewith a copy of a joint resolution of Congress for annexing the Hawaiian Islands to the United States.

"By the preamble to this resolution it is recited that the Government of the Republic of Hawaii has in due form signified its consent in the manner provided by its constitution 'to cede' \* \* \*

"These recitals, it will be observed, are made in the language of the treaty of annexation, concluded at Washington on the 16th day of June 1897. They, as well as the other terms of the treaty, were advisedly incorporated in the joint resolution because they embody the terms of cession which have not only been agreed upon by the two Governments but which have also been ratified by the Government of the Republic of Hawaii. The joint resolution, therefore, accepts, ratifies, and confirms on the part of the United States the cession formerly agreed to and approved by the Republic of Hawaii."

At the ceremony in Honolulu, when presenting the certified copy of the joint resolution of annexation to President Dole, Minister Sewall said: "This joint resolution ratifies and confirms the cession formally consented to and approved by the Republic of Hawaii."

President Dole, in reply, said:

"A treaty of political union having been made and the cession formally consented to by the Republic of Hawaii having been accepted by the United States of America, I now, in the interest of the Hawaiian body politic, and with full confidence in the honor, justice, and friendship of the American people, yield up to you as representative of the United States the sovereignty and public property of the Hawaiian Islands."

After the salute to the Hawaiian flag and its lowering, Mr. Sewall said:

"Mr. President, in the name of the United States, I accept the transfer of the sovereignty and property of the Hawaiian Government."

The American flag was then hoisted and saluted. The Minister then congratulated "his fellow countrymen" on the consummation of the national policies of the two countries.

Thus annexation was accomplished in accordance with the precedent established when the Republic of Texas was admitted to the Union as a State by a joint resolution of Congress. In annexing Hawaii in this manner, Congress did not have the authority to alter the terms agreed upon in the pending treaty. The joint resolution specifically "accepts, ratifies, and confirms on the part of the United States the cession formerly agreed to and approved by the Republic of Hawaii." The only cession to which Hawaii had agreed was that provided by the treaty. If the nature of the agreement had been changed by Congress, both parties would have had to signify their acceptance of the new conditions.

In the spirit of the treaty provisions, and of the assurances by the responsible spokesmen of the National Government, Congress, by the act of April 30, 1900, organized Hawaii as an incorporated Territory of the United States. American citizenship was extended to all the citizens of the former republic, all Federal laws became applicable to the islands, and a territorial government was set up in accordance with American practice for the preceding 113 years.

This is the story in brief of the background of Hawaii for the years preceding annexation, of the steps that led to its annexation by a joint resolution, and of its present status as an incorporated Territory of the United States and an integral part of the Nation. I was present in the palace grounds when the Hawaiian flag was hauled down, never again to be the banner of an independent nation, but continued in use as our "state" flag. I saw the American flag hoisted in its stead, and sensed, even though but a boy, the feeling of pride, and relief and security that that ceremony brought to the people of the islands.

Annexation brought no great changes and required no material readjustments, because Hawaii's past comprised no period of domination by any foreign nation. The ancient Polynesian culture of its native people, the contributions of immigrant groups, add color and variety to the local scene. But Hawaii's institutions and way of life, its customs and standards of behavior, were rooted in English and American patterns long before annexation took place. I myself illustrate that fact, born in Hawaii of Scotch, New England, and Hawaiian ancestry, descended in the fifth generation from that Yankee sailor who settled in the islands in 1793, when George Washington was still President of the United States, and this city of Washington had yet to become the Capital.

Under the Constitution of the United States and the Organic Act passed for its own government, Hawaii simply took its place as another Territory. Its statute law, based on the common law, remained in full force where not inconsistent with the Constitution and the Organic Act. The reorganization of the local government was easily carried out, because Hawaii already had most features of American governmental institutions, including free public schools, established in the islands soon after they had been inaugurated in Massachusetts. This year, 1940, marks the one-hundredth anniversary of free public education in Hawaii. The President of the former Republic of Hawaii, Sanford B. Dole, son of an American missionary to the islands, became the first Governor of the Territory; the public employees of the Republic continued in their positions as employees of the Territory; the people of the islands, already versed in the principles and forms of democratic government, promptly organized along national political lines, and both American political parties are well represented in Hawaii.

As a Territory, Hawaii follows the precedents of American history. Its people accept all the responsibilities of their American citizenship, both individually and collectively. They share with all Americans the full benefits of American economic and political institutions. As a Territory, Hawaii accepts no lesser place under the flag than even a State, except in those specific limitations appli-

cable to its territorial status. As a Territory, Hawaii has fulfilled every possible test that can be applied to it. And finally, as a Territory, Hawaii has the right, by the basic principles of our American democracy, to aspire to statehood, and to take for granted that when Congress decides it is ready for statehood it will be admitted into the sisterhood of States as the forty-ninth State.

### Statue of Freedom

#### EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

DESCRIPTION BY DAVID LYNN

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks, I submit, herewith, a description of the Statue of Freedom which our Architect, Mr. David Lynn, has very kindly given me in response to my request.

I am placing this in the CONGRESSIONAL RECORD at this time so that the Members of Congress may have a convenient and complete record of the Statue of Freedom available. I am doing this because I discovered recently a considerable confusion in the minds of Members regarding the statue on top of the Capitol dome.

The matter referred to is as follows:

The statue surmounting the dome of the United States Capitol, and facing to the east, is officially known as the Statue of Freedom. It is 19 feet, 6 inches high, weighs 14,985 pounds, and cost, exclusive of erecting in place, \$23,796.82.

The figure is that of a woman in flowing draperies with her right hand resting upon the hilt of a sheathed sword and her left holding a wreath and grasping a shield. At the waist, a brooch bearing the letters "U. S." holds the drapery in place. The head is covered by a helmet encircled with stars and surmounted by a crest composed of an eagle's head and a bold arrangement of feathers, suggested by the costume of our Indian tribes.

As a protection from lightning, 10 bronze points, tipped with platinum, are placed as follows: One on the head, six on the feathers in the headdress, one on each shoulder, and one on the shield.

The statue was designed by Thomas Crawford, the father of F. Marion Crawford, the novelist, and the plaster model for which he received \$3,000 was executed in the Crawford studios in Rome. Mr. Crawford died in 1857, before the model was shipped from his studio. Shipment was subsequently made on April 19, 1858, on the bark *Emily Taylor*. The bark, having sprung a leak, put into Gibraltar for repairs, after which the voyage was resumed. Encountering stormy weather, leaks again developed, and part of the cargo, such as bales of rags and cases of citron, was thrown overboard, but on the 27th of July, the leak having increased to such an extent, it was determined for safety to put into Bermuda. Upon surveys held, the vessel was condemned and sold. The cargo, which had been landed and stored, was finally forwarded to its destination as indicated in the records, which show that in December 1858 Tappan & Starbuck, of New York, acting as general agents for the United States in the receipt and forwarding of the statuaries, notified Captain Meigs, in charge of the work at the Capitol, that the bark, *G. W. Horton*, from Bermuda, had arrived with some of the statuaries on board. It was not possible to bring all of the statuaries, and as late as March 30, 1859, the last of the statuaries, or portions of the model, were shipped from New York to Washington by the schooner *Statesman*.

The contract for casting the statue in bronze was awarded to Clark Mills, whose foundry was located in the northeast section of the District of Columbia just off the Bladensburg Road and about 2 miles from Bladensburg, Md. On May 17, 1861, on account of the existing conditions due to the Civil War, Captain Meigs, superintendent of construction of the United States Capitol, issued orders to stop work on the statue.

The annual report of Thomas U. Walter, architect of the Capitol extension, dated November 1, 1862, states that "the statue of Freedom, which is intended as the crowning feature of the dome, is completed and removed to the grounds east of the Capitol, where it has been placed on a temporary pedestal in order that the public may have an opportunity to examine it before it is raised to its destined position."

The hour of 12 m. December 2, 1863, was selected for the completion of the erection of the statue in place on the dome. Four of the sections had been previously raised to their places and firmly secured to the structure, leaving the fifth section, embracing the head and shoulders, to constitute the crowning feature, the hoisting and adjusting of which was the occasion of a special order, No. 248, of the War Department, which provided that at the moment at which a flag was displayed from the statue, a national salute of 35

guns should be fired from a field battery on Capitol Hill, the last gun from this salute to be answered by a similar salute from the 12 forts which at that time constituted a line of fortifications surrounding the city of Washington.

Precisely at 12 m. on the aforesaid 2d day of December 1863, the crowning feature of the statue was started from the ground in front of the Capitol by means of the steam hoisting apparatus which had been successfully used for the construction of the entire dome, and in 20 minutes it reached the height of 300 feet, when it was moved to its place and firmly attached to the remaining portion of the figure. As soon as it was adjusted the American flag was unfurled over its head and the national salute was fired.

The original plaster model from which the bronze statue was cast is now on exhibition in the old building of the National Museum in Washington, D. C.

### The Price of Hogs

#### EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

ARTICLE FROM THE CEDAR RAPIDS GAZETTE OF JANUARY 14, 1940

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to call attention to a conversation I personally overheard while riding with Congressman MARTIN recently at Fort Bragg, N. C., which is very well set out in an article appearing in the Cedar Rapids Gazette of January 14, as follows:

WASHINGTON.—Representative TOM MARTIN, of Iowa City, learned about Iowa in North Carolina the other day. In a talk with a private soldier who chauffeured him to meet a train, MARTIN learned one of the reasons the price of Iowa hogs is so low.

MARTIN was at Fort Bragg, N. C., on an expedition of the Military Affairs Committee of the House of Representatives. On the way to catch his train back to Washington, he fell into conversation with the driver of his car, which he abridges as follows, quoting the soldier:

"My father is a farmer down in South Carolina. Our principal crop was cotton until this new farm program came along. Then we took a lot of our land out of cotton, getting paid for doing so, and put it into corn."

"Well, what do you do with your corn? You don't eat all of it yourselves, do you?"

"Oh, no, sir; we feed it to hogs. We used to raise 70 to 80 hogs a year and now we're getting up toward 300."

"What do you do with the hogs?"

"We sell them on the market, and the price we're getting for them is terrible. It's certainly not what it used to be."

Then MARTIN asked a question the soldier didn't try to answer. It was:

"Do you think the killing of little pigs and the reduction of corn acreage by Iowa farmers have had anything to do with the price you are getting for your hogs?"

"Now, that was just a casual conversation, but it shows what is happening down South Carolina way," says MARTIN. "It needs no comment by me."

### How Will the War Situation Affect Unemployment?

#### EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

ADDRESS BY JOHN M. CARMODY, ADMINISTRATOR, FEDERAL WORKS AGENCY, BEFORE THE TOWN HALL OF THE AIR, NOVEMBER 9, 1939

Mr. KRAMER. Mr. Speaker, recently Mr. John M. Carmody, Federal Works Administrator, discussed unemployment as it may be affected by the war situation over the



Town Hall of the Air, and I believe his remarks are of particular interest to the Members of the Congress at this time. With the permission of the House, I include his address in my remarks.

Through the business news these days runs a new note of buoyancy and optimism. Orders are coming in and industrial activity is close to the 1929 level. Furthermore, the repeal of the arms embargo is accompanied by stories that England and France are planning to spend a billion dollars in this country in the course of the next year on war implements and supplies. Finally, on top of it all, come reports of increased defense appropriations and a new and bigger naval building program. It is easy to lose perspective in the dizzy swirl of figures and reports and to imagine our major economic problems, including unemployment, are, or soon will be, solved. Calm appraisal of the situation is necessary. Let's drop the wishful and unrealistic thinking and get down to cases.

As I have said, our total production and our total employment are practically back to the boom year of 1929, when only two or three million men were out of work. Today there are about 9,000,000 out of work. Employment is almost back to 1929, but unemployment is not. Why is that?

The reason is that the population is still growing. There are about 600,000 more workers every year. To get back to 1929 is not good enough, because we have about 6,000,000 more people looking for jobs. In order to take up this extra 6,000,000 we have to expand all along the line.

What can we expect from the war boom?

When you add it all up the amount of new cash spending by foreign nations, so far as we can see now, will not give employment to more than half a million men.

I warmly endorse the statement of Eugene G. Grace, president of the Bethlehem Steel Corporation, when he says, "We don't want any war—we prefer peace—I'd like to see a situation where we'd never sell another gun, another battleship, or another projectile. I'd like to see the world stop destroying values and start creating values, and that would spell better business profits."

You and I know that much of our economic distress during the last 10 years is attributable to the dislocations arising from the last great war. If history repeats its usual story we shall find that today's war will actually add in the long run to the number of our unemployed and will increase the urgency of our unemployment problem.

We can't have any sustained prosperity without having increased purchasing power. The use of idle surplus savings for financing public works stimulates profitable industrial activity, puts wages in the pockets of our workers and money in the till of the corner grocer.

You may wonder why the relief cost and the W. P. A. don't grow smaller every time business grows better. Let me give you some figures.

There are 9,000,000 unemployed, more or less. Out of these 9,000,000:

There are 2,000,000 on W. P. A.

There are, perhaps, 1,000,000 idle workers in families that have one worker on W. P. A.

There are 1,000,000 employable workers on direct relief. That's 4,000,000.

That leaves 5,000,000 unemployed workers with no W. P. A. jobs, no W. P. A. relatives, and no direct relief. Not many still have savings left. How do they live? Most of them probably live on their relatives, or by not paying their grocers and landlords. When they come to the end of these resources, they have to go on relief. These 5,000,000 forgotten men are the reason that relief does not go down when business goes up.

Business will have to hire not 1,000,000 workers but several million before it crosses this gap of 5,000,000 and begins to eat into the number on W. P. A. or straight relief.

If anyone asks you "What are we going to do about unemployment?" You ask him if he thinks business will invest the \$20,000,000,000 annually which are required to solve our unemployment problem.

Business men had a shot of confidence this fall and invested in inventories, piling up goods on the shelves in the hope of better business to come. The industrial production index has gone up to 120, within 5 points of 1929. Yet most of the experts do not expect this little boom to go on much after January 1, because inventories have run ahead of consumer buying. Mr. Weil has called this a cream-puff boom. The same thing, in more drastic form, happened in 1937. It illustrates the fact that when production gets too far ahead of consumer buying, business has to fall off until buying catches up.

Before 1929 private investments amounted to about \$16,000,000,000 a year, but after 1929 we found that many of these investments were unsound. Today business men are more cautious. I am told that sentiment in financial circles is against building vast new muni-

tions plants. You can ask anyone in the cotton-textile business, or in sugar, lumber, canning, cement, or automobiles, how much new plant is needed in his line, and he will tell you it is needed in some other line.

Public works and public services have to be used to help fill the gap that cannot be filled by sound private investment. We have great opportunities for the employment of money and labor on useful public work.

There are still hundreds of towns that need waterworks and sewers, to improve health, increase property values, and reduce fire insurance costs. This country can go in on a large scale for soil conservation, for protection of forests, for control of disease, all at a profit. Reliable authorities say we are short more than 3,000,000 dwelling units. There are thousands of miles of road that can be improved to the great benefit of traffic and of the automobile business.

It is generally agreed that one of the best exhibits at the New York World's Fair was the Futurama of General Motors. This picture of the world of tomorrow spread before the eyes of millions magnificent new superhighways—an artist's conception of highways which could only be built as a part of future public-works programs; highways to be financed and maintained by your Government. Had the Federal Government produced the Futurama, the Futurama would have been attacked as outrageous propaganda for a continuing program of public works.

A recent round-table discussion here in New York City on unemployment, in which Wendell Willkie, Nelson Rockefeller, and other leaders in industry and finance took part, unanimously agreed that "social gains of the last few years must be kept," and "Government expenditure should make provision for the unemployed, even if this involves deficit financing." These conclusions by conservative businessmen and bankers mark a great advance in social thinking since 10 years ago, when the leaders of industry and finance were advocating apple selling as a cure for unemployment.

Senator WAGNER and Mayor LaGuardia are among the earliest advocates and staunchest supporters of the idea of providing needed employment by substantial programs of public works. Here in their home city, within a few miles of this hall, are three monuments to their vision and to their faith in public enterprise: Triborough Bridge, built with funds provided by the Public Works Administration; the finest airport in the world, at North Beach, built by the Work Projects Administration; and Queensbridge Houses, financed by the United States Housing Authority. Some of you may have witnessed the holing-through of the magnificent East River mid-town tunnel here in New York City yesterday.

In every part of the United States schools, hospitals, roads, and other public works built in the last 7 years with public funds have improved communities and provided needed employment to their citizens.

Some of the public works are a self-liquidating investment by the Government; others will pay the taxpayers direct. It costs money to have malaria; it costs money to get rid of it; but it costs less to put in the W. P. A. and kill the mosquitoes than to go on having the disease. It costs money to send thousands of C. C. C. boys to fight forest fires, but it costs less to stop the fires than to let them burn.

Finally, and this is the main point, it costs the taxpayers money to hire anybody. But it is more profitable to pay a man \$1,000 and get useful work done than to give him \$500 and get nothing. The one thing we can't afford is letting workers sit idle, losing their skill, their health, and their courage, while the years go by.

In the past 7 years we have added billions of dollars' worth of public works to our national wealth. This is a better record than we had in the twenties, when we lost several billions financing public works and private industrial plants in foreign countries, and the foreigners got the public works and the new plants. I have seen them in Germany with my own eyes.

We may get some further increase of employment from war business. Private investment on a sound basis might expand to take a million or two more workers. But there is no sign of any early expansion of private employment on a large enough scale to wipe out unemployment.

I believe that in order to be reasonably prosperous we also need to expand every kind of internal improvement that we know to be profitable. By hiring unemployed men to build up our own country we can create enough sound home-made prosperity so that we need not base our good times on the misfortunes of Europe.

In conclusion, I want to say that democracy here cannot be based on fine phrases; it must be based on the conviction that democracy is best because it works—it provides jobs, income, and security.

It is our business as a nation to see that it does work. We cannot afford to neglect the challenge. The means lie at hand—the stimulation of business, the expansion of useful public work, the creation of a wide base of purchasing power through programs of work and security. This is the new frontier we need to create in order to assure once more the traditional right to work, the right to a decent living, and the continuation of our democratic system.

**Farmer-Labor Association of Minnesota Expresses  
Its Opposition to United States Participation in  
War; Supports Domestic Social and Economic  
Improvement Program**

**EXTENSION OF REMARKS**

OF

**HON. R. T. BUCKLER**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

STATEMENT BY THE STATE CENTRAL COMMITTEE OF THE  
MINNESOTA FARMER-LABOR ASSOCIATION

Mr. BUCKLER of Minnesota. Mr. Speaker, under leave to extend my remarks in the RECORD I desire to insert a statement issued by the State central committee of the Minnesota Farmer-Labor Association following a meeting held on January 7 at the Labor Temple, in St. Paul, Minn. I want to make this declaration on the subject of Congress and the war available to the Members of this House and to the public at large since I believe it embodies a policy and a program for the best welfare of our people.

The release by the State committee of the Farmer-Labor Association is as follows:

This meeting of the State committee of the Farmer-Labor Association of Minnesota takes place at a significant moment, namely, the National Congress is starting another session, and during that session its actions are bound to be influenced by the fact that another war has broken out in Europe and this war is steadily threatening to spread into a second World War.

In view of these facts, the State committee of the Farmer-Labor Association issues the following statement to the public, and for the special consideration of Farmer-Labor clubs and affiliates throughout Minnesota:

We are opposed to international military aggression.

We do not believe it is either fair or honest to ask men and women to be indifferent to what is happening abroad. Such an attitude does not lead to neutrality; it can only lead to either ignorance or hypocrisy. People should seek information about what is happening, and how these events affect American life and economy. Furthermore, it is only natural and right that they should form conclusions and judgments on the basis of the best and most authentic information that can be secured.

At the same time it is all important to remember that going to war will not lessen our tax burdens nor balance the Budget; it will not solve unemployment, feed the hungry, or create more wealth; it will not provide pensions for our senior citizens, education for our children, and better houses and health services for people with low incomes.

Going to war will not give our farmers cost-of-production and parity prices; it will not increase the real buying power of labor's wages; it will not halt profiteering, but will increase it; and it will not save civil liberties in our own country, which should seek to be the world's last and indestructible stronghold of democratic freedom.

Therefore:

(1) We are opposed to again sending American boys and men to shed their blood on foreign soil in another international slaughter.

(2) While we are firm believers in the adequate defense of American territory and borders, we are opposed to using the needs of an expanded military and naval program as an excuse for cutting down relief and Government assistance to hard-pressed farmers and unemployed workers.

(3) Finally, we are opposed to using the existence of a war in Europe as an excuse for dropping social and economic reform at home.

We urge the people to notify their Representatives and Senators in Washington that they do not want this Congress to permit a black-out of progress in America at this crucial moment in our country's history. America's best defense at this moment lies in its preservation of civil liberties and progress toward increased economic welfare for all its citizens.

**Cotton, Land, and People: A Statement of the  
Problem**

**EXTENSION OF REMARKS**

OF

**HON. OVERTON BROOKS**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

ADDRESS BY I. W. DUGGAN

Mr. BROOKS. Mr. Speaker, I have just read the speech of the Honorable I. W. Duggan, director of the southern division of the Agricultural Adjustment Administration on the subject of Cotton, Land, and People: A Statement of the Problem. This address was delivered before the American Farm Economic Association at Philadelphia, Pa., on December 28, 1939, and it constitutes in my opinion as careful an analysis in a limited space of the fundamental problems of the farming South as I have yet read. I commend the careful study of this speech by all who are genuinely interested in the solution of the great problem of the South, if not of the Nation. The address is as follows:

My efforts here today will be directed at calling attention to certain problems of the South. I am not going to suggest ways of solving these problems, or even review what has been done or is being done to remedy them. I am simply "jumping the rabbits." Others on the program will do the shooting, and I am sure they are adequately supplied with ammunition. They will tell you how these problems can be solved.

Cotton is the basic crop in the agricultural life of the South. In the 10 principal cotton States—North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, Oklahoma, and Texas—the economic welfare of virtually every citizen, regardless of personal activities, rests in a large measure upon an agricultural foundation of which cotton is the keystone.

The 10 cotton States, which are the basis of this discussion, are famed for many crops, but the annual average cash income in these States from cotton alone is more than the annual cash income from all of the other crops and livestock enterprises combined. Cotton has maintained its dominant place in these 10 States in spite of low prices, boll weevils, overproduction, foreign competition, synthetic fibers, and other limiting factors.

Cotton is a "money crop" upon which the farmers of these States have long depended for cash to pay bills and operating expenses. Regardless of how low prices may be, there is always a market for cotton, even at the smallest crossroads hamlet, where a farmer can exchange his lint and seed for cash. Regardless of what a farm may produce for food and feed, the fact remains that it must also produce some crop or crops which can be sold for cash. Money must be had to pay taxes and labor and buy clothes, seed, fertilizer, machinery, and other things the farm itself cannot produce. To get this cash income, southern farmers have long depended upon King Cotton, despite the fact that this ruthless ruler has built a sprawling and densely populated kingdom where poverty and low income prevail.

Let's take a look at some of the statistics which show in striking fashion the dominant position of cotton in the States that produce the bulk of it.

During the 12 years 1924-35, the annual gross farm income from cotton and cottonseed in the 10 principal cotton States averaged \$1,019,000,000. This figure represented 41 percent of the average total gross farm income in these States from all crops and livestock enterprises combined; 59 percent of the gross income from crops alone; and was 39 percent larger than the gross income from livestock enterprises. From the standpoint of cash income, cotton occupies an even more important position than is indicated from the gross-income data. For the 10 States, the average cash income from cotton in the 12 years, 1924-35, amounted to 53 percent of the cash income from all crops and livestock enterprises combined; 67 percent of the cash income from crops alone, and was 158 percent more than the cash income from livestock enterprises. In individual States cotton looms even more important. In Mississippi, for example, where 66 percent of the people live on farms, the income from cotton during the 12 years has varied from 65 percent to 83 percent of the total cash farm income.



Another indication of the dominance of cotton in the South is the number of farms on which cotton is produced. In 1934 cotton was produced on 1,863,067 of the 2,713,597 farms in the 10 principal cotton States. According to the last decennial census, more than 80 percent of the farms producing cotton in these States received at least 40 percent of their total income from cotton. Total farm population of the United States is 31.8 million, and of this number approximately 10,000,000 live on cotton farms and derive the major portion, and in many cases their entire cash income, from the production of cotton.

Still another indication is the large proportion of the cultivated acreage which is devoted to cotton. In 1924, 43 percent of the cultivated acreage in the 10 States named was devoted to cotton; in 1929, 44 percent; and in 1934, 27.5 percent.

Cotton is not only important to the farm population of the South but to the region's entire population. In these 10 States many facilities have been developed to finance, transport, handle, and process the cotton crop. In some areas even the educational system is built around the cotton economy. The income from cotton determines to a large degree the funds available for education, and in many rural areas the school session is adjusted so as not to conflict with the peak of labor requirements in the production of cotton.

The first and most important problem of the South is that of low income. To state the problem simply, there just is not enough total agricultural income in the South to support the region's extremely dense farm population. In the 10 principal cotton States, 47 percent of all the people live on farms. The average per capita income of these rural people is unbelievably small. They are, as the President has so aptly stated, "ill-fed, ill-clothed, ill-housed." Many, if not all, of these ills can be traced directly to an inadequate income. There is no hope of correcting these ills through the redistribution of the available income, because that income is so small and so inadequate that even if it were redistributed there still would not be enough to go around. The first problem is to increase the total income going to the South so there will be more to divide among its dense farm population.

The gross per capita farm income for the 10 principal cotton States for the years 1924-35 averaged \$184. For the first 5 years of this period the average per capita gross income was \$238, and for the last 5 years it averaged \$127. The cash-income figures are even more significant. For the first 5 years this cash per capita farm income amounted to \$190, and for the last 5 years it amounted to only \$95. It is impossible to distribute such a small cash income so as to give a minimum purchasing power to the entire farm population. It is impossible to achieve or maintain even an un-American standard of living on a per capita income that low.

Out of this inadequate income it is necessary for producers to pay certain production costs, so that the income left for living is a much smaller figure. The cash out-of-pocket costs of growing cotton, the most important crop, is relatively large. The average cost for fertilizer alone for the years 1923-32, inclusive, for the 10 States amounted to \$2.07 an acre. Fertilizer costs ranged from an average of 25 cents an acre in Oklahoma to \$7.40 an acre in North Carolina. The cost of fertilizer per acre is usually highest in the areas of densest farm population.

The cropland per capita of farm population in the South is far too small. In 8 of the 10 principal cotton States there is less than 8 acres, and in 5 of these States there is less than 6 acres of cropland per capita of farm population. More than one-third of all the farms in the United States are located in the 10 principal cotton-producing States. Out of the national farm population of almost 32,000,000 people, more than 13,000,000 live on all types of farms in these 10 States. With this dense farm population and limited cropland, the farming units of the South are generally too small to permit efficient operation and to support the average family. Even with the most intensive cultivation, ignoring for the time being the limiting factor of markets, 5 acres of cropland per capita is not sufficient to maintain a standard of living equal to the average for all United States farmers. It is not probable that over a long period of time the dense farm population of the South can be supported on the limited cropland of the area.

Cotton has been the source of cash income in the South, because, in addition to being naturally adapted to the area, it has returned over a long period a higher income on both a per-acre and a per-hour basis than any other major crop except tobacco. According to an extensive study made by the Bureau of Agricultural Economics, the per-acre and per-man-hour returns from cotton are small, but they are still far in excess of any other crop universally adapted to the South and for which there is a ready cash market. The returns from crops other than cotton and tobacco might be somewhat higher if such crops were planted on the best land in the area, but they would still fall far short of equaling the income from cotton or tobacco.

In the report on the same study there is shown the estimated average acreage required to produce \$100 worth of products from certain livestock enterprises and from cotton in eight of the principal cotton States, on the basis of average yields and prices in the 10 years 1923-32. Texas and Oklahoma were omitted because the principal livestock areas in those States are not cotton-producing areas to a large extent.

As shown by this study, about  $1\frac{1}{2}$  to over 8 times as many acres were required to produce \$100 worth of products in the case of dairying, beef cattle, and hogs than in the case of cotton. Even poultry required a third more acreage than cotton to pro-

duce \$100 worth of products. The relatively low returns from livestock enterprises in these States are attributed to the low average yields of feed crops and the low carrying capacity of most pastures. The small acreage of cropland per capita is also one of the limiting factors in increasing livestock production. Other limiting factors are the large investment required in livestock enterprises, the lack of training and experience in livestock production, and the system of farm tenure. Losses from disease and insect pests still adversely affect the expansion of the livestock industry.

In the 10 principal cotton-producing States the 1935 census showed that of a total of 2,714,000 farms there were 758,000 without dairy cows; 973,000 without hogs; and 340,000 without even a chicken. These figures show the drastic need for expanded production of livestock to meet home needs. The livestock that is produced in the 10 States is not an accurate guide to the number used on farms because of the large-scale livestock industry in the noncotton areas of Texas and Oklahoma, and local areas in other States. The facts are that a considerable portion of the livestock and livestock products goes to market, and though originating in these States, does not furnish a part of the diet requirements of cotton farmers who are unable to afford these products.

In a recent preliminary study by the Bureau of Agricultural Economics it is estimated that an additional five and eight-tenths million acres of cropland and eight and seven-tenths million acres of pasture land would have been required in 1937 to furnish a minimum adequate diet for farm families in 8 of these 10 States. North Carolina and Tennessee are the two States excluded in this study. The same study showed that more than three-quarters of a million additional dairy cows were needed in 1937 to supply the dairy products and 15,000,000 more chickens were needed to supply the eggs alone for a minimum adequate diet.

Here again the problem of dense farm population and limited cropland is an important factor, because the profitable production of livestock requires adequate pastures and plenty of home-grown feed. Few farms in the Cotton Belt can further take away from their "cash" crops the land needed for pastures and feed. Furthermore, the South, except for certain well-defined areas, is not well adapted to grazing. There are no universally adapted perennial or biennial legumes in the South which provide grazing and forage.

Some observers have been keenly interested in the possible expansion of the livestock industry in the South under the Agricultural Adjustment Administration's program of diverting cotton acreage. The program not only permits but encourages the production of food and feed needed for home use, but there are definite restrictions on the use of diverted acres for commercial production. In addition, not all of the land diverted from cotton is available for food and feed, as it is necessary to devote considerable acreage to soil-conserving and soil-building uses if the productivity of the soil is to be restored and maintained.

It is estimated that 282,000,000 acres in the United States have been badly damaged by erosion. Of this amount, approximately 30 percent is in the 10 Cotton States. An additional large portion of the cropland of the South is damaged by moderate erosion. The system of tenure, the cropping system, the low income, the topography, and the climate have, for a long period, contributed to the depletion of the soil.

Sharecroppers and tenants who stay on a farm for only 1, 2, or 3 years have not been interested in expending the labor and money necessary to conserve and build the soil. Moreover, they have not known how to do this, and the management has not encouraged them along this line. The farm income has been so low that every dollar was needed for bare subsistence. Money could not be spared to buy the seed and fertilizer needed in soil-conserving practices.

Because of the dense farm population and the low income, too much of the land of the South has been devoted to soil-depleting, intertilled, cash crops which leave the soil bare during the open winters, the season of heaviest rainfall in most of the region. Much of the cropland, especially in the Piedmont areas, should not be planted to row crops because it is too steep for cultivation. Nevertheless, it is continually cropped year after year in cotton and corn because of the need for land. To keep a cover on the soil throughout the year in much of the South it is necessary to plant both a winter and a summer cover crop. In most cases the seed for winter cover crops has to be imported from without the region and requires an out-of-pocket cash outlay. To get satisfactory results from cover crops in the South it is necessary on much of the land to apply phosphate or lime, or both, which also requires a cash outlay.

The opportunities for supplementary farm income from forest enterprises are not being used to benefit the farmer to the fullest extent in the South. The lack of stability in the farm population, the length of time before income can be realized, and the size of farm units all hinder development of forest enterprises.

The story of forestry in the South in most instances is a story of exploitation. From my rather limited observations the present operations of the pulp mills are the last stages in the exploitation of the forests of the South. Many farmers have told me of the low prices they have received for wood sold to the pulp mills. That is distressing news today but what concerns me most is that it forebodes further depletion in the years ahead of the South's once magnificent forests. Improved forestry methods are needed and improved wood management would be an asset to cotton farmers.

Probably one of the most-discussed problems of the South is the high rate of farm tenancy. It seems to me, however, that the South's system of tenure, the cropping system, and the credit system

have grown up together and are so closely intertwined that it is difficult to deal with any one separately.

Sharecropping dates back to the War between the States and is an outgrowth of the conditions following the emancipation of the slaves. The planter had possession of the land and, in many cases, the tools and equipment, but no money with which to employ labor. The laborer had no money with which to acquire land, tools, or equipment, or to finance his operations, and was unskilled in any other occupation except agriculture. Out of this situation grew the sharecropper-tenant system as we have it today. The need for credit to finance crops made it essential that crops be grown for which there was a ready cash market. Cotton was the natural answer to the cash crop problem.

The high rate of tenancy in the South is too well known to this group for me to go into any detail as to its prevalence and distribution. I believe it will be sufficient to remind you that 60 percent of all the farmers in the 10 States are tenants or sharecroppers. The percentage ranges from 47 percent in North Carolina to 70 percent in Mississippi. Despite the heavy Negro farm population, there are 40 percent more white than Negro tenants in the South. Tenancy has shown a steady increase, even during the relatively prosperous period of the twenties. In the State of Oklahoma, for example, which started out 50 years ago as free land to all who would homestead it, we find today 61 percent of the farmers are tenants. On the average, about 40 percent of the tenants in the South move every year, and over half move every 2 years.

The credit system of the South with high interest rates has contributed to the tenancy problem. However, providing low interest credit alone will not solve this problem. If the income from the farm is not sufficient to pay back the principal, a low interest rate in itself would not bring about farm ownership. Here again the press of population for land tends to lead to the overcapitalization of land values and retards operator ownership.

There are other matters growing out of the sharecropper-tenant system that I would also like to call to your attention. The question of a fair division of crop and livestock products between sharecroppers and landlords and between tenants and landlords, has long been a controversial issue. In recent years, it has come up repeatedly in connection with division of Government payments. As yet, this question has not been satisfactorily answered either for the landlord or the tenant. However, here again the division of an inadequate income cannot be satisfactory to either the tenant or the landlord. The first problem is to increase the total income.

Under the farming and tenure system, tenants find it difficult or impossible to obtain productive employment when not engaged in the production and harvesting of the cotton crop. On the average only about 120 days of productive labor are required to make the cotton crop.

The tenant, however, does have opportunity for additional employment if he produces his own food and feed and takes care of his livestock, farm buildings, and equipment. While this would tend to lower the cash expense and improve the standard of living, it would not materially add to the cash income and purchasing power. Yet, even here we meet resistance because the skill required to properly do these things has not been developed. These people lack experience and educational opportunities.

Educational opportunities are lacking despite the fact that the 10 principal cotton States spent 3.2 percent of their total 1935 income for educational purposes. This figure compares favorably with other regions and the United States as a whole. We must keep in mind, however, that the South has an added burden of supporting a dual school system which, while necessary, tends to increase the financial burden.

The opportunities for part-time employment of the South's rural people in industry are also limited. There are large deposits of certain minerals in the South, but even here the opportunities for employment of seasonal farm labor are limited. It might be mentioned in passing that the area does not receive maximum benefits from its natural resources because, as a rule, they are controlled by absentees. The annual production of oil in Texas, for example, has a valuation of several hundreds of millions of dollars, yet only a small amount of this remains in Texas in the form of royalties, labor, and transportation costs. The same is true of many of the manufacturing and other industrial concerns located in the South, as most of these have been developed with outside capital and the profits, if any, have gone out of the region. The large insurance companies are not located in the South and for a long period of years the South has sent money which was sorely needed for local development to other regions to buy insurance.

Many of the advantages the South has had to offer industry have been nullified. Freight rates have played no small part in offsetting the natural advantages of the South. In a recent study made by the Tennessee Valley Authority it was found that the per ton-mile cost of hauling freight is actually lower in the South than it is in the official area, yet the charges for freight are considerably higher in the South than they are in the official area. This disparity is even greater between the official and the western areas.

The per capita use of consumption goods in the South is low because its people do not have the purchasing power with which to buy. If more manufacturing and industrial plants were located in the South, there would be a larger outlet for expanded production of a more diversified agriculture. We have a large group of people who are not able to buy the consumption goods they need. These people need employment and could be used in producing these

goods. Could not these two factors be reconciled without detriment to other regions?

It is possible that all or almost all of these handicaps could have been overcome if it had not been for the long-time national tariff policy. That, of course, is one man's personal opinion on a deep-rooted economic question that has rocked this country since the days of Alexander Hamilton—split it once—and apparently is just as far from being settled today as it ever was. The reciprocal trade agreements program of the present administration is one approach to this problem, but even this more or less mild effort to recognize that we can't sell if we don't buy is being singled out for attack in some quarters. I merely mention the tariff as one of the South's major problems.

Cotton and tobacco, the principal crops of the South, are both export products and we normally sell half or more of these crops abroad. Historically, the whole economy of the South has been built around cotton. Cotton has been the most important export commodity of the United States since shortly after Whitney invented the cotton gin.

The average annual value of cotton exports from 1875 to 1910 amounted to about \$260,000,000. During these same years the average favorable balance of merchandise exports from this country amounted to about \$250,000,000. This was a period when it was generally considered the United States was prosperous; a period when the interest and principal of our foreign debts were being paid off. In other words, cotton exports played no small part in paying for the industrialization of this country in the nineteenth century.

If 90 percent or more of the cotton crop were domestically consumed, it might not be difficult to attain parity income from cotton production. But, whether we like it or not, that is not the case. American cotton depends on foreign buyers for a large part of its consumption. Suppose, for example, that our cotton producers during the last few years had received a parity price for that portion of the crop domestically consumed. World prices for the remainder of the crop, even with normal production, would leave the farmers' income from cotton much below parity, possibly 25 to 30 percent.

Prior to the World War we were a debtor nation, but we came out of the war a creditor nation, which made it difficult to sell abroad. For a while, through large loans during the twenties, the full effect of the change to a creditor nation was not felt on exports. Trade agreements, such as the one in which Japan agreed to take up to 1,000,000 bales of Indian cotton a year and India agreed to take up to 400,000,000 yards of Japanese cloth a year, have further handicapped the exports of American cotton.

Another important factor is that foreign acreage in cotton production has been on an upward trend during the last half century. According to a study by the Bureau of Agricultural Economics in 1934, foreign cotton production for the preceding 45 years increased at the rate of 150,000 bales a year, while the average annual increase for the United States was a little more than 100,000 bales a year. Since 1920 foreign acreage has almost doubled. About 17,000,000 acres of this increase took place between 1932 and 1938. However, most of this increased acreage in foreign countries is accounted for by the four countries of Russia, China, Uganda, and Brazil. The increase in three of these countries, China, Russia, and Uganda, can be attributed to internal conditions and probably would have taken place regardless of policies in other countries. This is also true of a considerable amount of the increase in Brazil.

It should be borne in mind that this increase in foreign acreage in cotton production has taken place while the world price of cotton was on a very low level. About 10 years ago foreign countries produced around 10,000,000 bales of cotton for the equivalent of approximately \$900,000,000 in American money. In recent years foreign countries have produced around 16,000,000 bales of cotton for an equivalent of around \$600,000,000 in American money. These foreign countries are now growing 60 percent more cotton for about 30 percent less money than they did 10 years ago.

Cotton farmers of the South cannot produce cotton for the world market and live at world prices. On the other hand, they cannot afford to give up the foreign market for cotton without rearranging the whole economy of the South. Such a rearrangement would affect the entire Nation.

One other development which is making it more difficult to sell cotton abroad is the increased production of continuous filament rayon and rayon staple fiber. World production of these fibers increased from about 33,000,000 pounds, or the equivalent of 78,000 bales of cotton in 1920, to 1,948,000,000 pounds, or the equivalent of 4,583,000 bales of cotton in 1938. Most of these fibers are produced in Japan, Germany, the United States, Italy, Great Britain, and France in the order named. I do not mean that this much cotton has been replaced but the increased use of synthetic fibers has to be reckoned with both at home and abroad in dealing with the cotton problem. Possibly equally as significant as the increase in the production of filament rayon is the decline in the price. In 1920 the price of filament rayon was \$4.66 per pound of yarn. By 1938 the price had declined to 52 cents per pound of yarn.

The problems I have raised appear to me to be the basic economic ills of the South. There are others, of course, that I have not expanded upon, such as the prevalence of diseases—particularly nutritional diseases growing out of inadequate diets, and the absence of adequate medical care and hospital facilities. Then, too, we have the sorry spectacle of women and children working long hours in cotton fields—women who bear more than their share of



the Nation's children. In sharp contrast to the hours of back-breaking hand labor, we have the more recent mechanization of cotton production with tractors for cultivation, airplanes for dusting, and the mechanical picker lumbering through the experimental stage.

But I am not going to elaborate upon these problems for it seems to me that they are contributory to, or have resulted from, a major problem which is the fountainhead of the South's economic ills. I believe that the major problem can be summarized in one statement. That is: It is the press of a dense farm population against the limited natural resources, together with artificial, man-made handicaps and legal barriers, such as the tariff, which have resulted in an inadequate income both in the aggregate and on a per capita basis. That, briefly, is the basic ill of the South.

### H. R. 793

#### EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

#### EXCERPTS FROM HOUSE REPORTS AND COURT DECISIONS

Mr. BURDICK. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following quotation from House reports and decisions of the courts in regard to Indian jurisdictional claims:

#### THE CLAIM OF SISSETON AND WAHPETON BANDS OF SIOUX INDIANS FOR AN APPROPRIATION TO PAY A LONG-STANDING JUST DEBT OF THE UNITED STATES

This act is for an appropriation of \$1,472,000 and interest at 5 percent per annum from July 1, 1901, for the benefit of the Sisseton and Wahpeton Bands of Sioux Indians having agencies at Fort Totten, N. Dak., on the Devils Lake Reservation, and at Sisseton, S. Dak., on the Sisseton or Lake Travers Reservation.

It is based upon the treaty of July 23, 1851 (10 Stat. 949), between these Indian tribes and the United States, sometimes known as the "Traverse des Sioux Treaty," or the "Broken Leg Treaty," the latter because Governor Ramsey, who helped negotiate the treaty, was known among the Indians as "Broken Leg."

Article 2 of the said treaty provided that the Indians ceded to the United States "all their lands in the State of Iowa; and also all their lands in the Territory of Minnesota, lying east of the following line, to wit: (line then described)."

Article 3 provided for a reservation for these Indians "on either side of the Minnesota River," etc.

Article 4 provided for \$1,665,000 to be paid to the Indians as follows:

(a) To the chiefs of the said bands for certain specified purposes \$275,000;

(b) For manual labor, schools, etc., \$30,000.

The balance of \$1,360,000 "to remain in trust with the United States, and 5-percent interest to be paid annually, to said Indians for the period of 50 years, commencing the first day of July 1852, which shall be in full payment of said balance, principal and interest."

"Believe it or not," though the land ceded was priced at 10 cents per acre in the deal to arrive at the principal amount specified and the Indians naturally believed that the principal sum of \$1,360,000 was held "in trust" for them bearing interest at 5 percent per annum, payable annually, for 50 years, and that at the end of the 50-year period they would receive their principal, the Department and the courts have held to the amazing theory that the payment of interest alone obliterated the principal. This principal sum of \$1,360,000 has never been paid. (See 277 U. S. 424, 72 L. 939; 58 C. Cls. 302.)

On August 30, 1852, Congress amended this treaty by striking out article 3 and providing that these tribes be paid \$112,000 for the 1,120,000-acre reservation that they were to have had, but didn't get, and that this should be added to the foregoing trust fund and interest at 5 percent per annum on this amount be added to the interest payments (10 Stat. 51-52). This principal sum has never been paid either.

These two items, \$1,360,000 and \$112,000, make the total principal sum of \$1,472,000 provided for in the bill. The 50-year period expired on July 1, 1901, and the fund has remained "in trust with the United States" ever since. Hence the item of interest at 5 percent per annum from July 1, 1901.

Regular annual interest payments were made by the United States on the full sum of \$1,472,000 up until 1863. Because of the trouble between the whites and the Indians which at that time was blamed upon the Indians but which impartial historians now

say was the wrongful doing of the whites, Congress, by act of February 16, 1863 (12 Stat. 652), abrogated and annulled all treaties between the United States and these Indians. For a time therefore the interest payments ceased.

By later acts of Congress, however, the annual payments to the Indians were reinstated and all of the 50 interest payments were made. On June 21, 1906 (34 Stat. L. 372), Congress passed a jurisdictional act providing that the annuities were reinstated "as if the act of forfeiture of the annuities of said bands, approved February 16, 1863, had not been passed."

And on May 16, 1873 (18 Stat. L. 47), Congress passed an act to pay certain traders who were creditors or alleged creditors of the Indians \$25,472.30, and this amount was deducted from these funds. This indicates that Congress, at that time, intended that the principal sum claimed was recognized as a fund belonging to these Indians.

On April 11, 1916 (ch. 63, 39 Stat. L. 47), Congress passed a jurisdictional act giving these Indians the right to sue in the Court of Claims upon this and other claims against the United States. Notwithstanding said act provided that "if any such question is submitted to said court, it shall settle the rights both legal and equitable of said bands of Indians and the United States, notwithstanding lapse of time or statute of limitations" the United States Court of Claims and the Supreme Court held that the courts would not consider the equities of the Indians; that the "act only gave authority to the Court of Claims to hear and determine claims for the amount due or claimed to be due said bands from the United States under any treaties or laws of Congress." (*Sisseton and Wahpeton Bands of Sioux Indians v. United States*, 277 U. S. 424, 72 L. Ed. 939; 58 Court Claims 302.)

Thus, the equities of the Indians were given no consideration by the courts. The Supreme Court indicated that the power to give the relief prayed for by the Indians was "political not judicial." Therefore, the Indians come to the political body—Congress.

Although evidence of tradition among the Indians was submitted in the trial, both courts refused to consider it. Of course the Indians whose signatures were appended—by mark—to the original treaty of 1851 were all dead in 1920 when the evidence was taken. It was, therefore, necessary to rely on tradition handed down, Indian fashion, from father to son. Sons and grandsons of the original signers testified of the tradition in the tribe; what their fathers and grandfathers who participated in the making of the treaty had told them. All said the understanding of the Indian signers, as told to the witnesses by the signers, and as carried in the tradition of the tribe was that at the end of 50 years the principal sum of \$1,472,000 was to be paid to the tribe. In any event how could Congress by its own act and not by treaty take from the Indians their \$112,000 of principal derived from the sale of their reservation?

Strangely, too, both courts gave very perfunctory consideration to the interpretation of the clause in the treaty regarding the principal trust fund and without ado assume that the payment of interest works a discharge of the principal. It's a strange doctrine. And when it is considered that our Government was dealing with unlettered, unlearned Indians who knew not the English language it seems that the interpretation placed upon the provision for the trust fund convicts our Government of unfair, if not deliberately dishonest, dealing. We refuse to believe that our Government or its commissioners intended such interpretation at the time the treaty was signed.

Congress, having "political not judicial power," can remedy this great wrong by the passage of this act.

Congress has already adjusted part of the injustice suffered by these Indians, though the courts said the judicial power could grant no relief. In the case referred to in the Court of Claims and the Supreme Court these Indians claimed to be entitled to compensation for a 3,000,000-acre error in the treaty of September 20, 1872. Both courts said, in case cited, that the Indians could recover nothing through the courts. Congress (Public. No. 407, 71st Cong., S. 1372) righted the wrong by an appropriation.

It is respectfully submitted that passage of H. R. 793 (S. 2085) by this Congress will be an act of simple justice.

Respectfully submitted.

TRAYNOR & TRAYNOR,

Attorneys for Sisseton and Wahpeton Bands of Sioux Indians, Devils Lake, N. Dak.

#### STATEMENT OF HON. LOUIS L. BURDICK IN REPORT ON THIS BILL

This Congress should stop for a moment and consider the facts and circumstances surrounding the execution of this treaty in 1851. From time immemorial the Sioux had occupied the land involved in this treaty. It was their home—their ancestors were buried there. These people were ignorant of the white man's ways and uneducated. They could neither read nor write, as is evidenced by the way in which the signatures of the chiefs were affixed to the treaty. Not only that, but these Indians were not free agents—they were virtually prisoners of war. During the early administration of Indian affairs the War Department, and not the Interior Department, administered their affairs and controlled their lives. In the year 1849 the management of Indian affairs was turned over to the Department of the Interior, where the power to control the destinies of ward Indians now remains.

On the day this treaty was signed these Indians were wards of the Government—the Government was their guardian. Being ignorant of our ways and uneducated, it would be natural for them to rely

upon the honesty of the Government. They did not understand legal English language or any written English language. These were the facts surrounding the signing of that treaty.

What was the wording of this treaty in respect to the amount of land purchased, the price, and method of payment? Here it is: "The balance of said sum of \$1,665,000, to wit, \$1,360,000, to remain in trust with the United States, and 5 percent interest thereon to be paid, annually, to said Indians for the period of 50 years, commencing the 1st day of July 1852, which shall be in full payment of said balance, principal and interest, the said payment to be applied under the direction of the President, as follows, to wit."

No matter what the wording of the treaty was, it cannot be presumed that the Indians understood it, no matter what the finding of the court may be upon the subject, for these Indians could not be presumed to know a thing which none of them could read. There is no record anywhere of the proceedings that took place when the chiefs affixed their signatures—at least, no record has been produced. In order to be on solid ground the court should have known what these conversations were. No affidavits of surviving chiefs or testimony of surviving chiefs were before the court. The presumption indulged in by the court could only be arrived at from the fact that the chiefs did sign the treaty.

Had the Indians been on equal ground with the Government—had they been free citizens and not wards of the Government—what about the wording of the treaty then? Was it usual for free people to enter into contract to purchase land and make payments of interest for a given period, and if all interest were paid, then the debt would be extinguished? This Congress can take judicial notice that during that day it was not the custom of the country, nor is it today.

Was it the custom of the Indian Office to not pay interest on trust funds? No; the custom was directly to the contrary—that all trust funds of Indian tribes drew interest. That is the testimony of the present Indian Department, and it is true.

If that would be the situation with respect to free contracting parties, would there not be an additional obligation on the Government because of its fiduciary capacity, being guardians of these very Indians, to at least treat them according to the custom of the country and the custom of the Indian Bureau? Can a guardian take advantage of his ward in any court of justice? No; the courts have always held that in such a capacity there is a strict accountability required of such guardian. What they may do to others they cannot do to their ward, because the theory of the law is that the Government, in such a case, is contracting for the ward; the Government would be bound to see to it that the interest of the ward was protected.

Under this treaty, a tract of land consisting of 16,650,000 acres was purchased for a consideration of \$1,665,000. The Indians agreed to this price. In other words, the Indians sold this valuable land for the price of 10 cents per acre. This money was placed in trust for this tribe. What money was so placed? The purchase-price money—the consideration for the purchase of the land, less some small down payments. No trust could be created unless there was a consideration.

During the 50 years interest was paid; and it may be said that the Indians received, in all, at the end of 50 years, \$3,400,000, or actually 20 cents per acre. But remember that during that period this land increased in value until the time of the last payment of interest this land could not be purchased for less than \$50 per acre—none of it.

No railroad lands were sold by the Northern Pacific Railroad during any of this period for less than \$2.50 per acre, even in the Bad Lands of Dakota, and none of it in the Minnesota area for less than \$10 per acre. Can it, therefore, be claimed that the Indians received just compensation, when the interest they did receive was a mere pittance compared with the actual value of the land which they did surrender? Can anyone in this Congress justify the conclusion that the Indians, under all the circumstances, agreed to take merely the interest on the purchase price and abandon the purchase price itself? If such a conclusion can be arrived at by this Congress, then I say justice to the American Indian is dead in this land. Is Congress willing to treat their ignorant wards in that way, when the Government solemnly promised to protect their red children?

In regard to Indian jurisdictional bills before Congress, the usual stock objection to the passage of a jurisdictional act is that the matter is in *res adjudicata*. Let us see what that term means in law. In plain English *res adjudicata* is a Latin expression meaning that the particular issue has been already decided.

As this term is commonly used in relation to cases before the Court of Claims it has no application whatever and those who make use of the term are quite ignorant of the proceedings in the Court of Claims. I have never heard of a case, or heard of anyone who ever heard a case in the Court of Claims where the term "*res adjudicata*" could possibly be applied. The reason is that in every case before the Court of Claims, the court has only such jurisdiction of the matters involved as is expressly given to the court by the jurisdictional act itself. The court can only see through one glass; and if, perchance, some new matters affecting the outcome of the controversy is offered in the proceedings, the court excludes them on the ground that the "court has no jurisdiction except such as the act itself creates."

Whenever such a situation arises, the claimants usually come back to Congress and ask for a new jurisdictional bill conferring the special authority which the court decided it did not have. A

new act is passed, or proposed for passage, and at this juncture, the lawyers of the House rise up like cornstalks and shout "*Res adjudicata*." They do not know that the term "*res adjudicata*" cannot be applied to a matter unless the former decision covers the same latitude of facts and circumstances as are presented in the pending matter. Evidently the former jurisdictional act did not cover the situation contemplated in the new act, for if it did no new bill would be pending. A decision of the Court of Claims, therefore, is a decision based upon only such matters as the court had before it at the time of trial. It could not possibly embrace matters concerning which the court excluded on the ground it had no jurisdiction. The conclusion is inevitable, therefore, that *res adjudicata* cannot be applied to a matter decided in the Court of Claims under a particular jurisdictional act.

The decision of the Court of Claims in the case of the *Sisseton and Wahpeton Bands of Sioux Indians v. the United States* (58 Court of Claims 302, 277 U. S. 424, 72 L. Ed. 939) cannot be *res adjudicata* because the jurisdictional act (39 Stat. 47, approved Apr. 11, 1916) was held by the courts to limit the jurisdiction of the Court of Claims to an accounting of the "amount due or claimed to be due said bands from the United States under any treaties or laws of Congress," and that, therefore, the court was bound to hold the Indians to the strict letter of the "laws of Congress," and could give no consideration to the equities of the Indian claims no matter how worthy were such equities.

In other words, the jurisdictional act, as construed by the court, gave the court no power as a court of equity. Congress was, therefore, remiss in its duty to these Indians in failing to pass a jurisdictional act broad enough to give the court equitable jurisdiction. Thus the court was hamstrung in its power to give relief and the equitable issue involved was never adjudicated.

The Court of Claims in its opinion, referring to the treaty of July 23, 1851, in this proposed legislation and one other treaty, said "afterwards, when both of said treaties came before the Senate for ratification, the Senate, instead of ratifying them as negotiated, substituted a provision for the purchase," etc. So the treaty or law passed by Congress was not the treaty the Indians made. The Indians claim they never ratified the changed treaty or law passed by Congress. But the court held it was bound by the law as passed by Congress.

The Court said:

"There is nothing in the jurisdictional act \* \* \* inconsistent with the treaty \* \* \* and nothing to indicate that Congress attempted by that act to authorize the courts to proceed in disregard thereof \* \* \* and the presumption is wholly inadmissible that Congress sought in this instance to submit the good faith of its action or the action of the Government to judicial decisions."

"That this act does not give this Court jurisdiction to inquire into the equity or impropriety of any of these treaties between these Indians and the United States is so obvious as to hardly need citation of authorities."

"The jurisdictional act here involved is not different in any essential respect from those construed in the citations (*United States v. Old Settlers*, 148 U. S. 468; *Atoe and Missouri Indians v. U. S. C. Cls.* 424, 429) mentioned and is not so worded as to make it an exception to the well-established rule \* \* \*. When Indian rights of property are fixed by the terms of treaties we are bound to accept them as so fixed."

It is clear from the foregoing that the courts never passed upon the equitable issue involved, to wit: Did the Indians understand that they were never to get the principal of the purchase price of their lands? Were the terms of the treaty (contract) fair and equitable under the circumstances, considering the unequal ability of the unlettered, ignorant Indians to deal in English, a language not understood by them, with the learned commissioners and Congress?

Clearly, therefore, there is not the slightest substance in the contention that the matter or issue involved in this legislation is *res adjudicata*.

Besides the Supreme Court of the United States in May 1938, in the case of the *United States v. Shoshone Tribe of Indians* (advance sheets for May 9, 1938, 82 L. Ed. U. S. Repts., p. 763) sets forth the principle of law that:

"Treaties between the United States and Indian tribes are not to be interpreted narrowly, as sometimes may be writings expressed in words of art by covenancers, but are to be construed in the sense in which naturally the Indians would understand them."

The sense in which these Sisseton and Wahpeton Sioux Indians naturally understood their treaty was to the effect that at the end of 50 years they would get their principal of \$1,472,000. The following narrative statements from the testimony of the Indians is undeniable proof thereof:

STATEMENTS TAKEN FROM TESTIMONY GIVEN IN THE ACTION OF THE SISSETON AND WAHPETON BANDS OF SIOUX INDIANS AGAINST THE UNITED STATES, NO. 33731, IN THE COURT OF CLAIMS OF THE UNITED STATES

Page 116: Joseph Sherman, or Tawacinhehomni, testifying on August 5, 1920, relative to the treaty of July 23, 1851, testified that he was then 70 years of age, born in 1850, and was a member of the Sisseton and Wahpeton Sioux Indians of the Devils Lake Reservation. He stated that Sleepyeye, who signed the treaty of 1851, being the fourth man who signed the treaty in behalf of the Indians, was his grandfather's cousin. That he, Sherman, had talked (always) (frequently) with Sleepyeye about said treaty. He had also talked



with his grandfather about the treaty of 1851 and was told that the interest would be paid to the tribe—5-percent interest—and at the end of 50 years the principal would be paid to the tribe.

Pages 119-122: Eyapahamani, member of the tribe on the Devils Lake Reservation, age about 70 years, born about 1850 at Lake Traverse, testified relative to the treaty of July 23, 1851, that he had talked with some of the men, who signed the treaty, about what the treaty contained. These Indian signers told him what they understood at the time they signed said treaty contained. They told him they were going to get the interest and at the end of 50 years the principal was to be paid to the tribe. His uncle told him that and that is the tradition that is handed down by the Indian fathers and those who took part in the signing of the treaty. His father and his brothers—two brothers—also told him the same thing. They told him to remember that as long as he lived and to hand it down like they handed it down to him. He was about 30 years of age at the time they told him this.

Pages 123-124: Tawasuwaste, a member of the tribe on the Devils Lake Reservation, testified that he was about 67 years old, born about 1853. That one of his grandparents signed that treaty. The grandfather's name was Wicanhpi-iteton, meaning in English "star has face." The witness was shown Senate Document No. 68, at page 32, and stated that the name of the second signer to the treaty was his grandfather. That said grandfather had told him all about that treaty after he had signed the treaty and that at the end of 50 years drawing interest the principal would be paid to the tribe. That the grandfather had told him that when he grew up he could depend upon that money. The grandfather also told him that it was his place to hand down these facts about the treaty to his children so that they would know about it. That is known as Indian tradition among the Indian people, that is being handed down from their forefathers. That is the method the Indian people have of keeping track of the record of what happened previously.

Pages 129-131: John Strait, a member of the Devils Lake Reservation, testified that he was 56 years of age, having been born about 1864. That he had been told by his father, whose name was Akicitana, which means "soldier," that he, the father, had signed the treaty of July 23, 1851. The witness' attention was called to page 33 of Senate Document 68, and stated that the last Indian name thereon was intended to be the name of his father. That the father was then, in 1920, dead long ago. The father had explained to the witness and to the witness' sisters and brothers what had been explained to him, the father, at the time he signed the treaty as to what the treaty contained. That what his father had told them with reference thereto as to his understanding of the treaty as explained to him was that there was to be paid to the tribe for 50 years interest in gold, and at the end of 50 years the principal was to be paid to the tribe. That also is the tradition that has been handed down by those who signed the treaty for the Indians.

Pages 134-136: Matohi, member of the Devils Lake Reservation, who was born at Lake Traverse, stated that he was then, in 1920, 70 years old, having been born about 1850. That his father, whose name was Hooksheedanwashtay, signed the treaty of July 23, 1851. That his father was then dead at the time witness' testimony was given. The witness' attention was called to page 32 of Senate Document 68, and stated that the name appearing there as having been signed to the treaty and spelled H-o-o-k-s-h-e-e-d-a-n-w-a-s-h-t-a-y, translated as "Good Boy" was the name of the witness' father. That the father had talked to the witness about the treaty and had told the witness what the people representing the Government at the time the treaty was signed had told the signers what was in the treaty. That the father told it to him this way: "Fifty years to be paid to the tribe the interest money, and at the end of 50 years the principal would be all paid in their full hands and then let them go." The father had further said that at the end of 50 years the principal would be paid to the little children. That is the same story or tradition as has been handed down generally by the older Indians to the younger Indians of these bands. The witness stated further that Governor Ramsey, one of the representatives when the treaty was signed, was called Broken Leg.

Page 174-179: Solomon Fox, whose Indian name is Sunginaduta, a member of the Devils Lake Reservation, testified on the 7th day of August, 1920, that he was then 58 years of age, having been born about 1862. Fox testified that his grandfather, Itewakinyan, was one of the signers of the treaty made by the man with the broken leg with the Indians. (Treaty of July 23, 1851.) The grandfather's English name was Thunder Face. The witness was shown page 32, of Senate Document No. 68, and asked if he knew whether or not the third name signed or purported to have been signed on the treaty as appeared by that document was the grandfather's name. He stated that "that is the one." Witness stated further that his father's brother, named Wakinyanahota, English name Gray Thunder, had also signed the treaty. Witness' attention was called to page 33 of Senate Document 68, and stated that the fifteenth name on the page was the name of his father's brother as a signer of the treaty. Witness further stated that his father and his father's brother—as to how the payments of money under the treaty with the Indians was to be made—told that it was 50 years to be paid to the tribe the interest in gold, and at the end of 50 years the principal would be paid to the tribe in full, and that the children would get the benefit of what the Indians called the "old money." That this was also the tradition in the tribe.

In answer to a cross-interrogatory (p. 178) that he had heard it from Itewakinyan, one of the signers, "Then he told it to his

nephew; then he told that to Sunkamaza; and then he told that to Matowakan; they are all brothers. Then the last mentioned, he told me all about it, that that is the tradition. I have got a son, and I am going to tell that to him just exactly what he told me. As long as I don't get anything I am going to tell that to my son."

Page 179-181: Mazakahomni, a member of the Devils Lake Reservation, testified that he was, in 1920, 70 years of age. That he had heard by tradition about the treaty of July 23, 1851, to the effect that the Indians were to be paid a certain sum over a period of 50 years as interest, and at the end of that time were to be given the "old money" or principal for the land.

Pages 183-185: Hnuyaninyanke, a member of the Devils Lake Reservation, born at Lake Traverse and in 1920 was 80 years old, testified that he had heard some tradition that under the treaty of 1851 that it was to be 50 years paid in gold—that is, the interest on that money—and at the end of 50 years the principal would be paid in full to the time.

Pages 188-189: Otakoyake, member of the Devils Lake Reservation, testified that he was then, in 1920, 63 years old. That he had heard about the agreement of July 23, 1851, known as the Broken Leg treaty, made at Traverse des Sioux. That he had heard it from Tiyouwaste, who was for many years the head chief of the Indians on the Devils Lake Indian Reservation. Had been chief about 50 years before he died. Tiyouwaste had told the witness that the tribe would get money from the Government for 50 years—that is, the interest on the money—and then, at the end of 50 years, the principal would be paid in full.

Pages 193-195: Canhdeskamaza, a member of the Devils Lake Reservation, born at Lake Traverse and at the time of his testimony in 1920 was 84 years of age, testified that he had heard about the treaty of July 23, 1851, known as the Broken Leg treaty. That none of his relatives had signed the treaty, so far as he knew, but from tradition he had learned that the payment was to be made 50 years paid in money; that is, the interest; and then, at the end of 50 years, the principal would be paid. He had heard many of the older people talking about this treaty and about the payment of the money.

Pages 197-201: Ignatius Court, a member of the Devils Lake Indian Reservation, born on what is now known as White Earth, in South Dakota, testified that he was at the time of the testimony in 1920, 53 years old. He had had some education and having heard the older Indians talking about their claims against the Government had become interested therein and had made investigations and had discussed the claims of the Indians with the chiefs and head men of the tribe and the older people, and particularly with reference to the tradition in regard to how the payments were to be made by the Government to the Indians under the act of July 23, 1851. He stated further: "According to tradition—tradition is our record; and according to tradition, relating to that treaty of July 23, 1851—and the way how I come to take part and interest in this matter was that my grandfather had signed the original agreement, and according to tradition \* \* \* the money was to be placed in trust for the Indians, and the interest to be paid for 50 years, and at the end of 50 years the principal will be paid to their children. That is the agreement."

He further testified that these Indians to whom he talked about the treaty of 1851 told him about the various matters regarding the payments and the land ceded. That the Indians—including those who signed the treaty—couldn't read nor write and had no records of anything and that the only way they had of recording such things was when things happened they hand it down to the next generation, etc.; that that is the record of the Indians in regard to matters of this kind.

#### NOTATION

At the time of the taking of the testimony in 1920, none of the original signers on the treaty was available because all of them were dead. The Court of Claims refused to in any manner consider the testimony of the Indians with reference to the traditions of the tribe, notwithstanding the fact that it is well known that such tradition is worthy of great credence inasmuch as it was the only manner in which the Indians had to hand on to future generations vital facts pertaining to the rights of said tribe.

### The Rape of Muscle Shoals

#### EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, January 18, 1940

ARTICLE FROM THE MUSCLE SHOALS AUTHORITY

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "The Rape of

Muscle Shoals," appearing in a publication entitled "Muscle Shoals Authority."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Muscle Shoals Authority]

#### THE RAPE OF MUSSEL SHOALS

(Note: The many muskells found in the river at the Shoals gave the name—Mussel Shoals. Even the name has been raped)

The people of the Mussel Shoals district hailed with delight the result of the 1932 election. They thought, now the long retarded development of the Tennessee River with its potential water power at Muscle Shoals was to be ended. That the district, the South would be given the opportunity to develop its natural advantages and resources—to come into its own—at long last.

Nature had given north Alabama the Tennessee River and Mussel Shoals; well-wooded, fertile lands, minerals, and other resources; all combined with a climate unsurpassed. The economic war, 1861-65, its aftermath and political obstructionists prevented the development of this section—for the better part of a century. Naturally any country, section, and individual endowed with unusual gifts expects, and with justification, to reap direct benefits from such gifts.

Neither the Nation nor South foresaw a bureaucratic, one-man government, which unstopped leads but to a totalitarian state and dictatorship. It just "could not happen here," but it has, or has been "planned" that way, as the mislabeled party in power these past 7 years repeatedly state. An unwanted depression was seized by this party to experiment and traffic with human necessities and constitutional liberties. Past individual and governmental mistakes and abuses needed correcting—by constitutional laws—but the party in power have and are trying to change the basic laws of God and nature.

Unfortunately, Congress gave this man, temporarily, more power than dictators have (saving the power over life and death), which, for 7 years, the President and his chosen affiliates have refused to relinquish. They are now "planning" to perpetuate it. Is not that the meaning of the third-first term, or the New Deal policies must continue? Power or money once held are rarely relinquished voluntarily, new dealers being no exception to the rule.

To even partially grasp the meaning of the New Deal party's appropriation and confiscation of the property and wealth of others (acquired by ability, thrift, and labor), and using it to establish a huge bureaucratic government—look at just one of these bureaus, T. V. A., the President's "pet" project. Only a few of the basic, far-reaching acts of T. V. A. in the Mussel Shoals district can be given in this article, and those perforce, briefly. But those given herein are recorded and verifiable. Were the whole history of the Authority's acts, at Mussel Shoals alone, given, more volumes would be required than those filled by the T. V. A. Investigating Committee to give T. V. A. a clean (?) bill of health.

The Tennessee Valley Act, passed by Congress, 1933, gave the President the power to appoint a board of three men. Whom did the President appoint? Two from the Middle and Far West, the third from the valley, but not a native. No representation from the valley or South, the section and people whose interests were most affected. This Board selected, at first, even to its laborers, men from Maine to California—to the exclusion of the people of the valley. Before even beginning work, Dr. A. E. Morgan broadcast to the Nation statements like the following: "Not an acre of land in the entire Tennessee River Valley was worth \$25." He even made more disparaging statements about the valley people. In fact, he warned the Nation, urged them to "stay away from the Muscle Shoals district," the people being "swindlers."

The Tennessee Valley Act, created by Congress, 1933, reads thus: "For national defense, navigation, industrial and agricultural development, and flood control of the Tennessee and Mississippi River Basins." Then the act states the regulations governing the Board: Section 2 (e): "The members of the Board shall receive a salary of \$10,000 a year." In "addition to his salary, each member of the Board shall be permitted to occupy as his residence one of the dwelling houses owned by the Government in the vicinity of Muscle Shoals, Ala., the same to be designated by the President of the United States." Continuing, section 8 (a): "The Corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Ala." The Corporation shall be held to be an inhabitant and resident of the northern judicial district of Alabama."

Known to the entire Nation—the Board established both the "principal office" and their "residence" at Knoxville, Tenn. Whose duty was it to see where the Board was to establish the principal office and the residence? This is the first direct violation of the 1933 act and a slap at the Mussel Shoals district. After 2 years of continued protests from Alabama Senators, Representatives, district organizations, and individuals against this unjust violation and discrimination against the district, causing great injury and loss to the people and section—the President permitted the Board to place a wooden sign over the door of Nitrate Plant, No. 2, which reads: "Main offices of the Tennessee Valley Authority."

Both the President and his Authority claim this sign "satisfies" the "law." We shall show, partly, what this violation of the Tennessee Valley Act has cost the Mussel Shoals district, and the Nation's taxpayers. The late chairman of the T. V. A. gave the "T. V. A. investigating committee" some interesting "bunk," their excuse for establishing the main office in Tennessee. Dr. A. E. Morgan said, in part: "Mr. Lillenthal had informed the Board that

the language of the act which directed the placing of the headquarters at Muscle Shoals 'was only a legal phrase,' which was of 'no binding effect.'" Dr. Morgan continued: "Establishing the headquarters at Muscle Shoals would have meant the 'sacrifice' of 'many values.'" Truly said, Dr. A. E. Morgan. Not establishing the "principal office in the immediate vicinity of Muscle Shoals" has lost to Alabama and district millions of dollars, lost untold jobs to unemployed labor, and cost the Nation's taxpayers many unnecessary thousands of dollars.

Dr. Morgan goes on: "The Authority would have been denied the facilities of the University of Tennessee, including its 'law library.'" Why the special need for the law library? As a further excuse, "A large housing project would have been necessary to house the T. V. A. staff." Also, "The school facilities at Muscle Shoals were not of the best."

These facts, answer the doctor's "bunk." First, is there any ambiguity in the language of the act as to where the "main office" was to be established, or where the Board was to reside? Not just "Muscle Shoals" was designated—but "Muscle Shoals, Alabama," was stated in both cases.

Can Mr. Lillenthal's statement, merely a "legal phrase" of "no binding effect," be either legal or moral, judged by ethical standards?

A large housing project necessary—if offices were established in Alabama. The answer to that is: Quite apart from the many houses already at Mussel Shoals, the Government owned about 3,000 acres of land with streets, sewers, water, electric lights, etc., at the Shoals.

A mere fraction of the \$3,500,000 T. V. A. spent at Norris, Tenn., to build 350 houses of three and four rooms for the temporary use of workmen would have built a permanent city at Mussel Shoals. Not all of these \$10,000 three- and four-room workmen's houses were fully electrified. Dr. Morgan's own figures and statements. Just one example of the waste of the Nation's taxpayers' money. Why was this "housing" money not spent at Muscle Shoals? Had not the doctor stated, even before starting work in Alabama, he "wanted no Muscle Shoals City"? The little cities of Florence, Sheffield, and Tusculumbia "must be decentralized."

Dr. Morgan had stated his plan was to make "French-Czecho peasants" of the Valley people. This evidently was the beginning of the "rural electrification" of the Valley.

More expenses—because T. V. A. saw fit to locate the "principal office" in Tennessee: The McCarl investigating committee, 1935, brought forth the following facts: The Authority rented offices in Knoxville at the rate of \$36,000 a year. T. V. A. also leased telephone lines, hired cars, bought airplanes to keep in touch with Muscle Shoals. And although T. V. A. owned 223 automobiles and light trucks, its bill for hired cars averaged \$8,000 a month. In one period 53 T. V. A.-owned cars drove less than 1,000 miles, while the hired cars drove 114,000 miles, at 7 cents a mile rental. Also, cash registers of T. V. A. commissaries and cafeterias, etc., recorded receipts that differed from the actual cash receipts, from a few cents to several hundred dollars a day, the difference being explained by such entries as "cash stolen," "children playing with cash registers."

T. V. A. bought a \$10,000 herd of dairy cattle; prices ranged from \$250 to \$950 apiece. Then the rich milk from the expensive herd was traded for a low grade of milk. This unexplained by T. V. A. These facts and many more show the way the Nation's taxpayers' money was spent—by T. V. A.

Now, "School facilities at Muscle Shoals not of the best." Look at the facts: Florence has always been an educational center. Its State teachers college, high- and public-school systems rank with the best of their type. Undoubtedly with the influx of population, the necessity for enlarging school facilities would have been met.

Just what the real motive behind T. V. A.'s actions at Mussel Shoals? The utilities' interests were bound up with the district. The fiat had gone forth from Washington, the utilities must be annihilated—not errors corrected. Beginning with Muscle Shoals, henceforth all water power must be under Government control.

The reading public knows of the long, hard-fought battle between the utilities and T. V. A., and of the final settlement. But do the people generally realize that Government monopoly was submitted for utility monopoly, with this difference—the Government controls everything and everyone, while the utilities only controlled power? But, again, why was the Shoals district singled out especially for the drastic purge? The section that made possible the very existence of a T. V. A.?

But for Mussel Shoals, Ala., there never would have been a reason for any T. V. A. or Authority. Apparently, New Deal young collegiates must have decided the district fell under the class of "economic royalist" (district) by virtue of Nature's mistake in placing Mussel Shoals in north Alabama.

After T. V. A.'s first successful violation of the act (mislocating the main office) the road was cleared for further purges. So Florence was given two more crushing blows—below the belt. Scrapping the "contract" and "30-year franchise" given because she was right at the Wilson Dam; then 2 years later, after Florence had bought her own power plant, refusing to grant her cheap C-1 rates for factories, that (rate) given in Tennessee, and to remote districts. Thus two large factories were lost to the district by the refusal of the C-1 rate. T. V. A. completely controls all power given Florence, even to the amount of her lighting of the city. Refusing to let factories come to the district has lost millions in dollars and unnumbered jobs to labor. Factories established in the district would have given employment to the needy now on the dole or the W. P. A.



## T. V. A.'S CROWNING ACHIEVEMENT

To the people at large the wonderful dams are shown and written up, glorifying the Tennessee Valley Authority. Look facts in the face. Are high dams necessary for the purposes for which the Tennessee Valley Act was created? Or have they not been built primarily for power? Does the 1933 act mention anything about power but "surplus" power? Read section 10 of act, and on. Had Congress wanted a "rural electricity" bill, would it have passed the bill it did? Is not "rural electrification" but a New Deal excuse for social experimentation in the Tennessee Valley? Is not the following quotation an excellent analysis of Tennessee Valley Authority's objectives?

"It is evident Tennessee Valley Authority's plans are formless, except insofar as they relate to the power program." "Tennessee Valley Authority is relying upon its entry into the electricity field to establish its prestige." "If restricted to its constitutional functions, it will disappear from the scene, leaving navigation under the Corps of Engineers, where it should be, and national defense under the War Department, from which it is treasonable to remove it to any such chaotic organization as the Tennessee Valley Authority Board." Unfortunately Tennessee Valley Authority was not restricted to its "constitutional functions." "Relying upon their entry into the electricity field to establish their prestige." They have since the above analysis made, in 1935, developed a streamlined organization with the aid of the taxpayers' money and the sanction of the President.

But high dams have done something else to the valley. They have, or will have, when completed, put 1,500,000 acres of the most fertile lands in the valley out of agriculture forever. All know some land necessarily must be submerged when dams are built. Generally the lowlands thus submerged are often useless because of normal floods. But high dams, for power, do not take into consideration the agricultural loss they are creating. That is not all about the loss of these farms; Tennessee Valley Authority takes twice or more of the land (of all good farms) from the owner, and all his river frontage, than is necessary for submerging. Why this Government appropriation of good farms? The following dispatch from Athens, Ala., of March 5, 1939, partly explains "appropriations":

"THREE THOUSAND NINE HUNDRED AND FIFTY T. V. A. ACRES ARE RENTED"

"One hundred and fifty farmers of this county (Limestone) have leased 3,950 acres of land belonging to T. V. A. in the county for a total of \$10,324 for the current year, a checking up of bids reveals. The land will be cultivated under the A. A. A. program."

Government farming on untaxed land in competition with poor farmers paying high taxes. T. V. A. has acquired good farms in the counties surrounding the Shoals also, and has gone into the farming business. Is the Government reserving the river frontage for future factory sites—while denying factories to the district now? Is this preparing for the future totalitarian state?

In like manner T. V. A. is honeycombing the district with power lines. Transmission lines are like dams—when built for legitimate purposes—necessary. But these lines are not just for rural electrification, but are high-power lines, to drain all power from the Wilson Dam. Had it been a physical possibility, the Shoals and the Wilson Dam, etc., would have been removed bodily from north Alabama. That being impossible, the next best thing, remove the power generated there and give it to remote sections. This certainly kills the Muscle Shoals district, T. V. A.'s main objective. High dams and transmission lines alone are entitled to a book, to do the subject justice. But one word more about transmission lines must be given here. T. V. A. goes through any land desired, cutting a swath 150 feet wide. Whether wooded, under cultivation, or worthless—the sum paid is 3 cents a running foot, paid to all alike—so state T. V. A. agents. T. V. A. is given the use of this land for its wires—for all time—the owner still has the privilege of paying the Government taxes on it. What would the new dealers say about such actions, if done by corporations or private individuals?

The first reason for the creation of the Tennessee Valley Act was for national defense. In the present emergency is the President going to allow the Muscle Shoals any part or lot in his national-defense program?

Or is he (the President) going to ignore the very existence of Muscle Shoals, and continue to permit his T. V. A. to drain the power generated at the Wilson Dam, and give it to other and distant sections?

## WHAT MUST ALABAMIANS DO?

First. All elected Representatives, the people of the Mussel Shoals district, all Alabamians should stand united and demand their rights—the restoration of the purposes for which the 1933 Tennessee Valley Act was created by Congress. Rights first given the district by nature, then by the act. Begin by establishing the "principal office" in the "immediate vicinity" of Muscle Shoals, Ala., where it should have been these past 7 years. Then follow up the other violated sections of the act, correcting them.

Second. Remove the entire T. V. A. Board—for their many violations of the act. For changing the bill, by substituting their own socialistic "rural electrification bill." For not keeping their "contracts," nor allowing cheap rates to factories—this done to prevent any growth and development in the district. Also the injury done to agricultural development, and unnecessary "appropriations" of lands in the district, and the many other high-handed acts perpetrated on the helpless people of the valley by the T. V. A. Board.

Third. That Congress, not a President, hold any Board responsible for their failure to carry out the purposes of the Tennessee Valley Act which they [Congress] created.

Fifth. That the taxpayers of the United States join Alabamians in demanding that all the waste, and useless extravagance of the T. V. A. be stopped, and only the legitimate purposes of the bill be carried out by the new Board.

Remember—but for Muscle Shoals there would have been no act or Authority.

MARY CHALMERS HOOD.

## Pipe Lines, Railroads, and the Oil Business

## EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

LETTER BY EUGENE L. ORVIS

Mr. COFFEE of Washington. Mr. Speaker, in view of legislation now pending for the relief of our railroads I wish to bring to the attention of the House some significant facts in relation to the conduct of our railroads which should receive thoughtful consideration.

I present a letter addressed to all railroad executives by Mr. Eugene L. Orvis, the traffic attorney who appeared before the Temporary National Economic Committee, and exposed relations between the railroads of the Southeast and 13 major oil companies which undeniably fall into the category of conspiracy in restraint of trade; it also appears to disclose that major oil companies combine in intimidating and coercing the railroads and further tends to show that certain common-carrier pipe lines openly and flagrantly violate the commerce laws.

The documents supporting the allegations made by Mr. Orvis were duly authenticated by the Monopoly Committee, certain common carrier pipe lines openly and flagrantly talking about.

It seems to me that before this Congress enacts any railroad legislation that railroad management should itself first take adequate measures to relieve itself of the burdens placed on the railroads by such unfair and illegal practices as are disclosed in this letter.

The letter is as follows:

To all railroad executives:

Gentlemen: In behalf of fair transportation practices I wish to bring to your attention the high lights of my testimony before the Temporary National Economic Committee, in Washington, on the 5th and 13th of October last.

Included in this testimony was irrefutable evidence of how the major oil companies, by combined shipper-volume, "pressure" freight rates to suit themselves and how certain of them enter into unlawful conspiracies and designedly publish pipe-line tariffs violative of the law, all to the extreme detriment of the railroads and of independent oil shippers who use the railroads exclusively.

You probably have read that on October 5, I presented to the T. N. E. C. a copy of the following letter addressed by the president of the Association of American Railroads to 13 major oil companies operating in southeastern territory:

ASSOCIATION OF AMERICAN RAILROADS,

Washington, D. C., January 17, 1935.

Re: Memorandum of discussion regarding transportation of petroleum products in the Southeast.

DEAR SIR: Based upon discussion with Mr. Cleveland, it is my understanding that in view of certain conditions to be later referred to herein you have stated that in the Southeast you will discontinue trucking from your water terminals or refineries to the interior for distances in excess of 40 to 50 miles (which is the approximate limit of the customary filling-station distribution), whether service by truck for greater distance is being performed by outside agencies or by trucks of your company, and that you will simultaneously discontinue delivering these products to dealers' or buyers' trucks at your water terminals or refineries.

Railroads in southeastern territory, in order to make this arrangement an effective one and to stabilize the distribution of these products, will use their best efforts to bring about a readjustment of interterritorial rates on these products into southeastern territory on the same rate level as fixed by the Interstate

Commerce Commission within that territory, it being recognized that in order to make this change in freight rates it will be necessary to obtain relief from outstanding orders of the Interstate Commerce Commission. Railroads in southeastern territory will re-form as rapidly as seems advisable existing leases covering railroad property used for filling-station purposes; they will discourage future leases of this character and will in no case make such leases on terms more favorable to lessees than under the re-formation plan.

It is suggested that above arrangements become effective May 1, 1935, unless some other date as early as possible will better suit your necessities. It is understood that the above arrangements will continue in effect until your company or the railroads involved decide that they are not working satisfactorily, in which event 60 days' advance notice of the termination of these arrangements will be given, and upon receipt of such notice from any company I will promptly notify the other interests involved.

Very truly yours,

J. J. PELLEY, *President.*

The intent of these major oil companies, as disclosed by this memorandum of earlier discussions, obviously was (1) to "pressure" rail rates downward with a promise to distribute only via rail above 50 miles from seaboard; (2) to build higher the rail freight rate wall between this southeastern territory and independent oil refiners of the Southwest; and, (3) to eliminate the filling-station business of independents leasing railroad property.

That which concerns rail executives in the present writing is the attempt of major oil companies' lawyers at the hearing to shift the blame to the shoulders of the railroads by indicating that the conspiracy originated exclusively in railroads headquarters.

Far from being a proposal of the railroads, as oil-company counsel insisted, it was, as the opening paragraph of the letter clearly shows, a confirming memorandum of earlier conferences: I quote from the verbatim record of the hearing:

"The CHAIRMAN (interrogating Mr. E. S. Hall, senior counsel, S. O. N. J.). What was your understanding as to the initiative in this particular matter referred to in the Pelley memorandum?

"Mr. HALL. My understanding of the initiative is that it was a proposal by the railroads in the hope that they could persuade the petroleum industry to assist them in stemming this change in the mode of transportation from rails to motors, which had been going on so effectively for the last 10 or 12 years."

The constant reiteration of this standpoint finally brought from Mr. Leon Henderson, a member of the committee, this remark:

"Mr. Chairman, the language [of the Pelley letter] seems as clear to me as it does to you, that it was not Mr. Pelley's proposal."

Rail executives, dealing with a constantly dwindling volume of oil transportation, have sought as best they could to remain independent under steadily applied and ever-increasing major oil-company pressure, yet the commerce laws and antitrust statutes have long been available to curb too insistent shippers.

It remains to be seen whether recent disclosures like that of the Pelley memorandum and the exposure of the malpractices of the Great Lakes and Phillips Pipe Line Cos. will convince the rail carriers of the unwisdom of being too pliant to the demands of large shippers; it is the railroads, rather than the shippers, who can most easily be involved in the tools of regulatory action.

I placed before the T. N. E. C. a copy of a letter (later authenticated by the committee) from one of the so-called integrated oil companies wherein two railroads were distinctly warned that the granting of rate reductions to a group of independent refiners would result in reprisals; copies of this letter went to eight other major oil companies.

In the case of the Great Lakes and the Phillips Pipe Line Cos. I revealed to the committee the methods employed by these common carrier pipe lines for evading the commerce laws and the resultant consequences to the railroads and to independent all-rail oil shippers. This matter has had the careful attention of the Interstate Commerce Commission since I brought the facts to light.

Commissioner Aitchison, in his letter to me of July 20, 1939, commenting on the field tariffs of these two common carrier pipe lines stated: "The tariffs do not specifically authorize transit; (2) the 'policing' rules are inadequate; (3) the proportional rate to be applied should be that in effect on the date of movement from the point of origin; (4) the tariffs should contain specific provisions for collecting the interstate rates beyond the transit points."

For any needed interpretation of these tariff shortcomings, I suggest you consult your own rate or tariff compiling department.

Through documents authenticated by the T. N. E. C. I established the fact that the above enumerated faults were not the result of inadvertence but of clever and concerted effort through months of collaboration: Important as this was to the T. N. E. C., it is of much greater importance to you and to independent all-rail oil shippers, for in hitting the railroads below the belt they are at the same time dealing deadly blows to those independent oil companies who patronize the rails exclusively.

It is through such illegal and unfair practices that oil and gasoline common carrier pipe lines (perhaps I should include the natural-gas pipe lines also, as their operations have deprived the railroads of millions of tons of coal traffic annually) have continued to eat into railroad revenues.

The I. C. C. manifestly cannot nor should it be expected to initiate all necessary corrective steps; I feel the railroads should fight their own battles and most vigorously defend themselves against unfair or illegal practices of common carrier pipe lines, resorting to the law whenever conditions warrant.

It has been the policy of the railroads to refrain from entering into joint rates or arrangements with common carrier pipe lines; no doubt this policy is the result of pressure from the common-carrier pipe-line owners. The uneconomic character of such an unreciprocal policy is more apparent today than ever.

The Black Strap Molasses decision (I. C. C., I. & S. 4645). This decision is of far-reaching importance to all railroads and independent oil producers and refiners, as it paves the way for the movement by rail of oil in trainload cargoes at rates comparable with pipe-line rates. The rate set by the Commission, in this case approximately  $3\frac{1}{2}$  mills per ton-mile, which is about the cost by pipe line, according to pipe-line reports to the I. C. C.

To illustrate what well may have happened if the older policies were abandoned in favor of one not dominated by the major oil companies, take the case of the East Texas oil field: Had the railroads joined with independent gathering systems, legalized as common carriers, and created joint through rates to consuming centers, it is doubtful if many of the trunk pipe lines from this field would have been built and the railroads serving this gigantic oil field would be transporting a fair share of the hundreds of millions of tons this field is producing.

Sedulously avoiding any joint or common arrangements with connecting rail carriers, the common carrier gasoline pipe lines have built their entire rate structure on the all-rail freight rates; their thousands of published proportionals to the pipe-line terminals are only the difference between the refinery all-rail rates and the short-haul rates to destinations beyond the terminals; obviously the higher the former and the lower the latter the more the revenue share to the pipe lines, whose rates are arrived at only through arithmetical subtraction with no regard whatever to operating costs.

With respect to one-rate situations alone, the railroads of the north-central portion of the Middle West have needlessly lost many millions of dollars; regarding this one railroad president has written me: " \* \* \* the matter is being discussed with our traffic department to see if some action can't be taken to change the tariffs as you suggest." I had referred to him the several thousands of motor competitive rates published from gasoline pipe-line terminals.

Motortrucks cannot be employed at these terminals to carry gasoline "ex pipe line"; not only are the pipe-line proportionals published to apply exclusively when the movement beyond is by rail but rule 31 of I. C. C. Tariff Circular No. 20 precludes such proportionals to or from junctions with motor carriers.

Even at pipe-line terminal points where large movements terminate or refinery operations take place such motor competitive rates as are deemed necessary should not be made, or left effective, as to "ex pipe line" shipments; as to these, no motor competition can possibly exist, and the depression of the rates on this traffic only serves to deplete railroad revenues and to strengthen a bare-knuckled foul-fighting adversary by increasing the share it retains of the useful but unused all-rail rate.

To the gasoline consumer it would matter little if the rails continue their obedience to this fictitious competition, for he pays the all-rail rate in any event and what he does not pay the delivery road is invoiced to him by the oil-company owner of the "common carrier" pipe line.

Regulatory bodies and a greatly augmented Anti-Trust Division of the Department of Justice are available just as much for as against the railroads; competitors' infractions of the law should, in my opinion, be formally and vigorously exposed in self-defense.

In espousing the regulation of competing common carriers, all such should be included; self-interest alone warrants the active support of such legislation as the now pending Borah-Gillette pipe-line divorce bill in Congress; enactment of this bill would automatically remedy a host of evils depressing alike to our railroads and to independent industry; it should not be forgotten by you gentlemen that in 1930 the Association of Railroad Executives passed a resolution recommending divorce of the common carrier pipe lines from shipper ownership—a resolution that was buried as quickly as the major oil companies learned of it.

The obvious solution is to regard the competing mediums of pipe lines as the relentlessly growing rivals they are and to hold them, as regulated common carriers, to the same accountabilities, the same tariff conformances and the same rate-making principles as those to which they invariably hold the railroads.

That some of the various situations exposed by me before the Temporary National Economic Committee (Monopoly Committee) such as the conspiracy between the Association of American Railroads and the major oil companies operating in Southeastern territory will go unprosecuted by the Department of Justice seems inconceivable; if and when such prosecution is instituted it seems to me that the arrogance and ruthless power of the integrated oil companies should mercilessly be exposed by you gentlemen.

Criticism herein is meant to be purely constructive; shipper volume, of course, must be reckoned with, but that volume should be differently appraised when such shippers also have, as at present, the concerted control, as well as the means for steadily expanding, a competing medium of transportation which patently takes the cream for its owners and leaves only the skimmed milk for all other carriers.

The pipe lines have been built with transportation profits taken away from the railroads by unfair and probably illegal means; for the railroads to longer close their eyes to the matter is slow suicide.

Respectfully yours,

EUGENE L. ORVIS.

WASHINGTON, D. C., January 10, 1940.



## Aggressor Nations

## EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

RESOLUTION ADOPTED BY THE YOUNG DEMOCRATIC CLUB  
OF SACRAMENTO COUNTY, CALIF.

Mr. BUCK. Mr. Speaker, under leave to extend my remarks, and because I consider the resolution of sufficient importance to be embodied permanently in the CONGRESSIONAL RECORD, I include a copy of a resolution adopted by the Young Democratic Club of Sacramento County, Calif., on Friday, December 8, 1939:

Whereas President Roosevelt advocated a policy of quarantining aggressor nations in his address at Chicago on October 5, 1937; and Whereas the Sacramento County Young Democrats have consistently condemned aggressor nations such as Italy, Germany, and Japan; and

Whereas Russia has brutally attacked and inhumanly bombed civilians of the peace-loving democracy of Finland; and

Whereas the Government of Finland and its citizens have, through adherence and application of democratic principles of government, earned the highest respect and sympathy of American citizens: Be it therefore

Resolved, That the Young Democrats of Sacramento County condemn Soviet Russia for her unwarranted aggression; and be it further

Resolved, That we mail copies of this resolution to our representative in Congress and ask him to introduce it into the CONGRESSIONAL RECORD as an extension of remarks.

## Great Expectations

## EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

RADIO ADDRESS BY HON. J. WILLIAM DITTER, OF  
PENNSYLVANIA

Mr. DITTER. Mr. Speaker, under leave to extend my remarks, I wish to insert in the CONGRESSIONAL RECORD text of an address which I delivered over the Columbia Broadcasting System, Saturday, January 6, 1940, as follows:

A few days ago I reread Great Expectations. It is a masterpiece. It is Charles Dickens at his best—an old-fashioned novel—true to life in its day—typical of lives today—hopes and fears—joys and sorrows—now a bit of humor, then a touch of pathos—sympathy, tenderness, selfishness, and cruelty, all woven into an intensely human story. And with it the heartache of a great disappointment.

You may have forgotten the plot and most of the characters, but the mere mention of the book, no doubt, will bring back to your mind the queer name of the hero, Pip. It's an odd name. It has an amusing ring to it but little else. It was a convenience, that's all, easy to get hold of, easy to toss about. It's just like a lot of the names that have come out of Washington during the last 7 years—creatures of convenience—nicknames and labels—easy to handle and easy to cast aside.

From the beginning the New Deal has made much of names and phrases. What it has lacked in wisdom it has made up in words. For a time the "forgotten man" had his day. That phrase drew people into the tent that could never have been attracted in any other way. It has come to an untimely end and has long since been buried. When the need arose, "the more abundant life" was a headliner. It became the heart of the gospel. It carried a hint of Biblical saintliness and a suggestion of worldly satisfaction. Both were tempting. Unfortunately neither materialized. That

phrase, too, has gone the way of all flesh, unto its reward, wherever that may be. Heaven, you know, has a high standard.

Name calling has gone hand in hand with phrase-making, so that "economic royalists," "tories," "tweedledees and tweedledums," like the 57 varieties, have become household expressions. After all, the name of Dickens' hero, Pip, could have been worse. But the tragedy of the novel was not Pip's name; the tragedy was the hope that was crushed; the expectation that never saw the light of day.

Seven years ago the New Deal flung up its flag. It may have been a great expectation to you, as it was to millions of other Americans. A balm of Gilead was promised for all the ills of our social, economic, and political life. A recovery program would provide jobs in private industry for idle men looking for work. The farmer would be relieved of the risk of sowing at one price and reaping at another. Government costs would be reduced 25 percent. "Stop the deficits" sounded like a certainty. Federal outgo would be brought into line with Federal income. An "old-fashioned account book" was recommended as a useful article to have in the Federal household. The young people were promised "an opportunity to make an honest living." Into every city, village, and hamlet—into every farm and factory—into every home and at every fireside—to all the men, women, and children of America from Maine to California a song of salvation was sung. The promised land was at hand. What a great expectation. That was 7 years ago, and, lo, "the harvest is ended, the summer is past, and we are not saved."

Today, you are aware, as millions of other Americans are aware, of the big difference between great expectations and real results. It's like hoping for a home run and seeing a strike-out. They have blown so many bubbles in Washington that they are running out of soap and water. After all, there is nothing very substantial about a fool's paradise. As the New Deal enters the home stretch, millions of men are still looking for jobs, while other millions eke out a bare existence on relief. Failure and futility cut their deep furrows on the faces of wives and mothers. Taxes soar to top-notch levels, and the Federal debt skyrockets to an all-time high. Private enterprise staggers around from successive blows of investigation and regulation, hanging to the hope that crack-downs may ultimately end. Class hatred, bitterness, and ill will have taken root. A contemptuous disregard of law and order has developed. Constitutional restraints have been toyed with, and the whole field of our social and economic life has been sown with the tares of discord and disappointment—another tragedy of a great expectation.

In his message on the state of the Union the President suggested that "we must look forward." That was sound advice. But looking forward would be much more pleasant if the effects of the immediate past were not so painfully pressing on us, if we had not been tantalized so long with breathless expectancy, if we were not so weary from waiting, if we were not so tired of marking time. You, and every other thoughtful American, share the feelings of the President that we should look forward, that we should look ahead with the welfare of our children in mind. But it does seem to me that it's rather late to start looking; and, further, the looking forward should not be confined to what the future may have in store for our children as a result of conditions abroad. Those conditions may, but we pray that they never will affect them. But there is one thing from which they have no escape. That is not a foreign force but the cost of our own spending spree of the last 7 years. That's the legacy that we leave to our children. As a matter of common sense and common honesty, too, you and I, yes, all of us know that the sad thing about it is that so much of that legacy could have been avoided if the spend for our own prosperity, spend for political privilege, spend for party purges had not been the order of the day.

The President's suggestion to look ahead carried me back to my old home and my mother. From her, whose counsel and advice have always been dependable, and the worth of which has been so abundantly proven by the experience of the years, I learned as a boy one of the most valuable lessons of life, and that is, "Whatsoever a man soweth, that shall he also reap." That's a rule of life that no amount of fancy phrases or honeyed words can set aside. It's as sure as the law of the Medes and Persians. If you sow corn, you'll gather corn. If you sow debts, you'll reap debts. If you sow dissipation, you'll gather dissipation. You cannot sow extravagance and not reap distress. You cannot sow as a spendthrift and not reap as a bankrupt. You cannot squander today and not feel the pinch tomorrow. You cannot indulge in the revelry of a prodigal and not endure the misery of a swine herder. And that applies to a nation just as it applies to every man, woman, and child.

The old biblical rule of my mother, it seems to me, is just another way of saying that it's wise to look forward. For instance, they might have looked forward when \$4,000,000 was sunk by the New Deal in a resettlement fling in the State of New Jersey that was reported sold a few weeks ago under the hammer by the sheriff and is said to have brought the pitiful sum of about \$12,000. I wonder whether they looked forward when the New Dealers started their cooperative store at that socialistic venture at Greenbelt, Md., which is still operating, even though it is reported to be running in the red to the tune of a thousand dollars a month. Might it not have been wise to have looked forward when the millions of dollars were frittered away during the last 7 years on one project after another of the same type as the gambling ventures in Jersey and Maryland? What a price we've paid for this great expectation!

On Thursday of this week the President gave notice to our children of something to which they can look forward. Another deficit of more than \$2,000,000,000. This is the President's seventh annual Budget message and the New Deal's seventh successive deficit. The country has heard year after year the unfailing promise of a balanced Budget—tomorrow; always tomorrow. Now the last Budget is in. It shows that the Government, in spite of \$4,000,000 of added taxes, is to run in the red again for more than \$2,000,000,000. Little in the way of excuse is offered. On the contrary, an attempt is made to justify squandering with the argument that going deeper and deeper into debt is the road to recovery. That statement may deserve a headline, as the President declared, but to most of us who try to pay our debts it's a headache.

No matter how grave may be the economic results of such reckless, spendthrift policies as we have seen during these 7 years, a far greater danger is found in the flagrant disregard of public pledges. Economic damage may be repaired in time. Suffering and sacrifice ultimately may pay off the burden of the New Deal's foolish extravagance. But the moral damage of worthless public pledges cannot be estimated. Such damage can be repaired only by a reestablishment of moral principles which will include the fulfillment of promises made.

The real danger to American institutions lies in the repudiation of public pledges. When the time comes that the pledged word of the leadership of America is regarded merely as political convenience, then the very fabric of self-government is torn to shreds and the foundations of ordered security are crumbled. Public morality is more than a phrase—it is the heart of the whole system of self-government—the very lifeblood of freedom. Without it we cannot look forward to either domestic tranquillity or to our general welfare, nor, indeed, to any great expectation.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, January 19, 1940

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Mrs. Charles S. Demaree, of the Missouri League of Women Voters, published in the League Bulletin for January 1940, on the subject Trade Agreements—Your Affair and Mine.

I also ask to have printed an editorial appearing in the Kansas City Times of January 15, 1940, on the subject of the reciprocal-trade agreements, under the caption "Misleading import figures."

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the League Bulletin for January 1940]

#### TRADE AGREEMENTS—YOUR AFFAIR AND MINE

League support of "downward revision of tariffs" grew out of a study on "living costs"—the concern of every taxpayer, housewife, and consumer. Reciprocal-trade agreements reduce tariffs (taxes) between the United States and a specific country on the basis of what each wishes most to buy and sell and of what each is the "chief supplier." The unconditional most-favored-nation provision extends these benefits equally and automatically to all the world. The exception is Germany, whose governmental policy discriminates against the United States.

All agreements are on a short-term basis, usually running about 3 years. This provides flexibility and permits changes desired because of changing conditions. But this advantage becomes a disadvantage should the program be discontinued. An amendment to the 1930 Tariff Act made the trade-agreements program possible. Unless the amendment is extended beyond June 12, 1940, when it expires, tariff making will revert to the terms of the iniquitous Smoot-Hawley Act. This was the highest in our history and caused the whole world to retaliate against us. By 1932 United States foreign trade had fallen from nine to three billion dollars.

#### BASIC ADVANTAGES UNDER THE NEW METHOD

1. Reduces cost to the consumer.
2. Rates now worked out by experts. Agreements are often very complex and require a year or more to complete. Congressmen have neither the time nor skill to do the job successfully. The experts in the State Department, with the cooperation of the Department of Commerce, consider the national welfare, not just local demands, in effecting the agreements.
3. Eliminates logrolling. Because these experts are not up for reelection, they can be impartial and independent.
4. By treating with one nation at a time, a balance is afforded between the United States straight tariff and the subsidy or monopoly systems of other countries. Abrupt changes on a large scale are avoided, in contrast to the effects from a whole new act covering all rates on all trade.

5. By increasing imports into the United States, other countries are provided with the means of payment for our exports to them.
6. Offers an outlet for surplus, without which Government regulation and regimentation are inevitable. It thereby safeguards private enterprise and encourages initiative and expansion.
7. Increases labor and wages. In evaluating foreign trade the profit from conversion of the raw material must be included. A pound of sugar comes in. By the time it is sold as a box of candy innumerable industries have profited, including the paper-box manufacturer, etc. Wages, in turn, spent for meat, shoes, butter, etc., help the domestic market.
8. Promotes peace. "Access to raw materials" is given as a primary cause of war. The World Conference on Raw Materials offered one solution—increased trade. Secretary Hull says, "Without economic disarmament, enduring prosperity and military disarmament remain a forlorn hope."

#### ATTACKS

1. Senate demands for ratification. This is simply a device for reverting to logrolling. Congress retains its control through the enabling act.
2. Revenue bills taxing specific imports. This directly violates our agreements and justifies the affected countries in canceling their contracts offering concessions to us.
3. Equalize cost of production. In an open letter to Senator VANDENBERG (December 16, 1939), Secretary Hull writes, "Seldom can full cost data be obtained; and even when it is, there is a wide variation of costs among different producers. There is no such thing as 'the cost.' Other factors must be considered; the size of the imports in relation to domestic production; comparability of the imported and domestic products as to type and quality; seasonal factors; and a great many others."

It is important that we discover the facts before we conclude we are hurt. Venezuela oil is limited by quota to a small percent of United States production. It is the crude type used in oiling streets. United States producers refine their oil, thereby securing a higher quality and price. Argentine beef: By law no fresh meat can come into the United States from Argentina. Because there the supply is so much greater than the demand, they can the quality that in this country we use for steaks and roasts. United States packers have large plants in South America. Argentine canned meat is better and cheaper than ours. The Navy incident: A few months ago the Navy wanted to buy 48,000 pounds of canned beef and asked for bids. Argentina was low at 9 cents a pound. The lowest United States bid was 23 cents. By purchasing from Argentina, the Navy Department saved 14 cents a pound of the taxpayers' money. Under the "Buy American" Act a differential of 25 percent is established on purchases in excess of \$100. The lowest United States bid was over twice the differential allowed even by the "Buy American" Act. The whole purchase was small compared to the order Argentina had just placed here for over \$2,000,000 of automobiles. From 1924-38, Argentina bought from the United States almost one-half billion dollars more goods than we bought from her. This has forced her to turn to Europe for trade, and accounts for her temper at pan-American conferences.

With our European trade dislocated indefinitely by the war, it is essential as never before we develop this logical and friendly Latin-American market. No nation can sell without buying. This is doubly true of the United States, the great creditor nation of the world, controlling one-third of the world's economic wealth. We must learn to import and like it.

#### SPECIFIC RESULTS

Twenty-two agreements, including the renegotiated one with Canada; 8 in Europe; 1 in Turkey, important politically; 11 in Latin America. Pending: Cuba (supplemental); Belgium (revision); Argentina; Chile; and Uruguay. By 1937-38, United States trade with agreement countries increased 61 percent over the last nonagreement year, 1934-35. Increase to nonagreement countries was 37 percent. Since 1929, total United States foreign trade has doubled, from three to six billion dollars.

Mrs. CHARLES S. DEMAREE,  
State Foreign Policy Chairman.

[From the Kansas City Times of January 15, 1940]

#### MISLEADING IMPORT FIGURES

A considerable part of the farm opposition to the reciprocal-trade agreements is based on a misunderstanding of trade figures. A recent report from Washington that imports of live cattle and beef in the first 11 months of 1939 represented 8.6 percent of the total volume of cattle and calf slaughter in the United States in the same period was especially misleading.

In the first place, imports of 87,000,000 pounds of beef and veal in the 11 months were only 12,000,000 pounds more than in the same period of 1938. And total imports of 127,000,000 pounds of meat were only 4,000,000 pounds more than in the previous year. Both were off sharply in November, compared with a year ago.

Far overshadowing the import totals were 11 months' exports of beef, pork, and lard, amounting to 389,000,000 pounds, or nearly 35 percent more than in the previous year, with further expansion in pork and lard exports in prospect as a result of the coincidence of war in Europe and record hog production in the United States.

Live cattle imports did increase sensationally last year, but of the 734,000 head received in the first 11 months of 1939 fully two-thirds were animals in stocker and feeder flesh under 700 pounds, which proved a lifesaver for Kansas and Oklahoma pastures, many of which would have been empty last summer except for the record imports from Mexico. In fact, the light Mexican cattle went all



over the Corn Belt to help farmers cash in on surplus feed supplies, which might otherwise have been a dead loss.

And also overlooked by trade agreement opponents, more than half of the cattle that were imported last year were in the 200- to 700-pound weight division, on which no reduction in tariff applied, and the lower tariff applied on only a limited quarterly quota of other weight cattle.

## Defenders of American Form of Government

### EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, January 19, 1940

ARTICLE BY HON. EDWARD R. BURKE, OF NEBRASKA

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD an article prepared by me and published in the American Czech magazine of the issue of January 1940. The article is entitled "Militant Defenders of Our Form of Government."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### MILITANT DEFENDERS OF OUR FORM OF GOVERNMENT

(By Hon. EDWARD R. BURKE, United States Senator from Nebraska)

In a period in which the preservation of the American form of government is of vital importance it is gratifying to be able to rely upon our citizens who are of Czech extraction. It is significant that we do not find Czech names in the headlines on the frequent newspaper stories of subversive activities in this country. Instead our Czech people are prominent in such causes as the effort to preserve the Czechoslovakian democracy which was a victim of totalitarian authority in Europe.

The American people have a peculiar bond of sympathy for Czechoslovakia. Our Government was in some of its essentials the pattern of the Czechoslovakian Republic which emerged from the World War. The leaders of that Republic strove to foster the same democratic theories which are characteristic of our form of government. The present effort to preserve the national unity of the people rests upon principles which bring a response from the people of the United States.

Czechoslovakia was symbolic of the part played by the United States in the Peace Conference of 1919. The name of that country has significance to the American people in connection with President Woodrow Wilson's fight to obtain a peace treaty which would assure the right of self-determination for minority racial groups. The Republic which weathered the storms for 20 years was a credit to the ideas for which President Wilson stood in the memorable controversies of the immediate post-war period. That the Republic was not able to survive in the face of totalitarian power does not reflect upon the soundness of the theories upon which it was established.

The United States not only had a part in the building of the Republic in the post-war conferences but gave encouragement to its people while the war still was in progress. Our country was among the nations which prior to the armistice formally recognized the claims to independence declared by the Czechoslovakians. Consequently the American people had a special feeling of sorrow when the Czechoslovakian people found themselves again under the authority of an outside government.

Seldom has a nation, large or small, made a deeper impression upon other nations with respect to the high caliber of its statesmanship. Czechoslovakia was extraordinarily fortunate in the type of men who were the leaders in its movement for independence. The two educators, upon whom the burden of leadership rested, the late Thomas Masaryk, the first President of the Republic, and Eduard Benes, an associate of President Masaryk in the struggle for independence and later to become President himself, were unusual characters. The objective of each was the welfare of the Czechoslovakian people. Neither was actuated by the selfish motives which too often have been associated with political leaders.

President Masaryk was a true Czechoslovak, one parent being a Slovak and the other a Czech. He typified the melting pot which was the basis of the amalgamation of races. His policies as President were in keeping with ideals of democracy and individual liberty and in sharp contrast to the practices of dictatorships under which rights of citizens are ruthlessly restricted. It was Masaryk who established religious freedom in Czechoslovakia. Although strong in devotion to his own principles, Masaryk was always tolerant of those who disagreed with him. His attitude was one that was rare on the continent of Europe but one which strikes a sympathetic chord among the people of the United States.

Dr. Benes was a loyal supporter of Masaryk and a worthy successor as a leader of his people. It was characteristic of him that during his recent stay in the United States he should be unwilling to voice statements which might be considered improper while a guest within the borders of a country which was maintaining neutrality in European controversies.

Whatever may transpire in the future the Czechs have reason for pride in traditions which go back not only years but centuries before the Treaty of Versailles. Even in a very early period these traditions were associated with democracy. Czechs struggled against imperial aggression, and were a part of the Austrian Empire before the World War. Even under adverse conditions the people developed a distinctive culture and literature. In industry and agriculture Czechoslovakia has held an increasingly commanding position in recent years. The Czech national motto, "Truth Prevails," is significant of the principles of the people.

The 1,500,000 or more people in the United States of Czechoslovak birth or ancestry compose an element which has made a worth-while contribution to our melting pot. Many of these people, as in Nebraska, are farmers. In keeping with traditions handed down to them from their ancestors they are good farmers. They have helped materially to develop some of our western agricultural areas. And in many other fields Americans of Czech ancestry have attained distinction in Nebraska and elsewhere.

It is no accident that people of such an ancestry should be found in the movement to preserve the institutions which have been characteristic of our form of government for a century and a half. Even in the United States there have been signs of the world trend toward a centralization of the power of government and a denial of individual liberties. Movements in this direction represent an attack upon our basic principles which have made this country one to which people of Czechoslovakia and other countries of Europe have been glad to come.

In the light of the democratic principles associated with the traditions of our people of Czechoslovak birth or ancestry it is natural that they should now be found among the most militant defenders of our system of government.

## Unbelievable if You Did Not See It

The flimsy, unstable foundation upon which some decisions of the circuit courts of appeals, of the United States Supreme Court, have been based.

Federal judges, with Congress, share the responsibility for industrial strife.

### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

Mr. HOFFMAN. Mr. Speaker, one of the reasons for the maladministration of the Wagner law, which has caused some of the unemployment, some industries to leave cities which have not given them protection against sit-downs, slow-downs, and strike violence, was disclosed when the Smith committee called some of the Board's "reviewing attorneys" to the stand.

The testimony of these reviewing attorneys demonstrates that it has fostered strikes, aided the C. I. O. in organizing campaigns as against the A. F. of L. and independent workers, but it does not portray the complete misconception by the Board of the true purpose of the act.

It would be a good plan if unions and those operating factories would send someone representing them down to these hearings to take a look at some of these young women who are serving as reviewing attorneys. Not that the girls are not all right. They are good-looking, intelligent-appearing, well-groomed young women; but by no stretch of the imagination can the average citizen conceive of any one of them adequately performing a task which would tax the experience, the legal knowledge, and the judicial temperament of an experienced judge. And that is just the function—one which Congress never intended they should perform—which has been delegated to these young women.

To get the picture accurately, consider the procedure of the Board, which is this: When a labor dispute arises, the Board sends out an investigator. If he reports an unfair labor practice, a complaint is filed against the employer—never against the employee—by the Board. A trial examiner

is sent out. Too often the trial examiner has little knowledge of law, no experience with legal procedure or industrial operations. Too often he has been selected by the C. I. O. or its general counsel, Lee Pressman. The examiner takes testimony. Of one such examiner a United States circuit court of appeals said last week: "His purpose was deliberately to discredit the testimony" of the employer's witnesses.

After the testimony is taken, it goes to a reviewing attorney, who summarizes this testimony and then presents to the Board his or her conclusions as to what the testimony shows. The Board then directs this reviewing attorney to prepare a decision, which the Board later adopts. If the employer does not like this decision, he can appeal to the circuit court of appeals, and these findings, under the act, "if supported by evidence, shall be conclusive."

Do you follow the procedure? The circuit court of appeals must accept the findings of the Labor Board, whose practice it is to accept the findings of the reviewing attorney, which are all too often based upon unfair hearings by the trial examiner. Assuming that the trial examiner is fair, the whole structure has for its foundation the conclusions of the reviewing attorney, upon which the Board has based its decision.

Here is the point: The whole superstructure—that is, the finding of the Board, the decision of the circuit court of appeals, the decision of the United States Supreme Court—rests upon the conclusions of the reviewing attorney, who has examined the transcript prepared by the trial examiner and has orally stated his, the reviewing attorney's, views of what the transcript shows to the Board.

Who is the reviewing attorney? I wish you could have seen some of these reviewing attorneys—some who worked upon cases like that of the Ford Motor Co. and others equally important; cases which involved the jobs and the livelihood of thousands. Those who have so far appeared are utterly without experience which would fit them to express opinions in cases such as come before them—girls, some less than 29 years of age.

From the testimony of the Smith committee, take these facts as to two of these reviewing attorneys:

Miss Margaret McDuff Farmer, appointed March 11, 1938; a graduate of Columbia; admitted to practice law March 14, 1938.

Ann Landy Wolf, now 29 years of age; born in Hungary; came to this country in 1929; took out her first papers in 1930; became a citizen in 1935; completed her course at the law school of Western Reserve University in 1937; appointed as a reviewing attorney, February 1, 1938. She receives \$2,700 a year. Her husband, an attorney with another Government department, receives \$4,600 per year.

Mrs. Wolf has been assigned to some 14 cases; on one, the Ford case, at St. Louis, another reviewing attorney has been assisting her. The record in that case comprises more than 21,000 pages.

It already appears from the record that, in the files of the case which she is now reviewing, is an extremely prejudicial affidavit which is not a part of the record. There are other communications in the file which are not a part of the record. Yet, unless the practice is changed, this young woman and her associates will go before the Board and orally express their opinions as to what the decision should be. Then the Board will indicate its opinion, based on what it has been told, and, on appeal, the circuit court of appeals will "swallow" that decision.

In one case Miss Farmer wrote the decision for the Board—Sorg Paper Co., case No. R-633; reported in volume 8 of the Decisions of the National Labor Relations Board, page 657. Yet, when asked whether, in view of previous decisions, that decision was correct, stated that she did not know.

No criticism is offered because these reviewing attorneys are women or, more correctly speaking, young girls. Young men are doing the same kind of work, as are older examiners and reviewing attorneys who have no qualifications for the jobs to which they have been assigned.

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They are utterly without experience, either as an attorney, a judge, an industrial worker, or an employer. What can they or the young men possibly know about the difficulties which confront employers and employees in great industrial plants?

Nevertheless, these girls and these young men make conclusions, give the Labor Board findings, the result of which will make or break a great industrial enterprise, which may require that employer to pay thousands of dollars, or, as in Republic Steel, millions of dollars in back pay to employees, which conclusions are later adopted by a circuit court of appeals. No doubt the judges who adopted some of these opinions will be hot with indignation when they discover on what a flimsy foundation they have been basing some of their opinions.

One might just as well go to the kindergarten department of a local school and ask a 5-year-old tot how she would cook the noon dinner as to ask one of these reviewing attorneys how one of these industrial disputes should be settled.

And do not forget that the sworn testimony has disclosed that the Board's own secretary, on one occasion at least, that of Inland Steel, assisted in building the foundation for a strike, for a charge of unfair labor practice, which resulted in one of the most violent and disastrous strikes the country has witnessed; in the destruction of property and in industrial turmoil and legal proceedings which, combined, lasted 2 years 8 months and 27 days after the Supreme Court had decided the point at issue.

Do you wonder that some of us are impatient at the failure of Congress to remedy the situation? Would you be impatient if a Government agency, after the Supreme Court in a unanimous decision had said you did not need to sign a written contract, brought about a strike in your business and kept you in court for almost 3 years? Would you?

Yet that is just what the Board, through its secretary, Nathan Witt, did in the case against Inland Steel. That strike was brought about at Witt's suggestion that the union demand that the company sign a written contract. This, although the committee reporting the Wagner bill to the Senate had said that the act did not require the making of a contract.

This, although Senator WAGNER, as early as November 2, 1935, in a written statement to the New York Sun, had said:

The law does not require any employer to sign any agreement of any kind. Congress has no power to impose such a requirement.

This, although the Supreme Court of the United States, on April 12, 1937, had said that the act did not require the making of a contract.

Nevertheless, Witt, acting as secretary of the Board, met with Lee Pressman, general counsel of the C. I. O., and Philip Murray, vice president of the C. I. O., at Pittsburgh on June 2, 1937, and suggested the making of such a demand. The demand was made; it was refused, as Witt, Pressman, and Murray knew it would be, and a complaint followed on the 12th day of June 1937; and the issue was not decided by the circuit court of appeals until January 9, 1940.

The Supreme Court, several of the circuit courts of appeals, including the Circuit Court of Appeals of the District of Columbia and the District Court of the District of Columbia, have said that the remedy rests with Congress. That statement is undoubtedly true, but it is not the whole truth.

The courts themselves are charged, when cases come before them, with seeing to it that every citizen is given the equal protection of the laws; that, in all litigation, there is due process of law. The courts have failed miserably in construing the N. L. R. A. for they have denied to employees and employers alike their day in court in all representation cases. They have permitted the Board to deny to employees who have never been served with process the right to bargain collectively through representatives of their own choosing. They have permitted the Board to establish the practice of denying to American citizens the right to earn a livelihood at a job offered to them, unless they paid tribute to some union.

It is no answer to the denial of this right to say that Congress, by the Wagner Act, so ordained.



The Supreme Court, in the *Scottsboro* case, rightly held that certain colored men, accused and convicted of a statutory offense and condemned to death, had been denied a fair trial—due process of law. But when these cases involving the construction of the Wagner Act came before the Court, it held, even though the employees had not been convicted—no; not even charged with nor suspected of a crime—that the employees should not be permitted to bargain collectively through representatives of their own choosing, and so denied to them due process of law—equal protection of the laws—American Federation of Labor against *N. L. R. B.*, decided January 2, 1940.

That the battle is not over is evident from a recent decision of the Circuit Court of Appeals for the Ninth Circuit, where that court, on January 9, 1940, in deciding the case of *N. L. R. B. against Sterling Electric Motors, Inc.*, called attention to the decisions of the Supreme Court in the *Greyhound* cases and refused to enforce an order of the Board denying to a group of employees the exercise of the right to bargain collectively through representatives of their own choosing, as given them by section 7 of the National Labor Relations Act.

The result of the *A. F. of L.* case is that, if a citizen living on the Pacific coast wants to do longshoreman's work, he must first join the *C. I. O.* and pay tribute to it.

It is the duty of Congress forthwith to, by amendment, make the *N. L. R. Act* a fair and a just law. At the same time it would be well if the Supreme Court would come to a realization that it has been basing its decisions in these cases involving the Wagner law upon conclusions arrived at by a reviewing attorney rather than upon a judicial decision of the Board or of a circuit court of appeals.

Undoubtedly judges of the circuit courts of appeal will be amazed to learn—and they will learn if they read the record of the Smith committee—that they have been basing their decisions, not upon findings of fact made by the Board but upon the conclusions of a reviewing attorney who was utterly without qualification to do the job assigned to him.

### Supreme Court of the United States Renders Vital Decision

#### EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1940

Mr. LEMKE. Mr. Speaker, in the case of *John Hancock Mutual Life Insurance Company against Benno Bartels*, the Supreme Court of the United States, following a long line of decisions, in effect, by its opinion, informs some Federal judges that they must give full force and effect to the provisions of a constitutional statute; that they are not at liberty to annul an act of Congress by obvious misinterpretation.

The principal and ultimate question involved in this case was whether the intent of Congress, as expressed in unambiguous language, was to control or whether a few Federal judges could disregard, misconstrue, and twist the language so as to defeat the clear intent of Congress. In other words, the question was whether these judges could by judicial legislation annul an act of Congress. The Supreme Court says "No."

Mr. Chief Justice Hughes delivered the following opinion of the Court:

In this proceeding brought by a farmer under section 75 of the Bankruptcy Act, the district court dismissed the debtor's petition. The circuit court of appeals held that this action was contrary to the requirements of the statute and directed the proceeding to be reinstated (100 F. (2d) 813). Because of conflict in the rulings of the Court of Appeals of the Fifth Circuit, due to the differing views

of the judges composing the court in the cases cited<sup>1</sup> and because of the importance of the question, we granted certiorari, April 24, 1939.

Respondent Bartels presented his petition to the district court on December 2, 1937, asking that he be afforded an opportunity to effect a composition or extension of time to pay his debts under section 75. The court referred the matter to a conciliation commissioner, directing the debtor to appear before the commissioner and to submit to such orders as might be made in proceedings under that section. A meeting of the creditors was held on December 21, 1937, at which the debtor was present and was examined. It appeared that his debts amounted to about \$10,000 of which about \$8,000 (including interest and attorney's fees) was owing to the John Hancock Mutual Life Insurance Co., and was secured by a lien upon his home. As the debtor was unable to obtain an agreement with a majority of his creditors in number and amount, he notified the commissioner that he would apply to be adjudged a bankrupt under subsection (s) of section 75. That application was filed on January 10, 1938. The debtor asked that "his property be appraised," that "his exemption be set aside to him," and that he be permitted "to retain possession of his property under the supervision of the court." On the same day, the district judge entered an order adjudging the debtor a bankrupt and requiring further proceedings before the commissioner acting as referee under subsection (s).

On March 23, 1938, the John Hancock Co. moved to set aside the adjudication and to dismiss the debtor's petition on the ground that the debtor was not entitled to avail himself of the provisions of subsection (s); that he had not presented any feasible plan for a composition and extension of his debts, and that his petition "was not filed in good faith" or "with any hope or expectation of working out his debts and paying up his delinquencies but apparently for the sole purpose of hindering and delaying his creditors." The company also alleged that at the fair market value of the real property held by it as security there was no equity for the debtor and that the company would suffer irreparable loss unless the adjudication was set aside and the proceeding dismissed. The debtor denied these allegations and alleged that the land on which the company had a lien was worth unimproved more than \$7,000 and that the improvements were worth \$6,000 and that he thus had a large equity which would be lost to him unless he obtained the benefits sought under the applicable law.

At the hearing of the motion on April 5, 1938, the court received the evidence previously taken before the commissioner and additional testimony. Thereupon the motion was granted. The district judge said in his opinion that the debtor had not made any proposal which could be construed as a "good faith offer for an extension or composition," and hence the debtor was not entitled to be adjudged a bankrupt under subsection (s). The district judge observed that the evidence was conflicting as to the value of the land (100 acres); that, separating the land from its improvements, certain of the debtor's witnesses placed its value at \$70 an acre and the improvements at \$5,000 or \$6,000, while witnesses for the creditor valued the land at about \$40 an acre and the improvements at about \$2,000. He thought that there was no reasonable probability of the debtor's financial rehabilitation. In that view the district judge concluded "that the order adjudicating the debtor a bankrupt under subsection (s) was improperly entered and should be set aside and the case dismissed."

We think that the district judge failed to follow the mandate of the statute, and that the circuit court of appeals was right in reversing the judgment and ordering the proceeding to be reinstated.

Subsection (s) of section 75, as amended by the act of August 25, 1935,<sup>2</sup> prescribes a definite course of procedure. That subsection applies explicitly to a case of a farmer who has failed to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a proposal for a composition or an extension of time to pay his debts. That was Bartels' situation. Provisions for proceedings by a farmer to obtain a composition or extension when he is insolvent or unable to pay his debts as they mature are found in subsections (a) to (r) of section 75. For that relief Bartels had presented his petition under subsection (c), and the district court had approved the petition as properly filed. According to the report of the conciliation commissioner to whom the matter was referred according to the statute Bartels had appeared at the meeting of the creditors and had submitted to a detailed examination concerning his financial condition. He proposed to sell certain property and to apply the proceeds to the payment in part of the amounts due to the John Hancock Co. the secured creditor. He succeeded in obtaining an agreement with certain unsecured creditors for an extension, but the secured creditor refused consent, as Bartels could not meet all his arrears. Bartels was thus precisely in the condition prescribed in subsection (s).

The subsections of section 75, which regulate the procedure in relation to the effort of a farmer-debtor to obtain a composition or extension, contain no provision for a dismissal because of the absence of a reasonable probability of the financial rehabilitation of

<sup>1</sup> See *Barter v. Savings Bank of Utica*, 92 F. (2d) 404; *In re Henderson*, 100 F. (2d) 820; *Wilson v. Alliance Life Insurance Co.*, 102 F. (2d) 365.

<sup>2</sup> 49 Stat. 943; *Wright v. Vinton Branch*, 300 U. S. 440.

the debtor.<sup>3</sup> Nor is there anything in these subsections which warrants the imputation of lack of good faith to a farmer-debtor because of that plight. The plain purpose of section 75 was to afford relief to such debtors who found themselves in economic distress, however severe, by giving them the chance to seek an agreement with their creditors—subsections (a) to (r)—and, failing this, to ask for the other relief afforded by subsection (s). The farmer-debtor may offer to pay what he can, as Bartels did, and he is not to be charged with bad faith in taking the course for which the statute expressly provides. The only reference in section 75 to good faith is found in subsection (i), which relates solely to the confirmation of proposals for composition or extension when the court must be satisfied that the offer and its acceptance are in good faith and have not been made or procured by forbidden means or except as provided in the statute. That provision manifestly hits at secret advantages to favored creditors or other improper or fraudulent conduct.

As Bartels' case thus fell within subsection (s), he amended his petition and asked to be adjudicated a bankrupt, as that subsection permits. He was so adjudicated. Bartels then asked, also as provided in subsection (s), that his property be appraised, that his exemptions be set aside to him as provided by State law, and that he be allowed to retain possession of his property under the supervision of the court—that is, subject to such orders as the court might make in accordance with the statute. The court failed to take that action. Instead of having the property appraised, the court received conflicting testimony as to value, discussed the chances of the debtor's rehabilitation, and dismissed the petition and all proceedings thereunder.

The procedure under subsection (s) is intended to protect all interests. It provides in paragraph (1) that after the value of the debtor's property has been fixed by the prescribed appraisal, the referee shall set aside the debtor's unencumbered exemptions and direct his retention of possession of the rest of his property subject to all liens and to the court's supervision and control. Under paragraph (2), if there has been compliance with the statutory conditions, the court is directed to stay all proceedings against the debtor or his property for a period of 3 years, and during that time the debtor may retain possession of all or part of his property subject to the court's control, provided he pays a reasonable rental semiannually. That rental is to be paid into court and is to be used first for the payment of taxes and the upkeep of the property, and the remainder is to be distributed among the creditors as their interests may appear. If the court finds it necessary to protect the creditors "from loss by the estate" or "to conserve the security," the court may order any unexempt perishable property of the debtor, or any unexempt personal property not reasonably necessary for the farming operations of the debtor, to be sold at public or private sale, and the court, in addition to the prescribed rental, may require payments to be made by the debtor on the principal of his debts in the manner set forth. Then it is provided in paragraph (3) that at the end of the 3-year period, or at any time before that, the debtor may pay into court the appraised value of the property of which he retains possession, "including the amount of encumbrances on his exemptions, up to the amount of the appraisal, less the amount paid on principal," for appropriate distribution to his creditors. There is the proviso that upon the request of any creditor or of the debtor, the court shall cause the debtor's property to be reappraised or, in its discretion, set a date for hearing, and thereafter fix the value of the property in accordance with the evidence; and the debtor shall then pay the value so arrived at into court, less payments made on the principal, for distribution to his creditors. In that way, by the order of the court, the debtor may regain full possession and title of such property, the ascertained value of which has thus been devoted to the payment of his debts. There is the further proviso, for the protection of secured creditors, that upon request in writing by any secured creditor the court shall order the property upon which the secured creditor has a lien to be sold at public auction. (See *Wright v. Vinton Branch*, supra, pp. 458-461.) The debtor is to have 90 days to redeem the property so sold by paying the amount for which it was sold, with interest, into court, and he may apply for his discharge as provided in the act. If, however, the debtor at any time fails to comply with the provisions of the section or with any orders of the court made thereunder, or is unable to refinance himself within 3 years, the court may order the appointment of a trustee and direct the property to be sold or otherwise disposed of as provided in the act.

The scheme of the statute is designed to provide an orderly procedure so as to give whatever relief may properly be afforded to the distressed farmer-debtor, while protecting the interests of his creditors by assuring the fair application of whatever property the debtor has to the payment of their claims, the priorities and liens of secured creditors being preserved. (See *Wright v. Vinton Branch*, supra; *Adair v. Bank of America Association*, 303 U. S. 350, 354-357; *Wright v. Union Central Life Insurance Co.*, 304 U. S. 502, 516, 517.)

We are not here concerned with questions which may arise in the course of the administration under the statute, but merely with the duty to follow the procedure which the statute defines and the district court failed to observe. We hold that on his amended petition invoking subsection (s) Bartels was entitled to be adjudged a bank-

rupt and to have his proceeding for relief entertained and his property dealt with in accordance with that subsection.

The judgment of the circuit court of appeals reversing that of the district court and directing the proceeding to be reinstated is affirmed and the cause is remanded to the district court with direction to proceed in conformity with this opinion.

It is so ordered.

The Frazier-Lemke moratorium has saved thousands of homes. It has kept from the relief rolls hundreds and thousands of men, women, and children who, but for this law, would have been evicted. This is testified to by hundreds of letters that I have received from every State in this Union. These letters come from lawyers, professional men and women, businessmen, and farmers alike.

Under this law the creditors lose nothing because the farmer who files under it will have to pay a reasonable rental and obey the orders of the court. If he fails in doing this, he is through. That reasonable rental is all the creditors could get if they owned the property, and is all that an honest creditor can ask for or is entitled to.

In conclusion, permit me to state that I feel that section 75 of the Bankruptcy Act is entitled to the same generous and liberal treatment at the hands of the district courts that has been given to sections 74, 77, and 77B. Surely the courts ought to be willing to give to a farmer the same consideration under section 75 as they have given the railroads and corporations under sections 77 and 77B. In accordance with the provisions of section 75, it is the duty of the district courts to continue a farm as a going concern. I repeat, there is nothing unusual in section 75. It simply applies well-established principles of bankruptcy law to agricultural indebtedness.

This may appear novel to some district courts, but there is no provision in section 75 that the bankruptcy courts of this Nation have not already made use of in some cases. The courts have allowed going concerns to remain in possession and to continue in business under trustees and without trustees. They have permitted possession and the payment of indebtedness of such concerns on the installment plan, with or without interest.

Sections 75, 77, and 77B of the Bankruptcy Act mark a new epoch. From now on, in the interest of the public, property and wealth will be conserved in the hands of those who created it—not destroyed. The debtor will be considered as well as the creditor. The Bankruptcy Act is going to become an act of conservation and not an act of wreckage.

During the depression and recession Congress, legislating in the interest of the Nation, saw fit to pass the sections referred to. It did this because it felt they were essential for the preservation of the Nation. The Supreme Court has approved that legislation and has given it a broad and liberal interpretation so as to effectuate the intent of Congress within constitutional limitations.

This amendment is a conservation act. Nobody loses anything—it conserves property and values. The creditors will get the present value of the property—that is all they could get before this amendment was enacted or that they are entitled to. In fact they will get more under this amendment than they ever would get by wrecking another million farm homes and destroying all values.

This is a case of bankruptcy. The legislation in question is legislation on the subject of bankruptcy. The only farmer who can take advantage of this act is a bankrupt farmer. A bankrupt is a financial wreck. The question of interest and profits in bankruptcy proceedings is generally out of the question. The question is one of salvaging, saving what can be saved out of the wreck.

Section 75 is legislation in behalf of the public welfare. Over 66 percent of all the farms of this Nation are mortgaged (*The World Almanac*, 1937, p. 346). Due to low prices, drought, and other adverse conditions over 170 farmers out of every thousand lost their farms by mortgage foreclosure, bankruptcy, judgment, or tax sales from March 15, 1933, to March 15, 1937 (Circular No. 417, Department of Agriculture, and February 1938 Circular, Bureau of Economics).

<sup>3</sup> What is said upon this point in Note 6 in *Wright v. Vinton Branch*, 300 U. S. 440, 462, was not essential to the opinion in that case and is not supported by the terms of the statute.



That is the problem that Congress dealt with in section 75 and will continue to deal with. In the solution of that problem the district courts must do their part. They must not obstruct remedial legislation by misinterpretation—by reading something into section 75 that is not there.

The power of the executive, the judicial, and the legislative branches of government are all derived from that same Constitution, and each of these three coordinate branches of our Government must respect the power of the other under the Constitution.

Obviously, if without redress the 94 district courts are permitted to ignore the plain language of an act of Congress and read their own ideas into the act, then there is nothing to prevent judicial legislation—the encroachment of one branch of the Government upon another.

### **Democratic Finance—A Serum Against Artificially Induced War Fever—A War Measure for the National Control of Credit—A Post-War Step Toward the Decentralization of Money Power**

#### **EXTENSION OF REMARKS**

OF

**HON. JERRY VOORHIS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, January 22, 1940*

Mr. VOORHIS of California. Mr. Speaker, the National Credit for Defense Act is based upon a great lesson taught by the World War of 1914–18. That lesson is that there is neither sense nor justice in the way modern wars are financed. Wars are waged by the capacity of a people to make supreme sacrifices. This capacity for supreme sacrifice is the basis for the real credit of a people. It includes the mobilization of men and industry and agriculture and the moral resources of the people. These things come from the people and belong to the people; yet when the people go to war, they raise the money to carry on the war by pledging their real credit to the private banking system. The people pawn their own real credit and the banks consent to monetize the people's credit in the form of interest-bearing debt. The people fight and suffer the war; the banking system lends back to the people the use of the people's own credit. This is unreasonable and unjust.

#### **THE NATIONAL CREDIT FOR NATIONAL DEFENSE**

The National Credit for Defense Act calls into question this process of pawning the Nation's credit in wartime and afterward saddling the Nation with war debt. Instead this bill affirms the principle that the Nation is the rightful owner of its own credit, and that through the Congress the Nation can monetize its credit in a non-interest-bearing debt-free form, and thus pay for the war as it is fought without piling up a huge war debt.

All over the democratic world the idea is gaining ground that wars can be financed in such a way as not to increase the national debt. There is a profound difference between 1914, when finance was a mystery, and 1940, when people understand that banks create new money by book entries. Even the house organs of bankers, like the British magazine *Branch Banking*, no longer contest this fact. In its July 1938 issue *Branch Banking* admitted that the cat was irretrievably out of the bag when it declared that—

There are enough substantial quotations in existence to prove to the uninitiated that banks do create credit without restraint and that they do create the means of repayment within themselves.

If the banks can do that on behalf of themselves, why cannot they be instructed by a sovereign government to create war credits free of interest and free of debt on behalf of the people who are straining their will and offering their lives to win a war?

The people of the Province of Alberta, Canada, have asked that question, and last September the government of that Province passed a resolution stating that—

We believe that Canada should finance its share in this war, not by the creation of huge debts but in the following manner: By the creation by the Government of the necessary credit and currency combined with definite price regulations to prevent any serious inflationary rise in prices.

In the Commonwealth of Australia the Tasmanian Parliament and the South Australian Parliament have passed resolutions expressing the opinion that the national credit of the community should be used in the interests of defense, primary industries, and the people of Australia, while in the Federal Parliament of Australia there is a steady demand that the Commonwealth Bank be instructed to monetize the nation's credit resources without adding to debt or taxation. In England the Social Credit Party agitates for the conscription of money power, and its leader, John Hargrave, has declared for fighting the war "on tick." He advocates as a war measure that free equal rations be distributed to all and that the money system become merely a ticket system to keep track of production and consumption. Also, in England, Maj. C. H. Douglas has advanced a war-finance plan which directs that banks issue loan credits to industry supplying material to the Government, these loan credits to be free credits in the sense that industry's obligations would be discharged when the goods were delivered. No money would be paid back to the banks, either by industry or the Government.

These are signs forecasting that if the war goes on democratic nations will adopt national-defense measures, putting their banking systems out of the profitable business of lending the national credit at interest to peoples engaged in a life-and-death struggle and placing money as much in the service of the nation as are its men.

The National Credit for Defense Act is a bill with a triple reference. It is a bill that will help to prevent war and therefore it is a peace measure. It is a bill for financing without debt the military and naval expenditures of the United States in time of war, and it is therefore also a national-defense measure. Finally, it is a bill for financing the post-war transition from an economy of warfare to a consumers' economy, and it is therefore a post-war readjustment measure.

#### **A PEACE MEASURE**

As a peace measure this bill will operate to deter great financial interests from influencing our Nation's course toward war. The bill provides that if we are forced into war the Treasury shall issue United States currency notes to the amount of such appropriations for our Military and Naval Establishments as may be enacted by Congress, and these United States currency notes shall be deposited in special accounts called "National defense credit accounts" in the Federal Reserve banks to be used exclusively to meet all payments authorized by the appropriations for our armed forces. These currency notes, unborrowed and debt free, specially created for defense purposes, constitute a breach in the credit monopoly of the banks. They will take the private profit out of war finance, and by so doing they will be a deterrent to predatory finance. Because the bill holds up the prospect of a breach in the present private monopoly of money creation, it will also act like a serum against war fever artificially induced by propaganda indirectly emanating from great financial interests. It will tend to clarify and purify public discussion of war aims and thus better enable the people to form their own conviction of what they are willing to fight for.

#### **A NATIONAL-DEFENSE MEASURE**

Suppose that efforts to avert war are unavailing and the die is cast. In that event every effort must then be exerted to win the war, and the National Credit for Defense Act becomes a war measure, providing for the unstinted mobilization of debt-free money to win the conflict. Will this method of financing the war produce inflation? No. It is impossible for the debt-free funds deposited in the national-defense credit accounts to produce an inflationary condition, for, in

the first place, these funds are not eligible to be used as a cash reserve by any bank except as a 100-percent reserve against an equivalent total amount of deposit liabilities. In the second place, the bill declares that it would be "the intent of Congress to levy such wartime surtaxes in addition to current tax levies as will cause an increase in gross revenue over and above the revenue collected in the last fiscal year preceding such state of war, as nearly as possible equal to the anticipated rate of final consumption of all supplies by the armed forces of the United States." In other words, the money-creating provisions of this bill are so enmeshed with the taxation policy of paying as you go that the danger of inflation is removed. The new money will be created at the rate war goods are produced; it will be taxed back at the rate war goods are consumed. That is all there is to it. Uncle Sam will finance the war by creating Uncle Sam's own national money; the people, by means of an adjusted tax rate, will pay as they go for the war, but they will pay as they go to Uncle Sam, money issuer, and not, as has formerly happened, to Uncle Sam's money-lending creditors who have imposed on him a war debt.

#### A MEASURE FOR POST-WAR ADJUSTMENT

At the end of the war there will be an unexpended balance in the national defense credit accounts. It is proposed in the National Credit for Defense Act that wartime surtaxes be promptly repealed and that this unexpended balance be paid in pro rata shares to all citizens of the age of 21 or over, these shares to be known as the citizens' victory bonus. The payments can be made gradually over a period of 1 year. These payments may be regarded as a national dividend resulting from the net appreciation of physical capital which takes place in wartime. In the effort to supply the demands of war a nation expands and improves its industrial plant, it intensifies its agriculture and grows more food, it enlarges its productive capacity. It emerges from the war physically richer in many respects than it entered it, and the community should benefit from the increase of its dynamic capacity to produce. In the past, after a war, bankers have informed a victorious nation that it was poorer because of its war efforts, and must reduce consumption, tighten belts, and work harder. Soldiers have been promised homes fit for heroes. Instead they have been demobilized to join a swelling army of unemployed standing in breadlines, while at the same time plants were being scrapped and farms were going out of cultivation.

The citizens' victory bonus will give everyone a clear stake in victory. It insures that no one can maintain the war was fought for the benefit of profiteers. It will transform by gradual steps an economy of warfare into an economy of welfare. It will replace the demand for war goods with a strong demand for consumers' goods, thus enabling industry to shift from a war basis to a peacetime production basis without experiencing a disastrous post-war slump. It should be particularly noted that the victory bonus need not create inflation, because the net increase in money in circulation will be more than matched by a net increase in productivity which can be drawn upon. New goods will back effectively the addition to the circulating medium of the United States.

In the final analysis, the National Credit for Defense Act is a democratic monetary measure. It makes an inroad upon the privileges of the financial oligarchy, whose immense powers have been described by a former Chancellor of the British Exchequer, who is now chairman of one of the Big Five British banks, in these words:

They (the great banks) control the credit of the nation, direct the policy of governments, and hold in the hollow of their hands the destiny of the people.

But in making this inroad, this bill decentralizes and distributes money power to the whole population. That is the democratic essence of the bill. It does not wrest money power from a financial oligarchy only to make a political use of it and only to employ it for state purposes irrespective of the welfare of the individual, which is what the totalitarian powers do. In contrast to totalitarian finance, this bill democratizes money power. The Citizens' Victory Bonus puts

purchasing power into the trousers pockets of the individual, the safest place for it, according to President Andrew Jackson. The bill is an answer to the private money-power system, and it is an answer to the commu-nazi system of finance. It points the way to democracy's solution of the crucial question of how to finance the Nation's economic life, not only in the tragedy of war but also in peace, without prejudice to the democratic rights of the individual.

The first duty of Congress is to guard against this Nation becoming involved in war. To my mind, this measure, if passed, would be one means of accomplishing that very purpose.

### Tribute to the Late Senator Borah

#### EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

RADIO ADDRESSES BY SENATORS PITTMAN, VANDENBERG, AND SHIPSTEAD

Mr. McNARY. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD appropriate remarks on the passing of WILLIAM EDGAR BORAH made by three eminent members of the Senate Foreign Relations Committee, the Senator from Nevada [Mr. PITTMAN], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Minnesota [Mr. SHIPSTEAD] over the National Broadcasting Co. network on Saturday night, January 20.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

#### ADDRESS BY HON. KEY PITTMAN, OF NEVADA

Ladies and gentlemen of the radio audience of America, Senator WILLIAM E. BORAH, the Lion of Idaho, the dean of the United States Senate, the statesman, lawyer, humanitarian, and patriot of patriots, has reached the end of the long and tortuous trail of official service. He has packed his burden with vigor and patience, and even during the latter end, as physical strength waned, he did not utter one word of complaint.

Senator BORAH was my intimate friend throughout the 27 years that we served in the Senate together. In serving with and under him upon the Foreign Relations Committee, I was granted a great privilege, an opportunity to obtain an insight into his lovable character, the breadth of his learning, and the sincerity of his purposes.

Senator BORAH was a serious, intense, and lonely statesman. His mind and soul were occupied by his devotion to his State, his country, and the peace and welfare of their citizens. Although he was always cordial and considerate, yet he made no apparent effort toward good fellowship. Intense, eloquent, sharp, and uncompromising in debate, he was ever tolerant, courteous, and considerate. Many of his colleagues differed from him with regard to vital public policies, and accepted his challenges to intense debate. And yet, in these debates there was rarely a division as to the high ultimate ends to be accomplished but rather as to the methods and processes to be adopted to consummate such ends.

Senator BORAH could be included in the definition of a progressive. He favored humanitarian laws, yet he was a strict constructionist of the Constitution and would not yield such principle to any momentary expediency. He recognized the natural growth of Federal jurisdiction, and yet his strong attachment to States' rights caused him to fear, and frequently to oppose, bureaucracy. His deep dread of war and his strong suspicion of all foreign governments made of him an absolute isolationist. And yet even those who differed with him never doubted his sincerity nor treated lightly his opinions. He brought intelligence, learning, reason, and light to every subject he debated. He bore no malice and he earned no enemies. This lonely, secluded statesman is missed and mourned in the Senate of the United States to as great a degree as any Senator whom death has taken away during my service.

A great and good man has passed into earthly silence, yet his words and deeds will live through all history.

#### ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN

My fellow countrymen, the darkness of a deep sorrow rests upon the Capitol tonight. It reaches out to millions of American family hearthstones, where the name and the honor and the rugged



patriotism of United States Senator WILLIAM E. BORAH have become part of the American inheritance. Idaho mourns the loss of a brilliant son. The Nation mourns the loss of one who was literally one of its greatest institutions.

One of the Republic's pillars has fallen.

The Constitution's most stalwart and effective friend since Daniel Webster has been gathered to his fathers.

A great heart is stilled.

We shall not soon look upon the like of him again.

Thirty-three years ago last Monday he came out of the West with his first senatorial commission. He gave it back last night—without a spot or blemish on it.

He grew in stature each succeeding year. He grew in influence which leaped the boundaries of his native land and spanned the earth. He grew in the talents which made him the greatest advocate and orator of his time. He became the Senate's dean—not alone in years of service but equally in the personal prestige of a unique and mighty character which was worthy of the Senate in its richest tradition since this Government was born.

He loved America, and America loved him.

He believed in America and in her destiny with a passion that was the touchstone of his life. America—whether it always agreed with him or not—believed in him. It knew his courage. It knew his shining probity. It knew his soul-deep sympathy with human needs. It knew his deathless dedication to representative democracy. It knew his devotion to the common weal.

America will miss him. There is none to take his place. We shall bring the wreaths of our affection to his tomb. They will stay green as long as memory survives. God grant us some measure of his strength and vision.

Farewell, great patriot, great friend.

#### ADDRESS BY HON. HENRIK SHIPSTEAD, OF MINNESOTA

Friends of the radio audience, tonight and for years to come, the people of the United States, as well as people throughout other lands, will mourn the loss of WILLIAM EDGAR BORAH.

As a master defender of our Constitution and our system of constitutional law, as an orator, statesman, great American, and patriot, his place in history is secure.

I therefore shall speak of him more intimately as a man.

I deeply regret that out of the millions throughout the world who knew of him as a statesman, there were, necessarily, comparatively few who knew him as a man.

I first met him when I came to the Senate 18 years ago. He had then, by industry, ability, and strength of character, become famous throughout the world as a statesman—of whom all America was justly proud.

What first impressed me was that he carried his fame with becoming modesty.

To millions he represented a man with the heart of a lion. They called him "the lion of Idaho." They did not know that his heart was also as tender as a child's.

The suffering of others under persecution and injustice would arouse his own indignation to the most eloquent flights of oratory—because WILLIAM BORAH felt their sufferings to be his own.

It can truly be said of him "that the strong and the brave are the most tender."

Because he often traveled alone they called him the "lone wolf." But we must remember that only the strong can travel alone.

He could walk with crowds and keep his virtue and with "kings, nor lose the common touch."

In observing him, in his public career, I was often reminded of the story that is told of the Norsemen entering France centuries ago.

The French people noticed they did not wear a brass collar around their necks with the name of the owner stamped upon it. So they asked them, "Who is your master?" They answered, "We have no master; we are our own masters."

That could be truthfully said of WILLIAM BORAH. He was his own master.

His incorruptible integrity was the foundation of his independence. Such independence of character is conceded by many to have cost him the Presidency. He would not "stoop to conquer."

Nevertheless, WILLIAM BORAH never spoke ill of, nor carried rancor in his heart for, anyone.

Who shall say he was not well rewarded?

He was rewarded by the love and respect of his fellow men. He was, therefore, paid in a wage that does not cloy—a coin that leaves no sting.

He continued to walk among men with the modest dignity of the great. I venture to say that his name and fame will live for centuries as future students of American history read his classic orations in the Nation's archives.

We, his colleagues, who outside of his family, possibly, knew him best, mourn his loss—not only because we have lost a friend we loved—but because of the great loss to the Nation.

We are thankful that he could pass without suffering. And I am sure that when WILLIAM BORAH crossed the bar he was still "captain of his soul"—with his head up—and unafraid.

## Brooklyn Real Estate Board

### EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. TRUMAN. Mr. President, on Saturday, January 20, 1940, the distinguished Senator from New York [Mr. MEAD] delivered before the Brooklyn Real Estate Board a very able and interesting address on the housing situation. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been told that you are interested in real-estate problems; in the development of property values; in the future building business that lies ahead. I am happy to be with you on this occasion to discuss with you the activities of the Federal Government in this your chosen field.

Because you are concerned with Government activities which promote the welfare of property owners and prospective property owners, I wish to discuss measures that have been and are being taken to assist these groups. When we make provision for a family to build a new home or to improve an old home, we are doing something concretely beneficial for that family and for you. I, therefore, wish to talk about housing as it affects you as an industry and as it affects our Nation as a whole.

The housing program of the Federal Government is many-sided and, at least one aspect of it, probably reaches every group of people in the Nation. From the clearing of unsightly slums, with public loans and grants, to the erection of large-scale multifamily housing projects, with private capital, for the medium-income groups, the Government has lent a hand to the problem of rehousing America.

A number of practical, effective methods have been used to protect and salvage existing neighborhoods. Efforts have been successfully undertaken to assist private industry in planning new and profitable developments. These efforts have made real dollar-and-cents savings for sponsors of new subdivisions and large-scale structures. These cooperative efforts have eliminated unnecessary streets, preserved space for dwelling construction, created park areas and playgrounds, and opened up land heretofore not employed for economically and socially useful purposes.

You, as real-estate men, have made a particularly valuable contribution toward the provision of better housing for our people. Vast potentialities for further contributions lie ahead. You know better than anyone else what the housing needs are in your community. You know better than anyone else what may be profitably, usefully, and effectively undertaken in your community with respect to private construction, and with respect to large-scale, partially subsidized public housing construction. You know better than anyone else the truth regarding real-estate values and real-estate problems. I am not going to dwell upon those phases because I would have little or nothing new to tell you. However, it is important for us to reflect that, during the 1920's, we built each year many hundreds of thousands of new dwelling units of one kind or another. During the midst of the depression this building program collapsed, and we built relatively few units—only 50,000 units in 1933 and 1934. This year it would not be misleading to predict that we may build as many as 400,000 units.

Now, we want to look at the record and see what has caused this progressive, salutary trend. As a community and as a Nation, we need more and better homes. A home represents a method of saving and a permanent asset. Home ownership introduces the element of stability into our national life. From economic and social standpoints, therefore, we wish to lend every practical encouragement to home building and home ownership.

One agency of the Government has directed its principal efforts toward stimulating among persons of average means a desire to own their own homes. At the same time, this agency has given them a method whereby this desire may be realized. To do this, it was initially necessary to loosen the log jam of private capital and to make it available for investment in what always had been one of the soundest and most lucrative resting places for idle funds—the small-home mortgage.

The record of the Federal Housing Administration indicates that these objectives have been carried out to an amazing and satisfying extent.

Do you know, for example, the F. H. A. ended 1939 with more than \$3,000,000,000 worth of home-financing insurance on its books, and approximately \$960,000,000 of this insurance was written during the past year, establishing a new record for F. H. A.

Through the F. H. A. nearly 12,000,000 persons have been able to improve their housing standards.

During 1939 there were 153,496 new dwelling units constructed under the F. H. A. program, or, more graphically, approximately as many dwelling units as there are in an entire city the size of Washington, D. C. About 95 percent of these were small single family properties with an average F. H. A. valuation of \$5,000 or less.

It might be interesting to reflect for a moment on the period during which this record was attained. At the time the National Housing Act was drafted the Government had come to the conclusion that the residential building industry would be unable to recover from the effects of the depression without governmental assistance. While other business indices showed encouraging improvement those concerned with residential building continued downward.

Building was at a standstill and construction men saw little hope of a return to predepression levels.

In combating this situation the F. H. A. first eliminated the second and third mortgages and contracts for deeds. With the F. H. A. insuring loans as high as 90 percent of the appraised value of a property, these secondary liens were no longer necessary, and are prohibited under the insured-mortgage system.

The second move was a recognition that the home mortgage, like any other obligation, should and had to be paid off. As a result, the amortized-mortgage plan was adopted and under the program the prospective home owner each month increased his equity in his home by paying something toward principal as well as the interest.

The net result of this program, as far as the building industry is concerned, is mirrored in the F. H. A. figures for 1939. Last year the number of new dwelling units provided for under the F. H. A. plan alone was approximately three times the entire national production in 1933, the year before the F. H. A. was established.

Setting up of a modern system of mortgage lending, however, was not the only task given the F. H. A.

Another obstacle to resumption of widespread home building was the lack of confidence by the public in the houses produced. Houses built during the boom days of the twenties were often poorly constructed, badly planned, and located in neighborhoods which deteriorated quickly. Before any sizable market for houses could be developed it was necessary to establish property standards and construction requirements which could serve as a sort of yardstick against which houses could be measured. These standards, localized to suit the needs of different climatic conditions, are enforced by F. H. A. inspectors who examine homes during the course of construction.

The purpose of the F. H. A. program, however, is probably less than half economic. Its first consideration is in providing a means whereby an ever-increasing number of American families can own their homes, or can improve and modernize the homes in which they now live. It is designed particularly to make home ownership available to the lower income groups, as well as to those more fortunate financially. Under this program a means has been provided whereby the factory worker, the artisan, the department-store clerk—just average persons whose annual income may range as low as \$1,200 per year—are not only able to improve their living conditions but also through purchases to swell the volume of building construction. In other words, it is now possible under the F. H. A. program for a man to buy a comfortable modern home for as little as \$25 per month.

It is interesting to note the effect of this program here in New York State. There is little I could say about the F. H. A.'s operations which would be more impressive than to point out the fact that about 400,000 New York families have participated in and benefited directly from this program. This number, of course, does not take into consideration the thousands of other families who have been helped in obtaining jobs through the expenditure of private capital insured by the F. H. A.

Four hundred thousand families in this State, however, have actually built new homes, financed existing ones, or repaired existing ones with funds totaling upward of \$350,000,000 obtained from banks, insurance companies, mortgage companies, and other private lending institutions under the F. H. A. plan. In addition, the F. H. A. in this State has insured the mortgages covering 6,900 rental housing units designed for people of moderate means. Last year, in the New York City metropolitan area alone, the F. H. A. accepted for insurance almost 6,000 small home mortgages totaling in excess of \$30,000,000. In addition, there were more than 25,000 modernization and improvement notes insured in an amount of almost \$20,000,000.

You are concerned, as we all must be, with the cost of any such program of this magnitude. It is especially gratifying, therefore, to be able to state that the F. H. A. during the current year will not cost the taxpayer one single cent. Stewart McDonald, F. H. A. Administrator, tells me for the 1941 fiscal year the Agency's income will exceed its operating expenses by approximately \$9,000,000. This amount will be added to the fund set up as a reserve against possible losses. The F. H. A.'s income is derived from appraisal

fees and insurance premiums—charges made for services performed by the F. H. A.

In brief fashion, I have outlined the achievements of the Federal Housing Administration and its benefits to this great urban center. I cannot, however, review the complete record of the Government in this field without a fleeting reference to another vast municipal housing problem.

In Brooklyn, in New York, in my own home city of Buffalo—yes, in every large industrial center—we can observe, with the most cursory investigation, the conditions of old and dilapidated houses, of overcrowded buildings and areas, of structurally unsound and insanitary home facilities—in plainer words, slums, or conditions very similar to slums.

Slum eradication and low-cost housing are big undertakings. They are municipal problems. Often they are too big and too expensive and too little profitable to encourage or invite private financing and supervision. Substandard housing is an unfortunate condition in this country. You have heard the statistics on crime, delinquency, ill-health, and economic disaster that fits into any recital of the evils of slum areas.

The metropolis of New York City has, of course, a housing problem of staggering proportions. The New York City Housing Authority has estimated that 516,000 families, or 28 percent of the total families in the city, are living in substandard housing. It is assumed that every dwelling unit in the city renting at \$30 or below is substandard. Perhaps that is not entirely accurate, but it serves to give us a yardstick with which to compute the housing needs of the city. The most conservative estimate possible would be 300,000 families in unsafe and wholly inadequate quarters. The report of the tenement house department for 1937 indicated 45,000 residential structures, housing 300,000 families, with major violations of existing minimum requirements set by law.

The Citizens' Housing Council of New York has publicized again and again the 58,000 old-law tenements without adequate fire protection, sanitary facilities, or light and air. It points out that no private builder in New York City has yet reached the rental average of \$10 per room per month. For the enormous number of families who pay less than \$10 per room per month—and thousands pay much less—there can be little immediate hope of an adequate dwelling except in publicly assisted housing. The council estimates that to provide for this low-income group, New York City alone could use \$130,000,000 a year for 20 years for capital investment.

New York City has pushed vigorously ahead in solving its slum-clearance and public low-cost-housing problems, with the assistance of the United States Housing Authority.

Public housing interests and benefits you when it properly restricts itself to a sphere where private investment and private construction is neither profitable nor attractive. The municipal, the State, and the Federal Housing Authorities can, through thoughtful and unselfish planning, accomplish vast good for the future. Their fields of endeavor should be clearly indicated, and in those fields we must commend their progress.

In conclusion, let me mention one other phase of private construction that could mean a great deal to you and to those affiliated with your industry in large municipal centers.

I am thinking of the tremendous possibilities for plant and shop expansion, for store and factory modernization, and for the purchase and use of new equipment.

Every important economic and business expert is predicting a continued business upswing for the remainder of 1940. I concur in that prediction. Every survey of business and all indexes of business lend us encouragement to believe that we are not only regaining the predepression levels but that we are approaching a sounder and more balanced economy.

The average independent industrial enterprise, however, is not in position to participate in this upswing because of the lack of available long-term capital and credit. This is no reflection on the local commercial banker who is now doing a splendid job in trying to loosen the log jam of millions upon millions of dollars of excess reserves or idle funds lying in the Nation's banks. However, in my judgment, our existing financial mechanism needs some substantial assistance, and we should not longer delay in applying ourselves to that need.

I am sponsoring a bill at the present time which would supplement the efforts of commercial banks in meeting the legitimate credit demands of legitimate business enterprise. My proposal would broaden the existing but limited industrial lending powers of the Federal Reserve System. It will require no additional borrowing on the part of the Government. It is logical in that it will utilize the present facilities of the Federal Reserve banks and their branches.

Loans will be made and passed upon locally where local community conditions are understood and appreciated. Loans will be made quickly and without consumption of time and red tape. Long-term loans will be encouraged and provided. The real and imperative immediate needs of business will be recognized and met.

I insist, in suggesting this assistance to banks, businessmen, and construction groups, that no new bureau of Government be created, that the Government must not stand to lose 1 cent in the operation of the law, and that the initial control of credit must remain in the hands of the local banks where it properly belongs.



I am not going further into this proposal at this time but I do want to impress upon you the vast potentiality for plant expansion which would accompany any effective method for releasing our dammed up idle funds. Through the extension of long-term loans at reasonable rates—assistance, in some respects similar to that we have granted home owners through the H. O. L. C., farm owners through the F. C. A. and home builders through F. H. A.—business could forge ahead and bring itself up to date. One middle-western banker wired me yesterday that he thought my proposal, if adopted, would put a million men to work in the construction and equipment field alone. That is why legitimate credit needs of business should be met and why you should be interested in seeing those needs met.

Local and Federal Governments have made great forward strides in the past few years. Private enterprise has demonstrated a willingness to keep apace. You know the tasks that lie ahead from the standpoint of practical local application—we think we are coming to know something about the problem from a national legislative standpoint—let us work together with common purpose for a common objective. Your counsel will help direct the Nation's housing program along proper lines.

### Let's Become Pro-American

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an address which I delivered over a Nation-wide hook-up of the Mutual Broadcasting System, originating from station WOL, Washington, D. C., several evenings ago, entitled "Let's Become Pro-American," in which I discussed briefly my five-point program designed to preserve America for Americans. In this connection I wish to state that this five-point program is being sponsored by the American Vindicator, a monthly publication edited by myself and published by the Vindicators' Association at Washington, D. C., a non-profit organization chartered under the laws of the District of Columbia.

In employing the word "alien" I refer to foreigners who have come into our country illegally and remained here illegally and those who arrived lawfully and have remained here unlawfully, but who have not made application for citizenship; in other words, in referring to aliens, I mean noncitizens of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to thank the Mutual Broadcasting Co. and its affiliated stations for providing me with this opportunity to acquaint their audience and my listeners with my five-point all-American program for keeping America for Americans. These fundamentals I have consistently advocated for many years. I shall discuss briefly each of the five major points.

I should like to hear by letter from those who favor this program without reservation. Likewise, I should appreciate hearing from any persons who may have ideas different from mine on how best to safeguard America.

This five-point program is as follows:

Point No. 1. Keep America out of war: To date, our part in the last World War has cost the American taxpayers approximately \$68,000,000,000 and more than 100,000 lives. Even now, 21 years later, our hospitals are insufficient to provide beds for our World War veterans requiring hospital care. Our veterans certainly should come first. Regardless of our personal opinions or sentiments, the United States should remain absolutely neutral. The age-old quarrels of Europe are no concern of ours, and we must not get mixed up in the present conflict. After all, this is only one of the many hundreds of wars in Europe within the past several centuries. We should devote our time, attention, and energies to the many problems here at home. Why should we waste effort in endeavoring to solve the problems of Europe? We must not let our sentimental attachments to the Old World lead us astray. We cannot be American and at the same time be pro-anything else. In a recent column by the pen of Gen. Hugh Johnson, he asserted that it was high time

that all of us became pro-American. I am in thorough accord with that direct-from-the-shoulder statement by that able writer who has the interest of the American people at heart.

Point No. 2. Fingerprint and register all aliens: At the present time no one knows how many aliens there are in the United States. Some say there are only 4,000,000. Others declare there are 7,000,000. Of these millions some arrived legally, while others came illegally. We should know how many aliens there are within our borders. We should know where they came from and when. We should know why they came and whether they arrived legally or illegally. But more important, we should know where they are now and what they are doing. This information can only be obtained by a law requiring the registration and fingerprinting of all aliens. Stop and think for a moment. If we were to become involved in a war today we would have millions of potential enemies and spies within our midst. There are now—even while we are at peace—thousands of aliens in the United States who are charged with espionage and who are suspected of sabotage. I have repeatedly stated that if we ever became involved in war there would be countless acts of espionage and sabotage. It would be difficult to lay hands on these enemy alien criminals because we have no registration and fingerprinting law in this country. We know virtually nothing about the whereabouts or the activities of our aliens. My prophecies have been borne out 100 percent by the records of the Bureau of Investigation, Department of Justice, which is under the able direction of the Honorable J. Edgar Hoover. The American people owe Mr. Hoover a vote of thanks for having built up the finest law-enforcement organization in the world. He deserves the undivided support of all true Americans.

Information provided by the Bureau of Investigation reveals that, in protecting our national defense, this Bureau is now receiving daily 217 complaints of espionage, sabotage, and violations of our national-defense laws, or at the rate of 78,000 annually. The rapid increase in this type of work is reflected in the figures which show that for 5 years before 1928 the Bureau handled on an average only 35 espionage and sabotage cases yearly. But in the year 1938, 250 of these cases were investigated. That is bad enough, but look at the record for 1939. In that year a total of 1,651 new espionage and sabotage acts were investigated. How our aliens are directly loyal to their home countries is best proved by the official figures of the Department of Justice. Note these facts: From July 1, 1939, to January 10, 1940, a total of 5,799 new cases were received by the Bureau for investigation, and today these complaints are arriving at the rate of 78,000 annually. If we had a law providing for the mandatory registration and fingerprinting of all aliens, the work of this Department would be materially lessened. Agents of the Bureau could locate these alien criminals now engaged in espionage and sabotage with much less trouble and expense to the taxpayers.

Point No. 3. Stop all immigration for the next 10 years: Our own American workmen should first be given an opportunity to get a job. With more than 10,000,000 Americans unemployed and additional millions working only part time, 3,000,000 on W. P. A. rolls, 300,000 young men in C. C. C. camps, and 750,000 boys and girls graduating annually from schools and colleges who cannot find work, here is a problem we all must face. So why should we permit the thousands upon thousands of refugees and foreigners from all sections of the world to enter the United States and take the jobs which rightly belong to our own people? Yes; it is high time that we became pro-American and looked after our own before we shed any tears about the unfortunates of other lands. American jobs should go first to American citizens.

Point No. 4. Deport all alien criminals and undesirable aliens: Our jails and penitentiaries are filled with alien criminals at the expense of American taxpayers. There are thousands of these aliens in our insane asylums and in our institutions for the treatment of those who have become habitual narcotic addicts. They are cared for, housed, clothed, and fed, and provided medical treatment with money taken from the pockets of the American people. We have too many law violators of our own without harboring those of other nations.

Crime costs the taxpayers of the United States more than \$15,000,000,000 a year, according to the estimation of the Department of Justice. This includes not only the direct costs, such as the maintenance of penal institutions, the losses occasioned by criminal acts, racketeering, and other unlawful activities, but the indirect costs, such as losses occasioned by the death of individuals through criminal activities. This is appalling. When will the American people awaken to this deplorable condition. No doubt the total cost will exceed fifteen billion in 1940, when the toll includes the destruction wrought by alien saboteurs. We should empty our prisons and asylums by sending these aliens, dope fiends, and dope peddlers back home. They should be the burden of their own nations instead of being a useless and costly burden on the American people.

Point No. 5. Abolish all "isms" except Americanism. Wipe out nazi-ism, fascism, and communism with equal enthusiasm. America should know only Americanism. Sweep from our shores every alien "ism" that would destroy the foundation of our form of government. Why should we permit these false doctrines to be spread in our midst? We are the only people upon the face of the earth who submit to these false doctrines which are being daily spread by outspoken enemies of the American Government.

I believe that the Dies committee has actually done more to uncover the poisonous groups engaged in un-American activities than any other movement. That committee has revealed the activities of the Nazis, Fascists, and Communists alike. That committee has

rendered a great service to the people of America, and the people owe a debt of gratitude to Congressman MARTIN DIES and his associates. The committee should be continued, and the Congress should see that it continues its excellent work by providing the committee at least \$100,000 more to pursue its investigation.

Harry Bridges, the west coast labor leader, has been whitewashed of the charge that he is a Communist. He came into this country from Australia by skipping ship at New Orleans and has remained here for many years illegally. He is still with us and, no doubt, will be permitted to remain here to carry on the same way he has for years past.

Earl Browder, the Communist leader who stated before the Dies committee that if the United States and Soviet Russia should become involved in a war that he would do everything he possibly could to stop such a war—even to turn such a war into a civil war. Think of it! This Communist leader declares without reservation that in case of a war between the United States and Soviet Russia he would try to stop it, even if he had to create a civil war or revolution in the United States. Communist Browder is now under indictment by the Federal Government for falsifying passports. Press reports reveal that he is about to become a candidate for a seat in the Congress of the United States. How much longer will the American people continue to remain the laughingstock of the world? How much longer will they allow minority, un-American organizations, possessed of unlimited funds from Moscow and elsewhere, to work night and day like a lot of termites with the avowed objective the destruction of the American Government?

Let's have more pro-Americans fighting for Americanism.

Let's have action.

Let's clean house.

Let's put our own affairs in order, attend to our own business, and look after our own people first.

Our citizens, our country first.

I thank you.

## Reciprocal Trade Agreements Program

### EXTENSION OF REMARKS

OF

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

#### LETTER AND EDITORIAL FROM THE PROVIDENCE (R. I.) JOURNAL

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record two extracts from last Sunday's Providence Journal. I do this because one of them consists of a letter from the president of the Rhode Island Textile Association, setting forth its consistent stand against reciprocal-trade agreements, and the other consists of a very interesting and convincing editorial from one of the Republican newspapers of the State taking the opposite side. I commend the discussion of the two points of view to the attention of my colleagues. It is a satisfaction to me to be able to find myself in accord with the policy of this Republican newspaper, with which I have had occasion to differ at various times in the past.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Providence (R. I.) Journal of January 21, 1940]

#### RECIPROCAL AGREEMENTS

##### EDITOR OF THE PROVIDENCE JOURNAL:

I happened to notice a recent editorial in the Evening Bulletin attacking at considerable length the "economic provincialism" of the Rhode Island Textile Association in its consistent stand against reciprocal-trade agreements because of their present harmful effects and their potentialities for much greater damage.

Already a highly skilled and specialized branch of Rhode Island's largest industry has been grievously affected.

Have you taken the trouble to inquire what decreases in value have come to stocks of wool nolls and waste due to the reduction in tariffs from 23 cents to 18 cents per pound in the British agreement? In the case of one Rhode Island mill alone this reduction in tariff will mean a yearly loss of \$75,000.

But for the intervention of the war, exceedingly serious effects for our importation of competitive fabrics would have come to this branch of the industry. Any approach to the normal will promptly bring that result, which may well become fatal.

If our defense of the right to a livelihood of so large a percentage of Rhode Island's citizens gainfully employed in the textile

industry be "economic provincialism," I am proud of my connection with such an association.

Is it misplaced "economic provincialism" to bend every effort to maintain such manufacture that the State as a whole and its several communities may be benefited?

The process of arriving at any sort of an understanding by reciprocal agreement, whether between nations or individuals, is the only sound procedure. It is not the theory to which objection is raised, but the method.

Have you taken time to inquire particularly as to the open hearings conducted in connection with the consideration of these several agreements? You would find, first, no indication given as to presumptive action; second, an almost complete ignoring of the advice of leaders engaged in the industry to be affected. In what way do trade treaties arranged by diplomats, depending on their own judgments, excel all other possibilities?

Reference is made to the fact that "the entire Nation will benefit and the losses will be made up in the general advantages flowing therefrom." I am very greatly interested in an elucidation. Are the farmers, the petroleum industry, or the zinc miners realizing a present benefit? They do not appear to think so. Can you find, either in Rhode Island or the country at large, an improvement in any business other than scrap iron or the makers of war supplies or machines for such supplies? I shall be very happy to have specific information as to the nature and amount of such gains.

Your editorial of the following morning appears to side with the practical value of the "economic provincialism" which strives to hold and strengthen present industry when it states, "It is good American business, of course, to capitalize every legitimate war-time opportunity to enlarge our foreign commerce. But at the same time we must realize, as most of our business leaders do, that an export-import trade increased under war circumstances must have an unhealthy reaction when inevitable post-war readjustments are required."

May we hope you will think well enough of the welfare of the citizens of Rhode Island to join our "economic provincialism" of endeavoring with might and main to keep its largest industry functioning.

ROBERT L. ANTHONY.

Providence.

[From the Providence (R. I.) Journal of January 21, 1940]

#### THAT WE MAY KEEP FREE

A Rhode Island textile manufacturer faces a yearly loss of \$75,000 because of a reduction in tariffs granted Great Britain in return for reductions given the United States under the reciprocal-trade agreement entered into with the Empire.

This circumstance is set forth in a letter from Mr. Robert L. Anthony, president of the Rhode Island Textile Association, in defense of the association's (we quote him) "consistent stand against reciprocal-trade agreements because of their present harmful effects and their potentialities for much greater damage." We publish Mr. Anthony's letter in full elsewhere on this page.

A newspaper cannot pretend to knowledge of the dollars and cents results to one manufacturer or to one industry as the result of specific provisions of a particular trade agreement.

The proper concern of a newspaper is with the principle of either unilateral action to impose tariffs or, in this instance, of their reduction by a negotiated agreement on a basis of reciprocity.

It is well for Mr. Anthony to publicly state the detail of a money loss to a Rhode Island manufacturer or industry. It is well for the Rhode Island Representatives in Congress to call public attention to the results of reciprocal-trade agreements upon the Rhode Island lace industry.

But it is distinctly one thing to set forth items of cash loss and quite another to commit the people of Rhode Island to the principle of opposition to all reduction of tariff and trade barriers by the negotiation of reciprocal-trade agreements.

Indeed, we note that the Rhode Island Textile Association does not now, as it might have a quarter of a century ago, presume to oppose all tariff reduction whatsoever. The Textile Association has said, however, that it favors such reduction by action of Congress alone. Of course, that is tantamount to saying that it opposes a reduction by negotiation on the basis of reciprocity because Congress cannot possibly negotiate a reduction. And, historically, we think it must be conceded that Congress will not, on any broad basis of national policy, effect a unilateral reduction of tariff. The tariff is no longer a question of party as it used to be when the South and West were almost altogether agricultural, and the Democratic Party was subject to an agrarian control. Tariff making in Congress is now more of a log-rolling, local issue than it ever was in Hancock's time. The Republican protectionist now scratches a Democrat's back with a higher tariff on one product and has the favor returned on another. That is the only way reciprocity seems to function in congressional tariff making.

But so far as the national interest is concerned, a vast change has been brought about in our economy as the result of two World Wars, and yet other more menacing readjustments seem inevitably to lie ahead.

We believe it of the utmost importance for the people of Rhode Island to come to some understanding of the causes and character of this change in our economic situation, and we do not believe that they can base their thinking altogether upon an item of a \$75,000



loss, nor even upon the circumstance of the plight of the Rhode Island lace industry.

Heaven knows there is no industry in Rhode Island more dependent upon the general industrial welfare of the State than this newspaper. But we do believe that the record of the post-war years shows incontrovertibly that when the world, including the United States, began in the post-war years to erect tariff and trade barriers, international trade in both volume and value was destroyed, unsalable surpluses were built up everywhere, vicious governmental controls over free enterprise resulted, the totalitarian dictatorships in Europe were largely born of these blind policies, and many of the artificial controls of the New Deal, including farm benefit payments, resulted from this destruction of world markets.

Of such importance to us then is the principle of negotiation for the elimination of these trade and tariff barriers on a basis of reciprocity. We plead for a recognition of this principle. We ask the people of Rhode Island to understand that the United States cannot sell abroad unless it buys abroad; that it has both manufactured products and surplus farm commodities to dispose of; and that if it does not have the channels of international trade open and reasonably free for that purpose, we will have to accept Government controls over agricultural production, Government subsidies to farmers, and stemming directly from such a nationalist-controlled economy, Government controls over industry and free enterprise in general; not controls for the purpose of social regulation, but price-fixing controls that are fundamentally political and totalitarian in character.

Then we might go further and say that our interest in free enterprise in the United States is based upon a belief that free enterprise is essential to free institutions, to free speech, even to free worship, and to our democratic way of life, which should be so precious to us, for that way, built upon our forefathers' concept of the dignity of the individual, is the very essence of the civilization we have been building upon Christian doctrine for nearly 2,000 years.

For there is a new challenge to the American people today to think, not only of what their liberties mean to them but of how they are inextricably interwoven and of how they may be preserved in a chaotic world. It is not alone the threat of invasion that faces our democratic institutions. It is the threat of totalitarianism, of which Hitler's military aggression is but one manifestation. What this world was facing even before the outbreak of hostilities in Europe was the destruction of free institutions through the destruction of free enterprise. For all the Government controls of totalitarianism were imposed in order that self-contained national economies might be built up and international trade might be carried on, not between individuals, but between governments and for political ends, which is to say for ends of national and military power. Even the European democracies have not escaped from this.

If Mr. Anthony speaks to us of the danger to a Rhode Island industry of a reduction in a British tariff, we would call his attention to the far greater danger to our manufacturers of the action of the British Government in buying up the entire Australian wool supply and of selling that at fixed prices to British manufacturers in order that the British Government might compel and direct an export trade in wool as a means to strengthen the British war machine. What chance has individual free enterprise in America to live in a world where this would be the basis of action of every other major country?

The export trades of Russia, Germany, and Italy were altogether instruments of political power before the war. The British and French export trades are becoming more and more of that character under the pressure of war. What sort of a world are we coming into at the end of this war? Is such national socialism to be the rule, and is the individual American manufacturer, with his system of free enterprise, to carry on against such forces? If the economic power of the United States gives it any chance by reciprocal agreement or otherwise to break down such political controls and to get an opportunity for free enterprise to thrive throughout the world, will not this be the greatest contribution that we can make to the saving of our own free enterprise and of our own free institutions, which we think cannot long endure under any system of Government control that goes beyond the point of social regulation and into the field of controlled production for fixed prices?

No greater service could be rendered the American people today, we think, than that intellectual and even spiritual leadership should make clear to them what is the relationship of free enterprise to free institutions and to our concept of Christian individualism. This is the very why of free enterprise; not just that we may have a money profit, for a personal satisfaction, or a personal security, but that we may conduct our working day by free choice to the utmost possible, and at least that we shall not become mere units of a state control which, beginning with the necessities for military reasons of control over economy, always finds in the end that it cannot make that control tight enough for its purposes until it takes all control of opposition, of free speech, of the free press, of education, and then of religion itself, because even the church might foster opposition to the state control as it has done in both the Protestant and Catholic churches in Germany. It needs to be made clear to the people what are Government controls imposed for social purposes, to seek betterments in working conditions, and what are controls imposed to the end that Government may operate the economy of a people. Such controls are to be suspected whenever any measure smacks of the fixing of prices directly or indirectly.

What brings about this tendency to impose such controls? Almost invariably, bad financial and economic conditions are the

plea in justification. These lead to efforts to achieve national self-sufficiency. The true isolationists of the world are not in the United States today. They are in Germany, Italy, and Russia. To get a self-sufficient economy, each nation wants land, and that has led to war. But, also, to get a self-sufficient economy, each of them creates trade barriers, imposes absolute government controls over all export trade, and carries on trade by government barter with blocked currencies. This threatens the free economies of other countries, and where it disturbs them, makes bad economic conditions within those countries, which in turn force national controls. This is the vicious spiral.

In the United States we have not been free from its effect, as we have seen. And, as additionally we have had an extravagant Government, we have created domestic conditions making in the same direction. The world-trade situation only in part forced farm benefits and the full extent of the New Deal agricultural control upon us. As we sought to protect ourselves by control of agricultural production, we put in force some very unwise control measures, which further reduced agricultural exports. And as these maladjustments created unemployment, and unemployment created relief expenditures, and relief expenditures were made greater than need be for political purposes, so were we caught in a vicious spiral. And the net result of all this is to impose more and more Government control, so that each step threatens our free enterprise and all our free institutions, though we have gone the least distance of any of the great powers.

But if national socialism is to be the character of the world after this war, we will not be able, we think, to resist the pressure. The answer must be in some measure the revival of international trade and the ending of these Government-controlled national economies. That revival must be undertaken upon a basis of reciprocity, for unilateral action is impossible in a situation of this sort and would not suffice. It is, indeed, a complex problem.

Our abnormal gold supply of nearly \$18,000,000,000, buried in the ground in Kentucky, makes it more so. Just what would the \$75,000 of the Rhode Island manufacturer be worth if he got his higher tariff and so did not lose them? Are they to be but bars of gold, also to be buried in Kentucky? If not—if they are to represent real consumable wealth to him—the \$75,000 must be related to the exchange of goods between nations. We cannot escape that. If there is no exchange of goods, the gold and the paper dollars representing the gold are meaningless, for gold has no value except for the settlement of balances on the exchange of goods or for credits to support the exchange of goods. We can't eat gold. Wealth lies in the exchange of goods.

We pretend to no knowledge as to whether the exchange should be in wool, or in lace, or in tinned beef from the Argentine, or to what extent. Mr. Anthony is quite right in saying we do not know how State Department experts carried on the negotiations for its trade agreements. We do not know their skill or their fairness. We do not know the detail of any item of any treaty. We recognize the importance of the details of each agreement. But we do believe that the principle of a revived trade by the reciprocal lowering of trade and tariff barriers, through negotiation by the Executive, is going to prove essential to world recovery; that the American people should understand a change has come about in our economic position, and that this must be faced by them and by their Government realistically and with vision.

### Jackson Day Address

### EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ADDRESS BY HON. FREDERICK VAN NUYS, OF INDIANA

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the Record an able and eloquent address delivered by the Senator from Indiana [Mr. VAN NUYS] before the Jackson Day Dinner at Alexandria, Va., January 18.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am duly appreciative of the fact that I was asked to appear on this program with my colleague—your own junior Senator—HARRY BYRD.

I have often made the observation to close friends that one of the greatest compensations growing out of service in the United States Senate today, if not the greatest compensation, is the acquaintanceship and friendship formed with its Members.

Among those friendships made during the past 7 years, I treasure none more highly than those of the two Senators from Virginia—Senators GLASS and BYRD.

CARTER GLASS to me is a valiant old political gladiator. He is an institution in American politics. Incorruptibly honest, fearless, dignified, but scathing in his denunciation of false premises and political make-believe, he is the most feared but best-loved Member of the United States Senate today. May the God of nations preserve him for many years of future usefulness.

HARRY BYRD is a worthy successor to his senior colleague. He loves CARTER GLASS with a filial devotion. Also incorruptibly honest, hard-working and painstaking, devoted to fundamental Democratic principles and traditions, possessed of a lovable personality and the gift of leadership, he has, as Governor and United States Senator, maintained and added to the historic prestige of the grand old State of Virginia. May he, too, be preserved to keep alive the altar fires of true Democracy for many, many years to come.

One of my own native Hoosiers, Claude Bowers, the historian and distinguished journalist and diplomat, makes this observation about Andrew Jackson:

"Andrew Jackson was the organizer of democracy. He mobilized the scattered forces of ordinary men, vitalized them with his energy, fired them with his faith and made sharpshooters of them, every one. He made the trapper in the wilderness, the worker on the wharf, the toiler in the factory, and the farmer in the field realize that the Government is his Government in days of peace as when he is solemnly reminded of it in days of battle."

Little can be added to this vivid description of the function which Jackson performed in the revitalization and preservation of American democracy.

We Democrats always ascribe to Jefferson the honor of founding our party, but Jackson was no less its champion and defender. At a crucial time, he vitalized and saved to the country the principles which Jefferson had written into it.

Jackson developed partisanship—bitter uncompromising partisanship—but at the same time he developed strong characters and strong political leaders. He was a self-made, sincere, loyal champion of constitutional government and democratic principles.

I really think that the best service which I could render on this occasion would be to recite simply the political philosophy and accomplishments of Andrew Jackson and let each one present draw his own conclusion as to the contribution which the life of Andrew Jackson makes toward the solution of present-day problems.

But I cannot refrain from giving brief expression to one or two of my own conclusions which are binding upon no one except myself. Such conclusions may be controversial and not meet with your approval, but surely a Jackson Day Dinner ought to be one occasion where we can be frank and sincere, one with the other.

I love Andrew Jackson's rugged Americanism. He was a fearless and jealous champion of the rights of the new American Republic. He was so extreme along this line that he even suggested the impeachment of Washington for using his influence to obtain the ratification of John Jay's treaty with England, which treaty recognized England's right to search our ships at sea. Jackson called it "daring infringements on our constitutional rights."

With greed, avarice, and cruelty now dominating most of the large governments of Europe, with the fall of all semblance of democracy and the return of barbaric force as the dominating note of such governments, with political termites at home boring into the very foundations of our own Government and praying for its collapse, I invoke tonight that spirit of rugged Americanism in defense of our Constitutional Republic for which Jackson and patriots like him offered their lives and fortunes.

There is no one of us here assembled who does not deprecate the atrocities being inflicted upon the smaller European nations by the brutal bullies who now lead the larger and stronger European nations through force and fear.

There is no one here assembled who does not stand aghast at the irreverence which shatters the accomplishments of church and school, the morals, ideals, and culture which have been built up through centuries of toil and sacrifice.

But, call me isolationist if you will, I have yet to be convinced that it is the mission of America to revamp and police this hectic world.

We have demonstrated through a century and a half that democracy is workable. We have vindicated the wisdom and foresight of the forefathers who predicated this new Republic upon equality, justice, and tolerance at home and freedom from entangling alliances abroad. Our generation and all those preceding us have been the beneficiaries of this new and wholesome innovation in modern government. We are today the strongest, richest, and happiest people in the world and as one who temporarily occupies a position of some influence, my every thought and act shall be to keep us that way—which means to keep both our men and our money out of the European vortex.

I love Jackson's political courage and independence.

All historians agree that he was frascible, hasty, and often petulant, but not one questions his courage and independence.

I think one of the most wholesome resultants of the activities of the present administration has been the exhaustive debate which certain proposals have incited.

Of all the enervating conditions inimicable to the continued growth and strength of our democracy, indifference and lassitude

upon the part of the electorate and their public officials is the worst.

One of the most encouraging results of the numerous national polls which are being so popularly conducted today is the overwhelming percentage of citizens who express definite convictions on practically every important public question. It shows that our people are alert, government minded, and giving close study to political problems. This is as it should be.

One of Jackson's chief sources of strength was that he awakened the American electorate to a sense of their rights—and also their responsibilities. As stated by Bowers—"he vitalized them (ordinary men) with his energy, fired them with his faith."

I hope the day will never come in America when the electorate or its public representatives shall lose that courage so typified by Jackson—that right and desire to speak up and defend one's honest conviction on any public or party question.

I know how hard it is today to resist political pressure brought on public officials by highly organized blocs and groups. The desk of every Member of the Senate is literally deluged by letters, telegrams, and petitions, either favoring or protesting the passage of certain legislation. Scores of visitors frequent his office for the same purpose.

These suggestions are helpful, but if a Member of Congress should try to please all of such callers and petitioners, his public service would be nil. If he permits such political pressure to control his vote, he is worse than nil.

I love Jackson's faith in the people and his consequent defense of States' rights.

As a member of the present administration, I am entitled to claim credit where credit is due and to acknowledge mistakes where they have occurred during the past 7 years.

I am not going to review the pall of uneasiness which has hung over this country for the last several years. It has not yet been dissipated but it has at least been checked.

In order to accomplish that result, unprecedented peacetime legislation was resorted to. Extraordinary powers were conferred upon the executive branch of the Government. Many functions, formerly believed to rest solely within the States, have been taken over by the Federal Government. Vast sums of money have been appropriated and spent by the Federal Government in order that men, women, and children might be housed and clothed and fed like human beings. Social-security legislation has been passed and is now working. With the objectives of these humanitarian measures, no one dissents. With the administration of many of the vehicles hastily created to administer these measures, there has rightfully been much criticism.

It was inevitable that in the monumental task of distributing billions of dollars for relief, inexperienced men, politically minded men, selfish and ambitious men should seize the opportunity to use these vehicles for personal or partisan ends. It was inevitable that a percent of the beneficiaries of these relief measures should abuse them, quit work, and look upon a living from the Government as a vested right.

It was inevitable that by reason of vast expenditures, huge taxes would be imposed upon those capable of paying.

These responsibilities are still with us, and the problem of readjustment is just as keen today as it has ever been.

How are we going to approach these perplexing situations? What general objectives should we constantly keep in mind?

Of one thing I am sure—we must not lose Jackson's faith in the people.

The minute I personally lose that I shall cease to be a Democrat. Faith in the people—what people?

Faith in the man who toils, pays his debts, obeys the law, rears and educates his family, daily adds to the wealth of the Nation, and shuns the importunities of labor racketeers.

Faith in business which invests its money, expands industrial enterprises, furnishes jobs, pays the Nation's debts, and obeys the law.

Faith in the electorate free from fear and coercion of the political boss, secure in his right to think, speak, and vote as his judgment and conscience may dictate.

Faith in the young men and women of the coming generation—confident that they will nurture, protect and add to the achievements of their forefathers.

Faith in the ultimate destiny of the Republic and the American people through the administration of their affairs by unselfish, clear-thinking, and patriotic public servants.

But, you say, these are generalities. Be more specific. I shall.

In my opinion, one of the first things Congress should do is to reclaim those constitutional rights which over a course of years it has so liberally delegated to bureaucratic agencies which are in nowise responsible to the people.

Curtail expenditures and impose upon government that first requisite of economic stability—live within your means.

Stop certain departmental heads from heckling business and give it a chance to rehabilitate itself.

In foreign affairs—stay in our own back yard and mind our own business. And as a corollary to that proposition, scrutinize the appropriation of every dollar asked for national defense, appropriate only that which is necessary and not a dime more.

Restore to the States those functions which they have exercised so willingly and successfully down through the years and avoid all semblance of autocratic Federal control.

In a word, reembrace and revitalize Jeffersonian, Jacksonian democracy. It worked then. It will work now.



You may say this sounds critical of the administration. It is not so intended but it is a criticism of that common trend which has been apparent for quite some time.

I think this administration has rendered valuable and enduring services to the country and its people. It has initiated reforms in our economic, social, and political life which will endure and become a permanent part of our national policy.

But I am not here simply to applaud our accomplishments and gloss over our mistakes. Those accomplishments speak for themselves. We ought to be big enough and brave enough to recognize and correct our mistakes if and when they occur. In this way—and this way only—shall we warrant the future confidence of the American people. In this way only shall we preserve untarnished those sacred ideals and traditions which have been committed to our keeping. I never believed more thoroughly than I do tonight that such sacred trust can safely be imposed in the Democratic Party.

I never pled more earnestly than I plead tonight that we who are now in public office, and these young men and women who will soon take over, shall ring true to the faith of the founders and defenders of that grand old historic party.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

#### REPORT OF BUSINESS ADVISORY COUNCIL

Mr. LUCAS. Mr. President, I ask unanimous consent to insert in the Appendix to the Record the report of the Business Advisory Council, organized by the Secretary of Commerce in June 1933, under the organic act authorizing the Department of Commerce—

To foster, promote, and develop foreign and domestic commerce.

The Council consists of a representative group of businessmen who are invited to serve without compensation for 1-year terms. It devotes itself to questions referred to it by the President and by the Secretary of Commerce and also acts as a clearing house for industrial views on governmental matters which affect business.

A report adopted by this organization, submitted to the Secretary of Commerce, Harry L. Hopkins, was read into the record of the House Ways and Means Committee now conducting hearings on the reciprocal trade agreements program.

A list of the membership of the Council indicates its non-partisan character and illustrates the broad fields of business activity included in the membership. The list follows:

F. B. Adams, Air Reduction Co., New York; William L. Bat, SKF Industries, Inc., Philadelphia; John D. Biggers, Libbey-Owens-Ford Glass Co., Toledo; James F. Brownlee, Frankfort Distilleries, Inc., Louisville; Vannevar Bush, Carnegie Institution of Washington, Washington, D. C.; C. A. Cannon, Cannon Mills Co., Kannapolis; W. Dale Clark, the Omaha National Bank, Omaha; William L. Clayton, Anderson, Clayton & Co., Houston; Carle C. Conway, Continental Can Co., Inc., New York; Harvey Couch, Arkansas Power & Light Co., Pine Bluff; W. Howard Cox, the Union Central Life Insurance Co., Cincinnati; William H. Danforth, Ralston Purina Co., St. Louis; R. R. Deupree, the Procter & Gamble Co., Cincinnati; William C. Dickerman, American Locomotive Co., New York; Gano Dunn, the J. G. White Engineering Corporation, New York; W. Y. Elliott, Harvard University, Cambridge; T. Austin Finch, Thomasville Chair Co., Thomasville; Robert V. Fleming, the Riggs National Bank, Washington, D. C.; J. F. Fogarty, the North American Co., New York; M. B. Folsom, Eastman Kodak Co., Rochester; Clarence Francis, General Foods Corporation, New York; H. B. Friele, the Nakat Packing Corporation, Seattle; Rolland J. Hamilton, American Radiator Co., New York; Henry I. Harriman, Division of Metropolitan Planning, Boston; W. A. Harriman, Union Pacific Railroad Co., New York; Henry H. Heilmann, National Association of Credit Men, New York; George A. Hill, Jr., Houston Oil Co. of Texas, Houston; Thomas S. Holden, F. W. Dodge Corporation, New York; Charles R. Hook, the American Rolling Mill Co., Middletown; Jay C. Hormel, Geo. A. Hormel & Co., Austin, Minn.; H. P. Kendall, the Kendall Co., Boston; Fred I. Kent, National Industrial Conference Board, New York; de Lancey Kountze, Devoe & Reynolds Co., Inc., New York; Arthur Kudner, Arthur Kud-

ner, Inc., New York; Morris E. Leeds, Leeds & Northrup Co., Philadelphia; C. K. Leith, University of Wisconsin, Madison; Paul W. Litchfield, the Goodyear Tire & Rubber Co., Akron; Earl M. McGowin, W. T. Smith Lumber Co., Inc., Chapman, Ala.; George H. Mead, Mead Corporation, Dayton; James D. Mooney, General Motors Corporation, New York; D. M. Nelson, Sears, Roebuck & Co., Chicago; J. C. Nichols, J. C. Nichols Investment Co., Kansas City, Mo.; Richard C. Patterson, Jr., Radio-Keith-Orpheum Corporation, New York; George A. Sloan, New York; E. R. Stettinius, United States Steel Corporation, New York; R. Douglas Stuart, Quaker Oats Co., Chicago; Walter C. Teagle, Standard Oil Co., New York; J. T. Trippe, Pan American Airways System, New York; Sidney J. Weinberg, Goldman, Sachs & Co., New York; W. H. Wheeler, Jr., Pitney-Bowes Postage Meter Co., Stamford; A. D. Whiteside, Dun & Bradstreet, Inc., New York; S. Clay Williams, R. J. Reynolds Tobacco Co., Winston-Salem; R. W. Woodruff, the Coca-Cola Co., Wilmington.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### REPORT OF THE BUSINESS ADVISORY COUNCIL

1. The Business Advisory Council favors businesslike and scientific methods in tariff making as indispensable to safeguarding our national welfare and the American standards of living.

2. The Council wishes to reemphasize its belief that the results of trade agreements must be regarded in the light of their effect on our national economy as a whole and not solely in the light of their effect on a given segment of industry or agriculture.

3. The Council recognizes that national interests require that, in tariff making, consideration be given to the international economic interests of American citizens as well as to the activities of American citizens at home. An enlargement of our opportunities for trade and investment in foreign countries is now essential to maximum national prosperity. These ends the Business Advisory Council believes will be served by an extension by Congress for a reasonable period of time of Executive power to negotiate and proclaim trade agreements provided for in the Trade Agreements Act originally approved June 12, 1934.

4. Since these agreements in a much higher degree than customary in international negotiations involve specific and practical commercial consideration of vital importance to large sections of our industry and agriculture, we urge an active and constructive cooperation with all interests involved. In the case of concessions which are to be made, our people are entitled to be assured of decisions which are calculated to conserve and foster enterprise to the benefit of the broadest interests of our economy.

5. The Council thus reaffirms the support which it gave in May 1933 to the efforts of the Government to promote our foreign trade through the instrumentalities of the trade-agreements program.

#### ALTERNATIVES

The necessity for the continuation of the trade-agreements program is emphasized when the alternatives are contemplated. Support for or opposition to the program must in final analysis rest on some fundamental conception of purpose and procedure in which domestic political issues play no part.

First with respect to procedure. No one, we believe, should wish to return tariff making to a system unduly influenced by sectionalism, group and class influences.

This result would follow either a failure of Congress to extend the Trade Agreements Act or an introduction into the act of a requirement that every individual agreement negotiated by the Executive must be submitted to Congress or to the Senate for ratification. Our reciprocity experience, particularly with the Kassar treaties, demonstrates that the requirement that such individual agreements must receive the approval of Congress merely precipitates another tariff discussion in Congress with all its political, regional, and class difficulties.

Such procedure precludes the development of a consecutive commercial policy such as this country needs. The Council, therefore, favors a policy under which Congress after laying down the principles and defining the limits which are to guide negotiations with foreign countries leaves the Executive free to negotiate and proclaim individual agreements.

As long as the administrative handling of this program is subject to congressional review or adjustment at reasonable periodic intervals, we have no fear of undemocratic abuses of the powers placed in the hands of the Executive.

Turning to the question of substantive policy, we conceive the purpose of the program to be the gradual and scientific adjustment of tariff barriers in this and in other countries to the end that there may be a more unrestricted and greater exchange of manufactured goods, products of the soil and of minerals. The alternative to the present trade-agreements program is a greater dependence on self-containment leading to a reduction in the standard of living and to economic isolation. Such act would tend to bring a degree of regulatory control destructive of free enterprise and of the democratic processes which we prize so highly. The logic of this tendency is found expressing itself in those countries which have endeavored to control their economies in this fashion.

Blocked or controlled exchanges, barter agreements, embargoes, military blockades, and bilateral negotiations seriously impede economic progress. Unfortunately there have been in certain countries an increase in the number of measures of this character, adopted for military and for economic reasons.

The trade-agreements program of the United States Government has been our answer to this movement. The leadership which we have thus assumed against destructive trends and toward a sound development of mutually beneficial trade should not now be surrendered. It is not the province of this report to consider the details of individual agreements. Available statistics demonstrate, however, that the trade agreements now in force have materially improved American trade and therefore have contributed to national prosperity and to an improvement of our national standard of living.

Moreover, they have contributed to international good will. The principles which they have reduced to practice should be kept alive not only because of their immediate benefit but also because they will become a point of departure for economic reconstruction at the end of the hostilities which now unhappily disturb the world. When nations begin to discuss constructive measures for economic and political peace the United States Government should not be without the flexible procedure provided in the trade-agreements program in making its contribution to the economic rehabilitation of the nations. In our opinion it would be disastrous for the United States at this time to abandon its leadership in the struggle against excessive economic nationalism. The problem of reconstruction to be faced after the war will vitally affect this country, and the trade-agreements program, as has been indicated, will provide an essential instrumentality for the reestablishment of sound and constructive commercial policies.

#### UNCONDITIONAL MOST-FAVORED-NATION PRINCIPLE

The unconditional most-favored-nation principle, introduced into our commercial treaty structure by Charles Evans Hughes when Secretary of State has become under Cordell Hull an active instrument for the establishment of equality of commercial treatment in world commerce.

Although criticism has been directed against the automatic generalizations of concessions to third countries entitled to most-favored-nation treatment, a more careful examination of the principles of trade negotiation indicate that this is sound policy. In negotiating trade agreements our Government adheres to the policy of granting major tariff concessions only on items of which the negotiating country is the principal supplier to the United States. In addition, it has introduced other provisions in trade agreements which protect all elements of our economy from unfair advantages which may accrue to third countries as a result of the unconditional most-favored-nation principle.

The affirmative advantage of this principle, however, must not be overlooked. It is a constant protection against discrimination which might arise at the time a trade agreement goes into effect or which may subsequently arise. In addition, at the same time that the United States Government generalizes concessions all other countries with which it has most-favored-nation treaties extend to the United States concessions made to other countries. A statistical analysis of existing trade agreements shows that many reductions in the tariff rates of foreign countries have benefited our commerce through the automatic operation of the most-favored-nation principle.

When negotiations begin under the principles of the trade-agreements program our negotiators consider not merely the effect of concessions made to the particular foreign country with which negotiations are being carried on but also the effect of any concession upon our entire commerce. In other words, negotiations under the trade-agreements program are in effect negotiations of multilateral arrangements, and concessions are made and received, having in mind their total effect after their generalization upon our domestic economy on the one hand and on the other upon our expanding foreign trade.

#### THE OVER-ALL PROBLEM OF OUR DOMESTIC ECONOMY

The council favors the trade-agreements program because it offers a scientific and flexible method, free from undue local political pressure, for appraising the over-all problem of our domestic economy, as well as the effect of concessions upon local and group interests.

Our great exporting interests—industrial, agricultural, and mercantile—are finding in the trade-agreements program protection against discrimination and other restrictions by foreign governments as well as a means of stabilizing reasonable tariffs. Resulting enlargement of foreign markets tends to create prosperity in enterprises engaged in export trade which in turn expands the home market in the United States for the products of our stockman and farmer, as well as for the goods of our manufacturers.

The flow of our people's savings abroad, particularly into productive enterprises, is closely related to the growth of trade. An integral part of any policy which looks toward trade expansion is the full support of the rights of American investments in foreign countries. We believe, therefore, that our Government in negotiating trade agreements with other countries might well place greater emphasis on the fair treatment of American investments as an important consideration in granting tariff concessions.

These agreements, in a much higher degree than customary in international negotiations, involve specific and practical commercial considerations of vital importance to large sections of our industry and agriculture. Because mistakes may be irreparable, we urge an active cooperation with all interests involved in any given case and that there be increased consideration of facts and arguments before conclusions are reached. Our people are entitled to expect that in determining concessions which are to be made the United States Government will base its decisions upon careful

analyses of competitive factors and effects on markets, and so conserve and foster enterprise to the benefit of the broadest interests of our economy.

### Silver Purchase Program

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ARTICLES FROM THE NEW YORK TIMES OF JANUARY 22, 1940, AND THE TRANS-PACIFIC, TOKYO, OF DECEMBER 28, 1939

Mr. TOWNSEND. Mr. President, I send to the desk a clipping from the New York Times of January 22, 1940, entitled "Silver Law Fails, 1939 Survey Finds." I send also a clipping from the Trans-Pacific, Tokyo, of December 28, 1939, entitled "Gold Rush Starts in East Formosa." This article tells of the efforts which the Japanese Government is making to increase the production of gold.

I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of January 22, 1940]

SILVER LAW FAILS, 1939 SURVEY FINDS—BUYING GOAL 291,000,000 OUNCES FURTHER AWAY THAN IN 1934—1939 TOTAL 341,400,000—UNITED STATES GOVERNMENT'S HOLDINGS UP TO 2,930,000,000, HANDY & HARMAN REPORT

The United States Government bought in 1939 approximately 341,400,000 ounces of silver, of which 60,600,000 ounces were derived from domestic ores, according to the annual review of last year's silver market by Handy & Harman, local bullion dealers. The year's acquisitions, added to the 2,588,600,000 ounces on hand at the beginning of 1939, brought the total of United States Government holdings of silver to 2,930,000,000 ounces on December 31, the review estimates.

"Once again," the review says, "the year-end figures proclaim the futility of attempting to meet the requirement of the Silver Purchase Act that 'one-fourth of the total monetary value of the gold and silver stocks shall be silver.' After 5½ years of operation, and after more than 2,200,000,000 ounces of silver have been bought, the goal set by the act actually is 291,000,000 ounces further away than it was when the legislation was passed in June 1934."

The firm estimates that world silver production last year was about 266,000,000 ounces, or about the same as in 1938. The production was apportioned approximately as follows: United States, 57,000,000 ounces; Mexico, 81,000,000 ounces; Canada, 24,700,000 ounces; South America, 34,700,000 ounces; all other countries 68,600,000 ounces. Supplies of previously mined silver coming into the market were estimated at 137,000,000 ounces, of which probably 65,000,000 were from Indian Government stocks and 60,000 from China. In 1938 other supplies of silver were almost 200,000,000 ounces larger than last year.

#### SILVER COINAGE SMALL

"Reports covering silver coinage," the review continues, "indicate a comparatively small consumption for that purpose during 1939—a total of 8,900,000 ounces. The United States minted 3,100,000 ounces for Cuba and 100,000 ounces for the Dominican Republic; the Bank of Mexico acquired slightly over 1,000,000 ounces for the Mexican Government; and the following exports from London were also considered to have been for coinage purposes: Poland, 1,500,000 ounces; Switzerland, 1,500,000 ounces; Hungary, 1,200,000 ounces; Sweden, 500,000 ounces.

"Our estimate of India's consumption of silver during 1939 is 26,000,000 ounces. The smallness of this figure may come as somewhat of a surprise in view of our previous statement that the Indian Government sold locally some 48,000,000 ounces, and when we add that imports totaled at least 25,000,000 ounces. However, the explanation is that 50,000,000 ounces of silver were on hand in the bazaars at the end of the year, and had not been absorbed by the people of the interior.

"We estimate that 34,000,000 ounces of silver were used during 1939 by the arts and industries in the United States and Canada, an increase of nearly 25 percent over the preceding year.

"Advices from England indicated that the arts and industries in that country consumed about 15,000,000 ounces during 1939. In the case of Germany, we have been unable to secure any information whatsoever, but we have made an estimate of 16,000,000 ounces for total consumption without attempting to subdivide into specific classifications."



## THREE PERIODS OF MARKET

Reviewing market developments last year, Handy & Harman divide them into three periods. From the beginning of the year to June 26 the price of silver of foreign origin was held at 43 cents an ounce by purchases at that level by the United States Government. The second period, comprising world-market fluctuations, continued from June 27, when the Treasury's buying rate was reduced, to the end of October, when imports of silver were prohibited from entering Great Britain and India except under license. In the third period, which extended from October 30 to the end of 1939, two markets existed—the world market represented by the Treasury price of 35 cents an ounce, and the Anglo-Indian market, represented by sterling and rupee quotations.

"Unless there occurs a substantial decline in production or an off-setting increase in consumption apart from United States Government purchases, neither of which development seems probable at present," the review says in conclusion, "the current price level of foreign silver can be maintained only by a continuance of Treasury support. Domestic silver production can be eliminated as a factor because, whatever the amount may be, it will be bought by the United States under the new statute of July 6, 1939.

"Foreign silver production has averaged over 175,000,000 ounces annually during the past decade. India's average yearly consumption for the same period was less than 40,000,000 ounces, and 60,000,000 ounces would constitute a maximum for use in the arts and industries. The complete elimination of China as a buyer and the great reduction in silver coinage leaves the scales of supply and demand well weighed down on the side of production, without taking into consideration any additional amounts of the white metal which might be forthcoming from demonetization or Government reserves.

"Whether the United States will continue to absorb all excess supplies of foreign silver is a matter for Congress to decide. If no action is taken to repeal the Silver Purchase Act, it is a reasonable assumption that the Treasury's buying rate will determine the lower limit of world silver prices and that any advances above this level cannot be long sustained, provided no artificial restrictions are placed upon the flow of silver."

[From the Trans-Pacific of December 28, 1939]

## GOLD RUSH STARTS TO EAST FORMOSA—GOVERNMENT-GENERAL STAKES CLAIMS TO MAJORITY OF LIKELY SITES IN REGION

The spread of news of the discovery of gold in eastern Formosa has resulted in a gold rush to the Takkiri gorges, according to the Yomiuri. But the Formosan Government-General has already staked its claims to most of the regions where gold is likely to be found so that these people are not likely to get much for their troubles. The roads leading to the Takkiri ravines have had police boxes constructed to keep out those who would violate the Government-General's ban. Therefore, these people, in order to get at the gold fields, must somehow find their way away from the already set paths.

The type of country the gold diggers are likely to find was described by Mr. Michio Ogasawara, a young mining engineer of the industrial development bureau of the Formosan Government-General, who was a member of the party which located the alluvial gold deposits. Mr. Ogasawara said that their prospecting party had been combing the Formosan wilds for about seven years before finding what they had been seeking. He believes that there are many more deposits of gold in Formosa in addition to those found. Already another gold deposit has been found in the Daidoku ravines by a mining engineer named Usami on December 11, he said.

Poisonous insects and venomous serpents they found in plenty, in addition to wild beasts.

The Formosan Government-General authorities are busily mapping out plans for the mining of the gold discovered. The first group of 200 persons was sent on December 10 to begin mining operations, under the direction of Mr. Ishizaki, a mining engineer.

## MINING COMMITTEE

The Government has decided to set up a special committee to carry out the decrees for the increase of gold production, according to Domei. The decrees were promulgated on November 11 and put into force immediately.

The special commission will consist of high Government officials and leading industrialists. It is understood that the personnel of the committee will be officially announced soon, so that the committee may be able to start its activities within this year.

Ceremonies took place on December 13 in the Takkiri ravines in Formosa marking the beginning of mining operations there, according to the Chugai Shogyo. After prayers were offered, Mr. Ishizaki, the mining engineer in charge of the operations, gave general instructions to the group and work was begun in earnest. The first gold nugget to come to light was about the size of a grain of rice, weighing about 2 momme.

## INCREASED OUTPUT PLANNED

HSINKING, December 14.—The Manchukuo Gold Mining Company expects to increase its output of gold by about \$5,000,000 next year by adding three new mining ships to its present mining fleet of seven ships. The concern is also gradually mechanizing the excavation to increase the gold production.

The three new mining ships are scheduled for completion by June next year, making the fleet number 10 when the mining season is at its peak in August and September.

The assembling of seven mining ships now in transit to Manchukuo will be completed early next year. When these ships are put into operation, the output of alluvial gold is expected to increase correspondingly.

## White House Conference on Children in a Democracy

## EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY PRESIDENT ROOSEVELT

Mr. LEAVY. Mr. Speaker, under leave granted me to extend my remarks, I am including the address delivered by President Roosevelt on January 19, 1940, at the White House Conference on Children in a Democracy.

This address was heard by millions of Americans even though it was delivered to a small group in the White House, because all broadcasting systems carried it over scores of radios in every part of the Nation. The address is characteristic of all public utterances of our great President since he has been in office, and I think, as time goes on, it will stand out even above many of his remarkable state papers. It not only analyzes conditions, but displays a practical imagination concerning the present and the future, both immediate and distant.

Without in any way attempting to set out one part of this address over and above any other, still I feel that the reference made to my great State of Washington in regard to the practical hope that it holds for hundreds of thousands of splendid Americans and their children in the promise of transforming them from hopeless, despairing migrants into cheerful, optimistic home owners, away out in the Northwest, on the million and a half acres of fertile lands that are shortly to be made available by reason of the construction of the Grand Coulee Dam, fully justifies me in making this unusual address a part of our records in Congress.

I wish that it were possible for every Member of this Congress to personally visit the region referred to by the President in this address, and see for himself the practical possibilities that exist there, which would aid in solving, in part, the staggering social and economic problems now confronting us, and which in turn are creating such tremendous political problems. If the approach suggested by the President were more fully appreciated by us all, and we all joined wholeheartedly in efforts toward a practical solution, the things and conditions that now seem impossible would become fairly easy in accomplishment, and in their accomplishment there would come to each of us a joy and satisfaction that only comes when we know we have participated in the doing of something really worth while.

The President's address is as follows:

Miss Perkins, members of the White House Conference on Children in a Democracy, I come here tonight with a very heavy heart because shortly ago I received word of the passing of a very old friend of mine, a very great American, Senator Borah. I had known him for a great many years and I had realized, although perhaps on this or that or the other political problem we may have differed from time to time, yet his purpose and my purpose and the ultimate objective of, I think, everybody in this room interested in the future of America, were identical—and the Nation has lost one of its great leaders in his passing.

I am glad to come here in the thought that Senator Borah, of Idaho, would want us to go on with the work of building a better citizenship in the days to come in the United States.

You know, I go back, not as far as he did, but I go back a great many years. I go back to my days in college when I worked for an organization called the social service committee. After that, my wife came into the picture and, when we were engaged, I discovered that she was teaching classes of children on the East Side in New York.

And then, very soon after I was admitted to the bar, I got to know another very great American, an old friend of yours and mine, Homer Folks. And probably Homer does not remember it himself, but in New York in those days we were just beginning to take up the problem of providing milk for babies, for mothers, in all parts of that big city. And I, wanting to do something in addition to trying to learn a little law, went in with an organization which has long since ceased to exist because it was absorbed by greater organizations, the New York Milk Committee, and I worked for 2 or 3 years in trying to help in placing milk stations for babies on the East Side and West Side and up in the Bronx in New York City.

Homer Folks was one of the principal moving agencies in setting that up, and it is rather an interesting thing that the woman who was most greatly responsible for helping to provide milk for dependent poor children in the great city of New York was Mrs. Borden Harriman. I sent Mrs. Harriman as United States Minister to Norway 2 years ago.

Last April when this conference first met in this room I asked you to consider two things: First, how a democracy can best serve its children; and, the corollary, how children can best be helped to grow into the kind of citizens who will know how to preserve and perfect our democracy.

Since that time—since last April—a succession of world events has shown us that our democracy must be strengthened at every point of strain or weakness. All Americans want this country to be a place where children can live in safety and grow in understanding of the part that they are going to play in the future of our American Nation. And on that question, people have come to me and they have said, "What about defense?" "Well," I have said, "internal defense and external defense are one and the same thing. You cannot have one unless you can have both."

Adequate national defense, in the broadest term, calls for adequate—yes; on the one side—munitions and implements of war and, at the same time, it calls for educated, healthy, and happy citizens. And neither requisite, taken alone, taken all by itself without the other, will give us, will defend the national security.

And so today, in January 1940, it is my pleasure to receive from you the general conference report with its program of action. You have adopted this report after days of careful deliberation, preceded by nearly a year of study and discussion.

And, by way of illustration, I am having a problem with the Congress of the United States as to whether the problems of the United States are going to be decided after a couple of days of careful deliberation in each House or whether I am going to get a couple of million dollars for undertaking studies that would correspond to this year of study, this year of discussion, that you good people have been putting into the problem of children in a democracy. And I think I am going to win out.

When I started to jot down some notes about what I was going to say tonight—and so far I have been speaking, as you have observed, practically extemporaneously—I said to myself, "This is going to be the most dreadful speech I have ever delivered," because when I come to write down notes and dictate a speech I say to myself, "What is it in this particular subject that I am going to talk about that hits me between the eyes?" And on this particular subject of children in a democracy the thing that hit me between the eyes was what I got about a week ago, a list, a tabulation, a catalog of what you have been studying.

And so I felt that the Nation as a whole ought to realize that the subject of children covers several pages of a catalog. There are so many interests involved, so many problems involved. Almost everybody who is hearing me tonight I suppose in every State of the Union thinks of children in terms of two or three of these subjects on the average, two or three subjects in which he or she has special experience or special interest, such as education of children or the recreation of children or the health of children. Or he or she may have some great enthusiasm for one particular kind of child-welfare service. For instance, I myself am tremendously interested in crippled children.

But this conference report rightly calls on us to think of children as a whole, as each child is related, not to one life, not only to his own life, but to the lives of his brothers and sisters, the life of his family, and then inevitably to the life of his community, the life of his county, the life of his State, and the life of his Nation.

And that is why if people in this country are going to think of this problem as it really is, they have got to listen to a catalog for the next 10 minutes.

I can illustrate best the extent to which the interests of children are interwoven with the interests of families and communities by giving you these main topics of the conference, and I do not think there is any one of these topics of which we can say, "Well, that is awfully nice, but what relation has it to the problem of my child?" Well, of course it has; every subject here has.

And the first part of the conference report reminds us sharply that by every step we take to protect the families of America, we are protecting the children also. Well, put that in another way: It means that what Federal Government and State government, county government, town government, village government—everything else—what they are doing to coordinate the economy and the social problems of their own communities in relation to the whole population necessarily has an effect on every child in that community. Here we find in this report recommendations in general which constitute an argument for buttressing and strengthening, in the first instance, the institution of the family, the family as it relates again to a whole, and of other things—health, training, and opportunities of children in what we are pleased to call a democracy and, thank God, it still is.

This part of the discussion includes families and their incomes, families in need of assistance, families and their dwellings, and the family as a threshold to the future democracy of this country.

And then, following that group of topics, the report discusses a lot of other things that either enter or ought to enter into the life of every American child in every part of the country—schools, religion, leisure-time activities—mind you, these are all separate topics that we are trying to coordinate into one national picture—libraries, protection against child labor, youth and the needs of youth, the conserving of child health, the social services for children, children in minority groups, and, something that a lot of people forget, as I have good reason to know as the Chief Executive, the subject of public financing and administration.

But what I am specially pleased about is this: That this conference, made up of men and women that belong to every political party in every part of the country, has found that we have definitely improved our social institutions and our public services during these past 10 years. And the only thing that good old Homer Folks said that I do not agree with—he called them "these terrible 10 years," and I do not. I think they have been the most interesting 10 years since—what? Well, at least since the Civil War and maybe since the Revolution. And we are all glad we have had a part in them, because I believe that though we have had lots of trouble, lots of difficulties, that these past 10 years have been 10 useful and, on the whole, 10 years of definite progress in a democracy.

The conference concludes, and rightly, that to have made progress in a period of hardship and strain proves that America has both strength and courage.

But, again, I agree with the conference that we still have got a long way to go. Too many children—and you can find them in every State in the Union—are living under conditions that must be corrected if our democracy is to develop to its highest capacity. The conference tells me that more than half of the children of America are living in families that do not have enough money to provide fully adequate shelter, adequate food, adequate clothing, and adequate medical care, and adequate educational opportunities.

I have been called to task, as you all know, because I have reiterated, reiterated many times, something about one-third of America—the ill-clothed, ill-housed, ill-fed—criticized on the ground that I was saying something derogatory. I have been telling the truth, and you good people have sustained me by that statement that more than half the children of America are living in families that do not have enough money to provide fully adequate shelter, food, clothing, medical care, and educational opportunity. Why should we not admit it? By admitting it we are saying we are going to improve things.

Yes; and you are rightly concerned that provision be made for those who are unemployed, whether for economic or personal reasons. To keep families from starving while the fathers walk the streets in vain in search for jobs will not give children the best start in life.

Social insurance to provide against total loss of income, and appropriate work projects adjusted to fluctuations in private employment and both urban and rural needs, constitute the first lines of defense against family disaster.

And I am glad of what has been said tonight about urban problems. I think my very good old friend the mayor of New York would not mind my telling a story of what happened up at Hyde Park last autumn. He was up there lunching with us. We had a big lunch, 18 or 20 people, and we were talking about the problem of distribution of population in the United States. Well, that is an old thing that I have been sort of hobbing about for a great many years—20 or 30 years. And I talked about the problem of overcrowding the cities. I talked about whether it was a good thing, with a big question mark, about cities getting too big, the bigger cities getting still bigger, and whether we could not work on some plan for a greater decentralization of the population, the building up of the smaller communities. And then, as a sort of jest, I said, "You know, Florelo, I am going to say something awful that you won't agree with. I think your problem in New York City, with 7,000,000 men, women, and children in it, is a bad one. I think that the problem of civilized life in a community of that size is almost too big a problem, and I think that New York would be better off if it had six million people instead of seven."

And the mayor of New York looked at me, and he said, "Mr. President, I cannot agree." He said, "Mr. President, you are wrong." He said, "New York would be better off if it had five million people in it instead of seven."

And, by way of following up the same subject—this is just purely from memory—we were talking of conditions before the World War, somewhere around 1913 or 1914 when I was over here in the Navy Department. I read an extraordinarily interesting pamphlet which carried out the thought that you have heard tonight about rural populations. It was by a great French doctor who had made all kinds of examinations of records, vital statistics in half a dozen of the great cities of Europe, and he had come to the conclusion and had attempted to prove it by family statistics that any family that had been city-bred for three or four generations died out and that the only families in cities that survived were the families that had an influx of country blood every generation or two. Now, I do not know whether our modern medical friends will support that, but at least it is something well worth our thinking about in terms of the America of the future.

You tell me, in effect, in this report what I have been talking about for many years, that we have been moving forward toward the objective of raising the incomes and the living conditions of the poorest portion of our population, that we have made some dent



on the problem, and that most decidedly we cannot stop and rest on our rather meager laurels.

Yes; I agree with you that public assistance of many kinds is necessary. But I suggest to you that the Federal Treasury has a bottom to it and that mere grants-in-aid constitute no permanent solution of the problem of our health, our education, or our children, but that we should address ourselves to two definite policies: First, to increase the average of incomes in the poorer communities and in the poorer groups, in the poorer areas of the Nation; and, second, that we should address ourselves to an insistence that in every community, in every State, and the District of Columbia they should pay taxes in accordance with ability to pay.

The conference report, going on with this—what shall I call it?—Sears, Roebuck catalog—and it is very educational to read a catalog—has called attention also to the need for continuing and expanding public and private housing programs if the families in the lowest income groups are to live in dwellings suitable for the raising of children.

Last April, to take another item, I referred to our concern for the children of the migratory families who have no settled place of abode. I spoke casually to the press today about a study I am making. Up in the State of Washington we are spending a great many millions to harness the Columbia River, to put a great dam up there which will pump the water up onto a huge area of land capable of providing a living for 500,000 people, irrigated land, today a desert, which can be made a garden with the process of modern science. Who ought to go there? Are we going to treat that, 2 years from now, just as we treat the average irrigation project? Will it be a contract with the Government to pay out the loan over a period of years on the basis, first come, first served?

I have read a book: it is called *Grapes of Wrath*, and there are 500,000 Americans that live in the covers of that book. I would like to see the Columbia Basin devoted to the care of 500,000 people represented in *Grapes of Wrath*.

Migratory families, the situation of their children, children who have no homes, families who can put down no roots cannot live in a community—that calls for special consideration. But I am being practical. I am trying to find a place for them to go. This means, in its simplest terms, a program for the permanent resettlement of at least 1,000,000 people in the Columbia Basin and a lot of other places. And remember that the money spent on it after careful planning is going to be returned to the United States Government many times over in a relatively short time.

To go on, your report has devoted many pages to family economics. I know very little about that—my wife does. We all recognize that the spirit within the home is the most important influence in the growth of the child. In family life the child should first learn confidence in his own powers, respect for the feelings and the rights of others, the feeling of security and mutual good will and faith in God. Here he should find a common bond between the interests of the individual and the interests of the group. Mothers and fathers, by the kind of life they build within the four walls of the home, are largely responsible for the future social and public life of the country.

And, just as we cannot take care of the child apart from the family, so his welfare is bound up with a lot of other institutions that influence his development—the school, the church, the agencies that offer useful and happy activities and interests for leisure time. The work of all these institutions needs to be harmonized so as to give our children rounded growth with the least possible conflict and loss of effort. And the money and hard work that go into these public and private enterprises are again repaid many times.

And I think that religion, religion especially, helps children to appreciate life in its wholeness, to develop a deep sense of the sacredness of the human personality. In view of the estimate that perhaps one-half of the children of America are having no regular religious instruction, it seems to me important to consider how provision can best be made for some kind of religious training. We can do it, because in this way we are capable of keeping in mind both the wisdom of maintaining the separation of church and state and, at the same time, giving weight to the great importance of religion in personal and social living.

And I share with you the belief that fair opportunity for schooling ought to be available to every child in this country. I agree with you that no American child, merely because he happens to be born where property values are low and local taxes do not, even though they should, support the schools, should be placed at a disadvantage in his preparation for citizenship.

Certainly our future is endangered when nearly a million children of elementary school age are not in school; when thousands of school districts and even some entire States do not pay for good schools. This situation has been reported by many agencies, private and public, and the way I have got it down here in my manuscript, needs to be more widely understood. That does not mean anything. What I really wanted to say is this: I would like to put on the front page of every newspaper in the United States, a list of the most backward school districts, the most backward school States in the United States.

That is rough treatment, but if every person in the United States could know where the conditions are worst—education and health—those areas would get the sympathy, the understanding, and the help for improving those worst of conditions. And again, I have to suggest that the permanent answer is not mere handouts from the Federal Treasury but that the problem has to be solved by improving the economics in these poorer sections and an insistence, hand in hand with it, that there be adequate taxation in accordance with ability to pay.

We must plan also, on a larger scale, to give American children a chance for healthful play and worthwhile use of leisure. I agree with you that a democratic government has a vital interest in those matters. And I am glad that you have suggested a national commission, under private auspices, to study leisure-time needs and recreational resources.

More than in any previous decade we know how to safeguard the health of parents and children. Because of the advance of medical knowledge and the growth of public-health work, we have it in our power to conquer diseases that we could not conquer 10 years ago, and the ability to promote general good health.

New opportunities to us mean new duties. It was one thing to let people sicken and die when we were helpless to protect them, and it is quite another thing to leave a large portion of our population without care at all. It is my definite hope that within the next 10 years every part of the country, just to use an example—and I believe that hope can be fulfilled—every part of the United States will have complete and adequate service for all women during maternity and for all new-born infants. That we can do.

So, too, good nutrition is the basis of child health; and I am equally in sympathy with your suggestion that I appoint a national nutrition committee to review our present knowledge and to coordinate our efforts, looking toward the development of nutrition policies based on the newest and best methods, and we are making new discoveries every day.

You, all the members of the conference, have charted a course—a course for 10 years to come. Nevertheless, the steps that we take now, in this year of 1940, are going to determine how far we can go tomorrow, and in what direction.

I believe with you that if anywhere in the country any child lacks opportunity for home life, for health protection, for education, for moral or spiritual development, the strength of the Nation and its ability to cherish and advance the principles of democracy are thereby weakened.

I ask all our fellow citizens who are within the sound of my voice to consider themselves identified with the work of this conference. I ask you all to study and discuss with friends and neighbors the program that it has outlined—to study how its objectives can be realized. May the security and the happiness of every boy and girl in our land be our concern, our personal concern, from now on.

You, the members of this conference—this conference on children in a democracy—you are leaders of a new American army of peace.

## Extend Time for Filing Applications for World War Adjusted Compensation and Extend Eligibility of Payment to Others

### EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. RANKIN. Mr. Speaker, I have today introduced a bill, H. R. 8079, to extend the time for filing applications for benefits under the World War Veterans' Adjusted Compensation Act, as amended, to 1950, and to enlarge the class of dependents under such act.

There is no reason whatsoever for limiting the time in which these applications are to be filed. I use the date 1950 because that extends it for 10 years; but I see no reason why the limitation should not be entirely taken off, since these accounts will every one be paid at some time or other.

Under the law as it now stands, if a veteran does not leave a father, mother, wife, or children, then none of the rest of his dependents, or his estate, can collect this compensation. That vicious provision was inserted in the original law by those who did not want to pay the adjusted-service certificates at all.

There is absolutely no reason why this compensation should not be paid to the veteran's brothers or sisters, in case he leave no wife, parent, or child, or to his estate in case he leaves no relatives competent under the law to receive it. It is his; it is not a bonus but it is adjusted compensation. It is part of the pay to which he was entitled while he was in the service, and is due him whether he leaves any relatives or not.

Thousands of these boys have had dependent brothers and sisters, invariably cripples, who were unable to take care of themselves, but who could not draw one dollar of his adjusted compensation because of this limitation in the original act.

Many of these veterans die in debt, invariably their estates were unable to pay their burial expenses or their doctor's bills. This adjusted compensation should have been paid to their estates to take care of these accounts. If the veteran had known during his last illness or his last years that this would be done, it would have enabled him to secure better care and attention.

This bill will undoubtedly be referred to the Committee on Ways and Means and not to the World War Veterans' Committee, of which I am chairman. If it should come to the World War Veterans' Committee, I guarantee that it would be reported out almost immediately and brought to the floor of the House for a vote; and I have no doubt but that it would pass overwhelmingly in both Houses. If it does go to the Ways and Means Committee, I sincerely hope that we will be given an early hearing on it; that it will be reported out and passed at this session of the Congress.

Under permission granted me to extend my remarks in the RECORD, I insert the bill at this point in order that everyone who reads the RECORD may have an opportunity to familiarize himself with its provisions.

The matter referred to follows:

H. R. 8079

A bill to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed, and to enlarge the class of dependents under such act, as amended

*Be it enacted, etc.,* That subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended, are amended, to take effect as of January 2, 1940, by striking out "January 2, 1940," wherever the same appears in such subdivisions and section and inserting in lieu thereof "January 2, 1950."

SEC. 2. Section 505 of such act, as amended, is amended by striking out the following: "(beginning with the calendar year 1925 and ending with the calendar year 1946)."

SEC. 3. Sections 601 and 602 of such act, as amended, are amended, to take effect as of January 2, 1940, to read as follows:

"Sec. 601. If the veteran has died before making application under section 302, or, if entitled to receive adjusted-service pay, has died after making application, but before he has received payment under title IV, then the amount of his adjusted-service credit shall, as soon as practicable after receipt of an application in accordance with the provisions of section 604, but not before March 1, 1925, be paid to his dependents in the following order of preference:

- "(1) To the widow;
- "(2) If no widow entitled to payment, then to the children, share and share alike;
- "(3) If no widow or children entitled to payment, then to the mother;
- "(4) If no widow, children, or mother entitled to payment, then to the father;
- "(5) If no widow, children, mother, or father entitled to payment, then to the sister or sisters;
- "(6) If no widow, children, mother, father, or sister entitled to payment, then to the brother or brothers;
- "(7) If no widow, children, mother, father, sister, or brother, then to the estate.

"Sec. 602. (a) No payment under section 601 shall be made to a widow if she has remarried before making and filing application, or if at the time of the death of the veteran was living apart from him by reason of her own willful act; nor unless dependent at the time of the death of the veteran or at any time thereafter and on or before January 2, 1950. The widow shall be presumed to have been dependent at the time of the death of the veteran upon a showing of the marital cohabitation.

"(b) Payment under section 601 shall be made to a child if (1) under 18 years of age at the time of the death of the veteran, or (2) at any time thereafter and on or before January 2, 1950, incapable of self-support by reason of mental or physical defect.

"(c) No payment under section 601 shall be made to a mother or father unless dependent at the time of the death of the veteran or at any time thereafter and on or before January 2, 1950. If at the time of the death of the veteran or at any time thereafter and on or before January 2, 1950, the mother is unmarried or over 60 years of age, or the father is over 60 years of age, such mother or father, respectively, shall be presumed to be dependent.

"(d) No payment under section 601 shall be made to a sister or brother unless dependent at the time of the death of the veteran or at any time thereafter and on or before January 2, 1950.

"(e) No payment under section 601 shall be made to the estate unless such person or persons as would under the laws of the State of residence of the decedent be entitled to his personal property in case of intestacy be dependent at the time of the death of the veteran or at any time thereafter and on or before January 2, 1950: *Provided*, That in cases where the estate of the decedent would

escheat under the laws of the place of his residence, such payment shall not be made to the estate of the decedent, but shall escheat to the United States and shall be credited to the appropriation from which these payments are made."

SEC. 4. This act shall not invalidate any payments made or applications received, before the enactment of this act, under the World War Adjusted Compensation Act, as amended. Payments under awards heretofore made or hereafter made shall be made to the dependents entitled thereto regardless of change in status, unless another dependent establishes to the satisfaction of the Director a priority of preference under such act, as amended. Upon the establishment of such preference the remaining installments shall be paid to such dependent, but in no case shall the total payments under title VI of such act, as amended (except section 608), exceed the adjusted-service credit of the veteran.

## Our Gold Elephant

### EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ARTICLE BY HON. ROBERT LUCE, OF MASSACHUSETTS

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. ROBERT LUCE which was published in *Investor America* for January 1940:

[From *Investor America*]

OUR GOLD "ELEPHANT"

(By ROBERT LUCE, Representative in Congress from Ninth District of Massachusetts)

Seven years ago the gold and bullion available for use as money in the United States was reported by the Treasury as about \$4,000,000,000. Today it is about seventeen and one-fourth billions. We possess approximately three-fifths of the world's visible money supply of gold.

Were we to continue during the next 5 or 6 years to acquire gold at the average rate of the last 7 years, we would then have all the money—gold coin and bullion—now in the world. Including the metal that will be mined, however, it might take 10 or 12 years. On the other hand, it is not to be expected that the larger nations will let go of much more of their present holdings, so we might exhaust the world supply in 7 or 8 years.

Something must be done about it, and within a comparatively short time. What can be done? What ought to be done?

Before answering these questions it will be well to consider why and how the present situation came about. At the very outset, during his first year in the White House, President Roosevelt said in the opening phrase of his fateful message of January 15, 1934:

"In conformity with the progress we are making in restoring a fairer price level and with our purpose of arriving eventually at a less variable purchasing power of the dollar . . ."

He had already disclosed he was persuaded of the merit in the quantitative theory of money—the theory that the more money, the higher the price level. In October 1933 he had said:

"Ever since last March the definite policy of our Government has been to restore commodity price levels. The object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure so that farmers may exchange their products for the products of industry on a fairer exchange basis."

To that end, by the President's direction, Professor Warren, of Cornell, and Professor Rogers, of Yale, on October 25, 1933, began buying gold in the markets of the world. The price at which they were buying this gold was steadily advanced until it reached \$35 an ounce, at which figure it was fixed by the act of devaluation January 31, 1934. Thus the price of gold had risen between October 1933 and the end of January 1934 by approximately 60 percent—from \$20.67 an ounce to \$35 an ounce.

But throughout this period there was no distinguishable effect on prices of commodities. Any change therein may have been due to other economic factors. These factors have been at work ever since, and it cannot be said with any statistical proof that the \$35 rate has in any perceptible way caused whatever changes in the price level have taken place. Thus, in the most thorough test ever made, the quantitative theory of money has received a body blow from which it may not recover.

Possibly the effect on economic thought will prove to be the most useful result of the financial program of the last 7 years. There is



no doubt but that in periods of stress and of abnormal money expansion—what we call inflation—such as took place in Germany and Russia after the World War and had taken place in the case of the assignats at the time of the French Revolution nearly a century and a half ago—the buying power of money may drop calamitously with the corresponding rise in prices. But we now know that, normally, changes in the buying power of money are not speedily influential. Statisticians have found that increases in previous periods of stress have not shown appreciable effect for 2 years, save when so abnormal that fear started the spiral of inflation.

In time, of course, great discoveries of gold deposits will have effect on the general price level of other commodities, as after the findings in California and later in South Africa, but cost of production of gold and silver has had less to do with prices of other commodities than has anything else in the world. Their value in exchange is and for many years has been fixed by law. It does not depend on the finding of a new mine.

Men have resorted to many standards for use in the exchange of goods and services, but the more advanced peoples long ago came to prefer the precious metals, by reason of convenience in trading or hoarding. Here cost of production is distinctly subordinate. You never think of it when you pay or receive. The law says it shall mean so-and-so and, for you, that's the end of it. Striking illustration may be found in the matter of silver. Its cost of production has greatly lessened in recent years. Yet you handle silver as confidently as ever, because the law says so.

You care much less about gold currency because substitutes have been found which are more convenient and much less expensive. For example, more than nine-tenths of all our transactions are now accomplished by the use of bank checks. The effect of this is almost wholly ignored by those who would change our money laws. No way suggests itself by which the volume of this credit currency can be controlled. It rises and falls with the volume of business transactions.

Notwithstanding this, the volume of cash currency has greatly increased. For every man, woman, and child in the United States there is now in circulation on the average more than twice as much as when the Populists—and, afterward, William Jennings Bryan—demanded more cash currency. We have, without realizing it, gone beyond their wildest wishes. The only explanation is that we have kept up with the demand as an automatic response to the needs of business. There is no reason to suppose we shall not continue so to do, without any new legislation whatever.

Accepting, then, that cash currency is not involved in the gold question, how about the use of gold itself for other purposes? Why the national ownership of more than \$17,000,000,000 in gold?

It cannot be fairly said that all of this gold is hoarded. More than a tenth of it is in the exchange stabilization fund, used in conjunction with England and France to steady the payment of international balances of trade. A little more than one-fifth of it is reserved for the payment of sundry obligations, if and when necessary, for working balances and for the general purposes of the Treasury. There remains more than \$12,000,000,000 of gold, mostly in bullion, that can properly be called hoarded. The bulk of this gold is stored chiefly in the great vault built for it at Fort Knox, Ky.

How did we get this vast supply of gold? Treasury Secretary Morgenthau's informative letter to Senator WAGNER (Treasury Department's reply, dated March 14, 1939, to questions asked by chairman of United States Senate Committee on Banking and Currency) gave explicit answer, in substance, to the effect that it came mostly from abroad in payment of the debts resulting from our selling more than we bought in international trade, the balance being paid with shipments of gold. Also it has come for investment, sent by foreigners who sought safety for it in the safest place in the world. There appears nothing we can do about either of these things. We want to sell all the commodities we can, and there is no reason why we should prevent foreigners from buying all our bonds, public and corporate, for which they can pay. Foreign nations may presently forbid shipment of gold out of their countries if the war is prolonged. Otherwise we may get all the commercial gold in the world. In this particular changing our price for gold would have little or no effect on its flow into the United States.

What will be the effect of the war on the balance of trade is wholly conjectural. We shall probably buy less of commodities, both because of the difficulties of trans-Atlantic shipment and because of the transfer of European workers from field and factory to war fronts. Less food will be eaten in the fighting countries, less clothing bought, less of everything else consumed. We are likely to sell little abroad save war material and this must be paid for in cash at our wharves. We can but guess how much can and will be bought from us.

The war removes the likelihood of our doing any investing or lending in Europe and, under present conditions, of our doing much business in the Orient for awhile. It is barely possible that we shall send some of our gold to South America, either by way of Government loan or private investment, but not enough to make a dent in our huge stock.

If we are to keep that stock of gold intact for an indefinite time, can we not make it useful? At present \$12,000,000,000 worth of it appears to be idle, doing nothing of benefit to anybody, serving no social purpose. Yet that is not quite the case. The United States owns that gold, has the title to it, but lends it in the form of gold certificates to the Federal Reserve banks. Apart from payment for new purchases, it can be used by the banks only as reserves. This does not of itself create new money, but it makes that possible. A dollar of it can create about \$25 of check money—the money that is used in more than nine-tenths of our transactions. Thus it can bring about tremendous inflation, but only if

our banks do not continue to use the normal caution that they have hitherto for the most part displayed. At present they are unable to lend safely anything like the total funds at their command. If they go crazy, anything may happen, for it is of no use to argue what crazy men will do.

More useful will it be to consider the reasonableness of the suggestion that if we keep on buying gold at the present rate we may bring about the abandonment of gold for money use by some or all the nations of the world. Can anything be found as a substitute for gold in settling trade balances between civilized countries? The possibility of this is extremely remote. Likewise is that of a universal currency. The League of Nations has shown why.

There are those who would have us go back immediately, at one jump, to the old gold price of \$20.67 an ounce, and stop buying gold. Undoubtedly this would work much havoc, but it would do no more harm in reverse than the precipitate jump up in 1933-34. Yet that wrong does not warrant another. Furthermore, it is quite impracticable to try, by creating a new set of sufferers, to reimburse those who suffered then.

In this case the mischief could be lessened if we lowered the price of gold a little at a time, say a dollar a year for 14½ years. Even this would accomplish little. The price of gold is an arbitrary matter, based on common agreement. One figure is as good as another if everybody agrees. Anyhow, this would require agreement by all the nations of the world, which is, of course, impracticable, at least while the nations war.

When peace comes again there is a possibility, even though remote, of peace treaties and international conferences that will bring us a world standard as exact as the bronze bar in the Bureau of Standards in Washington that indicates what shall be a yard measure.

Meanwhile, although the probability of cash currency inflation is not enhanced by our huge gold supply, the menace of credit inflation hangs over us like a black cloud, adding to the fear on the part of our businessmen and our investors generally.

## Working for the Government

### EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY HON. W. ARTHUR SIMPSON, DIRECTOR OF OLD AGE ASSISTANCE FOR THE STATE OF VERMONT, AT BENNINGTON, VT., ON JANUARY 11, 1940

Mr. PLUMLEY. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I would like to include therein remarks made by the Honorable W. Arthur Simpson, the Director of Old Age Assistance for the State of Vermont, who, speaking in Bennington on January 11, said:

Working for government and living off government has become the great American profession and is continually being promoted, developed, and expanded. Practically every organized group in the United States is seeking subsidies, concessions, or benefits from the Federal Treasury. We pride ourselves on our adherence to the American system, when as a matter of fact the American system of government as our fathers and grandfathers knew it is fast vanishing from this country. Under our two-party political system militant minority groups exercise an utterly unwarranted influence because of their ability to play off one group of politicians against another. Only when the issue is clear cut, as in recent elections in California and Ohio, is the sanity of the American voter able to assert itself.

Working for government has become a highly technical and professionalized vocation. It has recently been estimated that out of every hundred persons in this country 22 are engaged in agriculture, 55 are in business or industry, 3 are receiving public assistance or relief, and 15 work for government. This takes no account of subsidies or benefit payments to special groups. The system of creating in government more jobs for more people to do less work is in full operation throughout the Nation. We may not have yet reached that happy stage in Vermont, but on the basis of national averages we should have about 90,000 persons, or nearly 25 percent of our population, working or indirectly supported by working for local, State, and National Government or receiving some form of public aid.

We have taxed and harassed private initiative and industry to the point of possessing the greatest accumulation of idle money in the history of this country. We are not only rapidly taxing our people still engaged in productive enterprise into public dependency, but we are busily mortgaging the future ambitions, abilities, and thrift of the younger generation and generations yet unborn. Even though great economies could or should be achieved in government, the gesture against increased taxation is futile

because both increased taxation and economies are now the only alternatives to inflation and repudiation.

We have inaugurated the greatest and most liberal program of social insurance and categorical assistance that the world has ever known. We have yet to learn whether our industrial system can support the colossal expenditures which will be necessary to support the programs. Everybody believes in the principles of social and economic security for our people, but we have apparently lost sight of the fundamental idea that security must be earned. Moreover, Americans are prone to be too impatient of results; we want to build quickly instead of soundly, and in recent years we no sooner adopt a new program than we are off on another high-sounding social experiment. Those who administer public assistance and similar programs are confronted with conditions, not theories. We are in a position to know how much they were needed and what they have accomplished, but we also realize how easily they can be wrecked. No one can disagree with a sound and humanitarian system of public assistance, but sound policies are only developed by patient understanding, economical administration, definite eligibility requirements, and a sound system of finance.

The complacency of the citizens of this country, when considering our financial situation, is disheartening. The general public has been so overwhelmed by financial fantasies running into the millions and billions that it has no adequate conception of the financial catastrophe which lies ahead.

We pride ourselves on our political affiliations, when as a matter of fact, both the Republican Party and the Democratic Party have undergone tremendous changes and bear little semblance to the party faith or policies possessed by them a few years ago. We may need a coalition form of government to solve the problems of the Nation and combat the continual clamor for increased subsidies or their equivalent from each and every group in our Nation.

### Dies Investigating Committee

### EXTENSION OF REMARKS

OF

HON. WILLIAM W. BLACKNEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. BLACKNEY. Mr. Speaker, I am emphatically in favor of House Resolution No. 321, a resolution to authorize the continuance of the Dies investigating committee for the purpose of investigating un-American activities. This is in pursuance of House Resolution No. 282 of the Seventy-fifth Congress, and the committee was authorized to investigate, first, the extent, character, and objects of un-American propaganda activities in the United States; second, the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of domestic origin and attacks the principle of our form of government as guaranteed by our Constitution; and, third, also other questions in relation thereto that would aid Congress in any necessary remedial legislation.

We hear a great deal on the floor of Congress in favor of freedom of speech. I know full well the constitutional provision which guarantees to each one freedom of speech. But I wish to call the attention of the House to this thought: That there is a vast difference between the freedom of speech guaranteed by the Constitution and unbridled license of speech as used by the Communists and radicals who do not believe in American principles.

I think the time has come in America when, instead of shedding useless tears in favor of those who do not believe in American institutions, we should pay some attention to the great mass of honest citizens who do believe in the Constitution and who do believe in the orderly processes of government.

In my judgment, one of the great causes of the spread of subversive doctrines in America has been the loose administration of our immigration laws. I believe in immigration properly regulated, but I do not believe in letting down the bars of immigration so that radicals from foreign countries who believe in every other "ism" but Americanism should be allowed to come to this country and spread their nauseating doctrine of hate.

I have every respect for those from foreign lands who came to the United States with the intent of making this

country their home, of becoming attached to American institutions, and who learn to love the Constitution of the United States, and who are willing to become American citizens, and do become law-abiding American citizens. For these people I have the utmost respect, but for those who come from foreign soils, unwilling to become citizens of the United States, unwilling to take the constitutional oath as citizens, but who come here for the sole purpose of undermining the principles of our Government—for those people I have the utmost contempt.

I think the quicker we put teeth in the immigration laws, the better for us. I think the quicker we deport aliens illegally here, the better for America. In other words, if aliens come from foreign soil, unwilling to adapt themselves to American principles and to become law-abiding citizens, let them be sent back to the land of their birth. America has no use for such people.

I can honestly state that the Dies investigating committee has done much to alleviate the radical situation in my home State, and the effect of this committee's activities, particularly in my home State, has been greatly beneficial and salutary. I am constantly receiving letters, letters by the hundreds, from patriotic citizens of my district, who stress the thought that the United States should free themselves from those radicals who do not believe in our form of government; that those who are here illegally should be deported; that the immigration laws should be greatly strengthened and then rigidly enforced. If we are to preserve the great heritage of American institutions and love of country, then this must be done, otherwise the great sacrifice made by loyal American soldiers who were willing to give their lives for the preservation of the Constitution and the American form of government was in vain. The great majority of legionnaires, of Spanish War Veterans, and of other soldier organizations are preponderantly in favor of the continued investigation by this committee.

I think this appropriation should be granted and the committee authorized to proceed fearlessly in their investigation, and let the chips fall where they may. There is no politics in this resolution. Every Republican, every Democrat, every man loyal to American institutions should stand back of this committee. I think the committee should be congratulated upon the splendid work that they have done.

I know full well the obstacles that have been placed in the committee's progress from certain sources, but again I state that if we are to preserve America, as you and I have been taught to believe in America, if the America of the future is to protect our boys and girls as we have been protected, then this committee should be authorized to proceed further.

I shall gladly vote for an adequate appropriation for this committee in order that fair and fearless investigations may be conducted, knowing full well that should this resolution carry, as I believe it will, that it will check the ruthless and subversive groups whose sole purpose is the change or destruction of America as you and I know it and the substitution in its place of a government that will not conform to the great American ideals which have been the actuating motives that have made America the leader of the world.

### The Natural Law

### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY THE MOST REVEREND JOHN F. O'HARA, C. S. C., D. D., AUXILIARY BISHOP OF THE UNITED STATES ARMY AND NAVY DIOCESE

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the Record, I include the following sermon



given by the Most Reverend John F. O'Hara, C. S. C., D. D., auxiliary bishop of the United States Army and Navy diocese, at "The Red Mass" Sunday, January 21, in the National Shrine of the Immaculate Conception.

"For when the gentiles, who by nature have not the law, fulfill the requirements of the law, these, though they have not the law, are a law unto themselves, showing as they do the demands of the law to be written in their hearts."—Epistle to the Romans ii: 14-15.

Every man who comes into this world, whatever be his color or nationality or social position, is a transient and a traveler. Since we have not here a lasting city he is destined for some point beyond his present dwelling place, and it is all important to know exactly what that destination is, if he would make certain of reaching it. It is useless, therefore, for him to talk about law until he has first determined whither he is bound. For law is ordained to point out his path and direct him in his course and he must of necessity know where he is going if he is to be directed there.

If man's end were this world; if he, like the beast of the field, perished when he drew his last breath, then the law of the jungle or the code of the libertine would suffice for him. If there were no reckoning to be made after his stay in this world, why should he work or suffer or endure poverty, if these things could be avoided? If by sloth or plunder or murder he could enjoy this life to the full, it would seem senseless not to use those means. Law in such case should direct him to the nearest tavern where he might eat, drink, and be merry, or to the nearest theater where he might have his fill of amusement.

But we know that man's destiny is not this world, and that the laws of expediency and of Bacchus are insufficient for his needs. "God created man of the earth and made him after His own image. He created of him a helpmate like to himself. He gave them counsel, and a tongue, and eyes and ears, and a heart to devise, and he filled them with the knowledge of understanding. He created in them the science of the spirit. He filled their hearts with wisdom and showed them both good and evil. Moreover, he gave them instruction and the law of life for an inheritance. He made an everlasting covenant with them, and showed them His justice and judgments, and their ears heard his glorious voice, and He said to them, 'beware of all iniquity.' And he gave to everyone of them commandments regarding his neighbor."—Ecclesiastes xvii: 1 et seq.

Man might object to being governed by the laws of another world while he is still living in this one, did not God see fit to instill into his very nature direction sufficient for his guidance. This direction is called the natural law, because it is inseparable from his very nature. The beasts of the field, having no power of reason, are led by God instinctively to their end. But man being a rational animal, the law which guides him must be based on reason so as to conform to his nature. Those who have lost their reason are no longer governed by the natural law. The law is, as it were, suspended in their case. That is why they are not held responsible for their acts. That is why the insane are not executed or imprisoned they are cared for in an asylum.

Every rational creature has a certain light from God that is totally lacking in the lower animals, and in those deprived of reason; a certain apprehension of good and bad in the intellect; a certain tendency in the will toward moral goodness and an aversion toward all evil. This apprehension is not studied but spontaneous, and it is before any knowledge that comes from study or revelation or human law and customs, although it exists side by side with them. It comes to us from our nature to enable us to lead a higher life than the animals, who are guided simply by sense. Some people refer to it as the natural moral law.

Conscience is certainly allied with the moral law, but should not be confused with it. Conscience is the intellect sitting in judgment on the moral goodness or badness of an act to be performed. Conscience takes into consideration much more than the natural law. Its conclusions are formed from every form of divine law that is made known to it, and its chief function is to reduce law to action and to make application to the particular cases which arise.

The natural law, as we know it, is man's participation in the eternal law, and its authority comes from God. It is false to say that there is no absolute standard of morality, which is everywhere and constantly identical. Morality is not made by kings or councils, nor does it depend on popular opinion or the customs and traditions of places. No human sanction, whatever be its power or however vast be the extent of its influence, can turn wrong into right. The reason it is so hard to blot out truth is because the conscience of mankind as a whole has a true instinct that prevails in the long run over any perverting of the moral code. For a time, it may be, the moral sense of a community or a country may be darkened owing to extraordinary circumstances. Wicked fashions may become more or less general; but the conscience of men in general is usually right. A prevailing moral code, such as divorce or birth control, that is at variance with the divine code of moral law does not become right from the fact that the state sanctions it and everybody is doing it; neither will it exempt transgressors from punishment in this world or the world to come. If men choose to ignore principles so that they may enjoy unlawful pleasures, their action does not abrogate those principles or render those men less guilty in the eyes of God. The very results of such actions will always enable them to judge which are false and which are true, regardless of custom.

Man, therefore, can offend against the natural law only under penalty of not obtaining his natural end. The obviousness of this fact is probably the cause of its frequent denial by people—people who would never fail to follow the maker's directions in the use of inanimate things. An automobile, for instance, must be used according to its maker's directions if it is to attain the end for which it was manufactured. It cannot be used as a pile driver or a rowboat without disastrous results. So, too, man must follow the directions of his Maker if he would attain his proper end. If he embraces something his reason tells him is evil he violates the end of his nature.

The dictates of natural law, then, are summed up in one general principle: "Do good and avoid evil." By a proper use of reason, man can live according to that principle. But because of man's weakness and his tendency to avoid things which are difficult, the natural law has been codified in the Ten Commandments and given in more elaborate detail in the human positive law. Lest man declare the natural law too vague to be understood, and for that reason invalid and inoperative, God has provided him with other means of knowing the precepts of this law.

A single example of how the principle of the natural law has filtered down into human positive law might be shown thus: The principle "Do good and avoid evil" is made more specific in the commandment "Thou shalt not kill." In turn this prohibition is enacted into human positive law which forbids murder and other forms of homicide. And it is further elaborated in divers statutes, such as those regulating the sale of firearms and even those regulating traffic, for it is admitted that the latter statutes lessen the loss of lives resulting from the use of motorcars. But without any of these last-mentioned laws, normal man knows from the dictates of reason that it is unlawful for him to kill.

It is true that not all positive laws can be traced back directly to the principles of the natural law, because many positive laws may be said to be morally indifferent. They are in themselves neither good nor bad. They are made for reasons of convenience rather than because their omission would be really harmful or the transgression of them a sin. But all those positive laws which direct man to his final end are based on the natural law and can be learned from reason by a normal individual. Human law-makers have, of course, not attempted to codify virtue in their legislation, and for this reason man in his journey to his final end will not always find a complete set of signposts along the way. Wherever the road is not marked by statutes of the positive law, man's reason must supply him with the necessary knowledge. In other words, the natural law must supply signs for whatever roads have been left unmarked by the positive law, and must even determine when a sign is turned the wrong way and may lead the traveler astray. It is not, then, God's will or a spiritual force of any sort that determines man's direction, but the natural law acting through reason.

Need I say, then, that whenever the proper end of the individual is lost sight of, lawyers, law schools, and governments go astray. The lawyer, for instance, who, rejecting God and eternity, thinks that man is answerable to no one except himself for his actions, who spurns all ideas of objective right and wrong, and sets utility as the norm of all human actions, will speedily annihilate reason, and strive for results rather than for justice. Perjury, intimidation, false witness are all lawful in his code, provided they serve the utilitarian purpose. That a just man has been sent to prison or the electric chair, or that a murderer is set free to do more murder, makes no difference to the man who has substituted utility for reason. His one and only determination is to win his case at any cost, and since he has eliminated God and destroyed reason he has nothing to fear as long as he evades the clutches of the civil law. I need not tell you that such characters exist, and that they dignify themselves by the name of lawyers. The gangster profession would die a natural death tomorrow if it were not for crooked lawyers who live on gold that these gunmen have taken at the point of a gun. In many ways they are worse than the gangsters because their profession marks them as protectors of the people, guardians of society, and they prey like so much vermin on the very people that their knowledge should protect.

Law schools which once taught law and its correlative justice have degenerated into institutions teaching laws rather than law. Some prominent schools are now even abandoning a teaching of laws as well as law, and they have preferred to ignore all norms of human conduct. Their students apparently have been tossed out of the lap of the empiricist and into the hands of no one—unless it might be the clairvoyant.

Governments become arbitrary dictatorships when they cease to be governments of law and become instead the vehicle of the whim of a ruler. Russia, in endeavoring to force communism upon its people, thought it necessary to destroy religion and to form anti-God societies so that the sanction of law might be destroyed in the minds of the people. If the state is supreme, if man is a subject of the state and has no rights except those he receives from the state, if the sanction of law comes not from God but from the dictator or his council, then there is nothing that the state may not demand from the individual, provided the ruler believes it to be for the advancement of the state. Purge after purge has taken place in Russia. Thousands have been executed in cold blood without even a trial because the dictator believed it to be for the benefit of the Soviet Union. Yet the rank and file of the Russian peasants have recognized the injustice of the dictator. No amount of propaganda has been able to vitiate man's reason to the extent of wiping out the natural law in the hearts

Russia took the children away from their homes, trained them in Government schools, forbade them to go to church, schooled them in atheism, and, at the end of 20 years of experimentation, has had to admit that religion is still strong among the people. Persecution and propaganda have not been able to destroy man's reason, and man's reason tells him that there is a God who rules the destinies of men and of nations; that man is dependent on God, that there is an eternity where the seeming inequalities of this life will be made equal, and the seeming wrongs of this life will be righted, and the peasants teach their children prayers despite the edict of the ruler, and steal off to places of worship, notwithstanding the prohibition of the dictator.

Since the natural law comes to man through reason, since through reason he is able to judge between good and bad, between right and wrong, it behooves the lawyer to develop reason assiduously and to use that faculty to the very best of his ability. And yet, sad to say, some so-called lawyers seem to cultivate every other faculty except reason. They depend on trickery or browbeating or the confusing of witnesses or the clever picking of a jury to win their cases. The justice of the case, the righting of a wrong, is not a consideration at all, or a very secondary consideration at best. To win a case on a technicality that violates justice, however clever it may be from the viewpoint of the magician, cannot win the acclaim of the moralist or the Christian gentleman. The lawyer should be a man of sterling character since the welfare of his neighbor is so often in his keeping, and since his neighbor puts so much confidence in his probity. He holds in the interpretation of civil law the same place that the clergyman holds in the interpretation of the divine law, and the binding force of both these laws is from the same source. If he is a man of sordid character, if he sells out the rights of his neighbor to the highest bidder, he is like the police officer who helps the burglar through the window of a neighbor's house, or like the clergyman who leads his flock away from the Master by his evil preaching and teaching and his own bad example.

My dear friends, we are united today at the foot of this beautiful altar, our hearts joined in prayer that the Holy Ghost may enlighten our minds to know and our hearts to do only what is just and good in the eyes of God. It is to the simple and good, to the "little children" that the Kingdom of God is made manifest.

May the Holy Ghost enlighten us with His wisdom and prudence, that the laws we make may be in accordance with the divine plan for our salvation, and that in interpreting and executing the dictates of right reason our model may ever be the Divine Judge to whom in the end, all of us must answer.

It is related of Roger Taney, brilliant Chief Justice of the Supreme Court, that one Saturday night in Baltimore he stood in line with other penitents at the confessional. A priest, seeing him, invited him to move up to the door of the confessional, saying: "Mr. Chief Justice, it is not right that a man as busy as you are should lose time here." And the great man replied: "Not Chief Justice here, but a prisoner at the bar."

My dear friends, if the lawyer and the lawmaker, the judge and the jury, will be guided habitually by this humble reflection of Judge Taney, there will be no fear that expediency will supplant justice in our land.

### The Dies Committee

### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

LETTER BY BRUCE HANNON, SECRETARY-TREASURER OF THE MARITIME FEDERATION OF THE PACIFIC

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to submit a letter from Mr. Bruce Hannon, secretary-treasurer of the Maritime Federation of the Pacific. I believe Mr. Hannon has made a very good appraisal of the work of the Dies committee.

The letter follows:

MARITIME FEDERATION OF THE PACIFIC,  
San Francisco, Calif., January 20, 1940.

Congressman L. E. GEYER,

House of Representatives, Washington, D. C.

DEAR SIR: A bill to continue the work of the Dies committee is scheduled to appear before the House Rules Committee January 22. We feel that we must express ourselves upon this issue so that you may know the opinion of the maritime workers on the Pacific coast toward the activities of this committee.

You have, undoubtedly, read some of the excellent detailed reports by various representative American groups on Congressman DIES' apparent aims and objectives. It is needless for us to go into detail on this matter except to point out that Congressman

DIES, in his report to Congress, listed 14 C. I. O. unions as Communist controlled. Among those numbered were the International Longshoremen and Warehousemen's Union, American Communications Association, and the National Maritime Union, which are affiliates of ours. Congressman DIES, nor any of his committee members, had the American decency to contact any official of the I. L. W. U. in order to verify the statement that the I. L. W. U. was Communist controlled, taking the word of such people as Larry Doyle and Harper Knowles, two antilabor elements that have been thoroughly exposed in Dean Landis' report on the Harry Bridges deportation case.

The facts he has found concerning the National Maritime Union have been based, almost entirely, upon the testimony of a thoroughly discredited and expelled member of the N. M. U., by the name of McCuiston. This person, at the present time, is under an indictment for murder, being accused of deliberately shooting down in cold blood an agent of the N. M. U. in New Orleans.

The same sources are responsible for the attacks made upon the American Communications Association.

We firmly believe Congressman DIES' whole efforts and activities are directed toward destroying labor organizations and every progressive element in these United States that in the least way, challenge the domination of that small circle in American society, whom Congressman DIES represents.

If Mr. DIES were honest in his attempts to uphold the Constitution of these United States and, in his own fashion, really endeavored to better the conditions of his own constituents, we could perhaps view with some leniency these things for which he is responsible. However, we must point out that Congressman DIES is nothing but the political expression of a State notorious for the prevalence of peonage, wage slavery, and poll-tax politics. Congressman DIES is so much a part of that notorious political machine entrenched in office through disenfranchisement of workers that he would not uphold the Constitution of these United States by voting for the antilynching measure, which, if passed, would make our Constitution a fact as well as a theory in the Southern States.

We believe that a vote for a new appropriation for the Dies committee will unleash another series of Palmer raids. We believe that these moneys can best be used to help alleviate the appalling distress so prevalent among the millions of unemployed citizens in these United States.

We suggest that a determined effort can be made to safeguard American democracy by removing the greatest threat to our Nation, which is unemployment and poverty. This means increased expenditures for relief, W. P. A., National Youth Administration, and C. C. C. campaigns.

Our American democracy cannot be safeguarded by forgetting our social needs and devoting moneys to witch hunts.

Yours very truly,

BRUCE HANNON,  
Secretary-Treasurer.

### Congratulations to Governor Heil

### EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. ELLIS. Mr. Speaker, one of the most promising signs I have seen of late is the Associated Press statement carried throughout the Nation on January 15 to the effect that Gov. Julius P. Heil of Wisconsin, on that day pledged himself to seek elimination of Wisconsin's 15-cents-a-pound tax on oleomargarine. He is quoted as follows:

GOVERNOR HEIL'S PROPOSAL TO ELIMINATE A TRADE BARRIER

We've only got one trade barrier—our tax on oleomargarine. I am going to try to eliminate that barrier by trying to educate our people against it. But while we're trying to work this thing out, the South shouldn't put a rope around our necks with retaliatory measures.

Governor Heil is very aptly referring to the possibility of the South placing similar boycott taxes on the products of Wisconsin, if the oleo tax is not removed.

One of the very purposes of our present form of government, as manifested by prohibitions in the Constitution against such taxes, was that free trade might be enjoyed as between the States, thus giving to each section of the Nation those natural advantages which it should enjoy. Almost immediately the States prospered, in contrast to the great trade difficulties that existed in the days of the colonies. The Wisconsin tax does not amount to much, for it brings in



only around \$15,000 annually, but it constitutes another of those barriers which automatically throw the South into the category of "colonial possessions."

The South congratulates Governor Heil on his statement. It will anxiously await the results.

## Twentieth Anniversary Dinner of the Federal Bar Association

### EXTENSION OF REMARKS

OF

HON. HATTON W. SUMNERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY HON. ROBERT H. JACKSON

Mr. SUMNERS of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Robert H. Jackson, Attorney General of the United States, at the twentieth anniversary dinner of the Federal Bar Association, Washington, D. C., January 20, 1940:

Almost exactly 6 years ago I arrived in Washington to become general counsel for the Bureau of Internal Revenue. Promising myself and my clients that it was for a year only, a good deal bewildered at the size and complexity of the Government machine I joined the ranks of Government counsel.

The Federal Bar Association promptly extended a hospitable hand. In it I found men and women who entered the Government service under many different administrations, who are divided in political affiliations, in social viewpoint, in race, and in creed. They are, however, in two things united—in devotion to the Federal legal service and in maintaining for that service the best ideals and traditions of our profession.

That spirit has been increased by the leadership of your distinguished toastmaster, with whom I worked in the field of legal organization long before I thought of entering Government service.

Your invitation to speak tonight was extended to the Solicitor General of the United, and as such I accepted it. Lawyers know that office as one of the few in Government where one's energies may be devoted to the philosophy of the law and to courtroom advocacy without having his mind constantly littered with administrative detail. Of course, the title gives the public some difficulty in understanding the function of that office. A high-school girl in Kansas recently wrote to me that her class was making a study of the Department of Justice, and she asked me to send her "all available free material on soliciting in the Department of Justice." Any humiliation from this incident was overcome a short time later when a niece of one of your members wrote home about her visit to Washington and referred to me as "the Celestial General." From such a pinnacle a mere Attorney Generalship would be a demotion. I congratulate Government counsel throughout the service that Francis Biddle, a lawyer known to many of them and familiar with the problems of government, has been willing to leave a lifetime judgeship to become Solicitor General. That reveals the esteem in which he holds that office—an office which involves the greatest professional opportunity and intellectual satisfaction of any in all the Government.

I accepted your invitation gladly, not merely because the invitation is in itself a compliment, but also because I was told that we would unite in honoring as the guest of the evening Mr. Justice Stone. Those who seek to combine high professional standards with public service could find no more inspiring example of each than in our guest tonight.

Harlan Stone would have become a great lawyer even if every law book in the world had been burned the day he was born. Underlying his scholarship is a fine native sense of ordered relations among men, of proper balance between property rights and personal rights, and of what is just and square in a work-a-day world. He is understanding toward the mistakes and weaknesses of his fellow men, and is impatient only of evil purposes or of bad workmanship. He shares wholeheartedly the democratic aspirations that have produced our great American experiment in government by the consent of the governed, and his service on the Supreme Court will be remembered for its statesmanlike as well as for its lawyerlike contributions to our constitutional development.

When I undertook to speak tonight, not being gifted with the foresight of a columnist, I did not know that I was to become his remote successor in the Attorney Generalship which he filled with such distinction.

It is not too much to say that he took it over at a time when the country felt actually unsafe because of the misuse that had been made of its powers. Happily no successor of his has ever

had a problem comparable to that which faced Harlan Stone. He cleaned house and accomplished a quiet regeneration of the Department of Justice. He reorganized the Federal Bureau of Investigation, put it on a professional basis, and properly confined its activities to investigation of violations of Federal law. He brought into the service of the Government clean, energetic, and nonpolitical lawyers, many of whom are with us still. Moreover, it is interesting to note that in some respects he anticipated the New Deal. For he recommended in 1925 four crime laws which did not become law until in 1934 they were enacted by the Seventy-third Congress, as a part of the crime-control program of this administration.

The rank and file of the Department cherish affectionately the tradition of an informal, democratic, easily accessible, kindly, and understanding Attorney General. He went into court frequently and personally took the heat of the opposition, because he had a deep devotion to courtroom work and to the development of the philosophy of the law which is the underlying function of advocacy. It is good for one's humility to engage in this personal advocacy. Every advocate knows within himself how inadequate is his performance compared to his opportunity—for he knows that his actual argument is never the stirring thing he planned, nor is it ever equal to the one he thinks of the night after. Attorney General Stone inspired his staff by example and by generous credit to those fellow workers on whom the record of every executive must so largely depend. It has been said that he regarded none of his lawyers as subordinate, but all as associates.

In this weird city, where so many are making speeches and so few listen to them, you may have overlooked a great speech by Mr. Justice Stone, which, both as a tribute to our guest and as an inspiration to our bar, should be republished in your excellent journal.

He welcomes searching criticism of our cherished professional ideals and traditions, including that of our leadership in public affairs, because to no other group in this country has the state granted comparable privileges or permitted so much autonomy. As victims of changes in economic and social life of whose nature and effect we are still not wholly aware, he says our need is not merely to focus our attention on petty misconduct in the disreputable outer fringes of the profession. Instead he goes to the root of the matter and shows that most of the mistakes and major faults of our time are to be ascribed to a failure to observe the fiduciary principle, old in equity and recognized by law—the principle of trusteeship, without which our kind of society cannot permanently endure. The lawyer in America, as he points out, has reached his highest position in public esteem in dealing with public questions which have become identified with forms of legal right, such as the historic controversies, out of which grew our Bill of Rights. He demands with earnest eloquence a fresh and active devotion on the part of men who wield power to the principles that govern trusteeship.

Justice Stone has thus summoned the bar to an old and exacting standard, but one entirely practical and attainable for Government counsel. Every lawyer, true to his profession, dwells constantly in a climate of confidence and of trusteeship, and in the daily admonition of law and of tradition that he must serve no end that conflicts with his trust. I have never hesitated to be a critic of my profession. Its performance of its social obligation is sometimes pretty bad. But it remains true that no group can show a record of higher average fidelity to its trust. Indeed it is probable that both the private and the Government bar more often err on the side of overzeal than on the side of betrayal of trust.

We lawyers, who sit temporarily in the position of Government counsel, are subject to admonitions to duty in office that those outside of the profession never know to exist. To every one of us, our standing among our professional fellows, our name among lawyers who are our most severe, yet most fair judges is a fixed asset compared to the volatile values of politics. And a lawyer's standard includes not only zeal to protect the interests of Government but also respect for the legitimate rights of adversaries. One of my able predecessors in the Solicitor Generalship reminded us that Government does not lose any case if, by its result, justice is done. Mere statistics of success form no criterion by which to judge Government counsel. Fundamental things in our American way of life depend on the intellectual integrity, courage, and straight thinking of our Government lawyers. Rights, privileges, and immunities of our citizens have only that life which is given them by those who sit in positions of authority.

In all of our doings there is of course a great difference between the mere belligerency and bluster that used to be the courtroom manner of the lawyer and the dispassionate pursuit of justice which our modern manner calls for. But Government counsel is not required to be dull in order to be temperate, nor is he required, in devotion to the ideals of his profession, to be so afraid of public movements and the intellectual or political currents of his time that he fears to endorse anything—except his pay check. We are citizens as well as lawyers.

Woodrow Wilson would deserve immortality had his only public service been to speak these lines:

"\* \* \* Every man who takes office in Washington either grows or swells. \* \* \* The mischief of it is that when they swell they do not swell enough to burst. \* \* \* But the men who grow, the men who think better a year after they are put in office than they thought when they were put in office, are the balance wheels of the whole thing."

No place in our profession offers greater opportunity and urge to grow than the legal service of the Government. In any of the departments, in the special agencies, in the Department of Justice, the daily tasks well done will soon make one a person of special authority in his line. The volume of experience, the intensity of it, the sheer pressure to explore special problems, can hardly fail to make faithful Government counsel, however humble his beginnings, outstanding among the competent men of his time.

A large and able and respected private bar is engaged in the work of molding the law slowly but steadily in the private interest. In its pleas and strategy it puts strong pressure upon courts and administrators to develop the science of law in the direction of extension of private rights. The response to that pressure must be exerted by us. We must guide the processes of our courts in the direction of the public interest if we are to avoid a one-sided evolution of the law.

We lawyers must at times risk ourselves and our records to defend our legal processes from discredit and to maintain a dispassionate disinterested, and impartial enforcement of the law. In spite of any temporary passion or hysteria, I have an abiding faith in the fairness and discernment of the sober second thought of the American people. We must have the courage to face any temporary criticism until this judgment arrives. The prestige of the law and the moral authority of our legal process rests upon their disinterestedness and impersonality. These ideals that we, as Americans, hold most dear are much a trust in the hands of Government counsel. We will keep the faith.

### Finnish Relief and Domestic Problems

#### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

#### LETTER FROM A CONSTITUENT AND ARTICLE FROM THE LOS ANGELES DAILY NEWS

Mr. GEYER of California. Mr. Speaker, under the permission granted me by this body to extend my remarks, I ask to have printed in the RECORD a letter from one of my constituents, and an article by the columnist, Ted LeBerthon, appearing in the Los Angeles Daily News.

The letter, followed by the article, appears below:

WILMINGTON, CALIF., January 17, 1940.

DEAR LEE GEYER: I am enclosing a clipping which reminds me of at least one actual case I know of where an almost tragedy occurred because of our W. P. A. policy of a 3-months lay-off. There were probably scores of more or less similar cases. Anyway, if there are to be loans floated for any purpose we have many heroic people who have uncomplainingly lived on a pittance and still kept their democratic ideals. When you find plotters, at least reported as such, you find they are not the downtrodden much maligned W. P. A. worker but members of swanky clubs and semi-militaristic organizations.

Now the Finnish people rate anyone's sympathy, but so did the Czechs, Slovaks, Abyssinians, and the people of Spain for that matter, to say nothing of the Chinese and let us not forget the Irish. We all have sympathies for suffering people, but where I live I can see a few without seeing them in the newsreel. I'm selling products from door to door now and meet some very different ways of living. Politicians aren't able to meet the people in their own homes as I do, and watch their struggles, successes, hopes, and failures. Many tell me their most private secrets because they figure it can't possibly be worth my retelling and they need a confidant. It amuses me to hear that there are no slums in California. Next time someone wants to find a few, have them look me up. They won't find them out Wilshire way or Orange Drive, but people do live in chicken coops and houses you can see through.

There are many other things we need to take up from a home standpoint, before we barge off to help people of another hemisphere. Does Hoover own stock in those nickel mines, or is he just one guy who still believes he could be President again if he wanted to be? Well, the people I've met never did catch up with those chickens, but a few are living in the garages with more room because of no car in them. Then, of course, they save money by not having to buy gasoline. This is no way a complaint against the Roosevelt administration because the chicken promises were pre-Roosevelt. In fact, I've had a few of the promised fowls only since he was elected. Many advances have been made—I'm an admirer of the housing projects and also have watched the F. H. A. houses going up with more than just interest. The farmers, small, aren't sailing as smooth as I'd hoped they would be by this time.

Guess the Associated Farmers are doing pretty well for themselves, however. Three cheers for LA FOLLETTE. Your letters are very good reading and I pass them along. When I see a connection between them and what I'm interested in, i. e., union auxiliaries, I'm always glad to have them to read to the meetings. Two so far have made the grade. As a junior member of Congress you probably can't make a big dent on your colleagues, but don't forget there have been young members before who were not afraid to stand by an idea until it was put across. I hope we are in agreement on the matter of staying home and keeping our dollars working in the Western World. I'm personally very fond of some Finns and I just met some interesting Norwegians, but I still think we have a battleground in Imperial Valley and portions of the South that have a prior right to our money and our sympathy. I won't say that I may not be voicing a popular sentiment, but it should certainly have a few adherents. Anyway, here is my vote on that particular problem.

Yours sincerely,

(Mrs.) FREDA LEE BRANNON.

[From the Los Angeles Daily News]

NIGHT AND DAY

(By Ted LeBerthon)

One day toward the end of last August a slight, grizzled, good-humored man with sharp features, graying hair, and hauntingly gentle eyes, was laid off one of the W. P. A. cultural projects in accordance with the ruling of the National Congress requiring all persons who had been on the project 18 months or more to take a 3-months lay-off. He had one of the better W. P. A. jobs and had been getting around \$90 a month. However, his wife had been a paralytic for some time and he had not only taken very tender personal care of her in his off-hours but had been under an almost insufferable burden of expense. But he was one of those men who never speak of their personal problems. On the project he was known for his quiet, infectious mirth and his faculty for lifting up the spirits of everyone around him. He was not only a very conscientious worker, but was almost always doing unobtrusive favors for his fellow workers.

He never spoke of his past, and it was doubtful if he had any children. It was only last summer that it became known that his wife was a bedridden invalid. And this was only learned because, in great joy one day, a joy that had to overflow, he told one other person in the office that she had actually gotten out of bed and taken a few steps. It seems that she had shown steady improvement under his wise, kind care. It was as if, under the sun of his love and laughter, no malady could long endure. And he had told this one person in the office how she had to learn to walk again, like a small child learning her first steps.

And then, as so often happens in modern life, a Nation-wide ruling affecting several million lives struck its cruel, impersonal blow that same week, almost as if it were directed at him alone personally. But so, of course, must the blow have seemed to hundreds of thousands of human beings. He was laid off, and it was quite a shock.

He wanted to keep it from his wife, but that was impossible. He was up to his neck in debt through her long illness, and had no money saved so that he might seek work in private business or industry, so hard to find anyhow, especially for a man of his years. So he hurried with pounding heart to the State relief administration office, and got on relief, knowing that after 3 months he could possibly be recertified back to the W. P. A. rolls.

Somehow, he could not manage the old smile at home. His wife saw he had been hurt inwardly. The reason was because the relief budget would not be sufficient to keep her under as good medical care as had been provided by her poor old loyal helpmate when he was on the W. P. A. pay roll. There was a nervous tension set up in the household, and a few days later she suddenly went to pieces. It was a serious relapse this time, and her physician said it would be absolutely necessary for her to be removed to a sanitarium.

A sort of hysteria had taken possession of her. She and her husband, it turned out, had gone through long years of one adversity after another, and she simply hadn't been able to stand up under any more worry. So the S. R. A. had her moved to a county sanitarium, where she has been ever since. And there her husband visited her faithfully.

A little before Christmas he had a piece of good luck to tell her about. He had been recertified back to the W. P. A. at his old salary. He was working again. This was very happy news because he had walked a good deal of shoe leather off trying to get a job in private business or industry. The "economy bloc," which sponsored the lay-off measure in Congress, had believed that private industry would absorb many of those laid off. But private industry had only absorbed some 5 percent. Locally, the aircraft industry had been about the only one to absorb anyone, and it absorbed only younger men with plastic minds, men who could learn aircraft construction. "You can't teach an old dog new tricks."

Furthermore, the increase in aircraft employment had merely been due to foreign war orders, and orders based on the apprehension of war, which is always a profitable business for a few international money lenders. Anyhow, the slight, gentle, grizzled man was happy to be back on the W. P. A.

He had some happy meetings thereafter with his wife in the county sanitarium. He bought her several needed things for Christmas. He told her he was planning, with his first full W. P. A.



pay check, to brighten up their home a little, so that it would be nicer for her when she eventually came home.

Shortly after New Year's Day he noticed a letter from the S. R. A. on his desk. He opened it. It was another blow. He had thought his wife was being cared for gratis. He learned that under a ruling which made no exceptions he would now have to pay the S. R. A. \$90 for the back care of his wife for 3 months past in the county sanitarium, and \$30 a month henceforward, seeing that he was back on the W. P. A. We human beings are prone to dream and he had been dreaming of better times ahead, with a little surplus, having no idea whatsoever that he owed \$120 already for his wife's care.

The next day he appeared at work as usual. And as usual he smiled gently, helped everybody he could, and said friendly things in his husky, low-pitched voice, a voice no one had ever heard him raise, either in anger or astonishment. However, late in the afternoon one of his fellow workers told another that he had seen the slight, sharp-featured man crying. He had seen him standing behind some files, with tears rolling down his cheeks and his small fists clenched together as if in desperation.

They were futile tears, of course, because no local official of the Work Projects Administration or State relief administration could change rules. The fellow worker who had seen him weeping had said nothing, because grief is usually very private, and it is embarrassing to catch a man who is in his fifties weeping. So no one then knew what he was weeping about.

The day after that was his day off, and it rained most of the day. But he made the long trip to the sanitarium to see his wife. They had been married a long time, and she depended on that weekly visit, and he loved her, which is perhaps explanation enough. Anyhow, he refused to let a little thing like a driving rain bother him.

But he had been so churned up, so agonized inside, and had been so tense and strained trying to smile in chatting with his wife; and he had been so careful to hold back the impulse to tell her about owing \$120 for her care to date; that when he left her a reaction set in, and he felt ill and feverish.

He got caught in a pelting rain, and when he got home was drenched and coughing badly. So he went to bed. When he awakened the next morning his small chest was as if held in a vise. He ached and pained all over and could scarcely get a breath. He tried to get up, but collapsed and fell down and could not get up again.

A neighbor, coming in by chance, found him and soon an ambulance had come over, and he was taken to a hospital, where the doctors said he had a bad cold in his head and chest, principally induced by a severe case of nerve exhaustion abetted by the exposure.

Pneumonia set in and two days later he died.

A few days ago he was buried. His wife, at the time, did not even know he had died. Just some of the fellows from the Work Projects Administration office, and a couple of old friends, and a neighbor or two turned up to hear the ever strangely stirring words of eternal faith, hope, and love: "I am the resurrection and the life: he that believeth in Me, although he be dead, shall live; and every one who liveth, and believeth in Me, shall never die."

No one in the office knew anything of the slight, grizzled man's past, but his fellow Work Projects Administration workers are wondering if ever again anyone will appear in that office who will do so many little things with such unobtrusive kindness, and with such a happy faculty for lifting up the whole tone of the office. And I am wondering how many other obscure tragedies were set in motion when the "economy" bloc in our National Congress experimented with so many thousands of lives. But, I suppose, "rugged individualists" will experiment.

### Flood Control

#### EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

EDITORIAL FROM ARKANSAS GAZETTE

Mr. ELLIS. Mr. Speaker, on January 16 there appeared in the Arkansas Gazette a most excellent statement regarding the administration's proposal, through its Budget recommendation, to reduce the amount to be expended for flood control in the Nation for 1941 from \$135,000,000, which was appropriated last year, to \$70,000,000. I quote the article in full:

[From the Arkansas Gazette]

President Roosevelt's Budget estimates for next year allow money for only about half the flood-control construction Army engineers report they could carry on in the alluvial valley of the Mississippi,

and only one-third as much general construction of that kind as they are in position to proceed with during the 1941 fiscal year.

Of course Government spending must be cut down if deficits are to be reduced and the Treasury's books eventually brought back to balance. It is said with a good deal of truth that when Congress begins considering retrenchments everybody couples his approval of economy with: "But don't cut me."

It certainly seems, however, that any justified flood-control project—any project that plainly must be constructed if adequate protection from flood damages and danger is to be provided—should be carried through as soon as is feasible. Flood control is one field of Government activity where the cost of prevention is repaid, many times over in some instances, by the losses that are escaped.

The \$70,000,000 recommended by President Roosevelt for the 1941 general flood-control program compares with \$208,000,000 which the engineers have reported they could profitably expend, and with an actual appropriation of \$133,000,000 for this year, when according to the engineers \$195,000,000 could have been profitably spent. For the alluvial Mississippi Valley the Budget proposes \$30,000,000, while the engineers report that they could expend \$50,000,000 with benefit.

The Mississippi Valley projects for whose early completion Arkansas is specially concerned include the Wappapello Dam and Reservoir to reduce flood crests on the St. Francis River, and the White River backwater levee. Approved Arkansas projects on the general flood-control program comprise the Blue Mountain and Nimrod Reservoirs in the Arkansas River drainage basin; the Clearwater and Norfolk Reservoirs in the White River Basin. Over the generations floods on these rivers have inflicted immeasurable losses and suffering.

### Reciprocal Trade Agreements Program

#### EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

STATEMENT BY HON. HENRY A. WALLACE

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a very excellent statement made before the House Committee on Ways and Means by the Secretary of Agriculture, Mr. Wallace, on the reciprocal trade agreements program.

There being no objection, the statement was ordered to be printed in the Record, as follows:

When your chairman invited me to come here today to discuss, from the point of view of agriculture, the desirability of continuing the trade-agreements program, I was glad to accept. The fact that I did not appear before your committee in 1937, when the Trade Agreements Act was up for renewal, was interpreted by some as meaning that the Department of Agriculture was not in accord with the trade-agreements program. Because of that interpretation I addressed a letter to your chairman on February 8, 1937, stating emphatically that the Department of Agriculture was in accord with the program and giving the reasons why. Later I amplified those views before the Senate Finance Committee. In concluding my statement before that committee in 1937, I said:

"\* \* \* The Department of Agriculture does not consider the trade-agreements program a cure-all for our agricultural problem or a substitute for other farm programs. We do consider it an important and highly desirable supplementary program. \* \* \* We cannot get away from the fundamental fact that our agricultural plant, as it exists today, will in years of ordinary weather produce more than can be consumed at fair prices within the United States. We believe that it is extremely important to maintain, on a sound basis, as large a foreign outlet for our export products as possible, consistent with sound soil-conservation practices. We believe that this can only be done through permitting larger imports of goods and services from abroad to pay for our larger exports and through securing reductions in extremely high foreign-trade barriers. The trade-agreements program is making definite progress along this line."

I stand on that statement today. Even though the trend of world events has kept the trade agreements from having the full beneficial effects on international commerce and on our exports of farm products that we had hoped they would have, the program has been distinctly worth while. I believe that, from the standpoint of agriculture, as well as the welfare of the Nation as a whole, discontinuance of the authority to conclude reciprocal-trade agreements would be extremely unfortunate. A program of this kind will be particularly important in the days of a post-

war world, which all of us, I am sure, sincerely hope are not too far away.

I came here today primarily to make a positive statement as to the position of the Department of Agriculture on the question of the continuation of the trade-agreements program. I hope that I have made that position clear. It is not, I take it, my place to discuss at length the more general aspects of the program, its legal basis, or the actual accomplishments in the way of agreements concluded, concessions given and obtained, and the like. These matters will be covered fully by others and particularly by the Department of State, which has the program directly in charge.

But I do think it will be appropriate for me to comment briefly on certain phases of the program that bear most directly on agriculture. These are phases on which much has been said already and on which much more will doubtless be said in the days and weeks immediately ahead.

First, I wish to refer to the perennial question of agricultural imports. It has been charged repeatedly that the trade agreements have caused a flood of agricultural imports and by so doing have ruined particular agricultural industries. Presumably this refers to the effect of duty reductions on particular agricultural imports.

Now what are the actual facts? Well, one fact is that imports of agricultural products of a kind similar to those produced in the United States rose considerably during the first 2 or 3 years following the original enactment of the Trade Agreements Act. But this rise in imports can be entirely explained by two developments. First, there were the disastrous droughts of 1934 and 1936, which made it necessary for us to import a relatively small amount of certain products, which are ordinarily on an export basis, in order to supplement our much reduced supplies. The second development was the improvement in economic conditions in the United States which, as is always the case, led to increased imports of certain products which are regularly imported into this country because our production does not equal our own requirements. A case in point is wool.

It should only be necessary to point out that in all of the more important cases of increased imports, such as wheat from Canada, corn from Argentina, wool from Australia, and hides from Argentina, there had been no change whatever in the tariff rates established in the Smoot-Hawley Tariff Act of 1930, to dispel the myth that trade agreements were responsible for the temporary rise in imports during the middle thirties. I say "temporary" because since 1937 imports of the so-called competitive products have declined to approximately the level that prevailed in 1934 and 1935 before the trade-agreements program had really gotten under way.

It is also a fact that some reductions have been made through trade agreements in the duties on agricultural products. But I do not know of a single case where such duty reductions have seriously inconvenienced an American agricultural industry. As a matter of fact, in cases where a damaging influx of agricultural products might take place as a result of duty reductions, meticulous care has been taken to see that safeguards were introduced to prevent such an influx.

Numerous examples of such safeguards might be cited but I shall refer to only one—that on cattle. In the first place, in the trade agreements with Canada the duty was reduced only on the kind of cattle which Canada predominantly supplied, namely cattle weighing over 700 pounds and calves. This made it impossible for Mexico, the only other source of cattle imports into the United States, to bring in any large quantity of cattle under the duty reduction made in the agreements with Canada. In the second place, the duty reduction was made applicable only to a certain number of cattle. In the first Canadian agreement of 1936, this number, in the case of heavy cattle, was 156,000 head annually. In the second Canadian agreement, which replaced the first agreement in 1939, the number was 225,000 head. The first number represented about 1 percent of our estimated total cattle slaughter in 1935 and the second, 1.5 percent of our total slaughter in 1938. But, in the case of the larger number in the second agreement, the further precaution was taken to limit the imports in any one quarter to not more than 60,000 head. This step was taken partly because of the complaints under the first agreement that, while the number involved was small, the fact that they could all come in within a limited period was likely to result in damaging competition.

Now it has been argued and it doubtless will continue to be argued that, while the quantity of cattle imported from Canada under the trade agreement is quite small in relation to our total cattle slaughter, the arrival of such cattle on particular markets in particular days causes a glut which results in reduced prices in that market. Some even go so far as to say that this reduction spreads then to markets throughout the country but the Department of Agriculture has seen no concrete evidence to this effect. It may be admitted, however, that the arrival of a certain number of cars of Canadian cattle at a market which has already received a much larger percentage of domestic cattle might cause a temporary market decline. This is not a peculiar attribute of Canadian cattle. Such a decline will just as certainly take place under similar conditions upon the arrival of a small number of cars of domestic cattle.

Whatever may be the case with local market situations, it is an undeniable fact that prices received by domestic producers of cattle in the United States since the enactment of the Trade Agree-

ments Act have been consistently higher than they were in the period immediately preceding the program, and in some cases as high as they were back in the pre-depression years. As a matter of fact, even in 1939, when imports of cattle reached record levels, the farm price of cattle was at or above parity every month of the year. Actually the prices received by American cattle producers are determined almost exclusively by the number of domestic cattle produced in a given year and the economic conditions in the United States during that year. If these conditions are such as to make for high prices, then we shall have some imports of cattle. If they are such as to make for low prices, then we shall have only small imports of cattle, notwithstanding the concessions made to Canada in the reciprocal-trade agreements.

Here is another point on imports: There has been a good deal of loose talk about agricultural industries being singled out for sacrifice in the trade-agreement bargaining process. There is absolutely no foundation for such statements. In the first place, reference has already been made to the fact that, when necessary, special safeguards, such as customs quotas, have been introduced in connection with duty reductions in trade agreements. These customs quotas (with only one or two exceptions) have been applicable to agricultural products. Furthermore, an analysis shows that, on the basis of 1937 trade figures, only 14 percent of the total imports of agricultural products into this country are affected by any of the duty reductions made under the trade-agreements program up to November 1, 1939. On the other hand, almost 22 percent of the imports of nonagricultural products were affected. Of the 14 percent of agricultural imports affected, almost half consisted of sugar, the imports of which have been subject to strict quantitative limitation, and have not prevented the total acreage of sugar beets and sugarcane harvested for sugar in continental United States in 1939 from being the largest in our history. In short, the part of our agricultural imports that have been affected by duty reductions under trade agreements is only about one-third as large as the part of the nonagricultural that have been affected. This does not look as though agriculture has been sacrificed on the altar of trade agreements.

Within the last few weeks there has been a great deal of agitation, on the part of opponents of the trade-agreements program, over the supposed harm that was going to come to agriculture from a trade agreement with Argentina. As you know, the negotiations for such an agreement have been recently terminated. Enemies of the trade agreements now assert that this break-down of the Argentine negotiations is just a subterfuge, and that as soon as the act is extended the Argentine agreement will be concluded and agricultural interests in the United States will be sacrificed to Argentine competition. But this accusation overlooks two things: First, it overlooks the fact that an important reason for the break-down of the negotiations was the firm stand made by the United States Government for quantitative limitations on the amount of competitive farm products which could be imported under a reduced tariff; second, it overlooks the reputation for integrity of Secretary Hull and his associates. Anyone who knows anything at all about Secretary Hull knows that the kind of trickery which is now being imputed to him is entirely foreign to his nature. If the handling of the Argentine negotiations proves anything, it proves that this administration is looking out for the interests of agriculture and is not sacrificing the interests of agriculture to those of industry.

It is remarkable what can be done in demonstrating a preconceived notion by the careful selection of figures. For instance, opponents of the trade-agreements program have frequently compared our agricultural imports during 1932 with those during 1937. During 1932, because of business depression in this country and large farm surpluses, agricultural prices hit bottom and farm imports reached an extremely low point; whereas imports were much higher in 1937, when business was at a post-depression peak and our farm prices, which had been substantially strengthened by the operation of the Triple-A program, had been boosted to an even higher level by the extraordinary droughts of 1934 and 1936. A precisely opposite impression as to the effect of trade agreements on agricultural imports would be shown if one were to select a figure for any year during the 1920's and compare it with imports in any year since the trade-agreements program became effective. I shall not engage in any statistical legerdemain of this kind. But I do think it is legitimate to point out that the imports of agricultural products into the United States of a kind similar to those produced in this country were smaller in the last fiscal year, 1938-39, than they were in the first year of the trade-agreements program, 1934-35, and were less than half as large in terms of value than were the average annual imports of such products during the entire decade of the twenties.

So much for the matter of imports. In the case of exports it is also possible to distort the figures by a deliberate choice of particular years, since, in this case, too, factors other than trade agreements have played a large part in the ups and downs of agricultural exports in recent years to such an extent as largely to obscure the effect of trade agreements. The most important of these, of course, is the droughts of the middle thirties. But there is one comparison which it seems to me is valid. That is the trend of our farm export trade with countries with which we have concluded trade agreements as compared with those with which we have no agreements. For example, our agricultural exports to the 16 countries with which trade agreements were in effect during the entire fiscal year 1938-39 were 15 percent larger than the exports to the same countries in the fiscal year 1935-36. On the other hand, our



farm exports to all other countries declined 19 percent during this particular period.

This, it seems to me, is concrete evidence that the trade agreements have been getting results from the standpoint of improving the foreign market situation for our agricultural export products. Nevertheless, it must be admitted that our agricultural exports have not gotten back to predepression levels. The outstanding reason for this is to be found in the rise of the totalitarian states during the 1930's. The economic policy of these states, particularly that of Germany, has been directed toward national self-sufficiency with respect to foodstuffs and agricultural raw materials. Moreover, the vast expenditures for armament in practically all European countries in recent years has without doubt diverted a vast amount of purchasing power away from our agricultural export products.

There is another aspect of the relation of trade agreements to agriculture upon which I should like to touch briefly. It is frequently assumed that any bargaining power used to obtain improved export markets for our manufactured goods is wasted so far as agriculture is concerned. This is by no means the case. Improved export outlets for our surplus industrial products cannot fail to improve economic conditions and purchasing power in our industrial centers and thereby improve our own domestic markets, which are, of course, the most important markets for our agricultural products. For instance, the increase of almost \$100,000,000 a year in exports of manufactured goods to Canada since the first trade agreement with that country has certainly raised urban purchasing power in the United States for our agricultural products above what it would otherwise have been. Moreover, it has benefited not only our great export products but also, and especially, such products as beef, milk, and eggs, which depend almost entirely on the domestic market.

It is my opinion that the trade-agreements program has made remarkable progress in the face of extremely adverse conditions. But it is also apparent that the program was not able entirely to overcome these conditions. That is not the fault of the trade-agreements program. If the program or a similar one had been given a chance to operate a few years earlier, it is entirely possible that the conditions underlying the growth of totalitarianism might have been ameliorated to such an extent as to have largely avoided its subsequent growth. That is something upon which we can only speculate. The fact is that the trade-agreements program did make remarkable progress in certain countries but not in the countries which for one reason or another adopted national self-sufficiency as their primary goal.

It is my feeling that little progress in the way of trade agreement negotiations can be expected in Europe during the continuation of the European war. I do feel that the trade-agreements program can operate usefully in Latin-American countries, that it will help to build up a feeling of solidarity in the New World, and that in contributing to such a feeling of solidarity it is valuable peace insurance.

I am strongly in favor of closer relations between the countries of the Western Hemisphere. But I do not believe that even the Western Hemisphere as a whole can expect to remain unaffected by chaos in the rest of the world. The United States and its Latin-American neighbors should, in their own interests, look forward to positive collaboration in the reconstruction of international economic relations after the war is over. It seems to me that the trade-agreements program, conducted much along the line that it has been conducted in the last 6 years, together with special international agreements in the case of such commodities as cotton and wheat, can be an extremely important factor in the economic reconstruction of the post-war world.

In the current debate over details of the trade-agreements program, I believe there is danger that the real issue, so far as agriculture is concerned, will be overlooked. That issue continues to be, as it has been ever since the World War, the question of what kind of tariff will really benefit the American farmer.

On the theory that high tariffs would cure the agricultural depression which set in after the first World War, the Fordney-McCumber Tariff Act was passed in 1922 and the Smoot-Hawley Tariff Act was passed in 1930. Both these tariff acts, in their initial stages, were supposed to give relief to the farmers by eliminating foreign competition. Actually, in both instances, the industrial interests, which long have fattened on tariff protection, seized the opportunity to boost their own tariff walls. The net result, especially in the case of the Smoot-Hawley tariff, was great injury to the farmers through the loss of a large portion of their foreign markets.

I do not have time today to go into detail concerning the results of that "tragedy of 1930," but the whole world today is paying the cost. The acts and policies of the United States in the international sphere during the twenties and early thirties—combining as they did the stimulation of foreign loans and the insistence on collection of the war debts with the erection of higher and higher tariffs—these acts and policies threw the tremendous prestige and commercial power of this country on the side of the restrictive forces at work in the world. After the Smoot-Hawley act was passed in 1930, foreign countries felt obliged to erect prohibitive trade barriers in retaliation, international trade swiftly dried up, and what started out as a mild recession soon became a world-wide economic disaster of cataclysmic proportions. The financial collapse of Austria was followed by the financial collapse of Germany, the abandonment of the gold standard by England, the bank panic in the

United States, the rise of totalitarianism in Germany and other capitalistic countries, the break-down of the League of Nations, and finally a major war.

All this is past history and would not need to be recited here, except for the fact that the industrial interests which are trying to scuttle the trade-agreements program are apparently preparing for another "tariff grab" like those of 1922 and 1930. They are apparently attempting to induce certain farm interests and certain labor interests to act as the shock troops in this campaign, so that they themselves can stay in the rear and come up in time to walk off once more with the major share of the booty.

There is always a certain amount of enticement for the farmers in talk about raising tariffs high enough to shut out competitive imports entirely. There is no doubt that farmers are as much entitled to tariff protection as any other group. If the kind of protection given them in the Fordney-McCumber and Smoot-Hawley Acts had really helped them, then there would be ample reason for repeating that kind of help today. But the events of the last 15 years show how desperately injurious that supposed help for agriculture turned out to be. To repeat it now would be the height of folly.

As I said a moment ago, the farmers are entitled to effective protection. They fought in vain all through most of the 1920's for such protection in the form of the McNary-Haugen bill, with its equalization fee. They finally got such protection in 1933 in the form of the processing tax, only to lose it again when the Supreme Court killed it in January 1936. Now they are working for such protection again in the form of the proposed farmers' income certificate plan, which would guard the prices of their important export commodities against the impact of world surpluses.

From the standpoint of the friends of the trade-agreements program, there would be a great advantage in the enactment of some such plan as the farmers' income certificate plan, in preference to another tariff boost like that in the Fordney-McCumber and Smoot-Hawley Acts. That kind of tariff interferes so seriously with foreign trade as to dry it up entirely, whereas the farmers' income certificate plan would permit international trade to increase in a healthy manner through the assistance of the trade agreements.

I am mentioning this aspect of the agricultural problem here because it has such a close relationship to the trade-agreements program. The position of the Department of Agriculture is that the interest of agriculture would be best served by a program which combined the trade agreements, special international agreements to assure our fair share of the world market for such commodities as cotton and wheat, and some plan like the farmers' income certificate plan which, without interfering at all with foreign trade, would give the farmers' income equality in the domestic market.

### Jewish Exiles in Poland

#### EXTENSION OF REMARKS

OF

HON. WILLIAM H. KING

OF UTAH

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

LETTER FROM OSWALD GARRISON VILLARD

Mr. KING. Mr. President, daily we receive authentic information concerning the cruel and sadistic policies of Hitler, and his efforts to destroy large numbers of persons of the Jewish race, as well as other residents of Poland, Austria, and Czechoslovakia. The Nazi Government has robbed millions of persons of their possessions, and has adopted policies which have resulted in the death of hundreds of thousands. Hitler is making of Poland a concentration camp into which thousands and tens of thousands of persons are herded, where many of them will die as a result of the persecutions to which they are subjected.

I have here a copy of a letter written by Oswald Garrison Villard, a distinguished American, a man of ability and courage. He recently visited Germany and other European countries; and in his letter he describes some of the tortures and cruelties to which the people of Poland, Austria, and Czechoslovakia are subjected. He states that unless the Germans are defeated in this war the only hope that remains to many of these persons who are the victims of Hitlerism

is for the people of other nations to protest against the concentration-camp policy, and to keep up the protest. Mr. Villard is not alone in his condemnation of the brutalities of the Nazi Government and the barbarous treatment to which the Jews and others are subjected by Hitler.

I ask unanimous consent to have the letter printed in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times]

JEWISH EXILES IN POLAND—MR. VILLARD REVEALS HORRORS OF HITLER INFERNO IN LUBLIN AREA

TO THE EDITOR OF THE NEW YORK TIMES:

The American public should not be misled by the news that Hitler has temporarily stopped the forced migration of the Jews of Germany, Austria, Czechoslovakia, and Poland to the so-called Jewish state in Poland. If this horror has been held up for the moment it can only be a temporary interruption, for the determination to wind-up the Jewish situation in this way was manifest when I was recently in Berlin. The explanation undoubtedly is that reported by the London Daily Telegraph at the end of November—that an outbreak of typhus and other contagious diseases had occurred among the 40,000 to 50,000 people already jammed into what was intended to be the greatest concentration camp in history, and if the policy is continued will become one vast charnel house. For sadistic cruelty—yes, for deliberate wholesale murder—I know of nothing in history to surpass this atrocity. It is reported that the land near Lublin which has been assigned for this purpose is the worst in Poland, but that is relatively of no importance. If it were the very best soil available in Europe it would in nowise mitigate the savage and deliberate intention of Hitler to destroy what is left of the Jews in this way.

#### ROBBED AND EXILED

The week before I was in Vienna 84 Jews who had been summoned to leave for Poland committed suicide, of whom 36 were women. Every remaining Jew, wherever he may be in Germany or in Czechoslovakia, sits in his home expecting with every ring of the doorbell that his death sentence has arrived. Those who have been selected are compelled to leave on 24 hours' notice and are allowed to take with them only 300 marks and such clothing and belongings as they can carry—of course, few of them have the heavy winter clothing needed for the trip to Poland. They are robbed of all they possess in accordance with Nazi custom, for they are deprived of furniture, property of all kinds, jewelry, etc., which are at once appropriated by the Government. The victims are jammed into open cattle cars without heat or conveniences of any kind or proper food. They are days on the road, for the trains proceed as if they were freight trains, under conditions that would be forbidden by law if the contents of the cars were cattle and not human beings. I have seen letters to American consuls protesting against these horrors, letters written by Aryan Germans who said they could not stand it any longer without appealing to the United States Government to protest in the name of humanity. I still hope that the Government will do this, just as it protested during the administration of Theodore Roosevelt against the Kishineff massacres. Those massacres horrified the world then and were stopped by public opinion in Europe and the United States. They were merciful compared to what Hitler is doing.

#### PROTEST IS URGED

The only hope that remains, unless the Germans are defeated in this war, is to protest against the concentration-camp policy and to keep up the protest. I believe that if it is in any way possible and the infectious diseases are stamped out, Hitler will again undertake the enforced transportation of the remaining Jews. He is obsessed with this policy of moving minorities, just as he has moved the Tyrolean Germans and is moving the 800,000 Baltic Germans. When the latter arrive in Germany they are met by officials and committees and Red Cross delegations, and all sorts of preparations are made in advance for their reception and their housing. They are, moreover, to be paid for the properties they have to leave behind them. By contrast, no arrangements whatsoever are made for the transportation of the Jews to Poland. They are simply jammed into this camp with their 300 marks and, according to the statements made to me by reliable persons in Germany, are left to starve or perish or to find meager shelter in homes abandoned by the Poles who have been moved away. When it is considered that the large majority of the victims of this policy are people of refinement and culture, or white-collar workers not accustomed to bitter hardships and exhausting manual labor, the deliberate wickedness of the whole undertaking becomes patent and undeniable. Of course, nothing is known of this by the German people; I saw not one reference to it in the German newspapers during the nearly 4 weeks that I was there. What news has come out has found its way chiefly to Holland.

It is my earnest hope that the Times will continue to focus public attention upon the plight of the Jewish victims of Hitler bestiality.

OSWALD GARRISON VILLARD,  
New York, January 4, 1940.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

#### EDITORIAL FROM THE EMPORIA GAZETTE

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Emporia Gazette of January 18, 1940:

[From the Emporia Gazette of January 18, 1940]

#### A WARRIOR BOLD

Americans might as well make up their minds to it, that the old idea of a high protection, which was merely socialistic subsidizing of various industries, is impossible in the world economy as it stands today. Some tariff? Yes; but not log-rolling high tariffs, not the Smoot-Hawley bill. One of the things that brought about the depression was the Smoot-Hawley bill. The Gazette said so at the top of its lungs before the Smoot-Hawley law was finally formulated, while it was passing, and after it had become a law. That tariff law was an offense against economic stability, not only in the United States but all over the world. It is one of the sad, terrible commentaries on the present Democratic administration that it has neglected so long to revise the Smoot-Hawley tariff law.

The principle of reciprocal tariff to undo and offset the Smoot-Hawley tariff is entirely defensible upon the theory of our national economy. Of course, in any Congressman's district he can take counsel of his fears and vote against this tariff by scaring his constituents to death about the damage it will do to their local special industries. For instance, take cattle: The increase of the percent of total imports of cattle—say 44 percent—is frightening. But that 44-percent increase is only 8 percent of the cattle inspected and probably about 5 percent of the beef actually consumed in the United States. That is a small percent. It has not seriously affected the average annual price of cattle.

We are fundamentally in disagreement with Governor Ratner and the Kansas Congressmen and Senators who opposed these Hull treaties. For these treaties surely strengthen our national economy. They certainly bring in more business and more money to the country than they take out. Unless we see our national economy as a whole and national prosperity as a unit, we never can recover. We can't recover by patching up a hole here and plugging a hole there in our economy. We cannot recover unless we plan recovery on a Nation-wide scale.

If, for instance, the farmers of Kansas are scared of these treaties because of what they will do to the farmer, the Kansas farmer should remember that the farmer will never be prosperous until the Nation as a whole has prospered also. These treaties certainly do work for national prosperity. If, when the treaties are in force, it is found that the farmers are bearing too much of the burden, which may easily be true, then subsidize the farmers directly. But don't stop the rise of national prosperity by timidity about individual losses. If times are good, prices will be good everywhere.

Another and most vital thing: The peace of the world depends first upon the international flow of goods, to give all nations of good will access to raw materials, and second upon mutual economic help among nations. Economic supernationalism has led the world into war. Unless there can be among the civilized nations of the world some basis of negotiation whereby each nation can develop its own economic strength under its own peculiar geography and in its own economic position there is no hope of peace. National jealousy will keep on breeding international hates.

Wars will succeed wars. In the peace conference which must follow this war American influence can be potent in the struggle for world peace. But we can serve the world only if America comes with a reputation for fairness to her neighbors now. Suppose we defeat these Hull treaties. What a pie-faced old hypocrite Uncle Sam will be at that conference, counseling other nations to give up a little for the greater blessing of peace. In that hour when a lasting peace is possible for the world we shall be bound and gagged by our own selfish isolationist policies. Here in these Hull reciprocal treaties is the hope of the United States in helping to promote a just peace in the world.

Without that just peace the tribulations of the last decade, 10 terrible years of shuddering under the threat of war will be with us for another generation. This is no time for partisan talk of local advantage. The prosperity of our Nation depends upon the peace of the world. If America cannot take the larger view the hope of the world is blasted. Our civilization cannot go forward along its appointed evolutionary way, amid the atmosphere of international envy and the hates that grow where nations are oppressed in economic poverty.



The Republican party is going to make a sad mistake if it goes into this campaign on an old-fashioned, high-tariff-platform policy. The Hull idea theoretically is right. Maybe he is not implementing it with the best instruments. But certainly he is expounding a principle that will work. It will be better for the Republicans to help him make his plan workable than to try to defeat his principle. In the meantime, no warrior bold with spurs of gold ever went more bravely to the fray than Cordell Hull is going into this fight.

### Elimination of Stream Pollution

#### EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. ELSTON. Mr. Speaker, last year the Senate passed S. 685, the purpose of which was to create a division of water-pollution control in the United States Public Health Service. Thereafter hearings were held on this bill before the House Committee on Rivers and Harbors, which committee has favorably reported the same, with certain amendments, to the House.

The provisions of this bill are the culmination of years of study by public and private agencies for the purpose of solving the serious problem of stream pollution. During the Seventy-fifth Congress a similar bill passed both Houses but was vetoed by the President for certain technical reasons. The revised bill which the House will soon consider has entirely eliminated the objections of the Chief Executive. Under date of February 15, 1939, the President sent a message to Congress in which he indicated that he had fully subscribed to the general purposes of the act which he had vetoed and that he had withheld his approval of it because of the method provided for the authorization of loans and grants-in-aid. In this measure the President expressed the hope that "at this session the whole problem of water pollution may again receive your attention."

S. 685 seeks to bring about the elimination of water pollution through voluntary cooperation between the Federal Government, the States, other political subdivisions, and industry. Other proposed legislation on the same subject seeks to accomplish the same result through compulsion. It is obvious that attempts to use coercive methods will raise serious constitutional questions which will delay and may entirely defeat all efforts to remove one of the Nation's greatest menaces to life and health.

As evidence of States' willingness to cooperate with the Federal Government attention is directed to the interstate agreements already approved by 15 States and the District of Columbia to control and correct the flow of sewage in 4 of the Nation's major river basins.

Industry can likewise be depended upon to cooperate. Statistics show that industry is already cooperating and that compulsion is unnecessary. In this connection, Mr. Speaker, under leave to extend my remarks, I insert the following editorial from the January 1940 issue of Municipal Sanitation, a monthly journal of modern waste disposal:

#### TWO STRIKES ON POLLUTION LEGISLATION

For two sessions, stream-pollution bills have meandered through Congress and ended up blind alleys, but another session comes up this month and with it comes another opportunity for establishment of a national policy for eventual elimination of stream destruction by municipalities and industries. True, there are two strikes on pollution control, but many a ball game has been won after there has been two strikes on the last man.

But successful fight for pollution legislation cannot be waged while factions are fighting themselves to a condition of stalemate, rather than pooling their interests in the fight against the common foe—sewage and wastes. Nor can this sensible cooperation between different schools of thought be achieved until certain conflicting philosophies are dissipated, sincere though they are.

The conflicting bills which have been placed before puzzled legislators may appear to be as far apart as the poles, but they are not. Clarification of certain issues, coupled with mutual trust of

each faction for the aims and purposes of the other, should aid materially in producing the cooperation between these factions which is essential to successful legislation.

Among these issues which need clarification is the question: Can industry be depended upon to cooperate in stream-cleansing programs without the big stick of compulsory law hanging over them? To restate the question: Is industry attempting to gain action by Congress on the more lenient bill, because they can "stall" under those provisions, and could not under a bill requiring immediate treatment of their wastes?

Without looking under the surface for any conditions which may be fomenting, it is instructive to "look to the record" on the matter of industrial cooperation with pollution abatement agencies. Has there been such cooperation?

Pollution from the pulp and paper industry of Wisconsin threatened to destroy the streams of that State. In 1926, a meeting of mill interests and State agencies resulted in the formation of an industry committee of seven to work with the State in the correction of waste pollution. The Advisory Committee on Waste Disposal has aided in the elimination of much pollution; there is, indeed, more to be done, but a spirit of cooperation has been demonstrated.

In speaking before the Central States Sewage Works Association recently, State Sanitary Engineer Klassen related that the population equivalent of industrial wastes in the Illinois River, exclusive of the Chicago Sanitary District, will have been reduced from 2,200,000 in 1930 to only 300,000 by 1940.

In a recent survey carried out by Municipal Sanitation Among State Sanitary Engineers, 27 States reported that industrial-waste treatment plants had increased from 179 to 565 in the decade from 1928 to 1938.

The record says that cooperation can be obtained, that cooperative effort between industry and health officials is not unattainable. The "big bad wolf" of industry is not as bad as its "huff and puff."

What is needed now is cooperation between the conflicting and divergent pollution abatement interests. If we are to obtain effective legislation even after two strikes have been called on the sincere efforts of all who hope for clean streams.

### What Goes On in Congress

#### EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

RADIO ADDRESS BY HON. WILLIAM J. MILLER, OF CONNECTICUT

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on January 21:

May I, in the opening sentence of my broadcast, express my appreciation to station WTIC for making possible a continuation of the monthly broadcasts which I started a year ago, in January, on the subject of What Goes On in Congress. May I also wish for every one of my listeners, a happy and prosperous new year.

It is my belief that 1940 will go down in history as an important year in the life of not only the United States, but of the entire world. I hope and pray that before this year draws to a close we will once again be enjoying world peace.

Here in the United States we face serious domestic problems of long standing that must be solved before we can hope for permanent prosperity. Now, more than ever before, it is important that every citizen interest himself or herself in the affairs of the Government—National, State, and local. Recently, I asked several persons this question, "If Congress would enact just the legislation you want, what would you ask for at this time?" Perhaps some of my listeners will write and tell me just what they would like to have the present Congress do to bring about recovery.

The real interest in the convening of a new session of Congress is usually the President's message on the state of the Union, delivered in person by the President to a joint session of the Senate and House. This year the message was delivered on January 3. It seems to be the consensus of opinion among Members of Congress in both political parties with whom I have talked that the President's message this year was disappointing and, possibly, misleading. Disappointing because it showed no reversal of the administration's spending program and misleading because a casual reading would indicate some anticipated decrease in the deficit for the fiscal year 1941. This message differed from any other message President Roosevelt has delivered on the state of the Union as there was, for the first time, no promise of a balanced Budget; there were no threats against any group of our citizens. In fact, instead of discussing the state of the Union and

possibly offering a solution for some of our problems, most of the message was devoted to a discussion of affairs in other parts of the world. The President stated that we could not expect prosperity here while existing conditions prevailed in Europe. This statement, while true, was interesting in view of the campaign speech made by President Roosevelt in 1932. At that time the "smear Hoover" campaign was under way and Candidate Roosevelt would not admit that the 1929 depression was largely due to a general world-wide economic collapse.

At best, the President's Budget message can only be a guess at the amount of money he thinks the Government will spend and the amount of income from all possible sources. This year the President has guessed that the Federal Government can operate on a Budget of \$9,000,000,000, including old-age pension payments. The President guesses the income to be about five and one-half billion dollars. If this guess proves correct, it will mean an increase in the Government income of about \$400,000,000. In the past 7 years the President's guesses both as to income and expenditures have been rather poor. In fact, the administration has spent anywhere from three hundred million to three billion dollars more than was guessed in the various Budget messages.

If the Congress follows every recommendation of the President contained in the 1940 Budget message, the national debt will be within \$61,000,000 of the debt limit set many years ago at \$45,000,000,000. In order not to exceed the debt limit of \$45,000,000,000, the President points out that it will be necessary to collect \$460,000,000 in additional new taxes. It will also be necessary to take \$700,000,000 from some of the Government lending corporations now in existence. This means a use of \$700,000,000 say, for example, from the Reconstruction Finance Corporation and, in itself, is misleading and does not bring the Government any nearer to living within its income. It is exactly the same, for example, as a man who, having an income of \$2,000 and, in a given year, spends \$3,100, but who had cashed a thousand-dollar bond he had tucked away for his old age. Certainly, such a man could not claim that he had only gone \$100 in the "red." As a matter of fact, I believe everyone will agree that that man was worse off at the end of the year by having spent his \$1,000 reserve.

Many columns have been written about the need of balancing the Budget. Everyone who has given any serious thought to the subject realizes that the Budget cannot be balanced this year or next. We gradually increase Government spending from \$3,500,000,000 to \$10,000,000,000 a year. There must be a tapering off in the deficit and a gradual increase in tax income as business responds to the effort toward restoration of a sound fiscal policy.

The Budget of the United States is not going to be balanced until definite control of all appropriations has been restored to Congress.

There must be no more blank checks issued by Congress to either the President or to any of the 30 or more Government owned corporations. At the present time no one really knows how much of the contingent liabilities carried in the Budget the Treasury will have to be called upon to make good. Last year, for example, the Surplus Commodity Corporation came before the Appropriations Committee and said our capital is impaired to the extent of \$119,000,000. Congress had no choice but to make good the impairment. It is known that many of the water-works bonds held by the Reconstruction Finance Corporation are in default. Example after example can be cited where Congress has refused to appropriate money for a given project, only to find out that in a short time the project was under way with funds from one of the numerous independent corporations or from the relief set-ups.

We know now that the Home Owners' Loan Corporation has had tremendous losses which some day will be paid for out of the Treasury.

It is a safe guess that if the whole truth were known, our national debt is at this minute over \$45,000,000,000.

The President is aware of the seriousness of continual deficit spending year after year. In his Budget message to the Congress in 1933, speaking of the unbalanced Budget and deficit financing, he said: "With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order. Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it. Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger. It is too late for a leisurely approach to this problem. We must not wait to act several months hence."

That is, I remind you, what President Roosevelt said in 1933. Of course, if we take seriously a part of the President's Jackson Day speech delivered in Washington just recently in which he said that there was really a lot of fun in his job since he had learned not to worry, we have cause for alarm, and it is certainly

imperative that we move in the direction outlined in his 1933 speech when we realize that we have added at least \$25,000,000,000 to the national debt since the statement just quoted was made to Congress by the President.

Just as there are parts of the New Deal program that are good and should be continued, there are some recommendations in the President's message which should be followed and I am happy to say that Members of the House of both political parties are anxious to carry out any sound economy program.

In this year's Budget message we again find the use of the word "investment" in connection with Government spending. Just how money spent for providing work relief, much as it might be needed but from which there is no return, can be termed "investment" is beyond me.

I want to particularly call your attention to the item in this year's Budget amounting to \$1,100,000,000 for interest on the public debt. The President quite correctly pointed out that this item could not be reduced, but said we should remember that the rate of interest paid by the Government is today one-third lower than it was in 1929. The average interest rate paid on the public debt for the fiscal year 1929 was 3.9 percent; the present computed rate is 2.6 percent. A hasty reading of this quotation might indicate an accomplishment on the part of the administration, but it is interesting to recall that the taxpayers of the country are suffering from this reduction in interest rate on Government obligations. At the present time 71 percent of the American people's money on deposit in banks is invested in Government bonds, and 60 percent of the bank earnings in the United States comes from Government bonds. These figures support of the statement recently made by the bank commissioner of Connecticut to the effect that the New Deal administration was responsible for the low interest return to bank depositors. This reduction of interest is felt by every citizen who has a savings-bank account or even a small life-insurance policy, and works a hardship, particularly on those of our elderly citizens who had retired secure in the thought that through their existing rates of interest they were adequately provided for during their remaining years.

Unusually low interest rates are not, in themselves, a blessing. It is also a fact that while this year we are spending \$1,100,000,000 as interest payment on our national debt, in 1926, with the higher interest rate, this item in the Budget amounted to only \$836,000,000, which means we will pay \$264,000,000 more on our interest indebtedness this year than in 1926, and this year's interest charge is up \$50,000,000 above last year.

In discussing this question of balancing the Budget we often hear it said that the unemployed must be cared for and that our people are perfectly willing to pay for social security. Both of these statements are true. Very few, if any, of our citizens object to spending money for needed relief, but there are many items in the Budget that could be reduced or wiped out completely without causing hardship to anyone. We are not going to balance the Federal Budget until the President and the Congress indicate a real desire and willingness to balance the Budget. We can certainly start now by cutting out every unnecessary expense. I am reminded of my first employer, a man pretty well along in years and very comfortably situated financially. He was owner of a substantial hardware and mill supply business that occupied a five-story building in the city of Lawrence, Mass. It was not at all unusual to see that man walk through some of the upper floors of the building turning out electric lights that were not being used. I am not advocating that our Government employees spend their time turning out lights, but even the turning out of lights would be more productive than a lot of what they are doing at that.

I was interested a few days ago in securing a copy of the 1926 Budget of the Federal Government. Because of certain reorganization measures and the transferring of functions from one governmental department to the other, it is difficult to make a fair comparison of many of the departments but we can do so in two or three cases. Let's take, for example, the President's own department, listed in the Budget as the Executive Office of the President. In the 1926 Budget Congress appropriated \$439,960, while in the 1941 Budget the President asks for \$3,471,250, an increase of \$3,031,290. In the matter of White House salaries, including the President's own salary which has not been increased since 1926, we find an expenditure for 1941 of \$222,800 as against \$92,260 in 1926. This is partly accounted for by the six assistants made possible under the reorganization bill enacted by the last session of Congress which was supposedly to bring about economy in the Government. It is not only the six assistants at a salary of \$10,000 each, but the three or four secretaries provided for the new assistants. Another item in the Budget that is subject to fair comparison is that of the Civil Service Commission. In 1926 we appropriated a total of \$997,000 for salary expenses, printing and binding. In the 1941 Budget for the Civil Service Commission, including the same items of salary expenses, printing and binding, we find an appropriation of \$5,295,000. The Budget Account requires each department, in submitting its budget, to list separately the items of printing and binding. In the Civil Service Commission again, for example, we will spend during the fiscal year of 1941, \$170,000 for printing and binding as against \$58,000 for the same items in 1926. The Department of Agriculture, for printing and binding in 1926, spent \$738,000, while in 1941 the Budget will amount to \$1,586,000 for this item. I could spend the remainder



of this broadcast period citing examples of tremendous increases in the so-called routine functions of the Government. Millions could be saved on the item of printing and binding alone. It is no secret that tons and tons of printed matter from the various bureaus are destroyed or sold for waste paper every year. Millions are wasted in preparing expensive lithographed propaganda documents. It is in this classification that real savings could be made, because no one objects to the expense involved in sending out worth-while Department of Agriculture bulletins or pamphlets from the Treasury Department or Department of Commerce which are of value to so many of our citizens.

The cost of providing for national defense has been increasing year after year since 1933. A good deal of this increase has been justified with the world either involved in war or threats of war; no intelligent person wants our Government to bury its head in the sand and neglect to provide an adequate Army, Navy, Marine Corps, and air service capable of protecting our own territory. This year national-defense items call for a larger percentage of the total Budget than ever before.

With the vote on the emergency deficiency appropriation bill for the fiscal year 1940, Congress was faced with the opening wedge in the extensive defense program planned for this session by the administration. You will recall that in September, a few days before the opening of the special session, the President took advantage of his emergency powers and authorized the expenditure of these funds for defense purposes. Certainly at that time there was no emergency with respect to our defense system so great that it could not have waited for a few days until the convening of Congress. And yet, by Executive order, and without the approval of Congress, the President authorized the expenditure of \$267,000,000 of our money. This action, and the very dictatorial manner in which it was performed, seemed to indicate the attitude of the administration toward the expansion of the national-defense program. In the light of this "curtain raiser" was it any wonder that the 1941 Budget should include almost \$2,000,000,000 for national defense?

Before further discussion of the question of national defense, it might be well for me to reiterate my position on the question. We have heard a great deal about an "adequate national defense"—a much-used but apt catch phrase. I have said before, and I repeat: I approve of a defense program to insure the safety of our country. But frankly, with the presentation of a \$2,000,000,000 item in the Budget for defense, I am inclined to feel that we face a very real danger in overexpansion of defense measures. I have no fear of our being able to provide and maintain an adequate national defense, but I do fear that, with the public sentiment strong for such a program and the New Deal, as ever eager to spend, we shall go beyond reasonable bounds. Certainly no one can deny that a nation is strong in exact ratio to its economic soundness. We can go on with a magnificently conceived defense program, building more planes, more guns, and more battleships, but if the realization of this program means an ever-mounting public debt and burden, our entire economic structure will collapse. If we have a dangerous crack in our defense armor it is our huge national debt and unsound fiscal policy. As a startling example, we have only to glance at Germany. For the past few years the Reich has been pledged to a program of steel. All normal social and economic functions of Government have been suspended for the advancement of a program to make Germany strong in arms. And now, at last, we see Germany at war, statistically terrifying and formidable in terms of planes, tanks, submarines, and guns, but economically weak, her people rationed, not only on the necessities of sustenance but completely rationed as regards food, clothing, fuel, paper, metals, etc. The economic impotence brought on by such a program is almost too obvious to be impressive.

Let us glance at this \$2,000,000,000 defense Budget and see what we will get for our money. The Army plans to spend its \$900,000,000 as follows: The enlisted strength rises by 17,353 to a total of 227,384; officer strength will rise by 379 to a total of 13,831. The Reserve Corps is to be enlarged; the Air Reserve will be almost doubled, and the National Guard will rise to an enlisted strength of 235,000 men. Field armies are to be trained 21 days instead of the usual 14 days, while the National Guard will have 27 training days as against 15 formerly, with 60 armory drills instead of 48. There will be a new air base at Anchorage, Alaska, and a third set of locks for the Panama Canal. Provision is made for the maintenance and replacement of an air force of 5,500 planes. Educational orders and equipment such as gas masks, antiaircraft guns, etc., will also be included to the amount of 79 millions. So much for the Army's \$900,000,000.

The Navy, under this defense program, will spend \$1,100,000,000. For that sum we will see an increase of 5,250, or a total of 150,250 enlisted men. It might interest you to know that Britain and France, both of whom are involved in war, operate their naval vessels with crews 25 percent smaller than we provide for our peacetime Navy. Aside from ships already on the way, 2 battleships, 1 aircraft carrier, 2 cruisers, 8 destroyers, 6 submarines, 4 tenders, and 1 mine sweeper will be constructed. Guam will get four million, possibly the first step in the two hundred and fifty million development of this island as a naval base, and Wake Island will be improved. Naval planes will take \$30,000,000 more. And, so to glance back to the past 3 years, with one billion spent for defense in 1938, one and one-half billion spent in 1939, and two billion proposed for 1941, our total defense bill for 3 years is four and one-half billion, or what I would consider more than adequate defense expenditures.

These plans, to be carried out under the \$2,000,000,000 figure for 1941, in some instances have merit, but taken as a whole the program

is of importance as indicating a reversal of the long-established policy of our Government with regard to its armed forces. Previously our defense programs have been built around the basic idea of a small standing Army for obvious reasons. The maintenance cost of a large standing force is tremendous. Therefore it would seem that under the 1941 defense program the most laudable feature is the provision for the increase in the National Guard and the Reserve forces. These forces can be increased, training can be intensified, and efficiency stepped up without a necessary increase in the enlisted forces of the Regular Army, with their accompanying maintenance costs.

As regards the proposed increase of the naval strength in tonnage, perhaps the best proof of the unsoundness of the proposed expansion in that quarter may be found in the fact that the chairmen of the two congressional Committees on Naval Affairs—Mr. WALSH in the Senate and Mr. VINSON in the House—cannot agree on how much of the naval construction for which money has been appropriated is either under way or completed. In the first place, there are several ships still on paper, authorized but not yet appropriated for, which will bring our fleet to an increased strength, and it might be well to find out where we stand before we plan more construction. Secondly, the recent proposals to build superbattleships of fifty or seventy-five thousand tons are certainly proposals which need more practical backing than we have had as yet. The present conflict at sea between Germany and Great Britain has not shown to any very satisfactory degree the superiority of large craft over smaller ones, and it is doubtful if battleships today can long survive the increasing threat of aircraft. Thirdly, battleships of all types are tremendously expensive to maintain and may become quickly of little value if bombing efficiency continues to improve.

This last point brings us to a very vital factor in the \$2,000,000,000 defense plan. It is the factor of continued expenditure, the maintenance cost, for this \$2,000,000,000 force. Under the usual administrative procedure, it is part of the strategy to consider the 1941 defense item of "only two billion" as a final item, a total cost, so to speak. But if the American public is to be sold such a plan, it is being sold under false pretenses for the program under consideration will not be completed nor paid for in any one year, but one which will cost two billion the first year and no one knows how much for 1941, 1942, 1943, 1944, and 1945. Men in arms, training planes, new bases, new weapons—all of the component parts of a defense scheme make constant demands on the Treasury and can soon become, as in Germany, parasites upon the public purse.

There can be little doubt but that in proposing this vast defense program, the New Deal is taking advantage of public sentiment. To doubt this would be to deny the President's pride in his sense of timing with regard to other questions of equal import. With spending for the sake of spending in bad favor with the public, with internal conditions still unimproved in a Presidential year, it is only to be expected that the administration should make every effort to hold public attention to a matter of vital importance which has been brought up by an external situation. If this is another New Deal method of "pump priming" as might be suspected, we had best analyze it very closely before we succumb to its persuasion. If the two billion for defense is to be regarded as a New Deal spending agency, I say let us provide a sound basis for the defense of our shores at minimum cost and spend the rest on the human equation and relief.

For my February broadcast I hope to be able to devote the full 30 minutes to a discussion of the Reciprocal Trade Treaty Act. The House Ways and Means Committee opened hearings last week to determine whether or not this act should be continued for another 3 years. Secretary Hull presented a carefully prepared statement to the committee, urging a continuation of the act. Other witnesses in favor of the trade treaties are now being heard and next week those opposed to the continuation of the act will have an opportunity to present their point of view. It is rather difficult to get a true picture of the working of the Reciprocal Trade Treaty Act as the chief source of information is, of course, the State Department, and that Department is committed to a continuation of the act. The members of the Ways and Means Committee are anxious to hear from any witness who has a particular knowledge of the subject. If any of my listeners desire to appear before the committee, I will be glad to arrange an appointment for them if they will write to me as soon as possible.

I might pause here long enough to again remind all those who write to me on the different legislative subjects to be sure their name and address are plainly written on the letter so that I might reply to them.

Congress is now working on a study of the routine appropriation bills, 14 in number. After these appropriation bills have passed the Congress, many other legislative matters of importance will be considered.

In addition to the continuation of the Trade Treaty Act, it is expected that amendments to the Wagner Act will be proposed as a result of the hearings being conducted by the committee appointed to investigate the working of the National Labor Relations Board, more commonly known as the N. L. R. B. Most of our citizens agree that the Wagner Act should be amended, while just a year ago many people were demanding that Congress vote against any and all amendments to the Wagner Act. These same people have modified their demand and are asking that Congress vote against any amendment that would weaken the declared purposes of the act. I see no danger that Congress will do anything to weaken the declared purpose of the Wagner Act. Employers and employees are both anxious to have the act amended

in such a way that the right of labor to organize and negotiate through leaders of its own choosing will not be destroyed.

Undoubtedly, in view of experiences, amendments will also be proposed to the wage-hour bill.

Congress will very soon be called on to make an appropriation to continue the United States Housing Authority slum-clearance program.

A great deal of time will undoubtedly be devoted to the Walter-Logan Act, the enactment of which will assist many who have been harassed by the regulations issued by various governmental bureaus.

In closing, may I repeat the wish expressed in my opening paragraph that each of you have a happy and prosperous New Year.

## Loan to Finland Should Be Made Now

### EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. PITTENGER. Mr. Speaker, when the House of Representatives convened on January 3, I advocated that immediate steps be taken to aid Finland in defending itself against the attack by powerful and ruthless Russia's communistic government. I indicated then and I repeat now that Finland should be given a loan or credit so that that country could purchase things necessary to carry on its defense. Delay has followed. Questions have been raised as to whether the executive or legislative branch of the Government should act first. Of course, we must act through the Government agencies, operated by the executive branch of our Government. Congress ought to make possible the exercise of that power at once, either by making a loan to Finland or by other effective steps.

Reports indicate that opposition to the proposed loan has developed on the ground it violates the neutrality policy and law of the United States. I cannot subscribe to those objections. Communism is seeking to dominate the countries of the world. The first victim of the brute force of communistic Russia is to be Finland, and then other small countries—Sweden, Norway, Denmark—are to be new victims to this new doctrine that the Communists shall rule by the sword. I repeat that Finland is fighting the battles of all civilized countries. I see no violation of neutrality when the issue is one against communism. The proposition is well put in an editorial in the Christian Science Monitor for January 20, wherein it is pointed out that a loan to Finland is not a loan that will lead this country to enter this second world war to protect its creditor interests. The editorial points out that the loans in the first World War were enormous in character, and there was a war boom which encouraged the Allies' point of view in the United States.

What we do to aid Finland now may mean enormous savings to this country in the years to come. The United States cannot escape the effects of a world struggle where communism is opposed to countries of a different political philosophy. We can do no less than our neighbor Canada, which realizes the significance of the Russian fight against little Finland. I note in a recent newspaper account from Winnipeg, Canada, regarding oats and oat products in Canada that have been purchased for the purpose of shipping the same to Finland. And so we may not be surprised to find that other needed materials are being supplied. It should be done.

In this connection, Russia should begin to have proper attention. Again, I suggest that we can do no less than our neighbor Canada. A member of the Canadian Parliament has stated that the sale and export of wheat to Russia from Canada should be stopped because such procedure is in effect giving food to an enemy. He concluded his interview by saying that the more wheat sent to Russia, the more of Russia's own wheat would be available for the enemies of England.

It seems to me that the news items relating to the report of the Carnegie Endowment for International Peace amounts to a conclusive argument in favor of the loan to Finland. This is a peace organization, and the report strongly indicates that, unless help is given by the United States, Finland will suffer defeat. A very significant quotation from the report reads as follows:

If America decides to do nothing [for the Finns], then the expectation is that the Scandinavian countries will go down one by one.

This is no time, Mr. Speaker, to let partisanship influence us, when the peace and future happiness of the world is at stake. We want to see Russia defeated, and the best way to bring that about is to cease friendly gestures and furnish Scandinavia what they need to make sure of their success.

## Testimonial Dinner

### EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY FRANK GANNETT

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Frank Gannett delivered at a testimonial dinner tendered to him by the citizens of Rochester, N. Y., and distinguished editors of the country at the Powers Hotel, Rochester, N. Y., January 16, 1940:

I am deeply touched by these tributes and the great honor you have paid me tonight. No one could be in my place and not be profoundly affected.

Of course, you make me happy. It would be gratifying to anyone to receive such praise, commendation, and applause. To me it is doubly pleasing because it comes from those with whom I have worked, from those with whom I have been associated, from those who know me best, from my own fellow townsmen. To all of you who made this wonderful dinner possible, I owe my sincere thanks. To many who have come long distances for this occasion, I am particularly grateful.

Delighted as I am that you hold me in such esteem and high regard, I realize my own shortcomings and have my own natural doubts whether I possibly merit all that has been said here tonight. Furthermore, you make me conscious of grave responsibility.

When men and women like you express such confidence in me, I feel I must do my very best in every act and deed to approach these expectations.

Naturally, I share with you pride in the city of Rochester, in my opinion, the finest city in all the world. It has been my privilege to visit most of the important cities and I can say truthfully that I know of none superior to this our own home town, as a place in which to live and labor.

I count it a most fortunate day when I decided to make Rochester my home. I owe much to Rochester, my home city, and I will do all in my power at all times to promote its best interests and the well-being of all its citizens.

What you have so generously said here tonight and what others in all parts of the country—indeed more than 10,000 citizens have written me—is more than a gratifying tribute—it is a call to action.

Men and women high in the Republican Party, leaders in all walks of life, in education, labor organizations, in farm organizations, in business and the professions, have urged me to become a candidate for the nomination for President.

There is no room in the ranks, or at the top, for any man's personal ambitions.

We are in one of the most critical periods in our Nation's history. What course we take in the next few months may determine the future of America.

Shall we protect and preserve our constitutional form of government and its system of private enterprise?

Shall we maintain the American way of life, with progressive reform that is constructive and healing?

Shall we respect the right of the individual—his right to be the master, not the servant, of his government?

Or shall we slip, as we have been slipping, further and faster toward one-man government—toward complete submerging of the individual and his right to be a free man?



Let us make no mistake about it. If the New Deal had gone, unbridled, down the road President Roosevelt started us on 3 years ago, we should have nothing left today but the empty form of constitutional democracy. The substance would be gone with the wind. Why, just think of it. Mr. Roosevelt's original executive reorganization bill would have given him, or any successor, power even to abolish the office of the President, or change its name and alter its functions. It would have allowed him to annul laws passed by Congress. This, too, was in that original bill. And that is but a sample of what the New Dealers set out to do—to your country and mine.

Let us remember there was little real freedom in the world—political or religious—until our Constitution was adopted. And there is little chance that freedom can survive if the principles written into our charter of freedom are abandoned. Unless we fight to maintain those principles, unless we stop the destruction of private enterprise, unless we put an end to the New Dealers' insidious, creeping accumulation of power over our lives, the black-out of liberty will come to America as surely as it came to the dictator-ridden countries of Europe.

Because I have seen people living under nazi-ism, fascism, communism, I know what it means to be deprived of the precious liberties guaranteed by our Constitution. You can't possibly realize what conditions are in those dictator-ridden countries until you see them in all their horrors; then you would know that anyone who has enjoyed the freedom of our country would find life in a totalitarian state not worth living.

Because I have seen the terrors of dictatorship and studied the encroachment of tyranny upon the liberties of the people in Europe, I long ago pledged myself to do all in my power to protect our country from the same fate. I have devoted myself to fighting all attempts to weaken the safeguards of our democracy.

By arousing the public to support patriotic Senators and Representatives, we were able to defeat the New Deal's four major assaults on the foundations of our constitutional system. They were four camouflaged grabs for dictatorial power.

Court packing wore the disguise of "reform"; Government reorganization, the mask of "efficiency." The un-American "purge," however, was just plain New Deal vindictiveness. The political lending-spending spree was dressed up as the "Spirit of Benevolence." All were frauds. Thank God, the American people saw through them in time to defeat all four of them.

I am happy to have had a part in all these victories. They renewed everybody's confidence in government by the people.

But the new dealers proclaim their purpose to continue their policies. Their plans are just as dangerous as their performances. New dealers do not believe in private enterprise. They will continue to substitute for it their planned economy—a time-worn discredited failure.

The only way to stop them is to get rid of them.

Our form of government will be menaced until the New Deal and its theorists are cleaned out, root and branch.

But rooting them out is not enough. We must plant again and cultivate the abundant fruits of private enterprise. Dictators rise out of the suffering that comes from economic disorganization. We in America shall not be safe until we correct the economic conditions which breed discontent and revolution.

We can have recovery and good times.

We can have jobs for all willing workers—and relief for the unfortunate.

We know how to do something more for the poor than talk about them, and something better for the unemployed than putting them on the dole.

We can create opportunity for youth and reinspire youth with ambition and hope.

We can assure farmers a decent income without making them regimented wards of the state.

We can revive initiative, thrift, expansion, and development.

We can have again a dynamic, surging America.

We have endured 7 years of failure. In the place of the New Deal theorists we want men and women who are products of the private-enterprise system, who believe in it because they understand what it is and what makes it work.

The Nation cannot exist half collectivist and half private enterprise. The country cannot carry a burden of crooked yardsticks, a back-breaking weight of taxes, mounting debt, and an ever-growing load of bureaucrats—and still carry on.

We cannot expect prosperity unless we give the constructive economic forces of the country a chance to function; until we stop trying to run everything and everybody from Washington. Then, and then only, can we put idle men and idle money back to work. We can then stop piling up debt. We can then restore national income so as to balance both private and public budgets and produce surpluses that will give real abundance to all—not the poverty of the New Deal.

Under our Constitution, with its system of free enterprise in 150 years this country achieved more progress in every line of activity, raised higher the standard of living, provided more liberty and happiness than ever existed in all the preceding countless centuries. Under our form of government this Nation grew great and strong. We must cling to it and protect it from all attempts to substitute nazi-ism, fascism, communism, new dealism, or any other "ism." There must be no substitute for Americanism.

So long as the present administration remains in power it will continue to menace democracy and constitutional government, even though it continues to praise it. The only way to put an end to

these assaults on our democratic system of government and our economic system of free enterprise is to drive from power those who are responsible for these attacks.

Toward that end I will assume any task assigned to me. I know that millions of citizens like you, who cherish the rich heritage our fathers gave us, will fight to preserve it, but they must have experienced and competent leadership. All who believe as we do must go forward together.

We enter this fight with complete confidence. We have turned back the new dealers in their most dangerous assaults on the safeguards of our liberty. By the same methods of arousing people to action, we can bring back and preserve democracy, along with prosperity. We can bring back the rule of common sense. We can bring justice and opportunity for all who work with hand or brain, whether on the farm, in the factory, the store, the office, or the home.

We can stop promoting class hatred for political purposes.

We can stop fostering costly strife between employer and employee.

We can end a foreign policy that swings from month to month between war talk and pacifism. We can keep our country out of foreign entanglements that lead to war.

We can promise every mother and father that their sons will not have to take up arms for a foreign cause in a foreign country. We must keep out of war.

By making democracy work in America, we can help to restore peace to the world. So shall we renew faith in the ideals of true liberalism.

I realize what it means to be a candidate for the Republican nomination for President—what it means in responsibility, in hard work, in sacrifice. Yet it is a call to duty that no citizen can ignore. My answer is yes. If mine is the task of leadership, I will lead—to the very best of my ability. If it is to follow, to fight in the ranks, as I have fought, there you will find me—fighting.

We have won on every issue where we have aroused the people to realize just where the New Deal is leading us. We can win again. We must win.

Let us begin now a new march of victory and progress for America, making sure that "government of the people, by the people, and for the people shall not perish from the earth."

## What Democracy Means

### EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. GURNEY. Mr. President, under permission granted me, I present for printing in the RECORD a speech delivered by Senator BRIDGES, of New Hampshire, at the Westminster College Political Forum, Fulton, Mo., Tuesday, January 16, 1940.

The address is as follows:

The fundamental test of any government is the value which it places upon the human soul. The totalitarian state—whether Communist, Nazi, or Fascist—is repugnant to us because it places so little value upon the dignity and worth of man. Whatever form it may take, man is the slave of the state because he is deemed unworthy of any rights—incapable of using freedom wisely. Decisions must be made for him, his future must be planned by the state, because he is either a fool or a scoundrel, and cannot be trusted to think or to plan for himself.

Such a conception is a tragic repudiation of human progress and thought—an abandonment of human hope and struggle for over a century and a half—a reversion to the days when a few were born to rule and the many to follow. This doctrine is at war today with the democratic ideal of man, not only on the field of battle but in the hearts and minds of men. Today, as never before, it is essential that we in America inspect our foundations and rededicate ourselves to the fundamentals of our faith if we are to preserve the democratic way of life.

American democracy is based upon the belief that man, as a child of God, is capable of self-perfection; that he is therefore endowed with certain sacred rights; and that government is instituted of man to protect these rights and to free him that he may attain the destiny that is his. It is man's quest for liberation—physical, mental, and spiritual—not only from the bondage of oppression but from the human weaknesses of hatred, greed, and fear. It is his quest for self-fulfillment, born of the conviction that every individual has some contribution to make to the enrichment of life, and that the progress of human civilization and culture lies in the release of the creative energies of men. It is

freedom, not merely for freedom's sake but for the use that men will make of it. Inspired by man's sense of the dignity of his race and by a vision of his own potentialities, it was born when he stood determined to be master of his fate. Such a conception takes account of human weakness as well as human strength, but it is founded upon the faith that the divine spark in man can conquer the beast in him, and the belief that government must encourage his highest and restrain his baser instincts.

Our forefathers knew that no government could make its citizens equally rich or successful any more than it could endow them with equal physical or intellectual gifts, but the equal dignity of men and the equal right to self-fulfillment, these it was the duty of their government to preserve.

The civil liberties the American citizen cherishes—freedom of conscience, freedom of speech, press, and assembly, freedom of his person and property from unwarranted search or seizure, equal justice under the law, an equal voice in the conduct of his Government—these are his by right as essential to his dignity and development. The opportunity to rise as high as he is fairly able, which has made America the mecca of the oppressed of other lands, is the right of every man to carve his own destiny.

This was the equality, this was the opportunity which men sought to establish in the New World not only for themselves, but for future generations of their race. This was the equality and opportunity which made America a symbol of hope to all mankind. Such was the faith of early Americans in themselves and in their fellow men to succeed under a Government based upon these ideals that they did not ask that security be bestowed upon them by the Government, but rather the chance to make their own future secure. This, I am confident, is all that Americans ask today.

Conscience demands that we care for those unable to care for themselves. Yet our crime against the unemployed has been not that we failed to render them aid, but that we have failed to enable them, through a revival of our system of economy, to regain the independence of working for themselves in private industry, the dignity of caring for themselves and their loved ones, and the opportunity to rise as high as their toll and their talents will permit. There is no greater task before us today. It is a task we must accomplish if freedom and opportunity are not to become hollow words.

Because American democracy places the highest value upon the individual, it requires in return the highest and best in men. It demands that he be capable of that self-government which is self-restraint; that he accord the same justice, respect, and tolerance to others that he asks for himself; that he use his freedom not merely for self-advancement but for the benefit of his fellow men. Thus the democratic evaluation of man embodies more than a conception of his rights. It emphasizes no less his responsibilities. It is no less a conception of his duty toward his neighbor. He can succeed to the extent that men meet the democratic test of manhood. It is a challenge to life at its richest and fullest, and to that undaunted spirit which rises above defeat and surges forward to new conquests for all the race.

Upon this rock was our Government founded as the supreme law of the land. Not satisfied to specify the fundamental rights of man in the Constitution, our forefathers provided a system of checks and balances between the executive, legislative, and judicial branches of the Government as a further guarantee that these civil liberties would not be denied to any citizen. Thus, the Government they established is not a system empowering the Chief Executive to control the judiciary by enlarging it at will, or to dictate "must" legislation to the Congress. Thus, it is not, in the words of Jefferson, an "elective despotism"; nor is it one of license by a majority of the people to disregard the rights of any minority. Thus, election by a majority of the people does not bestow a "mandate" upon any President; nor does it entitle him to "purge" representatives of the people who dare to disagree. It is rather a government of laws designed to safeguard liberty and prevent its abuse; laws deriving their force from the consent of the governed; laws written and administered by representatives elected by the people and responsible only to them.

In a democracy the people are the master of the state, which is their instrument of achieving justice and order which are necessary in their quest of truth and their attainment of self-fulfillment. The justice they seek is equality of all men before the law. The laws which they seek to establish are not laws to restrict but laws to free. They know that man cannot be free to advance if he lives in fear of the arbitrary decree of rulers and uncertainty as to his rights. They therefore seek to limit the power, both public and private, of men over each other, by defining his rights by law. The function of public officials is the protection of those rights by the fair and impartial administration and enforcement of these laws.

The limitations enforced by law upon the citizen are therefore not to dominate or regulate his life but to define the limit beyond which his actions interfere with the rights and liberties of others. For example, a citizen may drive along a country road at 50 miles an hour without violating the rights of others or the law. As he approaches a city, he is required to slacken his speed. Within the city limits he may not be permitted to exceed a speed of 20 miles an hour. He is required to wait for traffic lights that others may enjoy the same privileges. Yet at no time is he told the exact speed at which he must proceed. He is merely required not to exceed a limit beyond which he may endanger the lives and prop-

erty of others. Within the area of safety he is permitted to travel at the speed he desires. This is the spirit of law in a democracy. As our lives become more complex, new laws are constantly necessary. But their purpose must remain the same—not to regiment the citizen but to preserve the rights of life, liberty, and the pursuit of happiness of all the people.

The same principle applies in the relationship of the Government to our economic system as well as to our political and personal rights. There was a time when a theory of laissez faire prevailed, when a man's business was considered his own to do with it as he wished. Today we know that economic license spells chaos. But the alternative is not a planned economy by the Government. It is rather to define the economic as well as the personal and political rights of the individual, leaving the citizen free to operate his business within these limits. We believe, for example, that the worker has a right to decent wages and hours and working conditions and a right to collective bargaining. We believe that the individual should enjoy the opportunity to succeed in any legitimate enterprise according to his own abilities. We therefore seek to prevent monopolistic practices and the unfair competition which arises from sweatshop conditions. A democratic government may then establish minimum wages and hours based upon economic conditions, assure the worker the right to vote for the union of his choice, and regulate the merging of companies. But if by dictating all wages and hours, a government seeks to regulate all production and thus to control supply and dictate demand; if it attempts to dictate the set-up of every corporation; if it dictates the union to which the worker belongs—then there is no longer a free economy which is essential to free men, but a planned economy dictated by Government officials. As soon as the Government ceases to act as a policeman and regulates every move of the citizen, then democracy is no more. The aim of all reform must be not to change the form of our government, but rather to adopt such measures as prove necessary to preserve its spirit and purpose.

Since the people themselves are responsible for the enactment and administration of legislation, since a three-fourths majority may amend the Constitution at any time, they must look to themselves rather than to any mechanism of government for the preservation of their liberties.

Despite the human weaknesses to which such a government is subject, the achievement that is America has justified the faith of American democracy in man. It has also demonstrated the adaptability of our form of government to changing needs. But that is not enough. The question is whether we of today will carry forward and bequeath to our posterity, as have those who went before us, an enriched democratic ideal. We must face the fact that where it has failed it is we who have weakened it by indifference; we who have perverted it for private gain; we who have failed to translate the ideal into the practical solution of our problems. If we have failed to achieve what we have a right to expect of ourselves, it is partly because we have not fully realized that democracy, a thing of the spirit, cannot be preserved at the ballot box alone, but must guide the everyday relationships of man to man.

The faltering in the democratic faith which has been so tragically evident throughout the world has not failed to take its toll in America as well. It has been manifest in a tendency to look to Washington for the solution of every problem; in wishfully thinking that it could be solved by creating another government bureau and vesting it with sufficient power. It has led to the wholesale surrender and delegation of powers of Congress to the executive department and to numerous Government agencies. It has led to attempts at planning our national economy from Washington; to extending the controls of government ever further.

If democracy is to be preserved, we must return to the conception of a government of laws, not to control our lives but to curb new abuses, to prevent the exploitation for personal power of new developments designed to enrich the lives of all. Congress must once more assume the duties entrusted to it by the people. Essential Government agencies must be so regulated and so administered that the citizen knows his rights and is confident of justice. A friendly Government must encourage the individual in every honest endeavor.

If democracy is to survive, we must meet squarely the objections of its enemies. The charge that men are incapable of self-government can only be met by the progress of men under a democratic system. The charge of irresponsibility of citizen and Government official alike can be refuted by men who meet the duties which are theirs in a democracy. The charge of inefficiency can be gainsaid by men united by a common ideal and aim.

If the democratic ideal is to survive, we must teach our children not only the blessings but the responsibilities which are theirs as American citizens. We must imbue them with the democratic philosophy of life, which is perhaps best illustrated by Christ's parable of the talents. We must teach them to look upon life as a gift that must be used well if it is to benefit oneself as well as one's fellow men.

At this fateful hour in the history of the world, when disheartened men have faltered in the democratic faith and surrendered to leaders who promised Utopia for obedience, the challenge to America is once more to demonstrate the democratic solution of the problems with which men are faced. That challenge is to banish the defeatism which teaches that frontiers and opportunities for individual achievement are gone, and to seek with the courage, faith, and vision which



led our forefathers onward in the conquest of a new world, to conquer the endless frontiers of science and invention. It is to realize that material advancement will profit men little unless it is accompanied by spiritual progress. It is a challenge to us all—businessman, worker, and farmer alike—to attain the greater tolerance, understanding, and cooperation demanded as men's lives are more closely interwoven by the vast industrial civilization they themselves have built. It is to demonstrate that mass production can lead to the enrichment of the lives of all, not by the surrender of individualism but through that higher individualism, born not of selfishness but of constructive contribution by each to human progress. It is to achieve that unity, not enforced from above by regimentation, but inspired within the hearts of men united of their own free will for the progress of mankind.

Only thus can we meet the challenge of the highest ideal man has ever set for himself. Only thus can America, when nations have turned once again to the ways of peace, be prepared to light the path of human progress to a new and better world.

### A Creed for 1940

#### EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ARTICLE FROM THE WASHINGTON POST OF JANUARY 20, 1940

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Washington Post of January 20:

[From the Washington Post of January 20, 1940]

THE ONCE OVER

(By H. I. Phillips)

A CREED FOR 1940

I believe:

That what the country needs more than anything else is a return to horse sense, homespun philosophy, and the belief that all you have a right to demand from Congress are spring vegetable seeds.

That nobody should campaign for any public office as Santa Claus.

That not more than 65 percent of a businessman's mail should consist of questionnaires, summonses, new tax forms.

That the country needs more government by suggestion and less government by whip snapping.

That we have a youth problem because no big employers are adding to the pay roll and that the reason they are not adding to the pay roll is that the Government is making it unprofitable for them to do business on a scale that would justify more people on the pay rolls.

That a great many employers are reactionary, timid, smug, narrow-visioned, and full of the sulks, but I think it is a somewhat natural condition, due to constant ambushes, poisoned-arrow attacks, blows in the dark, kicks in the pants, and the rise of brass knuckles to a position of accredited dignity in government.

That America needs a campaign to impress upon the people that the national anthem is still The Star-Spangled Banner and not Pie in the Sky.

That everybody should paste in his hat a copy of President Roosevelt's speech denouncing name-calling, intolerance, and the stirring of class against class and group against group; and that they should all raise a terrific howl the first time anybody violates the idea on the air, in the home, on the public platform, and on any level from the street corner to the White House.

That there should be a general acceptance of the truth that you can't unscramble an egg with a microphone.

That there is no chance of industry staging a sustained recovery while the company president has to spend half of his time before Washington commissions, while the general manager is all tied up with a strike committee, and while the production chiefs are all buried under Federal "don't" lists.

That the only major question for the United States Congress to decide is, Are we mice or men?

That there aren't a dozen business houses in America that are not too shadow-shy, apprehensive, jittery, careworn, and nervous to function with full efficiency; and that there will never be real prosperity again in America until the men who shoulder the pay roll find that it pays to take chances, think fast, build big, aim high, and, on occasions, to shoot the works.

That the foremost need of the times is a device to separate baloney from facts, applesauce from theory, and hassenpfeffer from blueprints.

Bishop John F. O'Hara

#### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ARTICLE FROM THE SOUTH BEND TRIBUNE

Mr. HARRINGTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article from the South Bend Tribune on the testimonial dinner given to Bishop John F. O'Hara, the newly consecrated auxiliary Bishop of the United States Army and Navy Diocese.

Bishop O'Hara, who for the past 30 years has been actively associated with the University of Notre Dame, is known and loved by many citizens the country over. As president of the university during the past 6 years, he brought increased vigor into the intellectual life of America, and under his direction the university has become a recognized leader in the arts and sciences.

Bishop O'Hara was signally honored when he was selected by President Roosevelt as a delegate to the South American Conference in 1939. His friends in all walks of life wish him Godspeed in his new calling. The Army and Navy Diocese is to be congratulated on his selection and elevation.

[From the South Bend Tribune]

TESTIMONIAL DINNER GIVEN FOR PRELATE—BISHOP-ELECT GUEST OF 375 CITIZENS IN HOTEL

Most Rev. John F. O'Hara, C. S. C., D. D., retiring president of the University of Notre Dame, who recently was appointed titular bishop of Milasa and auxiliary to the archbishop of New York by Pope Pius XII, was the guest of honor last evening at a testimonial dinner in the Oliver Hotel given by South Bend citizens.

The dinner was served in the rotary room and the two adjoining rooms on the south, 375 persons occupying the attractively laid tables. The speakers' table across the north side of the rotary room was beautifully decorated with roses, chrysanthemums, and greenery and silver candelabra supporting lighted candles. In front of the honor guest was a long mound of flowers and greenery.

The wall back of this table was done in blue and gold with the American flag as an appropriate center as Father O'Hara's duties as bishop will take him into work in the United States Army and Navy. Representatives of both the Army and Navy were present to pay honor to the guest. Through the dinner the Curran trio softly played.

Following the impressive invocation by Rabbi Albert M. Shulman, of Temple Beth-El, and the dinner service, extracts from letters of congratulations were read by F. A. Miller, chairman of the general committee. Congratulations came from the following:

Most Rev. Francis J. Spellman, archbishop of New York, "I know that Notre Dame and South Bend are making a sacrifice in contributing Bishop O'Hara to the service of the Army and Navy but it is a sacrifice for the welfare of the country."

PROOF OF HIGH POSITION

HON. ROBERT A. GRANT, Member of Congress from this district, "the spontaneous expressions of joy at the high honor that is paid him and the Holy Cross order, mingled with the expressions of regret that he will no longer be with us in person in our daily life, are convincing proof of the high position that he has won for himself in the hearts of this community and the men of Notre Dame."

"During my 6 years at the university I was privileged to live in that atmosphere that is today one of the most potent forces in the world for the preservation of peace and brotherly love. The contribution that Father O'Hara has made to that force cannot be measured. We know that his unselfish service to the students at Notre Dame will likewise assure a higher morale among the men of the United States Army. We are sorry to lose him but we rejoice in the honor that is paid him and is rightly his due."

Gov. Herbert R. O'Connor, Annapolis, Md.: "Maryland sends greetings to Bishop O'Hara tonight and joins in tribute to him upon elevation to the episcopate."

Most Rev. Joseph E. Ritter, bishop of Indianapolis: "South Bend has no better friend than Father O'Hara and I am sure he will carry this love and devotion even into the more extensive field of action assigned to him by the holy father."

Rt. Rev. Thomas H. Shannon, Chicago: "At the moment he will fill a position of great importance but depend upon it that this is

the first step in a great career for his country, for his church, and for his government."

#### HIGH ESTEEM AND REGARD

Dr. Deno F. O'Connor, Chicago: "No words of mine suffice to express the high esteem and regard in which we all hold Father O'Hara, but I sincerely appreciate the opportunity you are giving me to express my best wishes for his happiness and success in his new appointment. I trust that I may have the privilege of doing this personally in the near future."

Most Rev. John F. Noll, bishop of Fort Wayne: "No one was more pleased than I to learn of the elevation of Father O'Hara, beloved at Notre Dame long before he was advanced to the presidency of the university. The greatest need of America is the largest possible number of young men who will think straight and live straight; and the formation of just such young men was the never-ceasing effort of Father O'Hara. He understood the grown-up boy and therefore easily won his confidence, two requisites for successful guidance."

Hon. James A. Farley, Washington, Postmaster General: "Father O'Hara has rendered an eminent service to his church and to his country and has won the esteem and affection of American citizens in all walks of life. His assignment to difficult and important responsibilities will add new distinction to his great work. As a devoted friend and admirer I extend my best wishes to Father O'Hara and to the citizens of South Bend who have assembled to do him honor."

#### APPEAL TO COURTS

P. C. Reilly, Indianapolis: "This is one time when I wish the church and the state were not separated, for if they were united we could appeal to the courts for an injunction to restrain Father O'Hara leaving Notre Dame and the State of Indiana. I would have several bases for the injunction; among others (a) he is doing at Notre Dame such a wonderful work in educating young men in all ways for higher intellectuality and love of country and its form of government; (b) because Indiana claims him as her own, as one of her distinguished sons and its citizens would not willingly permit him to depart from its boundaries."

"This is a selfish attitude, I know, and possibly we shouldn't so express ourselves, yet our respect and admiration for him are such we would wish to hold him. But we cannot stop him and he will soon leave us to give himself and his fine ability to each of the States and Territories of our Nation. His departure is a loss to the university, to South Bend, and to the State, for he is a great president of a great university, a great prelate, and a great citizen, whose influence enriches for good wherever he is located."

#### WIDER FIELD FOR WORK

"His appointment as bishop of Milasa is, of course, a recognition of his accomplishments and is an advance for him and gives a wider field for work and we shall, with reluctant resignation, accept his departure with the knowledge his fine work will extend his influence to even greater fields. We wish him every success and good health in his new field."

Dr. Walter G. McGuire, Chicago: "His excellency has been an outstanding figure in education circles and his administration has added prestige to the university over which he has so ably presided. The times call for enlightened leadership in church and state and Bishop O'Hara's background, experience, and acknowledged ability qualify him in an exceptional way for the high office he has been appointed to."

Rev. James A. Burns, C. S. C., assistant superior general, Congregation of the Holy Cross, Notre Dame: "It is appropriate that the people of South Bend should thus show their esteem and love for Bishop O'Hara. In doing so they are showing also their esteem and love for the university over which he has so happily presided. The years have been bringing South Bend and Notre Dame into ever closer bonds of mutual regard."

#### DEPARTURE A LOSS

"In this promotion to a higher and an entirely different sphere of work Notre Dame is losing much and South Bend is losing scarcely less. It must be a pleasing thing to him during these days of parting to know that what he has accomplished is appreciated no less here in South Bend than on the campus at Notre Dame. We cannot wish him better than that the remarkable success which has attended his unselfish labors, both as head of the department of religion and as president at Notre Dame, may be continued in even wider spheres of activity and that, with God's blessing, it may be crowned with even greater and more beneficent fruits for the glory of God and the welfare of our common country."

Ambrose O'Connell, Washington, Second Assistant Postmaster General, former president of the Notre Dame Alumni Association: "Kindly present my congratulations and heartiest best wishes to our mutual friend, Father O'Hara, who so richly deserves the great honor that has been conferred upon him by His Holiness Pope Pius XII. Father O'Hara's outstanding achievements not only in the work of the church but also among the youth of America are a source of pride and gratification to his host of devoted friends. Our best wishes for a continuation of his success follow him into his new and wider field of endeavor."

#### FRIENDS THROUGHOUT COUNTRY

Edward J. Doyle, of Chicago: "Father O'Hara, by the force of his wonderful personality and zeal, has won thousands of friends throughout the country and we are happy to see his work so well recognized. Please convey to him my warmest regards with my

wish that he may enjoy good health and that he may be highly successful in the exalted position to which his past work has fully entitled him."

Bill Cerney, Mendota, Ill., assistant football coach, University of Notre Dame: "The first time in the history of the university that the team lost two football games and the president is made a bishop. If we had lost five you probably would have been shipped across the pond. My prayerful congratulations on your appointment."

Following reading of congratulations Mr. Miller introduced Paul G. Hoffman, president of the Studebaker Corporation, as toastmaster. Mr. Hoffman presented Mayor Jesse I. Pavey, who spoke for the city, saying:

"I received the suggestion of many of our prominent citizens a few weeks ago that recognition should be taken of the value of Father O'Hara to this community, and I was happy to appoint a general committee to provide proper means for the citizens of South Bend to express their appreciation for his contribution in maintaining and making still more pleasant the relationship between the University of Notre Dame and the city."

#### FOR THE CITIZENS

"So it is my great pleasure and happy privilege tonight to represent the citizens of this city and in their behalf to honor and pay tribute to a man who has contributed so much to the betterment of our community; a man who for the past few years has been the president of Notre Dame University."

"It falls to the lot of one in my position many times to speak in a complimentary vein on similar occasions and it is rather difficult at times to properly fill the assignment, but on this occasion the feeling of the people whom I represent is so genuine and appreciative that it becomes a distinct pleasure as well as a privilege."

"Unlike most cities South Bend has never simply been exposed to cultural and religious influences. She grew of age with the University of Notre Dame adjacent to its borders and is grateful for the background it affords our city and for the influence it has exerted on her citizens. South Bend from infancy has absorbed and interwoven into her everyday existence those finer things which give her citizens a richer life. Under the leadership of Father O'Hara marked progress has been made by the university and at the same time as its representative he has been instrumental in preserving and knitting more closely a community of good neighbors."

#### CREATES PERMANENT PLACE

"Hence we are meeting with him tonight, meeting as a testimonial to Father O'Hara, a man of God, who, through his sincerity and priestly life, has created for himself a permanent place in our hearts and because of the cooperative spirit he has always shown, his vision and judgment, he is held in high esteem and affection by all of our people as a respected leader of men."

"While we have realized, Father O'Hara, your term as president of the university would soon end, and we approached that time with true and sincere regret, it has now ended sooner than we had anticipated."

"It is with sorrow that we see your term of office concluded and know you are soon to leave this community. However, we are happy and rejoice with all your friends everywhere upon your recent merited appointment as bishop."

"When you depart from our midst you will leave with the full knowledge that you have endeared yourself to the entire citizenship of South Bend, and we unite in extending to you our best wishes and our humble prayers for your future health and welfare."

Mayor Pavey was followed by former Congressman Samuel B. Pettengill, who paid high tribute to Father O'Hara and closed by presenting him a beautiful platinum, open-face watch engraved on the back of which are these words: "Presented to Bishop John F. O'Hara by his South Bend friends, January 9, 1940."

#### BELONGS TO CITY

Mr. Pettengill said:

"This evening belongs neither to the university nor to the church. This evening belongs to South Bend. Neither race nor creed separate us. They unite us. There is Rabbi Shulman, who asked God, as Tiny Tim might have done, to bless us every one."

"You will recall Schiller's great story of Nathan the Wise. It concerned a Jew and a Christian. They were friends for many years but they could not wholly obliterate the thought that a line divided them. Finally in some great crisis, as in a lightning flash, they saw each other plain. And then the Christian cried, 'Why, Nathan, you are a Christian.' And Nathan replied, 'What makes me to you a Christian makes you to me a Jew.'"

"And there is Dr. Baillie, a gentler Jonathan Edwards living in our midst. Father, I'll let you in on a secret about Dr. Baillie. He is a Presbyterian with leanings toward Christianity. [Tremendous laughter.]

"It is not a bad way for men to live together. The wide world, to its good profit, might follow our example. There was Tay Pay O'Connor, the great Irish M. P. He used to say, 'Look at Ireland, Protestants at the north of it, Catholics at the south of it, always at each other's throats. Why can't they be heathen so they could all live together like Christians?'"

"A tolerant world. I was Father O'Hara's guest one day at Rockne Field. The race went not to the swift nor the battle to



the strong all through the first half. Up in the grandstand was a loyal alumnus who tried to assuage his grief with what the old Romans called *aqua fortis*, but known to us moderns as *spiritus frumenti*.

#### "HE MAKES A THREAT"

"But at the half he could stand it no longer and called out, 'Father O'Hara, if you don't get those Irish clicking I'm going to turn Methodist.'

"Yes; a tolerant world.

"So many faiths, so many creeds,  
So many roads that wind and wind,  
When just the art of being kind  
Is all this old world needs."

"To those of us who have been living here in this world-famed city, tolerance, like the charity of which it is a part, began at home. It has abolished all boundaries between town and gown. We are not like the walled cities of medieval times. No moat; no drawbridge divides us. We of the town and you of the gown are the common inheritors of a great and happy tradition.

"Great men of both the city and the university will that it be so. To mention only one of a noble galaxy, I cannot forget at this moment genial, lovable Father Cavanaugh. God rest his soul in the peace that he deserves. How many times in this very room did the magic of his eloquence make us forget that we were Catholic, Protestant, Gentile or Jew, Greek or barbarian.

#### "IT UNITES GOOD MEN"

"It was old St. Thomas Aquinas himself who said, 'Among all worldly things there is nothing which seems worthy to be preferred to friendship.' For friendship unites good men, preserves and promotes virtue. It is what all men need in whatsoever occupations they engage. In prosperity it does not thrust itself unwanted upon us nor does it desert us in adversity. It is what brings with it the greatest delight, to such an extent that all that pleases is changed to weariness when friends are absent.

"But *primus inter pares*, first among equals. No one, Father, none of those who handed down to you from Father Sorin's time the lamp of knowledge and the torch of Christ, none has done more than you have done to cement us as Americans all, proud of Notre Dame, proud of South Bend's fame, jealous of Indiana's name, first among States in the greatest Nation in the world.

"It is not appropriate, Father O'Hara, that I dwell at length upon the course to which duty and God have called you. As I remember the Good Book it becometh not to speak of him that girdeth his armor on but rather him who layeth it off. No doubt there will be moments of anxiety, but your wit will see you through. But if you ever get in a really tough spot, remember the Irishman before the Irish judge. The judge said, 'Haven't I seen you here several times before?' 'No, Your Honor. The only time in my life I ever saw a face with the look of eagles upon it like yours was when I once gazed upon the picture of an Irish king.' 'Case dismissed.'

#### IN GOD'S KEEPING

"Notre Dame and South Bend will not seem the same with Father O'Hara absent from us. But we can still rejoice that he will be in God's keeping and doing God's will. Woodrow Wilson, whose spirit had been tried in the fire of great hopes crushed to dust, in what I think was his last written message to his fellow Americans, said: 'Our civilization cannot survive materially unless it is redeemed spiritually. It can be saved only by being permeated with the spirit of Christ and being made free and happy by the practices that spring from that spirit.'

"I am profoundly convinced, now more than ever, as we see the modern godless Caesars return to ancient Romes, living and perishing by the sword, crushing all that is decent in the relationship between man and man and man and his Maker, that the supreme crisis of our times is a moral failure and that no party, no statesman, and no government can redeem us from our sins.

"The God-fearing men who laid the foundation of this Republic knew well that:

"'Except the Lord build the house  
They labor in vain that build it,  
And except the Lord the city keep,  
The watcher but waketh in vain.'

#### FATHER O'HARA A MAN

"My fellow citizens of South Bend and Notre Dame, Father O'Hara would not wish us to catalog at length the qualities for which we love him. I will pass over his scholarly attainments, his rare administrative ability under which his beloved Notre Dame has grown like a green bay tree and from whence his thousands of boys have gone forth to enrich our lives with their faith in themselves, in Notre Dame, and our common country.

"But I cannot close without one word concerning Father O'Hara as a man. And for its expression in language beyond my power I go back to what Sallust said of the elder Cato, one of the noblest men whose name is like a shining bead on the rosary of time:

"'As for Cato, his only study was moderation, regular conduct, and, above all, rigorous severity. He did not vie with the wealthy in riches, nor in turbulence with the factious but taking a nobler aim he contended in valor with the brave, in modesty with the modest, in integrity with the upright, and was more desirous to be virtuous than to appear so; so that the less he courted fame, the more it followed him.'

#### "TOKEN OF ADMIRATION"

"Father O'Hara, wherever you go, you will have 'honor, love, obedience, troops of friends.' But I trust it will always be a happy memory to you to recall these faces of your old fellow townsmen who love you best of all. In their behalf, and at their request, I present you with this slight token of our admiration and our love."

Father O'Hara responded in a feeling way which indicated the depth and sincerity of his appreciation of the compliment paid him by South Bend and also of the gift. He pointed to the close relationship which has developed between South Bend and Notre Dame and its significance and hoped it always would exist. He referred to the great responsibilities confronting him in his new work and the possibilities it offers.

Following the singing of the first stanza of "America" the benediction was pronounced by Rev. Charles Tupper Baillie, D. D., pastor of the First Presbyterian Church. For a long time after the early adjournment Father O'Hara was kept busy receiving congratulations from men present and in autographing the evening's program the first cover page of which bears a most excellent picture of him.

#### FROM OUT OF CITY

Among those from out of the city attending the dinner were Col. George Miller, Culver Military Academy, Culver, Ind.; John C. Tully, president of the La Grange National Bank, La Grange, Ill.; Bishop Campbell Gray, Mishawaka; Byron V. Kanaley, Chicago, president of the board of lay trustees of the University of Notre Dame; Daniel Hilgartner, Jr., Chicago, president of the Notre Dame Alumni Association; and John Dwyer, of Chicago.

Father O'Hara is preparing for his consecration ceremonies which will take place in the Church of the Sacred Heart, Notre Dame, next Monday. The limited capacity of the large church will be filled.

## Nebraska Public Power and Irrigation Projects

### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ADDRESS BY DOUGLAS G. WRIGHT

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Douglas G. Wright, Assistant Chief Project Engineer of the (Nebraska) Public Works Administration, on the subject "Nebraska Public Power and Irrigation Projects and the Stabilization of River Flow."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A meeting of a particular association has one thing very much in its favor—we all speak a common language. I am reminded of the rich leather merchant, who was attending one of his wife's parties. Cornered by his irate spouse with the remark, "You are not talking to our guests," he replied, "No; they don't know anything about leather." We are at a decided advantage. We all know about irrigation and its related problems.

Another subject which not only members of this organization, but every person in this State understands, because he has not only read about it daily these past years, but many also have lived directly with it, and that is the protracted drought problem which has taken hold of Nebraska. Newspapers recently published accounts of the Governor's visit to Washington in order that he might carry an appeal to the President for Federal aid to farmers struggling through the worst drought the Cornhusker State has yet known.

To overcome this handicap imposed by nature constitutes, without a doubt, the greatest problem confronting Nebraska today. Upon its satisfactory solution depends the economic future of thousands and thousands of acres of farmlands which have become unproductive because of the inadequate rainfall. To supplement the deficiency, we must turn to the artificial watering of fields. In other words, we must develop irrigation. While pump irrigation has its place, a semiarid region as extensive as that of central Nebraska calls for the complete conservation and utilization of the rivers which flow through it. The problem of drought, irrigation, and stabilization of river flow go together as naturally as meat, potatoes, and gravy.

There is no question that provision must be made for direct and immediate aid for those counties hardest hit through lack of rainfall. However, permanent rather than temporary correction is needed. The farmer is, after all, a very self-reliant sort of fellow.

He is not looking for continual Federal and State aid. He is asking, rather, for the means by which he can help himself. Irrigation will give him a degree of assurance for his income, whereby through careful planning and hard work, he can rebuild into ultimate prosperity and financial security.

Nor has the central Nebraska farmer been "let down." To check the retrogression of its agricultural industry, the citizens of this State have undertaken a \$64,000,000 Public Works Administration financed public power and irrigation program. In doing so, Nebraska becomes a pioneer in the coordinated development of water resources as local, public undertakings.

A river valley in semiarid country is not abundant in crops simply by virtue of lying close to a stream. Water is a resource that must be used in order to be of benefit. The stream flow must be diverted onto the land before it can produce bumper crops. To put its rivers to beneficial use there are at present being built, or have been constructed, five public power and irrigation projects in the severely drought-ravaged sector of this State.

Two of the projects are comparatively small. They divert the flow of separate rivers and because of abruptly rising tablelands are confined to the first valley levels of the respective streams. These projects have been in complete operation only one season. In this brief time they have well demonstrated their possibilities to the North and Middle Loup Valleys through the utilization of the continuously flowing North and Middle Loup Rivers. Since they take their source from the great underground reservoirs of the sand hills, they have a sufficiently uniform flow during the irrigation season to meet the water-supply requirements of the districts.

These two projects will place some 60,000 acres of rich farm lands under irrigation. They make every promise of developing a stock-feeding center and highly productive area of diversified and intensive farming practice which should match the phenomenal progress of the Scotts Bluff region, to which every Nebraskan points with pride.

The other three public power and irrigation projects offer a considerably different picture. They are not so local in aspect, and they hope to add to the benefits of irrigation the additional benefit of cheap electrical energy.

Of the three, the Loup project, located at Columbus, is designed for the generation of hydroelectricity only. It draws water from the Loup River, which is a confluence of the Calamus and the North, South, and Middle Loups, and their tributaries. This project found it unnecessary to construct any large man-made storage facilities to regulate the flow of the Loup River for two reasons: First, this stream, although subject to some fluctuation, is not subject to large flood run-offs or long periods of very low flow, as are numerous other rivers; secondly, the coordinated operation with the Sutherland and Tri-County plants, whereby through perfectly synchronized transmission-line connection, the large storage facilities of those two projects can be employed for peak-power demands, makes it possible for the Loup district to utilize completely the water of the Loup River with only daily storage regulation.

The Sutherland and Tri-County projects, designed for the dual service of irrigation and generation of hydroelectricity, are not so favored by natural conditions. The Platte, from which they take their water supply, is a river of extremely fluctuating flow. During some months of the year it carries a large volume of water. By late summer, however, the flow generally becomes so small that for miles there is only a stretch of dry river-bed sand for water appropriators. Therefore, in order to conserve and put to beneficial use the plentiful winter and nonirrigation-season flow which is now unused, together with impounding floods of any magnitude which may sweep down the river, great storage reservoirs must be built. It is by impounding this otherwise wasted flow that water can be sent down irrigation ditches during the crop-growing months of the following season.

As I have said, the North and Middle Loup projects serve the lands within their individual valley beds. They operate separately because they divert water from separate streams. While the Loup project at Columbus takes water separately and apart from the Sutherland and Tri-County projects, it is desirable for economic reasons, because of the nature of its service, that the three major projects be coordinated. The question is often asked: Since these three districts are dependent so necessarily one upon the other for their most economical operation, why have three separate projects?

In engineering, as in every other line of work, hindsight is better than foresight. There are five separate public power and irrigation projects because, at the time the Public Works Administration was organized and the applications for allotments were filed by the districts, the crying need was to "put men to work" through the construction of useful and permanent public works for the good of the people. Public Works Administration did not receive the Nebraska applications simultaneously, nor was it in a position, under the emergency conditions, to take the time to correlate every application within an area with all other applications from the same region of the State. Each application was considered on its own merit and without consideration of its relationship to the others. Consequently, allotments were made to the five districts in the order in which they were found eligible.

In the light of the experience gained after construction started, it would have been much better if the Nebraska applications had been filed simultaneously and considered as a single program. A combined State-wide development would have eliminated any possible

overlapping of construction, and would have guaranteed the most efficient and economical set-up in the program of Nebraska water conservation. All changes which the Public Works Administration has recommended have been in an effort to eliminate some of the conflicts which have resulted from separate project programs, and to provide for an economic set-up which will provide ultimately the greatest utilization of the water resources and prove of the greatest benefit to the State as a whole.

The picture is further complicated because while the Loup, Sutherland, and Tri-County projects have as one of their objectives the generation, distribution, and sale of electric energy, the Sutherland and Tri-County projects have as their principal objective the furnishing of storage water for irrigation. Both Sutherland and Tri-County depend upon the flow of the North Platte River for their source of water supply and any action of one obviously affects the other. Because of these common objectives and similar design, a coordinated plan of operation will not only accomplish the greatest utilization of the water resources and offer the highest degree of public service to the State, but will work also to the mutual economic operation of each of these three projects. Through coordination and cooperation, the major districts can meet their common problems on a common basis.

I have digressed from my main subject because to those who have not worked directly with the construction of the projects, the present program of coordination of the Loup, Sutherland, and Tri-County projects might be difficult to understand.

There is one other point upon which I would like to touch in a discussion of the Nebraska public power and irrigation program. In the construction of these projects, much controversy has been carried on because of the development of hydroelectricity. When considering the purposes of the projects, we must remember that they are designed, first of all, to serve irrigation. The development of hydroelectricity is secondary, but very necessary. Running water through turbines doesn't change its properties. It is just as wet when it is sent down the irrigation ditches to be carried out over the fields, but it comes to the fields with a double advantage. In addition to providing the moisture needed for the cultivated crops, it has to a considerable percentage already paid for its own irrigation service by first lending itself to the generation of electricity. Without the sale of electrical energy to carry its proportionate share of construction costs, the districts could not sell irrigation at the reasonable prices it is sold, and one that is within the reach of the farmers' pocketbooks.

There are other reasons why the systems have been designed as multiple-purpose projects. This plan of operation offers the most advantageous use of money expended for construction. One dollar does the work of several when the same system embraces irrigation, flood control, generation of hydroelectricity, and other related purposes. This multiple design in the utilization of Nebraska's water resources is the plan most in keeping with our present day mode of living.

So necessary is the sale of hydroelectricity in the program of irrigation service that the north and middle Loup districts included as a part of their applications the plans for sending electricity over transmission lines to towns within their project territories. Revenues derived from such service will assist them in repaying construction costs and in reducing the acre-foot charge for water service to the farmers. The two plans dovetail perfectly, and the districts are working out this phase of operation. Cooperative support and an interchange in revenue is given in that the north and middle Loup projects buy electrical energy from the major public power districts for resale to their local communities.

A brief study of the physical nature of the three larger projects will indicate that their basic possibilities are designed ideally for cooperative and coordinated operation in order to secure the maximum development of water resources.

The Loup project at Columbus is primarily a run-of-the-stream generating plant, with only sufficient storage regulation to enable the project to carry a portion of the peaks of the power load served by the three projects.

The water of the Loup River can be utilized by the project at all times up to the maximum capacity of the power canal, which is approximately 3,100 second-feet. This permits the regulating reservoir to be maintained at such a level that the plant can use the average water available and yet to a large extent carry the peak loads of the system.

The Sutherland and tricounty projects form an almost unbroken chain on the Platte River from the Kingsley Dam near Ogallala to the Johnson No. 2 powerhouse, which is south of Lexington. The Kingsley Reservoir has sufficient storage capacity to regulate the flow of the Platte River almost 100 percent over the entire period from 1930 to 1938, based on State water records available for that time.

In the coordinated operation of these projects, there are certain waters which must be passed at all times in order to satisfy prior water requirements. In the case of the South Platte River, no on-river storage facilities are available, but the flow to some extent can be utilized by the public projects by passing the water through certain canals, regulating reservoirs, and power plants which lie below North Platte but above the points where the water is taken from the river by irrigators with prior water rights.

To my mind, it is this flexibility of the Sutherland and tri-county projects, permitting practically all the water in the river to be carried through their canal systems almost to the present diversion points of existing private company ditches, which offers the greatest possible conservation along the Platte River.



For example, the water required by privately owned ditch companies in the Platte Valley between Brady and Lexington can be passed in a great measure through the Sutherland Canal system, then the Sutherland power plant, then the Jeffrey section of the tricity supply canal, then the Jeffrey power plant, and then be discharged back into the river just above the head gates of the first two private ditches east of North Platte. Sending this water through the canals of the public projects, in my opinion, will eliminate to a considerable extent the river losses which are so marked in the wide river bed of the Platte throughout this section.

Further, there is sufficient capacity in the tricity supply canal for the water requirements of the Elm Creek and Kearney Ditch Co. to be carried in the canal from North Platte and released back into the river at a point about 3 miles west of the Elm Creek ditch head gates, thus saving river loss in the channel for some 60 to 70 miles. This arrangement, I believe, will improve the problem of water delivery to these ditches, a matter which has caused endless controversy.

Returning for a moment to the actual operation of the projects themselves, I shall outline how it will be possible to secure the maximum utilization of the water of Nebraska's rivers.

As I have stated previously, the Columbus project should be operated continuously in order to make use of the water available from the Loup River, to the capacity of the canal system. Power generated will be classed as base-load power to a major extent, with sufficient daily regulation, however, to enable the plant to furnish peak power during the peak-load periods of the districts.

The Sutherland and tricity projects must be operated, primarily, to furnish irrigation water for the lands under their respective systems. In addition, operation must be carried on to insure protection of the rights of holders of prior water rights. In order to meet these two requirements, it is necessary that the water released for this purpose be discharged at a constant rate to the irrigators.

The power which can be generated with the water passed for prior water requirements, plus the water passed for the public districts' own irrigators, together with the flow of the South Platte River which can be passed through the tricity power plants, can be added to the power generated during low water by the Loup project. This combined generation classed as base-load power, thus comparatively is uniform throughout the year. Every drop of water available can be used, first, to satisfy irrigation demands under the project systems, and, second, for power generation to form the power generated by each of the districts to such a point that there should be very little so-called secondary or dump power.

The Sutherland Reservoir, and the numerous small reservoirs along the tricity supply canal, make for flexibility of the systems in operation so that the projects can, to some extent, store floodwater of the South Platte River which now is unused. At the same time the water levels in the canal system can be maintained to permit operation of the power plants of the three projects and provide the necessary irrigation service.

As an example of the operation which I have just discussed, let us take a typical day during the summer irrigation season. Let us suppose that the projects are completed and in full operation. Let us say that the Loup River is flowing some 1,500 second-feet. The Loup project would be operating their regulating reservoir at variable levels between half of its capacity and full capacity. In other words, during peak periods they would be drawing their regulating reservoir down to carry the daily load peak. During the late night and early morning hours very little water would be taken through the Columbus plant, thereby refilling the reservoir which had been drawn down during the hours of peak load.

This procedure could be followed and still allow the Loup project to utilize all water available to it from the Loup River. At the same time we will say the Tricity and Sutherland projects are running the entire flow of the Platte through as much of their systems as possible for prior water requirements. In addition, they are releasing irrigation water from their storage reservoirs for the irrigation of lands under their own systems. Obviously it is necessary that there be delivered into the canals a continuous flow of water to meet irrigation requirements. It is for this service that the numerous reservoirs along the Sutherland and Tricity canal systems have their greatest value.

It is possible by varying the level of these small reservoirs and running water through the various plants at different times to maintain not only a constant delivery of irrigation water to the canals but also to operate the power units as nearly as possible at their maximum efficiency. For example, the Jeffrey regulating reservoir could be drawn down during peaks of power demand at a much faster rate than required by irrigation deliveries, and the water stored in the Johnson regulating reservoir. During the next day the same constant rate of delivery could be maintained out of the Johnson regulating reservoir and the flow from the Jeffrey plant reduced and the peak load carried by a faster delivery of water from the Sutherland Reservoir into the Jeffrey regulating reservoir to refill it.

This flexibility in the operation of the systems, as well as the perfectly synchronized coordination of the Loup project, makes it possible for the districts to gain a two-purpose use of the waters of this State, and enables them to operate both as irrigation and electric generation projects, with the mutual economic benefit of both.

Much has been said, and much has been written, about the objectives of the Nebraska public power and irrigation projects.

Even more has been said and written as to whether they will be able, physically, to accomplish these objectives. I know of but three objectives of the projects with which I have come in contact.

These three objectives are:

First. To develop and utilize Nebraska's greatest natural resource, her water;

Second. To furnish irrigation to as much land as possibly can be served by the projects at the cheapest possible price; and,

Third. To utilize the energy in falling water as it winds its way to the irrigation ditches by the generation of electric power to be furnished as reasonably as is possible to the people of this State, and whose revenues are to be used to help pay the cost of furnishing supplemental water to Nebraska's farmlands.

Personally, I know of no reason why these public power and irrigation projects, as they are being constructed, cannot fully and completely fulfill these objectives. The engineering work has been done skillfully and men recognized as foremost authorities in the construction of projects of this nature have been consulted for approval of the designs. Without question, mistakes have been made in the building of these public projects, but such mistakes as were made have been corrected. Every effort is being made to bring about as nearly perfect operation of these man-made structures as is possible.

The question now is not, Will these projects work? It is rather, Are the people of Nebraska giving these projects the support necessary for their successful financial operation? These districts are business organizations and for their income they depend upon the sale of their services. It is true they are organized for a public service, and are nonprofit corporations, but they must have a market and customers for their services just as a drug store, a grocery store, or a meat market must have customers before it can sell its commodities.

It is difficult to conceive of projects more worthy of support than are these public power and irrigation districts located throughout central Nebraska. That the present uncertainty of agriculture is a serious menace to the future economic importance of this region now is too obvious longer to be ignored. The Nebraska Blue Book for 1938 states that crop production in general was reduced heavily by drought during the period 1934-38, and we know that 1939 was anything but a bumper crop year, where crops were dependent upon rainfall. Unfortunately, production expenses have not decreased proportionately, leaving the farmer with a low buying power insofar as the sale of his commodities is concerned. According to newspaper figures, over 1,300,000 acres of land have passed from private to insurance-company ownership. That isn't a healthy situation for a State dependent solely upon agriculture as its basic industry. If the rest of the State then looks to the prosperity of the farmer as its yardstick for financial prosperity, the sensible and only possible solution of the problem is to give the farmer, who is the first producer of wealth, an assurance for his income. Now that central Nebraska has been provided with adequate irrigation facilities to bring irrigation to thousands of acres of semiarid farmlands, it is up to the residents of this region, and the entire State, to give the projects support by purchasing their services. There is no alternative to that situation. Without financial support the projects cannot operate; and without irrigation, the desolation of central Nebraska cannot be checked.

Due to the success of irrigation along the Platte Valley, and because of the devastating effects of continual drought years, Nebraskans are now irrigation-minded. At present, plans are under way for the formation of several new districts along the Platte in the more eastern counties. Renewed efforts are being put forth also by residents of the Republican Valley in order to obtain Federal allotments for river flood-control and irrigation projects. The committees in charge of sponsoring the projects are doing everything possible to make Nebraskans realize that the waters of the Republican should be conserved.

There is no doubt that additional irrigation projects are needed. Farmers certainly cannot continue to pay taxes when they have no crops, and the loss of taxes affects the whole State. There is, however, a question which rightfully can be raised of any future development of such projects. It isn't reasonable, and surely not in keeping with good business practice, to expect the Federal Government or any financial institutions to help build more projects unless the people of Nebraska first show that they have every intention of supporting the public projects which have already been built, and which are now ready to render both irrigation and electrical service.

The projects to be built will involve many of the same engineering problems and difficulties as were encountered on those that have been constructed. Any new projects will require financing from some source, either from the Federal Treasury or private capital, and when they are completed they must have the support of the residents of the particular areas in order to operate successfully. If, then, the citizens of Nebraska are really in earnest in wanting additional projects, the surest way to get funds is to give to those projects already in existence the best kind of support.

In conclusion, I would like to repeat that the Nebraska public power and irrigation projects can be operated in such a way that they will accomplish their objectives. Each project will benefit through cooperation and unified operation. Furthermore, the entire Platte River Valley will have greatly improved water conditions due to the full regulation of the North Platte River by the Kingsley Reservoir, and the saving of water losses in the wide river bed, which can be accomplished by the full use of the projects' canal systems.

**St. Lawrence Seaway—Growth in Population and Real-Estate Values in the Great Lakes Area Assured Upon the Completion of the St. Lawrence Seaway**

**EXTENSION OF REMARKS**  
OF  
**HON. FRANCIS D. CULKIN**  
OF NEW YORK  
IN THE HOUSE OF REPRESENTATIVES  
*Monday, January 22, 1940*

Mr. CULKIN. Mr. Speaker, the soundest navigation and power project in the United States, if not in the world, is the Great Lakes-St. Lawrence seaway. The project is based on sound nationalism and tested economics. I feel I am on safe ground when I make the following conclusions as to this great national development:

First. Its construction will add 3,576 miles to the coast line of the United States by admitting ocean vessels from the Atlantic to the Great Lakes. It brings the seven seas 1,200 miles inland!

Second. It will mitigate, if not entirely cure, the economic handicaps of adverse transportation costs to the vast area in the interior of the American continent. This area embraces 22 States with a population of more than 40,000,000 people who gain their livelihood from agriculture and manufacturing.

Third. Without doing violence to existing investment it will bring electricity at low cost to the manufacturer, farmer, and house dweller in the northeastern part of the United States.

These great and permanent benefits from this project have been frequently discussed by me on the floor of the House. Today it is my desire to stress more particularly the stimulating effects of the seaway on population and real estate in the Great Lakes area.

The classic example of the effect of waterways on population and real estate is found in the latter-day history of Corpus Christi, Tex. Corpus Christi, Tex., is an old city which did not really come into its own until it was established as a Gulf port in 1926. In that year only 6,170 tons of cargo were moved out of that city. The port was improved and year by year the tonnage increased until 1939, when the tonnage was 6,000,718 tons. In 1920 it had a population of approximately 25,000, but under the stimulus of maritime development the 1940 census will show at least 60,000. This growth in population and in commerce is being reflected in one of the most remarkable real-estate developments in the history of the country.

Mr. Ernie Pyle, a special writer for the Scripps-Howard group of newspapers, says in a syndicated story which appeared in the New York World-Telegram on January 3, 1940, that the development and growth of Corpus Christi is due in large part to the fact that it had become a seaport. Mr. Pyle states that no city in America is growing faster than Corpus Christi, and that this year's building permits total more than \$7,000,000, with real-estate values going up by leaps and bounds.

Corroborating this, Mr. Pyle says:

Two miles out of the city limits a lot 100 by 400 feet costs you \$5,000. In a yet-vacant section this side of that (which the owners are holding) the land is almost priceless. One man has 320 acres still in cotton and has turned down \$250,000 for it.

Taking a leaf from the book of Corpus Christi, I have no hesitancy in saying that the growth and development of the Great Lakes ports, upon the completion of the seaway, will be as remarkable. It is worthy of note that other independent publicists, free from the influence of selfish interests, are agreeing with Mr. Pyle and say that when the St. Lawrence seaway is completed every city of the Great Lakes area will, within a period of 10 years take on an extraordinary advancement in population and real-estate values. The seaway will convert more than 85 inland communities of the United States into seaports. The following is the list of lake

ports that will be profoundly and favorably affected by the completion of the St. Lawrence seaway:

Lake Superior: Grand Marais Harbor, Minn.; Duluth-Superior Harbor, Minn. and Wis.; Cornucopia Harbor, Wis.; Ashland Harbor, Wis.; Ontonagon Harbor, Mich.; Presque Isle Harbor, Mich.; Marquette Harbor, Mich.; Grand Marais, Harbor of Refuge, Mich.; Warroad Harbor and River, Minn.; Agate Bay Harbor, Minn.; Port Wing Harbor, Wis.; Washburn Harbor, Wis.; Bayfield Harbor, Wis.  
Lake Michigan: Manistique Harbor, Mich.; Menominee Harbor and River, Mich. and Wis.; Oconto Harbor, Wis.; Pensaue Harbor, Wis.; Big Suamico River, Wis.; Green Bay Harbor, Wis.; Harbors at Washington Island, Wis.; Algoma Harbor, Wis.; Kewaunee Harbor, Wis.; Two Rivers Harbor, Wis.; Manitowoc Harbor, Wis.; Sheboygan Harbor, Wis.; Port Washington Harbor, Wis.; Milwaukee Harbor, Wis.; Racine Harbor, Wis.; Kenosha Harbor, Wis.; St. Joseph Harbor, Mich.; South Haven Harbor, Mich.; Saugatuck Harbor and Kalamazoo River, Mich.; Holland Harbor, Mich.; Grand Haven Harbor and Grand River, Mich.; Muskegon Harbor, Mich.; White Lake Harbor, Mich.; Pentwater Harbor, Mich.; Ludington Harbor, Mich.; Manistee Harbor, Mich.; Portage Lake Harbor, Mich.; Frankfort Harbor, Mich.; Leland Harbor, Mich.; Charlevoix Harbor, Mich.; Gladstone Harbor, Mich.; Petoskey Harbor, Mich.; Waukegan Harbor, Ill.; Chicago Harbor, Ill.; Calumet Harbor and River, Ill. and Ind.; Indiana Harbor, Ind.; Michigan City Harbor, Ind.

Lake Huron: Cheboygan Harbor, Mich.; Alpena Harbor, Mich.; Saginaw River, Mich. (Bay City, Essexville, Saginaw, Milwaukee); Harbor of Refuge at Harbor Beach, Lake Huron, Mich.; Mackinac Harbor, Mich.

Lake Erie: Monroe Harbor, Mich.; Toledo Harbor, Ohio; Put in Bay Harbor, Ohio; Port Clinton Harbor, Ohio; Sandusky Harbor, Ohio; Huron Harbor, Ohio; Vermilion Harbor, Ohio; Lorain Harbor, Ohio; Rocky River, Ohio; Cleveland Harbor, Ohio; Fairport Harbor, Ohio; Ashtabula Harbor, Ohio; Conneaut Harbor, Ohio; Erie Harbor, Pa.; Dunkirk Harbor, N. Y.; Buffalo Harbor, N. Y.

Lake Ontario: Olcott Harbor, N. Y.; Rochester (Charlotte) Harbor, N. Y.; Great Sodus Bay Harbor, N. Y. (Sodus Point); Little Sodus Bay Harbor, N. Y. (North Fairhaven); Oswego Harbor, N. Y.; Cape Vincent Harbor, N. Y.; Ogdensburg Harbor, N. Y.; Sacketts Harbor, N. Y.; Morristown Harbor, N. Y.; Waddington Harbor, N. Y.

Connecting channels: Detroit River, Mich. (Detroit); Black River, Mich. (Port Huron); Clinton River, Mich. (Mount Clemens); Rouge River, Mich. (River Rouge); Black Rock Channel and Tonawanda Harbor, N. Y.; Niagara River, N. Y. (Niagara Falls).

**Labor Endorses Dies Committee**

**EXTENSION OF REMARKS**  
OF  
**HON. J. PARNELL THOMAS**  
OF NEW JERSEY  
IN THE HOUSE OF REPRESENTATIVES  
*Tuesday, January 23, 1940*

LETTER FROM LOUIS P. MARCIANTE, PRESIDENT, NEW JERSEY STATE FEDERATION OF LABOR

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter which I have received from Louis P. Marciant, president, New Jersey State Federation of Labor, expressing approval of the work which the Dies committee has performed and of its continuation of the investigation which it is making into the activities of subversive groups within the United States:

JANUARY 19, 1940.

HON. J. PARNELL THOMAS,  
Congressman, House Office Building,  
Washington, D. C.

MY DEAR CONGRESSMAN: I take this opportunity to commend you and the members of your committee for your splendid contribution toward the maintenance of our American traditions and American democracy in your investigation of subversive activities in our Nation. No one realizes better than myself the tremendous inroads that have been made by subversive forces in our country. I believe that any labor leader who is committed to our American traditions realizes as forcefully as I do, the progress made by the communistic element established in certain branches of the labor movement. No labor leader I have talked with doubts for one moment that the apparent trend toward restriction of labor's right has been due, mainly, to the activities of Communist agitators and seekers of revolution working within certain organizations of organized labor and using unionism as a cloak for their destructive activities.

New Jersey has been particularly harrassed by this element. I have contended for some years and charged that many of the leaders in the newer organizations were Communists and as a result had



to withstand the abuse that they and their fellow travelers heaped upon me verbally and through their publications. I, therefore, feel particularly grateful to your committee for the exposures that have been made and which have proven conclusively my contention that these men were revolutionists and not trade unionists.

I feel, however, that the work of your committee is far from having been completed and that there are many other things the people of this country could learn by continuing the work of your committee. You are, I am sure, familiar with the sad experiences New Jersey has had with the Nazi bund and it is my hope that you commit your investigation to expose the machinations of these agents of a foreign power who would destroy the processes and institutions that guarantee us our freedom and democracy.

With all best wishes for the personal well being of yourself and the members of your committee, I am,

Most cordially yours,

LOUIS P. MARCIANTE,

President, New Jersey State Federation of Labor.

Dr. Rizal

## EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ADDRESS BY HON. HARRY B. HAWES

Mr. TYDINGS. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered by former Senator Harry B. Hawes, of Missouri, who had much to do with one of the independence bills for the Philippine Commonwealth, on the subject of Dr. Rizal, who was one of the great Filipino patriots at the time of the Spanish-American War. Dr. Rizal was executed by a firing squad. He was a great Filipino hero, and there is so much of interest, lore, and information in former Senator Hawes' address that I ask that it be inserted in the RECORD. The address contains some historical matter probably never heretofore printed; and anything that applies to Philippine-American relationships is not only interesting but may become increasingly important in the future.

In addition, I approve his observations on the subject of religious liberty and tolerance—a matter so signally demonstrated in the early history of my State.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends of the Filipino community of Washington, rough, hard, beset by danger, with suffering, and with death, is the road to democracy.

Through all the centuries men and women have made the supreme sacrifice in its pursuit and for its attainment; and today, in the year 1939, are again giving all they have, upon the sea and the land, throughout Europe and Asia, for the return and the preservation of freedom.

In the United States and in the Commonwealth of the Philippines we have democracy; our problem is not to secure, but to hold, to retain, to preserve, and to perpetuate.

The best way to that end is to inform each generation what the preceding generations have done, to hold as beacon lights their heroic sacrifices that future generations may live in liberty.

If we gather about a Christmas tree, sing the old songs, tell the old stories, pass around the gifts, listen to the laughter, and watch the smiles of dear ones, we may forget for the day why we possess the opportunity for the gala period and right to enjoy peace and freedom.

Along the years that went before men had been preparing the way. And among these was Dr. Jose Rizal. National heroes sometime become heroes of all humanity. There have been men who at first have been a torch for a single nation and become a guiding beacon light for the world. Rizal was one of these. But a few months ago it was Poland, today it is Finland, who has through sacrifice rekindled the sacred fire of democracy.

Rizal, whom we now commemorate, was an artist, poet, author, physician, world traveler, and patriot. He destroyed with a book cruel control, as Cervantes had destroyed with a book false knight-hood and the shams of a fanciful chivalry.

Thirty-three Philippine revolts stretched over 200 years before he arose.

The manner of Rizal's death sent more men to arms than the war bugles of the King.

On December 30, 1896, troops of soldiers held back the people; Rizal walked to the appointed place; he requested that he be shot facing the squad; the officer in charge said he must obey orders; he then asked that they aim at his heart, not his head.

In the face of the supreme test, he was calm. A military doctor, amazed at his fortitude, inquired, "May I feel your pulse?" It was hardly a beat above normal. At the age of 36, the poet, the patriot, made his supreme contribution for democracy.

He was cast into an unmarked grave. Today, a great shaft, a noble monument, marks the spot. On this anniversary it is covered with wreaths and flowers. Men, each year, review his sacrifice and revitalize the cause of liberty. In many trips to your country, I looked morning and afternoon from my window upon the monument of a people's love. It was not difficult to envision what went before, and it was always a compensation for the very small part I have had in advancing his desire for an orderly liberty through a democracy.

Fifty thousand Filipinos in America pay him their annual tribute, today, as those in every province, in every barrio of "The Christian Spearhead," Philippine bands play, people march and again recall his sacrifice for liberty.

That night, 43 years ago, Filipinos sharpened their knives, oiled their muskets, and formed their army. Moving forward, driven back, again onward they went through the ordeals behind their visible leaders. The invisible but real leader was Rizal. Men sat in the trenches with him, they trailed through jungles, they marched, they died, they gave their all as they went with him to the death that won victory. They carried the torch of democracy, but it was held in his lifeless hand.

Soft sentiment was not the cause. Rizal's execution brought the realization that if a kindly man who raised his voice and expressed his ideas in a book should forfeit his life, then knowledge was treason, patriotism a crime, justice was in shackles, and the quest for liberty meant death.

It was then better to die in open places than in prison.

Rizal's execution was intended to be a deterrent. Instead, it fortified a fixed determination; it welded an unbreakable will for self-determination.

Then followed 3 years of struggle until Spanish armed forces were driven into Manila and were there surrounded. Admiral Dewey entered the bay, sank every Spanish warship, and destroyed all forts. There was for a time friendly cooperation between Americans and the Filipinos.

Then the American Army came; it entered the Spanish citadel; Philippine troops were not admitted. This brought ill feeling and misunderstanding, heightened by the absence of competent interpreters.

In the war that began with that unhappy misunderstanding, which lasted 3 years, Americans lost 4,000 men, the Filipinos 16,000, a toll of 20,000 lives.

Spain had received \$20,000,000 for a land and a people she could not deliver.

War came through a mistake of motive. We can only speculate upon events, if what followed could have been known at the time.

At the beginning of American occupation there was military rule; civil administration followed.

After American soldiers, came school teachers, American executives were succeeded by Philippine administrators, roads were built, sanitation was introduced, newspapers increased, education extended, suffrage was granted, democratic court procedure was provided, liberty was assured, happiness and understanding appeared.

Repeated American promises of ultimate independence were made by our Congresses and our Presidents.

The Philippines increased in population from 7,000,000 to 16,000,000. Manila, the ancient oriental trading outpost for the Pacific, outgrew its walled city and extended for miles in all directions. From 200,000 it has now grown to 600,000.

Americans remained, entered into business, introduced the American way. Under their inspiration, both imports and exports grew amazingly. Today, taking in all of Asia, Africa, North and South America, and all Europe, we find, before the late war began, only Japan in Asia, Canada in America, and England and France in Europe, exceed the Philippines in purchases from American farms and factories.

You are our fifth best customer in the world, and, in return, 80 percent of all your exports are purchased in America.

Commerce and religion are strong ties; but the most binding is the union found in a common love of democracy. Without it we could not have the other things that bring contentment. It is worth fighting for—Rizal thought it worth dying for.

Millions of men are in battle today that it may survive.

A hundred years before Rizal's time, men in America, through privation, suffering, death, after 7 years of struggle, decided for a government in which all could participate and each have a voice. Purified by war, they met and wrote a set of rules called a Constitution, which provided for government by a majority.

The work seemed good, but wise men said there are certain rights that should be made definite and inalienable, a guide for legislatures, executives, and courts.

The original draft described how a majority should rule, but it did not describe how a minority should not be disregarded.

Wise men know that a minority of today may in a democracy become the majority of tomorrow and a minority abused, wronged, coming into control, might inflict punishment upon the late majority.

Following the revolutionary period of our country there came from the new border State of Kentucky resolutions dealing with search and seizure, the right of castle, and finally under the guiding hand of Jefferson, came the first 10 amendments, called our Bill of Rights. This charter of civil and religious liberty tells a majority what it may not do; it denies not only the right but the power to do certain things.

They knew the annals of tyrannies down through the ages. They were familiar with the records of despotism and oppression. They were resolved to place safeguards against repetition in our land. They protected America against the absolutism of the monarch, against the injustices of a majority. They marked a line over which a majority could not pass. They decided there could not be a rule for one man and another for another man.

If a man owned a farm, a horse, a dog, it was his property; it might be a factory, a bank, a railroad, a woman's home, or even the child's doll. They could be taken from their rightful owner only by gift, by sale, or due process of law, without the protection of which, provision for old age, support for the helpless, would all be lost.

Freedom of speech, liberty to print, right of petition, trial by jury confronted by the accuser, right of counsel, proof of guilt only beyond a reasonable doubt—all these were guaranteed.

And freedom of worship was made inviolable: A Chinese may have his Confucius, an East Indian Moslem his Mahomet, a Japanese his divine Emperor, a Jew his Moses, a Christian his Christ, that is a matter of choice, a matter of conviction with which the State may not interfere.

Jefferson proposed that each man should select his own God and be a better man for the stronger conviction.

As a statesman, he knew pioneer Americans came from divergent and antagonistic religious groups. There were 13 States with local control, and intolerance guiding one State might have been Puritan, another Baptist, another Presbyterian, another Episcopalian, another Methodist, and another Catholic, sectarian wars might be waged, destroying all unity under one Confederation.

Better a square with a courthouse, justice in the center, with a Protestant church on one corner, a Catholic church on another, a Jewish tabernacle on a third, and a lecture hall on the fourth, than a regimented State-controlled temple for every man's God.

Nearly 20 years ago, in the House of Representatives, I said, "It becomes the particular duty of those in a majority to insist upon the preservation of the rights of the minority, and the fight against religious intolerance should be made by the Protestant for the Catholic and by the Catholic for the Protestant, and, because of numerical weakness, of both Protestant and Catholics for the religious rights of the Jew."

A score of years has passed and with added experience my mind has been strengthened in this conviction.

Men last saw Rizal before a firing squad. Time has marched on for nearly half a century. Always toward a goal he had before his eyes as the rifles flashed.

If Providence permits, he now may view a successful revolution in both thought and government. He may be saddened by the deaths at sea, in trenches, high in the air, in the shambles of wrecked cities while the struggle for democracy is carried on.

But if his vision reaches only his beloved Philippines, and its American partner, the United States, it will give him joyful satisfaction. In the White House in Washington President Roosevelt supports a democracy in the Philippines; the leaders in both Senate and House, despite some small dissent, wish the Commonwealth success.

The Pacific Ocean has been kept clear.

The Japanese attempt to strangle China, after 3 years' efforts, has not been successful. The war goes on with barbarous ferocity; it gives grave concern to all thoughtful people for the Philippine future.

My original bill was an independence offer of 15 years' reciprocal trade, and then, with experience, a plebiscite of all the Philippine people in 1951. This was changed and the plebiscite was placed at the beginning, so decision was made without the longer experimental period.

President Roosevelt has sent as High Commissioners three able men representing the external policy of the United States. They made friends and are now strong advocates of Philippine advancement upon plans approved by Filipinos. All agree, if a change comes, it must first be recommended by the Commonwealth.

The greater the prosperity of your people, the greater the inducement for their acquisition by a foreign state.

We have before us Austria, Czechoslovakia, Poland, and now plucky Finland. With the American flag flying, soon to be supported by the world's greatest Navy, as an ever-great democratic Nation it will be invincible; conquest could not succeed, would not even be attempted.

If Rizal looks down, he finds in the ecclesiastical palace a native-born Irish archbishop, a man of broad humanity, sparkling wit, and tolerance; beside Catholic cathedrals are Protestant churches and a Jewish synagogue; native Philippine Governors of all Provinces and mayors of all cities, a legislature selected by ballot, representative of the districts from which they are selected.

Five thousand Americans remain protected in property rights and civil liberties, with children and grandchildren. Fine old Spanish families fitting in and adjusting themselves to the new order. English, German, Chinese, helping to carry on under Philippine leadership.

Filipinos drilled, ready to fight for their own land, anxious to fight for their friend, the United States.

And when Dr. Rizal looks into Malacañan, home of the old Spanish Governors, home of American Governors, he will find in the seat of authority, formerly occupied by them, a native Filipino, His Excellency Manuel L. Quezon, President of a Philippine Commonwealth—a Commonwealth that possesses all the powers of each State of the American Union—its international control alone being limited.

The latest history, that of this year, by Captain Sexton, records, in his *Soldiers of the Sun*: "A particularly refractory insurgent captured at this time was Maj. Manuel L. Quezon. This 23-year-old youth had been a law student at the University of Santo Tomas at the outbreak of the insurrection and had forthwith enlisted in Aguinaldo's army as a private. Promotion had been rapid and an almost fanatical belief in the righteousness of the insurgent cause motivated him to remain hostile to the Americans even after Aguinaldo's proclamation. Following his capture, he was rewarded for his efforts by 6 months' imprisonment."

With the establishment of peace he engaged in law practice and then drifted into politics, still a passionate, if peaceful, apostle of Philippine Independence.

Possessed of a brilliant mind, a pleasing personality, and capable of forensic eloquence, he saw his ideals materialize 35 years later in his own inauguration as the first President of the Philippine Commonwealth.

He has his head in the air but keeps his feet on the ground; he has vision and plans and hopes of greater things to come but long experience with men will keep aspirations within practical limitation.

Miles are of the same length, the oceans are as deep and wide; and yet the world has grown smaller, voices come direct into the home of each from all the capital cities of the world, from Europe, Asia, Africa, and South America.

And on this day come all the voices of the Philippines, in one grand chorus, proclaiming one name, "Rizal."

## Unicameral Legislature of Nebraska

### EXTENSION OF REMARKS

OF

### HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ARTICLE BY JOHN P. SENNING

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by John P. Senning, of the University of Nebraska, upon the Unicameral Legislature of Nebraska, and its operation in two sessions.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Municipal Review, vol. XXVIII, No. 12, December 1939]

#### ONE HOUSE, TWO SESSIONS

(By John P. Senning, University of Nebraska)

"The one-house legislature, restoring the legislative branch of government to the coordinate position it once held and giving the direct representatives of the people as great power as that of the chief executive, is the essence of democracy."

The first two sessions of Nebraska's streamlined, unicameral legislature have clearly demonstrated the wisdom and foresight of the man who was responsible for its adoption, Senator GEORGE W. NORRIS.

Although the work of the legislature is by no means perfect, the institution and its accomplishments are so generally accepted by the electorate that all attempts to abolish it and reinstate a bicameral body have proved abortive. A measure introduced in the last session to double the membership and return to partisan elections could not muster the requisite vote to force it out of committee.

Another indication of the attitude of the electorate is shown by statements of men running for State office that their determined opposition to the unicameral legislature before adoption has now changed to approbation.

One is constantly met with the question that, if the one-house legislature is a success, why have not other States followed the example of Nebraska. Newspapers and speakers throughout the United States have given the unicameral body much publicity, mingling fact, fancy, and misrepresentation. A speaker in California, for instance, announced to his audience that Nebraska had once adopted a one-house legislature but had abandoned it in disgust a few years ago; a writer in a midwestern newspaper gave an estimate of the 1939 session using 1937 statistics. A politician,



addressing a political science club in a large State university, asserted that Senator Norris had told him in confidence that he wished he had not sponsored the unicameral legislature since it failed to work out as he anticipated. Senator Norris wrote to the newspaper publishing the statement that he had never had any conversation with the speaker.

Foundation for the nonpartisan election of legislators was built upon the long and generally accepted use of the nonpartisan ballot for many officials, independent voting in general elections, and the crossing of party lines in the legislature when an important economic or social issue was before it. Naturally the party leaders resented further inroads on party domination but the electorate as a whole has made little objection.

In the first election in 1936, when there was a Democratic landslide, 22 Democrats and 21 Republicans were chosen. In 1938, 24 Republicans and 19 Democrats were elected. A statehouse reporter in commenting on this election said: "There are a few more Republicans than Democrats in the unicameral. If election had been on a partisan ballot the Republicans would have outnumbered the opposition at least 2 to 1, as election returns indicate. Thus we would have had a Republican legislature making faces at a Democratic Governor and vice versa, if faces can be made that way; and how much shorter and more harmonious a time would not have been had by all at the Capitol this winter."

A few legislators, who aspire to higher political office or who shifted responsibility in the bicameral legislature to the shoulders of the political parties, have denounced nonpartisan elections on the plea that legislators are political orphans.

Does party influence inject itself into the operations of the legislative body? In the first session the speaker was a Republican, the clerk a Democrat. In the second session there were predictions that since the Republicans had a majority of five the nonpartisan attitude would be discarded in the choice of legislative officers. The speaker is a Democrat and the Democratic clerk was re-elected by an overwhelming majority. In deliberation on measures which might be given a partisan slant there has never been a clear-cut alignment on a party basis. For instance, the legislature has withstood enormous pressure from the political parties in both sessions for the enactment of a law providing for preprimary conventions.

It has been contended by some that since the legislature is nonpartisan it lacks leadership. To answer that question one must first determine whether the people want a rubber-stamp legislature controlled by the Governor or the party or whether they want legislation passed on the basis of thorough discussion and sound judgment illumined by facts. True, the legislature is deliberate and the last session was the longest in Nebraska history, 111 days. It must be taken into consideration, however, that State legislation is now concerned with complicated and intricate social and economic questions.

In the extended debate on the electric power bills in 1939 the knowledge of and information on rates, public ownership, costs, and electrical machinery shown by the legislators, whether farmers, lawyers, or professional men, would have done credit to almost any body of men one could assemble.

As a matter of fact, each member of the one-house legislature feels that he is a representative of the people and has the right to express his opinion untrammelled by any domination. A Lincoln newspaper editor who has observed every legislative session beginning with 1891 says on this point: "The fact is that there is leadership, but it does not rest in the hands of one man or several men, but in the power of reason and common sense."

#### LEGISLATIVE PROCEDURE

The outstanding feature of the simplified procedure is that at any and all stages of progress, from committee consideration to final passage of a bill, there is fixed responsibility which cannot be shifted or overturned by a second house. Every bill is accorded a public hearing, announced 5 days in advance, so that everyone, whether lobbyist or private citizen, is apprised of the time and place of the hearing. If a second or adjourned hearing is held it too must be given 5 days' notice.

There are no secret executive committee sessions. Though the public is excluded the press is always present and reports the action of the committee even to the votes of the members on important measures.

When a bill reaches the floor of the house it is subjected to two thorough considerations. On the first calendar, called general file, the bill is read section by section, debated, and amended if so voted. At this point it can be advanced to the second stage, select file, sent back to the standing committee, or indefinitely postponed.

Three days must elapse between the first and second considerations and, in the meantime, the measure is in the hands of the committee on enrollment and review for a check-up on arrangement, phraseology, and correlation. That committee has no authority to make changes in bills without the consent of the legislature but by reason of the careful scrutiny given them it has already developed into an important revisory agency.

The second consideration, select file, really takes the place of a second house. Here bills are subjected to another thorough consideration, first upon the basis of recommendations by the committee on enrollment and review, and second upon the merits of the measure as a whole. Only a specific amendment is permissible on select file. For amendments of a general nature the measure must be referred again to general file and, if amended, pass again through the committee on enrollment and review on its return

to select file. With the spacing of time between the first and second considerations, judgments have matured, weaknesses, if any, have been discovered, and differences of opinion have been ironed out.

After advancement from select file, the committee on enrollment and review makes a final check-up and engrosses the bill. It is then printed in final form and must be on the desks of the members for at least one legislative day before third reading and final passage.

Instead of hasty legislation, as predicted by the opponents of the unicameral amendment, the one-house legislature has in fact slowed down deliberation.

Notwithstanding the fact that almost every citizen, individually or through some organization, is a potential or active lobbyist, there still persists the notion that the lobbyist is a dark and sinister specter which stalks through the legislature gathering up the hapless victims of its wiles. The lobby is here to stay and has a distinct function in legislation, through the expression of public opinion and the presentation of factual information. In the one-house legislature the advance notice of public hearings gives everyone an equal opportunity to be heard.

In each session there have been about four times as many registered lobbyists as legislators. Powerful interests have attempted to force members to support their bills but the legislative procedure is so direct and open that no member can conceal his vote and none wishes to admit that he is the tool of a lobby. The right of a single member to demand a record vote also curbs the power of the unscrupulous lobbyist as does also the absence of party control. The small house is a deterrent to the efforts of the predatory lobbyist who is the loudest advocate of a large membership and partisan elections.

#### LEGISLATIVE AND EXECUTIVE HARMONY

The present Governor, who had been a State employee for 12 years before he was elected chief executive on the Democratic ticket, began his first term when the last bicameral legislature, predominantly Democratic, was in session. Two years later, during his second term, he faced the changed relationship with the one-house body.

There were no serious clashes between the chief executive and the legislature in 1937 except that the Governor resented the increase in the budget above his recommendations. In the second session the relationship was that of 2 coordinate branches of the government working in cooperation. The Governor sent numerous messages to the legislature, particularly on the measures dealing with Federal-State relationships, giving the legislature pertinent information which he had received from the Federal Government. He also called in chairmen of committees and committee members to discuss bills in which he was interested. In 1937 he vetoed 17 bills, 1 of which was passed over his veto. In 1939 he vetoed 6 measures. In every case the veto was imposed because of policy and not for faulty drafting or technical inaccuracies.

The weakness of the legislature lies not in the legislative product, which has been considered very satisfactory, but in the volume of legislation introduced—581 bills in 1937 and 523 in 1939. The members are working on various plans to reduce the number in the next session.

This year the outstanding achievements accomplished by the legislature were the reduction of the budget by over \$4,000,000 as compared with 1937, the reduction in the cost of the 1939 legislative session over that of 1937 by \$2,000 (the total cost this year was \$100,000), the defeat of 12 bills regulating various kinds of business, the passage of acts leading to a peaceful solution of the private versus public electric-power issues, more drastic provisions in the county budget and accounting law, the placing of assistance on the basis of need, and the authorization of the supreme court to promulgate rules of practice and procedure for all courts.

A word should be said about the care with which the appropriations bill was prepared. The appropriations committee met the afternoon of each legislative day. The findings and results of each day's work were mimeographed and distributed to members of the legislature the following morning. Every expending agency was called before the committee and its accounts and spending practices investigated. All bills containing appropriations were acted upon before the budget bill was brought out on the floor and it contained every cent appropriated for the coming biennium so that the electorate might see the exact amounts involved.

#### ADVANTAGES OF SINGLE BODY

Viewing the entire process of legislation in the one-house legislature, in comparison with the bicameral system, one sees that it centralizes responsibility in legislation, brings the whole legislative process from behind the multiplicity of barriers into the open where the conscientious legislator has protection against measures of reprisal and double-crossing and where the chicanery of the dishonest legislator is easily discovered; it brings to a common focus in a face-to-face discussion all the varying viewpoints as to the merits or demerits of a measure, which according to the test of experience is essential to intelligent deliberation and enables the public to follow and understand the proceedings through simplified reporting by the daily press.

It is almost 20 years since the National Municipal League published its model State constitution. Although its compilation was the result of study, conference, and judgment of some of the soundest and best-informed minds in the country, nevertheless one is struck, in the light of accomplishments and progress in State government during the last two decades, with its almost prophetic vision. The powers of the Governor, the executive budget, the crea-

tion of judicial councils, home rule for cities, the merit system, and legislative councils are familiar features of the laws or constitutions of many States.

The league's plan for a single-chambered legislature has been adopted by only one State, notwithstanding the soundness of the proposal. The one-house legislature, restoring the legislative branch of the government to the coordinate position it once held and giving the direct representatives of the people as great power as that of the chief executive, is the essence of democratic government, and it is the earnest hope of the advocates of the unicameral body in Nebraska that this plan of the National Municipal League, which has lain almost dormant for the last 20 years, will become a living issue in the Commonwealths of the United States.

## Discontinuance of Chattanooga News

### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

#### ARTICLE FROM THE NEW REPUBLIC

Mr. NORRIS. Mr. President, a few weeks ago one of the great newspapers of the United States, the Chattanooga News, suspended publication. The story of the passing of that great newspaper is very well told in an article in The New Republic of January 15, 1940, written by Mr. Gordon Gaskill. I ask unanimous consent that the article may be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic]

A NEWSPAPER IS KILLED  
(By Gordon Gaskill)

At 4:18 p. m. on Saturday, December 16, 1939, an opened switch stopped forever the presses of the Chattanooga (Tenn.) News, long one of the most aggressive liberal newspapers of the New South.

The death of the News, violent and sudden, was the result of a foreclosure which lacked none of the suspense and tension of a good murder play. The leading characters:

George Fort Milton, 45, noted liberal editor and author; anti-lynching leader; close friend of Cordell Hull and for a time special assistant to the Secretary of State.

Abby Crawford Milton, 54, his stepmother; suffragette leader; active Democratic clubwoman; poet.

Roy McDonald, owner of the Home Stores grocery chain in Chattanooga; Republican enemy of public power; publisher of the Chattanooga Free Press, rival afternoon paper which bought the corpse of the News.

The action began in 1924 when George Fort Milton, Sr., died. His will left News stock in an unusual fashion; the majority of income went to Mrs. Milton, but the majority of control went to his son George. Mrs. Milton had expected the News for herself and a rift quickly developed between her and her stepson, both talented, both strong-willed.

In 1928 Milton was told that his stepmother was considering an attack on her husband's will in order to gain the paper for herself and then sell it to Col. Luke Lea of Nashville, would-be kidnaper of the Kaiser, publisher of four large Tennessee daily newspapers and, along with Rogers Caldwell, involved in the building and crashing of a fabulous southern financial empire.

To prevent both the rumored family court fight and the rumored sale, Milton agreed that year to buy out his stepmother's interest. He paid the fat price of \$295 per share and, with an associate, gave her a considerable amount of property—and personal notes for \$270,000. This price, although high, then seemed not unreasonable. But in the fury of the depression, the load on Milton and the family newspaper was enormous and almost crippling. Mrs. Milton, however, declined to lighten the burden. Milton, bleeding the paper white, managed to pay her, within 8 years, about \$400,000 in all. This from a paper whose circulation was about 40,000 at its peak.

Early in 1936, Sam McAllester (attorney for Mrs. Milton, onetime attorney for and secretary of Roy McDonald's Home Stores, also secretary of the News) devised a plan whereby Milton and his associate could be relieved of the personal debt upon them. It was transferred to the Chattanooga News Co. in this fashion: The paper's bonds were increased from \$120,000 to \$325,000 and its preferred stock issue from \$100,000 to \$150,000. Most of the new securities went to Mrs. Milton and her daughters.

Thus the financial burden on Milton was lightened, but at this risk: (1) If the bonds became delinquent Mrs. Milton as majority bondholder could foreclose on the paper, and (2) if defaults were

made on the preferred stock, this stock would come into voting and controlling power over the paper. Thus endeth the first act.

There now enters a cross plot: The death battle between the champion of the people and entrenched greed. From its beginning in 1933 the Tennessee Valley Authority had found a strong supporter in the News. And in 1934 Milton opened a campaign to bring cheap municipal electricity to Chattanooga, then served by the Tennessee Electric Power Co., a subsidiary of Commonwealth & Southern. It was a furious, bitter fight without quarter. Commonwealth & Southern contributed \$20,000 to the Citizens' and Taxpayers' League, which fought public power. The local utility arranged to have two pieces of real estate transferred to more than a hundred of its employees, thus enabling them to vote in the city election. Whisky, generally believed to be bought by power interests, was distributed near the polls. By supporting the rights of trade-unions in a city whose 400 were wealthy manufacturers, Milton had already won powerful and unforgiving enemies. His personal stubbornness had won more, and at the peak of the war he often lunched alone at the exclusive Mountain City Club. These foes quickly joined the T. E. P. Co. in its battle to destroy the News by killing its advertising. The Chattanooga Times, parent and yet stepchild of the New York Times, took the power company's side. But the News did not yield and in 1935 the people of Chattanooga voted, more than 3 to 1, for public power.

The News was never forgiven its victory. The power company was determined to keep fighting as long as there was an injunction left in America. It joined with other power interests in the now famous Eighteen Companies suit against the T. V. A. But to continue the war it needed a newspaper. The Times was sulking in its tent and was disinclined to take up the cudgels anew.

Thus on September 1, 1936, a new afternoon daily suddenly entered the lists to compete with the News. It was the Chattanooga Free Press, until then a free semi-weekly throw-away sheet, printed by Roy McDonald to advertise his grocery stores. The complete ramifications of the financial backing of the Free Press are not entirely known, but some little of it appears in public records. In November 1938 the Tennessee Railroad and Public Utilities Commission charged that the Tennessee Electric Power Co. had committed 917 specific acts of "undue preference and advantage" in favor of the Free Press and the Home Stores.

From September 1936 (when the Free Press became a daily and began to do battle for the T. E. P. Co.) until January 1938, the Free Press was allowed to become delinquent in its light bill to the tune of thousands of dollars. It was, incidentally, in January 1938 that Senator Norris had introduced a bill calling for an investigation of utility propaganda against public power. On that date the Free Press owed more than \$6,000 for power; the Home Stores owed \$16,255.79. The commission ordered immediate payment. Curiously both paper and stores were allowed the 5-percent discount for prompt payment—more than a year late.

The congressional committee investigating the Tennessee Valley Authority found that the T. E. P. Co. was the largest advertiser of the Free Press—and that the T. E. P. Co. had stopped advertising in the News 1 week after the public voted for the power bonds. Thereafter, for 3 years, the News received only \$240 in T. E. P. Co. advertising; the Times got \$40,000; and the Free Press, during only 2½ years, got more than \$50,000. "Moreover," the congressional committee reported, "the power company paid the Free Press for such advertising at an abnormally high rate." For example, the power company paid \$1.26 per inch, whereas a comparable customer paid only 54 cents. (The State commission termed this a "method whereby the newspaper was enabled to receive money from the power company.")

Both State commission and investigating committee noted another form of subsidy. The latter reported: "The largest holder of Free Press preferred stock (outside of Roy McDonald, the publisher) is Silas Williams, an attorney for the Tennessee Electric Power Co. During the fall of 1937, the power company paid Mr. Williams \$10,000 for legal services of an undetermined nature; during the same period, Mr. Williams purchased \$10,000 worth of Free Press stock." Draw your own conclusion.

Two dailies could not prosper in Chattanooga's limited afternoon field and the News suffered the vicissitudes of virtue. The Free Press, oddly enough, never seemed to mind its obvious losses.

The attack on the News was withering, but Milton retrenched and prepared to fight. He formed a new company which leased the paper and began to operate it with radically diminishing losses. Advertising boomed and when the T. E. P. Co. sold out to the T. V. A. in August 1939, it seemed that the days of the Free Press were numbered. Thus act two ends on a note of optimism.

But in the final act, the forces presented in the first two combined to destroy the News. Interest and amortization payments on the bonds and payments on the preferred stock were an intolerable burden on a paper already fighting for its life. The payments were defaulted in the summer of 1939 and Milton began efforts looking toward a short moratorium. Four insurance companies, controlling some \$120,000 of the bonds, were inclined to grant the respite. Reassured by their sympathetic attitude, Milton devoted himself to directing the News in a sensationally rapid gain in advertising. Then in October rumors circulated in Chattanooga that the Free Press and allied interests, hostile to Milton, were trying to induce the bond and stockholders to foreclose and suspend the paper.

The denouement came on November 29. A messenger from Sam McAllester delivered to Milton a proposal by Roy McDonald of the Free Press addressed to the stock and bondholders of the News. McDonald offered to buy out the News, paying about \$50,000 in cash, along with bonds and preferred stock in a new corporation,



subject to a 3-year moratorium. The offer was to expire at 6 p. m.; it was delivered to Milton at 5:15 p. m. Apparently Milton realized for the first time the gravity of the situation but felt that all was not yet lost. The deed of trust provided that 90 days must elapse before the trustee could foreclose the paper after giving formal demand. And no demand had yet been served on Milton as president and general manager—or so he believed.

On the morning of December 1, he called all employees into his office and advised them of the peril. They voluntarily agreed to take pay cuts amounting to \$700 per week—the amount necessary to meet the weekly payments on the bonds. That afternoon, Milton told the bondholders about the pay cut that would guarantee the payments. He also revealed he would have \$15,000 in new working capital. The insurance companies seemed impressed; but the majority bondholders (representing Mrs. Milton) declined to answer.

Milton described the crisis to his employees in another meeting Saturday morning. The amount of the delinquency stood at \$15,000; Milton confessed he was unable to lay his hands on that much ready cash immediately; he had already mortgaged his home and borrowed to the limit of his life insurance. The employees decided to raise the money themselves.

That night, a delegation of nearly a hundred employees called on Mrs. Milton, appealing to her to save the family newspaper. It was a fantastic scene. Printers who had known no other paper but the News during their lives pleaded with her, tears in their eyes. Reporters who had spent 25 years on the News made speeches. Mrs. Milton said the matter was out of her hands. Actually McDonald's offer to buy the News had already been accepted.

The delegation then went to Sam McAllester's home. He told them that the deal was closed and that there was nothing they could do to save the News. Still hopeful, the employees continued raising that \$15,000 fund and, on Wednesday morning, it was complete. Some sold their cars; others borrowed on insurance; still others mortgaged their homes and appealed to friends. Reporters "touched" news sources on their beats; two newsboys put up \$100 each of their savings.

That afternoon, Milton and representative employees offered the \$15,000—covering the full delinquency—to the trustee, on the condition that the News be allowed to continue as formerly. But the majority bondholders (Mrs. Milton's representatives) declined to take it. They instructed the trustee to demand immediate physical possession of the News. Even then, Milton prepared to fight. He had not, he said, received the formal demand required by the deed of trust, and he believed he still had 90 days of grace. But here he had a rude awakening. In July, the bank, as trustee, had sent to Milton a letter (not registered) instructing him to comply with the sinking-fund provisions of the deed of trust immediately. A copy was also sent to the secretary of the News, Attorney Sam McAllester.

Apparently, if he received this letter, Milton did not consider it to be the formal notice of demand as required by the deed of trust. For if he had recognized it for the harbinger of disaster it was, it seems he would surely have acted with the energy he displayed when the true situation burst on him. He could have raised the delinquent money and obtained the voluntary pay cuts in July just as well as in December. But the race was over. Milton's attorneys advised him that the letter had indeed constituted a notice. They told him he could not successfully resist foreclosure.

Thus on December 16—the nineteenth anniversary of the opening of its new building—the News went down with all flags flying. It died in the fifty-second year of its useful life and, paradoxically, enjoying its best business health in 5 years. It had gained steadily in advertising and its circulation was honest and sound. The operating cash-out-of-pocket loss for the first 10 months of 1939 was only about \$35 per week, and the paper would have finished the year in the black, thanks to Christmas advertising. It did not die; it was done to death.

On its final day the News published two instead of its normal three editions. At 3:08 p. m. the last page went to the stereotypers. In the city rooms a cardboard helling Hitler (booty of a football game) stood with his arm bent so that the outstretched fingers touched his nose in vulgar defiance. A copy boy left, out of habit punching the time clock. Associated Press and United Press teletypewriters ran unwatched, their ribbons of news coiling on the floor. There was a crap game, for this was pay day, albeit the last.

At 3:23 four chimes sounded throughout the building, signifying that the presses were starting for their last run. There was silence, followed by the thunder of the accelerating presses. The last press run was set at 19,850 papers. As the counting device approached 19,000 Milton was called. He walked through the composing room, shaking hands with all the printers, wishing them Godspeed. There were many tears.

The pressroom was crowded. Milton walked to the control switches. The presses roared at full speed, screaming their swan song. A pressman, watching the counting device, lifted his hand. Milton pressed a black button and, unwillingly, the presses began slowing down. In a moment they were still. Milton reached down and picked up the very last issue.

Then he managed to smile, waved his hand, and walked away. It was not a moment for speaking.

Milton published his farewell statement under a four-column spread on page 1.

"Perhaps," he wrote, "[the paper's] doom resulted from the fact that it has believed in principles. Nonetheless, I am sure that no newspaper is worthy of public trust and confidence unless it shall be ready and willing to sacrifice itself for what those who direct it believe the public good."

A few hours before the News closed, Milton was offered \$15,000 by Free Press interests if he would agree not to publish a newspaper in Chattanooga for the next 5 years. Although the cash must have glittered before him, he declined.

The fear implicit in that offer has already come true. Milton has already obtained a charter for a new paper to be called the Evening Tribune, another afternoon daily. It is expected to begin publication about January 22, and a new press is on its way to Chattanooga. The old News circulation lists are properties of the individual carriers, not of the paper itself; thus the new paper expects a ready-made subscription of about 20,000. Although Milton has lost much, he has rid himself of a \$475,000 debt. The Free Press has assumed that debt and has still not obtained a monopoly of the afternoon field.

The new paper is capitalized at \$25,000, with 10,000 shares of no-par value. A considerable portion of these is being sold to the public at \$10 a share. Milton already has obtained a good amount of backing. He won much admiration during the crisis of the News by his efforts to cushion the shock for his employees.

The new Tribune, expected to be more than ever a "people's paper," has a fighting chance for success. It is impossible to stamp out overnight the spirit of a paper which has played so vital a part in a city for 51 years. The Free Press is Republican, antilabor, archconservative; the Times, like its New York parent, is motherly, sedate, lukewarm. The News was a liberal Democratic paper in a city that is overwhelmingly Democratic. Despite a 6-day Newspaper Guild strike last May, the News enjoyed generally the confidence of organized labor, which adopted many resolutions deploring its passing.

Milton's "Paradise regained" will be as fascinating a story as his "Paradise lost."

## William Edgar Borah, George H. Mallon, and Other Heroes

### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. ALEXANDER. Mr. Speaker, we have at the state funeral of Senator William Edgar Borah of Idaho done homage to a great American citizen and patriot, and it is well that we have done so, for he was indeed a true patriot, giving to the Nation at all times, like every hero, the last full measure of devotion.

In America today we have another class of heroes whom we honor with lip service, the great heroes of our wars who have performed their heroic deeds on the bloody battlefield of some foreign land and on whom we have as a result bestowed the Congressional Medal of Honor and other badges to indicate our approbation and appreciation. That they bared their breasts to the cold steel of the enemy or to the hot poison gases, that representative government might live, we, the people, are fully conscious, but the Congress of the United States has been too busy with itself or too immersed in other things to give attention to the needs of these heroes and of their widows and orphans.

We give to the wives of deceased members of Congress \$10,000 in cash, but to the wives and families of our war heroes we give such a miserable pittance that most of them, deprived of the support of their husband and father are living in poverty, rags, and squalor. A sad commentary, indeed on the ability of the Members of Congress to do the things which will foster and promote the type of Government which makes men want to die for it. In fact, the rank and file of our dollar-a-day soldiers have been and are being miserably treated, notwithstanding the apparent and the imminent need for some more heroic service, if we are to preserve government dedicated to freedom, to liberty, and to individual human justice.

But to think that in the case of men especially cited for their valor and for heroic deeds done above and beyond the call of duty, we should be so forgetful and so unmindful that

we would let them die in poverty and want, and that we would let their widows and orphans suffer for years unending, is almost beyond human comprehension. That this is true and that it is going on every day is a fact which can be proven by citing but two illustrations. There are many others.

The first of these is in my own district in Minneapolis where the widow and two children of Capt. George H. Mallon, one of Pershing's Hundred Heroes of the World War are living, and the second is the case which was reported front-page in this morning's Washington Times-Herald as follows:

[From the Washington Times-Herald of January 22, 1940]

**BROKE, WIDOW CAN'T ATTEND CHRISTENING—GOT BID TO NAME SHIP AFTER HERO HUSBAND**

NEW YORK, January 21.—Because the Navy Department wants her to christen the destroyer it will name after her hero husband soon, Mrs. Sadie L. Monssen was unceremoniously yanked from her poverty-stricken seclusion today.

In her four-room Flatbush apartment Mrs. Monssen ruefully displayed the official invitation to the christening in Puget Sound on the Pacific coast.

"I have little or no money to live on," she said, "and they ask me to travel across the country."

Mrs. Monssen is living on remote Rutland Road, under the name of Munson, to hide her plight from her old friends. It is the second haven she has sought since she lost her home in Brooklyn because she was unable to maintain H. O. L. C. mortgage payments out of the \$30-a-month pension the Navy gives her.

She gave up the home in 1938 rather than be evicted. Now she lives with her daughter, Sally, 27, a former chorus girl, who does occasional work for the W. P. A.

Mrs. Monssen is the widow of Lt. Mons Monssen, who was awarded the Congressional Medal of Honor in 1904 for heroically saving the battleship *Missouri* by fighting a gun-turret blaze during target practice.

Thirty dollars a month for the widow of a man honored with the Congressional Medal of Honor who gave his life for his country as Captain Mallon did, and as others likewise have done. Read here the exploits of Captain Mallon as taken from the Government files:

MALLON, GEORGE H. In the Bois-de-Forges, France, September 26, 1918. R—Minneapolis, Minn. B—Ogden, Kans. G. O., No. 16, W. D., 1919. Captain, One Hundred and Thirty-second Infantry, Thirty-third Division.

Becoming separated from the balance of his company because of a fog, Captain Mallon, with nine soldiers, pushed forward and attacked nine active hostile machine guns, capturing all of them without the loss of a man. Continuing on through the woods, he led his men in attacking a battery of four 155-millimeter howitzers, which were in action, rushing the position and capturing the battery and its crew. In this encounter Captain Mallon personally attacked one of the enemy with his fists. Later, when the party came upon two more machine guns, this officer sent men to the flanks while he rushed forward directly in the face of the fire and silenced the two guns, being the first one of the party to reach the nest. The exceptional gallantry and determination displayed by Captain Mallon resulted in the capture of 100 prisoners, 11 machine guns, four 155-millimeter howitzers, and 1 antiaircraft gun.

Twice wounded in action, signally decorated by the Allied Powers, he died a premature death and left behind a family, and a record for valorous and heroic patriotism. Listen to his record as I give it to you in more detail:

In May of 1917 he entered the first officers' training camp at Fort Snelling, Minn., and, upon completion of his training course, was commissioned a captain and sent to Camp Dodge, Iowa. From Camp Dodge he was sent to Houston, Tex., where he was assigned to Company E, One Hundred and Thirty-second Infantry, Sixty-sixth Brigade, Thirty-third Division.

The Thirty-third Division sailed for France in May 1918 and went into action in the Somme sector in June 1918. The One Hundred and Thirty-second Infantry participated in the following battles: Albert, Hamel, Harbonniers, Mort Homme, Dun-Sur-Meuse, Consenvoys, Bois de Chaume, Dannervoux, St. Hilaire, and Butgnville. Captain Mallon covered himself and his organization with glory. After the war, when General Pershing set about to locate the position of the American lines, he called upon Captain Mallon to assist him, especially with record pertaining to the Somme sector. Captain Mallon was twice wounded, first in July and again in October. He survived and came home to be of further service, this time to his community in which he lived. He served two terms as county commissioner and was a candidate for Lieutenant Governor. He also served as the business manager of the Minneapolis Building Trades Council.

General Pershing was asked to name the outstanding heroes of the World War, and the name of Capt. G. H. Mallon is on the list of General Pershing's One Hundred World War Heroes. Cap-

tain Mallon was awarded the following medals for bravery in action: Congressional Medal of Honor, French Croix de Guerre with palm, French Legion of Honor, Italian War Cross, Belgian Medal of Honor, Military Order of the Purple Heart, United States Victory Medal, and a citation for valor in the Philippine Insurrection.

Captain Mallon passed away at the Veterans' Hospital in St. Cloud on the 2d day of August 1934.

As a consequence of this condition of affairs, and being positive that the best people of America are not in accord with our neglect and misconception of our duty to these brave and heroic men and to their lonely, grief-stricken families, I have prepared an amendment to the Medal of Honor Roll Act of April 27, 1916, which act provides for a special pension of \$10 per month for these men after they reach 65 years. My amendment is as follows:

A bill to liberalize the provisions of the Medal of Honor Roll Act of April 27, 1916

*Be it enacted, etc.,* That the act entitled "An act to establish in the War Department and in the Navy Department, respectively, a roll, designated as 'the Army and Navy medal of honor roll', and for other purposes," as amended (U. S. C., 1934 ed., title 34, sec. 365; title 38, secs. 391-394), is amended as follows: (a) By striking out "who has attained or shall attain the age of 65 years" in the first sentence of section 1; (b) by striking out "a special pension of \$10 per month for life, payable monthly" in the first sentence of section 3 and inserting in lieu thereof "a special pension of \$30 per month for life, payable monthly, and when such person attains the age of 65 years, \$40 per month for life, payable monthly"; and (c) by adding at the end of such section 3 the following new paragraph:

"When any such special pensioner dies leaving a widow or a minor child or children surviving him, the Administrator of Veterans' Affairs under such rules and regulations consistent with the pension laws as he may prescribe, shall pay such surviving person or persons a special pension at the rate of \$40 per month, which, in case there is more than one such surviving person, shall be apportioned as the Administrator of Veterans' Affairs shall prescribe."

Sec. 2. The amendments made by section 1 of the act shall take effect on the 1st day of the month following the month during which this act is enacted, and no benefits shall be payable for any period prior to such day by reason of the enactment of such amendments.

Under this amendment we will pay these men if they survive their heroic acts, a special pension of \$30 per month before they reach 65 years and \$40 per month thereafter, with the same amount to their families if surviving after the death of the father.

Even this is a small pittance to reward so great service and sacrifice, and had Captain Mallon lived, it would not have been asked for by him, as is indicated by his oft-repeated statement recently quoted in the Minneapolis Labor Review as follows:

He was a brave man, but he was a modest man.

When time and again he was decorated he always declared as the decorations were being pinned on him, "You should decorate my men as well as me. They are just as deserving of decoration as I am." Bare handed and alone Captain Mallon captured an enemy machine-gun nest—there is no finer example of a brave and noble man, nor of unselfishness and sacrifice.

His death was no doubt hastened by the physical and mental shocks he sustained when wounded, and also by the other nerve-racking experiences of war service. How can anyone escape harmful reactions from such experiences? Anyone who has been in any kind of an accident, automobile or otherwise, knows they are never quite the same again, and such an experience is only one of similar but worse, daily and even hourly experiences in war service.

Had he lived he would have provided well and amply for his family. His salary had ranged around \$300 a month in life and now the family struggles on about one-tenth of this sum.

I hope the members of the Invalid Pensions Committee, to which my amendment will be referred, and all Members of the House and Senate will take up this cause at once and see that a great wrong shall be righted without further and unforgivable delay.

There may be other methods of accomplishing our objective. If so, I have been unable to unearth them, although I have made a considerable study of the problem. Nothing has ever been done for any of the Pershing Hundred Heroes, the most outstanding of many immortals of the World War.



In support of this statement allow me to quote W. C. Gilbert, Director of Legislative Reference Service of the Congressional Library:

We have checked the United States Statutes for any action by Congress with respect to any of the persons included in General Pershing's Hundred Heroes of the World War. No action of the sort is found. There were, however, a number of bills introduced.

So let us do something about it, by adopting the above amendment at once.

## Government Ownership of Utilities

### EXTENSION OF REMARKS

OF

### HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1940

ARTICLE FROM FORUM MAGAZINE

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Forum magazine entitled "Should Government Own Our Utilities?—A Debate."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Forum Magazine]

#### SHOULD GOVERNMENT OWN OUR UTILITIES?—A DEBATE

##### I. POWER BELONGS TO THE PEOPLE

(By Richard L. Neuberger)

Housewives in the Puget Sound city of Tacoma pay \$1.70 for 100 kilowatt-hours of electricity. The same amount of power costs \$3.09 in San Francisco, \$3.65 in Chicago, \$4.70 in New York, \$5.24 in Boston, and \$6.25 in Tampa. There is a municipal power plant in Tacoma. The rest of these communities are served by private utility companies.

The woman in Tacoma who wants to lighten her tasks can cook, refrigerate, wash, and clean with electricity and pay \$5.30 for 500 kilowatt-hours. At many places in the Nation this alleviating of household drudgery is denied to millions of people in the lower income groups; 500 kilowatt-hours in New York, for example, cost \$12.95.

The Federal Government has completed great hydroelectric dams on the Tennessee, Colorado, and Columbia Rivers. These developments encompass huge expenditures. Grand Coulee Dam, now under construction in northeastern Washington, alone is requiring \$181,101,000. Such projects as this and the T. V. A. point toward a national policy of public ownership.

Public ownership invariably means cheaper rates. One hundred kilowatt-hours in Tacoma cost less than 40 kilowatt-hours from private companies in nearby towns. Cleveland consumers pay \$9.30 for public power billed at \$11.90 by the private utility in Toledo. Los Angeles buys electricity from Boulder Dam and enjoys the lowest rates in California. Power from the Federal dam at Bonneville is helping the Oregon town of Eugene charge a commercial rate of \$13.53 for 750 kilowatt-hours, a few miles away, in Corvallis, storekeepers pay a private utility \$27.25 for the same service.

Congressman JOHN E. RANKIN, of Mississippi, says that T. V. A. rates throughout the country would reduce the national electric bill \$923,973,000; Tacoma rates would reduce it \$1,100,833,000. People in the State of New York now pay twice as much for electricity as they would under the rate schedule of the T. V. A. Florida's citizens pay considerably more than twice as much. Two hundred and fifty kilowatt-hours from Bonneville Dam will cost less than 100 kilowatt-hours in Boston.

For many years the claim has been made that publicly owned plants charge these low rates only at the sacrifice of valuable tax payments which private utilities are assessed. Listen to a recent statement by the Federal Power Commission:

"Publicly owned utilities paid 17.3 percent and privately owned utilities paid 13.2 percent of their gross revenues in the form of taxes and net cash contributions during the year 1936."

Nor is that all. The same statement cited 8.5 percent of gross revenues rendered by public systems in the form of free services such as pumping sewage, lighting schools, and operating traffic signals. Private plants do virtually nothing of this sort.

Towns along the transmission lines of the T. V. A. have power rates far lower than in most of the Nation. Yet, as Senator GEORGE W. NORRIS, of Nebraska, has pointed out:

"The T. V. A. requires a municipality to pay the same amount of money to the proper officials which it would pay, if its plant were taxed as it would be if owned by a private company."

The rates charged by public systems are based on actual values. Gov. George D. Aiken, of Vermont, is one of the adversaries of the power program of the Roosevelt administration. Yet even he has said:

"During my public life I have seen utility companies benefit from the inflation of values. I have seen them spend your money and mine in working for selfish ends. I have seen them unload tax burdens on the breaking backs of those who could scarcely stand."

Inefficiency there may occasionally be in public-power systems; the human equation is omnipresent, whether in municipal bureau or corporation office. But the annals of public ownership contain no episode to parallel even remotely the greed and recklessness which resulted in the collapse of the Central Public Service pyramid of holding companies. And there have been other utility failures.

A frequent criticism of public ownership is that it would plunge the power business into politics. A decade ago the Federal Trade Commission revealed that no institution was more entangled in politics than private power companies. They have maintained costly lobbies and raised huge political slush funds. They have tried to influence newspaper editors, college professors, school teachers, and clergymen. Community clubs are constantly plagued by their agents. The Townsend movement is still strong in the Pacific Northwest, and so we find numerous Townsend leaders in that region employed as service supervisors for power companies seeking to resist the advance of public ownership.

The generating and distribution of electricity as a public function is not consistent with the American form of government, insist the partisans of the utility companies. Senator Norris, Secretary Ickes, and other advocates of public ownership have been denounced as Bolsheviks.

Seventy-two percent of the country's cities own their own waterworks. This fact has never been represented as a threat to the Republic. It is difficult to understand what great philosophical difference there can be between water pumped into a house through a pipe and water impelled there over a wire.

Much as the utility companies would prefer the Nation to believe otherwise, the promotion of public ownership is by no means exclusively the work of radicals and agitators. Boulder Dam, which will ultimately produce 6,000,000,000 kilowatt-hours of current, was begun during the administration of Herbert Hoover. "I've got to give CHARLIE his dam," said President Roosevelt, as he signed the authorization for the great project at Bonneville. He was referring to Senator CHARLES L. McNARY, of Oregon, the Republican leader in Congress.

Among cities with public power plants are Cincinnati, Knoxville, Cleveland, Memphis, and Kalamazoo. These are not communities notorious for crackpot notions. They are average, middle-class American cities, where the people want their homes lighted and their food refrigerated as inexpensively as possible. Public power has no better endorsement than the fact that the 259 towns with municipal plants are not turning back to private ownership.

Public plants pay off their bonds and reduce rates as they do so. Private utilities seldom amortize investment. This distinction has a bona fide meaning to the people who use electricity. The average national rate per kilowatt-hour is 4.8 cents. Each household in the country consumes an average of 710 kilowatt-hours annually. But in Tacoma, where the public power system charges 1.68 cents a kilowatt-hour, every home averages 1,565 kilowatt-hours a year. Think what that difference of 855 kilowatt-hours means to the housewife working in the kitchen, to the schoolboy studying at night, to the family entertaining guests.

Electricity is so vital to contemporary society that it may readily be asked whether this force should ever be in private hands. The country takes for granted the public ownership of fire departments, police bureaus, school systems, trolley lines, and waterworks, yet electricity is as indispensable as any of these.

The New Deal has shown that, in generating power, other resources can be developed as well. In the T. V. A. not only kilowatt-hours have been produced. There are many byproducts. Floods have been prevented, and forests and fields saved. Bonneville Dam sends steamers up the Columbia River to the farms of the Inland Empire. Grand Coulee Dam will spin the world's biggest chunk of electricity—and reclaim 1,500,000 acres of land sorely needed by the wandering migrants from the Dust Bowl.

Such benefits as these are lost when power companies, confronted by increasing resistance to private control of rivers and streams, turn more and more to steam as a source of electricity. In an exhaustive study, the New York State Power Authority has pointed out that power can be generated at Bonneville, Boulder, Grand Coulee, and the St. Lawrence waterway project for approximately one-half the cost of steam production. Coal must constantly be replenished; the rivers flow on forever.

Electricity, like the air and the water, is the heritage of every person. It is the product of water. It does not belong in the possession of any individual or group of individuals. There is no more reason for the private sale of power than for the private sale of water.

#### II. SOCIALIZATION MEANS WASTE

(By Frank A. Newton)

This is not a question of whether local municipal ownership of electric plants may or may not be a success in isolated instances.

Mr. Neuberger has gone squarely for a complete Government monopoly.

How Mr. Neuberger expects this complete Government monopoly of electricity to be accomplished he does not pause to suggest. He ignores the facts that the electric industry, today, represents an investment of nearly \$14,000,000,000 and has over 27,200,000 customers and that municipal plants sell less than 5 percent of the total electricity of the country.

But let us, too, forget practical matters and meet the issue as an abstract proposition—but with facts instead of assertions. First of all, let us inquire into his statement that "public ownership invariably means cheaper rates." Let us keep in mind that the majority of the users of electricity in this country do not live in the large centers like New York, Chicago, San Francisco, and Boston. The great majority live in small cities and towns and on the farms. The private electric companies have brought electricity to over 30,000 villages of less than 1,000 population each, and one-half of these have populations of less than 250.

The Federal Power Commission on March 29, 1939, released a report which shows clearly that the residential rates of the private companies are lower than those of the public plants, and this is true without regard to the taxes paid by either group. In 16,831 communities served by private plants, 85 percent paid less for 25 kilowatt-hours and 100 kilowatt-hours than the communities in the same classifications served by municipal plants. For a use of 250 kilowatt-hours, 95 percent of the communities were better off under private operation. Of 1,947 communities served by publicly owned plants, 68 percent were paying higher rates for 25 and 50 kilowatt-hours than the communities of comparable size served privately.

The 1937 United States Census of the Electric Light and Power Industry reports that the average rate paid by the customers of municipal plants in the country was 27 percent higher than the average paid by the customers of the private plants. Since the annual revenue of the private companies is roughly \$2,000,000,000, it follows that the users of electricity would have paid \$540,000,000 more than they did pay if the rates of the municipal plants had prevailed throughout the country.

The same United States census report showed that, despite the discrepancy in the average rate in favor of privately owned plants, the municipal plants in 1937 paid but 1.5 percent of their revenues in taxes, while private plants paid taxes amounting to 14.2 percent of their revenue. Mr. Neuberger refers to a statement of the Federal Power Commission:

"Publicly owned utilities paid 17.3 percent and privately owned utilities paid 13.2 percent of their gross revenues in the form of taxes and net cash contributions during the year 1936."

Let us see what the Federal Power Commission did report. It showed that in 1936 publicly owned plants paid but \$1,204,000 in taxes, which were only 1.1 percent of their base revenue, while the privately owned companies paid \$275,000,000 in taxes, or 14.4 percent of their base revenue. It is evident that the "net cash contributions" made by the publicly owned plants to the municipalities must be very large. This is emphasized by the fact that of the total amount of taxes paid by the country's municipal plants, 42 percent were paid in 1 State, and 76 percent of the whole amount were paid in 5 States. The report also shows that in 14 States the municipal plants paid not a penny in taxes and in 11 additional States the total taxes paid by all the municipal plants amounted to less than \$1,000.

The significance of the Federal Power Commission's heading over "net cash contributions" of the municipal plants becomes evident. That word is "estimated." The private utilities operate in a gold-fish bowl. Every dollar they spend is recorded under Government-prescribed accounting classifications and reported to State commissions and Federal bureaus. But, in the case of municipal plants, the word is "estimated." No reference is made to the fact that, in the same year, the taxpayers of the country contributed in taxes to the Federal Government \$181,000,000 for publicly owned electric plants. It is also significant to note that of the total "estimated" net cash contribution of municipal plants, 27 percent were made in two States. The fact is not mentioned, however, that very large loans were made by Federal agencies to municipal plants in those States. It is interesting at the same time to note the amounts of some of these "estimated" contributions. In Florida they amounted to over \$2,537,000, while in the great and populous State of New York these "estimated" contributions amounted to only \$276,000. Again, the "estimated" contributions in North Carolina amounting to over \$1,279,000 might be compared with the contributions of all the public plants in Illinois, which amounted to but \$224,000. In this connection, the statement made by Senator NORRIS in the Senate, April 19, 1939, is significant:

"A proposal from a great association of Tennessee says, in effect, 'Let the T. V. A. property be subject to taxation the same as everybody else's property.' On my desk now there is a printed amendment intended to be offered which provides that all property of the T. V. A. shall be subject to taxation everywhere under the local laws of taxation. If we go to that extreme, Senators can see that the T. V. A. would be out of business in 3 months."

The 1937 United States census of the electric light and power industry brings out another fact, namely, that the average pay per employee in the privately owned utilities is 16 percent higher than in the municipal plants. Maybe this fact, among others, may have led Mr. William Green, president of the American Federation of Labor, to say:

"Analysis of the industrial situation shows that electric power is the greatest contributing factor toward the increased efficiency and productivity of the working people in our country. Both employers and employees in America have been free from the domination of autocratic controlled governmental dictation such as prevails in some of the lands. \* \* \* Let us hope our Nation will always remain free from governmental autocracy and dictatorial control of its industries and workers."

Less than one-third of the output of the electric utilities of the country goes to homes and farms. The greater part, by far, goes to large commercial and manufacturing establishments, which is a fact Mr. Neuberger is not perhaps familiar with. It will be granted, I am sure, that the power to dominate and control American industry through Government monopoly of the electric industry is a most dangerous power to put in the hands of any government. One can see the inevitable wirepulling and logrolling between different States and different sections of the country, trying to secure and hold industries, which would result.

It has been pointed out that the private utilities have taken electricity to practically every hamlet in the United States, to over 30,000 villages and towns with less than 1,000 population each. The supplying of water has no such record, largely because it has been chiefly a municipal undertaking. Recent analysis of 883 communities served by Consumers Power Co. in the State of Michigan (all, by the way, receiving uniform rates for electricity regardless of the size of the community) showed that over 85 percent of these communities had no waterworks systems and no sewage systems. Of the 816 communities served by Alabama Power Co. and all served under the same rate for electricity, 71 percent were without waterworks systems and 82 percent without sewage systems. In other words, while private initiative and private enterprise has brought electricity to practically every community and at the same low rates prevailing in the large cities, municipal enterprise has failed to supply such essential service as waterworks and sewage systems to the majority of the smaller communities.

Mr. Neuberger says:

"Such benefits as these (water power) are lost when the power companies, confronted by increasing resistance to private control of rivers and streams, turn more and more to steam as a source of electricity."

Unfortunately, we are unable to move Niagara Falls to Iowa or Grand Coulee to Pennsylvania or the T. V. A. dams to South Dakota. Coal remains and will remain the chief source of fuel for the production of electricity. Approximately 65 percent of the Nation's supply of electricity is not generated by water power.

President Roosevelt appointed a National Resources Committee to inquire into the resources of the country and the generation of electric power. The Committee reported:

"Present low costs of steam plants necessitate discrimination in developing water-power sites. \* \* \* In most regions of this country the hydroelectric plant should be considered as complementary to the steam-power plant rather than the main power source. \* \* \* Improvements in plant design and in operating technique have lowered greatly the cost of generating power in steam-electric plants."

This country was not built up to the point at which it produces one-third of the world's electricity on any theory of socialization of industry. Many, perhaps the majority, of those who contend for a Government monopoly of the electric business have not the slightest intention of stopping at that point if they are successful. From there they will start their drive for the socialization of all other utilities and the other great businesses of the country.

Let us agree with President Roosevelt:

"I do not hold with those who advocate Government ownership and government of all utilities. I state to you categorically that, as a broad general rule, the development of utilities should remain, with certain exceptions, a function for private ownership and private capital."

Since January 1, 1939, 25 elections on proposed municipal plants have been held. The most significant was in San Francisco, where a municipal-ownership proposal was defeated for the eighth consecutive time by a ratio of two and a half votes to one. In 25 municipal-ownership elections, 14 communities with a total population of 671,618 voted the proposal down, and 11 with a total population of but 22,339 approved the proposal.

During the 56-year history of the electric-utility industry in the United States, about 4,000 municipal plants have been established. Approximately one-half have been sold or abandoned. Today only 4.3 percent of the country's electricity is sold by municipally owned plants. Public ownership has utterly failed to make a record sufficient to convince the public of the United States that public ownership is efficient or desirable.

### III. REBUTTAL

(By Mr. Neuberger)

Mr. Newton says that in 85 percent of the communities private power costs less than public power. He does not say that these are mainly very small communities. The issue is not the number of communities but the number of people. Approximately 86 percent of the residential light customers of the United States pay higher rates for private than for public power.

Mr. Newton tries to imply that William Green, president of the American Federation of Labor, is opposed to public ownership, totally overlooking the fact that many national conventions of the



American Federation of Labor have gone on record for public ownership of electricity.

The statement quoted on the alleged superiority of steam power to hydroelectricity was originally made by a consulting engineer for private power organizations. In a report to President Roosevelt the New York State Power Authority said the statement was erroneous and "based upon incorrect figures."

With evident approval, Mr. Newton cites a portion of President Roosevelt's Portland speech. Why does he not quote that part of the same speech in which the President said that the big utility companies were overcapitalized to the extent of \$520,000,000, or that part in which he said that any locality discontented with its electric service had "the undeniable basic right" to establish a public power system?

The apparent unpopularity of public ownership is dwelt on by Mr. Newton. Well, the utility companies have propagandized so deviously to attempt to bring this about that in 1928 a United States Senate dominated by Republican Members voted an investigation of their activities.

Mr. Newton contends that perhaps a majority of the individuals favoring public ownership of power really want a socialized nation. This is fantasy. Is Senator Norris, whom the New York Times calls "a growingly useful Senator," such a radical? We should not forget that Alfred E. Smith was once denounced as "socialistic" for his views on power.

### The 1940 Labor Scene

#### EXTENSION OF REMARKS OF

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. TENEROWICZ. Mr. Speaker, events on the labor front come tumbling over each other with great rapidity at this juncture. The forces of retrogression and destruction are mobilizing to smear the New Deal and scuttle its splendid program of social legislation. Emasculation of the Wagner Act and curtailment of the powers of the National Labor Relations Board are major objectives of this attack.

Increasing activity all along the front is discernible as this session of the Seventy-sixth Congress enters its fourth week. The A. F. of L. and the C. I. O. have filed their legislative programs. The Smith committee investigating the Labor Board pyramids thousands of words, much of it hearsay, into the records as it depletes an appropriation not to exceed \$50,000. The Dies committee—anti-New Deal, anti-Labor Board, and anti-C. I. O.—after already scattering \$125,000 of the people's money, has brought in a deceptively innocuous report, hopeful that today it will receive a third large bequest.

And during these first days of 1940 one could not help but note that the Chamber of Commerce of the United States has called upon member organizations to vote on a four-point program of restrictive amendments to the Wagner Act. Neither could one overlook the recent appointment of a well-known Michigan Republican colleague to the House Labor Committee.

While all these and other events too numerous to follow, converge in this year of destiny for labor, I come before you fresh from a study of the fourth annual report of the National Labor Relations Board.

And I am more convinced than ever that here is an able, conscientious body, doing the best job possible in the face of numerous fabricated harassments.

To me the Board's claim that the number of strikes called to obtain the right to organize had been decreased by two-thirds, seemed highly significant.

Here, I assert, is a notable instance of progress. Here is living evidence that a constantly increasing number of the Nation's employers are friendly to collective bargaining and are working in complete amity with different union groups.

The fourth year of the Board's operations, according to the report, was characterized by an increasing resort to Board facilities, instead of the strike. In this connection it is to be remembered that in 1936 the number of strikes exceeded the number of Board cases by 33 percent.

The report also makes heartening claim to an increase in written contracts. And I was particularly pleased by the statement of Mr. Madden that the benefits of the Wagner Act continue to fall impartially to both the A. F. of L. and the C. I. O.

As a representative from one of the world's greatest industrial districts I have never given credence to charges that the Board was biased in favor of one as against the other of our two great American labor federations.

From close association with members of both groups I am aware of the giant conspiracy that is trying constantly to widen the gap between these two great organizations. Furthermore, enlightened elements in both groups are now aware that a mere handful of men are responsible for this divergence. And it is around this growing, enlightened nucleus that hope for ultimate peace must be based.

In all sincerity I feel I should know something of the problems of the American worker. The great industrial cities of Detroit and Hamtramck are both represented in the First Congressional District of Michigan. Encompassed in Michigan's First are some of the mightiest industrial units on the face of the earth. A partial list embraces Plymouth, Dodge, Chrysler, and Chevrolet.

And Hamtramck, which comprises a busy one-eighth of my district, and whose population is almost exclusively composed of industrial workers and their families, on four occasions did me the honor of electing me its mayor.

I know a great deal about such things as seasonal lay-offs and the problems and heartaches that come to an industrial community in times of withering depression. I was mayor of Hamtramck in 1931-32 and witnessed nightmares of distress, which I now deliberately choose to recall every time I am forced to listen to a labor baiter or every time I sense plottings which I interpret as hostile to the well-being of a revitalized unionism.

As a doctor, I know that death and disease are the result of the depression soup kitchens. And as a doctor, I know, too, that unemployment is a disease which racks the body and mind even when food is available. But no conscientious attempt can be made to solve this great curse of modern civilization while hide-bound misconceptions continue to prevail.

History records that the rights labor is now seeking in America have long since become accepted truths in the great countries of Europe, even though most of the great industrial countries of the world do not have any labor statutes like ours. And the reason for this absence of labor legislation in these countries is that in these countries it never occurred to the great body of employers that they had the right to deny to their employees the freedom of organization which they claimed for themselves.

Only a few years ago I remember reading that a judge in England denounced the managers of an American corporation for trying to bring to that country some of our own particular kind of labor spying and coercion methods.

Until about a century ago it was a crime in America for working people to organize to improve their conditions. The members of a society of shoemakers in Philadelphia in 1806 were found "guilty of a combination to raise their wages," and they were fined and assessed costs. In 1842, however, the Supreme Court of Massachusetts, reversing a conviction for labor conspiracy, ruled that a combination of employees to improve their conditions is not essentially different from a combination of people to fight the evils of intemperance. That was the beginning of emancipation for the American workingman.

Other courts thereafter took the same view and for nearly a hundred years the legality of labor organizations has not been questioned. But until the Wagner Act was upheld by the Supreme Court in April 1937 the legal rights all favored the employer and class strife was the inevitable result. Up until the validation of the Wagner Act, freedom for the great masses of American workers to organize meant only freedom from prosecution by the Government. In the pre-Wagner Act days employers were free to destroy unions by spying on those who joined them, were free to use the

"yellow dog" contract and organize their own company unions with forced memberships.

Our new collective-bargaining process, duly sanctioned by the law of the land, is not yet 5 years old! Why is it that such age-bound groups as our chambers of commerce and our associations of manufacturers, with years of tradition behind them, do not exhibit a little patience and forbearance of honest collective-bargaining processes, which are scarcely yet out of the diaper stage?

The Interstate Commerce Commission and the Federal Trade Commission took years to become effective. Certainly there was less impatience shown toward them as they were going through the stage of "growing pains." Yet, there is no patience whatsoever shown toward the Labor Board which is asked to mediate the "hottest" type of controversy known to modern civilization.

As was stated, I should know something of employer-employee relations. I have had many close friends among both groups during the past feverish decade. I was chief executive of Hamtramck, when the great sit-down strikes of 1937 engulfed the mighty plants of my little city. And I have reason to be proud of my record of fairness during that critical period.

Dues-paying union members as well as their leaders are my friends. And I likewise know and share the respect of many of my district's great industrial executives. Many of these great employers, I like. All of them, I admire for their genius at getting things done. But too many of these great employers seem to share a lust for efficiency and speed—a mania which I fear some seem to carry over into their appraisals of social facts.

Can it be that some of these men who have confounded time and space, whose inventive and organizational genius is destined to live in history—can it be that some of these men are possessed of a mortal blind spot when it comes to passing judgment on the evolving social picture? Can it be that some of them—ostrich-like—have forgotten so quickly the menace that simmered back in 1932 as they now seek in 1940 to get back their old domination over their workers?

Happily, I am not referring to all the great mass employers of my area. A number have manifested from the beginning a deep and sincere understanding of the new relationship between capital and labor.

These are the progressives. These are the employers who abide with wisdom the numerous small exactions and adjustments so that the greater end may be served. This type of employer is too fully gifted with a sense of history—if not of prophecy—to condone, let alone abet, the petty little conspiracies that seek to impede realization of a sound, full-grown, collective-bargaining system.

This is the type of employer who, multiplied by the thousands, is at present working in complete harmony with the Wagner Act. He has no complaints to offer, so his name never makes the newspaper headlines.

But I gravely doubt and suspect the die-hards of the other employer classification. How they get that way I do not know. Whether it is because old age has cursed them with incurable antagonisms or whether they are merely the deluded victims of malicious advice, I am in no position to say either as a layman or as a physician.

But I do know that they are not neutral as this momentous year for labor opens.

Who is it, I would like to know, that subsidizes the carpet-bagging labor baiters who are now filling the air waves and the pulpits in the Detroit area with their psalms of hate and fury? The term "carpetbagger" seems oddly appropriate. For it happens, purely by accident of birth, that two of Michigan's three, current radio scourges are native to the South. And I know my colleagues from the South will understand I mean no offense when I thus refer obliquely to two of its nomadic and fanatic sons. Nomads, I would like to assert, who, though they apparently neither sew nor spin, happen to be doing quite nicely in the busy metropolis of my State.

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So notorious is this pair of pulpiteers that I refrain from spreading their names upon the records of this honorable House.

No; I doubt very much the neutrality of certain great employer groups at this time of seething antilabor activity.

But to get back to the two special House committees. Why does not the Smith committee or some other committee present an unbiased picture of employer-employee relations under the Wagner Act? What about those happy marriages between capital and labor? Surely, as in the case of real-life marriages, the happy marriages must greatly outnumber the unhappy that find their way into court and into the newspapers.

It seems strange to me that almost every day we should be reading of attacks on the Board and its personnel, but hardly anyone thinks of attacking or even criticizing the conduct of those employers who have flouted the law of Congress and who have been found guilty of violations that the courts have condemned.

If we had a little more criticism of those who engage in unfair labor practices and who defy the law of the land, and a little less criticism of those who are honestly trying to carry out their oath of office in enforcing the law, we would get a better perspective on the perplexing problems of labor relations with which the Government has been trying to deal by means of the Wagner Act.

But it would be foolhardy, indeed, to expect that anything sound and constructive will ever emanate from either of these two special committees, which at this time are being nursed along to election-year climaxes, boding no good for the Wagner Act or the cause of liberal democracy. And I say this with deep sympathy and respect for the minority liberals of both groups.

Coercion, intimidation, and bluster are the tools of the Dies inquisitors. Thus far the only disclosures that have emanated from the Smith committee's searchings have been both petty and quibbling. They are, however, doing a first-rate job of heckling the working staff of the Board and distracting it from the job that remains to be done.

I voted against the Dies and Smith committee appropriations last year and I intend to do so every time they come around passing the hat. Both these groups would like to hang the same bogeyman to the lamppost, and this bogeyman happens to be progressive unionism.

Need I point out that the Dies committee recently was subjected to disapproval by the distinguished, though conservative, Walter Lippmann.

Mr. Lippmann, whose interpretations are sometimes pretty difficult to follow, was crystal clear when talking about the Dies group, as follows.

I quote:

The Dies committee are official vigilantes operating in an area, that of the political underworld where there is as yet no effective law and there is, therefore, no order. The committee, like their vigilante predecessors on the American frontier, are therefore themselves often lawless and disorderly in their methods. This accounts for the somewhat shame-faced approval which thoughtful men have given to the work of the committee. \* \* \* It is plain that the committee needs to be reformed so that its methods will, in spirit at least, be lawful, and, therefore, capable of commanding the respect of law-abiding citizens.

Mr. Lippmann was really too gentle. He failed to rebuke or even mention the committee's dangerous misuse of power in influencing elections, such as their ugly part in the defeat of Frank Murphy in the 1938 Michigan gubernatorial race.

The Smith committee, I suspect, would like to see the Wagner Act encumbered with all the vicious amendments proposed by the Chamber of Commerce of the United States and the National Association of Manufacturers.

If I recall correctly, the gentleman from Virginia [Mr. SMITH] at the very outset expressed a fear that workers were being "regimented" by national labor organizations or by members of the National Labor Relations Board. But he failed entirely to mention the most familiar and most undemocratic example of such regimentation, i. e., company unions, outlawed by the present act, but which, I suspect, the



gentleman from Virginia [Mr. SMITH] and the National Association of Manufacturers would like to bring back to legal life.

This is a year when news from the labor front will be grotesquely distorted and when vilifications will fly fast and thick.

I am no prophet and am therefore unable to say whether this Congress will strip the Wagner Act of its teeth, but I hardly think it will. I am of the opinion that the liberal element among us is strong enough to forefend any such senseless action. But this year the "red herrings" will be cast about with abandon by the opposition, and everything progressive is likely to be dubbed communistic. And a lot of misstatements will find their way into print.

Which reminds me, before I conclude: The newest member of the House Labor Committee seems recently to have veered from his usually veracious path in speaking of Akron, Ohio. Or, at least, so it would appear from a clipping taken from the January 9 issue of the Akron Beacon Journal.

The editorial is self-explanatory. I quote it:

WHAT PLAN? WHAT PAUPERS?

Akron, according to Representative CLARE E. HOFFMAN, of Michigan, is a city where "the National Labor Relations Board's plan to force employees into the C. I. O. has pauperized businessmen."

That statement made in a speech before the House deserves an answer from Akron's own Congressman, DOW HARTER. Unless HARTER corrects the Record, Congress is liable to get the idea that HOFFMAN knows what he is talking about, and there is truth in the ghost-town yarn after all.

As a matter of fact, there are no pauperized businessmen here who can lay their condition to the N. L. R. B. And whatever the Labor Board's sins elsewhere may be, Akron has yet to see first-hand evidence of any plan to force employees into the C. I. O. or into the A. F. of L., either, for that matter.

Meet Editor Ibid

EXTENSION OF REMARKS

OF

HON. JAMES W. WADSWORTH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

EDITORIAL FROM THE NEW YORK SUN OF JANUARY 10, 1940

Mr. WADSWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Sun of January 10:

[From the New York Sun of January 10, 1940]

MEET EDITOR IBID

President Roosevelt introduced another character of American folklore in his Jackson Day dinner speech:

"I have in mind the predicament of one of the ablest editors of a great paper today, who some time ago said to me very frankly:

"I'm really in complete sympathy with your program, Mr. President, but I cannot say so publicly, because the readers and the advertisers of my paper are 90 percent Republicans, and I simply cannot afford to change its unalterable policy of traditional opposition to anything and everything that comes from Democratic sources. Of course, Mr. President, you understand."

"And may I add that the President understood."

We know this bird. He is a cousin of the prominent businessman who used to turn up at the White House and, after being confronted with the Budget, regularly broke down and confessed that he could not see how Mr. Roosevelt could reduce expenses. The businessman's name is Anthony Anon; the editor is Ichabod Ibid. Ibid is a great-grandnephew of Mrs. Gamp's friend Mrs. Harris. He came to this country in the famous ship *Wabble* and, after an association with Feodor Vladimir Larrovitch and Lafayette Mulligan, took the Hugo N. Frye course in journalism conducted for a few minutes by the Cornell Daily Sun in 1930.

Editor Ibid is a delightful fellow, not a whit less tactful than his cousin Anon. Somebody has described them as the most obliging nonexistent men in existence. They will agree with anybody about anything. Ibid, it is well known, writes his editorial articles in invisible ink on pure ether, but tears them up first. He likes to talk about the Democratic platform of 1932, because, like himself, it was fictitious, and about the governmental surpluses that

used to be, because, like himself, they are invisible. Let us have more about Editor Ibid's quaint sayings; the Brothers Grimm are out of style.

Herty Forest Institute

EXTENSION OF REMARKS

OF

HON. W. BEN GIBBS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. GIBBS. Mr. Speaker, realizing that pulpwood, from southern slash pine, will be the chief raw material for cellulose products of the future and that preservation, control, and development of the slash pine forests of the South are most essential for that expansion, the foundation of the Herty Forest Institute at Waycross, Ga., is being proposed.

Serving a twofold purpose—primarily to carry out a widespread educational program on the possibilities of the southern slash pine forests and secondly to memorialize the late Dr. Charles H. Herty, eminent Georgia research chemist—the institute is being sponsored by the Slash Pine Forestry Association of Waycross.

By taking its educational program into the pine-forest sections of the South, the institute would further acquaint schools, civic clubs, farmers, foresters, timberland owners, and mill operators with the absolute necessity of continued preservation and further development of the South's forests working in conjunction with the agencies of the Federal and State governments.

Entering a broad field with its program, the institute proposes the continuous training of youths from 4-H Clubs, Future Farmers of America, Boy Scouts, and vocational students in forest preservation. Fashioning its training courses after the Canadian Forestry Association's Junior Forest Wardens, the institute would enlist youths pledged to save the forests of the South.

More than 10,000 Junior Forest Wardens are enrolled in Canada. Uniformed in red shirts, green berets, and scarfs, the Junior Warden patrol covers forests from coast to coast, reporting forest fires, warning travelers to extinguish camp fires, lighted matches, and cigarettes. Their services have proven highly effective and have resulted in extinguishing hundreds of incipient fires, in addition to being responsible for the reforestation of waste areas.

The institute would engage the services of an experienced and highly qualified forester and an assistant to direct the educational program. The establishment of modern forests along the main highways as demonstrations and the training of young people in best forestry practices will be among the aims of the institute and its personnel.

The need of an organization with the purposes and the program of the Herty Forest Institute is clearly revealed by the fact that annually in the South damage, estimated by the United States Forest Service, at approximately \$30,000,000 results from forest fires. While forest fire is one of the most interesting problems in the South, it at the same time is one of the South's most complex.

A striking example of the tremendous annual damage caused by forest fires is afforded by the naval-stores belt of Georgia. That area of Georgia is typical of some 40,000,000 acres of land reaching from South Carolina through the intervening States to Mississippi, a region which produces about two-thirds of the world's supply of naval stores.

It is an appalling situation revealed from data furnished by the Forestry Service, which shows for the year 1937 more than 153,000,000 cubic feet of pine timber were destroyed, as compared with 114,000,000 cubic feet used by man for all purposes. It is obvious that continuation of this condition means a disastrous end to the forests of the South, and preservation, fire control, and reforestation are the remedies.

"If our forests are to be a source of income—perpetual—we must protect them and manage them so as to increase their productivity," declared the late Dr. Herty, whose death removed from the ranks of American scientists one who devoted his life, his personal fortune, and his brilliant talents to the creation of new industries from Southern slash pine.

Experimenting for years with pulpwood from second-growth pine trees, long considered too resinous for use in manufacture of fine paper, Dr. Herty proved that pulp of young trees can successfully be used to make newsprint and other grades of white paper, and thus was born a new industry for the South.

As a result of the successful and startling experiments of Dr. Herty, a native of Milledgeville, Ga., a new era of business and commerce faces the South and already marked progress has been made in that direction. Dr. Herty's first contribution to the pine-forest industry was the introduction of the Herty cup, destined to save the naval-stores industry from self-destruction and ending the early box method and opening tremendous possibilities in pine-gum production.

The institute would be a memorial to that great Georgian, who gave to the South the vast pulp and paper industry and brought about a development that amazed the world. Within the short period of a year and a half 14 mills, with a total output of 4,295 tons of pulp daily, were erected in the South, each standing as a monument to the genius and the scientific research of Dr. Charles H. Herty.

As director of the Herty Foundation Laboratory at Savannah, in which he invested personal funds, Dr. Herty impressed upon his people and upon the paper industry the significance of the southern supply of pulpwood—a supply that can be perpetuated readily and a supply which, through research, he made technically available for most grades of paper.

Dr. Charles H. Herty lived to see his dreams come true, lived to see those things which he had visualized for the South become a reality, but the perpetuation of his purposes must be assured and that assurance can be made possible through the foundation and establishment of the Herty Forest Institute and that institute's educational program.

### What We Earn—What We Owe

#### EXTENSION OF REMARKS

OF

#### HON. FOSTER STEARNS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. STEARNS of New Hampshire. Mr. Speaker, one of the hardest things, in dealing with the manifold problems that confront our Nation, is to get the facts. Hardly a day passes in this House, for instance, without someone reminding its Members of the millions of unemployed who are still with us, despite 6 years of spending for recovery. It is right that we should be reminded of them; but when it comes down to figures, the number of millions differs according to the speaker's source of information, and in all these years we have been unable to get any official census of unemployment that should tell us exactly where we stand.

Similarly, the ever-growing tax burden is too real to be laughed off, even by the most starry-eyed utopian. But here again it has been hard to get at the real facts which would reveal to the man on the street just how great that burden is, or how much of it falls on his own shoulders. Too many of our people still believe that, whatever the fate of the "male-factors of great wealth," they themselves belong to some particular group which is going to get something for nothing. Any attempt to break down our National, State, and local expenditures into a form which will show their actual impact on the individual citizen is a step back toward national sanity.

It was with this purpose in mind that Gov. Francis P. Murphy, of New Hampshire, in his annual message of 1937, asked for the appointment of a commission for the promotion of the wealth and income of the people of New Hampshire, which he proposed should undertake, for the first time in any State, to reduce the finances of the State, private as well as public, to a bookkeeping statement which should show the real economic status of her people. This commission was financed by private subscriptions without cost to the State, and indeed was only given official status to facilitate the obtaining of information from official sources. Of this commission I had the honor to be one of the original members.

In entering on so new and unprecedented an investigation many difficulties were encountered. Federal and State officials were generally cooperative, but some private citizens were more reluctant to provide the desired information, and some of the data which it was hoped to get proved impossible of attainment with the means at the commission's disposal. After 2 years of study, however, Mr. Samuel Crowther, well known as a writer on the economics of government, who has been the chairman of the executive committee, has presented to the commission a report which was made public last month and has already attracted widespread attention.

Although the author would be the first to acknowledge how far short the result attained in this initial report falls of the vision that the commission had before it, yet in the significance that it holds for the future it may be as important as the first feeble lift of the Wright brothers' plane on the beach at Kitty Hawk.

I cannot better indicate that significance than by quoting an editorial comment on the report which appeared in the New York Daily Mirror for December 6, 1939:

President Roosevelt thundered this warning in 1932: "Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse."

So far as we know, the first State that has attempted to measure its progress toward the poorhouse is New Hampshire.

The results are startling; by applying the same system of bookkeeping to the State that is used by any business or any prudent individual, Samuel Crowther has compiled startling and disturbing facts.

#### PROBABLY TRUE OF WHOLE UNITED STATES

These facts are significant because what is true of one State is equally true of the entire Nation—due to the manner in which the 48 States have learned to lean on the Federal Government:

Killing jobs: Unemployment is being generated by the very measures taken to cure it.

Debt kills savings: The people of the State—and undoubtedly the people of the Nation—have no net savings, for individual savings are being smothered by governmental debt. New Hampshire's share of the Federal debt is nearly three times its demand bank deposits and more than one-half of its savings deposits.

Running in the red: "The State's business and agriculture are being conducted at a loss, which means that they are existing in part by drawing on funds which should be used to repair wear and tear on tools, machinery, and buildings—which explains the lack of demand in the trades making or using durable goods."

Taxes take their toll: "Indirect taxes amount to at least 10.8 cents in every dollar spent by consumers and direct taxes of 7.1 cents, or a total of 17.9 cents."

Debts must be paid: "The application of double-entry bookkeeping to the whole economy shows the patent absurdity of 'creating purchasing power' through spending, Townsend plans, or other schemes. Every credit advanced to promote purchase appears as a mortgage debt in the capital account. Debts must eventually be paid by production or repudiated—and in the meantime, interest must be paid."

Down, down, down: "Through taxation, incomes are being distributed downward—both the lower and higher brackets are decreasing \* \* \* standards of living are falling—poverty is being spread."

By cold figures, Mr. Crowther demonstrates how the fallacious extravagance of Federal "spending for recovery," has so stagnated normal production and consumption, that the people of New Hampshire in 1936, the year studied, actually "did not earn their living."

"The entire business of the State \* \* \* was conducted at a loss of \$6,925,000. Banking was conducted at a gain of \$812,000.

"Government—Federal, State, and local—spent \$11,637,000 more than it received in taxes.

"The people, as individuals, saved \$13,761,000. But the people, considered as a whole, were thus poorer by \$3,989,000 as a result of the year's operations."



## PROGRESS TOWARD POORHOUSE

Thus by simple arithmetic and the kind of bookkeeping that pays your wages every week, it is demonstrated in the State of New Hampshire that the effort to "spend our way back to recovery" has merely pushed us nearer the poorhouse—exactly as Mr. Roosevelt warned it would in 1932.

The cure? Again we quote Mr. Roosevelt of 1932: "I regard reduction of Federal spending as \* \* \* the most direct and effective contribution that government can make to business."

It is my intention to send a copy of this report to every Member of both Houses of the Congress, and I believe that it merits their careful study.

## Civil Service and Your Sons

### EXTENSION OF REMARKS

OF  
HON. T. V. SMITH  
OF ILLINOIS  
IN THE HOUSE OF REPRESENTATIVES  
Tuesday, January 23, 1940

RADIO ADDRESS BY HON. T. V. SMITH, OF ILLINOIS

Mr. SMITH of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include hereunder a speech given last night over the Mutual Broadcasting System, addressed to the fathers and mothers of America and entitled, "Civil Service and Your Sons":

Fathers and mothers of America, there is a thing I want to say to you about governmental jobs in connection with your sons and daughters. But first a complaint. I think—don't you?—that every patriot might well be allowed one major complaint. If so, I nominate as my chief disappointment with our people the low esteem in which skill is held among us. Whether the instinct of workmanship has declined from former generations, I do not know; for I was not here save by proxy in previous generations. There are of course no adequate statistics upon so delicate a comparison. But of the present generation I can speak with some personal knowledge and with not a little patriotic regret. I go up and down our land constantly, and I report to you that pride in work, even of those who have work, is at too low an ebb. I report that joy in the job, even among those who have jobs, is not what it should be.

#### WHY HAS INSTINCT OF WORKMANSHIP DECLINED?

Why? Is it because most people work for somebody else? Is it because of the monotonous nature of much of our industrial work? Is it because workmen are insecure in their jobs and cut off the job's nose to spite the boss's face? Is it that workmen are poorly trained in general or are poorly placed in particular?

I do not know for certain whether any or all of these reasons hit the causes; but of the effects I am dishearteningly aware. We are not as a people living up to the reputation we have in the world as the most efficient nation, the reputation of a people that sings at its work. This is a fact and it distresses me no little.

You will perceive that I am referring now to private business: to the inattentive clerk, to the listless ticket agent, to the careless mechanic, to the abstracted waitress, to the absent-minded teacher, to the offhand doctor. No one of these dissatisfied types loves his job and embraces it as his chance to have a happy life. And yet the clerk is more often than not retailing beauty, the ticket agent is an easy accomplice of adventure, the waitress is lady-in-waiting to queenly and popular vitamins, the mechanic is minister of munitions in the processes of peace, the teacher is Muse of the awakening mind, and the doctor is guardian of health, minister plenipotentiary to man, that paragon of animals. What more would any one of these ask to awaken the instinct of workmanship, to quicken his pulse of action, to stir his imagination, and to guarantee to him mankind's most lasting and useful satisfaction—plain and simple joy in the job at hand?

#### WHO IS THE POLITICIAN TO COMPLAIN?

But do I hear somebody murmuring, "Who are you, a politician, to say all these things, and to say them complainingly?" But I am a politician who enjoys his job, I'd have you know, and therefore wants everybody else to have the same happiness. It makes me a privileged character, you see. That's my reason for ruffling your calm. No; don't get me wrong. I'm not about to promise jobs of guaranteed joy to every mother's son of you. That's the wrong way to go about the remedy. Such promising is done only by the scribes and Pharisees of politics—men who do not yet know what their own job as a politician is. I enjoy my own job too much to help other people get jobs for which they're not fitted. I know that's one sure way to fall of joy in the job—to get a job for which you are not trained. So I'm not going to offer you a political job—

not even if you promise to reelect me as Congressman at Large. I'm going to do a better thing—to commend to your sons and daughters now in school the provisions we politicians have made to cause public jobs to be more satisfactory than these private jobs at which I have complained. These provisions are chiefly lodged in a single institution—it is the civil service. It is properly called "service" because it keeps the wheels of government, our common business, moving ahead. It is justly called "civil" because it provides the service in terms of merit all the time rather than of political "pull" at election time and of uncivil "push" when the election is lost.

You are surprised, you say, that politicians provide a service that is civil? You thought, you say, that the politicians were the ones that got any kind of jobs for any kind of person who would help them get reelected? Oh, you've surely got us—most of us politicians—wrong. You must be thinking of what used to be. Bring yourself up to date. I'm sure you're talking of the spoilsman—not of the pedigreed politician. There was a time, perhaps, once upon a time, when such pretenders to power usurped the noble name of politician, and there may be some spots left in America where is still practiced such spoilage of all that's noble and necessary about politics.

But here at Washington we long ago set up the civil service as a means of making merit prevail in Federal jobs and efficiency result from Federal appointment. That was long ago. We celebrated last week the fifty-seventh anniversary of that beginning triumph of merit and efficiency.

#### WE HAVE ACHIEVED MUCH AND WILL ACHIEVE MORE

I don't mean that the principle of merit triumphed all at once in the Federal service, or that it has yet triumphed completely. There were spoilsmen in the early days, in both parties, who hooted at merit and made it hot for honest efficiency. They filled offices on grounds of patronage, and oftentimes promoted people on grounds of pulchritude, if they were women. In a phrase as ugly as the nasty business, they practiced civic turpitude of political partisanship in affairs administrative.

Why, in Abraham Lincoln's day in the White House, before the civil service was born, that great man was driven to say this about the messy business: "This human struggle and scramble for office, to live without working, will finally test the strength of our institutions." Well, it did test our strength; it so tried the endurance of honest men in and out of office that we began 57 years ago to meet the test through the civil service. There are indeed still a few sleepwalkers about who mumble against merit, ignorant that inefficiency in government is now out of style. But they are a lessening number, with weakening voice. An awakened people will not be ruled by those who walk in their sleep. Rip Van Winkles are now rarities in our national life.

Why we have a bill very shortly to be before the House of Representatives that empowers the President in the name of Congress to put under civil service practically all the jobs now remaining as prey to patronage hunters and as spoils to patronage dispensers. If you are interested in this great cause, you might tell your Congressman—or tell me—how you feel about this bill. It is the Ramspeck bill, H. R. 960. Eventually it will pass; so why not now?

Of course, such a bill will pass eventually, as it has in every country that has come of age. It will pass, because the so-called "honest graft" of political job holding is too expensive for a Government that wishes soon to balance its Budget and presently to reduce its taxes. It will pass, because parents will tire of the indignity of having their sons and daughters made private errand runners for bogus politicians on the pretense of appointment to public office. It will pass, because we politicians ourselves are becoming enlightened enough to admit (1) that we aren't entitled to more private assistants than we dare publicly vote ourselves; (2) that we aren't specialists in getting the right man for a given job; (3) that the Civil Service Commission is fitted to do that special job; (4) that our job as politicians in trying times is simply too important for us to waste our time doing what we aren't any good at; and, finally, (5) that it isn't good sportsmanship for men in power to swell through the public purse their advantage at election time over those who run against them.

It is a queer thing that some so-called politicians have to be made aware of this civil thing through the criminal approach now made to it in the Hatch law.

#### THE POLITICIAN WIELDS A GLORIOUS SKILL

The work of the politician, when properly understood, is the most important of all. But his is not the business of job-brokerage. It is, rather, the business of legislation. Our politician needs to meet all sorts of people, to study economic problems, to fit himself to stand between warring groups, and to enable himself to offer the solvent compromise at the fruitful moment. Politicians are moral midwives of our common welfare. There is a job in itself. It requires skill, general skill: Skill in meeting men, skill in arguing, skill in pouring oil on troubled waters. It's a full-time job of the most far-reaching importance. Proper pride in this magnificent skill carries with it pride in turning over to another skilled group, such as the Civil Service Commission, the task of filling all jobs requiring special skills—and to do this for the good of the State.

These hundreds of thousands of jobs which the Civil Service Commission handles require another kind of skill than the politician's splendid gift of gab. They require special skills. To fill them with people who have merely the politician's skill in talk and

compromise, is to outrage both kinds of skill. It is to belittle politics and is to ruin the public service.

As a proud politician, of course, I know how much of the work of the world is done with the human mouth. But as an honest citizen, I know, too, how much work remains to be done when the loudest mouth has done its durnedest. Laryngeal liquidity, however mellifluous, will not even run a typewriter with accuracy and rapidity. It will not keep books with precision and promptness. It will not chart the weather, nor conserve the soil, nor build bridges, nor safeguard the public health, nor administer our far-flung social-security enterprise. Absolutely necessary as is speechifying in its place, it will do none of these things.

These services, imperative for the modern state, require servants who know each his own special job. It is colossal responsibility to find the right men for jobs like these. For their range is the length of science and the breadth of art. We must have men like the civil-service experts, working all the while to do the best we know up to date. But since we do not yet know it all about personnel work, we must have men, like our civil-service Commissioners, working all the while to find out more than we now know. Mistakes will be made, and are made, in spite of the best such men know and do. But the mistakes must be remedied by more knowledge and better efforts, not by any return to innocence or ignorance or poor sportsmanship, as spoilsmen would have us do. Whatever honest mistakes are made in civil service, the politician is estopped from criticizing civil service as such, if what he has to offer is return to the Dark Ages, from which the civil service has in part released us. Generally speaking, there are but two ways for us to go—to practice merit in the scientific filling of all administrative jobs, or to return to the civic turpitude of political partisanship in affairs administrative.

#### CIVIL SERVICE, THEN, FOR ALL OUR SONS

As a parent myself I feel certain that you as parents and voters do not want to return to that. You do not want to return to that in these war-threatening times, as our House Appropriations Committee has just suggested in raising the Civil Service Commission \$750,000 over the last year. But, regardless of defense program or fear of sabotage among poorly picked workmen, you do not want to return to the waste of spoils. There is a sabotage of integrity as well as of loyalty, and patronage is often such sabotage. Efficiency and honesty are great virtues for peace. We need them all the time. You not only do not want to go back to spoils; you want to go forward to a complete merit system in regard to all public jobs, in State and city as well as in Federal administration.

If this is what you want for your sons, then let me give you this advice. Encourage us politicians to pass the Ramspeck bill, H. R. 960, when it comes up shortly. Then you work with might and main to get genuine civil service extended in your city and in your State. More remains to be done there than in the Federal Government. Your ablest sons and daughters can then get public jobs with honesty and can fill them with pride. Your other children can have the clean satisfaction of knowing at last that both success and failure, in getting governmental jobs are equally on the square. That's a great thing for honest citizens to know and feel. To doubt that, as all do when jobs are had by pull, is to poison success and to embitter failure. To be assured in advance that all is on the square is to give your children incentive to become as skilled as possible while yet there's time. That is the best preparation for public or for private jobs. It is also the best possible guarantee for an independent and happy life.

### Investigation of Un-American Activities

#### EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. CURTIS. Mr. Speaker, I believe the Dies Committee for Investigating Un-American Activities should be continued. There has been some criticism of the work of that committee. Perhaps some of it is justified; on the other hand, a great deal of it is not justified. Any committee that is going to undertake such a task will make mistakes. The members of that committee are like all the rest of us, they are human.

We live in a time when the average person is convinced that we should set our own house in order. We should not tolerate known enemies within our country. It is a great privilege to be an American. We should preserve that right for our children and their children.

In a Government such as ours the people rule. I believe that the people as well as this Congress should know the facts. I, therefore, shall support this investigation.

### Pot of Gold Radio Program

#### EXTENSION OF REMARKS

OF

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

#### LETTERS FROM MOTION PICTURE THEATER REPRESENTATIVES

Mr. TENEROWICZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following letters addressed to me by representatives of motion-picture theater owner of Michigan. Already the practice referred to—the conduct over a national radio hook-up of what amounts to gambling—has been brought to the attention of the Federal Communications Commission. A group of theaters in Detroit, known as Cooperative Theaters of Michigan, through their representative, Mr. Thomas McGuire, have undertaken single-handed to stop this weekly diversion of revenues from the little-theater owners of the Nation. They have sponsored the complaint but it is my understanding that because of legal loopholes, the Commission may not be able to take any action.

These letters assert that incalculable losses in revenue are being suffered by this legitimate group of taxpayers every Tuesday night when this particular program takes to the air. To me it is a palpably unethical intrusion and a matter that deserves immediate "policing" by the Commission. The following letters are, I believe, self-explanatory:

COOPERATIVE THEATRES OF MICHIGAN, INC.,  
Detroit, Mich., January 17, 1940.

Hon. R. G. TENEROWICZ,

House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: First, let me identify this organization. It is a cooperative group of 100 independent Michigan theaters and their owners.

They pay local, State, and Federal taxes. They play a very important part in their community. They cooperate with every worth-while civic and charitable movement. They employ local people. They themselves are local people and every cent they spend they spend locally. This background is important because of what follows.

There is a radio program on the air on Tuesday nights from 8:30 to 9 p. m., eastern standard time, called Tums' Pot of Gold. They award \$1,000 to some "lucky" telephone subscriber each week if someone answers the "lucky" telephone. This number is selected by a lottery wheel which first selects the city; next, the page of the phone book, and finally, the lucky subscriber. If no one answers the winner's phone, he or she is sent \$100 and the remaining \$900 is added to the following Tuesday's \$1,000. More than once in the 17 weeks this program has been on the air the award has been as high as \$2,800.

Our point of complaint is that people stay home listening to this program and stay away from the theaters. They are staying away to the extent, at modest estimates, of over \$1,000,000 a week.

Under the Communications Act of 1934 all programs are to be for "public convenience and necessity." Section 316 of the act further forbids gambling and lotteries. This section reads as follows:

"No person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person operating any such station shall knowingly permit the broadcasting of any advertisement or of information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person violating any provision of this section shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than 1 year, or both, for each and every day during which such offense occurs."

On December 22 I filed a formal protest with the Commission, pointing out this lack of "public convenience and necessity" as well as the lottery features, and asking that the program be banned. This matter is still pending before the Commission.

Your constituent theater owners join me in asking you to use all your influence to see that the Communications Commission does the fair and proper thing in disposing of our petition by ordering this pernicious program off the airways.

I have been advised by members of the F. C. C. staff that nothing prohibits 15 or 100 other advertisers from joining in this "radio



gambling," so that if the other hours of the other days of the week are so filled the entire retail field of the whole Nation is jeopardized.

Radio was never intended to be abused under the act of 1934. This program is gambling. It does not serve "public convenience and necessity." It is unfair; it is illegal.

Will you help us?

Sincerely,

COOPERATIVE THEATRES OF MICHIGAN,  
THOS. MCGUIRE, Public Relations Director.

ALHAMBRA THEATRE,  
Detroit, Mich., January 17, 1940.

Hon. R. G. TENEROWICZ,  
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Reference is made to a radio program called Tums' Pot of Gold over the air each Tuesday evening, N. B. C. network, through radio station WWJ, Detroit, at 8:30 to 9 p. m.

These Tuesday-evening programs we find to be very detrimental to motion-picture-theater business.

The inducement for people to stay at home and listen to this program is the gambling phase involved in that one of the million or more listeners may be the party whose name is drawn by the wheel of chance. The lucky winner must be at home to win the thousand dollars or more given to the one whose name is picked from a telephone directory.

This program has received tremendous publicity, and it is an established fact that it is making serious inroads into Tuesday-night-theater grosses.

While this form of giving money away may be legal, it must be construed as a form of gambling and, if adopted by other advertisers, over other networks, will prove to be a definite menace to the motion-picture industry, particularly to the small fellow who is unable to buck such opposition.

A group of theaters in Detroit, known as Cooperative Theatres of Michigan, Inc., through their representative, Tom McGuire, have filed with the Federal Communications Commission a petition protesting against the program. We understand that the Commission may act unfavorably on this petition. This letter is written for the purpose of requesting you to look into the merits of this protest, the unfairness of this kind of competition, the gambling element involved in this radio program, the possibility of a widespread use of same, the fact that Pot of Gold is now hurting the small fellow in the motion-picture-theater business, and that the spread of the program will result in serious financial difficulties for many.

This is my first letter to any Congressman or Senator in connection with legislative or any other matters, and is only written because I sincerely feel that this Pot of Gold program is unfair and its continuance is not in the best interest of either radio or any other business. I bespeak your cooperation.

With kindest personal regards,

Yours very truly,

BARNEY KILBRIDE.

### Registration of Aliens

#### EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

LETTER TO THE GENERAL FEDERATION OF WOMEN'S CLUBS,  
WASHINGTON, D. C.

Mrs. O'DAY. Mr. Speaker, it is unfortunate that the rising tide of discrimination against aliens now sweeping our country is affecting those who are here legally, conforming to our laws and requirements.

A bill to fingerprint all aliens has been introduced in Congress and has called forth the following letter, signed by 42 prominent women, and addressed to the General Federation of Women's Clubs:

To the General Federation of Women's Clubs, Washington, D. C.:

The registration of aliens in this country can serve only to add another evil to the many problems confronting the American people. This proposal, if enacted, would serve to spread suspicion and antagonism, confusing and dividing the people at a time when a healthy public atmosphere and unity are essential in any effort to protect the interests of the American people.

The registration of aliens would mean regimentation of the entire population, native as well as foreign-born. If noncitizens will be ordered to carry identification cards, American citizens will have to carry proof of birth or citizenship at all times. It would, in effect, introduce the European domestic-passport system into our American methods of government. The Honorable Frances Perkins, United States Secretary of Labor, has said:

"In considering the adoption of any system of registration, the issue must be squarely faced that it involves a radical departure from the American system and a return to the European, and particularly police control of the individual. It would constitute a tremendous step toward the regimentation of citizens."

We are seriously concerned that in this present period this proposal may be seized upon by those who seek to whip up a hysteria against the alien similar to the one that prevailed during the last war and resulted in the un-American Palmer raids, which deprived citizens as well as noncitizens of their democratic and constitutional rights.

We sincerely hope that organizations of American women will not allow themselves to become a partner to any such scheme which, in essence, threatens the very foundations of our democratic form of government.

The proposal to register the alien is contrary to the American traditions of hospitality and equality to the immigrant. Not repression, not discrimination, but understanding and friendliness must serve as the basis of any approach we may wish to this problem.

It is our duty as American women, and it is to the ultimate benefit of American society, that we extend help and understanding to our future citizens and that we exercise vigilance to defeat all attacks upon the rights of noncitizens, since such measures threaten as well the entire framework of our social order.

We feel sincerely—and we urge upon all women's organizations—that every effort should be made to enable all noncitizens to become naturalized citizens of the United States.

We can and should work in an American way, through understanding and cooperation, to help the future citizens in our midst make possible their naturalization, and thereby enhance the value of American citizenship and the soundness of our American institutions.

Dr. Edith Abbott, University of Chicago; Dr. Janet Rankin Aiken, Columbia University; Helen Arthur; Tallulah Bankhead; Dr. Mary Beard; Prof. Ruth Benedict, Columbia University; Mary McLeod Bethune, National Youth Administration; Alice Stone Blackwell; Katherine Devereaux Blake; Prof. Dorothy Brewster, Columbia University; Mrs. Arthur Brin, past president, National Council of Jewish Women; Dorothy Dunbar Bromley, the New York Post; Sarah Cleghorn; Mrs. Rachel Davis-Dubois, secretary, Service Bureau for Intercultural Education; Dorothy Detzer, Women's International League for Peace and Freedom; Rosa Donley, Akron International Institute; Mary Dublin; Prof. Mildred Fairchild, Bryn Mawr College; Fannie Hurst; Inez Haynes Irwin; Dorothy Kenyon; Carol King, secretary, International Juridical Association; Freda Kirchwey, the Nation; Florina Lasker; Irene Lewisohn; Dr. Mildred McAfee, president, Wellesley College; Mrs. E. K. Morrow; Dr. Elizabeth Neilson; Hon. Caroline O'Day, Member of Congress; Dr. Marion Edwards Park, president, Bryn Mawr College; Dorothy Parker; Sylvia Wilcox Razey, secretary, Descendants of the American Revolution; Elizabeth Madox Roberts; Eleanor Roosevelt; Dr. Florence R. Sabin, Rockefeller Institute; Prof. Margaret Schlauch, New York University; Adelaide Schukind, secretary, League for Mutual Aid; Prof. Vida D. Scudder, Wellesley College; Isobel Walker Soule; Ida M. Tarbell; Jean Starr Untermeyer; Mariquita Villard; Mary Heaton Vorse; Dr. Mary E. Woolley, president emerita, Mount Holyoke College; Mary W. Rittenhouse, district secretary, Brooklyn Bureau of Charities.

NOTE.—Those who joined in signing this letter did so as individuals and their action need not necessarily reflect any stand by the organizations of which they are members.

### Morality in Government

#### EXTENSION OF REMARKS

OF

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. CHIPERFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. STYLES BRIDGES, of New Hampshire, before a reception sponsored by the Missouri Republican State Central Committee at St. Louis, Mo., January 17, 1940:

We of today live in a world in which not only have governments fallen, giving way to ruthless dictatorships, but one in which moral and spiritual values are challenged and in many cases have disappeared. Today, as throughout history, many have fallen because

of moral and spiritual decay. If democratic government is to endure, democratic morality must first prevail. And so I should like to talk tonight about morality in government.

The expressions "a public office is a public trust" and that the holder of such an office is a "public servant" are more than old and overworked platitudes brushed up by politicians during their campaigns for election. They are the keystone of representative government, for without the ideal of service, without the confidence of the people in those they elect to office, the entire structure of democratic government loses its justification.

Morality in government must be based on the value of the word, of public officials, upon unimpeachable motives, upon the placing of public office above political or personal considerations, upon intellectual honesty with the people, and upon justice and tolerance in the administration of office, and upon responsibility to the duties of office and to the people whom an official is elected to serve.

These have been the ideals of public service in America. Yet the last 7 years have left a wake of broken pledges, of manipulation of relief for political advantage, of public office flouted for personal gain, of cruel deception such as the arguments that we can spend our way to prosperity and that an internal debt is not a debt at all since we owe it to ourselves, of arrogance and irresponsibility in administration, of assiduous efforts on the part of the executive branch to outwit Congress, the representative of the people, of hatred and intolerance aroused against entire groups of our people.

The President of the United States, by virtue of his high office, sets the keynote of any administration. Those who serve under any Chief Executive will take their cue from him. They are unlikely to prove more conscientious in office than their chief. Thus the attitude of a President is generally reflected in his appointees to the Cabinet and lesser Federal posts, in the administrators of Government agencies, and in his followers in Congress.

The tragedy of the New Deal is that, at a time of international crisis, when the trust and confidence of a united American people is needed so desperately, it has forfeited the right to their faith. What would have made the annual Presidential promises of economy in government and a balanced Budget next year a joke save that the steadily mounting deficits have been charged to the American people? What do the following recall to your mind: "Mandate," "Supreme Court reorganization," "purge," "economic royalist," "tory," and "Lord Macaulays"—white slips of paper which the President obligingly signed, he knew not why, but which found their way into the Democratic campaign book, sold at \$200 apiece to pay off the Democratic campaign deficit? And why did some corporations find it necessary to buy not one, but up to as many as six copies of this book? What of a President who blandly tells newspaper correspondents that the 1941 Budget provides for an increase in the relief rolls during next September and October—on the eve of an election? Is it not a sad commentary in itself upon the President that his most ardent admirers generally refer to him as the "smartest" or " slickest politician" in the country? Is it not a commentary that his admirers gleefully described the Budget which he recently submitted as "politically clever"? Why is it that the Congress views every administration move with suspicion?

There are millions of Americans who cannot forget this background as they measure the events of today.

Recently when I heard the gracious voice of the President declaring in his annual message to Congress that there was nothing unconstitutional in the surrender by Congress to the State Department of its power to make treaties, I could not help recalling a former plea to pass legislation "despite any doubt of constitutionality, however reasonable," and thinking that it mattered little to Franklin D. Roosevelt whether the present system of negotiating treaties was constitutional or not. When he declared that this method provided a "temporary flexibility" in "time of emergency" which "should be kept alive . . . during the existing wars," I could think only of other powers, granted under the plea of emergency, which the President refuses to relinquish. But there was no international emergency when Congress ceded to the State Department the right to negotiate these treaties. What is there to indicate that the President would be willing to return this power to the Senate even if peace should be declared tomorrow?

I am not arguing here the merits or demerits of these trade agreements. But I insist that the power to make such treaties should be returned to the Senate of the United States Congress, where it belongs under the Constitution.

Toward the end of his speech, the President eloquently declared, "Doctrines which set group against group, faith against faith, race against race, class against class, fanning the fires of hatred . . . were used as rabble-rousing slogans on which dictators could rise to power. . . . We cannot afford to face the future as a disunited people." I could think only of a former speech on the state of the Union, in which the same President devoted to passionate denunciation of the "entrenched greed" of "our resplendent economic autocracy" and "enslavement for the public." I could only marvel at these words now spoken by the head of an administration which has done more to sow the seeds of class and sectional hatred and to divide our people than any administration in the history of our country.

This ability to attribute his own shortcomings to his critics with a straight face is also applauded by his admirers. But is it fair to play with the American people? Let me digress here to say that the next few months will be the most deceptive. All is to be harmony between Congress and the President—I understand. The skulduggery will take place in the vast bureaucracy which has been built up.

When the President came to that portion of his speech devoted to the denunciation of alien "isms," I could think only of the opposition of the administration to the Dies committee investigating un-American activities, and the abuses which have been heaped upon its members by new dealers.

Several weeks ago, a prominent Washington commentator reported in his radio broadcast that Mr. Roosevelt had sent for Majority Leader RAYBURN of the House and told him that the Dies committee was to be killed, either directly or through a refusal to grant it funds. Representative RAYBURN was said to have replied that he would be unable to gratify the President's request, since the Dies committee was so popular with the people that Congress would not dare to destroy it. That story has never been denied. Why?

A few weeks ago an administration influence went out of the way to defend the American Youth Congress, including the American Student Union, when its officers were questioned by the committee. This influence declared that the organization was not dominated by communists. Yet, at its convention on December 27, the American Student Union refused, by the overwhelming vote of 322 to 29, to denounce the Russian invasion of Finland.

It is true that the Dies committee, in response to the demands of new dealers on it, failed to mention specifically any Federal employee known to be a communist or fellow traveler. Yet in this connection, two observations come to mind. There have been no attacks by the administration upon the Dies committee for its investigation of Nazi forces at work in this country. Yet a furor has been raised by new dealers whenever the committee turned to the far greater menace of communism and its "united front" organizations. If no Federal employee is known to be a Communist, why the great sensitivity upon this point? Can it be that the administration would not dare offend the radical vote? Then, too, why the pained and grieved surprise of new dealers at the brutal and ruthless attack of Soviet Russia against little Finland? Did they cherish any illusions that communism was better than nazi-ism? Few of the rest of us were so deceived.

My friends, we owe Finland a lot not only for debunking the myth of Russian military might but for putting our own parlor pinks to rout.

The attempt to purge the Dies committee out of existence, added to the attempted purge of Democratic Members of Congress which failed, is a further indication that the administration brooks no opposition. Considering the numerous powers which new dealers have obtained in the name of "emergency" and their obvious attempts to perpetuate themselves in power, is it any wonder that many fear a third term for the President and a continuation of the New Deal?

And isn't the feeling that the President is a candidate fully justified by the action of members of his official family? Would Secretary Ickes, Secretary Wallace, and the new Solicitor General, Mr. Jackson, be beating the tom-toms of a third term without the President's approval?

I say to you that this audacious bid to break our time-worn two-term tradition is in itself an example of the decline of morality in government.

But there is one thing I would like to see. That is the convention of liberals which Mr. Ickes says he may be forced to call—a convention I assume can be accommodated in one room.

Besides Mr. Ickes, Tommy Corcoran, Benny Cohen, Jerome Frank, and Bob Jackson there will be present: Boss Kelly, of Chicago; Boss Frank Hague, of Jersey City; Boss Ed Crump, of Memphis, Tenn.; and Boss Prendergast, of Kansas City, will undoubtedly be present if he gets out of jail in time.

Mr. Ickes is looked upon as the official hatchet man of the Cabinet. He is foremost among new dealers who have blasted against fascism and nazi-ism with a view, I am convinced, of covering up the communistic fellow travelers of the New Deal. He has also led the New Deal crusade against those newspapers which dare to oppose the administration, in an attempt to convince the American people that a press which opposes the New Deal cannot possibly be free, but must be in the pay of some prince of privilege.

Does this make for morality in government?

What of the spectacle of a Member of the United States House of Representatives writing to a constituent that he would be glad to do what he could to get him on the Works Progress Administration, provided that he obtained a letter of recommendation from the Democratic chairman of his ward?

With such examples set by those in the highest positions of government, what can be expected of lesser officials who administer the numerous agencies established by the New Deal? With this in view, are the stories of coercion, corruption, and political discrimination in the administration of relief surprising? Is it any wonder that the bureaucrats have conceived it to be their duty to browbeat business? Is it any wonder that the Young Democrats, at their convention, went on record as opposed to the passage of the Hatch bill?

Then there are the numerous incidents already brought to light by the House committee investigating the National Labor Relations Board. In one case an investigator wrote to the secretary of the Board, "We have a weak case against the Aranson Co. and are trying to break them down without going to court."

Mr. James Miller, former regional director, of Cleveland, Ohio, related a conversation with Mr. Fred Krivinos, special examiner for the Board who inquired, "What's your position here? Does industry fear you and the Board?"

"I told him, 'No; they respect us,'" continued Mr. Miller. "He told me that was the wrong attitude, and said, 'You should make them fear you and the Board.'"



An incident in Kentucky was revealed when Mr. Phillip G. Phillips, regional director for that State, admitted that, having investigated a certain case, he acted as prosecutor during the trial and succeeded in having evidence, which the company tried to present, suppressed by issuing instructions to the examiner who heard the case—a procedure which Mr. Phillips himself confessed he did not consider exactly ethical.

Similar stories coming from Seattle, Los Angeles, and Detroit indicate that these examples are not isolated. Together they present a picture of arbitrary administration by fear, coercion, and suppression. They are evidence of procedure which, in the words of the New York regional director, "one might expect from the OGPU, but not from \* \* \* an agency of the American Government."

But are these incidents not a reflection of the views of the Board Chairman, J. Warren Madden, who once declared that "the employer is almost always wrong," and must be crushed at all costs? Is the demand for the revision of the Wagner Act by capital and labor alike surprising in view of the fact that the law—a one-sided measure as written—has been administered by men who use their office and the vast powers bestowed upon them to conduct a class war?

The Wagner Act was a vital measure, long overdue. Its strength, which lies in the rights it seeks to guarantee the worker, must be preserved. Its weakness, which lies largely in the fact that similar rights are not guaranteed to every employer and employee alike, must be amended if our system of private economy is to succeed. The vast powers now vested in the administrators of the law, by permitting unfair discrimination, have served to increase the bitterness of industrial strife. Only through amendment of the law to secure equal justice to all, only through its administration by men seeking to cement the partnership of capital and labor, can industrial peace be achieved and recovery made possible.

Then there is the administration of social security. The members of the Securities and Exchange Commission have been insisting for some time that investment brokers should separate the funds of their clients from their own. They are right. But what example does the Federal Government set when social-security funds are collected from the worker, only to be lumped in with the general Treasury funds, and spent as fast as they are received?

And what sort of administrators are those majority members of the Commission who recently went outside the law in an effort to force their theory of financing upon an industry?

Another interesting phase of the New Deal is its system of reward for those who follow its lowered morality. The first Roosevelt Supreme Court appointment went to Hugo Black, former Senator and conductor of the infamous inquisition of the holding companies, characterized by the systematic and ruthless seizure of private correspondence and the files of telegraph companies. The most recent appointment to the Court, Frank Murphy, having been condemned at the polls by the people of his own State of Michigan for his handling of the sit-down strikes, was raised to the post of Attorney General, and now goes to the highest Court in the land. Harry Hopkins was elevated to the post of Secretary of Commerce to forestall a congressional investigation of his administration of the W. P. A. Now that Congress is breaking into the conning of the N. L. R. B., Chairman Madden of the National Labor Relations Board is to receive an appointment to the Federal judiciary—a reward for a man who should be retired from our public life.

None of these observations are partisan. They have been echoed by Jeffersonian Democrats as well as by Republicans. Indeed, some of the most damning criticism and much of the most determined opposition to the New Deal has come from members of its own party.

Who has been a greater critic of "spending by deception" than Senator BYRD, of Virginia? Were not many Democrats, among them CLARK of Missouri and WHEELER, of Montana, among the leaders against the President's plan to pack the Supreme Court? Was it not the late Senator Logan of Kentucky who introduced at the last regular session of Congress a bill to regulate the vast arbitrary powers of New Deal bureaucrats in the fifty-odd agencies created in the last 7 years?

What more damaging indictments have been brought against New Deal administration and practices than the evidence brought to light by congressional committees a majority of whose members are Democrats? The administration has not only exerted every pressure to throttle these committees, but has conducted campaigns to smear its members. But the revelations of corruption in elections by the Sheppard committee and of radicalism and maladministration in the administration of relief by the Woodrum committee remain. Today the story is being repeated by the committee headed by Representative SMITH, now investigating the National Labor Relations Board.

When five of a party's most distinguished leaders, including a former candidate for the Presidency and an ex-Secretary of State, formally announce that they cannot support that party for reelection; when a host of others, notably in the Treasury Department, resign voluntarily or are forced out because they cannot bring themselves to agree with administration practices; when the Secretary of the Interior ousts the head of the Bureau of Mines because he is too much under the "domination" of civil service and not sufficiently under the "domination" of Harold Ickes, there is something rotten in the state of the New Deal.

Is it any wonder that, in such an atmosphere, there has been a lack of confidence? Is it surprising that the administration, which has so actively and consistently demonstrated its antagonism toward entire groups of our people, has been met in return with sus-

picion and distrust? Is it any wonder that business, so often lashed with harangues, blocked by punitive measures, discriminated against by Government bureaucrats, has been afraid to go ahead? How could anyone have expected recovery under such conditions? Is it not significant that a revival of business did begin last summer when Congress, by its rejection of the "spending program," the adoption of the Hatch bill, and the vote to investigate the National Labor Relations Board, demonstrated its independence of the administration?

A sound and durable recovery must be based upon confidence inspired in the hearts of the people by the reestablishment of morality in government. But first we must seek the prerequisites of morality. Faith must be restored in the word of those who administer the affairs of government. They must demonstrate their intellectual honesty with the people in all things, and most certainly in the conduct of the financial affairs of the Nation. They must prove by their acts that they are guided not by personal or partisan considerations but solely by the public interest in the administration of laws. Relief must be made as nonpartisan as human need itself. They must demonstrate by impartial justice and tolerance that they trust the American people before they can expect the people to have confidence in them. And last, but not least, this high standard of morality in government must be set by the Chief Executive if it is to be followed by his subordinates.

If faith is to be restored in the morality of government, we must return to the spirit of responsible government by law which our forefathers established rather than irresponsible administration by personal power. The President should have no "clubs in the closet" to be pulled out and used at his discretion. Congress must recapture the powers entrusted to it by the Constitution which it has surrendered. Bureaus and boards, commissions, and agencies must be made responsible to the people through their responsibility to the representatives in Congress. The head of no agency should be able to declare, as once did Chairman Madden of the N. L. R. B., "This Board is subservient to no one—not even the President of the United States. We have our own rules to go by and we intend to continue our policy." If such arrogant and arbitrary rules are to be abolished, the citizen must be assured of fair and impartial treatment by establishing set rules of procedure for all such agencies.

The Republican Party can dedicate itself to no higher task than the reestablishment of morality and responsibility in government. In this way only can Americans be assured the opportunity to go forward under laws that make men free, administered by officials dedicated to the ideal of service. The revival of such a spirit is essential to recovery, not only in its material meaning, but in the spiritual sense of the word. It is the road of progress toward the democratic ideal.

### Our New Neutrality

#### EXTENSION OF REMARKS

OF

#### HON. LUTHER PATRICK

OF ALABAMA

#### IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

ADDRESS BY HON. JOSEPH C. HUTCHESON

Mr. PATRICK. Mr. Speaker and fellow Members, I got permission to extend my remarks for the purpose of placing this speech of the Honorable Joseph C. Hutcheson in the Record. It was delivered recently to the lawyers of Alabama at an annual bar association meeting in Birmingham and is one of the best discussions I have met on the subject of neutrality.

The judge presides in the United States circuit known as the fifth Texas circuit, is a widely known, much-quoted, and highly respected liberal residing in Houston, in the congressional district of the distinguished Representative from the Eighth Congressional District, the Honorable ALBERT THOMAS.

Here it is:

To many devotees of international law, and there still are many, the World War first, with its tremendous departures from, innovations on, and complete breaches of, international law, with the following break-up and dissolution of states, and the general unsettled conditions of the 1920's, brought disillusionment and dismay. With many of these, when, following all of this, came the rise in Europe of the totalitarian idea with its accompanying shocking and brutal contempt for and disdain of, not only solemn agreements, but the ordinary common decencies of national conduct, dismay became despair. Especially was the shock most severe, the disillusionment most complete, the despair deepest, with those who, forgetting or abandoning the basic conception of international law, as dealing with rules of conduct prescribed

by and for equals, and therefore, rules which derived their authority, not from positive sanctions, but from a decent respect for the opinion of mankind, had put their faith in the notion of a league of nations, which should enforce its rules and mandates by positive sanctions extending even to war.

I would not, however, be understood as saying that it is only the League of Nations' men who have become skeptical and even cynical, as to the present and future of international law. For while the route is most complete among them—for their great corpus, the League, as an instrument of force, seems now a corpse—there are many of my ilk, crying, "Ichabod! Ichabod! the glory of international law has departed." Indeed, international law is no more.

I do not at all agree with these, and it is because I do not that I have come here tonight to speak for a little while on our new neutrality, and, proclaiming the vigorous faith that is in me in this international law, to reassure all the doubting Thomases that before them there was a yesterday, after them there will be a tomorrow. To their crying out, nations in the fullness of their brute strength, with complete impunity, are violating every provision, every limitation, every decency prescribed by international law, how can it be said that such law still exists? I make reply, that it might as well be said, because ruffians, acting ruffianly, refuse to obey the social code of decent kindly manners, that decent kindly manners are no more. I think the trouble with some of these who bewail the passing of international law is that they do not truly realize just what international law is, what it purports to do, and what it does.

In its essence it is not, it never has been, the law of force. It is the law of behavior among nations, regulating by social sanctions, more powerful with decent-minded peoples than any sanctions of positive law could be, what they may and may not, what they should and should not do, as among themselves. No really civilized individual conducts his social intercourse and relations under the fear of positive sanctions, for there are none, except a more or less vigorous sending to Coventry; and yet there are many of us who would much prefer to break some positive law than to be found guilty in the eyes of our fellows of the breach of some compelling social convention. Thus it is that, panoplied in decent behavior, the weakest and humblest of us may conduct social converse and relations with the strongest and highest, secure through the protection of social customs against slight or harm; and the fact that some, acting ruffianly, may at times forget their manners in no sense detracts from or defeats this social custom. Thus it is, too, that between civilized nations a decent respect for the opinion of mankind, which is the spring and support as well of international law as of manners, can be securely counted on in the long run, though often, as now, only after much suffering and travail, to furnish sufficient sanctions. Therefore the smallest and weakest in the family of nations has a right in its intercourse and relations with the largest and most powerful to take international law as a guide to and support of its dealings with them, and the fact that some bully nation refuses to obey these canons in no wise changes the law or at all mitigates its breach. But by that law the bully stands branded an aggressor, an outlaw, in the family of law-abiding nations; and no nation, no matter how insolent and lost in fact to common decencies it is, likes to stand so branded.

In support of these views, I call *Little Norway* and *City of Flint* incident to witness. I call too, Germany and Russia, and their persistent, if contemptible efforts to excuse their recent acts of unpardonable savagery, as justified by international law. I call to witness, too, the fact that the conventions against the bombing of civilized nations, are helping to hold a lethal and brutal air war in suspense and may continue to do so.

But, more to the point I came here to speak on, I call to witness the United States, which in the last few weeks, in the great name of international law, has entered upon a new neutral policy, a policy fraught with the greatest consequences, I think, to the world and to ourselves. For, not only is the United States a very great nation in the family of nations, but by the justness and fairness of its aims and the resoluteness and singlemindedness of its conduct, it has done, as much as—perhaps more than—any other nation to make international law come true. Especially has it done this in the field of neutral rights and duties. For, except for its one trip in 1917-18, on Europe's merry-go-round of war, it has followed Washington's counsel to stay out of Europe, and to avoid entangling alliances, and has stayed out and avoided them. Following Jefferson's counsel and insisting, as a great seafaring neutral, on the freedom of the seas under international law, it has stood out as the champion of a decent conception of international law, and especially as a champion of the rights of neutrals.

But, though this is so, it would be a mistake to look on the role of the United States in the making of international law, as confined to the assertion and maintenance of neutral rights. As a member of the family of nations, the United States from its beginning as a Nation, has made most signal contributions, both to the spirit and to the body of international law, and the names of six of our Presidents have been, and I venture to assert of a seventh, will be associated greatly with this law. First, Washington, whose firm and clear stand for speedy and amicable settlement of all questions between the United States and other nations, and his great pronouncement, "Friendly relations with all, entangling alliances with none," has given permanent character and color to our foreign relations. Then Jefferson, with his tremendous contribution, not only to the spirit of both international and

municipal law, that equal and exact justice should apply between nations and between men, but also to the body of international law with his insistence upon the freedom of the seas and the rights thereon of neutral sea-going commerce.

Next Monroe, with his insistence that "our policy in regard to Europe should be to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to injuries from none"; and his "In the wars of the European powers in matters relating to themselves, we have never taken any part, nor does it comport with our policy so to do. It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our defense. With the movements in this hemisphere we are of necessity more immediately connected, and by causes which must be obvious to all enlightened and impartial observers. \* \* \* We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered, and shall not interfere, but with the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition toward the United States."

Then Lincoln, with his resolute, uncompromising, and forthright attitude on international relations in the War between the States, taking up the challenge both of the British merchants and of the British Government, thwarting the use of neutral ports as a blind by the one, by maintaining the right of seizure under the doctrine of continuous voyage and holding the other accountable for unneutral service.

Then Grover Cleveland, with his conception that the "strong should protect the weak, who cannot undo a wrong"; that to take the opposite course is a repudiation of international law; that in right doing lies the true glory of nations; and his repudiation of the treaty, involving the annexation of Hawaii, as not merely improper but immoral, saying: "The law of nations is founded upon reason and justice, and the rules of conduct governing individual relations between citizens or subjects of a civilized state are equally applicable as between enlightened nations."

While Woodrow Wilson not only maintained while we were neutrals in the World War, with vigor and forthrightness, the freedom of the seas and the right under international law of neutral ships to be free from piratical attacks upon them, but also dreamed greatly of and tried to bring to fruition the noble if impractical ideal of a parliament of the world. Mistaken, perhaps, in some of its postulates, particularly I think that of the use of force, and frustrated through human and national jealousies and meannesses, the position he took was yet in keeping with the character of America as a peace-loving, justice-desiring, ideal-holding member of the family of nations, and childlike though it was in its simple faith in peace on earth and good will to men, it represents perhaps the high point in American idealism.

Finally, the American people, under the guidance of another great President, have recently deliberately recanvassed, reconsidered, and redetermined, whether in these times of world stress, we should again, asserting and maintaining our undoubted right under international law to trade in troubled waters and to protect our nationals from acts of belligerents in violation of that law, once again abandon our national policy of keeping out of European wars. Or whether there is not a greater and wiser course under which, by refraining from the active assertion of some of our rights, we will at once give positive testimony to our faith that war is no solution, while at the same time, sticking to our own knitting, as our policy is, we will avoid for ourselves and others, the horrors and destruction inherent in a world-wide war. But I must, before the night is done, speak to my subject, "Our New Neutrality," and since time does not permit a discussion of the origins of the notion of neutrality, nor a tracing of its growth, I must dispose of all these matters briefly by saying, that beginning in the 17th century, almost it seemed, sprung full-created from the brain of Grotius, the notion that the seas were free and that nations not at war, had rights which belligerents must respect, took form and life (*Mare liberum; De jure belli et pacis*).

But it was only when and because Sweden, Russia, and other seafaring nations, formed the armed neutrality, and gave neutrality the sanctions of force it needed in that day of arbitrary power and the rule of force, that it began to function effectively. Following this, it was the spirited and determined resistance of the United States and other nations, in the name of the freedom of the seas under international law, against Great Britain's asserted dominance which through the many prize cases, arbitrations, treaties, and conventions, had brought the law of neutrality to the point it had attained in 1914, when the outbreak of the World War and the following years seemed to give it a body blow. For in that war, not only was every formerly known international right challenged or breached in the name of reprisal and retaliation, but the United States, the great neutral, and the one best in a position to challenge these violations, became itself a belligerent, and, itself in the maelstrom of the war, all lesser questions were swallowed up and disappeared.



I think it cannot too often be stated in any survey of international law that Great Britain and the United States are the great seafaring nations of the world, that it is in connection with seafaring that most of the law of neutrality has been made, and that it is greatly fortunate for the world that these two nations, where a decent respect for the opinion of mankind is most deeply seated, have had most to do with shaping international law as it pertains to the rights and duties of belligerents and neutrals. Great Britain, being more often engaged in war, and when she has not been engaged, having practical control of commerce through the great sea throat of Europe, has been more concerned with precedents on the belligerent side than has the United States. But our country, as a belligerent in the War between the States, not only taught England a few lessons in the ability of belligerents to take care of themselves within international law, against both the unneutral acts of a neutral nation and the schemes and wiles of its nationals by shipment to and transshipment from neutral ports, but gave her a book, from which she could and did take a leaf to read, when, in the years before we entered the World War, we were making violent protests against British action in regard to our shipping. But, significant as our contribution as a belligerent has been in making our firm protest against unneutral service by the British Government stand up, as in the case of the *Alabama*, and in protecting ourselves against the wiles of British nationals by establishing the doctrine of continuous voyage, as in the *Peterhof* and other cases (*The Bermuda Claimants v. United States*, 3 Wallace 514, L. E. 200; *The Schooner Stephen Hart*, 3 Wallace 559, 18 L. E. 220; *The Bark Springbok*, 5 Wallace 1, 18 L. E. 430; *The Steamer Peterhof*, 5 Wallace 28, 18 L. E. 564), the great role of the United States in international law has been that of the great neutral with wideflung commerce and shipping and a firm and resolute conduct in the assertion of neutral rights and of the freedom of the seas as to them.

Now, in broadest outline, what is neutrality, what does it mean, and what does it require?

"A neutral state is a state which during the existence of a war is not a belligerent in that war. A belligerent is a state or politically organized group at war with a state or with a politically organized group." "A neutral state in the exercise of its neutral rights and in the performance of its neutral duties, shall be impartial and shall refrain from discriminating between belligerents," and if during war it undertakes to change its rules or laws in matters affecting the belligerents, "the task confronting the neutral state is to make certain to itself and clear to other states that the motive inducing the adoption of a new rule or regulation during the course of war is the product of its concern to act strictly in accordance with the laws of neutrality and not the result of a desire to aid one or the other of the belligerents."

Of comparatively recent origin, as the history of nations goes, the notion of neutrality as a relation, with all of the obligations and privileges it entails, had come, at least, until the World War came, with the subsequent break-up of Europe, to represent a great part of international law in time of war. For, while there was an international law governing the conduct of belligerents toward each other, this was usually so complicated by charges and countercharges of violations by the belligerents, with following reprisal and counterreprisal, and it was so wrapped up in and so dependent on the termination of the war that it did not lend itself much to the general interest of international lawyers. On the other hand, questions of neutrality, which having to do with the manners of neutral states to belligerents and of belligerent states to neutrals, were treated of in arbitrations and in the prize decisions, particularly of the United States and Great Britain, assumed the highest importance. Having to do largely with questions arising out of seaborne travel beginning first in rules put out, prayerfully and with no force behind them, given great strength and force by the armed neutrality, and by the stanch and vigorous position of the United States on the freedom of the seas, it attained to a code of practice, the dominant note of which was the distinction between the state and those composing the state, the nation and its nationals. The result of this distinction was to require the nation itself to assume and maintain a really neutral attitude while permitting its nationals to carry contraband to and generally to trade with belligerents at their own risk.

Under rules and regulations which, while not justifying trading in contraband, protected neutral traders generally, and made it a battle of wits between the contraband runners and the belligerents, a highly technical but a fairly satisfactory and workable code of conduct and behavior on the part of belligerents and neutrals was worked out. This code supplemented from time to time by declarations and conventions such as those of Paris, 1856, London, 1909, of The Hague, 1907, put neutrality on a pretty definite basis, and made it possible for neutral nations to guide themselves by it and for ships of neutrals to conduct a trade in contraband under settled rules and penalties. The World War, however, changed all this and, with the opening of the Pandora's Box of contraband by adding nearly everything to the list, the institution of the long-range blockade, and submarine warfare, nearly if not quite, upset the whole apparatus. For, based on the theory of retaliation and reprisal, but really grounded on the deeper law of self-defense, the practice of submarine warfare, on the part of the Germans and of bringing ships into port for search on the part of England, together with planting mines all over the open sea, coupled with the great fact that nearly every nation, especially every great seafaring nation, finally joined in the war practically put an end to neutrality. It is since the war that there has come along, with the deploring and bemoaning of the destruction of international law, a careful

and thorough investigation of new ways to reconcile conflicting claims of belligerents and neutrals, new measures to bring about a real and true neutrality.

It is out of these views that conventions of various countries, for instance, that of all the Scandinavian countries in 1938, have been held and rules have been formulated for the conduct of their neutrality. Because of them, States like the United States have enacted statutes governing their neutrality; the statute embargoing the shipment of munitions; the statutes establishing the new neutrality under which we are now operating. What is interesting and important in all of this for us, is to realize that the international law of neutrality, dependent as it is on treaties and conventions, as well as practices, is conditioned by the dominant character and quality of the trading world at a particular time, and particularly latterly, is conditioned on and characterized by the rise of the new nationalism, including particularly the rising new collectivism, which in many states, is the new totalitarianism. It is this attitude of totalitarianism, of the state ruling and controlling everything, of total government, of total war, which was the excuse in the World War, for the departure from international law. It is this identification of the interest of the people with that of the state, in regard to wars and rumors of wars, even where there is no totality, which I think largely accounts for the almost complete change of front of the American Government, from its 150 years of insistence on the freedom of the seas to its voluntary refraining from insisting now, on that freedom.

Thus, as everybody knows, international law, as it is enforced in a state, is colored and, indeed, controlled, when the state desires it, by municipal law. Thus it is that the international law of neutrality is being, and may be still further, greatly changed by new conceptions of the duties and functions of the state. But, notwithstanding these changes in outlook, the fact remains that except where states, by their statutes or by their conventions with each other, change the rules of international law, and except where practices long continued and supported by considerations of justice have operated to change it, international law has a real existence, and the rights of neutrals and belligerents as it outlines them are in general and with a fair definiteness to be determined by it. And I, for one, believe and predict that instead of international law disappearing, the present increasing focus of attention on it will make it in the long run stronger, greater, and more compelling. Especially will this be so if we abandon the idea of force through a central League of Nations, which was itself a complete abandonment of and departure from the international law of neutrality. For bound with each other to fight together against aggressor nations, this agreement prevented anyone from being a neutral. All were belligerents. It is only, I think, as the League of Nations, as an instrument of force, became impotent that, in its sense of the force of public opinion, international law commenced to revive. For force is not force unless it is really potent. The threat of its exercise where there is impotence merely arouses tempers and incites to wars.

For myself, I think we are better off where such international assemblages as we have are organized so as merely to register and not to enforce public opinion. I think the real trouble in international law comes, not so much out of its lack of positive sanctions, as out of the fact, first, that the machinery for obtaining public opinion in public cases has fallen into disuse, and because the really serious problems in it arise when nations are engaged in life-and-death struggles and new weapons of offense and defense appear; then those who, because of a lack of legislative or judicial authority to make the law change to fit new conditions are concerned to change it unilaterally, appear at first to be aggressors, but afterward, when time shows the wisdom and justice of and gives sanction to what they have done, though they were regarded initially as aggressors, they are now regarded as contributors to the law. Innumerable instances might be cited. One of these is the doctrine of continuous voyage; another the practice of navicerts; another the practice of so-called long-range blockade; and numerous others.

International law, then, like our municipal law, grows in three ways. International law grows (1) by treaties and conventions, (2) by decisions of prize courts and of arbitrators of international disputes, and (3) by usage. The three ways in which municipal law grows are: statutes, court decisions, and common usage. Between the two, then, there is only this difference: International law, being between equals, depends for its enforcement always upon consent; municipal law, imposed by a superior, the sovereign, upon subjects, rests upon the authority of the state. But, after all, public opinion in the long run is the support of both kinds of law, and I think it quite clear that we should not let our minds be troubled, then, as persons of little faith, about the state of international law. Let us, rather, rejoice that the recognition of its sanction is so almost universal that the very ones whose actions indicate, that they condemn, despise, and defy it, are daily acknowledging its binding force by their frantic efforts to excuse and justify their conduct in its name. Let those of us, then, who belong to and would dwell in the house of international law be not of troubled hearts and minds. Let us, rather, rejoice that the decent respect for the opinion of mankind is still the dominant sanction in bringing about decent and fair conduct in the intercourse and relations of civilized nations, as well as of civilized men. And let us particularly rejoice that in our case, when this present war came to Europe, we had leadership wise and strong enough to point us to, and the character to make, the great renunciation embodied in our present neutral policy, in order to testify to the

faith that is in us, that war is never a real solution, and that our professions of good neighborliness are more than professions. I sincerely believe that a milestone was set up and a turning point was made in world history, when, instead of taking sides as a nation or putting ourselves in a position where we must eventually take sides as a nation in the war in Europe, we determined to keep our seafaring nationals out of the sea war zone and thus remain neutral. I believe, too, that the American position as embodied in the recent neutrality legislation and proclamation was the result of leadership and statesmanship of the highest order. And I further believe that when history comes in the fullness of time to appraise the place of President Roosevelt among our Presidents, whatever that verdict may be as to his domestic policies, on which there is now some division, his part, and it was and will be a great one, in shaping into law and action our new neutrality, will be reckoned as a contribution both to Americanism and to world peace worthy to stand beside the greatest contributions of his predecessors. For it will mark him not only as a great and worthy successor to them, but as, in his own right, a great American.

### Independent Offices Appropriation Bill

#### EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. WIGGLESWORTH. Mr. Speaker, I take this opportunity to express my appreciation to the majority members of the committee in charge of this bill, and particularly to the able and distinguished chairman of the committee, the gentleman from Virginia [Mr. WOODRUM], for their consideration of the minority members in connection with the hearings of this bill. I also desire to express my thanks to the clerk of the committee, Mr. Duvall, who has rendered invaluable service to the committee.

The bill under consideration, Mr. Speaker, carries a total of \$1,100,212,307 in addition to permanent and indefinite appropriations amounting to \$279,027,166. As received from the Budget, the regular items exceeded comparable items for the present fiscal year by nearly \$79,000,000. As recommended by your committee, they reflect a decrease amounting to over \$16,000,000 or a reduction over Budget estimates approaching \$95,000,000.

Reduction is reflected for the most part in the sums recommended for a few of the larger agencies. Twenty-two of the forty-one agencies in the bill will receive the same or greater appropriation than that for the current fiscal year.

Increases will be found in the sums recommended for the following agencies:

- Executive Mansion and Grounds.
- Bureau of the Budget.
- Civil Aeronautics Authority.
- Civil Service Commission.
- Council for Personnel Administration.
- District of Columbia Alley Dwelling Authority.
- Federal Communications Commission.
- Electric Home and Farm Authority of the Federal Loan Administration.
- Export-Import Bank of the Federal Loan Administration.
- United States Housing Authority of the Federal Works Administration.
- Interstate Commerce Commission.
- National Advisory Committee for Aeronautics.
- National Archives.
- Tennessee Valley Authority.
- United States Maritime Commission.
- Veterans' Administration.

Permanent and indefinite appropriations reflect an increase of \$12,169,591.

The following 12 items recommended by the Budget for inclusion in this bill did not appear, for one reason or another, in the bill for the current fiscal year:

- Bureau of the Budget.
- National Resources Planning Board.

- Office of Government Reports (formerly National Emergency Council).

- Council for Personnel Administration.

- Federal Communications Commission.

- Federal Loan Administrator and staff.

- Electric Home and Farm Authority, Export-Import Bank (Federal Loan Agency).

- Federal Works Administrator and staff.

- Public Buildings Administration, Public Roads Administration, United States Housing Authority (Federal Works Agency).

The following eight items included in the bill for the current fiscal year have been transferred for consideration in connection with other appropriation bills:

- Civilian Conservation Corps.

- Employees' Compensation Commission.

- National Labor Relations Board.

- National Mediation Board.

- Railroad Retirement Board.

- Social Security Board.

- Mount Rushmore National Memorial Commission.

- Rural Electrification Administration.

The result is a net increase of 4 agencies or a total of 41 agencies included in the present bill.

#### THE BUDGET AND GOVERNMENT CORPORATIONS

January, Mr. Speaker, is always the season, under the New Deal, for optimistic Budget estimates from the White House. What is a possible error in estimate of \$2,000,000,000 or so months in advance of the facts?

The recent Budget message in obligingly painting a deficit for the fiscal year 1941 reduced to \$1,716,000,000 is at least encouraging as indicating a realization by the President of the growing and insistent demand that extravagance and waste be ended and that the fiscal policies of the Federal Government be restored to a sane and rational basis. Nevertheless we should be blind to realities if we did not take note of the very convenient assumptions adopted by the President in arriving at the reduced figure.

The President assumes a reduction in expenditure of \$675,000,000. He assumes an increase in receipts of \$332,000,000. He assumes the imposition of new taxes in an election year to the tune of \$460,000,000. He assumes the existence of trust funds sufficient to take care of insurance benefits to the aged and unemployed. None of these, of course, will be expended for other purposes. He assumes also the recapture from Government corporations of capital funds to the extent of \$700,000,000, a recapture which he assumes to be "feasible without in any way impeding operations." He does not specify the corporations or the amount to be recaptured from any corporation.

I think it is interesting to note in the latter connection the conditions confronting the Home Owners' Loan Corporation, one of the larger Government corporations. The record indicates that the H. O. L. C. has a deficit of \$64,000,000 over and above reserves against losses of \$76,000,000, a deficit increasing at a rate of a million and a half dollars a month. It also indicates defaults in respect to principal and interest payments amounting to about \$91,000,000. What is more it indicates that the H. O. L. C. owns some 81,000 properties which it carries at a book value of \$480,000,000, which in reality have an estimated market value of only \$360,000,000. The figures give some idea of the enormous loss which is possible as a result of H. O. L. C. operations.

I think it would be interesting to consider the condition of the other Government corporations referred to and their so-called recoverable assets.

I think the entire picture presented by these corporations calls for thoroughgoing analysis with particular emphasis on the existing authority to issue obligations guaranteed by the Federal Government. It has been recently stated that the authority of these corporations to issue guaranteed obligations amounts to some \$17,000,000,000. Obviously proper control over Government expenditure and Government debt as a



whole cannot be achieved if the financial operations of these corporations are not closely scrutinized.

#### REORGANIZATION

This bill presents the first opportunity to consider the results, if any, of reorganization by the President under the authority accorded by Congress. The purpose of reorganization, as we know, was, among other things, to reduce expenditure and to reduce the number of Government agencies. An estimate of a saving of \$20,000,000 annually was made by the President.

There is little or no evidence, insofar as this bill is concerned, of any reduction in expenditure or reduction in the number of Government agencies as a result of the steps which the President has taken. On the contrary, it may be urged that the number of agencies, insofar as this bill is concerned, has been increased. Moreover, while it is true that a reduction in expenditure for personnel is reflected in the liquidation of H. O. L. C. and reduced emergency public-works programs, it is also true that figures for the Government as a whole show an increase in expenditure for personnel rather than a decrease.

Figures furnished by the Civil Service Committee give the following totals for civil employees of the Federal Government:

Dec. 31, 1932	568,345
Apr. 30, 1939	886,000
June 30, 1939	925,260
Oct. 30, 1939	937,357

In other words, they show an increase of 12,000 as compared with June 30 last, an increase of 51,000 as compared with April 30 last, and an increase of 370,000 as compared with December 31, 1932, the totals being in addition to those on the legislative, judicial, Army, Navy, District of Columbia, and C. C. C. rolls.

It is not only clear that reorganization has failed to date to reduce total expenditure for personnel or to reduce the number of agencies insofar as this bill is concerned. It is equally clear that provision has been recommended by the President in this bill for several agencies for which no authority has been given by Congress either under the terms of the Reorganization Act or any other existing law. Appropriations are, of course, not in order for these agencies.

#### PERSONNEL ADMINISTRATION

On June 24, 1938, Mr. Speaker, an Executive order was issued proposing the creation of a widespread organization of personnel supervision and management in the departments and agencies as well as a council for personnel administration advisory to the President and the Civil Service Commission in this connection. Various agencies were said to be opposed to the proposal. I quote from the testimony on behalf of one of these agencies appearing before your committee at the time:

We have asked to be relieved of setting up an organization of this kind because we do not think it is necessary. \* \* \* We think our present plan is adequate. \* \* \* We have an organization which is far less expensive and which we think is handling the work satisfactorily.

The original plan as presented to the Budget last year called for an annual expenditure of about \$1,000,000. As it reached the Congress from the Budget it called for an annual expenditure of half that sum. The matter was carefully considered by your committee and by the Congress as a whole, both Houses declining to make available the funds necessary for the proposal.

Subsequently, on August 7, 1939, a memorandum was apparently sent on behalf of the chairman of the Council for Personnel Administration to the various directors of personnel recommending, and I quote—

At the request of the President and with his approval, that departments and agencies maintain directors of personnel and proceed to carry out such activities contemplated in the order of June 24, 1938, as can be financed through regular appropriations.

Whether with or without authority I am advised that various departments or agencies have acted accordingly and

today Congress is again confronted by a request for an annual expenditure for this purpose amounting at the outset to a half or three-quarters of a million dollars and ultimately, no doubt, to a figure far in excess of that amount.

Your committee has recommended in this bill an appropriation of \$25,040 for staff and expenses for the Council for Personnel Administration.

I am personally opposed to this recommendation at this time. I am opposed to it because I believe that any essential work can be done by periodic meetings of those in charge of personnel with the aid of a small staff detailed as in the past from their respective organizations. I see no adequate reason for a permanent staff with funds for consultants for travel, and so on, reflected, for example, in the attendance by some 17 representatives, if I am correctly informed, at a civil-service meeting in San Francisco last summer.

I am also opposed to the recommendation of additional funds to the departments and agencies concerned at this time. Whatever the merit of the general proposal, it has not, in my judgment, been shown to be sufficiently compelling to justify the annual expenditure involved under present budgetary conditions.

#### PROPAGANDA

For several years I have endeavored to stress in connection with this bill the enormous expenditure for propaganda purposes by the departments and agencies of the Federal Government. That expenditure continues and, in my judgment, constitutes in many instances an inexcusable waste of the people's money. I am told, for example, that the Department of Agriculture has requested a sum approaching \$2,000,000 for so-called informational purposes in 1941. Examples of heavy expenditure in this connection will also be found in this bill.

Attention is called to the testimony of the Federal Housing Administration beginning at page 1094 of the hearings. The sum requested for the fiscal year 1941 for the work of its Public Relations Division, the work of its Division of Education, and the work of its Field Public Relations appears to amount to \$228,400. If you will turn to page 1140 of the hearings, you will note the character of this work during the past fiscal year. It included almost 49,000 broadcasts of one kind or another. It included some 4,600 moving-picture showings. It included some 17,000 exhibits of one kind or another in addition to press releases, magazine articles, and other publications.

The United States Housing Authority requests some \$145,000 for this purpose. Its Information or Publicity Division is broken up into six subdivisions and is reflected also in radio, moving pictures, exhibits, press releases, magazine articles, and so forth.

The Tennessee Valley Authority requests for this purpose the sum of \$165,000, a decrease of only \$2,000, as compared with the current fiscal year.

These are but examples.

An attempt was made by Congress last June, under the so-called O'Mahoney amendment, to check the enormous outflow of publicity and propaganda under the official frank, limiting it largely to bona fide responses to specific requests. What happened? The degree of cooperation received from the departments and agencies is reflected in the following letters—one from the Tennessee Valley Authority, one from the United States Housing Authority, one from the National Youth Administration—presumably typical of other letters from other departments and agencies, which I insert in the RECORD at this point.

[Address side of card]

Tennessee Valley Authority  
Information Office  
Knoxville, Tenn.  
Official business

Penalty for private use to avoid  
payment of postage, \$300

Copy of return post card sent

[Reverse side]

Your attention is respectfully directed to the attached return postal-card form.

INFORMATION OFFICE,  
TENNESSEE VALLEY AUTHORITY.

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No recommendation is available as to the imposition of a license tax upon those making tremendous earnings out of



free Government franchises; in the matter of exclusive control of the time of affiliates; in the matter of nonresident control of stations; in the matter of newspaper ownership; in other important matters.

We are still confronted by the threat of censorship. A year ago complaint was made against the regulation imposed upon licensees for international broadcasting limiting broadcasts to those "reflecting the culture of the country and promoting international good will, understanding, and cooperation." That regulation was withdrawn under pressure of public opinion. Today, however, we are confronted by the code of the National Association of Broadcasters, apparently having the implied blessing of the Commission, as a result of which it is impossible to discuss any controversial issue on the air in time purchased for the purpose. Discussion is possible only on free time and the use of free time is of course in the absolute control and discretion of the broadcasting station. The danger of abuse of this discretion, in the hands of broadcasting stations, is self-evident.

No further protection is suggested for the investor. In the light of alleged financial condition and operations of certain radio licenses it would seem, either through F. C. C. or S. E. C., that better protection should be afforded the public relying on Federal authorization to operate and issue securities.

The Commission still adheres to its action of a year ago whereby its Board of Examiners was abolished, petitioners being denied the right to a finding by an impartial civil-service examiner and being turned over to the tender mercies of the General Counsel's office acting in the role of prosecutor, jury, and judge.

Attention is invited to the discussion of the action of the Commission in respect to the granting of licenses to the Greater New York Broadcasting Corporation and to the Cumberland Broadcasting Co. I anticipate that both of these matters will call for further comment at a later date.

#### PUBLIC WORKS ADMINISTRATION—FEDERAL WORKS AGENCY

The testimony of the Public Works Administration will be found at page 1412 of the hearings. The amount recommended from 1938 unexpended funds, \$3,610,000, compares with a similar appropriation for the current fiscal year of \$20,000,000. The amount recommended is simply to complete the existing program in the fiscal year 1941, 43 Federal projects and 310 non-Federal projects being as yet uncompleted. No further program has been authorized by the Congress.

Attention is called to page 1423 of the hearings to what purports to be a "statement of defaults," indicating that of bonds having a total par value of \$557,237,000 purchased by P. W. A. as part of its loan and grant program, not including railroad bonds, some 325 issues having a total par value of \$42,849,000 are now in default. This, according to P. W. A., amounts to about 10 percent of the total number of loans, 7.69 percent of their total par value.

The record includes a statement for each of the issues in default including the amount of the issue, the amount now held by P. W. A. or R. F. C., the date of maturity, the amount of principal and interest in default and an explanation of the default. The statement, about 30 pages in length, beginning at page 1442 of the hearings, contains no totals or summary. As a matter of fact, however, it appears that the total par value of bonds in default should read \$51,029,068, not \$42,849,500. It also appears that the number of issues in default should read 349, not 325.

The following analysis of these issues may be of interest. The issues have been divided into several groups according to the official explanation of existing defaults.

Group I includes 83 issues, with a total par value of almost \$13,000,000. All but 12 issues, totaling a million dollars, or thereabouts, have been unloaded on R. F. C. Despite the millions of dollars spent to assure proper engineering work for P. W. A., it would appear that all these defaults can fairly be charged to poor engineering. P. W. A. offers the following explanations:

Failure of reservoir; abandoned due to inability to obtain water; unsatisfactory water supply; faulty construction; operating difficulties; delay in completion; poor quality of water; abnormal repair

expense; extraordinary repairs; flood damage after completion; extraordinary repairs due to flood; delay in completion and subsequent flood damage.

Group II includes 41 issues, with a total par value approaching \$2,000,000. Default in this class can apparently be explained by lack of efficient management. All but one issue, having a par value of \$97,000, have been unloaded on R. F. C. P. W. A. offers the following explanations:

City refuses to accept project; failure of officials to cooperate; poor management; part of revenues used for extension; difficulty in enforcing connections and collections; dissatisfaction with sewer rental charges; delay in completion and failure to improve connecting roads; apparently has neglected to make remittance; temporary delay in transmittal of funds; failure to enforce sanitary regulations; no effort on part of borrower to meet obligation; no reason given.

Group III includes 140 issues with a total par value of more than \$9,000,000. These appear to be in default as a result of poor collection of taxes and other income. Why the possibilities of revenue could not have been more accurately estimated is not apparent. All but two of these issues, of a par value of \$2,000,000, or thereabouts, have been unloaded on R. F. C. P. W. A. offers the following explanations:

Insufficient revenues; system in receivership; slow tax collections; high operating expenses; failure to collect assessments; failure to levy taxes; tax collections diverted to pay overrun in construction cost; inability to collect accounts partly due to drought conditions.

Group IV includes 46 issues, with a total par value of some \$20,000,000. All but 4 issues have been unloaded on R. F. C. It has apparently been impossible to unload 4 big issues, of a par value of about \$18,000,000, for projects unable to meet their operating expenses. P. W. A. offers the following explanations:

Slow development; bonds matured before earnings developed; project in development stage; system too costly for town of this size; decline in community since loan was made; slow development due to litigation.

P. W. A. might well have added: "These loans, or some of them, were made in spite of adverse engineer's reports, with a view to advancing the political interests of the New Deal and its favored beneficiaries."

Group V includes about 20 issues, with a total par value of about \$800,000. The issues consist for the most part of loans to municipal gas plants and public markets. Proper advance survey of available markets should have served, it would seem, to eliminate these defaults.

Group VI includes some 19 issues, of a total par value of \$6,000,000, or thereabouts, in respect to which existing defaults could probably not have been eliminated by good management.

Two hundred and twenty-three of the three hundred and forty-nine defaults are apparently in respect to issues covering local waterworks systems.

Defaults in respect to other projects appear for issues having a total par value of about \$22,000,000. Outstanding in this classification are the four famous projects in Nebraska having bond issues with a total par value of some \$19,000,000, projects apparently without sufficient demand for the power which they hope to develop, projects apparently without sufficient water to generate that power, projects which we have discussed in detail in the past and which continue in the category of P. W. A. failures.

It has been understood that the Nebraska Democratic National Committeeman, acting as counsel, obtained the loans and grants for these projects. It has also been understood that P. W. A.'s own engineers turned them down in the first instance. Pressure from a member of another body is supposed to have induced P. W. A. to sponsor these projects as well as a fifth project, probably costing as much as the other four put together, soon to enter the competitive market by their side. The Nebraska picture seems to afford a striking example of inefficiency and waste for political purposes.

#### SECURITIES AND EXCHANGE COMMISSION

The testimony of the Commission will be found on page 384 of the hearings. The amount recommended of \$5,400,000

is a decrease of \$70,000 as compared with this year's appropriation despite a substantial increase in work.

The record emphasizes the continued stagnation of capital under present conditions. New financing in 1938 amounted to about \$1,800,000,000; new financing in 1928 and 1929 amounted to about \$8,000,000,000. Fifty-seven and four-tenths percent of all issues in the fiscal year 1939 are shown to have been for the purpose of refunding existing indebtedness.

Attention is also invited to the statement by the Chairman of the Commission indicating that the Commission has at last begun to realize the enormous burden in time and money imposed on those subject to its jurisdiction, particularly on small concerns under requirements of the Commission heretofore in force, and that it is taking steps in the direction of simplification and the elimination of duplication.

The recent action attributed by the press to the Commission of denying the issue of bonds by the Consumers Power Co., on the ground that a stock issue would be preferable, would seem to indicate the assumption of authority by the Commission never contemplated by Congress.

#### TARIFF COMMISSION

The testimony of the Commission will be found on page 447 of the hearings. The amount recommended, \$920,000, reflects a decrease of \$7,000 as compared with the appropriation for the current fiscal year. The Commission also expects to be denied a transfer of \$28,000 received from the State Department in the present fiscal year.

The work of the Commission as outlined in the record raises again the question of the value of its services under present conditions.

The work of the Commission is supposed to include that under five sections of the Tariff Act. During the past year there has been no Commission action under section 336—flexible clause—of the act. There has been no Commission action under section 337—unfair practices—of the act. There has been no Commission action under section 338—discrimination—of the act.

The Commission is unable to allocate its appropriations or requested appropriations for 1939, 1940, or 1941 as between the five sections of the act.

Attention is called to the statement on page 481 of the hearings concerning exchange restrictions, trade by clearing, quota systems, export bounties, and subsidies. I quote from this statement as follows:

There are at present only five European countries which do not have exchange restrictions.

Every European country (and others specified) have clearing or payment agreements or combinations of the two.

Many countries referred to have quota systems.

Most countries undoubtedly give aid, directly or indirectly, to production or exportation of many products. It is difficult to state how far aids to production are to be considered export bounties. \* \* \* It would take considerable time to compile a reasonably accurate list.

Under our present trade-agreement policy provision is made for revision of trade agreements in the event of restrictions on the entry of American-made goods or substantial reduction in the world value of the currency of other nations. No recommendation for revision has been made despite the statements referred to.

A list of trade agreements in force as of December 15 last, with the methods of termination, will be found at page 484 of the hearings. Tables appearing at pages 499, 500, and 503 indicate that no less than 985 rates have been slashed as a result of existing trade agreements, that 59 rates have been bound against increase, and that of the 985 rate slashes, 397 were from 41 to 50 percent and 241 were from 31 to 40 percent.

The Commission is unable to estimate the reduction in importations which would result if American wage and hour standards were used as a base.

#### TENNESSEE VALLEY AUTHORITY

The testimony of T. V. A. will be found at page 1607 of the hearings. The amount recommended includes an appropriation of \$40,000,000, together with bond proceeds to the extent of \$3,300,000, as compared with an appropriation of

\$39,300,000 and the proceeds of bond issues to the extent of \$61,000,000 for the current fiscal year. Of the latter figure, some fifty-two and a half million dollars was attributable to the provision for the acquisition of private utility companies operating in the Tennessee Valley area.

The amount requested covers the present program of 10 principal dams and 5 smaller ones acquired by purchase, the program of substations and transmission lines, the fertilizer program, a national-defense item, and programs of so-called related property operations and related development activities.

Leaving aside for the moment the purchase of the private utility companies, a comparison between amounts requested for the fiscal year 1941 with those made available for the current fiscal year would appear to be substantially as follows:

	1941	1940	Difference
Dams, etc.....	\$36,669,000	\$31,018,000	+\$5,600,000
Transmission lines, etc.....	4,300,000	6,900,000	-2,600,000
Fertilizer.....	3,707,000	3,474,000	+233,000
National defense.....	65,000	71,000	-6,000
Related property operations.....	1,049,000	897,000	+152,000
Related development activities.....	1,395,000	1,421,000	-26,000

Or a total increase of about \$3,350,000.

The item requested for dams, and so forth, amounting to \$36,669,000 may be broken down roughly as follows:

Kentucky Dam (formerly Gilbertsville Dam).....	\$15,400,000
Watts Bar Dam.....	14,400,000
Coulter Shoals Dam (initial payment).....	1,000,000
Other dams.....	5,000,000

I am opposed to the allowance of this item. I believe that it should be materially reduced. I call attention particularly in this connection to the following items of expenditure contemplated in the pending request:

Coulter Shoals Dam (initial payment).....	\$1,000,000
Miscellaneous items:	
A possible court award at Hiwassee Dam.....	200,000
River-transportation studies.....	73,000
Job training (total, \$578,955).....	69,866
Related property operations:	
Unassigned to specific areas.....	101,000
Recreational facilities (total, \$206,432).....	38,000
Fish and game readjustment investigations.....	65,000
Related development activities:	
Mapping in cooperation with Geological Survey.....	273,000
Tree planting and erosion control on private lands.....	127,000
Tree and tree crop research.....	37,000
Development of mineral resources.....	70,000
Study and development of processing and marketing cooperatives.....	20,000
Research on processing methods and equipment.....	90,000
Rural-electrification developments.....	45,000
Development of farm equipment.....	41,000
General activities for development of valley.....	130,000

Giving a total of about \$2,400,000.

Attention is also called to the break-down of the final item for general activities for development of the valley appearing on pages 60 and 61 of the Authority's justifications. From this break-down it appears that the sum is requested, among other things—

First—

To determine the part which different operations play in supporting the people.

Second—

To record changes in the supporting capacity or relative importance of different income sources.

Third—

To disclose instances of weakness or unbalance in the regional economy.

Fourth—

To indicate economic fields which appear to warrant special study.

Fifth—

To indicate localities in which new livelihood sources are needed to balance the local economy.

Sixth—

To complete a study of problems of urban communities which may assist in devising means of directing new urban growth along desirable lines.



### Seventh. To conduct—

A survey of the organization and administration of local governments in the Tennessee Valley region—

### Including—

General reports on existing governmental practices \* \* \* reports on problems of county government and administration—

### And—

A report on the use of contracts as an administrative device to cover joint activities of different governmental units.

Incidentally, the record shows that the General Accounting Office has failed to date to allow some 6,786 items of expenditure of T. V. A. amounting to well over \$6,000,000.

I am opposed to the item of \$1,000,000 for starting the construction of the Coulter Shoals Dam, because it involves a commitment of \$28,500,000 and because there seems to me no compelling reason under existing conditions for assuming that commitment now, either from a navigation, flood-control, or power standpoint. Total traffic on the river is only about a million and a half tons. The dam is said to be very expensive from both flood-control and power standpoints. Available power now and for several years to come exceeds estimated demand.

The record indicates in this connection a production capacity under present conditions of some 453,000,000 kilowatt-hours per month, as compared with sales of about 350,000,000. It also indicates an estimated firm and secondary demand as late as 1944 of only 800,000 kilowatts, as compared with an estimated dependable capacity at the same time of 890,000 kilowatts.

I am opposed in large measure to other items listed above. If T. V. A. has not exceeded its authority in embarking upon them, they certainly exceed, in my judgment, any reasonable definition of T. V. A. activities.

The general characteristics of T. V. A. are well known to us all. It is unnecessary to repeat them here. It has called for a tremendous expenditure of money amounting as of June 30, 1941, if all sources be included, to \$413,741,878—amounting ultimately to something less than \$550,000,000. It has wasted millions of dollars, in my judgment. It has wiped out hundreds of thousands of acres of valuable land. It has eliminated millions of dollars of taxation—Federal, State, and local. It has forced private industry in the T. V. A. area to the wall. It has constituted a threat to private industry generally lest its activities be extended to other parts of the country. Camouflaged as a navigation and flood-control project dealing only in incidental power, we find today an allocation of cost for projects completed in 1939 of 14 percent to flood control, 24 percent to navigation, and 62 percent to power. Power has become the principal function—navigation and flood control incidental. Over and above hydraulic power, we see the entry of T. V. A. into the production of power by steam. Just how this type of power is to be held by the courts to be incidental to navigation and flood control remains to be seen.

The acquisition of the entire distribution market of Tennessee, northern Alabama, northern Mississippi, together with the ownership of dams, steam plants, and transportation systems of private companies formerly serving the area has, of course, completely changed the entire financial picture. If ever T. V. A. was in a position to operate on a self-supporting basis, even from the standpoint of power production alone, it would seem to be now. What does the record show?

Well, T. V. A. goes so far as to claim a net revenue for 1941 amounting to \$7,593,000. How is the figure arrived at? I call your attention to the testimony commencing at page 1820 of the hearings in this connection. What does this show? It indicates clearly that in computing the so-called net revenue no deduction is made for depreciation. No deduction is made for interest on money received from the Federal Treasury. No deduction is made for general taxation. No deduction is made for a fair share of what are listed as common operating expenses. All of these deductions would, of course, be made by any private company before any profit could be shown. Deductions comparable to those which would be made by any

private company under the circumstances would appear to convert the alleged profit of \$7,593,000 into an actual loss of millions of dollars.

As a matter of fact, the record indicates that T. V. A., through the acquisition of private operating companies and the purchase of hundreds of thousands of acres of land, has served to deprive the Federal Treasury of an annual tax income to the extent of about \$1,200,000. It has also served to deprive the treasuries of States, counties, and municipalities in the area to the extent of over three and one-half million dollars. The situation in this respect has become so acute that many counties, school districts, and other bodies are said to be facing default on their bonds at the beginning of the next fiscal year. The cry has been sent up that the Federal Government must reimburse the areas affected in whole or in part for the taxes lost. Legislation is actually pending with this end in view, an eloquent commentary on the total cost and annual operating expenses of T. V. A.

One further table is of interest in respect to the use of T. V. A. power. It shows the class of user, the amount of power used, the rate charged, and the amount received by T. V. A. for the year 1938, apparently the latest available figures:

	Kilowatt-hours	Rate (mills)	Amount
Interdepartmental sales.....	168,350,000	2.9	\$490,699
Industrial users.....	358,675,000	2.6	918,565
Private utilities.....	62,357,000	3.2	196,767
Municipalities and cooperatives.....	97,939,000	5.6	545,600
Rural retail consumers.....	12,661,000	12.2	154,154

Attention is called to the rate charged rural retail consumers as compared for example with the rate charged industrial users or private utilities.

I conclude, Mr. Speaker, with a few brief comments in respect to other agencies provided for in this bill.

#### CIVIL AERONAUTICS AUTHORITY

The testimony of the C. A. A. appears at page 760 of the hearings. The amount recommended, \$27,900,693, reflects an increase compared with the current fiscal year of about \$2,400,000. The principal items of increase are \$2,500,000 for maintenance and operation of air navigation facilities and a million dollars for civilian pilot training. The Authority reports an increase in traffic of 38 percent and a safety record fully three times better than that in the rest of the world—one passenger fatality per 78,369,715 passenger-miles during last 18 months.

Twenty-nine thousand miles of airways are expected to be in operation as of June 30, 1940.

#### CIVIL SERVICE COMMISSION

The testimony of the Commission appears at page 650 of the hearings. The amount requested for salaries and expenses—\$5,295,896—was an increase as compared with expenditure in the current year of about \$1,500,000. It called for an increase in personnel in the department of 33 percent, 465; in the field of 75 percent, 283. It called for \$195,000 for activities in connection with the personnel management program already referred to, and for other large items of increase. The Commission has had a steady increase in its appropriation from \$1,028,000 in 1934 to its present level. It is believed that the cut recommended by your committee is fully justified.

#### FEDERAL HOUSING ADMINISTRATION (FEDERAL LOAN AGENCY)

The testimony of the F. H. A. appears at page 1084 of the hearings. The amount recommended of \$13,300,000 is \$500,000 less than that for the current fiscal year. While there has been a loss to date under title 1 of somewhere between \$3,000,000 and \$11,000,000, depending on prices to be obtained for properties taken over, while there is the possibility of very substantial loss in the future from insurance of mortgages to the extent of 90 percent of the appraised value of the property, F. H. A. believes that its activities in the next fiscal year in all three fields (title 1; title 2, sec. 203; and title 2, sec. 207) will be on a self-supporting basis as a result of premiums paid. Title 1, of course, refers to the repair

or construction of individual homes, in respect to which F. H. A. still permits the bank making the loan to charge a true rate of interest to the extent of 9.72 percent. Title 2, section 203, refers to the work in the field of mortgages on one- to four-family dwellings. Title 2, section 207, refers to work in the field of mortgages on large-scale rental projects.

## FEDERAL POWER COMMISSION

The testimony of the Commission appears at page 117 of the hearings. The amount recommended, \$2,480,500, is a decrease of \$234,500 as compared with the present fiscal year. The amount recommended, however, is \$160,000 in excess of funds available in the fiscal year 1939. It is believed that the action of the Budget in recommending the reduction is fully justified by the record under existing conditions.

Attention is called to the tremendous delay in original cost-determination work, one case, the Conowingo project, having been pending in one form or another for over 14 years.

## NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The testimony of the committee will be found on page 310 of the hearings. The amount recommended—\$8,000,000—is an increase of \$3,820,000 as compared with the present fiscal year. It includes new construction at Langley and Moffett Fields and an increase for personnel amounting to about \$400,000. Some 4,600 new planes for the Army and Navy are expected to be put into commission under the present program in the next 2 years.

## NATIONAL ARCHIVES

The testimony of this agency will be found on page 345 of the hearings. The amount recommended, \$920,200, reflects an increase of about \$56,000 over the appropriation of the current fiscal year. Of this amount the sum of \$15,700 is for the initial personnel and other obligations for the administration of the new Memorial Library at Hyde Park, referred to in such glowing terms by the gentleman from Missouri [Mr. SHORT] at the time of its authorization.

## RECONSTRUCTION FINANCE CORPORATION (FEDERAL LOAN AGENCY)

The testimony of the R. F. C. will be found on page 1228 of the hearings. The amount recommended, \$9,250,000, reflects a decrease of \$250,000 as compared with appropriations for the current fiscal year. The Corporation gives the following statement:

Total authorizations (all classes).....	\$10,656,894,293
Disbursed.....	7,663,790,082
Repaid.....	5,774,406,164
Outstanding.....	1,889,383,918

Attention is invited to the statement of Mr. Jones, Federal Loan Administrator, at page 1263 of the hearings in reference to the authority of the R. F. C. to extend loans or credits for the benefit of foreign nations.

Attention is also invited to his explanation of R. F. C. activities in connection with the construction of the new building at Fifteenth and Eye Streets NW., in which, according to Mr. Jones, the R. F. C. "played most of the instruments in the orchestra." However desirable for rental from an R. F. C. standpoint, the transaction, if properly understood, would appear to have assured the present owners of the land of a building worth between five and six million dollars without any substantial cash contribution, together with a guaranteed rental from the RFC Mortgage Co. sufficient to cover interest, amortization, taxes, depreciation, and \$25,000 a year, as well as any other rentals that may be available through lease, for example, of other office or store space in the building.

## SMITHSONIAN INSTITUTION

The testimony of this agency will be found on page 429 of the hearings. Attention is called to the sum carried for the new National Gallery of Art—\$300,000. One hundred million dollars is reflected in the Gallery, \$15,000,000 for construction, \$80,000,000 for paintings, \$5,000,000 for endowment. The Gallery is fortunate in having not only the great collection of former Secretary Mellon, filling some 28 rooms, but, in addition, the Kress collection, recently acquired, which will occupy some 62 rooms. The building will be ready about August 1. The amount recommended for administration pur-

poses compares favorably with expenditures at similar institutions elsewhere.

## UNITED STATES HOUSING AUTHORITY (FEDERAL WORKS AGENCY)

The testimony of the U. S. H. A. will be found on page 1480 of the hearings. The amount recommended for salaries and expenses, \$4,550,000, is an increase of \$50,000 as compared with the current fiscal year. The amount recommended for annual contributions, \$10,000,000, is an increase of \$5,000,000 over the current year.

While F. H. A. hopes to prove self-supporting and functions on the principle of stimulating through insurance both private financing and private construction, U. S. H. A. accomplishes neither result.

Set up ostensibly as an agency to make loans to the extent of 90 percent of large-scale construction projects, it operates in fact so as to place practically the entire burden of the cost of construction of large-scale projects on the Federal Treasury. Under the guise of an annual rent contribution, it in fact provides funds more than sufficient to cover interest and amortization of 90 percent, if not 100 percent, of the total original so-called loan for construction purposes. Uncle Sam makes a loan from one pocket and then provides from the other pocket the money to repay himself at a profit.

Aside from its deceptive financial aspects the record again raises the question if those who need better housing most are in fact being reached by this activity. A classification of tenants by income would seem to indicate that the projects are occupied in large measure by those who are not most in need.

The record also indicates that no return is being received by the Government from 52 P. W. A. projects turned over some time ago to U. S. H. A.

Present operations under U. S. H. A. are not encouraging from the standpoint of those who desire to bring about better housing conditions for those who need them on a sound basis.

## UNITED STATES MARITIME COMMISSION

The testimony of the Commission will be found on page 507 of the hearings. The amount recommended, \$125,000,000, is an increase of \$25,000,000 over the amount provided for the current fiscal year. The present program of merchant-ship construction calls for 500 ships over a period of 10 years at a cost of about a billion and a quarter dollars. The increase provided will permit some acceleration in this program, though not to the extent recommended by the Commission. Acceleration is suggested by the need of additional auxiliary ships in the event that this country becomes involved in war; by the possibility of additional opportunities for merchant-marine routes as a result of the destruction or withdrawal for war purposes of the merchant shipping of other countries, in the event that we do not become involved in war; and by the possibility that construction costs will be higher in the near future than at present. The action of the committee does not, of course, affect the completion of the construction program as a whole. It contemplates completion of the entire program in somewhat less than the 10-year period originally provided.

The record indicates that about 80 ships have been laid up as a result of the neutrality law. Of these about 30 have been placed upon new routes.

Attention is called to the fact that in the 13 months ending November 30, 1939, the Commission approved for transfer to foreign ownership and registry no less than 117 vessels, representing a total of about 390,000 gross tons. A large number of these transfers were approved after the outbreak of war in Europe. The much-discussed transfer of ships of the United States Lines is not included in the list because Admiral Land informs us "the order was never approved with finality."

## VETERANS' ADMINISTRATION

The testimony of the Veterans' Administration will be found on page 492 of the hearings. The amount recommended, \$580,180,544, is an apparent increase of \$19,087,544 as compared with the current fiscal year. In reality it is an



increase ex-new construction of \$5,428,240 by reason of a deficiency item of \$13,659,304 for pensions during the current year, or \$3,578,240 if new construction be included.

With few exceptions, the entire increase is due to increased hospitalization and domiciliary beds, to placing personnel on an 8-hour-day basis, and to increased compensation under five acts recently enacted by Congress.

The record indicates an increase in hospital and domiciliary beds from 71,000 to 83,000 by June 30, 1941. It also indicates that State soldiers' homes will receive as from July 1, 1940, \$240 a year for both domiciliary care and hospitalization, provided that figure is not more than half of the cost of maintaining veterans in the home.

The record also indicates that placement committees in cooperation with the service organizations of the Nation have succeeded in finding employment for some 60,000 veterans.

Detailed statements of all payments for the care and benefit of all veterans of all wars will be found in the tables submitted by General Hines and embodied in the hearings.

### Ohio Society of New York

#### EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

ADDRESS BY HON. JOHN W. BRICKER

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. John W. Bricker, Governor of Ohio, before the Ohio Society of New York, New York City, December 16, 1939:

I doubly appreciate this opportunity to meet with you tonight, because it affords me the high privilege of assuring you all that Ohio is still there.

We have not been taken over by the White House or the Department of the Interior.

It will be my official duty, in the course of these brief remarks tonight, to correct these critics of Ohio with facts from the official records of Ohio.

The end of the first year of my administration as Governor approaches. I am glad to report to you on the achievements of the year and conditions as they exist in Ohio today.

The Ohio Society of New York is proud of Ohio, and I am justly proud of the State, its people, and its government. As long as I am Governor I shall fight any maligners and those who, by falsehood, innuendo, and propaganda, would detract from her fine name.

When I took office last January there was a deficit of over \$40,000,000. I know that is petty cash as deficits go in Washington, but it is the biggest one Ohio ever had.

Faced with that financial picture, and bound by platform pledges to provide adequate relief, balance the budget, and impose no new taxes, the legislature met and the new administration was inaugurated. I consider platform pledges and campaign promises binding obligations, and those promises and pledges are being kept.

During this year, Ohio will meet the increased needs of an expanded educational, health, and welfare program to the extent of over \$8,000,000 more than was spent last year, and at the same time will reduce the deficit by more than \$8,000,000. Every obligation of the State incurred this year has been paid promptly when due. We have changed Ohio from a deficit State to a pay-as-you-go State.

The tax department of the State has been completely reorganized, and taxes are being efficiently collected. This has meant increased revenues to the State, but the increased income, estimated and actually received, alone has not been sufficient to take care of the expanded needs. To balance the State's budget, to make a substantial payment on our inherited deficit, to meet increased welfare needs, and to keep the State's fiscal position sound, we have cut the operating costs of the State departments.

Out of an annual budget of a little over \$150,000,000, 60 percent is distributed to the local subdivisions of government such as cities, counties, townships, and school districts. Only 40 percent is used to operate the State departments. Forty-eight and one-half million dollars annually goes to the local public school systems in the State; \$12,000,000 annually is paid to the local subdivisions of government for local needs; \$10,000,000 a year is appropriated for direct relief to be spent locally. Out of the total appropriation, exclusive of specially earmarked revenues, the State has for the

operating costs of the State departments through the general revenue fund approximately \$39,000,000 annually.

This year the State pay roll and office maintenance costs of all State departments will be nearly \$10,000,000 less than last year. Through these savings Ohio has met all the requirements of government, has been able to make increased contributions for education, relief, and old-age pensions—and that without one cent of new taxes or any increase of existing taxes.

I come now to the subject of relief. Because of propaganda, false statements, and political interference from the outside, a great deal of attention has been directed to Ohio relief in the past few weeks. At the beginning of this year we improved the system of administering relief in Ohio and provided for the distribution of funds granted by the State upon a basis of need rather than geography. Many counties in Ohio have practically no relief problem. Under the preceding administration they had been receiving relief grants from the State to the detriment of those communities that did need the funds. A complete investigation was made by the legislature, extensive hearings were held, and based upon past experiences and anticipated needs, the legislature appropriated \$10,000,000 for each year of the biennium to be distributed directly to local governments for relief.

As a part of Ohio's relief program, the legislature reduced the quota required this year on relief levies in cities from 65 percent to 50 percent. It also authorized the use of 25 percent of the local government's auto-license tax fund for the purpose of relief. It also eliminated restrictions on the use of certain local revenues and thus made them available for relief purposes. Thus the legislature greatly enlarged the potential resources of local communities available for relief.

Let it be understood by all that the responsibility for work relief has been assumed and is now controlled by the Federal Government, operating largely through W. P. A. Even in that program, controlled and administered by the Federal Government, local communities are required to contribute. During the past year W. P. A. employment in Ohio has been cut by Washington 53.6 percent, while the average reduction for the whole United States for the same period was only 43.9 percent. That discrepancy is not justified by any consideration of relief needs. That picture would indicate that Ohio is being punished. Why? Is it because Ohio voted Republican last year?

That, however, is not the most sordid aspect of the political manipulation of W. P. A. by Washington. In Cleveland in October of 1938, a congressional election year, during the month immediately preceding election day, there were 74,225 on W. P. A. A year later there were less than 30,000 on W. P. A. in Cleveland, a cut of over 60 percent. The biggest cut in Ohio W. P. A. employment was in Cleveland, the very place where relief needs are greatest. The State has recognized this fact and has distributed this year 35 percent of the State's total relief appropriation to Cleveland's county, although that county contains only about 18 percent of Ohio's population.

Throughout all these months, by resolution and by visits of the mayor of Cleveland to the national administration, requests were made, demands were sent, that this discrimination by W. P. A. against Cleveland must cease. As this process of punishing Cleveland continued after the election last year, the State relief rolls in Cleveland steadily increased. They increased from 15,744 cases in October 1938 to 28,060 cases in October 1939. Keep ever in mind that W. P. A. is the Federal program and direct relief is carried at the cost of the State and local communities.

In addition to this discrimination against Ohio, and particularly Cleveland, there was another unfair and, I think, premeditated action on the part of the Federal Work Projects Administration. In Cleveland and elsewhere in Ohio others than employable relief clients were placed on the W. P. A. rolls, although the Federal law requires that preference shall be determined on a basis of relative need.

You have probably all read the President's statement at his press conference last week in which he said that substantially all of Cleveland's employables who were willing to work were being taken care of under W. P. A. programs.

Here are the facts: Out of a total of 25,000 persons employed by W. P. A. the first 10 months of this year in Cleveland, only 9,454 persons were employed from the active relief rolls—only a little over one-third.

In October alone this year, out of 28,000 on the direct relief rolls in Cleveland, there were 6,800 employable persons certified for W. P. A., but not employed by W. P. A. These are the figures, and these are the bald facts of the employment on W. P. A. of those not in need of relief, while thousands of employables are on relief and must remain on relief.

When the State welfare director initiated a program to remedy this situation in W. P. A. at Cleveland and insisted that employable relief cases should be given preference in W. P. A. employment—and that political patronage must cease—the promise was made that these things would be done.

I hope those promises will be kept.

Upon the insistent demands of the State administration, upon the revelation of discriminatory treatment which Cleveland and Ohio have received, the Federal Government seemed suddenly to realize the vulnerability of its position. So after the State has made available in cash approximately \$450,000 additional for Cleveland, and after the city had its proceedings under way for the issuance of over a million dollars of relief bonds, as suggested by

the State administration, then, with a flourish of sensationalism, in rushed the Federal Government with carloads of food and allotments of W. P. A. funds, which should have been available months ago.

Ohio this year has increased her appropriation for general welfare and public assistance out of State and local funds. Ohio and Cleveland have taken care of their people, but the Federal Government has failed miserably in Ohio. There are only two answers to be given for this discrimination. It was either a deliberate attempt to cut the W. P. A. employment in Ohio unfairly as a punishment for not voting right last year, or as an embarrassment to a republican administration. Possibly it was for the purpose of creating such a situation that the Federal administration, with a demagogic gesture of rushing to the rescue, could take credit where blame was due.

The people of America must awaken to a realization of how far this Federal administration will go in playing politics with human misery and relief—how far it will go in its attempt to smear the good name of a State or an administration which dares to do a good job financially as well as in social service.

The issue is clear cut: Shall relief, including work relief, W. P. A., or whatever it may be called, be administered honestly, fairly, with due regard to the needs of the people, or shall it be administered as a political racket—padding the W. P. A. rolls in election years and forgetting the needs in nonelection years, carrying the burden so the Federal Government can take credit when a national election is on, and passing the buck back to the States and local communities in the other years? This is a question which the American people must answer, and in it is involved a fundamental question of public morals. Let me quote from a great President, Woodrow Wilson. In his work on constitutional government he said:

"Nothing in a system like ours can be constitutional which is immoral or which touches the good faith of those who have sworn to obey the fundamental law. The reprobation of all good men will always overwhelm such influences with shame and failure."

That quotation, friends of Ohio, is from the last Democratic President of the United States.

There have been attacks made on Ohio and on me personally. Most new dealers have contempt for any Government authority or public official who does balance a budget, who does administer relief honestly, who does save public money, or who shows any interest whatever in the taxpayer. No; it is the political discrimination of the national administration against Ohio—obviously for the purpose of discrediting a State administration—that caused the trouble.

This is the story of Federal relief for 7 years. First it was C. W. A., next it was F. E. R. A., then it was P. W. A., and finally it was W. P. A. At every change the States were supposed to alter their programs to conform to the most recent experiment out of Washington. In those transitions the needy suffered unnecessarily.

The Nation is confronted, therefore, with a demand for a constructive and stable national program of public assistance. The system of Federal control and domination in each relief area of the United States should be reformed. Work-relief programs in the various States should be administered locally, and financed by local, State, and Federal participation, with the assistance of Federal grants in the same manner as prevails in all other public-assistance programs.

This principle has the endorsement of the Committee on Mobilization for Human Needs, the National Association of Community Chests, and a great majority of the welfare administrators in the various States. The President has rejected this program for work relief, although the same principle of Federal grants is applied to the other forms of public assistance, such as aid for the aged, aid to dependent children, and aid to the blind. It seems significant to me that the program which involves the largest expenditure of Federal moneys and which directly applies to the largest number of voters is operated under a system and on a principle entirely contrary to the other Federal programs.

The spiritual heritage of Ohio is rich, and the moral precepts of our people are sound. I shall always defend that heritage from attack from within or from without. I do not propose to be clubbed into a position of fear or silence in the conduct of affairs in the State of Ohio, when the very foundations of public morality, political decency, simple honesty, and fundamental human integrity are being eaten away by the unblushing political immorality of the New Deal in its relations to human needs and relief.

As Governor of Ohio I do not propose to condone with official silence a scheme of political manipulation which threatens the very integrity of the ballot, simply because that scheme has been bundled up in the glittering trappings of official demagoguery and offered to the Nation in the name of relief.

It is not in my heart to flinch before a public crack-down from the White House simply because I have refused steadfastly to permit the administration of public assistance in the State of Ohio to become the football of disgraceful partisan politics in Washington, New York, and the Department of the Interior.

I am not alone in my position, nor is my party alone in it. Let me quote from the Honorable BURTON K. WHEELER, Democratic Senator from Montana. After a survey of the relief situation throughout the country, Senator WHEELER said:

"The workers on W. P. A. are dissatisfied, because they see so many politicians being appointed to 'white collar' jobs, and they see W. P. A. used as a political racket. . . . In some places the W. P. A. organization is not only being used for political purposes—it is little less than a racketeering organization. Everyone

wants to see those in need, and who want jobs, taken care of. But to use the people's money to build up a political machine and to play politics with destitution is morally wrong and will not be long tolerated by the American people."

As Governor of Ohio I have made it my business to know the relief situation throughout the State. We have been meeting and will continue to meet our relief responsibilities in an honest, straightforward fashion. I have also an interest in the relief of overburdened taxpayers, in the farmer who works from sunup until sundown, and who often receives too small a part of the Nation's income. I have an interest in the home owner who is now burdened with heavy taxes. I have an interest in the relief of the man who has a job but who for every 4 days' work done gives one to the Government in taxes. I am interested in the stability and preservation of our American constitutional system.

I do not seek the approbation of those officeholders who revel in their accomplishments as financial hitchhikers. But I do seek the honest, man-to-man respect of the great body of our citizenry who are striving earnestly to restore this country to the pay-as-you-go program of solid American prosperity. I do seek the cooperation of those groups who are endeavoring in the spirit of sincerity, patience, and good will to work out a lasting solution of our social and economic problems. The people of this mighty Nation can solve those problems. In Ohio we are doing our part. For 7 years promises, experiments, pump priming, and political manipulation have failed to bring satisfaction to the hopes of the people of the United States. Nor can our social and economic problems be solved by name calling "crack-down" and purge. Their solution requires integrity, intelligence, and tolerance.

The political "pork barrel" never can become the wheel of American progress. America wants to get off relief. America wants to go to work.

This, friends of Ohio, is the record in brief of the first year. It is an honest report of a situation as it stands today. I am proud of the State. I cherish the privilege of serving the people of Ohio.

## Agricultural and Industrial Stability and United States Foreign Trade in Munitions and Aircraft

### EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

Mr. MARTIN of Iowa. Mr. Speaker, under permission to extend my remarks in the Record, I will discuss recent developments in our foreign trade in munitions and aircraft and refer back to predictions made in my speeches on the floor of the House on November 1 and November 3, 1939, on this subject.

News headlines of this week reveal that the British are shopping for a billion-dollar purchase of airplanes and other essential military supplies, and that Secretary Morgenthau has been endeavoring to find some means of facilitating the expansion of airplane-engine factories to enable them to fill the British orders and also take care of the large orders for about 6,500 planes which the French have already placed in our country. The effect of these huge purchases on our foreign trade is already manifest. United States farm groups are dismayed by the loss of British markets for export tobacco, fruits, corn, wheat, beef, pork, and so forth, and by a recent British order restricting cotton shipments in order to conserve shipping space on British vessels. England has announced that she will give preference to any imports she requires to her colonies, and England has turned to Argentina for large purchases of wheat and meat products.

We are now witnessing a tremendous lopsided expansion of the aircraft industry based upon the most volatile and least dependable trade-stabilizing factors imaginable. Although this situation was very easily anticipated during the course of the debate on the arms embargo in the special session, the volume of British and French orders and the emphasis of speed in expansion of the industry have exceeded even my own expectations, which were set out in my speeches during the special session and which were based upon our World War experiences, together with recent development in the aviation industry.

We now find ourselves plunged into this unstable and unneutral trade up to our necks and we are, at least, sowing



the seed for a large industry to hope and pray for the continuation of the European war in order not to be left high and dry on the suspension of hostilities. Since presenting my discussion in the House in the special session, I have had an opportunity to travel with a joint committee of the House and Senate to each of the aircraft factories along the Pacific coast and in every factory we visited I made a special point of asking officials and guides just how they were preparing to face the eventuality of cessation of orders for British and French aircraft. Most of them assured me that they had definite plans for writing off their entire capital investment for the abnormal expansion of their plant facilities in the early orders placed with them and that, "if the war just lasted long enough," they would have their additional capital investment entirely written off. I then asked them the following question, which they did not seem able to answer: "Assuming that your desires are fulfilled to the extent that the war lasts long enough to permit you to charge off your capital investment, have you, even then, made any provision whatsoever for the laborers in your plants so that they may be assured of any degree of protection against such a sudden termination of the demand for your product?"

It seems to me that we are playing with fire not only in diverting our foreign trade into so unstable a channel at the expense of the sales volume of agricultural products but also that we are courting disaster in building up a condition that will cause many to selfishly hope for continuation of hostilities and also in aggravating and perhaps precipitating the collapse at the end of hostilities when war orders vanish overnight.

I am inserting a news article taken from the New York Times of Monday, January 22, and I am placing in the RECORD some extracts from my speeches of November 1 and November 3 which were made during the debate of the arms-embargo measure in the special session, and in which speeches I anticipated the development that has now so clearly revealed itself.

We do not know the full extent of this violent shift in our trade away from agriculture to war materials, but we do know the inevitable consequences. So long as our high governmental officials extend themselves to encourage this dangerous trend in our trade and industry, the extent of this development and the dangers accompanying such abnormal development may lead to disaster beyond our present comprehension.

There is also involved the very vital factor of possible future retaliation against such extensive active participation of our Nation in the very unneutral business of supplying aircraft and munitions to France and Britain; but our policy regarding that factor was settled to the smug satisfaction of the present national administration in the special session of Congress. If the policy the national administration there adopted and is now pursuing leads us into war or into post-war recession and disaster, I hope the American public will place the responsibility squarely where it belongs.

I will not attempt to discuss at this point the very serious problem of bringing our own defense up to date during this very temporary and abnormal trade expansion in munitions and aircraft.

[From the New York Times of January 22, 1940]

BRITAIN SEEKS DOLLARS FOR BILLION IN PLANES AND ARMS HERE—SHIFTS FARM PURCHASES—AMERICAN TOBACCO GROWERS LOSE MARKET TO TURKEY—WHEAT AND COTTON HIT

(By Frank L. Kluckhohn)

WASHINGTON, January 21.—Britain is preparing to spend about \$1,000,000,000 for the purchase of airplanes and other military supplies in the United States and is seeking to get dollar exchange to make this possible, it was learned tonight in official circles.

Secretary of the Treasury Henry Morgenthau has been trying to find some means of facilitating the expansion of airplane engine factories to permit them to fill British orders.

Mr. Morgenthau visited the Martin plant at Baltimore last week and he announced at a press conference on Thursday that he would visit others. After his visit in Baltimore he conferred at the White House with President Roosevelt and chiefs of the Army Air Corps.

It was remarked in some quarters that such British purchases might tend to offset the loss of American trade in other products resulting from Britain's war-economy practices and the Allied blockade against Germany.

#### CONCERN ON TOBACCO EXPORTS

In the field of tobacco exports to Great Britain, which is a matter of particular concern at present, the British had agreed to take 40,000,000 pounds of Government-held tobacco in addition to open-market purchases. Now it is reported that the British are buying their tobacco outside the United States.

British import restrictions have virtually eliminated takings of American tobacco at London, and, as a result, according to Members of Congress who have discussed the matter with Secretary of State Cordell Hull, tobacco planters are planning a production of only 500,000,000 pounds this year, as compared with 1,100,000,000 pounds last year. Officials are fearful that the British failure to buy our tobacco may create a surplus on domestic markets that will force down domestic prices.

According to some officials the United States also is being forced out of what was in 1938 its leading Latin American market, Argentina, because Britain is buying up Argentine wheat and meat products and forcing Argentina to buy in Britain commodities that she requires. To a modified extent, it is said, the same thing is happening with regard to Brazil.

#### EXPORT TRADE CUT SHARPLY

United States shipments to Europe, which account for about a third of this country's total export business, have been drastically reduced, not only because of direct belligerent activities but by the British blockade, both in the North Sea area and the Mediterranean, against neutral nations that might transship to Germany.

Britain had about \$1,250,000,000 in easily negotiable securities in this country at the outbreak of the war which could be liquidated to provide dollar exchange for purchases.

Some fear exists in official quarters here that if the British finance a vast expansion of airplane plants in this country a situation easily might arise wherein the United States might be left "holding the bag."

Expansion of plants is necessary if British orders are to be filled, because the French already have placed orders for about 6,500 planes, which will utilize almost all of the surplus production capacity of American airplane factories.

#### NEUTRALITY, FOREIGN TRADE IN MUNITIONS AND AIRCRAFT, AND OUR NATIONAL DEFENSE—SPEECHES OF HON. THOMAS E. MARTIN, OF IOWA, IN THE HOUSE OF REPRESENTATIVES

November 1, 1939

Mr. Speaker, a study of the history of our exports of munitions, aircraft, and certain materials is necessary in order to better meet our problem of providing for our own adequate defense and guarding against too rapid and unstable expansion of the munitions and aircraft industries. Let us hope that we can secure adequate defense preparation and at the same time avoid disturbing our economic balance. We may thereby avoid a violent recession and collapse when foreign orders suddenly cease at the end of hostilities.

I am very much opposed to the sale of arms and ammunition to our detriment, that is, to the detriment of our own national defense. I think we should stay home and mind our own business and build up our own defenses, and use them for defense purposes only. [Applause.] The biggest problem we have facing us in preparing adequately for defense is to do so without precipitating a recession and collapse following the emergency, and every dollar's worth of supplies that you send abroad will emphasize and aggravate that situation.

I am told that it will cost us approximately \$1,000,000,000 in 2 years to provide adequate equipment for a force of 1,000,000 men. That will be the bill for equipment only. Our total exports of munitions since 1920 equal only about \$200,000,000 and our total exports of aircraft for that period equal about \$340,000,000, the bulk of the exports of aircraft coming in the last 2 years.

The history of our export trade in munitions and aircraft shows conclusively that it will take twice as much in new munitions and aircraft to supply a force of 1,000,000 men as we have sold abroad during the entire period since 1920.

In closing, I would like to appeal to you to consider our problem one of building up an adequate defense on such a plan as to avoid, insofar as possible, the post-war recession and collapse of our economic structure that we experienced in the years following the World War. We have on one hand the duty to conserve our munitions and aircraft for our own defense and we have the obligation to make our defenses adequate in the least possible time that we can build them and not risk a post-war recession. A sudden increase of our exports of munitions to foreign nations as we experienced in the World War years to nearly \$1,000,000,000 per year will not only rob us of our own defense but will aggravate the post-war problem and we are not in condition as a Nation to absorb a post-war crash. Let us avoid another recession from over-expansion and yet build adequate armament for our own use without an unsafe increase in our manufactures of munitions and aircraft. It seems to me that every dollar's worth of munitions and aircraft that we export to foreign countries at this time serves to increase our problem both as to our own national defense and as to our own actual economic stability after hostilities have ceased. Let us plan our production of armament carefully, conserve our supplies, mind our own business,

and preserve our own independent defense. Keeping the embargo while we have it is the safest path to that end.

To my way of thinking that is the only method that will avoid dependence on other nations for defense followed by impoverishment and loss of liberty in the economic chaos of recession following war. Let us guard well that our war boom will not prove to be a war bomb. [Applause.]

November 3, 1939

Mr. Speaker, the parade of war orders is already under way and no one knows yet the volume they may attain nor the effect of the rapid expansion that will be needed to fill these orders and at the same time bring our own defenses up to date, nor has much thought been given to the final day of reckoning when these orders come abruptly to a halt following hostilities. Some of us have not yet forgotten the expansion of the World War days and the recession and collapse following soon thereafter.

The daily papers of Friday morning, November 3, announced that a flood of European war orders which administration headquarters expect will total a billion dollars in the next few weeks will be released by the repeal of the arms embargo.

The United Press makes an announcement from London dated November 2 that should be of great interest to the farmers of America at this particular time in view of the record corn crop now being harvested, and I quote herewith an article appearing in the Washington Post for Friday, November 3:

"OTHER EXPORTS TO SUFFER

"LONDON, November 2.—Revision of the United States arms embargo, while opening the way for large British arms and munitions purchases, was expected tonight to lead to a drastic curtailment of British imports from the United States, such as industrial and agricultural products.

"One authoritative source estimated that British imports of certain American industrial products and foodstuffs may fall off as much as \$150,000,000 a year.

"Importers of American products said Britain's anticipated heavy purchases of war supplies from the United States would be offset 'to a substantial degree' by curtailing imports of nonessential industrial and agricultural products, to protect exchange and permit purchase of arms and munitions.

"The transportation of many American commodities, including tobacco, automobiles, women's apparel, shoes, hosiery, dried fruits, and barley already has been reduced drastically since the outbreak of the war."

## Trade Agreements and the Farmer

### EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

#### EDITORIAL COMMENT FROM THE PACIFIC RURAL PRESS

Mr. GEARHART. Mr. Speaker, because of the kindness of Mr. Frank Long, chairman of the Dunlap-Squaw Valley (Calif.) Farm Center, who was kind enough to have called it to my attention, I am able to hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD, the unanimous consent of the membership of this legislative body having been this day given, a most interesting and highly informative editorial from the columns of the Pacific Rural Press of January 13, 1940, an editorial from the capable pen of Mr. John Pickett, one of the best-informed writers on agricultural subjects in western United States.

Mr. Pickett's editorial, which he has entitled "The Tariff Bloodhounds and the Mouse," follows:

[From the Pacific Rural Press]

#### THE TARIFF BLOODHOUNDS AND THE MOUSE

The tariff issue is no more political than Aunt Martha's fat and lazy cat.

It is as factual—and as furtive—as the mouse which furnishes most of the excitement in her cat's life.

But politicians of all parties insist on calling out the bloodhounds and baying the scents for the voters' amusement and confusion.

Just now we are going into another of these tariff hunts, with much tonguing by the political bloodhounds. The Reciprocal Tariff Act is expiring and a new election is being born. Hence the din. The result will probably again be like the fabled mountain which labored and brought forth a mouse.

Before the political uproar gets too loud, let's face a few facts.

The other day in a meeting at St. Paul, Secretary Wallace said: "The Smoot-Hawley tariff of 1930, piled on top of the Fordney-McCumber tariff of 1922, not only failed completely to help our own farmers but also caused the other countries of the world to retaliate by erecting sky-high trade barriers of their own."

The first half of his statement is true. Those tariffs were made to help industrialists rather than farmers.

No political party has ever given the farmer a square deal in tariffs.

But Secretary Wallace conveniently forgets his history when he repeats the often-voiced statement that these tariff acts caused the world to retaliate with sky-high trade barriers of their own.

World tariff rates, with the principal exception of Great Britain, were already "sky high" compared with our own tariff rates, and foreign countries merely proceeded to make them "sky higher."

The Great War was the cause. Italy first, and then Germany, set out to make themselves as near self-sustaining as possible so they might not be starved out in the next war. To encourage home production they made already high tariff rates higher.

Freeman Tilden, who made a trip to Europe for us after the war, brought back these facts, which were nationally published.

So it was a military race which set the tempo of increased tariffs, and not the United States.

Great Britain joined the race, setting up a protective empire policy and leaving the United States as the one important free-trade country of the world.

So the world did not "retaliate" against our tariffs.

And we would be better off if we dropped this political pretense and got down to actual facts.

Wallace is obviously trying to aid Secretary Hull in defending the Reciprocal Tariff Act.

They are both on the spot, because every important farm group in the United States has made complaints about the deal the farmer has had under the reciprocal-trade program.

The farmers' complaint is not, or should not be, political. It vests in the fact that the farmer, under the reciprocal-trade treaties, is getting the short end of the deal. He wants a better deal.

Below are the facts—the official facts.

We glean them from the latest report of the United States Bureau of Foreign and Domestic Commerce.

In the first 9 months of 1939 the United States exported \$581,594,176 worth of agricultural products and took back from foreign countries \$1,048,082,160 worth of agricultural imports.

The balance of foreign trade was nearly 2 to 1 against the American farmer in his own home market.

Meanwhile the industrialists of this country, as usual, were faring much better than the farmer. They shipped abroad \$1,574,827,812 worth of products, and took back in imports into this country only \$573,863,399 worth.

Thus the balance of trade was approximately 3 to 1 in favor of the American industrialist in his own home market.

Farmers, if they are wise, will not complain because American industrialists have a good deal in their own American market. That is the way it should be in this, the finest market in the world.

But farmers have a right to complain because they do not have an equal deal in this best-of-all markets.

And they are complaining.

They complain because our imported farm surpluses are burdensome. They complain because this policy causes unemployment. They complain because this policy forces the farmer to ask for public subsidies to keep going and plunges the Nation further into debt.

Here is the official record, graphically compared, on which they may base their factual nonpolitical complaint:

A comparison of United States exports and imports for the first 9 months of 1939

Agricultural products:	
Exports.....	\$581,594,176
Imports.....	1,048,082,160
Industrial products:	
Exports.....	1,574,827,812
Imports.....	573,863,399

## Roosevelt's Action Is Sheer Political Vindictiveness

### EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

Mr. BENDER. Mr. Speaker, President Roosevelt has vetoed the effort of Congress to keep its faith with the people of Ohio. His action is completely unjustifiable. In 1938, after the Democratic Governor of Ohio, Martin L. Davey, had been repudiated at the primaries of his own party, the Social Security Board found occasion to withhold payment of the Federal Government's share of Ohio's old-age pensions



for October. The situation was corrected as soon as it was revealed, and it has never recurred. Under the present Republican administration of Gov. John W. Bricker, of Ohio, there is no possibility of its recurrence.

The President's action is sheer political vindictiveness. He has accused Ohio of failing to bear its proper share of the problems confronting its needy. By his own act, the New Deal stands convicted of his own charge.

Ohio citizens will understand the motives behind the President's veto. I am certain that they will not quickly forget or forgive.

### A Lincoln Memorial

#### EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

EDITORIAL FROM THE WASHINGTON POST OF JANUARY 24, 1940

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial which appeared in this morning's issue of the Washington Post.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 24, 1940]

#### A LINCOLN MEMORIAL

When it came to a show-down between the world premiere and the film itself, the movie of Abe Lincoln in Illinois won hands down. That is a point on which even the critics were unanimously agreed. Neither searchlights nor celebrities could successfully distract attention from the highly realistic portrayal of the formative years of one of America's most beloved heroes.

The historical narrative must rely for effect as much on the associations it conveys as on the plot itself. Without knowledge of the sequel the drama of Lincoln's early life would have little meaning. But at a time when current problems seem at least as complex as those of the Civil War period, a faithful presentation of even part of the Lincoln saga carries an enormous impact.

Many will agree with Mrs. Roosevelt, who noted in her column that she was especially impressed by the use of Lincoln's own words. Certainly two of the most moving and best acted scenes are Lincoln's two speeches, the "House Divided" debate and the farewell to his neighbors in Springfield, both using the simple and eternal sentences as this great orator really spoke them.

This general fidelity to detail, however, made more of an anticlimax the glaring anachronism which has the Battle Hymn of the Republic sung several weeks before the outbreak of the Civil War and months before the fighting which inspired its composition by Julia Ward Howe.

### No Third Term

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

Mr. PLUMLEY. Mr. Speaker, answering a recent inquiry made of me, "Should any President serve a third term?" I made the following reply:

The words of Thomas Jefferson written to the Legislature of Vermont after it had urged him to reconsider his decision to retire, having served two terms as President of the United States, afford in my judgment, a perfect answer to your query: "Should any President serve a third term?"

Jefferson wrote:

That I should lay down my charge at a proper period is as much a duty as to have borne it faithfully. If some termination to the services of the Chief Magistrate be not fixed by the Constitution,

or supplied by practice, his office, nominally 4 years, will in fact become for life and history shows how easily that degenerates into an inheritance. Believing that representative government, responsible at short periods of election, is that which produces the greatest sum of happiness to mankind, I feel it a duty to do no act which shall essentially impair that principle, and I should unwillingly be the person who, disregarding the sound precedent set by an illustrious predecessor, should furnish the first example of prolongation beyond a second term of office.

He tells us in his autobiography that his deep-seated convictions were based on—

The importance of the office, on the fierce contentions it might excite among ourselves if continuable for life, and the dangers of interference either with money or arms by foreign nations to whom the choice of an American President might become interesting.

The tradition established by Washington, followed by Jefferson, Jackson, Johnson, Grant, and others, should be emulated.

### Borah Might Have Said It

#### EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

EXCERPT FROM CYRANO DE BERGERAC

Mr. WELCH. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD an excerpt from Brian Hooker's translation of Edmond Rostand's *Cyrano de Bergerac*, as printed in the San Francisco News under the title "Borah Might Have Said it":

CYRANO: What would you have me do?

Seek for the patronage of some great man,  
And like a creeping vine on a tall tree  
Crawl upward, where I cannot stand alone?

No; thank you \* \* \*

To sing, to laugh, to dream.

To walk in my own way and be alone,

Free, with an eye to see things as they are \* \* \*

At a word, a yes, a no,

To fight—or write. To travel any road

Under the sun, under the stars, nor doubt

If fame or fortune lie beyond the bourne—

Never to make a line I have not heard

In my own heart; yet, with all modesty

To say: "My soul, be satisfied with flowers,

With fruit, with weeds even; to gather them

In the one garden you may call your own."

So, when I win some triumph, by some chance,

Render no share to Caesar—in a word.

I am too proud to be a parasite

And if my nature wants the germ that grows

Towering to heaven like the mountain pine,

Or like the oak, sheltering multitudes—

I stand, not high it may be—but alone!

### Irrigation of Great Plains Region

#### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

CORRESPONDENCE BETWEEN HON. CARL HAYDEN, OF ARIZONA, AND THE SECRETARY OF THE INTERIOR

Mr. NORRIS. Mr. President, recently there has taken place between the Senator from Arizona [Mr. HAYDEN] and the Secretary of the Interior, Mr. Ickes, some correspondence

on the subject of the irrigation of portions of the part of the country known as the Great Plains. I think this correspondence can be read with much profit by every Member of the Senate, especially those from the West. I ask unanimous consent that the correspondence, together with a memorandum attached to the letter of the Secretary of the Interior, be printed in the RECORD.

There being no objection, the correspondence and memorandum were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
COMMITTEE ON APPROPRIATIONS,  
December 18, 1939.

The Honorable the SECRETARY OF THE INTERIOR,  
Washington, D. C.

MY DEAR MR. SECRETARY: According to the United States Weather Bureau the Great Plains and Dust Bowl areas of the West are now experiencing the most severe autumn drought in recorded history.

The Department of Agriculture estimates that in the last 9 years more than 100,000 farm families have been forced by drought to leave the Great Plains area. Most of these have moved westward, seeking irrigated land, where they would have an assured water supply, but the irrigated land available has been inadequate to settle more than probably 5 percent of those who desire to reestablish themselves. The remainder have largely become migratory farm laborers, eking out a bare existence, or have become dependent upon relief. In either case, they are the chief cause of a growing relief problem and of the social unrest throughout the Pacific Coast States.

It now appears that this Great Plains drought, which many have thought each year might soon be broken by a return of normal precipitation, instead is becoming more acute.

I understand that hearings on the Department of the Interior appropriation bill for the fiscal year 1941 are scheduled to be begun by the House Committee on Appropriations early in January. This bill, as you know, must provide appropriations for the regular western reclamation program under the Reclamation Act, and because the Bureau of Reclamation has played a leading part in connection with the Great Plains water-conservation projects, I assume that appropriations for continuing that program under the Case-Wheeler Act should also logically be included therein.

Before these hearings begin, I should like to have prepared by your Department a broad program of reclamation and water-conservation projects for the arid, semiarid, and Great Plains States which you and your advisers believe to be a reasonable and practicable approach to a permanent solution of these problems within the limits of your Department—not just a palliative, but a start on a permanent cure—to the end, if possible, that the construction of water-conservation projects including many small reservoirs be immediately undertaken and pursued on an adequate scale to check any further migration of farm or city population from that area by making sufficient irrigation and stock water available at least to maintain the present population on a self-supporting basis.

I should appreciate it if your outline would also include what you and your Department would consider a reasonable program of procedure for carrying forward promptly the regular reclamation projects which are normally financed from the Reclamation Fund and from the General Treasury, so that at least a substantial percentage of the former Great Plains farmers, who have already migrated westward and are qualified or could qualify for irrigation farming, could have an opportunity as soon as possible to reestablish themselves and their families and again to become self-supporting—ultimately home owners and taxpayers.

It might also be desirable to indicate the amount which would be required to make the necessary investigations and water inventories for the program which you outline.

It is significant to note that the Work Projects Administration expenditures alone for the fiscal year 1939 in the 17 arid, semiarid, and Great Plains States affected by this drought problem, exceeded \$359,000,000. It occurs to me that if larger expenditures in this area were made during the next few years on the type of program which I am requesting you to prepare, it would not be long before the existing heavy relief load could be materially curtailed, if not almost eliminated.

Assuring you of my appreciation for your prompt attention to this matter, I am,

Yours very sincerely,

CARL HAYDEN,  
United States Senator.

THE SECRETARY OF THE INTERIOR,  
Washington, January 18, 1940.

HON. CARL HAYDEN,  
United States Senate.

MY DEAR SENATOR HAYDEN: Your letter dated December 18, 1939, discusses the long-continued drought in the Western States which has created a human problem of great magnitude. It also suggests that steps toward a solution of this problem are possible by a comprehensive program of water conservation and irrigation, and by extending the usual operations of the Bureau of Reclamation.

There are two distinct phases of the human problem caused by the extended drought: First, that of anchoring insofar as possible the remaining population in the drought area, and this can be accomplished in part through irrigation developments; and second, that of providing opportunities for the rooting in new soil of the people who have drifted to the far Western States from other areas, and this can be achieved in part by the completion of irrigation projects to utilize the water resources as yet unconsumed in those States.

For a full decade now the drought has continued. While the area most critically affected has shifted from year to year, the general focus has been on the Great Plains area. In 1934 and again in 1936 severe drought was general in the West. While each new season has brought renewed hopes for general relief, the last 4 months of 1939 were drier over wider regions than any others in the decade. There are several reasons to fear that the worst has not as yet been experienced. Depletion of underground water and soil moisture has been so great that even normal rainfall in 1 or 2 years may not bring full relief.

That the migration westward of homeless people is keyed largely to the drought, although not all the migrants are from critical drought areas, has been widely assumed. The migration was reduced in 1937 and again in 1938, but it picked up sharply and coincidentally with the pinch of the severe 1939 drought.

Reliable estimates place at 75,000 families the number which has left the Great Plains drought area alone during the decade. More may have to go unless succored. Reliable information indicates that during the 10-year period 110,000 families migrated to California, 18,000 to Washington, 18,000 to Oregon, and 7,000 to Idaho. These were homeless people. Not all, however, were made homeless by drought. Some were cut loose from their moorings in other areas in other ways. It matters little to the victim or to the Nation, once the migrant has joined the hopeless army, what forced his enlistment.

The squads from this army which have been able to relocate themselves make up, according to the best estimate, only a very small percentage of the total number.

For the most part the migrants are worthy people. They are victims of circumstances beyond their control. They place a responsibility upon their Government. This responsibility largely has been met so far by expedient and temporary measures.

Both in the critical drought area in the Great Plains and in the far Western States disproportionately high relief expenditures have resulted. As you suggest in your letter, the time probably is overdue when we look to such corrective work as can be undertaken.

Last year a start along this line was authorized with the appropriation of the Interior Department Appropriation Act of 1940 of \$5,000,000 to develop a few irrigation projects in the Great Plains and other arid and semiarid regions on which this appropriated and some relief funds might be used. Several of these projects are now under way in Montana, North Dakota, and South Dakota. They must of necessity born of the meager water supplies available near usable lands be small, and they must because of relatively high per acre cost be separated from the usual Federal reclamation projects, since they cannot be expected to return directly in dollars to the Treasury the full amount of their construction costs. In savings in future relief expenditures and in the prevention of human misery, however, they will make up the deficit uncounted times.

A program involving approximately \$5,000,000 a year on a reimbursable basis for projects of this type and relief and nonreimbursable expenditures of \$5,000,000 to \$7,000,000 a year seems indicated. I am furnishing, as you suggested, an outline of a 5-year program proposed by the Bureau of Reclamation of this size, which could be carried forward efficiently.

Many of the projects proposed are far removed from the centers of relief load, and camp housing frequently will be necessary. This suggests the possibility that C. C. C. camps might advantageously be used where relief laborers are deficient in number. Such construction provides excellent training and educational advantages for the young men of the Civilian Conservation Corps.

There can be no doubt that irrigation can and must occupy a prominent place in the plans for the stabilization of the Great Plains.

Now, turning to the other phase of the problem—that of providing new opportunities for the migrants—the new reclamation projects in the West provide the logical answer. Such great developments as Grand Coulee Dam, and others only smaller in size, will offer many new homes. At least \$50,000,000 to \$60,000,000 each year for several years to come could well be used by the Bureau of Reclamation in the construction of projects of this type which are wholly reimbursable.

An attempt was made by the Congress at its last session to give the penniless but worthy drought victims an equal opportunity to obtain such homesteads on irrigation projects as might be made available this year. The operation of another statute which expires in February 1940, however, through the granting of a 90-day preference to veterans, has made the new statute virtually inoperative. The homesteads were taken by veterans. Such matters as these should be taken care of in order to insure the most sensible use of the new lands to the greatest public good.

Sincerely yours,

HAROLD L. ICKES,  
Secretary of the Interior.



## Small water conservation projects for construction in part by relief forces

## PROJECTS PROPOSED IN SECRETARY IKES' LETTER

Project	Description	Area (acres)	Estimated cost, non-relief funds
<b>Arizona:</b>			
Holbrook	Chevalon Reservoir, canals	6,000	\$400,000
St. John	Indian Hill Reservoir	10,000	200,000
Silver Creek	Reservoir	10,000	200,000
Various	Tributaries of Colorado River	7,000	500,000
<b>Total</b>		<b>33,000</b>	<b>1,300,000</b>
<b>Colorado:</b>			
Silt	Enlarge Harvey Gap Reservoir, improvement canals	5,700	400,000
Mancos	Jackson Gulch Reservoir	10,000	700,000
Various	Tributaries of Colorado and Arkansas Rivers	5,000	200,000
<b>Total</b>		<b>20,700</b>	<b>1,300,000</b>
<b>Colorado-Nebraska:</b>			
Wray	Wray Reservoir	3,800	400,000
<b>Idaho:</b>			
Malad	Devil Creek Reservoir	7,600	200,000
Norwood	Little Payette Lake Reservoir enlargement	7,300	200,000
Various	Weiser River and tributaries	11,300	800,000
<b>Total</b>		<b>26,200</b>	<b>1,200,000</b>
<b>Kansas: Various</b>	Kansas, Arkansas, and Cimarron River Basins	25,000	1,900,000
<b>Montana:</b>			
Big Horn-Turlock	Pumping, Yellowstone River	1,100	25,000
Sadie Flat	do	4,601	200,000
Haley	do	1,500	125,000
Musselshell	Deadman's Basin Reservoir	15,000	1,000,000
Various	Upper tributaries of Missouri River and Yellowstone River tributaries	10,000	655,000
<b>Total</b>		<b>32,201</b>	<b>2,000,000</b>
<b>Nebraska: Various</b>	Niobrara, White, and Republican River Basins, and tributaries of Platte River	27,000	1,900,000
<b>New Mexico: Various</b>	Cimarron, South Canadian and Colorado Basins	15,000	1,000,000
<b>North Dakota:</b>			
Nesson Valley	Pumping plants, canals, Missouri River	18,300	500,000
Livona Flats	do	6,000	250,000
Winona Flats	do	7,600	200,000
Hancock	do	7,500	450,000
Various	Grand, Cannonball, Heart, and other western tributaries of Missouri River	9,000	600,000
<b>Total</b>		<b>48,400</b>	<b>2,000,000</b>
<b>Oregon:</b>			
Vale-Bully Creek	Bully Creek Reservoir	33,000	\$500,000
Canby	Pumping or diversion	4,000	400,000
Various	Rogue and Deschutes tributaries or in Lahonton Basin	9,000	600,000
<b>Total</b>		<b>46,000</b>	<b>1,500,000</b>
<b>Oklahoma:</b>			
Fort Supply	Canal system	18,500	1,200,000
Various	Cache and Beaver Creeks or Washita River	6,000	400,000
<b>Total</b>		<b>24,500</b>	<b>1,600,000</b>
<b>South Dakota:</b>			
Missouri River	Various pumping developments	18,000	1,500,000
Various	Grand, Bad, and White River Basins or Beaver Creek	7,000	500,000
<b>Total</b>		<b>25,000</b>	<b>2,000,000</b>
<b>Texas:</b>			
Balmorhea	Reservoir	12,000	350,000
Various	Upper Brazos and Upper Colorado Basins or Palo Duro	25,000	1,650,000
<b>Total</b>		<b>37,000</b>	<b>2,000,000</b>
<b>Utah:</b>			
Gooseberry	Reservoir, canals, diversion tunnel	11,500	600,000
Emery County	Joe's Valley Reservoir and Canal	39,000	1,000,000
Newton	Newton Reservoir	3,800	200,000
Similar projects	Colorado and Bonneville Basins	3,000	200,000
<b>Total</b>		<b>57,300</b>	<b>2,000,000</b>
<b>Wyoming:</b>			
Eden	Eden Reservoir reconstruction, canals, etc.	16,000	600,000
Bear River	Enlarge Pleasant Valley Reservoir and Canal	20,000	600,000
Various	Green, Platte, or Yellowstone Basins	12,000	800,000
<b>Total</b>		<b>48,000</b>	<b>2,000,000</b>
<b>Grand total</b>		<b>469,391</b>	<b>24,100,000</b>

## Small water conservation projects for construction in part by relief forces—Continued

## PROJECTS UNDER PRESENT APPROPRIATION (\$5,000,000)

Project	Description	Area (acres)	Estimated cost, non-relief funds
<b>Under construction:</b>			
Montana: Buffalo Rapids No. 2	Pumping plants and canals	9,800	\$650,000
North Dakota: Buford-Trenton	do	13,400	630,000
South Dakota: Rapid Valley	Pactola Reservoir	12,000	980,000
<b>Subtotal</b>		<b>35,200</b>	<b>2,660,000</b>
<b>Proposed for construction:</b>			
Montana, Nebraska, North Dakota: Various	Storage, pumping, diversion dams, canals	42,236	2,340,000
<b>Grand total</b>		<b>77,436</b>	<b>5,000,000</b>

## Regulation of the Over-the-Counter Security Markets

## EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

ADDRESS BY HON. FRANCIS T. MALONEY, OF CONNECTICUT

Mr. MALONEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address on the subject Regulation of the Over-the-Counter Security Markets, which I delivered at a meeting of the California Security Dealers Association, the Investment Bankers Association, and the National Association of Securities Dealers, at San Francisco, Calif., on August 22, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Opportunities to make an address which is neither a congressional debate nor a political speech are fairly rare in the life of a Senator. I am, therefore, particularly pleased to take advantage of the opportunity which you are affording me today to discuss a subject which, in the ordinary sense of the word, is completely nonpolitical. I refer to the 1938 amendment to the Securities Exchange Act of 1934.

As you all know, the first national securities dealers' association to be formed under that amendment has just been registered by the Securities and Exchange Commission. It, therefore, seems appropriate at this time that I, as the individual who must accept responsibility for the introduction of the measure, should review before an audience of this character something of the historical background of what is sometimes called the Maloney Act and the promise which it holds for the future. It is not my purpose and it would not be appropriate for me to discuss the mechanics or the administration of the act. Those are matters within the jurisdiction of the Securities and Exchange Commission, which I know constitute the subject matter of numerous round-table conferences between the representatives of the securities business and those of the Commission. It is rather my intention to take advantage of this occasion, so soon after the registration of the National Association of Securities Dealers, to discuss the philosophy underlying the act and its connotations for the future.

I have said that this subject is nonpolitical. That statement is true. No individual or small group of individuals may justly claim the complete authorship of this measure. It represents a joint enterprise and a protracted effort by the Government and the investment bankers and security dealers of the country to accomplish a result earnestly sought after by each. The statute as finally enacted, while perhaps perfect in the eyes of no one, since perfection is at best rare, undoubtedly represents a far greater degree of unanimity of opinion on the parts of both Government and business than does any other law regulating the securities business which has ever been enacted. That such is the case is the result of the spirit of close cooperation and of compromise which characterized the representatives of the Securities and Exchange Commission and of the securities business in their negotiations and in their appearances before the committees of Congress. No one achieved everything that he desired, but the net result has received the blessing of all parties concerned. This fact alone would make the 1938

amendment a landmark in the relations between the brokers and dealers of the country and the Government.

But perhaps of even greater significance is the underlying purpose of the act itself. For this legislation represents what is actually a two-way street in the field of cooperation between Government and business. In the vast and highly ramified business in securities transacted otherwise than on exchanges, this act is designed to effectuate a system of regulation the need for which is recognized on all sides, in which the members of the industry will themselves exercise as large a measure of authority as their natural genius will permit.

And here let me say that no one is more familiar than I with the very high quality of intelligence and character of the men engaged in your business. My native State of Connecticut was one of the early cradles of banking and finance in this country. The finest traditions of public responsibility and honor are deeply embedded in our financial community. So far as I am qualified to judge, and I think I am fairly well qualified, what I say of the bankers and securities dealers of Connecticut is generally true throughout the country. First as a member of the Committee on Interstate and Foreign Commerce of the House of Representatives and then as a member of the Banking and Currency Committee of the Senate, it has been my privilege to meet personally a very large cross section of your profession from all parts of the United States and to discuss with them the legislative problems which have been our common concern. Though, unfortunately, I cannot lay claim to the same intimate acquaintanceships and years of experience in California which have been mine in New England, I have good reason to know that the same high standards of financial integrity maintain among you as do in my native State. Furthermore, the importance of your profession in all parts of the country is unquestioned. Without it, the economy of this country could never have been built up as it has been.

Unfortunately, however, there can be no large group of people engaged in any industry or enterprise which enjoys potentialities for profit which does not attract the careless or the greedy few who bring discredit upon the entire group unless prevented by regulation from so doing. It is with this problem of imposing proper standards of business conduct upon that small minority who are unable to function properly without external restraints that we have all been wrestling for years. The machinery of your business is delicate. It can be dislocated either by corruption from within or by unwise and burdensome regulation from without. Our task is to prevent the former without risk of the latter. The statute we are discussing today provides a formula designed to accomplish this result. This formula is predicated upon the principle that corruption from within, so far as possible, should be prevented from within, and that external restraints should be rendered unnecessary as a result of the exercise of self-restraint.

It was the purpose of Congress to provide the broadest practicable opportunity for the knowledge and experience of the members of this highly technical calling to be employed in the elimination of undesirable practices and in the promotion of truly professional standards of character and competence. Subject only to such governmental controls as are believed to be necessary to safeguard minorities and individuals and to prevent the growth of monopolistic or similar abuses, Congress has undertaken to provide a mechanism whereby the securities business of the country may deal with all problems of technical regulation, leaving to the Securities and Exchange Commission what it is hoped will be the residual position of policing the submarginal fringe which recognizes no sanctions save those of the criminal law and of dealing with those problems of regulation with which the industry, as organized under the act, finds itself unsuited or unable to deal.

That this legislation will be administered in the light of this congressional intention seems amply clear from the statements which have been made by the Commissioners and officials of the S. E. C. These gentlemen have stated repeatedly that, insofar as the business can and will take the initiative under the act, the Commission will be more than happy to play the residual role which I have described. Sight must not be lost, however, of the fact that the Commission, under the various acts which it administers, is charged with a congressional mandate with respect to the securities markets of the country. This mandate must be carried out, and it is hoped that it will be, so far as possible, by the voluntary action of the brokers and dealers themselves. The Commission, however, still retains jurisdiction to supplement such voluntary action by direct regulation where such is found to be necessary. Thus there has been established the program for what I think has quite properly been called truly cooperative regulation. So far as I know, this is a pioneering effort in the field of cooperation between business and government, though a natural development of the program for the regulation of exchanges contained in the original Securities Exchange Act of 1934. One of the best indications of the probable success of this undertaking seems to me to be furnished by the degree of cooperation achieved in the production of the legislation of 1938.

Unfortunately, your business has been passing through one of those quiet periods which from time to time occur in our economy. There are many indications, I am happy to say, that this period of dullness is drawing to a close. In my own industrial State, with the conditions of which I am most familiar, I can definitely state that business is much improved. Nevertheless, it is clear that a special effort is required in times such as these to bring to complete fruition an enterprise of the magnitude and importance of that which is now being launched within your business. It is primarily for the purpose of urging upon you, who are the leaders in this great enterprise, the exercise of an intensified energy and a mag-

nified enthusiasm that I appear before you today. I do not ask or suggest that you undertake this special effort because I want some special credit from an act which bears my name. I can assure you that I have no pride of authorship or of sponsorship of that act except so far as it or I can be a little helpful in promoting your great business and through it the general business welfare of the country. There exists no compensation for a conscientious legislator other than such satisfaction as may result from witnessing betterment of the conditions under which men must live and work as the result of wise legislation. The ultimate sound prosperity of your business is as close to my heart as it is to yours because, insofar as you prosper soundly, an important contribution is made to the entire business life of the Nation.

We are all at times critical of government and of legislative policy. It is only human to find it easier to condemn than to construct. Most of us, however, have sufficient experience and maturity to realize that little is accomplished by purely negative criticism; and in this realization can only fairly ask, in those phases of our lives which are to us most important, a fair opportunity to bend our energies in the direction of constructive effort. In your business such an opportunity is afforded you in the 1938 amendment to the Exchange Act. Here is provided your chance as an industry to take the initiative and make an important and permanent contribution to good government. As Americans we all naturally abhor regulation. Both you and I would like, so far as possible, to live without rules of conduct being imposed upon us. We are, however, old enough to know that, in a civilization as complicated as ours, it is essential to the public welfare that there be a very large amount of regulation. When traffic lights first made their appearance among us, I dare say we all grumbled about what today we recognize as a public necessity. We all can multiply this simple illustration manifold. However, a mere recognition of the need does not necessarily make the process of regulation more palatable. We all desire to confine it to its essential minimum. Nevertheless, we all recognize that it must not be permitted to fall below that minimum lest the healthy flow of commerce be rendered as chaotic as undirected traffic on the streets of a great city.

The form of regulation, however, may well be as important as its substance. The regulation within a highly professionalized business such as yours should not only be very much more acceptable but also more effective than the imposition of legal sanctions. The very form of rules and the procedure for their adoption and enforcement with an association organized under the act, can be infinitely more simple, exact, comprehensive, and understandable than those of a public administrative body required to act under rigid legal formula. Moreover, while it is possible for public authority to undertake to stamp out abuses and to eradicate demonstrated evils, there is little of an idealistic nature which can be accomplished by criminal law and administrative rule making. An important part of our problem, it seems to me, is the promotion of the vitality and well-being of your great business. How much more competent you are to play the dominant role in this undertaking than can be any group of public officials, no matter how wise or how devoted. That the forward-looking brokers and dealers throughout the country are well aware of these considerations is demonstrated by the fact that the challenge has been accepted. A national securities dealers' association has been formed and registered with the Commission, but the important work lies ahead. Let us all hope that the energy and enthusiasm which has brought this association into being will carry it forward to a future of accomplishment as brilliant as its opportunities are challenging. Is it visionary to suggest that we may be attending the preview of a drama in which not only the securities business, but all branches of American industry, may some day play a part?

As I have already indicated, it is almost necessarily the case in cooperative enterprise that no one is able to effectuate all of his views. Differences of opinion are, of course, inevitable when engaged in pioneering. Even when there is substantial agreement as to objectives, reasonable and honest men can differ very widely on questions of method. It is therefore not surprising, as I read the opinion of the Securities and Exchange Commission granting registration to the National Association of Securities Dealers, that there should be a few reservations in the mind of the Commission with respect to some of the provisions of the constitution and rules of the association. Experience and a common will to make this effort a success should in due time correct such mistakes as may be found to have been made. In any event, a very substantial beginning has been made, and I find it a source of gratification that it has been found possible substantially to reconcile the views of the many elements in the over-the-counter securities business throughout the country and to coordinate the efforts, not only of the established groups within the business such as the Investment Bankers' Conference, the Investment Bankers' Association, the California Security Dealers' Association, and the others, but also of a vast number of individual houses, both large and small.

The precise form of the organization and rules of the new association which has just become registered in all probability are not entirely to the satisfaction of anyone. Many of us had hoped and continue to hope that it would be able to assume an even larger measure of responsibility over the business than is provided for in the present rules. Nevertheless, the program has always been recognized as essentially evolutionary and a long step forward already has been taken. Here, in a most important field, active cooperation between government and business is at last a reality. In what has heretofore been a heterogeneous and almost entirely unorganized group of firms dealing in securities over the counter, there has come into being a mechanism whereby the Government, through the S. E. C., and the brokers and dealers throughout the country can



combine their energies for the protection of the public and of the securities business against the depredations of the few. Clearly such protection is the first and most important element in securing the confidence of the public, without which there can never be a healthy and prosperous securities business. Now, as in the case of a properly organized and administered securities exchange, there is a medium within the business itself through which the investing public can undertake to obtain redress where there has been unfair dealing and preventive measures to eliminate improper practices without being forced to invoke the necessarily somewhat cumbersome processes of law. All of this I conceive to be a great achievement, not in the field of politics as the word is often used, but in that of democratic government.

I am exceedingly grateful to you for inviting me to meet with you and to speak to you briefly on a subject of such importance to you and to all of us. The future of your business is in your hands. I think the prospects are brightened and your business immeasurably strengthened because you now are members of a partnership with government. This partnership is in a sense unique in the field of American business. It affords brilliant possibilities in the achievement of which your fraternity should be immeasurably assisted because there has been made available to it the talents, experience, noble purposes, and energy of that skillful body of men in Washington who compose the Securities and Exchange Commission and its staff. Their task is at least as difficult as yours, and believe me when I tell you that they can have no real reward without your success in achieving the major objectives. Because I know the men of that Commission and because I am well aware that your fraternity is composed of people of patriotism, courage, vision, and firm faith, I look forward with confidence to the future of this partnership which has been formed between government and business. Benefits which should flow to the public from such an alliance are incalculable and, likewise, the upward and forward movement of your business and of business generally should be definitely stimulated.

### Investigation of Life Insurance

#### EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

LETTER FROM THE COMMISSIONER OF INSURANCE OF COLORADO

Mr. JOHNSON of Colorado. Mr. President, I am in receipt of a most excellent and timely letter from the Commissioner of Insurance of Colorado, Mr. Luke J. Kavanaugh, on the general subject of the investigation of life insurance now in progress by the Temporary National Economic Committee. This good letter pointedly states the attitude of many of the life-insurance policyholders of my State. I desire, therefore, to make it available to the Temporary National Economic Committee and the Congress.

I join Mr. Kavanaugh in favoring any fairly conducted fact-finding investigation of the life-insurance business which is not made for the purpose of providing a basis and groundwork for Federal bureaucratic supervision and control of this important industry.

During recent years our Government has taken an active interest in providing badly needed security for our people with Federal and private funds. This burden is very great, and doubtless will require much planning and an immense outlay of resources before it can be made fully effective.

In the circumstances it occurs to me that our Government should lend every possible assistance to private agencies struggling to provide security for our citizens. Should the life-insurance companies be harassed until their present service is impaired, the policyholders will be the direct losers and the whole people of our country, as well as the Federal Government, will be the indirect losers.

Dual supervision of life insurance by State governments and the Federal Government, in my opinion, would be disastrous to the life-insurance companies. Since under our system of government there is no escape from State supervision, we should be content not to force the confusion which

must inevitably follow by imposing upon this necessary and important private service Federal supervision. Also policyholders positively do not need both supervisions, and that means that it is imperative that the Federal Government keep out of this field.

I ask unanimous consent to insert Mr. Kavanaugh's good letter in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF COLORADO, INSURANCE DEPARTMENT,  
Denver, January 5, 1940.

Hon. Ed. C. JOHNSON,  
Senate Office Building, Washington, D. C.

My DEAR SENATOR: I was greatly disappointed not to see you while you were in Colorado recently. However, that pleasure must wait.

This matter of the T. N. E. C. investigation of life insurance should, I think, be scrutinized closely.

The congressional committee, headed by Senator O'MAHONEY as chairman, and Representative SUMNERS of Texas as vice chairman, is trying to be entirely fair and to keep the inquiry on an objective basis. But some sinister influence seems to be at work.

The result, it seems to me, is that instead of a hearing it has all developed into a prosecution in which no defense is admissible. It may be that I am unduly alarmed, but I am tired of this ever-increasing projection of Government into private business.

After all, there must be something good about an industry that despite wars, panics, and depressions has accumulated assets in excess of \$25,000,000,000. Of course there are weaknesses and abuses to be remedied. But this work should be done in a constructive way and by the States. For instance, we have a claims department that handles in excess of a thousand complaints made by dissatisfied policyholders every year. If the decision in these matters, instead of being made by the commissioner of Colorado, should be dependent upon the whims of some department in Washington, it is easy to see the innumerable delays and red tape that would ensue.

One of the principal attacks has been made upon the agency system. There are 12,000 licensed insurance agents in Colorado, the great majority being honest, industrious men and women. Should they all be annihilated?

The shining argument for the agency system is war-risk insurance, with which I am somewhat familiar. Of approximately 4,200,000 policies in effect in the World War only 600,000 are in existence today. I have always believed that this unparalleled lapsation was due mainly to the lack of a Government agency system. After all, the insurance agent's work does not end with the sale of a policy—it just begins. From then he is the friend and valued insurance adviser of the policyholder.

Various suggestions have been heard to the effect that Federal regulation may be superimposed upon the present supervision of life insurance companies by States, that the Securities and Exchange Commission may be given control over company investments, that this Commission, or some other Federal agency, will take charge of elections of directors of mutual insurance companies, and that a limitation may be placed upon the size of companies.

Senator BURKE, of Nebraska, made an outstanding speech upon the entire matter in Omaha recently. Speaking of the contemplated plans, he said, "If any or all of these proposals are made effective, it will mean that new impetus will be given to the movement toward socialization of business and industry, that the Federal Government will encroach further upon the sovereignty of the States, that the burdens and problems of the insurance companies will be vastly increased, that a Federal bureaucracy will create new maladjustments in the economic structure through its attempts to apply untried social and economic theories, and that citizens in their capacity as taxpayers will suffer from the new costs of regulation and in their capacity as policyholders will feel the adverse effects of unwarranted interference with private management."

It seems to me, from reading as much of the record as has been obtainable, together with innumerable articles on the subject, conversations with witnesses, etc., that the departmental representatives who have been most conspicuous in hearings have a strong bias against big business. They seem to believe that a concentration of power in the Federal Government is necessary to break up a concentration of power in private industry.

They see monopoly in every large aggregation of capital and are prone to overlook such benefits as are derived by the masses of our population from the great institution of insurance. This all looks to me more like a Socialist and Fascist state than it does like an American system of free enterprise.

It is significant that thus far the report made does not contain a criticism as to the use made by insurance companies of their funds. Nothing has been said about insolvent companies, which as compared to the grand total, are insignificant. Nor has this department received any suggestions as to betterment of insurance as a result of the extended inquiry.

The report states that as of December 1, 1938, the 49 largest legal reserve life insurance companies owned 11 percent of the direct and guaranteed debt of the United States Government, 9.9 percent of all State, city, municipal, and political subdivisional debt, 22.9 percent of all railroad bonds, 22 percent of the entire public utility debt,

15 percent of the industrial debt, 11 percent of all farm mortgages, and 14 percent of all city mortgages.

The inference is intended to be critical, but I think it must be admitted that these figures offer impressive evidence that the insurance companies have played a tremendously helpful part in the financial structure of the country, and have also made it possible for our governmental bodies to operate on a deficit basis without disaster.

In its preliminary report the committee does not offer a remedy. However, it seems obvious that in the final report some sort of a plan or plans will be presented for greater governmental control of business and industry.

Another important aspect of the insurance situation which has not been emphasized is the adverse effect of present Government policies upon the companies and on policyholders. In this connection there is possible Federal competition. According to newspaper reports, Senator WAGNER, who has a proposed bill for annuities, states that this would not be competition with insurance companies because the average annuity in his bill would not exceed \$100 per month. Figures show the average annuity today pays between \$29 and \$30 per month.

This letter is perhaps entirely too long; but this is a vast subject, and one in which I have taken a decided stand publicly and privately against Federal supervision of insurance. Much good might have resulted from this investigation. My opinion is that the opposite has been the result. Federal regulation would place a new burden on insurance companies. They already pay heavy taxes, both to the States and Federal Government. Any further extension of Federal authority would mean more special taxes. Policyholders would lose more than they could possibly gain from Federal supervision.

With kindest regards.

Yours very truly,

LUKE J. KAVANAUGH,  
Commissioner.

## Nonpartisanship in Foreign and Domestic Policy

### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Senator from Ohio [Mr. TAFT] at Milwaukee, Wis., on January 19, 1940, entitled "Nonpartisanship in Foreign and Domestic Policy."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Citizens of Wisconsin, we have been treated recently, in the President's Jackson Day speech, to a lecture on the dangers of partisanship. We can all agree that partisanship is a bad thing, but particularly in a Presidential year it is essential that we know what we mean by partisanship. It is defined as meaning blind adherence to a party or faction. One of its most obvious manifestations is that of attributing devious and wicked motives to all those who disagree with your party or faction. But the President implies that because war exists in Europe, any criticism of the Executive is partisan, and tries to tag every opponent as partisan, even if his only crime consists in declining to attend a \$100-a-plate dinner and listen to a Democratic Jackson Day speech.

It is certainly not partisan to differ with the President's policies on grounds of principle, or to criticize ineffective administration, even if that administration relates to foreign affairs. The very essence of democracy is the right to discuss political questions freely, and criticize in proper terms the powers that be.

There should be no difference because a war exists in Europe. Certainly partisanship should not enter into foreign affairs any more than it should enter into domestic affairs. But if there is a fundamental difference of policy, I see no reason why it should not be publicly discussed, and I do not believe that politics in the broader sense should stop at the water's edge. Nothing concerns the people of this country, for instance, as much as the possibility of becoming involved in war. If the President pursues a policy likely to lead us into war, it is the duty of every American who disagrees with that policy to say so frankly and in as loud a voice as possible. But the discussion of foreign policy should certainly take place without rancor or personal recriminations. In that spirit I wish to discuss the position of this country in the world today.

Outside of North and South America today, we see a world at war. Implements of destruction predominate in Europe and in Asia. Cities and helpless civilians are bombed. Ships of belligerents and neutrals alike are sent to the bottom, often without warning, by mines, submarines, and bombs. It is inevitable that our people are intensely interested in these contests, and intensely interested in the question of the extent to which they may affect their daily lives and the future of their children. There is real danger that the entire civilization of Europe, built up through thousands of years, with its historical landmarks and all its tremendous humanitarian accomplishments, may be utterly obliterated.

At the special session of Congress, we considered only questions of foreign policy. According to the peculiar rules of the Senate, debate was prolonged for 6 weeks on the amendments to the Neutrality Act, although everything that could be said was probably said in the first 2 weeks. But the delay served one great purpose—it encouraged and developed an intense debate throughout the Nation on the question of American policy abroad. Serious differences of opinion developed as to the proper course which might tend to keep the United States out of the European war. Hardly two Senators took exactly the same viewpoint on all the amendments. But before the session ended, it became apparent that the American people, above everything, were determined to keep out of war, and differed only as to the best methods. There was a serious difference on the question whether the repeal of the arms embargo would involve us in war, but a fairly general agreement in favor of the cash-and-carry principle. On the whole, I think the decision made has been justified. No American ships have been sunk, and no incidents have arisen likely to lead toward war, whereas other neutral nations have lost their ships. There seems to be no immediate threat of our becoming involved.

It is not unfair to point out that public opinion in behalf of peace seems to have changed the President's own attitude toward involvement in Europe. On November 16, 1937, in Chicago, he declared his belief that we should "quarantine" the aggressor nations. In his message to Congress on January 4, 1939, he said: "The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one we must now make up our minds to save all. \* \* \* We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. They cannot forever let pass, without effective protest, acts of aggression against sister nations. \* \* \* The mere fact we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. \* \* \* There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people." It is somewhat difficult to see how we can defend religion, democracy, and good faith in other nations by any policy of mere defense of the United States. It is difficult to see how we can protest against international lawlessness effectively by mere defense of the United States. The President can only have intended to propose that this country employ economic sanctions or embargoes against a nation that it does not like, while at the same time assisting those that it does like by loans and other material assistance.

The President has done nothing up to this time to return to his earlier policy, but it is somewhat disturbing that in his address to Congress on January 3 of this year, he said nothing with regard to maintaining neutrality, and emphasized the fact that he was opposed only to becoming involved in military participation in the war. He implies that we still have some duty to interfere abroad when he says: "Of course the peoples of other nations have the right to choose their own form of government. But we in this Nation still believe that such choice should be predicated on certain freedoms which we think are essential everywhere. We know that we ourselves will never be wholly safe at home unless other governments recognize such freedoms." This language seems to imply a right and duty to interfere in foreign wars because of the character of government adopted by some of the belligerents.

I do not feel, therefore, that the President has wholeheartedly accepted the declared view of the people of this country that we must stay out of war except in defense of our own land. It is right, therefore, to discuss the reasons which lie behind our present determination to stay at peace. I believe those reasons are not based on sentiment or on any ostrich isolationism. They are based on precedent and sound logic.

War is so horrible today that the reasons against it, unless forced by direct national interest, are obvious to all. The glamour and romance of an earlier day, always largely imaginary, have been completely destroyed by the modern methods developed in the World War and since. No man wants to spend months or years himself in the trenches. All parents dread the day when their sons might sail away to war.

But it is said that we cannot stay out, and many people still seem to feel that because we chose to participate in the World War, we must inevitably be drawn into this war. Certainly we can stay out if we are determined and remain determined to do so. We have stayed out of many European wars. If we admit that we cannot stay out, we will be perpetually involved in war, for Europe's quarrels are everlasting. There is a welter of races there so confused that boundaries cannot be drawn without leaving minorities which are a perpetual source of friction. National animosities are traditional and bitter. Only in this country have they been laid



aside, and have the different races learned to live together in peace. In George Washington's Farewell Address there is one statement which is as true today as it was then. He said: "Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns."

It is difficult for us to know what is really going on in Europe, or the reasons which underlie the decisions of European governments. I have little sympathy with those who assume to judge all European statesmen, to criticize so-called power politics in Europe, who say in fact: "A plague on both your houses." There is just as much right and wrong in European quarrels as in any other quarrels, but it is difficult for us to be certain which nation is right and which nation is wrong. When I see the freedom of independent nations like Czechoslovakia and Poland destroyed, my sympathies are naturally aroused in their behalf. It is contrary to human nature to have no sympathies between contending European nations, but because we sympathize with one side is no reason why we should run onto the field and try to play quarterback.

Of course we can stay out if we wish to do so. Holland and Switzerland stayed out of the World War, although they were in the very midst of it. We have an isolated position, and it is still isolated in spite of all the improvements on sea and in the air. In fact, developments in this war seem to show that effective aerial attack cannot be made over any considerable distance. I find that many people who say that we cannot stay out, at the bottom of their hearts do not wish to stay out. Certainly this argument presents no reason for not trying to stay out.

Secondly, it has been widely argued that we should enter the war to defend democracies against dictatorships. The President's own expressions even this year have indicated a leaning to this belief. No one can sympathize more than I do with the success of democratic governments against dictatorships. No one desires more strongly than I the end of communism and nazi-ism, but I question whether war is the effective method of destroying them. Our experience in the World War did not indicate that we could interfere in European quarrels and work out any permanent or satisfactory solution. The World War did not even save democracy, but resulted in the creation of more dictatorships than the world had seen for many years. Nothing is so destructive of forms of government, particularly forms of democratic government, as war. We may go in to save England and France and find that when the war ends their governments are Communist or Fascist.

Our going to war would be more likely to destroy American democracy than to destroy German or Russian dictatorship. There are pending in Congress measures designed to have the Government take over all business and property, fix prices and wages, and regulate every detail of private employment and commercial life. The President already has statutory power to take over the railroads and manufacturing plants in case of war, and the radios and public utilities in case of threatened war. I have little doubt that he would exercise most of these powers. Mr. Edison, the Secretary of the Navy, demands that additional arbitrary powers be granted at once, and we have been warned by Mr. Johnson, the Assistant Secretary of War, that private business would be regulated in every detail by the Government. In the World War we granted extensive powers, but actually accomplished results largely through cooperation of industry. The so-called mobilization of wealth, however, carried out in a New Deal spirit, might well result in the complete socialization of all property, and I doubt whether we would ever see again real operation of private enterprise or real local self-government in the United States. We might retain the forms of democracy, but we would be likely to find ourselves with an absolutely arbitrary government in Washington, and a plebiscite every 4 years to determine who should control it. A government by plebiscite will not long remain a democratic form of government.

I believe we will do the cause of democracy much more good if we maintain our neutrality and show that a great nation can get through a crisis of this kind without abandoning democratic principles. There is only one way to spread democracy throughout the world—that is by showing the people that under democratic government they are more likely to have peace and happiness than under any other form. Democracy spread through the world in the nineteenth century from our example, and it can do so again.

The third argument that we should enter the war is based on the theory that if France and England are defeated we will be overwhelmed by Germany and Russia. This view is widely held, and it will be more strongly held if England and France should appear to be losing the war. It seems to me to be an illusion. Hitler is most unlikely to win, whether or not he can be defeated; but under any circumstances he would hardly be free to attack the United States. No dictator has ever dominated Europe for long, and he is inevitably involved in countless difficulties on that continent. France and England won the World War, but Germany has been a thorn in their side for 20 years. The problem of dealing with the other peoples of Europe, even though they are defeated, is one which will absorb the energy of any victor. Furthermore, no one wins a modern war. The victor is only a shade less exhausted than the vanquished. There seems to be no reason why Hitler or any other European dictator should pick a quarrel with the most powerful nation in the world when he has nothing to gain by such a course. I can see no reason why he should not rather encourage trade than limit it.

But, above all, the best military authorities tell us that we can defend North America and the Caribbean Sea south of us if we maintain an adequate Army and Navy and Air Force. The maintenance of a stronger Navy than any navy or combined navies that might attack us is well within our power. In short, the horrors of a modern war are so great, its futility is so evident, its effect on prosperity and happiness, and democratic government itself, so destructive, that any alternative seems to be preferable except the subjection of this country to physical attack or the loss of its freedom.

The people's determination to stay out of war is so strong that I have little fear of any involvement before the election of 1940, and therefore I hope that there will be no major issue of foreign policy in that election. But if it becomes apparent that the President has reverted to his former views, and moves to involve us in any European quarrels, and if the nominee of the Democratic Party sympathizes with that policy, then foreign policy will be an issue in the 1940 election. I feel confident that the Republican Party will not sympathize with any drift toward war and that the nominee of the Republican Party, if elected, will keep us out of war during the next 4 years if it is humanly possible to do so. The Republican Party is a peace party; the Democratic Party may or may not be a peace party.

Partisan consideration should not enter into foreign policy, but neither should partisan considerations enter into domestic policy. There is too much indication in the Jackson Day speech that the President regards all Republicans as necessarily partisan. Fortunately, we have not yet reached the time when it must be considered partisan to disagree with the President of the United States.

It is not partisan to advocate a return to sound financial policies and the balancing of the Budget, for which every past President, Republican or Democrat, has felt a moral responsibility, simply because the present Government has tried to spend itself into prosperity.

It is not partisan to criticize economic planning, and the Federal regulation of industry, commerce, and agriculture, simply because the present government has chosen to depart from the American system which brought prosperity to this country for a hundred and fifty years.

The President has recommended a tremendous increase in appropriations for the Army and Navy, and implies that any opposition to those recommendations is necessarily partisan. But certainly it is not partisan to demand that these appropriations, like every other, be submitted to the most critical examination with regard to their real necessity. We are all for adequate defense, no one more so than the Republican Members of Congress, but it must be remembered that the appropriation for Army and Navy was only \$520,000,000 in 1934, whereas this year we will spend \$1,300,000,000—more than has ever been spent before in peacetime in the history of the United States. Now we are asked to appropriate \$1,775,000,000 for 1941, or more than three times what was thought necessary 5 years ago. No doubt there are deficiencies in some branches of the service which should be strengthened. On the other hand, perhaps some branches are obsolete and could be cut down.

It is not partisan when we are asked for defense appropriations to inquire just what it is we are defending. Do we wish a navy large enough to defend all of South America? Is the increase being proposed in order to carry out the ridiculous and dangerous policy recently adopted by the Government of trying to exclude the warships of all belligerent nations from a zone 300 miles off our coasts?

We were told in 1938 and 1939 that the increased Army and Navy then provided were adequate for defense, and I have not yet seen anything which has changed the situation materially since then. Foreign navies are likely to be smaller rather than larger at the end of the present war. Developments of naval and aviation technique may make obsolete many of our present plans. Certainly we would like to be certain that we are not preparing a navy for use in European waters.

The very appeal for nonpartisanship in the Jackson Day speech was itself partisan, for it attempts to put the Republicans in the position of being partisans whenever they criticize the administration's policies. The speech itself was a partisan speech. One of the most obvious manifestations of partisanship is to attribute evil motives to your enemies. The Jackson Day speech implies that all those who preceded the New Deal were selfish and greedy; that they made the farmer an economic outcast; that the most honored element in America under their administration was made up of gamblers and speculators. No one that I know of before has questioned the sincerity of the men of both parties who have governed this country in the interest of labor and farmer and investor alike.

Forgetting all that has been done for the conservation of natural resources from the days of Theodore Roosevelt, the Jackson Day speech is partisan because it implies that we are only now beginning to conserve the natural resources of our soil, our rivers, and our trees.

Nothing is much more partisan than to paint a picture of yourself and eliminate all of the imperfections. The Jackson Day speech claims that the New Deal has kept millions of people out of the headlines, but it makes no mention of the fact that 9,000,000 people

are still out of work and dependent on Government bounty. It refers to prosperity without mentioning the fact that our national income is \$68,000,000,000, whereas for 5 years under Republican administration, it averaged \$80,000,000,000, and there were 10,000,000 fewer people among whom to divide it. Certainly it would be slightly less partisan to paint present conditions as they are.

It hardly lies in the mouth of any New Dealer to discuss the subject of partisanship. There has never been such a partisan administration as the present one. True it has not been a Democratic partisan administration. In fact, it has entirely disregarded the Democratic Party. But New Deal partisanship is more partisan than Democratic or Republican partisanship has ever been before.

Even before the President took office it is generally admitted that the "smear Hoover" campaign was one of the ablest partisan publicity stunts which this country has ever seen. The refusal of the President to cooperate before he took office on March 4, 1933, succeeded in reducing the country's economic condition to a low point on that date, which has served as the basis of a partisan argument in every New Deal speech.

From the beginning, the policy of appointments to public office has been completely partisan. Under Hoover more than 80 percent of Federal employees were under civil service. By 1936, 4 years later, it had dropped to 60.5 percent. It is said that this was necessary because of the emergency, but even in the World War under Woodrow Wilson, when office forces were developed overnight, there was no decrease in civil-service percentage. Today the percentage is increased again to 67.6 percent, but some of this increase was obtained by taking the employees appointed under the Democratic patronage system and giving them a civil-service status, often without competitive examination. It is certainly partisan to use the civil-service system to make political appointments permanent.

Could there be anything more partisan than the treatment of the Supreme Court of the United States? In the past Republican Presidents have appointed Democrats to office; Democrats have appointed Republicans; but appointments under this administration have been dictated solely by a desire that the views of the appointee on constitutional law go along with those of the President. Five New Dealers have been chosen.

Every weapon of partisanship was used to drum into line those Senators who opposed the effort to destroy the independence of the Supreme Court. Every weapon of partisanship was used to purge the Democratic Senators who opposed the New Deal policies. Every once in a while the President boasts of his nonpartisanship in appointments, but every boast is based on the disregard of the Democratic Party by the appointment of a Republican or a Socialist who is a member of the New Deal party.

It is certainly partisan to array class against class, and make political capital out of an appeal to class feeling. At the very time that the President was proclaiming his nonpartisanship, and criticizing three Republican leaders because they would not listen to this self-praise, Robert Jackson, whom he has appointed Attorney General, was saying in Cleveland: "We are holding lines for democracy today as truly as Jackson held them a century and a quarter ago." In other words, his opponents are all trying to destroy democracy. He said of them: "They have the artillery of the press, the machine-guns of the big interests, and the best commissary that money will buy. . . . They fight from training and interest . . ."

The essence of partisanship is to refuse to recognize the good faith and the honesty of our opponents. It is not partisan necessarily for the New Deal to be opposed to the system of individual initiative and private enterprise, and determined that business and commerce and agriculture must be regulated by Government bureaus; their partisanship consists in their attributing to every man who believes in the American system some selfish motive or class interest.

The Jackson Day appeal for nonpartisanship is insincere because it is made for partisan purposes by a partisan administration. Largely because of partisanship in the Supreme Court fight, because of partisanship in the National Labor Relations Board's support of one faction of labor against another, in its partisan use of public money to maintain its power, the huge Roosevelt majority of 1936 melted away by 1938. In that year there were more votes cast for Republican Congressmen than for Democratic Congressmen. In that year, based on the Congressional votes, the people would have elected a Republican President as they will do this year. Largely because of the partisan policies of the New Deal administration, the Republican majorities in States which had elections in 1939 were in all but one case larger than they were in 1938. Some Republican leaders may express doubt as to the national result, but I have yet to see a Republican leader in any normal Republican State who is not confident of Republican success in his own State in 1940.

The Republican leaders can well accept the challenge to non-partisanship. The arguments which they have to present are arguments which can stand on their own merits. They need no personalities or false logic. The more the people discuss the issues of the campaign, the more certain they are to support the Republican nominee.

Let us present our arguments in no partisan vein. The motives of our opponents are immaterial. The policies of our party are policies based on the very principles on which this Nation has been built: Sincere neutrality in European affairs; limited Government expenditures and the end of Government deficits; the encouragement and growth of private enterprise, which has increased employ-

ment in the past, and can alone restore employment and prosperity in the future. We have only to promote a discussion of the issues before the country on the basis of logic and sound reason and American precedent. The Republican Party will return to power in 1941, not because it has any peculiar party strength or weapons of partisanship, but because it represents today the faith and the ideals of millions of Americans.

## Tribute to the Late Senator Borah

### EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

EDITORIAL FROM THE STATE, OF COLUMBIA, S. C.

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Our Tallest Watchman," published in the State, of Columbia, S. C., in its issue of Monday, January 22, 1940. The editorial pays deserved tribute to our lamented colleague the late Senator BORAH.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the State, Columbia, S. C., January 22, 1940]

#### OUR TALLEST WATCHMAN

The Senators of the United States will miss the Lion of Idaho, and so will the citizens of the United States. He was, perhaps, our most distinguished Senator; a statement that is not based on the accidental fact that he was dean of the Senate. Long service does not necessarily result in fame. But long service plus great intellectual ability, plus high character, plus devotion to country and to the job he held, plus remarkable oratorical ability, does necessarily and justly result in fame.

WILLIAM E. BORAH was a "natural" in the United States Senate, which sometimes is described as the finest deliberative and debating organization in all government. He liked deliberation; he loved debate. In his capacity for deliberation he had few equals in the United States Government; in his skill as a debater he had no superiors.

People often have wondered about BORAH. Why was he never nominated for higher office? In part, the answer is this: He never was and never could be a political regular. In this he and Senator NORRIS resemble one another. Borah was too much the scholar, too much the philosopher to believe that right is to be found exclusively on one side. He called himself a Republican, but the organization Republicans never could claim him for their own. They knew that he would join the Democrats in any fight if he thought the Democrats nearer the right. They also knew that he had no sympathy for old guard Republicanism.

Intellect, character, personality, and education all made BORAH an independent liberal. He could not have been anything else. Therefore, he never was even close to a Republican presidential nomination; and the Democrats, of course, would not consider a nominal Republican even though he was, frequently, a supporter of the Democratic Party's program. Political organizations do not often nominate men who, intuitively and intellectually, dislike party discipline.

But such men are needed in this country and in this country's Senate. They are, when sincere, admirable and useful, even though they are not politically constructive. They serve as the public's watchmen and as the public's public criers. Theirs is a noble function; nobler, if judged by ethical and intellectual standards only, than is the function of the conformer, though he also is needed and is useful.

It is likely that BORAH's wide knowledge and profound comprehension were hindrances to his political career—if one would consider that career as having been hindered. He knew so much that he knew what could not be done. He knew, or he seemed to know, that no swift solutions are to be found for deep social and economic problems. But he did strive mightily to guide social and economic trends. His faith was in principles, rather than in details or in specific acts. His passionate devotion was for American democracy, which he defined broadly and compassionately—but not internationally. BORAH was, of all his group, the most splendid isolationist; for isolationism could not be attributed to stingy nationalism. He was too much the domestic liberal, too much the spender, too much the understander of the sufferings of the obscure, ever to be charged with speaking for the privileged class.



## Distinguished Service Award of 1939

## EXTENSION OF REMARKS

OF

## HON. STYLES BRIDGES

OF NEW HAMPSHIRE

## IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

ADDRESSES BY HON. HAROLD E. STASSEN AND PERRY PIPKIN

Mr. BRIDGES. Mr. President, the United States Junior Chamber of Commerce, recently, at St. Paul, Minn., awarded its annual distinguished service medal to Gov. Harold E. Stassen, of Minnesota. Governor Stassen was chosen for this award from among all the young men in the country because of the distinguished service he has rendered to his State, and therefore to the Nation.

I should like to point out that the United States Junior Chamber of Commerce, which was organized on January 23, 1920, has grown from 225 local organizations in 1935 to 750 this year; and that growth was achieved without the aid of any paid organizers. This organization is the fastest growing organization in the United States today.

Also worthy of note is the fact that, to my knowledge, this is the only youth organization that determines its entire policies and furnishes its own financing with no direction or guidance from older people. The age limits of 21 to 35 are strictly adhered to.

Junior Chambers of Commerce are now organized in every State in the Union, in the District of Columbia, Alaska, and Hawaii, as well as others in 16 foreign countries.

It is interesting to compare the young men of the United States, joining together freely in the true democratic spirit in order to contribute constructively to the welfare of the community, and the young men of Europe, who are forced to march in line to be trained to destroy.

Mr. President, I ask unanimous consent that the remarks of Governor Stassen, in accepting this honor, and those of Mr. Perry Pipkin, president of the organization, in presenting the award, be inserted in the Record.

There being no objection, the addresses were ordered to be printed in the Record, as follows:

ADDRESS BY PERRY PIPKIN, PRESIDENT, THE UNITED STATES JUNIOR CHAMBER OF COMMERCE

Tonight the Nation pays tribute to its younger business and professional men—from coast to coast in every city—assembled audiences at junior chamber of commerce meetings, and individuals in thousands of homes, are participating by radio reception in this tribute.

During the past 20 years under the banner of the United States Junior Chamber of Commerce there has grown a vast organization of over 120,000 young men—in all 48 States, in Alaska, in Hawaii—in every major city and town in our country, earnest, irrepressible, kindly, generous young men dedicated to the civic development, growth, and progress of their community, State, and Nation.

Up until a few years ago young men had never associated themselves together as young men except in times of war. January 22, 1920, saw the formation of an organization of young men composed of Jews, Gentiles, Catholics, Protestants, rich, poor, that is today the United States Junior Chamber of Commerce.

The good which is being accomplished today through the voluntary association together of young men is definitely proof that young men—with their energy, ideals, enthusiasm, and visions for the future—properly organized, can accomplish much.

Each year in the month of January the United States Junior Chamber of Commerce, in cooperation with its affiliated local organizations, celebrates Junior Chamber of Commerce Week and awards distinguished service award keys to the outstanding young businessman between the ages of 21 and 35 in each community who has contributed most to the civic development, growth, and progress of his particular city during the previous year.

Tonight in many cities in our country young men whose contributions locally merit recognition during 1939 will receive distinguished service award keys. To those young men I extend congratulations on their past accomplishments, and urge their continued work in the future, realizing that we never attain perfection.

Young men are more and more playing an important part in our national affairs—in business, industry, science, and government.

The United States Junior Chamber of Commerce tonight has selected a young man to whom it will give its national distinguished-service award in recognition of outstanding constructive accomplishments.

A committee of prominent Americans serving as the award committee includes: Dr. Rock Sleyter, president, American Medical Association; Dr. John Steelman, Director of Conciliation, United States Department of Labor; Mr. A. N. Marquis, editor, Who's Who in America; Mr. Durwood Howes, editor, America's Young Men; Mr. Julius H. Barnes, of New York City; and the publisher of three of our most prominent magazines.

These men have had the opportunity to review the records of such outstanding young men of 1939 as Philo T. Farnsworth, generally recognized as the man who conceived the basic principle of television; John J. Corson, III, Director, Old Age Insurance Bureau, Social Security Board, Washington, D. C.; Joseph Labino, writer of Weekly News Analysis, considered probably the reading public's greatest single source of world news; William McChesney Martin, president, New York Stock Exchange; Henry Bamford Parkes, instructor in history, New York University, also author of *Marxism and Autopsy*.

Only one, however, could be selected from this imposing group of outstanding young men, and to the great State of Minnesota goes the honor and distinction of having this young man as one of its citizens.

In 1938 he was inaugurated as Governor of the State of Minnesota. He is the youngest Governor of any State, now in office; under his capable leadership great progress has been made.

Born only 32 years ago on a Dakota County farm, he has climbed rapidly to the commanding position of Chief Executive of a great State.

In 1923 he was elected to the position of county attorney for Dakota County and gained recognition through his successfully settling a large strike, avoiding violence. He was successful in prosecuting through the Supreme Court a tax case that might have been a serious tax loss to the State. He has the distinction of having received the largest plurality of votes ever accorded a candidate for Governor in Minnesota.

And so, year after year, young men are piling up records of achievement which serve to inspire each new generation.

Therefore, to you, Governor Stassen, from 120,000 young men in the United States Junior Chamber of Commerce, we present this diamond-studded key—emblematic of your past record—and we hope, by calling attention to that record, that we can stimulate continued accomplishments from our Nation's young men.

ADDRESS BY HON. HAROLD E. STASSEN, GOVERNOR OF MINNESOTA, IN RESPONSE

President Pipkin, fellow members and friends of the Junior Chamber of Commerce, I deeply appreciate this honor that you have bestowed upon me. In accepting it, I trust you will permit me to do so, not so much in a personal sense, but rather, as an award to the young men of Minnesota. The accomplishments of 1939 in our State, which gave rise to this award, were the results of the cooperative efforts of a great number of our people.

Young men were in the front rank to an unusual degree. Members of the Junior Chamber of Commerce took a very important part. Many of them are here tonight, including a real representation of my home Hook Em Cow Chamber of South St. Paul, but it should be emphasized that the young men were not alone. They asked and received advice, counsel, and assistance of their elders. Neither should we overlook the helping hand and inspiration of the women of the State. The leadership which it has been my opportunity and responsibility to contribute has been a real privilege.

The fact that today is the anniversary date of the founding of the Junior Chamber of Commerce lends an added note to this occasion. The Junior Chamber has made a very significant contribution, not only during 1939, but throughout the years of its existence. It has aided very definitely in turning the thoughts of young men to the broader considerations of community and public welfare and progress, and to the relationship and interdependence of their own chosen field to the entire social and economic structure. Further, it has provided organized effort in support of the constructive ideas and concepts that have been developed by the members.

Looking ahead there is an opportunity and need for increased emphasis on these activities. How vitally important it is that the young men of this Nation think through the problems of 1940. How important that they do so, not from the narrow basis of their own occupation but on the broader foundation of the general welfare of our people. How important that they do so, not from a standpoint of 1 year but with a viewpoint of decades ahead.

We must think through the basic problems of the relationship between government and our economic system. We must think through the problem of the needs of our people who are now dependent on public assistance. We must think through the problem of the financial stability of our Government. We must think through the relationship between labor and capital and the role that government should play. We must think through the problem of the balance of agriculture with other economic groups. We must think through the trends toward ever greater and more complex governmental structures, ever stronger centralized powers, ever heavier taxation and debt burdens. We must think through the mechanics of democracy and the adjustment of it to the mod-

ern means of communication and the way of life of 1940. We must think through the role that this country should plan in international affairs this year and in the years of peace and reconstruction that lie somewhere ahead, we fervently hope and pray, not too far distant.

The basic policies and concepts that arise from such an approach to our problems must be frankly interpreted to the people of every walk of life and applied to the detailed manifestations of these problems.

We in Minnesota have approached our problems on the basis of the concepts we have formed. Our attitude upon these principles is to subject them to renewed consideration as our experiences and studies develop. I comment on them this evening, not as answers but as a contribution for further experimentation and consideration.

First and foremost, our attitude is one of a fundamental faith in the future of this Nation on the basis of an economic system of individual initiative and free enterprise and a governmental system of a democracy based upon the sovereignty of the individual citizen. It is our further concept that the answers to all of our problems is not to shrug our shoulders and say, "Let the Government do it."

We feel that the role of government should be that of aiding, but not of substituting for, private enterprise and the judgment and decisions of its individual citizens. In keeping with this concept, we enacted a labor-relations law that did not give to any governmental agency the power of decision over any of the issues that arise between capital and labor. Instead we provided for a waiting or cooling-off period before either a strike or lock-out could be instituted. During that period we gave to a State labor conciliator the power and responsibility of calling conciliation conferences of the representatives of both sides. Under this law, during the single year 1939 we reduced the loss arising from conflicts between capital and labor in Minnesota to less than one-seventh of its preceding average annual toll. Since the enactment of the law we have not had a single major strike in Minnesota. Over 200 disputes, involving over 20,000 employees, have been settled peacefully around the conciliation table without the loss of a single dollar of wages or the stoppage of a single industrial machine.

It is our concept that as the functions of government become more complex, and as we reach the point where government commands \$1 out of every \$4 of our national income, it then becomes increasingly important that the mechanics of government be greatly simplified, its burden reduced, its trend toward centralized power reversed, and its financial stability improved. In keeping with this concept of government, we entered into a sweeping reorganization of our State government, consolidating and bringing together many different boards, bureaus, and agencies, establishing a State business manager, with the powers that the name implies, relied to a greater degree on local government, reduced our current expenditures, brought our budget to absolute balance, and reduced our indebtedness by \$5,000,000.

Another principle has been that no one should suffer from lack of food or shelter or clothing. We have met these needs, but we have also continuously emphasized that the real answer to their needs lies in the encouragement of private enterprise as a source of more jobs for the unemployed. We have looked upon the industrial development of the results of research, invention, and discovery as the real source of improved economic conditions. We have sought to stimulate courageous capital willing to venture into new fields.

It has been our concept that there is a great need of the emphasis of the interdependence of all of our people and the consideration by every group of the manner in which their problems and their activities affect other groups and society as a whole. We have emphasized tolerance and understanding between our people of all walks of life, of all creeds, and of all nationality backgrounds. We see this reflected in our State today in many respects in the change of the attitude of our people toward each other.

President Pipkin, in this award you have highly honored our record of 1939 in Minnesota, but we would be honored to an even greater degree if that record served to stimulate the young men of this Nation in thinking through their problems and served to give impetus to their great constructive efforts for progress in the upbuilding of these United States.

## Taxation of Rural Power Lines—Arkansas Light and Power Rates

### REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. RANKIN. Mr. Speaker, it is with extreme regret—in fact, it is with alarm—that I notice some of the States of this Union are beginning a program that is calculated to cripple,

if not destroy rural electrification, by placing a tax upon rural power lines that have been built with funds provided by the Federal Government, and that are not operated for profit.

I am particularly distressed to note that this program is being instituted in the State of Arkansas. The money for these lines has been provided by the Federal Government and loaned to the farmers who use these lines to be paid for out of the money they pay for the electricity they use. This tax is unjust and unfair.

The State of Arkansas might just as well tax the public roads of that State. They might just as well tax the streets of every city or town in Arkansas or the schoolhouses in every county.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. GATHINGS. Where did the gentleman get this information?

Mr. RANKIN. I saw it in the Commercial Appeal, and probably several other papers.

I am sure the gentleman from Arkansas [Mr. GATHINGS] does not approve such a program, for there is no man in the House who has worked harder to try to secure the benefits of rural electrification for his people than he has.

And let me say in this connection that this program of taxing these rural power lines, which is evidently inspired by the private utilities, was started in my own State of Mississippi. Before I realized it they had placed three taxes on our rural electrification projects—a privilege tax, an ad valorem tax, and a sales tax on the electricity. They were burdening some of our rural electrification associations to death. I took it up with the members of the legislature and we got all three of these taxes removed. I hope the Members from the State of Arkansas, and from every other State, who agree with me on this proposition, will take the same course—get these taxes removed where they have been imposed, and prevent their imposition in those States where such taxes have not yet been levied.

The people of Arkansas are already burdened to death with overcharges for electric lights and power without piling these taxes onto the backs of what few farmers we have been able to reach with rural electrification in that State.

In the course of these remarks I am going into the electric rates in Arkansas. I will show that the people of that State were overcharged more than \$5,680,000 for electricity in 1938. They are in the grip of the Power Trust that is literally wringing the economic lifeblood from the consumers of electric energy. They attempt to answer this argument with the appeal that they pay taxes. I will explode that argument as I go along, and show that this is a scheme launched throughout the whole country by these selfish, predatory interests to try to destroy the public power systems, including rural electrification, in order that they may continue to suck the economic lifeblood from the ultimate consumers of electric lights and power.

When a man has worked as hard as I have to secure justice for the electric light and power consumers of America, and to provide rural electrification for the farmers of the Nation, it "burns him up" to see public officials in a State like Arkansas or Mississippi, or any other State, attempt to tax out of existence the rural electric power lines which the Federal Government has made possible as a result, to a large extent at least, of my efforts here in the House. The power to tax is the power to destroy, and if the private power companies can have their way, these public power lines will be taxed out of existence.

I know it will be said by some people that this is not the business of a Member of Congress from Mississippi. But since it was largely through my efforts that the funds were provided for building these rural power lines in Mississippi, Arkansas, and every other State, I refuse to sit silently by and see them destroyed or hampered without a protest.

These public power lines that are owned by the farmers, or the people to be served, and are not operated for profit, are public highways. They are highways of energy that take



light and hope and comforts and conveniences and relief from drudgery to the people to be served, and, as I said, they should not be taxed any more than should the public streets or the public highways.

If the State of Arkansas is going to tax these public power lines that are owned by the people themselves, then they might just as well put a tollgate across every public road and every public street.

These State officials had better be trying to get relief for the overburdened power consumers of Arkansas.

From a standpoint of natural resources, the State of Arkansas is rich beyond the dreams of avarice; but the trouble is that those resources are not being used for the benefit of the people of Arkansas.

That is especially true with reference to her electric-power resources. The State is rich in water-power resources, and much of her area is underlaid with the finest of coal, gas, or oil—all of which could be used for the generation of cheap electric power.

Electricity could be produced by Arkansas water power, Arkansas gas, oil, or coal and distributed to every human being in the State, including every farm home, at the T. V. A. yardstick rates, and at the same time yield a reasonable return on legitimate investments.

But instead of that, these resources seem to be gobbled up, or controlled by outside influences that are literally wringing the economic lifeblood from the people of that State, and imposing exorbitant rates for their electric energy.

Not satisfied with that, they are now bringing this pressure to bear on the State officials to levy a tax upon these power lines that are not being operated for profit—and that are serving the already overburdened farmers of that State—in order to try to destroy these publicly owned rural power lines or prevent the further spread of public power which would bring cheap electric rates to the people of that great State.

The records show that last year the people of Arkansas were overcharged \$5,681,000 for electricity, according to the T. V. A. rates, or \$7,268,597, according to the Ontario rates. I know it will be said that the Ontario system pays no taxes, but the record also shows that in 1 year the private power companies in Arkansas paid in taxes, cash contributions, and free services, all combined, only \$1,113,298, which amount taken from the \$7,268,597 overcharges, according to the Ontario rates, would still leave a net overcharge of \$6,155,299.

The record also shows that this \$1,113,298 in taxes, cash contributions, and free services paid by the private power companies in Arkansas, was on a gross income of \$10,213,799, and amounted to only 10.9 percent of that gross income, while the public power systems in Arkansas on a gross income of \$600,936 paid in taxes, cash contributions, and free services \$231,736, or 38.6 percent of their gross incomes.

If the private power companies in Arkansas had paid the same percentage of their gross incomes in taxes, cash contributions, and free services, then instead of paying \$1,113,298 they would have paid \$3,946,643.

No wonder they are fighting so hard to keep T. V. A. power out of Arkansas, and to have these publicly owned rural lines taxed out of existence.

My home town of Tupelo, Miss., buys its power wholesale from the T. V. A. Last year it paid an average of 5.05 mills a kilowatt-hour for it, while this Arkansas Power & Light Co. paid on an average of only 2.4 mills a kilowatt-hour, as the record shows.

Tupelo distributed its power to the ultimate consumer at the T. V. A. yardstick rates, set aside the necessary amount to meet the sinking funds and interest on the outstanding debt against its distribution system, paid all its overhead charges, gave the city \$12,000 in taxes, paid 6 percent on the entire investment in the system, and then made so much money that it had to reduce rates again.

At this point I am going to set out the present rates in Tupelo and the rates charged by the Arkansas Power & Light Co., so that everyone who reads this RECORD can draw his own conclusions.

Remember, now, that the Arkansas Power & Light Co. paid only 2.4 mills a kilowatt-hour wholesale for its electricity laid down in Arkansas, while the city of Tupelo paid 5.05 mills a kilowatt-hour laid down in Tupelo.

*Residential rates*

	Kilowatt-hours					
	30	50	100	250	500	1,000
Arkansas Power & Light Co. rates	\$1.95	\$2.65	\$4.15	\$7.40	\$13.40	\$23.40
Tupelo, Miss., rates (Tennessee Valley Authority).....	.75	1.25	2.25	3.75	4.40	8.65
Difference.....	1.20	1.40	1.90	3.65	9.00	14.75

Now, here is a comparative table of the commercial rates, showing what the merchants, professional men, hotel, restaurant, garage, and filling-station operators, and other commercial consumers have to pay:

*Commercial rates*

	Kilowatt-hours					
	50	150	375	750	1,500	6,000
Arkansas Power & Light Co. rates.....	\$3.50	\$9.50	\$20.90	\$40.40	\$71.00	\$153.00
City of Tupelo, Miss., rates (Tennessee Valley Authority).....	1.25	3.75	8.25	13.25	20.75	57.75
Difference.....	2.25	5.75	12.65	27.15	50.25	95.25

They will also come back and say that T. V. A. pays no taxes. That is not true. The T. V. A. not only pays 5 percent of its gross income to the States in which the dams are located, but as a rule the municipalities that distribute T. V. A. power pay in lieu of taxes cash contributions and free services, a larger percentage of their gross incomes than do the private power companies, and pay more for the electricity they buy wholesale.

Last year the municipalities purchasing power from the T. V. A. paid on an average of 5.5 mills per kilowatt-hour for it wholesale; while the private power companies in Arkansas paid less than half that rate. The biggest private power company operating in Arkansas, the Arkansas Power & Light Co., bought 298,522,000 kilowatt-hours last year, which is more than half the amount used in the entire State, and had it laid down in the State of Arkansas at 2.4 mills a kilowatt-hour; but when this power reached the people of Arkansas, they were charged about twice what it was worth, or approximately twice what they would have paid for it under the T. V. A. yardstick rates. For instance, the light and power consumers of Arkansas used 472,128,000 kilowatt-hours in 1938, for which they paid \$11,868,951. Under the T. V. A. rates the cost would have been \$6,187,408, or \$5,681,543 less.

That company could have distributed this power at the T. V. A. yardstick rates, paid more taxes than it did pay, and made a reasonable return on its legitimate investments.

As pointed out by the gentleman from Arkansas [Mr. GATHINGS] some time ago, what we need to do is to extend T. V. A. power lines across into the State of Arkansas, and provide T. V. A. rates to the people of that State, until we can develop the great hydroelectric projects now lying dormant on the White River and other streams in that area, as advocated by his colleague from Arkansas [Mr. ELLIS] and give those people permanent relief from the exorbitant burdens of overcharges under which they are now staggering.

Electricity can be delivered to every home, including every farm home, and to every business establishment in the State of Arkansas at the T. V. A. yardstick rates, or less. That would save the people of Arkansas, at the very minimum, \$5,680,000 a year on their present bills, and would double the consumption of electricity, as well as the use of those electrical appliances necessary in modern homes and modern business establishments.

If every man and every woman in that State understood this situation, there would be a State-wide revolt against the exorbitant rates they now have to pay, and the attempts to tax the public power lines to the farm homes in Arkansas would come to an abrupt end. Not only that, but they would not stop until they forced these rates down to the T. V. A. levels, lifted from the power consumers of Arkansas this enormous burden of more than \$5,600,000 a year, and electrified every farm home in the State at the T. V. A. rates. Then the people of Arkansas would begin to enjoy the benefits of their own natural resources.

### Tribute to the Late Senator Borah

#### EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

POEM BY HORACE C. CARLISLE

Mr. BANKHEAD. Mr. President, Mr. Horace C. Carlisle, a distinguished poet and scholar of Alabama, has written a splendid sentiment in the form of an acrostic about our beloved departed friend, WILLIAM E. BORAH. I ask unanimous consent to have it printed in the Appendix of the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

SENATOR BORAH

S-tatesmanship sits, yea, in sackcloth and ashes,  
E-loquence silences her still small voice,  
N-obleness wipes the hot tears from her lashes,  
A-s Justice prays for the faith to rejoice  
T-hat the Great Father of mercies above us  
O-verrules all, and continues to love us,  
R-oyally, when we do His will, from choice.

W-ILLIAM E. BORAH made conscience his master—  
E-ver alert to its purposed demands,

B-oldly he battled approaching disaster,  
O-ften with trembling but courageous hands.  
R-ight gave him hope, and hope gave him power,  
A-s he fought, fearlessly, hour by hour,  
H-onored at home and in neighboring lands.

O-nly the Infinite can, with assurance,  
Fathom the depths of this dutiful life.

I-n him the grace of unyielding endurance  
D-eftly dispersed the distractions of strife—  
A-nd, when defeat appeared on his horizon,  
H-e looked beyond it, and fastened his eyes on  
O-bjects above, where things never run rife.

HORACE C. CARLISLE.

### Investigation of Un-American Activities

#### EXTENSION OF REMARKS

OF

HON. JOHN JENNINGS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. JENNINGS. Mr. Speaker, I shall vote for the continuation of the work of the Dies committee, as provided in House Resolution 321. I give my support to this resolution for the following reasons:

The investigations heretofore conducted by this committee have more than justified the wisdom and patriotism of the House of Representatives in creating it and clothing

it with power to investigate the activities of the foreign and subversive agencies and forces who, for years past, have been sapping the foundations of this Nation. The revelations made by the committee amply justify every dollar spent to further its work and demand the continuation and adequate financial support of further investigations on the part of the committee.

That there are within the gates of this Republic millions who seek its overthrow, is an established fact. Aliens, many of whom are in this country in violation of the law, and who are being coddled and protected against the consequences of their criminal entrance into this country by high officials of the Government, are leading spirits in the Nation-wide onslaught being made on American institutions. Having escaped the tyranny of the Old World, they treat the liberty of this country as a license to assail, undermine, and overthrow our form of government.

The Constitution of this country, the Bill of Rights as embodied in it, the law of the land, constitute the world's greatest charter of human liberty. The supreme purpose of American institutions is to protect each and every citizen beneath the folds of our flag in the enjoyment of his life, liberty, and property.

The Declaration of Independence was not self-executing. It carried with it no guaranties. It afforded no protection to the inalienable rights with which it declared man to be endowed by his Creator. To make effective these timeless truths enumerated by the pen of Jefferson and declared by the Continental Congress, required the arbitrament of the sword, the triumph of the Revolution. The Declaration of Independence would have been but a "scrap of paper" had its truths not been retraced upon the scroll of the battlefield and underwritten by the bayonet and the sword and sealed with the blood of patriots. Even then the fruits of victory would have turned to ashes upon the lips of the American people had their aspirations not found a living, workable expression in the framework of the Constitution. This immortal document, "the greatest instrument of government," according to Gladstone, "ever struck off at a given time by the brain and purpose of man," constitutes a solemn contract between the Government on the one hand, and each and every citizen on the other, that the combined power of all the people, through the agencies of Government, will in this country at all times stand ready to protect each and every citizen in the enjoyment of his life, his liberty, and his property. This, then, is the glory of our American institutions—that they stand watch and ward over the lives, the liberty, the property, the happiness, the well-being of our citizens. The Constitution of this country has had the power to march; to keep step and to be in sympathy with the ever forward moving, advancing, and changing needs of the American people. It has been kept warm and human by necessary amendments through the machinery provided in its own framework.

Under our form of government the American people have achieved greater progress, have attained to a higher degree of civilization, have enjoyed more of the good things of life, have been blessed with a larger measure of freedom, moral and spiritual advancement, than have been attained by any other people in the 5,000 years that preceded the founding of this Nation. The people of this country, in building America, have gone forward in ordered liberty under law. It is hard to understand why anyone should seek to destroy the house of our existence. But that there have been, and now are, in this country, among our people, those bent upon the overthrow of our institutions, has been demonstrated by the facts unearthed and brought to light by the Dies committee.

In the face of these facts, to refuse to vote for the continuation of the work of this committee would be a refusal to protect American institutions, and would constitute a failure to provide for the defense of our own people.

"Eternal vigilance is the price of liberty." It has not yet come to pass that "ignorance is bliss," or that it is "folly to be wise." Can it be said that there is greater safety in ignorance than in knowledge? If an assassin is on your trail, seeking your life, would you not want to know about it?



It is the "hit dog that howls." Who are they that yelp about the exposures made by the Dies committee? Certainly it is not the law-abiding citizen. It is not the patriotic American who believes in the preservation of our institutions. Every soldier, every civic organization, every newspaper, and every religious denomination in my district, every good citizen, is in favor of the continuation of the work of the Dies committee. Those who oppose the investigations being made by this committee illustrate the old truth that wrongdoers "love darkness rather than the light because their deeds are evil."

An outcry has been raised by fellow travelers of our Communists and our "reds" that by the fires kindled by the Dies committee the garments of some of our pinks have been scorched. Well, it is an old adage that "if you lie down with dogs, you will get up with fleas;" and that "if you play with pitch, you will be defiled." We all know that "birds of a feather flock together," and if our pious "pinks" do not wish to be hit and burned with the barrage that the Dies committee has put down upon them and their ilk, let them disassociate themselves from the "reds" who are undertaking to destroy this Nation. If they find themselves embarrassed when the floodlight of publicity is turned on them, they should remember that "evil communications corrupt good manners," and that a man is known by the company he keeps. The truth of it is our "pinks" in their association with the "reds" are "chained to a body of death," and if they are embarrassed by the putrefaction of this body of death they have no one to thank but themselves. Even though there be those in high places who look with tender solicitude upon the plight of our "Browders" and the straits in which our "Bridges" find themselves, this is of little concern to the sound-hearted, hard-headed, everyday American citizen who believes in his country and in the decencies of the American way of life.

Our "reds" and their sympathizers say to us that the Government ought to keep still, ought not to be concerned about the activities of those who seek its overthrow. They, in effect, say "We are not going to do anything except dynamite the Capitol, shoot a few Congressmen, topple the Statue of Liberty from its base, and supplant the Stars and Stripes with the emblem of Russia." They would have you believe that if we expose them in their activities and that if this exposure crystallizes public opinion to such an extent that it finds expression in effective laws for the suppression of these alien and subversive activities, and that if those charged with the enforcement of these laws should execute them for the protection of the American people, rather than for the protection of the "red" involved, that freedom itself would shriek at the inconvenience and embarrassment caused by such a manifestation of Americanism.

There is no insurance on the life of a nation except that which is written in the intelligent, vigilant, determined patriotism of its people. "A thousand years scarce serve to found a state, an hour may lay it in the dust." The first law of nature is the right of self-defense. The continuation of the work of this committee in its relentless exposure of the subversive and un-American activities of our domestic enemies, financed from abroad, is an imperative measure of self-defense, and the position of those who oppose the continuation of its work is un-American and indefensible.

The protection of our people in the enjoyment of their heritage of our free institutions is the supreme duty and high privilege of this House. That duty we propose to perform until Uncle Sam shall have been "deloused" of those who confound liberty with license and who prostitute the privileges accorded to those within our midst to the destruction of the institutions whose shelter they have sought and whose protection they are abusing.

The temper of the people of my district is such that they will not be satisfied with the exposure of "the squat creatures of the muck and mire," who go up and down the sewers and back alleys, and who organize and are seeking to organize various "fronts" under euphonious and deceptive names through which their subversive activities are carried on, but

they look forward to the day when we have a government with an arm long and strong enough to reach the collar of every enemy of our institutions and bring him to justice, regardless of his power and position. They are sick and tired of seeing tax eaters masquerading in the livery of this Government, while they serve Stalin and his "red" revolution, which he and his ilk seek to foster and establish in this country.

That the Dies committee has earned the everlasting gratitude of the people of this country and the overwhelming support of the membership of this House will be shortly demonstrated in the vote of confidence and continuation that is about to be cast in favor of this resolution.

Maury, Jackson, and Lee

## EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

ADDRESS BY HON. ESTES KEFAUVER, OF TENNESSEE

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the gentleman from Tennessee, Hon. ESTES KEFAUVER, on Maury, Jackson, and Lee, delivered at Confederate Memorial Hall, January 20, 1940, at a Confederate service sponsored by Camp No. 171, United Confederate Veterans, District of Columbia and Maryland division, Southern Confederate Veterans; District division, United Daughters of the Confederacy, and Children of the Confederacy.

A fortunate historical coincidence has enabled us to fittingly honor on this occasion not one but three heroes of the Confederacy. The sermon of "a democracy" could have no more fitting text than the lives of Matthew Fontaine Maury, Lt. Gen. Thomas Jonathan "Stonewall" Jackson, and Gen. Robert E. Lee.

January 14, 1806, Matthew Fontaine Maury was born in Spotsylvania County, a few miles to the west of historic Fredericksburg. Amazing, indeed, can be the indifference of history to such an extent obscure the exploits and accomplishments of so distinguished a person. Too many people have been one with the writer of a New York daily, who evincing great surprise a few years ago when his name was accorded liberal support for a place in the Hall of Fame, uttered in frank amazement, "I had never even heard of Maury." Yet this prophet, without too great honor in his native land, venerated by kings and emperors, was able by achievement alone to earn from a grateful world the sobriquet, "Pathfinder of the Seas." Unknown? Unheard of? The founder of the National Observatory and Signal Service, Agricultural Meteorology, and of the Naval Academy at Annapolis. His genius made possible the laying of the Atlantic cable and the commerce of the entire world was revolutionized by his charts of the winds and currents.

Raised from early childhood in Tennessee, with little liking for books other than mathematics, inured to hardships, steeped in the philosophy of mountain silence, Maury at an early age received his midshipman's warrant at the hand of Sam Houston, then a Member of Congress. There followed a progress which found him contributing to the world maritime classics; he had circumnavigated the globe; had been honored by citations of foreign rulers; and had been prominently mentioned as Secretary of the Navy. The laying of the Atlantic cable had been made possible due to Maury's beliefs which had resulted in the discovery of the "telegraphic plateau."

Such, then, was the brilliant background of the man who, when Virginia, his native State, called, turned his back upon his congenial scientific labors, upon all the plans he had organized for the good of mankind, and upon his splendid discoveries and the achievements born of his genius, developed by his original mind, children of his own creation the great Maury hearkened to the inexorable law of duty.

The exploits of rebel Commodore Maury are well known. For the first time effective torpedoing was used and to Maury is attributed the first laying of mines, through which medium, it was said, that many an enemy went to heaven by the most direct route. This service gave Maury forever to the timeless memory of the Confederacy, but we give not to the world the remembrance of a creature of war but the vision of the man of whom Attorney General Anderson, of Virginia, declared: "Maury's footsteps from childhood to the doorway of death mark a path of transcendent talents, blazed with labor and energy; glorified through pain and disappointment and leading into the hall of eternal fame."

It has been said in recent years, by first soldiers and military students of England that "within the last 200 years, the English-speaking race had produced but five soldiers of first rank—Marlborough, Wellington, Robert Lee, and Stonewall Jackson." These men further have avowed that "Jackson's campaign in the Shenandoah Valley was the finest specimen of strategy and tactics of which the world has any record; that in the series of marches and battles, there was never a blunder committed by Jackson; that his campaign in the valley was superior to that made by Napoleon in Italy. Military schools the world over have used his tactics as models, and Von Moltke, the great German strategist, declared that Jackson's Virginia campaign was without a rival in world history. Through the matchless leadership of Jackson, it has been stated "that the Army of Northern Virginia had more force and power than any other army that ever existed." Such then was the military genius of this comparatively unknown and unhonored man, save in a very small circle, down to the spring of 1861 when war between the States seemed imminent. Some of the latent power of this quiet-mannered instructor at Virginia Military Institute could have been foreseen by an incident which revealed strikingly the real man. Up to probably April 1861 the citizens of Lexington were strongly Union in sentiment, while the cadets were all ardent secessionists. This difference of opinion came near resulting in a bloody fracas, and after the cadets had returned to their barracks and quiet had been restored, a corps meeting was called to listen to addresses on the situation from the professors. After several had spoken, Major Jackson remained seated and was only aroused by continuous demands from the cadets for a speech. This was the first symptom of what was to come. Instinctively those growing youths knew that the man of war was now to have his opportunity, and turning from the mere attractive oratory of the other professors they would have nothing but a speech from the silent man, who, so many years, had afforded them much amusement. With unaffected diffidence Major Jackson slowly arose, and turning to his youthful audience, said, "Gentlemen, I am a man of few words; when the time for fighting comes, I will draw the sword, and throw away the scabbard" and sat down.

One of Jackson's scholars many years later, relating this story, said, "The thrilling effect of these words is felt by me to this day. They touched the heart of every boy who heard them and men now gray will tell of the enthusiastic cheers which drowned all further speeches. Jackson had taken his step toward immortality." The effect of his words on his students that day has been shared ever since by a world thrilled not by his words but by his exploits.

Never has heroism been at its best more than in the first battle of Bull Run, fought on July 21, 1861, when Thomas Jonathan Jackson became the immortal "Stonewall" Jackson. You know the story well. General Bee's Brigade, flanked by superior numbers had broken and was retreating in disorder. Their general had attempted in vain to stem the stampede and to retire in military alignment. At this moment General Jackson, commanding the First Brigade, appeared on the field of battle. As he moved quickly to the front, the disorganized troops of Bee dashed past him toward the rear. At this moment Bee approached General Jackson at a full gallop. In bitterness, Bee exclaimed to Jackson, "General, they are beating us back." Jackson replied, "Sir, we will give them the bayonet." It has been said that, "These words seemed to act upon Bee like a clarion." He galloped back to his men, and, pointing with his sword to Jackson, shouted, "Look, there is Jackson standing like a stone wall."

This characteristic of the man, inspired so much the battered remnants that a rout was turned into order and eventually complete victory.

Jackson combined admirably the quality of solidity of a stone wall on defense with the character of progressive action on offense.

James Power Smith said, "Outwardly, Jackson was not a stone wall for it was not in his nature to be stable and defensive, but vigorously active. He was an avalanche from an unexpected party. He was a thunderbolt from a clear sky, and yet he was more like a stone wall than any man I have known."

On the field his judgment seemed instinctive. No one of his staff ever knew him to change his mind. There was a short quick utterance like a flash of the will from an inspired intelligence, and the command was imperative and final. He was remarkable as a commander for the care of his troops, and had daily knowledge about the work of all staff departments—supply, medicine, ordnance. He knew well the art of marching and its importance. His 10 minutes' rest in the hour was like the law of the Medes and the Persians, and some of his generals were in dire trouble from the neglect of it. Of such things he was careful, until there came the hour for action, and then, no matter how many were left behind, he must reach the point of attack with as large a force as possible. He must push battle to the bitter end until he had reaped the fruits of victory. Over and over again he rode among his advancing troops, with his hands uplifted, crying, "Forward, men, forward, press forward." What an inspiring legacy to leave to posterity. The bulwark of resistance and the ability to press forward over all obstacles.

Still another characteristic marked the man. Having been shot by his own men, by mistake in the dark of night, Jackson approached the brink of eternity with the same spirit of resignation which had been the essence of a joke which had once evoked from him much laughter.

"In the early day of the Puritans, a man met one of them going out into the woods with a gun and he said: 'Where are you going?'"

"To the woods."

"What are you taking your gun with you for?"

"I might meet an Indian."

"Are you not a Calvinist?"

"I am in deed and in truth."

"You can't die then till your time comes."

"Know that."

"Then why carry a gun?"

"I might meet an Indian whose time had come."

Jackson showed a heartbroken group about him how a warrior can die and as the military spirit left his restless mind, his agitation calmed, his countenance became tranquil, and, as if leading his men, he was heard to murmur, "Let us cross over the river and rest under the shade of the trees."

Thomas Jonathan Jackson was indeed a product of the American people. His fadeless renown is truly the legacy of all America. Now that the memory of the bitterness of America's internecine strife has faded, all martial deeds and prowess exhibited in that mighty contest belong to all patriotic citizens. It has been truly and profoundly stated:

"The preservation of the wonderful annals of Stonewall Jackson's brilliant achievement is a sacred duty to the South, the Union, and to all mankind."

What does one say when asked to speak about Robert E. Lee? How could a brief speech do justice to so great a man? Indeed, one could hardly contemplate the sublime grandeur of General Lee's character, or encompass his deeds in a series of addresses or even in a complete and definitive volume.

Landon C. Beil, on a similar occasion and under much the same circumstances, said: "Moreover, General Lee held such a firm place in the affections of his countrymen, and his great fame has so overspread the world, and his career has claimed the attention of so many brilliant writers and gifted orators, and what they have written and spoken has been so assiduously studied, especially by such interested and intelligent persons as compose the membership rolls of the Sons and Daughters of the Confederacy that it is difficult to present anything new, and equally or more difficult to recount interestingly what is already known."

"What then shall we say of the matchless Lee? His gentility is everywhere admired; his sincerity is everywhere conceded; the integrity of his purpose has never been questioned; his military genius is everywhere acclaimed; and the nobility of his character is everywhere extolled as worthy of all praise and emulation."

"The ability, the endowments, the attributes of the man are so well known that no elaboration here is needed."

"And, no doubt, it would be the verdict of the aggregate of the wise and the informed that he embodied a rare, full, and adequate combination of qualities, a physical make-up, and endowments of head, heart, soul, and spirit, more nearly approaching a complete, well-rounded, and perfect man, than any other produced on this continent."

General Lee was of a lineage scarcely paralleled in the annals of America.

Descended from an ancestry studded with cavaliers and crusaders, lawyers and judges, soldiers and statesmen, poets and patriots, lords, earls, and kings, to mention but a few, is it any wonder a man of so many talents was produced?

I believe the whole world joins in conceding the purity and sincerity of General Lee in rejecting the offer of the chief command of the army of the Northern States, and casting his lot with his State where he felt his paramount allegiance was due.

On the day Virginia seceded General Lee had been offered the supreme command of the armies of the Northern States. Two days later, on April 20, 1861, he declined the offer and at the same time resigned his commission in the Army of the United States.

His high-minded integrity and his self-respect would not permit him to fight for a cause he believed unworthy, and he could not be induced to violate his conscience and stultify himself even by the highest military honor within the gift of the Government.

He would fight, if there had to be a fight, on the side of right and justice even though he realized it was an unequal, even a hopeless, struggle.

At one time he said: "I have never believed we could, against the gigantic combination for our subjugation, make good in the long run our independence unless foreign powers should, directly or indirectly, assist us. But such considerations really made with me no difference. We had, I was satisfied, sacred principles to maintain and rights to defend, for which we were in duty bound to do our best, even if we perished in the endeavor."

Leadership was a natural gift with Lee. He was the inspirational leader of an inspired army. Theodore Roosevelt rated him without exception "as the greatest of all the captains that the English-speaking peoples have brought forth."

When toward the conclusion of the conflict, a decision of superlative importance had to be made, Lee made that decision unaided and alone. Most men would have sought counsel and shared or divided responsibility. He, however, reached his own conclusion. That conclusion he himself at the time expressed in words brief, but vibrant with moral triumph: "The question is, is it right to surrender this army? If it is right, then I will take all the responsibility."



The surrender at Appomattox could have ended the career of this remarkable man. His work was done, but from the ashes of failure he plucked triumph. Lee wore defeat as a laurel crown.

From the day he affixed his signature to the terms of surrender submitted to him by Grant at Appomattox to the day he drew a dying breath at Lexington, Lee's subsequent course was consistent. In his case there was no vacillation, no regretful glances backward thrown.

The five remaining years of life and active usefulness were creditable to himself and exceptionally useful to his country. He set to Virginia an example of lofty character and simple bearing. "Uttering no complaints, entering into no controversies, he was as one in suffering all, that suffers nothing. His blood and judgment were well commingled; and so it fell out that he accepted fortune's buffets and rewards with equal thanks. His record and appearance during those final years are pleasant to dwell upon, for they reflect honor on our American manhood."

When the gates closed on the old occupation, they opened on a new, and it was an occupation through which he gave to his country, North and South, a priceless gift.

Charles Francis Adams said, "Speaking advisedly and on full reflection, I say that of all the great characters of the Civil War, and it was productive of many whose names and deeds will long bear in recollection, there was not one who passed away in the serene atmosphere and with the gracious bearing of Lee. From beginning to end those parting years of his will bear closest scrutiny. There was about them nothing venal, nothing querulous, nothing in any way sordid or disappointing. In his case there was no anticlimax, for those closing years were dignified, patient, useful; sweet in domesticity, they in all things commanded respect."

Lee was at the head of Washington College from October 1865 to October 1870, a very short time in which to accomplish any considerable work. A man of advancing years, he had every reason to feel a sense of lassitude. He showed no signs of it, and, closely studied, those years and Lee's bearing in them were the ones which did most toward stamping him with true greatness." One who knew him well has written of him:

"He had the quiet bearing of a powerful yet harmonious nature. An unruffled calm upon his countenance betokened the concentration and control of the whole being within. He was a kingly man whom all men who came into his presence expected to obey."

Col. Charles Marshall, his military secretary, said of Lee:

"There is hardly an incident in his life, great or small, that does not present an illustration of some virtue."

In troubled and restive days such as those the world now encounters, it has become almost a truism that our greatest need is hope. The lives of men like Maury, Jackson, and Lee in commemoration reassure us that indeed in mankind, its story, and its lessons one can put faith and hope.

As Gen. Robert E. Lee himself once said: "My experience of men has neither disposed me to think worse of them nor indisposed me to serve them; nor, in spite of failures, which I lament, of errors which I now see and acknowledge, or of the present aspect of affairs, do I despair of the future. The truth is this: The march of Providence is so slow, and our desires so impatient; the work of progress is so immense and our means of aiding it so feeble; the life of humanity is so long and that of the individual so brief, that we often see only the ebb of the advancing wave and are thus discouraged. It is history that teaches us to hope." Tonight have been enumerated some of the virtues, exemplified in the memory of Maury, Jackson, and Lee, whom the Sons and Daughters of the Confederacy have honored tonight.

### A Man Who Made History—William E. Borah

#### EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

Mr. BENDER. Mr. Speaker, WILLIAM EDGAR BORAH, the outstanding spokesman of the United States Senate, worthy successor to Webster, Hayne, and Stephen Douglas, has spoken his last words in the Nation he loved so well. For more than 33 years, from 1907 until his death last week, Senator BORAH served the State of Idaho and the people of the United States in the upper House of Congress with the greatest distinction.

Few men in the history of our Nation have wielded the influence or commanded the respect which were granted to Senator BORAH. In every assemblage his word carried the weight of earnest conviction and careful consideration. Senators and Representatives throughout the Nation listened

attentively to his views on any subject. The people back home came to regard him as one who spoke for them more eloquently and persuasively than any other Member of Congress. They gave him their support as he gave them the breadth and wisdom of his mind.

Seventy-four years ago, on June 29, 1865, WILLIAM BORAH was born in a small town of Illinois. The moving spirit of the generation in which he grew to manhood called him west, and in his first days as a practicing attorney he settled in Boise, Idaho. The only public position he ever occupied in his long career of service was the post of United States Senator. He was first elected in 1907 and never left the Senate, despite the shifting tides of American politics throughout the years. In 1916, Idaho went Democratic, voting for Woodrow Wilson but the senatorial contest of 1918 found Senator BORAH returned to his seat by a large margin. In 1936, President Roosevelt carried Idaho with 125,683 votes, the largest number ever gained by a Presidential candidate in Idaho. Yet, despite the 2-to-1 victory margin of the President on the Democratic ticket, Senator BORAH, on the Republican ticket, rolled up the unprecedented total of 128,723 votes, to defeat his opponent, the former Governor of Idaho, by a margin almost identical with the President's.

This amazing popularity was due entirely to the personality and integrity of WILLIAM BORAH. For many years in the early days of his public career, the activities and beliefs of the Mormon Church were a recurrent issue in Idaho politics. Senator BORAH eliminated the religious controversy as a matter of political concern. His complete belief in and acceptance of the Bill of Rights amounted to a passion with him. He once wrote a constituent, "I am a believer in the fundamental principles of religious liberty. If the time ever comes when I have to sacrifice my office for those principles, I shall unhesitatingly do so."

Senator BORAH was happy in the Senate. There he found the opportunity to reconcile his views of the growing Pacific Northwest with the development of the entire Nation. The development of cheap power, the reclamation of land, subsidies for farming, the curtailment of monopolistic practices were part and parcel of the vast new empire he saw rising about his State.

Yet his greatest fame came to him because of his stand on matters of international concern. Curiously, this distinguished Senator, representing a State landlocked on all sides, hemmed in by vast mountains, became the Nation's greatest authority on international problems. His strongly isolationist views were part of his patriotism. The United States belongs to a group apart, he told us. Our ideology, our hopes, our position in the world, do not depend for their success on anything which takes its origin in Europe. Stand clear of foreign entanglements, was Senator BORAH's solemn warning.

He did not speak for himself alone. Millions of people throughout the Nation shared—and still share—the views he advanced. At the special session of Congress which met last September six of the eight Senators from the Pacific Northwest region voted against the repeal of the arms embargo, following Senator BORAH's lead. From 1924 to 1933 Senator BORAH was chairman of the Senate Foreign Relations Committee and led innumerable battles on the floor of the upper House for his viewpoints. His last great fight was in the condemnation of the Supreme Court packing plan, a plan which he branded as a violation of the "sacred traditions of American democracy."

Here was the keynote of his entire life. In his last Senate address he told the Nation:

Before any progress can be made by totalitarian ideologies in breaking down American institutions, a way must be found to discredit the American Bill of Rights. I have said it is a sacred document. If human liberty is sacred, this document is sacred.

A great man has left the people of our Nation. He was more than the Lion of Idaho. He was a sturdy, human Rock of Gibraltar, standing steadfast against every force which he regarded as hostile to the American way of life.

His State will not speedily forget him. In his honor there will remain forever the name of Idaho's highest mountain—Borah Peak. Nor will the State of Idaho or the Nation at large easily replace him.

### Investigation of Un-American Activities

#### EXTENSION OF REMARKS

OF

HON. J. JOSEPH SMITH

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

EDITORIAL FROM THE WASHINGTON DAILY NEWS OF  
JANUARY 24, 1940

Mr. SMITH of Connecticut. Mr. Speaker, under permission to extend my remarks in the RECORD, I include the following editorial from the Washington Daily News of January 24, 1940:

#### TO INSURE FAIRNESS

The overwhelming vote by which the House of Representatives has continued its Dies committee reflects an overwhelming public opinion that congressional investigation of un-American activities is essential.

We regret that, beyond listening to much criticism of the committee's methods, the House did nothing to insure that Chairman DIES and his colleagues will go ahead more fairly and so more effectively. A set of instructions to the committee, asked for by two of its members, Representatives VOORHIS of California and CASEY of Massachusetts, met objections that it would "hamstring" the investigation and was not even permitted to come to a vote.

What Messrs. CASEY and VOORHIS proposed was that the committee should be told to hold executive sessions at least once a week; to issue no statements and press releases until they had been submitted to the entire committee and approved by a majority; to attempt to call as witnesses all persons accused, in testimony by others, of un-American activity, and to bind members not to make unauthorized charges or predictions as to future revelations.

These proposals seem mild, perhaps too mild. How they could "hamstring" any proper efforts is beyond our understanding. Yet, if it had worked under some such rules from the start, the Dies committee might have avoided many blunders and spared itself many charges of violating the rights of witnesses, "smearing" innocent persons, seeking sensational publicity, and persecuting radicals and liberals while displaying less zeal for the exposure of fascist-type subversion.

In the absence of instructions from the House the committee ought to impose at least these rules on itself. The investigation of un-American activities should be conducted henceforth in an unquestionably American way. But the records of many congressional inquiries prove that the decision between fair and unfair methods cannot safely be left for individual committees to make. Congress should adopt, for all its committees, a standard code of procedure that will permit none but fair methods.

### America and Finland

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

STATEMENT BY RAYMOND GRAM SWING

Mr. EATON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief statement by Raymond Gram Swing on the Finnish situation:

#### AMERICA AND FINLAND

(By Raymond Gram Swing)

It isn't within my assignment to discuss the attitude taken in Congress and by the administration toward a loan to Finland, insofar as that is a domestic question. But it is quite within my province to discuss its effect on foreign affairs and on our foreign

influence. When a nation is as powerful as the United States, almost everything it does has some influence on the outside world. People who haven't lived abroad for some time don't realize this. As an American who has lived a great many years abroad, I want to preface what I am going to say by my testimony that the view of the United States from abroad is pretty good. Sometimes the United States seems to slip and slide, but, on the whole, if you look at it from a distance, it has kept fairly steadily on a satisfactory road; and one of the assets of the United States is the influence it has, not on every particular issue at every particular moment but in the ideas it keeps vital and real and in helping other people to hold on to their faith in human values. That has never been more true than now, when these values are at stake, and when other countries that share our beliefs are in peril. That is a political fact. It is part of the material substance of our power in the world. That is a fact whether we can do something or whether we choose not to do something. It counts. Our doing counts; our decision not to do something counts; and whatever the virtues from our own standpoint of a decision not to help Finland as it needs, the effect of such a decision on our foreign influence and foreign relations should be weighed in choosing a policy. I am not saying that, having taken the effects into consideration, the country should or should not change the decision in regard to the Finnish loan. I simply want to add to the discussion, as an intrinsic part of it, this aspect of its consequences abroad.

It is well known abroad that the United States has more sympathy for Finland than for any other victim of aggression in recent years; more sympathy than for China, than for Czechoslovakia, more than for Poland; much more than for Ethiopia and Albania. It also is known abroad that the United States, quite naturally, wants to stay out of the war. So American conduct is carefully watched, as a conflict between our sympathies and our fears. A refusal to help Finland would have certain distinct, almost measurable results. It would send down the confidence and spirit of the other Scandinavian countries like mercury falling on a cold day. It would weaken the lingering belief of many Germans in a world of freedom, for many Germans are clinging to that belief, confident that the excesses of the Nazi regime are going to pass. It would reduce the safety of Holland and Belgium in that it would lower the latent resistance to extreme policies by the Nazi regime and in that it gave the Dutch and Belgians a growing sense of being alone in the world. It would also reduce the sense of safety of the Balkan countries. It would make Rumania considerably less sure of the reality of a world secure for small nations. It would give the antidemocratic arguments heard in all Balkan lands a ring of authenticity.

In contrast to a superficial impression that the Finns are doing quite well without substantial help from abroad, the opinion in the Scandinavian countries is that the Finns are doomed unless they get large numbers of pursuit planes. The present Russian strategy is to destroy Finnish communications by persistent large-scale air attack. That is the objective of the continuous and effective air raids over all of south Finland. Antiaircraft guns are only a partial defense against such attacks, and the Finns haven't enough of these. The one real defense would be pursuit planes. Two hundred might be enough, according to one estimate. But Sweden, Norway, and Denmark couldn't supply that many pursuit planes unless they abandoned neutrality and put their entire air force at Finland's disposal. And that would mean their entry into the war. Nobody tells the true position of the help that has reached Finland. It probably isn't in good military tradition for the Finns to advertise their shortages. But the amount of British and French and other help isn't being revealed. Tonight we are told the British and French have begun shipping 150 or 200 planes. From sources which I must trust I am assured that the outside help is far short of what Finland needs. It is, of course, too late for a northern defense league to save Finland, and the talk about it must refer to the next stage of the crisis, which would follow after Finland's defeat. And that must be as terrifying to the Finns as the fate of their appeal for a loan in Washington. However, the number of foreign volunteers already in Finland was put at 20,000, three-fourths of them Swedes. That's a goodly number, 10 percent of Finland's effective army. But without the pursuit planes there is no stopping the systematic paralyzing of Finland's communications.

### Human Rights

#### EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

ADDRESS BY JUSTICE JACOB PANKEN

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address



delivered recently by Judge Jacob Panken, of New York, at the Coliseum, Chicago, Ill., January 14, 1940:

This is a great meeting. It is a stirring occasion. It is the embodiment of the American spirit. It is symbolic of the entity of the human family. In these dark days meetings of this kind are the expression and at the same time the promise of the hope of mankind.

In this meeting there are those who are Catholics, and those who are Protestants, and those who profess the Jewish religion. There are those who speak or whose parents spoke Polish, Czech, Finnish, Slovakian, Russian, and Jewish. But in this land of the free where each of us is endowed with the promise of life, liberty, and the pursuit of happiness, we are Americans. And because we are Americans, we consider ourselves equal members with equal rights in the human family.

There were those who spoke as representatives of our Polish citizens, of our Czech citizens, of our Slovak brethren. I do not come to speak as a Jew. I come to speak as an American not only on behalf of the Jews but on behalf of all peoples who are oppressed, persecuted, and decimated.

The Czechs have been crucified by Hitler. The Slovaks have been demeaned. The Poles have been made the vassals of the Nazis and the Communists. The Finns are bearing the brunt of the assault of the Russians, fifty to one. But among all of these peoples, none have suffered and are suffering as much as the Jew. For 2,000 years he has been the focal point of attack for all beasts, fanatics, and brutes. Yet, I come not to speak for the Jew. I come to speak on behalf of man.

Paraphrasing a paragraph from the President's message to the Congress of the United States in which he said—

"We do not have to go to war with other nations but at least we can strive with other nations to encourage the kind of peace that will lighten the troubles of the world \* \* \*"

We do not have to go to war with other nations, but we cannot curb the sentiments which well up in us in sympathy with those who are the victims of aggression, or fail to concern ourselves with the suffering inflicted upon maimed, orphaned, and distressed fellow humans on both sides of the war.

Our hearts go out to those victimized by Stalin; our hearts go out to the Finns whether they be civilians or soldiers. We cannot help but feel deeply for the mothers whose children are being killed by bombs thrown from airplanes into peaceful civilian homes. We cannot shut our ears to the weeping wail of the child whose mother has been killed by dynamite let loose from the wings of death-dealing airplanes. And we cannot shut out from our consciousness the fact that many thousands of Russian soldiers are driven into battle by machine guns pointed at their backs and not infrequently used against them by their own officers and fellow Russians. These are caught between the valiant Finns defending their freedom, their territory, and their manhood, and the cowardly Bolshevik who is driving them at the point of a gun to battle against innocent men, innocent women, innocent children, whom the Russians consider their fellow workers, their fellow men.

The assault of Russia upon Finland was not an unpremeditated act. It was not the result of a conspiracy between Germany and Russia, though, undoubtedly, they have conspired. True, were it not for the pact between Hitler and Stalin, the invasion of that little country with its extremely brave, valiant, and free people might not have come at this time. But come it would have.

The policy of the Soviets has been and still is "bore from within."

The Russian Government, when it suits its purpose, lays at the door of the Communist International, policies which are followed in free countries by the Communists. However, there is really no Communist International, one in which groups representing other than the Russian nation have any say. The Comintern is an agency financed and controlled by Stalin.

Communists whether in France, England, or the United States, or anywhere else, owe allegiance as a matter of principle, in response to their ideology, only to the Comintern. In truth, they recognize allegiance only to the Soviets of Russia. Russia has become the fatherland for Communists throughout the world. It is the only fatherland they recognize. To the French Communist, France is nothing; to the American Communist, the United States means nothing. To both, and other Communists in other lands, Russia is everything. It is the fatherland for all Communists. Instead of the Czar batushka (the Czar, the little father), it has become Stalin, the big father.

Attacking nationalism, the Soviets preach the fatherland spirit. Charging the democracies with imperialistic appetite, Russia invades little countries who they think cannot resist, to satiate its hunger for imperialistic expansion. Stigmatizing nationalism as a vice of the democracies, Stalin inculcates the most jingoistic spirit in his adherents in Russia and throughout the world. The soldiers that freeze upon the lakes of Finland are led to believe that they are fighting for mother Russia, fatherland of the proletariat. What they are fighting for is greater power for Stalin and his aides.

In its imperialistic march, the first to be attacked and, in some instances, raped, were the little countries on the Russian border. The native Communists in these border countries are the agents of the Stalin regime. Evidently responding to orders, they agitate within those little countries dissension. They divide their own people. They cause differences to flare up and convert these differences to create warring groups. They are agents of the Soviet Government. They act as spies, betraying their own countries.

In Finland, early in the twenties, they attempted to do exactly that sort of thing, but the Finnish people, as a whole, turned deaf ears upon the Bolshevik agents. But there were some Finns who lived in Russia. Stalin and Molotov set up for Finland a "ghost government"—a government constituted of Finns who had not been in Finland for more than 20 years. A president was appointed who had abandoned Finland and lives as an emigré in Russia. He has an apartment in Moscow and no habitat in Finland. And then a treaty was made between the Soviet Government and this "ghost government" in which Molotov recognizes this government set up by the Soviets, a government which never had the consent of the governed to govern.

We, in America cannot understand that, for we believe that a government derives its just powers only by the consent of the governed.

But dictators do not reckon with the wishes of the people. The people are to be ruled and rulers are to be appointed over them, and so Russia seeks to rule Finland through its appointed Finnish traitors.

Can you for a moment imagine this situation? Let us imagine this: Let us imagine for the purpose of example and illustration that a military force of Russia crosses the Bering Strait into Alaska and occupies a strip of the frozen north of our Alaskan territory. Can you imagine that, please? Then, after this military force occupies a frozen strip of Alaska, Stalin and Molotov set up in that frozen strip a government and call it the United States Government. They appoint Earl E. Browder president, Foster secretary of state, and other equally loyal Americans as the rest of the government. And then enter into a treaty with that government which the Soviets have set up, recognize it—moreover, claim for it representation of the entire American people. Can you imagine that? Of course, you can't; but that is exactly what has happened to Finland. By force a strip of a few kilometers of Finnish territory was occupied by Russian military forces. And then, with the Finnish traitors supposedly constituted as a government, a treaty is concluded to represent the entire Finnish people.

What I have imagined, insofar as our country is concerned, is far-fetched. True, it never will happen. But I am certain that Stalin and Molotov and the Soviets would not stop at doing just that, should the occasion arise. And I am equally certain that in response to Bolshevik ideology and Communist loyalty to the fatherland, which is Russia, American Communists would not resist Russia occupying American territory or decline to act as a puppet government to be manipulated by Soviet Russia.

French Communists have by their acts given aid and succor to the common enemy of France. Monsieur Marty would not, I am sure, decline to head a puppet government in France, set up by Russia, even if it meant the loss of the war to Germany and the establishment of a dictatorship in place of the French Republic. That is the ideology of the new theory of nationalism.

There is no difference between nazi-ism and fascism, between sovietism and communism. All rest upon the theory of dictatorship. The basis for that theory is alike in all totalitarian countries. Even a cursory study of the form of government obtaining in Russia, Germany, or Italy discloses a deadly parallelism—all power to the dictator, all power to be centered in the hands of the superleader, all power in the hands of a man diety set up by himself. That is the structure of totalitarianism.

The denial of freedom of the press, freedom of speech, freedom of conscience, religious freedom, is an integral part of the ideology accepted by the Communists, Fascists, be they in Germany, Italy, France, Russia, or even in our own midst. They all emit venom, which is the venom of hatred which leads to murder and is the father of intolerance and ignorance and darkness which destroys human dignity, human right, human development.

Man, man in his proper stature would rather die on his feet than live on his knees. The Finns are doing just that.

As a concomitant of nazi-ism morality breaks down, decency goes with the wind. The other day the Germans advised their girls and their women to give themselves to the soldiers who are on march to battlefields so that children might be conceived. Love, marriage, family, all are discarded. The theory of it all is that man lives for the government as distinguished from the fact that government is instituted to serve man. Parenthetically, let me mention this fact that when bolshevism overran Russia it was said that they had nationalized their womenfolk. That was not the truth. The Germans have gone one step beyond that, they have actually nationalized their women, for they tell the women to give themselves to anybody who happens to wear a uniform.

Bolshevik ideology was not intended to be confined within its own borders. Like worms boring into healthy trees and fruit, Russia's ideology was made to bore into and within the democracies. Bolshevism is an ideology which denies the truth, mocks decency, abandons morale, and epitomizes the lie. It developed in a philosophy which spurns the culture—and culture is accumulated decades and morals of the ages—of all who refuse to accept bolshevism. The moral code, accepted by man and by which he lives, is regarded as capitalistic and, in consequence, it must be destroyed. That's bolshevism. That also is nazi-ism.

The human race has, over the centuries, stored up the results of its experience and out of experience came our concepts of right, truth, and justice. The philosophy of bolshevism is like that of nazi-ism. That of the Nazis is also the philosophy of the Bolsheviks. Destroy all that has been created, acquired, and built.

Russia penetrated into our own country through "fellow travelers," through the "party-line gentleman," through the "borer from

within." Nazi-ism has worked and bored through the American bund and its "fellow travelers." In 1931 the Nazis and the Bolsheviks in Germany joined hands to strangle the German Republic. They joined together in a plebiscite to oust the democratic government in Prussia. They failed at that time. But the betrayal by the Communists in Germany of the republic in 1931 and again in 1933 bore it fruit—Hitlerism!

I have always condemned the Munich Pact as a crime. I feel that more strongly today. Were it not for the Munich Pact, Czechoslovakia would not have been raped and destroyed, Poland would still exist, Finland would be free of invaders, and the millions of young men instead of being on the war front would be pursuing their peaceful occupations, and tens of thousands who had died would still be alive and hundred of thousands would not now be either widows, orphans, or grieving parents.

The world is on a precipice. Culture and civilization is at the abyss. Two forces are fighting—one to destroy civilization and culture and human dignity, the other defending it with might and main. It is a war between democracy and absolutism; between freedom and slavery; between high-mindedness and the racketeer spirit.

Our hearts go out to the Jews who, by the millions, are being tortured, bled, driven from pillar to post, who are spat upon, who are degraded to the lowest degree—the Jews who have given the world Christianity, for it was the Jew Christ that gave mankind the philosophy of Christianity. That is probably the reason that Hitler despises and hates Christians. He cannot, he will not accept the philosophy of Christianity given to the world by a Jew. The Jew now is regarded by the Nazis as an outcast, by Mussolini he is not wanted. The Jew has always been the scapegoat. The Poles did not realize that it is one step from the Jew to the Pole, and now the Poles suffer side by side with the Jews. The Catholics did not realize that the attack upon the Jew will not stop there and that ultimately it will be directed against them too. It is that now—churches are destroyed, priests imprisoned.

As we view existing conditions in the world with all its darkness, with all its treachery, with all its despotism, with all its brutality, our spirits have not fallen, for there, in little Finland, man stands erect and fights for the thing dearest to man—dignity, self-respect. The Finns are the symbol of man's dignity, a symbol which stirs us and stirs the rest of the world. A symbol which will lead man to fight despotism and overcome it.

In this fight between democracy and despotism, we Americans, while remaining neutral, stand with the democracies and hope for a complete victory for them. Neutral we may be in act, but we are not that in thought. We are against dictatorship. We are against Nazi-ism. We are against bolshevism. We are for Finland and against Russia. We are for France and Britain and against Germany. We certainly cannot continue neutral in act insofar as Finland is concerned. The Congress of the United States should go beyond mere wishful thinking and extend a helping hand to the Finns in their struggle.

Out of this meeting goes a respectful request, both to our great President and to the Congress of the United States; yes, a plea to them not to abandon the Finns. We do not want war, but we cannot stand by and see Finland and other small nations decimated. Give help. We cannot give military aid, but we can and should give material help.

### Silver-Purchase Program

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

EDITORIALS FROM THE NEW YORK TIMES AND THE WASHINGTON POST

Mr. TOWNSEND. Mr. President, I send to the desk an editorial entitled "The Silver Folly," which appeared in the New York Times of January 23, 1940, and an editorial on gold entitled "The New Yellow Peril," published in the Washington Post of January 22, 1940. I ask consent that these editorials be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of January 23, 1940]

#### THE SILVER FOLLY

The annual report of Handy & Harman, local bullion dealers, draws attention once more to one of the most inexcusable pieces of legislation ever passed:

"Once again the year-end figures proclaim the futility of attempting to meet the requirement of the Silver Purchase Act that 'one-fourth of the total monetary value of the gold and silver stocks shall be silver.' After 5½ years of operation, and after more than 2,200,000,000 ounces of silver have been bought, the goal set by the act actually is 291,000,000 ounces further away than it was when the legislation was passed in June 1934."

The reason for this is the continuing flood of gold into this country, partly as the result of our own policies, partly as the result of foreign economic policies and the outbreak of war. It may be said that Congress could not reasonably have been expected to foresee this continued inflow of gold in such amounts from the outside world. But the event nonetheless serves to illustrate how blind and irresponsible and foolish the Silver Purchase Act was and is.

If our legislation merely compelled the Treasury to buy each year's entire silver output from American mines at the fantastic price of 71 cents an ounce, as present law does, it would be a naked and indefensible hand-out to domestic silver interests, but at least it would be politically intelligible and comparatively inexpensive. But under existing legislation and Treasury practice the great bulk of entirely unneeded silver that we buy is not domestic but foreign. In 1939, for example, in addition to buying 60,600,000 ounces of silver derived from domestic ores, the Treasury bought 280,800,000 ounces of silver of foreign origin at an artificially high price created by the Treasury's own bids. The great bulk of the 2,930,000,000 ounces of silver that the Treasury has now acquired is also of foreign origin. Indeed, that huge mountain of silver, most of which was acquired since the passage of the act, is equal to more than 50 years' domestic production at the current rate.

Last June the Senate, almost as if it realized how preposterous it was for the United States Government to be subsidizing and holding the bag for foreign silver producers and speculators, voted to amend the law at least to prohibit further purchases of foreign silver, but the House, on administration insistence, voted against the Senate amendments and this one was stricken out in conference. So the useless silver mountain grows.

[From the Washington Post of January 22, 1940]

#### THE NEW YELLOW PERIL

In recent years foreigners have been able to buy much more from us than they otherwise could have bought by paying for goods with gold. In a certain sense gold has taken the place of the loans that we formerly made to enable foreigners to buy more goods from us than they sold to us.

In the twenties we acquired promises to pay, which in many cases proved to be worthless, in exchange for valuable goods. Today we are taking gold, which has a very uncertain value, and overvalued silver in exchange for valuable goods and claims to goods.

The extent to which our export trade depends upon our willingness to accept gold in unlimited quantities at an artificially high price is a matter deserving of serious thought. The subject is touched upon in a very illuminating discussion of *The Gold Problem Today*, by Dr. E. A. Goldenweiser, director of research and statistics for the Federal Reserve Board.

Dr. Goldenweiser points out that our monetary gold stocks have increased by about \$13,600,000,000 during the brief period of 6 years. Less than \$3,000,000,000 of that huge sum represents an increase due to revaluation of gold holdings. Most of the remaining increase is due to gold imports.

From the viewpoint of those concerned with foreign trade, it is especially interesting to note that about \$2,200,000,000 of our gold and silver acquisitions during the past 6 years have been payments for goods and services sold to foreign countries in excess of goods and services which we bought from them. In other words, our willingness to take unlimited quantities of gold has enabled foreigners to acquire our excess exports, to build up huge balances in this country, and to buy American securities.

What is to be done about our gold hoard, which Dr. Goldenweiser frankly says "is of little or no use to us now"? In his opinion, "an abrupt cessation of American gold purchases would create chaotic conditions in the exchange market, with repercussions on domestic business conditions and prices." No doubt his judgment on this matter is sound. But in face of a persistent gold inflow fraught with dangerous potentialities, injunctions to do nothing and hope for the best are far from reassuring.

Dr. Goldenweiser thinks that the gold we now hold, plus later acquisitions, will have few large foreign claims against it if the war is prolonged. It is also unlikely that this gold hoard will be reduced to any extent, after the war is over, by excess purchases of foreign goods and services by the United States. Rather it is more likely that heavier demands for goods and for capital will come from abroad. Hence, Dr. Goldenweiser concludes that a flight of capital from the United States, which is "hard to conceive, or investment abroad which is not likely to assume large proportions, would offer the only occasion for losing gold."

It is slightly comforting to reflect that gold acquisitions have helped to stimulate domestic business by adding to the volume of our exports. But we may pay very dearly in the future for these incidental gains. And an enormous problem of credit control is created by the great volume of gold imports.

Dr. Goldenweiser explains but does not point the way out of this dilemma. "The ultimate solution," he says, "will have to be a part of the answer to much broader problems of world stability and international trade."



## What Can We Do About Our Youth Problem?

## EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

RADIO ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT

Mr. PLUMLEY. Mr. Speaker, under the permission granted, I am inserting in the RECORD a copy of the manuscript of the speech I made over WOL at a session of the Forum of the Air, held Sunday evening, December 3 last. I am inserting the entire copy, though, by reason of time limitation imposed, certain paragraphs herein included were then omitted from the broadcast.

The address is as follows:

## THE YOUTH PROBLEM

I am assuming that the National Youth Administration is primarily educational in intent and purpose, rather than for relief as such.

Apparently having done all that we can to upset the orderly processes of government and to retard the advance of civilization at least temporarily, we of this day and generation now have the nerve to come tottering to the crossroads and ask, "What can we do about the youth problem?"

Our generation occupies the incongruous and unenviable position of one which, having set fire to and burned down its neighbor's buildings, tries to sell him a policy of insurance against loss by fire.

## YOUTH IS WONDERING

Let me tell you that youth has long been wondering what it could do about the greatest problem confronting it—that is its elders. In youth's eyes, anyway, we certainly have made a mess of things.

I shall have to admit that I have no patience with those old fossils who live in the past and think that the best has been. The best is yet to be, despite the pessimistic assertions of those who live in a past gone glimmering through the dreams of things that were, of those who do not realize either that the tender grace of a day that is gone will never come back to them or that the past is dead and has no resurrection. Such people should look to the East beyond which is the sunrise and to the West beyond which is the sea.

Yet, I do not wish to be understood to say we cannot benefit from a careful scrutiny of the past.

## SOVEREIGNTY IN THE INDIVIDUAL

I am almost the forgotten man in that I subscribe to that almost obsolete doctrine that sovereignty is in the individual. It is my well considered judgment that there is no obligation on the Government's part to do anything for the individual that he can or should do for himself.

## AGAINST POLITICAL DOMINATION

Necessary Federal aid, without Federal control, abstractly speaking, is favored by everybody. Yet, political domination of the schools of this country by reason of centralized Federal control of appropriations is inherent in a policy which permits Federal control and is inimical to, and a dangerous experiment to be tried by, people pledged to popular government. Education is a State function, not a social experiment with relief the end in view. Education and politics are oil and water to each other. They will not mix. The "oil" of politics will smother the water of life in education.

Youth is the stream of the new washing against the rocks of the old. It floods in a continual current of enthusiasm, of joy of existence, of hope, of fine expectation, of headlong ambition to reap harvests that seem almost impossible. It is the idealist, the impetuous engineer knocking at the gates of thought. Youth, in itself, is progress, change, alteration, eternal striving ahead.

What can we do? We can stop telling youth there are no frontiers; that youth has no opportunities. In comparison with the accomplishments of youth in the next 50 years, those of the last one hundred will sink into innocuous desuetude.

## OPPORTUNITY FOR YOUTH

There never has been a time in the history of this country when youth has had such an opportunity or there has been a more insistent demand or greater need for its brains, ability, and courage than now.

No youth of any day or generation has ever been confronted by so great a problem as that of the mounting public debt and the continuing annual deficits piled up by us, a problem which will exhaust the vitality and test the energy of American youth in the days and years yet to come. The solution of these problems affords them their opportunity to demonstrate that they have the initiative, the independence, the self-reliance, and the courage to work

out their own salvation. The Lord knows its elders cannot do it for them; we have demonstrated our inability so to do.

## NO SURRENDER OF INHERENT RIGHTS

I favor almost anything that will really permanently promote the general welfare. I am, however, opposed to the surrender to the Government of the inherent rights of the several States, and to centralization of power, authority, and bureaucracy in the Federal Government, for the benefit of those who insidiously and peripatetically undertake to get more power, in order more fully and completely to control more people, and through education control the economic destiny of these United States. I hope I can still see a hole in a ladder.

The announced objectives of the National Youth Administration are generally commendable. In the abstract and theoretically we are all in favor of it, but what it will cost in dollars and cents is not nearly so important as what it will cost in the sacrifice of the fundamentals of Americanism. As the President has said, we can ill afford to lose the skill and energy of the unemployed young men and women who should have their chance in school, their turn as apprentices, and their opportunity for jobs. We should, however, be unalterably opposed to the assumption by the Federal Government of any large measure of control of the educational policies of the Nation. If I could be assured of Federal support without Federal control, that would be a horse of another color.

We should not forget that to say that opportunity for adequate education must be available is not to state that there must be equality of opportunity for all. The group of unemployed is made up in part of those who had been encouraged to seek a higher academic education but were listed among the casualties in their first year because of lack of ability, inadequate preparation, or general unfitness for the part they sought to play.

## NO SUBSIDIZING EDUCATION

The reason the Federal Government should not be permitted to go wildly into the business of subsidizing education in the States is found in the fact and in the practical result that Federal agencies, by reason of their control of the purse, are already directly and indirectly controlling and administering public education and educational policies within the States. Once you let the camel of Federal centralization gets its head under the tent, the tent is bound to topple. Greedy for power, the Federal Government never gives up, but continues to reach out and to grab, and eventually to choke initiative, individualism, and enthusiasm.

## CENTRALIZATION IS DESTRUCTIVE

Centralization of authority, with respect to the determination and administration of educational policies, in the hands of a Federal officer means the reaching down to the very wellsprings, and the destruction of the underlying rights of the States and of individuals to have something to say as to what shall be the educational policy that shall be followed. This centralization is not only contrary to our American theory and our traditions with respect to the educational opportunities to be afforded, but if continued, as it will be if the money is forthcoming to the extent that it is desired and suggested that it should be furnished, is bound to federalize American education and to centralize the absolute control thereof in the Federal Government, the while it eventually destroys the independence of our public-school system.

This does not take into consideration the expense involved which would be, and already is, tremendous because of the duplication by the Federal Government of the State-constituted agencies. It is a waste of money considered from that angle.

Now this problem will not be decided nor solved in a moment. There are somewhere around 4,000,000 young men and women between the ages of 16 and 25 years of age who are not in school and for whom no employment is available. It has always been my contention that the State and local authorities must accept the responsibility for the finding of jobs, for the training, and for the vocational education of those within their jurisdiction. The States should do what they can, and only after they have done what they can should the Federal Government step in to subsidize insofar as may be necessary without centralizing and without establishing bureaucratic and Federal control of the education system of the country.

Many thousands of those unemployed in the youth group are recently graduated technicians—civil, mechanical, and electrical engineers—for whom there were and are no jobs in industry. Other thousands comprise those who had a job when there were jobs.

A million and a half young people between 15 and 20 years of age, out of school, never had a job and cannot get one. Getting a job is the biggest problem facing American youth today.

## YOUTH INJURED BY POLICIES OF NEW DEAL

For youth the present depression has been a greater obstacle than it has for those of an older generation, for the primary reason that the New Deal's policies of restriction and an economy of scarcity have principally hurt young people trying to get a start in life. Its policies have acted to cut down industry and agriculture, so there are fewer jobs to go around. Older people having jobs hold on to them, and since no new jobs are being created, the youngsters go without jobs. This is true in virtually all lines of activity. For instance, in the building trades the number of apprentices permitted under the rules of organized labor have been very greatly reduced and in some crafts the training of apprentices has ceased altogether. This is done by the labor unions to protect the jobs of the older workers, but it means that a young man getting out of

high school is unable to get training as a craftsman, with the result that he passes from his twenties into his thirties as an unskilled laborer. The same thing is true of the boys who have college educations. Less business activity means a smaller opportunity for jobs in the professions, in banks, on newspapers, in brokerage houses, and in retail stores. Thus, unfortunately, those who have reached working ages in the last 6 years have indeed become a "lost generation."

#### A SOUND SOLUTION

The long-range, sound solution for this problem is not to be found through Government subsidies or programs of Government-made work. Such undertakings, while very helpful, are but panaceas—shinplasters to ease the pain rather than a permanent cure. The only really sound and lasting solution is to get the business activity of the country back to its previous level of acceleration, so that new jobs are constantly being created for the hundreds of thousands of young people who annually come out of the high schools and colleges of the country. And there we get back to the fundamental proposition that you cannot treat the youth problem as separate and distinct. It is a part of the larger problem which confronts the entire Nation, namely, economic recovery.

#### OBSTACLES TO ECONOMIC RECOVERY

Obviously, one of the obstacles to a sound and lasting economic recovery have been the policies pursued by the New Deal which have harassed business and strangled industry through punitive taxes, disturbing experiments, reckless fiscal policies which can only lead to disaster if pursued for a few more years, and other tinkering with various parts of the economic machine. When we untie this strait jacket that is holding back American business, agriculture, and commerce, and people commence to go back to work, what some of our left-wing friends now like to call "the youth problem" will be solved. The problem of youth now is and has always been and always will be to get ahead in the world and to get a start. Youth wants the opportunity to make its own way.

The best thing we can do for youth is to undertake to get back to real American thrift and economy in living—to get away from the idea that "the Government owes us" one. We must get rid of the idea that youth and its elders too prevalently have today that this is a good government to live in because it is a good one to live on and off from.

#### GIVE INDUSTRY A CHANCE

We must give industry the necessary confidence in our prudence and considered judgment as to warrant its venturing into fields of endeavor that will afford the jobs. We must show youth that there is a way to get out from under the burden with which we have saddled it. We must make jobs by restoring confidence.

I have been fearful that this country is on the broad highway to all the ills of bureaucracy and the corruption that goes with it that our forefathers and so many of our fellow citizens fled from Europe to escape.

In my opinion, the bureaucratic concept invokes a wrong theory and principle of civics and governmental policy, in that it would cause the Federal Government to do for its individual citizens that which they ought to do for themselves, or, at least, through their own voluntary and nonpolitical associations. It is paternalism—the most subtle and sinister enemy of popular government.

#### THE THREAT OF PATERNALISM

I am therefore forced to believe that, as a general proposition, the centralization tendencies in government have fastened their tentacles around the surviving representative of the most nearly perfect republican form of government ever created. The paternalistic state is cooperating to help strangle its child. The question which confronts you and me is, Shall we stand idly by as accessories, both before and after the crime?

I believe that the Government should be for and by the people, and the nearer it is kept to and of the people, the better government we will have.

The approach to political paternalism has always been paved with benevolence. For the people to retain and to maintain their natural, individual rights guaranteed to them by, and which go under the name of, liberty as formulated in their charter of freedom, the Bill of Rights, has been a problem ever since the beginning of the Republic, calling for unremitting vigilance on the part of the citizens themselves.

From the testimony before the Committee on Education and Labor in the United States Senate for the Seventy-fourth Congress one may read the statement:

"The most obvious shortcomings of the National Youth Administration are general inadequacy, the total lack of democracy in administration, and the threat to the already declining wage standards. On the first of these three headings we will allow Mr. Roosevelt and the National Youth Administration officials to speak for themselves. 'It is recognized,' the President said in June, 'that the final solution of this whole problem of unemployed youth will not be obtainable unless there is a resumption of normal business activities and opportunities for private employment on a wide scale.'"

#### ECONOMIC "PILLS" OF THE "NEW DELIRIUM"

That's the answer. No amount of homeopathic economic pills undertaken to be administered by the "New Delirium" will save the patient's life or contribute much to his permanent recovery, comfort, or well-being.

In the restoration of confidence, and the consequent resumption of normal business activities, is found the safe, sane, and permanent solution of the problem.

## Conditions in Spain

### EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, January 25 (legislative day of Tuesday, January 23), 1940

ARTICLE BY DR. JOSEPH F. THORNING

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Dr. Joseph F. Thorning, and appearing in the magazine Spain, the title of the article being "Victorious Spain."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the magazine Spain]

#### VICTORIOUS SPAIN

(By Dr. Joseph F. Thorning)

It is an inspiring experience to secure a first-hand view of victorious Spain. First of all, there are the people, joyful in their sense of deliverance at the hands of Generalissimo Francisco Franco. Everywhere, in the metropolitan centers like Madrid and Barcelona as well as in tiny towns and hamlets, the overwhelming mass of the population gives visible expression to its sentiments of relief, satisfaction, and enthusiasm.

No one speaks unsolicited about the dark days of the leftist terror. By an almost universal tacit agreement the subject is taboo. As one villager crystallized popular feeling for me: "The attempted Marxist revolution was a painful night passed in the pit of a well; now that we have been restored to the sunlight we don't want to shiver again, even in the domain of the imagination."

One reason for the popular contentment is a perfect realization of the fact that "Spain has been given back to the Spaniards." During the bitter days of civil war, unscrupulous propagandists of the Left had done their best to create the impression that the peninsula had been inundated with Nazis and Fascists. "Resist the foreign invaders!" had been the watchword of the Marxist diehards. As soon as the legions of Generalissimo Franco completed the pacification of the country, they were revealed to be decisively Iberian in numbers and spirit.

To the immense disappointment of some Americans, the foreign auxiliaries of the Nationalist Army did not linger in the Peninsula. Spain did not become a puppet state; nor did the generalissimo act the part of a vassal, which the Leftists had created for him. In domestic and foreign policy the Spanish Nation lost no time in making clear to the world that its destiny was in the hands of Spaniards. The first of Generalissimo Franco's promises had been redeemed and the men and women who were his fellow citizens accepted his decision as a tribute to their own conscience, dignity, and self-respect.

Another factor in the stability of the present regime is the generous service which continues to be rendered by the Auxilio Social. This gigantic social-welfare organization, whose ranks are thronged with volunteer workers, did not fold up with the occupation of Barcelona and Madrid. On the contrary, every branch of its service was strengthened, expanded. The women, redoubling their activity, opened up thousands of new centers for the distribution of milk, fruits, medicines, and hot meals. Housing problems were particularly acute. Committees of the Auxilio Social made the rounds of available apartments, calling upon the Spanish spirit of hospitality to record new triumphs. In some quarters this was no easy task. Recognizing the magnitude of the problem, Generalissimo Franco and his cabinet allocated more than 600,000,000 pesetas for the construction of modern apartments and homes, particularly for manual laborers.

It is important to emphasize that even-handed justice prevailed in the apportioning of benefits in the new Spain. There has been no discrimination against former Leftist sympathizers on purely political grounds. Even criminals have been treated with magnanimity. Speaking of the liberality and fairness which characterized the development of the Auxilio Social, Mr. Howard E. Kershner, vice president and director of the American Friends Service Committee, declared the work of distribution was being done "quite impartially." He also praised the order and discipline of the Franco regime. The people realize that, if certain commodities like quality coffee and creamery butter are scarce, they are lacking to all citizens in equal measure. Nor have there been any authenticated complaints to the effect that the few are benefiting at the expense of many. Favoritism is a vanishing word in the Spanish vocabulary.



It has just been revealed that more than 360,000 of the 500,000 Spaniards who fled into France at the end of the Civil War have been repatriated and are now engaged in the general work of rehabilitation. All of these people, as M. Albert Sarraut, French Minister of the Interior, testified (the New York Times, December 9, 1939), were willing to leave the refugee camps in France and rejoin their fellow citizens across the Pyrenees. Six months ago, few suspected the task of repatriation and reassimilation could have been speeded up to the extent indicated by the above figures. The reentry into Spain has been systematic, careful. When completed, it will be found that none but criminal elements would elect to remain in exile. Spain, in turn, has become a place of refuge and safety in view of the spreading European conflict.

Those Spaniards, who refuse to return to their native land, are everywhere active in the Communist ranks, supporting the Nazi-Soviet aggressions upon small nations. For example, in Mexico, which not long ago bade fair to be the "promised land" for leftists of all stripes, there is now strong feeling, official and unofficial, against the activities of the ex-Spaniard, Col. Alfaro Siqueiros, spearhead of Marxist groups south of the Rio Grande. Of special interest in this connection is the following passage from the New York Times (December 9, 1939):

"It is asserted that Spanish refugees are especially active in Communist circles. Many of them were convinced Communists before they left Spain and brought their political convictions with them. It is pointed out that Colonel Siqueiros is himself a Spaniard."

In striking contrast to this Nazi-Soviet mentality of the self-styled "liberals," is the noble attitude manifested by Sr. Ramon Serrano Suñer, Spanish Minister of Government and brother-in-law of Generalissimo Franco. Immediately after a momentous meeting of the Cabinet on December 8, 1939, Sr. Serrano Suñer issued a statement on the foreign situation. Among other things, he said:

"Spain, which fought as another nation in the defense of western civilization against Asiatic barbarity, expresses its profound sympathy with the Finns in this difficult and heroic hour."

This is further proof that Spain, under the leadership of Generalissimo Franco follows a policy of principle, not expediency, in relations with other European nations.

Peace is indispensable for the completion of Generalissimo Franco's plan for Spain. The Generalissimo is thinking in terms of years of orderly progress, not mere weeks or months. He has projects for superhighways, irrigation works, increased port facilities, docks, warehouses, hydrographic equipment, reforestation and educational expansion. The new trans-Atlantic service between Bilbao and New York is a clue to Spain's ambition to regain her proper place in world maritime commerce. While in Madrid I was told that ships would be built or purchased for passenger and freight transport between Buenos Aires, Montevideo, Rio de Janeiro and the Spanish Mediterranean and Bay of Biscay ports. Naturally, the service between Spanish Morocco and the Peninsula will be modernized, enlarged. Finally, a number of boats have been chartered to carry commerce into the eastern Mediterranean.

Spanish iron, copper, mercury, manganese, and lead now have a ready sale in England and France. The oranges of Valencia are much favored in the British Isles. The olive oil of southern Spain is celebrated. Consequently, a wider distribution of all these products will cement political relations and simultaneously finance the \$1,000,000,000 electric power and water system envisaged for France's Spain.

The Spanish Government is aware of the deep religious sense of both urban and rural populations. During my travels in the Peninsula I was able to note that the first edifice to be repaired in practically every town was the parish church. Although the richness of the original decorations had vanished, it was offset by the spotlessness and neat propriety of each interior. Restoration of religion, obviously, has been a labor of love. Every altar and every tabernacle, glowing with candles or adorned with flowers, offers mute testimony to the devotion of the Spanish people to Christ in the Blessed Sacrament. In view of these manifestations of popular sentiment, one may dismiss as tendentious and malicious the propagandistic stories of any serious rift between the civil and ecclesiastical authorities. Differences about the application of specific measures to the national life may arise; they will not be quarrels about principle. Generalissimo Francisco Franco is more Christian in mind and heart than some rulers who gloried in the title of "Most Catholic Kings."

In conclusion, we may recall the tribute which His Holiness, Pius XII, paid to Generalissimo Franco when, earlier in the year, he greeted a group of Spanish pilgrims led by the Spanish Ambassador to the Holy See. The Pontiff, expressing his pleasure on this occasion, reminded his hearers of his wish "to participate in the victory . . . achieved under the guidance of so illustrious a leader." It was with special satisfaction, His Holiness added, that he greeted Spain's "new epoch of grandeur."

Christians throughout the world, encouraged and reanimated spiritually by the example of their friends in Spain, share the Holy Father's prayer that Generalissimo Franco may continue to show neighboring nations how to conquer both war and depression.

## To America—1939-40

### EXTENSION OF REMARKS

OF

### HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1940

ARTICLE BY MARGARET BROWN

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert a paper by Margaret Brown, of Alhambra, Calif. Miss Brown is a young lady who has been earnestly struggling to keep our country at peace because she deeply loves and has a strong desire to protect its democratic institutions.

It is with pleasure that I submit to this body Miss Brown's paper entitled "To America—1939-40."

#### TO AMERICA—1939-40

The last few months of 1939 have been cruel to the whole human race, save America and me. They have seen a new home and the birth of two babies into happy American families. Because America and Americans have dared to be a democracy, have dared to make freedom of worship, speech, press, and assembly law, have dared to unite 48 different States into one Federal Union, have dared to organize and regularly elect a House of Representatives and a Senate and a President, have dared to organize a police force to deal with offending citizens according to courts of law—for the tiniest incorporated area to the National Guard—for these reasons, America is at peace—and thank God for peace. Perhaps it is because the citizens across a continent have dared to do this and have dared to be good neighbors to the other nations on the same continent that Americans know peace. Thank you, Americans, for the United States.

But most of the rest of the world is at war—and Americans are sick at heart because of it, perhaps feeling we have erred in international dealings—omitted doing things that were possible many years ago. A feeling of responsibility for acquiring international peace, for getting it on a just basis, has gripped America in 1939.

Now, will the infant girl of the new leap year bring more and more terrible conflict to humanity, or will the spirit of brotherhood, as James Hilton suggests, perform one of those necessary miracles that human history is so full of because there is a just God ever guiding human destiny, despite the many lives lived in misery and conditions of war? There are many organizations in human society like the church that most Americans respect and many owe allegiance to; many newspapers; all kinds of social organizations the world over; several new organizations seeking world federation on the basis of brotherhood through which this miracle of ridding the world of war can come. Will it happen in 1940?

MARGARET BROWN,  
Alhambra, Calif.

## Air Mail for Punkin Center

### EXTENSION OF REMARKS

OF

### HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

ARTICLE BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written by me which appeared in Popular Aviation for January 1940:

[From Popular Aviation for January 1940]

AIR MAIL FOR PUNKIN CENTER

(By Jennings Randolph)

Air mail for the backwoods communities. For the crossroads hamlets. For the little back-water villages and towns. For all the 90,000,000 persons in the United States who live away from

the main airways and whose mail service today is comparable only to that given the country in Civil War days.

Imagine a rural free delivery of the air. Air-mail service that does not pass over and ignore the little homesteads of 400 to 500 persons. That instead blankets the entire Nation with routes that will give these little towns an air-mail service just as efficient and virtually as frequent as now is rendered to the country's largest metropolises such as New York, Chicago, Kansas City, San Francisco and others.

If you can see this picture you realize that such an R. F. D. of the air promises to bring about the most far-reaching development that commercial aviation has seen since it first became a reality. And this kind of service is not a wild dream. Instead it may be put into operation by the United States Post Office within a matter of months. For the postal officials have watched the development of just such a service during the past year in Pennsylvania and West Virginia. A service that requires few airports, no large investments of public or private funds to create, yet has shown in actual demonstrations of regular, all-weather flying that it is practical and economical.

#### FIFTY-EIGHT COMMUNITIES BEING SERVED

I am referring to the air-mail contract held by All American Aviation, Inc., that now is serving 58 communities on two air-mail routes—one between Philadelphia and Pittsburgh and the other between Pittsburgh, Huntington, and Charleston, W. Va. Over these routes some 1,540 miles are flown daily and air mail and air express is brought to communities ranging from a mere 799 inhabitants to larger cities of 105,000 persons.

The major air-line operators flying large airplanes can only link up the big cities. And they can provide service only where expensive airports of large area with hard-surfaced runways, landing lights, radio-range facilities, and other costly aids to navigation are present.

But A. A. A. (All American Aviation) gets along without most of these aids. The greater majority of the communities where the Triple A brings its mail and express service possess no suitable landing fields, there are no radio range beacons over its routes and no beacon lights for night flying. There are, however, even more startling differences, to wit:

1. The major air lines that carry passengers, mail, and express plan their routes so they serve communities that are from 150 to 250 miles apart as a maximum and at times the distances are 700 miles—as between Chicago and New York. Triple A's communities average 17.5 miles apart. Between some pick-up stations the distance is as small as 5 miles.

2. The major air lines find it uneconomical to make landings more often than once each hour to hour and a half. Triple A makes its contacts with the communities at intervals of 5 to 22 minutes.

3. The major air lines say that their schedules, calling for 155 miles per hour block to block, could not be made if they served small places at frequent intervals. But A. A. A. maintains a scheduled speed of 110 miles per hour, yet never cruises its ships at air speeds faster than 140 miles per hour.

In fact, All American operates profitably and efficiently in joining towns into an airline that would be commercially worthless to any other airline operator in the world. The secret, of course, is that, while serving many of these little communities, the Triple A planes never stop. They drop incoming mail and express and pick up outgoing bags and parcels while in flight. The communities that have no airports are equipped with pick-up stations on farms, in public parks, on hilltops, and mountain peaks. There even is one station at the edge of a cemetery and another on an island. Pilots dropping mail on the latter must make each delivery with precision and care, for if the mail bags are dropped short they fall into one stream and if they overshoot they fall into another.

If landings were made they would slow the service to such a degree that its value as the fastest means of transportation would be lost. And furthermore, by using the aerial pick-up and delivery system, the Triple A includes in its routes communities where it never will be possible to land a conventional type landplane.

Now consider the picture presented by a really wide application of the Triple A pick-up air-mail system. There are 4,000 cities in the United States with populations of 5,000 or more. Today only 210 of these 4,000 cities (excluding those served now by Triple A) have direct mail service over established routes. The great air-transport companies are comparable to a railroad system that operates nothing but through service over major trunk lines.

There are 900 cities among those that do not now receive regular air-mail service with airports already constructed. And it would be only a matter of months before all the other communities that do not have airports could construct the special air-mail pick-up stations that are required for the Triple A system of pick-up. It took 20 years to give service to 210 cities but only months to spread it to the full 4,000. Indeed, it would not be necessary to restrict this service to towns of more than 5,000. Every community that cared to put up a pick-up station could have air-mail service.

#### DR. L. S. ADAMS INVENTS DEVICE

All this would not be possible were it not for a surgeon who was bitten by the aeronautical bug some 30 years ago in California

when he was flying with the late Glenn Curtiss in California. He is Dr. Lytle S. Adams. He first conceived the aerial pick-up during the period when Curtiss was flying at San Diego, but for years thereafter he was unable to make the tests that brought it to perfection.

About 1924 Dr. Adams began spending his own money on experiments. In 1927 he had his first full-sized working model which he demonstrated successfully before officials in Washington and with service between the *Leviathan* and New York City in the first ship-to-shore mail. Dr. Adams had arranged for financing and believed that his system would inaugurate the R. F. D. of the air mail at that time, but the market collapse of 1929 sank his dream.

The setback, however, was only temporary. He abandoned his highly successful practice of oral surgery to devote full time to promoting his device. He demonstrated the system for the Post Office in Washington again and also at the World's Fair in Chicago in 1933, but was unable to get any contracts for carrying the mail.

Somewhat discouraged, he came to my office in Washington in 1935, with a letter from W. P. Wilson, of Wheeling, W. Va., board chairman of the Fokker Airplane Corporation, who knew of my interest in expanding our air-mail system. Adams told me the story of his struggle and gave me another one of his demonstrations. I became interested, read his material, and suddenly the implications of the thing caught my imagination.

At that time we had less than 200 cities receiving air mail yet there are about 15,000 first-, second-, and third-class post offices in the country and 30,000 fourth-class offices. I could see no reason why most of these—in the future—might not have air mail. Many of my colleagues shared my enthusiasm, but it was not until 1933 that Congress took up the question of authorizing the Post Office Department to initiate experimental feeder service, as well as experimental autogiro service between outlying airports and centrally located post offices. In April 1938 Congress authorized the experiments.

So far so good. But these authorizations did not provide funds. I therefore introduced an amendment to the regular post office appropriations bill which authorized the expenditure of \$100,000 on these experimental services. It passed and the Department soon afterward laid out the routes and called for bids.

Let me break the continuity of the story right here to explain just how Dr. Adams' pick-up device operates. The device, fully automatic, makes it possible for an airplane pilot to drop one bag of mail as he approaches an airport and pick up another bag while continuing to fly at speeds of from 90 to 125 miles per hour. Special equipment on the ground and in the airplane is necessary.

The ground equipment is simple in construction and operation. Two steel poles each 36 feet high are set into concrete blocks 60 feet apart. A line connects the poles and the mail bag to be picked up is fastened to the center, held in a special plywood container.

Virtually any type of airplane can be used. Triple A uses five Stinson Reliants with 330-horsepower Wright engines. The only seat in these ships is the pilot's, the rest of the cabin being cleared for the mail clerk who is carried, the mail bins, and the pick-up gear. This gear consists of a steel cable with grapple at the lower or contact end, and a shock absorber attached to the cable. A winch is used for reeling in the cable after the pick-up has been made.

#### OPERATION IS SIMPLE

The flight technique for pick-up is as follows: The airplane, upon approaching the pick-up station, is put into a power glide. The clerk lowers the grapple on the cable and a hemp rope with the delivery bag also is lowered so that two lines are dangling from the ship at the same time. They are kept apart in the air by the difference in their weights. As the plane reaches the station the clerk releases the delivery bag. The pilot maneuvers his ship so that the grapple touches some part of the line between the steel poles. Automatically and virtually infallibly the grapple clutches the line which is pulled away and with it brings up the outgoing mail.

The shocks of the grappling are borne by the shock absorber on the steel cable and by a special slide fitting that attaches the mail bag to the transfer line. When the line is clutched the fitting allows the mail bag to slide out to the far end. This sliding movement also absorbs much of the shock.

Pick-ups are made at air speeds of 100 miles per hour. With the hydraulic shock absorbers now in use, loads up to 70 pounds may be picked up. By using spring shock absorbers already designed, heavier loads—as much as 125 pounds—may be picked up.

By the time Congress had appropriated funds for the mail experiments, Dr. Adams had organized Tri-State Aviation and All American Aviation, 2 companies that were carrying about 1,500 packages of express material daily from department stores in Pittsburgh and Baltimore to some 25 communities within 500 miles of the cities.

When bids were asked for the air-mail routes laid out by the Post Office Department Triple A won. Richard C. Du Pont now is president of the company and James Ray, the old autogiro expert who was test pilot with the Pitcairn Autogiro Corporation for so many years, is chief of operations for the line. Six pilots and five clerks and the Stinsons now do the job.

A glance at the map accompanying this article (not printed) shows the mail routes. Service began on May 12, 1939. On the



Philadelphia-Pittsburgh route one plane leaves Philadelphia at 9 in the morning and lands at Du Bois at 11:36 a. m., after delivering and picking up from cities along the way. Another plane leaves Pittsburgh at 10 a. m., makes pick-ups along the way, and arrives in Du Bois at 12:11. Here the loads are transferred and each plane returns to its home city. The split schedule was arranged to insure service at one or the other ends of the line even though bad weather may interfere along part of the route.

On the Pittsburgh-Huntington route the plane leaves Pittsburgh at 10 a. m., landing in Huntington shortly before 1 p. m., and makes the return flight in the afternoon. The mail clerks sort the mail from each community as it is picked up so that mail from, say, Chambersburg addressed to Altoona will be delivered on the same flight.

Between Huntington and Pittsburgh there are 29 cities receiving daily air-mail service. Of these, only 10 have airports able to accommodate even light planes. Yet, by connecting with trunk air lines at Pittsburgh and Huntington, these cities are all within 24 hours by mail of any city on any regular air line in the United States.

#### RURAL SECTIONS ARE HELPED

The small cities are finding air mail of greater value than it has proved to large cities on the major air lines. Most of the larger cities also have excellent railroad facilities, so that even without air transportation they would have good mail delivery. But this is not the case with many of the towns served by Triple A. Some of them, such as Glenville or Grantsville—both West Virginia county seats—do not even have railroads. They are turning with great enthusiasm to air mail. Glenville, with a population of only 800, has a daily dispatch of about 3 pounds. On a per capita basis, this exceeds that of the world's largest air-mail center.

In the month of September this route carried 2,881 pounds of mail. Of this amount, 1,295 originated at the two terminals. It is estimated that about 60 percent of this came in over the major air lines, and that the remainder had its actual origin in the terminal cities of Huntington and Pittsburgh themselves. Of the 1,600 pounds originating along the route, more than 50 percent came from cities with no airports.

Only about 700 pounds came from the 10 cities with flying fields. If all cities received air mail at the proportion they send it, postal revenues would have been from \$2,400 to \$4,000 less during the month had Triple A served only those cities with airports.

The mail poundage for the two routes since inception follows:

#### Pounds of mail

May .....	3, 019
June .....	5, 893
July .....	6, 804
August .....	7, 193
September .....	6, 371
October .....	6, 351

Much of this is short-haul mail—an order sent by store by afternoon mail can be delivered next day by air express. Because of the large percentage of this short-haul mail, no statistical figures are yet available on average load. The average daily total runs about 250 pounds. President Dick Du Pont estimates that his company is now handling about 25 percent of its capacity.

Aside from the big cities of Philadelphia and Pittsburgh, there are about 900,000 persons along the routes served. On the basis of direct payments made by the Post Office to domestic air-mail contractors, the gross annual cost of service will average about 21 cents per capita. The same average for the major air lines is 40 cents per capita.

Postal revenues on the pick-up routes have not yet reached a point where they cover this cost completely, but the growing volume of mail indicates that the Government soon will reach the break-even point, and that faster service will soon be a profitable item for the Post Office Department. Moreover, calculations indicate that a national network would reduce the average haul of air mail to the point where it will show as good a margin of profit as first-class mail does today, and that it will triple or quadruple the traffic now carried by the major air lines.

All the flying done to date has been contact, and there are no night schedules. All planes, however, are equipped with two-way radios and other blind-flying aids and all pilots have instrument ratings. On a few occasions weather conditions have forced the pilots to go on instruments over portions of the route and they have, therefore, missed delivery and pick-up at certain individual stations. A few complete cancellations have been made, but the average operating record has been 96 and 97 percent for all scheduled flights over the two routes.

The pilots doing the flying are Holger Hoiris, of Falkland, Del., who, in 1931, flew the first passenger across the Atlantic in an airplane (Otto Hillig from New York to Copenhagen); Camille D. Vinet, of Glenside, Pa., formerly director of aeronautics for the State of Pennsylvania; Norman Rintoul, of Morgantown, W. Va., who has been test pilot for the pick-up and delivery service for 3 years; James Piersol, of Williamsport, formerly aviation editor of the Detroit News and New York Times; and Thomas T. Kincheloe, of Sturgis, Mich.

#### FEEDER LINES ARE COMING

President Du Pont and the operations officials of Triple A already are planning extensions of their service to include passengers. Naturally it will be possible to pick up passengers only at communities where there are airports, and stops will be made only on special notice. But the mail pick-ups and deliveries will be made

even with passengers aboard the company's planes—although this has been done only on an experimental basis to date.

On October 30 Hoiris demonstrated a night pick-up on Randall Field before C. A. A. and post-office officials. The equipment used was simple. There was a red neon light outlining the flag on top of each of the steel poles, and a 12-foot horizontal bar of red neon mounted on a frame 10 feet above the ground. On November 15 regular night service was started on an experimental basis at Grove City, Butler, and Natrona, all near Pittsburgh on the Philadelphia-Pittsburgh route. Lighting at these stations included a range light on each side of the station at a distance of 175 feet from the masts. This light is sufficient to make the station visible from a distance of 6 miles. Schedules have not been changed, due to short autumn and winter days, although these cities are in darkness by the time the afternoon plane arrives on its return flight to Pittsburgh.

President Du Pont realizes the enormous field to be tapped. Recently he said, "The creation by utilization, of the air pick-up principle, of a national network of feeder lines carrying mail, express, and passengers, as an auxiliary of the present air-transportation system through the establishment of radial feeder routes from the major air terminals, is inevitable."

### Whose Market the American Market?

#### EXTENSION OF REMARKS

OF

### HON. BERTRAND W. GEARHART

OF CALIFORNIA

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

STATEMENT BY LOUIS J. TABER, MASTER OF THE NATIONAL GRANGE, BEFORE THE WAYS AND MEANS COMMITTEE

Mr. GEARHART. Mr. Speaker, during this morning's session of the Ways and Means Committee, the committee which at the moment has under consideration the bill for the extension of the Reciprocal Trade Agreement Act of June 12, 1934, Mr. Louis J. Taber, master of the National Grange, appeared and presented in an unusually effective manner the views of the great organization it is his honor to represent.

Mr. Taber's discussion of this complex subject was so thorough, his arguments so convincing, his conclusions so irresistible that his statement must be regarded as a most unusual one. Because I am quite convinced that he is entitled to and should have a much wider audience, I was constrained to ask the permission of the membership of this legislative body to include his masterful address in the CONGRESSIONAL RECORD of this day's proceedings.

Mr. Speaker, in accordance with the unanimous consent of the Members of this body, expressed but a moment ago, I hand the text of Mr. Taber's statement to the Public Printer for the purpose I have just heretofore indicated.

Mr. Taber's statement follows:

My name is L. J. Taber, and I am the master of the National Grange. I live at Columbus, Ohio, and I am the owner of a dairy farm in Belmont County, Ohio, on which I spent most of my life.

The Grange is the oldest general farm organization of the country. It was established in 1867, and it is organized on a State basis in 36 States. We have about 8,000 local or subordinate granges, with a total membership of approximately 800,000. The legislative policies of the National Grange are developed and agreed upon at our annual conventions by the voting delegates in attendance. The membership of the Grange extends from the Atlantic to the Pacific and from the Canadian border to the Gulf. Our people are engaged in all types of agriculture. From the beginning, the Grange has been a nonpartisan organization.

The Grange opposed the proposed reciprocity treaty between the United States and Canada during the Taft administration, because we were convinced that the terms of the treaty would be detrimental to American agriculture.

In 1934, when the Reciprocal Tariff Act was introduced in Congress, we opposed it, because we feared that if it were placed in operation it would work out to the disadvantage of American producers. We likewise registered opposition to the renewal of the act in 1937.

At all of its recent conventions the National Grange has gone unanimously on record in favor of giving the American market to the American farmer to the limit of his capacity to supply it.

My purpose in making these detailed references is to show that the Grange attitude on the question under consideration is not of recent origin.

At the last annual meeting of the National Grange, held at Peoria, Ill., November 15-23, 1939, our organization went on record as being opposed to the extension of the Reciprocal Tariff Act, which expires by its own limitations on June 12 of this year, besides urging Congress to terminate the trade agreements now in force, in accordance with the provisions of the Act.

#### ESTABLISHMENT OF TARIFF COMMISSION

More than a quarter of a century ago the Grange joined with others in advocating the establishment of a bi-partisan, fact-finding tariff commission as an aid to Congress in legislating on this complicated and important subject. We then believed, and we still believe, that so far as is humanly possible the political aspects of the tariff should be subordinated, and that it should be approached as a business or economic question, affecting for good or ill the lives and fortunes of all the people of the United States. The Tariff Commission was established in the year 1916.

The Grange likewise supported the principle embodied in the Fordney-McCumber Act of 1922 and which was retained in the Tariff Act of 1930, known as the flexible proviso. This was designed to keep rates adjusted to changing conditions and to obviate the necessity of more frequent general revisions of the tariff, with their unsettling effects upon business.

The theory has been that our tariff rates should be based on the difference in the cost of production as between this and other countries. Ascertaining the essential facts in such cases is not a small problem; it requires a trained and technical staff such as the United States Tariff Commission is supposed to have. With this plan functioning as was originally intended, Congress should be able to legislate intelligently on the tariff question.

It must be admitted that the plan for dealing with the tariff question laid down in the Reciprocal Tariff Act of 1934, which the resolution before this committee would extend for another period of 3 years, constitutes a marked departure from our traditional tariff policy, and deprives the Tariff Commission of virtually all of the vital functions with which it was formerly vested.

When the reciprocal-tariff bill was presented in 1934, it was offered as an emergency measure intended to meet a temporary situation, with the understanding that it should be terminated at the expiration of 3 years. But today, after the lapse of 6 years, the advocates of this new system of tariff making have grown much bolder. They either intimate or frankly and boldly declare that Congress is not competent to legislate on the tariff, and that this vital and important function of the legislative branch of the Government should be transferred to a small coterie of so-called experts, who have not been directly chosen by the people and who are not directly responsible to them.

#### OUR NEW TRADE POLICY

In a revealing statement contained in a magazine article a few years ago on what he called Our New Trade Policy, Dr. Henry F. Grady, now an Assistant Secretary of State, declared:

"Our objective is the general amelioration of the world situation. We have already lowered many rates, which have been generalized to other countries. When we shall have gone the rounds of most of the important countries of the world, reducing in each case the duties on commodities of which it is the principal or important source, we shall have lowered our tariff on a great many items where the case for lowering is justified. As a result of extending these reductions to virtually all countries, we will obtain, it would seem, what the proponents of unilateral tariff reduction desire; but we will do it more carefully and scientifically than is possible by legislative action."

The word "unilateral," as used in this connection, is one that grates on my ear. Unilateral means one-sided, and a bargain that is one-sided or lopsided cannot properly be called a bargain at all.

We may well ask how anyone could expect American interests to be protected by pursuing the kind of policy outlined by Dr. Grady in the amazing paragraph I have quoted.

As is well known, the surplus problem has been the most difficult with which the American farmer has been faced since the close of the World War. In our efforts to solve this question, Congress passed the Agricultural Marketing Act of 1929, the Agricultural Adjustment Act of 1933, the Soil Conservation Act of 1936, and the Triple A of 1938. This question cannot be solved by importing foreign surpluses of competitive agricultural commodities and piling them on top of the American surplus.

In considering the workings of the reciprocal-trade agreements from the standpoint of the farm population it is proper to recall that on October 25, 1932, Mr. Roosevelt made an address in Baltimore, during the course of which he said:

"I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

Notwithstanding this pledge, however, the tariff has been reduced on more than 200 items coming under the agricultural schedule. In numerous instances rates have been reduced to the extent of 50 percent, the limit allowed by law.

Referring specifically to some of these commodities, we reduced the duty on cattle, swine, pork, bacon, grains, and cereal products, milk, cream, cheese, eggs, potatoes, and a long list of fresh vegetables, canned or preserved vegetables, fruits, nuts, and other competitive agricultural products.

#### PURCHASES BY SURPLUS COMMODITIES CORPORATION

I assert without fear of successful contradiction that it would be impossible to reduce the tariff on all these competitive agricultural commodities without price-depressing effects gravely injurious to the farmers of the United States. How this policy works out in practice instead of theory may readily be gleaned by consulting the records of the Federal Surplus Commodities Corporation. While the State Department is busily engaged in lowering our tariffs on farm products, the Surplus Commodities Corporation is spending huge sums of the taxpayers' money in buying up not only our own surpluses but the foreign surpluses that have been dumped upon our shores as a result of this misguided policy.

In the Canadian agreement we reduced the duty on eggs from 10 to 5 cents per dozen and then generalized this concession to the rest of the world. In the meantime the cumulative purchases of eggs by the Surplus Commodities Corporation up to June 30, 1939, amounted to 30,289,020 dozens.

In the Canadian agreement we reduced the duty on apples from 25 to 15 cents per bushel. The Surplus Commodities Corporation has purchased 9,050,828 bushels in the effort to get rid of our surplus and to stabilize the price.

In the agreement with the Netherlands the tariff on cabbage in its natural state was reduced from 2 to 1½ cents per pound. Cabbage purchases by the Surplus Commodities Corporation up to June 30, 1939, totaled 207,039,584 pounds.

In the Netherlands agreement we reduced the duty on peas, prepared or preserved in any manner, and purchases of canned peas by the Surplus Commodities Corporation have totaled 864,992 cases.

In the agreement with Turkey we cut the duty on figs from 5 to 3 cents a pound, of which commodity the Surplus Commodities Corporation has purchased and distributed more than 800,000 pounds. The duty on raisins was likewise reduced in the Turkish agreement. Raisin purchases by the Surplus Commodities Corporation up to June 30, 1939, amounted to 50,199,000 pounds.

All this makes no mention of the food-stamp program, which has been in operation for some time and which is intended partly to get rid of domestic surpluses by other methods than direct purchase by the Surplus Commodities Corporation.

It would be tedious to enumerate the entire list, so with the permission of the chairman, I should like to merely direct the attention of the committee to the cumulative purchases by the Federal Surplus Commodities Corporation in surplus removal operations to June 30, 1939, as they appear on page 580, table 717, of the Department of Agriculture publication, Agriculture Statistics of 1939.

According to its annual report for the fiscal year ending June 30, 1939, the Surplus Commodities Corporation purchased and distributed farm commodities valued at \$66,567,863 during that year. The figure given includes transportation, processing and other handling costs. Many of the commodities listed in this report refer to items upon which tariff reductions have been granted.

#### BULK OF IMPORTS ON FREE LIST

It goes without saying that we want all the foreign trade we can get under proper conditions, and we are sensible of the fact that trade is a matter of give and take. In any discussion on this subject, it is tremendously important to keep in mind that the United States has the biggest free list of any country in the world. During the calendar years of 1938 and 1939, 61 percent of all our imports were on the free list.

The total revenues we collect from import duties are small when compared to those of the United Kingdom, which was once regarded as the world's greatest free-trade empire. Going back to 1936, English imports, free and dutiable, were valued at \$4,244,000,000. Customs duties collected (not including excise taxes) amounted to slightly over \$1,000,000,000. Great Britain, therefore, collected an average of about 26 percent on her combined imports, including articles free and dutiable. Our imports the same year were valued at \$2,241,000,000, and the duties collected amounted to \$400,558,000, giving us an average rate of duty on all imports, free and dutiable, of only 16.5 percent.

In our dealings with other nations, we should take from them the commodities we need and do not produce domestically. Most emphatically, we should not take products of which we already have a surplus, as we are doing in so many instances under the workings of the Reciprocal Tariff Act.

It does not make sense to pay hundreds of millions of dollars annually to American farmers to reduce acreage and production and then enter into trade agreements with other nations making it easier for them to swamp and glut our markets with competitive commodities.

#### NEGOTIATIONS WITH SOUTH AMERICAN COUNTRIES

Announcement has recently been made by the State Department that the negotiations looking to trade agreements with the Argentine and Uruguay have been dropped. But what assurance do we have, if the Reciprocal Tariff Act is extended, that negotiations with these South American nations will not be reopened, perhaps before the close of the year? An Associated Press despatch in this connection, emanating from Buenos Aires under date of January 6, makes interesting reading. It is as follows:

"President Roberto M. Ortiz declared today that negotiations for an Argentine-United States trade treaty have come to an end, because of 'insufficient information and complete understanding.' He said he felt President Roosevelt would favor resumption of the



negotiations in the near future and added, that "for my part I fully desire it."

The difficulty with which we are confronted in attempting to negotiate trade agreements with certain South American countries, including the Argentine, is that they have large surpluses of the very commodities that fall into the surplus class domestically.

To cite a few illustrations, before negotiations with the Argentine were suspended, the United States had signified its willingness to reduce the duty on casein. The present duty on this commodity is 5½ cents per pound. When the present Tariff Act was being framed 10 years ago, the farm and dairy groups made a special effort to secure a reasonable duty on this commodity. Domestic production of casein has increased rapidly during recent years. According to the United States Department of Commerce, there were 316 factories in the country manufacturing this product in 1931. By 1937 the number of factories had increased to 664. These plants are situated in 24 different States. Under the present rate of duty, domestic manufacturers have demonstrated their ability to supply the home market. Notwithstanding, our imports of this product during the first 10 months of 1939 amounted to 6,875,000 pounds.

Statisticians of the dairy industry tell us that in round figures there are 53,000,000,000 pounds of skim milk produced annually in the United States. We have enough skim milk to make annually more than 20 times as much casein as is consumed today. The fact is that there are millions of gallons of skim milk for which we have not yet found a profitable market. Nevertheless the State Department wants to reduce the duty on casein.

#### CORN SLATED FOR TARIFF REDUCTION

The proposed agreement with the Argentine also called for a reduction of the duty on corn. As is well known, corn is the principal crop of the United States. We produce approximately 60 percent of the world's supply. We have had three bumper crops in succession, and hundreds of millions of bushels of surplus corn is sealed in the cribs of the Corn Belt, upon which the Government advanced loans of 57 cents per bushel.

The water rate on corn from Buenos Aires to San Francisco is \$7.75 a ton, which is equal to 19.6 cents a bushel. This is a rate that the railroads cannot match. Under the soil-conservation program the Government is paying our farmers to reduce acreage and production; nevertheless, the State Department wants to reduce the duty on corn.

Another item listed for tariff reduction in the Argentine agreement was turkeys, which are dutiable at 10 cents per pound. A few years ago we had the largest turkey crop on record in the United States, numbering 28,000,000 birds. Commercial hatchings in 1939 were 52 percent above the previous year, and the number of turkeys grown was placed at 32,000,000. During the recent holiday season No. 1 turkeys sold in Texas for as low as 10 and 11 cents a pound, which is less than half the cost of production. Nevertheless, the State Department wanted to reduce the duty on turkeys.

In the proposed agreement with Chile, dried beans are listed for a reduction in duty. According to the Department of Agriculture, our annual consumption of dried beans amounts to about 13,000,000 bags of 100 pounds each. We have the biggest surplus of beans on record, amounting to about 3,500,000 bags. The bean growers of New York, Michigan, Colorado, Idaho, California, and various other States are in deep financial distress. The average price received for beans at local markets throughout the country during the past two seasons was \$2.58 per 100 pounds. There are plenty of people in this country who would not put the beans in the bags and haul them to market for such an absurdly low price. Nevertheless, the State Department wants to reduce the present duty on beans.

One of the reasons why the Grange is opposed to the renewal of the Reciprocal Tariff Act relates to the question of constitutionality. To all practical intents and purposes, the 22 trade agreements we have negotiated with other nations are treaties, and the Constitution provides that treaties must be ratified by a two-thirds vote of the Senate before they become effective. In 16 of the countries with which we have dealt, these treaties were subject to parliamentary ratification. But here in the United States, the greatest Republic in the world, in violation of our fundamental law, no such ratification was required.

#### A COMPLETE CHANGE OF FRONT

In 1930, when the present tariff act was pending, certain Members of Congress registered strenuous and emphatic objections to the flexible proviso conferring upon the President much more limited powers than those embodied in the Reciprocal Tariff Act.

The distinguished Secretary of State, Hon. Cordell Hull, who was then a member of the Ways and Means Committee of the House, said:

"The proposed enlargement and broad expansion of the provisions and functions of the flexible tariff clause is astonishing. It is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As was said on a former occasion, 'This is too much power for a bad man to have, or for a good man to want.'"

The able and highly esteemed chairman of this committee, Mr. Doughton, declared:

"In my opinion we have gone a long way too far already in the centralization of power in the executive head of the Government. \* \* \* And if this bill is enacted into law, he will have the

power of life and death over industry, of manufacturing enterprises, and complete autocratic power affecting agriculture. My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus. It is too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States. In fact, with all this unrestricted and unlimited power, he would be in a better position to overthrow our form of government and proclaim himself king than was the first consul of France, the great Napoleon, when he overthrew the French Government and proclaimed himself Emperor."

If such strong and emphatic language was justified in protesting against the flexible provisions of the Tariff Act of 1930, what words can be employed by any supporter of our democratic institutions of government in characterizing the vastly greater delegation of legislative power to the Executive that is contained in the Reciprocal Tariff Act of 1934, which it is now proposed to renew and extend for the second time?

Under section 336 of the Tariff Act of 1930, which contains the flexible proviso, the President was given authority to raise or lower rates to the extent of 50 percent, in the case of any article on the dutiable list, but only after an investigation and report by the Tariff Commission, setting forth the need or the reason for such a change. In writing the Tariff Act of 1930, Congress clearly stated that such changes in rates should be made to equalize differences in the cost of production of domestic articles and comparable or similar articles manufactured or produced abroad.

#### FACT FINDING NO LONGER NECESSARY

But it is very important to note that in the Reciprocal Tariff Act of 1934 it is expressly provided that "the provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign-trade agreement has been concluded pursuant to this act, or to any provisions of any such agreement." In plain language this means that under the Reciprocal Tariff Act it is not necessary to make any investigation to establish differences in the cost of production, as between the United States and foreign countries before changing a rate, or any number of rates, if you please. As a matter of fact, the dutiable schedules of the tariff act have been largely rewritten since 1934 without the formality of investigations by the Tariff Commission and without consulting Congress.

While those who are charged with the responsibility of negotiating these so-called reciprocal-trade agreements have repeatedly assured Congress and the country that they approach their task with great care and discrimination, there is no record available to the public to prove the truth of these assertions. Rates are changed without making public the reasons therefor, as was formerly done in recommendations and reports of the Tariff Commission. These changes in rates are made arbitrarily and often in the face of what appear to be convincing reasons presented by producers against the lowering of rates.

#### APPEAL TO COURTS IS BARRED

There has been much dissatisfaction and complaint throughout the country on the ground that the Reciprocal Tariff Act of 1934 renders it virtually impossible for American producers to make any appeal or protest to the courts when they consider themselves aggrieved. It is expressly provided that section 516-B of the Tariff Act of 1930 shall not apply in matters relating to reciprocal-trade agreements. This amounts to a denial of the fundamental right of every citizen to have his day in court when conditions warrant it. Various individuals and groups have endeavored to institute proceedings to test the constitutionality of the Reciprocal Tariff Act, but so far without success.

The proponents of the reciprocal-trade program have asserted at hearings before the Ways and Means Committee and have proclaimed to the whole country that the methods employed in negotiating these agreements are democratic in every sense of the word. It has been stated by the supporters of the plan that all parties who have an interest at stake are given a full opportunity to be heard before the agreements are consummated.

However, any witness appearing before the Trade Agreements Committee in the interest of a domestic industry cannot but feel that Demosthenes of old, with a mouthful of pebbles, shouting against the roar of the surf on the Grecian coast, had much the best of it, not only as to the interest shown by his audience, but as to his effectiveness in winning conviction as well. Demosthenes at least had the satisfaction of improving his oratory; but so far as can be ascertained, no representative of a domestic industry has yet made any headway in forestalling the sacrifice of his tariff protection on the altar of a mythical foreign-trade policy.

One of the features of the trade-agreements program that has caused much dissatisfaction among domestic producers is the policy of the State Department which withdraws items from the jurisdiction of the Tariff Commission and even from the jurisdiction of the courts, when certain rates of duty are bound, although not actually reduced. The State Department may return to these items and reduce the duties at a later date. In the meantime, Congress and the whole country is bound in these treaties, which often bind items now on the free list even against the imposition of excise taxes.

#### IMPORTS OF ASIATIC STARCHES

To give an illustration, when the trade agreement with the Netherlands was pending, domestic producers of corn and potato starch personally appealed to Secretary Wallace and to Secretary Hull, asking that tapioca flour should not be bound on the free

list. The potato growers of Maine said that they had a 2-year supply of potato starch on hand for which they could not find a market, and it was made known to Secretaries Hull and Wallace that an effort would be made to secure the enactment of an excise tax to equalize the difference in the cost of production at home and abroad.

But when the Netherlands agreement was proclaimed, tapioca flour, which competes with domestically produced corn and potato starch, had been bound on the free list.

During 1937, 466,000,000 pounds of tapioca flour was imported by us free of duty. To produce an equal amount of starch would require 555,000 acres of corn. Our imports of tapioca flour during the past year amounted to nearly 400,000,000 pounds.

Tapioca comes principally from the Dutch East Indies and is produced by workers who receive from 18 to 25 cents for a day of 12 hours. We have made America a dumping ground for these Asiatic starches. It is worthy of note that Holland imposes a duty on imports of these starches from her island possessions for the protection of her own potato growers.

#### UNCONDITIONAL MOST-FAVORED-NATION POLICY

Considerable dissatisfaction has resulted from the unconditional most-favored-nation policy that is being pursued in the making of reciprocal-trade agreements. Until 1922 the United States pursued a policy of conditional most-favored-nation treatment in commercial treaties. In other words, we extended to other countries policies adopted by us in negotiating with most-favored nations conditionally—that is, if such countries extended to us the same treatment which they might agree to extend to other nations, we gave them this most-favored-nation treatment conditionally. After 1922 we adopted the unconditional most-favored-nation policy, and in 1922 commercial treaties agreed unconditionally to extend as favorable treatment as we received.

But this applied only to such matters as were covered in commercial treaties, like passports, travel privileges, use of docks and wharves, ownership of property in foreign countries, taxing of foreign citizens, and similar subjects. This policy did not apply to tariff duties. Previously, whenever reciprocal-trade agreements were discussed, or provided for by legislation, in every case it was made clear that they would be bilateral in nature and subject to Senate approval.

Furthermore, it must be borne in mind that when the unconditional most-favored-nation policy was adopted with relation to commercial treaties, sections 316 and 317 of the Tariff Act of 1922 made provision for a means of escape in cases of unfair competitive methods on the part of foreign countries. Similar provisions were incorporated in sections 347 and 348 of the Tariff Act of 1930.

#### FOREIGN CURRENCY DEPRECIATION

Let me briefly refer to the question of foreign currency depreciation as affecting reciprocal-trade agreements. When any foreign country, whether voluntarily or under economic pressure, abandons the established ratio between its currency or monetary unit and those of other countries, the purpose almost universally is to protect its foreign exchange. By depreciating its currency, such a country discourages imports and encourages exports. It will be seen that if the pound sterling should fall from the long-established ratio with the dollar from \$4.86, let us say, to \$3, our people would be discouraged from exporting, because when we sold an article for a pound sterling, we would get a piece of money worth only \$3, when formerly it was worth \$4.86. On the other hand, our people would be encouraged to buy from England if now they could purchase an article for \$3 for which they formerly had to pay \$4.86.

The effect of this method of currency depreciation is the equivalent of raising the British tariff rate to a prohibitive level and at the same time making our tariff rate partly or completely ineffective.

On September 23, 1931, the above is exactly what happened, and then later, in 1933, we devalued our currency to the British level; so again the ratio between the pound and the dollar was reestablished at \$4.86. But with the outbreak of the new European war, the British pound was again devalued. Today it is out of line with the dollar to the extent of about 20 percent.

Different countries have attempted to remedy this by providing for an automatic increase or decrease of regular tariff duties to apply against countries which manipulate currency values. As an illustration, France did that against England in September 1931.

So far as my knowledge goes, under the reciprocal trade agreements program we have done nothing to protect ourselves against currency depreciation on the part of the countries with which these agreements have been made.

Since the outbreak of the European war, agriculture in particular has been placed at a further disadvantage because of the many controls and restrictions that have been placed in effect. To put it briefly, while Great Britain and France are using their liquid cash to buy war materials from us, they have placed a virtual embargo against our farm products. In a special report to the Agricultural Advisory Council, issued by Secretary of Agriculture Wallace under date of December 27, 1939, he sets forth in detail the disadvantages under which we labor. In the meantime Great Britain, France, and all other countries with which we have negotiated agreements are at perfect liberty to send goods to us without restriction.

#### PURSuing CONTRADICTORY POLICIES

An impartial survey of the whole situation must convince any intelligent and unprejudiced person that under present conditions our Government is pursuing diametrically opposite and contradictory policies at one and the same time.

Under the Wagner Labor Relations Act, the Wage-Hour Act, the Walsh-Healey Act, the Social Security Act, and similar legislation, we have adopted a policy that calls for economic nationalism. In considering the subject under discussion the question is not whether these measures are desirable or undesirable, sound or unsound. The inescapable point is, however, that the artificialities and restrictions which have been imposed upon American industry and business in the development of this policy operate to increase our costs of production and of doing business.

Under the reciprocal-tariff policy we are pursuing what is sometimes called a good-neighbor policy, or a policy of international altruism. It must be manifest that we cannot successfully pursue both of these policies at one and the same time.

So far as the American farmer is concerned, neither direct benefit payments from the Treasury, the extension of credit, nor any other help that the Government can give will compensate him for the loss of the American market and the price-depressing effects of competitive imports.

It has long been the policy of the Government of the United States to protect American workers and producers so far as possible against competition from foreign countries where substandard labor conditions prevail. But under the workings of the reciprocal-tariff program this long-established policy is to a large extent being nullified. For example, when the trade agreement with Turkey was being formulated, the raisin growers of California called attention to the fact that the minimum wage paid to vineyard workers in that State was 35 cents an hour, compared to \$1.10 a day received by vineyard workers in Turkey. If comparison were made between wages paid to industrial workers in the United States and the wages received by industrial workers in many foreign countries, the difference would be still more striking.

The proponents of the trade-treaties program attempt to make it appear that we have not been injured as a result of imports caused by lowering tariff duties. Perhaps one reason why imports have not been heavier is because so large a proportion of the workers in European and Asiatic countries during the past few years have been engaged in making war materials. But with the return of peace, which for the good of humanity and civilization we trust may be hastened, the situation will be altered.

#### POURING MILK INTO A FULL BUCKET

It is important to bear in mind the fact that even comparatively small surpluses, whether due to imports or to overproduction at home, infallibly operate to demoralize market prices.

As a boy on the farm I early learned that one could not safely carry a bucket brimful of milk without spilling a little on the barn floor. Pour out a quart or two and the difficulty is removed. Pour in an extra pint and nothing can stop the overflow. The same thing holds true of market conditions. I have seen a single shipment of butter arriving in New York affect the price as far west as Chicago and cost the producers possibly millions of dollars. Yet the people of New York could probably have eaten the entire shipment of butter within 24 hours if it had been equitably distributed among them. Even the mere threat of imports in the face of market gluts at home cannot fail to have price-depressing effects.

Reference has already been made to the many ways in which the European war has defeated the workings of existing trade agreements. We maintain that with all the world a tinderbox and the future shrouded in uncertainty this is not the time to enter into any more reciprocal-trade agreements that are to run for a period of 3 years.

#### OFFICIAL STATISTICS REFUTE CLAIMS

Labored efforts have been made by the supporters of the reciprocal-tariff program to persuade the farmers of this country that they have been benefited by it. However, it can be proved by official statistics of the Government that such is not the case.

During the fiscal year ending June 30, 1934, the last full year before the reciprocal-tariff program went into effect, our exports of farm commodities totaled \$787,343,000. Our farm exports for the fiscal year ending June 30, 1939, amounted to \$682,962,000. This shows a loss of farm exports of \$104,381,000.

During the fiscal year ending June 30, 1934, our imports of farm commodities totaled \$838,952,000. For the fiscal year ending June 30, 1939, farm imports amounted to \$998,616,000. This shows an increase in imports of \$159,664,000.

Speaking only of competitive imports, there was an increase of \$67,625,000 in 1939, as compared with 1934.

There is more involved in the question under discussion than tariff duties and imports and exports, along with the effects that our policies relating to foreign trade may have upon the American people. It is a question that goes to the very roots of our system of representative government.

If Congress, by extending the Trade Agreements Act for another period of 3 years, should sanction the theory that it is not competent to legislate on the tariff, is it not reasonable to suppose that the idea may progressively gain currency that it is not to be trusted to legislate on any matter whatsoever? Certainly, if this delegation of legislative power is to be renewed, the bill should be amended so as to provide for congressional approval of all trade treaties that in the future may be negotiated. Since, under the Constitution, all revenue legislation must originate in the House, it should have the right to pass on such treaties as well as the Senate. We must be fair to all sections of the country and to every group of our people. While we believe in a spirit of amity and good will among nations, our first duty is to the people of the United States.



Whose market is this? Who has the first claim to the purchasing power of America? Who is it that must pay the taxes? Upon whose back rests the pay rolls and the relief rolls of the Republic? Who is it that must defend the flag? It is the people of the United States. Let us be just to them before we seek to be generous to the rest of the world.

## Relations of the United States to Present World Conflict

### EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY JUDGE ALBERT W. JOHNSON

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Honorable Albert W. Johnson, United States district judge, middle district of Pennsylvania, to the Lions Club, Scranton, Pa., January 23, 1940, entitled "The Duties and Responsibility of the United States in the Present World Conflict."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A heavy responsibility rests at this time on any person who addresses so intelligent, influential, and representative a body of men, whose organization extends throughout and beyond our entire country with such opportunity to influence the public opinion of our people. This responsibility requires a speaker not only to select a vital subject but also to think correctly and to speak specifically and not in platitudes and generalities.

With much of the world now at war threatening the entire world, it is necessary that public opinion in our own country—the greatest Nation on earth—be patriotically and intelligently formed so that our position in this great conflict may be right.

I have, therefore, decided to address you on the subject, "The Duties and Responsibility of the United States in the Present World Conflict."

What is and shall be our duty in relation to this conflict depends upon the issues involved, the progress of the struggle, and the results upon civilization. If this war involved a mere local issue and struggle, not affecting the nations generally, our obligation would be different from our duty if justice, liberty, religion, and civilization were involved. It, therefore, becomes necessary to determine the issues and the probable and possible results of the conflict to determine our obligations to ourselves and to the civilizations of the world.

The main issues of the war now appear definitely defined. On the one side we see arbitrary, dictatorial, and tyrannical governments, with no regard for the rights of innocent and independent nations, attacking and conquering without cause, by force and violence and with no respect for agreements, treaties, and international laws, spurning justice, liberty, religion, and the principles of democracy and free government.

On the other side we see democracies and free government which respect agreements, treaties, moral codes, international law, justice, liberty, religion, and the rights and freedom of independent states.

It is then arbitrary governments and tyranny against democracy, justice, and liberty; conquest by force and violence against settlement by justice and law; atheism and brute force against liberty and religion. In such a struggle with such issues involved, affecting all nations of the world and civilizations for all time to come, a great people like the United States cannot keep their light under a bushel; they cannot cry peace, peace, when there is no peace; they cannot cringe and say it is none of our concern; they must take their stand on the side of right or fail in their mission in the world; they must serve themselves and mankind, or go the way of parting nations that fail in times of trial.

We have heard and read much since the war began urging us to do our duty in general terms but little or no advice or definition of what are our duties.

Our duties and obligations lie first on the home front, and secondly on the foreign front. On the home front we must first put our national house in order, if we are to be strong and live. In the language of the Constitution, we must "establish justice, insure domestic tranquillity, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity"; and, secondly, we must provide for the common defense by maintaining an adequate army and an invincible navy.

In 1919, more than 20 years ago, at the request of some friends, I prepared a plan of legislation to put our national house in order,

which was then discussed in four separate articles in the Philadelphia Public Ledger. This plan was sent to the President, his Cabinet, and all the Members of the National Congress; to the Governor of Pennsylvania, his cabinet, and to all members of the Pennsylvania Legislature. This program, necessary then and necessary now, included legislation to restrict immigration so as to maintain a high and patriotic standard of citizenship; to secure the birth of normal children by preventing parenthood of all who are mentally, morally, and physically defective; and by teaching the parents principles of health; to provide that children shall be reared under healthful conditions by proper and efficient medical inspection and treatment and by making their environments sanitary; to provide for the establishing of the best possible system of education covering the physical and moral development of the pupil as well as the mental; to provide for the securing to all citizens the fullest justice possible and the economic and social square deal.

The economic and social square deal includes the right of private property and individual initiative; a reasonably large income tax on large incomes and a reasonably large inheritance tax on large estates; a more just and equitable administration of wealth through such means as a shorter week and a shorter day for labor, workmen's compensation, unemployment insurance, adequate old-age and widows' pensions; efficient management and control of public-service companies and the maintenance of fair rates either by efficient and thorough Government regulations or municipal ownership and control; through Government regulation of banks, both State and Federal; the regulation of all corporations and the issuance and sale of their stocks with sufficient Government control that the incomes will not be squandered but used for the benefit of the owners of stocks.

Through the above plan and program of legislation and administration this Nation will present to the world not only the best form of government but the most successful in its service to all people.

On our home front, secondly, it is necessary to establish and maintain an adequate Regular Army of the highest efficiency, with a strong National Guard in every State; an air force second to none; also, a Navy strong enough to defend our country against all navies or combination of navies that might attack us. This development and condition of the home front will not only make our own people prosperous, happy, and patriotic, but will secure the respect of all peoples of the world and make us a most powerful nation, able to demand and secure our rights everywhere with a voice and influence of overwhelming power for good in times of peace as well as in times of war.

On the foreign front it is our duty, first, to support the right side by unequivocal statements and resolutions; secondly, by extending assistance of all necessary materials to the nations fighting for justice, liberty, and independence, and withholding the same from the aggressor nations denying justice and destroying liberty and independent nations by force and violence; and thirdly, if necessary to protect the world, including ourselves, from being overcome by force and violence, actually to assist the right side with all our power on land, sea, and air.

First, then, on the foreign front, we must encourage the right and denounce the wrong. Our approval of the things that are right in this great struggle and our condemnation of the wrong will give tremendous help to the side struggling for justice, liberty, and self-government, and it will be a tremendous weight against the nations attempting by force and violence to destroy these principles of civilization. There is a moral order in this world and when moral and spiritual influences are exerted they may be decisive. These moral and spiritual influences are the invisible and invincible powers of God working in favor of right. It is our duty in this war not to be neutral in thought nor word, but to speak out for the right and against the wrong and not to waiver but to do it now from every quarter. If we are to respect ourselves as individuals and as a nation in the face of wrong, we cannot and dare not be quiet; if we are to do our duty, we must make our voice heard in no uncertain terms.

In the second place, on the foreign front, we must do more than talk; we must encourage the right and condemn the wrong; we must extend all possible aid, short of war, under the principles and rules of international law; we must supply medicine, clothing, equipment, and every possible assistance, and withhold the same from the aggressors and wrongdoers. Our moral support extended and our material aid thus fully given, as necessary, to the right side, and our withholding and withdrawing aid from the wrong side may be sufficient to overcome the aggressor nations and to bring victory to the nations fighting for right and to bring peace to the world.

If this help to the right side is not sufficient and we discover that notwithstanding all this support, the aggressor nations are likely by force and violence to overcome the democracies and free countries of the world and to destroy justice, liberty, religion, international law, and civilization, and are determined to extend their sway over the world, then it will be necessary for us actually to engage with all our power in the war on the side of right and actively with all our power to defend civilization for ourselves and the world.

I do not overlook the seriousness of war, the cost in blood and treasure. I have associated from childhood with soldiers of the Civil War on both sides. I followed closely the Boer War in South Africa, the Spanish-American War, the Russian-Japanese War, and the Great World War.

My father was a member of the Union Army at the age of 17. Two of my sons were in the World War in France, one at the age of 16, one in the Battle of Argonne; my son-in-law, Carl A. Schug, one of the finest young men I have ever known, was a first lieutenant in the Seventy-seventh American Division, one of the first on the battlefields of France; twice seriously wounded in action, who, after a short but brilliant career as district attorney and lawyer, died as a result of these wounds. Of my 11 children, 8 are boys—all fit mentally, morally, and physically. Six are now of sufficient age for military service and the other 2 will be old enough if the war lasts a few years.

Peace must not be purchased at the price of slavery. The greatest teacher of the world did not bring such peace, but the peace that comes from duty well done, the establishment of liberty and righteousness and the destruction of injustice and sin. He said: "Think not that I come to send peace on earth; I come not to send peace, but a sword."

The Christian life He introduced gave battle at once to evil and slavery, and was destined, finally, to overcome sin and slavery, and to establish in their place righteousness throughout the earth. Real peace for individuals and nations is not the peace of freedom from struggle and conflict but the peace which comes from duty courageously performed.

Nathan Hale, a young student at Yale, captured and about to die in the American Revolution, regretted that he had but one life to give for his country. Patrick Henry, in the Virginia Assembly in 1775, in the most famous of all his orations, said: "Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God, I know not what course others may take, but as for me, give me liberty or give me death."

During the war of independence, the town of Woodstock, in the Shenandoah Valley, a region settled by Germans, was the scene of an act of inspiring patriotism. Rev. Peter Muhlenberg, a German Lutheran minister, who in his youth had served with the dragoons in Germany, addressing his congregation, said that there was a time to pray and to preach, but also one to fight. This time had come. "Therefore, whoever loves freedom and his new fatherland, let him follow me." Then taking off his ministerial robe, under which he wore the uniform of an officer, he buckled a sword about his waist, and amidst indescribable enthusiasm, while drums were beating in front of his church, he enlisted 162 men in the Revolutionary Army. Rev. and Gen. Peter Muhlenberg left a brilliant military record and gained the intimate friendship of George Washington and Patrick Henry.

Joan of Arc, the Maid of Orleans, a peasant girl, a mere child, a devout Christian, and a lover of peace, led the armies of France to victory. Creasy, in his *Fifteen Decisive Battles of the World*, calls her "the truest heroine the world has ever seen."

Creasy speaking of the siege of Orleans and the deliverance of France from her enemies by Joan of Arc, stated "Seldom has the extinction of a nation's independence appeared more inevitable than was the case in France, when the English invaders completed their lines around Orleans 423 years ago. A series of dreadful defeats had thinned the chivalry of France, and daunted the spirits of her soldiers."

"Joan's heart was sorely troubled at the thought of the fate of Orleans, and her voices now ordered her to leave her home, and warned her that she was the instrument chosen by Heaven for driving away the English from that city and for taking the Dauphin to be anointed King at Rheims."

Leading the troops of France to battle and victory, Joan of Arc describes how she led them: "I used to say to them, 'go boldly in among the English and then I used to go boldly in myself.'"

After she had saved her country, she was captured by the enemies of her country, and cruelly and wickedly burned at the stake. She lost her physical and earthly life in serving a great cause, but she maintained her spiritual life, and is now and forever shall be, one of the saints.

What then is the peace we seek? It is not the peace that comes from freedom from toil and struggle, but the peace of honor; the peace of righteousness; the peace which comes to individuals and nations in the service of a good cause, facing danger and even death for the things that are right and the things that are just—in national affairs, for justice and liberty. Such peace came to Nathan Hale, Patrick Henry, Peter Muhlenberg, and the Maid of Orleans.

But it is said this is not our war and we cannot be affected by the result. But it is our war, a war affecting Europe, Asia, Africa, and the islands of the sea in which the powers of darkness are battling with the powers of light; in which wickedness and despotism are destroying by violence justice, liberty, and Christianity; our war just as much as the war of those actually and directly now engaged.

The history of the world clearly shows that the results of the decisive battles influenced the history of the whole world.

Creasy, in his *Fifteen Decisive Battles of the World*, opens his description of the Battle of Marathon in the following words: "Two thousand three hundred and forty years ago a council of Athenian officers was summoned on the slope of one of the mountains that overlook the plains of Marathon, on the eastern coast of Attica. The immediate subject of their meeting was to consider whether they should give battle to any enemy that lay encamped on the shore beneath them; but on the result of their deliberations depended not merely the fate of two armies but the whole future progress of human civilization."

Ten thousand Athenians and 1,000 Plataeans attacked 100,000 Medes and Persians and by their skill and courage won the Battle

of Marathon. The Athenians, instead of being led into slavery, achieved their liberty and independence and preserved and extended a superior civilization for the whole human race.

There were other such battles—the Battle of Tours, in which Charles Martel rescued our ancestors from the civil and religious yoke of the Mohammedans; the Battles of Saratoga and Yorktown, which secured after 8 long years of war the liberty and independence of America; the Battles of Gettysburg and Vicksburg, which preserved "government of the people, by the people, and for the people."

But it is said we went into the World War and gained nothing. This statement is frequently heard and is most fallacious. Had the Prussian military despotism conquered the democracies of the Old World, she would have destroyed France and England, and enriched herself from the wealth of the British and French Empires, and built up such an army and navy as would have overcome all of the Old World and placed the New World in constant peril.

It is said we must have peace, but peace cannot be secured by compromise with evil. Justice cannot be compromised with injustice; liberty and tyranny cannot be compromised; atheism and Christianity cannot be compromised; independence and slavery cannot be compromised; civilization and barbarism cannot be compromised. The aggressor nations will not listen to reason and yield and thus this war must go on and be fought out to a conclusion which must end right when justice and liberty prevail. Just settlements must and will then be effected, and many, if not all, of the causes of war must and will be removed, and peace will be established and a better world created. Our Nation must help to make and maintain this righteous peace and the better world.

It is said such a war will be too costly for us. Let us here recall a statement of the great Prime Minister of England, David Lloyd George, in one of his great orations during the World War: "It is not what a nation gains but what a nation gives that makes it great"; and let us recall what the greatest of all teachers said: "It is written, man shall not live by bread alone, but by every word that proceedeth out of the mouth of God."

Property and money and things material are temporary and pass away, but justice and things spiritual are eternal, for which individuals and nations should struggle and sacrifice. It was the courage and sacrifice of Nathan Hale, Patrick Henry, Peter Muhlenberg, George Washington, and their comrades that gave us our liberty and independence and self-government.

In the great Battle of Trafalgar, in which the life of the British Empire was at stake, Admiral Nelson placed on his flagship this motto for all British sailors and soldiers: "England expects every man to do his duty." When Nelson had received a mortal wound and the battle was over and the victory won for England, he called Captain Hardy to his side, placed a kiss on his brow, and said, "I die happy, because I have done my duty."

May it never be said of us that we cried, Peace! Peace! to escape cost and danger and death, but that we have always served justice, liberty, and civilization. Our country will then deserve to live, and "government of the people, by the people, and for the people shall not perish from this earth."

## Dinner in Honor of National President of American Federation of Hosiery Workers

### EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the *RECORD* an address delivered by the eminent Senator from Pennsylvania [Mr. GUFFEY] at a dinner given by the Philadelphia hosiery workers in honor of Alexander McKeown, recently elected national president of the American Federation of Hosiery Workers, at Philadelphia, Pa., January 27, 1940.

There being no objection, the address was ordered to be printed in the *RECORD*, as follows:

It gives me great pleasure to join with you in honoring Alexander McKeown, recently elected national president of the American Federation of Hosiery Workers. Most of you know Mr. McKeown much better than do I, but I can join with you in paying tribute to him because I know that when the labor movement offers homage to an individual they are not so much honoring the individual as the principles for which he has fought.

And, in the labor movement, the principles for which Alexander McKeown has fought for the past 30 years are principles which today stand out as the foundation stone upon which a greater labor movement is being built.



It is not unusual to find union leaders who have served the membership for 30 years, but to find that during that time they have been able to continue in an aggressive fight for political and economic principles which are for the first time being accepted is outstanding. Mr. McKeown comes within the latter classification.

As a leader of the hosiery workers of Philadelphia, of this State, and now of the Nation, Mr. McKeown has represented those progressive principles. It is perhaps only natural that I should speak more of political events than those concerned with collective bargaining, as I am more at home with them, and I know that unlike many other trade unionists who close their eyes to what was happening in the political field, Mr. McKeown always made political activities an important part of his labor activities.

The Philadelphia Local of the Hosiery Workers Union, under his leadership, was in the forefront of every battle for progressive political action, both in the State of Pennsylvania and the city of Philadelphia. During these times, this organization, perhaps the largest single local union in the State, was well represented in Harrisburg whenever any question affecting labor came before the legislature. And it carried its interest in labor political action to the ballot boxes where it belonged. The members of the local had heard their president stressing the importance of political action if the union was to get for its members all that they deserved.

The very wise policies inaugurated and carried out by Mr. McKeown have been continued and even expanded by the organization through its present leadership.

Today it is commonplace to talk of political action by labor, but it is only commonplace because of trade-unionists like Alexander McKeown, who started to talk about it 30 years ago.

I am deeply moved and touched, Mr. Leader, by your personal expression of confidence and your willingness to support my candidacy for the Senate this year. I shall endeavor to prove worthy of your loyalty and pledge my unswerving support of all measures designed to improve the conditions under which men and women work and to bring labor a larger share of the wealth it creates.

Much more impressive than this promise of assistance in my campaign is the recent action of your union urging our great President, Franklin Delano Roosevelt, to yield to the demands of at least two-thirds of the Nation and allow his name to be placed on the ballot next November.

It is entirely right and proper that working men and women take the lead in this growing demand that President Roosevelt again stand for reelection. Never in the history of our own or any other country has the lot of the working people been so rapidly and so tremendously improved as here in America since March 1933.

No President, not even Jackson or Lincoln, has been more devoted to the interest and welfare of the men and women who work with their hands. No one who remembers that bitter winter of 1932-33 and regards conditions in our Nation today will wonder that labor, almost to a man, wants President Roosevelt to run again.

His opponents, standing disconsolate, with the spears and lances they have hurled against him lying shattered at their feet, cannot understand the hold Mr. Roosevelt has on the hearts of America. That lack of understanding of the human heart, its aims and aspirations, its hopes and fears, its faith and doubt, its courage and its despair, is responsible for the sterile, lifeless, cynical political creed they profess.

Their whole philosophy of government is negative. Their outlook upon life gloomy. Their counsels are those of despair.

They are motivated by the doctrine of *laissez faire* or, in plain English, the theory of let things alone. It was considered by advocates of this doctrine profanation of the temple of government to interfere while businessmen used labor as helpless pawns in their cutthroat competition.

They proclaimed it un-American for government to interfere with the "inalienable right" to sell the public worthless stocks and bonds. They considered it a violation of the spirit of 1776 for government to insure bank deposits. Incidentally, a large bank has just closed in your city, yet no depositor lost a penny. I'm inclined to think that Philadelphians prefer the Roosevelt style of closing a bank to the Coolidge-Hoover system of letting the banks hew to any line they wanted while the depositors fell by the way.

When I endeavored through the Guffey Coal Act to bring an end to chaos in that vital industry, to provide a basic foundation for coal prices, hours of labor, and wages in this nationally important business, the Tory courts, the reactionary employers, the whole organized force of corporate wealth and privilege fell on that act with all the power they could bring to bear.

That act averted a Nation-wide soft-coal strike. It brought new hope to a paralyzed industry. It pointed the way toward an intelligent and comprehensive management of vast national resources. No matter. It was stricken down.

We have tried again with a modified act. And if the obdurate few who now oppose it will give it wholehearted support it can be made a new charter of liberty for coal.

My experience with the Guffey Coal Act has given me a startling demonstration of the warped and twisted mentalities that oppose needed reform to America. It is all right, according to these men, for corporations to fix prices, to control wages and hours, to disregard national interests for the benefit of a few security owners.

But let Government intervene to provide a fair opportunity for the independent coal operator, the man who deep underground daily risks life and limb to get the coal out, and his wife who struggles to raise her family in the bleak, slate-gray country of the coal regions, and the people who must buy coal to warm their

homes or operate their factories, and such action becomes unconstitutional, oppressive, illegal, un-American, and other things not mentioned in polite society.

If I may digress for a moment, I would call your attention to the fact that it was my pleasure only a few days ago, as chairman of the Committee on Mines and Mining of the Senate, to help considerably in bringing about the passage of Senate bill 2420. This bill gives the Secretary of the Interior the right to inspect all coal mines, an authority which has not previously been had by the Federal Government and which if it had been in effect, very likely would have prevented the loss of some 90 lives in a West Virginia coal mine just a short time ago.

Labor knows full well where its interests lie. Actions, not words, are the test which the workingman applies to the claims for support which are now becoming so vociferous as election time draws near.

Glance through any collection of quotations and take the subject "Labor." You will find a host of beautiful and flowery tributes to the man who toils, numerous expressions regarding the "nobility of labor" and the gratitude we all owe to those who make the goods we wear, the cars in which we ride, the stockings which adorn our womenfolk.

But you will search almost in vain for emphasis upon the statement the greatest worker that ever lived gave to the world. Here is the pronouncement of the Carpenter of Nazareth, the Son of God who knew what it meant to work long hours at the bench, "The workman is worthy of his hire."

There is the whole philosophy of life. "The workman is worthy of his hire." That includes the whole conception of the dignity and value of labor, couched in a simple phrase that needs no Supreme Court to interpret it. And I venture to say that the President in his attitude toward labor and its problems has kept that statement always in his mind as the standard with which all legislative and executive action must be compared.

The New Deal is largely an attempt to write into our national laws and into our national thinking this immortal phrase, "The workman is worthy of his hire"; or, in modern parlance, "Labor deserves decent wages, protection against unconscionably long working days, proper conditions under which to work, a reasonable security against the hazards of unemployment, industrial accident, unproductive old age."

"The workman is worthy of his hire." Being worthy of his hire, the workman deserves to be treated on an equal basis in negotiations by his employer, and the New Deal has seen to it that such equality is a fact and not a legal fiction.

And so, under the leadership of our great President, this doctrine of the worth of labor has been translated into concrete achievement through the Wagner Labor Relations Act, the Social Security Act, the Guffey Coal Act, the Wage and Hour Act, and allied legislation.

May I point out that legislative recognition of these basic rights of labor carried with it the justifiable expectation that labor will assume the corresponding responsibilities that accompany rights.

The Nation, having written a new charter of freedom for labor, looks to union leaders for wisdom, discretion, and a just regard for interest of others in enforcing these rights.

Never before have such responsibilities rested upon the shoulders of the union leaders, the elected representatives of the men and women who work in shops and mines and mills. The Nation is gratified whenever labor rises to its new responsibilities and demonstrates qualities of true statesmanship. And the Nation is gravely disturbed when labor leaders appear to act in arbitrary and capricious manner.

And as labor becomes more accustomed to the exercise of its newly won rights, its leadership will be able to demonstrate that capacity for statesmanlike action which those of us who have fought for labor know it possesses.

These legislative acts—the Wagner Labor Relations Act, the Social Security Act, the Wage and Hour Act, the Coal Act—fitted such obvious needs that they have almost overnight become part and parcel of our national thinking.

You here in Philadelphia have had 50 years of experience with Republican administrative genius and I note that your funded debt takes 45 cents out of each tax dollar, that you are going to have to borrow about \$60,000,000 more to save your water system from collapse, that your streets are in disrepair, and that your police and fire forces are undermanned and underpaid.

The papers have also carried news of the latest fruit of Republican administrative genius—the 1½-percent wage tax. Every pay day you are being reminded of the governmental ability, the wise forethought, and the tender sentiments of the Republican Party for those who work.

The Republican Party hates and despises the equitable principle of taxation based on ability to pay, because such taxes are levied on those able to meet them. They welcome the opportunity to make, as they say, everybody tax-conscious by slapping such costs on the humble and poorly paid for the benefit of the men and women in the upper income brackets.

And now the Republicans are going to nominate for the Senate the father of the wage tax, the partner in the firm that made \$50,000 out of the gas-lease sale, that able and talented spokesman for wealth and privilege, Jay Cooke. He is a worthy successor to the henchmen of plutocracy who have so often represented Pennsylvania at Washington—Quay, Penrose, and Vore.

Perhaps he will run on a platform calling for a national wage tax for America to bring to the Nation the doubtful benefits your

city now enjoys under the rule of the wise and wealthy out-of-town residents who dominate and direct Philadelphia's affairs.

Last year a politically minded member of the judiciary was elected Governor of Pennsylvania. Recall his platform for a minute. He said that just as soon as he turned the little New Deal out of Harrisburg prosperity would return in increasing measure to Pennsylvania. Labor's fortunes would improve, taxes would be decreased, those on relief would get fair treatment, and everything would be perfect "in this best of all possible worlds."

What happened? Pennsylvania lags behind the rest of the Nation in the recovery produced by the national administration. Labor has lost the charter of liberty the Earle administration provided in the 1937 State Labor Relations Act and the standards of workmen's compensation, raised to decent levels under the Democrats, were lowered by a new act written by counsel for the compensation-insurance companies.

Not a tax has been repealed nor a levy lowered. When the Governor calls his special session new taxes will have to be imposed to meet the relief load. Already the Governor has opened the way, he thinks, by blaming the W. P. A. for the State's difficulties.

The men and women on relief have been reduced to the level of chattel slaves by being compelled at the whim of a politically appointed county relief board to work on various projects to "earn" their miserably small relief check each week.

The last decision of this arbitrary and cruel chief executive is to deprive men, losing their jobs, of relief during the period they are waiting for unemployment compensation to begin. "Workmen should save their money," the Governor and his supporters declare.

I wonder how much the Governor would save on an income of \$16 a week with a wife and 5 children to clothe, house, and feed? Not enough to carry such a family 4 more weeks with no income at all.

This marvelous feat of administrative engineering saved \$20,000 for the State. That \$20,000 means life or death to living men and women.

The Governor prates of loss of W. P. A. funds. The attitude of Philadelphia is largely the answer. The Republican geniuses who direct your city are so fearful that a Democrat may get work that they refused to make available the small sums the Federal Government requires from sponsors of projects. And so, although there are hundreds of thousands of dollars available for W. P. A. here, your city fathers decline to use them and, naturally, the quota of jobs for the State is lowered.

Our Republican Governor has given us, I say, a perfect picture of what we may expect should the Democratic administration not be returned to office. We shall see elimination of the Wagner Labor Relations Act, the destruction of the Wage and Hour Act, restriction of the Social Security Act, nullification, if not repeal, of the legislation governing the securities exchanges, and perhaps most important of all, appointment of men to judicial posts whose philosophy is that of many corporation lawyers and big business generally.

Our Republican Governor is not the only shining example of what we may expect if the Republicans win this year.

Look across our western border to neighboring Ohio. Are you gratified by the picture of a Governor sitting on a \$6,000,000 State surplus, willing that men and women should starve in Cleveland and Toledo rather than destroy his hard-won niche as a budget balancer?

The Governor of Ohio and his cohorts cannot see that President Roosevelt has been fighting as cruel and as desperate an opponent as any nation has ever faced—starvation, disease, despair, loss of hope, loss of faith in democracy. He has spent whatever may be necessary to make the American people strong, to restore their faith in their Government, and their hope for fuller and richer lives.

Under his wise and courageous leadership a defeated, discouraged, despondent people has been reinvigorated. So notable has been the recovery that the titans of business and finance who crept to Washington in the dark days of 1933 to beg his help now feel strong enough to growl and snap at the man who saved them.

Democracies, they say, are ungrateful. But the steady and strong hold the President has on the hearts of our countrymen gives the lie to this platitude. The recent poll of national opinion which showed more votes for Roosevelt than for all the other leading Republican and Democratic candidates combined is startling proof of this deep-rooted affection.

Such faith, staid in the face of unrelenting editorial attack, unceasing criticism, perpetual sniping at his program, underhanded efforts to smear and destroy his administration, are proof positive of the wisdom of his course.

You men and women in Philadelphia who remember how recently this city was an open-shop town and know the tremendous progress toward unionization of business and industry here do not have to be told that the New Deal works.

Newspaper men and women in Philadelphia who recall the wage scale of reporters, rewrite men, photographers, copy readers, and that mainstay of the paper, the district men, know full well that it was the impetus of the New Deal which made the guild possible and won for them the standards of pay they now enjoy.

Philadelphia was once a great textile city. It lost many of its mills to the low-pay rates of other communities. Not foreign competition, but American depressed wage levels spelled ruin for this great industry here. The administration's efforts to raise income levels in those other sections of our Nation has been of immeasurable value to this industry in your great city.

The benefits of the New Deal come in strange ways. A spokesman for the anthracite industry told a friend of mine how the New Deal dollar devaluation had helped his company's business by making it possible for his company to sell coal abroad for the first time since 1919.

"I hate to admit it," he said, "but Roosevelt did more to help our business than any President we have had for years."

America loves President Roosevelt for a very simple and understandable reason. Our people know that day and night, week in and week out, from month to month, and year to year, the President is working for the interest of all the people.

Do you remember the story of Solomon who was told he could have anything he wanted? He prayed for "an understanding heart."

The Lord has bestowed on our President such a heart, such a love for mankind, for the poor and lowly as well as the wise and exalted. His great sympathies extend beyond all limitations of race, color, or creed.

And that great heart beats in tune with the heart of America. He knows and understands the aspirations and hopes of our people. He sees clearly their needs and their desires. He has ever sought to use his great power for the betterment of mankind.

How simply and yet how beautifully the President summed up his political creed in his message last week to the White House Conference on Children in a Democracy.

"I believe with you," he said, "that if anywhere in the country any child lacks opportunity for home life, health protection, education, or moral and spiritual development, the strength of the Nation and its ability to cherish and advance the principles of democracy is weakened. \* \* \* May the security and happiness of every boy and girl in our land be our concern, our personal concern, from now on."

There you have it. The President believes that none of us has the right to rest, to withdraw from the political fray, to retire while any one of our citizens is denied the blessings our democracy is capable of bringing to him.

And so I think we can, with due propriety, go to the President and say with full respect but deep conviction:

"Mr. President, we earnestly ask you to continue to furnish the leadership we have found so stimulating and valuable in our fight for a better life for our people. We ask you to lay aside your natural desire for well-earned rest and to continue your life of service to America and the world."

"We feel that we are on the threshold of a great, new adventure for America, an adventure in making democracy continue to work. None but you can give the country the sense of confidence it needs as it embarks on this new course."

"Mr. President, America wants you. America needs you. You simply must permit us to reelect you for 4 more productive and happy years."

## The Gold and Silver Problem

### EXTENSION OF REMARKS

OF

HON. ROBERT A. TAFT

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record the address delivered by the Senator from Delaware [Mr. TOWNSEND], at Wilmington, Del., on January 27, 1940, to the Del-Mar-Va Press Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the Del-Mar-Va Press Association, ladies, and gentlemen, the newspapermen I meet in Washington are always looking for something to write home about, and I presume that you, too, are on the watch for matters of public concern. Therefore, I am going to take the lid off a pretty kettle of fish which we all put on the stove a few years ago and then complacently forgot about.

I refer to our gold-and-silver problem, which is pushing us down a one-way street.

Our bullion policy contains a threat to the value of every dollar of this Nation's bank deposits, and imperils the purchasing power of every cent of currency held by the public. It is therefore a matter of real and very direct significance to every man, woman, and child in the land.

This problem is so large and it has so many facets that all I can hope to do in a few minutes this afternoon is to indicate its dimensions.



All of us here know that this country during recent years has received vast amounts of foreign bullion, for which foreigners have received billions of dollars in exchange. This situation, without question, has constituted a tremendous boon to the outside world. During these recent years every foreign country possessing or mining gold or silver has been enabled by our policy to sell those metals to us with no limit as to quantity, and sell them, moreover, for a greater real return than it could obtain anywhere else.

These benefits have gone to sellers of gold and silver quite indiscriminately. There is absolutely no favoritism about our policy. It shows dollars abroad entirely without reference to nationality, color, politics, or reciprocity. Mexican gold and Mexican silver are given as warm a welcome as Canadian or Australian. By our policy we help Japan as well as China, Russia as well as Great Britain, Germany as well as Italy.

Certainly there is a queer inconsistency between our ardent desire to give embattled Finland every possible assistance and our continuous purchase of any or all gold mined in Russia, which is now the world's second largest gold-producing country. Since Russia mines about \$175,000,000 of gold a year, our policy helps Russia many times as much as we have been able to help Finland. Surely our purchasing of gold and silver from Japan is not harmonious with our \$25,000,000 loan to China or with our Japanese policy. Something is definitely screwy about such careless philanthropy.

Listen to what the commercial counselor of the British Embassy in Washington reported to his Government in 1936. He said: "It is impossible to estimate the indirect profits and stimulation to trade and industry which the United States gold policy has brought to other countries. The high price placed on gold and unlimited purchases by the United States of America are largely responsible for the remarkable prosperity of the Union of South Africa."

That is the end of the quotation.

Picture the situation in South Africa, the world's foremost gold-producing region: Over 350,000 persons, kafirs and whites, busily ransacking the bowels of the earth for the yellow metal which we so conveniently purchase. In South Africa it costs \$20.29 on the average to produce gold—and it would cost much less if they would be willing to work their high-grade ores—while we buy it for \$35 an ounce.

The wide spread between production costs and selling price has been a tremendous legislated incentive to gold mining everywhere since we raised the price of gold 6 years ago. In 1933 the world mined 25,400,000 ounces of gold. In 1938 it mined an estimated 39,300,000 ounces, which means an increase since 1933 of 54 percent. Since inflation of the price structure has not followed, mining costs remain low and the high rate of mine production promises to hold up indefinitely.

Not only do our policies in effect put all the world's gold mining and practically all the world's silver mining on our pay roll. In buying up not only current production but also the gold and silver accumulations of past centuries, we make our mining dole to the world retroactive.

Do not for a moment suppose that because a gold coin never actually gets into your pocket you are not helping pay the cost of this national policy. When America pays for gold and silver, you and I help pay—the farmer in the field, the factory hand, the housewife, the motorman, the newsboy, the reporter, and the editor—all together pay for this great boon to the outside world.

It is the policy of our Government to permit gold to be exported freely to any country which similarly allows gold to be sent here. On that we insist. But in paying \$35 an ounce for all foreign gold without limit, we do not insist that the selling country similarly engage to accept gold from us.

No strings are tied to our gold purchases. What goes into that hole at Fort Knox, where we store most of our gold, goes there for keeps.

The Treasury's present demand for foreign silver, of course, dates only from the Silver Purchase Act of 1934. But the unlimited market here for gold has been continuous throughout our history.

Until 1933 we were always ready to pay \$20.67 an ounce for any gold offered to the Government. Since 1934 we have been paying \$35.

The point is, that we have always stood ready to buy gold. In other words, our adherence to traditional habits as well as our increase in the price of gold have underlain the phenomenal migration of the metals which is still under way.

I hope you will not be bored if I cite just a few comparative statistics.

In 1929, that booming year of speculation, the Nation's entire activity was conducted on a gold base of about \$4,000,000,000. During the depression there was much mistaken talk about a shortage of gold. So, in 1934, it was decided to call \$20 worth of gold \$35. Thereby the value of our gold stock was jumped by 69 percent, to more than \$7,000,000,000. But that was only the beginning.

Since devaluation of the dollar we have added to our national bullion hoard more gold, by actual weight, than was produced by the United States during the 146 years from 1793 to 1939. In those 6 years we have acquired over twice as much gold as all the world's mines produced from 1493 to 1850.

Today we have \$17,800,000,000 of gold. Think of it! This is \$13,600,000,000 more than we had at the beginning of 1934. If \$4,000,000,000 of gold could carry the bloated credit structure of 1929, you can imagine what the \$17,800,000,000 of gold today could carry, to say nothing of silver, which the law also counts as reserve money. Since 1934 we have increased our monetary stock of silver from 690,000,000 ounces to 2,900,000,000 ounces.

And, because of the terms of the indefensible Silver Purchase Act of 1934, the more gold foreigners send us, the more silver the Treasury has to go out and buy. Actually more silver must still be bought under that treadmill law than when the act was passed in 1934.

Last year alone we paid foreigners \$3,110,000,000 for gold and silver we did not need. Since January 1934 we have paid foreigners \$11,025,000,000 for foreign silver and gold, not an ounce of which we had any use for.

The \$3,110,000,000 we paid out in 1939 for foreign bullion was \$810,000,000 greater than our entire merchandise imports.

Imports like rubber, tin, coffee, and silk are goods we can use; but under existing conditions the bullion is a perfect white elephant to us.

In 1939 we sent abroad \$3,100,000,000 worth of merchandise. It required more than 32,000 vessels and 1,615,000 freight cars to carry it away. If all this mountain of merchandise had been used to pay for bullion imports, it would not have paid for all the bullion we bought from foreigners during the 12 months of 1939. The difference had to be made up in the form of American services, American securities, and American bank deposits.

Just picture it—more than 32,000 ships and 1,600,000 freight cars could not carry away enough American wealth to pay for the useless gold and silver this country last year alone bought and paid for without a whimper. While the outside world prefers our goods to its gold, we evidently prefer its unwanted gold and silver to our own consumable goods. But we do not use the bullion we have. A large part of it is unneeded and idle.

We now have enough bullion to pay out \$2.37 in gold for every dollar of currency held by the public; only we do not redeem our citizens' currency any longer.

It is difficult to decide whether the internal or the external aspects of this bullion bubble will involve the greater ultimate loss. In the one case the loss is still in the future, whereas in the other the loss has been real, although camouflaged. Let me spell out what I mean.

First, the internal loss. When gold and silver are exchanged at the Treasury for gold and silver certificates there is thereby created money legally acceptable by the Federal Reserve System as security against member-bank credit. The Reserve System must accept them. Those certificates are "reserve material." Against them bankers may create credit by making loans, if they wish. They alone are the judges. Bank credit may be pyramided against them as the bankers see fit. Their self-restraint is the only practical control.

I am not trying to be an alarmist trying to predict the nature or timing of mass behavior when I point out to you the tremendous inflationary possibilities of the more than \$5,500,000,000 of excess reserves which our bullion policies have piled up. With no change in our present reserve requirements in the price of gold or silver, or in the amount of certificates issued, the \$5,500,000,000 of excess reserves would support the virtual doubling of our present bank deposits, check-book money, the chief constituent of our money supply.

Should there develop an increase in the volume of check-book money without a corresponding increase in the supply of goods and services offered, the domestic value of our dollar would undergo a shrinkage, damaging to the holders of savings deposits and life insurance, to wage earners and annuitants, and to the economic life of the entire land. If on top of this the public became apprehensive, if a flight from the dollar into goods occurred, the value of our money would tend to melt away.

How this reserve situation has become progressively more serious is evidenced by three simple figures:

In 1929 the member banks had \$2,355,000,000 of reserves, while they owed the Federal Reserve System about \$73,000,000. There were no excess reserves.

In 1932, reserves were \$2,500,000,000, and of this, due to the depression, about one-fifth was in excess of legal requirements.

At the end of 1939, after 6 years of gold and silver buying, reserves totaled more than \$11,600,000,000; and \$5,200,000,000, or almost half, was in excess of legal requirements. On top of this \$5,200,000,000 (which since December has grown to more than \$5,500,000,000) the Treasury holds "sterilized," but ready for use at a moment's notice, more than \$2,100,000,000 of gold and more than \$1,500,000,000 monetary value of silver. This is explosive stuff.

Yet we are adding to it every day from the billions still held in foreign banks or being mined and cheerfully sold to us.

The Federal Reserve Board has publicly proclaimed its helplessness to control this potentially destructive situation.

The internal losses and suffering which a destructive monetary and credit expansion would entail need no elaboration here. Suffice it to note that we firmly adhere to gold- and silver-buying policies whose effect is to build up ever higher our unprecedented pile of monetary kindling wood. The law, moreover, makes possible further revaluation upward of both the gold and the silver which we already have. The destructive internal potentialities are staggering.

Externally, as I have said, the present gold and silver policies involve actual loss. That loss is disguised, yet it is real.

When foreign bullion comes here and the foreign sellers get dollars for it, those dollars may be used in three ways: To build up foreign bank deposits here; to be invested in securities or factories here, or to buy American goods, pay for American services, and

the like. In fact, the billions of dollars of proceeds of the foreign metal sent here in recent years have been used in all three ways.

It is true that the use of such foreign-owned dollars to buy our motortrucks, our cotton, or our airplanes makes jobs for Americans. It makes export business. But it is also true that those American exports of goods constitute simply a means by which we pay for the foreign gold and silver. The gold and the exports are closely connected. According to the State Department, "for 1938 and 1939 the relation of our commodity balance to our gold imports appears particularly close."

If buying gold with our exports makes jobs for Americans now, will not the future sale of the gold unmake jobs here? Under our present policy are we just piling up depression for our children? Are we just postponing a problem that clamors for consideration now?

During the 6 years 1934-39, as I stated a few moments ago, this country paid foreigners more than \$11,000,000,000 (as much as the war debts) for gold and silver for which it has had absolutely no need or use. (The gold has been purchased at \$35 an ounce; the silver at various artificial prices, always above what others would pay.) If we tried to sell this accumulation of bullion from our Fort Knox and West Point vaults within the next 6 years, or any other 6 years, we would be unable to dispose of it except at a tremendous loss. The salable value of our gold and silver stocks, therefore, is grossly exaggerated on the Treasury's books. (I wish to make clear that the monetary values of gold and silver are established by Congress, not the Treasury.) Concerning the gold, the Federal Reserve Bulletin states: " \* \* \* it is of little value now and \* \* \* its value in the future is unpredictable." The virtual worthlessness of the silver has been even more definitely attested by Chairman Marriner S. Eccles during the hearings on my bill (S. 785).

If the situation were not so grave, it would be laughable. I am reminded of Gilbert and Sullivan's famous song in their comic opera *The Gondoliers*. I regret I cannot sing it for you, but here is how it goes:

"The end is easily foretold,  
When every blessed thing you hold  
Is made of silver or of gold,  
You long for simple pewter.

"When you have nothing else to wear  
But cloth of gold or satin rare,  
For cloth of gold you cease to care,  
Up goes the price of shoddy."

Advocates of doing nothing about our statutory gold- and silver-buying policies express the fear that to cease buying the metals or to lower the price we pay for them will mean a serious loss in the value of our existing stocks of bullion.

I make the point that the loss occurs at the time we give up wealth for those metals and not whenever the market prices of them decline. It is a fiction to value our immense silver stock at \$1.29 an ounce when we could not sell it, even in relatively small quantities, at more than 20 cents an ounce.

Likewise, it is only fooling ourselves to think that because we give up \$35 worth of goods for each ounce of gold our stock of the metal is worth \$35 an ounce, or \$17,800,000,000. At \$35 an ounce we could not sell even 1 percent of our unprecedented gold hoard this year or during any year without the market entirely disappearing. Nor is this a situation of wartime only. The Federal Reserve Bulletin predicts that the problem will be with us indefinitely.

If the value of gold is to melt away whenever we stop paying \$35 an ounce for the metal, it seems fair to conclude that it is our purchases, and our purchases alone, which give gold the appearance of being worth \$35 an ounce throughout the world. Does it seem logical to protect our present stake in Fort Knox gold only by purchasing more of the metal? Thereby we shall only be increasing our stake.

Imagine protecting the Government's stake in cotton by buying still more cotton.

There is 60 percent more gold in the world's monetary reserves today than in 1929, and the monetary value placed on it is about 170 percent greater than it was in 1929.

Although the world's stock of gold has increased 60 percent since 1929, the increase in the United States' share of the world's stock has been much more rapid. Only 6 years ago we held 30 percent of the world's centralized gold. Today we hold more than twice as much, or 64 percent.

Other countries are learning to get along without gold. No foreign currency other than Belgium's is on the gold standard today. Gold no longer circulates here or abroad. Even in jewelry the use of gold has declined. The mint reports that in the 7 years through 1938, in this country, old gold returned from the arts and manufactures exceeded new industrial demand for gold by \$106,000,000.

If countries no longer base the domestic value of their currencies on bullion, how long will it be before they will decide to permanently discontinue accepting gold in settlement of international debts? And then what will become of the value of our colossal gold hoard?

I know that many Americans feel we should not look into this problem now because our gold buying is helping the Allies. My interest in this problem, however, antedates the European war. It is not connected with the war. Almost a year ago I called for

a congressional study of this question. And I have called attention to the silver fiasco repeatedly.

If we want to help the Allies, that is a separate matter, and it should be fully understood and decided on its merits openly. A forthright way to help the Allies would be to repeal the Johnson Act. In calling attention to this fact, however, I wish to make it clear that I am expressing no opinion on the desirability or undesirability of repeal of the Johnson Act. Whether or not the country desires to retain the Johnson Act has nothing to do with the question of examining those bullion policies which are so costly to us all.

In these brief remarks I have been able only to suggest the nature and magnitude of our present gold and silver problems. While I realize that any solution of the problem will be difficult, I do not think we Americans should sit supinely and wait for the gold to move out or for silver to stop coming in. It is idle to hope that luck or some good fairy will solve this problem for us. No other country would do so. We should not.

What I recommend is that Congress and all of us study the subject now, before we find ourselves with all the world's gold in our lap. I shall be glad to lend what help I can to such an inquiry.

## Jackson Day Address

### EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY HON. A. B. CHANDLER, OF KENTUCKY

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a most able and eloquent address delivered by the Senator from Kentucky [Mr. CHANDLER] at the Jackson Day banquet held at Richmond, Va., on January 15, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am deeply grateful to the Democrats of Virginia for the invitation to visit again with them. I am not a stranger in Virginia, because some of the most pleasant memories of my whole life center in and around the Old Dominion State. It was here that I came before I ever embarked upon a career of politics to choose my life partner. Mrs. Chandler and I were married in the Ashcamp Baptist Church in Charlotte County, Va. Mr. Chernside, the genial clerk, furnished me the license, which must have been an excellent one, because it is still in full force and effect. My four children have the rich heritage which rightfully belongs to all descendants of Virginia. Their grandfather in Charlotte County, a strong Democrat, bore the name of Lee Watkins, and bore it with honor and distinction.

I come tonight to speak of the life of Andrew Jackson particularly, the seventh President of the United States, and the Democrat who perhaps in all the years of the illustrious history of our country has made the greatest contribution not only to his party but to his country as well. In speaking to the Democrats of North Carolina a year ago, mindful of the desire of the people of North Carolina to claim, as they justly have a right to do, a share in the birthplace of this illustrious son of Democracy, I said that Andrew Jackson, the third son of Elizabeth Jackson, was born on the 15th of March in the year 1767 in the Waxhaw country of North Carolina or "thereabouts." The "thereabouts" was used to cover the possibility of his having been born in South Carolina. Born in misery, poverty, and obscurity, with fantastic courage, lightning nerve, and the will capable of astounding exploits that stimulated his followers and captivated a world of men, he was a true knight of the frontier. He was a pioneer American who literally broke his way through a virgin wilderness and helped establish a new order for the people of America. He represented during his whole lifetime the plain people, and he represented the qualities of which they were most proud. He served two terms as President, and there isn't a single historian who will dispute the fact that he was the choice of the majority of the people in 1824, the year that John Quincy Adams was declared elected in his stead. In the elections of 1824 there were four candidates before the people—Andrew Jackson, of Tennessee; John Quincy Adams, of Massachusetts; William H. Crawford, of Georgia; and Henry Clay, of Kentucky. In the votes of the States Jackson had 99, Adams 84, Crawford 41, and Clay 37. Because no choice had been made by the people, although a majority of them had voted for Jackson, the election devolved upon the House of Representatives. Henry Clay, of Kentucky, who later became Secretary of State, threw his votes in the House of Representatives to Adams and accomplished the defeat of Andrew Jackson. A great deal of furor was created because of the fact that



in the States of Kentucky, Missouri, and Ohio, where Clay was the leading candidate, most people who had not voted for Clay were practically unanimous in their support of Jackson. Jackson retired to Tennessee and made no complaint with respect to the results of the election. In the next succeeding election he defeated John Quincy Adams by an overwhelming majority. Even his bitter enemies said of him at the conclusion of his second term, "He can be President for life if he chooses."

Andrew Jackson had many perplexing problems of Government during his day, just as we have today. During most of his administration his fights were concerned with organized money, but Jackson, during his whole lifetime, entertained the firm belief that public and private debts should not be entered into or agreed to beyond the ability of individuals and governments to pay. He bore up under the attacks of his enemies which were kept up during all of his public career. He was called a spoliator, but the record shows that he insisted upon those who occupied public office being fit for the jobs they held.

The Democrats of the Nation are indebted to Andrew Jackson for the record of public service which he has left as our heritage. He represented not so much from the standpoint of education, because the historians have undertaken to make of him an uneducated man. It is true that nothing survives to indicate the progress Andrew Jackson made in the classics. The oldest document found among his personal papers bears the date of March 22, 1679, and gives some insight into the extra curricular activities of a classical student enrolled in the Francis Cummings School. The memorandum was entitled "How to Feed a Cock Before You Make Him Fight—Take and Give Him Some Pickled Beef Cut Fine." While it is said of him that he experimented with Latin declensions of which he remembered nothing, he became an authority on cock fighting.

He represents today as he did in his own time the rugged character and determination which helped to conquer a wild country during its early days. He represents the old South, not as a man of polish and educational attainments, but as a firm, rugged character, determined in his desire to pursue the right course for the benefit of his countrymen.

Today, with much of the world at war, with the leaders of the United States trying as best they can to avoid America's involvement in the conflict, it is good again to see coming into prominence in the affairs of our country the men of the South. The Jackson Day speeches this year have all tended to avoid a discussion of the problems of the people and to avoid a taking of sides in any of the controversial issues of our day.

I am glad, upon this occasion, to be able to name some of the men of the South who are being prominently mentioned as men capable of leading the destinies of the country in the years ahead. I speak with pride and affection of Harry Byrd of Virginia, Cordell Hull of Tennessee, and John Garner of Texas. The problems of the country today are not new. They are much the same as they have always been. We are still endeavoring, as were our forefathers when they framed the Constitution of the United States, to promote the common defense, to contribute to the general welfare, and to as nearly as possible insure the domestic tranquillity of the country.

On this Jackson Day we should be grateful to Almighty God that the troubles that beset the world at large and which are causing so many social and economic upheavals, have been at least partially solved here without resort to dictatorship and without our having become involved in war. It is natural that this country of ours should be affected adversely by troubles in the world at large. I think the Democratic Party should insist that we unite to solve the problems of 130,000,000 Americans, and then take up the question of aiding and assisting, in some way short of war, our friends and neighbors in other lands. The people of the United States do not want to go to war, and I am reasonably certain that no representative of the people would be justified in plunging America into war except in defense of our country and our freedom.

I believe that the Democratic Party should be big enough in the future to include in it men who hold opposite views on important public questions of the day. I believe sincerely that there are many men in the country who are denied the right to contribute sound views and opinions with respect to governmental policies because they may be considered to be on one side or the other.

During my membership in the Senate of the United States I have found many earnest men who hold opposite views on important public questions. I think it highly important that sincere and honest opinions should not only be permitted but welcomed, in the interest of finding the best way to solve the problems of our people. The Democratic Party, if it is to remain a representative party and to be effective in America in the future, must be prepared to give to the people honest and decent government. A few days ago I joined with other Members of the Senate in approving a resolution, sponsored by Senator Harrison, which called for a joint congressional study of the Budget. I believe that an honest and sincere effort should be made as speedily as possible to anticipate the time when Congress can come more nearly making income and receipts balance. The interest charge on the public debt at the present time is \$1,100,000,000 a year. That is a tremendous drain on the public revenues.

In 1926 there went to the Governor's office of Virginia a vigorous, active, young Governor. He reorganized the affairs of

the government of Virginia, made the State live within its income, and got the government of Virginia in position to face the depression years without having to force additional taxes upon a people not able to pay.

As a youngster on a courting trip to your Commonwealth, it was my good fortune to meet this young executive. His name was HARRY BYRD, and I expressed the hope then that some day I could be the Governor of my own State and help to inaugurate similar reforms in the Commonwealth of Kentucky. Such progress as Kentucky has made during the last 4 years is almost directly attributable to a vision established by the then Governor of Virginia.

It is an old-fashioned custom, one of good sense and sound judgment and a practice I believe we perhaps have delayed as a Federal Government longer than we should have, to work very hard to make revenues and expenditures balance. I believe the policy of not permitting a citizen of the United States to go hungry is a permanent policy and one that the people are determined shall not be abandoned. I believe that the Democratic Party, through its leadership, should cooperate with the local governments in every way to establish the proposition that there should be, as far as is humanly possible, a job for every citizen of the United States and a decent wage.

Much progress has been made in improving the lives and opportunities of the people of America under the leadership of President Roosevelt, and I sincerely believe that there has not been a time during all the years he has occupied the White House that he has not had sincerely for him a majority of the people of America. The banking reforms, the housing program, favorable labor legislation, and the social-security bills are all of great and lasting importance to our people.

I am glad to note that in this year 1940 there seems to be a better disposition on the part of the Democrats of America to tolerate each other. I hope that this truce does not end with the 1940 election. If we follow the suggestion of the President in his message of January 3, I think we can determine in the future such constructive policies that will definitely insure—

- (1) Keeping America out of war.
- (2) Establishing some sort of trade cooperation that is reasonably agreeable to the people of the country and with the other nations of the earth.
- (3) Establishing a better financial position for the whole Government, because it is perfectly obvious to every citizen of America that the country cannot keep going in debt year after year, and that we must sooner or later either arrange to balance our affairs or be faced with inflation or repudiation.
- (4) Arranging for an adequate defense of our country and its possessions without foolishly wasting the money of the people on vast armaments which we do not need.

During the last few years we have conquered fear. It was conquered with action and not with words. Courage was required and the Democratic Party met the emergency with characteristic courage. We should consolidate our gains. We should try as best we can to establish a national unity and a general era of good feeling among the people of America. We should banish fear from our hearts. The Government should not fight the people and neither should the people fight the Government. In order to keep ablaze in our hearts the spirit of liberty, we should keep our own people united, determined with God's help to solve our own problems. We should be careful to guard against alien influences, and it might be well to ask each citizen who was born in another country and who now enjoys the privileges of America to make up his mind. We should say to him in all frankness and sincerity that there are a few simple rules that we in America like to observe: We like to be free, we like to have freedom of the press, we like to have free speech, we like to worship God according to the dictates of our conscience—do you believe in these things? If you do and are willing to contribute to the United States of America the energies of a zealous citizen, we are willing to keep you here, but if you are not able or for any reason you are unwilling to agree to these simple rules, may we not suggest that you go back to the place from which you came.

We are passing laws that will permit us to forcibly eject all of those who commit sabotage or acts of aggression against the liberties of the people of the United States of America. As the President said in his speech: "The long history of the country has demonstrated that angry controversy surely wins less than calm discussion."

I implore the Democrats of the country to use greater tolerance, greater calmness greater wisdom and more calm discussion in the consideration of the problems of the future.

The Democratic Party to the people of the South is something more than a party. In the years that we have lived it has been a sort of religion. The people of the Nation have at times forgotten the democratic faith and at times its philosophy has been obscured by brighter flashes but only temporarily. It is my earnest hope that when our devices have led us into devious ways that our recourse shall not be taken from us and that the Democratic Party shall stand in the future as it has in the past the guardians of the liberties of the average man and woman. When our people really understand an issue, they always reach a right and just conclusion. I hope that the leaders of our party always remember this fact.

May God in His wisdom continue to throw the light of his countenance upon the people of America that they may in turn select with wisdom honest and courageous leaders who will keep faith with them.

To the Democrats of Virginia, with a legislature now in session, I extend my best wishes. With these good wishes go the sincere hope that the Democrats will continue to represent in government the best interests of all the people.

### Nebraska Drought

#### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ARTICLE BY RAYMOND CLAPPER

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Raymond Clapper, appearing in the Washington Daily News of January 26, and entitled "Nebraska Drought."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of January 26, 1940]

NEBRASKA DROUGHT

(By Raymond Clapper)

LINCOLN, NEBR., January 26.—We were gathered around the fire in a banker's home here, several businessmen and an editor, arguing about the war and politics. Finally the editor's wife broke into the conversation.

"We don't care about the war," she said. "We don't care about politics. What matters to us is moisture. We want snow and rain. We must have water or we are ruined. Moisture is all that is important to Nebraska now."

Everyone present agreed. It is the same cry up and down the plains, from Nebraska, through western Kansas and Oklahoma, down into the Texas Panhandle. The water table has fallen everywhere. Seven dry years have wrought vast damage, shaken the security of thousands of farmers, and set loose brooding fears for the future of the plains country. Land values in some sections of Nebraska are lower than they were in the 1880's.

There is no lack of spirit among the people. They are carrying on. What worries them is whether nature is going to run out on them and leave them high and dry, literally dry. Nobody knows whether the desert is coming back.

Secretary Wallace recently advised farmers in western Nebraska to get out of corn. Many farmers already are doing so, driven to it by 7 years of drought. Agricultural experts are advising farmers throughout western Nebraska to shift into more drought-resistant crops, such as grain sorghums. Wallace says any effort to stimulate larger corn acreage in western Nebraska would be a grave mistake.

Average annual rainfall in Nebraska for 60 years has been 27.09 inches. In 1939 the actual rainfall was only 19.73 inches. In 1938 it was barely above average, and in 1936 only half of average. Year after year Nebraska has been short-changed in rain. In the last 20 years rainfall has exceeded 30 inches only once, whereas in the previous 20 years annual rainfall went over 30 inches 10 times. The figures show that the last 20 years have been decidedly drier than the previous 20, and farmers are paying the price. It is happening all over the western plains.

So when Lincoln woke up one morning recently in a terrific blizzard of heavy snow, there was no complaining about the weather but city-wide rejoicing. Merchants whose customers were kept indoors by the cold gathered at luncheon and told me how this would mean good business for them in the fall—if only there would come more snow and still more snow and rain. Everyone prays for bad weather here. The spirits of communities in this area go up and down with the fall of rain and snow. Weather reports are read as avidly as the New Yorker reads his stock ticker.

The countryside through Nebraska and Kansas is, it must be said in all frankness, run down at the heel. Farms are run down. You ride for miles by train without seeing a trim, well-painted, prosperous-looking farm such as are scattered through, say, Montgomery County, Md. A wholesale hardware man told me that most farmers cannot afford paint.

"The few who can," he said, "are afraid to paint their places because the neighbors would think the farms had been lost to the insurance-company mortgageholders. Only the insurance companies have the money to spend on repainting farm buildings. If this country ever does come back, all I would ask for is the paint concession."

Enormous activity is going on to combat the prolonged drought conditions. Throughout all of this western plains country, the Federal Government is throwing its resources of money and sci-

tific skill. Some partial victories have been achieved. The Dust Bowl has been driven back 50 or 60 miles from Amarillo, Tex. Shelterbelts in western Kansas and Nebraska are not laughed at as they were when President Roosevelt first proposed them.

If nature gives this country an even break, the men will win. If nature continues to let them down as it has in recent dry years, not even the combination of scientific skill and their indomitable will can save them.

Politicians who sit in Washington and bellyache about spending can grow sentimental about Finland, but the farmers out in western Nebraska, western Kansas, and the Panhandle country are putting up a heroic battle which also deserves a hand.

### Propaganda and the War Debts

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ARTICLE BY JOHN T. FLYNN

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an article by the pen of Mr. John T. Flynn, under the heading "Plain Economics," in which he very able deals with the question of war debts in connection with propaganda.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAIN ECONOMICS

(By John T. Flynn)

NEW YORK, January 11.—When the war started, and many Americans were fearful lest we be drawn in, we were assured by English spokesmen that we were unjustifiably disturbed.

Neither England nor France, they said, wished any American manpower. France and England had all the men needed. What was more, they had all the funds needed to finance their purchases here. They had no expectation or wish to see American troops in Europe, and no expectation or need of seeing American dollars drafted by means of loans as in the last war.

But now we begin to see some propaganda—and from every influential source—for American credit. America, we are told, should cancel the old war debts. And several long and artfully molded arguments have been offered to us by Englishmen to prove the injury that is done to America herself by the continuance of the old war debts.

For one, it has seemed to me plain that neither England nor France could ever pay us what they owe us. It is simply impossible. That being so, what is to be gained by not recognizing the fact like an intelligent creditor and canceling those debts so that we may go ahead and do further business with them?

But there is nothing to prevent us from doing business with England and France. The only kind of business with these countries which is of any importance to us is trade—commercial, industrial exchanges with private industries in England and France. There is nothing to prevent that and nothing to prevent the use of whatever credits are necessary to do that.

What is forbidden our bankers is the lending of money to the Governments of England and France and other countries which owe us money and repudiate it. This is forbidden by the Johnson law. And even if there were no Johnson law it would be folly to lend these countries now, steeped in financial difficulties as they are.

All this is preparation designed to get America, in her present state of friendliness to the Allied cause, to cancel the old debts. If that were done, there would be no legal barrier to our making new advances. And this is precisely the object of the present propaganda movement which is now only beginning to show its head. It will grow bigger and harder as the months go by. And as sentimental and emotional alliance with England and France grows and deepens under the leadership of a government which wants to aid them in every possible way, no one can be too sure that a powerful movement for cancellation may not make headway here.

It will be so easy to support it. After all, we will be told, the debts are hopeless anyhow. In refusing to cancel them we are stubbornly refusing to look a fact in the face. And then the arguments will flow to show us all the benefits that will come to us while at the same time we will be making a generous gesture to a friendly nation that is in difficulty—"fighting our battle."



**The La Mont Boiler**  
**EXTENSION OF REMARKS**  
 OF  
**HON. JOSEPH F. GUFFEY**  
 OF PENNSYLVANIA  
 IN THE SENATE OF THE UNITED STATES  
*Monday, January 29, 1940*

ARTICLES BY JAY FRANKLIN

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD several articles by Jay Franklin with reference to the La Mont boiler.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WE, THE PEOPLE—LA MONT BOILER, INVENTION OF OFFICER OF UNITED STATES NAVY, EXPLOITED ABROAD  
 (By Jay Franklin)

This is a story about boilers. \* \* \*

This is a story about high-pressure steam, high-pressure intrigue of foreign agents in the United States, and high-pressure bureaucratic stupidity of the American Navy.

This is a story about why there are only five ships in the combined British and French fleets able to cope, single-handed, with a German pocket battleship.

This is a story about why American naval vessels are out of date even before they are launched.

This is a story about why the American Navy refused to adopt the invention of an American naval officer and why the German Navy is now almost entirely equipped with that invention.

This is a story about what many military and engineering experts believe is the new weapon which, Hitler has boasted, will change the entire aspect of the European war when it appears next spring.

But this is, essentially, a story about boilers.

The story properly opens 22 years ago, in 1918, when Lt. Comdr. Walter Douglas La Mont (Annapolis, 1910) began serious experimentation in an entirely new engineering field—high-pressure steam generation. During the previous 8 years he had had wide engineering experience on every type of naval vessel in the service, from submarines and torpedo boats to battleships, had been an instructor in steam engineering at the Naval Academy, repair officer of the submarine division of the Atlantic fleet, and a Navy aviator.

EXPLOSION SPEEDS EFFORT

His interest in this field and his determination to do something constructive had been intensified by an explosion of one of the old "header" type boilers, with which all American battleships were then equipped. That and his keen interest in aviation started him working on a new and radical system of high-pressure steam generation with the hope of developing a unit light enough for airplane use.

In 1918 La Mont developed just such a boiler. Tests at the naval experimental station in Annapolis were eminently successful, and he offered the invention to the Navy. The offer was turned down. Instead, La Mont was urged to take out patents and continue his research. He obtained the patents, but when the war ended the Navy halted all experimental work.

In 1920, on 3 months' leave, La Mont constructed a new type primary boiler for the Superheater Co. of East Chicago. Again the tests were successful, but La Mont's leave expired before the work could be completed. The Navy was still not interested in this tremendously significant development, and La Mont was sent to the Philippines and China.

In 1924, unable to make headway against the ingrown bureaucracy of the Navy Department and having been promised private financial backing for his invention, La Mont resigned from the Navy. He and his backers formed the La Mont Corporation (New York), installed the new type of steam generators in such commercial establishments as Consolidated Gas, Iowa Electric Light & Power (Cedar Rapids), and Campbell's Soup, Philadelphia.

SALARY NOT GREAT

The financial return to La Mont was not great—as president of the company he received \$8,000 a year—but tests of the new boilers were entirely successful and it was apparent that the new invention could be adapted for use not only in automobiles and merchant and naval vessels, but in airplanes as well. The steam-generation world was on the verge of a new and exciting era.

On the verge, perhaps, but at least as far as the United States was concerned, no nearer. For by 1929, 5 years later, a great change had come over the La Mont Corporation and over the outlook for the inventor. What caused that change—what foreign influences brought it about—is a story in itself.

By 1929, however, La Mont—the inventor and moving spirit—had practically no voice in the operation of the company. (Three years later he was to be eased out, first as president, then as vice president and director.) More important, exploitation of the revolutionary

La Mont system in the United States had ceased. The boilers and water walls which promised to revolutionize the steam-power industry and naval construction were no longer being manufactured and installed—in the United States.

Over the next few years the greatest new development in this entire field of engineering disappeared, to all intents, in the country of its origin.

GERMANY USES LA MONT TYPE

But not in Europe. Early in 1930 a new type La Mont "waste heater" boiler was installed in Germany. A year later another, La Mont invention, the water wall, appeared in the same country. Within another year the prize of the entire series of inventions—the La Mont high-pressure boiler—was in production there.

Today not a single La Mont boiler is in operation in the United States. Today more than 700 commercial La Mont units—more than five times all other types of forced circulation boilers in existence—are in use in Europe.

Today the American-invented La Mont boiler is in use throughout Germany—in central power plants, locomotives, ships.

Today practically the entire German Navy has adopted the La Mont boiler.

Today, in a secret Hanover testing station, the Nazi Government is developing a silent, high-powered, steam-driven airplane—using the basic La Mont unit.

This is what President Roosevelt and Secretary of the Navy Edison are up against in their effort to modernize the United States Navy in the face of almost solid opposition from the ingrown, self-perpetuating naval bureaucracy.

DIESEL ENGINES IN GERMAN NAVY GIVE WAY TO AMERICAN-INVENTED BOILER

(By Jay Franklin)

German engineers and technicians, a great number of whom have been outstanding in their profession, have for years been Diesel-conscious. And not without reason, for the internal-combustion engine invented by Rudolf Diesel has proved one of the most important modern developments in the entire engineering field.

It was significant, if unprofitable, tribute to American inventing genius, therefore, when the German Navy—circa 1935—discarded the Diesel engine as primary propelling power and equipped almost its entire fleet with the La Mont high-pressure steam boiler.

This change was virtually preordained in 1929, when the La Mont Corporation licensed rights to the La Mont patents in 13 European countries to the Gesellschaft für La Mont und Kraftwirtschaft of Berlin (German La Mont). The American parent company retained ownership of 51 percent of its German affiliate, but as later developed it was the affiliate which exploited the La Mont patents.

Since that date German La Mont extended patent rights to an English holding company—La Mont Steam Generators, Ltd.—and also to a French patent-holding firm. Through these companies, all German controlled, the basic La Mont unit was made available to countries throughout Europe and to Japan. Everywhere but in the United States the La Mont system was a tremendous success.

OTHER NAVIES ACT

By 1933 tests of the La Mont high-pressure boiler in German naval vessels proved it eminently satisfactory, and the Nazi Government began to install it in all new ships. Both the British and French Navies ordered La Mont boilers from their local patent-holding companies. By 1935 over 100 of the new units had been installed in the German Navy, and others were being supplied to both the Italian and Japanese Navies. Everybody, it seemed, was interested in the La Mont boiler.

Everybody but the United States Navy, for in 1933 Commander La Mont, after repeated efforts to interest the admirals, succeeded only in obtaining permission to test his invention at the naval boiler laboratory at Philadelphia.

This permission was extended solely through the influence and understanding of one man—Rear Admiral S. M. Robinson, then Chief of the Bureau of Engineering. Robinson told La Mont he was the first man to offer the Navy the new steam-generating system (although it had been available commercially for 9 years) and expressed belief that high-temperature, high-pressure steam was "the coming type" for naval use. (Robinson was later replaced as Chief of the Bureau by Rear Admiral Harold G. Bowen, but was restored to the post by Secretary Edison a month ago.)

FAVOR LA MONT BOILER

The experiments with the La Mont boiler at Philadelphia proved so successful that Navy engineers recommended construction of a La Mont destroyer for performance tests at sea. But again Navy bureaucracy said "No."

Although the La Mont boiler had passed with flying colors every test Navy technicians had been able to devise, Assistant Secretary Edison in 1937—apparently on the advice of the admirals—told the inventor that "the policy of the Navy Department is not to take over the development of new devices unless the interests of national defense are clearly involved."

Again, even in the face of this rejection, La Mont offered his work to the Navy. By this time he had evolved an entirely new and even more efficient unit, far superior to the La Mont boilers being used in Europe. His proposition to the Navy was this:

"I will build you a destroyer boiler 50 percent of the weight of any existing naval boiler, using any pressure you suggest, with no payment to me whatsoever unless my boiler passes all Navy tests."

Instead, the Navy went right ahead installing boilers produced by an old-line firm, Babcock & Wilcox, of New York. Babcock & Wilcox, a well-established, reputable firm, has been supplying 90 percent of American naval boilers for more than 30 years.

#### ONE MILLION DOLLARS FOR TESTS

Instead, the United States Navy authorized expenditure of \$1,000,000 for experimentation with a steam-motive unit, technically known as the once-through with spill-over type, similar to a German Babcock & Wilcox design. An even dozen of these boilers were tried by the Germany Navy as early as 1933—only to be discarded and replaced with La Mont units. Either oblivious to or unconcerned with this fact, the Navy later added \$750,000 to the original \$1,000,000 authorization. Today experiments of the utmost hush-hush variety are being conducted on destroyers at the Brooklyn Navy Yard.

As a fitting climax to this comedy of naval bureaucratic errors, it is now reported that the Navy is considering purchase of a La Mont (old type) boiler—using German-controlled patents and German design ideas.

It is perhaps anticlimax to add that details of the steam-motive circuit, basis of the \$1,500,000 experiment now going on at the Brooklyn Navy Yard, can be obtained for 10 cents at the United States Patent Office.

This is what President Roosevelt and Secretary of the Navy Edison are up against in their effort to modernize the United States Navy in the face of almost solid opposition from the ingrown, self-perpetuating naval bureaucracy.

#### LA MONT BOILER, SAVING WEIGHT, HELD AID TO SHIP'S FIGHTING POWER

(By Jay Franklin)

American naval bureaucracy regards high-pressure steam as radical and dangerous. It has, therefore, consistently opposed experimentation with, much less use of, this type of steam generation.

In 1933, when the modern German Navy was being equipped with high-pressure steam boilers using 900 pounds to 1,000 pounds, top pressure in the American Navy was 300 pounds.

In 1937, when the German Navy, that is "so superior to ours ship for ship," was adopting pressures of 1,200 and 1,500 pounds, the American Navy was experimenting with 600 pounds.

Today, when the 1,200-pound high-pressure La Mont-type boiler has been installed in at least one of Germany's pocket battle-ships, despite the Germans' predilection for Diesel, and is commonplace in other navies of the world, the American Navy's "top" pressure is 800 pounds.

In the face of this international trend toward high and still higher pressure boilers for naval use, American naval bureaucracy continues to offer these objections:

- (1) High pressure is dangerous.
- (2) High-pressure steam lines cannot be kept tight.
- (3) High pressure is unreliable and has short life.
- (4) High pressure is difficult to handle.
- (5) High-pressure steam lines would start a fire if oil fell on them.

#### SOME FACTS INESCAPABLE

While such controversial points should, admittedly, be left to the experts to argue, and while only experienced engineers are qualified to argue them, 16 years of experiment with and use of high-pressure boilers have developed some inescapable facts:

(1) High pressure is dangerous, but so is low pressure. It is the firm conviction of experts who have used high pressure that a La Mont-type forced recirculation boiler (the type offered the American Navy in 1937) is safer at as high as 2,000 pounds than the natural circulation boiler (the type now in use here) at 300 pounds.

In support of this contention engineers point to the fact that during tests of the La Mont boiler, at 1,200 pounds, two tubes "let go." The test crew was totally unaware of the accident until they noticed steam coming from the boiler stack. At the same time a Mahan natural circulation boiler, undergoing tests at 400 pounds, also "let go" a tube. The test crew barely escaped with their lives.

(2) High-pressure steam lines cannot be kept tight. This objection, according to test experts, could be completely eliminated by use of proper alloy lines welded in place. Navy bureaucracy has stubbornly refused to abandon the use of flanges, which inevitably come loose under the stress and strain of a ship at sea. Welded lines would not do this.

(3) High pressure is unreliable and has short life. The German Navy has been using it almost exclusively since 1933 and, after 7 years is even discarding Diesel.

(4) High pressure is difficult to handle. The Germans have encountered no great difficulty, perhaps because they employ automatic controls. Furthermore, the German La Mont boilers are required to go from no load to full load in 20 seconds and back to no load in 10 seconds without a trace of smoke—a performance no boiler now in the American Navy can match. Ordinary American naval boilers require about 15 minutes to start from "cold." The La Mont boiler takes 1 to 2 minutes!

(5) High-pressure steam lines would start a fire if oil fell on them. To this objection experts retort, "Nonsense!" All steam lines, high or low pressure, are insulated. Furthermore, how much more painful is a burn from 850° steam (now used) than one from the 950° steam proposed? (The admirals could easily decide

this point by placing their bare hands first on one steam line and then on the other.)

#### BIG WEIGHT SAVING

But the cardinal virtue of high-pressure boilers is their weight. Everything on a naval vessel boils down to this one factor—weight. The heavier the propelling machinery below decks, the more space it occupies—just that much less weight and space are available for armor and armament.

Even American naval bureaucracy admits that such savings are of tremendous potential advantage in a warship. During hearings on Capitol Hill on the 1938 naval appropriation bill, Admiral Harold G. Bowen, Chief of the Bureau of Engineering, admitted that adoption of high-pressure boilers (no mention was made of the fact that a La Mont boiler was being offered the Navy at the time) would save 400 tons' weight on capital ships. This figure is far below the savings estimated by La Mont experts, but Bowen admitted that even 400 tons saved below decks would permit battle-ships to be equipped with an additional 14-inch gun or the use of heavier armor. It would also, he said, appreciably increase the cruising radius of the ship, since more fuel could be carried.

That was in 1937. Today the United States Navy has been offered a boiler with 1,500 pounds pressure, 950° final temperature, 3 pounds per shaft horsepower, and 1,000,000 B. t. u. rate of heat release per cubic foot of combustion-chamber space. Its efficiency would be over 86 percent.

This technical description easily translates into a language that any American citizen should be able to understand. It means that such a boiler—

- (1) Would weigh less than half the present United States Navy boiler;
- (2) Would at the same time employ steam pressure 250 percent of that now used;
- (3) Would save about 40 percent in boiler space;
- (4) Would operate at several percent more efficiency than present boilers at full power; and
- (5) Would save about 25 percent in the amount of fuel required.

#### HEAVIER ARMAMENT POSSIBLE

Even more startling, however, is what this saving in space and weight would mean in the case of a specific American warship.

On a 1,500-ton destroyer the high-pressure boiler would save 110 tons in weight of boiler alone, another 110 tons in weight of fuel. This saving of 220 tons could be applied to armament—5-inch guns, the main battery of destroyers.

A 5-inch gun with shield weighs in the neighborhood of 25 tons. A little simple division discloses how much potential armament is gained in saving 220 tons below decks.

On a 10,000-ton cruiser the high-pressure boiler would save 220 tons in weight of boiler alone; 1,000 tons in weight of fuel. What does this mean in terms of additional armament? A triple-gun 8-inch turret—three 8-inch guns in a turret—weighs approximately 800 tons. The 1,250-ton saving below decks would permit addition of at least one such turret, leaving 400 tons for added armor or lesser armament.

Perhaps this is not important; perhaps this would mean nothing to American naval "supremacy." But the fact remains that such savings in weight—gained through the use of high-pressure boilers—could increase the firing power of American cruisers 12.5 to 18 percent and could increase the firing power of American destroyers 180 percent.

This is what President Roosevelt and Secretary of the Navy Edison are fighting for in their effort to break down our ingrown, self-perpetuating naval bureaucracy.

#### MANY QUESTIONS RAISED IN DISPUTE OVER LA MONT HIGH-PRESSURE BOILER

(By Jay Franklin)

Here is the case against the Navy bureaucrats.

In 1918 an American naval officer who was something of an inventive genius, Lt. Comdr. Walter Douglas La Mont, developed a light-weight high-pressure boiler, potentially the outstanding contribution to the field of combustion engineering in a generation. Potentially, because even the inventor himself did not foresee the enormously broad use to which his invention would be put.

He offered it then to the United States Navy. That was in 1918, with America already at war, and naval bureaucracy said "No." Two years later, with the war over and Navy technicians able to give full attention to development of the new invention, all experimental work on it was stopped.

In 1924, unable still to make headway with the self-perpetuating naval bureaucracy, which refused to "waste" further time or money on his work, La Mont resigned from the service. Backed by private capital, he began installation of the new boiler units in half a dozen factories and public utilities. All were eminently successful and the La Mont Corporation appeared to be the coming boiler manufacturer.

Gradually, however, a change began to come over the La Mont Corporation. Over the protests of the inventor, patent rights were licensed to a German affiliate for exploitation of the boiler in Europe. Over the protests of the inventor, exploitation of the boiler gradually ceased in this country and La Mont himself was eventually eased out of the American company.



## TRIES AGAIN IN 1933

La Mont was out, production of his boiler dwindled in the United States, but not abroad. The new steam-generating unit was given a thorough test by the German Navy. They found it lighter and more efficient than both the old low-pressure types and their pet Diesels; so far superior, in fact, that, beginning in 1933, they equipped almost every new warship with the La Mont invention. And primarily because of this American boiler the German Navy became, in the words of an American admiral in 1937, "Ship for ship so superior to ours we cannot fight them."

In 1933 La Mont again approached the American Navy, urging that the advantages of his boiler at least be explored. This time, thanks to the far-seeing mind of Admiral S. M. Robinson, then Chief of the Bureau of Engineering, La Mont was given an opportunity to continue his research at the Naval Boiler Laboratory in Philadelphia.

By 1937 his experiments there were completed. By that time he had so far improved upon his earlier work that he had tremendously increased all the primary advantages of the high-pressure boiler—weight, size, and efficiency. By that time, also, there were 100 of the earlier-type La Mont boilers in German warships, 1,000 more being used commercially on the Continent.

Finally, by 1937, the Germans were doing extensive research with the La Mont boiler along the line of La Mont's original experiments of 1918—airplane use. It is today the belief of combustion and steam experts that the "new weapon" promised by Adolf Hitler for next spring is a steam-driven, silent, four-propeller plane, made possible by development of the La Mont high-pressure unit.

## ANOTHER BOILER TRIED

Though the official report issued by the Navy would not say so, the La Mont boiler was subjected to and passed every test that technicians at the Naval Boiler Laboratory gave it. But still naval bureaucracy said "No."

Unable, however, to continue to ignore the trend toward higher and still higher pressure in the navies of the world, naval bureaucracy authorized the expenditure of \$1,000,000 (later increased by \$750,000) for experiments with a high-temperature, high-pressure boiler.

But rather than install the improved La Mont unit offered them, naval bureaucracy selected another boiler. A boiler of foreign design. A type of boiler which the German Navy had tried as early as 1933 and had discarded in favor of the La Mont unit.

Today, experiments with this boiler, of a type rejected by the "superior" German Navy as outmoded by and inferior to the American-invented La Mont, are being secretly conducted at the Brooklyn Navy Yard.

This, of course, is the very type of naval bureaucratic inactivity and dunderheadedness which President Roosevelt, Secretary Edison, and progressive officers like Admiral Robinson are striving to overcome. Already changes have been made, improvements noted, but the battle is far from won.

Nor is it a battle that is likely to be won without the support of public opinion. What is immediately needed is a reopening of congressional hearings on the naval-expansion program, a thorough public airing of the entire situation. For the American public is entitled to an explanation. That there is another side to this story cannot be doubted by any fair-minded citizen, but both sides must be presented and weighed in the balance of all the facts.

## QUESTIONS ARE RAISED

It is essential, for example, that such questions as these be answered:

1. Why was the manufacture of La Mont high-pressure boilers permitted to die out in this country while, at the same time, they were being exploited in Germany?
2. What precisely are the financial and patent connections between naval boiler manufacturers in this country and in Europe?
3. Why was the State Department secret service sufficiently interested in activities of persons connected directly or indirectly with the La Mont Corporation to prompt R. C. Bannerman, chief of the service, to warn La Mont of these activities?
4. Did naval intelligence investigate La Mont's charges that his work was being interfered with by foreign agents? If so, what did the investigation disclose?
5. Did the United States Navy order a German La Mont naval boiler from German General Electric and was this export order stopped by the Nazi government?
6. Would installation of a high-pressure, high-temperature boiler of German La Mont type save one-third in power weight and one-fourth in fuel weight of a cruiser?
7. Would the new La Mont boiler increase these savings to two-thirds in weight of power unit and one-third in weight of fuel?
8. Has the boiler now being installed in a destroyer at the Brooklyn Navy Yard ever passed naval tests here? What was the result of experiments with it at Annapolis?
9. What about the steam-powered airplane?

These are only a few of the questions that should be answered, for the American people who pay taxes for a navy have a right to all the answers.

## Reserve Officers' Association

## EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY CAPT. ERNEST SCHECHINGER AT WILMINGTON, DEL.

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Capt. Ernest Schechinger at Wilmington, Del., on January 17, 1940, before the Reserve Officers' Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In speaking of Finland I am reminded of the fact that a quarter of a century ago Finland was little more than the name of a far-flung land, lying in the Arctic and semi-Arctic regions along the eastern shore of the Baltic. As far as the man on the street was concerned, Finland was a country that had borrowed money from the United States and was paying it back in regular installments. That was about all that was generally known and we let it go at that.

With this in mind, I feel that a little political history might not be amiss.

The Finns as a people have existed for an unknown time, but it was not until the twelfth century, when the Swedes undertook crusades into this country to establish religion and government, that it took its place as a political unit. For the next 6 centuries Finland was a contented part of Sweden, electing representatives to the Swedish Parliament and enjoying all of the privileges of the Swedes. At the end of the War of 1808-9 between Sweden and Russia, Finland separated from Sweden and accepted the Russian offer to enter the Russian Empire as an autonomous grand duchy. This signified the beginning of Finland's existence as a fully organized state, having its own laws and institutions administered by its people. In 1861 the grand duchy established its own monetary system, which has continued, with some changes, up to the present time. In 1898 the Czar inaugurated a repressive policy for the Russification of Finland. This was continued through a series of Russian military governors and other governmental officials until the World War. Following the Russian revolution, Finland proclaimed its independence and started a civil war of its own. There were sharp clashes between the Reds and Whites, but with the assistance of German troops the Reds were defeated and driven into Russia. The victorious Whites on July 17, 1919, adopted a republican form of government. When, at the end of 1919, Finland gained her independence she had to cover the increased expenditure imposed by her new position as an independent state and that incurred in the suppression of the Red Rebellion in 1918. As the taxes could not be punctually collected the Government resorted to increased borrowing. During 1919-21 the Finnish exchange declined seriously. In 1922 the Bank of Finland embarked on a policy of stabilizing the exchange in relation to the dollar and at the end of 1925 the monetary system was put on a gold basis of 192.23 Finnish marks to the pound sterling.

The improved conditions of production and trade formed a firm basis for financial reorganization. Before the war the bulk of state revenue was derived from customs duties and Government enterprise—mainly the forests and railways. The chief change in finance since the World War has been the introduction of an income and property tax. The customs duties still form the main part of the State revenue but direct taxes now yield about one-quarter of the total tax revenue. Income from state enterprise is less than before the World War. Public debt, foreign and internal, in September 1927 was estimated at a sum equivalent to \$94,100,000. The debt is balanced by revenues from State forests, railways, and other State property and has been greatly reduced during the intervening years.

The sound economic condition of Finland can be attributed to Government-owned copper mines, the great wealth of forest land and what is known as the Finnish cooperative system which manufactures, buys, and sells a great variety of products; takes care of every possible need of the cooperative farmer, exports butter which is 10 percent of its export trade, retails groceries, timber, cattle, machinery, motorcars, etc. Under the cooperative system, apartment houses have been built, electric power generated and distributed, and great social improvement accomplished. The cooperative system has worked for 40 years with marked success and has out-ridden the depression.

In 1938 there were 6,000 registered cooperatives with a membership exceeding 800,000. These handled 25 percent of the retail and 60 percent of the wholesale trade of the country.

The present Government of Finland, established under the constitution of 1919, is republican; the executive powers resting in a President elected for a term of 6 years, and a legislative body, or house of representatives, composed of 200 members by universal suffrage. There are 9 major political parties having representatives in the Government, and at this point I believe it might be of interest to explain the platforms of these parties.

The Social Democratic Party has 83 representatives who favor the constitutional socialistic program, constitute the extreme left of the Diet, and represent the working class.

The Agrarian Party, composed of 53 members, represents the agricultural interests and favors a strong national defense.

The Swedish People's Party is composed of 21 members representing the Swedish-speaking minority and is itself divided on political and social questions.

The National Coalition Party has 20 members representing a combination of elements of two former parties, in one conservative antisocialistic organization with a program emphasizing national integrity and security.

Patriotic National Movement; 14 members. This party was ordered to disband in 1938 but is still active. It is radical in its ideas, representing younger Finnish elements dissatisfied with moderate conservatism.

National Progressive Party; seven members. Favor liberal democratic programs and progressive social reform; represents largely the intellectual circles and is more influential than is generally believed.

Small Farmers; one member, and is interested in the small farmer.

Popular Party; one member, representing the distressed agriculturalists of northern Finland.

The President of Finland is elected by 300 Presidential electors nominated by the citizens; he ratifies the new laws, dissolves the Diet, orders new elections, and conducts foreign affairs. To overcome any attempt of dictatorship on the part of the President, his decisions are presented to a council of state consisting of 10 ministers, for ratification.

In concluding, I would like to mention a few economic factors vital to Russia, to which the present war conditions might be attributed:

First. If Finnish nickel were added to Russia, that country would then be free from dependence for nickel on Great Britain, and this would, no doubt, please the Soviet Union very much.

Second. The great copper deposits of Finland appeal to Russia very strongly.

Third. The Finnish merchant marine of 525,576 tons would materially aid the overburdened Russian fleet of 1,200,000 tons.

Another factor, and I believe equally important, is that the Russian Government plans and fervently hopes to establish an all-year-round northern sea route by 1942. Murmansk is ice-bound part of the year, while just across the border is Petsamo Bay which would afford an ideal harbor for Russian trade and naval ships.

## William Edgar Borah

### REMARKS

OF

## HON. U. S. GUYER

OF KANSAS

### IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

Mr. GUYER of Kansas. Mr. Speaker, the death of Senator WILLIAM E. BORAH, of Idaho, removes from public life the most colorful figure of the past 30 years. Known as the Lone Rider, Senator BORAH was the most powerful single individual in our Nation.

Senator BORAH often told me of trying one of his first big cases, the Myers murder case, before my uncle, Judge Elisha Lewis, of Silver City, Idaho. The case rested on circumstantial evidence. BORAH was defending Myers. There was fiery prejudice against Myers. BORAH said he admired Judge Lewis for his moral and physical courage in a very difficult position in ruling on the admission of certain evidence. He said he could see Judge Lewis yet as he stood up to render his decision, the only judge he ever saw who stood up to emphasize his decision which the Senator said hewed right to the line of the law. BORAH secured two juries that disagreed, and it was never tried again. Judge Lewis was a Forty-niner at 16 and all were killed in the caravan except him and a

younger boy. He was my mother's youngest brother and was born in Maryland in 1834. His son, my cousin, Elisha Lewis, Jr., has written about this case and said there was mutual admiration between the Senator and his father.

Under leave to extend my remarks I include an editorial by William Allen White, of Emporia, Kans., who was a fellow student with Senator BORAH over a half century ago at the University of Kansas.

The editorial is as follows:

[From the Emporia Weekly Gazette of January 25, 1940]

#### FRIENDSHIP'S GARLAND

I first met WILLIAM E. BORAH 54 happy years ago at Kansas University in the classes of James H. Canfield, teacher of economics, sociology, political science, and European history. (They gave college professors plenty of work in those days.) Canfield's classes sat around a U-shaped pine table covered with brown calico. He was at the head, the students along the two prongs. Canfield's teaching method was not to ask questions but to let his students discuss the topics of the day's lesson. Around that same table at the same time that BORAH sat there was a group of boys who were afterwards to be famous—the two Franklins, destined to be scientists of international fame; Vernon Kellogg, who became director of the National Research Council, the American scientific clearing house; Herbert Hadley, a Governor of Missouri, and a college president who came within a narrow squeak of being President of the United States; Fred Funston, who became a major general of the United States Army, and died ranking Pershing. Probably most notable of all because he lived well past his three score years and ten while the others died far short of it was WILLIAM E. BORAH.

To us in the classroom he was Bill. He was a thick-necked starry-eyed boy with an Irish twitch when he smiled with his loose-lipped mouth, a twitch that looked as though he was scaring away a fly with his nose and lower jaw. But it was a good smile with a twinkle at the top of his nose, and emphasized by a clear, charming voice when he spoke. That voice was one of his most precious gifts.

Another gift of the gods to BILL BORAH was made manifest and greatly developed in that wrangling classroom; it was his capacity to argue. Professor Canfield encouraged it, and we all used to like to wrangle with Bill somewhat to hear his booming voice. But he loved the debate for its own sake which the classroom brought out. Otherwise, outside of the classroom, he had no distinction. He was a member of the Beta fraternity—a lot of good boys with high scholarship, who took many college honors and wore them with sometimes rather shiny clothes and neckties that reminded you of a fire sale. BORAH was not a fraternity success, not a college leader. He got good grades, but he was not a grind. He was just a sincere and competent student who never ganged up much with his fraternity or with anyone else. I never saw him at a dance nor an interfraternity party. I was a would-be butterfly—but alas with clumsy, creaky, wooden wings!

The thing I remember about BORAH is that he never sang. But the rest of us at night used to gather mandolins, guitars, banjos, and go out serenading like hoot owls. Every fraternity had its quartet. But BORAH was not of those glamorous, romantic youths. He was older than the rest of us and seem to be in a hurry to get into life. He had no time for the gayer, more frivolous phases of college life—poker with matches, hard cider, girls, and baseball. I, who was everybody's dog like a shepherd pup, his complete antithesis as a student, could not make up with him, much—though I tried.

We used to walk down the hill from the university together at odd times when I was not carrying books for girls, with our heads in the stars and our feet tiptoeing on the board sidewalk. We talked seriously, for BORAH the student always was a serious cuss. He had little humor then. Yet he loved humor to the end of his life in others, though a bit impatiently. Life was all before us and joy around us.

But after we left Kansas University, our paths crossed early and often. When he went to Idaho, frequently I saw his name in the paper. He was a free silver Republican, who bolted McKinley in 1896 and belonged to a liberal faction. In the Mountain States, these free silverites were inflationists, believed in the free coinage of silver and set up a controlling faction in the Northwest. BORAH ran for various public offices, unsuccessfully, as an inflationist. In 1902 we met in Boise and from then on we were dear and fairly intimate friends. I suppose as the years passed I threw off a certain amount of my frivolity and Bill took it on. For he was a good companion, as gay as you would like, in those days of our young manhood. So whenever I went to the Northwest I stopped to see him. Sometimes he came to Emporia and visited our home, bringing his lovely wife, a Governor's daughter, who was his life-long friend and sweetheart—his Mary of whom he was always proud. The fly-brushing smile which twitched his mouth and nose had become a characteristic in those days, and his voice had gathered the charming resonance that was making him a powerful figure in the courts. Before a jury his smile and his voice were gestures in themselves. He became the attorney for a number of northwestern corporations, the owners of gold mines and of great forests and timber lands. He had an income of five figures before he was 40,



in a little town and a little State where \$10,000 or \$15,000 was a lot of money.

BORAH sprang into national fame in the middle of the first decade of this century when he tried to put "Big Bill" Haywood and Moyer, two union mine workers, in jail upon the confession of Harry Orchard that Orchard and they murdered Governor Steunenberg, of Idaho, for breaking a mine strike. BORAH's opponent was Clarence Darrow. It was a gladiatorial legal combat, one of the great trials of the American bar. After that, BORAH was a national figure.

He assembled his free-silver followers into a Republican faction and after a bitter, dirty fight in the legislature, BORAH was sent to the United States Senate. A few days after his election he was indicted in the Federal courts for timber frauds. He was attorney for the Barber Lumber Co., which had undoubtedly committed many irregularities. BORAH was stricken with humiliation. That was in the summer of 1907. The story of his indictment, of course, was national news.

A short time afterward he showed up at our house in Manitou, Colo., where we were spending the summer and writing *A Certain Rich Man*. BORAH was grief stricken. I have never seen another man so humiliated. He told me the story. One of his opponents was either on the Federal bench or was a Federal district attorney, I forget which, and another, either district attorney or Federal judge, was the leader of his opposition. They had him. He outlined his defense. It seemed obvious that he was guiltless.

When I asked what I could do, he said:

"Go to President Roosevelt for me. Tell him I cannot come to Washington to assume my duties as United States Senator until I have been cleared of this charge, and I must be cleared beyond question of a doubt. A hung jury or a long debate in the jury room in my case would amount to a conviction. Tell him I want this: I want the Department of Justice to bring this case to a quick trial, right now, before Congress meets in December, and under the circumstances, considering the judge and the district attorney, I want the President to ask the Attorney General to send a first-class, unbiased lawyer—anyone, I don't care whom—from the Department of Justice out to my trial, to sit beside the United States district attorney and see that he plays the game square. With an outsider at his elbow, I need have no fear either of the district attorney or the judge."

I got on the train the next day, after making a telegraphic appointment, went to Oyster Bay where President Roosevelt had summoned the Attorney General, and with Senator Spooner, of Wisconsin, general counsel for the Barber Lumber Co., to sort of give me moral support (though I did the talking), we persuaded the President and Attorney General Bonaparte to do what BORAH asked. As a United States Senator, he had a right to ask it. It was only fair that the President should grant Senator BORAH's request.

The trial came up immediately. The jury was out less than 5 minutes. When the verdict of "not guilty" was read, the courtroom burst into cheers. The mayor called out the fire department. The Governor got out the militia. The citizens had a parade, with BORAH in an open hack, the hero of the hour—all spontaneously within an hour after his acquittal. The story was spread across the United States by the newspapers, and BORAH lifted up his head and looked the world in the eye, unashamed and happy.

Perhaps on my tombstone it may be engraved: "He helped BILL BORAH when he needed a friend, and saved from shame an honest man who became a great Senator, for 30 years devoted to the service of his country."

In those early Washington days I used to run around with BORAH and GEORGE NORRIS, also a young Congressman, and Victor Murdock, an oriflammed knight of Wichita, and Albert Beveridge, a dynamite-cap of enthusiasm, and Joe Dixon, later Senator from Montana, and Governor there—all left-wing friends of Theodore Roosevelt. BORAH then was tall, say, 5 feet 9 or 10, straight as an arrow, with a large face and a shock of rather coarse black hair. He crowned himself with a white Stetson, a sort of a Rocky Mountain ducal helmet, and I was proud to be seen with him on the streets. He was too good-looking to be true in his middle thirties with exhilarating energy radiating from every inch of his handsome virile body.

BORAH's career as a Senator was unique. He was nominally a Republican, but because in his young manhood he had bolted the party with impunity, party loyalty meant just nothing to him until a few days before election. He wandered all over the political lot in the Senate, paying no attention to Republican caucuses, sometimes not even attending them. He has generally been stronger in the White House than in the Senate. He could do more with most of the seven Presidents he has served under than he could do in Senate committees or on the floor of the House. His oratory influenced few votes directly, but it made public sentiment that influenced many votes. He was strongest on man-to-man talks off the Senate floor.

The President whom he most conspicuously did not get along with was Woodrow Wilson. Woodrow Wilson loved men of soft approach, and when BORAH's bull voice roared across the table at Wilson, Wilson scorned BORAH and yet feared him and would have none of him, right or wrong. The two men were diametrical opposites, born and ordained to hate each other. Wilson was one of the few men whom I have ever heard BORAH cuss out.

Looking back over BORAH's 30 years' service, it is hard to realize that his name has never been attached to a congressional measure of major importance. He had no capacity for organization. He couldn't do teamwork. Work in senatorial committees irked him.

He was no good in a large caucus. He would sit around the conference table for a few minutes, then begin to walk up and down in the room, and finally slip out. He couldn't endure matching minds, making compromises. So his strength was on the floor of the Senate, making speeches or else talking across the table to one man. Always in the 30 years he had served in the Senate he had a group of followers. But the group changed with the year and the day, and sometimes with the hour. He was unpredictable. He did what he thought was right and never tried to be consistent. He was a great human being—honest to the core, brave and wise, and generally kind. Rarely has he ever spoken bitterly against another Senator or against any man. He had a big heart, with all his leonine external. He knew gratitude and was proud to stand by his friends. He had a decent contempt of the shifting sands of current public opinion. He never stopped to surrender to the moron mob, rich or poor. He had a lively sense of the fickleness of our American voters, and steered his ship craftily amid the treacherous shifting currents of public life for 30 years.

The last time we met for any length of time was at the Landon Republican convention in Cleveland, where I went as an emissary for the small subcommittee on resolutions writing the Republican platform to find out what BORAH wanted and to put it in the platform. In the committee we were agreed that he could have everything except inflation. Landon was for the gold standard, and so was I. But BORAH was against it. I went to his room in midday where he was in bed. He was sheltered by nurses in a darkened room back of a barricade against the army of besieging reporters. He was undressed, wearing a striped gown, but somehow it emphasized the gaunt lines of his figure. He sat on a bed, and I sat on the edge of a chair, two old gentlemen—one in the twilight of his last sixties, the other nearing the middle of his seventies. We talked about trivial things for a while, then got down to business, agreed on two or three points; and as I got up to leave he walked along beside me with his arm around my shoulder, and we stood for a moment at the doorway, and he said to me: "Well, good-bye, Will; I'm glad you came"; held my hand affectionately for a moment, and then he smiled that old quizzical smile and said something about the busy years that had passed and the ways we had walked to find ourselves there. And for a moment, clasping hands, we said nothing, and I said, "Funny, isn't it?" And he answered, "It certainly is!" Then we both sighed, and I turned and went to the committee's grind. It was all we could do and all we could say to express the meaning of the strange ways of fate that had kept us together through our long and busy lives, two old, inarticulate gentlemen, who had once walked together tiptoeing along the path of youth with our heads in the stars.

Probably, if one sentence would sum up the service of his career, it would be this: Here was a righteous man who was wise and unafraid, who followed his star, never lowered his flag, and never lost his self-respect. His greatness was purely personal. He may have no lasting fame like Webster's, though BORAH was greater as a human being. BORAH will have no heartbroken followers like Blaine, who held men through their affections, and when they died left Blaine unknown and unhonored. BORAH will live in our history as a strange and noble figure who lived most simply and by his very simplicity took on elements of grandeur. He was a statesman only so far as he was an honest man who dedicated his talents to his country's good, as selfless as ever a man had been in American public life. If that is greatness, he is entitled to don his memorial bronze and live among the immortals of his generation.

## Silver

### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

### ARTICLE FROM THE ECONOMIST

Mr. TOWNSEND. Mr. President, on December 9, 1939, the *Economist*, a well-known British weekly, commented on the alacrity with which the Government of British India seized an unusual opportunity to rid itself of a large part of its remaining monetary silver. I ask consent to have printed in the *RECORD* the excerpt from the *Economist*, which I am sending to the desk.

There being no objection, the part of the article referred to was ordered to be printed in the *RECORD*, as follows:

[From the *Economist*, London, England, December 9, 1939]

#### A DANGEROUS BUBBLE

The pace of the boom is thus slackening, which is not surprising, given the swollen state of existing and prospective private stocks

of silver in Bombay. This open position now amounts to close on 50,000,000 ounces, and has been built up on anticipation of an expansion in genuine up-country demand of which there is as yet no evidence whatever. Until the past few days the up-country offtake from Bombay has amounted to between 5,000 and 10,000 ounces a day. It is now increasing beyond these very modest totals, but is running at a rate which can make no appreciable impression on the enormous stocks being built up by operators. The Indian Government has, of course, seized with alacrity the opportunity of ridding itself of some of its surplus silver, though it may be questioned whether a wiser course might not have been followed in a more direct rebuff to the ardour of speculators than has been provided by readiness to sell as much as was wanted at a price no higher than 23½d. If this silver bubble bursts it will cause some damage. One of the factors which has prevented the readiness of the Indian Government to sell from having its full subduing effect on the Bombay market has been the sluggishness with which the Bombay mint effects deliveries of the metal. These are at present limited to about 1,000,000 ounces a day, and thus recent sales have spread deliveries until the turn of the year. That factor, incidentally, provided another argument for exacting stricter assurances as to the credit standing of the buyers in Bombay than are normally demanded in cash business. Meanwhile the Bombay price of silver has fluctuated between the equivalents of 27d. and 31d. this week, and the operators who have been able to take deliveries at around 24d. have already made good profits. But the basis of the activity is precarious in the extreme.

William E. Borah

### EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

RADIO ADDRESS BY HON. JOHN A. MATTHEWS, LL. D.

Mr. VREELAND. Mr. Speaker, I believe every Member of the House and Senate has regretted the loss of the fine statesman, WILLIAM E. BORAH, of Idaho; and, while we did not agree entirely with all of his ideals, nevertheless he represented the great American spirit of independent thinking which has made this country the finest on earth. Not only have we, the Members of Congress, regretted the loss of our colleague, but also very many of the citizens in our communities. Under leave to extend my remarks in the RECORD, I include the following radio address of Hon. John A. Matthews, LL. D., on January 21, 1940, over Station WHBI:

Good evening, ladies and gentlemen of the radio audience. There were many happenings recorded in the news of the past week which challenge our attention, some of them, like the developments in the agitation about a Government loan to Finland, worthy of our careful attention and comment. Today, however, I feel that I should dedicate this half hour of radio time in large part to the inexpressibly sad news of the death of the greatest champion the cause of peace in America has ever had, our noblest, sincerest, and most courageous crusader in the fight to keep America out of war and to keep war out of America. I refer, with saddened heart, to United States Senator WILLIAM E. BORAH, of Idaho.

Eulogy, my fellow Americans, is but an ephemeral tribute to the dead. The mere recital of the great accomplishments of the Lion of Idaho during his more than 33 years of statesmanlike service in the Senate of our Nation would be but the transitory tribute of words.

That he was the constantly watchful sentinel of human liberty as guaranteed by the Bill of Rights in our Constitution, that he was the implacable foe of the cant and hypocrisy of those whom he referred to on the floor of the Senate only a week ago last Thursday as "treacherous foes who seek shelter under the laws and institutions which assure free speech, free press, and personal liberty, and then make use of this shelter to destroy the government which protects them," not only his record during his lifetime of service in the Senate discloses but the very name BORAH connotes these facts.

In the difficult legislative tasks involving the foreign policy of our country, Senator BORAH typified the spirit and spoke the language of George Washington. "No entangling alliances" was his watchword in the performance of these duties.

And though his opponents in the forum and in the press called him an isolationist, like his prototype, the Father of Our Country, he was an isolationist only in the sense, as he put it, that he would save our beloved country and the sons of American mothers from "participation in such wars as have gone on in Europe from

the Spanish Succession to the present time—"chapters," as he called these wars, "in the bloody volume of European politics."

Isolationist indeed he was in the sense that George Washington was an isolationist. But like the Father of His Country he was no pacifist.

Only last October his great patriotic American soul poured itself forth to his colleagues in the Senate during the debate on the repeal of the arms embargo in these courageous words: "I am not a pacifist. If Germany, or Great Britain, or any nation attacks this Nation, kills its people, destroys its property, and makes war, I am ready again, terrible as I know the consequences will be, to vote for a declaration of war."

And so I might go on, my fellow Americans, with this mere transitory tribute of words, this mere recital of accomplishments, this splendid record of statesmanship of one who, like Webster and Calhoun, now belongs to the ages.

But it is my desire, and I know it is yours, that our tribute to our fallen leader in our crusade to keep America out of war and to keep war out of America shall transcend the bounds of ephemeral eulogy, and that it shall take on the character of a perpetual memorial to Senator BORAH, a memorial not fashioned by our hands but a perpetual memorial built in our hearts, a memorial of love and devotion to his ideals which we will bequeath to our children and to our children's children until posterity merges with eternity. That memorial, my fellow Americans, shall have on it this simple but sacred inscription, "Keep faith with BORAH."

Senator BORAH is dead, but his spirit lives. Yea, more; he has bequeathed that spirit to America in a document from which I want to read to you this afternoon; a document that may well be called his last will and testament; a document which, like the last will and testament of George Washington—affectionately called Washington's Farewell Address—makes every American heir to the spirit of Americanism which Senator BORAH preached and practiced, and in the cause of which he died. I refer, my fellow Americans, to the speech delivered by Senator BORAH in the Senate of the United States on October 2 last against the lifting of the arms embargo.

That speech, that last will and testament, of Senator BORAH, to us, his fellow countrymen, will be this generation's bulwark, and the bulwark of generations yet unborn, against the entangling alliances of European power politics, if we but "keep faith with BORAH."

And now, before I read from that sacred last will and testament, let me picture for you, as future historians will picture for our children, the setting in which that document was given to posterity.

When Senator BORAH arose to make that momentous, epoch-making speech, there wasn't a single Senator absent from his seat, except those who, the CONGRESSIONAL RECORD for October 2, 1939, relates, were not in Washington on account of illness or other recorded reason. Eighty-five Senators, including Senator BORAH and the Vice President, were on the floor of the Senate, and the Senate galleries were crowded when the Lion of Idaho began to speak.

Listen to these words of BORAH as he launched with inexorable logic into the inquiry, Who want repeal of the embargo on arms:

"We are asked to repeal the law, and why? We are asked to repeal a law which forever prohibits the furnishing of these instrumentalities of human destruction and furnishing them for gain, and why? We are asked to again identify ourselves with the destructive power of the nations of Europe, and why?"

"We are here in extraordinary session and in apparent haste asking for repeal."

"Did the cry for repeal originate with, or does it spring from, the people of this country? Did the voice of labor initiate the agitation for repeal? Did the call for the rejection of this policy come from the farm, from the pulpit, from the pew, from the homes of America, from the families of America? Did it come from the young men now on the verge of active life, looking where they can find a profession or a calling? Did they call for it? Whence came the call? It came from the war hounds of Europe. It was originated in the situation in Europe."

My fellow Americans, let us never forget those words of Senator BORAH. They were never successfully challenged during the entire debate on the arms embargo. They portray in a sincerity and integrity and courage of utterance the incontrovertible fact that the cry for repeal came not from the people of America but, as BORAH put it, from the war hounds of Europe.

And what have the war hounds of Europe who cried for repeal and got it; what have they done since repeal?

They have violated American neutrality at every turn. They have stopped and searched our ships on the high seas and taken them into their own ports, confiscating whatever suited their use. They have blockaded our commerce with neutral nations and demanded that our cargoes to neutrals be inspected in our own ports by their consular agents.

In answer to American protests against these violations of international law they have equivalently declared that England will determine what is and what is not international law as best suits her own convenience or connivance.

In a word, my fellow Americans, the war hounds of Europe who cried for repeal of the arms embargo did it not merely to obtain arms, munitions, and implements of warfare, but, in order to put America in an unneutral position and thereby foment enmity between America and others of the belligerents, in the hope that these belligerents would act in reprisal and thereby force us into the war.

And here we may well ask ourselves the question, paraphrasing as to tense the words of Senator BORAH in his legislative last will



and testament of October 2 last, "Wherein has peace been advanced by repealing the embargo? Wherein has humanity been augmented and strengthened by our selling arms to warring nations? Can anyone say or believe that peace could ever be advanced by a neutral nation furnishing arms, munitions, and the instrumentalities of war? Could anyone contend that any principle of humanity or justice would warrant a nation in doing so?"

My fellow Americans, those words of Senator BORAH are already a prophecy come true. The cause of peace was taken from the clean hands of neutral America, when the embargo was repealed, and put into the bloodstained paws of the war hounds of Europe, there to remain—unless an awakened America demands that we "keep faith with BORAH"—until the appetites of these power politics war hounds have been satiated, or until they and their enemies have been suffocated in the surfeit of their civilization-destroying strife.

Indeed the recent news in our own press is eloquent of the fact that peace has been banished from the vocabulary of the war hounds of Europe.

To the recent plea of the great white shepherd of Christendom, His Holiness, Pope Pius XII, that belligerents should subordinate their particular interests to general interests to bring about peace, England, who in the World War, by the secret Treaty of London, of April 26, 1914, more than two years before the United States was propagandized into that war, England, who secretly agreed in that London Treaty with France and Russia to support Italy, insofar as Italy "does not permit the representatives of the Holy See to take diplomatic action with regard to the conclusion of peace," England, I say, responded to the recent appeal of the Holy Father by inquiring whether the Pope implied any criticism of publicly expressed Anglo-French war aims, in suggesting that belligerents should subordinate their particular interests to general interests to bring about peace.

Now passing for the moment the hypocrisy of England's publicly expressed "war aims" which call for war to a finish against Hitler, aggression in Poland, and Hitlerism, while they refrain from even declaring war against brutal Russian aggression in both Poland and Finland, and against communism, passing this hypocrisy for the moment, may I quote for you what the Vatican, according to the New York Times of January 17, last Wednesday, is reported to have replied to this British question about implied criticism of publicly expressed Anglo-French war aims:

"The Pope was reported to have replied that the Vatican does not take into account the political interests of any country except in the case of Russia, whose policy the Pontiff reportedly described as contrary to the interests of the church and religion. So far as belligerents are concerned the Pope was said to have told Mr. Osborne (the British Minister to the Vatican) the Vatican continues to maintain normal relations with Germany despite some points of difference."

My fellow Americans, if that report in the New York Times of the British-Vatican conference is accurate, it rather looks as though everybody except unneutral America is alive to the truth of what Senator BORAH said on October 2, last, that this war—England's war aims—bunk to the contrary notwithstanding—is "nothing more than another chapter in the bloody volume of European power politics."

And now, my fellow Americans, may I read for you some more of our heritage under Senator BORAH's legislative last will and testament of October 2 last, and while I read it, won't you repeat with me our pledge, "Keep faith with BORAH":

"For myself, and for myself only, I want to declare I look upon the present war in Europe as nothing more than another chapter in the bloody volume of European power politics, the balance of power which John Bright, the great commoner of England, once declared was the curse of any possible European peace. Yes; it is power politics."

"It is the old question of the balance of power. Was it anything more than the balance of power when the democracies and the dictators of Europe in 'blessed accord' stood over the dismembered body of Czechoslovakia, the only real republic in that portion of the world? Was the cruel and brutal and revolting creed of nazi-ism any different at Munich than it was at Warsaw? Was civilization and democracy any less under challenge when Czechoslovakia fell at the hands of the combined assassins than when Poland was threatened? Was it anything but power politics when Germany and Great Britain excluded Russia from the Munich conference, but both sought industriously to secure her aid, notwithstanding her creed, in the controversy relative to Poland? When the men at Munich reached the consummation of their awful deed, did they not turn over to the unlimited control and tender mercies thousands of a race whose presence excites the mortal wrath and vengeance of the one to whose control they assigned them? Was that humanity? Was that civilization? Was it saving democracy? Was it saving civilization? No; it was dividing territory. It was power politics. It was imperialism."

"If our boys go to Europe, they will not go to Europe to wipe out nazi-ism; they will go to Europe to adjust territory—to pass upon the question of power; and when war is over that will happen which happened after the World War—the representatives of the European nations will sit down together and, forgetting every principle for which the American boys died, they will pass solely upon the question of power politics."

"Whatever may be the philosophy of nazi-ism, however abhorrent we may write it down, it is not the issue in the conflict, and

its cure is not war. It is not an issue which will be settled by this conflict; and I venture to say that the treaty of peace, if it ever comes, will have nothing in it about the ending of nazi-ism or its teachings, or of communism or its teachings, any more than had the agreement at Munich. It will devote itself, as did the Versailles Treaty, to the unquenchable imperialistic appetites of those who sit around the table; and if the American boys take part, they will sacrifice their health and their lives that this or that nation may gratify its desires for territory and for power."

Mothers and fathers of American sons, may I interrupt the reading of this remarkable document to remind you that the words I have just read were uttered only three and a half months ago by one now silent in death, whose funeral will be held on Monday in the very Senate Chamber where he uttered these memorable words, one whom all of America mourns as an honest, fearless, upright champion of the American spirit, one whose knowledge of foreign affairs was second to none in our Nation, one who would not have said those words if he did not know and believe them to be true.

Do you wonder then that I call this great speech of Senator BORAH his last will and testament to the American people? Do you wonder that I plead with you to enshrine his words as a permanent memorial in your hearts and that you write alongside of them the inscription, "Keep faith with BORAH"?

And now, my fellow Americans, may I quote a final passage from that last will and testament of Senator BORAH, a passage which ought to be an eternal warning in the light of all that I have previously quoted, against any and all propaganda that might cause you moral indignation at anything which may happen in this war of power politics, to spoil your intelligence.

Listen, my countrymen, to these solemn and awful words of warning that fell from the lips of Senator BORAH only 3½ months ago: "A few days ago I read the following description of a scene of battle after these instrumentalities (of warfare) had done their work. I quote: 'Chunks of human flesh were quivering on the branches of the trees. \* \* \* A half dozen houses were burning. \* \* \* Mules and horses were pawing in their own entrails. \* \* \* The whitewashed church was bespattered with blood and brains. \* \* \* Men were running about howling with insanity, their eyes protruding from their sockets. \* \* \* One woman was sitting against a wall trying to push her bleeding intestines back into her abdomen. \* \* \* A man lay nearby digging his teeth and his fingers into the ground. \* \* \* A child sat on a doorstep whimpering holding up the bleeding stumps of its arms to a dead woman whose face was missing.' Looking upon a scene such as this," concluded Senator BORAH, "who would undertake to discriminate, to distinguish between the manufacturer of the instruments which could produce such a scene, the purchaser, paper title or no paper titles, and legal technicalities? Let us stay out of this war. It is not our war."

My fellow Americans, I cannot carry on further this afternoon. That awful warning of the horrors of war in the last will and testament of America's greatest apostle of peace shocked me when I first read it, and the more I read it and repeat it the more I beg Almighty God to hear the prayers of the fathers and mothers of American sons that peace, peace now, may come to the warring world.

But may I not plead with you, my radio audience, every single one of you, that you join me in a firm determination to "keep faith with BORAH," BORAH the statesman, BORAH the peacemaker, BORAH the lover of mankind, BORAH, of whom I may say as did Rufus Choate on the death of Daniel Webster, "Nothing shall hide his recorded wisdom, his great example, his assured immortality."

"Nothing can cover his fame but heaven;  
No pyramids set off his memories  
But the eternal substance of his greatness  
To which I leave him."

May a just and merciful God grant eternal rest to the soul of America's elder statesman as we stand in spirit this evening at his bier and pledge ourselves to "keep faith with BORAH."

## National Automobile Dealers' Association

### EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

RADIO ADDRESS BY HON. WRIGHT PATMAN, OF TEXAS

Mr. PATMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me before the National Automobile

Dealers' Association at the Mayflower Hotel, Washington, D. C., January 24, 1940, over NBC hook-up:

Mr. Chairman, members of the National Automobile Dealers' Association, and ladies and gentlemen of the radio audience, I appreciate the fact that your association and the National Broadcasting Co. have made it possible for me to address you and the other 41,000 automobile dealers throughout the United States, and all automobile owners and prospective automobile owners, on a matter that is very close to my life's work.

I desire to pay my compliments to your very able and popular president, Mr. Stanley H. Horner. He is very influential in Washington, and has a high personal standing in the Capital City as well as nationally. Through his tireless efforts he has made the public, the automobile dealers, and the governmental agencies more conscious of the worthy objectives of the National Automobile Dealers' Association.

I also desire to congratulate you on securing for your legislative-contact executive a good Texan, who is very able and efficient in the capacity in which he is employed. I refer to my friend and your friend Mr. Dyke Cullum. In the investigation of the automobile industry the Federal Trade Commission had the good fortune to receive his services. He is a man with 20 years' experience as a country automobile dealer, city dealer, and owner of a finance company. He is one of a family of six brothers, whose identity with the automobile industry dates back to 1910. Mr. Cullum has devoted a considerable part of his own time in the past 10 years toward the correction of manufacturer-dealer relations, and when the Federal Trade Commission's investigation was started he extended his services gratis.

My subject is Independence of Automobile Owners and Dealers versus Monopoly and Control by the Automobile Manufacturers.

The automobile business is one of the largest and most important businesses in the United States. Briefly, let me tell you a few things about this big business. In the United States there are 26,000,000 motor-vehicle owners or an average of 1 motor vehicle for every 4 people. This compares with an average of 1 motor vehicle to every 142 people in the rest of the world. We have 6,380,000 workers employed directly and indirectly in highway transportation in these United States.

Sixty-six percent of the world automobile production is in the United States and Canada.

There are 43,000,000 motor vehicles in the entire world, and 68 percent of these are in the United States.

There is paid each year to the States and the Federal Government more than one and a half billion dollars in gasoline taxes, registration fees, and other special taxes and fees.

The motorist pays one out of every eight tax dollars.

Sixty-two percent of the passenger-car mileage is used on business.

#### FEDERAL TRADE COMMISSION REPORT ON MOTOR-VEHICLES INDUSTRY

The Federal Trade Commission here in Washington, D. C., has recently finished a congressional inquiry and filed its report with Congress on the motor-vehicles industry. This unbiased report contains astounding and shocking conclusions by this great Commission. I do not contend that the unfair and inequitable practices disclosed by the Federal Trade Commission which are perpetrated upon the automobile dealers, employees, and the public by the manufacturers are the only problems before Congress today. However, the motor-vehicles industry is the largest single manufacturing industry in the entire world. It affects more bread earners, hence more families, than any industry except agriculture; also, it is highly important because it is almost completely controlled by only three gigantic corporations. The Federal Trade Commission reported that a high degree of concentration prevails in the motor-vehicles industry, and that in 1938 there were only 11 companies producing passenger cars regularly and 3 of them had no less than 89 percent of the total unit sales of passenger cars.

From the information that I have gathered, I am convinced that if General Motors, the largest of these three, were to stop their competitors from using their patents and their parts, their competing manufacturers could not possibly make the cars they are making and delivering today—not even the Ford Motor Co. Although a business is important, and we are glad to continue to applaud the success of the automobile industry in our country, we are not willing to sit idly by and see a few people absolutely control and dominate this great American industry against the public interest.

Let me quote a few charges made by the Federal Trade Commission against the motor-car industry.

#### MANUFACTURERS CONTROL DEALERS

1. Said the Commission: "Manufacturers exercise an unusually detailed supervision over the activities of their dealers. The basis of this supervision is to be found in the manufacturer-dealer contracts required by all manufacturers of their dealers. The compulsory force effectuating the manufacturer's supervision is fear. Fear on the part of the dealer that his dealer agreement and therewith his business may be canceled by the manufacturer for non-compliance."

The present automobile dealer's contract allows the manufacturer to cancel the same without cause; therefore the dealer's security is not equal to the plantation sharecropper's contract. They can be kicked out only once a year. Our Government compels you to pay social-security taxes to give your million employees better security, and it is not unreasonable to ask this same Government to give you, the 41,000 motor-vehicle dealers in the Nation, fair and reasonable security.

To my knowledge there exists no other type of business which operates under the one-sided contractual arrangements that the manufacturers have with their dealers. They exercise dominance over them. The manufacturer creates a situation with the dealer, which permits him to regulate the dealer's method of doing business, tells him what to buy from the manufacturer and what to pay for it, but dodges the responsibility of equal risk.

As between the manufacturer and the additional taxes and different kinds of taxes, the dealer is in very much the same position as the man, back in days when such triangular relationships existed, who had two wives. At night before he retired the younger one would comb his wonderful head of hair and pull out the gray ones because she wanted him to look young like herself. The older wife was seeing him get gray with a great deal of pleasure, because, being older, she was often mistaken for his mother, so she would comb his hair in the morning, and while leaving the gray ones, she would pull out a few of the black ones each time. Finally he found himself to be entirely bald. The moral is: If you yield to all, you will soon have nothing to yield, and the 41,000 automobile dealers of this Nation are in that position.

#### DEALERS FEAR MANUFACTURERS

The Commission further said, "General Motors, Chrysler, and Ford make 90 percent of all cars. Manufacturers are in a strong bargaining position and their individual dealers are in a relatively weak position."

2. Permit me to quote to you an excerpt from the Commission's report, which shows conclusively that automobile manufacturers use their dealers as "fronts" to influence legislation. The excerpt from the report is as follows:

"It appears that the Automobile Manufacturers Association, through its legislative department, has at times been overenthusiastic in its efforts to defeat certain State legislation. A case is cited where the chairman and secretary of that department urged the veto of a measure which had been passed by both branches of the State legislature. In other cases the association conducted its activities through member manufacturers, who were requested to ask their dealers to present certain views to their State legislators. This practice of working through dealers does not appear commendable, as it leaves the impression that the dealers may have been coerced, through 'fear' of manufacturer reprisals, into taking a stand otherwise contrary to their best interests."

The Commission found the manufacturers are aware of their forcing policies. Listen to this statement made by Mr. Alfred P. Sloan, chairman of General Motors Corporation, to his fellow officers:

"I know instances where General Motors dealers have just before the close of the season been forced to take quantities of cars they couldn't possibly sell except at a loss. This loss has been sufficient in some cases to absorb their profits for the entire year."

Frankly, gentlemen, I never realized until just recently that such a practice of dictatorship by a manufacturer over the business of its dealers was allowed in this country.

#### FORCED TO BUY UNWANTED PARTS

3. The inquiry by the Federal Trade Commission developed that the dealers were not only compelled to take new cars that they could not sell, which oftentimes forced them into bankruptcy, but the "Big Three" manufacturers also used coercion on the dealers to induce them to purchase unwanted parts, accessories, tools, and equipment. The manufacturer requires the dealer to sell the manufacturers' parts, claiming that they are the only genuine parts, when the dealer can buy these same parts direct from the parts manufacturer, made at the same time by the same workmen with the same kind of material, for much less than what the dealer is charged.

For instance, a spark-plug company is a subsidiary of a manufacturer. It sells its products to a division of the manufacturer. This division of the manufacturer requires its dealers to buy that same spark plug at one-third more than they could buy it from the spark-plug company direct. This is not only harmful to the dealers, it is harmful to the public, which is caused by the factory control of its dealers. Many other similar illustrations could be given.

#### SELL USED CARS AS NEW ONES

4. The Commission further found that manufacturers' representatives drive new cars as high as 4,000 miles and then run them back through the assembly line and sell them for new cars.

#### AUTOMOBILE HEATERS FOR MIAMI

5. The Federal Trade Commission also found that manufacturers have been guilty of installing heaters on cars shipped to Florida and south Texas, where heaters were not required or wanted, thus requiring the dealers to pay for something they did not need and could not use.

In recent years while manufacturers' profits have been rising, the profits of dealers have been falling. The losses to dealers through pressure for volume has caused many dealers to fail. The excessive mortality rate among automobile dealers is of vital concern to the public, because these liquidations directly affect all members of the communities in which they occur. The extent to which these dealers were forced out of business, due to high-pressure selling tactics over which they had no control, is certainly a matter of public interest, particularly since thousands of the dealers' employees were thrown out of work.

The startling fact is that there are twice as many ex-automobile dealers in the United States today as there are established dealers. Some of them doubtless were inefficient and were not entitled to



remain in business, but a large number of them were forced out by reason of the ruthless and unfair tactics of the manufacturers.

All automobile manufacturers have approximately \$1,300,000,000 invested. The dealers of the country—the 41,000—have about \$4,000,000,000 invested, or about three times as much. The manufacturers employ 306,000 employees, whereas the dealers employ more than 3½ times as many, or 1,148,000. Although the dealers employ 3½ times as many men as the factories, and although the dealers have 3 times as much invested as the factories, the factories made \$60 per car profit last year, while the dealers only averaged a profit of \$13 per car. Approximately the same ratio prevails for preceding years.

#### EXCLUSIVE CONTRACTS REQUIRED OF DEALERS

6. Because of the manufacturers' strong bargaining position, the leaders of the industry require their dealers to handle one line exclusively. This restricts competition by making it more difficult for the smaller manufacturers to obtain adequate dealer representation, for the reason that in many markets the smaller manufacturers are unable to establish exclusive dealership with sufficient volume to operate profitably.

Upon occasions the courts of the land have deplored the one-sided nature of these agreements. From the manufacturer's strong economic position, he is able to put in his agreement certain clauses he desires to protect his interests and to keep out certain clauses which should adequately protect the dealer's interests.

It is very much like the landlord's explanation to the old Negro to convince him that he was not entitled to anything for his year's work on the farm. The landlord told him that he had worked it all out and had a full accounting in his daybook, pulled out his daybook, opened it, and read the following to the old darkey:

"A naught is a naught,  
A figger is a figger,  
All for the white man,  
Nothing for the nigger."

The manufacturer's contract is almost as unfair with his dealers as the white landlord was with the old Negro. Since the time has passed when a white person can deal with a colored person in that manner, let us hope that the time will soon be in the past when a manufacturer can so unfairly deal with his dealers.

While the courts have been disturbed by a form of contract which places the comparatively helpless dealer at the mercy of the manufacturer, it has been impossible for the courts to make contracts for parties or protect them from the provisions of contracts, which they have made for themselves. It is one of the first duties of our Government to protect the weak against the strong, and I do not know of a case where this fundamental principle of government will apply with more justice and equality than in this particular case.

#### FREIGHT CHARGES PADDED

7. The purchasers of cars are forced to pay sometimes as much as \$100 extra for transportation charges when they buy their automobiles in excess of the true transportation charges. The Federal Trade Commission in its report states:

"With the pricing of automobiles, thus confused and obscured by manufacturers' charges for transportation, accessories, and extra equipment, the way has been opened for dealers to add still other 'pads' in the pricing of automobiles to retail customers."

In plain words, that means the manufacturers are deliberately misleading the public by advertising; also, encouraging dealers to join them in "padding" or "padding" the price to the consumer.

It is estimated that the manufacturers overcharge the public at least \$40,000,000 per annum on freight on automobiles. Here is an example of how this practice is growing. In 1936 transportation on a Buick automobile to a certain Florida town was \$72.30. By 1939 transportation on the same model Buick to the same town was \$170.49—both are recommended charges by the factory. The fact is, the car is shipped from Linden, N. J., by water at a cost not to exceed \$30. This allows the manufacturer a profit of more than \$140 on that car for transportation that was not paid by the manufacturer but charged to the dealer and paid by the purchaser of the car.

Why does the factory charge extra for a driveaway? The answer is to perpetrate a freight overcharge. Does not that answer the question as to why the manufacturers prepay the freight?

#### COMPLAINTS FILED BY DEPARTMENT OF JUSTICE

The Federal Trade Commission has filed the following complaints against the automobile manufacturers:

1. For false and misleading advertising of the f. o. b. or list price of cars at factory.
2. False and misleading advertising of the finance charges by manufacturers in collusion with major finance companies, in which the interest rate was represented as 6 percent, when actually it was 12 percent.
3. For coercion, requiring dealers to handle their parts and accessories exclusively.

The Department of Justice also filed criminal complaints against General Motors, Ford Motors, Chrysler Corporation, and their individual officers, for scheming and conniving with their respective affiliated finance companies for coercing dealers to finance exclusively through their pet company. Ford and Chrysler signed a stipulation and General Motors contested the case. The Attorney General convicted General Motors Corporation and its subsidiaries. The officials barely escaped by the skin of their teeth. I doubt that the Department of Justice is through.

In the interest of the American people, these practices that have been disclosed by the Federal Trade Commission should be stopped

and stopped immediately. The only way to stop them is to pass a law which will make such practices unlawful. Such a law should have a minimum of regulation and a maximum of cooperation between the manufacturer and the dealer. Since the Federal Trade Commission filed its report, I have prepared a bill that will, if enacted into law, correct these injustices, inequalities, and harmful acts.

The automobile business is sick. It has been sick for some time. So the dealers went to their Government, just like a sick man would go to his doctor. The Federal Trade Commission was the specialist that Congress called in to find out what was the matter with the patient. Congress gave the Commission \$50,000 and a year to diagnose the case. Last June the Commission made its report. The specialist had figured out the trouble with the patient. That report was over a thousand pages long.

The big trouble they discovered was the manufacturers wouldn't let dealers run their own businesses. And they forced the dealers to do things that hurt the dealers and hurt the public. And these things that hurt the dealers and hurt the public made more money for the manufacturers.

When I got the doctor's report I did just as you'd do. I wanted treatment for the patient to make him well. That treatment is in the bill I have proposed. The cure is really very simple. Let the dealers run their own businesses, or, if the manufacturers insist on controlling the dealers' businesses, make them share some of the responsibility.

When all the legal language of the bill is boiled down, it simply means that when a manufacturer takes on a dealer he must agree to let him stay in business at least 3 years if the dealer does his part, and the dealer has to agree to sell that company's cars for at least 3 years if the manufacturer does his part. Provision is made for releasing either party on 6 months' notice if the other doesn't carry out his promises.

That's all this bill requires, unless the manufacturer desires to supervise the way the dealer is going to run his business. He can do that if he wants to and if the dealer is willing to allow him to do so. If he is going to help the dealer run his business, then he must agree to buy the dealer's stock at fair prices if he decides to quit doing business with the dealer.

Now, is there anything unfair in that?

The bill goes on to prohibit false and deceiving advertising. It prevents tampering with speedometers on new cars to misrepresent the condition of the cars. It requires that each new car buyer must be given an itemized invoice so he can see what he is paying for.

This is all for the protection of the public and is certainly reasonable in my opinion.

In concluding this part of my address, let me request that you study the bill carefully and let your wishes be known to the president of your national association and to your Congressman and Senators, as they are here in Washington trying to abide by the wishes of a majority of their constituents, and there is no doubt that the opposition will cry to high heaven; therefore, you, the dealers and the automobile owners, make yourselves heard. We must crush monopoly or monopoly will crush us. You have an example of what monopolistic practices will do in the automobile manufacturing business today.

#### MR. JUSTICE FRANK MURPHY ON INDEPENDENT BUSINESS

Attorney General Frank Murphy, who was recently sworn in as a member of the United States Supreme Court, and one of the best and ablest men in this Nation, said this about the necessity of preserving independent business:

"Trusts and monopolies in America have been fostered and promoted in the past by the Federal Government to such an extent that they virtually have wiped out the small independent businessman. We must restore this independent businessman or we will be a nation of corporation peons in another decade."

"The day is already here when a boy graduating from college can seek a career only in some monopolistic enterprise if he has any hope whatever of achieving comparative success."

"We have come to the point of making jokes about the disappearance of the corner grocer."

I again ask you to study the bill, which I have discussed, carefully and communicate your views to the national president of your association and to your Representatives and Senators in Congress.

I thank you for the courtesy of your attention.

#### Tariff Act of 1930

#### EXTENSION OF REMARKS

OF

HON. KARL M. LECOMPTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

LETTER BY HON. LLOYD THURSTON

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein

a letter in defense of the 1930 Tariff Act, written by Hon. Lloyd Thurston, who for 14 years represented the Fifth Congressional District of Iowa in the House of Representatives. The letter was printed in the Des Moines Register of January 25, 1940, with comment by the editor.

The letter is as follows:

[From the Des Moines (Iowa) Register of January 25, 1940]

A DEFENSE OF THE 1930 TARIFF ACT—FORMER CONGRESSMAN THURSTON  
POSES QUESTIONS ON TRADE PACTS

To the Editor:

President Roosevelt and Secretary Hull and lesser Democratic officials have repeatedly condemned the 1930 Tariff Act enacted into a law by the Republican Party. In so doing they have condemned themselves of cowardice or misrepresentation in not making an effort to repeal this law.

It is well known that the Democrats have had from two and one-half to three and one-half as many Members as the Republicans in the Congress for the past 6 years, an overwhelming majority in both the Senate and House. Why have they failed or refused to repeal the last law enacted to uphold the American protective system?

Evidently, they fear to again place the American farmer and laboring man on the level with the forced labor of the rest of the world. Forced labor works long hours, minimum wages, and makes severe competition.

#### SMOKE SCREEN

Instead, the Roosevelt-Hull group has conceived what they believe to be a clever alibi or smoke screen, rather than to permit the Congress or the people through public discussion to weigh the subject on facts instead of unsupported conclusions. Hull coming from a cotton section, where they have cheap labor, the Negro, has voted against every effort of the northern or western farmer to get protection against cheap foreign farm products. In these trades, dairy products, corn, wheat, cattle and hogs have been traded off in favor of cotton.

What would our officials have to trade, or reciprocate with, if we still had the 1913 Democratic free-trade law in effect?

#### RATIFICATION WANTED

By statute, the Senate is required to confirm the appointment of many insignificant officials and ratify treaties before they are effective. Why should not this body, rather than a few so-called trade experts, spat-wearing diplomats, have the authority to pass upon foreign trade relations that are highly important to our people?

LLOYD THURSTON, Osceola, Iowa.

EDITOR'S NOTE.—We regret that we cannot reproduce in type large enough to be easily readable the two tables Mr. Thurston enclosed. So reproduced they would take from one-third to one-half the page. We are doing our best below, however, to summarize them in such a way as fairly to illustrate Mr. Thurston's point.

Table 1 (source not mentioned) compares the rates of duty on 113 agricultural products provided for by the Republican tariff acts of 1930 and 1922 with those provided for by the Democratic act of 1913. Of these 113, the table shows 65 products were admitted duty-free under the 1913 act, 2 under the 1922 act, and none under the 1930 act.

For instance, cattle weighing less than 700 pounds were on the free list under the 1913 tariff, but were given a duty of 1½ cents a pound in 1922 and a duty of 2½ cents a pound in 1930.

Bacon and hams were on the free list of 1913, but got a duty of 2 cents in 1922 and of 3½ cents in 1930.

Lard was on the free list of 1913, but was given a duty of 1 cent in 1922 and of 3 cents in 1930.

Cheese in 1913 got a 20 percent ad valorem duty, but in 1922 was shifted to a specific rate of 5 cents a pound (not less, however, than 25 percent ad valorem) and to 7 cents a pound in 1930 (not less, however, than 35 percent ad valorem).

Corn was on the 1913 free list, got a 15-cent duty per bushel in 1922 and a 25-cent duty in 1930.

Wheat was "free" under the 1913 tariff, but was given "protection" of 30 cents in 1922 and of 42 cents in 1930.

Wool of different varieties (there are many) was changed from the free list to varying degrees of tariff protection, or from relatively low rates of protection to higher rates.

#### SECOND TABLE

Table 2 (from U. S. Department of Commerce figures, clipped from the CONGRESSIONAL RECORD) lists the amount of 34 agricultural products imported into the United States during the two 10-month periods ending October 1938 and October 1939. In every instance except one the amount imported during the 10 months of 1939 exceeded the amount imported during the 10 months of 1938. Representative items from this table follow:

Cattle: 330,655 head in 1938; 664,339 in 1939.  
Meat products (total): 123,732,000 pounds in 1938; 136,552,000 in 1939.

Cheese: 44,423,000 pounds in 1938; 49,249,000 in 1939.  
Eggs (in shell): 182,844 dozen in 1938; 267,326 in 1939.

Hides and skins (total): 131,895,000 pounds in 1938; 258,889,000 in 1939.

Wheat (all): 2,433,000 bushels in 1938; 9,310,000 in 1939.

Cotton (unmanufactured): 93,107,000 pounds in 1938; 84,433,000 in 1939.

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## Neutrality

### EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to have inserted in the RECORD an editorial which appeared in the January 27 issue of the Greenville News.

This editorial furnishes the reader with a splendid analysis of the effectiveness of the present Neutrality Act in keeping America out of war. The facts of the case are presented briefly and concisely and the argument is convincingly stated.

[From the Greenville (S. C.) News of January 27, 1940]

#### THE ACT IS WORKING

A report of Lloyd's Shipping Gazette, London, shows that while 19 nations lost 268 vessels due to the war up to last week, the United States is the only important shipping country that has not suffered a sea loss.

Up to the time the report was issued 101 neutral ships totaling 299,547 tons had been sunk at sea through U-boat or mine action. These neutral losses amount to nearly a third of the total amount of shipping sunk—1,003,652 tons.

The fact that American ships have not suffered any losses during nearly 5 months of war at sea must be due to the effectiveness of the Neutrality Act. Germany no doubt is disposed to respect American shipping and refrain from subjecting it to U-boat action. But the merchant ship lanes adjacent to the belligerent countries are strewn with mines. If our ships were plying those waters they could hardly miss contact, at least occasionally, and suffer just as other neutrals have.

The Neutrality Act has its penalties, to be sure, but from the standpoint of ship losses due to war action it appears to be working admirably. It is thus having the effect of keeping "incidents" arising from hostilities to a minimum.

My support at the special session of Congress of neutrality legislation which the administration recommended was based on the belief that its enactment would do much to keep America out of European war. In this connection I quote my remarks from the Appendix of the RECORD, volume 85, page 234, as follows:

One of the strongest and most salient features of the cash-and-carry plan recommended by the President is that it forbids the use of American ships in trade with the belligerents. This is a much-needed safeguard against our involvement in war. We know that what did most to draw us into the last war was the sinking of American ships and the loss of American lives on the high seas. We must remove the danger of a recurrence of incidents which might again inflame public sentiment and lead us down the road to war. Keeping public sentiment strongly against our going to war is, after all, the thing which will do most to actually keep us out of war. The American people today are unanimously opposed to our entering war, and as long as this opposition to our participation in war is maintained, we shall remain at peace. This is a certainty.

Therefore, what is most important is that we at this session of Congress lay the foundation for a firm, clear-cut international policy which will keep us from again drifting into war as we did in 1917. By amending the present Neutrality Act and establishing the cash-and-carry plan we shall lay that foundation for a sane and practical policy which will best serve to keep America out of war.

## The National Defense

### EXTENSION OF REMARKS

OF

HON. CARL VINSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

RADIO ADDRESS BY HON. MELVIN J. MAAS, OF MINNESOTA,  
JANUARY 25, 1940

Mr. VINSON of Georgia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from Minnesota, Hon.



MELVIN J. MAAS, at a Town Hall Meeting of the Air, broadcast from New York City January 25, 1940:

It seems to me that there is only one fundamental question involved in this subject. That is, Shall the United States be prepared to defend itself, or shall it turn its back upon the advice of George Washington and invite disaster by abandoning the traditional American policy of maintaining adequate defense? It is inconceivable that any considerable number of Americans are willing to sacrifice the United States by permitting inadequate defenses. In fact, everyone professes to support an adequate national defense. Then the problem resolves itself into just what is adequate defense for the United States.

There is some criticism that we have no fixed foreign policy and therefore no proper fixed chart for a naval and military program. To some extent this is true. Under our form of government it is not possible to have a rigid, unyielding, permanent foreign policy. Because of this there can be no hard and fast, since A B C formula for a fixed and permanent military establishment. Both our foreign policy and the size of our Army and Navy are dependent upon constantly changing world conditions. Our Army and Navy exist to support national policy. The fundamental factor determining the size and character of our Military Establishment in the United States is the defense of the United States. All other missions for which our Army and Navy must be prepared are essentially a part of that one objective. The Monroe Doctrine was promulgated and maintained because it was and is vital to our actual defense. The protection of our commerce is not a matter of the Army and Navy protecting the profits of some big American corporations. It is the absolutely vital necessity of maintaining uninterrupted access to essential strategic raw materials. Without these basic commodities, which are not available in the United States in commercial quantities, such as tin, rubber, tungsten, chromium, and manganese, our entire industrial machine would be forced to shut down. Unfortunately, while in general the United States is the richest Nation in the world in developed resources, we are not completely self-sufficient. All of our wealth and resources are dependent for their continued value upon certain basic commodities.

If essential imports are cut off, we would soon have a major slow-down of all industry and transportation, followed by complete collapse and almost universal unemployment—a hundred times worse than any conceivable business depression.

So equally important with the defense of our actual shores is the protection of our trade routes. Therefore we must have a navy capable of carrying out national policy, which includes protecting our commerce. A defense system merely capable of resisting actual invasion of our shores is no defense at all, for under such conditions we could be effectively blockaded and starved, economically, into surrender. The two oceans are a protection to us only so long as we can properly protect them.

There is no danger of our launching upon overseas adventures of a military character so long as our Army and Navy are merely adequate for our defense, nor can we afford, as a Nation, to have any military establishment less than one capable of being adequate for our defense. An army or navy inadequate to successfully carry out their mission of defense are little better than no army or navy at all. The second best navies of history are at the bottom of the ocean.

Assuming that we all agree that we must have adequate defenses, we can examine the present defense program in the light of adequacy. If these proposals for the improvement of the Army and Navy do not exceed the minimum requirements necessary for an adequate defense system, then the answer must be that this program is needed and should be adopted.

In answer to any question as to whether these proposals may be excessive, let me say that in the light of world conditions and the problem of defending our neutrality the present program is a very modest one. It by no means meets all of the requirements to properly carry out our national policy. It provides, in fact, the bare essentials, without which we are in actual danger.

What constitutes an adequate defense depends upon the forces with which it must cope. Therefore our Army and Navy requirements change as the armies and navies of other nations change. If we are unprepared to resist any possible, or at least probable, aggressor, then we do not have adequate defenses.

Let us examine first the pending proposals for our first line of defense—the Navy.

After the World War the best naval and diplomatic minds in the world met in Washington in 1922 and agreed upon a naval formula that was designed for the protection of each participating nation, and so limited as to prevent any one of the nations from invading any other. It was popularly known as the 5-5-3. United States and Great Britain were to have equal naval tonnage and Japan three-fifths of the size agreed upon for our Navy.

This was considered fair and safe. Our coast line is so much larger than Japan's that the difference in size of navies made them both equal in home waters for defense. If this naval formula provides safety for us, then when that ratio is changed or upset, it changes that safety into danger.

Japan saw fit to terminate that treaty and to drastically exceed it. If we are to adhere to the policy of maintaining an adequate navy, we must not let ours fall below the safety ratio. The naval expansion program before Congress now does not even provide enough new ships to fully restore the 5-3 ratio as it is; and it falls far short of maintaining parity with Great Britain.

All evidence is that our Navy is far from being capable, even when expanded, of carrying on overseas aggression, nor is it capable

of joining with Great Britain to police the world. It will, in fact, just afford us protection against only a single major power, and then in only one ocean.

There need be no fear that we are building any huge navy to implement some new overseas foreign policy. We are proposing no such navy. We are expanding only because the other navies of the world are expanding. To do otherwise is criminal folly.

We cannot ignore the fact that aggression is on the march throughout the world. Why do nations go to war? Either to take something they need and do not possess or to protect that which they have. It is foolhardy to think that we are immune. We are the richest plum in the world. We have enormous resources; we are the world's greatest market; and the United States has room to support millions and millions of the population of the overcrowded countries. We are closer to European countries than many of their present colonies, so distance alone won't save us.

Certainly, major stress is being laid upon our naval program, and with very sound reason and good sense.

An adequate navy that can prevent an aggressor from reaching our shores will make the mobilization of a great army unnecessary. It is far less costly to maintain a war-strength navy than to maintain in peacetime a war-strength army. And the present program of national defense is based upon that plain, simple, common-sense plan.

The present program provides a very small increase in the standing Army and that largely in the Air Corps. It does wisely provide for modernizing the equipment of the Army, motorizing it, and better preparing for the full equipment and the supplies necessary to properly arm the initial protective force, and some preparation for the protective mobilization force. It is dangerous and only courting disaster to longer neglect to do this.

Let me close by reminding you "that it is far better to have it and not need it than to need it and not have it."

## Resolutions on Russia-Finland and Japan-China Wars

### EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

Mr. SCHIFFLER. Mr. Speaker, I have introduced into the Congress two resolutions, one of which, if adopted, makes a congressional finding of fact of the existence of a state of war in progress between China and Japan. The other makes a finding of fact by the Congress of a state of war existing between Russia and Finland.

It is hardly necessary for me to urge the immediate adoption of both of these resolutions. I believe it the solemn duty of this Congress to consider immediately and adopt at a very early date both of them.

For nearly 3 years an undeclared war has existed between Japan and China. In view of the general knowledge of the developments in that part of the world, I consider it superfluous to attempt to review all of the outstanding occurrences. Suffice it for me to state that it is the solemn duty of every real patriotic American citizen, notwithstanding the deep sympathies that may be felt for one or the other of the belligerents, to manifest his real love for our own United States of America, and that manifestation can take just form when every conceivable act is intelligently directed toward preventing our military involvement and participation.

Likewise, for more than a month in the Baltic area, another war quite fierce and devastating has been in progress. Much sympathy has also been manifested for those involved in that war.

A third major conflict rages in Europe which has more closely touched our shores. There is also a feeling and sympathy for the belligerents in this war.

It is to be deeply deplored that men yet find it necessary to destroy each other and the products of their labor. It is lamentable that civilization has not advanced sufficiently to settle disputes amicably and without human suffering and the destruction of the products of human labor, as well as God's Nature.

Every conceivable effort should be promptly and vigorously exerted to terminate each of these terrible conflicts, and our every agency should be made available and diligently em-

ployed in aid of the solutions of the problems and contentions of the warring nations. As a friend to all and hostile to none, it is our duty as a God-loving and civilized nation to put forth every effort possible to bring peace to the world. It is equally important that we exert every effort to prevent our country from being drawn into any of these agencies of death and destruction.

It is my judgment that such can be accomplished by the sensible and practicable application of the laws of our land, and by the strict obedience to international law. Impartially and without fear or favor, all belligerents must and should be treated alike.

It is also true that the conduct of the citizens of our own country must be strictly regulated in their dealings with those of other parts of the world, and every act restrained and prohibited that experience teaches may lead us into any of these conflicts.

The immediate application of our neutrality laws to each of these wars and to all belligerents, as well as to the citizens of our own Nation, is highly desirable and imperative for the accomplishment of this.

We should make every effort to detect and destroy perfidious propaganda; strive to help exercise absolute neutrality, and we will thereby preserve and promote peace and perpetuate our own democracy as a safe and strong survivor of the present world-wide chaos.

I urge the adoption of the resolutions which I have introduced as one of the means of accomplishing this.

#### Abe Lincoln in Illinois

#### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

Mr. BOREN. Mr. Speaker, the majority of us have just seen the screen portrayal of that great American story, Abe Lincoln in Illinois. I am glad that an Oklahoma girl was one of the stars of that production. Mary Howard and each star and artist, everyone who participated in making the picture, have contributed to making America stronger, braver, and more noble. It may come to pass that the artists in this picture will be forgotten but their work will live after them.

The authors and directors of this portrayal have depicted Lincoln as real as life. Massey has so lived the part that the living Lincoln becomes an intimate to everyone who sees the play. This great picture is destined to stir the hearts and souls of all who love America.

This learned I from a shadow of a tree,  
That to and fro did sway against a wall,  
Our shadow selves, our influence may fall,  
Where we ourselves can never be.

So the influence of the American spirit in this patriotic drama will find its way into every heart and home in the Nation and will contribute to the eternal preservation of democracy.

The very simplicity of the play is an element of its greatness. Its truths were simply brought to us, reviving the American philosophy. The self-evident truths behind the thought and character of Lincoln are positive and persistent forces in American life. From them has grown our system of impartial law and impartial liberty.

Permit me also to commend Ruth Gordon for bringing out of history a new vista for our appraisal. Dudley Parker Staniford once asked the question, "What made our forefathers great men?" and then supplied his own answer—"The women."

Mr. Speaker, I feel very deeply that the Nation should, and will, appreciate the contribution to Americanism that comes to us on the screen with Abe Lincoln in Illinois.

I remember an account of an occasion when the poet Longfellow was driving near Newcastle, England, his carriage was halted, and he was surrounded by grimy miners.

His first thought was that he was about to be robbed. But one man asked, "Is this Mr. Longfellow?"

He answered, "Yes."

Then the other went on, "Well, some of us heard that you were to pass here about this time, and we got permission to come up out of the mine to see you. We just wanted to shake your hand and say, 'God bless the man that wrote the Psalm of Life.'"

The author of this historic story has the blessing of the citizenry of America.

I sincerely believe that this picture will do a great good and will inspire a million hearts to feel the full spirit of our prayer:

God bless America  
Land that I love  
Stand beside her  
And guide her  
Through the night  
With a light  
From above.

#### Lessons from Finland

#### EXTENSION OF REMARKS

OF

HON. ANDREW EDMISTON

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

ADDRESS BY HON. LOUIS JOHNSON, ASSISTANT SECRETARY OF WAR

Mr. EDMISTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Louis Johnson, Assistant Secretary of War, before the midwinter dinner of the New York State Bankers Association, Monday, January 15, 1940:

Bankers of the great Empire State, you, who are in the banking business, as well as we who are in the Government service, have a fiduciary relationship with our clients. Each of us in his respective sphere is entrusted with the responsibility of safeguarding the rights, the property, and even the lives of those who have entrusted us with their fate.

In exercising our responsibilities, the preponderant numbers in our ranks are guided principally by the interests of those we are expected to serve. Despite our best and our most honest efforts, however, we know that we often err. Some of our most promising investments sometimes go sour. That is natural. That is human.

Of all the investments, public or private, made either by our banks or by our Government, the one that was no mistake and the one that gives Americans today the most whole-hearted satisfaction is the loan to that gallant people, that outpost of modern civilization, the Republic of Finland.

As bankers you have learned many lessons from Finland. You have admired its honesty. You have appreciated its sense of obligation. You have been impressed with its promptness to meet its promises on the due date. In a world of chicanery and subterfuge, you have found it refreshing to deal with men who talk plainly, mean what they say, and stand behind their words.

Not only bankers but citizens of all walks of life in all freedom-loving countries today are learning lessons from Finland. Again, the world beholds the proof of the age-old axiom that a freeman is worth at least a dozen serfs. Again we see the divine spark in man successfully setting off the passionate flame of his love for liberty and driving him against the forces of bigotry and oppression. Totalitarian states may boast of their mechanized weapons and their automatized men, but, because they have neglected the human soul, they must ultimately perish.

Not since our own forefathers raised the torch of freedom in 1775 has the world noted a more inspiring battle. No smaller David ever slung a shot at a more mighty Goliath and no greater fate ever hung on the result of a struggle.

We in America at present are not molested by the immediate threat of hostile armies and navies. For the past few years, however, we have been bombarded with false propaganda on the merits of totalitarian efficiency and of Communist equality. In the democratic methods that apparently are succeeding today in Finland we should take heart. We see a free, self-ruled people in arms, fighting along democratic lines, neither wasting a man or a shot, nor



degrading a single human soul, yet holding its own day after day against appalling odds.

The Finns have given the world an example of national solidarity in a crisis that is worthy of emulation. There are times and occasions when even the most democratic of peoples must be willing to forget party lines and to think only in terms of national interests. Especially is this true in matters of foreign policy and of national defense.

In our country it is fair to say that at the present time we see relatively little partisanship in these fields. On domestic issues we have our honest differences. That is the way it should be in a healthy republic. It becomes increasingly clear, however, that when the President or his able and loyal Secretary of State asks for support of our foreign defense policy the response becomes almost unanimous; and that when in his role as Commander in Chief of the Army and Navy our President discusses national defense, politics usually takes a holiday. May that spirit of national solidarity guide us through the present international crisis and the uncertainties that lie ahead.

Let us consider the strictly military lessons that have come out of the fighting in Finland. First, the Finns have shown remarkable leadership. Their commanders, from field marshal to lieutenant, apparently know the business of fighting and are capable of winning the hearty cooperation of their subordinates. Enlisted men, from the highest noncommissioned grades down to the lowest privates, have been imbued with a sense of responsibility and of confidence in themselves, their weapons, and in the commands of their superiors.

How unlike their adversaries. There, politics and purges stymie the officers in command and blind submission dominates the men in the ranks.

In our own Army there is no place for politics. We never ask a soldier for his party affiliation nor an officer for his political views. They are sworn to defend the country. They are pledged to support the Constitution. They are expected to obey the Commander in Chief placed over them by the American people and they do so gracefully and efficiently.

In preparedness no factor is of greater importance than leadership. We have provided our Regular Army officers with excellent opportunities for study. Foreign observers have pronounced our military schools the last word in theoretical training. Our practical courses in the past, however, left much to be desired. To correct the defect, we are concentrating this year, with the aid and support of Congress, on field training in some of our Southern States, which should add considerably to the experience and the resultant capacity of those who participate. We have reorganized five Regular Army divisions and are putting them in the field. We are getting ready for corps concentrations in the spring. We are providing opportunities for the development of leadership and technique for command and staff duty. We are improving the National Guard. We are developing our Reserves.

Important as is leadership, the caliber of the man to be led is of almost equal consideration. In the Finnish campaign, we behold an example of the individual soldier at his best. Each man, it appears, has a rifle and knows how to use it. Each man, it seems, has good common sense and is resourceful when left to himself. Each man has taken care of his physique and developed a constitution to withstand the rigors of arduous campaign. Again, how unlike their adversaries who lay emphasis on the mass rather than the individual and who fail to appreciate the dignity and the value of the individual man in peace and in war. The qualities that go into the Finnish soldier are the virtues that make the Finnish citizen.

Is there not a great lesson in individual preparedness that we can learn from Finland? Are we developing our athletics along the right lines? Are we sure we are not confusing a love for the sports spectacle with participation in athletics? How many of our young men could withstand the rigors of cold in the forests and swamps night after night and come up day after day fresh for combat? Let us hope the example of the Finnish citizen, ready for arduous service upon call, will encourage our young men to keep physically fit at all times and prepared to live out of doors in all seasons.

So far as our Army is concerned it, too, must be prepared to fight in winter as well as in summer, in the Arctic as well as in the tropics. Our territory includes Alaska, as well as the Panama Canal Zone, and we must be prepared to battle on either. Besides, we are pledged to hemisphere defense, and that means we must be prepared to participate in the defense of America under all the variable conditions that this continent may present.

I have already referred to our training activities in the Southern States. It may interest you in New York, and especially those of you up-State, to learn that at Fort Niagara and at Fort Ontario we are providing winter training. We have recently authorized the purchase of a limited quantity of skis, sleeping bags, and air mattresses for troops in these posts. At Fort Snelling, Minnesota, and at Fort Brady, Michigan, and, of course, in Alaska our soldiers already have become familiar with the ski, the sled, and the snowshoe.

We must aim toward the development of an army that can perform under any type of warfare that this continent may demand. We realize that modern war calls for planes and tanks, but we are not unmindful of the fact that in some theaters the horse or the mule may serve to better advantage.

Nor are we forgetting the role of the rifle. The ski cavalry may have attracted the most attention, but the individual with the rifle is the backbone of the Finnish Army. The Finn knows how to shoot and how to shoot straight. He has been brought up on the theory that he may be called upon to defend his own home and that upon his rifle marksmanship the fate of his people may rest.

Out of the mass of dispatches coming from Finland the importance of the man with the gun is illustrated daily. The story of one sergeant who, single-handedly, shot down 41 to 45 Russians who attempted to cross an open field before the Finnish lines is a most striking illustration of the value of rifle marksmanship.

The rifle, in an emergency, remains for us, too, the backbone of our national defense. Why should not we, therefore, emphasize more strongly the manly sport of rifle shooting so that we may again become the nation of sharpshooters that we were in colonial days?

While the rifle is tremendously important, it cannot win alone. An army must be equipped in the air and on the ground with modern weapons to meet all threats against its security.

In the field of equipment, Finland presents another valuable lesson. The Russians boasted that they would blacken the sky with planes and the snow with tanks. Well, they did, but so far they have proved ineffective. They tried to win with quantity, but apparently are suffering set-backs because they neglected quality.

In our armament program we are sacrificing nothing for quality. Our soldiers are citizens. They count in the life of our country. Not one of them should be sacrificed needlessly. We must therefore furnish them with the best types of weapons devisible. I am happy to report that the Army, industry, and the Congress are working together toward the development and the production of the matériel needed, both in quality and in quantity.

Finnish equipment, in the main, has proved itself superior so far, but what the Finns most fear is that the munitions may be used up or worn out without adequate replacement. They are faced with possible shortages and are shopping in the world's markets. At this time, however, all nations are either at war or building up their own defenses and therefore are compelled to hold on to what they have; and shopping for munitions is, indeed, difficult. I have every hope that the Finns will get what they need, but how much better off they would have been if they had had an adequate reserve of munitions on hand to meet their requirements for months and months to come.

I offer this comment in no criticism of the Finns. Small nations cannot afford the outlay for reserves, and Finland already has surpassed the most optimistic hopes. There is, however, a very important lesson for us to learn. We can afford reserves. We should strive to have on hand the necessary equipment for a million men. We are trying to educate American industry to make munitions for which there are no peacetime demands; but even if it became fully trained, it would be months and months after M-day before it could get into the mass production that a major war demands. To provide for a munitions reserve should therefore be a wise, long-range national-defense policy.

There are many more lessons to be derived from the war in Finland. Let me close with this one. Nature has been kind to the Finns. It has provided them with terrain and climate that should have discouraged a prudent invader, yet they were attacked. They are repelling their enemy because they were ready with an army that was well equipped, well led, and well trained.

Nature has been kind to us, too. We also have obstacles that should discourage attack. We need have no fear at present, at least, of an invader who is guided by prudence and good judgment. We must guard ourselves, however, against those who occasionally go berserk. They may lose in the end, but while on their rampage they can do a lot of damage. Let us therefore complete the organization and the equipment of our M-day troops, our Regular Army, and our National Guard, and let us train them for any possible emergency.

Finally, let us hope that the war in Finland will prove another turning point in the march of man toward a better life, and that the forces of evil that are plaguing the world will be pushed into limbo.

## Federal Agencies Need Curbing

### EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

EDITORIAL FROM A PHILADELPHIA NEWSPAPER

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from a Philadelphia paper:

#### FEDERAL AGENCIES NEED CURBING

The manner in which so many Federal administrative agencies have abused their quasi-judicial powers has long demanded the serious attention of Congress.

A bill to correct this growing evil, introduced by Representative WALTER, of Pennsylvania, and the late Senator Logan, of Kentucky, had hard sledding at the last regular session. Since then the prospect for its passage has become brighter.

The reason is not far to see. Members of both Houses are beginning to realize that Congress has gone entirely too far in delegating authority to independent bodies to take over functions of legislators and the courts without attaching necessary safeguards.

Should this trend go unchecked, there is grave danger of "a government of men instead of a government of laws." The "laws," in too many cases, are being made by boards and commissions that were never intended to possess such far-reaching powers.

Some of these agency-made "laws" affect the lives of more of our citizens than many a statute enacted by Congress. They regulate business and industry, employers' and employees' relations, offering of securities and financial investment, trade practices, prices, marketing, wages, and hours.

Yet in a vast number of cases there is virtually no appeal from these edicts and regulations. It is time something was done about it.

The House committee's investigation of the National Labor Relations Board has produced the prime example of an agency that acts as if it were a law unto itself.

Until the criticism got too hot, the Labor Board refused employers the right of petition, although Senator WAGNER, who ought to know, said the law permitted this right. Then the Board said employers might petition, but only according to strict limitations of its making.

It is to be noted that the Labor Board did not admit it had been in error. It simply decided to be a bit fairer to employers without committing itself to anything. If it had resolved, on the other hand, to stick to its original policy, nothing could have been done about it under existing laws.

An important provision of this proposed measure would require a uniform system for most Federal administrative agencies in making new rules and regulations. Due notice would have to be given, followed by public hearings.

Businessmen, constantly running afoul of boards and commissions because of overnight changes in the rules of which they are ignorant, would appreciate the proposed safeguard.

No commission could then suddenly spring a "joker" or alter the rules in the middle of the game. In the words of Chief Justice Hughes, it would have to conform to the concepts and principles of rudimentary fair play which govern our courts.

But the real teeth in the Walter-Logan bill are provided by the proposal to permit any interested person to appeal to the courts to decide whether a new rule or regulation accords with the statute and the Constitution. He might also appeal from any order or decision of a Federal agency.

That "any" is highly important, for on account of legal hairsplitting regarding differences between positive and negative edicts, many N. L. R. B. orders cannot be taken to court by employers.

Almost daily one or another agency in Washington threatens or actually invades the rights of some citizen. The impression a visitor carries away, after making the rounds of these agencies, is of a group of bureaucracies combining the functions of judges, jurors, investigators, prosecutors, and legislators.

At least one of these agencies, the Labor Board, is specifically exempted from the necessity of observing the ordinary rules of evidence at its hearings. There are others also that seem to consider it their province to make their own laws.

It is easy to criticize these agencies, which have multiplied in recent years as the Federal Government has so vastly extended its services. But the real responsibility rests with Congress.

It is Congress that has so largely delegated its authority to new executive bodies, endowing them with unprecedented powers and discretion, and the people must look to Congress to correct the abuses to which its extraordinary complacency has given rise.

The opposition from those agencies which have had a taste of virtually unrestricted power and want more of it will be backed up by all the forces of entrenched bureaucracy.

The remedy is not to sweep away these boards and commissions, even if that could be accomplished, for many are not only performing useful service, but are indispensable to the functioning of our modern stream-lined system of government.

What is needed is a stricter definition of their powers so that they shall cease to overstep individual rights and privileges. To effect this object the principle of the Walter-Logan bill should be enacted before Congress thinks of adjourning.

## The Enemies Within Our Gates

### EXTENSION OF REMARKS

OF

HON. CLARENCE J. McLEOD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

ADDRESS BY HON. NOAH M. MASON, OF ILLINOIS

Mr. McLEOD. Mr. Speaker, last Thursday evening I spoke at the Olympia before the Detroit Committee for Law and

Order and had the pleasure of introducing my colleague the gentleman from Illinois, NOAH M. MASON—a member of the Dies committee. Under unanimous consent to revise and extend my remarks, I include Mr. MASON's Detroit address:

The totalitarian nations of Europe, personified in Hitler and Stalin, have plunged that continent into a war that threatens to black out not only all democracy in Europe, but all civilization as well. The American people are interested in the European mess; we have our deep-seated sympathies, but we have wisely decided that the European mess is not our particular kettle of fish, it is not our affair.

However, these same totalitarian governments of Europe have had their agents, their Fritz Kuhns, their Earl Browders, their Pelleys, and others going up and down this broad lands of ours sowing the totalitarian seed of discord, seed that have sprung up into crops of race hatred and religious hatred, crops that have no business on American soil. These agents of foreign governments have cultivated, fertilized, and watered these un-American crops with money that was sent here for that purpose direct from Moscow, if not from Berlin. That is our affair, that is our kettle of fish; too long we have ignored the situation, and have done nothing about it.

Nearly 2 years ago the so-called Dies committee was set up. It was authorized to investigate these subversive and un-American activities, to throw the spotlight of publicity upon them, and to point out to the American people these subversive activities that are being carried on in their midst, practically unnoticed.

In spite of obstacles deliberately placed in the way of the committee, in spite of ridicule heaped upon the committee by high Government officials, in spite of the fact that the committee was denied the help and cooperation of the Department of Justice that had been promised the committee, help in the shape of legal counsel and trained experienced investigators, the committee has done a fairly good job of uncovering and exposing these foreign agents and the various subversive groups that have been at work trying to undermine and destroy our Government. I propose to tell you about that work.

The average American, when told about the dangers of communism, invariably shrugs his shoulders and says, "It can't happen here." The leaders of the American Legion and leaders of the Catholic Church of America have been very much concerned over the rapid spread of communism in this country during recent years, but they have met with the inevitable shrug of the shoulders and the statement, "It can't happen here." That was my attitude, and that was my answer until a year ago, when the sworn testimony presented, and the written evidence filed with the Dies committee, changed my opinion on the situation confronting this Nation so far as communism is concerned, and I say now just as emphatically as I can, "It is happening here," and I propose to present evidence to substantiate that fact.

One of the chief witnesses before our committee made the statement, "Communism has made more progress in the United States during the last 5 years than it had made in the 50-year period previous to that time." When asked how he accounted for this rapid progress he gave four reasons. I offer them for your consideration.

"First," he said, "this so-called depression has lasted so long that it has brought about mass discontent, and mass discontent makes fertile soil for communistic crops." That statement is easily understood, it does not need explanation. Our job is to put men back to work at decent wages and do away with this mass discontent.

The second reason the witness gave for the rapid spread of communism was, "High Government officials, through speeches, radio addresses, and written statements have deliberately created or engendered class hatred in this country of ours, and class hatred makes an excellent seedbed for communistic seed."

If you will review the speeches made during the past year or two by Ickes, by Jackson, by Hopkins, mouthpieces of the President, and the name-calls that they have been spreading over this country of ours, such as economic royalists, princes of privilege, Tories, Bourbons, etc., deliberately creating class hatred; indicating a whole group or class of people, our industrialists, by the phrase "economic royalists," when it only applies to about 1 percent of the group—you will know what that witness meant when he said high Government officials have been creating class hatred in this land of ours. These same men decry race hatred and religious hatred, but they deliberately set about creating class hatred. Class hatred is a twin brother to race hatred and religious hatred, and there is no place in this land of ours for any of these hatreds. Where one is created it inevitably engenders the other. Our investigators all over this country report that there is a surge, or upswamp, not only of class hatred, but of religious hatred and race hatred in this country of ours, plenty of evidence of it. And so those who sow the wind must expect to reap the whirlwind.

The third reason that the witness advanced for this rapid spread of communism was, "High Government officials have not only sympathized with, but they have actually encouraged Communist leaders in their activities in this Nation of ours." When asked for evidence upon which he based that statement, he smiled, and said, "What about this man Bridges on the west coast? He is an alien, a guest, as it were, in this country of ours. He is a Communist and your committee has his Communist card in your files." He has preached the overthrow of this Government by force from



public platforms, and you have sworn statements to that effect; and preaching the overthrow of this Government by force under our present law by an alien is a deportable offense. He has been picked up twice to face deportation proceedings. The first time the proceedings were canceled by the Secretary of Labor, and the second time they were indefinitely postponed awaiting a decision of the Supreme Court in the so-called Strecher case. The Strecher case was not a parallel case. It was based upon past membership in the Communist Party, while the Bridges case was based upon present membership and also preaching the overthrow of this Government by force. The Federal judge before whom the Bridges case would ordinarily have been tried, had ordered aliens deported under similar conditions. Special Judge Dean Landis, of the Harvard Law School, was selected to try the case.

Because he could not go beyond the evidence presented to the court, much of which was of doubtful value, and also because a great deal of evidence was omitted by the prosecuting agents in presenting the case against Bridges, the judge under the law could do nothing else but render a decision clearing Bridges of the charges brought against him. Wouldn't you say that was not only sympathizing with but encouraging Communist leaders in their activities? If that is not enough, what about the former Governor of Michigan, who, when the sit-down strikes were started in Michigan, called out the State militia to protect the sit-downers in their illegal possession of property and to prevent American citizens, 75 percent of the workmen who wanted to work, from going in and pulling the sit-downers out by force? Wouldn't you say that that was sympathizing with and encouraging Communist leaders in their activities, particularly when the sit-down strike technique was first used in France by the Communist leaders there, and it worked so successfully there that the Communist leaders of the C. I. O. adopted it and used it in those strikes in Michigan?

The fourth reason that the witness advanced for the rapid spread of communism in this Nation of ours was, "Federal funds have been generously used to advance the cause of communism in the United States." This statement was backed up by 3 days of testimony from the W. P. A. officials of the Federal Theater Project of New York City, testimony which proved conclusively that the Workers Alliance of New York City, a Communist outfit, controlled, dominated, and directed the Federal theater project of New York City. They had been writing, preparing, and presenting communistic plays in the city of New York, presenting them on high-school platforms and public platforms, and copies of the same were filed with our committee. I will sketch one, because it is a sample. This one is called *The Revolt of the Beavers*. The word "beavers" is synonymous with "workers."

This is a synopsis of the play:

A little boy and girl about 9 years of age get tired of school, play hooky; go out into the woods and play around until they get tired, fall asleep, in their sleep they dream, and in their dream they are transported by the north wind to some imaginary country near the North Pole called Beaverland. When they get to Beaverland they discover the poor, down-trodden, hard-worked beavers, forced to work long hours at very little pay, poor food, bad working conditions, while the chief beaver lives in all the luxury possible and is supported in his control over the workers by his trained army. A beaver professor organizes a revolt, imports arms, overthrows the government by force, the workers take over, and then they have heaven on earth in Beaverland, with frequent references to the situation in Russia and to what has been going on in Russia during the last 15 or 20 years. Would you not say that is a Communist propaganda play? Yet that is the kind of stuff that has been produced by the Federal theater project of New York City at our expense.

Then there is the play called *The Class of '29*, built around eight or nine college graduates who went out in the world, could not find jobs—became radicals. Free love is preached all through the play. One of the girls suggests to one of the young men that they live together without the blessings of matrimony, because of the situation. The play makes fun of religion and of home life, and ridicules most of the things we have been taught to hold dear. That is what our money is being spent for, and I believe it is high time the American people woke up to that fact. I am very glad to say that as a result of our investigations and findings, the Federal theater projects are no more, and Federal funds are not being used for their support.

Documentary evidence, acceptable in any court of law, has been filed with our committee to prove that the slimy trail of communism has penetrated into four phases of American life and society:

- (1) The schools of our Nation.
- (2) The American labor unions.
- (3) The churches and pulpits of the Nation.
- (4) Various departments of our Federal Government.

Communists and Communist sympathizers occupy key positions in several departments of the Government. The Department of Labor is honeycombed with them, you will find them on the pay roll of the Labor Relations Board, you will find them as assistants in the wages and hours law set-up. The practice of providing berths in the Government departments for "reds" should be done away with.

The strategy of the Communist leaders as explained to our committee is what is commonly referred to in Communist ranks as "the Trojan horse method." The aim is to get Communist leaders planted on the inside of legitimate organizations, such as labor organizations, youth organizations, Y. M. C. A.'s, and then to begin

the process of boring from within. At present the program has been changed somewhat by the Communist leaders. They now organize and set up legal organizations that work within the law as a part of the Communist united front. Within these legal organizations, front organizations or transmission belts, as they are called, they set up a holding company, or illegal organization, that works in secret outside the law, in an underground manner. These front organizations always have desirable objectives that serve as window dressing to attract and win the support of decent people, but behind this attractive window dressing is the illegal organization that carries out the Communist line, unknown and unsuspected by most of the membership.

The American League for Peace and Democracy is perhaps the best and most widespread example of a united front organization, a transmission belt. It has about 4,000,000 members, most of whom are entirely innocent of its communistic origin, its communistic activities, and its communistic objectives. I want to discuss this organization because it is typical of all organizations that are part of the united front.

The American League for Peace and Democracy had its origin in Moscow in 1933. Stalin called a meeting of the executive committee of the International to discuss what should be done to head off the new menace to communism—fascism. Japan had just seized Manchuria. Hitler had come into power in Germany. Mussolini was rattling his sword in Italy, and looking around for conquests. Moscow foresaw a military show-down with fascism in the near future, so Stalin decided he would need allies in the coming conflict.

Out of the deliberations of that meeting in Moscow in 1933 came the decision to set up a popular-front government in France and a popular-front government in Spain. The United States was not ready for a popular-front government, so they decided to set up the American League Against War and Fascism, as the first step toward a popular-front government in the United States. Earl Browder, America's representative at the Moscow meeting, brought the orders back here and commissioned Dr. J. B. Matthews to set up and head the new organization.

There are four classes of members in the American League: Communists, who occupy the strategic places of power and do most of the work; fellow travelers, who believe and act as Communists, but who do not carry membership cards for strategic reasons; stooges, often called dupes or decoys; and innocents, who constitute the great bulk of its membership.

The present objectives of American Communists, as given to our committee by former leaders of the American Communist Party are:

First. Destroy the party in power, the Democratic Party, by driving a wedge between the left wing and the right wing of the party. We on Capitol Hill know that the wedge is nearly halfway through now, and that the purge program of the President actually played into the hands of the Communists, and gave great impetus to the wedge that the Communists are driving.

Second. Establish the Farmer-Labor Party as the party in power, because Communist leaders occupy the strategic places in that party and will use those places of power and influence, once that party is in the saddle, to destroy the capitalistic system, and to bankrupt the Nation.

Third. A receiver will then be required to take over the bankrupt and chaotic National Government, which receiver by the very nature of the case will be the highly organized, militant, small group known as the American Communist Party. Then, according to their leaders, "We will establish heaven on earth in America, as our brothers have established it in Russia."

All I can say is, God save us from that kind of heaven; I want none of it for mine. "Fantastic," you say, "It can't happen here." I say, "It is happening here."

I have been asked, "What should be done about the spread of communism in the United States and how can it be checked?" My answer is: "The best way to stop the spread of communism would be to transplant all Communist leaders, pink intellectuals, parlor advocates of communism to red Russia, and compel them to live there in the midst of communism for a period of 3 to 5 years. If this were done, I guarantee that 999 out of every 1,000 thus transplanted would be permanently cured of the disease." Of course there are other things that should be done to check the growth of this red menace, such as:

1. Put the unemployed back to work in private industry at decent wages and thus remove the mass discontent, the fertile soil in which communism thrives.
2. Stop spreading class prejudice and hatred, which makes such an excellent seedbed for Communist seed.
3. Bring about a better and more equitable distribution of the products of labor.
4. Cultivate encourage develop the one crop we need in America—Americanism, patriotism—or whatever you want to call it.

If we will put forth our every effort toward the production of a real crop of Americanism there will be no room for these foreignisms. Americanism or patriotism is so well defined and expressed in the little poem entitled, "The Best Land," by Edgar Guest, that I close with his words:

"If I knew a better land on this glorious world of ours,  
Where a man gets bigger money or is working shorter hours,  
If the Briton or the Frenchman had an easier life than mine,  
I'd pack my goods this minute and I'd sail across the brine,  
But I notice when an alien wants a land of hope and cheer,  
And a future for his children, he comes out and settles here."

"Here's the glorious land of freedom. Here's the milk and honey goal,  
For the peasant out of Russia, for the long subjected Pole.  
It is here the sons of Italy and the men of Austria turn  
For the comfort of their bodies and the money they can earn.  
And with all that men complain of, and all that goes amiss  
There's no happier, better nation on the world's broad face than this.

"So, I'm thinking, when I listen to the walls of discontent,  
And some foreign disbeliever spreads his evil sentiment,  
That the breed of hate and envy that is sowing sin and shame,  
In this glorious land of freedom should go back from whence it came.  
And I hold it is the duty, rich or poor, of every man,  
Who enjoys this country's bounty, to be all American."

### The Sugar Problem

#### EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

ADDRESS BY O. S. WARDEN AND MEMORANDUM BY FLOYD HAGIE

Mr. HILL. Mr. Speaker, for the information of Members of the House, I wish to include in these remarks a portion of the address of President O. S. Warden, of the National Reclamation Association, at the Eighth Annual Meeting, and a few facts presented by Mr. Floyd Hagie, the association's secretary-manager, both of which relate to the sugar problem.

In the United States we produce only a fraction of the sugar we consume. I believe the figure is something like 30 percent. With the threat of war staring us in the face and the recollection of sugar scarcity of the past war, we have additional reasons why we should encourage the production of raw sugar in the continental United States.

We are very proud of the return of sugar-beet raising to the Yakima Valley in Washington State. Several years ago this promising industry had to be abandoned because of blight resulting from white fly. A blight-resistant seed has now been developed, and the Utah-Idaho Sugar Co. was persuaded to build a factory in Toppenish, Wash.

According to the estimate of the Bureau of Reclamation, we would be warranted in increasing the 14,310 acres now in sugar beets to 25,000. We owe it to the farmers to permit them to raise sugar beets, which is one of the few crops from which a farmer can secure the return of his investment. From the standpoint of soil improvement, the earth we have in the past used for potatoes needs the rotation it could have in sugar beets. Labor is another prominent item, and I think we should decide in favor of American harvest labor as against native harvest labor in Cuba.

I could continue to point out reasons why we should permit an increase in domestic sugar production, but at this time wish to direct your attention to the following information which was supplied me by the National Reclamation Association:

EXTRACT FROM THE ADDRESS OF PRESIDENT WARDEN OF THE NATIONAL RECLAMATION ASSOCIATION

The production of sugar beets, and their conversion into sugar, has become a matter of importance to this association—primarily because sugar beets are the leading cash crop upon reclamation projects in 10 or 11 States of the West. The present sugar-quota law expires in 1940. Production has already been hindered in the United States. A new law will be considered by the next Congress. To say that this is a ticklish subject does not justify evasion. Sugar is not one of our surplus crops; therefore the farmers of the United States have a moral as well as an economic right to preference. The home farmer in a dozen or more of the 48 States, the Hawaiian Islands, Puerto Rico, and the Virgin Islands—all under the American flag—seeks a progressively increasing acreage opportunity, under quotas or otherwise, and protection from sugar imports enough to insure the home production. There are practical difficulties in the way. We may as well face them pleasantly if we can, but neverthe-

less, firmly. Home labor has an interest and is entitled to consideration. American capital—large amounts—has become entangled in the Cuban sugar business; and you can depend upon it, a mortgage will follow its dollar a long way within this "good neighbor" doctrine that we hear so much about these days. Nevertheless, you will perhaps agree with me that the administration at Washington and the Congress of the United States ought to be a "cordial neighbor" of the sugar-beet farmers at home. The Federal Irrigation Congress, in session at Sidney, Mont., a few weeks ago, resolved that Representatives and Senators from Western States be urged to make every effort to secure the liberalization of quotas in the 1940 Sugar Act, to the extent that sugar-beet quotas may be increased so that farmers on reclamation-project farms may be practically unrestricted in the acreage that they may plant.

I hesitate to predict how the Congress will adjust these sugar-production issues. There is need of study, a complete study, a consideration of what is fair to the individual grower who now enjoys a satisfying acreage, fair to the new regions that need the privilege of raising a surely profitable cash crop, fair to the sugar factories in the United States, fair to existing home refineries, fair to American labor now employed in the industry. Clearly, western Senators and Congressmen have a responsibility. Personally, I have enough faith in the Congress to believe that it will be unable to look the American farmer in the face and say that he cannot raise as much as he may wish of a nonsurplus cash crop to pay the Government what he owes upon his reclamation farm.

#### MEMORANDUM ON SUGAR AS "ESSENTIAL WAR COMMODITY"

The Army and Navy Munitions Board lists sugar as one of the two agricultural products in a list of 37 commodities it regards as "essential" to the national defense. By "essential" the Board explains it includes commodities for which no procurement problems in war are anticipated, "but whose status is such as to require constant surveillance because future developments may necessitate reclassification as strategic or critical."

Since Continental United States produces less than 30 percent of the domestic consumption of sugar, the country is dependent on offshore production for the bulk of its supply.

As Hawaii and the Philippines provide around 28 percent of the domestic consumption, any interruption of communications in the Pacific would have a serious effect on the supply.

Approximately 43 percent is supplied by Cuba and Puerto Rico. While the danger of interference with water transportation from these islands to the mainland is remote, the possibility is suggested that demands on shipping resources might seriously affect the supply.

During the World War years of 1917-18 the per capita consumption of sugar in the United States dropped 12 to 13 pounds. The Philippines in those years supplied less than 2 percent of the total. The Hawaiian supply dropped from 16 to 12 percent from 1917 to 1918. Cuba supplied more than 50 percent of the total in the war years, increasing its shipments somewhat over the pre-war years.

The consumption per capita in the United States has now increased from an average of 85 pounds in pre-World War years to an average of around 98 pounds.

Wheat is the only other agricultural food commodity listed by the Army and Navy Munitions Board as essential to the national defense.

#### COOLIDGE ON SUGAR-BEET PRODUCTION

In a statement postponing action on requests for reduction in the Cuban sugar tariff in 1924, President Calvin Coolidge incorporated the following comment which has application to the sugar situation today:

"There are economic features of broad national importance, having the greatest bearing upon the welfare of our farmers and our consumers of sugar which are worthy of careful consideration before any steps are taken to disturb present conditions. Our agricultural production today is badly ill-balanced. We produce great surpluses \* \* \* and at the same time import some other agricultural commodities of which sugar is by far the most important and in which at times there are world shortages in supplies.

"It is important that as a Nation we should be independent as far as we may of overseas imports of foods. Further, it is most important that our farmers, by diversification of their production, shall have an opportunity to adjust their crops as far as possible to our domestic rather than foreign markets, if we would attain higher degrees of stability in agriculture. I am informed by the Department of Agriculture that the land in our country which could be planted with sugar beets if protection of the industry is continued, is capable of producing quantities of sugar far in excess of our domestic requirements. While we cannot expect to arrive at complete direct or indirect displacement of our excessive wheat acreage by an increase in sugar-beet planting, yet insofar as this may be brought about it is undoubtedly in the interest of American agriculture and, therefore, of our people as a whole. Furthermore, such diversification with sugar beets has great technical values in agriculture for its gains to fertility and other advantages.

"I am also impressed with the fact that there is a general tendency for consolidation of control in price and distribution in many commodities upon which we are dependent for import. I do not say that such foreign combinations in restraint of trade exist in sugar at the present time but the whole tendency of the development of foreign sugar production is in the direction of larger holdings. In the long run there lies in this, therefore, certain dangers to the consumer which can only be safeguarded by an assurance of competitive domestic supplies. The interest of the consumer in the long run will be served only by the ample supply of the product."



*Growers, acreage, and employment in domestic sugar areas planters in Cuba and Philippines*  
[Producing United States supply]

Producing area	Number of growers <sup>1</sup>	Average acreage <sup>2</sup>	Percentage of United States supply <sup>3</sup>	Number of workers <sup>4</sup>	Total acreage
Beet.....	70,000	13	23	190,000	930,000
Cane (domestic):					
Louisiana.....	11,500	23	6	20,000	260,000
Florida.....	25	800	10	2,500	20,000
Puerto Rico.....	12,000	25	13	90,000	300,000
Hawaii.....	3,050	45	14	45,000	130,000
Cane (foreign):					
Cuba.....	20,000	(?)	29	(?)	(?)
Philippines <sup>5</sup> .....	23,500	23	14	(?)	650,000

<sup>1</sup> Department of Agriculture estimates for domestic areas; Cuban growers in proportion to exports to United States (approximately two-thirds).

<sup>2</sup> Average acreage per grower in beets or cane.

<sup>3</sup> Average of recent years.

<sup>4</sup> Includes farm and industrial workers in areas; and continental refinery workers processing off-shore shipments.

<sup>5</sup> Less than 1 percent.

<sup>6</sup> 50 plantations control production with 3,000 growers on share basis.

<sup>7</sup> Cuban growers approximate 30,000, most of them small, as American capital controls 68.1 percent of production. United States takes two-thirds of Cuban crop and that proportion is included as producers for United States market.

<sup>8</sup> One-third of Philippine industry is controlled by American capital.

**SUGAR-BEET PRODUCTION OCCUPIES AS MANY GROWERS AS ALL CANE-PRODUCING AREAS—FARM AND INDUSTRIAL EMPLOYMENT ALSO MUCH LARGER PROPORTIONALLY THAN IN TROPICAL AND SEMITROPICAL SECTIONS**

There are more than twice the number of individual beet growers as there are planters of sugarcane on the continent and in the insular possessions, fairly complete data from the Department of Agriculture indicate.

The number of beet growers approximates the total number of planters, domestic and foreign, in all of the cane areas, participating in the American supply.

Although the beet area provides only 23 percent of the United States supply, the number of field and factory workers in the industry exceeds by 25 percent the total employment, agriculture and industrial, in the cane industry on the continent and in the insular possessions. Cane areas, mainland, and insular, under the flag, provide better than 33 percent of the United States supply.

The number of growers or planters in the several areas supplying the United States consumption as shown by the attached tabulation are:

Mainland beet, 70,000.

Louisiana cane, 11,500.

Florida cane, 25.

Puerto Rico cane, 12,000.

Hawaii cane, 3,050.

Cuban cane, 30,000, of whom 20,000 produce for the United States market.

Philippine cane, 23,500.

Total domestic cane, 26,550.

Total in all cane areas, 70,075.

As two-thirds of the Cuban sugar is marketed in the United States, that proportion of the estimated number of planters is included in the calculations for purpose of comparison with number of beet growers. Credit is given Hawaii for 3,000 growers on a share basis.

Data on the attached tabulation is summarized thus:

Beet (continental): 70,000 growers on 930,000 acres, producing 23 percent of United States consumption; employs 190,000 persons in fields and factories (160,000 on farms, 30,000 in factories). Average area, 13 acres.

Cane (Louisiana): 11,500 growers on 260,000 acres, producing 6 percent of United States supply; employs 20,000 persons on plantations, in mills, and refineries. Average area to planter, 23 acres.

Cane (Florida): 25 growers on 20,000 acres, producing less than 1 percent of United States supply; employs 2,000 to 2,500 persons in fields and mills. Average area, 800 acres.

Cane (Puerto Rico): 12,000 growers on 300,000 acres, producing 13 percent of United States supply; employs 90,000 persons, including refinery workers on islands and in continental refineries.

Cane (Hawaii): 50 plantations (with 3,000 growers wholly on share basis) on 130,000 acres, producing 14 percent of United States supply; employs 45,000 persons in fields, mills, and refineries.

Cane (Cuba): 20,000 out of 30,000 planters producing two-thirds of island's production, representing 29 percent of United States supply. Number of island workers not available. Approximately 5,200 employees of continental plants are engaged in refining Cuban sugar. Twenty-five plantations, with those under American control producing 68.1 percent of the Cuban sugar, produce the bulk of the Cuban supply.

Cane (Philippines): 23,500 planters on 650,000 acres producing 14 percent of the United States supply. (Thirty-three percent of the Philippine industry is owned by American capital.)

There are no figures immediately available as to employment in the fields and mills of Cuba and the Philippines. Refining of Cuban sugar in the United States is estimated to provide employment for more than 5,000 of the continental refinery workers.

Employment in the beet-sugar industry, especially in the fields, is much larger than in the cane areas. Wages are likewise higher for beet workers. Growers have reported that 25 percent of the return from beets goes to field workers.

On the industrial side of the picture so far as the continent is concerned, there are around 14,000 refinery workers engaged in processing cane sugar. In the cane mills of Louisiana and Florida there is an average annual employment of 4,221. The average annual employment in the beet factories is 9,366, with the maximum around 30,000.

Agricultural employment in both the cane and beet areas is seasonal, as is also a large part of the industrial operations.

Aside from the stabilizing influence of sugar-beet production on western agriculture, particularly in the irrigated areas, the number of persons concerned with the industry enhances its importance and indicates what will result from its expansion.

Any formula set up for fixing quotas in part at least on the basis of the number of growers and the farm and factory employment provided or that will result from expansion will give the sugar-beet area a distinct advantage, considering both domestic and foreign cane areas.

The Tariff Commission, in a report to the President in 1924, said: "The growing of sugar beets promotes the program of diversification in farming. It provides a dependable cash crop, is an agricultural advantage by reason of the fact that the scientific care and thorough cultural methods required in beet production promote good farming and lend stability to land values by removing the hazard common to one-crop system of farming."

Hon. John Andrew Martin

## EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

Mr. SABATH. Mr. Speaker, "The night comes on that knows not morn."

When night came without a morn for JOHN ANDREW MARTIN not only did the membership of the House lose a substantial friend, but the whole country lost a sterling, seasoned legislator whose broad-ranging activities were characterized by wisdom and high-mindedness. In other words, our good friend was not circumscribed by State lines and provincialism.

Mr. MARTIN entered the Congress 2 years after my service began, and although he served only 4 years at that time, he exhibited the results of his successful experience in law and as a State legislator. It is a matter of regret that he did not choose to continue here, he having retired voluntarily, when experienced legislators were indispensable, following the panic of 1907 and when our tariff-making was, under leadership of such men as Mr. Aldrich, Mr. Tawney, and Mr. Payne, undergoing a radical and, to my mind, an unwise change. And men of Mr. MARTIN's experience and capacity were especially needed because we Democrats were not numerically strong immediately before the reigns of government were committed to our keeping just after the Taft administration, when we were faced by the necessity of enacting a new and salutary tariff law.

I need not recite to the present membership of the House the lovable traits of character and the important and persistently intelligent work of our departed friend since he rejoined us at the beginning of the Sixty-third Congress with, I was pleased to observe, new potency born of well-directed industry during his absence. Those qualities constitute for all, regardless of political affiliations, a pleasing memory.

My association with Mr. MARTIN was somewhat close, and the longer I knew him the greater, if possible, my respect and admiration for him. In legislative matters I always found that the standard to which he subjected any proposed legislation, whether it be by friend or foe, to be this, How will it affect all the people of the United States? And measured by highest and most exacting tests, our friend was a real success.

He, with meticulous accuracy, judged the best interests, the proper desires, and the laudable wishes not only of his appreciating constituency but of the whole country. His

fondest desideratum was peace, unity, happy tranquillity, industry, and the preservation of the basic principles of true Americanism, which he understood so well and worked so hard to preserve, stimulate, and promote. He was ever alive, especially during the last few years, to the contagion of false doctrines, to all that was wicked in intent and treacherous in conduct.

Our good friend knew well that throughout all history the government of nations has been a determinative factor for good or evil, harmony or discord, progress or retrogression, peace or war; and that is why he always worked so cautiously. He knew the dangers of uncertainty and instability in legislation; and he always bore in mind and encouraged true brotherhood, world peace, health, happiness, and prosperity from the national standpoint. His standard of righteousness and judgment always measured up to the criterion of truth. For him there was nothing so sweet as duty, and the best pleasures of life came in the wake of duties well done. In a world said by many to be too much influenced by frivolity—gin, jazz, and joy—we had a safe anchor in the person of this honorable deceased.

As editor, lawyer, legislator, and soldier this good man learned the problems and the aspirations of the so-called lowly, and he never failed to act as he thought best in their behalf. Mr. MARTIN's final test of a gentleman was this: His respect for those who could be of no possible service to him. He appreciated that prosperity gets followers, but adversity distinguishes them.

When Mr. MARTIN appeared for the last time before the Committee on Rules, of which I have the honor to be chairman, he spoke with clarity and reason for a rule for his wool bill; and, since he was ever my good and accommodating friend, it pained me that, due to the condition of the legislative calendar in the closing days of the last regular session, it was not practicable to grant a rule for consideration of his proposal. It would have pleased me immeasurably to see his bill enacted into law.

The courage and intelligence with which our friend embarked on his quest for sound and remedial legislation, his gentleness, and his adamant opposition to all forms of menacing legislation, immorality and violence have given his particular stamp to many years of this House's wholesome and progressive development.

The 12 years of his service here are brightened with inspired deeds and utterances which record his name among the noblest of his illustrious contemporaries and predecessors; and we who would emulate his virtues cannot fail to profit by them.

### Bituminous Coal Legislation

#### EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

ADDRESS BY CARROLL B. HUNTRESS

Mr. ALLEN of Pennsylvania. Mr. Speaker, under the permission granted to me in the House of Representatives, I wish to include in my remarks a speech made by Carroll B. Huntress of the Republic Coal & Coke Co. before the West Virginia coal conference in Morgantown last September. All those who are interested in the welfare of the bituminous coal industry should read the timely remarks of Mr. Huntress which follow:

Coal, in the common vernacular, has everything. That likely explains its eerie grip on all who eke out an existence from its production. Mind you, I do not apply the verb eke, which implies existence in scanty form, to the distributor. However much the operator may lose and however little the miner may earn, the party

who passes the precious product from the mine to the consumer may net a moderate return. But we are getting ahead of our story. The homily is that that black substance we call coal is part and parcel of the very fiber of those who produce it. They labor on, tenaciously holding to the hope that supplies of competitive energy sources will soon diminish, and that extensive use will be made of the many hundred byproducts, resulting in substantial increase in demand. If the faithful can endure for what, in some quarters, seems an interminable period, they surely will be generously rewarded.

This judgment is certain, but perhaps not until the day of their children or children's children. Our task, it would appear, is to try to break the log jam now. "This indecisive backing and filling can't last forever," one producer observed last week. "No; and neither can I," was the rejoinder. For the purpose of stabilizing the situation, every coal conference is more or less planned. Of all States in the Union none offers richer returns from earnest efforts than does West Virginia, with its vast coal deposits of proven economy at the door of large consuming markets. This is a giant coal domain, both as to output and recoverable reserves. The production of coal in this State, over the 16-year span, 1923-38, inclusive, was 1,821,000,000 tons, nearly two billions; a figure over five times the annual consumption of bituminous coal in the entire country at the 1938 rate. This enormous output has made but a small dent in the vast bituminous coal reserves of the State, which, by the way, are about double those of Pennsylvania. West Virginia reserves, on January 1, 1939, were 66,540,000,000 tons—sixty-six billions.

It's no wonder that this great university should direct major efforts toward realization of the potentialities patent in those figures. It's no surprise that such an aggressive and progressive person as President Lawall should leave nothing undone within his power to impress upon the industry the importance of research and technological development in fuel-burning and in equipment, along with advance in mining methods. Too often in the past we've heard the comment from that type of coal operators who never outgrew the "digger" complex that research merely showed folks how to use less coal. "Tommyrot, if you ask me," one of the directors of the National Coal Association blurted out in the washroom a decade ago, on the occasion of a committee meeting to discuss the financing of a fellowship related to coal combustion. Now you mustn't jump at the conclusion that that director was dumb, for he later drew a \$100,000 salary, which, after all, to research workers and some others is no chicken feed. This incident, however, does illustrate the point in question and, incidentally, for whatever personal catharsis the research student can achieve, indicates that bigness in financial compensation is not invariably companioned by extraordinary vision. It is also revealing with respect to a type of management to which a portion of the industry has been subjected, and accounts for many headaches.

In recent years, research, private and governmental, in the face of enormous obstacles, financial and otherwise, has grown apace here and abroad. On the 28th of July an Associated Press dispatch from Liege, Belgium, narrated a demonstration by Max Morand of the production of 2,000,000 volts of electric energy with a handful of coal dust. That was done in a two-story tower, a power house for the energy, used to smash atoms. New uses for coal brighten the picture. The records of these coal conferences are in themselves warrant for every dollar expended to enlighten the industry. And they call for larger, more extended effort.

In the light of the growing awareness of the industry to the value of research and the tempo of its progress the casual observer might reasonably infer that the industry was surely on its way to better days. That inference would certainly be correct if research alone could remedy the situation. However, there are other factors which figure prominently, such as those which explain the frequent sale of a carload of coal at approximately the same mine price as the product of a stone quarry can be purchased. Until those factors have been dealt with, not by resort to extremes but rather in the intelligent manner which characterizes proper approach to fundamental research problems, apart from the welter of politics, aside from the purely selfish aims of this or that individual, coal will continue in chaos. I have touched upon the distribution problem, and there the finger points. Let us not underestimate the value of research, but also let us not attach undue significance to its development. In other words, let us remember that one sound apple in a barrel of rotten ones proves of little avail.

The distribution problem must be attacked from several angles. Research makes for a wider market through new uses, and is promotive of retention of markets by way of reducing mining costs and refining heating equipment. Of recent date, any additional market through new uses is relatively insignificant as compared, for instance, to the nearly 1,000,000 tons lost to oil last spring in the New York metropolitan area, a loss for which the so-called mining suspension is held responsible. A reduced price for a better prepared product has not held the lines in several markets against competition of natural gas, oil, and water power. At this point the observation might be in order that the income of some producers in certain circumstances can be increased considerably by a judicious lowering of the mine price, and in certain sets of circumstances the same relationship exists between the incomes of miners and the price of their labor.

The outlook, however, is more propitious. The natural-gas fields appear to be more limited than the rosy prognostications of pipeline promoters signified. New processes, including the Houdry, which make for a larger percent of the refined petroleum product will drastically curtail the fuel-oil supply, so oil men predict. Use



of water power for generation of electric current is unsound economically, except in a few areas and for a limited territory. Were it not for "The Visions Asinine," the T. V. A.'s, we would hear little or nothing of hydroelectric plants. As it is, of course, the money of the taxpayers is being squandered in many sections to subsidize water power in competition with private enterprise. If a complacent citizenry permits the hydro program, running into the billions, to continue, the consequent elimination of the coal industry will be immaterial, for the tax load around everyone's neck, along with a standard Government halter, will make everything fine and dandy. Possibly, we shall then faintly remember that once upon a time it was bruited around that mountaineers were free and West Virginia was a sovereign State.

In other respects there is ground for optimism. There is a steady trend toward mechanization and improved preparation. There is a concentration of mining, fewer and larger units. According to the latest available figures of the United States Bureau of Mines on this subject, those for 1936, 36.5 percent of the total bituminous output came from mines producing more than 500,000 tons that year; whereas in 1928, or 8 years before, but 23.3 percent came from operations of that size. And in 1936, 69 percent of the total production came from mines of 200,000 tons and over. If we go back to 1918 we find only 48.6 percent of the output of that year came from mines of 200,000 tons and over. From a mechanization angle, another comparison is enlightening, namely, that which shows the growth in stripping operations from 1928 to 1937. In the former year 19,788,000 tons came from strip mines, or 4 percent of the output; in 1937, 31,750,000 tons were stripped, or 7.1 percent. Over half of the Indiana production and about a third of the Illinois output came from strip mines. In the last 2 years, for which figures are not available, there has been a steady increase in all forms of mechanization. It is generally conceded that the more concentrated the industry the greater degree of stability it will attain, and that is something for which coal men since time immemorial have been praying—and fighting.

We now come to the technique which characterizes that combat and which has divided the industry into hostile camps. I assume that all forms of praying are more or less the same, but the styles of fighting for the common objective of a stabilized, profitable industry are quite different. It would be unpardonable to inject an extraneous or a discordant note into this gathering, but it would be a la Pollyanna to ignore vital facts. The subject lends itself, I believe, to dispassionate treatment, a facing of the issues, fairly defined, squarely in the face. Otherwise, we get nowhere. Let us be realists.

The line-up is somewhat as follows: There remains a small faction in the industry, whom their enemies dub "bitter enders," and accuse of seeking to restore the malodorous status quo ante. Suffering from no delusions about human nature, they spurn that which smacks of voluntary cooperation, and, as far as legal loopholes permit, endeavor to escape Federal regimentation. Charged against these operators may be grievous faults and shortcomings, but inconsistency is scarcely one of them. And memory does not call to mind the name of one of their clan whose operation is insolvent. There may be exceptional conditions or extraordinary circumstances attached to the case of each, but the fact remains that, generally speaking, they occupy that enviable position of being "in the black." Handful though they are, they are vocal at times, and their influence is not to be discounted. For all their so-called faults, we love them still.

There are two other classes, each of about equal strength in numbers. The one class, of two distinct factions, battles for rigid governmental price fixing. The other class contends for industry control on price and other questions, with a minimum degree of Federal supervision. There are divers phrases which might be employed to differentiate these two classes or to define their economic beliefs, but I believe that general outline suffices for this well-informed audience. The purpose is to expose, in the raw, the sharp cleavage that exists between the two schools of thought. The conflict resolves itself into a wrestle between two worlds, between two ways of life, the American way and the totalitarian way. First we must accept the premise, if history counts for aught, that, if price fixing is to obtain in coal, it will be extended not only to other natural-resource industries, as is urged by a legion of coal-price advocates, but to other basic industries as well. Some years ago, in discussing the coal-control measure with one of its foremost supporters, I inquired if he did not accept that premise. His answer was that he would much prefer to see the auto and steel industries under Government control than in the hands of such "ruthless men" as the generally accepted leaders of those industries. There you have it; so let's start from that premise. This is neither the time nor the place for one to venture into the realm of conjecture. And who is qualified to speak ex cathedra? My desire is merely to voice the viewpoints of the conflicting groups; yours, I take it, to reach your own conclusions.

The Government-control group pleads justification for its position on the basis of the frightfully weakened position of the industry through internecine warfare of long duration. Here might be interpolated the observation that the last 6 years, marked by intermittent Federal control, constitute the most trying period of its history. It just happens, perhaps, that members of the Government-control group have, in the main, been more weakened by that warfare than have those in the industry-control group. As I have stated, there are two factions in the former group. The one faction supports the present price-control act but is bitterly opposed to proposal to widen its scope by provision for production control, allocation of tonnage. That faction is banking on artificial price

control to help it recover markets lost, in the main, to southern fields, and also to insure continued unionization of those fields. The other faction is composed of realists, in that, acquainted with the British record, they are cognizant of the fundamental fact that price fixing without production control cannot long be enforced by any government. There are scores of sincere operators in this second class. Many of them are thoroughly dispirited and see no hope for what they term the "civilization" of the industry save through Federal control of prices and production. Some operators admit that even rigid Federal laws will fail to keep numerous operations above water, but they contend legislation will serve as a merciful cushion to ease the blow and delay the day of reckoning. For such delay the now solvent operator might pay a heavy price. Had it not been for "shots in the arm" by N. R. A., under which various price levels, violative of the law of supply and demand, were established, along with blind trust in the efficacy of political medicine, there would today, for whatever it would mean, be fewer and bigger operating units in the industry.

Attention is called to the attitude of the Secretary of the Interior, by whose Department the Coal Act is now administered and in which Department a spokesman for a group of operators opined in their presence to Mr. Ickes, on July 17, that the industry had found "a good home." Mr. Ickes has declared in favor of Government ownership of coal mines. Does the statement of the coal spokesman lend credence to a suspicion long entertained in certain circles that some leaders of the drive for Federal control are, in reality, seeking a market with Uncle Sam for their coal properties? It was about 20 years ago that mine labor in convention assembled went on record for nationalization of the mines. The Plumb plan for Government ownership of basic resources has been before us for a longer period. That idea was supported only a few months ago in testimony before the Congressional Committee on Monopoly, by A. A. Berle, Assistant Secretary of State, who advocates Government ownership of basic resources. Summing up the position of Government-control advocates, we detect a willingness to surrender a large measure of control, even to submission to "the insolence of office and law's delays," in confidence that such surrender and submission will yield a return on their investment and, if not, will pave the way for sale of their properties. In other words, even though nationalization of mines be at the end of the one road, they see only bankruptcy as the alternative.

Let us now consider the third class, who are sometimes called middle-of-the-roads. The leaders of this group, for the most part successful operators, whether by fortune or by exercise of brains or an admixture of both, are not opposed to improvements because they are innovations. They know that such an attitude frequently forces people to accept innovations which are not improvements. Possibly some of the innovations now being forced upon them are due to the fact that a few operators in all three groups formerly were cold to any constructive policies that contravened their fixed notions. As a whole, the leaders of the third group are more or less elastic-minded, but they are thoroughly convinced we have had too much mischievous nonsense concerning redistribution of reduced production, coal, pigs, or what not. They think it has led up blind alleys and dead-end streets, for 6 long years, a succession of governmental edicts and interferences which would have totally wrecked any industry less hardy than theirs.

Seven years ago a forward-looking figure in the coal industry labored long and diligently to bring to fruition the regional sales agency idea, as represented by Appalachian Coals, Inc. None can claim perfection for that plan, but none can deny that it has never had a real opportunity, due to the restriction, first of the N. R. A. and second, of the Guffey Act, to function. I speak of this plan because it is around an amplification of the sales agency idea that Representative ROBERT G. ALLEN, Pennsylvania Democrat, has introduced a bill to modify the present Coal Act, which bill is supposed to reflect, partially at least, the views of the group to which I am now referring. Of the present law, BOB ALLEN, in a recent speech on the floor of the House, declared: "The coal industry has had nearly 6 years' experience with ill-advised experiments in Federal regulation and it is my contention that the Secretary of the Interior or no one else will be able to administer the Coal Act as it is now written."

Some consideration can appropriately be accorded to the attitude of consumers; for, after all, consumer cooperation is essential to successful administration of a law. In reverse English, as it were, America learned that lesson through Mr. Volstead. The largest consumers of coal are the railroads. Without question, W. M. Jeffers, president of the Union Pacific Railroad, voiced the viewpoint of the railroad industry on June 17, when he said, at Rock Springs, Wyo., "In my opinion the Guffey Act is the most foolish piece of legislation ever conceived. It was a failure before it even passed."

Something about the genesis of the Guffey measure to which President Jeffers referred was related last month in a Saturday Evening Post article by Raymond Moley. He said, "The President wisely refused to go along with it," but on June 6, 1935, "to avert a walk-out of the United Mine Workers," he got behind it. Professor Moley observes that, "The President has bitten off more than he can chew." Possibly he predicates that statement on the growing public opposition to price fixing in all lines. In the September 9 issue of the Saturday Evening Post, Mr. Moley wrote: "It was Roosevelt's insistence upon the essential unity of his policies that inevitably brought into question his understanding of economics. Except in terms of misunderstanding, there was no way to comprehend such phenomena as an attempt to rehabilitate the soft-coal business which proceeded without reference to simultaneous efforts

to encourage the production of electricity through vast water-power projects." Only a few months ago, John M. Carmody, who knows his coal, through former editorship of *Coal Age*, and who is now Federal Works Administrator, said, "I know I may be running counter to the opinion of some in the Government (and that's a gem of understatement) but I believe that the price maintenance theory does more harm to industry than any other single factor."

This presents the picture, at least as I see it. Unquestionably, the next 18 months, at the end of which the present Coal Act expires, are fraught with supreme importance. Even the laboratory worker will be engulfed in the wars of words and ballots over two forms of political government as far apart as the poles. So no heresy is involved in citation of the issues, in which everyone associated with this business called coal is immensely concerned. Coal is the spearhead of the drive of those battling at what they call Armageddon, for a new day and a new order. Secretary Ickes leads the evangelistic hosts with his battle cry, "All old roads are closed forever."

In the opinion of some observers, the Coal Act, respecting prices, will soon function. Within a few months, the second session of the Seventy-sixth Congress will convene; whereupon, hearings will be held on the Allen bill. It is reported in usually well-informed sources that hearings on another bill will also take place. I refer to a measure which Abe Fortas, counsel for the Bituminous Division of the Interior Department, is said to be drafting, in collaboration with Messrs. Cohen and Corcoran. Production control will be incorporated in that measure it is reported. This is all to the good for such hearings will furnish an excellent opportunity for full ventilation of all views. The industry should profit, hugely, and the public will be treated to a circus of many rings. The burden of expense upon the industry, through extended hearings, will be enormous, but the boys are accustomed, through protracted wage negotiations and otherwise, to such incidentals. The experience will be well worth the admission price.

However we feel on the subject of coal legislation we cannot brush aside its momentous bearing on any future program. It becomes every coal man, if he is worth his salt, to declare his position, whatever that position may be. This is no time for fence walkers. They have been the bane of the industry, those suave, obsequious fence walkers. The out-and-out proponents of Federal control have taken a clear-cut stand for the better or the worse. Many of their number will yield to none in faith that coal has everything. Their doctrine is that heroic Federal measures are required to realize its potentialities, to make it an attractive business. The approaching congressional hearings promise a splendid forum which all should welcome. They will afford a rare arena for the play and counterplay of pressure groups, and will expose any system rooted in spoils and largesse and calculated to take away the rights and incentives of any class.

Everyone in this room is surely of one mind that this country was built on private business enterprise, that its survival depends upon a satisfactory revival of business enterprise. We believe in an expanding economy; in making more, not less; in enlargement of purchasing power through increased efficiency, promotion of lower prices and larger demand; all making for more work, higher incomes.

Hon. J. Will Taylor

## EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

Mr. SABATH. Mr. Speaker, the tie that binds those who have been long together in public service is apt to grow very close as the years glide by. Mr. TAYLOR and I served together ever since he came to the House at the beginning of the Sixty-sixth Congress. Before his arrival we all were anxious to meet him because he had unseated a southern stalwart of his own political faith, Richard Austin, who exerted much influence in this House, although it seemed that he favored every appropriation bill and few tax measures.

When Mr. TAYLOR entered the Congress, or shortly thereafter, he and I found ourselves together on the Committee on Immigration, which was very active at the time. Ever afterwards, until his death, we were much together on at least one committee. I had to surrender membership on the Committee on Immigration when I came to the Committee on Rules; but Mr. TAYLOR was permitted to retain membership on the Committee on Immigration when he joined the Committee on Rules.

At the time of his passing our friend was the ranking minority member of the Committee on Immigration, on which committee he rendered valuable service by reason of his broad and penetrating knowledge of the subject and his sectional detachment, largely, from the immediate effects of immigration.

This honorable deceased with a potent factor in the House of Representatives, and in his party's councils. He had to an unusual degree the sagacity to oppose a proposal without bombast or offense to friend or foe. When he approached one with a request his geniality and good fellowship had already half won his desire. In other words, he was well nigh irresistible. The people of his district honored and trusted him, and he was altogether faithful to their interests. They loved him, and he gave them his personal affection in return. He won their continued support by his fidelity to duty, but he won their hearts by his unfailing kindness and gentle bearing toward everybody.

In committee he was able and impartial and there, with the late Mr. Mapes, his broadmindedness and tolerance did much to facilitate the public business. He never sought opportunity to make a headline—he did not need headlines to continue here—just to keep the public informed that J. WILL TAYLOR still lived or in any other way promote a selfish interest.

Mr. TAYLOR was a political partisan, but never illogically or offensively so. During all our service together I never heard this gentleman speak ill of anybody, and he always accorded everybody credit for reasonable intelligence and patriotic motive. He knew that the overruling laws of the moral world are that selfishness of evil is made to defeat itself.

Tennessee also mourns his loss for he was a true representative of his race—tolerant, broadminded, sagacious, genial, winning high and enduring place by sterling conduct—all that the Nation and his State could ask of a gentleman, a legislator, and a patriot. Tennessee will ever bow in reverence over the tomb of such a son.

Standing in imagination at the grave of our honorable dead, may we come more deeply than ever into the intimacies of God, and even while drinking the bitter cup, have power and grace given unto us to say, "The Lord hath given; the Lord hath taken away; blessed be the name of the Lord."

## American Farm Recovery—The Republican Way

## EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix to the Record an interesting and comprehensive discussion of the farm problem and farm recovery by the Senator from New Hampshire [Mr. BRIDGES] in a speech delivered in Mankato, Minn., on Saturday, January 27, 1940, at a Republican rally sponsored by the Minnesota Republican State central committee.

There being no objection, the address was ordered to be printed in the Record, as follows:

Fellow Republicans, I plan to discuss the problems of agriculture with you tonight. I was born on a farm, I was reared on a farm, I graduated from an agricultural college, I taught agriculture, I served as a county farm agent and as executive secretary of the New Hampshire Farm Bureau. What little wealth I have today is invested in what you would call small farms—in my home State.

But not even with this background do I bring you a panacea. And before I get into a direct discussion of the problems of agriculture, I should like to recite some other items which bear upon them—which are, indeed, part and parcel of the so-called farm problem.



In the coming months we shall be hearing a lot about, "Do you want to go back to the dark days of 1932?" This chorus was revived at the Jackson Day dinners. As the fall campaign approaches the cry will grow increasingly loud to convince the people that they must choose between the self-styled liberalism of the New Deal and the "black reaction" of Republicanism.

These and similar words have been so misused of recent years that they have come to have little meaning in themselves. Then, too, all of them apply in one way or another to most of us. For instance, the New Deal is reactionary in that it insists on conducting all over again experiments which have been tried in country after country since the dawn of history, and found to fail. It is conservative chiefly in its desperate determination to conserve itself in office. Other than its liberality with your money and mine, the New Deal test of liberalism seems to be the extent to which the affairs of the citizen are run from Washington.

On the other hand, we Republicans are reactionary against many New Deal practices and theories. We are conservative, in our determination to preserve the best of our American tradition—the free Government and free economy under which this Nation grew great, and which are necessary if free men are to advance. But we are also liberal in that we believe that our problems can and must be solved by more freedom for the individual, and not less.

As to "going back," it is the new dealers who keep thinking in terms of the past. It is the new dealers who justify their schemings and their failures by the meanness of some man or some men 10 years ago. Apparently, they would punish us for the sins of an Insult the rest of our lives.

But a new note—an apologetic note—was struck by Mr. Roosevelt at the Jackson Day dinner. We should judge the New Deal by its motives, he said in effect.

For one, I am prepared to do that. I am prepared to pass judgment now on its motives of regimenting the people, of bringing about some socialized form of Government in our country—and of using relief funds, while at the same time browbeating business, in pursuing these motives. I have said before and I say again that I believe the first pump-priming program would have worked had not these funds been diverted to the primary purpose of throttling business and carrying out the New Deal reforms.

But accomplishments are usually given more importance in our appraisal of men and certainly of governments.

In 1933 two of the greatest problems were unemployment and disastrously low farm prices. In 1940, the most tremendous tasks before us are still the reemployment of between nine and ten million souls who are still out of work and the raising of agricultural prices. Today these tasks have been made vastly more difficult by the other problems added to them by the New Deal—staggering debt, oppressive taxation, industrial bitterness and strife, and economy throttled by regulation, hampered by competition, and fearful of the future. And to these problems of its own creation, it should be obvious to everyone by now that the New Deal has no solution save more debt, more taxes, and more regulation.

As the campaign approaches, we are asked to overlook the consequences of these failures and to be satisfied with the protestation of noble objectives in domestic affairs. "By their motives," declared the President in his Jackson Day speech, "ye shall know them." For the rest, we are asked to turn our attention to the foreign field. A prominent Washington columnist, who has become accepted as the historian of the New Deal, declared in a recent article on the candidacy of Secretary of State Cordell Hull for the Democratic Presidential nomination:

"The shift in emphasis from domestic to foreign affairs also helps Hull. This shift is pronounced in the President's own mind. It is not only a political shift designed to bridge the schisms in the Democratic Party on matters of New Deal policy. The President's attention and thoughts and aspirations have moved more and more to the foreign field. He is following in the path of Woodrow Wilson, although he has not gone so far, and may never do so. At best, it is difficult to keep one's mind off affairs abroad and on the hard, painful facts of unsolved problems at home. Like many another head of state, Roosevelt seems, at least subconsciously, to be seeking an escape through international action. In his case it is not imperialism, not aggrandizement, but a yearning to do something constructive for the world. Hull, who has always doubted our ability to solve our own problems, who has consistently advocated an international approach, becomes more and more the logical successor to a Roosevelt whose eyes are fixed more on world affairs and less upon the tedious business of creating a great social and economic democracy in the United States."

I do not believe that the American people will be thus distracted, nor that they will accept high-sounding platitudes about social objectives any more than I think that they will be persuaded to vote for the New Deal from the negative fear of going "back" to the days of 1932.

The question is not, can we afford to go back, but can we afford to go on as we have for the past 7½ years? Can we afford to go deeper into the mine of oppressive debt and strangling taxation, knowing that to pursue such a policy can but lead to bankruptcy and inflation? We have witnessed the events which followed the ruin and despair brought by inflation in Germany. With such an example before our eyes, can we afford to pass on to our children a Nation burdened with debt, paralyzed by stagnation and crippled by unemployment?

Are the unemployed to be doomed to 4 more years of dependence upon relief as a way of life because of Government folly? Or will

they be given the opportunity of employment in private industry through a revival of our system of economy? The question is not will vast expenditures for relief be continued but will they be necessary during the next 4 years? Is the administration of necessary relief to continue for 4 more years under the present vast political bureaucracy, are relief rolls to continue to rise before elections and fall thereafter, or is relief to be made nonpartisan, and locally administered on a basis of human need? Can we afford 4 more years of wholesale unemployment and relief thus administered?

In regard to private enterprise, the question is not whether business is to be allowed to run riot, but is it to be given a chance to recover, so that it may provide jobs for the unemployed and prosperity for all of our people? Are we to have 4 more years of business-baiting by a hostile administration, 4 more years of Government competition, stifling taxes, and strangling regulation, or will a friendly administration make possible the revival of our economic system through the encouragement of individual effort and enterprise which, taken collectively, spell progress? Can we afford 4 more years of Government suppression of our system of private economy?

The question is not, is the Securities and Exchange Commission to be abolished, thus allowing business speculation to run rampant, but is it to be used as the means of Government control of all credit and investment? Is it to be permitted to spend 4 more years—and the taxpayers' money—in conducting witch hunts against business, notably in the fields of banking and insurance, in using the Temporary National Economic Committee as a sounding-board for building up and by publicizing its case against business in order to bring about increased Government regulation which borders on the socialization of credit and investment? Is it to continue for 4 more years to discourage private investment, thus adding strength to the New Deal argument that Government spending must compensate for the lack of private investment?

Every honest American wants to see fraud and dizzy speculation abolished, and probably 99 percent of them favor a Government agency for this purpose. But every American who believes in a system of private economy agrees that such an agency—along with every other department of government—should help rather than hamper private industry by encouraging the flow of capital into every legitimate enterprise. Under a Republican administration, that is the purpose the S. E. C. will serve.

In the case of the National Labor Relations Board, the issue is not whether the act is to be abolished or sabotaged, as New Dealers would have you think, but whether that Board will continue for 4 more years to add to the bitterness of industrial strife.

Contrary to Democratic propaganda, Republicans do not seek the amendment of the National Labor Relations Act in order to permit the exploitation of the worker. On the contrary, we seek the freedom of the worker from the domination of the Government as well as from his employer, a domination which is as more dangerous as it is more powerful, because he has no recourse.

I have mentioned these problems because they are vital to what is known as the agriculture problem. Ever since I have been knee high to a gatepost I have been hearing about the farmer having to support countless middlemen or "services" before his product reaches the consumer.

Then certainly it is no solution of his problems today to add hundreds of thousands of other middlemen upon his back. I refer to the army of bureaucrats which the New Deal has set up to watch over him and to be supported by him.

Therefore, I say that any Republican farm program must be predicated upon a simplification of the bureaucratic structure which he has to carry. It must be predicated upon simplification and fairness.

By fairness, I mean it must be a program designed really to help him, and therefore to promote the national welfare. It must not be a program with which he is arrayed against the consumer—the so-called workingman and the business and industrial communities.

There is first the matter of the reciprocal-trade treaties.

No one exceeds me in admiration for our Secretary of State, Mr. Cordell Hull. For 25 years or more he has cherished foreign-trade ideas different from Republicans, and frankly, different from many influences within his own party. The present administration gave him carte blanche to carry his ideas out. The Republicans until recently have made very little protest. If ever a man had free rein to try his ideas out, Mr. Hull has had it.

But the plain fact is, ladies and gentlemen, they haven't worked. The tragedy, I think, is that all the while we have been permitting this splendid man to experiment with a beautiful idea, we have given a bureaucracy in Washington the power of life or death over farmers who might be engaged in raising a particular product or an industry dealing in a particular article.

The constitutional duty of the Senate to pass upon all treaties negotiated with foreign nations must be exercised by that body.

From January 1 to December 1, in 1938, agricultural exports amounted to \$763,224,000, while agricultural imports were valued at \$876,889,000. That left an unfavorable balance of \$113,665,000. For the same period in 1939 agricultural exports fell to \$578,166,000, while agricultural imports rose to \$998,354,000, an unfavorable balance of \$420,188,000. In other words, we exported over \$185,000,000 worth less of agricultural products while we imported nearly one hundred twenty-one and one-half million dollars worth more of agricultural products in the first 11 months of 1939 as com-

pared with the same period in 1938. Figures such as these would hardly indicate that the farmer has profited under such a program.

And what of the increased amount of trade that was to result from these treaties? The total trade for these 11 months in 1939 was over \$63,500,000 less than during those same months in 1938, despite the outbreak of wars which might have been expected to increase foreign purchases.

At the risk of burdening you with too many figures, let me quote a few specific items. All of them cover the first 10 months of 1939, as compared with the same period in 1938. We imported over 664,000 of cattle, an increase of over 100 percent, and over 104,000,000 pounds of cattle hides, an increase of nearly 165 percent. We imported over 197,000,000 pounds of unmanufactured wool, an increase of nearly 170 percent, and over 50,000,000 pounds of sheep hides, or close to twice as many as the year before. The importation of barley rose from 126,000 bushels to 745,000.

But what is even worse, we have heard much of the surpluses of wheat and cotton in the United States and of the restrictive measures the Government has taken to reduce or dispose of these surpluses. But, believe it or not, we imported over 9,000,000 bushels of wheat, or 4 times as much during the first 10 months of 1939 as in 1938, while our importation of wheat byproduct feeds soared to nearly 373,000 pounds, or over 13 times the amount imported the year before. This, despite the money that the taxpayer pays in parity prices, in loans on surpluses, and in warehouse storage for American cotton and wheat that cannot be sold. Are we to have 4 more years of this?

It is small wonder that an ever-increasing number of farmers and workers are rebelling against the injustices these treaties have wrought. Yet, with characteristic New Deal failure to credit its opponents with honest motives, Secretaries Hull and Wallace are now busy maligning all those who oppose the program. They are "unscrupulous," according to the Secretary of State. The Secretary of Agriculture, apparently doubting the intelligence of great groups of our farmers and workers, declares that they are being used as "political fronts" and "cat's paw" by industrialists seeking "another tariff grab." The head of a great farm organization he accuses of selfishly seeking personal political gain. But the facts speak for themselves.

No; we do not want to go back to anything except a little common sense. We do not ask a return to tariffs sufficiently high to constitute serious barriers to trade. But we do demand that the American farmer be given the American markets which are rightfully his. We do believe that our own unemployed at home deserve more consideration than the farmers and workers of other nations. We do maintain that the first duty of the American Government is to protect the way in which millions of the American people earn their daily bread. This right, this opportunity, and this protection the Republican Party pledges to the farmers and workers of America.

At the present session of Congress I propose to offer the following amendments to the bill providing for any future trade treaties:

(1) Ninety days' notice shall be required before negotiations shall be concluded for any item to be included in any treaty, in order to provide ample time for hearings.

(2) The same personnel that conducts the investigations shall also negotiate the treaties.

(3) No product produced in this country shall enter the United States below the American cost of production.

In the interests of safeguarding the farmer's domestic markets and of recapturing his foreign markets which have shrunk so disastrously—largely due to New Deal folly—a nonpartisan foreign trade board, coordinated with the Tariff Commission and directly responsible to Congress, could be of great service.

A Republican farm program will include, I am convinced, a sound policy of land use, whose purpose is actual soil conservation and not the limitation and regimentation of production. It will continue compensatory payments as long as they remain necessary, but these will not be used as the means of enforcing crop control, nor will they be considered the solution to the problems of the farmer. It will be a program administered so far as it is possible by the farmers themselves in order that it may be adapted to individual farm and family needs. It will encourage the development of cooperative marketing as the democratic way of self-help. For we believe that the family-sized farm is the true unit of American agriculture. It will encourage new uses for agricultural products. We maintain that there must be adequate safeguard for the interests of tenants, and that the Farm Credit Administration should be independently administered by a bipartisan board.

If domestic trade is to be stimulated, we must facilitate the transportation of his products by liberalizing the regulations now enforced upon the railroads, insofar as this does not conflict with the public interest, and encourage cheaper and better transportation by water and by truck as well.

We realize that agricultural prices, like those of industry, must be based on the cost of production plus a fair profit. In industry, our policy has been to protect American wages and standards of living of our workers through a protective tariff. We realize that similar protection must be given to American prices for our farmers. The present administration policy of holding the prices of farm products in line with world prices and then subsidizing the farmer to make up the difference is not only a serious drain on the Treasury, but has failed to bring prosperity to the farmer.

In short, our aim is to help the farmer to put farming on a business basis, to free him from the necessity of accepting Gov-

ernment subsidy, to eliminate regimentation in agriculture, to reestablish agricultural credit and eliminate Government-controlled financing, to help the farmer in the American way by making it possible for him to help himself, and by seeing that agricultural development keeps pace with industrial improvements.

We cannot, therefore, regard agriculture as a separate problem, but must seek a balance based upon the mutual cooperation and advancement of industry, labor, and agriculture. Around 10,000,000 unemployed are 10,000,000 potential customers for the worker and the farmer. It is estimated that about 20 percent of American labor is unemployed. Put them back to work through a revival of business, thus increasing their purchasing power in the only healthy way it can be increased, and farm prices are sure to rise. The so-called surplus—but how can we speak of a surplus as long as there are those who are ill-housed, ill-clad, and ill-fed?—will dwindle away.

According to the Department of Agriculture, a liberal diet for all of our people would necessitate a 71-percent increase in the production of beef cattle, 152-percent increase in veal calves, 187-percent increase in hogs, over 85-percent increase in sheep and lambs, nearly 47-percent increase in poultry, and almost 74-percent increase in dairy cattle. And the administration talks of overproduction.

Ease the present burden of taxation by eliminating Government waste and extravagance; revise such laws as the Wagner Act, the Wages and Hours Act, and the Securities and Exchange Commission Act; put in office an administration which is dedicated to putting America back to work in an economy of abundance rather than to a program of regimented scarcity, and the problems of agriculture, industry, and labor alike will be largely solved.

Now, in many instances, where the issue appears on the surface to be of maladministration, Democrats retort that Republican charges are motivated by the partisan desire to do the administering. Some truly liberal Democrats who admit that mistakes have been made during the past 7 years, declare, as did Senator WHEELER, of Montana, in his Jackson Day speech, that the Democrats will rectify their own errors.

But will they? From a practical standpoint, constructive legislation must have the support of the party in power. The New Deal is in power in the Democratic Party and in the coming election, because the Democrats must rise or fall on the record of the last 7½ years.

In view of the bitter opposition to every attempt of Jeffersonian Democrats and Republicans to modify its measures or policies, we know from experience the hopelessness of any idea that the New Deal will reform itself.

But you and I know that the issue is more than one of maladministration. We know that New Deal acts and agencies have been administered as they have because of the fundamental concept behind them. The issue is rather one of two conflicting philosophies of government, of economy, of life itself. It is the New Deal philosophy, under which the Government seeks to extend ever further its control over the economy of the Nation and the lives of the people, versus the American way of progress, under which the function of government is to preserve the liberty and opportunity of free men, to encourage the initiative and effort of individuals united by voluntary cooperation for the welfare and progress of all. No, the question is not one of turning back. After 10 years of depression, 7½ years of the New Deal, the question is whether we are to be allowed to go forward.

That is the challenge. 1940 can and must mark the turning point. A Republican Party, dedicated to the democratic way of progress, can and must lead the American people forward to the glorious future that is their destiny.

## Electric Rates of Municipalities of Tennessee Valley

### EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

LETTER FROM L. J. WILHOITE TO EDITOR OF COLLIER'S MAGAZINE

Mr. McKELLAR. Mr. President, in a recent issue of Collier's Magazine there appeared an editorial and cartoon "depicting the municipalities of the Tennessee Valley as the fat recipients of cheap electricity at the expense of the taxpayers of the Nation." I have a letter from Mr. L. J. Wilhoite, chairman of the Electric Power Board of Chattanooga,



Chattanooga, Tenn., enclosing a letter addressed by him to the editor of Collier's by way of a reply to the cartoon and the editorial, and also an accompanying document. I ask unanimous consent that the matters referred to may be printed in the Appendix of the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

ELECTRIC POWER BOARD OF CHATTANOOGA,  
Chattanooga, Tenn., January 25, 1940.

Senator KENNETH McKELLAR,  
Senate Office Building, Washington, D. C.

DEAR SENATOR McKELLAR: I am attaching hereto a letter which the Chattanooga Power Board has directed to the editor of Colliers. Perhaps you saw the editorial and cartoon in last week's issue of that magazine.

This letter, of course, is in reply to what we consider an unwarranted and unjustified criticism of the program of the Tennessee Valley. We feel sure that Colliers will be glad to make the correction of misstatements and misleading inferences in the article and cartoon referred to.

We are sending copies of this letter to Members of the Tennessee, Alabama, Georgia, and Mississippi delegations and we hope, if you deem it advisable, that you will have this called to the attention of other interested parties in the Senate.

With very best wishes, I am,

Sincerely yours,

L. J. WILHOITE, Chairman.

ELECTRIC POWER BOARD OF CHATTANOOGA,  
Chattanooga, Tenn., January 24, 1940.

Mr. WILLIAM CHENERY,  
Editor of Colliers, Crowell-Collier Publishing Co.,  
250 Park Avenue, New York City, N. Y.

DEAR MR. CHENERY: The cartoon in the current issue of Colliers, depicting the municipalities of the Tennessee Valley as the fat recipients of cheap electricity at the expense of the taxpayers of the Nation, is an unmerited attack upon the honor and the integrity of the people of the Tennessee Valley area.

I believe that you were victimized by private power propagandists in admitting this cartoon to your columns. I believe this because of my confidence in the inherent decency of Colliers and because of the statement in your editorial in support of the cartoon that you "don't pretend to know the answer" to the issues involved in the T. V. A. matter. It is because of this belief in the intent of Colliers to be honest that I am going to give you a few very plain and very simple facts about public power and taxes and the Tennessee Valley Authority.

The city of Chattanooga, one of the municipalities that you depicted in your cartoon as the waxing-fat recipient of cheap electricity at the expense of the taxpayers of the Nation, paid to the Commonwealth & Southern Corporation, of New York, the owners of the former private power-distribution system in Chattanooga, \$10,850,000 for their local power properties. This amount was paid after the city had already expended, because of the continued refusal of the private company to sell at any price, \$2,149,000 toward the building of a new distribution system. Thus, the city of Chattanooga has invested in its power-distribution system \$12,999,000.

Had the city refused to purchase the existing private system, as it would have been fully justified in doing under all of the circumstances involved, and, instead, completed its own system, the total cost for a complete, new, streamlined, modern distribution network would have been \$7,609,000. Thus, the people of Chattanooga paid in spot cash to the private power company \$3,141,000 more than it would have cost to duplicate the system—and that, too, after \$2,149,000 had been expended by the city in that direction because of the dog-in-the-manger attitude of the private company.

The people of Chattanooga paid \$5,290,000 over and above what it would have been necessary to expend for a complete new distribution system. This was done to the end that no man, or group of men, could honestly say that one single dollar of private property had been destroyed or one dime lost by any legitimate investor in the securities of the private power company.

The people of Chattanooga didn't have to do this. They had the moral right, the legal power, the financial resources, and the engineering and technical ability to duplicate the private system for approximately half the price they paid for it. In other words, the people of Chattanooga voluntarily assumed an excess capital burden of more than \$5,000,000 simply to save investors from the consequences of their folly in entrusting their money to the manipulations of private utility financiers.

The tangible assets, the physical value of the properties purchased, was less than half the par value of the preferred stocks and bonds outstanding against the properties, but the people of Chattanooga retired these securities at their par value. This excess capital burden will cost the people of Chattanooga, for interest and retirement, approximately \$500,000 per year for a period of 25 years. That is the annual tribute they are paying in order to wash out the private-power speculations of the past with the least possible dislocation of business and industry. Bear in mind that this excess capital burden assumed by the people of Chattanooga for the economic purpose of washing out the sins of private power gradually, and thereby avoiding the miseries of the "wringer," is reflected in the rates for electric service as paid monthly by the users of that service. This same situation has been met in practically the same manner by every other municipality in the Tennessee Valley public power area. Is there

anything in this picture to justify your depicting these cities as the fat recipients of cheap electricity at the expense of the Nation?

The rates for power in the Chattanooga municipal power operation are not only loaded to carry a capital burden approximately double what that burden would be but for the past sins of private power, but, furthermore (and I hope you don't miss this one) the rates are also sufficiently loaded to pay to the State, the county, and the city exactly the same taxes that the private utility formerly paid. Again—and I also hope that you don't miss this one—the taxes have already been paid to the city and the money is in the bank to pay the State and county taxes just as soon as the State legislature meets and grants to the city of Chattanooga the legal right to do so. Furthermore—and please get this one, too—all of this tax money was collected, and is being collected, and is going to continue to be collected from the users of electric service in their rates for service and is going into the treasuries of the city, the county, and the State to be used just like any other money, and not one dime of it has been, is being, or is going to be, used to meet any of the obligations of the municipal-power operation. This tax matter is being handled in substantially this same manner by every other municipality in the Tennessee Valley public power area. Is there anything in this picture to justify your misrepresenting these cities to the country as the fat recipients of cheap electricity at the expense of the taxpayers inside and outside the valley area?

And now, here is the kernel in the cheap-electricity nut. Go right ahead, pick it right out and eat it. It is perfectly sound. There is not a worm in it, and when you taste it, you will say it's pretty damn good—at least, that is what everybody hereabouts is saying.

With the rates for power to all classes of consumers loaded with the capital sins of the private power boys who preceded us, and loaded again for taxes in an amount equal to the taxes formerly paid by the private power boys, one would naturally think that the price for electricity to the consumer would be somewhere in the neighborhood of the price formerly charged by the private power boys. But such, doubtless very much to your surprise, is not the case. On the contrary, the cost of electric service to all classes of consumers, residential, commercial and industrial, has been reduced, as shown by the attached statement of the operations of the Chattanooga Municipal Power System, \$553,731 in the first 4½ months of operation. At this rate, the savings will amount to \$1,661,193 annually as against what the cost would have been to the consumers of electricity had the private company continued in operation. This saving has been effected too despite the fact that the private company drastically reduced rates following the advent of the T. V. A. in a desperate effort to forestall municipal ownership and operation. Compared with what the rates were when the T. V. A. came to town with power to sell, the people of Chattanooga are today saving on their electricity bills more than \$3,000,000 per year—and that's a lot of money for a big, little town like Chattanooga. And, besides all this, the municipal power operation is meeting all its obligations, including bills from the T. V. A. for power and still has money in the bank.

Speaking of bills from the T. V. A. for power reminds us of another very illuminating thing that I am sure you will be glad to know in the interest of cartoon and editorial accuracy hereafter. The price that the T. V. A. charges the city of Chattanooga for power is loaded with 12½ percent of the selling price. This 12½ percent loading is being paid the T. V. A. by the city of Chattanooga in order to enable the T. V. A. to pay to the States, counties, and cities in the T. V. A. power area an amount equal to the taxes lost by these governmental units on account of the acquisition by the T. V. A. of the generation and transmission properties of the private power companies located in these governmental subdivisions.

All the other municipalities in the valley are making similar contributions to the T. V. A. for tax purposes. Therefore, I hope you will use your editorial influence, including your cartoon influence to persuade Congress to enact legislation that will permit the T. V. A. to pay this money over to the affected governmental units. For Congress to take such action will, in no sense, be an authorization to tax Federal property. The T. V. A. is simply a tax-collecting agency collecting a tax on energy sold to municipalities, and as such should not only be permitted but should be compelled by Congress to turn the money thus collected over to those governmental units in the Tennessee Valley area that are suffering tax-revenue losses because of the transition from private to public power. The money is being paid by the municipalities to the T. V. A. for that specific purpose.

Is there anything in this picture to justify you in publishing a cartoon and an editorial misrepresenting these cities to the people of the Nation as waxing fat on cheap electricity at the cost of the taxpayers, inside and outside the valley area?

#### A SUMMARY OF THE SIMPLE FACTS

1. The city of Chattanooga bailed every legitimate private power security holder 100 cents on the dollar and all the other municipalities in the T. V. A. public power area did the same thing.
2. The municipalities in the valley area have passed this bail-out burden on to the users of the electricity in the valley.
3. The public power operation in Chattanooga is paying municipal taxes on the properties acquired from the private power company in the same amounts that the private company paid. These taxes are not being used to meet the obligations of the municipal power operations. They are being used by the municipality for general purposes, the same as all other taxes.
4. The same procedure will be followed by Chattanooga with respect to State and county taxes as soon as necessary enabling legislation can be enacted by the Tennessee General Assembly.

5. The municipal power operation has met all its obligations during its first 4½ months of operation, has a surplus of \$99,406.88, and has saved consumers \$553,731. This saving is at the rate of \$1,661,193 annually.

6. The city of Chattanooga has paid the Tennessee Valley Authority an amount equal to 12½ percent of the Tennessee Valley Authority power bills to the city in order to aid in the creation of a fund out of which the Tennessee Valley Authority can reimburse governmental units that have suffered tax losses on account of the acquisition by the Tennessee Valley Authority of private utility properties, and all other municipalities in the valley are doing the same thing.

Is there anything in these simple facts to justify your using the columns of Collier's to create the false and misleading impression that Chattanooga and the other valley cities are waxing fat on cheap electricity at the expense of the taxpayers of the Nation?

Very truly yours,

L. J. WILHOITE, Chairman.

ELECTRIC POWER BOARD OF CHATTANOOGA,  
Chattanooga, Tenn., January 10, 1940.

To the MAYOR AND BOARD OF COMMISSIONERS,  
City of Chattanooga, Chattanooga, Tenn.

GENTLEMEN: In accordance with the requirements of chapter 455, section 12, Private Acts 1935, amending the charter of the city of Chattanooga, the Electric Power Board of Chattanooga is submitting herewith a financial statement as of December 31, 1939, showing the financial operations and financial condition of the electric distribution system acquired by the city on August 15, 1939.

The balance sheet of this statement shows total assets of \$14,883,783.52, including current assets in cash of \$412,061.51. The principal liabilities against these assets consist of a \$13,200,000 issue of electric power revenue bonds of the city of Chattanooga, 1939, and \$100,000 of general obligation bonds of the city of Chattanooga, 1937. Semiannual interest charges of \$182,725 on the bond issues were paid January 1, 1940.

The income and expense summary of this statement shows total sales of electric energy from August 16 through December 31, 1939, of \$1,190,974.40; other electric revenues of \$53,771.86, providing a total gross revenue for the 4½ months' period of \$1,244,746.26. Operating expenses, including purchase of power at wholesale from the Tennessee Valley Authority, totaled \$777,677.71, leaving a gross income after operating expenses of \$467,068.55.

Legal deductions after operating expenses to provide for interest charges, depreciation and taxes totaled \$292,661.67, providing a net income for the electric power board distribution system of \$174,406.88 for the 4½ months' period. From this net income an amount of \$75,000 has been set aside in accordance with the requirements of our bond ordinance as a provision for a bond reserve fund, leaving an earned surplus of \$99,406.88.

All city and county taxes, on an assessed valuation of \$6,537,725 for the city and \$7,797,801 for the county for the taxing year 1939, since date of purchase, against the property owned have been paid by the board from its funds. You are familiar with the fact that none of the city's general taxing income has been used for the support of the electric power board's electric-distribution system. The basic Tennessee Valley Authority resale rates, without surcharge, have been charged as our retail rates. The attached comments cover principal features of our operations.

Yours very truly,

ELECTRIC POWER BOARD OF CHATTANOOGA,  
L. J. WILHOITE, Chairman.

Electric Power Board of Chattanooga—Balance sheet—Dec. 31, 1939

ASSETS AND OTHER DEBITS

Electric plant account:	
Plant purchased—in process of reclassification	\$10,878,652.74
Construction under P. W. A. docket Tenn. 1105—	
P—DS and proceeds of 1937 bonds	2,560,876.03
Other construction	132,734.66
Total, utility plant	13,572,263.43

Current and accrued assets:	
Cash in bank	334,876.51
Special deposits	300.00
Petty cash funds	1,885.00
Certificates of deposit covering bond reserve fund	75,000.00
Accounts receivable	228,780.67
Electric Home and Farm Authority accounts	313,348.29
Accrued utility revenues	30,375.82
Material and supplies	135,494.46
Prepaid insurance	18,381.15
Total current and accrued assets	1,138,441.90

Deferred debits:	
Unamortized debt discount and expense	47,892.71
State and county taxes, Aug. 16 to Dec. 31, 1939	55,460.34
Installation of customers' appliances	16,066.18
Clearing accounts and other deferred debits	53,658.96
Total deferred debits	173,078.19

Total assets and other debits	14,883,783.52
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Electric Power Board of Chattanooga—Balance sheet—Dec. 31, 1939—Continued

LIABILITIES AND OTHER CREDITS

Long-term debt:	
General obligation bonds, city of Chattanooga, issued July 1, 1937, due 1948–58	\$100,000.00
Electric power revenue bonds, city of Chattanooga, issued July 1, 1939, due 1941–69	13,200,000.00
Total long-term debt	13,300,000.00

Current and accrued liabilities:	
Accounts payable	219,419.84
Customers' and employees' deposits	64,779.17
Interest accrued	10,327.26
Liability for Electric Home and Farm Authority accounts	313,348.29
Total current and accrued liabilities	607,874.56

Deferred credits:	
Unamortized premium on debt	35,573.28
Customers' advances for construction	26,419.91
Total deferred credits	61,993.19

Reserves:	
Reserve for depreciation of electric plant	79,188.02
Reserve for uncollectible accounts	10,158.55
Bond reserve	75,000.00
Total reserves	164,346.57

Contributions in aid of construction	650,162.32
Earned surplus	99,406.88
Total liabilities and other credits	14,883,783.52

Income and expense summary, Aug. 16–Dec. 31, 1939

Sales of electric energy:	
Residential or domestic sales	\$395,770.05
Commercial sales	194,092.03
Industrial sales	575,585.52
Public street and highway lighting	25,526.80
Total electric sales	1,190,974.40

Other electric revenues:	
Rent from electric property	220.35
Customers' forfeited discounts and penalties	18,046.55
Servicing of customers' installations	15,479.17
Miscellaneous electric revenues	20,025.79
Total other electric revenues	53,771.86

Total electric revenues	1,244,746.26
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Operating expenses:	
Purchased power	536,116.81
Transmission expenses	3,474.18
Distribution expenses	126,311.10
Customers' accounting and collecting expenses	41,198.89
Sales-promotion expenses	22,268.18
General accounting expenses	7,257.19
Administrative and general expenses	41,051.36
Total operating expenses	777,677.71

Gross income after expenses	467,068.55
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Deductions:	
Interest on long-term debt	137,891.80
Other interest charges	1,398.59
Interest on certificates of deposit—credit	52.07
Interest charged to construction—credit	17,738.58
Amortization of debt discount and expense	2,129.65
Amortization of premium on debt—credit	1,499.38
Depreciation	120,823.46
Taxes	49,708.20
Total deductions	292,661.67

Net income	174,406.88
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Reservation of net income: Provision for bond reserve fund	75,000.00
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Balance to surplus	99,406.88
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	Number of customers	Kilowatt-hour sales
Statistics of electric-current sales:		
Residential or domestic	33,606	\$20,153,880
Commercial	4,632	8,912,199
Industrial	306	85,173,726
Public street and highway lighting	6	911,257
Total	38,640	115,151,062



## COMMENTS

The electric power board sold on August 15 a \$13,200,000 electric-power revenue bond issue dated July 1, 1939, with maturities commencing July 1, 1941, of \$250,000, and with annual maturities gradually increasing to \$690,000 in 1969. The average interest cost of this bond issue was 2.7 percent. In addition to the principal amount of \$13,200,000 received, a premium of \$52,800 and accrued interest from July 1 to August 15 of \$44,155.83 were also received, making available to the Board on August 15 a total amount of \$13,296,955.83.

On August 15 the board purchased the Chattanooga district electric-distribution system of the Tennessee Electric Power Co. for \$10,850,000. A sum of \$1,469,421.91 was used to retire a principal amount of \$1,400,000 of city of Chattanooga general-obligation bonds dated October 1, 1937, which were issued to finance the construction of the electric power distribution system which the board was constructing at the time of acquisition. An amount of \$650,000 from the proceeds of the bond issue was set up as a renewal and replacement fund and \$300,000 allocated as working funds.

The board is carrying forward to completion a \$3,460,000 P. W. A. construction program, of which amount 45 percent will be paid as a free grant by P. W. A. Approximately \$2,500,000 of this program had been completed or was in the process of completion at the time of acquisition and the principal remaining sections of the program constitute an expenditure of \$600,000 for a modern distribution-service building and electric power board office building.

As of January 1 the board had 400 employees, consisting of 336 men and 64 women. At the time of acquisition on August 15 practically all of the employees of the Tepco in the Chattanooga district, excepting the merchandising section, were retained in the employ of the board. The board does not merchandise electrical appliances but has encouraged sales of appliances by dealers. Since August 15 approximately 850 new electric ranges and 400 new electric water heaters have been sold by dealers.

The electric energy consumed by the board's customers in December represented an all-time peak sale of electric current in Chattanooga. In confirmation of its estimates the board finds the existing system greatly in need of rehabilitation and reconstruction due to a large amount of deferred maintenance, which work it is anticipated can be carried forward over a period of time from the funds set aside for renewal and replacement and from the earned surplus. Since August 15 the board has expended \$505,517.10 for rehabilitation of and extensions to the system purchased.

The board has legal authority to pay city taxes of \$130,754.50 per annum on the assessed valuation of the distribution system acquired within the city taxing limits. It has no legal authority to pay Hamilton County taxes amounting to \$138,800.86 on assessed valuation of property acquired in the county. The earned surplus, however, provides a sufficient amount for this purpose if and when the board is legally permitted to do so. The payment of 1939 State and county taxes constituted a part of the purchase contract.

Based on the average rate per kilowatt-hour charged for electric service in the last 4 months of 1938 under private operation, customers of the electric power board, with T. V. A. rates, in the last 4 months of 1939 saved as follows:

Residential users saved.....	\$149,658
Commercial users saved.....	72,051
Industrial users saved.....	324,146
Street and highway lighting users saved.....	7,876

Total savings..... 553,731

The above savings are at the rate of \$1,661,193 annually.

## A. Frank Lever

## EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

ADDRESS BY HON. A. FRANK LEVER BEFORE THE SOUTHERN COMMERCIAL CONGRESS IN THE CITY OF NEW YORK

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including an address delivered by ex-Congressman A. Frank Lever, of South Carolina, before the Southern Commercial Congress in the city of New York on September 12, 1939. Congressman Lever, personally known to many Members of the present Congress, served for many years the district that I now have the honor of serving. During President Wilson's administration Mr. Lever was chairman of the great Agricultural Committee. Because of his past experience as a legislator and because of this posi-

tion on the committee, he was in a wonderful position, being chairman of this great committee, to not only render a great service to his Southland but the Nation as a whole in passing in his own name as chairman constructive legislation. I am sure that this address will be very informative and will be read with a great deal of interest, not only by Members of Congress but those who have the opportunity of reading the CONGRESSIONAL RECORD.

The address is as follows:

Mr. President and gentlemen of the Southern Commercial Congress, to be invited to have a part—even a small part—in the proceedings of so vital and fruitful an organization as is here assembled in its thirty-first annual convention is an honor which must appeal to anyone familiar with its personnel and ideals.

For more than a quarter of a century I have known the high character and splendid, practical objectives of its membership; I knew its founders and worked in harmony with them in its initial phases; I have rallied to and followed its flag on many a hard-fought economic field, sometimes tasting the bitterness of its disappointments, more often enjoying the sweet fruits of its fine victories.

Again to be with you invigorates me as would a draught from the fabled "Fountain of Youth." We are all young men today even if tomorrow we have to pay the penalty for thinking so.

You have asked me to sketch the history of the events and personalities of those connected with them that have eventuated in laying the foundations of a rural credit system for this country, adequate at all times and under all conditions, to meet the credit needs—long term, short term, intermediate, and cooperative—of American agriculture.

At best you may not expect me to do more than summarize.

Early American agriculture was extremely primitive, just a way of existence, for an extremely primitive people, engaged in the hazardous task of bringing a wilderness to do their bidding.

It was a curious but necessary mixture of the simple and complex. The farm had to be both a farm and a factory. It had to supply means to a living in its function as a farm, and as a factory had to supply all the tools and implements needed in its operation and at the same time convert its raw material into usable and finished products.

The farmer himself was both farmer and manufacturer. His needs were few and simple. His commerce was in the form of barter between himself and his neighbors. His need for transportation was negligible. His farm was almost self-sufficient.

This very self-sufficiency and his detached environment developed in him a high degree of individualism and conservatism, characteristics that have served to help and to hinder his progress even until now. But whatever else it may have done for him, it has, at least, made him the sheet anchor for the safety and perpetuation of American institutions.

It was not until about the middle of the last century that the transition in the relationship of agriculture to the other occupations of men began to fix the status he was to occupy in the social and economic life of the Nation for the centuries to follow:

Immigration poured into the country; commerce, domestic and foreign, increased; transportation took on definite importance; industry grew by leaps and bounds; towns and cities came into being overnight; the star of empire moved farther and farther westward—a continent was opening up—the great adventure of the revolution had evolved itself into a nation—a real nation—and the farmer, the bedrock of it, by force of the inevitable, found himself in a relationship of tremendous responsibility and importance. The nonagricultural population had to be fed and clothed. He was the only means to this end; and this meant expansion of his operations, the felling of more forests, the bridging of more streams, the cultivation of more lands, the multiplication of hands to do the work, the advent of the hired man, wages, the enlarging of his entire field of operation to care for the broader and growing demands upon him by these increasing economic and social developments.

From the chrysalis of mere self-sufficiency, he found that his occupation as farmer had been transformed, without conscious effort upon his part, by the impact of commerce and industry upon it, into the business of agriculture. Primitive methods and practices no longer sufficed to meet the needs of the farm itself and at the same time to supply the increasing demands of the industrial population for agricultural products. The operation of the farm as a mere way of living had to give place to the operation of it as a business enterprise, because it now had become affected with a broad national interest.

While the "Immortal Trinity"—Webster, Clay, and Calhoun—each entering the outer rim of his setting sun—were still thundering their interpretations of the Constitution, its reaches and its limitations, forward-looking farm leaders, pioneers, and enlightened economists were launching the first efforts to organize public opinion in behalf of a movement to bring the Government itself to a realization of its proper relationship and duty toward this basic and vital occupation to the end that equity, equality, and justice by way of legislation might be had for American agriculture and for those engaged in it.

## LAND GRANT COLLEGE ACT

The first step in this direction took form of a demand upon the Congress for the establishment of a national system of education

for the practical, as contrasted to the cultural, preparation of farm boys for life work in agriculture and the mechanic arts. Incidentally, it may be of interest to know that this was the first successful attempt on a national scale to organize the agricultural opinion of the Nation. And it is illustrative of the tremendous innate power of agriculture when organized and directed by capable leadership.

Congress responded favorably, though paradoxically, in spite of the opposition of southern leadership.

In the early days of the Buchanan administration a bill was passed by the Congress establishing colleges for teaching agriculture and the mechanic arts in each of the States, with definitions of their duties and functions. It is one of the curious quirks in our agricultural history that Buchanan, the devoted disciple of Jefferson, who, by the way, was the first of American statesmen to understand the importance of agriculture in our scheme of economy and to give expression of the duty and proper relationship of the Government to it, vetoed the bill because he was unable to find in the Constitution any power in Congress to appropriate money for purposes of education or agriculture, a position as untenable to us of the liberal mind as was the recent dictum that "agriculture is a local and not a national affair."

This executive rebuff, fortunately, neither dismayed nor disorganized the supporters of this idea of a system of practical agricultural education. Rather, it served to stimulate their activity and to spur them into increased determination.

While all this was taking place, the tragic shot had been fired across Charleston Harbor—the shot that never should have been fired. The death struggle of conflicting ideals and interpretations—the "irrepressible conflict" had begun, to end only in 4 years of blood and tears on the fateful field of Appomattox. That mysterious, sad, awkward character, the most elusive to understanding of any character in history, a towering figure among the immortals, had become the President of the United States. The background of his life had been rural. He had walked and talked with the wayside children of poverty. The pioneer promoters of the ideals of an educated class were alert always to every situation that might further their cause. Even before Mr. Lincoln was nominated as the standard bearer of his party, they had committed him to the signing of any bill to carry out their purpose in this respect, and when the measure, in somewhat modified form, had passed the Congress, he had no hesitancy in affixing his signature thereto, and thus came into being the first fundamental Nation-wide act of Congress in behalf of American agriculture. This legislation is known to history as the Land Grant College Act, or the first Morrill Act of 1862.

From a study of the debates on the Morrill bill and of contemporary literature it is evident that the relationship of science to agriculture had not then entered into the organized thinking of the prevailing agricultural leadership of the Nation, and was not even a minor factor in promoting the enactment of this legislation. The dominant thought of this period was that a young man, strong in muscle, with the willingness to work from sun to sun, if educated in these newly organized institutions, furnished the kind of raw material necessary in the making of a successful farmer.

But this new system of agricultural education had not been in operation long before its deficiencies, its incompleteness, became apparent. The colleges were without foundation facts. After all the pains and efforts to make them practical, they found their curricula were more or less academic; and farm leadership quickly awoke to the fact that the system they had visualized as all-inclusive was far from complete, and that the magnificent cathedral of their dreams was unfinished.

It began to dawn upon them that there was a definite relationship between agriculture and science; that agriculture, in fact, was a science, operating in the field of production along scientific lines and influenced by scientific phenomena.

#### THE HATCH ACT OF 1887

And, now, they agreed that the time had come to broaden the bases of the original Morrill Act to provide for the organization of such supplemental institutions that should devote themselves solely to the finding and study of basic facts from which basic conclusions should be drawn both for the use of the colleges and for those upon the farm. They sought to team up science and agriculture, as nature seems to have intended. The response of the Congress was the passage of the Hatch Act of 1887, providing for our present system of agricultural experiment stations, whose splendid work has justified their establishment a thousand times over.

#### SMITH-LEVER ACT

Another quarter of a century was to pass before the motivating inspiration of the Morrill Act was to find itself in full fruition.

A great rural philosopher and teacher had been sent in 1903 to combat the advance of the Mexican boll weevil, which threatened the economic and social foundations of the South. The problem had defied the best brains of the country, but this man, Seaman A. Knapp, in characteristics much like another great rural philosopher we shall describe later, harnessed science and common sense into a working team and proved that he could maintain production of cotton under boll-weevil conditions and in doing so put into practice what has now become his world-famous method of demonstration teaching. A Republican in partisan, political affiliations, he was, in fact, a fundamental Democrat, with a fine understanding of the power and importance in the economic pattern of those at the foot of the ladder. He was firmly convinced, as was this other great leader mentioned, that the hope of American institutions was to be

found in the homes and about the hearthstones of the American rural people.

He was not satisfied to educate solely the privileged few. He took the Morrill ideal and democratized it to reach all the rural people, men and women, boys and girls, white and colored—everywhere in the country.

These monumental services in the South, the methods and philosophies used by him, were made the foundations upon which was built the Agricultural Extension Act of 1914, which has brought into fulfillment the vision of those great pioneer thinkers, who dreamed of a universal system of agricultural education.

And, now, after more than a half century, the rich, ripened fruits of their incomparable efforts are in our laps. It is a story of achievement as romantically entrancing as ever conceived in the imagination of the human mind.

My friends, I am sure you have been impressed with the fact that up to about that period, agriculture had been regarded by its leaders and by the legislation enacted by their influence, as a business, limited alone to production.

But, in the meantime, the Nation had grown from its statue of the period of the Morrill Act into a great world power, and its agriculture had grown from a business—a mere way of living—into "a kind of highly organized industry," taking on broad national and international implications and responsibilities. Necessarily, its problems multiplied both in number and complexity. Its very bigness—the biggest, single industry in the world—carried with it need for greatly enlarged capitalization, more and certain credits, and more adequate methods of distribution of production. And all future considerations of it, perforce, implied a comprehensive recognition of all the factors entering into it—production, finance, and distribution.

But, if in the interim agriculture had been undergoing a process of gradual evolution, so, also, had the methods of consideration of it, because, for nearly a decade, discerning students had begun to observe the emergence of a new type of rural economist and statesman. These newcomers brought into the atmosphere of rural thinking a new and broader approach. They seem to have begun to sense a kind of relationship of adequate finance and scientific distribution to a profitable agriculture and a happy and contented, rural life.

As early as 1907, the great teacher and apostle of the new agriculture and the new rural life of the South, Seaman A. Knapp, in his Declaration of Principles at Pinehurst, N. C., had included the organization of a system of agricultural banks to assist in his program of populating the country with thrifty home owners, and proclaiming rural homes to be "the royal rights of American sovereigns and more honorable than the Order of the Garter or the Golden Fleece."

It is a remarkable coincidence, that synchronizing almost to the day, another of the world's greatest agricultural statesmen, David Lubin, who had already done much preliminary work, was writing President Theodore Roosevelt, urging upon him that the establishment of a "system of cooperative credit associations would lift the southern producer of cotton and tobacco from the payment of 10 to 100 percent interest entailed by the crop lien system and give him money at 6 percent."

Such expressions from two of the world's foremost rural philosophers must be regarded as symbolic of the evolution taking place in the state of mind and attitude of the agricultural leadership in this transiting period. True, it was all nebulous and inchoate, unorganized and undirected, but that there was something taking place in and differently coloring the atmosphere of rural thinking was unmistakable and it proved a living, impelling force that gripped and challenged farm leadership.

As our David Lubin expresses it:

"There is no need to teach the farmer to blow his nose or his wife to dance a polka; make the business of farming profitable and there will be no need to worry about rural exodus," that "to grow two blades of grass where one grew before is good declamation, but may be disastrous business."

But this was abstract thinking. The time for organizing and directing public opinion into concrete action had come.

#### SOUTHERN COMMERCIAL CONGRESS

Fortunately, some years before, there had been brought about an organization in the South, well prepared to take the leadership and to direct the procedure for the investigation and study of one of the newly discovered phases of agriculture that had now become apparent to all students of it.

This organization bearing the title "The Southern Commercial Congress" had evolved out of the virile brain of a young southern schoolmaster whose rich imagination and penetrating vision had reached out in comprehensive grasp to a clear understanding of the problems of the rural South and, in fact, it was he who was largely responsible in creating the new coloring in the rural economic atmosphere to which we have alluded.

This young man, Dr. Clarence J. Owens, has grown into the genial and honored host of this delightful occasion. Time has not withered his enthusiasm nor slowed down his inherent, dynamic force.

It was in my first campaign for Congress that I came to know him. He was teaching in my district as president of the Orangeburg College and in the home town of my opponent. And he was so handsome, so full of himself, so self-reliant, so genial, so bubbling over with new ideas and new ideals, and so plausible in the presentation of them, and so energetic and tenacious in the pursuit of them, that I was certain that I had discovered in him that



unusual type of embryonic statesmanship that saw as its only objective the one thing—of service; service in its broad aspects.

And, my friends, 38 years have passed—38 years of examination and evaluation of the services rendered by the individuals of that great host, living and dead, who have crossed the pathway of my life—and, judging Dr. Owens and his work by the standard of his great preceptor, "the just weight and the just measure," I acclaim him now, as always he has been, a genuine genius in effective service to the South, with especial emphasis on his services to its agriculture and commerce.

It was his brilliant idea that brought David Lubin from Rome to take part in the discussions of the fourth annual convention of the Southern Commercial Congress, in the city of Nashville, April 1-6, 1912, the central theme of which was a study of farm finance and rural credits.

This convention was composed of leading economists and statesmen of the South, presided over by the late Senator Duncan U. Fletcher, who, while lacking in brilliancy or great originality of thought, yet, by his evenness of temper, his kindness, his great common sense, and his knowledge of southern men and southern affairs, was ideally fitted for the difficult task of helping fashion into definite form the intangible, undigested thinking of such a group.

#### DAVID LUBIN

David Lubin was the dominating spirit of the convention, and the importance of his wise initiative and guidance cannot be overestimated.

Lubin was a strange and picturesque character—a mystic, who believed himself predestined to return the Israel of old to the dominant leadership it held in the world of the Bible.

The spiritual underlain and overtones his thinking and colored his attitude toward men and the affairs of men. His thinking and philosophies were the outgrowth of a deeply embedded idealism, his objectives and methods were those of the practical realist. He preached the seemingly paradox of a union of ethics and economics, to use his own phrase.

From early manhood, the unequal struggle of agriculture had challenged his attention and enlisted his sympathies. The central thesis of his life was "Equality for Agriculture," especially the agriculture of the liberal democracies of the world.

The conviction that the hope of civilization was bedrocked upon the conservatism of agriculture inspired in him almost fanatical efforts in its behalf.

He believed in an agriculture of home owners; he feared the radicalism of the landless and the homeless, and the basis of his fight for a system of rural and landed credits, enabling him—the farmer—to finance his business on terms of equality with the merchant, was the overpowering belief that in the homes and about the firesides of the rural population are to be found the safeguards of democratic institutions and the impelling forces of progressive civilization.

His fight for a system of parcel post, his great efforts in behalf of equality in transportation for farmers, his years of struggle for the organization of the international institute of agriculture; his, for a long while, almost single-handed agitation for an American system of agricultural finance, and the final, but heroic, fight for a world chamber of agriculture, rooting itself back into the nations of all the world, are but the striking evidence of his faith in the stabilizing and mellowing influences of a contented agriculture in the affairs of the world.

To this great and mysterious Hebrew, he of the persecuted race, inspired by such mighty visions, the Nashville convention was both opportunity and Armageddon. His triumph was complete.

The convention was epoch making. It aroused and organized public opinion, mobilized agricultural leadership, and concentrated it upon the main objective. It enlisted the support of the President, the President-elect, and the dynamic former President, Theodore Roosevelt, and wrote its demands into the platforms of declaration of the three great political parties. It created its own commission to visit Europe for investigation, study, and report upon rural credit systems, and was primarily responsible for the creation by the Congress of a special commission to work in conjunction with it.

While the commission, under the wise and able leadership of our Dr. Clarence J. Owens, was at its work delving after facts, studying farm psychology, and getting a true picture of the agricultural European set-up and the effect upon it of the various types of farm-credit systems they found in operation, farm leaders at home and their ambitious congressional and senatorial friends rushed into sudden and great activity.

All sorts of ill-considered, half-baked suggestions and schemes were proposed, varying in type from direct Federal appropriation under bureaucratic distribution to the individual farmer to that of utilization of fourth-class postmasters as the channel for reaching the individual farmer with Federal largesses. The files of the United States Senate will show the introduction of a bill carrying out this latter proposition and a serious discussion upon it.

The predominant thought seems to have been a system of rural credits financed wholly out of Federal funds.

The idea of a system providing a plan of enabling the farmer to convert his land and other assets into means for the purposes of credit seems never to have entered into the minds of these seriously and honestly intentioned leaders.

But, my friends, this utter confusion in the minds of representative and responsible leadership at that time is neither surprising nor must it be regarded as any reflection upon the usual sound thinking of the statesmanship of that period. These leaders were without concrete facts upon which to base straight and sound thinking or from which to draw sound conclusions.

It is right here in this very connection that the joint commissions were able to perform their most far-reaching service and to make their most vital contributions to the cause of agricultural finance in this country. Had their reports veered in the slightest out of the channels of sound economics, the effect in the end could have been thoroughly disastrous.

A careful analysis of the recommendations of both commissions discloses how important may become the thinking of one or two men at critical turning points in history, and how such thinking, in fact, may fix the currents of history.

The fundamental life philosophies of two men shine out in these reports as clearly as a noonday sun in an unclouded sky.

The lives of David Lubin, the Jew, and Sir Horace Plunkett, the great Irish agricultural leader, had been built upon the foundations of self-help. Neither could look to any other source. Both lived amidst and were profound students of farm economics in the Old World. They had studied in great detail all of the then existing systems of farm finance, and had found that all which had stood the buffets of time had been built upon the same fundamental foundations—self-help through individual cooperative organization, sometimes operating independently, sometimes under governmental regulations, but always on the same basis of cooperative self-help.

The reports of the commissions crystallized public opinion and legislative thinking upon this idea as the basis for consideration of the question of farm finance, and the influence exerted is abundantly apparent in the finished product of congressional action.

And may I remark parenthetically, often I wonder if the future happiness of the peoples of the world might not be more definitely assured if each and all of us should begin now sincerely to embrace the philosophies and the fine spiritual doctrines of these wise old prophets?

These vital documents were not available for public use until in January 1914, but in the meantime important and far-reaching political events had taken place.

Woodrow Wilson had been elected President of the United States on a platform containing this pregnant and significant sentence: "Of equal importance with the question of currency reform is the question of rural credits or agricultural finance," with a recommendation for an investigation of European systems by some sort of commission.

The first efforts of the Wilson administration were in the direction of currency reform and revision of the tariff. When these had been accomplished, the President, too much the covenantor, either to forget or ignore a solemn pledge, and in the conscience and mind of this much misunderstood man a political platform declaration was the sacred pledge of the word, threw the force of his mighty personality into the fight to redeem this specific platform declaration.

My memory is not entirely clear (Dr. Owens may help to refresh it) how it came about that a joint committee, consisting of 12 Members of the House and Senate, chosen from the Agricultural and Banking Committees thereof, came to be appointed. My recollection inclines me to think it was the suggestion of the President. At any rate such a committee was appointed, and the doughty little warrior, CARTER GLASS, of Virginia, was appointed its chairman. He had already to his credit the authorship of the Federal Reserve Act.

The committee divided its work into two studies, one of personal rural credits, the other of land-mortgage loans.

The chairman of the latter committee was Senator Henry F. Hollis, of New Hampshire. The other members from the Senate were the blind Senator, Thomas P. Gore, and that great old character, Newton Nelson, of Minnesota. The House members were Michael Phelan, of Massachusetts; Everis A. Hayes, of California; and Asbury F. Lever, of South Carolina; and Carter Glass acted with the committee in an ex-officio capacity.

The Committee on Personal Rural Credits reported its inability to suggest any system of short-term credits suited to American conditions.

The Committee on Land Mortgage Loans was more fortunate. After months of intense labor and thorough exploration of the entire subject, it reported on January 4, 1916, its findings and submitted therewith a bill carrying out its recommendations.

The bill suggested two types of banks—the Federal land bank, regional in its operation and built upon the principle of self-help through cooperative farm organizations and capitalized ultimately and automatically by the borrowing farmers themselves; and the joint-stock land bank, privately capitalized and operating under governmental regulations.

This suggested bill went to the Banking and Currency Committees of the two Houses, of which GLASS was chairman of the House committee and Owen of the Senate committee. These committees, using the joint committee bill as a working model, labored long and earnestly, and in the end, though greatly improving it in details, recommended the adoption of the joint committee bill in all of its substantial and fundamental features.

When the bill reached the President and he had decided to sign it, he invited in to witness this event a number of those who had taken

leading and active parts in bringing this long effort to its final conclusion. This was on July 17, 1916.

I have before me, as I dictate, a photograph entitled "Signing the Great Charter of American Farm Finance," subtitle "Historic Scene in the Executive Office at the White House, Washington, D. C., July 17, 1916. When the President of the United States, Woodrow Wilson, Signed the Federal Farm Loan Act" (previously it was called the rural-credits bill).

The President is at his desk, with pen in hand, writing; the desk is littered with papers and documents; in the center is a vase of roses. Standing immediately in front of him, dressed in white, his left hand in his pocket and his right thumb hooked into his belt, is CARTER GLASS, the finest and most courageous thinker in the parliamentary history of America. Near him is Congressman BARKLEY, now the Democratic leader of the Senate. Immediately behind him is Wingo, of Arkansas, now passed into the beyond. By his side stands your speaker; and standing with him, the only lady in the room—who she was, I know not. And then, immediately to the right of the President, is Senator Robert Owen, and to his left, Governor Ruby, of Missouri, and by his side the massive Senator Hoke Smith, and then Phelan, and next that fine, old statesman Senator Fletcher, and then Herbert Myrick. Immediately to his rear is Harvie Jordan, leader of the Farmers' Union, and to his left is seen the tall, impressive figure of McAdoo, Secretary of the Treasury and a tower of strength in this effort; immediately in front of him, with head bowed, beginning to show the weight of years, is David Lubin, the Jew, whose face indicates the joy he felt. Immediately behind him is Senator Pomerene, and to his right, Senator Hollis, whose work has never been given the credit it deserves; and to his left, Senator Gronna, who introduced the first resolution to send a commission to Europe. Standing immediately in front of him, head raised, shoulders back, evidently filled with pride in the part he had taken, is the honored host of this occasion, Clarence J. Owens.

Indeed, it was a historic scene; indeed, it was the signing of the great charter of American farm finance, the beginning of a new day in the relationship of the Government to the agriculture of the Nation, because, remember, that all subsequent enactments to broaden the reaches of the Federal Farm Loan Act have only supplemented and dovetailed into it. It is the parent, pioneer legislation from which has come our present system of farm credits, the most comprehensive and complete system of farm finance in the history of the world.

To these pioneer heroes we bring salutations and profoundest gratitude. They wrought well. You wrought well, Dr. Owens.

But your work is not finished. The field of farm distribution lies at your feet. It sends out its challenge. Your history records that a challenge to you is as meat and drink to the hungry and the thirsty.

I thank you.

## Foreclosures Under Farm Bankruptcy Act

### EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

### OPINION OF SUPREME COURT

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a recent opinion of the Supreme Court of the United States in which they reverse the Supreme Court of the State of Wisconsin in regard to a case under the Farm Bankruptcy Act.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States. Nos. 120, 121—October Term, 1939, 120, Ernest Newton Kalb and Margaret Kalb, his wife, appellants, versus Henry Feuerstein and Helen Feuerstein, his wife. 121, Ernest Newton Kalb, appellant, versus Roscoe R. Luce, Henry Feuerstein, Helen Feuerstein, and George O'Brien. Appeals from the Supreme Court of the State of Wisconsin. January 2, 1940] Mr. Justice Black delivered the opinion of the Court.

Appellants are farmers. Two of appellees, as mortgagees, began foreclosure on appellants' farm<sup>1</sup> March 7, 1933, in the Walworth

(Wis.) County Court; judgment of foreclosure was entered April 21, 1933; July 20, 1935, the sheriff sold the property under the judgment; September 16, 1935, while appellant Ernest Newton Kalb had duly pending<sup>2</sup> in the bankruptcy court a petition for composition and extension of time to pay his debts under section 75 of the Bankruptcy Act (Frazier-Lemke Act),<sup>3</sup> the Walworth County Court granted the mortgagees' motion for confirmation of the sheriff's sale; no stay of the foreclosure or of the subsequent action to enforce it was ever sought or granted in the State or bankruptcy court; December 16, 1935, the mortgagees, who had purchased at the sheriff's sale, obtained a writ of assistance from the State court; and March 12, 1936, the sheriff executed the writ by ejecting appellants and their family from the mortgaged farm.

The questions in both No. 120 and No. 121 are whether the Wisconsin County Court had jurisdiction, while the petition under the Frazier-Lemke Act was pending in the bankruptcy court, to confirm the sheriff's sale and order appellants dispossessed, and, if it did not, whether its action in the absence of direct appeal is subject to collateral attack.

No. 120. After ejection from their farm, appellants brought an action in equity in the Circuit Court of Walworth County, Wis., against the mortgagees who had purchased at the sheriff's sale, for restoration of possession, for cancellation of the sheriff's deed, and for removal of the mortgagees from the farm. Demurrer was sustained for failure to state a cause of action and the complaint was dismissed. The Supreme Court of Wisconsin affirmed.<sup>4</sup>

No. 121 is a suit at law in the State court by appellant Ernest Newton Kalb against the mortgagees, the sheriff, and the county court judge who confirmed the foreclosure sale and issued the writ of assistance. Damages are sought for conspiracy to deprive appellant of possession, for assault and battery, and for false imprisonment. As in No. 120, demurrer was sustained, and the Supreme Court of Wisconsin affirmed.<sup>5</sup>

In its first opinion the Supreme Court of Wisconsin said: "It is the contention of the plaintiff [mortgagor] that this statute is self-executing, that is, that it requires no application to the State or Federal court in which foreclosure proceedings are pending for a stay; in other words, that it provides for a statutory and not for a judicial stay. Plaintiff's claims under the Bankruptcy Act present a question which clearly arises under the laws of the United States and therefore present a Federal question upon which determination of the Federal courts is controlling." Addressing itself solely to this Federal question of construing the Frazier-Lemke Act, the Wisconsin court decided that the Federal act did not itself as an automatic statutory stay terminate the State court's jurisdiction when the farmer filed his petition in the bankruptcy court. Since there had been no judicial stay, it held that the confirmation of sale and writ of assistance were not in violation of the act.

Appellees insist, however, that the Wisconsin court on rehearing rested its judgment on an adequate non-Federal ground. If that were the fact, we would not, under accepted practice, reach the State court's construction of the Federal statute.<sup>6</sup> The statement on rehearing relied on as constituting the non-Federal ground was: "We need not consider nor discuss the question whether the Congress has power to divest the jurisdiction of a State court which has once attached. That question is not presented by this record. It would seem from a consideration of section 75 as amended that the filing of the petition automatically operated to extend the period of redemption. It is possible that that state of facts if made to appear would make the order of the trial court erroneous but the order would be within the power of the court to make. No appeal having been taken, no showing having been made in the State court, an order of sale having been confirmed and the purchaser put in possession, the plaintiff is in no position to claim that the order of the circuit court is void."

But if appellants are right in their contention that the Federal act of itself, from the moment the petition was filed and so long as it remained pending, operated, in the absence of the bankruptcy court's consent, to oust the jurisdiction of the State court so as to stay its power to proceed with foreclosure, to confirm a sale, and to issue an order ejecting appellants from their farm, the action of the

<sup>1</sup> October 2, 1934, the petition was filed and approved. June 27, 1935, the petition was dismissed, but September 6, 1935, it was reinstated and the order of dismissal was vacated pursuant to the second Frazier-Lemke Act, 11 U. S. C. 203, sec. 5.

<sup>2</sup> 11 U. S. C. 203.

<sup>3</sup> —Wis. —.

<sup>4</sup> Demurrer to one count against the sheriff for assault and battery was overruled, but the Supreme Court of Wisconsin reversed as to this count. The opinion of the court upholding the demurrer appears in *Kalb v. Luce* (223 Wis. 519, 279 N. W. 685). Appeal to this court was dismissed because no final judgment had been entered (305 U. S. 566). Upon remand the State circuit court dismissed, the Supreme Court of Wisconsin affirmed, "for the reasons \* \* \* stated" in its opinion in *Kalb v. Luce*, supra (—Wis. —), and the appeals here are from the judgments of dismissal (—U. S. —).

<sup>5</sup> *Honeyman v. Hanan* (300 U. S. 14, 18), *Lynch v. New York ex rel. Pierson* (293 U. S. 52, 54), *Enterprise Irrigation District v. Farmers Mutual Canal Co.* (243 U. S. 157, 164), *Hammond v. Johnson* (142 U. S. 73).

<sup>1</sup> In both No. 120 and No. 121, the complaints alleged that appellant Kalb and his wife executed the mortgage. In No. 120 both Kalb and his wife were alleged to be owners of the farm, while in No. 121 appellant Kalb was alleged to be the owner.



Walworth County Court was not merely erroneous but was beyond its power, void, and subject to collateral attack. And the determination whether the act did so operate is a construction of that act and a Federal question.

It is generally true that a judgment by a court of competent jurisdiction bears a presumption of regularity and is not thereafter subject to collateral attack.<sup>7</sup> But Congress, because its power over the subject of bankruptcy is plenary, may by specific bankruptcy legislation create an exception to that principle and render judicial acts taken with respect to the person or property of a debtor whom the bankruptcy law protects nullities and vulnerable collaterally.<sup>8</sup> Although the Walworth County Court had general jurisdiction over foreclosures under the law of Wisconsin,<sup>9</sup> a peremptory prohibition by Congress in the exercise of its supreme power over bankruptcy that no State court have jurisdiction over a petitioning farmer-debtor or his property, would have rendered the confirmation of sale and its enforcement beyond the county court's power and nullities subject to collateral attack.<sup>10</sup> The States cannot, in the exercise of control over local laws and practice, vest State courts with power to violate the supreme law of the land.<sup>11</sup> The Constitution grants Congress exclusive power to regulate bankruptcy and under this power Congress can limit the jurisdiction which courts, State or Federal, can exercise over the person and property of a debtor who duly invokes the bankruptcy law. If Congress has vested in the bankruptcy courts exclusive jurisdiction over farmer-debtors and their property, and has by its act withdrawn from all other courts all power under any circumstances to maintain and enforce foreclosure proceedings against them, its act is the supreme law of the land which all courts—State and Federal—must observe. The wisdom and desirability of an automatic statutory ouster of jurisdiction of all except bankruptcy courts over farmer-debtors and their property were considerations for Congress alone.

We think the language and broad policy of the Frazier-Lemke Act conclusively demonstrates that Congress intended to, and did deprive the Wisconsin county court of the power and jurisdiction to continue or maintain in any manner the foreclosure proceedings against appellants without the consent after hearing of the bankruptcy court in which the farmer's petition was then pending.<sup>12</sup> The act expressly provided:

"(n) The filing of a petition \* \* \* shall immediately subject the farmer and all his property, wherever located \* \* \* to the exclusive jurisdiction of the court, including \* \* \* the right or the equity of redemption where the period of redemption has not or had not expired, \* \* \* or where the sale has not or had not been confirmed," and "In all cases where, at the time of filing the petition, the period of redemption has not or had not expired, \* \* \* or where the sale has not or had not been confirmed, \* \* \* the period of redemption shall be extended or the confirmation of sale withheld for the period necessary for the purpose of carrying out the provisions of this section"; and

"(o) Except upon petition made to and granted by the judge after hearing and report by the conciliation commissioner, the following proceedings shall not be instituted, or if instituted at any time prior to the filing of a petition under this section, shall not be maintained, in any court or otherwise, against the farmer or his property, at any time after the filing of the petition under this section, and prior to the confirmation or other disposition of the composition or extension proposal by the court:

"(2) Proceedings for foreclosure of a mortgage on land, or for cancellation, rescission, or specific performance of an agreement for sale of land or for recovery of possession of land;

"(6) Seizure, distress, sale, or other proceedings under an execution or under any lease, lien, chattel mortgage, conditional sale agreement, crop-payment agreement, or mortgage.

"(p) The prohibitions \* \* \* shall apply to all judicial or official proceedings in any court or under the direction of any official, and shall apply to all creditors, public or private, and to all of the debtor's property, wherever located. All such property shall be under the sole jurisdiction and control of the court in bankruptcy, and subject to the payment of the debtor farmer's creditors, as provided for in section 75 of this act."

<sup>7</sup> No. 122, *Chicot County Drainage District v. The Baxter State Bank*, this day decided; *Stoll v. Gottlieb* (305 U. S. 165, 171, 172); *Dovell v. Applegate* (152 U. S. 327, 340).

<sup>8</sup> *Valley v. Northern Fire Ins. Co.* (254 U. S. 348, 353-354); and compare *Elliott et al. v. The Lessee of Piersol et al.* (1 Pet. 328, 340); *Williamson et al. v. Berry* (8 How. 495, 540, 541, 542).

<sup>9</sup> Laws of Wisconsin, 1907, chap. 234.

<sup>10</sup> *Valley v. Northern Fire Ins. Co.*, supra, 355; cf. *Taylor v. Sternberg* (293 U. S. 470, 473).

<sup>11</sup> *Hines v. Lowrey* (305 U. S. 85, 90, 91); *Davis v. Wechsler*, (263 U. S. 22, 24).

<sup>12</sup> That a State court before which a proceeding is competently initiated may—by operation of supreme Federal law—lose jurisdiction to proceed to a judgment unassailable on collateral attack is not a concept unknown to our Federal system. See *Moore v. Dempsey* (261 U. S. 86). Cf. *Johnson v. Zerbst* (304 U. S. 458).

Thus Congress repeatedly stated its unequivocal purpose to prohibit—in the absence of consent by the bankruptcy court in which a distressed farmer has a pending petition—a mortgagee or any court from instituting, or maintaining if already instituted, any proceeding against the farmer to sell under mortgage foreclosure, to confirm such a sale, or to dispossess under it.

This congressional purpose is more apparent in the light of the Frazier-Lemke Act's legislative history. Clarifying and altering the sweeping provisions for exclusive Federal jurisdiction in the original act,<sup>13</sup> Congress made several important changes in 1935.<sup>14</sup> It was then that subsection (p) was amended so that the prohibitions in subsection (o) of any steps against a farmer-debtor or his property once his petition is filed were made specifically applicable "to all judicial or official proceedings in any court or under the direction of any official, and \* \* \* to all creditors, public or private, and to all of the debtor's property, wherever located. All such property shall be under the sole jurisdiction and control of the court in bankruptcy, and subject to the payment of the debtor-farmer's creditors, as provided for in section 75 \* \* \*."

As stated by the Senate Judiciary Committee in reporting these amendments: " \* \* \* subsection (n) brings all of the bankrupt's property, wherever located, under the absolute jurisdiction of the bankruptcy court, where it ought to be. Any farmer who takes advantage of this act ought to be willing to surrender all his property to the jurisdiction of the court, for the purpose of paying his debts, and for the sake of uniformity."

"The amendment to subsection (p) further carries out the amendment to subsection (n) and places the sole jurisdiction of the bankrupt's estate and of his obligations all in the bankruptcy court, without exception."<sup>15</sup>

The congressional purpose is similarly set out in the House Judiciary Committee's report: "The amendment to subsection (n) in fact construes, interprets, and clarifies both subsections (n) and (o) of section 75. By reading subsections (n) and (o) as now amended in this bill, it becomes clear that it was the intention of Congress when it passed section 75, that the farmer-debtor and all of his property should come under the jurisdiction of the court of bankruptcy, and that the benefits of the act should extend to the farmer, prior to confirmation of sale, during the period of redemption, and during a moratorium, and that no proceedings after the filing of the petition should be instituted, or if instituted prior to filing of the petition, should not be maintained in any court, or otherwise."<sup>16</sup>

Congress set up in the act an exclusive and easily accessible statutory means for rehabilitating distressed farmers who, as victims of a general economic depression, were without means to engage in formal court litigation. To this end, a referee or conciliation commissioner was provided for every county in which 15 prospective farmer-debtors requested an appointment, and express provision was made that these commissioners should "upon request assist any farmer in preparing and filing a petition under this section and in all matters subsequent thereto arising under this section and farmers shall not be required to be represented by an attorney in any proceeding under this section."<sup>17</sup> In harmony with the general plan of giving the farmer an opportunity for rehabilitation, he was relieved—after filing a petition for composition and extension—of the necessity of litigation elsewhere and its consequent expense. This was accomplished by granting the bankruptcy court exclusive jurisdiction of the petitioning farmer and all his property with complete and self-executing statutory exclusion of all other courts.

The mortgagees who sought to enforce the mortgage after the petition was duly filed in the bankruptcy court, the Walworth County Court that attempted to grant the mortgagees relief, and the sheriff who enforced the court's judgment were all acting in violation of the controlling act of Congress. Because that State court had been deprived of all jurisdiction or power to proceed with the foreclosure, the confirmation of the sale, the execution of the sheriff's deed, the writ of assistance, and the ejection of appellants from their property—to the extent based upon the court's actions—were all without authority of law. Individual responsibility for such unlawful acts must be decided according to the law of the State. We therefore express no opinion as to other contentions based upon State law and raised by appellees in support of the judgments of the Supreme Court of Wisconsin.

Congress manifested its intention that the issue of jurisdiction in the foreclosing court need not be contested or even raised by the distressed farmer-debtor. The protection of the farmers was left to the farmers themselves or to the commissioners who might be laymen, and considerations as to whether the issue of jurisdiction was actually contested in the county court,<sup>18</sup> or whether it could have been contested,<sup>19</sup> are not applicable where the plenary power of Congress over bankruptcy has been exercised as in this act.

<sup>13</sup> 47 Stat. 1470, sec. 75.

<sup>14</sup> 49 Stat. 942, 943.

<sup>15</sup> S. Rept. No. 985, 74th Cong., 1st sess.

<sup>16</sup> House Report No. 1808, 74th Cong., 1st sess.

<sup>17</sup> 47 Stat. 1473 (q).

<sup>18</sup> *Stoll v. Gottlieb*, supra.

<sup>19</sup> *Chicot County Drainage District v. The Baxter State Bank*, supra.

The judgments in both cases are reversed and the causes are remanded to the Supreme Court of Wisconsin for further proceedings not inconsistent with this opinion.

Reversed.

## The Foreign-Trade Zone of New York

### EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

### IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on December 9, 1939:

Come with me on a visit to the free port at Stapleton, Staten Island, the only enterprise of its kind in the United States and one which is rapidly justifying the optimistic expectations of its sponsors and others who waged a long and unceasing fight for its establishment.

Before we pass through its gates, however, we should pause and recall that the free port—or the foreign-trade zone as it is known officially—has been in business less than 3 years. For half of that period it was operated by a private corporation, the New York Foreign Trade Zone Operators, Inc., which functions under a 20-year contract granted by the board of estimate.

We have often heard of the free port of Copenhagen, the free port of Danzig, and many others. Now we have the free port of New York—thanks to my foreign-trade-zone bill, which became law in 1934. I fought for the passage of that bill for many years. The fine record already established for the free port at New York is ample reward for my efforts. Tribute must be paid to Mayor LaGuardia and his able commissioner of docks, Mr. John McKenzie, for their unstinting labors in making the experiment an outstanding success. I would be remiss if I did not also pay tribute to the Honorable Newbold Morris, president of the New York City Council, who has rendered yeoman service to the building up of the free port.

At the outset, let it be understood that a free port has nothing to do with free trade. It is a zone limited generally to foreign commerce and trade. It is a policed, segregated area on Staten Island, where goods, imported free of duty and customs supervision, may be graded, sorted, manipulated, mixed, with domestic material, repacked, reclassified, warehoused, stored, or labeled. Such goods are subject to duty only when released from the zone into domestic commerce. If such goods are transshipped to foreign territory, no duty is imposed. As far as customs are concerned, the zone is foreign territory.

At present the free port includes four of the piers constructed during the administration of the late Mayor John F. Hylan at the conclusion of the World War two decades ago. For many years these piers were known as white elephants; they represented a dead investment on which the city realized virtually no return.

Would that the late Mr. Hylan could accompany us as we walk into the free port today and observe the amazing transformation that has come over these erstwhile white elephant piers during the past 18 or 19 months. I have made many visits to Stapleton since the foreign-trade zone was opened. I am agreeably astonished at the volume of industry and the extent of activities now centered there.

When President Roosevelt signed my bill he expressed the hope to me that four free ports might be set up—two on the Atlantic coast and one on the Gulf of Mexico and one on the Pacific coast. The New York free port is now well established. It is hoped the three other free ports yet to be established will follow the successful example of New York's zone.

We see at the New York free port such diversified commodities as hides and silver-fox furs, tobacco from Sumatra, brandy from South Africa, tungsten ore from China, corned beef from the Argentine, and rugs from distant Iran. We see cognacs and champagnes from the vineyards of France, whisky from the distilleries of Ireland, linoleum from Italy, and sisal fiber from Yucatan. Here are untold thousands of pounds of nuts from the jungles of Brazil, delicate watch parts from Switzerland. We also see the strong room in which is kept a valuable shipment of diamonds from the Netherlands.

All around us is the bustle of men at work loading and unloading cargoes between steamships and the docks. Groups of girls are busy attaching keys and labels to cans of cooked meats. The most

spectacular sight in the zone is the thousands of boxes, crates, and lift vans containing the furniture and personal effects of central European refugees fleeing the terrors of dictatorships. It is a vivid yet pathetic commentary on the European situation. What a human and vital need is thus served by the zone. In addition to its value as a halfway house of commerce, the free port, we see, is an enterprise that provides employment to many of our citizens.

Just how is the free port used by shippers, importers, and exporters? Let us examine this cargo of South American meat. The firm which brings these meats to the trade zone began with a shipment of 17 tons. It now ships approximately 350 tons through the zone each month. These shipments have brought substantial business to manufacturers of the cardboard cartons in which the cans are packed for distribution among wholesalers throughout the United States. Printers and lithographers turn out the millions of labels that are pasted on the cans before they are packed, and wire manufacturers furnish the keys which are attached to the metal containers. All this business, of course, goes to American firms. The corned-beef operation at the free port, consequently, has resulted not only in employment for men and women at the zone but in new purchases of manufactured American products.

The silver-fox furs and the sheepskin hides we have seen represent an important development of American commerce. They indicate that this country is at least regaining one world market it lost some years ago and is winning another world market which in the past has always been located in Europe.

For many years the port of New York had been the hide market of the world. It lost this market to Holland; hides from South America and from the Far East were shipped to Holland instead of to New York, and buyers from the world around were compelled to travel to that country to make their extensive purchases. The free port is bringing the hide market back to this city. The facilities of the foreign-trade zone were the magnet that induced the important industry to return to its former abode.

The fur market of the world was long established in Leipzig, Germany. Some years ago it was transferred to Leningrad, Russia, and about 6 months ago it was shifted to London. Fur buyers traveled from every country to the capital of Britain to attend the auction sales on silver foxes and other costly skins. Only recently this market was moved across the Atlantic to the foreign-trade zone on Staten Island. Auctions will be held at the zone from time to time and the foreign buyers will henceforth come to New York to purchase their furs instead of going to Europe.

The experience of the importers of Brazil nuts demonstrates the fashion in which the free port is proving its worth as a money saver to persons and corporations engaged in foreign commerce. A year ago one of our largest importers of this product shipped in bulk some 3,000 tons of Brazil nuts which were to be cured at the zone. The nuts arrived in April and remained in the cooled space until October 1. By this time they showed a shrinkage of something like 15 to 20 percent which the importer saved in duty, as he paid the Government duty on the weights discharged into customs territory and ready for marketing, not on the weights which were brought into the zone.

So successful was this importer's first experience that this year the tonnage was increased to 5,000 tons or 10,000,000 pounds. Here again the shipments bring wages to Staten Island residents, since, besides the longshoremen and warehousemen who are required to move the cargoes, it usually takes about 150 girls to go through an entire shipment to select and grade these Brazil nuts before they can be marketed.

An experiment is at this moment being tried out at the free port by a large organization which has perfected a machine for shelling cashew nuts. If this test shows the satisfactory results that are anticipated the shelled nuts will be put up in packages and the hulls sent to a processing plant where the shells will be crushed and the oil which they contain will be used for various purposes. Here again, additional labor will be called for, all new to the United States.

The South African brandy was sent to the foreign-trade zone direct from South Africa in order that it might be reduced to 85 proof, which is the standard strength of brandy, and bottled. The bottles, of course, are American. The labor is also American.

Wines of old vintage are sent to the foreign-trade zone from Europe, and liquors, cognacs, and champagnes are shipped here for aging.

Especially to the importer of Persian rugs is the foreign-trade zone a useful point of shipment. Persian rugs, the genuine article, are very expensive. When they are bought the importer in reality does not know the condition of the rugs upon their arrival in this country. However, in the foreign-trade zone and nowhere else in the entire United States, he is permitted to open up the bales and examine their contents. If the rugs are flawless they are brought into customs territory and sent out to the retail stores. Should they be marred in any way they are sent back to the country of origin.

The same situation applies to the importation of linoleum from Italy. Let me cite a recent case in which one of the largest importers of this floor covering suffered a very serious financial loss



due to the fact that the shipment was sent to a warehouse and was not examined upon arrival here. After this particular lot had been sold at San Francisco and the rolls opened, it was found that the print had run. The entire shipment was refused and the importer had no redress because in the warehouse where they were stored he did not have the privilege of examining the goods, and, as a result, there was nothing left for him to do but take the loss. When the linoleum is stored at the free port the importer may examine it at any time and withhold payment on his shipments until he is satisfied that they are in perfect condition. Only the free port makes such transactions possible.

A shipment of diamonds valued at nearly \$200,000 was sent to the foreign trade zone recently by airplane parcel post. The 8,000 stones comprising the shipment were sorted and graded, duty was paid on the pieces which were entered into the United States, and the balance was exported to Latin-American countries. During the time that these diamonds were in the zone the customary customs guards were on hand and 6 special watchmen were assigned as a precaution against anything happening to this shipment. Of course, guards and watchmen protect all commodities at the zone, but in this case the operators had to take special precautionary measures because of the value of the jewels.

The watch trade has found employment at the zone through the importation of Swiss movements which are fitted in cases of American production. The completed watch is then sent into the United States after payment of duty.

Motion-picture films come to the zone from all over the world. Here they are clipped and then reexported to countries demanding the various series of pictures that are cataloged. In this way the duty is saved.

Recently the United States Government closed contracts for the very valuable tungsten ore. This ore is now being concentrated in the foreign-trade zone pending orders for shipment to points specified by the Government.

At the present moment there is more than \$1,500,000 worth of Sumatra tobacco at the zone. It is stored in specially constructed rooms for one of the largest cigar manufacturers in the United States.

The free port serves as an important transshipment point. This fact is attested by the thousands of tons of such commodities as sisal, or ixtle, and soybeans, which arrive here annually for transshipment to European countries. This operation alone requires the services of approximately 250 men for many days at a stretch in the unloading and loading of the ships which arrive directly in the zone.

There is one activity at the free port which is not widely known. This is the storage, duty-free, of historic and valuable books from universities in the war area of Shanghai, China, which have been sent here for safekeeping. They will be returned to the shelves from which they were plucked after the hostilities in the Far East are ended.

One of the special features of the zone's operation which requires a great deal of labor is the examination of woollens shipped from England, Japan, and other countries. The bolts are put on spindles, placed in the light, and turned on rollers so that imperfections show up to the examiner. When faults in the cloth are found, the bolts are laid aside and returned to the port of origin. Such bolts as are in satisfactory condition and are acceptable to the inspector are brought into customs territory or else reexported to foreign countries. Here, as in the case of the rug and linoleum shipments, the importer again is afforded protection by the free port against the necessity of accepting and paying for unsatisfactory commodities.

Department stores are beginning to use the zone to save the expense of sending buyers abroad for selection of merchandise. Traveling costs are cut by having the manufacturers in Europe send samples of their wares directly to the zone, where the buyers select the items they desire and the balance is returned to the manufacturers. Recently some manufacturers shipped quantities of dresses to the zone. Those selected for American stores by domestic buyers were kept in this country and the remainder of the shipment was sent back to Europe.

Manufacturers of various commodities in Europe are taking advantage of the foreign-trade zone on an ever-mounting scale. Some have sent their merchandise to Stapleton and have used the receipts from sales at the zone to serve as deposits in the various import banks on which money is borrowed for the purchase of other products, including foodstuffs, for export back to Europe. This operation in itself is a gigantic one. It opens the door to an entirely new avenue of commerce which may prove of substantial benefit to United States industries and farmers.

As was pointed out to me recently by Thomas E. Lyons, distinguished and splendid executive secretary of the Foreign Trade Zone Board at Washington, a Scandinavian exporter brought pictures and picture frames to the zone. These arrived at different dates, by different vessels, and under different tariff classifications. Ordinarily each lot would have to be entered separately, but, by using the zone, pictures and frames were assembled and were then entered under a single entry. The benefits of a single entry are obvious. Not only that, but case lots were broken down, not permissible in bonded warehouses, and buyers were able to inspect individual

pictures and frames and give orders for preferred combinations for assembly before delivery.

A well-known explorer recently used the zone to collect and prepare his equipment for an extended trailer journey through Asia. Much of his equipment was highly dutiable, had it entered customs territory, and in this regard the zone was of real service to him.

In our brief tour of the foreign-trade zone we have seen enough of its varied activities to warrant our belief that the zone has proved its worth as a stimulant to foreign and domestic commerce. One marvels at the thought that only 2 or 3 years ago these piers were a dreary void, empty of cargoes and of men, while today they accommodate shipments to the value of approximately \$15,000,000. During the month of October 1939, \$32,800 has been paid out in wages to approximately 908 men and women. The zone has stimulated not only the commercial life of our Nation and of many nations in other parts of the world, but also the trade of the neighborhood shopkeepers on Staten Island and elsewhere in our city, who have benefited by the added patronage brought about through the increased employment of local residents.

And so the zone is prospering, bringing revenue to the city from the receipts at the piers and income to the Federal Government in customs duties paid on commodities brought into the country. There is, however, one draw-back which clouds to some extent the optimism with which the zone's operators face the future. This single cloud is one which may be removed virtually at will by the city administration.

The foreign-trade zone is filled to capacity by the commerce which occupies its present facilities. It has orders for additional business which cannot be accepted because there is no space to accommodate any further shipments. Some of these orders require specialized types of facilities, with which the zone is not at present equipped. It needs these facilities badly; there is no reason why it should have to operate without them.

The zone needs refrigerated storage quarters and tanks for storage of vegetable oil. It needs a building with apparatus for various kinds of manipulations. Funds for these improvements were authorized by the Works Progress Administration about a year ago, but the construction work has not yet been started. I have been unable to ascertain the cause of the delay, but I am confident that the deadlock can be broken by a display of the usual aggression of our courageous mayor on this matter.

I urge Mayor LaGuardia to sever the knots in the red tape that is keeping the foreign-trade zone from fulfilling its destiny. The mayor was one of the earliest and most active sponsors of my bill. He spared no energy in obtaining the Federal certificate which enabled the city of New York to establish the zone. Now, I believe, the situation demands a renewal of the activity which the mayor displayed at Washington over 3 years ago. The interests of the city of New York, as well as those of the New York foreign-trade-zone operators, are at stake today; those interests must not be permitted to languish. The zone needs those new facilities to carry on and expand its excellent work. New York City needs the zone to pour new lifeblood into the arteries of this Nation's commerce.

### Tribute to the Late Representative William I. Sirovich

#### EXTENSION OF REMARKS

OF

#### HON. EMANUEL CELLER

OF NEW YORK

#### IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

Mr. CELLER. Mr. Speaker, my good friend and colleague, WILLIAM I. SIROVICH, is with us no more. His untimely demise a number of weeks ago brought to a close the brilliant career of one who combined within himself the virtues of a great leader, an outstanding American, and a true statesman.

His profound intellect and persuasive eloquence were known even beyond the Halls of Congress, which he had adorned with honor for many years.

His sympathies were always with the underprivileged, the poor, and the oppressed. Their problems were his problems, and he died as he had lived, working in their interests.

Our good friend was a true soldier in the service of humanity. A lifetime of good deeds will be an everlasting tribute to his memory.

## The "City of Flint"

## EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

STATEMENT BY CAPT. JOSEPH A. GAINARD, OF THE "CITY OF FLINT"

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Capt. Joseph A. Gainard, of the *City of Flint*, which appeared in the Washington Star of Sunday, January 28. There is so much interest in the dramatic and vitally important incident of the capture of the *City of Flint* by the Germans and people are anxious for every bit of information they can secure. The article follows:

[From the Washington Sunday Star of January 28, 1940]

"CITY OF FLINT'S" CAPTAIN TELLS THRILLING STORY OF WANDERINGS—FREIGHTER AT BALTIMORE, WEATHER-BEATEN, RUSTY AFTER 114-DAY VOYAGE

(By Garnett D. Horner)

BALTIMORE, January 27.—The steamship *City of Flint* brought back from the fringes of Europe's war today her thrill-packed story of nerve-wracking adventures in a grim international game of hide and seek.

A sailor's respect for the Germans who captured the American freighter and contempt for discourteous and uncooperative Russians mingled with praise for the hospitality of the Norwegians who restored the vessel to the United States flag in the tales told by Capt. Joseph A. Gainard and his crew of 40.

The weather-beaten, rusty, and ice-incrusted freighter docked in Baltimore Harbor shortly before noon to end a voyage that began in New York last October 3 as an ordinary trip to England and back, but was stretched out to 114 days by the adventures of war.

Captured by the German pocket battleship *Deutschland* 6 days out of New York, taken by a Nazi prize crew into the Russian Arctic port of Murmansk for 5 days, and then headed through the British blockade toward Germany, the vessel finally was returned to its American crew when its German captors violated international law by stopping in a Norwegian port.

## TENSE MOMENTS RECALLED

But there was a time when Captain Gainard did not know if there would be any *City of Flint* to bring back to American shores—and there would not have been but for the "splendid" behavior of his crew under "trying circumstances," the grim-jawed, soft-spoken skipper said.

"If we had not held ourselves in restraint—not doing the things an American feels like doing under those circumstances—we could have had plenty of trouble and there probably would not have been any *City of Flint*," Captain Gainard told reporters in talking about the weeks his ship was in control of the Nazi prize crew. The Germans had threatened to sink the freighter if there was any resistance.

His sailors in the forecabin recalled a tense moment when a spotlight from a British cruiser also cast doubt on the *City of Flint's* future. That incident occurred during the last days of the German "occupancy," when the freighter was threading its way among the fjords down the Norwegian coast toward Germany.

"The whole ship was suddenly lighted up by a searchlight of a British cruiser flashed on us from a few hundred yards away," said William Taylor, an engine-room wiper from Nashville, Tenn. "The Germans knew it was a 'limey' cruiser and they ducked for cover in a hurry."

"But a little 85-foot Norwegian gunboat that was tagging along with us poked her nose right at the Britisher, flashed her own searchlights over her, and told her to 'get out—these are neutral waters.' And the limey got out."

There had been fears that the American freighter might be the victim of an attempt by the British Navy to try to take her from the Nazis on the desperate run for a German port.

But apparently the German captors decided not to risk a battle. Captain Gainard said the commander of the prize crew aboard the freighter received from a passing German ship definite orders from his government to put into Haugesund, Norway, as they approached that port.

The skipper's statement cleared up to some extent the mystery that had surrounded the circumstances of the *City of Flint's* stopping at Haugesund and at Murmansk—points that had been the center of controversy involving the United States, Germany, Russia, and Norway.

## PRIZE CREW INTERNED

He said the Germans wanted to put forward the excuse of engine trouble for going into Haugesund, but realized that "wouldn't work" with the Norwegians and instead claimed a sailor needed hospital treatment—after definite orders from Berlin to stop there no matter what.

Norwegian authorities found no sailor sick enough to justify stopping in neutral waters, and so promptly interned the German prize crew and turned the ship back to Captain Gainard and his crew. This occurred November 3.

The United States contended Russia should have taken similar action at Murmansk when the ship was taken in there October 23. International law provides that a prize crew may take a captured ship into a neutral port only in case of stress of weather, want of fuel or provision, or necessity of repair. In all other cases, the neutral is obligated to intern the prize crew and restore the vessel to its original crew.

Russia allowed the Germans to take the *City of Flint* out of Murmansk after a 5-day stay there on the grounds that it had been necessary to put into repair "defective machinery."

"There was nothing the matter with the machinery of this ship at Murmansk or anywhere else," Captain Gainard flatly declared.

Bitter sarcasm crept into his recital of his treatment by the Russian authorities at Murmansk.

"Only the naval officer among those that boarded us extended the usual courtesies," he said. "The rest of them didn't know."

## UNABLE TO PHONE ENVOY

Asked whether the Russians looked starved or well fed, Captain Gainard said he couldn't tell, because "a Russian has no look; he has the same expression as a cow in a field."

Russian naval commander boarded the *City of Flint* as soon as it put into Murmansk, he related, took off the ship's papers and the German prize crew, and told Captain Gainard that he would be free to leave with his ship as soon as the papers were examined ashore and sent back—apparently intending then to act under the international law provisions later observed by Norway.

"But those papers didn't come back for 4 days 23 hours and 10 minutes," Captain Gainard said, with a wry grin; "and when they did, the Germans came back, too—in charge again—and we started heading for Germany."

Throughout the stay at Murmansk, he added, he tried, unsuccessfully, to get in touch with the American Ambassador at Moscow. "I gave messages addressed to the Ambassador to the boarding officials each day, and they said they would send them along; but they didn't get there. I asked to go ashore to telephone Moscow, but wasn't allowed to. I even asked if there was any possibility of them putting at my disposal for a trip to Moscow one of their 11,000 wonderful warplanes."

## CAPTAIN TALKS FREELY

Captain Gainard, his officers, and seamen talked freely with reporters who boarded his vessel from the Coast Guard cutter *Calumet* as the *City of Flint* lay off quarantine station an hour's run from her dock this morning.

There were no reports of any fights or other trouble between the American crew members and the German captors, despite what one seaman described as "a lot of bull" that had been spread about the situation.

"We got along fine after we got acquainted," said Mr. Taylor as he and half a dozen other sailors off watch waited in the messroom for a mess boy to set up their places for a midday meal on the red-checked tablecloths covering the tables.

"The Germans seemed to be glad to be able to learn to speak a little English. They learned to play hearts and other card games we play here on the mess tables. They told us we would have a big time when we got to Germany."

"We did have some fun kidding them, though. Every one of them seemed to understand what 'limey cruiser' meant (limey is slang for British), and every once in a while one of us would look out a porthole and yell, 'There's a limey cruiser.' You should have seen those Germans jump."

## WATCHED CLOSELY BY OFFICERS

William Neher, a seaman from New York, said he was born in Germany, and although a naturalized American citizen now still spoke and understood German well, so he got along fine with the Nazi sailors individually, although he didn't like their doctrines. He said they talked little about Germany or Nazi-ism.

Other sailors said the association became to be taken so much a matter of course that the Germans would go to sleep with their hand grenades and revolvers lying about where anyone might pick them up. "They would even let us handle their pistols sometimes and show us how they worked," one remarked.

There was some resentment among the crew at the ship's officers for not making an effort to be put ashore at Tromsø, Norway, when the vessel first stopped there before going on to Murmansk, and some said they thought the captain should have let them try to take over the ship from the Nazis.

"Our own officers watched us closer than the Germans did," one seaman commented. "They watched particularly closely in the engine room and down by the sea cock, apparently afraid somebody would try to scuttle the ship."



## CONSUL'S BOOTS DISAPPEAR

About the only actual trouble developed after the *City of Flint* was freed from the Nazis and was lying at anchor in Bergen. The sailors got shore leave, and one of them spent a night in a room in the same hotel where the German consul lived. The German consul put a new pair of boots outside his door that night to be cleaned, and they never were found again. An American sailor was held in jail for 24 hours, but then was released for lack of evidence after Norwegian police had searched the ship thoroughly. None of the *City of Flint* crew would say whether the German consul's boots might be worn in Baltimore tonight.

One of the proudest members of the crew was Junior Third Mate Carl C. Ellis, 23, of Newtonville, Mass., to whom a blond bride is coming from Bergen next month. "I met her the first night we were ashore in Bergen," he said with a shy smile. "In about a week and a half we were engaged. She is coming over next month to marry me." His fiancée is Ruth W. Engelsen, 22. She speaks English and has promised to teach him Norwegian, Mr. Ellis said.

## STEWARD HAS EGGS LEFT

Another proud man was Chief Steward Joseph Freer, of Baltimore. He was proud of the captain's praise for his record in feeding without a hitch the extra men the *City of Flint* had aboard so long—and the big, white eggs he stocked up with in Bergen at 28 cents a dozen. He had several dozen left when he reached here, as well as a plentiful supply of tender Norwegian turkeys, ducks, and chickens. This wasn't his toughest feeding job though—that came on the *City of Flint*'s previous voyage when it picked up and took to Halifax and New York 223 survivors of the torpedoed British liner *Athenia*.

"I figured out that by the time we got to Halifax I'd have one egg a day for each person," he said, "but knew they would think they were getting two, the way I can fix 'em."

The *City of Flint* came into harbor here with two big United States flags painted on each side, alongside her name in big letters that once were white but now faded. The Stars and Stripes flew from her stern. All signs of her American ownership had once been painted out by the Germans, who substituted the name "Alf." This painting out of the American flag was the only actual work the German sailors did, aside from standing guard duty, while aboard the freighter, crew members said.

## PRAISES MRS. HARRIMAN

Captain Gainard began his story with praise for "the wonderful way in which the ship and the ship's people were treated by the Norwegian Government and people." He also said that Mrs. Florence J. Harriman, American Minister to Norway, had demonstrated that a woman can hold down such a diplomatic post as well as a man.

Sitting cross-legged in civilian clothes on a desk in his chart-room packed with reporters and nervously blacking-in circles on a memo pad with a pencil as he talked, the skipper who said he didn't like his high-school nickname of "slugger," emphasized his gratitude to his crew for their cooperation throughout the *City of Flint*'s "grief."

He recalled that one of the German sailors in the prize crew wore a cap with the name "Grief" on it, and that he had tried to get that cap as a souvenir of so much grief of the voyage but had not succeeded.

"There could have been real trouble at any time I wanted it," Captain Gainard said in speaking of his crew's relations with the Nazis. "My crew was ready to go, or to stop, as I gave the word."

## CREW DID DUTIES WELL

"Soon after the Germans took us over, I gathered the crew in the messroom and explained what the consequences might be if we tried to resist. Resistance would give the Germans the right to keep the ship and crew, I told them, and the next American ship sighted by a German warship might not be given a chance as we were, but probably would be blown up. I pointed out that we ought to so conduct ourselves as to stay within the rules and let the Government take care of things later.

"I knew damned well that the Germans wouldn't blow us up—that the last thing they wanted was trouble with the American Government. I knew that if we behaved ourselves the situation would work out eventually.

"The crew then performed their regular duties well and there was no disturbance, although at times they had other ideas—the same as the rest of us, they would have liked to have gone to work on the Germans. Not because they were Germans, but because they were foreigners on an American ship—we would have felt the same way about any other nation in the circumstances."

## QUESTIONED ABOUT FLOUR

The skipper told in detail how he was stopped by the German pocket battleship on October 9. "They put up signals to stop and not to use our wireless," he said, "and then sent a lieutenant aboard. The lieutenant asked to see our papers and said he was sorry to have to stop us—he was polite and a good guy.

"He seemed to be interested in some flour we were carrying, presumably because he was running short of food, but forgot about it when I told him we couldn't get to that cargo.

"Then there was an exchange of signals with the warship. They asked me if I could take 38 male passengers to the United States. I told them 'Yes.' They sent back something about we were only a freighter, but I told them we had carried many more passengers than that (referring to the *Athenia* survivors).

"The boarding officer returned to the ship then, and a launch brought over the 38 members of the crew of the British freighter *Stonegate* which they had sunk previously, and a prize crew."

The Nazis planned to take the ship into a German port for action by a prize court on her cargo, which Captain Gainard described as "general cargo" but which the Germans claimed was mostly contraband for England.

## TWENTY-ONE IN PRIZE CREW

There were 3 officers and 18 men in the prize crew, Captain Gainard added. They had 1 machine gun and each man wore a pistol and 2 hand grenades strapped to his waist, but no arms were brandished "to terrify anybody," he said.

The prize crew commander told the *Stonegate* crew they had to obey Captain Gainard's orders or get killed, the skipper continued, and told the American crew to continue obeying their officers as usual.

"Then he conferred with me on the chart and told me what he wanted to do. I said I wouldn't do it that way, and showed him what I would do, and he said that was what he intended in the first place. So we proceeded by various routes to Tromsø, Norway.

"The North Atlantic weather was cold and stormy. We put in at Tromsø for fresh water and put ashore there the *Stonegate* men. We would have proceeded on through the fjords to Germany if it had been permitted by the Norwegians, but they refused permission to go through their territorial waters, and we put out to sea again, intending to go on to Germany. But the weather, the presence of belligerent warships, and the danger from mines—five other ships were sunk by mines around there that night—caused the German commander to decide to go to Murmansk.

"He told me this decision and asked me what I thought of it. I agreed that it was the best thing to do. I hoped we might be able to get the ship back there. He would have gone anyway."

## NOT ALLOWED ASHORE

Then Captain Gainard told of the mysterious experience in Murmansk, with none of the Americans allowed to go ashore from the *City of Flint* but with the Germans off it. He said he heard over an American radio news broadcast that the Germans were coming back to resume control of the vessel 25 minutes before they did so.

He said the Germans appeared surprised when the Norwegian authorities took them off the freighter at Haugesund. One of the sailors said the Nazis shouted, "See you in a couple of days" when they left there. The Germans still are interned in Norway.

When the Norwegian warship that took off the Germans at Haugesund told him that it was proceeding to Bergen, "that was all the hint I needed," Captain Gainard said. "I went with them." He added that at no time on the run down the Norwegian coast toward Germany was the freighter more than 100 yards "from the Norwegian Navy." The *City of Flint* threaded in and out of the fjords close to shore, keeping within Norwegian territorial waters, and the Norwegian warships went along to guard against violations of Norway's neutrality.

## DELAY IN UNLOADING

At Bergen, where she arrived November 5, the *City of Flint* encountered long delay in unloading her cargo. She finally went on to Narvik, Norway, and took on a cargo of iron ore which Captain Gainard described as ballast for her return trip to the United States, sailing January 7.

Incidentally, Captain Gainard said he saw, in the harbor at Murmansk, the German liners *Bremen*, *St. Louis*, *Milwaukee*, and *New York*, with several freighters and tankers.

Most of the German prize crew slept on the deck of the wheel house while they were aboard, Captain Gainard said. The officers doubled up with the ship's regular officers. Meals were served in relays to the crews, but the officers ate whenever they felt like it, and one time Captain Gainard, the German commander, and the captain of the sunken *Stonegate*, all ate at the same time—but that didn't happen often, he said.

Asked what his plans for the future were, Captain Gainard would say no more than that the first thing was to get rid of reporters. He was tired of talking about his troubles, he said.

Long in the South American run, he once was in command of a ship on which the crew staged a sit-down strike. He said he did not know about the union affiliations of the *City of Flint* crew—that all he knew was that they were American sailors who had behaved splendidly under trying circumstances.

When the freighter reached her dock, icicles hanging from the anchors drawn up in her prow, Captain Gainard was welcomed by Mrs. Gainard, who had come from Melrose, Mass., and stood in the bitter cold waiting to be the first to board the ship.

"I hope he gets a quiet coastwise job next trip," she commented. Also among the first visitors going aboard the vessel at the dock was Miss Cathleen Schurr, 23-year-old New York girl, who was one of the *Athenia* survivors returned to the United States by the *City of Flint* last September. She waved hearty greetings to the sailors who had helped to make her comfortable on that crowded voyage.

There was some disagreement among the crew over comparisons of the weather in Baltimore and Murmansk, well within the Arctic Circle. Several of the seamen said it was colder here this morning than in Murmansk when they were there. Others said the Russian harbor was colder. Captain Gainard said he noticed little difference, except I like the people better here.

Earlier reports that United States Lines officials had gone aboard the *City of Flint* yesterday as she entered Chesapeake Bay at the Virginia Capes with the crew's first pay roll since October 3 proved erroneous.

## The Expert Hallucination

## EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

LETTER FROM CLARENCE AUSTIN CASTLE, OF MONTVALE, N. J.

Mr. GEARHART. Mr. Speaker, much has been said about experts during the course of the hearings before the Ways and Means Committee on the bill for the extension of the Reciprocal Trade Agreement Act.

Over and over again proponents of this strange method of tariff tinkering have asserted that the substitution of tariff-rate fixing by experts is far superior to the old constitutional method of tariff-rate determination by the representatives of the people—that is, by the Congress of the United States.

Aside from the fact that the so-called experts have never yet concluded a trade agreement, and never will, unless the statute is amended, this argument has so often been repeated that, though utterly false, it has been accepted by many, many people as a truism, as a new order of things.

If there is anyone who still believes that our trade agreements are actually concluded by this mythical breed called "experts," let me refer them to the statute itself. But a casual glance at that act will reveal that the President is the one who by law is clothed with the authority to conclude agreements of this kind.

It can be assumed, of course, that the President, in approving trade agreements, acts upon the advice of others—even upon that of those glorified persons of infallible wisdom called "experts"—but the responsibility, nevertheless, rests with the Chief Executive, not anyone else.

Now, no one would pretend that the President himself can be classed as an expert in tariff-rate fixing any more than are the Members of Congress who, under the plain terms of the Constitution, are charged with the duty of writing all tax legislation, including that which relates to the tariff.

Certainly no one who has not resigned his reason would contend that the Chief Executive can act more efficiently in writing a tariff rate "under the advice of experts" than could the Members of the Congress in writing a tariff rate "under the advice of experts," even the same experts, gloriously heralded as they are.

It is time that this fake argument in favor of the continuation of this insane program be brushed aside in the interest of simple truth. Experts are not writing these trade agreements, and it is time that the people of the country are informed of the fact.

But, since we are talking about that group of gentlemen who delight to describe themselves as experts, I wonder if I would be permitted to whisper into the ears of my colleagues of the legislative body just a wee bit of a doubt concerning the expertness of this band of worthies who so glibly assume the high-sounding title.

Well, sir, because another has done a far better job in this regard than I possibly could, I am for the moment spared the necessity of an attempt. A letter from the capable pen of Mr. Clarence Austin Castle turns a pitiless searchlight on the whole caboodle of these bright boys, applies to them in an expert way—if I can be pardoned for using the word—a rather delicate, a very skillful analysis, an appraisal of this new group of self-asserted superlative wisdom, which I think will interest and amuse, if not instruct, the membership of this legislative body.

Therefore, Mr. Speaker, I ask the unanimous consent of the membership to include Mr. Castle's letter to the Cleveland News in the CONGRESSIONAL RECORD as a part of my instant remarks of this day.

There being no objection, Mr. Castle's letter follows:

[From the Cleveland News]

To the EDITOR OF THE NEWS.

SIR: Although Mr. Hull, its chief, is actively engaged in negotiating foreign-trade arrangements, the Department of State actually does not know their effects upon American jobs. His Herbert Feis, titled "adviser on international economic affairs of the Department of State," writes me officially June 10, 1939, and reaffirms regretfully in a confirming letter of August 16, 1939, after nearly 20 trade arrangements with as many countries had been concluded:

"This Department of State has no available information concerning the amount of employment, or man-hours, consumed in the production of goods exported from or imported into the United States."

The very department charged with promoting the welfare of Americans by international trade is itself in ignorance of the effects of that trade on American jobs. When a department and its chief are that inept, we can only expect catastrophe from their actions.

Even the America-wooing League of Nations declares that the United States is the lowest of the 20 major nations as regards each one's ratio to its own industrial production for 1929. Each of 12 of these nations is actually producing more than it did in 1929. Each of only 8 is producing less than it did in 1929. The United States is at the bottom of all 20. No wonder we have 80 percent of the world's total unemployment with only 7 percent of the world's population living in only 6 percent of the world's territory.

Is international trade being glorified? Will it eliminate military and the equally deadly commercial wars? There is no proof that it has augmented jobs for Americans. To erase its ally and critic, the Department of State patronizingly swallowed the Bureau of Foreign and Domestic Commerce, built up by Dr. Julius Klein, and by Mr. Hoover as Secretary of Commerce. Thus Mr. Hull has his own unhampered policy, viz, he sits in judgment on all nations, indexing them to his will as "friendly" or as "enemy." Then he favors his "friendly" nations with trade arrangements, but punishes his "enemy" nations by withholding them. He has made himself commander in chief—dictator—of international trade. As his weapons he uses your and my purchasing power and your and my jobs.

Did we vote him authority to wage America's international trade wars as he sees fit? Have we even consented that he choose for us our exports and our imports—with their reactions on our jobs? If we did, what do we profit? Do his trade arrangements with other nations make us a "have not" nation on the ascent, or a "have" nation in a decline?

We have 80 percent of the world's unemployed. Keeping that fact in mind, ask yourself, "What are trade balances?" They are simply international bankers' balances. You haven't one—I haven't one. Country A buys directly and indirectly from country B. But country B buys directly and indirectly from country A. From time to time the trade is balanced and it is found that one country owes the other. An international banker ships some currency to the creditor nation, and that nation is said to have a favorable trade balance because it is the recipient of some money. It is as simple as that. Jobs are never mentioned; it is all done with money.

Take one example of this so-called trade or exchange. Suppose we import \$5,000,000 worth of blown glassware from JapBohEng. In every country, including the United States, 60 percent of the costs of manufacture of blown glassware is wages paid to labor. Therefore \$3,000,000 (of the \$5,000,000) was wages paid to labor in JapBohEng. But in JapBohEng wages for blown glassware average 10 cents an hour (in Japan it is only 6 cents an hour). Thus the glassware imported into the United States represents (\$3,000,000 divided by 10 cents) 30,000,000 man-hours of labor in its manufacture.

The average American wage in that industry is 60 cents an hour. Thirty million man-hours at 60 cents are \$18,000,000. Thus the \$5,000,000 glassware imports displaced \$18,000,000 of American labor. That is about 17 years of steady employment for 1,000 Americans. Said another way, \$5,000,000 of imports unemployed 17,000 Americans for 1 year.

It is an international crime to balance the trade between countries in the currency of any one of them.

A fair statement is that imports into the United States employ many times the small number of Americans provided with jobs by exports from the United States. Figures favorably prepared by those bolstering the Hull trade arrangements estimate that 2,400,000 Americans were employed because of our exports in 1937.

That was 5 percent of the estimated 48,000,000 Americans at work at that time.

Col. Millard D. Brown, president of Continental Mills, Inc., quotes figures from the late Senator Schall to show how many Americans could be given jobs, were only 19 categories of imports prohibited. That number, fellow Americans, is 5,730,000. If each worker supported himself and two others, the elimination of 19 imports would give lifetime, full-time livelihood to 17,190,000 Americans.

From the standpoint of jobs for Americans, it would be decidedly advantageous to cancel all our exports solely to prohibit the entry of only these 19 imports. The calculation is: 5,730,000 jobs gained by eliminating 19 imports; 2,400,000 jobs lost by canceling all exports, giving 3,330,000 new jobs for Americans.

CLARENCE AUSTIN CASTLE,  
Montvale, N. J.



## Warm Clothing Plays an Important Part in the Victories of the Finns Over the Russians

### EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

LETTER BY VILHJALMUR STEFANSSON

Mr. COLLINS. Mr. Speaker, when Congress is spending tremendous sums upon military defense measures, some thought should be given to proper clothing for soldiers in Arctic regions. It has been known for a long time that Alaska is the most important zone for the protection of the United States from an oriental foe. Appropriations have already been made for extensive air bases in that region. Little consideration, however, has been given to warm apparel to be worn by our soldiers stationed or operating there. My friend Vilhjalmur Stefansson, the great Arctic explorer, has told me repeatedly that reindeer skin provides the best clothing for cold weather in addition to being a fine local food. Very recently I received a letter from him in which he sets out the use of the reindeer for food and clothing. The letter coming from this great authority should waken widespread interest in the protection of the reindeer for these purposes. For this reason I am taking the opportunity to insert it in the RECORD. The letter follows:

REINDEER AS ALASKA DEFENSE MEASURE

New York, January 19, 1940.

Hon. ROSS A. COLLINS,

House of Representatives,

New House Office Building, Washington, D. C.

DEAR MR. COLLINS: This letter is being addressed to you because of your long and deep interest in Alaska from a military standpoint and because, although upon a military subject, at is one which I believe should be called to the attention of an appropriate committee of Congress rather than presented directly to the War Department.

The news dispatches from Finland bring out a point which you and I have more than once discussed—that good clothing, and knowing how to keep your clothes in good condition, is about the most fundamental Army problem for cold-weather operations. No other cold-weather clothes are nearly as good as reindeer, which is again as you and I have been saying.

Some of the dispatches from Finland state in a general way that Finnish soldiers are better clad than those of the Soviet Union. This may be true, even when you compare merely woolen-clad Finns with woolen-clad Soviet troops. Occasionally dispatches bring out that the superiority of Finnish clothing is through use of reindeer skins. As a sample I attach a cutting from today's Herald Tribune. The reindeer angle of the Finnish war is the specific reason for this letter.

There are at least three ways in which reindeer can play an important part in any northern war, as they are doing in the present Finnish-Soviet war.

Reindeer-skin clothes, when properly made from skins of the right age and sex, and when their proper care is understood by the wearer, are as durable as any clothes, more flexible than any other clothes which will keep you warm enough, and warmer for their weight, than any other clothes yet devised. A soldier dressed in a reindeer suit can move faster and more easily than if dressed in woollens or in any other substitute. He can be more comfortable at intensely low temperatures than in any other clothing; in fact, perfectly comfortable indefinitely at 50° below zero, even though not moving at all. For temperatures below Fahrenheit zero there is no form of outdoor activity, military or civil, that is not more easy in reindeer clothing than in other clothes. Reindeer clothes are also good in the temperatures between zero and 20° above.

The clothing importance of reindeer does not make it necessary that there shall be a reindeer industry in the country where the military operations are being conducted; reindeer clothes can be brought from other lands with no more difficulty than woolen clothes. But the remaining two chief values are, from a military point of view, dependent on there being a reindeer industry in the country where the war is being fought.

Reindeer, when in their own country, are self-supporting and self-transporting. Bands of steers suitable for meat can feed as they travel, can be driven to a place near the scene of any military operation and be butchered locally. The butchering is much simpler in cold weather than people of the South realize; there are no

problems of keeping meat fresh, for it will freeze almost immediately after the beast has been skinned and cut up. For a country like central and northern Alaska, or central and northern Finland, the reindeer has not merely the advantage of being an animal which can be produced locally for food but is also one which, particularly in the stress of a mobile campaign, solves (at least in certain instances) its own transportation problem.

Lastly, there is the value of reindeer for the transport of people and goods. Frequently this value is overrated but it still remains true that they are a fast, if not very strong, beast of transport, and that within limits they are self-supporting even when used as draft animals—they feed on local herbage during rest periods and at night.

All this is written with the idea that you might find some appropriate way of calling to the attention of Congress that in Alaska the reindeer is one of our most valuable defense resources. When Congress is spending large sums upon other defense measures in that Territory, they should spend also at least some money and some thought upon how its reindeer industry can be conserved and built up. This is not deprecating the peacetime values of the reindeer, as they are ordinarily presented, but is merely bringing out that the industry has in Alaskan defense a key value—that it produces the best clothing for cold weather, that it is a local supply of food, that it is in some cases a self-transporting food supply, and that it has still further value for the transport of men and goods.

Up to the present, I believe the departments which have been chiefly interested in Alaska reindeer are those of Agriculture and Interior. Do you not think it worth while to consider whether an interest should not be taken by other departments of our Government, particularly by those directly concerned with defense?

VILHJALMUR STEFANSSON.

## Internal Revenue Collections and Grants to States

### EXTENSION OF REMARKS

OF

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting a table which I have prepared showing the total internal-revenue collections from each State; also the total grants to and expenditures within these States. I think a comparative study of this table will give surprising information.

Total internal-revenue collections per capita by States—Total grants to and expenditures within States—Fiscal year ending June 30, 1939

	Population as of July 1, 1937 <sup>1</sup>	Total internal- revenue col- lections	Total internal- revenue collections per capita	Grants to and expenditures within States
Alabama.....	2,895,000	\$15,491,000	\$5.35	\$96,999,000
Alaska.....	62,000	960,000	15.61	2,456,000
Arizona.....	412,000	4,379,000	10.63	26,372,000
Arkansas.....	2,048,000	7,943,000	3.88	82,967,000
California.....	6,154,000	308,969,000	50.20	192,109,000
Colorado.....	1,071,000	34,598,000	32.30	65,999,000
Connecticut.....	1,741,000	85,625,000	49.18	42,773,000
Delaware.....	261,000	71,864,000	275.34	6,917,000
District of Columbia.....	627,000	30,140,000	48.07	33,306,000
Florida.....	1,670,000	51,432,000	30.80	50,024,000
Georgia.....	3,085,000	33,837,000	10.97	94,335,000
Hawaii.....	426,000	11,894,000	27.92	19,771,000
Idaho.....	493,000	4,230,000	8.58	34,335,000
Illinois.....	7,878,000	436,320,000	55.38	268,140,000
Indiana.....	3,474,000	114,874,000	33.07	119,477,000
Iowa.....	2,532,000	23,553,000	9.23	83,343,000
Kansas.....	1,864,000	21,191,000	11.37	70,062,000
Kentucky.....	2,920,000	132,147,000	45.26	73,441,000
Louisiana.....	2,132,000	46,859,000	21.98	79,871,000
Maine.....	856,000	15,453,000	18.05	20,130,000
Maryland.....	1,679,000	106,518,000	63.44	31,668,000
Massachusetts.....	4,426,000	160,905,000	36.35	144,614,000
Michigan.....	4,830,000	258,163,000	53.44	181,551,000
Minnesota.....	2,652,000	68,831,000	25.95	108,640,000
Mississippi.....	2,023,000	6,152,000	3.04	84,745,000
Missouri.....	3,989,000	137,716,000	34.52	128,026,000
Montana.....	539,000	5,922,000	10.99	44,616,000
Nebraska.....	1,364,000	19,130,000	14.02	64,544,000
Nevada.....	101,000	4,046,000	40.05	10,158,000
New Hampshire.....	510,000	7,640,000	14.98	14,482,000
New Jersey.....	4,343,000	201,827,000	46.47	110,920,000
New Mexico.....	422,000	2,884,000	6.83	26,243,000
New York.....	12,959,000	1,051,943,000	81.17	361,859,000
North Carolina.....	3,492,000	310,608,000	88.95	81,802,000
North Dakota.....	706,000	1,598,000	2.26	45,439,000

<sup>1</sup> Bureau of the Census estimate.

Total internal-revenue collections per capita by States—Total grants to and expenditures within States—Fiscal year ending June 30, 1939—Continued

	Population as of July 1, 1937	Total internal-revenue collections	Total internal-revenue collections per capita	Grants to and expenditures within States
Ohio.....	6,733,000	\$288,246,000	\$42.81	\$281,232,000
Oklahoma.....	2,548,000	59,338,000	23.29	100,847,000
Oregon.....	1,027,000	14,003,000	13.63	44,179,000
Pennsylvania.....	10,176,000	438,672,000	43.11	289,351,000
Rhode Island.....	681,000	27,553,000	40.46	21,985,000
South Carolina.....	1,875,000	10,523,000	5.62	73,094,000
South Dakota.....	692,000	1,972,000	2.85	45,954,000
Tennessee.....	2,893,000	32,758,000	11.32	67,975,000
Texas.....	6,172,000	139,804,000	22.65	217,746,000
Utah.....	519,000	9,615,000	18.52	27,804,000
Vermont.....	383,000	4,327,000	11.30	12,828,000
Virginia.....	2,706,000	212,823,000	78.65	50,528,000
Washington.....	1,658,000	32,655,000	19.70	74,420,000
West Virginia.....	1,865,000	22,299,000	11.96	50,907,000
Wisconsin.....	2,926,000	86,406,000	29.53	111,309,000
Wyoming.....	235,000	2,826,000	12.02	20,734,000

Derived from Annual Report of the Commissioner of Internal Revenue, fiscal year ended June 30, 1939 (pp. 90-91); and Report of the Secretary of the Treasury, fiscal year ended June 30, 1939 (pp. 523, 524, 525).

## P. W. A. Hospital Construction

### EXTENSION OF REMARKS

OF

HON. WILLIAM S. JACOBSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

#### REPORT BY THE PUBLIC WORKS ADMINISTRATION

Mr. JACOBSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report received from the Public Works Administration on hospital construction throughout the United States:

#### P. W. A. HOSPITAL CONSTRUCTION

During the past 6½ years the Public Works Administration has made \$176,928,556 in allotments for 743 hospital projects involving the construction of 2,056 buildings providing 107,849 hospital beds. The total construction cost of this portion of the P. W. A. program has been estimated at \$297,253,706. These P. W. A.-constructed hospitals are located in all of the 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico, and approximately 45 percent of them are located in States that do not contain large metropolitan areas. Many of the hospitals were constructed in communities which heretofore had been without adequate hospital facilities.

In addition to non-Federal hospital construction, there have been 152 Federal hospital and sanitarium projects costing \$37,002,853. These projects, including veterans' hospitals and sanitariums, Indian and military hospitals, and Federal prison infirmaries, have added an additional 13,911 beds to the Nation's hospital capacity, making a total with the non-Federal figure of 121,760.

The technical committee appointed at the President's National Health Conference in 1938 determined that the normal increase in hospital beds has been 25,000 a year. As a result of P. W. A. hospital construction there has been the equivalent of 5 years of normal growth.

P. W. A.-financed non-Federal hospitals are classified into four major types: General hospitals, those specializing in mental cases, tuberculosis cases, and homes for the aged and indigent.

Although the classifications, both Federal and non-Federal, show how P. W. A. has been responsible for a marked increase in the Nation's hospital capacity, they do not cover the field of P. W. A. help to public health, since a large number of projects were for service and utility buildings in connection with existing plants. There have been hundreds of projects for rebuilding kitchen facilities, boiler plants, power and light plants, nurses' homes, administration buildings, staff quarters, garages, water-supply systems, and other utilities.

There is still another type of medical project that does not provide beds but is of great importance in the national hospital picture. P. W. A. has made allotments for the construction of medical and dental schools, where medical students and graduate doctors may receive more adequate training. Medical buildings and clinics, dispensaries, and research centers have been built in connection

with educational projects at many of the Nation's colleges and universities.

Seven percent of P. W. A.-financed hospitals located in 17 States were constructed for the use of Negro patients. In addition, many of the general hospitals provide wards for Negro patients.

Broad as has been the P. W. A. hospital-construction program, there is still a serious shortage of hospital facilities in many sections of the country to bring the Nation's hospital facilities to an adequate standard. The President's technical committee advised that 36,000 beds a year for 10 years should be added to the existing supply to adequately meet the demand, and in addition, the setting up of some 500 health and diagnostic centers in areas now inaccessible to hospitals.

This Nation-wide need for additional hospital facilities was indicated in the fact that when P. W. A. returned 5,043 applications to public bodies on September 6, 1939, because of the lack of additional funds, there were 203 applications for hospitals and institutions with an estimated construction cost of \$105,486,892.

A list of P. W. A. allotments for non-Federal construction by States is appended:

#### List of P. W. A. allotments for non-Federal hospital construction by States

	Number of projects	Number of buildings	Number of additional beds provided	Total estimated cost
Alabama.....	9	15	1,449	\$3,396,186
Arizona.....	3	5	255	1,338,312
Arkansas.....	5	85	1,466	4,173,730
California.....	33	105	4,349	9,564,716
Colorado.....	15	57	2,387	4,041,686
Connecticut.....	9	118	4,868	19,530,697
Delaware.....	3	6	140	326,948
Florida.....	15	33	1,974	3,522,268
Georgia.....	15	21	3,516	5,478,302
Idaho.....	2	2	61	171,456
Illinois.....	39	159	10,582	21,966,048
Indiana.....	38	69	3,694	10,089,974
Iowa.....	19	18	855	1,900,834
Kansas.....	10	13	801	1,420,270
Kentucky.....	7	17	1,340	6,619,185
Louisiana.....	4	10	913	16,486,033
Maine.....	4	8	10	191,720
Maryland.....	13	24	1,796	22,717,140
Massachusetts.....	25	93	2,581	29,837,088
Michigan.....	36	108	6,570	16,110,099
Minnesota.....	21	42	1,926	4,745,377
Mississippi.....	2	2	41	67,171
Missouri.....	22	103	6,640	30,408,491
Montana.....	5	11	629	994,723
Nebraska.....	7	18	1,421	2,178,295
Nevada.....	1	1	10	54,545
New Hampshire.....	8	8	295	876,903
New Jersey.....	28	43	3,630	19,655,454
New Mexico.....	8	12	249	814,910
New York.....	61	150	9,721	47,496,647
North Carolina.....	31	123	3,220	8,663,898
North Dakota.....	6	6	669	815,586
Ohio.....	18	39	1,648	4,579,717
Oklahoma.....	9	14	623	1,011,683
Oregon.....	9	13	539	1,077,881
Pennsylvania.....	44	165	8,516	44,074,266
Rhode Island.....	12	43	3,131	8,070,083
South Carolina.....	14	44	1,639	4,013,887
South Dakota.....	5	5	442	556,596
Tennessee.....	12	25	1,514	3,283,035
Texas.....	22	30	1,888	6,094,836
Utah.....	5	11	343	1,919,647
Vermont.....	13	34	1,660	4,676,534
Virginia.....	21	22	2,376	3,943,390
Washington.....	17	22	980	2,654,901
West Virginia.....	18	40	1,074	3,825,980
Wisconsin.....	2	6	304	646,724
Wyoming.....	4	15	698	5,435,000
District of Columbia.....	1	3	200	342,325
Alaska.....	6	16	586	1,201,780
Hawaii.....	7	24	1,330	4,190,746
Puerto Rico.....				
Total.....	743	2,056	107,849	397,253,706

## Loan to Finland

### EXTENSION OF REMARKS

OF

HON. ED GOSSETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

Mr. GOSSETT. Mr. Speaker, I think it might be said in tribute to the average American citizen that he has a high sense of honor and is resentful of injustice wherever or however perpetrated. The vast majority of American citizens



deplore the ruthless and unprovoked attack of big Russia upon the courageous and liberty-loving people of little Finland. The American attitude is shown by the following article appearing in the *Wichita Falls Record News*, *Wichita Falls, Tex.*, on Thursday, January 25:

**WICHITANS STRONG FOR LENDING FINNS MONEY TO BUY WAR MATERIAL**

The United States should lend Finland all the money it needs to fight the Russians—and with no strings attached as to how the money is used.

A "horseback" survey of *Wichita Falls* opinion Wednesday by the *Record-News* showed citizens of this city favor giving the Finns a military loan with which they can buy machine guns, cannon, bombers, or whatever is needed to stop the red "barbarians."

The opinion is strong but not unanimous. The 1-minute interviews even revealed one family divided against itself, but the ratio is about 5 to 1. The interviews follow:

Sam Hamlett, manager of Production Credit Association: "It looks like we ought to help the Finns. They are the only people from whom we have collected loans made during the former war. I think we should abide by strict neutrality in all European fustles. The Finns have proved they are good loan risks, and we are on their side."

Chris Jensen, city scout car patrolman: "Yes; I do. If we don't help them now, we will have to fight the Russians later. The Finns are about the best people in the world, and they deserve all the help we can spare them. I don't think helping them will get us into war any quicker. We are bound to get in anyway."

Rev. J. Henry Cox, pastor of the North Side Baptist Church: "Personally, I think we ought to loan Finland all the money they need. Russia has defied every decent human institution. They (the Russians) have defied God and all His teachings. If Russia isn't defeated by Finland or stopped, it will mean we will have to fight them to save democracy and religion."

Dr. Clark Wilcox, ranking Army Reserve officer in *Wichita Falls*: "We have been raising money for the aid of noncombatants. Our sympathy is for those in distress from the oppression. We have a strong sympathy for the movement to combat the communistic selfishness in this case. We should remain strictly neutral in reference to other nations. But we should go a little farther than voluntary contributions. We should extend money for purchase of arms."

Tom Vague, chairman of military affairs committee of the chamber of commerce, captain in the Army Reserves: "It is ridiculous that we even have to debate a minute about whether or not we should send aid to Finland. We ought to send it immediately with no limitations on what they could buy. Everybody has proved how we feel, and I think it is just dirty politics to hold up the proposed loan. The Finns have proved good creditors. We have already extended \$10,000,000 in loans. That precedent should point the way. I don't think it will get us into the war."

J. R. Martin, radio service man and president of North Texas Rifle and Pistol Club, 1802 Woodrow Street: "Yes. Finland is subject to an unreasonable attack and I think we should help. From a business standpoint we should regard a loan as a good investment, for Finland has paid her debts."

Mrs. J. R. Martin: "No; if we have money to spend, there are many people in need in this country. I believe charity should begin at home."

Henry Armstrong, high-school football co-captain: "Yes; because Finland has paid her debts."

William E. Huff, insurance man: "Yes."

W. N. McCaslin, Jr., Braniff Airways attaché: "I am much in favor of the loan. Finland is certainly a deserving country and I think it will have a great bearing on the outcome of the whole European war. By stopping Russia we are indirectly stopping Germany."

Mrs. W. W. Lankford, 1703 Kemp, housewife: "It looks to me like a very good cause. I don't think we should sell them guns, however. If we had enough to supply both Finland and the United States, it would be different. As it is, I think we should keep our guns at home and be prepared for better or for worse."

W. S. Bourland, Jr., 2017 McGregor, oil operator: "I'm in favor of selling them anything in the world that will help those poor people. We know they have been true, faithful, and courageous. They have paid their honest debts."

Mrs. Kenneth Bebb, executive secretary, North Texas Civic Music Association: "I do not believe now there is much feeling of neutrality with any of us, so far as Finland is concerned. There seems to me sufficient reason and sufficient precedent to extend Finland a reasonable loan without restriction as to uses made of such funds."

Ernest Guffey, owner Monroe Street pharmacy: "I am very much in sympathy with Finland. I think our Government should lend them help and stand behind them."

A. K. Presson, assistant principal, *Wichita Falls* High School: "I am inclined to say yes; make them a loan, but my attitude is one largely of sentiment, rather than business principle."

Marconi Hobbs, grocer, 1802 Harrison: "I would favor lending Finland a reasonable amount of money on any basis that would not get us into a political jam."

George W. Anderson, attorney: "Absolutely right; yes, sir."

Fred L. Story, insurance man: "I think I would approve such a loan, the way my sympathies are now, but I should hate to see our Nation become involved in any way with Europe's troubles. My

sympathy would prompt me to lend Finland money for them to use as they might see fit."

J. C. Boyd, Jr., assistant traffic industrial manager of the *Wichita Falls* Chamber of Commerce: "I approve of giving financial aid to Finland. Selling them guns is O. K., too, but I'm opposed to ever sending men. You have to draw the line somewhere. Right now I'm a grand hand for letting the other fellow do the fighting."

Mrs. W. J. Howard, 1110 Fifteenth Street, housewife: "I think it is wonderful that Finland was the only country to pay their debts to the United States. I certainly think they should have the money. As for selling them arms and ammunition, \* \* \* well, what they do with the money after they get it is their business."

Mrs. G. M. Crutsinger, wife of Dr. Crutsinger, dean and director of *Hardin Junior College*: "Lending them money is probably all right. We are a strong Nation, and it seems that the strong should help the weak. I'm like many other women, however. I have a boy who is old enough to fight; I want to stay out of war."

It is hoped that the ideals and common good sense of the average American will enable our country to become a stabilizing force for peace and order in a war-torn, war-demoralized world.

### The Work of the Dies Committee Should Be Continued

#### EXTENSION OF REMARKS

OF

HON. CLARENCE J. McLEOD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1940

Mr. McLEOD. Mr. Speaker, in casting my vote for the continued existence of the Dies committee investigating un-American activities, it was my sincere belief that all alien "isms" should be swept from our shores as unclean and unwanted. It is my opinion that the only "ism" which should exist in this land is Americanism.

That there are thousands upon thousands within our shores who seek to turn out democracy and raise the bloody flag of communism over the white dome of this Capitol Building is an established fact. It was this danger from within of which I was mindful when casting my vote.

We were not requested to give a blanket endorsement of the ways and means by which the Dies committee has conducted its inquiry. What we did was to give our stamp of approval to a program of detecting and stamping out the seeds of totalitarianism before they can take root and spread their poisonous tendrils throughout the land.

Despite criticism and against unwarranted odds, the Dies committee has been untiring in its efforts to reveal the methods and examine the extent of alien and domestic forces engaged in propagating political doctrines hostile to our native democracy. The undefeatable majority by which the House of Representatives voted to continue the Dies group mirrors an overwhelming public opinion that there remains work to be done in uncovering these sore spots, and that a congressional investigation of these unscrupulous gangs is essential to the safety of our Government at this time.

All America must awaken to the fact that within our midst, undercover organizations of undeterminable strength are threatening and attempting to harass and undermine our system of government. America must be made aware of the fundamental truth, that the condition upon which God has given liberty to man, is eternal vigilance. Eternal vigilance is the price we must pay for liberty. We can ill afford to be indifferent to these hidden dangers and merely indulge in wishful thinking.

The time for counteraction against these subversive groups is now. Not next month, not next year, but now.

Every day organizations are springing up under a cloak of secrecy whose ideologies are in direct contrast to our democratic system of government. It is not enough that we take pride in this great Nation of ours. It is the common fate of the indolent to see their rights become a prey to the active. We can unconsciously surrender our rights to these malcon-

tents until the day we awaken to realize, too late, that liberty is gone and we are no longer the masters of our destiny. Apathy, not time, is the great lever of democratic institutions.

As a concrete example of threats to our Government, may I point out the fact that there was undisputed evidence before the Special Congressional Committee Investigating Un-American Activities that a short time ago a convention was proposed to band together in a united front 150 disreputable, un-American organizations, which now exist in the United States, their sole thought and purpose being to break down our democratic system of government. America must not tolerate atheistic communism—must not tolerate the growth and expansion of such groups and organizations as the White Front, the Christian Front, the Black Shirts, Gold Shirts, Christian Mobilizers, Christian Crusaders, the American Nationalist Confederation, and numerous others.

Because of their veiled, stealthy, cunning activities and concealed methods of organization, we have no definite way of determining the aggregate strength of these under-cover un-American groups. We do know, however, that these organizations, no matter what their total enrollment may be, are far too strong to be left uncurbed, to multiply and spread their insidious doctrines throughout the land.

The State Department has informed me that at the present time a total of 394 foreign propaganda agents are registered with the American Government. No one can estimate the number of foreign agents in the country illegally and who are not registered.

In view of these facts, the course of our future destiny depends on intelligence, constructive action, and perseverance; depends on the awakening of the inherent qualities of our forefathers in their history-making struggle for freedom; depends on our true fortitude as individuals and as Americans.

Let us realize and appreciate the many priceless gifts we possess—gifts that only a real democracy gives to its people. A great trust is in the hands of our generation, and, Mr. Speaker, it is a most sacred trust. Our forebears, with the same responsibilities, did not fail; they passed on to us the same free democracy that has been handed down to them from the founding fathers.

Centuries of political experience with the keen thinkers of by-gone days combined with the liberty-loving peoples of all nations gave us what we have today. We have won every industrial battle we ever entered. Against the stubborn forest we won a continent. Against unwilling nature we have produced the products of mine and field. Against the odds of world-wide industrial competition we have won an enviable place. We have won all our political wars since the Revolution. Now at peace externally, we must settle down to fight the enemy from within.

Our form of government insures the most individual freedom, and it is under this guaranty of freedom of thought, speech, and religion that the Communist and his sly fellow travelers carry on their nefarious activities. Once obtaining the privileges of our political indulgence, the Communist unloads his base theories of government. He violates the confidence America has placed in him, and tries to undermine the very system of government by whose grace he enjoys the freedom of speech he violates.

It seems to me that if individuals in this country desire to benefit from our vast resources, they should be only too glad to adhere to the American form of government under which these resources have been developed. It has been my policy whenever possible to urge that every organization in this country have as one of its basic principles of existence the preservation and the allegiance to the American type of government—democracy.

Now is the time for the people of the United States to take upon their shoulders the responsibilities relative to protecting our great Nation, not only from attack from without, but from attack from within. Our inherent rights are protected by the Constitution, and are not the pawns of a dictator. It is the

express duty of every American to sacrifice his very life in order that these rights may be handed down intact to future generations of Americans. If we fail, democracy will die and our restless spirits will bear the burden of democracy's passing. Surely this is a burden which none of us care to assume.

With all the human weaknesses and imperfections, our Government is the best in the world. Its existence is dependent upon every man, woman, and child. It is our duty to prepare to preserve ourselves from attack from within by an enlightened public opinion. The Dies committee has brought to light the workings of many "ism" groups, and has frightened many others out of existence. Any committee which can accomplish these duties deserves to be continued by and with the support of all real Americans.

Carl E. Mapes

## EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

Mr. SABATH. Mr. Speaker, "Death is come up into our windows and entered into our palaces."

I speak briefly on this sad occasion, not because any poor word of mine will add to the story of courage and achievements of our late colleague, the Honorable CARL E. MAPES, who has, by passing beyond the reach of human help or harm, and I would faintly hope, through grace, above our praise, left such a void, and in the front ranks here, but because of the especially high esteem in which I held this honorable dead.

Mr. MAPES entered the Congress on March 4, 1913, or 6 years after I entered; and during all the years of our association our relations were most cordial, especially since I became chairman and he the ranking Republican of the Committee on Rules. A more affable and accommodating gentleman I have never known. In the differences that naturally develop in our system of party government I never once heard this gentleman utter one unkind or uncharitable word against a living soul, and he was ever proffering to facilitate action on measures pending before our committee. Mr. MAPES contradicted the oft-repeated assertion in ill-informed circles that legislators cannot place weal of country above political expediency.

His high degree of intelligence and simplicity are too well known to this membership to require restatement. If you would observe a specimen of his simplicity and self-effacement, consult the biographical section of the Congressional Directory, which does not indicate that he was the ranking minority member of two of the most important committees of the House.

Our departed friend needs no eulogy. His work is finished and will be a worthy monument for many years. I feel sure that Mr. MAPES would not have any of us say anything laudatory of his life and work, but we can take advantage of him now.

In the tumult of strange ideas and extreme passions, in the face of threatening rumblings of sinister things, at the eve of uncertain tomorrows, Mr. MAPES, with enviable wisdom and poise, could not be perplexed or frightened, but went on in fortune and misfortune at his own private pace, like a clock in a thunderstorm. He taught us by example that the most certain sign of wisdom is a continued cheerfulness. Again, he taught us by example that talk which does not end in any kind of action is better suppressed altogether. He always squared promise with fulfillment, mouth with hand, and he was very seldom outclassed in capacity and never in courage. Indifference to his personal welfare was actuated by his complete devotion to his onerous and important duties. Our late friend did not change his mind to suit men and circumstances, he relied upon the reward given to men who do



not flinch before the cries of the multitude, and who do not seek their political fortune in the success of the moment. He walked straight in what he thought was the right path as a good citizen and faithful servant of all the United States.

Our late friend and colleague has left the memory of really a good and able man, one who during a busy and useful life ever did his best in every way to promote equality of opportunity and happiness, and he had an unappeasable and uncompromising detestation for all that was baneful or iniquitous or menacing in actuality or potentiality.

Faithful and intelligent servant of the Republic, rest in peace, ever garlanded by the love of friends and sanctified by the adoration of family and kinsmen.

### The Naval Construction Program

#### EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

LETTER BY HON. COLGATE W. DARDEN, JR., OF VIRGINIA

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written to the editor of the Washington Evening Star by my colleague from Virginia [Mr. DARDEN].

[From the Washington Evening Star]

MR. DARDEN DEFENDS VINSON BILL SLASH—VIRGINIA REPRESENTATIVE SEES NO DANGER IN NAVAL CUT

TO THE EDITOR OF THE STAR:

I have read with interest your editorial of January 19, entitled "Dangerous Economy." While I am in accord with your desire to see authorized the naval tonnage necessary for the protection of our country, I feel that you are unduly apprehensive as to the effect of the changes suggested by Chairman VINSON.

There is no cause for alarm in the proposal made by the chairman of the House Naval Affairs Committee in view of the recent report on naval tonnage, authorized and available, made to the committee by the Navy Department.

Without touching upon battleship construction, the authorizations for which, I take it, you deem adequate, we find that the Budget for the coming fiscal year 1941 provides for the following construction which has heretofore been authorized:

1. One aircraft carrier of 20,400 tons.
2. Two cruisers aggregating 20,000 tons.
3. Eight destroyers aggregating 13,600 tons.
4. Six submarines aggregating 9,600 tons.

After this construction has been appropriated for there will be available for further appropriation and construction, authorization having already been made, as of July 1, 1940, the following:

1. Cruisers, 82,999 tons, or four times the tonnage being appropriated for the fiscal year 1941.
2. Destroyers, 61,830 tons, or almost five times the tonnage being appropriated for the fiscal year 1941.
3. Submarines, 12,856 tons, or about 40 percent more than the tonnage being appropriated for the fiscal year 1941.

In your comments on Mr. VINSON's proposal you stress particularly the danger of neglecting to add to our destroyer strength. There is no danger from this source, notwithstanding the fact that it is proposed to strike destroyer authorization from the pending bill.

After the construction now provided for in the Budget for the fiscal year 1941, there will be authorization outstanding for sufficient tonnage to permit the construction of 33 new destroyers of the 1,850-ton leader type, or 40 new destroyers of the conventional 1,500-ton type.

This gives us, should we continue construction on the basis which has obtained for the past several years—namely, 8 each year—sufficient tonnage for 4 years' work if only the leader type is utilized, and for 5 years' work if the 1,500-ton type is built. In view of the fact that comparatively few leaders need to be constructed in a balanced program, it is reasonable to assume that we have available much nearer 5 years' work than 4. This being the case, I believe your criticism on this point is not well founded.

The Vinson bill, with the changes recently proposed, authorizes the following additional tonnage:

1. Carriers, 75,000 tons, or 3 new ships of our latest class.
2. Cruisers, 110,000 tons, or 11 new ships of our latest class.

3. Submarines, 33,000 tons, or approximately 20 new ships of our latest class.

This tonnage is added to the authorized tonnage above referred to which will be available after the construction provided in the Budget for the fiscal year 1941.

Thus, the tonnage available with the passage of the Vinson bill not only provides an ample reservoir from which actual construction can be drawn when the necessary appropriations are made but it gives sufficient opportunity for the Navy to work on new designs, as suggested in your article, and with which suggestion I am in hearty accord.

It appears to me that the bill, with the changes suggested by the chairman, is a much sounder piece of legislation. I cannot escape the conclusion that the editorial in question is unduly alarming and tends to create in the minds of your readers, of whom I have been one for a number of years, an erroneous conception of our naval program.

COLGATE W. DARDEN, JR.,  
Representative from Virginia.

William A. Ashbrook

#### EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

Mr. SABATH. Mr. Speaker, it is to me a source of mingled sorrow and pleasure to have an opportunity to speak on this occasion of sorrow, because it brings freshly to my mind the thought of the loss of him whose memory we are honoring and of pleasure because of the opportunity given me to add my short tribute of respect and affection to the fuller tributes placed on the altar of his memory this and other days.

I knew Mr. ASHBROOK and some other members of his family very well, having first met them at a local hotel where we all lived. His family life was beautiful and typically American. The flowers of unsullied affection bloomed ever fresh in that household.

We entered the Congress the same date, March 4, 1907, and for 14 years immediately thereafter we were closely associated in our legislative work. He went out in the Harding landslide of 1920 by only 123 votes, but, undiscouraged, he returned 14 years later. He was 14 years a Member, 14 years absent, and again a Member.

When our late friend first came here he was an aggressive liberal, and therefore I confess to being somewhat painfully surprised at seeing the change time had made in his political philosophy during his absence. I think it is fair to say that he was, from the time of his reentering the Congress on January 3, 1935, to the time of his passing, ultraconservative in a rapidly changing world. Perhaps he fell into ill company among the bankers.

While we were in complete harmony during the deceased's first service here, yet I did not agree with many of his late political views; but it affords me pleasure to say that he was conscientious in what he advocated or defended. We properly designate that quality as excellent.

This good man, who was well grounded in the principles of journalism, finance, and agriculture, made valuable contributions to the permanent work of this body. He left, all told, a record as citizen and legislator of which nobody should be ashamed. He was, as he believed, ever braced, intellectually and emotionally, for the defense of the right.

We are told by those who knew our honorable friend best that no elevation in society diminished his respect for the sons of toil. He learned lessons of self-reliance in the hard way, and they sustained him in seasons of adversity. Poverty and toil were his steps to honor; and he was a steady and uniform friend of humanity. He held Justice to be the great interest of man on earth; and he knew that wherever her temples stood there was a foundation for social security, general happiness, and the improvement and progress of our race.

It has been said that adversities and sorrow make us better men, and I believe this is true. As we look upon the seat of our late colleague, now vacated by him, we must fully realize that if we are to carry out to the fullest the Saviour's plan we must daily practice justice, mercy, wisdom, and truth with those with whom we come in contact.

The hard blows we get in the daily give and take of life make us not only better able to go about our duties with a sterner purpose and determination but, at the same time, we are enabled to feel the keen edge of another's woes when the tide of life is running strong against his fortunes.

Let justice, mercy, wisdom, and truth be our daily guides—justice to our fellow man in every relation of life, well established; mercy to cover the frailties and weaknesses of those who fall by the wayside; wisdom to guide us always on the great highways of life; and truth as the beacon light directing us along our course. May these virtues ever be with us.

Lastly, Mr. Speaker, as the snows of winter shall disappear and be succeeded by the brightness of springtime, with all its gladdening verdure, may the sorrows, the vexations, and the troubles of mortal life be followed by a beautiful and glorious immortality, the hope of the religious world.

### The Dies Committee

#### EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

Mr. DUNN. Mr. Speaker, I have received letters from individuals and organizations favoring the continuation of the Committee to Investigate Un-American Activities in the United States; however, the greater number of communications received concerning this subject were from individuals and organizations opposing its continuation, mainly because it did not investigate organizations which should have been thoroughly investigated.

It is true that the committee did not investigate certain organizations which had been and still are responsible for the brutal treatment of people who are trying to promote the welfare of labor. It is a known fact that in many States of our Union people who are trying to better their working conditions are intimidated and brutalized by a certain element who call themselves the Vigilantes—in fact, I received three communications from an organization called the Vigilantes threatening my life if I continued to support legislation which I believed to be progressive and humane.

I did not vote in favor of the creation of the committee; neither did I vote for its continuation. I believed, and still believe, that the Department of Justice could do a better job than the Dies committee or any other committee. The men who are connected with the Department of Justice are experienced and well qualified to investigate organizations which are attempting to undermine our Government, and there would be no partiality shown.

If \$100,000 was being requested for the purpose of ascertaining the reasons for the unemployment situation and also to find out why one-third of our population are in need of food, shelter, and clothing, a great deal more good for humanity's sake would be accomplished than to spend that amount of money for the investigation of un-American activities. If the advocates of communism, socialism, fascism, nazism, or any other kind of "ism"—and God knows there is a multiplicity of them—tried to overthrow our Government, they would not be successful in their undertaking if Congress would pass legislation which would abolish the causes of unemployment. Regardless of how much money we would spend for the investigation of un-American activities, we would accomplish but very little as long as one-third of our people are in need of the necessities of life.

### America Looks Ahead

#### EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

RADIO ADDRESS BY ELLIOTT ROOSEVELT

Mr. JOHNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Mr. Elliott Roosevelt, which was published in the January issue of the Protectionist:

Good evening, everyone, the other night I had dinner in a restaurant, and during the course of the meal a waiter came in with a great wheel of cheese.

It was good. \* \* \* It was so satisfying I couldn't believe it. \* \* \* It made me think of the easterner who went into the West and stood on the brink of the Grand Canyon for the first time. As his eyes swept across that infinity of space, he shook his head incredulously. "It's a lie," he said. "It's a lie."

So I turned to the waiter, who by now was standing near me with the air of a great painter who knows he has just turned out a masterpiece. "Wonderful," I said. "This is wonderful. Where did it come from?"

"Switzerland," he replied.

I told him again how excellent it was. I said, "I'd like to buy one of those myself—a whole one; can you get it for me?"

For a moment he seemed startled. He seemed at a loss. He said, "Why, I'm sure it could be arranged, Mr. Roosevelt. I'll see. I'll speak to the manager myself."

In a moment he returned and said, "Look, Mr. Roosevelt, I'm going to tell you something about that cheese. \* \* \* You won't let it make any difference, will you? \* \* \* You won't stop eating it, will you?"

That was such a strange request that for a moment I couldn't answer. I said, "No."

"Well," he said, "I was fooling about this cheese. It didn't come from Switzerland. It came from Wisconsin—right here in the United States. It's the finest cheese in the world. But we have to tell some of our patrons it's imported or they won't want it. They think anything made at home is cheap."

Here in a sudden burst of confidence this waiter was touching on one of the strange mental quirks in the people of this country—the mania that most of us have for something "foreign," for something imported, something brought in under a high tariff and sold at exorbitant fees. We like to say, "Best wine in the world—straight from Tuscany." We like to say, "This new tweed is imported, just off the boat." We like to feast our eyes on the little label that says, "Made in England," "Made in Japan," or "Made in Germany."

But every time we do this we place a stigma on American ingenuity, on our own native resourcefulness and competence. If we have green pastures here, and cows grazing in them, why isn't our cheese just as good as the cheese from Switzerland? If we have vineyards here, and sunshine, why aren't the sunny fields of California just as health giving and nurturing as the sunny hillsides of France?

To be guilty of the crime of pride in self or homeland leads to narrowness. To go around making the unqualified statement that American goods are inferior to those elsewhere is sheer ignorance—and nothing else. The people who share this view are generally those who never had time to learn anything about the United States—because they were always too busy reading about some other country. They know the names of Napoleon's generals—but ask them the names of the lieutenant governor of their own State, and they can't tell you.

Only the other day I was talking with a hotel man who had just come from a luncheon with another hotel man from Ithaca, N. Y. During the luncheon this visitor had been greatly impressed by the beauty of a certain kind of salad bowl which he saw at the hotel. "It's beautiful," he said. "Where did you get it? I'd like to have some like it for our hotel."

"Well," said the other, "I hate to tell you this, because it might embarrass you. But this particular bowl came from Ithaca. There's a factory there that makes them. This factory, as I recall, is just a couple of blocks from your office."

That's the way it generally goes. For some reason—and it may be our imaginations playing tricks on us—most of us have a perverted sense of values. We aren't as bad about this as we used to be. We're waking up and realizing what a satisfying old country we live in after all. But all too often we still place emphasis on a label—"Made in Spain," "Made in Italy." Our own goods are similar to the prophet who was not without honor, as you recall, save in his own country. And there was the easterner, as you also recall, decided to make a grand tour of the Western States. In the desert he became fascinated with the Indians, who apparently were weaving beautiful Navajo blankets—before his very



eyes. He bought several and took them home, and when he displayed them proudly to his friends, there was the little tell-tale label on each blanket, "Made in Paterson, N. J."

We say the Swiss know how to make fine cheese—and they do. But we have Swiss in this country—quite a good number. And we also have dairies—quite a good number. If a Swiss and a cow can make a cheese in Switzerland, why can't he make it just as good, just as fragrant, just as satisfying in America? And when I say "cheese," I mean everything else, too—Paris styles and Hollywood styles, Montana T-bone steaks and Argentine T-bone steaks, Florida oranges and Spanish oranges.

I'm not saying one shouldn't eat Spanish oranges. By all means eat them—if you must. But don't go around making the assertion that Spanish oranges are superior to American oranges until you know what you are talking about.

There's no use denying it, \* \* \* most of us are still a little in awe of what we call Old World glamour. The mere fact that a cheap pocket hankie comes from some shop on the Rue de la Paix, seems to invest it with an irresistible charm.

Handkerchiefs and cheeses and finished products are one thing—raw materials are another. I don't mean that we shouldn't have free and open commerce between nations. That is essential. But the individual who spends his dollar for something that comes from a shop across the Atlantic when he could go down on Main Street and do just as well, is lessening the purchasing power of his country by just that amount. And when a sufficient number of people do this, it begins to hurt.

But we are growing up. We are coming of age. And when the day finally comes that we can go to Switzerland and find the natives listening respectfully to the waiters, who whisper, "Sirs, here is a treat—a real treat. This cheese came all the way from America."

On that day, ladies and gentlemen, we shall have arrived.

### P. W. A. Aids National Sanitation

#### EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. KEOGH. Mr. Speaker, the Public Works Administration during the past 6½ years has allotted funds for more than 1,500 sewer projects costing nearly half a billion dollars. This type of public works is, indeed, the frontier of America that can and should be developed.

When construction of sewage disposal systems fell from \$100,000,000 in 1928 to \$22,000,000 in 1932, the Public Works Administration came to the rescue of this essential type of building and made it possible for construction to increase to \$61,000,000 in 1934, \$100,000,000 in 1935, \$110,000,000 in 1936, and \$115,000,000 in 1938.

To date P. W. A. has made grants of \$172,031,000 and loans of \$106,653,425 toward the construction of 1,525 sewer projects costing \$467,962,671. In addition to the sewer projects, the report states that P. W. A. also made grants for 195 combination waterworks and sewer projects costing \$23,951,390, of which approximately \$10,000,000 was the cost of sewer construction proportion of these projects.

There have been nearly 900 treatment plant projects under the Public Works Administration program. Many of these served communities which had sewers or disposal plants, but their treatment facilities were inadequate. Complete new sewer systems, including treatment plants, were completed in 462 communities.

Many of the communities receiving Public Works Administration allotments for the construction of sewer projects also received allotments for the construction of waterworks projects. In some cases the two were combined under one application. Had not these allotments for waterworks projects been made, many sewer projects would not have been possible, as efficient sewer systems are required where there is adequate water supply.

Many communities which have never had sewage-disposal systems have financed such projects through P. W. A. loans and grants and many others have been aided in extending and improving their sewage-treatment plants. The community always has borne the major portion of the cost.

In assisting communities to construct sewage systems, P. W. A. also aided many sanitary districts in large metro-

politan areas in completing work-creating projects launched prior to 1932 and then abandoned due to financial difficulties. Among them were the additions and extensions to the sanitary and storm sewer in the Sanitary District of Chicago. Because of various circumstances this organization was unable to complete its extensive additions in compliance with the United States Supreme Court order until it received the aid of the Public Works Administration. P. W. A. loaned \$41,363,040 and granted \$16,766,960 to the sanitary district, which today operates the largest sewage-disposal system in the world. Within the sanitary district are 61 cities and villages with a population of 4,700,000. Practically all of these communities obtain their water supply from Lake Michigan. The plant treats a total of 772,000,000 gallons daily.

Another large sewage-disposal system is that in New York City, for which P. W. A. granted \$11,360,250 for the construction of 2 system of intercepting sanitary sewers, 2 sanitary sewage tunnels, and the completion of a sewage-treatment plant at Wards Island, estimated to cost \$25,245,000. P. W. A. also assisted in building the Coney Island plant, estimated to cost \$1,868,000. As a result, 180,000,000 gallons are being treated daily. The New York plant, together with smaller plants in and around New York, has improved health conditions, which resulted in reopening several bathing beaches that had been closed because of pollution.

The problem of adequate and effective sewage disposal has been of concern to every community. An example of pollution abatement is New Jersey's Raritan Valley. Because of the raw sewage discharged into the river and industrial wastes from factories along the river, the Raritan was changed from a thing of beauty and enjoyment to little more than an open sewer, which not only was objectionable to those who lived within the vicinity but also killed fish and plant life. Sixteen communities, acting independently, obtained P. W. A. assistance. Plants estimated to cost \$4,847,000 will restore the Raritan River to practically near its original usefulness as a recreational attraction.

The P. W. A. sewer-construction program also has been of benefit to the Mississippi Valley. States from Minnesota and Wisconsin to Louisiana cooperated in a stream-pollution abatement program, long desired and made possible by P. W. A. funds. Minnesota constructed 50 disposal plants; Wisconsin, 69; Iowa, 55; Illinois, 67; Missouri, 28; Arkansas, 31; Tennessee, 9; Mississippi, 5; and Louisiana, 6. The majority of these projects were located in communities on and near the Mississippi River.

Stream and river pollution in the vicinity of the Nation's Capital has been virtually eliminated as a result of P. W. A. projects in the Potomac drainage basin and in the Washington metropolitan area and nearby sections of Virginia and Maryland.

Prior to 1933 the District of Columbia and communities in Virginia and Maryland were discharging raw sewage into the Potomac River and adjacent tributaries. As a result, according to the Board of Sanitary Engineers of the District of Columbia, the Potomac River was polluted with sewage for a distance of more than 20 miles downstream from Washington. The Public Works Administration allotted a total of \$15,600,000 for Federal and non-Federal sewer and sewage treatment projects in Virginia, Maryland, and the District of Columbia so that the wastes of more than 85 percent of the population of this area have received at least primary treatment.

Other large P. W. A. sewage-disposal projects are located in Cleveland, Minneapolis, Gary, Hartford, Providence, Indianapolis, Milwaukee, and San Francisco.

While sewage-disposal plants and sanitary sewer construction by P. W. A. during the past 6 years has done much to remedy the evil of inadequate sewage disposal facilities, there is still an estimated two and one-half billion gallons of untreated sewage being poured into the Nation's lakes and streams every day. According to the United States Public Health Service, although the population of the United States served by adequate sewage facilities increased from 35 percent in 1932 to 54 percent in 1938, nearly half of the country's population today lives in communities where these facilities are sadly lacking.

According to a report on water pollution by the National Resources Committee in February 1939, sewage from 35,000,000 people, or approximately 47 percent of the urban population, was discharged untreated into water bodies. This report also stated that approximately 2,300,000 tons of sulphuric acid are discharged into streams annually from abandoned and active coal mines.

The United States Corps of Engineers reported that the annual losses from acid pollution in the Pittsburgh, Pa., district, an area which has exceptionally acute waste problems, amounted to at least \$8,000,000 in 1925. As a result of P. W. A. sewer construction in this area, this annual loss has been greatly reduced.

The importance of safeguarding the public health by protecting the water supplies of the Nation has been recognized by virtually all of the States. Also there is greater cooperation between the State governments and the Federal Government today than at any time in the past. The State health and sanitary departments as a result of surveys have issued orders to communities to show cause why they should not dispose of municipal sewage through treatment plants. Prevented by financial considerations from proceeding with these needed developments, communities turned to P. W. A. In September 1939, of the 5,043 applications returned to public bodies by P. W. A., because of lack of funds, 209 were for sewage-disposal projects having an estimated cost of \$132,285,000.

A break-down by States of the various types of sewer construction as of December 1, 1939, follows:

	Number of projects	Loan	Grant	Estimated cost
<b>Alabama:</b>				
Disposal plants.....	7	\$158,500	\$153,909	\$396,823
Sanitary sewers.....	19	462,800	410,752	993,272
Storm and drains.....	1	18,000	14,582	32,727
<b>Total.....</b>	<b>27</b>	<b>639,300</b>	<b>579,243</b>	<b>1,422,822</b>
<b>Arizona:</b>				
Disposal plants.....	4	77,900	81,540	198,314
Sanitary sewers.....	2	375,500	129,262	506,250
Storm and drains.....	1	227,000	87,076	315,250
<b>Total.....</b>	<b>7</b>	<b>680,400</b>	<b>297,878</b>	<b>1,019,814</b>
<b>Arkansas:</b>				
Disposal plants.....	31	1,855,600	1,261,442	3,230,100
Sanitary sewers.....	8	147,500	89,534	243,280
<b>Total.....</b>	<b>39</b>	<b>2,003,100</b>	<b>1,350,976</b>	<b>3,473,380</b>
<b>California:</b>				
Disposal plants.....	39	1,257,450	2,949,920	9,721,123
Sanitary sewers.....	26	386,003	1,689,589	4,095,324
Storm and drains.....	4	-----	271,707	628,406
Combination sanitary sewer and storm.....	1	-----	30,304	71,642
<b>Total.....</b>	<b>70</b>	<b>1,643,453</b>	<b>4,941,520</b>	<b>14,516,495</b>
<b>Colorado:</b>				
Disposal plants.....	11	17,000	2,147,714	4,805,656
Sanitary sewers.....	1	-----	12,780	28,400
Storm and drains.....	1	-----	22,148	85,000
<b>Total.....</b>	<b>13</b>	<b>17,000</b>	<b>2,182,642</b>	<b>4,919,056</b>
<b>Connecticut:</b>				
Disposal plants.....	14	-----	2,972,670	8,203,736
Sanitary sewers.....	10	-----	415,462	1,215,206
Combination sanitary sewer and storm.....	2	-----	40,481	150,000
<b>Total.....</b>	<b>26</b>	-----	<b>3,428,613</b>	<b>9,568,942</b>
<b>Delaware:</b>				
Disposal plants.....	5	151,180	296,002	736,569
Sanitary sewers.....	2	-----	68,643	153,053
<b>Total.....</b>	<b>7</b>	<b>151,180</b>	<b>364,645</b>	<b>889,622</b>
<b>Florida:</b>				
Disposal plants.....	2	50,000	49,549	109,909
Sanitary sewers.....	6	365,000	505,348	1,138,650
<b>Total.....</b>	<b>8</b>	<b>415,000</b>	<b>554,897</b>	<b>1,248,559</b>
<b>Georgia:</b>				
Disposal plants.....	9	-----	858,088	1,927,553
Sanitary sewers.....	6	6,940	117,130	251,703
Storm and drains.....	1	-----	43,932	113,214
<b>Total.....</b>	<b>16</b>	<b>6,940</b>	<b>1,019,150</b>	<b>2,302,470</b>

	Number of projects	Loan	Grant	Estimated cost
<b>Idaho:</b>				
Disposal plants.....	3	-----	\$109,924	\$244,336
Sanitary sewers.....	1	-----	4,530	17,000
Combination sanitary sewer and storm.....	1	-----	19,636	43,636
<b>Total.....</b>	<b>5</b>	-----	<b>134,090</b>	<b>304,972</b>
<b>Illinois:</b>				
Disposal plants.....	67	\$42,696,231	21,522,035	70,629,623
Sanitary sewers.....	13	140,800	1,394,616	3,152,385
Storms and drains.....	7	-----	749,575	1,719,823
Combination sanitary sewer and storm.....	4	780,200	394,747	1,447,363
<b>Total.....</b>	<b>91</b>	<b>43,617,231</b>	<b>24,060,973</b>	<b>76,949,204</b>
<b>Indiana:</b>				
Disposal plants.....	30	1,555,400	7,967,096	19,156,177
Sanitary sewers.....	6	568,500	664,048	1,962,715
Storm and drains.....	3	-----	124,055	290,774
Combination sanitary sewer and storm.....	1	-----	41,000	140,000
<b>Total.....</b>	<b>40</b>	<b>2,123,900</b>	<b>8,796,199</b>	<b>21,549,666</b>
<b>Iowa:</b>				
Disposal plants.....	55	512,460	2,742,433	6,871,287
Sanitary sewers.....	8	-----	96,791	240,936
Storm and drains.....	9	-----	182,325	555,522
Combination sanitary sewer and storm.....	3	-----	174,937	581,515
<b>Total.....</b>	<b>65</b>	<b>512,460</b>	<b>3,196,486</b>	<b>8,249,260</b>
<b>Kansas:</b>				
Disposal plants.....	30	51,250	965,010	2,493,692
Sanitary sewers.....	11	-----	304,281	702,851
Storm and drains.....	9	-----	196,436	523,887
Combination sanitary sewer and storm.....	1	-----	46,485	103,300
<b>Total.....</b>	<b>51</b>	<b>51,250</b>	<b>1,512,212</b>	<b>3,823,730</b>
<b>Kentucky:</b>				
Disposal plants.....	13	255,400	598,682	1,537,298
Sanitary sewers.....	7	342,000	754,656	2,216,781
Storm and drains.....	1	6,000	2,010	8,010
Combination sanitary sewer and storm.....	1	-----	428,928	1,535,690
<b>Total.....</b>	<b>22</b>	<b>603,400</b>	<b>1,784,276</b>	<b>5,297,779</b>
<b>Louisiana:</b>				
Disposal plants.....	6	-----	871,630	1,997,564
Sanitary sewers.....	3	76,000	192,927	428,794
<b>Total.....</b>	<b>9</b>	<b>76,000</b>	<b>1,064,557</b>	<b>2,426,358</b>
<b>Maine:</b>				
Sanitary sewers.....	1	-----	23,571	52,381
Combination sanitary sewer and storm.....	1	21,440	9,560	31,885
<b>Total.....</b>	<b>2</b>	<b>21,440</b>	<b>33,131</b>	<b>84,266</b>
<b>Maryland:</b>				
Disposal plants.....	12	197,700	940,831	2,578,997
Sanitary sewers.....	8	168,000	845,308	2,132,014
Storm and drains.....	1	-----	68,451	160,547
Combination sanitary sewer and storm.....	2	532,000	226,531	1,000,935
<b>Total.....</b>	<b>23</b>	<b>897,700</b>	<b>2,081,121</b>	<b>5,872,493</b>
<b>Massachusetts:</b>				
Disposal plants.....	13	16,600	2,053,302	4,852,694
Sanitary sewers.....	30	210,000	5,957,817	14,099,972
Storm and drains.....	4	-----	174,388	664,373
Combination sanitary sewer and storm.....	4	-----	344,390	1,311,984
<b>Total.....</b>	<b>51</b>	<b>226,600</b>	<b>8,529,897</b>	<b>20,929,023</b>
<b>Michigan:</b>				
Disposal plants.....	44	12,811,854	12,973,150	33,112,697
Sanitary sewers.....	8	-----	402,166	1,013,543
Storm and drains.....	1	-----	472,500	1,054,582
Combination sanitary sewer and storm.....	1	-----	4,000	17,000
<b>Total.....</b>	<b>54</b>	<b>12,811,854</b>	<b>13,851,816</b>	<b>35,197,822</b>
<b>Minnesota:</b>				
Disposal plants.....	50	271,200	7,607,518	24,091,174
Sanitary sewers.....	5	-----	222,577	501,346
Storm and drains.....	2	-----	113,642	262,537
Combination sanitary sewer and storm.....	1	-----	1,653	3,674
<b>Total.....</b>	<b>58</b>	<b>271,200</b>	<b>7,945,390</b>	<b>24,848,731</b>
<b>Mississippi:</b>				
Disposal plants.....	5	59,750	175,371	404,243
Sanitary sewers.....	1	19,000	16,772	37,272
<b>Total.....</b>	<b>6</b>	<b>78,750</b>	<b>192,143</b>	<b>441,515</b>



## APPENDIX TO THE CONGRESSIONAL RECORD

	Number of projects	Loan	Grant	Estimated cost		Number of projects	Loan	Grant	Estimated cost
<b>Missouri:</b>					<b>South Carolina:</b>				
Disposal plants.....	28	\$377,646	\$792,861	\$2,204,426	Disposal plants.....	9	\$203,200	\$714,849	\$1,736,681
Sanitary sewers.....	22	20,000	2,163,737	5,217,735	Sanitary sewers.....	8	649,000	374,394	1,260,214
Storm and drains.....	2		779,823	2,482,044	Storm and drains.....	1		14,700	33,000
Combination sanitary sewer and storm.....	2		325,950	1,174,350	<b>Total.....</b>	<b>18</b>	<b>852,200</b>	<b>1,103,943</b>	<b>3,035,895</b>
<b>Total.....</b>	<b>54</b>	<b>397,646</b>	<b>4,062,371</b>	<b>11,078,555</b>	<b>South Dakota:</b>				
<b>Montana:</b>					Disposal plants.....	6	580,800	239,613	926,909
Disposal plants.....	3	44,700	85,419	190,619	Sanitary sewers.....	4	54,267	41,319	124,949
Sanitary sewers.....	1	21,800	8,330	30,081	Storm and drains.....	4	91,100	37,405	135,373
<b>Total.....</b>	<b>4</b>	<b>66,500</b>	<b>93,749</b>	<b>220,700</b>	<b>Total.....</b>	<b>14</b>	<b>726,167</b>	<b>318,337</b>	<b>1,187,231</b>
<b>Nebraska:</b>					<b>Tennessee:</b>				
Disposal plants.....	15	35,880	238,002	607,476	Disposal plants.....	9	206,000	313,049	788,449
Sanitary sewers.....	11		148,971	421,358	Sanitary sewers.....	14	629,000	1,295,952	3,102,440
Storm and drains.....	5		127,704	404,188	<b>Total.....</b>	<b>23</b>	<b>835,000</b>	<b>1,609,001</b>	<b>3,890,889</b>
<b>Total.....</b>	<b>31</b>	<b>35,880</b>	<b>514,677</b>	<b>1,433,022</b>	<b>Texas:</b>				
<b>New Hampshire:</b>					Disposal plants.....	22	582,300	1,048,109	3,049,704
Disposal plants.....	4	110,000	253,666	709,565	Sanitary sewers.....	24	1,279,770	918,123	2,746,679
Sanitary sewers.....	5	65,140	53,696	155,697	Storm and drains.....	8	35,000	789,862	2,158,084
Combination sanitary sewer and storm.....	1	31,000	9,943	40,943	Combination sanitary sewer and storm.....	1	24,500	9,163	37,280
<b>Total.....</b>	<b>10</b>	<b>206,140</b>	<b>317,305</b>	<b>906,205</b>	<b>Total.....</b>	<b>55</b>	<b>1,921,570</b>	<b>2,765,257</b>	<b>7,991,747</b>
<b>New Jersey:</b>					Utah sanitary sewers.....	2	59,900	25,695	95,036
Disposal plants.....	30	2,053,800	3,033,454	8,005,961	<b>Vermont:</b>				
Sanitary sewers.....	20	353,500	1,045,689	2,618,551	Disposal plants.....	2		31,527	123,559
Storm and drains.....	3	22,100	278,160	639,600	Sanitary sewers.....	4		55,625	190,013
Combination sanitary sewer and storm.....	2	48,500	26,740	118,826	Storm and drains.....	4			
<b>Total.....</b>	<b>55</b>	<b>2,477,900</b>	<b>4,384,043</b>	<b>11,382,938</b>	Combination sanitary sewer and storm.....	2		44,538	159,150
<b>New Mexico:</b>					<b>Total.....</b>	<b>8</b>		<b>131,690</b>	<b>481,722</b>
Disposal plants.....	4	97,782	191,249	432,586	<b>Virginia:</b>				
Sanitary sewers.....	1		135,000	300,000	Disposal plants.....	9	2,107,000	1,326,722	4,121,052
<b>Total.....</b>	<b>5</b>	<b>97,782</b>	<b>326,249</b>	<b>732,586</b>	Sanitary sewers.....	16	54,800	537,716	1,396,712
<b>New York:</b>					Storm and drains.....	4		63,025	146,773
Disposal plants.....	64	4,081,514	18,817,169	45,343,913	<b>Total.....</b>	<b>29</b>	<b>2,161,800</b>	<b>1,927,463</b>	<b>5,664,537</b>
Sanitary sewers.....	32	1,765,500	3,521,775	9,368,968	<b>Washington:</b>				
Storm and drains.....	7	1,012,277	445,282	1,623,341	Disposal plants.....	2	33,000	60,818	155,818
Combination sanitary sewers and storm.....	4	3,579,000	7,009,482	15,739,720	Sanitary sewers.....	12	54,432	610,091	1,861,290
<b>Total.....</b>	<b>105</b>	<b>10,438,291</b>	<b>29,793,708</b>	<b>72,075,942</b>	<b>Total.....</b>	<b>14</b>	<b>87,432</b>	<b>679,909</b>	<b>2,017,108</b>
<b>North Carolina:</b>					<b>West Virginia:</b>				
Disposal plants.....	12	1,039,350	1,122,341	3,184,708	Disposal plants.....	3	254,000	423,372	961,586
Sanitary sewers.....	7	474,500	338,928	1,016,482	Sanitary sewers.....	2	99,000	77,293	180,999
Storm and drains.....	1	89,000	36,305	130,000	Combination sanitary sewer and storm.....	2	83,000	158,461	401,000
<b>Total.....</b>	<b>20</b>	<b>1,602,850</b>	<b>1,497,574</b>	<b>4,331,190</b>	<b>Total.....</b>	<b>7</b>	<b>436,000</b>	<b>659,126</b>	<b>1,542,685</b>
<b>North Dakota:</b>					<b>Wisconsin:</b>				
Disposal plants.....	12	82,900	82,190	1,802,643	Disposal plants.....	69	391,500	7,648,916	18,941,089
Sanitary sewers.....	10	7,850	583,118	197,960	Sanitary sewers.....	19		2,530,592	6,187,934
<b>Total.....</b>	<b>22</b>	<b>90,750</b>	<b>665,308</b>	<b>2,000,603</b>	Storm and drains.....	9		340,399	1,134,636
<b>Ohio:</b>					Combination sanitary sewer and storm.....	3		98,852	227,245
Disposal plants.....	49	7,543,450	6,341,884	21,425,797	<b>Total.....</b>	<b>100</b>	<b>391,500</b>	<b>10,618,759</b>	<b>26,490,904</b>
Sanitary sewers.....	26	1,718,314	1,901,037	5,935,038	<b>Wyoming:</b>				
Storm and drains.....	15	486,800	924,328	2,942,788	Disposal plants.....	1		26,591	59,091
Combination sanitary sewer and storm.....	31	2,567,595	2,007,667	7,249,126	Sanitary sewers.....	3		140,660	315,484
<b>Total.....</b>	<b>121</b>	<b>12,316,159</b>	<b>11,174,916</b>	<b>37,552,749</b>	<b>Total.....</b>	<b>4</b>		<b>167,251</b>	<b>374,575</b>
<b>Oklahoma:</b>					<b>District of Columbia:</b>				
Disposal plants.....	18	93,500	344,345	911,928	Disposal plants.....	1	2,887,500	1,237,500	4,125,000
Sanitary sewers.....	3		29,894	72,620	Sanitary sewers.....	1		55,921	196,500
Storm and drains.....	2		66,594	148,000	<b>Total.....</b>	<b>2</b>	<b>2,887,500</b>	<b>1,293,421</b>	<b>4,321,500</b>
<b>Total.....</b>	<b>23</b>	<b>93,500</b>	<b>440,833</b>	<b>1,132,548</b>	Alaska: Sanitary sewers.....	1		13,167	30,000
<b>Oregon:</b>					<b>Hawaii:</b>				
Disposal plants.....	10	302,500	247,834	644,243	Sanitary sewers.....	4	429,800	245,485	939,498
Sanitary sewers.....	3		128,711	290,227	Combination sanitary sewer and storm.....	1		3,983	17,387
Combination sanitary sewer and storm.....	1		59,208	131,573	<b>Total.....</b>	<b>5</b>	<b>429,800</b>	<b>249,468</b>	<b>956,885</b>
<b>Total.....</b>	<b>14</b>	<b>302,500</b>	<b>435,753</b>	<b>1,072,043</b>	<b>Puerto Rico:</b>				
<b>Pennsylvania:</b>					Disposal plants.....	1		18,715	76,000
Disposal plants.....	36	65,000	3,624,129	8,457,247	Sanitary sewers.....	2	85,000	87,545	194,545
Sanitary sewers.....	20	30,000	2,584,822	5,813,863	Combination sanitary sewer and storm.....	1	522,500	427,500	950,000
Storm and drains.....	9		764,591	1,858,887	<b>Total.....</b>	<b>4</b>	<b>607,500</b>	<b>533,760</b>	<b>1,220,545</b>
Combination sanitary sewer and storm.....	1		26,842	59,650	<b>Grand total.....</b>	<b>1,525</b>	<b>106,653,425</b>	<b>172,031,123</b>	<b>467,962,671</b>
<b>Total.....</b>	<b>66</b>	<b>95,000</b>	<b>7,000,384</b>	<b>16,189,647</b>					
<b>Rhode Island:</b>									
Disposal plants.....	3	118,000	198,875	764,981					
Sanitary sewers.....	3	29,000	1,066,956	2,391,624					
Storm and drains.....	1	41,000	14,338	60,000					
<b>Total.....</b>	<b>7</b>	<b>188,000</b>	<b>1,280,169</b>	<b>3,216,605</b>					

# Forest Management and Forest Economics—Importance to Pacific Northwest and Southwest Washington

## EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

STATEMENT BY HON. MARTIN F. SMITH, OF WASHINGTON

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me January 8, 1940, before the Committee on Appropriations:

STATEMENT BY HON. MARTIN F. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. CANNON. Mr. SMITH desires to be heard on the item providing for the Pacific Northwest Forest and Range Experiment Station.

Mr. SMITH. Thank you, Mr. Chairman. That is the main item I am interested in, but I would also like to be heard in regard to several other items of importance to the lumber and forest products industries of my district, from which we derive more than 60 percent of our pay rolls.

### FOREST MANAGEMENT AND FOREST ECONOMICS

Mr. Chairman and gentlemen of the committee, I understand that the items that I am particularly interested in come under the headings of "Forest Management" (p. 294, 1941 Budget) and "Forest Economics" (p. 297).

The Douglas fir forests of Washington and Oregon, covering some 30,000,000 acres west of the Cascades, now supply about one-third of the lumber cut for the entire United States. Intelligently handled, these forests can support permanently an extensive and varied timber industry favored by cheap power, nearness to water haul, and a sustained supply of raw material locally grown. They are the principal factors in the economy of the region.

At present every sign points to extensive depletion of this timber resource. A study recently made by the United States Forest Service shows that, of 3,000,000 acres cut over in the last 20 years, over 70 percent is barren or producing only worthless brush and weeds. The industries are anxious and willing to take any practical steps to alter their cutting practices so as to assure satisfactory regrowth and continued operation. But even the forestry experts disagree as to what needs to be done.

The great need, therefore, is additional knowledge as to just how to cut present stands so as to meet the financial requirements under which the industry must operate, and yet assure adequate forest growth, satisfactory in quantity and quality on cut-over stands.

The new introduction of truck and tractor logging permits the substitution of partial cutting for the extensive clear-cutting and broadcast-burning practices which have resulted in widespread devastation in the past. But the trend toward partial cutting has in itself introduced new questions as to just what method of management will bring the highest returns, what kinds of trees should be left for further growth, how severe will be the losses from insects and wind, what rate of growth may be expected, can the extremely heavy logging debris be so handled as to reduce fire hazards satisfactorily, will partial cutting favor the less valuable species and thus result in gradual deterioration of Douglas fir stands, etc. These are all practical common-sense questions of silviculture and economics which must be answered before the forest industries can afford to practice the conservative cutting necessary to put them on a sustained and permanent basis.

Considerable work has already been done, and definite progress made, but present funds for forest investigations, totaling about one-tenth of 1 cent per acre per year for work in forest management, fire protection, and economic problems of the kind described are far too small to produce effective results early enough to be useful. A sum of \$50,000 annually is needed, in addition to funds now available, for studies in the forest management and forest economics fields. With the committee's permission, I would like to insert in the record a letter to the Director of the Budget by Mr. George L. Drake, of Shelton, in my district, which sets forth compelling reasons for this increase.

SHELTON, WASH., November 22, 1939.

DIRECTOR OF THE BUDGET,  
Washington, D. C.

DEAR SIR: The forest regions of western Washington and Oregon present problems that are different from any other forested regions in the United States, due to the heavy stand of timber (much of which is decadent), the rough topography and large size of timber

(which requires heavy logging equipment), and the great fire hazard due to the amount of debris and the extremely hazardous weather conditions during the summer months. Consequently the Forest Service has seen fit to establish a forest experiment station in the Northwest, located at Portland. This experiment station has performed a very valuable service to the region and its forest industries in studying the local forestry problems.

There has been established an advisory council comprised of representatives of forest industries, the forestry schools of the region, and others vitally interested in the whole forestry program. This advisory council meets yearly with the staff of the experiment station for discussion of the problems considered most urgent. In this year's meeting with the experiment station there was considerable discussion of the need for immediate study of the problems of selective logging in Douglas fir, a practice that is being made possible in certain cases by new developments in logging machinery. The subject of selective logging brings to the front problems of fire risks and silvicultural effect on the stand.

The allotments that have been made to the station for research in selective logging have been very limited, and as a result there are still many questions on which there needs to be more complete information. It is strongly felt by members of the advisory council that an increase of at least \$50,000 over the item in the present Budget is necessary if this important work is to be carried on effectively. There is such urgent need for this information being made available within the near future that it should not be limited or delayed.

Your consideration of this increase in the item for research in selective logging in the Douglas fir region is therefore urgently requested.

Respectfully yours,

GEO. L. DRAKE,

General Superintendent of Simpson Logging Co. and Member, Advisory Council of Pacific Northwest Forest and Range Experiment Station.

### SOME FOREST PRODUCTS UTILIZATION PROBLEMS OF THE PACIFIC NORTHWEST

#### Pulp and paper research

The problem of utilizing the tremendous woods waste in the Douglas fir region has not received the attention which it deserves. The surface of the problem of utilizing the millions of cords of waste material for pulp and paper has hardly been scratched. Some significant progress in the pulping of Douglas fir has been made through research at the Forest Products Laboratory with limited funds, but, unfortunately, Douglas fir possesses certain fiber characteristics which do not lend themselves readily to any of the ordinary pulping procedures. This explains why the amount of fir used for pulping has remained very limited in spite of the amounts available. Leads developed indicate real promise, but, in addition to pulping, there are problems in processing and papermaking which must not be overlooked. The finding of a solution to the Douglas fir pulping problem is so important that almost any expenditure is justified, but a conservative yet reasonable appropriation of \$50,000 could be expended with excellent prospect that worth-while results would accrue. It must be emphasized that the problem is not a simple one to be overcome in a year or two of effort. It is a "long pull" job.

#### Veneer and plywood research

Plywood manufacture is one of the important and expanding industries of the Pacific Northwest depending for its raw material upon large logs of high quality, particularly Douglas fir. A shortage of such logs is already in prospect. What is needed is the development of veneer cutting and processing methods for the production of acceptable veneer from smaller logs and of lower quality and of species not now freely used. This would involve also a study of the glues used in manufacture, methods of gluing, and the properties of the plywood in order that any proposal of new species and grades as a raw material would be sure to give satisfactory service under widely different conditions. To adequately handle this study would require an annual expenditure of \$40,000 to \$50,000.

#### Stream-pollution control

Waste sulfite liquor from paper mills has been a major problem ever since the process was developed, a problem particularly acute in the Pacific Northwest. Many practical leads have been developed through research on a laboratory basis, particularly at the Forest Products Laboratory. These researches are at a point where they must be taken out of the laboratory and made a matter of national action under some cooperative scheme of demonstration and trial between industry and Government. For this a considerable sum of money will be required over a number of years, something like \$100,000 to \$150,000 per year. Government has a stake in this because a great deal of Government timber may fail to find an outlet because of local conditions, such as prevail in the State of Washington. Industry has a stake because mills may be closed down and communities impoverished if laws now on the statute books relating to stream pollution are enforced.

#### Forest-fire cooperation under the Clarke-McNary law

In Washington State we have a tremendous forest-fire problem. Here there are about 12,000,000 acres of forest land in private and State ownership which are continually subject to extreme hazard



from forest fires during the summer months whenever the air gets dry and the wind comes in from the east.

Records show that in 1938, 2,666 of these fires burned 248,000 acres. In this same year (1938) 496 fires were caused by lightning. In fact, the owners of the land are responsible for a relatively small percentage of the total number, thus indicating that the control of forest fires is to a large extent a public responsibility.

The timberland owners contribute substantially to fire control through their protective association. In 1939 the State and the timberland owners set up \$794,967 for this work, supplemented by an anticipated Federal allotment of \$158,521 (hearings, agricultural appropriation bill, 1940, p. 608).

We believe in this three-way sharing of the job by the State, the private owners, and the Federal Government, and that the Federal share should be much greater than it is. In fact we believe that Federal participation should be on a 50-50 basis, that is, 50 percent by the Federal Government and 50 percent by the States and private owners, as provided for in the Clarke-McNary Act.

Forest products are responsible for a large part of our employment and contribute in no small way to the wealth of the Nation. It is a matter of vital concern that these values be perpetuated through good management. Adequate protection is essential to continuous productivity. Without adequate protection there can be no successful management.

There are, of course, other reasons for forest protection in Washington beside safeguarding timber values. First and foremost, it is vital to our watersheds and is one of the important means of preventing erosion of our soils. Forest protection is also becoming more and more essential to the development of our great recreational interests and to the preservation and propagation of game and fish.

We in Washington State have proved that we are ready to contribute in a substantial way to get this protection job adequately handled. Such adequate forest-fire protection for all States is estimated to cost over \$18,000,000 per year (hearings, agricultural appropriation bill, 1940, p. 608). The Clarke-McNary law authorizes an appropriation of \$2,500,000. The item of this 1941 bill is \$2,200,000.

I most strongly urge that the 1941 appropriation be brought up to the full amount of the authorization, namely, \$2,500,000.

#### *Forest survey*

In my State of Washington the forest survey has finished an inventory of the timber situation. The timber-stand figures, including volume, areas cut over, extent of natural restocking, current growth and depletion, and available supplies of sawlogs and pulpwood for individual communities, must be kept up to date.

But this does not end the work any more than one inventory of a business lasts forever. Continuous supplemental study is necessary to assist in meeting problems such as the decrease of high-grade timber around Puget Sound, Grays Harbor, and lower Columbia River, where most of the mill capacity is located. Allotments to meet these needs have been all too short, which led me to inquire into the forest-survey situation for the rest of the country.

I found that there is available for this work only \$250,000, the maximum amount authorized by section 9 of the act of May 22, 1928. Work is in progress in six regions. About one-half the United States has been covered. Most of the money is needed to do just what we are doing in the Douglas fir region which means that new field work to cover the rest of the country is almost at a standstill, less than 10,000,000 acres having been cruised last year.

I am advised that to assure continuation of the forest-survey work in my State as well as provide for its extension to the rest of the country, an amendment to the act authorizing the study is needed. It encouraged me to find that identical bills, S. 224 by Mr. McNARY and H. R. 3410 by Mr. RANDOLPH, were introduced in this present Congress and if passed would open the way for satisfactory maintenance and speeding up of this very worth-while project.

In the interest of my district, I plan to follow up on these bills with the hope that this Congress will pass them so that the forest survey can go forward at a rapid rate which is fully justified by the need for accurate information, locally and regionally, on our timber resource.

I am informed, upon inquiry, that \$750,000 annually would permit finishing the survey for the entire country in 6 or 8 years. After this first inventory, probably only one-third of this amount will be needed to maintain the forest survey.

#### *National forest protection and management*

##### *Blister-rust control and tree diseases*

I understand that the Budget Bureau has allowed an increase of \$200,000 for control of blister rust on the national forests in the West. I have been unable to find a corresponding increase in the total of the appropriation and for that reason assume that the Forest Service will have to provide these increased funds for blister-rust control by reducing other activities. While I regret to see the blister-rust activity financed by making reductions in other national-forest activities, I do want to emphasize the necessity of providing additional funds for the blister-rust work. Control of this disease is of vital importance to the cities and towns in the West which are now supported by the white- and sugar-pine lumber industry.

Rapid spread of the white pine blister rust in western national forests necessitates this increase. This foreign disease is now so firmly established in the important forests of western Montana, northern Idaho, and eastern Washington that it is imperative that wild gooseberries and currants (*Ribes*) be eradicated immediately,

in order to save established crops of western white pine and to avert a major economic disaster. Some young stands are now so badly infected that many of the trees are killed. Western white pine is a valuable timber species in this region. Continued production of this species, with resultant stabilization of the lumber industry dependent upon it and employing thousands of laborers, is impossible unless the disease is brought and kept under control.

The sugar-pine region in the national forests in northern California has been invaded by the disease, which is extending to the south. Sugar pine is extremely susceptible to blister rust. Unless the disease is checked, western white pine in the inland empire and sugar pine in the Sierras are doomed. This would be a worse catastrophe than was the elimination of the chestnut in the East by the chestnut blight. Control of blister rust is, however, entirely practicable, hinging on the eradication of *Ribes* plants, the alternate host of the disease.

Initial working is imperative on about half a million acres in the national forests in the western white-pine region and a million acres of national forest in the sugar-pine region. Maintenance work (repeat treatments) is also essential on areas which have been given initial eradication, in order to destroy the relatively few *Ribes* which were missed and those which have grown up since treatment.

Preservation of existing stands of white and sugar pines and continued growth of new stands are essential to protect present values and to guarantee future usefulness of national-forest lands suitable to the production of these valuable species. The livelihood of workers, communities, and industries is at stake. Protection methods developed by the Bureau of Entomology and Plant Quarantine are used and close cooperation is maintained with that Bureau. The job is a race against the spread of the disease.

Control work is comparatively well along in the national forests in the Lake States, northeastern, and southern Appalachian regions, where the disease affects northern white pine. Efforts must be continued here to the fullest extent possible, but the far more serious situation affecting the two western national-forest regions mentioned above should have first consideration. (Also see discussion beginning on p. 632, 1940 House hearings.)

Mr. Chairman and gentlemen of the committee, I desire to thank you for your courtesy and know that you will give these important matters your usual earnest consideration.

### **Bureau of Internal Revenue Refunds \$27,390,777.03, While Additional Collections are \$250,000,000 in Back Income Taxes**

#### **REMARKS**

OF

**HON. JOHN J. COCHRAN**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1940

Mr. COCHRAN. Mr. Speaker, the report for the fiscal year 1939 of refunds of \$500 or more of internal-revenue taxes required under the provisions of section 3, act of May 29, 1928, to be made by the Treasury Department to the Congress was made available to the press by the Committee on Expenditures in the Executive Departments today. In a memorandum I submitted at the time the report was released I made it clear that this report represents amounts that have been paid taxpayers during the fiscal year ended June 30, 1939, and not amounts that are to be hereafter refunded. The statement submitted to the committee lists only those who received \$500 or more.

I further indicated that the total amount of internal-revenue taxes refunded, inclusive of interest, was \$49,413,686.40, which included \$27,390,777.03 applicable to income tax. These totals include many amounts smaller than \$500, which are not required to be reported to the Congress. The number of taxpayers who received income-tax refunds was 136,186.

I also pointed out that the law does not require the Commissioner to submit to Congress additional collections, but while the record showed refunds of \$27,390,777 in income taxes in 1939, the Bureau of Internal Revenue actually collected during the same period over \$250,000,000 additional in back income taxes.

The press was advised that the more common errors of taxpayers which resulted in overpayments of income taxes, according to the records of the Department, were mathematical errors, the reporting of nontaxable income, failure to take credit for foreign taxes, and failure to take proper credit for depreciation and obsolescence of physical properties. The

larger refunds, to a considerable extent, are based upon final decisions of courts or the Board of Tax Appeals and/or determinations by the Treasury Department based upon decisions by courts or the Board of Tax Appeals.

Attention was called to the fact that during the fiscal year 1939 the actual cash collections on account of back income taxes amounted to \$250,641,150.52, an amount in excess of nine times the total of actual cash refunds of income taxes.

In connection with my statement that income-tax refunds for 1938 totaled slightly in excess of \$27,000,000, I pointed out that for the fiscal year 1932 the total of the cash paid out for refunds and interest was in excess of \$80,000,000; for the year 1928 it was nearly \$70,000,000; for 1930 more than \$126,000,000; and for the year 1929 more than \$190,000,000 was paid. It is my impression that the large expenditures in past years had been occasioned to a considerable extent by the relief provisions and by the complexity of the tax laws during the war excess-profits tax years, and due to overpayment because of an initial lack of understanding of the provisions of the taxing statutes enacted as an incident to the World War.

It might also be well to state the refunds to payers of processing taxes amounted to \$12,293,817.96 during the fiscal year and items of over \$500 of such taxes were included in the report.

### The 7 Lean Years of Government Spending and Debt Creation That Devoured the 7 Fat Years of Private Thrift

#### EXTENSION OF REMARKS

OF

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I am calling special attention to a comparison which I have compiled showing how the 7 fat years of private thrift from 1923 to 1929 have been devoured by the 7 lean years of Government spending from 1933 to 1939.

#### COMPARISONS BETWEEN 1923 TO 1929 AND 1933 TO 1939

During the last long, lean 7 years, our national taxes collected averaged 21 percent higher than in the 7 reasonably prosperous years 1923-29, while our average annual Federal expenditures, excluding debt retirement, averaged more than two and one-half times as high. Further, our Federal debt, direct and guaranteed, at the end of 1939 was almost three times as high as at the end of 1929. In the earlier period we decreased our debt by almost \$1,000,000,000 per year for 7 years; in the latter period we increased our debt by almost \$4,000,000,000 each year. The real burden of debt on a family of four has increased from \$502 to \$1,703.

Yet in this promised land of futuristic financing, wholesale prices were down 21 percent, industrial production per capita was down 21 percent, factory pay rolls were down 24 percent, national income per capita was down 33 percent, new construction was down 57 percent, new corporate financing was down 84 percent, and the average number of workers involved in strikes was up almost threefold, from 443,000 to 1,190,000.

	1923-29 average	1933-39 average	Percent change, 1933-39 average over 1923-29 average
Population (thousands).....	116,500	128,400	+10.2
All wholesale prices (1926=100) <sup>1</sup> .....	98.5	77.7	-21.1
Industrial production (Federal Reserve Board 1923-25=100).....	106.3	93.0	-12.5
Per capita.....	103.3	81.9	-20.7
Manufacturing employment (wage) <sup>1</sup> .....	7,970,000	7,265,000	-8.8
Manufacturing payrolls (wage) (millions) <sup>1</sup> .....	\$10,156	\$7,689	-24.3

<sup>1</sup> United States Bureau of Labor Statistics.

	1923-29 average	1933-39 average	Percent change, 1933-39 average over 1923-29 average
National income produced (millions) <sup>1</sup> .....	\$78,254	\$57,707	-26
Per capita.....	\$672	\$449	-33
Construction contracts (millions) <sup>1</sup> .....	\$5,097	\$2,426	-57
New Corporate financing (millions) <sup>1</sup> .....	\$3,966	\$623	-84
Industrial disputes: <sup>1</sup>			
Number of strikes begun.....	1,053	2,521	+139
Number of workers involved.....	443,000	1,190,000	+168
Federal Government receipts (fiscal years begin- ning July 1) (millions) <sup>1</sup> .....	\$4,020	\$4,849	+20.6
Per capita.....	\$34.51	\$37.76	+9.4
Federal Government expenditures, excluding debt retirement (fiscal years beginning July 1) (millions) <sup>1</sup> .....	\$3,147	\$8,009	+155
Per capita.....	\$27.01	\$62.38	+131
Federal debt, including guaranteed debt, begin- ning period Jan. 1 (millions) <sup>1</sup> .....	\$22,732	\$20,805	-8.5
End of period, Dec. 31 (millions) <sup>1</sup> .....	\$16,301	\$47,592	+192
Total decrease (-) or increase (+) (millions).....	-\$6,431	+\$26,787	
Average annual change (millions).....	-\$919	+\$3,827	
Per capita national debt, end of period.....	\$133.07	\$361.50	+172
In dollars of equivalent purchasing power.....	\$133.07	\$425.80	+220

<sup>1</sup> 1923-28, National Bureau of Economic Research; thereafter U. S. Department of Commerce.

<sup>2</sup> Excluding work-relief payments averaging \$1,631,000,000 yearly, and farm benefit payments averaging \$445,000,000 yearly.

<sup>3</sup> F. W. Dodge Corporation.

<sup>4</sup> Commercial and Financial Chronicle (excluding investment trust issues).

<sup>5</sup> Annual Report of the Secretary of the Treasury and 1941 Budget estimate.

<sup>6</sup> From daily Treasury statements as published in Survey of Current Business.

<sup>7</sup> Direct debt of \$41,942,000,000 (Dec. 31, 1939), plus guaranteed obligations outstanding as of Nov. 30, 1939 of \$5,650,000,000.

### Reciprocal-Trade Agreements Cannot Be Blacked Out by False Statements

#### EXTENSION OF REMARKS

OF

HON. JOHN W. BOEHNE, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. BOEHNE. Mr. Speaker, on January 17 of this year my colleague from Indiana [Mr. SPRINGER] placed in the RECORD a bare statement, without supporting evidence, that trade agreements had injured business. His statement began:

Many matters of great importance will come before this session of the Congress, but I firmly believe there will not be a question presented which will be more important or of greater influence than the question of extending the further power to the President to make reciprocal-trade agreements with foreign powers.

I can fully agree with that sentence from his statement, but I am sorry that this is about the only sentence in the statement with which I can see eye to eye. The extension of the Trade Agreements Act is important, but I view this from the positive side. Apparently my colleague is looking at trade agreements from the wrong end of a telescope. I disagree with the very next sentence, which reads:

We are reminded that the President now has that power (authority to negotiate trade agreements under certain limitations) which was given to him by Congress in the year 1937.

I disagree because it is only a half-truth. As a matter of fact, original authority was granted to the President in 1934 and further extended in 1937.

Now, I do not have time to take up all the misstatements and half-truths placed in the RECORD by the gentleman from Indiana [Mr. SPRINGER]. I do, however, wish to cover a few of the worst errors, incomplete statements, and wrong inferences relative to trade agreements. Incidentally the Committee on Ways and Means is now holding hearings on the extension of the Trade Agreements Act for another 3 years. When the record of these hearings is available opponents of trade agreements will find some important facts which I think may change their position.



I want to deny as emphatically as language will permit my colleague's charge that agriculture has suffered greatly because trade agreements have permitted the importation of vast amounts of agricultural commodities which are competitive with products of American farms. As a matter of fact, the much-talked-of flood of agricultural imports has turned out to be a mere trickle when considered in its proper proportion. Imports are less than half what they were in the "roaring twenties." Agriculture has a greater share of the American market than it had immediately before the Hawley-Smoot wrecking crew completed its work. It should not be forgotten that the trade agreements are for the purpose of correcting the conditions in which this country found itself at the end of 1932. Agricultural income has increased from \$4,600,000,000 in 1932 to \$7,600,000,000 in 1939. My colleague asserted:

The imports have been increasing every year since the trade agreements have been in force.

Whether he meant agricultural or total imports, the statement is absolutely fallacious, as the import figures show. The total imports and the imports of agricultural products for 1929 and from 1936, when important trade agreements first went into effect, to 1939 have been as follows:

	Total imports	Agricultural imports	
		Kinds not produced in the United States	Supplementary imports
1929.....	\$4,399,000,000	\$1,201,000,000	\$1,017,000,000
1936.....	2,423,000,000	547,000,000	695,000,000
1937.....	3,084,000,000	711,000,000	868,000,000
1938.....	1,961,000,000	479,000,000	477,000,000
1939 <sup>1</sup> .....	2,071,000,000	522,000,000	476,000,000

<sup>1</sup> First 11 months.

It is seen that both total imports and imports of agricultural imports in 1939 are below those of 1936, even with a generous estimate for December 1939. As a matter of fact, the imports of supplementary agricultural imports for the first 11 months of 1939 were more than \$200,000,000 below those of the year 1936. Such statements about agricultural imports as that made by my colleague are being indiscriminately spread upon the Record almost daily. American farmers have a right to expect something nearer the truth from those purporting to represent their cause in Washington. I hope the gentleman from Indiana [Mr. SPRINGER] will take proper steps to correct his erroneous statements.

Farmers throughout the country have not the opportunity to check the bob-tailed and false statistical tables placed in the CONGRESSIONAL RECORD, and then circulated by certain sections of the press.

Let me illustrate the errors further by analyzing the table on imports presented by my colleague, purporting to show the bad effects of trade agreements. He listed the imports for 1938 and 1939 of the following items: Cattle, meat products, canned beef, oats, and wheat.

First. Now it is a fact that more than half of the number of cattle shown for 1939 were in no way affected by duty reductions under trade agreements. They were cattle on which no such duty reductions were made and which entered at the Hawley-Smoot rates. Furthermore, the mere figures of imports furnish little information as to the effects on our trade. It so happens that United States cattle prices were above parity throughout 1939. As late as October 1939, committee for reciprocity information hearings on Argentina, representatives of the cattle-raising industry admitted that livestock producers were in good condition. This is a far-reaching admission from men who assume to speak for the cattle industry, and who are almost constantly complaining about the importation of cattle constituting only a small percentage of domestic production. The Canadian agreements fixed definite quotas of certain classes of cattle which might enter at lower rates, and imports of other classes, or of cattle in excess of the fixed quotas, paid the full 1930 tariff.

Second. Likewise, more than half of the imports of meat products shown by my colleague have not been included in

any trade agreements. An honest presentation would show only those items which have been affected. As a matter of fact, the imports of both classes, those affected and those not affected, were due to increased industrial activity in the United States, with greater demand for meats and prices higher than in 1938. Let us have the separate items and see how trade agreements have affected agricultural markets.

Third. The next item, canned beef, has not been included in any trade agreement. It was included in my colleague's table purely for the political effect. Those who attempt to show effects of trade agreements with such figures, either are not informed or are attempting to deceive.

Fourth. No wheat fit for human consumption, the major portion in import figures, has been included in any trade agreement. In fact, important foreign concessions on American wheat, such as the complete removal of the 6-cent duty in the British agreement, have been obtained for the benefit of American wheat producers. The exports of wheat, shown in another table by the gentleman from Indiana [Mr. SPRINGER], amounting to 61,165,000 bushels, or six times the imports of 9,310,000 bushels, gives a better perspective of our foreign trade in wheat. Opponents of trade agreements who use these wheat figures studiously neglect to add that more than 97 percent of the wheat imported in 1939 was imported under bond to be milled in this country—giving employment to American workmen—and then reexported. Not a bushel of that wheat or a pound of the flour made from it can enter the domestic market without paying the 1930 tariff rate of 42 cents a bushel. The only wheat imported into the United States in 1939 at a reduced tariff was the 49,000 bushels of wheat unfit for human consumption imported by American farmers as feed for livestock. And even that wheat paid a duty of 5 percent ad valorem.

Fifth. That leaves oats, the duty on which was reduced in the agreement with Canada. The imports in 1939 increased over 1938 by 2,606,742 bushels. These imports were less than one-third of 1 percent of the 1939 oat crop in the United States. The 1939 oat crop in this country was 131,000,000 bushels short of the 1938 crop, and the imports amounted to less than 2 percent of that shortage. In relation to our own production, these imports are absolutely insignificant, and they represent only a little trade carried on across the Canadian border for the benefit of American farmers themselves.

The table referred to above, appearing in the CONGRESSIONAL RECORD, is thus seen to be 80 percent wrong insofar as it is supposed to show the effects of trade agreements. That is a high percentage of error. I do not believe American farmers can be deceived in any such manner. As far as I am able, I propose to expose every such falsification which I find in the Record.

In spite of the statement of my colleague the gentleman from Indiana [Mr. SPRINGER] that "the imports have largely increased under these trade agreements, and the exports have been decreased," and in spite of the partial, incomplete, and misleading statistics presented, it is a fact that some agricultural exports on which concessions were obtained from foreign countries did increase in 1939 over 1938; although, as with increased imports for the same period, this is not the final and only criterion for measuring the efficacy of trade agreements. It is not to be expected that concessions can cause increased trade from year to year in spite of all other factors involved. I list a few increased exports below, merely because my colleague gave only decreases:

	11 months	
	1938	1939
Vegetables, fresh and dried.....	\$7,186,000	\$9,555,000
Meat products.....	25,900,000	28,184,000
Lard, including neutral.....	16,737,000	18,833,000
Dairy products, except buttermilk.....	5,495,000	6,534,000
Wheat flour.....	21,402,000	22,976,000
Vegetables, canned.....	5,070,000	6,002,000
Canned fruit.....	20,120,000	24,084,000

The fact that opponents of trade agreements have to doctor up their statistics, as my colleague has done, to make a plausible case indicates what a poor case they have against this program.

The facts are against them, and they are presenting the opposite of the truth to substantiate their preconceived and erroneous ideas of the benefits of the Hawley-Smoot Embargo Tariff Act.

### Deficiency Appropriations

#### EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. COCHRAN. Mr. Speaker, when the gentleman from Missouri [Mr. CANNON] had the floor discussing this bill I asked a question and referred to the deficiency in connection with parity payments. I referred to the law which was enacted for the purpose of preventing excess expenditures and stated in my opinion the time had arrived when Congress should see that those administering appropriations should be required to pay strict attention to that law. As it is my opinion some officials in charge of disbursing appropriations never read the law, I am going to include it as part of my remarks in the hope that it will bring some beneficial results. The law follows:

SEC. 169. General.—Expenditures in excess—Voluntary services.—No executive department or other Government establishment of the United States shall expend, in any one fiscal year, any sum in excess of appropriations made by Congress for that fiscal year, or involve the Government in any contract or other obligation for the future payment of money in excess of such appropriations unless such contract or obligation is authorized by law. Nor shall any department or any officer of the Government accept voluntary service for the Government or employ personal service in excess of that authorized by law, except in cases of sudden emergency involving the loss of human life or the destruction of property. All appropriations made for contingent expenses or other general purposes, except appropriations made in fulfillment of contract obligations expressly authorized by law, or for objects required or authorized by law without reference to the amounts annually appropriated therefor, shall, on or before the beginning of each fiscal year, be so apportioned by monthly or other allotments as to prevent expenditures in one portion of the year which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made; and all such apportionments shall be adhered to and shall not be waived or modified except upon the happening of some extraordinary emergency or unusual circumstances which could not be anticipated at the time of making such apportionment, but this provision shall not apply to the contingent appropriations of the Senate or House of Representatives; and in case said apportionments are waived or modified in writing by the head of such executive department or other Government establishment having control of the expenditure, and the reasons therefor shall be fully set forth in each particular case and communicated to Congress in connection with estimates for any additional appropriations required on account thereof. Any person violating any provision of this section shall be summarily removed from office and may also be punished by a fine of not less than \$100 or by imprisonment for not less than 1 month. (R. S., 3679, July 12, 1870, and act of Mar. 3, 1905, 33 Stat. 1257, as amended by act of Feb. 27, 1906, 34 Stat. 48.)

The Bureau of the Budget should see to it that, unless an emergency develops, the appropriation be allocated over a 12-month basis, as the law provides. If an emergency should develop then the Appropriations Committee, as well as the Bureau of the Budget, should be immediately notified.

Now, Mr. Speaker, I want to refer to the deficiency in parity payments. My colleague the gentleman from Missouri [Mr. CANNON] stated my remarks were not justified by the facts. Let us refer to the hearings. Turn to page 804. It seems to me, after one has read the hearings, the subcommittee was rather exercised over the deficiency although in the end the discussion centered around the failure of the spending agency to take the committee into its confidence. Reading between

the lines, I assumed the members of the subcommittee felt by reducing the amount allocated corn and cotton, the available amount would have been sufficient. The amount of the reduction would have been so small it would not have been noticeable. True, as the gentleman from Missouri [Mr. CANNON] said, more farmers took advantage of the law than they did the previous year, but surely, with the vast number of employees and agents there should be some way to learn how many farmers intend to come in. I am fully aware of the interest of those who represent rural districts in parity payments, and I have no desire to criticize any officials administering this law, but I submit, in view of the hearings, my comment was justified.

As part of my remarks I include part of the hearings dealing with this subject:

Mr. CANNON. Now, Mr. Evans, what is the amount of the deficit?

Mr. EVANS. It should be a little less than \$10,000,000.

Mr. CANNON. If you had made a proper computation, if you had been a little more accurate in your original estimates, you could have adjusted the payments to come within the \$212,000,000 allotted to you, could you not?

Mr. EVANS. Well, we have two alternatives.

Mr. CANNON. For example, I believe the amount allowed on cotton was 1.6, and what was it on corn?

Mr. EVANS. Eleven cents.

Mr. CANNON. By adjusting that to 1.5 or to 10.5 on corn, you would have had ample funds, would you not?

Mr. EVANS. Yes, sir.

Mr. CANNON. Why was that not done? That was the intention of Congress; you have voided the intention of Congress.

Mr. EVANS. As I say, we have two alternatives, Mr. Chairman. We have to set these rates a long time ahead, and we have to make a guess as to what the participation will be. Now, we can do one of two things: We can set the rates low enough so that we are sure we are on the safe side, or we can try to distribute all of this money to the farmers by trying to set our rates as close to what they will turn out to be as humanly possible for us to guess, and in this particular case we are missing it by about 4 or 4½ percent.

That is not a very wide miss in a big amount of this kind, if you take the figure over our total appropriations, the conservation plus the parity. It is less than 2 percent.

Now, I would appreciate some advice from the committee, as to what you think the Administration should do. Should we set out and say, "Well, we will turn back 10 percent of this appropriation," because we can easily do that, and we have done it in previous years.

Mr. CANNON. We expect you to be a little more accurate. Ten million dollars out of \$212,000,000 is a pretty wide guess.

Mr. Speaker, I contend this quotation from the hearings does justify my remarks.

### The Weakness of the Law

#### EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. SPRINGER. Mr. Speaker, recent reports contained in many of our outstanding newspapers have shocked and appalled our people when it was made public that a large number of professional baseball players, who draw large salaries for the few months they are engaged in their profession, have applied for, and are actually receiving, unemployment insurance. In one of the recorded instances a professional baseball player who draws an annual salary of \$8,000 made application for, and is now receiving, this unemployment assistance under the law.

It is quite apparent that such was not the intent of the law; yet the provisions of this particular statute were no doubt hastily prepared, and the due and careful consideration to which the preparation of this particular law was entitled was not given to it, and the provisions of it were made susceptible of an interpretation which was not intended by anyone. Great care should be exercised in the preparation of every law. It is quite evident that the framers of the law did not intend that professional baseball players, who draw large salaries for a part season's services, should come within



the provisions of the law and thereby be able to qualify for unemployment insurance. The very regrettable thought which emanates from this practice, which should be universally condemned, is that any professional baseball player, who depends largely upon the public for his job, would take advantage of the public and the taxpayers in such manner. Even though the law is carelessly drawn, that class of our citizens who are well provided with a position and with a good salary should never take advantage of a poor law in order to enrich themselves. The public should evidence a strong protest against such a practice—one which will not be forgotten—because of such reprehensible conduct on the part of those who are not entitled, by any rule of the game, to draw unemployment insurance.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the *RECORD* and to include therein a well-written editorial which appeared in the *Indianapolis Star* of Indianapolis, Ind., on Monday, January 29, 1940, which editorial follows:

[From the *Indianapolis Star* of January 29, 1940]  
WEAK SPOTS IN OUR LAWS

The news columns of the last few days included 2 items showing how far law may depart from common sense. Missouri reported that 10 professional baseball players in that State are collecting unemployment insurance. Some are on the rosters of the Kansas City American Association and of the St. Louis American League clubs. One of the players draws a salary of more than \$8,000 for the season. Now he is getting \$15 a week because he is not working, as provided in the unemployment insurance law.

It is perfectly clear to most people that the lawmakers had no intention of leaving such a loophole in the act. The unemployment insurance law was designed to tide over those who are out of work. It is supposed to benefit those who are in need of help and not to provide a hand-out to men who should be amply provided. The Missouri unemployment compensation commission interpreted the law as saying plainly that the ballplayers are entitled to \$15 a week. The law should be amended to say what the legislators intended.

A Seattle woman was denied citizenship because she refused to take oath that she would bear arms for the United States in the event of a war. She, of course, is not entitled to much sympathy. No possible harm could have come to her by assenting to the regulation promise. A woman should not be required, however, to obligate herself to bear arms. She never will be called on for such service and the law should be amended to excuse women from making such a pledge.

The applicant was born and reared in this country and lost her American citizenship when she married a Norwegian. She returned to this country with her four children and sought reinstatement as a citizen. She said she was willing to be a nurse or do anything else in a war but fight. She knows, of course, that she would not have to fight but was obstinate and would not take the regulation oath.

## Tariff Politics and Trade Treaties

### EXTENSION OF REMARKS

OF

### HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. KITCHENS. Mr. Speaker, the Republican Party for many years periodically and ingenuously makes political and money capital of the tariff. When nothing remains for a complaint, shibboleth, party cause, or funds, that party invariably falls back upon the tariff. The Democratic Party is not and never has been a party for a selfish few nor does it depend upon the tariff or its beneficial recipients for party funds. It does not believe in tariff subsidies so high as to create monopolies. It does believe in fair tariffs to protect the laboring man, the farmer, consumer, revenue, and the people as a whole.

The question is often asked by the high-tariff advocates, Why does not the Democratic Party, now in control of the Government, repeal the Smoot-Hawley Tariff Act if it be so contrary to best interests of all the people? The answer to that question is the Hull trade treaties are gradually pulling the fangs from that selfish, mischievous, and destructive act, truly a Frankenstein that cast our people adrift, demoralized and impoverished them, destroyed their foreign trade as well

as their trade at home, and caused more loss, unemployment, misery, economic wreckage, than ever was caused by act of man prior thereto. But it is known by some leaders that people easily forget. The Hull trade treaties are salvaging from the debris of that act some of our trade, and gradually restoring to us a little of our foreign trade, increasing our domestic trade, and putting us on a sound basis of recovery.

The slogan, "The American market for the American farmer," is most alluring and intriguing. Let us reduce that to its simple analysis and say, "The State market for its own people," "The county market for its own citizens," and, to go further, let us be truly individualistic, rugged individuals, and deal with no one. Let us be individually self-sufficient. No, the American people are more intelligent today and may no longer be deceived.

I am most pleased that the unselfish women's organizations of America and the great American farm union are now vigorously endorsing and supporting the trade treaty program of that great American, Cordell Hull. I am also most gratified to learn that the unselfish molders of public opinion, men like Hon. William Allen White, of Kansas, a great Republican, who places the general welfare of all the people ahead of the welfare of a few, warns the hardened and unregenerated leaders of his party against opposing the trade treaties of Cordell Hull, a warrior bold, tempering the destructive effects of the Smoot-Hawley tariffs. In this connection, Mr. Speaker, I ask unanimous consent to print in the *RECORD* the following editorial from the pen and brain of that great American, Hon. William Allen White, of Emporia, Kans.:

Americans might as well make up their minds to it, that the old idea of a high protection, which was merely socialistic subsidizing of various industries, is impossible in the world economy as it stands today. Some tariff? Yes, but not log-rolling high tariffs, not the Smoot-Hawley bill. One of the things that brought about the depression was the Smoot-Hawley bill. The *Gazette* said so at the top of its lungs before the Smoot-Hawley law was finally formulated, while it was passing, and after it had become a law. That tariff law was an offense against economic stability not only in the United States but all over the world. It is one of the sad, terrible commentaries on the present Democratic administration that it has neglected so long to revise the Smoot-Hawley tariff law.

The principle of reciprocal tariff to undo and offset the Smoot-Hawley tariff is entirely defensible upon the theory of our national economy. Of course, in any Congressman's district he can take counsel of his fears and vote against this tariff by scaring his constituents to death about the damage it will do to their local special industries. For instance, take cattle: The increase of the percent of total imports of cattle—say 44 percent—is frightening. But that 44 percent increase is only 8 percent of the cattle inspected and probably about 5 percent of the beef actually consumed in the United States. That is a small percent. It has not seriously affected the average annual price of cattle.

We are fundamentally in disagreement with Governor Ratner and the Kansas Congressmen and Senators who opposed these Hull treaties. For these treaties surely strengthen our national economy. They certainly bring in more business and more money to the country than they take out. Unless we see our national economy as a whole and national prosperity as a unit, we never can recover. We can't recover by patching up a hole here and plugging a hole there in our economy. We cannot recover unless we plan recovery on a Nation-wide scale.

If, for instance, the farmers of Kansas are scared of these treaties because of what they will do to the farmer, the Kansas farmer should remember that the farmer will never be prosperous until the Nation as a whole has prospered also. These treaties certainly do work for national prosperity. If, when the treaties are in force, it is found that the farmers are bearing too much of the burden, which may easily be true, then subsidize the farmers directly. But don't stop the rise of national prosperity by timidity about individual losses. If times are good, prices will be good everywhere.

Another and most vital thing: The peace of the world depends first upon the international flow of goods, to give all nations of good will access to raw materials; and, second, upon mutual economic help among nations. Economic supernaturalism has led the world into war. Unless there can be among the civilized nations of the world some basis of negotiation whereby each nation can develop its own economic strength under its own peculiar geography and in its own economic position, there is no hope for peace. National jealousy will keep on breeding international hates.

Wars will succeed wars. In the peace conference which must follow this war American influence can be potent in the struggle for world peace. But we can serve the world only if America comes with a reputation for fairness to her neighbors now. Suppose we defeat these Hull treaties. What a pie-faced old hypocrite Uncle Sam will be at that conference, counseling other nations to give up a little for the greater blessing of peace. In that hour when a lasting peace is possible for the world we shall be bound and gagged by our own selfish isolationist policies. Here in these Hull

reciprocal treaties is the hope of the United States in helping to promote a just peace in the world.

Without that just peace the tribulations of the last decade, 10 terrible years of shuddering under the threat of war, will be with us for another generation. This is no time for partisan talk of local advantage. The prosperity of our Nation depends upon the peace of the world. If America cannot take the larger view, the hope of the world is blasted. Our civilization cannot go forward along its appointed evolutionary way amid the atmosphere of international envy and the hates that grow where nations are oppressed in economic poverty.

The Republican Party is going to make a sad mistake if it goes into this campaign on an old-fashioned high-tariff platform policy. The Hull idea theoretically is right. Maybe he is not implementing it with the best instruments. But certainly he is expounding a principle that will work. It will be better for the Republicans to help him make his plan workable than to try to defeat his principle.

In the meantime, no warrior bold with spurs of gold ever went more bravely to the fray than Cordell Hull is going into this fight.

### Pending Farm Legislation

#### EXTENSION OF REMARKS

OF

HON. CHESTER H. GROSS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

LETTER FROM W. HARVEY HYKES, WAYNESBORO, PA.

Mr. GROSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. W. Harvey Hykes, Waynesboro, Pa.:

I read in some farm papers that we can expect some changes in the present farm legislation. Some writers talk of crop insurance, some talk of ever-normal granary to hold surplus crops in good crop years for use in poor crop years. They also talk of market control and crop control and the rule this fall in Kansas was to sow only 50 percent of the regular amount of land to wheat and then pay the farmer not to crop the other 50 percent.

I can't see that they have done anything yet to do the farmer much good. I will try to write a few of my thoughts about helping the farmer. I say put the tariff on United States farm products high enough to keep foreign products out and then set a price on our products high enough to give the farmer cost of production and a reasonable profit. I will take wheat, for example. I say give the farmer \$1 per bushel at threshing time, and that is a set price. But then to encourage the farmer to hold some of his wheat off the market till later in the year, make the price \$1 per bushel for the months of June and July and 2 cents a bushel more each month. That would run to \$1.10 for December or \$1.20 for May (next year). That would give the farmer 2 cents a month for storage. Then the farmer would know just how much he would get if he held his wheat a few months. He would be sure of \$1 a bushel, plus 2 cents a month for storage, or \$1.20 in the month of May. That method would serve as normal granary for 1 year.

Now, to prevent too much wheat from going to market, instead of paying the farmer not to produce, I say let him produce as much as he wants but don't let him market more than a certain amount. Take a York County farmer that usually produces from 500 to 1,500 bushels of wheat a year. That would give him about a 1,000-bushel average. So we will let that farmer market 1,000 bushels of wheat every year at \$1. But in a good season, with a few extra acres, he produces 1,500 bushels. Well, that is just fine for that farmer. He is allowed to sell 1,000 bushels at \$1 and he has left over 500 bushels of wheat. He is sure he can get \$1 for that if he keeps it till next year in good, dry condition. He knows just what to do and what to expect. He knows he will have 500 bushels of old wheat he can sell for \$1 per bushel and maybe his crop will be short of the average so he would still have his full quota to sell. This could apply to any or all crops—cotton or tobacco, just the same.

You know that a little surplus in a lot of farmers' hands would be a good asset to the farmers. It would be produce that could be sold at a good price 1 year hence, and look what a credit it would be to our Nation to know that our farmers had a surplus of grain and cotton on hand always worth a standard price of \$1 per bushel for wheat and prices for cotton accordingly.

I can't see why we farmers can't have a standard price for our produce just the same as other people in other lines of business. The storekeeper sells his goods at a profit. All officeholders get an established price. You know what you will get a year as a Congressman and all laborers have a regular price. The average day laborer gets \$4 for an 8-hour day and that is regular, day in and day out, year after year. But the farmer has no surety of anything—not even the weather. Give the farmer a set price for wheat—then the farmer will know just what to expect. The miller will know just what the price of wheat will be the year round so

he won't have any price changes to worry about. Give the farmer a standard price and let him produce all he wants, but only let him market his regular quota at a good price, and then let him create his own ever-normal granary and crop insurance, which will not cost the Government so many millions as these other new A. A. A. has been doing.

I can't see why in the heck the farmer can't be favored in a fixed price. In the fall of 1937 Kansas farmers sowed wheat which was worth on the market \$1.20 per bushel and this fall of 1938 the wheat produced from that \$1.20 wheat was sold at 60 cents. I know of farmers who have wheat to sell, but the price is around 60 cents. Their seed cost \$1.20 per bushel and labor and gas for power and implements were high. So, right now, if a farmer has wheat to sell, he doesn't know if it will pay him to hold it any longer or not. He doesn't know anything about the price of his produce. Of course, I am more interested in wheat than any other products, but the same would hold good in other products. But I, as a wheat farmer, would be too glad to have a standard price of \$1 per bushel at threshing time and 2 cents a bushel more each month for storage till May would make \$1.20, and then go back to \$1 again at threshing time and to control the supply. I say allow each farmer to market his allotted amount and make him hold his surplus over to next year at the regular price of \$1. That would create the ever-normal granary and crop insurance without any expense to our Government.

Well, I will stop writing this foolish idea, but I hope something will be done to help the farmer. The principle of curtailing production is discouraging and injurious, so, if any change in the farm program comes to your consideration I ask you to use your best judgment to advise what should be done.

Yours very truly,

W. HARVEY HYKES.

### Tribute to William McKinley

#### EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

ADDRESS BY HON. PAUL W. SHAFER, OF MICHIGAN, AT THE ANNUAL MCKINLEY CLUB BANQUET, CANTON, OHIO, JANUARY 27, 1940

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks, I desire to include a portion of a speech by my colleague the gentleman from Michigan, Hon. PAUL W. SHAFER, at the annual McKinley Club banquet, held Saturday, January 27, at Canton, Ohio. Mr. SHAFER's speech, in part, follows:

It is always a great privilege for me to pay a tribute to our martyred President, William McKinley. It is a pleasure also because I think of all the Presidents who have ever occupied the White House he was perhaps the gentlest, the kindest, the quietest, and the one whose sincerity and earnestness marked every hour of every day of his Christian life. He was a man who took his deep faith in Christianity into the White House with him, and who exercised it in every act of his official career up to the day when he became the victim of a misguided assassin.

No more beautiful chapter in American history of the private lives of her great and illustrious is to be found than in the gentle, beautiful, untiring devotion that William McKinley gave to his invalid wife during those days when he was at the head of the Government of his nation.

Although he was a genuinely great statesman, a man of real vision, forceful, courageous, and decisive at a time when he had to pilot his nation through a conflict with a foreign power, yet so gentle and patient and beautiful was his nature that he is remembered by posterity today more for those qualities than for his qualities of statesmanship and determination in national affairs.

It is singularly appropriate that we are today celebrating President McKinley's birthday, because the question of reciprocal trade is now one of the important issues before the Congress.

There has been a studied effort on the part of the administration and its spokesmen to endeavor to force the Republican Members of the Congress into a position of opposing the whole principle of trade reciprocity between nations. The Republicans do not propose to be forced into such a position, because the Republican Party is traditionally the party of reciprocity.

William McKinley himself was one of the chief exponents of reciprocity. Listen to what he said the day before the assassin's bullet cut him down at Buffalo, N. Y., in the last speech he ever made.

"By sensible trade agreements which will not interrupt our home production, we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and helpful growth of our export trade."



"What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet and we should sell everywhere we can and buy wherever the buying will enlarge our sales and production, and thereby make a greater demand for home labor.

"The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problems. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times. Measures of retaliation are not."

That passage, from the speech of President McKinley, if it stopped there, would cheer the heart of a new dealer. But let us go on one more sentence and see what else this great exponent of both the tariff and reciprocity said.

"If, perchance, some of our tariffs are not longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?"

Now what did Mr. McKinley mean by that?

If you will read his tariff speeches and his own exposition of his foreign-trade policy, you will find that while he favored reciprocity, while he said, in so many words, that, "We must not repose in fancied security that we can forever sell everything and buy little or nothing." He at no time ever said that we should turn over to foreign producers any part of the American market which could be served by our own agricultural and manufacturing industries.

Indeed, he said further, "We should take from our customers such of their products as we can use without harm to our industries and labor."

Despite the efforts of the present administration to force the Republicans into the position of opposing the principle of reciprocity, we Republicans are standing fast on the very ground upon which stood William McKinley.

We Republicans do not oppose the principle of reciprocity, but we do oppose the New Deal method and program of reciprocal-trade treaties that are willing to trade off and give away the American markets that belong to the American farmer and the American workingman through a generalization of all concessions and advantages to all countries, except Germany, made in every treaty with each country; even those countries that are actually discriminating against us in the very hour in which we are gratuitously handing them these trade advantages over our own farmers and our own wage earners.

Perhaps I have gone further into the question of reciprocal-trade policies than I meant to on this occasion, when my intention was to pay the warmest tribute of which I am capable to a man whose life, both private and public, I have admired since I was a boy.

I want, in closing, to say that the private and public career of William McKinley will stand as an example of the highest ideal of American manhood and American statesmanship—gentle, patient, loving, yet firm and immovable for the right, so long as history shall relate the lives and deeds of men. It is my pleasure and my privilege and my honor to pay this tribute to this illustrious son of the State of Ohio, William McKinley.

### Interlocking Directorates

#### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

#### LETTER FROM A CONSTITUENT

Mr. SHANLEY. Mr. Speaker, I have asked unanimous consent to revise my remarks and include therein a very interesting letter on interlocking directorates sent to me by a distinguished banker from my own home town of New Haven, Conn. I am sure that the subject is of interest to every one in the Congress and in the country.

The letter is as follows:

THE FIRST NATIONAL BANK AND TRUST CO. OF NEW HAVEN,  
New Haven, Conn., January 15, 1940.

HON. JAMES A. SHANLEY,  
Member of House of Representatives,  
Washington, D. C.

DEAR MR. SHANLEY: I have noticed by the newspapers that Senator GLASS has reintroduced a bill substantially in the form vetoed by President Roosevelt a few months ago, which would extend until 1944 interlocking directorships between financial institutions now lawfully existing, but which will become unlawful on February 1 of the current year, unless such extension is granted by Congress.

While this is probably the first time in my life when I have disagreed fundamentally with Senator GLASS, I do very much

hope that this legislation will not pass. I believe that the provisions of section 8 of the Clayton Act, limiting interlocking relationships between the boards and official staffs of financial institutions, should be amended only in the way of further limitations and not in the direction of so-called liberality. I believe such restrictions are distinctly in the public interest and their validity rests upon the broad principle well stated by Henry M. Dawes when he was Comptroller of the Currency:

"A man cannot serve two masters, and a trustee who will act for two conflicting interests is ipso facto incompetent either mentally or morally."

It is said that institutions where such relationships exist should be allowed further time to adjust themselves. In point of fact, they have had ample time. They were given abundant warning by the Banking Act of 1933 and the Banking Act of 1935, by various rulings of the Reserve Board since 1935, and by the recent veto of the President. Any bank which has not put its house in order can probably be relied upon to adopt the same shilly-shallying policy between now and 1944.

What I have just said has been proved by our experience here in New Haven. Four out of our five clearing-house banks had such interlocking directorships but in every instance the situation was cured at the annual elections which took place last week. I am informed that the same purifying process took place with the banks in Hartford and in other cities. In other words, those banks which attempted in good faith to carry out the provisions of the law found no difficulty in doing so. It seems to me that it is distinctly unfair to banking institutions which have cleared their skirts in good faith that banks which have fought a needed reform to the last minute should be given what both groups will regard as an advantage.

It has been said that during the banking crisis there were certain banks permitted to reorganize or permitted to reopen upon the distinct understanding that certain specified individuals would join their boards of directors and that it is unfair now that those specified directors should have to withdraw. I do not doubt that there are a few such instances but they are extremely few and a very small number of them should not be permitted to outweigh the very much larger general public interest.

It has also been said that there are communities where it is extremely difficult to get enough directors for the several institutions if interlocking directorships are prohibited. Speaking very bluntly, I do not believe it. Trace these alleged specific cases down to actualities and you will find that the individuals in question do not want to let go and that the statement that there are not enough good men is pure rationalization. There are relatively few boards of directors which would not function just as well if the numbers were reduced. Speaking very broadly, the banks, themselves, would be better off to add more younger men to their boards of directors and communities would be better off if more younger men in their midst were more familiar with the problems that face the banks. To my mind, the reluctance of bankers, where it exists, to acquiesce in the general movement toward freeing financial institutions from, what seem to me, the manifest evils of interlocking directorships is largely due to inertia. More specifically, there is an understandable but regrettable unwillingness to appraise candidly the situation in individual banks because of the reluctance to have a sound general rule applied when it happens to hit one's own institution.

To save foolish duplication of dictation, I am taking the liberty of sending this same letter to Senator MALONEY and to Senator DANAHAY.

Sincerely yours,

THOMAS M. STEELE.

### Why South Dakota's Rural Credits Failed

#### EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

EDITORIAL FROM THE SIOUX FALLS (S. DAK.) DAILY ARGUS-LEADER OF JANUARY 29, 1940

Mr. DIRKSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Daily Argus-Leader of Sioux Falls, S. Dak., for January 29, 1940:

[From the Sioux Falls (S. Dak.) Daily Argus-Leader of January 29, 1940]

#### WHY SOUTH DAKOTA'S RURAL CREDITS FAILED

Minnehaha County Republicans heard an interesting statement last week from Millard Scott, director of the South Dakota rural credits department, concerning State socialism.

Times and bad management, he said, were not alone to blame for the insolvency of the department now under his direction. Government simply can't succeed in business, he explained.

"When government steps in where private business fears to tread," Scott told his listeners, "the taxpayers are going to find themselves soon carrying a burden."

The history of the rural-credits department has been reviewed so often that it is not necessary to cite much in explanation at this time. Suffice it to say that its promoters said it would be a wonderful boon to the farmers and that "it won't cost the taxpayers a cent."

Today the taxpayers are counting their costs in millions of dollars. Before the liquidation is completed the total loss may be in the neighborhood of \$30,000,000 or \$40,000,000.

On paper, as the promoters originally figured it, no such financial calamity was in prospect. The State would borrow the money at a specified amount and lend it to farmers at a figure sufficiently higher to cover the overhead expenses.

They didn't give consideration in their paper calculations to the bad loans that would be made and to the influence that politics would have in its operation.

Now we know about these things, however. We realize that persons with poor farms and some political pull found it comparatively easy to unload their properties on the State. Some persons eliminated bad loans in a somewhat similar fashion by turning them over to the State department.

That is of the past, though, and the job today is to complete the department's liquidation and to remember the lesson the experience has provided.

Scott has been doing good work in disposing of the department's lands. Many sales were made in 1939 and many more are in prospect for 1940.

The charge is made, of course, that some lands are sold at bargain prices. This may be true. Yet everyone has an opportunity to bid for them and to overthrow any bid that has been made by a higher one.

It is easy to fall into the habit of assuming that we should wait and wait for an upturn in farm prices. But those with long memories can recall that such a cry was sounded in 1927 and 1928, when the liquidation of the department began. It was so vigorous, in fact, that little effort was applied to the business of selling lands promptly. Now we realize that a good sales program at that time would have been to our advantage.

We must remember that it costs the State money each and every year to maintain the department. The longer the lands are retained the higher price we must receive to balance the costs.

So it is better to take a low bid now than to wait for an indefinite prospect of a better one in the future.

Scott, we hope, continues to push his campaign for quick action on the liquidation of the lands. It would be unfortunate, indeed, if he should be sidetracked from his objectives as some of his predecessors have been.

## Elimination of Stream Pollution

### EXTENSION OF REMARKS

OF

### HON. BRENT SPENCE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

EDITORIALS FROM THE CINCINNATI ENQUIRER

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks, I insert the following editorials from the Cincinnati Enquirer on the subject of the elimination of stream pollution.

As the people of Cincinnati and the surrounding territory are dependent upon the Ohio River and other highly polluted streams as the source of their water supply, the Cincinnati Enquirer recognizes that its readers are tremendously interested in the elimination of stream pollution and the practical solution of this problem, which means so much to their future health and happiness.

The editorials are as follows:

[From the Cincinnati Enquirer of June 20, 1939]  
TO SPORTSMEN

A comprehensive attack upon the grave problem of stream pollution by the States in cooperation with the Federal Government awaits only the approval of the House of Representatives and the President. The Barkley-Spence bill, approved by both Houses of Congress last session and passed at this session by the Senate, provides an ideal vehicle for antipollution action.

At this juncture, however, the Izaak Walton League is striving to revive an old fallacy—that a stronger bill is necessary to do

the job. Strenuous efforts are being made to convince Members of the House of Representatives that the Federal Government should thrust the States aside and force an immediate remedy of the situation.

This is precisely the argument which has maintained the status quo for years while individuals and organizations have sought to accomplish action. This is the line of reasoning which has frustrated the enactment of a Federal stream-purification bill to date; preserved a status quo of pollution which taxes the abilities of chemists in their effort to supply residents of the Ohio Valley with potable drinking water.

The alternative to the Barkley-Spence bill is a highly controversial measure of doubted constitutionality and of even more widely doubted practicability. Experience in Congress has demonstrated that it does not command a majority of support. It is, for the most part, only a means of obstructing action on the Barkley-Spence bill, which represents the best thought and agreement of the active sponsors of stream purification among the States and in the Federal Government.

It is not merely a matter of "half a loaf is better than none," even though the futility of the so-called stronger bill has been demonstrated. Actually, the Barkley-Spence bill is the more practical, the more likely to produce actual results. It provides for action, not long-drawn-out court litigation, and it seeks accomplishment in a way most likely to succeed through cooperation of the States and the Federal Government.

Sportsmen worthy of the name should not permit themselves to be regimented into a position antagonistic to the welfare of millions of people.

[From the Cincinnati Enquirer of June 30, 1939]

#### PRACTICAL PURIFICATION

A few years ago the prospect for the purification of our rivers seemed hopeless. But the last 5 years has shown such an improvement that if Congress acts to pass the Barkley-Spence legislation the future will be very bright.

The period from 1932 to the end of 1937 demonstrated that local effort with grants-in-aid from the Federal Government increased sewage-disposal facilities nearly 75 percent. In 1932 only 21,000,000 people living in urban communities treated their wastes. By the end of 1937, 37,000,000 of them were discharging their wastes through treatment plants. That is over one-half of the urban population.

Existing official estimates indicate that by 1941 over three-fourths of city dwellers can stop polluting their adjacent waters. This will require something like half a billion dollars by the former method of local construction aided by Government loans or contributions.

Though this does not include all industrial wastes, it is reassuring that a few million dollars have already cleared up one-fourth of the sulfuric-acid load of 4,000,000 tons on the Potomac-Ohio watershed.

With such encouraging news, which does not include much construction in the last year and a half, it is the irony of paradox that attempts are being made to defeat this progress, and the opposition comes not from polluters so much as from a few spokesmen for the Izaak Walton League and similar organizations. These demand a bill which would empower the Federal Government to bring suit against individual cities and businesses to enforce an ill-defined purity in streams.

Such legislation, very likely unconstitutional and so fraught with controversy as to lodge indefinitely in the courts, might stall the work of purification for years.

With such marked progress from the already proved process of local effort with national aid, it should be evident which is the practical method.

[From the Cincinnati Enquirer of August 26, 1939]

#### THE RIVER PERIL

The dimensions of the Ohio River pollution peril are indicated in a dispatch from Louisville, where city, county, and State health authorities have warned bathers that the river is "heavily charged" with organisms menacing to health. Tests showed the presence of as many as 1,000,000 bacilli coli to each 100 cubic centimeters of water tested, according to the Louisville Commissioners of Sewerage.

The "safe average" fixed by the United States Public Health Service is 5,000 bacilli coli in each 100 cubic centimeters of water. Thus, at Louisville, Ohio River water is just 200 times as heavily charged with organisms as the tolerable limit.

United States Public Health Service tests below Cincinnati have shown between one and five million bacilli coli in each 100 cubic centimeters of water, or from 200 to 1,000 times the "safe" average of pollution. This reflects, of course, the immediate result of discharging into the river the untreated sewage from a metropolitan district of 600,000 people. Though hampered as it is by chemicals and industrial wastes, the Ohio River manages to exert some self-purifying action as its water travels a hundred miles or so.

Cincinnati is both an offender and offended against in the matter of pollution, of course, as are virtually all of the river cities under present circumstances. Annually, the peaks of pollution, as measured at the Cincinnati waterworks, grow higher.

Modern filtration and purification methods have been equal so far to the tremendous task of rendering fit to drink water so heavily charged with organisms, but the situation is as dangerous as it is revolting. The Ohio Valley must insist that Congress in



January delay no longer in the enactment of the Barkley-Spence anti-stream-pollution bill, to pave the way for remedial action at the earliest moment.

[From the Cincinnati Enquirer of October 31, 1939]

OUR NOBLE RIVER

The Countess de Chambrun, in her history of Cincinnati, says that she knows of no river view "more majestic than that great double curve sweeping between the harmonious lines of the Kentucky hills and the steeple-crowned peak of Mount Adams."

Indeed, it is glorious. But the countess is candidly truthful, for she adds that it is only distance which is enchanting. When you descend to its banks the spell is broken. Then you realize how we have abused our noble river. Along our city front you can see the sewers emptying into it.

Of course, as a voracious chronicler the countess could say no less. She is still a young woman. We trust she will live long enough to see the Ohio restored to its pristine purity. In some future and revised edition of her work, we sincerely wish she will be able to say that the waters of the Ohio are sweet and wholesome—that boys and girls can swim in them and be unafraid. We trust that in a triumphant chapter she will be able to tell of the victorious battle against pollution. Then the Ohio will not only be splendid when seen at a distance; there will be no disenchantment when you come down from the hilltops and stand upon its shores.

[From the Cincinnati Enquirer of January 19, 1940]

AND NOW KENTUCKY

Alert to their responsibilities, Gov. Keen Johnson and other officials of Kentucky have announced that they will support early ratification of the Ohio Valley Stream Purification Compact. The State health commissioner, Dr. Arthur T. McCormack, has emphasized the importance of the compact, which was introduced in the Kentucky Legislature by Representative Henry T. Ward, of Paducah.

With Kentucky squared off for action, the effective date of the compact draws nearer. Last year, while the Kentucky General Assembly was not in session, the program of interstate action against stream pollution was approved by the Legislatures of Indiana, Ohio, Illinois, New York, and West Virginia. The interstate antipollution front will be complete with the addition of Kentucky, Pennsylvania, and Virginia.

The scheduled eight-State campaign against pollution, which will enforce minimum standards of stream purification, is being widely cited as an example of effective interstate cooperation. In operation the compact will serve ideally as an instrument of local action against river pollution.

The Ohio River Valley presents what is regarded as the foremost pollution problem in the Nation, from the standpoint of scope, severity, and number of persons affected. In the light of conditions, the sooner and more comprehensive the effort to purify the river and its tributaries the better. It is up to the States, individually and collectively, to demonstrate their willingness and their ability to combat pollution. The open avenue before them is the Ohio Valley Stream Purification Compact.

## Workers Dropped From W. P. A. in Accordance With the 18-Month Provision in the 1939 Relief Act

### EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following summary and report issued by the Federal Works Agency, Work Projects Administration, Division of Research:

#### SUMMARY

In July and August more than 775,000 Work Projects Administration project workers were dropped from their jobs in accordance with the 18-month provision of the 1939 Relief Act. A survey covering more than 138,000 of these workers, in 23 large and representative cities, disclosed that 3 to 4 weeks after their lay-off 7.6 percent were employed in private jobs. In November a second interview with the same group showed that 2 to 3 months after dismissal 12.7 percent, or fewer than 100,000 of the 775,000 workers, were employed in private industry. In industrial centers like Buffalo, Cleveland, Cincinnati, Detroit, and Birmingham, the proportion with jobs was about 1 in 6; in 8 of the 23 cities it was about 1 in 10.

The discharged Work Projects Administration workers have not benefited to any great extent from the industrial recovery this fall; they are not the first to be hired when business improves. Em-

ployers tend generally to recall workers recently laid off, most of whom have not yet been forced to seek assistance. When there are eight to ten million persons seeking work, Work Projects Administration and relief workers, with their longer periods of unemployment, have to wait.

Slightly more than half of the 12.7 percent who were currently employed were earning as much as or more than their former Work Projects Administration project wage. Most of these workers would undoubtedly have left Work Projects Administration voluntarily, since every month 100,000 or more Work Projects Administration workers leave of their own volition in order to accept private employment at wages which permit a minimum standard of living. The others who were employed, some 45,000 of the laid-off workers, were earning less than their former Work Projects Administration project wages. These workers were receiving substandard wages or working at part-time jobs.

By November considerably more than half of the separated workers were again dependent on public assistance. About a fourth were back on Work Projects Administration, and more than a fourth were on local relief rolls. Large numbers were living on Federal surplus commodities, because in many areas no local relief is available for employable cases.

Others, unable to find jobs or to secure public assistance, were dependent upon miscellaneous sources of income, or were without any income whatever. The small earnings of secondary-family members, categorical aid received by other members of the family, the assistance of friends and relatives—these means had to suffice to support large numbers of separated workers. Approximately 100,000 of all those cut off received no income during the 2 weeks before they were interviewed. Some were living on savings from earlier short-lived jobs or on credit extended by grocers; others were forced to sell personal property or even to beg for left-over and unsalable food.

The decrease in appropriations necessitated reductions in Work Projects Administration employment quotas at the time these lay-offs were being made. Hence, only about a fourth of the separated workers had gone back to Work Projects Administration 2 to 3 months later, though many more had been recertified as eligible for reemployment. Difficulties in assignment meant also that relatively few of those who had been awaiting assignment could be put on as replacements; it is probable that by mid-November less than half of the vacancies left by those laid off in accordance with the 18-month provision had been filled by new workers.

FEDERAL WORKS AGENCY,

Work Projects Administration, Division of Research.

#### WORKERS DROPPED FROM W. P. A. IN ACCORDANCE WITH THE 18-MONTH PROVISION IN THE 1939 RELIEF ACT

In accordance with the provision in the 1939 Relief Act which forbids continuous employment of certified workers on W. P. A. projects for longer than 18 months, more than 775,000 workers were dropped from W. P. A. employment during July and August. The proportion cut off was in some areas greater than two-fifths of all those employed on July 1, and for the country as a whole was nearly one-third.

To learn how the workers had been affected by these lay-offs, the W. P. A. Division of Research conducted surveys in 23 large and representative cities distributed throughout the country. The workers were interviewed about 3 weeks after their lay-off, and those not reassigned to W. P. A. by the end of 2 to 3 months were again interviewed in November. The survey covered a total of more than 138,000 workers, or nearly one-fifth of all those separated for this reason. Table 1 shows the cities where the study was conducted and the number of workers included.

#### THE FIRST INTERVIEW

These lay-offs brought immediate widespread distress to thousands of workers and their families. In many cases children had to be kept home from school for want of food and clothing; small insurance policies were lost; and it was no longer possible to pay for needed medical care. When interviewed about 3 weeks after their lay-off, 7.6 percent were employed in private industry, of whom considerably more than half were earning less than the W. P. A. security wage. Of all those laid off, almost half reported no cash income whatever for the 2 weeks prior to the time they were interviewed, and 90 percent received less income from all sources than they had previously earned on W. P. A. Twenty percent of those laid off had been granted direct relief. None had been reemployed by W. P. A., because the act required that they be separated from project employment for at least 30 days.

#### THE SECOND INTERVIEW

The situation of the dismissed workers was examined again in November in order to find out whether they had substantially bettered their condition several months after separation from W. P. A. It was found that the great majority had not been benefited by the improvement in general economic conditions which occurred this autumn. In November, 12.7 percent of those laid off had private employment, 28.4 percent were on local relief rolls, and 26.7 percent had been reassigned to W. P. A. (table 1). Of those not reassigned to W. P. A., 77.2 percent had total incomes which were smaller than their previous earnings on W. P. A. (table 3).

#### PROPORTION CURRENTLY EMPLOYED

The study indicates that of the 775,000 workers laid off in July and August fewer than 100,000 had jobs by the end of November. In cities such as Cleveland and Buffalo, where industry has been

stimulated by war orders, and in Detroit, where automobile manufacturing was seasonally active, about 1 out of every 6 of the workers had a private job. In Jacksonville the proportion employed was less than 1 in 14, and in Boston, Milwaukee, and Denver was about 1 in 11 (table 1). Although the workers interviewed had made persistent efforts to find jobs, in the vast majority of instances no work was to be found. One young man, experienced as a welders helper, says, "I leave at 5:30 in the mornings and come back about 1 o'clock. I've been to every junk yard and every shop. You can ask for work, but they won't give it to you. They say, 'We don't need nobody today.' Some places won't even talk to you about it. They see you coming and holler, 'We don't need nobody, boy!'"

When eight to ten million persons are seeking work, employers have their pick of workers. Their preference usually follows the principle of "last fired, first hired." In the main it is the recently unemployed, those who have not yet been forced to seek relief, who are the first to get jobs when business improves. W. P. A. and relief workers, with their longer periods of unemployment, have to wait. The return of W. P. A. workers to private employment requires a reemployment program adapted to the current employment policies of industry. Many surveys have demonstrated that individual qualifications, training, geographical differences in employment opportunities, and in the demand for specific skills must be taken into account if such programs are to be effective.

#### CHARACTER OF THE JOBS

At the time of the November interviews only 6.7 percent of all workers separated because of the 18-month provision were employed in private jobs which paid as much as their former W. P. A. jobs. Most of these workers would undoubtedly have been included in the normal W. P. A. turn-over to private employment, since each month more than 100,000 workers leave W. P. A. voluntarily to accept private employment at wages which permit a minimum standard of living.

The others who were employed—6 percent of all the workers laid off, or about 45,000 workers—were earning less than their former W. P. A. project wages; in many instances a great deal less. To cite but two examples of low earnings from among many, one man selling fountain pens at a profit of 10 cents a pen made \$2 in 2 weeks, and a huckster peddling vegetables in his home-made pushcart reported earnings of about 15 cents a day.

Variations in earnings from city to city reflect the different wage standards prevailing in various parts of the country. Average wages were found to be relatively high in Milwaukee, Buffalo, Cleveland, and Detroit, and lowest in the southern cities. In Fort Worth, for example, average weekly earnings were \$6; in Nashville, \$7.27; and in the industrial city of Birmingham they were \$8.82. For the 23 cities combined earnings of those workers who were employed averaged \$17.22. More than one-fifth were earning less than \$10 per week (table 2).

The temporary nature of much of this work is shown by the fact that 10 percent of those who were currently employed had been working for less than a week. Now, with winter coming on, opportunities for odd jobs are decreasing. As a skilled painter said, who had been picking up enough 1- and 2-day jobs to keep his family supplied with groceries, "I got one day last week and none this week, and you can't live 2 weeks on 1 day."

#### THOSE DEPENDENT UPON PUBLIC ASSISTANCE

Unable to find jobs of any kind, most of the dismissed workers again sought public aid, endeavoring to get back on W. P. A. or to get onto local direct relief rolls. Two or three months after they were separated 26.7 percent had been reemployed on W. P. A. projects and 28.4 percent were receiving local relief (table 1). Thus considerably more than half the workers were again dependent upon public aid. In areas where local relief was relatively adequate the proportion receiving these forms of public assistance was ordinarily as high as 60 to 70 percent. The proportion was highest in Milwaukee, where almost 80 percent were either back on W. P. A. or were receiving local relief.

Inasmuch as practically all of those who reapplied were in need, the proportion reemployed by W. P. A. would have been much larger had not return to W. P. A. been slowed up by certification difficulties, by the closing of many projects, and by reductions in available funds. Instead of returning to work soon after the expiration of the so-called 30-day furlough, the majority of the dismissed workers were still off W. P. A. several months after separation.

For the many who could not return to W. P. A. and who did not have jobs, the only recourse was local relief in areas where relief is provided for employable cases, and surplus commodities in those areas where employables are not ordinarily given relief. In 6 cities—Buffalo, Philadelphia, Detroit, Indianapolis, Los Angeles, and Seattle—more than 45 percent of all the separated workers were receiving relief (table 1). In the southern cities, with the exception of Fort Worth and Richmond, scarcely any workers were getting local aid, even of an emergency character. In these areas surplus commodities distributed by the Federal Surplus Commodity Corporation constituted the only relief source of any significance.

Wherever there was hope of obtaining relief, many more had applied than were currently receiving assistance; where relief is totally inadequate, there is small incentive to apply, even when need is desperate. "We would have asked for relief, but I heard from my neighbors it wouldn't do any good," is a common explanation of why even destitute families have not made application. For the 23 cities taken together, 62 percent of those not back on W. P. A. had applied for relief, as against only 40 percent who were currently receiving relief. A few (less than 4 percent) had been

granted relief at some time since separation, but were no longer receiving it.

#### THOSE WITHOUT PRIVATE OR W. P. A. JOBS AND NOT ON LOCAL RELIEF ROLLS

It has sometimes been assumed that those separated workers who have not been reassigned to W. P. A. or who are not receiving local relief are self-supporting. This survey shows, however, that over 70 percent of those without any public assistance except surplus commodities were unemployed when interviewed in November. These workers constituted nearly a third of all those separated (table 1). Two-fifths of them, or approximately 100,000 of all those cut off in July or August, received no incomes whatever during a period of 2 weeks before they were interviewed; they were living on small earnings from earlier brief jobs or were forced to rely on credit, to sell personal property, or to beg. The others were living on the small earnings of secondary members of the family, on categorical aid or C. C. C. and N. Y. A. earnings received by other members of the family, on aid from friends and relatives, and on surplus commodities.

#### FAMILY INCOMES—ALL THOSE NOT REASSIGNED TO W. P. A.

Total incomes of the families of those separated who were not reemployed on W. P. A. in November were very low. Seventy-seven percent were receiving less than their W. P. A. security wages had brought them (table 3). Weekly income varied widely from city to city, but the average was nowhere higher than \$14, and in 10 cities was less than \$5. In St. Louis, Charleston, Jacksonville, and Louisville average weekly income was less than \$2.50. For the entire group of families, average total weekly income was \$8.23 (table 4).

#### FAMILY INCOMES—THOSE NOT REASSIGNED TO W. P. A. AND NOT ON LOCAL RELIEF ROLLS

Family income of that portion of the separated workers who were not on local relief rolls was on the average considerably lower than that of the whole group not reassigned to W. P. A. At one extreme were the few families who had secured good private jobs; some of these had weekly incomes of \$25 or more. At the other extreme were the 29.5 percent without any cash incomes and an additional 19.2 percent with incomes of less than \$5 per week (table 5). Thus, almost one-half of those not dependent on W. P. A. or local relief were living on less than \$5 per week some 2 to 3 months after being separated from W. P. A.

The proportion primarily dependent on surplus commodities provides an indication of the severe decline in living standards which many of these workers and their families faced, and furnishes evidence of the lack of adequate direct relief in many areas. In Birmingham 60 percent of these families derived the major part of their income from surplus commodities, and in five other cities more than 15 percent of the families depended almost exclusively on this source of livelihood. Though essential for the existence of many of these families, surplus commodities are ordinarily not available in such proportions as to provide an adequate balanced diet. For example, in Omaha, where 16 percent of the families reported surplus commodities as their major source of income, the only commodities distributed during November were flour, apples, and onions. Most of the housewives say that the commodities have "helped a lot," but they do complain of the inadequate variety of foods. "We got flour, but what good is the flour without lard and baking powder?" one woman asks. "You can't eat it raw. And we got 5 pounds of dry beans, but I had to get a piece of meat to grease 'em with."

Families without regular incomes are, of course, finding it progressively more difficult to secure even minimum essentials. What has happened to hundreds of these families is told in the story of Joe Richards, who writes:

"The first month was not so bad. I held back the rent and used my last pay check on groceries and other necessities. The second month I could not pay the rent and used my credit for groceries and had to borrow from my friends.

"This last month I have been forced to the wall. My friends are beginning to avoid me. My creditors have closed in on me. I have been forced to break up my home, give up my children, and sell all my furniture. The prices I have had to take for my furniture have been ridiculous. It has averaged about 10 percent of what I paid for it."

Many grocers who were willing to extend credit while they believed that the workers would be reassigned at the end of 30 days shut off credit when the expected reassignments did not occur. In November only about one-fifth of the families without regular incomes reported buying groceries on credit. The curtailment of credit and the mounting unpaid bills had their effect on the storekeepers as well as the families. A report from Texas states: "These W. P. A. workers have traded regularly for merchandise and paid the bills from check to check. While the amounts bought have not been large, their inability to continue these accounts and regular payments of them has greatly reduced the income of the merchant." As a result, many merchants have called regarding possible reassignment of individual workers.

With credit exhausted, families had to make further readjustments. Many depended on loans made by friends or relatives frequently not much better off than they. Some families doubled up; other families were broken up, the children going to the country or the wife returning to her home, while the husband continued to look for work. The lay-off from W. P. A. shifted responsibility for these families directly onto other workers and their families.

#### EFFECTS ON LIVING LEVELS

The effects of the dismissals are reflected not only in the reduction of incomes but also in the general lowering of levels of living with



loss of income and resources. In many cases children have been kept out of school for lack of warm clothing, books and pencils, or even adequate food. Medical care and special diets for the chronically ill have been among the first items eliminated when expenditures must be reduced. Insurance policies have lapsed; household equipment bought on the installment plan has been lost; personal property has been sold; gas and electricity have been shut off, and many families are gathering up scraps of wood for fuel. Many families have been faced with evictions or the fear of evictions.

Securing food remains a major problem for many families even after they have cut practically all other expenditures from their budgets. In Omaha 1 family in every 19 reporting no regular income has resorted to canvassing markets, bakeries, or restaurants for left-over and unsalable food.

#### RECERTIFICATION AND REASSIGNMENT

By November 24, 64 percent of all the dismissed workers had been recertified as eligible for W. P. A. employment. (This percentage excludes New York City, where certifications are made only on requisition and where, in consequence, the proportion recertified is only very indirectly reflects need.) Referral for certification is in most cities a duty of the local agency administering relief. Hence, the large proportion recertified within 2 or 3 months after separation provides local evidence that the great majority of the separated workers continued to be in need of assistance.

The proportion recertified ran as high as four-fifths in 5 cities and was nine-tenths in Jacksonville. At the other extreme, only 31 percent had been recertified in Los Angeles and 19 percent in Buffalo. In Los Angeles no recertifications were made until October 17 because of difficulties in developing procedural arrangements with the referral agency, and in Buffalo, where the majority of recertifications are made on requisition, none at all were made until after completion of a general review of need. Less serious administrative difficulties in a number of other cities resulted in the proportion recertified, being considerably below what it would have been if recertification had been entirely open.

Reassignments did not keep pace with recertifications; only slightly more than one-fourth of the separated workers had been reassigned 60 to 90 days after separation (table 1). (A subsequent report, providing information on this point only shows that even as late as December 16 fewer than one-half had returned to W. P. A.)

The slow rate of reassignment is accounted for by the fact that in most areas, because of reductions in appropriations, quotas were reduced simultaneously with the 18-month layoffs. For the same reason the assignment of others was also impeded. It is probable that less than half of the places left vacant by the mandatory separation of those employed continuously for 18 months or longer were filled by mid-November by persons awaiting assignment at that time.

#### EFFECTS ON PROJECT OPERATION

Though this survey has concentrated on the effects of the 18-month provision on the discharged workers, these effects are by no means the only ones. State administrators have reported that the immediate effect of the requirement was to increase administrative work and to reduce project efficiency. In some areas the loss of skilled key personnel forced the suspension of certain types of projects and badly hampered the operation of many others. Some sponsors have protested that their investments in projects have been jeopardized by the substitution of new workers for personnel known to be capable of producing satisfactory results. Consideration must also be given to the possibility that these enforced layoffs may endanger some of the gains in project efficiency attained as a result of many months of steady effort.

#### FEDERAL WORKS AGENCY,

#### Work Projects Administration, Division of Research.

JANUARY 24, 1940.

TABLE 1.—Proportion of workers separated in July and August, in accordance with the 18-month provision, who by November were employed in private industry, reassigned to W. P. A., receiving direct relief, or were without jobs or public assistance—23 cities—Continued

	Total workers separated, 23 cities, July and August		Current-ly employed	Reas- signed to W. P. A.	Receiv- ing re- lief	Without private or W. P. A. jobs and not on direct relief
	Number	Percent	Percent	Percent	Percent	Percent
Total.....	138,074	100	12.7	20.7	28.4	32.2
Region I:						
Boston.....	6,480	100	8.7	25.9	22.0	43.4
New Haven.....	1,332	100	11.9	60.4	11.1	16.6
Region II:						
Buffalo.....	2,739	100	16.2	(?)	63.8	20.0
New York City.....	58,696	100	13.3	31.1	23.6	32.0
Philadelphia.....	6,074	100	9.2	26.3	46.2	18.3
Region III:						
Richmond.....	961	100	9.6	47.8	15.6	27.0
Washington, D. C.....	3,188	100	10.5	26.1	1.8	61.6
Region IV:						
Cincinnati.....	3,619	100	15.5	16.9	38.2	29.4
Cleveland.....	7,023	100	16.0	38.1	25.2	20.7
Detroit.....	8,962	100	17.0	16.5	46.4	20.1
Indianapolis.....	3,497	100	13.5	19.0	48.5	19.0
St. Louis.....	7,612	100	10.2	27.3	1.7	60.8
Region V:						
Birmingham.....	2,287	100	15.7	6.6	.1	77.6
Charleston.....	1,066	100	14.4	26.8	0	58.8
Jacksonville.....	1,118	100	6.7	25.9	.2	67.2

TABLE 1.—Proportion of workers separated in July and August, in accordance with the 18-month provision, who by November were employed in private industry, reassigned to W. P. A., receiving direct relief, or were without jobs or public assistance—23 cities—Continued

	Total workers separated, 23 cities, July and August		Current-ly employed	Reas- signed to W. P. A.	Receiv- ing re- lief	Without private or W. P. A. jobs and not on direct relief
	Number	Percent	Percent	Percent	Percent	Percent
Louisville.....	1,541	100	13.2	19.2	.9	66.7
Nashville.....	1,028	100	14.8	12.5	.7	72.0
Region VI: Fort Worth.....	983	100	11.1	14.9	25.9	48.1
Region VII:						
Milwaukee.....	6,803	100	3.9	37.1	42.1	11.9
Omaha.....	2,646	100	13.2	18.3	9.4	59.1
Region VIII: Denver.....	2,074	100	8.9	58.1	17.7	15.3
Region IX:						
Los Angeles.....	6,989	100	12.3	(?)	69.6	18.1
Seattle.....	1,416	100	11.0	19.5	47.3	22.2

<sup>1</sup> The currently employed include a small proportion (0.8 percent) who were members of families receiving direct relief. These workers were excluded from the column "Receiving relief."

<sup>2</sup> In 11 cities all workers separated were interviewed; in each of the remaining cities a random sample, including at least one-third of the separated workers, were interviewed. The total number of workers interviewed was 69,001. All percentages are based on cases actually interviewed.

<sup>3</sup> Less than 0.05 percent.

TABLE 2.—Earnings of workers separated in accordance with the 18-month provision, who, in November, were employed in private industry—23 cities<sup>1</sup>

	Employed in November	Percent of total separations	Average weekly earnings of employed workers <sup>2</sup>	Percent of employed workers with weekly earnings of less than \$10
Total.....	17,620	12.7	\$17.22	21.2
Region I:				
Boston.....	564	2.7	16.34	7.7
New Haven.....	138	11.9	16.90	17.0
Region II:				
Buffalo.....	443	16.2	22.52	7.4
New York City.....	7,808	13.3	16.73	20.1
Philadelphia.....	560	9.2	12.76	31.6
Region III:				
Richmond.....	92	9.6	12.19	31.5
Washington, D. C.....	335	10.5	16.10	25.0
Region IV:				
Cincinnati.....	551	15.5	16.78	21.0
Cleveland.....	1,126	16.0	21.29	14.7
Detroit.....	1,523	17.0	28.93	9.0
Indianapolis.....	472	13.5	15.15	32.7
St. Louis.....	781	10.2	15.00	27.6
Region V:				
Birmingham.....	359	15.7	8.82	52.6
Charleston.....	145	14.4	9.79	50.7
Jacksonville.....	76	6.7	12.50	36.8
Louisville.....	203	13.2	13.35	20.6
Nashville.....	152	14.8	7.27	58.9
Region VI: Fort Worth.....	109	11.1	6.00	67.8
Region VII:				
Milwaukee.....	605	8.9	20.00	17.5
Omaha.....	349	13.2	14.58	31.8
Region VIII: Denver.....	184	8.9	15.42	28.0
Region IX:				
Los Angeles.....	859	12.3	17.14	22.9
Seattle.....	156	11.0	19.50	26.0

<sup>1</sup> All averages and percentages are based on cases actually interviewed.

<sup>2</sup> The average used is the median.

TABLE 3.—Total weekly family income in November compared with previous W. P. A. project wage; workers separated in accordance with the 18-month provision and not reassigned—23 cities<sup>1</sup>

[Percent distribution]					
Workers not reassigned		Proportion with family income which was—			
Num-ber	Per-cent	Higher than W. P. A. project wage	Approx-imately same as W. P. A. project wage	Lower than W. P. A. project wage	
Total.....	101,180	100	20.5	2.3	77.
Region I:					
Boston.....	4,802	100	16.4	2.9	80.7
New Haven.....	527	100	30.6	3.3	66.1

<sup>1</sup> Income information was secured for the 2-week period prior to interview. Interviews were conducted for the most part in November. All percentages are based on cases actually interviewed.

# APPENDIX TO THE CONGRESSIONAL RECORD

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TABLE 3.—Total weekly family income in November compared with previous W. P. A. project wage; workers separated in accordance with the 18-month provision and not reassigned—32 cities—Con.

	Workers not reassigned		Proportion with family income of which was—		
	Number	Per cent	Higher than W. P. A. project wage	Approximately same as W. P. A. project wage	Lower than W. P. A. project wage
Region II:					
Buffalo.....	2,738	100	41.7	4.2	54.1
New York City.....	40,454	100	21.7	2.2	76.1
Philadelphia.....	4,478	100	13.8	2.9	83.3
Region III:					
Richmond.....	502	100	14.4	1.9	83.7
Washington, D. C.....	2,356	100	13.4	1.5	85.1
Region IV:					
Cincinnati.....	3,006	100	14.4	1.1	84.5
Cleveland.....	4,348	100	30.0	2.2	67.8
Detroit.....	7,482	100	32.5	3.5	64.0
Indianapolis.....	2,832	100	11.1	1.3	87.6
St. Louis.....	5,537	100	9.9	1.2	88.9
Region V:					
Birmingham.....	2,136	100	9.6	1.4	89.0
Charleston.....	736	100	11.1	1.7	87.2

TABLE 3.—Total weekly family income in November compared with previous W. P. A. project wage; workers separated in accordance with the 18-month provision and not reassigned—32 cities—Con.

	Workers not reassigned		Proportion with family income of which was—		
	Number	Per cent	Higher than W. P. A. project wage	Approximately same as W. P. A. project wage	Lower than W. P. A. project wage
Region V—Continued.					
Jacksonville.....	828	100	5.6	.9	93.5
Louisville.....	1,245	100	10.4	1.7	87.9
Nashville.....	900	100	11.7	1.3	87.0
Region VI:					
Fort Worth.....	837	100	11.0	2.5	86.5
Region VII:					
Milwaukee.....	4,278	100	31.6	2.5	65.9
Omaha.....	2,162	100	8.3	2.1	89.6
Region VIII:					
Denver.....	870	100	16.2	1.2	82.6
Region IX:					
Los Angeles.....	6,986	100	17.4	3.6	79.0
Seattle.....	1,140	100	14.9	1.4	83.7

TABLE 4.—Total weekly family income of workers separated in accordance with the 18-month provision who were not reassigned—23 cities

	Workers not reassigned		Percentage distribution of total weekly income							Average weekly income, November <sup>1</sup>
			No income	\$0.01 to \$4.99	\$5 to \$9.99	\$10 to \$14.99	\$15 to \$19.99	\$20 to \$24.99	\$25 or more	
	Number	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Total.....	101,180	100	17.7	18.3	21.7	17.2	11.6	6.3	7.2	\$8.23
Region I:										
Boston.....	4,802	100	23.2	18.0	24.2	17.0	10.1	3.3	4.2	6.82
New Haven.....	527	100	17.1	9.4	18.6	17.6	15.9	11.6	9.8	11.40
Region II:										
Buffalo.....	2,738	100	9.7	3.6	15.9	26.2	20.7	12.3	11.6	13.98
New York City.....	40,454	100	21.9	7.0	20.3	19.9	14.7	8.2	8.0	10.20
Philadelphia.....	4,478	100	7.7	16.6	28.1	30.1	9.6	4.1	3.8	9.58
Region III:										
Richmond.....	502	100	25.4	35.6	16.5	11.5	6.0	2.6	2.4	3.47
Washington, D. C.....	2,356	100	20.4	44.7	16.9	6.5	6.3	2.7	2.5	3.32
Region IV:										
Cincinnati.....	3,006	100	12.2	32.6	28.3	10.1	7.7	4.7	4.4	5.91
Cleveland.....	4,348	100	16.0	15.6	22.1	13.4	11.1	8.8	13.0	9.16
Detroit.....	7,482	100	9.6	12.7	21.6	20.5	12.6	6.5	16.5	11.48
Indianapolis.....	2,832	100	8.8	33.2	33.8	11.8	6.6	2.8	3.0	6.19
St. Louis.....	5,537	100	40.9	30.1	11.9	7.0	5.7	2.3	2.1	1.52
Region V:										
Birmingham.....	2,136	100	3.0	69.9	13.7	5.5	3.5	1.6	2.8	3.37
Charleston.....	736	100	28.2	44.0	11.0	8.1	4.7	1.0	3.0	2.49
Jacksonville.....	828	100	27.0	55.7	10.3	2.6	.9	2.1	1.4	2.08
Louisville.....	1,245	100	28.6	44.8	10.4	8.4	4.6	1.7	1.5	2.40
Nashville.....	900	100	14.7	54.6	15.9	7.2	4.4	1.2	2.0	3.25
Region VI: Fort Worth.....	837	100	6.5	50.4	29.6	7.9	3.2	1.2	1.2	4.33
Region VII:										
Milwaukee.....	4,278	100	9.4	23.3	12.8	17.9	15.7	9.4	11.5	11.27
Omaha.....	2,162	100	28.5	40.7	15.2	6.5	4.2	3.6	1.3	2.65
Region VIII: Denver.....	870	100	14.2	32.8	24.5	12.3	6.6	5.4	4.2	5.62
Region IX:										
Los Angeles.....	6,986	100	7.8	9.0	39.0	22.3	12.0	5.7	4.2	9.26
Seattle.....	1,140	100	9.9	30.5	29.3	13.4	6.4	3.6	6.9	6.65

<sup>1</sup> Income information was secured for the 2-week period prior to interview. Interviews were conducted for the most part in November. The average used is the median. All averages and percentages are based on cases actually interviewed.

TABLE 5.—Total weekly family income of workers separated in accordance with the 18-month provision who were not reassigned and were not receiving direct relief—23 cities

	Not reassigned and not on direct relief		Percentage distribution of total weekly case income							Average weekly income, November <sup>1</sup>
			No income	\$0.01 to \$4.99	\$5 to \$9.99	\$10 to \$14.99	\$15 to \$19.99	\$20 to \$24.99	\$25 or more	
	Number	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Total.....	61,443	100	29.5	19.2	13.4	11.2	10.3	6.7	9.7	\$5.50
Region I:										
Boston.....	3,350	100	33.4	19.3	16.8	11.6	9.1	4.2	5.6	4.31
New Haven.....	362	100	24.8	6.6	13.2	12.9	17.6	12.9	12.0	12.09
Region II:										
Buffalo.....	942	100	28.6	7.0	10.5	10.1	11.2	12.4	20.2	11.95
New York City.....	26,215	100	33.8	7.1	12.8	14.1	13.3	8.7	10.2	8.58
Philadelphia.....	1,626	100	21.6	12.8	14.8	17.8	13.5	9.1	10.4	10.24
Region III:										
Richmond.....	347	100	36.8	20.1	14.2	14.9	7.0	3.5	3.5	3.29
Washington, D. C.....	2,296	100	21.0	45.6	16.2	6.3	6.0	2.4	2.5	3.19
Region IV:										
Cincinnati.....	1,570	100	23.5	21.9	16.4	10.2	11.8	8.3	7.9	6.40
Cleveland.....	2,487	100	28.0	8.2	11.0	9.0	12.2	11.2	20.4	11.57
Detroit.....	3,261	100	22.2	11.4	11.8	8.4	7.8	5.8	32.6	12.76

<sup>1</sup> Income information was secured for the 2-week period prior to interview. Interviews were conducted for the most part in November. The average used is the median. All averages and percentages are based on cases actually interviewed.



TABLE 5.—Total weekly family income of workers separated in accordance with the 18-month provision who were not reassigned and were not receiving direct relief—23 cities—Continued

	Not reassigned and not on direct relief		Percentage distribution of total weekly case income							Average weekly income, November
			No income	\$0.01 to \$4.99	\$5 to \$9.99	\$10 to \$14.99	\$15 to \$19.99	\$20 to \$24.99	\$25 or more	
	Number	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Region IV—Continued.										
Indianapolis	1,056	100	23.6	20.3	19.1	11.8	11.8	6.0	7.4	6.60
St. Louis	5,410	100	41.8	30.2	11.2	6.6	5.7	2.3	2.2	1.38
Region V:										
Birmingham	2,134	100	3.0	70.0	13.6	5.5	3.5	1.6	2.8	3.37
Charleston	735	100	28.2	44.0	11.0	8.1	4.7	1.0	3.0	2.49
Jacksonville	826	100	27.0	55.6	10.3	2.6	.9	2.1	1.5	2.07
Louisville	1,231	100	28.9	44.8	10.1	8.4	4.6	1.7	1.5	2.36
Nashville	893	100	14.8	54.2	16.0	7.3	4.5	1.2	2.0	3.26
Region VI: Fort Worth	558	100	9.7	51.4	23.2	8.2	3.9	1.7	1.9	3.93
Region VII:										
Milwaukee	1,292	100	31.4	4.6	10.6	12.1	14.2	11.0	16.1	11.43
Omaha	1,902	100	32.4	35.7	14.5	6.2	4.6	4.1	1.5	2.41
Region VIII: Denver	494	100	25.2	11.3	21.8	15.1	11.5	8.2	6.9	8.10
Region IX:										
Los Angeles	2,012	100	27.5	7.4	16.3	13.5	15.5	9.8	10.0	9.64
Seattle	443	100	25.6	14.6	16.4	10.8	10.5	7.0	15.1	7.99

## Neutrality—Its Importance and Difficulties

## EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a speech, which expresses my views, on the subject of Neutrality—Its Importance and Difficulties, delivered by me before the annual convention of the American Coalition, an organization comprising more than a hundred patriotic, civic, and fraternal societies, at the Willard Hotel, Washington, D. C., Wednesday, January 31.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

My appreciation of the privilege and the honor of addressing this distinguished gathering on this occasion is overshadowed by the sadness in the realization that it came about by reason of the untimely death of my cherished colleague and friend, William E. Borah, who was to have been your speaker today.

It is no exaggeration to say that the loss which our country has suffered in his death at this critical juncture in world affairs is well nigh irreparable. For more than a quarter of a century he has been a commanding figure in our public life, and the reach of his influence in public thought as well as upon national and international affairs was beyond measure. He performed his senatorial duties with the industry, the courage, and the patriotic zeal of a soldier.

I shall resist the temptation to enter into an extended eulogy of this great American contemporary, but perhaps I may be permitted a brief personal word. During the 20 years I have been a Member of the Senate it has seemed to me that no Senator nearer approached the ideals of American statesmanship—courage, ability, personal integrity, and an impersonal approach to all public questions. And, during this period, no one surpassed Senator Borah in eloquence and effectiveness in debate.

On public questions relating to the defense of the Constitution, the preservation of our democratic institutions, and noninvolvement in foreign alliances, our political philosophy was in complete harmony. To me, as in fact to all his colleagues, his death is a keen personal loss. Of Senator Borah it may be truly said:

“ \* \* \* He held his place \* \* \*  
Held the long purpose like a growing tree \* \* \*  
Held on through blame and faltered not at praise.  
And when he fell in whirlwind, he went down  
As when a lordly cedar, green with boughs,  
Goes down with a great shout upon the hills,  
And leaves a lonely place against the skies.”

These are tragic moments in the course of human affairs, dark hours in the history of modern civilization, and fateful days for our country, our democracy, our freedom, our security.

Europe is in the devastating flames of war. No one may say how long it will continue or estimate its terrible toll in human lives

and human misery, in destruction of property, and depletion of material resources.

No man may appraise the final consequences to those nations, peoples, and governments engaged in the war; nor the consequences upon the world—indeed, the whole fabric of human society. We only know that if this war in Europe is long continued, and if it spreads, the devastation will be beyond reckoning, and, very likely, beyond repair within the span of anyone now living.

The man or woman would be indeed unfeeling who was not profoundly moved by the inhuman situation in Europe. As Americans we are imbued with the deepest sympathy for the masses of people now experiencing the horrors of war. How tragic and how helpless is their plight! Facing with fear and trembling, day after day, hostilities that would destroy their homes, lay waste their lands, visit innocent noncombatants with poverty, death, and the slaughter of their youth.

Naturally, our paramount concern in this dark hour is for safety and security of our own loved ones; for escape of our own country from this awful conflict; for the preservation of our heritage, our own democracy; and the freedom for which our forefathers fought and died a century and a half ago. In a word, our supreme duty at this moment is to keep the United States out of war. On that proposition there is no debate and no disagreement.

One question, however, continues to hover over us, namely, Can we prevent involvement of our own country in this second World War; and how shall we proceed to that end? With the utmost conviction I believe we shall succeed in keeping the United States out of this war, if we have the will to do so and if our Government takes adequate precautions, follows a prudent course, and, in truth as well as in word, maintains strict neutrality.

Neutrality is a state of mind; it operates for peace or war through mental channels. A neutrality that is honest removes animosities and hostilities. A neutrality that is merely a pretense, the use of a name, creates distrust and enmity. The slightest aggressive operation by our Navy could swiftly turn our course from peace to war. In like manner, the elements that constitute a policy of neutrality can sharply convert our attitude from peace to the role of an aggressor. It is the impairment or abandonment of a real policy of neutrality that is a basic cause of war in the world.

No guns are leveled at this Nation. No threatening demands have been made upon us. No ultimatum has been delivered. We are in the pathway of no army. We are more than 3,000 miles from the arena of war. We are a nation at peace and not at war, and every conceivable safeguard should be used to prevent our Nation from becoming involved in a war that is not of our making.

The most pernicious and dangerous thought with respect to the present war in Europe is the idea that our own involvement and our own entry into the war is somehow or other inescapable and inevitable; that whether we get in or whether we stay out, rests not with ourselves but with circumstances and events beyond our control.

I was shocked and profoundly disturbed at the outset of the war to find how prevalent in Washington was the notion of the inevitability of our involvement in the war in Europe—the notion that we were destined to be swept into it despite all efforts to stay out. In my opinion, our involvement in the war is neither necessary nor inevitable. It can be avoided. It must be escaped if we are to preserve our own Nation and our own democracy and prevent the awful sacrifice of human lives attendant with war.

Happily this feeling of the inevitability of our involvement is much less in evidence today. I believe the public discussion of neutrality, our foreign policy, and international affairs during the consideration of the Neutrality Act at the special session of the Congress last October contributed to the dissipation of this idea.

I believe the rank and file of our people are increasingly militant in their opposition to war, or to any action by our Government that may be said to tend in that direction.

I believe they are increasingly wary of any foreign entanglements and increasingly insistent upon real neutrality, and this sentiment

on the part of the public is finding reflection in Congress and with the officials of our Government.

One gratifying element which gives strength and support to the cause of peace in the United States today is the resistance of our people to propaganda. The feeble voice of the people has triumphed over any and all efforts to sway them through the power of propaganda. They have shown a determined purpose to treat the present war objectively. They have refused to become bewildered or confused, as was the case in the World War. Unorganized, humble, springing not from the countinghouses but merely from the homes, firesides, and family circles of the great masses of American people, who ordinarily have little to say about creating wars in which their sons and husbands must fight, they have instinctively come together in determined opposition to prevent the entry of America into the present European war. They have not permitted their sympathies, their hatreds for European leaders, their unfounded fears, or their personal interests to obscure the awful consequences of our participation in another European war.

The pleas to save democracy in Europe, to destroy autocratic aggressive forces in the world, or the opportunity for financial gain that wars produce, have failed to touch the hearts of the plain people of America.

This does not mean that they are callous or indifferent to the injustices to and sufferings of the people of Europe. It does mean they have learned a lesson from the last European war, and they understand the futility of America attempting to assist in the application of principles of justice, that would be understood and respected in Europe, and they realize that the greatest service that can be rendered our country at this hour is to save our own democracy, solve our own difficult domestic problems, and be in a position, after hostilities cease abroad, to try to bring the crushed and broken remnants of humanity that may be left in Europe to an understanding of the folly of their leaders; to an appreciation of peace and to give our aid in the reconstruction of civilization in Europe.

I repeat, to pursue national policies and foreign policies calculated to insure our own peace, to make ourselves secure from attack by any foreign foe, and at the same time secure from involvement in a foreign war, are today, and until the end of the European war will be the dominant questions and the most important considerations affecting our Nation.

We are taking necessary and adequate steps to strengthen our own defense on land, on sea, and in the air. We are of common mind and purpose on that objective. Our differences relate only to some of the details.

Our present danger and, in reality, our sole danger is in the realm of our Government's foreign policy, lest we allow our natural sympathies for certain belligerents, our natural abhorrence of the tyranny and war lust, and persecutions by the dictators to draw us into the maelstrom of European politics and European conflicts.

President Roosevelt, in his speech at Chautauqua in August 1936, proclaimed the sentiments of the American people. Let me recall a few of the highlights of that speech, the keynote of which was strict neutrality and noninvolvement in the quarrels and wars of other nations.

The President said, "If war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fools' gold—would attempt to break down or evade our neutrality."

"They would tell you, and, unfortunately, their views would get wide publicity, that if they could produce and ship this and that and the other article to belligerent nations the unemployed of America would all find work."

"It would be hard to resist that clamor," the President said—"it would be hard for many Americans, I fear, to look beyond—to realize the inevitable penalties, the inevitable day of reckoning, that come from a false prosperity. To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace."

"If we face the choice of profits or peace, the Nation will answer—must answer—'We choose peace.' It is the duty of all of us to encourage such a body of public opinion in this country that the answer will be clear and for all practical purposes unanimous."

The President spoke of how important are the little day-to-day decisions that may finally lead to war. "At this late date," he said, "with the wisdom which is so easy after the event and so difficult before the event, we find it possible to trace the tragic series of small decisions which led Europe into the Great War of 1914 and eventually engulfed us and many other nations. We can keep out of war if those who watch and decide make certain that the small decisions of each day do not lead toward war and if, at the same time, they possess the courage to say 'No' to those who selfishly or unwisely would let us go to war."

These sentiments and this viewpoint when spoken by the President in 1936 received wide acclaim. Has anything transpired since then to make them less true or less wise? Have we any reason to take a different view or to pursue a different policy today? On the contrary, I believe that all that has since transpired indicates the necessity of remaining neutral and keeping out of war.

Indeed, it is these small decisions from day to day that the President referred to that make for war or peace.

Many questions have been or will be precipitated by the present war in Europe. The recalling of an ambassador accredited to one of the warring nations in Europe; the giving of notice of abrogation of a trade treaty with a particular nation; the authorizing of loans to nations at war; and, the sanctioning of the purchase by any of the belligerents from private manufacturers in this country, aircraft, and other equipment and supplies.

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Then too, we have a multiplicity of intricate questions growing out of the administration of the Neutrality Act. Among them we had the question of keeping American citizens and American ships out of the war zone so long as the war continues. To do that meant the abandonment of the time-honored tradition of freedom of the seas. It meant the foregoing of our undeniable and theoretical right to send our ships and their passengers, as neutrals, anywhere upon the seven seas with impunity and with safety.

We had that right, but we learned from tragic experience in the previous World War that the exercise of that right has dangerous and provocative consequences.

We have the question of still further strengthening and increasing our national defense, on sea, on land, and in the air—preparedness is the popular word for it.

I shall not discuss that question today except to say that in my judgment, the American people are of one mind in the need for augmenting our national defenses and for full preparedness—not as a prelude to war, not as weapons of offense, but as an insurance against war and for our national safety and security.

We have the question of all-American solidarity, which was the subject of the Pan-American conference.

We have the problem of the inevitable readjustments in our own domestic economy in consequence of the war in Europe, and dislocation of trade and disruption of foreign markets.

We have the questions of guarding against spies and sabotage and plotters against our Government within our own land.

In approaching and settling all of the questions we need to have a clear understanding of the proper role of the United States in world affairs. There are two widely divergent concepts. One is that the role of the United States is to defend "right" against "wrong" everywhere in the world; in other words an acceptance by the United States of world moral responsibilities, and to oppose aggressors everywhere and to defend international security. Such a concept requires one kind of foreign policy. The other concept, and the one to which I subscribe, is that the proper role of the United States is to consistently refuse to participate in any international scheme that might lead to the point that war would result as a possible eventuality, and at the same time being prepared to defend itself and its neighbors in the Western Hemisphere from foreign aggressors.

There is a definite contrast between the European and American positions in world affairs. The United States has no European problem such as overpopulation; it has no desire to obtain natural resources necessary for self-sufficiency and national defense; it seeks no colonies; no longing to revenge ancient rivals. None of these European ambitions concern us, and that is why our domestic welfare prompts us to avoid war, and by a rigid policy of neutrality avoid involvement.

The United States, because of its relative physical security, is almost alone among the world powers to keep itself free from coercion to join its foreign policy to that of any other nation. The situation in Europe is very different.

European nations have been forced to make alliances and agreements under special conditions. Not confronted with the pressure that exists in Europe, the United States has avoided international alliances and agreements.

Though European nations may have no choice between war and peace, the United States' geographic position and nonalliance policy protects it from ever going to war except when attacked.

If anything in the realm of political affairs has been proved during the last quarter of a century, it is that the United States cannot promote or save democracy by fighting a war on the continent of Europe. Out of the great war for democracy came communism, fascism, and nazi-ism, and in our own country a period of political and social stagnation which brought us to the verge of economic ruin—and finally came the present war.

What are the prime elements of a peace program for the United States?

First. Absolute neutrality.

Second. Strict adherence to our national policy of nonaggression.

Third. Utter avoidance of entangling alliances.

Fourth. Be prepared to cope with any and all potential enemies by building and maintaining a strong, powerful, well-balanced navy—this because of our geographical prerogative of defending ourselves first on the sea.

Fifth. Creation and maintenance of adequate air forces and maintenance of a comparatively small but well-equipped and well-trained army, supplemented with trained reserves.

If we adhere to this program, we will be secure. If we adhere strictly to this program, we will be able to remain at peace. If war comes to us unbidden, we will be able to bring it to a quick and successful conclusion.

I place first in importance in this hour the policy of genuine neutrality. I know of no better way to define the policy of neutrality that our Nation should pursue than by quoting two phrases of the former brilliant Secretary of State, Hon. Bainbridge Colby, namely, "No discrimination between belligerents," and again, "Sincere impartiality."

There is no scourge in the world worse than war. Most world catastrophes are not of man's making—but war is. Fire, earthquakes, tidal waves, and disease epidemics are all beyond the control of man. Foreign treaties, alliances, and agreements of every nature and every policy adopted in relation to other nations at war have within themselves the seeds of war. If they discriminate against another nation; if they seek, under any pretext of fostering, an artificial friendship with one country and at the same time be antagonistic to another, they threaten the peace and security of the Nation.



My conclusion is that we would be derelict in our duty to the American people if we did not place above every other domestic and international policy the avoidance of involvement in the present European war.

### United Mine Workers' Convention

#### EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix to the RECORD an able address delivered by the distinguished Senator from Montana [Mr. WHEELER] at the golden jubilee convention of the United Mine Workers of America on January 26, 1940, at Columbus, Ohio.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a real pleasure for me to attend this Golden Jubilee Convention of the United Mine Workers of America. This gathering marks your fiftieth year of effective efforts and liberal accomplishments—for your members—for the great unorganized mass of workers—and for democracy itself.

Within the past month or two I have addressed national conventions of organized farmers and organized industry. This afternoon I speak to you, the assembled delegates of a great labor organization. Someone remarked that it was difficult to speak to such diverse groups. It might be for some, but to me it is a signal honor, a privilege, for I speak the same language to industry and business that I speak to the farmer or to labor. I am proud to be asked to speak to you—the miners of the Nation; I know of no group more interested in the betterment of social and economic conditions in this country than you who have contributed so much.

The present position of national importance held by the United Mine Workers of America reflects the growing strength of the liberal and progressive forces in the country. There have been long bleak years in the past when the United Mine Workers of America and all labor were fighting for their very existence. Friends were few and the cause of liberalism was not as popular as it is today.

Through the years in my private and public life in Montana, and in the United States Senate, I have been identified with the cause of the miners and labor generally—and I am proud of that fact. As a practicing attorney in Montana for many years I defended labor and labor leaders. I thus came to learn a little of the practical problems which confront labor. Later, as a member of a United States Senate committee appointed to investigate the coal strike in Pennsylvania, I learned at first hand of the ruthless activities of some industrial leaders. They were attempting to destroy a labor union which was demanding nothing more than a chance to improve the living conditions of its members.

That Senate committee found appalling labor conditions in Pennsylvania and other States. We found, in many instances, the denial of constitutional liberties, of freedom of speech, and freedom of assemblage. We found suppression of practically all other civil rights. We found economic conditions in the mining industry of a character that made peons of the workers. Privately employed police were used to oppress the miners. The living conditions of their families were intolerable. These disclosures shocked the conscience of the most conservative Members of the United States Senate. Conditions such as we found are bound to destroy the confidence of the people in their government.

Through your great union you have gone far in eliminating these economic and social abuses. For this your organization and your leaders deserve special commendation. You have aided in the preservation of our democratic institutions.

The mine workers of the Nation can be justly proud of their organization. All the obstacles which have confronted the workers of any nation have been placed in your path—but you coal miners seem to thrive on opposition. A living demonstration of this fact is the present convention of the United Mine Workers of America. It marks the complete unionization of one of the basic industries.

Your leaders have been true sons of labor. They have come up the hard way—with pick and shovel. Steeled and trained in your organization, they have emerged not only as great leaders of your union but also as great Americans—contributing to the development and growth of this country. From your organization came a mine worker who became a member of a President's Cabinet and the Nation's first Secretary of Labor. It is true they had no college degrees—their theories were not obtained from textbooks; they learned their lessons from human experience.

During the past few years your union has been able to emerge into a position of security. Its continued existence is assured.

Freed from the ever-pressing threat of the struggle for the right to exist, it, and its members, have been able to participate in the affairs of the Nation. The coal miners of this country—organized into this great union—have not only bettered their own position but have unselfishly assisted the great unorganized masses of the country in achieving greater independence and better working conditions.

A deep obligation is owed to each of you—not only from those workers but also from every liberal and progressive person in the Nation.

We cannot go back to the sweatshops, to the long hours and unsafe working conditions in the mines, to unfair labor practices, or back to political and economic domination by reactionary politicians or industrialists. A growing economy is productive of new problems, and new problems require new solutions. A dynamic economy makes impossible a static society. We must go forward—not solely for labor but for the country as a whole. This creed must be followed and maintained if we are to preserve the precious heritage of free institutions.

I want to take this opportunity of assuring you that, as always, I will be found fighting to improve the conditions of the workers and the farmers.

Our Nation today is confronted with a most serious economic and social problem. There are in this country at the present time, according to our best available figures, between nine and ten million unemployed. Many States and cities are without adequate funds to meet this situation. With increasing demands for the balancing of the Federal Budget, and the Federal Government spending less and less for relief and public works, the problem becomes more acute. Either private industry will furnish work to the unemployed or the Government must.

Thousands of able-bodied Americans willing to work have been unemployed for many years, and their skill and training have been completely lost. The morale of these persons and the members of their families is distressingly low.

Production is becoming increasingly efficient, and technological unemployment is developing with increasing rapidity. Although industrial production is approaching 1929 peaks, fewer workers are required to maintain this production level. The machine is becoming the master and not the servant of mankind. Scores of communities are becoming ghost towns. They were built around plants rendered obsolete by development of more modern units elsewhere. Thousands of workers and small merchants in these communities are being left without any means of livelihood. They are unable to educate their children. The future holds little for them except public relief.

Over 3,000,000 of the unemployed are young men and women under the age of 24. They have no immediate prospect of jobs. Yet upon their welfare and morale rests the future of the Nation.

The problem of unemployment—unsolved and comparatively untouched—still remains America's No. 1 problem. There cannot be any permanent prosperity or industrial peace when millions are unemployed, facing suffering and misery.

Contrary to the belief of many people, income levels of large sections of even the employed are desperately low. For instance, the wages of almost 40 percent of the workers were less than \$500 during 1937. The wages of almost two-thirds of the workers during that same year were under \$1,000. A quarter of our population is engaged in agriculture, and the average annual cash income per farm during 1939 was \$625, and this includes the Government benefit payments.

Decent housing and medical services are not being adequately provided at the present time—either for workers or the rural population.

From the dawn of civilization until the advent of modern industrialism the No. 1 economic problem facing the world was one of production. Man wanted—and needed—more goods than could be produced. With the advent of the machine age millions have been spent in research laboratories and our energies have been devoted to production. But far too little thought has yet been given to consumption.

With this mass production there came problems—economic and social difficulties of an almost Frankenstein character. But retrogression is no solution. None of us would today trade the incandescent light for the candle.

People everywhere are rightfully asking, Why do granaries bulge when people are hungry? Why are bales of cotton piled higher and higher when people lack clothing? Why do workers walk the streets when we need more adequate housing facilities? What has created this paradox of want amid plenty? What is it that leads men to close down mines and factories when people are cold and hungry? What is it that leads man to destroy wealth to create wealth? These economic riddles came with mass production, and they will only go with mass consumption. The problem of consumption lies basically with the great underprivileged segments of American society—the unemployed, the underpaid, and the underprivileged farm group.

Unemployment and the farm problem must be solved before this Nation can prosper. The nearly 10,000,000 who lack real jobs—and agriculture with its millions of low-income farmers—must be given an opportunity to consume not only the necessities but also the luxuries of life.

I have repeatedly said that it is not necessary for business to high-pressure John Jones into buying a new automobile—he would like to have a 1940 model. You don't have to high-pressure him into buying new clothes or more food or even a new home—he wants them all. His wife wants the modern conveniences.

John Jones and his wife and 40,000,000 others lack the means to buy goods with which our markets bulge. Industry has created the demand, but neither Government nor business has provided the necessary purchasing power.

This country is neither exhausted economically nor inefficient industrially. On the contrary, we are rich in men, money, and machines. We have a potential market. But until we have also helped provide the means whereby this potential market becomes an actual market, the job is only half done. Our energies must be devoted to finding ways to give the farmers and the workers the purchasing power that will keep our factories running, not at 50 percent or 58 percent but at 100 percent all of the time.

The principles of democracy can become effective only if they prevail in the industrial as well as the political life of the Nation. As Americans we completely reject the notion that our political destiny can be controlled by any single person or group of people with special privileges. All right-thinking people have long since rejected the idea that the policies governing our industrial life, upon which jobs for millions depend, can be determined by men who are responsible to no one for their decisions.

We in this country have pursued a policy of restricting production and maintaining prices to protect profits. We have been unable to make the tremendous scientific discoveries of our age serve the welfare of the people. We have managed our economy so that it either produces too much or too little.

It is time for us to say that these economic absurdities must be solved in the interest of all the people. It is time to say that upon the wisdom and the experience of the American people we can, if we will, manage our economic life so that in the place of restriction we have expansion of production; in the place of artificial prices we have a constant lowering of the cost of living; in the place of recurrent shut-downs and unemployment we have a steady level of production and jobs; in the place of 10,000,000 unemployed we have a busy able-bodied population while our youth are educated and our aged retired to security.

Industry, as well as labor and farmers, are vitally concerned with this basic task that confronts us today. No one solution is available at the present time, nor is any one group or organization in a position to recommend a specific program to be readily accepted by all others. The Government, therefore, must assume the leadership. And to this end the national leaders of industry, agriculture, and labor should be called together to meet and confer and recommend a program by which we may achieve industrial democracy and economic and social security.

In the hearts and minds of all of you assembled here today, as in the case of every individual in this country, there looms up the single important question, Is the United States going to become involved in the wars in which Europe and Asia are engaged?

History tells us that it has frequently been a convenient device for leaders of nations—when thwarted in their attempts to solve economic problems in their country—to divert the attention of their people toward foreign affairs. Let us take this lesson of history to heart. Let us not allow foreign affairs to divert our attention away from what is far more important to us, namely, the solution of our domestic problems. I have briefly analyzed with you a few of the more important economic and social problems confronting us today. Certainly they are sufficiently serious and exacting to demand the full attention and energy of our leaders in government and private life.

It should be clear to all that if the United States permits itself to become engaged in the wars of Europe and Asia there will be a black-out of American institutions—and possibly of democracy itself. I am convinced that the people of this Nation are firm and united in their determination that we are not to have any part of these foreign conflicts. You—as men and women of labor—know only too well that in any war it is largely workers who must do the fighting—and it is largely workers who must do the dying.

The United States of America—being the mighty Nation that it is—necessarily must play a role in world affairs. But this admitted fact must not be utilized to cause the United States to become involved in any of the foreign wars.

As a candidate for reelection to the United States Senate in 1934, I stated on every public platform that there were rumors of war in Europe and rumors of war in Asia, but that as far as I was concerned I would never vote to send an American boy across the water to fight upon foreign soil. As a candidate for reelection to the United States Senate in 1940, I repeat—and give to you the same pledge—that I will never vote to send an American boy across the water to fight on foreign soil.

Under the Constitution it is Congress that declares war, and this Congress and every succeeding Congress need not be called upon to vote for war if we keep out of foreign entanglements abroad.

We have an immediate international problem. It is created for us by nature and geography. We live in the Western Hemisphere. We know that the export trade of the United States is an essential part of our economy. For this reason we should give considerable thought and attention to the problem of building up our trade with South American countries. Without involvement in any entanglements of foreign nations, without commitments to any foreign nation, the peace and security of the Western Hemisphere might thus be aided through the natural development of our markets in South America. In this manner we could build up our own domestic economy by providing greater employment and thereby increase our national income.

By building up the domestic economy of South American nations through such trade we assure the continuance of democratic institutions in the Western Hemisphere. Congress can do all this without sacrificing American industry or agriculture and without dele-

gating its powers to any department in Washington. If we in the United States devote our influence and resources to the maintenance of peaceful relations among the nations of this hemisphere—the improvement of the conditions of the people—and the elimination of exploitation and degradation of the workers—we shall indeed serve as a beacon light to the rest of the world.

During any critical period in a nation's history there is a dangerous tendency to disregard or to trample civil liberties. The result is to break down the confidence of the workers in government and make them easy prey to the demagogue who sneers at our constitutional guaranties.

The protection of the right of freedom of speech, freedom of assemblage, and labor's right to organize and bargain collectively still remains a cornerstone for the preservation of our democratic institutions. This need must be recognized not merely by way of an expression of pious hope but as an accomplished fact. There can be no repetition in this country of the coal and iron police of Pennsylvania, or the company-hired deputy sheriffs, or the massacre of steel workers who are earnestly seeking to better their conditions.

Intelligent business leaders are fully aware of the dangers which are inherent in the attempted repression of the basic rights of Americans. Labor—as well as every other group—recognizes that our Bill of Rights was adopted to protect everyone, in times of hysteria—when intolerance and bigotry sweep a nation. And it should always be remembered that intolerance—whether racial, religious, political, or economic—is dangerous to democratic institutions. The protection of civil rights for all of our people can be accomplished through the vigorous enforcement of the Federal civil rights statutes.

Organized labor, through trade-unions, has a definite and wholesome contribution to make toward preserving our democratic institutions. This very convention, with its assembled 2,500 delegates arriving at conclusions in a democratic and peaceful manner, is the best proof of the burning desire on the part of the workers in this country to preserve our freedom and democracy.

To all who seek assurance that our basic institutions will be maintained, one of the greatest guaranties is the advancement of organized labor. Stabilization in the coal industry has been achieved only through the active aid and participation of the United Mine Workers of America.

The workers and the farmers have no desire for dictatorship. They understand and appreciate that any change from our democratic way of life means forced labor, long hours of work, destruction of labor unions, lowering of wages and prices for agricultural produce, and a constant depressing of the standards of living. They appreciate that a denial of democracy means a denial of both their rights and their goal.

These are critical times. The tasks we have before us call upon our utmost strength and greatest wisdom. We must have the strength to hold fast to the convictions and professions of democracy; we must have the wisdom to find a solution of our problems. Voices will call out, seductive and entrancing, appealing to our traditions and our loyalties, but at the same time seeking to lead us to servitude.

Other voices speak with the force of hate and prejudice, appealing to the frustrations that economic misery and want produce. These voices are a challenge to us. They are a challenge that can be met in only one way, by making the free traditions of our country meaningful to all of our people, thus firmly securing their loyalties to our free institutions.

For my part, I am prepared to join forces with all those liberty-loving people who look forward to the realization of the American ideals of industrial and political democracy.

These things can be accomplished within the framework of our American form of government.

## Free Enterprise

### EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

RADIO ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered over Station WFIL, Philadelphia, January 27, 1940, under the auspices of the Business Men's Association of Philadelphia. The address is entitled "Free Enterprise."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The last decade was the first in our national history that did not record economic advancement for the American people as a whole. In more than a half century of observation of American business this is the longest and hardest pull for people as a whole I can



recall. No satisfactory explanation of our trouble can be found in laying the blame at any one point. Our ills have been a long time in the making. Finally they gathered up in one mass. All of us have suffered.

The spirit of defeat has prevailed. Too many leaders have taken the attitude that any movement up the economic ladder must be followed forthwith by a step backward. Already the prophets are saying that the productivity of the last few months will not continue long. They point to the inevitable indexes and say little confidence can be placed in the future. This lack of confidence has hurt the Nation. We need courage to believe in America and to go forward. There is nothing inevitable that dooms the new decade opening before us. With prudent national leadership and a working spirit of cooperation we can move steadily ahead. It has been estimated that the capital facilities of American industry are consumed in the ordinary course of industrial operation at the rate of more than \$8,000,000,000 per year. The mere maintenance of the Nation's industrial equipment calls for this expenditure. Advance would mean even more, and we have every reason to go forward. We have enough long-standing needs unfulfilled in the United States to give full employment to every qualified worker for the next 10 years.

The way forward is through cooperation. We banish conflict of petty factionalism and extreme partisanship from our midst. When any faction seeks to control government, labor, or business, the people suffer for it. If business ruthlessly seeks to dominate the Government, the final result is a victory for fascism. If government runs roughshod over business, the result may be communism. In any event, the dominance of any extreme point of view hurts the great majority of our people. It hurts business. And what hurts business, under our system of free enterprise, hurts labor.

Enlightened business leadership can supply the answer to our needs. The governmental problems of this decade have held the spotlight of public attention long enough. New instruments of government have been developed. A new channel has been formed through which the energies of the social and economic forces of the Nation will be poured. The time taken for the construction of the new way has long caused a stoppage of productive output. Business and labor have suffered. When production goes down, the purchasing power of the workers goes down, unemployment comes up, and an immense number of social problems emerge that put an extra strain on the Government. With necessary modifications and under competent leadership the new forms of government can be made more efficient and the way prepared for increased production. It should not now be necessary to place such heavy emphasis on governmental action. Business action is the key to the forward march of the new decade.

The cooperation of labor and business is necessary to the effective increase of production. The discord of the last few years should give way to a common recognition that the great need for all concerned is a stepping up of industrial production. Wages come only out of earnings and earnings increase when production moves forward. The unnecessary restraints of Government red tape should be eased and the way made ready for business to go ahead. America needs a strong leader who will give business steadfast encouragement and the confidence necessary to take up the slack of unemployment. The primary problems of the decade now beckoning to us are economic. The decade of high-pressure politics and extreme partisanship has passed.

During the last several years reform, so-called, has taken precedence over recovery. Vitriolic attacks have been made on business. Labor became divided. Investment in private enterprises diminished. Agriculture was regimented and restricted. Production in every phase of our national economy lagged behind, and vast pools of unemployed labor and capital have become stagnant sources of economic discontent and social degeneration.

Government has had a field day seeking to reform business. Business now is seeking a chance to balance the score. Unquestionably there has been, is now, and will continue to be need for improvements and changes in both government and business. However, the American people have nothing but a gloomy prospect before them if the chief issues of the new decade opening before us rise to no higher levels than a tug-of-war between government and business such as we have seen these long dismal years of depression.

There is a fundamental choice before us. It will be necessary for the Government to curtail sharply its expenditures or to give sufficient freedom to the productive life of the Nation so that the national income will be large enough to support growing tax bills. We cannot continue forever to try to borrow a way to prosperity. Sooner or later we shall be forced to return to a pay-as-you-go basis. Heavy Government spending and restricted private enterprise cannot go hand in hand over an extended period of time without leading headlong to dictatorship. That is the way dictatorship was started in Europe. The American people are not willing to be forced to go that way.

We have the necessary resources in land, labor, capital, and machinery to step up the productive output of America 50 percent in the next 5 years. An increase of 10 percent in business each year for the next 5 years would be well within the range of probability if we develop the spirit of cooperation. The spotlight should be taken off excessive governmental activities and put where it belongs—on the people at work, busy, productive, and at peace. The

time has definitely come for us to give up factionalism and to return to the ways of peace. There can be no lasting peace apart from economic strength and abundance.

The last decade has witnessed the mad groping of the American people for security. Never has there been less. Security is something better than a low rate of interest, which shows that money and production have little earning power. Security is something better than a relief check or a work-relief salary, necessary as they may be. Security is something better than a small Government pension, although a more adequate provision must be made through pensions for the aged and the dependent. Security is something better than a Government mortgage on your home or your farm. Security is something better than radio or newspaper ballyhoo about an abundant life that is anything but abundant. Governmental security measures can come only through increased taxation. By and large our citizens know that the Government, under our system of free enterprise, cannot and will not be able to collect enough in taxes to put everybody on a Government pay roll. That way lies more and more of the less abundant life. To give Government aid to a small fraction of the people who need it and to withhold it from the rest is basically unfair. It is politically unsound. In the end there is bound to be a sharp reaction against this extreme partisanship that seeks primarily to exchange Government benefits for votes.

In this country we want the American way of security—not the European way. In Europe, where living standards are not one-half as high as our own, there exists a low security level, which would be considered intolerable here. Our people are unwilling to accept the European system of life through Government decree and a wrecking war every 20 years. Some people may think of that way of life as secure. I do not.

Americans want security that comes with hard work and plenty of it. Down deep in our hearts we know there is no way to have things worth while unless we are willing to work and pay for them. I believe our people are now determined to take life honorably and honestly. The America we strive to build cannot be built in a day. Industrial piracy, unnecessary labor conflict, soap-box oratory exalted to heights of radio do not stand up well now. The security we now seek is the opportunity to go out and learn the benefits that come with hard work and a fair chance to keep a fair share of the earned income. Anything less than this is a false idea of security.

A great attack has been launched against our tariff protection. To those who urge tearing down our protective tariff in the interests of other nations, let me say they are about 175 years too late. They should have been around to advance their theories in that earlier era before our industries had been started. Then, for purposes of home defense and international stability, we built protective tariffs to encourage infant industries here. Our work and wage standards have been built on that basis. To overthrow the tariff would undermine the economic security of our people as a whole. Our tariff protection is our first line of defense against the encroachments of economic servitude. If we have to compete with foreign costs of production we would have to submit to their low wages and low standards of living. I am unwilling to subscribe to such a program. We must not be dragged down to the levels of living common to working classes abroad.

Much is being said of national defense from the military point of view. We should realize how great our capabilities are to inspire national defense from the standpoint of morale and sound thinking. We should be false to our American heritage if we did not put these first. For we must ever realize that the greatest protection for our people is to be found not in the instruments of war but in the instruments of peace. While we are busy planning to spend great sums for antiaircraft guns which are now lacking, for defense planes, and naval equipment, we should not neglect the expenditures necessary for the maintenance of labor, agriculture, and business prosperity.

While we pray for peace in Europe and Asia, let us not be blind to the causes of war in our own midst. War comes from within people. War is the people in the mad chaotic mission of death. We must not be under the delusion that war can be avoided by anything less than a strong spirit of discipline and restraint among the people. Children raised in homes where there is too little food, clothing, and essential comforts of life, will unwittingly seek a sterner solution for their problems in the path of war. Consciously or unconsciously a great host of American children are on this terrible road to war. The failure to meet the home and domestic problems of American children pushes us along that road lined with the ghastly skeletons of the social failures of other nations. In altogether too many American homes there is such misery and want that the adventure of war seems more attractive than the dull monotony of scarcity and human need.

Let us believe that the people of the world want peace—not war. Let us believe that this fundamental striving for peace on the part of the people will lead to peace. Let us believe that peace can come to Europe before Berlin, Paris, London, Rome, and Moscow are bombed and burned. Let us believe that sanity and business intelligence in America and other lands will point irresistibly to the way to peace. Let us realize keenly and thoroughly that peace is good business and that the highest dividends come when humanity has laid aside the weapons of combat and has taken in hand the instruments of full production and peace.

# Annual Meeting of National Public Housing Conference

## EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

LETTER BY THE PRESIDENT AND ADDRESSES BY HON. ROBERT F. WAGNER, OF NEW YORK, AND HON. NATHAN STRAUS

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed by the President to Miss Helen Alfred, executive director, National Public Housing Conference, and also a speech delivered by my distinguished colleague, Mr. WAGNER, and a speech delivered by Hon. Nathan Straus, Administrator of the United States Housing Authority, at the Hotel Willard, Washington, D. C., on the occasion of the dinner of the conference.

There being no objection, the letter and the speeches were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, January 22, 1940.

MISS HELEN ALFRED,  
Executive Director, National Public Housing Conference,  
122 East Twenty-second Street, New York, N. Y.

DEAR MISS ALFRED: Once again it is with a very real sense of satisfaction that I extend greetings to the National Public Housing Conference at its ninth annual meeting. Each of these conferences, particularly over the past 5 years, has been a marker in the development of a more adequate national-housing policy for the lowest income third.

Beginning with the first P. W. A. projects, and extending to the projects of local authorities assisted by the United States Housing Authority now opening every month, the public-housing program has progressed consistently toward lower rents, lower income groups served, lower construction costs, increasing decentralization, and community responsibility, and above all the needs of a larger number of families are being met. Last year, for the first time in about half a century, the slum areas in our country as a whole commenced to shrivel rather than to expand. Through public and private endeavor, this tendency should continue until decent housing for the lowest income third becomes the established rule rather than an almost nonexistent exception.

I am especially gratified by the vital interest now being shown in improving housing conditions in rural areas. The projects which the United States Housing Authority is helping to develop in widely scattered farm localities with the cooperation of the Department of Agriculture justifies the manifest interest of your conference in this challenging problem this year. The program for helping urban families of very low income to obtain release from the slums, though still young, will be given even better balance by the development of the still younger program to help rural families afflicted by the same evil conditions. Joined together, the rural and urban housing programs together should continue to grow.

With sincere best wishes for continuing success,

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

ADDRESS BY HON. ROBERT F. WAGNER, OF NEW YORK

My friends, friends of the National Public Housing Conference, we meet tonight with the full satisfaction of great achievements in the cause of public housing.

Fifty years have gone by since Jacob Riis turned the searchlight of national attention on how the other half lives—in the slums. Society knew then, half a century ago, the lesson it has learned over and over again in the years which have intervened—that decent housing encourages good citizenship, and slums tend toward bad citizenship; that decent housing means better health and slums mean more disease; that decent housing reduces the cost of community protection against fire, crime, and delinquency, and slums take a heavy toll of life, property, and moral values; that decent housing means the American standard of living and slums represent a mode of living abhorrent to us all.

This was the challenge of the urban slum conditions which I knew in my own boyhood. For decades the challenge went unanswered. The occasional attempts of public authorities to regulate the slums, where effective at all, only intensified the horrors of overcrowding. The most sincere efforts of private enterprise were unable to provide any substantial number of decent homes within the slum dwellers' means to pay. After 50 years, the best evidence of the need for a new and more vigorous approach was the slums

themselves, in the city and on the farm, spreading wider and wider their misery and blight, more menacing to the well-being of our people and our Nation than ever before.

Within the short space of 2 years this tragic picture has been transformed into a new and pleasing prospect, a prospect of healthful, low-rent homes for millions of American families rescued from the shadow land of the slums. It has been transformed by operation of a single, simple act of Congress, the United States Housing Act. Once the forlorn hope of a few advanced reformers, the United States Housing Authority is now among the most popular of Federal agencies, counting its adherents in every section and in every party, among social workers, labor unions, bankers, teachers, religious leaders, investors, and industrialists.

Combining Federal aid with local initiative, operating through the normal channels of the private construction industry, this program has the financial sinews, the sound public policy, and the broad humanitarian support to see this job through to a successful finish.

When I watch thousands of families moving from the slums into these new low-cost homes throughout the country, when I see the eager, happy faces of their children at play in the sunlit grounds, then I give thanks that our democracy has been wise enough and rich enough to preserve its human resources in this truly democratic way. Then I further resolve to press forward until the blight of the slums is no more, until every humble family, every mother, and every child can enjoy the simple comforts and the spiritual solace of a decent American home.

As we move for the necessary expansion of this Nation-wide program, the most fantastic stories are being spread about its cost to the American taxpayer. If we want to find out what the program costs, let us read from the document which surely reflects every item of Federal expenditure, the Budget of the United States.

When we examine the President's Budget message for the coming year, what do we find? The construction loans authorized under the program do not enter into the Budget or national debt at all. These loans require no taxes and call for no appropriations; they are financed through sale of Housing Authority bonds to the investing public, on which the Authority now makes a substantial interest profit.

Read the Budget through from cover to cover and you will find only two items concerning the housing program. The first item authorizes the Housing Authority to make available from its own funds the sum of \$4,500,000 for administrative expenses. In other words, Congress does not have to appropriate a single dollar for the expenses of the Housing Authority, because those expenses will be covered by the earnings of the Authority in its lending operations.

The second and last item in the Budget message pertaining to the housing program is the following: "For the United States Housing Authority, \$15,000,000 will be required out of the general fund of the Treasury for the payment of annual contributions to public housing agencies in accordance with the United States Housing Act."

In short, the greatest possible cost of the program to the Federal Government next year, the only cost chargeable to the taxpayer and entering into the national debt, is \$15,000,000. Indeed, the House of Representatives has just found that an appropriation of only \$10,000,000 will be necessary at this time. In England, with a population less than one-third our own, the national subsidies for all types of public housing last year came to \$75,000,000 notwithstanding a staggering burden of rearmament and the menacing shadow of the European war.

The annual Federal cost of the present United States housing program is indeed a modest one—\$28,000,000 at the maximum and about \$25 net for each person rehoused. These costs represent the Federal pay-as-you-go contribution, needed to bring the rent level in low-cost housing down to the income level of those now living in slum shacks and tenements. The Federal subsidies, together with the substantial contributions by the localities themselves, bridge the gap between vague talk about housing and doing something effective about housing. They represent the difference between good intentions, surveys, and blue prints on the one hand and actually rehousing slum families on the other.

If Federal subsidies are stopped, the whole program stops, and with it ends the hope of millions for a healthier and a happier life. If more subsidies are authorized and the construction loan fund is doubled, the expanded program will rescue 2,000,000 persons from the slums. At the same time it would tap a vast pool of idle private capital and provide a year's work for almost 1,000,000 men. These benefits are well within our reach, for the necessary legislation, sponsored by Congressman STEAGALL and myself, has already passed the Senate, and will shortly be considered by the House.

When the Housing Authority was first established, 2 years ago, I said at a great dinner meeting held by the National Public Housing Conference: "The fruits of liberalism are stolen only when its guardians go to sleep—only when there is creeping complacency in the face of continuing social injustice." In the public housing movement today I find no relaxation of vigilance or complacency of outlook, but rather a militant determination to keep moving ahead, in the full inspiration of the great work that remains to be done. You and I know that a Nation-wide slum-clearance and low-rent housing program for the lowest income groups has not been completed; it has only been started. The normal expansion of that program has first claim upon our support and our collective efforts. With our ranks swelled by millions of forward-looking citizens, I have confidence in the early attainment of a goal that will enrich our national heritage and fortify our cherished democracy.



ADDRESS BY NATHAN STRAUS, ADMINISTRATOR, UNITED STATES HOUSING AUTHORITY

Time is a relative concept. We reckon time not in the abstract but in relation to something concrete. To a geologist, 8 or 10 years would probably sound too fractional to be worth bothering about.

Yet that comparatively short time spans the entire history of the public-housing movement in this country from birth to ever-increasing maturity.

There are some here this evening who can remember, as I do, the ice age of public housing—all of 8 years ago.

There are many here who have fought on behalf of public housing for more than 2 years. They are, indeed, veterans of the ancient wars—as time is measured in the public-housing movement. For such veterans there are no cash bonuses, but there are the almost equally consoling pensions of "we told you so."

They (that catch-all pronoun which describes the opposition at the bridge table as on the battlefield)—they said, "You will never be able to build homes within the low limits of costs imposed by the United States Housing Act; besides, you will never get your rents low enough so that families in the lowest income group will be able to live in the homes you build, and worse than that, you will never eliminate any slums or areas of blight." We refused to heed these dire predictions. We made bold to contradict them. We veterans of the housing movement said 2 long years ago that we would do all those things. It is my pleasure to say to you tonight that we, you and the U. S. H. A. together, have done so.

In cities of less than half a million population the average cost of dwelling facilities per dwelling unit under the U. S. H. A. program is \$667 less than the \$4,000 top limit imposed by the Housing Act; the average cost of dwelling facilities per room is \$199 less than the limit imposed by the Housing Act. In the larger cities the average dwelling facilities cost per dwelling unit is \$1,359 less than the limit of \$5,000 imposed by law, and the average per room is \$373 less than the limit, \$1,250 per room, set forth in the law.

Let's go on to the second movement in the symphony of costs and get a variation on this same theme. If we subtract the cost of dwelling equipment and other items chargeable to dwelling facilities, there is left net construction cost. That is the cost of building the house, including plumbing, heating, and electrical installation. That net construction cost is readily compared with the cost of building by private owners and private capital, because it includes the same items that are included in the figures published monthly by the Bureau of Labor Statistics of the Department of Labor. Such a comparison shows that, although homes built under the U. S. H. A. program are constructed for a life of at least 60 years and are built by labor paid the full prevailing wage, the average net construction cost is \$705 less than the same average for private residential construction. Let me emphasize that the comparison I am making is a comparison between the average cost of private residential construction and the average cost of construction under the public-housing program of the U. S. H. A., and I am making that comparison for the same localities in the same months.

Now as to rents: On November 26, 1938—in the dim, dark ages of public housing time—the Saturday Evening Post said:

"In a radio address on September 13, 1938, Nathan Straus, Administrator of the U. S. H. A., said that in some parts of the South he believed that the new projects were going to be so economical that rentals for a small dwelling unit might be brought down to pretty close to \$12 a month, possibly be actually \$12. He was very much pleased with this hope. He did not compare it with the approximately \$5-a-room program of the Housing Division of P. W. A."

In other words, ladies and gentlemen, less than 16 months ago, a rental of \$12 a month for a home was so far beyond the imagination of the writer that he was inclined to sneer at the prediction.

Yet today there are projects in the South where shelter rent is less than \$7 a home a month, some between \$8 and \$9, many between \$10 and \$11. These, let me emphasize, are not estimates. They are not guesses. They are not hopes. These figures that I am quoting are rents fixed by local housing authorities and now being charged in public housing projects which are open and occupied.

The Annual Report of the United States Housing Authority to Congress for the year 1939 has just been completed. Those of you who recall the 1938 report may remember that we pointed out then, in January 1939, that there was every reason to believe that the estimates of rents, embodied in that report, would be lowered when the projects were completed and actual rents, based on actual costs, were set.

When the U. S. H. A. Annual Report for 1939 was completed a few days ago, a comparison was made of some of the figures with those in the 1938 report. Here is what we found: On 17 projects, for which final rent and income limits have been approved, the actual figures average 16 percent lower than the estimated rents, as embodied in the 1938 annual report. Achievement has again not only matched but has outrun prediction.

Rentals within the financial means of the lowest income group are a reality. In fact, today we are confronted with an interesting question: Should subsidies be used to lower rents still further, so as to give families of small means better housing than they ever had before, at rents lower than they have paid before, or should we be satisfied to equal the rents now paid by these low-income families in the slums, which would permit substantial reduction

in annual subsidies? This is a new question, a new challenge to the public housing movement. It is a question for which we must look to the local housing authorities for an answer. The fact that this question has arisen, however, is another indication of the ages that have passed since, 2 short years ago, when almost no one believed that public housing would ever be able to achieve rents low enough even to match those charged in the slums.

Some have feared that public housing could not eliminate the slums. Some have believed that, because not all public housing is built in the slums, the public-housing program, while it might provide good low-rent homes, would not eliminate the old, unfit dwellings. Those who made that prediction may be forgiven because they probably failed to read the provision of the United States Housing Act which requires "the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings, situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by each project." Had they read that provision of the law, they would have realized that slum elimination is always an accompaniment of building under the United States Housing Authority Act. As a matter of fact, more than 12,000 miserable, decaying, foul city tenements and small-town shacks have already been permanently closed to human habitation or have been so repaired and improved as to make them habitable and healthful homes. Under the present program of the United States Housing Authority, a total of about 160,000 new low-rent homes will be built and a total of about 160,000 unfit, disease-breeding slum dwellings will be eliminated.

By any measure that can be applied, public housing is an established success. We have applied the test of low construction cost, and public housing has measured up to it. We have applied the test of low rents. Public housing has stood that test. We have applied the test of slum elimination. Public housing is eliminating the slums.

Apply any other test and the result is the same. Does public housing interfere with private building, you may ask. Apply the test and you will find that, just as public housing in England stimulated the greatest boom in private residential construction in the history of Great Britain, so today in our own country the vicinity of public-housing projects gives every indication of a similar result. Public housing ignites the spark that stimulates the private building industry.

Can public housing stand the acid test of economy? Is public housing compatible with that scrutiny of every item of Federal expenditure toward which Congress and the public are now turning? Yes; because public housing stimulates more employment, confers more benefits on business and on labor, than any other equal expenditure of public funds. Pending legislation will open the doors to 500,000 jobs for 2 years—and these jobs will be real, old-time jobs at prevailing wages (for all building done under the public-housing program is done by private builders employed by local authorities after competitive bidding). Measured by the test of Government economy and benefit to business, public housing again comes out on top.

When any enterprise is successful, it is time to go slow in making changes. Progress in wiping out the Nation's slums is made only when it is steady, uninterrupted, and cumulative. Let us beware against tinkering with that successfully functioning mechanism known as the United States Housing Act. The real friends of public housing in this country will be wary of suggested changes in that act designed to make it a cure-all. Public housing is not a cure-all; it was never meant to be. The Wagner-Steagall Act was designed to wipe out the slums of America and to provide decent homes for the families of the lowest incomes. It was designed to do this at the lowest possible cost to the taxpayer. The Wagner-Steagall Act is doing all of those things for which it was designed—and at an even lower cost to the taxpayer than was anticipated when the law was written.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

RADIO ADDRESS BY HON. ALVA B. ADAMS, OF COLORADO

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address on the subject Reciprocal-Trade Agreements, delivered by my very able colleague, Mr. ADAMS, last night over the blue network of the National Broadcasting Co. The address is a very clear-cut statement in opposition to the extension of reciprocal trade agreement treaties without Congress exercising its constitutional duties.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The founders of the Constitution, in accord with the lessons learned from English history, reinforced by the American Revolution against an English King who attempted to deny to the colonists the rights which English citizens had won, placed the power of taxation in the Congress. The establishment of tariffs is an exercise of the taxing power. In Congress, and in Congress alone, is vested under the Constitution the power to establish tariffs.

All the power which the executive department exercises in the making of so-called reciprocal trade agreements comes to it by delegation from Congress. Every change in a tariff rate is an amendment of a law. The 22 trade agreements which have been entered into, if valid, have amended acts of Congress many hundreds of times.

It is an accepted principle of law that Congress can delegate to executive or administrative officials power to administer a law in accord with standards or rules set up by it, but cannot delegate power to enact legislation.

The former flexible tariff act authorized the President to make changes in tariff rates to equalize the difference between the cost of production at home and abroad. While often a difficult rule to apply, yet it was an understandable and applicable rule or standard. The law was declared by Congress; its administration only was left to the Executive.

The reciprocal trade agreement law gives no practicable rule or standard by which changes in any tariff rate can be determined. In effect, this law declares that the President may enter into foreign trade agreements changing existing duties whenever he decides that such changes will expand foreign markets or be of domestic advantage. The decision as to the making and the details of trade agreements are left to his uncontrolled discretion.

The only limit on the President in this act is that he may not increase or decrease any duty by more than 50 percent. Under this act 22 agreements have been entered into changing the tariff rates on over 1,000 items.

The act provides that if in any trade agreement a change is made in the tariff on any item, the same change in rate shall apply to all foreign countries.

Thus a reciprocal trade agreement with one country where tariff concessions by us are compensated by tariff concessions from such other nation produces tariff concessions to other countries which are not reciprocal or in any way compensated. Such policy seems of doubtful fairness, both to producers in the United States who are affected by the reductions in tariff and to the country which has made concessions in exchange for the reductions in rate upon its products.

So far as I am advised, every change in tariff rates upon the more than 1,000 commodities affected has been a reduction. Every reduction may involve a lessening of our customs income and may bring competition to American products and American labor from products of lands with lower living standards.

It is, of course, the hope that the lowering of foreign tariffs will afford markets for increased American production. This is probably true, but it is little consolation to an industry and its employees that is crippled or destroyed by the foreign competition admitted by the trade agreement that some other industry in some other section of the country is profiting by the trade agreements.

The industries, and, indeed, the economic life and prosperity of many sections of the United States, may be promoted or destroyed by favorable or unfavorable tariff legislation.

It has been the constant effort and desire of our citizens to maintain and, if possible, to raise American standards of living. As a result of the better wages paid our workmen, the shorter hours of labor, and better working conditions it is not possible for industry in the United States to produce goods as cheaply as in countries with lower wages, longer working hours, and inferior living and working conditions. For the purpose of protecting American industry from destructive competition from importation of products of cheap labor, tariff laws have been enacted by the Congress. Whatever may be the defects in our tariff legislation it has been enacted in a constitutional way. The representatives from every section have not only been heard but have had a vote. Tariff laws enacted by Congress give first consideration to domestic industry and commerce. Congress may underestimate the value of foreign trade but it is far wiser to overvalue domestic than to overvalue foreign trade. The advocates of the reciprocal-trade laws have not only overestimated the value and importance of foreign trade but have also greatly overestimated the benefits received by the United States from the trade agreements. Many gains in the economic life of our country due to the general improvement in conditions have been ascribed to the effect of the reciprocal-trade agreements.

Of course, when the United States enters into a trade agreement concessions must be given as well as received. There are and can be no agreements under which we receive all the benefits.

The articles upon which the foreign nations seek and secure reductions are frequently also produced in our country. In many instances the trade agreements have reduced duties on foreign products coming in direct competition with American products.

Let me illustrate from the experience of my own State, Colorado: One of our more important industries is cattle raising. The reciprocal agreement with Canada lowers the duty on cattle. We are told that the number which can be imported at the reduced rate is limited to 225,000 head of one weight and 100,000 head

of another weight. We are told that we have not been hurt, that the number coming in under the lowered tariff is but a small percentage of the American consumption. Unless the law of supply and demand has been repealed by the negotiators of the treaties, every animal added to the supply without a corresponding addition to the demand inevitably tends to lower the price which the producer would otherwise receive. Naturally, the Canadian shipper will send in his cattle when prices are favorable and leave the market to the American producer when prices are low.

Beet sugar is one of the chief agricultural crops of many Western States. By a trade agreement with Cuba the tariff was lowered from \$1.50 per hundredweight to 90 cents. Even though there are quota limitations the natural result is to lower sugar prices in the United States. Moreover, the agreement requires the United States to fix quotas on its sugar production in order to maintain quotas on Cuban importations.

Colorado is a great producer of potatoes. The Canadian agreement lowers the duty on potatoes.

Colorado produces many sheep and much wool. The British trade agreement reduces the tariff on certain woolen fabrics. These fabrics will now replace American fabrics made of American wool to the detriment of the American producer of sheep and wool. Furthermore, unemployment in the woolen mills will ensue to the extent of the replacement.

The producing of cattle and sheep provide a market for a large amount of feed crops which will be lessened by the importation of Canadian cattle to the detriment of American farmers.

There have naturally been some benefits derived from 22 trade agreements, but so far as Colorado and the West are concerned these benefits are small in comparison with the detriments.

Only recently the West was threatened with reductions in tariffs on some of its other chief agricultural and mineral products by a proposed trade agreement with nations whose major products are the same as those of our Western States.

That the President, in whom the authority is vested, and Secretary Hull, a statesman of the highest integrity and courage, by whom the authority is in fact exercised, are conscientious in endeavoring to promote the welfare of the United States in making these agreements is, of course, beyond question.

My criticism is not of those who administer the law but of the law itself which takes from the elected representatives of the voters their constitutional duty and powers and makes one man an absolute dictator of the economic welfare of American agriculture and of almost every important industry.

Today the power may be used with judgment and produce on the whole good results; tomorrow it may be so applied as to bring disaster. The welfare of American industry should not depend on the decision or the life of one man. Who knows into whose hands the executive power may go in future years? Who knows what economic or political theories will dominate the executive office tomorrow? Regardless of changes in the executive, the Congress will always represent all sections of the country and all groups and interests. No individual no matter how many aids or assistants he may employ can have the grasp of national interests and problems possessed by Congress composed as it is of representative men from every section of the land in constant touch with every group and interest. It probably will be less efficient than a wise and benevolent dictator, but in its cumbersome way it will safeguard the rights and welfare of all parts of our country. The history of the past and the events of today confirm the wisdom of vesting the power of levying taxes and spending the people's money in a representative assembly.

There is involved in the reciprocal trade law an issue of greater importance than the mere changing of tariffs. It involves our faith in some of the great fundamentals of our Government. First, the Constitution places the exclusive power to levy taxes and determine tax policies in the Congress. Second, the Constitution provides that revenue bills shall originate in the House of Representatives. Third, the Constitution requires all treaties to be ratified by the Senate.

Reciprocal-trade agreements are an exercise of the taxing powers. They are revenue bills. They are moreover, definite binding agreements with foreign nations affecting for a fixed time the commercial relations of the citizens of the respective countries. They amend existing law and become the supreme law of the land. They are treaties.

The reciprocal trade agreement law, therefore, offends against all three of these fundamental provisions of our Federal Constitution.

The blame for this law rests not upon the President nor upon Secretary Hull, who are but endeavoring to carry out the law enacted by the Congress. Whatever blame there is rests upon Congress. It is not a case of usurpation but of abdication.

However, criticism may justly be made of those in the executive department who insist that this unconstitutional grant shall be renewed and declare that if the agreements are to be subject to Senate ratification disaster will follow and the foreign-trade structure of the United States will be ruined.

I believe in the policy of reciprocal-trade negotiations between nations. I recognize that Congress is not the agency best equipped to conduct such negotiations but, as under the Constitution the authority of the executive to conduct negotiations is derived from the Congress, the executive should both as a matter of duty and of choice refer its completed work back to the Congress for approval or rejection.

The Senate upon the submission to it of an agreement would not have open to it an opportunity to amend individual items



of the agreements. Its duty, as in the case of other treaties, would be to approve or reject the agreement as a whole.

Opposition to referring back for ratification to the Senate their work is either a reflection on the Senate or the assumption of a very great superiority on the part of the negotiators. In making these agreements the executive according to its own theory acts solely under congressional authority and in accord with rules laid down by the Congress. Why should an agent be so reluctant to report to his principal what he has done under his authority? What would we think of an attorney who was unwilling to report back to his client what he had done with his business? And what would a client think of a lawyer who was unwilling to account to him or to submit his work for the client's approval? If they fear to submit their agreements to the Senate they should not make them. If they are for the good of the country, the Senate will ratify them; if they are not, they should not be ratified.

## National Grange Legislative Program

### EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

#### SUMMARY OF REPORTS AND RESOLUTIONS ADOPTED BY THE NATIONAL GRANGE

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix to the RECORD the National Grange legislative program. The copy I am sending to the desk is a summary of the reports and resolutions adopted at the Seventy-third annual convention of the National Grange, held at Peoria, Ill., November 15 to 23, 1939, furnished me by the Washington representative of the National Grange, Mr. Fred Brenckman.

Mr. President, the National Grange is the oldest and one of the most useful of the national farm organizations. During all its history, reaching back almost three-quarters of a century, the Grange has held firm to fundamentals in its consideration of the problems for agriculture.

The Grange believes in agriculture as a way of life as well as a way of making a living. It believes in the family-sized farm; in the American market for the American farmer; in giving agriculture its fair share of the national income through creating wealth, through finding new industrial uses for farm products, through increasing the market for farm products instead of through reducing production to meet a small market. I commend the Grange program to the careful consideration of the Senate.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

#### NATIONAL GRANGE LEGISLATIVE PROGRAM

##### 1. GENERAL FARM POLICY

In the development of a sound farm policy, we must keep in mind the fundamental American principles of self-help, equality of opportunity, and independence of thought and action. Agriculture asks for fair treatment, rather than special privilege. It seeks economic justice rather than subsidy.

We favor adherence to the following principles:

- (a) Give agriculture its fair share of the national income, in order that it may be raised to a position of equality with other groups.
- (b) Give the American farmer the American market to the limit of his ability to supply it.
- (c) Speed national recovery by removing unnecessary restrictions from business, increasing employment in private industry, and reducing the relief burden, recognizing that the benefits that will accrue will be shared by agriculture and the Nation as a whole.
- (d) Maintain the family-sized farm as the standard of American agriculture and discourage large-scale or corporation farming, thus upholding America's greatest bulwark of democracy.
- (e) Continue soil-conservation program, but never as a means of crop control, or requisite for benefit payments; continued support for the present forestry and wildlife program.
- (f) Place farm program on voluntary basis, administered in accordance with democratic principles, with compensatory payments continued until farm prices reach parity; all benefits to be

paid within the year earned, and not contingent upon compliance in future years.

(g) Create a nonpartisan board, responsible to Congress and representing both producing and consuming interests, with power to regulate imports. Terminate all reciprocal-trade agreements now in force which are injurious to agriculture.

(h) Encourage sound cooperative marketing of agricultural commodities.

(i) Remove discriminatory and punitive taxation on all legitimate forms of distribution. Remove unnecessary trade barriers between States.

(j) Encourage research to find new crops and new uses for farm products, in line with chemurgic program.

(k) Promote a more satisfactory rural life through development of educational facilities, good roads, and rural electrification.

(l) Encourage cooperation, good will, and understanding between agriculture, labor, and industry to promote the common welfare.

##### 2. THE AMERICAN MARKET

Since many artificialities and restrictions have been imposed upon our system of free enterprise during recent years which operate to increase our cost of production and of doing business, and since it is useless to attempt to maintain these artificial standards while permitting unrestricted competitive imports from countries where substandard labor conditions exist, and where costs of production are lower than the United States, it is manifest that proper steps must be taken to protect American interests. Under prevailing conditions, we favor the levying of excise taxes on all imports on the dutiable list when the landed cost of such goods falls below the American wholesale selling price. Provided, however, that this rule should only apply to imports of commodities that are commercially available within the United States.

##### 3. RECIPROCAL-TRADE AGREEMENTS

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

##### 4. FARM CREDITS

We advocate the restoration of the independent status of the Farm Credit Administration and favor the creation of a bipartisan board, with staggered terms, to administer its affairs. Our farm-loan system was established as a cooperative enterprise, in which farmers have invested huge sums of their own money.

Continuity of policy and sound management are necessary if funds are to be available at reasonable rates of interest. All these ends cannot be attained if the system becomes the prey of political manipulation and is subjected to the uncertainties of frequent changes.

We consider it sound policy that low interest rates should be continued until normal farm income is restored.

We likewise favor the extension of the Frazier-Lemke Farm Mortgage Moratorium Act under present economic conditions.

##### 5. NEW USES FOR FARM PRODUCTS

The Grange commends Congress for the establishment of the four regional research laboratories, and we trust that these laboratories, as well as those that are privately owned, will put forth their best efforts to find industrial uses for farm products. The Grange favors specific appropriations to State experiment stations to develop new crops which can be profitably grown by farmers.

##### 6. FORESTRY AND CONSERVATION

We recommend the adoption of a comprehensive Federal program relating to forestry and conservation, and embracing:

- (a) Encouragement and assistance to private owners in the extension of farm forestry and in the adoption of practices for sustained timber production.
- (b) Giving more adequate protection from fire to both public and private forest and range lands, with greater emphasis on the control of insect pests, diseases, and the prevention of floods and erosion.
- (c) Providing for public acquisition of forests and other lands not suitable to private ownership, with adequate reimbursement to counties in lieu of taxes during a readjustment of the tax program.
- (d) The Forest Service should remain in the Department of Agriculture and the administration of the Taylor Grazing Act should be transferred to this department.

##### 7. RAILROADS

We favor continued private ownership and operation of the railroads. Under existing conditions, we believe that it would be good policy to liberalize railroad regulation so far as it can be safely done without jeopardizing the public interest. We believe this would be a more enlightened approach to the solution of our transportation problems than to impose unnecessary regulation on other forms of transportation in order to equalize conditions for the benefit of the rail carriers.

We are opposed to the repeal of the long-and-short-haul clause of the Transportation Act.

##### 8. MOTOR TRANSPORTATION

We approve of the appropriations made by the Federal Government for highway construction and advocate a larger proportion

of such funds for the improvement of farm-to-market and post roads.

The interest and safety of the public require enforcement of proper restrictions regarding the size, weight, and speed of all motor vehicles moving over the public highways. Such regulations should be uniform as between the several States, and there should be reciprocity between the States based upon such uniformity.

Every special tax collected for highway improvement should be conserved for that purpose alone. No diversion of such funds should be allowed.

No taxation or regulation of motor vehicles should be permitted which has for its purpose any increase in cost or restriction of use in order to equalize competition between motor transportation and other forms of transportation.

We oppose the establishment of ports of entry and State-line barriers. We likewise oppose Federal regulation of private motor trucks, including farm trucks.

#### 9. INLAND WATERWAYS

Since the Federal Government, over a period of many years, has expended large sums of money for the development and improvement of our inland waterways, we are opposed to the adoption of any policy which would destroy the value of this wise investment. Our water-borne commerce should not be hindered or restricted by unnecessary regulation and interference on the part of the Government, since no question of monopoly is involved.

We favor the early completion of the St. Lawrence seaway project. We are opposed to any "pork barrel" schemes for the improvement of streams that were never intended to be navigable.

#### 10. RURAL ELECTRIFICATION

We heartily approve the efforts of the Government to promote the cause of rural electrification through the agency of the R. E. A., and we favor proper appropriations to further this work.

In the making of loans, the present policy of giving preference to public power districts and nonprofit cooperative associations should be continued.

#### 11. TAXATION

Excessive taxation is in large measure responsible for many of our national ills, including unemployment.

It should be clearly recognized that spending borrowed money means the same thing as deferred taxation. The Federal Budget should be balanced at the earliest practicable date.

We oppose a general sales tax, because it is a tax upon the necessities of the people, and ignores the principle of ability to pay. We favor an amendment to the Constitution, forbidding the issuance of tax-exempt securities.

We are opposed to the levying of processing taxes of the type already declared unconstitutional.

The heavy taxes now levied by the Federal Government constitute a growing threat to the sovereignty of the States, drying up the sources of revenue upon which they must depend to finance their activities.

#### 12. AGRICULTURAL EDUCATION

We approve of proper appropriations for the land-grant colleges and for the support of extension work in agriculture and in home economics, together with adequate funds for the State experiment stations. We likewise approve of the expanded program for vocational education and for 4-H Club work.

Extension workers should be paid entirely from public funds, leaving them free to serve the people without favoritism or discrimination. Under no circumstances should any farm organization be allowed to graft itself upon the Extension Service, nor dominate it to serve its own ends.

#### 13. RECLAMATION

We protest against bringing any more land under cultivation by irrigation and reclamation at Government expense so long as the surplus problem presents one of the chief difficulties with which agriculture is confronted.

#### 14. TRUTH IN FABRICS

The fact that during the past 6 years 600 million pounds of reclaimed wool or shoddy has been sold to American consumers as an undisclosed substitute for virgin wool makes it imperative that proper labeling legislation should be enacted by Congress without further delay.

#### 15. FARM TENANCY

The Grange favors continued efforts for the further development of a sound program for the relief of farm tenancy. In attacking this problem, proper emphasis should be placed upon the correction of conditions which annually cause many thousands of home owners to slip into the tenant class.

#### 16. INDUSTRIAL-MOBILIZATION PLAN

Since it is a matter affecting the entire population, we advocate that full publicity be given to the industrial mobilization plan, which is to be made effective in the event of war. This plan should be in accord with the principles of our democracy, and agriculture should be given proper representation on all boards and commissions dealing with the farming industry.

#### 17. LABOR AND INDUSTRY

It has been fully demonstrated that there is urgent need for revamping and amending Federal legislation with reference to the relationship between agriculture, labor, and industry. The Wage-Hour Act should be clarified and agriculture given the exemptions

to which it is clearly entitled. The National Labor Relations Act should be made a two-way act instead of a one-way act, as it now is, while the Labor Relations Board should be reconstituted, so as to give proper representation to labor, industry, and the general public.

While recognizing and endorsing the inherent right of labor to strike, labor unions and their members should be held responsible for unlawful and unwarranted acts occurring in this connection.

#### 18. IMITATION DAIRY PRODUCTS

It is of vital interest to the dairy industry, as well as the consuming public that all legislation for the control and regulation of manufacturers of and dealers in imitation dairy products should remain in full force and effect.

We approve of the action of Congress in placing an excise tax on certain imported oils used in this country in the making of butter substitutes and for many industrial purposes. We advocate the extension of this tax to all imported oils that come into competition with the products of the American farm.

#### 19. IMPORTED STARCHES

Since nearly a half billion pounds of Asiatic starches, produced by coolie labor, entered this country duty-free during a single recent year, we favor adequate excise taxes on such products, which compete with domestically produced starch made from corn, potatoes, and rice.

#### 20. PREDATORY ANIMALS

We favor legislation providing for joint appropriations by the Federal Government, together with the States and counties, for the eradication of predatory animals in sections where such animals are a serious menace to agriculture.

We also advocate more vigorous measures for the control and eradication of insect pests.

#### 21. STOLEN LIVESTOCK

The Grange favors renewed efforts to secure the early enactment of legislation making it a Federal offense to transport stolen livestock in interstate commerce.

#### 22. ARGENTINE SANITARY PACT

Since American agriculture in the past has suffered heavy losses from the foot-and-mouth disease, brought in from other countries, we are opposed to the ratifications of the so-called Argentine Sanitary Pact.

#### 23. SUGAR ALLOTMENTS

With the United States proper producing less than 30 percent of the sugar consumed domestically, we favor larger and more equitable allotments to American growers.

#### 24. CROP INSURANCE

We favor the continuance of the Crop Insurance Act, together with its extension to other crops besides wheat, so far as conditions warrant.

The granting of this insurance should not be contingent upon compliance with Government-control programs.

#### 25. CONTROL OF MONOPOLY

It is manifest that the blessings of political liberty cannot be fully enjoyed under a system which permits monopolistic practices to rob the people of the fruits of their toil. We, therefore, favor more adequate enforcement of the antitrust law.

#### 26. SOCIALIZED MEDICINE

While approving group health insurance on the voluntary basis, we are opposed to what is commonly known as State medicine.

#### 27. PACKERS AND STOCKYARDS ACT

We advocate the amendment of the Packers and Stockyards Act to provide for more effective regulation by the Department of Agriculture of the marketing of livestock. Direct buying by the packers, merely to evade the law and depress prices, should not be tolerated. Buyers or factors at public stockyards should be licensed for the protection of the producer.

#### 28. MOTION PICTURES

The Grange advocates the enactment of legislation prohibiting block booking and blind selling of motion pictures.

#### 29. LOTTERIES AND GAMBLING

We ask for the strict enforcement of the law against lotteries, whether foreign or domestic, and oppose gambling in all its forms.

#### 30. REGISTRATION OF ALIENS

Since there are several million aliens in the United States who have manifested no intention of becoming naturalized, with many burdening the relief rolls and engaging in subversive activities, the Grange advocates legislation calling for the registration of all immigrants, with payment of a proper fee. Those who refuse to become naturalized within a reasonable length of time, together with those who have entered the country illegally, should be deported.

#### 31. UN-AMERICAN ACTIVITIES

We favor continuance of the congressional committee investigating un-American activities, with an adequate appropriation for its use.

#### 32. TRADING IN FUTURES

The Grange is opposed to gambling in the necessities of life and advocates the vigorous enforcement of the Commodities Exchange Act, together with any amendments that may be needed to make it effective.



## 33. CENTRALIZATION OF GOVERNMENT

The Grange reaffirms its stand against overcentralization of government, which violates the wholesome American principle of home rule in local affairs.

We are opposed to all legislation, rules, or regulations that would abridge the rights of the States to control their own affairs within proper limits, or that would impair the legitimate rights of the people in matters relating to local self-government.

## 34. TEMPERANCE

We recommend that Granges throughout the land join with other organizations in a campaign of education, calling attention to the evils of strong drink, and emphasizing the truth that decency and sobriety are virtues that bring their own reward.

## 35. KEEPING OUT OF WAR

We approve of proper appropriations for national defense, and favor adherence to a sound neutrality policy that will save America from becoming entangled in foreign wars of greed, hatred, and aggression. We must take the profits out of war.

Upon us rests the responsibility of protecting and preserving our free institutions of government and of doing all in our power to restore the blessings of peace to a war-torn world.

## Dinner in Honor of Minister to Finland

## EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

ADDRESS BY HON. FRANK KNOX

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Frank Knox at Chicago, Ill., on January 12, 1940, on the Finnish question.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Your Excellency, the Minister of Finland, ladies and gentlemen, world history provides few great epics:

The Greeks at Marathon.

Sobieski and Hunyadi Janos at Vienna.

William the Third and the Dutch against Louis XIV.

Washington at Trenton.

The Texans at the Alamo.

And today the Finns in their heroic stand against Stalin's Russian hordes.

Each of these great epic struggles had tremendous consequences. Each marked a turning point in human affairs. An inscrutable Providence appears to permit the dark forces of reaction, the malignant power of brute force, the thrusts of benighted ignorance to extend their sway for a time, and then—in its own good time—it likewise provides a counterbalance. It raises up a race of men of heroic mold, superbly led, who, with incredible courage, smash their way to victory and save human progress and civilization.

We are living through such an epoch right now.

We have, all of us, thrilled as we read of that meager band of Greeks who met the Persians beside the Aegean, and saved that incomparable thing which was Greece for the ages.

Some of us have stood outside the walls of Vienna and swept with our eyes the field where stood Sobieski, the Pole, and Hunyadi Janos, the Hungarian, who flung back the Turkish horde that threatened a Christian civilization.

We have turned the pages of Motley's Rise of the Dutch Republic, and felt something of the spirit of William the Third as he battled Louis the Fourteenth, and gave a new meaning to liberty. What American is there who does not glow with patriotic fervor as history tells the glamorous story of Washington and his ragged Patriot Army crossing the Delaware to attack Trenton and make ultimate victory for the American Colonies certain? Who can read of the desperate band of Texan heroes who held the Alamo until the last one was sacrificed on the altar of country and not be a better patriot?

Today we read of Mannerheim and the Finns as they battle for their homeland in the snows of Arctic winter against the conscript millions of a Stalin, with the same surge of admiration, the same thrill of pride in human courage, the same sense of epic achievement as that which flooded our hearts as we read of other heroes of other days.

No man may measure now the full significance of what is happening today on the border of Russia, where the fighting manhood of Finland is mobilized, and where already thousands of Russians have fallen before the mighty prowess of a little nation, fighting for its own, armed with the courage that will not know defeat.

Already the guns of the Mannerheim line, the rifles of the ski-ing patrols, the machine guns that swept the frozen surface of Lake Ladoga have punctured the fiction of Russian military power. The "red" army, apparently menacing as it marched in serried ranks through the Red Square of Moscow, is shown to be a helpless, leaderless mob in the field, confronted by a determined, well-led, disciplined foe. No longer need the rest of the world fear Russia militarily—that bogeyman of international chancelleries has been vanquished by the resolution and the rifles of Finns defending their country from spoliation.

Outnumbered fantastically, facing attack from the best troops that Russia could command, little Finland has made giant Russia give ground, until today the Russians are driven back to their own lines on their own soil, and most of Finland is freed of the invader.

Your Excellency, Chicago pays homage to you as the splendid, typical representative of small but heroic Finland. We are honored to have you as our guest. We say to you that your brothers in arms who fight with Mannerheim and his commanders are fighting the battle of human freedom for all of us. We cherish the record you are making. We would aid you in every way that we can. Already a generous public is contributing to funds for Finnish relief. This will continue so long as your need may require. We delight to bring help and succor to those who cannot fight but only suffer behind your lines.

But some of us are not satisfied to give aid solely to your civilian population. We know that your land does not lack the ordinary needs of peacetime living. We know you for a self-supporting, self-respecting, self-contained people who pay your debts. But we know also the needs of that thin line of men with rifles and machine guns in their hands who man your trenches and face the full force of enemy fire.

We know these men need ammunition, need shells for their artillery, need planes to meet the attack from the air, need bombs for the planes to drop on enemy objectives. We know you want military material far more than you want food or supplies for the civilians.

The American people, in my judgment, want their Government to find a way to help you win. If we can continue to supply 85 per cent of the import needs for military uses of a Japan, using our American-made planes, equipped with American-made bombs, to ruthlessly slaughter defenseless Chinese women and children, surely we can find a way to help gallant Finland, fighting the cause of human liberty, confronting the red monster of communism against frightful odds.

Men will prate of neutrality, but how can we be neutral in our attitude when on one side we see a monstrous, tyrannical, bloody-handed dictator attempting to impose his will by brute force in order to destroy a free people; and on the other side we see a little nation of free men, outnumbered a hundred to one, fighting for their homes, their firesides, their national existence, and their liberties?

Shame on any American who can make himself be neutral in his thinking under such circumstances. He would be a poor American even for the defense of his own land and his own liberty.

There is a proposal now pending in Congress for the extension of a loan of many millions to your country. We helped you before with a sizable loan to help defray the cost of your fight for freedom a generation ago. You have met every obligation you then incurred, despite the fact that others, more able to pay than you, defaulted. We know your honor as a debtor, no less than we know your valor as a people. The granting of additional credits to you now will meet with overwhelming popular acclaim. And we must find a way to turn those credits into the military supplies you most need. In that way alone can we make our words of praise for your bravery truly meaningful.

Your Excellency, not Chicago, not Illinois, not just the United States; but the whole world—wherever men are free—and prize their liberty; wherever liberty maintains its altars; wherever tyranny is hated; and good will and peace are exalted; there you will find the friends of Finland. There you will encounter the sentiments to which I am trying to give feeble expression. There you will meet with the acclaim which the imperishable deeds of your soldiers deserve. And everywhere you are honored as representing men who choose rather to die as free men, than to live as slaves. Your cause cannot fail. We hail you victorious.

## Tributes to the Late Senator Borah

## EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

EDITORIALS FROM THE MONTGOMERY (ALA.) ADVERTISER  
AND THE BIRMINGHAM (ALA.) NEWS

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials on the late Senator

BORAH, one from the Montgomery (Ala.) Advertiser and the other from the Birmingham (Ala.) News.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Montgomery (Ala.) Advertiser of January 21, 1940]

#### THE DEATH OF A GREAT SENATOR

WILLIAM EDGAR BORAH was one of the greatest parliamentarians and debaters that have served any democracy in the world since March 4, 1907, when first he came out of the far West to take his seat in the Senate of the United States.

BORAH was the beau ideal of aspiring young statesmen. He was an inspiration to youth, an inspiration to libertarians of every age, an inspiration to all who honor valor and genius in a human being. In the long story of the United States Senate few men have been his superiors, fewer still his equals. In the end he must be bracketed with Webster, Calhoun, Clay, Edmunds, Morgan, Lamar, Ben Hill, J. P. Doliver, Oscar Underwood, and Joe Bailey.

Mr. BORAH represented a small constituency to which he was very close, especially in his earlier days. Because of his gifts it soon appeared that he was an ornament to the State of Idaho. Actually he was much more famous than his State. For these reasons it was easier for him to be consistently independent and audacious. Had he represented a large and more complex constituency he might have encountered political difficulties that he never had to meet in little Idaho. His people were so proud of him that they would not turn against him even when they did not agree with him, as often they did not.

Mr. BORAH was a classic example of the scholar in politics. No other Senator since March 4, 1907, had been a more industrious student of the world's best literature. He was acquainted with philosophy and political history to a degree that often confused his opponents and always delighted his admirers, among whom should be included the Washington newspaper writers. No other Member of Congress was more highly esteemed by the press corps than Mr. BORAH. He was frank and honest with them, to be sure, but he was something more—he was stimulating and challenging. An interview with BORAH was something that all followers of Washington news could be expected to read. BORAH was the toast of every working newspaperman in Washington. He never repudiated an interview, he never lied to the reporters, he never blamed them for his own vagaries and aberrations. He never whined. Always he delighted them with what he had to say. Partly in consequence of this camaraderie BORAH was page one news for more than 30 years.

The historian will have to take into account the fact that BORAH's extraordinary genius as scholar and thinker was thrown against the ideal of a workable international world order. He would not leave the shores of his native land, although once he was the weighty chairman of the Senate Committee on Foreign Affairs. He never traveled except between Idaho and Washington. The capitals of the Old World never saw him, never heard him. He never had the benefit of adequate contacts with human beings from other societies. He was an ardent, adamant isolationist.

He was by far the most brilliant of the American isolationists in Congress. But the Advertiser has ever regretted that BORAH was a physical isolationist. It has long thought, it still thinks, that he should have let himself go in the Old World, that he should have traveled extensively and met the statesmen in the far places of the earth. But travel never appealed to him, and so, so far as we know, he never in his life left the borders of the United States. We think that his spirit will have to reckon with historians because of his outmoded isolationist point of view.

Even so, it must be owned that WILLIAM EDGAR BORAH was the greatest prophet of isolation that ever sat in Congress. He was terrible in debate, and it is as a debater that he will be long remembered. There was no match for this man in Congress when his heart was stirred. He was ever the captain of his soul. He was above the reach of Presidents, but ever the servant of the common man. He was as brave a man as ever lived in politics, and one of the greatest debaters ever known to a free parliament.

The story of BORAH will fascinate our children for generations to come.

[From the Birmingham (Ala.) News of January 21, 1940]

#### THE LION OF IDAHO

America has lost a great statesman. The word too often is loosely used, and some are called great who are simply men of exceptional ability and high attainments, but not of real greatness. The qualities of true greatness are rarely found. That Senator WILLIAM E. BORAH had these qualities is universally acknowledged. He was truly a great man.

The dean of the Senate in point of service, Senator BORAH had been a member of the greatest deliberative assembly in the world since 1907, nearly 33 years. It will be generally agreed that he was the most distinguished figure to sit in that body during his time. There have been many able Senators during this third of a century, and a few great ones; but no other has been of equal stature to BORAH, of Idaho.

The name of no other Senator has been so well known throughout the length and breadth of the land, and over the rest of the world. No other Senator of his time has exerted so vast and far-reaching an influence on the larger affairs of the United States, both at home and abroad. None has been more respected, inside or outside of the Senate. On the Senate floor or in the Nation at large,

Senator BORAH always held the admiration and respect of those who disagreed with him as well as those who shared his views.

What were the qualities which made Senator BORAH a great statesman? They were several in number, and they blended so well that they added strength one to another.

First, he had a powerful intellect. He was a keen student, but he was much more than that; he was a first-rate thinker. He not only learned but he thought for himself. He had a great capacity for reasoning, which accounted largely for the strong appeal which his words usually carried in speeches and debates. When he argued a cause it was not easy to answer him, even when he was on the side of a question that was adjudged wrong by the majority of people, as he sometimes was. For intellectual capacity and authoritative knowledge he had few equals during his time in the Senate.

Next, he was one of the finest orators in the history of the Senate. He had a powerful and pleasing voice to give expression to his strong intellect. This was one of the ways in which his qualities blended to strengthen one another. A good orator without BORAH's intelligence might be only a windbag. A keen intellect without BORAH's power of expression might be an ineffectual statesman. The happy combination of these two superior qualities made a WILLIAM E. BORAH.

There was something else that contributed greatly to both of these qualities in making Senator BORAH a distinctive figure. It was his striking appearance. He looked the part of the statesman that he was. He was physically a powerful man, with a fine head and ruggedly handsome features adorning a large frame. He was well named "the lion of Idaho." His leonine mane was becoming to him, giving him a picturesque appearance without seeming disproportionate.

Much else, however, besides his intellectual and physical endowments went into the making of Senator BORAH. He had character—character exemplified in simple virtues which in him were unusually intensified.

One of these was his utter sincerity. In him this quality was a burning thing. Where other men might be sincere to a degree, Senator BORAH was sincere all the way.

Another was his superb courage. No matter whether many stood with him or none, Senator BORAH never failed to take his stand and speak his mind. He never hesitated to uphold a cause in which he believed because it happened to be unpopular. For courage he has not been surpassed in the public life of our time.

Still another quality was his kindness, which in personal relations was exemplified in unflinching courtesy, and toward society in the profound feeling he had for the welfare of his fellow beings which made him a great liberal.

There was also his remarkable independence of spirit, which often made him a political insurgent. Senator BORAH was so independent, sometimes seemingly so inconsistent, that he was usually unpredictable. Years ago Walter Lippmann wrote of him that there was no accounting for Senator BORAH, but that he simply had to be accepted, "like the weather and the universe."

Senator BORAH's chief concerns and major battles in the Senate are too well known to need recounting here. Sometimes he was proved right, and sometimes wrong. But always he was a powerful influence.

He now belongs to history; and it is certain that history will place the name of BORAH alongside those of Calhoun, Clay, and Webster among the men who achieved greatness in the United States Senate.

### Aims of Agriculture

#### EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

STATEMENT BY M. W. THATCHER

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement issued by Mr. M. W. Thatcher, national legislative representative of the Farmers' Union, with reference to the views, aims, and wants of agriculture.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The 1938 Farm Act is furnishing substantial assistance to agriculture. However, it fails to provide the objective for parity of income. Too, it does not cover many of the important agricultural commodities.

#### AGRICULTURAL INCOME

Through further legislation, more effective use of the present act, together with certain sound tax impositions, Congress can find ways and means to produce the revenue required to make the 1938 Farm Act fully effective. Agriculture fully expects the Congress to keep faith with its legislation.



We are supporting the income-certificate plan for wheat, cotton, and rice, and such other commodities as may prove properly applicable to such protection. The certificate plan is the employment of an internal tax to cover the gap between the cash farm price and the declared fair price. Therefore, it is not a regressive sales tax, but, rather, a deficiency tax to establish a fair, stabilized price.

We intend to support a unified agricultural front as a means of protection for the whole farm family producing the important agricultural products.

#### AGRICULTURAL PRICES

The great majority of representatives of the agricultural trades, organized labor, and agriculture do not expect any substantial increase to agricultural prices arising from war conditions. If, however, prices should rise to parity, appropriated funds for parity payments would be returned to the Treasury.

Substantial increase in the national income will have practically no effect upon the price of such surplus crops as wheat, rice, tobacco, cotton, etc., when there is an excessive world supply of such commodities. Those who contend otherwise qualify as members of the ostrich class.

#### RECIPROCAL-TRADE TREATIES

We support the philosophy of reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace, but we insist that, in the consummation of such agreements, necessary safeguards must be employed to protect parity prices for domestic agricultural products efficiently produced.

We are opposed to log-rolling tariff legislation which has historically betrayed American agriculture.

#### GOVERNMENT IN BUSINESS

We vigorously oppose any department of Government encroaching upon the field of agricultural distribution when facilities and service charges are otherwise available at reasonable rates.

#### NATIONAL DEFENSE

Adequate armaments to maintain defense of our country meets our hearty approval, if the appropriations therefor are to be covered by revenue arising from additional Federal income taxes; provided, however, this character of expenditures is not made at the expense of health-sustaining assistance to deserving and unfortunate American citizens without self-means.

Part of the national defense for efficient, industrious, and honest farm families is provided for in our farm-debt adjustment bill now pending before the Congress. It would require no additional appropriation for many years, if ever, and would assure such farmers their first line of defense against the many troubles which erode them. Those who would conserve capitalism should pull their heads from the sand and insist upon a farmer-owned and operated agriculture, the foundation of capitalism.

#### FARM CREDIT ADMINISTRATION

We are most grateful for the tardy transfer of Farm Credit Administration to the Department of Agriculture. We hope the Secretary of Agriculture will soon be able to furnish a report of the administration of the Federal Land Banks, Intermediate Credit Banks, Federal Farm Mortgage Co., and production credits and collections, with its consequent ill effects upon agriculture.

Based on many years of experience with boards in control of agricultural credit, we will vigorously oppose any legislative proposal which again seeks to board it up.

### The Far Eastern Situation

#### EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR OF  
JANUARY 30, 1940

Mr. SCHWELLENBACH. Mr. President, there is pending before the Congress the very important question of the situation in the Far East. In view of that fact, I feel that the article which I send to the desk, appearing in the Christian Science Monitor of January 30, 1940, should be of interest to Members of Congress. I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of January 30, 1940]

JAPANESE URGE UNITED STATES PUBLIC TO DEMAND TREATY—AGENTS FLOOD MAILS WITH PLEAS TO PUT PROFITS ABOVE MORALS TO FORCE WASHINGTON TO ACT

(By a staff correspondent of the Christian Science Monitor)

WASHINGTON, January 30.—Japanese propagandist agencies in the United States are appealing over the heads of the American Government to urge the American people to ignore the moral issues of the Sino-Japanese War and to renew the trade treaty which was allowed to expire last week.

Magazines, illustrated brochures, and pamphlets which the Japanese are mailing to all parts of the country are advising public opinion that the concern which the United States should have in the Far East is whether its commerce in war supplies to Japan is good business, and are counseling against letting any consideration of "ideology" influence "economy."

"From time immemorial," says one of the latest of the Japanese information bureau statements, "peoples have traded everywhere with other peoples whose philosophies and habits varied to the extreme. Always they carried on their commerce for the sake of the benefits it brought. In all history, trade has suffered and standards of living have fallen whenever national ideology or politics have been confused with economy."

#### WARNS AGAINST CHANGES

"In troubled times there is a special temptation to bend the laws of economics to serve purposes entirely outside of the field of economy. Any tendency to yield to that temptation at this time would be contrary to the best interests of the peoples of the United States."

To persuade Americans that it would be in their interests to encourage Congress and the administration to renew the Japanese-American commercial pact and oppose any embargo on strategic war materials which Tokyo needs, there are now three main propaganda agencies in different parts of the United States actively engaged in preparing and distributing literature along these lines. Each is called a "Japan foreign-trade bureau" and is manned by Japanese representatives and financed by Japanese funds. One is located in San Francisco, another in Chicago, and a third in Houston, Tex.

Much of the material which emanates from these bureaus first go directly to American businessmen specifically engaged in some branch of export or import trade with Japan who, in turn, see that it reaches Government officials and others who may be expected to be more favorably impressed by its receipt from American than directly from Japanese sources.

At the office of the Senate Committee on Foreign Relations it was stated that literature from these bureaus has been retransmitted to various members of the committee in the hope of influencing their action and that letters relating to it have been received by them.

The origin of the Japan foreign-trade bureaus' "information" pieces is clearly identifiable and there is no effort to conceal their source or hide their purpose. The unusual feature of the propaganda, however, is the extent to which it goes in directly advising American opinion what considerations should be ignored and what considerations should be controlling in deciding the next step in its Far Eastern policy.

In many ways this literature is more candid than the official statements of the Japanese Government since, contrary to Tokyo's formal position, one tract frankly admits that "Japan is engaged in a war" and asks Americans to overlook its "regrettable" effects upon American trade.

"Much as they would prefer it otherwise, nations at war," explains a pamphlet called Trade with America's Third Best Customer, "perform must subordinate even their popularity abroad to military necessity. Under such circumstances, it is a regrettable fact that abnormal restrictions have been imposed, which have been disagreeable, at all times actually unfavorable, to individual trade interests of friendly nations."

These "abnormal restrictions" by Japan on American trade should not be the cause of abnormal restrictions by America on Japanese trade, the pamphlet argues, and goes on to urge that American businessmen, workers and consumers be alert to the vital need of a new commercial treaty or at least a temporary agreement looking forward to such a treaty.

Ironically, one reason offered by the Japan foreign trade bureaus' literature why the United States should be more attentive to Japanese trade and less concerned with its Chinese trade is that since 1932 American sales to China have declined 38 percent. No mention is made of what country contributed most to China's decreasing trade with the United States during this period.

The technique of the publicity which the Japanese in the United States are putting out is to appeal not to administration and congressional officials who would normally deal with these matters, but to those sections of the population whose livelihood is in one way or another affected by trade with Japan. The pamphlets are directed to telling domestic opinion what its concern should be and to arousing American opinion to demand the continuance of the same trade conditions between the two countries as under the expired treaty. Americans are asked to appraise Japanese-United States commerce apart from the political issues and effects of the far eastern war.

Thus the Japanese propaganda appeals to the hundreds of thousands of wage earners employed in the manufacture of silk hosiery and textiles, to the West Coast States which "have the greatest dependence on direct trade with Japan, to the hundreds of thousands of workers in the cotton fields of the South, in the oil fields of California, the lumber camps of the Northwest, the manufacturing plants of the East and Middle West who earn a living because the products of their labor are sold to Japan, and to the farmers, mechanics, and stevedores who are employed because of Japanese trade.

"We would like to point out that Japan is living in a difficult world with many internal and external problems," one of the Trade Bureau pamphlets says with reference to the war in China. "Certainly, the Japanese with their long experience of friendly trade relations with America would be the last country to use wanton methods against their commerce."

The use by Japan of wanton methods against American civil and commercial rights in China is the issue which caused the United States Government to abrogate the 28-year trade treaty and is the issue which lies behind the two embargo resolutions now before the Senate Committee on Foreign Relations. The Government has deliberately given Japanese-American trade the uncertainty of a day-to-day basis and has invited Tokyo to give grounds for removing that uncertainty.

Opposition to either a permissive or a compulsory embargo on American war supplies to Japan was expressed by three prominent Senators today, GERALD P. NYE, Republican, of North Dakota; ROBERT F. WAGNER, Democrat, of New York; and BURTON K. WHEELER, Democrat, of Montana. Senator NYE announced himself as unalterably opposed to any embargo; Senator WAGNER cautioned against hasty action; and Senator WHEELER said he did not wish to stir up Japanese ill feeling against the United States.

#### MEXICO IN LINE

MEXICO, D. F., January 30.—A group of Mexican officials have been invited to study Japan's industrial and economic life as guests of the Japanese Government, it was learned here today.

The Tokyo invitation, it was understood, was extended about a month ago, when Japan started a study of means to expand trade with other nations in the face of the expiration of the United States-Japanese commercial treaty. The invitation was made to various cabinet officers and other government officials, it was learned. One Mexican official said no reply had been made. Official advices are that several Japanese trade delegations are en route to Mexico.

#### JAPAN CUTS OIL

SAN PEDRO, CALIF., January 30.—Japanese tankers, which have been loading oil at southern California ports on the average of five a week, have only three sailings scheduled next month. Shipping sources could offer no reason for the abrupt drop. An agent for a number of the tankers, confirming a scarcity of bookings, said he had received no explanation.

#### PRESSURE IN WEST

(By a staff correspondent of the Christian Science Monitor)

SAN FRANCISCO, January 30.—Japanese propagandists are busy on the Pacific coast with efforts through every available channel to persuade individuals and groups to bring pressure on Washington for a renewal of the Japanese commercial treaty.

Its purpose is to insure the sending of telegrams, letters, post cards, and group resolutions to the Department of State and Congress favoring retention of the commercial treaty.

Japanese statistics released from the Bank of Japan report "that an increasing amount of new capital is going into various industries \* \* \* showing there is an added rosy tint to Japan's foreign affairs which has created an element of optimism in Japanese markets."

Chambers of commerce on the west coast, and the marine exchanges and foreign trade groups are backing water on their earlier trend to surge directly ahead for renewal. The statement of the Seattle Chamber of Commerce—which went through quite an internal debate before releasing its sentiment—gives the cautious far western trend generally accepted today. The Seattle chamber said it had considered the problem at hand and urged early action on a treaty with Japan.

### Philippine Independence

#### EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

ARTICLE FROM THE WASHINGTON POST OF JANUARY 28, 1940

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington

Post of January 28, 1940, on the subject of Philippine Independence.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 28, 1940]

#### KEEP THE PHILIPPINES

Your proposal to fling the Philippines to the Japanese, and 6 years ahead of schedule, is astonishingly magnanimous for a paper claiming Japan our mortal enemy.

Do you not perceive the wasted effort in abandoning to orientalism a country we have spent 42 years making American in government, economy, and culture? If not, please consider the possible outcome of discarding so choice a colonial tidbit.

First, the Philippines would prove a bonanza for any country as hard pressed for raw materials as is Japan in her current war. The islands have the largest chromium deposits in the world and creditable reserves of iron, copper, manganese, silver, lead, zinc, molybdenum, coal, petroleum, asphalt, gypsum, salt, sulfur, building materials, lumber, sugar, abaca (manila hemp), coconut, tobacco, rice, corn, fruit, livestock, fish, and many others. The gold production alone in 1938 was estimated at \$32,500,000.

With such resources on tap any long-distance blockade by the United States and Great Britain or any failure by this country to renew trade agreements would hardly prove disastrous to Japan.

However, the loss of Philippine trade would, without a doubt, be a blow to our national economy. For a number of years the islands have been the best customer of certain American products. In total amount of products consumed it is the fifth best customer of the United States.

If Japan ever secures China and the Philippines, then God help America; for in that day even our national "ostriches" (including the species known as editorial writers) will lose considerably more than just their tail feathers.

K. BRUGH MADARANG.

### Secretary Hull and Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

EDITORIAL BY WILLIAM ALLEN WHITE

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial by Mr. William Allen White, entitled "A Warrior Bold."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 28, 1940]

#### "A WARRIOR BOLD"

(An editorial by William Allen White in the Emporia (Kans.) Gazette)

Americans might as well make up their minds to it, that the old idea of a high protection, which was merely socialistic subsidizing of various industries, is impossible in the world economy as it stands today. Some tariff? Yes; but not logrolling high tariffs, not the Smoot-Hawley bill. One of the things that brought about the depression was the Smoot-Hawley bill. The Gazette said so at the top of its lungs before the Smoot-Hawley law was finally formulated, while it was passing and after it had become a law. That tariff law was an offense against economic stability not only in the United States but all over the world. It is one of the sad, terrible commentaries on the present Democratic administration that it has neglected so long to revise the Smoot-Hawley tariff law.

The principle of reciprocal tariff to undo and offset the Smoot-Hawley tariff is entirely defensible upon the theory of our national economy. Of course, in any Congressman's district he can take counsel of his fears and vote against this tariff by scaring his constituents to death about the damage it will do to their local special industries. For instance, take cattle: The increase of the percent of total imports of cattle—say 44 percent—is frightening. But that 44-percent increase is only 8 percent of the cattle inspected and probably about 5 percent of the beef actually consumed in the United States. That is a small percent. It has not seriously affected the average annual price of cattle.

We are fundamentally in disagreement with Governor Ratner and the Kansas Congressmen and Senators who opposed these Hull treaties. For these treaties surely strengthen our national economy. They certainly bring in more business and more money to the country than they take out. Unless we see our national economy as a whole and national prosperity as a unit, we never can



recover. We can't recover by patching up a hole here and plugging a hole there in our economy. We cannot recover unless we plan recovery on a Nation-wide scale.

If, for instance, the farmers of Kansas are scared of these treaties because of what they will do to the farmer, the Kansas farmer should remember that the farmer will never be prosperous until the Nation as a whole has prospered also. These treaties certainly do work for national prosperity. If, when the treaties are in force, it is found that the farmers are bearing too much of the burden, which may easily be true, then subsidize the farmers directly. But don't stop the rise of national prosperity by timidity about individual losses. If times are good, prices will be good everywhere.

Another and most vital thing: The peace of the world depends, first, upon the international flow of goods, to give all nations of good will access to raw materials; and, second, upon mutual economic help among nations. Economic supernationalism has led the world into war. Unless there can be among the civilized nations of the world some basis of negotiation whereby each nation can develop its own economic strength under its own peculiar geography and in its own economic position, there is no hope for peace. National jealousy will keep on breeding international hates.

Wars will succeed wars. In the peace conference which must follow this war American influence can be potent in the struggle for world peace. But we can serve the world only if America comes with a reputation for fairness to her neighbors now. Suppose we defeat these Hull treaties! What a pie-faced old hypocrite Uncle Sam will be at that conference, counseling other nations to give up a little for the greater blessing of peace. In that hour when a lasting peace is possible for the world we shall be bound and gagged by our own selfish isolationist policies. Here in these Hull reciprocal treaties is the hope of the United States in helping to promote a just peace in the world.

Without that just peace the tribulations of the last decade, 10 terrible years of shuddering under the threat of war, will be with us for another generation. This is no time for partisan talk of local advantage. The prosperity of our Nation depends upon the peace of the world. If America cannot take the larger view, the hope of the world is blasted. Our civilization cannot go forward along its appointed evolutionary way, amid the atmosphere of international envy and the hates that grow where nations are oppressed in economic poverty.

The Republican Party is going to make a sad mistake if it goes into this campaign on an old-fashioned, high-tariff platform policy. The Hull idea theoretically is right. Maybe he is not implementing it with the best instruments. But certainly he is expounding a principle that will work. It will be better for the Republicans to help him make his plan workable than to try to defeat his principle.

In the meantime, no warrior bold with spurs of gold ever went more bravely to the fray than Cordell Hull is going into this fight.

### Trade Relations With Japan

#### EXTENSION OF REMARKS

OF

HON. JAMES M. SLATTERY

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

LETTER FROM DR. QUINCY WRIGHT

Mr. SLATTERY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Dr. Quincy Wright, of the University of Chicago Norman Wait Harris Memorial Foundation in International Relations. The letter has to do with trade relations with Japan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF CHICAGO,  
NORMAN WAIT HARRIS MEMORIAL FOUNDATION  
IN INTERNATIONAL RELATIONS,  
January 29, 1940.

The Honorable JAMES M. SLATTERY,  
The Senate, Washington, D. C.

DEAR SENATOR SLATTERY: Now that the treaty with Japan has expired, the United States is free to take appropriate measures to end our participation in Japan's aggression in China. There are of course a number of forms which this could take, such as, a resolution directly prohibiting the export of war materials to Japan because of her violation of the Nine Power Treaty, or an embargo upon the export of war materials from the United States in order to conserve supplies for our own purposes. The latter would of course have the disadvantage that it might apply also to European countries. Finally, there are of course certain powers

which the Executive already has under the tariff acts which could be used to control or limit imports from Japan, thus reducing her credits and indirectly affecting exports.

I am inclined to think that a direct embargo would be the best as it would at the same time reiterate our attitude against treaty violations and clear us of any charge we ourselves are contributing to aggressions in China contrary to our obligations under the Nine Power Treaty.

In any case I think you would agree with me that a strong policy is called for. Japan is attempting to modify her policy already, but if we should weaken it would undoubtedly play into the hands of the military party in that State. Furthermore, a strong policy would be the best way of preventing an alignment between Japan and Soviet Russia. Any act which might be interpreted as appeasement of Japan on our side would be likely to induce Russia to make an agreement with that country. We must recall that as long as the western powers were standing firmly by international obligations, the Soviets were with them, but after the appeasement at Munich in September 1938, Russia immediately began to change her policy, and presently made a virtual alliance with Hitler. I think the same line of conduct should be anticipated in the far eastern situation. As long as Russia thinks the western powers are supporting China, she will do so also, but if she thinks there has been a weakening and that they are now going to support Japan, she will be inclined to get on the bandwagon, particularly because of her present involvement in Finland. Undoubtedly a Soviet-Japanese alliance would be hostile to American interests, and in order to avoid that, a strong policy should certainly be pursued at this time.

Sincerely yours,

QUINCY WRIGHT.

### Relations With South America

#### EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

EDITORIAL BY EDWARD C. JOHNSTON AND EDITORIAL FROM  
THE READING (PA.) TIMES

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the current issue of Boletim Linotipico by Edward C. Johnston, vice president of the Western Newspaper Union, and an editorial from the Reading (Pa.) Times of January 13, 1940, both on the question of our South American relations.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Boletim Linotipico, the Portuguese edition of the Linotype News]

(By Edward C. Johnston, vice president of Western Newspaper Union)

The press in the United States is rapidly growing conscious of a marked increase in reader interest in things Latin American, and especially Brazilian. Clearly, I think, this reader interest recently was stimulated by the splendid exhibits in the Brazilian Pavilion at the New York World's Fair. Under the capable direction of your popular commissioner general, Dr. Armando Vidal, the pavilion created much favorable comment. Moreover, this increase in reader interest in things Brazilian and Latin American flows from a natural and proper desire on the part of our people to get better acquainted with their neighbors to the south.

It was my good fortune, while in Brazil, to meet and renew personal friendships with many of your representative publishers. And, without exception, they told me of the great interest on the part of their readers in things North American. Apparently the same urge to get better acquainted with their neighbors to the north is held in common. Now, publishers must recognize their responsibility to furnish these interested readers the information they seek.

There is the familiar anecdote about Charles Lamb, who said, "I dislike that man." "But," came the reply, "you do not know him," and Lamb answered, "Of course I don't know him. If I did, I could not dislike him."

Someone has said "we are apt to suspect those we do not know."

Publishers in the United States generally agree with their colleagues in Brazil and Latin America that there should be a mutual effort to disseminate knowledge of each other's civilization. We need to share each other's knowledge of our history, our cultures, our fundamental institutions, our significant and historic personalities.

As I flew over Brazil last fall in the airplanes of that developer of better relations, Pan Air, the speed achieved in travel shocked me. It forced the realization of how much smaller the world now seems.

The world has shrunk. Ideas which peoples of one country have held about peoples of another country, however distant, must now be adjusted at a much faster tempo, not leisurely and over decades. Never before has mass thinking altered so quickly; reacted with such speed to current events and stimuli.

Admittedly, radio is an effective medium for quick dissemination of "spot news" bulletins and for various kinds of entertainment, but the printed word is still the best medium for appeal to man's reasoning powers and in forming his convictions.

Increasingly, I am glad to say, the schools and universities in the United States are making available courses of study in Portuguese, and Spanish languages and literature. Our own national heritage from the Hispanic cultures is realized and appreciated.

This enthusiasm for educating ourselves more about Brazil and the other Americas is not solely to achieve the satisfaction of greater knowledge. It flows from the urge of the individual citizen to contribute as best he can to making a better world through a progressive realization of the ideals that good neighbors among nations must have in common.

There is a fair flow of "spot news" by cable and radio in both directions—north and south. But this much is certain. In the columns of our newspapers and yours there is a dearth—almost a total absence of authentic, background feature articles, appropriately illustrated, which constructively interpret to the readers the fundamental institutions, cultural and material, of our respective countries. Along this line the surface has scarcely been scratched.

But a two-way channel is needed!

Recently, representative Brazilian and North American publishers with whom I have discussed the subject expressed a keen desire to collaborate in a reciprocal exchange of factual, authentic background feature material. Such an exchange as proposed would make this material available on a mutual and nonprofit basis to the publisher groups in our respective countries.

Would not the cumulative effect of such a reciprocal program contribute most effectively to that cultural exchange and to the development of that mutual understanding which is so necessary between "good neighbors"?

[From the Reading (Pa.) Times of January 13, 1940]

#### LOOKING TOWARD THE SOUTH

With Europe at war, Uncle Sam's face has been turned to the south instead of the east.

That is to say that the people of the United States have been thinking more and more in terms of South America and less in terms of Europe.

Consequently, new impetus has been added to improving pan-American relations and on this side of the Gulf we have been realizing just how close are the interests of the North and South American peoples.

But just how much do we know, even now, of South American affairs? Do we really understand their culture, their economics, their politics, their industry? Is the "good neighbor" idea, at the present time, much more than a friendly impulse, a sincere hope? It may be suspected that it is not, and that it is to the task of making the "good neighbor" policy a practical, realistic instrument of mutual welfare that we are under a real obligation to dedicate ourselves.

In the current issue of Boletim Linotípico, the Portuguese edition of the Linotype News, Edward C. Johnston, vice president of Western Newspaper Union, really gets to the heart of the "good neighbor" impulse and points the way to a practical implementation of the pan-American ideal.

After noting the fact that the press of the United States is rapidly becoming conscious of a marked increase in things Latin American and especially Brazilian, Mr. Johnston says:

"There is a fair flow of 'spot news' by cable and radio in both directions—north and south. But this much is certain: In the columns of our newspapers and yours there is a dearth, almost a total absence, of authentic, background feature articles, appropriately illustrated, which constructively interpret to the readers the fundamental institutions, cultural and material, of our respective countries. Along this line the surface has scarcely been scratched. But a two-way channel is needed.

"Recently representative Brazilian and North American publishers with whom I have discussed the subject expressed a keen desire to collaborate in a reciprocal exchange of factual, authentic background feature material. Such an exchange as proposed would make this material available on a mutual and nonprofit basis to the publisher groups in our respective countries.

"Would not the cumulative effect of such a reciprocal program contribute most effectively to that cultural exchange and to the development of that mutual understanding which is so necessary between good neighbors?"

Mr. Johnston's idea is obviously sound. Cooperation between the United States and great South American republics must be based on deep mutual understanding of each other's culture, economics, politics, problems, and methods in every field. And genuine understanding can be based only on accurate and complete information. An exchange of such information would be not only beneficial but is also absolutely essential.

## Recovery Versus Higher Taxes

### EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I will deliver tomorrow evening, January 31, 1940, over the coast-to-coast blue network of the National Broadcasting Co. from station WMAL, in Washington, D. C.:

The books have been closed on 1939, but many of its troubles still confront us. Foremost are the problems of recovery and unemployment. The record for 1939 reveals that Congress showed its desire to cooperate with businessmen by enacting a number of measures they had demanded as necessary for recovery. From the taxpayer's viewpoint the most important contributions were as follows:

The undistributed-profits tax was repealed; taxation on capital gains and losses was liberalized; the corporation-tax structure was improved in several other ways; the increase of one-half of 1 percent in the old-age pension levies, effective January 1, 1940, was postponed for 3 years; and payments in excess of \$3,000 per person employed were eliminated from the taxable pay roll of wage and salary payments. This indicated a happy tendency to place emphasis on recovery rather than reform. All these were hailed by business as favorable to recovery.

No one denies that the action of Congress in revising our tax structure and in removing certain tax deterrents helped immensely in the recovery that took place during the latter months of 1939. Also, there is now general recognition that only better business and greater employment of capital and manpower can produce greater Government revenue. In view of this obvious truth, it is clearly imperative that the present business recovery be encouraged to proceed. After 10 years of the most severe depression in the history of this country the business machine seems finally to be gaining momentum. Common sense dictates that every assistance should be given to accelerate its forward movement.

No sensible man would apply the brakes to his automobile when approaching the top of a steep grade when he knows that to do so would stall the machine and prevent his reaching the top. It might even cause him to slide back to the bottom of the hill. Yet that is exactly what is now proposed to be done to the business machine. Instead of lightening the burden, it is proposed to increase the load. Instead of feeding the machine gas, it is proposed to apply the brakes.

Before the 1939 Revenue Act is given a chance to prove its worth, at a time when, in fact, inducements should be made to investors to put their capital back into productive undertakings, new proposals are submitted to Congress to increase our tax bill by nearly one-half billion dollars. This, in spite of the fact that many sources of wealth have been taxed to extinction and at many junctures taxes have long passed the point of diminishing returns, so that we have clearly consumed many of our tax reserves. We have, in fact, used up our "seed corn."

One plan suggested to raise this one-half billion additional taxes, which seems to be regarded with favor in some quarters, is to impose a super-tax of 10 percent. The taxpayer would compute his tax in the usual way and then add 10 percent to the total. This may prove to be the proverbial straw that will break the camel's back. This is a cute plan "to get the most feathers with the least squawking of the goose." The goose in this case happens to be the day-in and day-out American taxpayer. Let us not be fooled by promises that this super tax will be a temporary measure. The record discloses that these temporary taxes always become permanent.

Business may be able to adjust itself to the present staggering tax burden, but it cannot adjust itself to the suspense, uncertainty and confusion by constantly changing tax laws. The present agitation, adding uncertainty to confusion, will bring stagnation to the field of investment, and frustration of individual initiative, with their related problems of unemployment and still further depression. We have been told that savings and investment capital are "on strike." The truth of the matter is that money is not "on strike." It has been retired without a pension, in spite of everything the owners can do, because borrowers do not want this money since they cannot find reasonably safe and profitable outlets for its use. Without confidence, dollars will not go to work and employment can be created only by forced and artificial means.

The limited time at my disposal this evening prevents a discussion of capital investment, but let me call your attention to



the fact that individual savings have been limited and in many cases dissolved by excessive taxation of income, especially in the higher brackets whence considerable capital for new enterprise formerly came. Even death is no solution, for similarly high estate taxes necessitate the postmortem dissolution of the owner's property. Business savings have suffered a somewhat similar fate through governmental pressure on surpluses, forcing them out into private hands where they can be confiscated through individual levies.

These savings were used formerly to create large-scale employment. Their use represented the difference between prosperity and depression. Money spent for the purpose is "high powered" money. By contrast, pump-priming money is "low powered" money, because it is mostly distributed to individuals and directly spent for consumers' goods instead of for capital goods.

Little progress has been made in solving the Nation's No. 1 problem—unemployment. Both the Government and business have made mistakes, but business has not had a fair chance. Impractical theorists, who never had to meet a pay roll, have put business and its leaders on the spot. These theorists have been suspicious and in some instances ruthless in their methods. The unemployment problem can be solved, but only if business is afforded the opportunity to operate with confidence and under a permanent policy which recognizes that this is a business country and must continue as such if we are to put our idle workers back to gainful employment.

This can be done without forcing a single American to go hungry or a single worker now on relief to lose such help until he can get a job. As pointed out by that well-known writer, David Lawrence, it can be done by following a plan that permits an increase in profits of American business and reasonable reduction in Federal expenditures. The President, in his recent budget message, wisely suggested the necessity for economy in appropriations, and congressional action in the present session indicates that the majority are economy minded. Reduction in Government expenditures will take place automatically, because under this plan the increase in private employment will be sufficient to make unnecessary at least one-third of the money now provided for work and other relief.

The first steps that should be taken are:

- (1) Reduce the present surtax rates from the maximum of 75 percent to the 20 percent in effect in 1926 on incomes of \$100,000 or over.
- (2) Estate and gift taxes should be reduced to a maximum of 25 percent.
- (3) Repeal outright or modify substantially the present capital gains and losses tax.
- (4) Make further adjustments in the present pay-roll taxes under the Social Security Act.
- (5) Remove all the tax deterrents which interfere with business growth and reemployment. These deterrents are now known and every one of them should be removed from the revenue law. They include:
  - (a) The capital-stock and excess-profits taxes should be repealed.
  - (b) Intercorporate dividends should be exempt from taxation.
  - (c) Corporate dividends should be exempt from individual normal taxes.
  - (d) These are but a few; there are many other well-known tax deterrents that must be eliminated.

We need a national income of \$80,000,000,000 to meet Federal expenditures and balance our Budget. Our national income will reach that figure and probably exceed \$100,000,000,000 within a few years, if private capital is permitted to function. Out of such an income we can furnish jobs for everybody who wants to work and we can collect all the taxes we need to carry on the necessary functions of government.

You may be skeptical and demand proof that such a national income can be realized. Let me refer you to the record of what happened in 1926 when American business produced a net income from corporations of \$9,760,000,000, but even this figure was exceeded by the returns of 1929, which exceeded \$11,650,000,000. The 1937 Treasury figures, which indicate the best year of business in the last decade, show the net income of corporations was only \$6,914,000,000. The answer to these figures may be found in the tax rates in effect in those two periods.

The individual incentive which made America prosperous in 1926 was encouraged by a maximum surtax of only 20 percent, which was applied at \$100,000 net income. This obviously spurred individuals and corporation executives to investment and to take risks in creating jobs. In 1926, also, corporate taxes were collected on the basis of a flat rate of 13½ percent. By contrast, in 1937, the maximum surtax rates were 75 percent, plus a normal tax of 4 percent, making a total of 79 percent maximum on individual incomes. In 1937, also, corporations paid a normal tax of from 8 percent to 15 percent and an undistributed-profits tax ranging from 7 to 27 percent.

The 1937 recession, which was reflected in the 1938 tax receipts, came after the undistributed-profits tax and high surtax rates had virtually wrecked the profit-making economy and dried up the sources of risk capital and high-powered money in the United

States. Study the tax history of this country and you will find that whenever we have had low surtax rates we have had prosperity and relatively no unemployment. Whenever business has had a flat rate on corporate net income it has prospered to a much greater extent than when rates were indeterminate or destructive of savings or investment.

In 1938 the tax bill amounted to about \$15,000,000,000. This meant in 10 years an increase of five and a half billion dollars. It also meant that the Government took 22½ percent of the annual income. Ten years before (1928) the Government only took about 11 percent. No business can long stand such a large share of earnings being taken away from it in the form of taxes. The investor folds his arms and says the game is not worth the candle. If the investor has money in some business and is unsuccessful, he bears the entire loss. If the business succeeds, the Government takes the greater share of the profit. It is not even a 50-50 chance.

That this doctrine is subscribed to by the American public is indicated in a recent Nation-wide poll, which showed that 79 percent of those questioned favored helping business by reducing taxes, rather than increased public spending for relief and public works.

Roswell Magill, former Under Secretary of the Treasury, a few days ago declared:

"Expenditures must be further cut, following the lead the President has taken in his latest Budget message, to a total of \$7,000,000,000 or \$7,500,000,000, and Federal revenues must be increased to a similar level. To accomplish the result will require a really thorough pruning of expenditures. An intelligent overhauling of the tax system, not merely a blanket increase in rates, is essential. The first necessity is to improve the general fairness of the system to insure the maximum productivity with the least dislocation of the business and social structure."

Also, in a recent public statement, John W. Hanes, lately resigned Under Secretary of the Treasury, expressed the earnest belief that a reduction in personal-income and estate taxes would lay the foundation for a real business upsurge. Mr. Hanes said:

"It is my belief that the highest rate of taxation upon the taxpayer does not always produce the maximum revenue. I am convinced that the Treasury of the United States will collect a larger total of dollars with a tax bill that takes into broad consideration the effect of the dollars it will leave the taxpayer for expansion and development. It is my earnest belief that if we would approach our tax problems honestly, reducing the high rates, both upon personal incomes and estates, business would be encouraged to go ahead at a more rapid rate. It is possible that a foundation for a real business upsurge would be laid."

That, ladies and gentlemen of the radio audience, is the considered opinion of the man who played a prominent part in the tax revision embodied in the 1939 revenue measure. He resigned as Under Secretary of the Treasury several weeks ago after directing one of the most comprehensive tax studies ever undertaken by the Federal Government. This study included the thinking of not less than 5,000 of the best minds in the country—many of whom presented their views personally while others filed briefs. I submit the considered conclusions of such a man, who for many years has been a successful businessman, cannot be ignored when the subject of taxation is under discussion.

Those who are enthused with the idea of taxation for reform, or even more taxation for defense, sometimes forget that there is the principle of diminishing returns. This simply means that (as at present) you can boost the tax rate so high that you curtail the enterprise and the activity which produces the money with which to pay taxes, and so get less rather than more revenue. Thus, with higher tax rates, more factories close and consequently more men become jobless. It is simply killing the goose that lays the golden egg. To vary the simile, greater taxation would make the business engine, already spluttering, hit on fewer and fewer cylinders and finally stall.

We have tried many ways—spending, borrowing, pump-priming, and taxation—for reform, to say nothing of other regulatory laws that have tended to hamstring the capitalistic system. The only alternative remaining seems to be to build America's national income by letting American business build it. The one thing needed is some sort of guaranty that the era of economic vivisection is over, so that enterprises can get up off the floor, dust itself off and go to work, without the ever-present fear of being blackjacked.

The course we should follow is clear. Past experience points the way. The record I have just cited is a complete answer to those who are constantly clamoring for new and increased taxes, whenever additional revenue is required. There are none so blind as those who won't see. Are we going to continue to close our eyes on past experience, or are we going to give the profit system another chance? It is high time to undertake the task of removing or amending the governmental actions and policies that are checking the flow of capital into industry and retarding full economic recovery. If we, as a Nation, have the courage and wisdom to follow this policy, better days will be in store for us all.

**The One Hundred and Fiftieth Anniversary of the  
First Session of the Supreme Court of the United  
States**

**EXTENSION OF REMARKS**

OF

**HON. SOL BLOOM**

OF NEW YORK

**IN THE HOUSE OF REPRESENTATIVES**

*Thursday, February 1, 1940*

ADDRESS BY THE HONORABLE CHARLES EVANS HUGHES,  
CHIEF JUSTICE OF THE UNITED STATES, AT THE EXERCISES  
IN THE SUPREME COURT CHAMBER, FEBRUARY 1, 1940

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the address delivered by the Honorable Charles Evans Hughes, Chief Justice of the United States, on Thursday, February 1, 1940, in response to the addresses made by Mr. Attorney General Jackson and Mr. Charles A. Beardsley, president of the American Bar Association, in recognition of the one hundred and fiftieth anniversary of the first session of the Supreme Court of the United States.

There being no objection, the address of the Honorable Charles Evans Hughes, Chief Justice of the United States, was ordered to be printed in the RECORD, as follows:

Mr. Attorney General and Mr. Beardsley, the Court welcomes the words of appreciation you have spoken in recognition of the one hundred and fiftieth anniversary of the day appointed for the first session of this tribunal. We are highly gratified at the presence of distinguished Senators and Representatives—the members of the Judiciary Committees of the Houses of Congress and of the special joint committee appointed in relation to this occasion. We trust that what has been said echoes a sentiment cherished in the hearts of the American people. They have again and again evinced the sound instinct which leads them, regardless of any special knowledge of legal matters, to cherish as their priceless possession the judicial institutions which safeguard the reign of law as opposed to despotic will. Democracy is a most hopeful way of life, but its promise of liberty and of human betterment will be but idle words save as the ideals of justice, not only between man and man, but between government and citizen, are held supreme.

The States have the power and privilege of administering justice except in the field delegated to the Nation, and in that field there is a distinct and compelling need. The recognition of this anniversary implies the persistence, through the vicissitudes of 150 years, of the deep and abiding conviction that amid the clashes of political policies, the martial demands of crusaders, the appeals of sincere but conflicting voices, the outbursts of passion and of the prejudices growing out of particular interests, there must be somewhere the quiet, deliberate, and effective determination of an arbiter of the fundamental questions which inevitably grow out of our constitutional system and must be determined in controversies as to individual rights. It is the unique function of this Court, not to dictate policy, not to promote or oppose crusades, but to maintain the balance between States and Nation through the maintenance of the rights and duties of individuals.

But necessary as is this institution, its successful working has depended upon its integrity and the confidence thus inspired. By the method of selection, the tenure of office, the removal from the bias of political ambition, the people have sought to obtain as impartial a body as is humanly possible and to safeguard their basic interests from impairment by the partiality and the passions of politics. The ideals of the institution cannot, of course, obscure its human limitations. It does most of its work without special public attention to particular decisions. But ever and anon arise questions which excite an intense public interest, are divisive in character, dividing the opinion of lawyers as well as laymen. However serious the division of opinion, these cases must be decided. It should occasion no surprise that there should be acute differences of opinion on difficult questions of constitutional law when in every other field of human achievement, in art, theology, and even on the highest levels of scientific research, there are expert disputants. The more weighty the question, the more serious the debate, the more likely is the opportunity for honest and expert disagreement. This is a token of vitality. It is fortunate and not regrettable that the avenues of criticism are open to all whether they denounce or praise. This is a vital part of the democratic process. The essential thing is that the inde-

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pendence, the fearlessness, the impartial thought and conscientious motive of those who decide should both exist and be recognized. And at the end of 150 years this tribunal still stands as an embodiment of the ideal of the independence of the judicial function in this, the highest and most important sphere of its exercise.

We cannot recognize fittingly this anniversary without recalling the services of the men who have preceded us and whose work has made possible such repute as this institution enjoys. This tribunal works in a highly concrete fashion. The traditions it holds have been wrought out through the years at the conference table and in the earnest study and discussions of men constantly alive to a supreme obligation. We do not write on a blank sheet. The Court has its jurisprudence, the helpful repository of the deliberate and expressed convictions of generations of sincere minds addressing themselves to exposition and decision, not with the freedom of casual critics or even of studious commentators, but under the pressure and within the limits of a definite official responsibility.

To one who over 29 years ago first took his seat upon this bench, this day is full of memories of associations with those no longer with us, who wrought with strength and high purpose according to the light that was given them, in complete absorption in their judicial duty. We pay our tribute to these men of the more recent period as we recognize our indebtedness to their eminent predecessors. We venerate their example. Reflection upon their lives brings emphasis to the thought that even with the tenure of the judicial office, the service of individuals however important in their day soon yields to the service of others who must meet new problems and carry on in their own strength.

The generations come and go but the institutions of our Government have survived. This institution survives as essential to the perpetuation of our constitutional form of government—a system responsive to the needs of a people who seek to maintain the advantages of local government over local concerns and at the same time the necessary national authority over national concerns, and to make sure that the fundamental guaranties with respect to life, liberty, and property, and of freedom of speech, press, assembly, and religion shall be held inviolate. The fathers deemed that system of government well devised to secure the blessings of liberty to themselves and their posterity. Whether that system shall continue does not rest with this Court but with the people who have created that system. As Chief Justice Marshall said, "The people made the Constitution, and the people can unmake it. It is a creature of their will, and lives only by their will." It is our responsibility to see that their will as expressed in their Constitution shall be faithfully executed in the determination of their controversies.

And deeply conscious of that responsibility, in the spirit and with the loyalty of those who have preceded us, we now rededicate ourselves to our task.

**Hon. William Irving Sirovich**

**EXTENSION OF REMARKS**

OF

**HON. ADOLPH J. SABATH**

OF ILLINOIS

**IN THE HOUSE OF REPRESENTATIVES**

*Thursday, January 25, 1940*

Mr. SABATH. Mr. Speaker, "He was a good man, and a just."

Mr. Speaker, I join in the estimates of the late Dr. WILLIAM IRVING SIROVICH which have been so eloquently pronounced by ripe scholars; and I share in the general grief caused by the premature closing of a career which only a few weeks ago was so rich in achievement and full of promise for the future.

It is no mean achievement to serve as a civic and political leader in city, county, and State and to represent an intelligent and important constituency in the National House of Representatives for 13 years. Such is the enviable record of Dr. SIROVICH.

During his active and useful career our departed friend witnesses the mightiest strides in material development the world has ever seen. He saw the Republic grow from the chaos of civil war to its present commanding place among the important nations of the earth. He saw the great Empire State, of which he was a son by adoption, leap forward with giant bounds, valiantly maintaining her place at the head of the mighty procession of the States of our



majestic Union. His pride in the forward strides of the State and the Nation was justified, for in the upbuilding of both he played the part of an active, earnest, and public-spirited citizen.

Neither a laggard nor a drone, for more than 35 years he was in the thick of the conflict which accompanies and stimulates progress. Throughout his whole life Dr. SIROVICH was a popular type of the American optimist, and he imparted confidence and enthusiasm to all within the influence of his delightful, magnanimous personality. Industrious and successful in private enterprise, he was alert and influential in public affairs, and he ably contributed to that ceaseless mental combat and attrition of thought whose constant flashes light the guiding torch of civilization that illumines the pathway of liberty and law.

His impulses were generous, his sympathies broad, his intellect keen. Wherever this good man was, in whatever sphere he moved, the friendless had a friend, the fatherless a father, and the poor man, though unable to reward his kindness, found an advocate.

It was when the rich oppressed the poor; when the powerful menaced the defenseless; when truth was disregarded or the eternal principles of justice were violated—it was on these occasions that he exerted all his strength; it was on these occasions that he sometimes soared so high and shone with a radiance so transcendent, as filled those around him with awe and gave him the force and authority of a prophet. His voice was virtue's consolation. At his approach oppressed humanity felt a secret rapture, and the heart of injured innocence leaped for joy.

Dr. SIROVICH was a patriot. He understood and loved his country and its institutions. For many years, at great personal and domestic sacrifice, he gave loyal, generous, and disinterested service to his country's honor. He had an illimitable faith in the Republic for which he did so much and which did so much for him; he had unwavering confidence in his fellow countrymen and in their attachments to the principles of liberty and their capacity to right wrongs and uproot evils. In their active, watchful, and vigilant patriotism he saw the best security against the evils that beset all governments. His best tribute was the repeated expression of confidence and approbation that came to him by way of election and reelection from his fellow citizens in New York City, who knew him so well and valued his character and attainments so highly.

The promptness and fairness of his dealings here were no small contribution to the expedition of important public business, and the lucidity with which he revealed his exceptional, encyclopedic knowledge of a great, intricate world, its history, and its complex affairs was a constant source of pleasure and satisfaction.

In his expoundings on this floor and before his committees he employed the purity, grace, and exactitude of Addison; the richness, splendor, eloquence, and music of De Quincey; the fluency, flexibility, and finish of Lamb.

I knew Dr. SIROVICH well from the day he became a Member of this House until he passed away. Our relations were very intimate, and I was always inspired by his selfless constructive plans. He was an indefatigable worker, as if he had a premonition that his days on earth would be shortened, as they were, and he must work exceedingly hard to accomplish many important things that rested near his heart. Measured by the most exacting standards, our honorable dead was a very useful, good citizen and a sagacious legislator. He never became weary in well-doing.

When in a narrow circle of friends our departed friend was, in addition to being courtly, grave and reflective. He was an enviable entertainer, ranging widely and deeply in subjects proposed for discussion.

This good man was devoutly religious, and methinks that his illumined spirit now whispers from the heaven, with well-known eloquence, the solemn admonition, "Mortals, hastening to the tomb, and once the companions of my pilgrimage, take warning and avoid my errors; cultivate the virtues I have recommended; choose the Saviour I have chosen; live

disinterestedly; live for immortality; and, would you rescue anything from final dissolution, lay it up in God."

Let us believe that such teaching and influence have not been ineffective, but death has made them more solemnly impressive and has added a kind of consecration to the lofty example which we have too listlessly seen build in our midst. If we may hope that this teaching and example have been endued by death with new potency, as forces creating better and purer citizenship, with graver import as instrumentalities in the creation, stimulation, and harmonization of patriotic ideals, and if we may hope that our countrymen will with sincerity heed the way of duty they point out, we may not only be doubly assured that our dead is not lost to us but may confidently renew our faith in the American people as custodians of their scheme of free government.

In conclusion, let us realize our obligation to make safe and secure the government of the people which has been committed to our keeping. Let us remember that it can thrive and grow only in an atmosphere of popular devotion and unselfish attachment and, above all things, let us open our hearts to such influences and teachings as emanate from the life and death which we today memorialize.

### Reciprocal-Trade Treaties

#### EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

LETTER BY O. GLENN SAXON, FINANCE COMMISSIONER OF THE STATE OF CONNECTICUT

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by O. Glenn Saxon, finance commissioner of the State of Connecticut, which was published in the Hartford Courant for January 22, 1940:

[From the Hartford (Conn.) Courant of January 22, 1940]

DEMOCRATIC DEFENSE OF RECIPROCAL TRADE TREATIES HELD MISLEADING—FINANCE COMMISSIONER SAXON ANALYZES THE RESULTS OF THE HULL POLICY AND FINDS THEM UNSATISFACTORY IN PROMOTING COMMERCE

TO THE EDITOR OF THE COURANT:

The recent editorials which the Courant has carried on the reciprocal trade agreement program of the present administration have disturbed me greatly. On the other hand, I am greatly surprised at the attitude which the Courant has taken on this subject because the entire problem is extremely technical and, quite apparently, it is misunderstood by the press generally, as well as by the public. This, unquestionably, is due to the fact that editorial writers, and especially the public, have not had an opportunity to study either the results of the trade-agreement program or the fundamental issues underlying the program itself. They have been inclined to accept without reservation public statements made by administration officials and statistical data contained in them as a full and fair presentation of the facts and principles involved. They have ignored the fact that these statements, even those made by Secretary Hull, are necessarily colored by their zeal for the administration's program, and in many respects have been tainted with partisan objectives.

As you know, from 1919 through 1931 I was actively engaged in foreign trade and became thoroughly familiar with foreign-trade channels and technique. In more recent years, and particularly since 1935, I have made a careful and continuous study of the trade-agreement program. In view of this background, may I request that you give publication to the data submitted below, with the assurance that every figure quoted is obtained from the reports of the United States Department of Commerce and cannot be questioned as to correctness.

#### REPUBLICANS AND RECIPROCITY

In the first place, may I point out that the Republican Party originated the doctrine of reciprocity. Between 1855 and 1890 a number of reciprocal-trade agreements were negotiated by Republican administrations under the general treaty-making power of the President and were confirmed by the Senate as required by the Constitution.

In 1932 the Republican platform carried the following plank:

"We point to the success of the Republican policy of reciprocity, under which our export trade has vastly increased and new and enlarged markets have been opened for the products of our farms and workshops."

This statement was made with respect to the achievements of the Harrison administration under the McKinley Tariff Act of 1890.

The theory of reciprocity has never been stated more clearly than by President McKinley in his last speech delivered on September 5, 1901, when he said:

"By sensible trade arrangements which will not interrupt our home production, we shall extend the outlets for our increasing surplus. We must not repose in fancied security that we can forever sell everything and buy little or nothing. We should take from our customers such of their products as we can use without harm to our industries and labor. The period of exclusiveness has passed. The expansion of our trade and commerce is the pressing problem."

The Republican platform of 1936 again carried a plank advocating the adoption of a sound policy of reciprocity under the Constitution, pointing out the Republican objections to the reciprocal trade agreement program of the Roosevelt administration.

In 1937 the Republican members of the Ways and Means Committee of the House reaffirmed the party's position in these words:

"We wish it to be distinctly understood that we are in no way criticizing the doctrine of genuine reciprocity with foreign nations."

They reiterated the objections of the Republican Party to the present program as follows:

#### DELEGATION UNCONSTITUTIONAL

First, the reciprocal-trade program delegates to the Executive, contrary to the Constitution of the United States, the tariff, taxation, and treaty-making powers of Congress. This is not merely a technical objection. It goes to the very essence of democracy. The Constitution provides that treaties shall be approved by the Senate, and the taxing power is vested in both branches of Congress. To permit these powers to be exercised by a single individual or a bureau is to acknowledge that dictatorship is preferable to democratic principles. The Constitution contemplated that these powers be exercised by representatives of the people. The charge is made that, if the trade treaties are submitted to the Senate for ratification or to the Congress as a whole, logrolling will be revived. It is rather amusing to find the New Deal, which has insisted upon the fullest publicity in all other fields, demanding that these treaties be consummated by star chamber processes and that the representatives of the people, elected to perform their constitutional functions, should not be permitted to ratify and confirm these agreements as the Constitution requires. Dictatorship may be more efficient, but it certainly is not democratic nor constitutional in its processes.

The second point made by the minority group of the Ways and Means Committee in 1937 is that the Trade Agreements Act takes away from American producers the rights which they previously had, under section 516-B of the Tariff Act of 1930, to take to the courts of the country matters arising out of the trade agreements, including the question of constitutionality. In other words, the New Deal has eliminated in this field, as in other fields, the right of appeal to the courts, and no way has been found as yet by which the issue of the constitutionality of these agreements can be tested in the courts. Just as important, however, is the right of individual citizens to appeal to the courts for protection of their private rights from unconstitutional actions of the administration with respect to the trade agreements. This deprivation of the right of American citizens to appeal to the courts is not a technical objection, but goes to the very roots of democracy.

#### CONGRESS HAS NO VOICE

The third objection raised by the Republicans is that the program denies an opportunity to Congress to approve or reject the trade agreements in light of the effects of specific agreements upon domestic producers.

The fourth objection is that the program ignores the principle of adequate protection for American agriculture, industry, and labor in that it permits the altering, by the State Department, of tariff rates fixed by Congress, without adequate consideration of domestic production costs and without adequate opportunity to American producers to be heard on the specific terms of the trade agreements before they become operative.

Finally, the Republicans made the point that the trade-agreement program provides for the general extension of the concessions made under a trade agreement with a single country to all other countries in the world having trade treaties with the United States, notwithstanding the known existing discriminations against American commerce by many foreign countries. The Republicans do not object to the principle of the most-favored-nation clause, whereby the concessions in one treaty are extended to other nations, but this generalization should not be granted to those countries which definitely discriminate against American interests by quotas which exclude American products by unfair shipping and exchange subsidies and by granting more favorable refunding operations to citizens of Germany and England than are granted to citizens of the United States. These discriminations have been practiced for years by foreign nations against American interests and, in spite of the existence of these discriminations, the State Department has generalized the treaties in practically every instance except in the case of Germany. If

these treaties were referred back to Congress for approval, not only would these generalizations to such discriminating nations be eliminated, but, more importantly, the discriminations themselves would probably be eliminated by the discriminating nations in order to obtain the benefits of the American trade treaties.

#### WHAT ARE RESULTS?

The above objections relate to the methods of administration and negotiations of the treaties rather than to the principle of reciprocity. It is just as important, however, that we consider the actual results of the trade treaties. A careful examination of the figures with an unprejudiced mind discloses a situation quite different from that received from a casual reading of the statements made by administration officials. The figures I give you below are from the Department of Commerce annual reports.

In 1929 the United States had the largest foreign trade of any single area in the world. In 1932 our percentage of the total world exports (gold-value basis) had dropped from 15.6 percent in 1929 to 12.2 percent, while our proportion of world import trade fell from 12.2 percent in 1929 to 9.5 percent in 1932. It is interesting to note, however, that our share of the total world trade at the end of 1938, in spite of the trade agreements, had not increased over 1932, but had actually declined one-tenth of 1 percent over that period. The decline, however, can be attributed to a drop in our share of world imports of 1.4 percent since 1932.

The Reciprocal Trade Agreement Act of 1934 really became operative only in 1935. Prior to 1935, under the stimulus of general world trade recovery since 1932, our exports in dollar value had already increased by 1934 over 1932 to the extent of 32.4 percent, and in the same period our imports had increased by only 14.2 percent, giving us a favorable trade balance in 1934 of \$469,797,000.

The trade agreements became progressively effective in the year 1935 through 1939. It is interesting to note that the 1937 exports increased over 1934 exports by 54.5 percent, while imports in the same period increased by 84.1 percent, with a trade balance in 1937 of only \$282,429,000, a reduction in the trade balance of 1934 of 43.2 percent. It may be pointed out further that in the year 1936 there was an unfavorable import balance of \$4,579,000 instead of the usual favorable export balance. This unfavorable balance in 1936 was the first the United States had sustained since 1893. It is only fair, however, to state that the effect of the droughts on our foreign imports should not be overlooked as a part explanation of the above figures. However, by 1938 the effects of the droughts had been dissipated. In that year (1938) it is interesting to note that our exports showed a decline of more than \$200,000,000 from 1937, though imports showed decline of \$1,062,727,000, resulting in a favorable trade balance in 1938 of \$1,144,335,000.

#### IMPORTS INCREASE

If we take the first 8 months of 1939 so as to eliminate the effects of the war on our foreign trade, we find that exports for the first 8 months of 1939 were 7.5 percent below exports for the same period in 1938. On the other hand, imports for that period in 1939 increased by 12.8 percent over the same period in 1938. More significant is the fact that our trade balance for the first 8 months of 1939 declined by 41.1 percent over the corresponding period for 1938.

In an effort to determine the effects of the trade-agreement program on our foreign trade, the administration likes to compare our trade with trade-agreement countries with our trade with non-agreement countries. By taking selected years they can show a greater expansion in exports to trade-agreement countries than to nonagreement countries. If we study the over-all figures, however, a different story is told. From 1932 through 1935, before the trade agreements became effective, our exports to countries with which we subsequently made trade agreements increased by 35.6 percent, while our exports to countries which have not as yet consummated trade agreements with us increased by 45.6 percent in the same period, and our total export trade in that period increased by 42.3 percent. Thus it is readily seen that previous to the trade-agreement program our export trade made substantial advances over the 1932 level.

From 1935 through 1938 our exports to trade-agreement countries increased by 55.3 percent and to nonagreement countries by only 29 percent, while our total export trade increased 37.9 percent. Thus it appears that the increase in our export trade was much more rapid between 1932 and 1935, when the trade-agreement program was not operative, than in the period from 1935 through 1938.

On the import side of the picture, imports from countries with which we subsequently made trade agreements increased by 45 percent from 1932 through 1935, and from countries with which we did not make trade agreements imports increased in the same period 61.7 percent, our total import increase during this period being 54.1 percent. It should be remembered, however, that the increase in imports during this period was largely due to agricultural imports resulting from the drought years.

In the period during which our trade agreements have been operative, from 1935 through 1938, imports from trade-agreement countries increased 1.7 percent, while imports from non-trade-agreement countries declined by 8.9 percent, and our total import trade declined by 4.4 percent.

#### EXPORTS DECLINE

For the first 8 months of 1939 our exports to trade-agreement countries declined 18 percent from the level of exports to non-agreement countries, that is, countries which gave us no concessions during that period—actually increased 14.3 percent in the first 8



months of 1939 over the same period in 1938. The relative importance of the agreement countries in our total export trade is shown by a drop of 7.5 percent in our exports to all countries in the first 8 months of 1939.

The import side of the picture tells, likewise, an interesting story as to trends. Here we find that imports from agreement countries in the first 8 months of 1939 were 15 percent greater than for the same period in 1938. Imports from nonagreement countries showed an increase of but 9.5 percent, while total imports for that period increased 12.7 percent.

If we take the years 1929 and 1938 for comparison we find the following: Exports to agreement countries declined in 1938 from the 1929 figures by 38.8 percent. The decline in the same period in exports to nonagreement countries was 40.7 percent. On the other hand, imports from agreement countries in 1938 had fallen only 47.9 percent compared with 1929, whereas imports from nonagreement countries had fallen by 60.6 percent.

#### FARMERS SUFFER

One of the most significant and unfortunate results of the trade-agreement program relates to agricultural exports. One of the outstanding features of the trade statistics is the large increase in exports of all commodities since 1932. In fact, total exports from the fiscal year 1932 to the fiscal year 1939 increased from \$1,908,000,000 to \$2,885,000,000, or 51.2 percent. Agricultural exports, on the other hand, during this same period, have declined from \$752,000,000 in 1932 to \$683,000,000 at the end of the fiscal year 1939, or a decline of 9.2 percent since 1932. In other words, exports of American agricultural products in the seventh year of Mr. Roosevelt's administration were 9.2 percent lower than they were in 1932, the bottom of the world-wide depression. In fact, agricultural exports as a percentage of our total exports reached a low of 2.3 percent in the fiscal year 1939, the lowest for any fiscal year for which records are available.

In comparing 1935, the year that the reciprocal-trade agreements became effective, with 1939, the picture is not greatly improved. Here we find that from the fiscal year 1935 to the fiscal year 1939 agricultural exports have risen from \$669,000,000 to \$683,000,000, or only by 2.1 percent. During this same period exports of all American products rose by 38.4 percent. In other words, the agreements have not been successful in moving our agricultural surpluses. When we examine the trade statistics of wheat, flour, meat products, cotton, and tobacco, we find that in the majority of cases exports to all countries from 1935 to 1938 have increased, while exports to concession countries have either decreased or shown much smaller increases over the same period. When it is realized that these five farm products annually comprise 65 percent to 75 percent of our total agricultural exports, the failure of the trade-agreement program, as it affects the farmer, becomes obvious.

The above data is highly statistical, but it has been boiled down with a view toward making it readily understandable to anyone who has a desire to go below the surface of the problem.

May I close in saying that the Republicans do not oppose reciprocal trade in principle, but object most vigorously to the undemocratic and unconstitutional methods of administration and, at the same time, they point out vigorously that figures claimed by the Administration as proving the efficacy of these agreements do not hold water on examination.

O. GLENN SAXON.

Hartford.

#### Br'er Martin

#### EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

EDITORIAL FROM THE EMPORIA GAZETTE OF JANUARY 29, 1940

Mr. REES of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including herein an editorial of my fellow townsman, the eminent and nationally known editor, William Allen White, in the Emporia Gazette, under date of January 29, 1940, concerning our distinguished minority floor leader, the gentleman from Massachusetts, JOSEPH W. MARTIN, Jr.:

[From the Emporia Gazette of January 29, 1940]

BR'ER MARTIN

In the old story of Br'er Rabbit and the tar baby, the phrase "Br'er Fox, he lay low. Tar Baby, he say nothing," occurred with rhythmic frequency. Someway, JOE MARTIN, Republican leader of the House of Representatives at Washington, reminds us of Br'er Fox. He "lay low." He seems to have a cinch on a goob job, no matter which way the wind blows.

It looks as though we should have a Republican House of Representatives next year. If so, JOE MARTIN certainly will be the Speaker. As Speaker of the House he will have a place more powerful than any Cabinet member wields, much more powerful than the Vice President. If, on the other hand, he is nominated for President of the United States by his party, he has a good chance of winning. He might easily be President of the United States.

To change the figure from Br'er Fox and the tar baby, it may be said with absolute truth that no matter who has the lead in the Presidential race now or in June, no matter how the favorite sons sniff the battle from afar and champ at the bit, the one real dark horse in this whole situation is JOE MARTIN. He is likely to be nominated if the balloting lasts more than 2 days in the Republican convention. He will make an industrious, far-visioned Speaker, or if the dice roll right—a liberty-loving President.

It looks as though all the gods of politics were grinning at JOE MARTIN, ready to crown him with laurels this fall.

#### Parity and the Farm Program

#### EXTENSION OF REMARKS

OF

HON. DAVID D. TERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

LETTER FROM EDWARD A. O'NEAL TO HON. EVERETT M. DIRKSEN, OF ILLINOIS

Mr. TERRY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter addressed by Edward A. O'Neal, president of American Farm Bureau Federation, dated January 31, 1940, to Hon. EVERETT M. DIRKSEN, of Illinois, on the agricultural program.

AMERICAN FARM BUREAU FEDERATION,  
Washington, D. C., January 31, 1940.

HON. EVERETT M. DIRKSEN,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN DIRKSEN: My attention has been called to your remarks on the floor of the House yesterday, in which you referred to my statement before the Agricultural Appropriation Subcommittee 3 weeks ago, in which I called attention to the fact that agriculture lacks \$1,800,000,000 of having parity income.

You expressed your belief that "something else has to be done about this thing; that we are not getting to the heart of the problem or finding the solution by constantly doling money into all kinds of payments, only to find after 6 or 7 years that we are still \$1,800,000,000 from parity. \* \* \*

The agricultural appropriation bill, as it stands, cuts agricultural appropriations \$500,000,000 below the level of the present fiscal year.

I note that you expressed yourself in favor of parity for agriculture, but by your statements on the floor of the House you have implied that you are not only in favor of these cuts, but that you want to abandon the present farm program and start over with something else. In effect, then, you are saying that because farmers are still \$1,800,000,000 short of reaching the top, they should be allowed to slip back to the bottom and asked to start all over again.

It is true that agriculture lacks \$1,800,000,000 of having parity of income with the rest of the public, but nevertheless its income is \$4,000,000,000 greater than it was in 1932. Certainly a program is not a failure when it has raised the average farm price of cotton from 5 cents to 10 cents per pound; wheat, from 30 cents to 73 cents per bushel; corn, from 15 cents to 47 cents, with a value of 57 cents for cooperators; butterfat, from 15 cents to 28 cents per pound; tobacco, from 6 cents to 15 cents; and hogs, from \$3 to \$6 a hundred. If we did not have the present farm program, there is no question but that farmers would be getting less than 6 cents per pound for cotton, less than 30 cents for wheat, less than 20 cents for corn, around \$4 for hogs, and several cents per pound less for butter.

The position of the American Farm Bureau Federation is that the present farm program is working well within the limitations of the appropriations that have been provided. The program has been of enormous benefit to agriculture, and all that is needed to make it fully effective is for Congress to find a satisfactory way to raise the necessary funds.

The farmers have done their part. Nearly 6,000,000 farmers, with 85 percent of the farm land, are participating in this program. The Government should do its part. Farmers will resist to the utmost short-sighted economy at the expense of agriculture.

For generations farmers have paid the penalty of the tariff on everything they buy. After long years of struggle, they at last won from this Government a plan which promised a tariff equivalent

which would give agriculture the benefit of the American protective system.

These drastic cuts in appropriations will nullify the gains that have been made and set our basic industry back 20 years. I do not believe Congress will be so short-sighted as to follow the apparent policy of the economy bloc to sabotage the farm recovery program.

Farmers want a balanced Budget, but they insist it be balanced in a constructive way by raising national income to a level at which it can be balanced. I submitted detailed information in my testimony, which you did not mention in your address to the House, which showed that the restoration of complete parity to agriculture would strike the most telling blow to unemployment and restore the national income to a level sufficient to balance the Federal Budget at present tax rates.

It is inconceivable that Congress will carry out this threat to American agriculture. The millions of farmers who are cooperating in this program are looking to Congress to redeem, before adjournment, the pledge of parity payments it made in the Agricultural Adjustment Act of 1938.

Perhaps I have misunderstood your position, and you are in favor of continuing and strengthening the farm program. If not, and since you apparently are in favor of lopping at least \$500,000,000 off from the farm appropriation, may I inquire what you have in mind as a substitute farm program or an alternative way of strengthening the present farm program in order to bring agriculture to complete parity?

Sincerely yours,

EDW. A. O'NEAL, *President.*

### Our Gold-Buying Policy

#### EXTENSION OF REMARKS

OF

#### HON. CLYDE WILLIAMS

OF MISSOURI

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

Mr. WILLIAMS of Missouri. Mr. Speaker, the subject which I shall talk about is a sure cure for insomnia for those who desire to halt and consider, and its mere announcement will add speed to the wings of those who wish to move on. In as plain a way as possible I intend to discuss our gold-buying policy.

The hope to find the mythical pot of gold at the end of a rainbow is the stimulant that has led people in all ages and climes in search for this precious metal. The mad rush for gold in 1849 led many pioneers to take that long trek with covered wagons drawn by oxen. They endured the hardships and sufferings of privation and the ravages of disease and death. The desire to possess gold seems to be firmly fixed in the mind of man. This intense longing has come down to us through the ages with all its allurements and intriguing influences.

Much has been written and spoken about the gold policy of this Administration. There has been a great deal of confusion and misunderstanding. Some who have attempted to discuss the subject have approached the matter with such a fund of misinformation as to inspire wonderment and awe. I lay no claim to profound understanding about this matter and have no intention of discussing the merits or demerits, the wisdom or folly of our gold policy, but rather, in as plain language as I can command, to give at least some of the facts concerning this very important and more or less mysterious subject.

This Administration has made at least three important changes in policy affecting gold.

First. Reduced the gold content of the dollar thereby increasing the price of gold from \$20.67 per ounce to \$35.

Second. Placed the title to all gold in the United States Treasury subject to certain conditions to be prescribed by the Secretary of the Treasury.

Third. Created the stabilization fund.

At the beginning of 1934 the world monetary gold supply was about \$12,500,000,000 at \$20.67 per ounce or \$21,157,000,000 at \$35 per ounce, and it is now \$28,500,000,000 at \$35 per ounce. Six years ago there were 604,500,000 ounces of gold; now there are 814,300,000 ounces in the world supply. While the

monetary gold in the United States has greatly increased during the last 6 years there still remain among the other nations of the world at the present price about \$11,000,000,000. Six years ago we had \$4,000,000,000, and we now have \$17,800,000,000 at \$35 per ounce, or an increase of \$13,800,000,000.

What elements go to make up this rather alarming increase? First, the increase resulting from the revaluation of the dollar. Under the law the President was given the authority by proclamation to fix the weight of the gold dollar at not less than 50 percent or more than 60 percent of its former weight. He fixed that weight at approximately 59 percent, or a reduction of 41 percent, resulting in an increase of the stated price of gold from \$20.67 to \$35 per ounce. At the time this proclamation was issued the general gold price was around \$35. This increase in stated price to \$35 based on the supply we then had resulted in an increased value of about \$3,000,000,000. This did not increase our stock of gold a single ounce. Deducting this \$3,000,000,000 as a result of revaluation from the total increase during this period of \$13,800,000,000 leaves a balance of \$10,800,000,000 actual increase in our stock of gold based on the present price.

Then what are the items that make up this \$10,800,000,000 increase of our gold supply? How does it come that our supply of gold has increased over \$10,000,000,000 in the last 6 years? There are three main avenues through which this increased stock of gold has come:

First. Domestic production and what might be called scrap or used gold to the amount of about \$900,000,000.

Second. Payment of international trade balances representing the excess of our exports over our imports, \$2,200,000,000.

Third. Flow of capital to this country in the shape of bank deposits, stocks and bonds, and property investments to the amount of some \$7,700,000,000.

The sources, then, are domestic production, payment of trade balances, and flow of capital to us, with some other rather unimportant miscellaneous items. In this connection there are two general propositions that must be definitely established, concerning both of which there is much confusion and about which many misstatements have been made. None of this gold comes to the United States because a better price is paid here than abroad. There is a world market, and the price is the same. If a party in France wanted an ounce of gold, he would have to pay for it the same number of francs that it would take to buy \$35. If an Englishman wants an ounce of gold, he would have to pay for it as many pounds as he could exchange for \$35. It is perfectly obvious that an Englishman would not pay for an ounce of gold an amount in pounds equal to \$35 and then ship it and try to sell it over here where he could get only \$35. He would not do that simply to be buying and selling gold. The price is the same everywhere. No more is paid for gold in this country than elsewhere, and we do not get additional gold because \$35 an ounce is paid for it.

The United States does not buy an ounce of foreign gold as such. The miner of gold in South Africa or Russia does not offer his gold for sale to the United States Treasury. If he did, it would not be accepted. Neither does the United States buy gold from any foreign government. Not an ounce of foreign gold goes into the United States Treasury except as the result of some business or commercial transaction.

Gold of domestic production is, of course, bought by the Government because no one else under the law can deal in it here.

How, then, has practically \$10,000,000,000 of foreign gold got into the United States during the last 6 years? What are the mechanics by which this vast hoard of gold has actually reached here and how has the title become vested in the United States? We have already said some of it comes as payment of trade balances and some as bank deposits and capital investments. The gold is actually shipped from foreign ports to the United States to carry out the above-mentioned transactions.

How do we get gold in settlement of trade balances? An example: J. D. Davis, a stockman in Missouri, ships a carload of mules to Smith Bros. in England. Smith Bros. buy a draft



from the Midland Bank of England drawn on the Chase National of New York and send it to Davis in payment of the mules. He deposits the check in his bank and the check is cleared. That is the end of the transaction so far as the parties to the sale and purchase are concerned.

A cotton company in Texas sells a thousand bales of cotton to a cotton mill in England. The mill company buys a draft from Midland on Chase National and sends it through in payment of the cotton, just as in the case of the mules.

A farmer in Kansas sells a carload of wheat to a flour mill in England. The company buys a draft from Midland on Chase National to pay for the wheat and it goes through and is paid. These transactions go on day after day. The Midland Bank has had a balance with the Chase National. At last, however, after continually drawing upon that account it is exhausted. What does the Midland do? It may go on the market or may go to the Government and purchase, say, \$1,000,000 of gold, and it then ships it to the Chase National to build up its balance with that bank, and for which it is given credit, and against which it can check.

What is true of the Midland Bank is true of all foreign banks that have balances in banks in the United States and upon which they must draw to pay for trade transactions between citizens of this country and the nationals of other countries. It is very plain that when we sell abroad more than we buy, then that difference must be paid to us by the foreign purchasers, and in order to do that the foreign banks must have a balance to their credit here upon which to draw, and that balance is created by the shipment of gold to this country, not by one bank alone but by all who need the balance.

Through this process of settling trade balances during the last 6 years \$2,200,000,000 in gold have reached the Treasury. Every dollar of it represents a business transaction. Not a dollar of it was bought from England or any other nation and not an ounce bought simply to acquire the gold as such but to help carry on the export trade of the farms and factories of the country. It does not seem that we should want to lessen this item. As long as we sell our goods abroad those to whom we sell must have some means of paying for them. This can be done only by an exchange of products or by paying for them in gold or by both methods. Trade cannot all move in one direction. If our foreign markets are to be expanded and an outlet provided for our surplus products, we must accept an equal amount of imports or receive payment in gold of the difference between our exports and our imports. If our export trade were exactly balanced by our import trade, then there would be no difference to be paid in gold and our stock of gold would not increase on account of our trade transactions with other countries. Who is there that wants to curtail or destroy our export trade? As long as gold is the medium of international exchange and as long as we have a balance of trade in our favor, then we must have a flow of gold to this country in payment of that balance. That is fundamental and inescapable. To repeat, our supply of gold has been augmented during the last 6 years to the amount of \$2,200,000,000 on account of our exports exceeding our imports and the shipment of that amount of gold to this country to pay the difference.

This leaves almost \$8,000,000,000 increase of gold in the last 6 years to be accounted for. How did it get here? As before stated, that principally represents a flow of foreign capital to this country in the shape of bank deposits and investments in property and securities. What is the process by which gold actually reaches this country on account of any of these transactions? The mechanics are just the same as in the case of shipment of gold to take care of trade transactions. As an example: A bank in England as a matter of security and convenience wants to transfer \$1,000,000 which it has on deposit with the Midland to the National City Bank of New York. It buys a draft on the Chase National payable to the National City for \$1,000,000. It then sends it through. Chase National receives the draft

and honors it. It debits the Midland's account with \$1,000,000 and National City credits the English bank with a like amount. The English bank now has \$1,000,000 on deposit in the National City Bank of New York. Of course any bank in England could purchase gold and ship it to the National City Bank of New York direct and thus acquire a balance upon which it could draw.

A group of London businessmen decide to buy a block of common stock of General Motors, some preferred stock of Bethlehem Steel, some Great Northern Railway bonds. They buy a draft from Midland on the Chase National payable to their broker in New York and send it through. The amount is deducted from Midland's account and the broker given credit, who in turn uses the credit in the purchase of stocks and bonds in the name of the London businessmen. These various transactions go on until, as in the case of the trade transactions, the account of the Midland with Chase National is exhausted. Again the Midland must procure gold and ship it to Chase in order to build up a balance upon which it can draw.

Thus to furnish foreign depositors and investors the means by which they may transfer their bank deposits here and make investments in our securities, it has been necessary during the last 6 years to ship almost \$8,000,000,000 in gold to the United States, which necessarily found its way into the Treasury. It may be of interest to know that the amount of foreign bank balances and foreign investments in this country at the present time are about \$9,000,000,000. If a further break-down is desired, there are in round numbers \$3,000,000,000 in bank balances, \$4,750,000,000 invested in stocks, \$600,000,000 in bonds, and some \$700,000,000 as miscellaneous, principally trust funds. There may be some question as to whether this is a desirable tendency, but these are the facts. Is it healthy that foreign bank balances and foreign investments in our securities should continue to increase? If not, what is to be done about it?

All the above figures and discussion do not take into consideration the fact that foreign governments have approximately \$1,000,000,000 of earmarked gold in this country. This gold is supposed to be in the Federal Reserve banks and is not included in any of the figures given. This amount, taken with the private investments and bank balances, would make available for foreign use in case of need \$10,000,000,000 in the United States. The foreign governments, in case they needed it, could take over from their nationals their deposits and investments in accordance with the laws and decrees of the different countries. This is an important matter, in view of world conditions and the need of cash for the purchase of our products to be exported. Thus foreign governments have available in case of necessity some \$10,000,000,000 with which to purchase our goods.

How does the Treasury buy the gold that is shipped here by foreign banks in settlement of trade balances and for deposit and investment by foreigners? As an example, go back and take the case where Midland Bank of England shipped \$1,000,000 in gold to the Chase National in order to build up its balance. The Chase National receives the shipment, but under our law, not being able to hold the gold, delivers it to the Federal Reserve Bank of New York, where it receives a check drawn on the Treasury's account with the Federal Reserve bank for \$1,000,000, and the gold is turned over to the Treasury. The Treasury then issues the New York Federal Reserve Bank a gold certificate in the sum of \$1,000,000. Now, what is the situation? Midland Bank has obtained credit with the Chase National in the sum of \$1,000,000 for the gold which it shipped. The Chase National has increased its deposits \$1,000,000 with the Federal Reserve bank by endorsing and depositing the check which it received for the gold. The Treasury has the \$1,000,000 in gold, and the Federal Reserve bank has a gold certificate from the Treasury for \$1,000,000. The Treasury has paid for the gold by issuing a gold certificate to the Federal Reserve bank. Upon the security of this gold certificate the Federal Reserve bank can issue Federal Reserve notes, which are legal-tender money.

On account of this transaction, how has the financial statement of the New York Federal Reserve Bank changed? By paying out of the account of the Treasury \$1,000,000 for the gold it has decreased its liability in the first instance to the Treasury by that amount. Then the Treasury issues and delivers to the Federal Reserve bank a gold certificate for \$1,000,000, which is the same as cash. The bank gives the Treasury credit for this amount, which makes its liability to the Treasury just what it was before the transaction, and it then places the gold certificate in the assets just the same as cash.

As a result of the entire transaction the liability of the bank to the Treasury is just what it was before; the assets of the bank have been increased by \$1,000,000 represented by the gold certificate, and the liability of the bank has increased \$1,000,000 by reason of the deposit of the check received by Chase, and the placing of that amount to its credit. The issuance and delivery of the gold certificate bought the gold. It did not cost the Government a dollar. The deposit of the check by Chase, which it received in payment for the gold increased its reserves. Largely by this process throughout the Nation, the member banks reserve accounts have been built up to over \$11,330,000,000. Much of the money received by member banks on account of gold bought by the Treasury has been left on deposit with the Federal Reserve banks just as in the case above cited, and their reserves have thus grown to the above unprecedented amount, and excess reserves have increased to the sum of about \$5,200,000,000.

These large excess reserves in the banks create the possibility of a large credit expansion which might develop into an inflation movement. There is no indication of such a movement at present. If it should develop to any alarming extent, the Federal Reserve bank, through its open market operations, its control over discount rates and reserve requirements could check such a tendency. If necessary greater powers could be given the board over reserve requirements and any run-away inflation could be checked. For my part, at the present, I am not disturbed about inflation and am firmly convinced that a liberal expansion of credit would stimulate industrial activity, increase employment, and lead to general improvement and progress.

There has been much talk about the use to make of this \$17,800,000,000 of gold in the Treasury. It must not be forgotten that the gold has been bought by issuing gold certificates or giving the Federal Reserve banks credit for gold certificates. Upon these certificates the Federal Reserve banks may issue Federal Reserve notes which are the obligations of the United States. These gold certificates are the assets of the Federal Reserve bank, and are a lien against this stock of gold in the Treasury. Over \$15,500,000,000 of gold certificates are carried as assets on the books of the Federal Reserve banks. This is five-sixths of their entire assets. These certificates, with the reserve, redemption and the stabilization fund make up the entire gold stock in the Treasury, except some in the general fund. In fact, the gold certificates and the stabilization fund make almost \$17,500,000,000 of the total gold stock.

Congress could abolish the stabilization fund and use that gold to retire that much of the national debt. In my opinion, it should not be abolished, but it seems that it could with safety be reduced, as it appears only \$200,000,000 of it has been used. By as much as the fund was reduced by Congress, that amount of gold would be released and could be used to reduce the public debt.

It has been suggested in some quarters that the Treasury issue legal-tender money against this stock of gold and use the money to redeem Government bonds. This suggestion loses sight of the fact that the Federal Reserve banks who have the gold certificates hold a first lien against this gold. An attempt by the Treasury to issue money on the security of this gold would be exactly like a farmer selling a horse at full value to his neighbor when the bank holds a mortgage on

the horse for all it was worth. Go back to the example given when the Chase National sold \$1,000,000 of gold to the Treasury. Who paid for it? The Federal Reserve Bank of New York either paid cash or gave the Chase National credit for that amount. In order to repay the bank, the Treasury gave it a gold certificate for \$1,000,000, which the bank put into its assets just the same as cash. Now, if the Treasury should issue money against that \$1,000,000 in gold which the Federal Reserve Bank of New York bought for the Treasury, it would have to deliver that money to the bank to replace the gold certificate and the money which the bank paid for the Treasury when the gold was bought. In other words, all the money which the Treasury could issue against this gold stock would have to go into the Federal Reserve banks and take its place there as assets instead of the gold certificates. If the Treasury had issued \$1,000,000 in money at the time the gold was bought, and delivered it to the New York Federal Reserve Bank, then the bank would have the \$1,000,000 in money instead of the gold certificate. If the Treasury issues the money a year or two later, it must still deliver it to the bank to take the place of the gold certificate, which is part of the bank's assets. Then if all the money which the Treasury could issue against this gold must go into the Federal Reserve banks to replace the gold certificates which they hold, none of it could be used to retire the Government obligations and reduce the debt. If these gold certificates, which represent \$15,500,000,000 of their assets, were withdrawn from the Federal Reserve banks without anything to take their place, it, of course, would completely and absolutely destroy their solvency and result in disaster.

The possession and ownership of this large supply of gold need not cause uneasiness or alarm. The time may come when the current in the flow of capital will be reversed. It has happened in the past. During the period from 1928 to 1934 there was a flow of capital away from this country to the amount of almost \$3,000,000,000. It had reached such proportions that there was apprehension and fear in many quarters. If that time comes again, we will have the gold to meet such demands without any dislocation of our domestic affairs. It has been the dream of governments and individuals to acquire gold. Now, since we have it we should not become stampeded or alarmed. It is a mighty convenient article to have around and it seems to me we should be proud of it. It takes no stretch of the imagination to envision other nations of the world looking with wistful eyes upon our gold supply and hoping for the time when they might be placed in such an enviable position.

It is not desirable for the United States to own practically all the monetary gold stock of the world. No one would like to see it go to that extreme. It may be necessary to discourage the flow of capital to this country by placing a substantial tax on foreign investments in American securities and thereby check the inflow of gold for that purpose. With the nationalization or commandeering by the belligerent governments of the securities held by their nationals, the flow of gold here for investment purposes will likely cease. These foreign investments may to some extent have stimulated domestic industry and in a small degree tended to bid up the price of American securities. However, their influence on our economic life is of small and doubtful value and, if practical, this activity could well be dispensed with. If possible, the further purchase of gold by the Treasury to enable foreigners to invest in income-yielding securities may well stop. If this is feasible, it could be done without any great shock to our financial and economic order. On the other hand, it would not be desirable to entirely stop the purchase of gold by the United States. It would completely disarrange our international exchange system and seriously cripple our export market. So far as it is needed to help encourage and expand our export trade, the buying of gold by our Government should go on. The whole policy may require careful and thorough consideration at a time in the not distant future.



## Loans to Small-Business Men

## EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

LETTER FROM MR. CLOYD W. MILLER, OF MINERAL CITY, OHIO,  
TO HON. JESSE JONES

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. Cloyd W. Miller, president of the Hickory Clay Products Co., of Mineral City, Ohio, to Hon. Jesse Jones, of the Reconstruction Finance Corporation:

MINERAL CITY, OHIO, January 17, 1940.

Hon. JESSE H. JONES,

Federal Loan Administrator, Reconstruction Finance Corporation, Washington, D. C.

DEAR MR. JONES: Coming back from Washington I carefully reviewed the circumstances surrounding our interview last week. You had been advised that I expected to be in Washington—I had written you I wanted to see you and what I wanted to talk about. When I phoned Wednesday morning for an interview, your secretary was not encouraging, but promised to phone and let me know whether I could see you. I received no call. I thought no more about this, because you are the master of your time. The next day, when Director Husbands asked me whether I wanted to see you, I said I did and remarked that I thought I ought to pay you a courtesy call. It is embarrassing to ask a Congressman to assist one in getting an interview with you or be granted one because of a spread of five pages in the CONGRESSIONAL RECORD. Getting interviews by pressure is not satisfactory.

Having written you about transportation and building economics as related to our application, your reception of my introductory remarks was surprising. If men are to deal with one another, there must be mutual respect; I was a guest in your office. You are so cloistered I do not think you know what is going on in your office or have correctly appraised my relations with it.

You talked about our having made no profit for 5 years, which was the reason given for turning down our request for money four times; but that has been water over the dam for some months now, because we have been offered a loan of \$20,000 to \$25,000 since this reason was used. If this reason was valid in the first place, it is still valid. Really it never had controlling validity, which the record amply sustains. Our profit record is fully explained by the fact that our plant has been down most of the time during the last 5 years.

You, nettled, said: "You want to write your own ticket," which you evidently feel transgresses your prerogative. It seems to me that you overemphasize your power to write "the ticket." You pertly told me that it is your directors who are delegated with the responsibility to make these decisions. I am aware that you have the power and authority and quote what I said to Congress about this on January 2, 1940: "The R. F. C. stripped of everything by facts and argument is left only with the power to deny." The expression of this power by cutting down reasonable applications and tripling the needed security may disclose or cover grave weaknesses in your administration, and this is beside viciousness that might be practiced against a borrower by and through such action. "My ticket" is now available in five pages of the Appendix of the CONGRESSIONAL RECORD, volume 86, pages 104-109, plus your decision of July 5, 1939, declining the loan, and my brief of July 8, 1939, answering that decision in detail. The latter two documents are not in the CONGRESSIONAL RECORD. If you will take the time to read this record in full, maybe you will agree that this loan ought to be made as we have requested it. I believe the public and Congressmen who read it will agree with me. If my horse is in first place, "my ticket" should pay off.

I realize this discussion has been uncomfortable. This has been indicated right along. R. F. C.'s officiousness, ill will, bad temper, and manners have interested me; they are something new in government; are in such complete contrast with what one expects from public servants. Director Sam Husbands is a refreshing exception. The only conclusion one can come to about such blameworthy conduct on the part of these public officials is that our facts and answering arguments have real merit and discredited the administration of R. F. C. There has never been a question about the merit of this application for money under the act. I am certain that were it possible to present this matter in court and you were

obliged to brief your position and make it stand before an impartial body that I would get the loan on "my ticket." I would lay a wager on that and give odds.

The question arises why we have been turned down. It is partly, I suppose, because I have written against the New Deal. Too, publicizing this record and criticizing is laesa majestas. In the earlier stages the difficulty was both lack of information and carelessly reached conclusions—a lack of comprehension of the problem. This, coupled with the arrogant and saucy attitude frequently asserting itself with "you must do this or that," prevented the exercise of reason or intelligent consideration of the facts.

There has been objection to my suggestion that there is too much politics played by your organization.

(1) Politics in our case was confirmed by the fact that I was given a copy of your decision of July 5, 1939, by a member of the Board. I did not ask for the copy; it was voluntarily handed to me without a word as to what I should do with it. All I did was answer it, courteously, intelligently, and properly. It contained errors of fact and many erroneous conclusions.

(2) As a further example of politics of much greater importance I want to call your attention to the press release that you, Senator WAGNER, and Emil Schram, R. F. C. Chairman, after a conference with the President, gave to the Associated Press during the last 3 days of the last regular session of Congress. It went out to the country that you all favored the Mead bill and that it would probably be passed as a rider on the \$2,800,000,000 lending measure that was going through Congress at that moment. This release was put out ostensibly to encourage small-business men, but, in my opinion, the subsequent facts I relate indicate it was to deceive them. I was in Washington on Monday and Tuesday of that week. The release came out in the evening papers on Tuesday. On those 2 days I had contacted Senator MEAD's office. He was in New York, but I talked half an hour with SMITH, who is in charge of this legislation for Senator MEAD. Mr. SMITH was interested in my problem, but told me that this legislation was buried in committee and there was not a chance in the world to get it out or that the legislation might be passed during that session. It seems obvious that if there was any chance of this legislation being handled, as suggested by this press release, Senator MEAD would not have been in New York. You can imagine my surprise when I got on the train Tuesday evening with two Washington evening papers in hand and on the front page of each read your press release, which misrepresented the immediate possibilities for this legislation. I was indignant. I am a small-business man, and it was clear to me that you high officials of the Government were simply throwing a sop to small-business men by this release and making suckers of us. The problems of small-business men are much too serious to be played with by big politicians on this scale.

(3) Your press releases from time to time over quite a period about loans to railroads also have political implications which are unsatisfactory to shippers being charged unfairly high freight rates.

I have tried to keep this discussion on a high plane. Your handling of our application has forced my hand and made it necessary for me in carrying out my responsibilities to my stockholders to use everything at my command to break down what is your unfairness toward our company. Your own engineer-examiner has approved my plans. Your organization knows that no one can carry out the plans approved by your engineer with half the money needed. You, no more than I, know what was in the minds of your subordinates who suggested that we be offered this amount. If they were angry and prejudiced when they made this offer, it may thus be accounted for. It has the earmarks of a subtle plan to squeeze the present ownership of this property. It is not necessary for me to charge that R. F. C. is guilty of an overt act of this nature, but you should be concerned with the fact that this might be true; we are dealing with human beings. The idea occurs to me because of the anger, bitterness, and intolerance that was displayed toward me by members of your staff.

This letter on the whole is in a serious vein—to retain our sense of proportion let us lighten it. I never intended to make laughing stock of your agency. A Congressman's secretary suggested this and said I would never get my loan at this rate, and she was sincerely bothered. I have more confidence than she has in government. Power easily acquires a touch of God, sure, but its sense of humor blasts that daily. "My ticket" is a blue chip, yours is colorless. I sincerely believe your sense of sportsmanship will rescue both of us from the dilemma which stubborn personalities in both camps have created. I have no monopoly on pigheadedness.

As this application for money has grown in importance, I now feel that you and Schram and possibly other directors ought to get on the train, come to Mineral City, Ohio, and confirm what Mr. R. A. Mitchell, your engineer-examiner, saw when he was here and his report to you. Of course, if you are now ready to make the loan as we have requested it, that would be a happy conclusion, save the face of a sovereign citizen, a thing politicians like for themselves, and carry out in the public interest the purpose of the act. May I hear from you promptly?

With kindest personal good wishes, I am,  
Sincerely,

CLOYD W. MILLER,  
President, The Hickory Clay Products Co.

**The One Hundred and Fiftieth Anniversary of the  
First Session of the Supreme Court of the United  
States**

**EXTENSION OF REMARKS**

OF

**HON. SOL BLOOM**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

ADDRESS BY HON. ROBERT H. JACKSON, ATTORNEY GENERAL  
OF THE UNITED STATES

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the address delivered by the Honorable Robert H. Jackson, Attorney General of the United States, at the exercises held in the Supreme Court chamber today in commemoration of the first session of the Supreme Court of the United States.

There being no objection, the address of the Honorable Robert H. Jackson, Attorney General of the United States, was ordered to be printed in the RECORD, as follows:

Mr. Chief Justice and Associate Justices of the Supreme Court of the United States, the bar of the Supreme Court, including those who here represent the executive branch of the Government, desires to observe with you the one hundred and fiftieth anniversary of this Court's service. We do so in a spirit of rededication to the great principles of freedom and order which come to life in your judgments.

The Court as we know it could hardly have been foreseen from its beginnings. When it first convened, no one seemed in immediate need of its appellate process, and it adjourned to await the perpetration of errors by lower courts. Errors were, of course, soon forthcoming. The Justices who sat upon the bench, although not themselves aged, were older than the Court itself. The duration of an argument was then measured in days instead of hours. All questions were open ones, and neither the statesmanship of the Justices nor the imagination of the advocate was confined by the ruling case. Some philosophers have so feared the weight of tradition as to assert that happy are a people who have no history. We, however, may at least believe that there was some happiness in belonging to a bar that had little occasion to distinguish precedents or in sitting upon a Court that could not be invited to overrule itself. Few tribunals have had greater opportunity for original and constructive work, and none ever seized opportunity with more daring and wisdom.

From the very beginning the duties of the Court required it, by interpretation of the Constitution, to settle doubts which the framers themselves had been unable to resolve. Luther Martin in his great plea in *McCulloch v. Maryland* was not only an advocate but a witness of what had been and a prophet of things to come. He said: "The whole of this subject of taxation is full of difficulties, which the Convention found it impossible to solve in a manner entirely satisfactory." Thus, controversies so delicate that the framers would have risked their unity if an answer had been forced were bequeathed to this Court. During its early days it had the aid of counsel who expounded the Constitution from intimate and personal experience in its making. They knew that to get acceptance of its fundamental design for government many controversial details were left to be filled in from time to time by the wisdom of those who were to follow. This knowledge made them bold.

The passing of John Marshall marked the passing of that phase of the Court's experience. Thereafter the Constitution became less a living and contemporary thing—more and more a tradition. The work of the Court became less an exposition of its text and setting and purposes and became more largely a study of what later men had said about it. The Constitution was less resorted to for deciding cases, and cases were more resorted to for deciding about the Constitution. This was the inevitable consequence of accumulating a body of judicial experience and opinion which the legal profession would regard as precedents.

It would, I am persuaded, be a mistake to regard the work of the Court of our own time as either less important or less constructive than that of its earlier days. It is perhaps more difficult to revise an old doctrine to fit changed conditions than to write a new doctrine on a clean slate. But, as the underlying structure of society shifts, its law must be reviewed and rewritten in terms of current conditions if it is not to be a dead science.

In this sense, this age is one of founding fathers to those who follow. Of course, they will reexamine the work of this day, and some will be rejected. Time will no doubt disclose that sometimes

when our generation thinks it is correcting a mistake of the past, it is really only substituting one of its own. But the greater number of your judgments become a part of the basic philosophy on which a future society will adjust its conflicts.

We who strive at your bar venture to think ourselves also in some measure consecrated to the task of administering justice. Recent opinions have reminded us that the initiative in reconsidering legal doctrine should come from an adequate challenge by counsel. Lawyers are close to the concrete consequences upon daily life of the pronouncements of this Court. It is for us to bring the cases and to present for your corrective action any wrongs and injustices that result from operation of the law.

However well the Court and its bar may discharge their tasks, the destiny of this Court is inseparably linked to the fate of our democratic system of representative government. Judicial functions, as we have evolved them, can be discharged only in that kind of society which is willing to submit its conflicts to adjudication and to subordinate power to reason. The future of the Court may depend more upon the competence of the executive and legislative branches of government to solve their problems adequately and in time than upon the merit which is its own. There seems no likelihood that the tensions and conflicts of our society are to decrease. Time increases the disparity between underlying economic and social conditions, in response to which our Federation was fashioned, and those in which it must function. Adjustment grows more urgent, more extensive, and more delicate. I see no reason to doubt that the problems of the next half century will test the wisdom and courage of this Court as severely as any half century of its existence.

In a system which makes legal questions of many matters that other nations treat as policy questions, the bench and the bar share an inescapable responsibility for fostering social and cultural attitudes which sustain a free and just government. Our jurisprudence is distinctive in that every great movement in American history has produced a leading case in this Court. Ultimately, in some form of litigation, each underlying opposition and unrest in our society finds its way to this judgment seat. Here, conflicts were reconciled or, sometimes, unhappily, intensified. In this forum will be heard the unending contentions between liberty and authority, between progress and stability, between property rights and personal rights, and between those forces defined by James Bryce as centrifugal and centripetal, and whose struggle he declared made up most of history. The judgments and opinions of this Court deeply penetrate the intellectual life of the Nation. This Court is more than an arbiter of cases and controversies. It is the custodian of a culture and is the protector of a philosophy of equal rights, of civil liberty, of tolerance, and of trusteeship of political and economic power, general acceptance of which gives us a basic national unity. Without it our representative system would be impossible.

Lord Balfour made an observation about British government, equally applicable to American, and expressed a hope that we may well share, when he wrote:

"Our alternating Cabinets, though belonging to different parties, have never differed about the foundation of society, and it is evident that our whole political machinery presupposes a people so fundamentally at one that they can afford to bicker; and so sure of their own moderation that they are not dangerously disturbed by the never-ending din of political conflict. May it always be so."

**Fix Your Ramparts**

**EXTENSION OF REMARKS**

OF

**HON. HARRY SANDAGER**

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

EDITORIAL FROM THE PROVIDENCE (R. I.) JOURNAL OF  
JANUARY 31, 1940

Mr. SANDAGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Providence Journal of Wednesday, January 31, commenting on the speech of the gentleman from Massachusetts, the Honorable JOSEPH W. MARTIN, Jr., at Topeka, Kans. The editorial follows:

[From the Providence (R. I.) Journal of January 31, 1940]

**FIX YOUR RAMPARTS**

It is Mr. JOSEPH MARTIN's idea that a nation's defensive forces, however strong and well equipped, are no better than the ramparts they watch. Hence, in his Kansas Day speech he said: "The gravest



danger to the peace and security of the United States is not from some foreign invasion but from allowing pressing home problems to go unsolved." In other words, our first line of defense is neither the Rhine nor the Atlantic and Pacific coasts nor the Panama Canal nor Pearl Harbor but "the farm gate and the factory door."

There is much euphemism in this but, at bottom, it remains a realistic expression of America's vital need today. An unprecedented public debt of about \$45,000,000,000, coupled with Federal taxes completely out of proportion to the productive wealth which must support them, certainly is a national rampart undermined by the rot of Government neglect and Government inefficiency. An unemployed roll of more than 9,000,000 is another rampart extremely dangerous to the national superstructure, political as well as economic. The growing restrictions of national control, as manifested in the processes of an administrative bureaucracy rapidly become "the new tyranny," have weakened the rampart of the American economic system so greatly that today it threatens the existence of that system as it has been known for a century and a half.

These weakened and now treacherous ramparts constitute a grave danger to the Nation. The danger lurks within the country far more than it does outside. Destroy them completely and the American system is destroyed. Destroy them, and we get a totalitarian state, the very thing against which the democracies of Europe are presently fighting. That is all Mr. MARTIN has in mind when he says neglect of domestic problems is far more dangerous to our peace and security than foreign powers.

And when he says neglect, he speaks advisedly and truthfully. The administration has neglected them for several years. It has failed to solve the problems it faced when it came into power. It not only has failed to solve them, it has intensified them.

No amount of talk about the international situation, however important and necessary, can obscure this fact. And no foreign policy should be allowed to obscure it. If Mr. Roosevelt thinks that concentration on foreign matters, as necessary as it is important to the security of the country, will hide his failures in the domestic field, Mr. MARTIN and his conferees will be ready to remind him to the contrary. So will the American people.

### Advice to the G. O. P. on Trade Pacts

#### EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

EDITORIAL BY WILLIAM ALLEN WHITE

Mr. HENNINGS. Mr. Speaker, it is encouraging to see that Secretary Hull's trade policies, as implemented through the various reciprocal trade agreement pacts, have met generally with approval which transcends party lines. The following editorial by the "Sage of Emporia," Mr. William Allen White, an adherent of the Republican Party but a great American liberal, is most appropriate at this time. The editorial, reprinted by the St. Louis Post Dispatch, follows:

[From the St. Louis Post-Dispatch]

ADVICE TO THE G. O. P. ON TRADE PACTS

Disagreeing with Kansas Governor and Congressmen who oppose Secretary Hull's pacts, newspaper says tariff treaties are defensible in terms of national welfare; farmers' fear unfounded, it finds; urges Republicans to help make reciprocal trade principle work

(From the Emporia Gazette)

Americans might as well make up their minds to it, that the old idea of a high protection, which was merely socialistic subsidizing of various industries, is impossible in the world economy as it stands today. Some tariff? Yes; but not logrolling high tariffs, not the Hawley-Smoot Act. One of the things that brought about the depression was the Hawley-Smoot Act of 1930.

The Gazette said so at the top of its lungs before the Hawley-Smoot law was finally formulated, while it was passing and after it had become a law. That tariff law was an offense against economic stability not only in the United States but all over the world. It is one of the sad, terrible commentaries on the present Democratic administration that it has neglected so long to revise the Hawley-Smoot tariff law.

The principle of reciprocal tariff to undo and offset the Hawley-Smoot tariff is entirely defensible upon the theory of our national economy. Of course, in any Congressman's district he can take counsel of his fears and vote against this tariff by scaring his constituents to death about the damage it will do to their local special industries.

For instance, take cattle: The increase of the percent of total imports of cattle—say 44 percent—is frightening. But that 44 percent increase is only 8 percent of the cattle inspected and probably about 5 percent of the beef actually consumed in the United States. That is a small percent. It has not seriously affected the average annual price of cattle.

We are fundamentally in disagreement with Governor Ratner and the Kansas Congressmen and Senators who opposed these Hull treaties. For these treaties surely strengthen our national economy. They certainly bring in more business and more money to the country than they take out. Unless we see our national economy as a whole and national prosperity as a unit, we never can recover. We can't recover by patching up a hole here and plugging a hole there in our economy. We cannot recover unless we plan recovery on a nation-wide scale.

If, for instance, the farmers of Kansas are scared of these treaties because of what they will do to the farmer, the Kansas farmer should remember that the farmer will never be prosperous until the Nation as a whole has prospered also. These treaties certainly do work for national prosperity. If when the treaties are in force, it is found that the farmers are bearing too much of the burden, which may easily be true, then subsidize the farmers directly. But don't stop the rise of national prosperity by timidity about individual losses. If times are good, prices will be good everywhere.

Another and most vital thing: The peace of the world depends first upon the international flow of goods, to give all nations of good will access to raw materials, and second upon mutual economic help among nations.

Economic super-nationalism has led the world into war. Unless there can be among the civilized nations of the world some basis of negotiation whereby each nation can develop its own economic strength under its own peculiar geography and in its own economic position there is no hope of peace. National jealousy will keep on breeding international hates.

Wars will succeed wars. In the peace conference which must follow this war, American influence can be potent in the struggle for world peace. But we can serve the world only if America comes with a reputation for fairness to her neighbors now.

Suppose we defeat these Hull treaties! What a pie-faced old hypocrite Uncle Sam will be at that conference, counseling other nations to give up a little for the greater blessing of peace. In that hour when a lasting peace is possible for the world we shall be bound and gagged by our own selfish isolationist policies. Here in these Hull reciprocal treaties is the hope of the United States in helping to promote a just peace in the world.

Without that just peace the tribulations of the last decade, 10 terrible years of shuddering under the threat of war, will be with us for another generation. This is no time for partisan talk of local advantage.

The prosperity of our Nation depends upon the peace of the world. If America cannot take the larger view the hope of the world is blasted. Our civilization cannot go forward along its appointed evolutionary way, amid the atmosphere of international envy and the hates that grow where nations are oppressed in economic poverty.

The Republican Party is going to make a sad mistake if it goes into this campaign on an old-fashioned, high-tariff platform policy. The Hull idea theoretically is right. Maybe he is not implementing it with the best instruments. But certainly he is expounding a principle that will work. It will be better for the Republicans to help him make his plan workable than to try to defeat his principle.

In the meantime, no warrior bold with spurs of gold ever went more bravely to the fray than Cordell Hull is going into this fight.

### America's Home Problems Must Come First

#### EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

ADDRESS BY HON. JOSEPH W. MARTIN, JR., BEFORE THE KANSAS DAY CLUB AT TOPEKA, KANS., ON MONDAY, JANUARY 29, 1940

Mr. HOPE. Mr. Speaker, annually, on January 29, the Republicans of Kansas observe the birthday of the State by a great get-together meeting and rally at Topeka. These meetings of the Kansas Day Club are always interesting and colorful. This year the interest and enthusiasm manifested were indicative of the feeling that 1940 will be a great Republican year in Kansas and in the Nation. The principal speaker on this occasion was our able and popular

minority floor leader, the gentleman from Massachusetts, JOSEPH W. MARTIN. The constructive, forward-looking, and statesmanlike address which he made on that occasion outlines a program which, if adopted, will lead this country back to a sound and lasting recovery. It ought to be read by every Member of Congress and every thinking American. For that reason I offer it for printing in the RECORD, as follows:

As a native son of Massachusetts, I come to Kansas with a deep sense of the many ideals these two great States have in common. Men and women from the land of the Pilgrims and the Puritans were among the early settlers in Kansas. They helped implant here the American tradition of freedom under law. History shows that the men and women sent by New England to your State were in no small measure helpful in developing that sturdy independence and robust Americanism which is the hallmark of Kansas citizenship today. In its infancy, when bleeding Kansas held the center of the national political stage, it was Charles Sumner, of Massachusetts, who championed the free-soil cause in the forum of the United States Senate.

When I was invited to come out here, I hesitated, because my work in Washington is so exacting it is not possible for me to make many excursions afield; but the urging of my many warm friends here in Kansas and in the Congress was irresistible. I am happy to be here and to join in these festivities and ceremonies which mark the anniversary of the admission of Kansas into the Union.

At the time Kansas became another shining star in the constellation of States, the Nation was in a critical period. The very existence of the Union hung in the balance. We may all thank God we weathered that crisis.

Today no one questions the absolute necessity of the 48 States working harmoniously together.

This realization of our common interests is manifest more and more among the men and women in Congress. Today we see men of the East, far removed from immediate contact with the acute farm problems, constantly seeking to aid in bringing new security and more happiness to those who till the soil on our great western farm lands. We see thoughtful men in New England eager to help the South emerge from its economic difficulties and advance to a higher plane in our national life. We see southern statesmen, mindful of the needs of the East and the West, wanting to help those sections go forward to better days.

As we approach again the birthday anniversary of Abraham Lincoln, well may we rededicate ourselves once more to the great truth of history which his life demonstrated—the perpetual unity of the several States in one mighty nation. Policies and programs which advance one State or one geographical division at the cost of other States are not the policies and programs of sound Americanism. Under the protections of the Constitution and the Bill of Rights, we are truly a united people—and that fact, above all others, is the beacon light of our national hope today.

But some political gentlemen preach the doctrine of despair. In America today there is no justification for such a doctrine. Faith, courage, and resolute determination will carry us beyond the present frontiers into vast new areas of achievement, stability, security, and orderly progress.

Agriculture has been the guinea pig for too many experiments in the past 7 years.

The welfare of the rural sections depends as much upon the interests of the farmers as consumers as it does upon the interests of the farmers as producers.

There are several ways in which the farmer may be hurt—by low prices or lack of markets for his products, by increased costs of the things he buys, and by burdensome taxes.

Now in 1930 those taxes bearing most heavily upon the wealthy contributed more than 68 percent of the National Government's revenue, while other taxes bearing most heavily upon the consumer contributed only about 32 percent of such receipts.

According to a statement by the Secretary of the Treasury just before Christmas, those taxes bearing upon the consumer are now contributing 60 percent of the Federal Government's total income, while the taxes bearing most heavily upon the wealthy are contributing but 40 percent. This after 7 years of the New Deal.

In the hope that we shall be able to contribute something toward improving the condition of the farmer, the Republicans in Congress are diligently studying agricultural problems. With that purpose in mind, we named a special committee comprising Representatives from the farm sections, who are wholeheartedly seeking a sound and effective program. One of your own splendid Representatives, CLIFFORD R. HOPE, of Garden City, is chairman of that special committee, and your other Republican Representatives are also members.

We know the answer to the farm problem must be found in sound policies honestly administered. Fair interest rates, lower taxes, better distribution of goods, crop diversification, new types of production, protection of the home market, the wider use of agricultural products in industry—these are all obvious ways in which we can help the farmer.

If part of the money recklessly squandered during the last 7 years had been expended for intelligent research for new uses for agricultural products, we would today be further along the road toward recovery. This is evident from the remarkable progress

already made in the field of chemistry toward the utilization of farm products as raw materials for manufacturing industries.

But the most urgent task is to protect the rich American market for our own farm products.

You have been told that agricultural imports constitute a very small percentage of our domestic consumption. The fact remains—and the American farmer knows it—that these imported products tend to beat down the domestic price structure.

The record discloses, of course, that the promises of the new dealers that their reciprocal-trade program would increase agricultural exports has, like so many other New Deal promises, failed to materialize.

Another urgent need of American agriculture today is less Government spending and lower taxes; I might add—fewer Government employees and more efficiency, as well. We are far away, indeed, from that 25-percent reduction in governmental expenditures we heard so much about in the campaign of 1932.

The present administration has imposed new taxes every year since 1933, while creating new deficits, and is back again asking for \$460,000,000 more taxes.

Federal extravagance and waste undoubtedly are holding back recovery all along the line. These huge annual deficits are a pall over our whole economic life.

We have been told constantly for 7 years that these spendthrift policies would bring eventual recovery. But we are now up to the statutory debt limit of \$45,000,000,000, despite trick bookkeeping and fancy figuring, and the demand now comes for more taxes to keep the 1941 deficit down to two and one-half billions of dollars.

The New Deal has evaded the problem year after year until now the Nation is demanding that the issue be faced. Seven years of this sort of thing have demonstrated that we can't lift ourselves by our bootstraps. We cannot borrow and spend ourselves back into prosperity. The solution may be a little old-fashioned—indeed, it may be another relic of the horse-and-buggy days—but it is common-sense economy in the administration of the public business.

Of course, no responsible person has ever suggested or implied that any real need be ignored or neglected, or that any citizens be allowed to suffer because of inability to get jobs. But we on the Republican side have insisted—and we still insist—that tremendous savings could be realized by the elimination of waste, extravagance, political racketeering, and wanton squandering in thousands of items of Federal expenditures.

Sound budget administration could be made a great contribution to both agricultural and industrial recovery. Such policies are long overdue in Washington.

One extravagance which is particularly un-American and especially vicious is the vast New Deal propaganda machine maintained at public expense, not only in Washington, but in every State as well. The cardinal theme of all of this great propaganda machine is that the Republican Party has no constructive program. Also that there is but one individual in the United States capable of being President. I might say that there is some diversity of view concerning that question also.

The fact is, of course, that the Republican sweep in the 1932 congressional elections resulted in the country's immediately feeling the beneficial results. As early as April 1939 the Republicans in the House presented a 12-point recovery program. We are still fighting for this program, and we will carry it to accomplishment after the great national victory which our determined and aggressive patriotism will bring to the Republican banners in November 1940.

Those 12 points of a constructive, forward-looking, thoroughly American program which guide our congressional leadership can well be enumerated here:

1. Keep this country out of war.
  2. Move immediately to curb unnecessary, wasteful, and reckless spending.
  3. Repeal all repressive or harassing taxes restraining business, large and small.
  4. Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.
  5. Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.
  6. Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end the present paralyzing discord.
  7. Define specifically the area of governmental competition with private enterprise so that business may be able to create jobs with some certainty as to the future.
  8. Restore American markets to the American farmer and wage earner and develop new markets for agricultural products.
  9. Adopt immediate legislation to rehabilitate the railroads and make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.
  10. Create a special committee of the Congress to inquire into the effects of the reciprocal trade agreement policy on American industry and agriculture.
  11. Clarify Federal rules and regulations so industry and business may know what to expect.
  12. Reject all experimental legislation not clearly helpful in promoting recovery, or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.
- No one can honestly say this is not a constructive program. Put it into effect and you will restore confidence, courage, and prosperity to the American people.



The enormous growth of executive power during the last 7 years is of itself a steady march toward state socialism. As the power of the executive department has increased, as regulations have multiplied and restrictions have been expanded, there has come a corresponding decline in the morale and the opportunities of the individual.

We must not forget that it is the individual citizen who makes the wheels go 'round—and pays the costs.

In recent months there has been what I believe to be a studied effort on the part of men in high places to divert the attention of the Nation from the failures of the New Deal, and to focus public discussion upon the wars abroad.

Of course we all have a deep interest in those tragic struggles. Our sympathies go out to nations and peoples who are fighting heroically against the aggression of dictators. Nevertheless, our sympathies and emotions must be kept within the bounds of neutrality.

In order to be able to help rescue the world from a chaos which may result from these wars, and to assure our own safety, we must remain at peace, solve our own problems, and restore our internal economy. We must do more than merely profess in words our intention of staying out of war. We must guard against being led unwittingly into the paths which will make it impossible to remain at peace. We must remember that if we go into the war to preserve freedom and democracy abroad, our first act will be to extinguish freedom and democracy at home—to set up a military dictatorship exceeding in power any of the dictatorships abroad which we might seek to oppose.

As a great Nation with world-wide interests, we cannot be isolated, but we can be intelligently nationalistic. We want to do everything within our power to help bring peace to a world which is moving rapidly toward the destruction of all of those values which make life worth while. Any contribution the United States can make toward peace without involving us in war should be made, and would have the warm approval of the American people.

We cannot tolerate any partisanship in our foreign affairs. Our foreign relations must be considered with the single objective of the best interests of our country. I can assure you there is no disposition on the part of the Republicans in the House of Representatives to bring politics into foreign affairs.

This, however, does not mean to say we are compelled to follow blindly every suggestion that is made. We will support those policies which we honestly believe are best for the Nation; we shall not hesitate to oppose any proposal we believe might lead us into war, or which might be detrimental to our national interest. This, it seems to me, is what people living under a Constitution have a right to expect of their Representatives.

We must not allow any group to distract our attention from our first objective, which is to solve our domestic problems. We must put our 9,000,000 of unemployed men and women back to work.

The gravest danger to the peace and security of the United States today is not from some foreign invasion, but from allowing pressing home problems to go unsolved.

A recent survey shows that there are 4,000,000 young men and women between the ages of 18 and 24 who have never had a regular job. This condition is more menacing to the United States than all the armies and navies so often pictured as ready to span the seas and destroy us.

We must get back to our problems at home. Our front line is not on the Rhine, nor is it anywhere in France. It is at the farm gate and the factory door. We must solve the problems of agriculture so the farmer can secure his fair share of the national income. We must put the unemployed in our cities back to work in private enterprise at decent American wages. We must put our national finances in order and avoid the ruin of inflation and bankruptcy. We must rescue the small farmer and the small employer from the domineering Federal bureaucracy which bestrides them like an "old man of the sea." We must restore the vivid spirit of national contentment and solid progress. America still is a land of hope and unmeasured promise. We have only to free the energies of our people and fire anew the unconquerable spirit of achievement to dispel any threat from false and hateful "isms" from abroad.

And let me say further to you, that the Republican Party does not believe that we have to go into a war to restore business and agriculture in this country, and that we do not have to go down in defeat, nor do we have to surrender our liberties under the Constitution to find the answers for our problems.

I have seen thousands of letters from all parts of the country during the last few months. In them I find a deep undercurrent of abiding faith in the American system of orderly and balanced constitutional government, and in our American system of private enterprise.

The last 7 years have been a terrible test of men. But the deep spirit of America has rededicated itself to the fundamentals of the American faith—rededicated itself to freedom, order, and progress.

That is my message today. America has made up her mind to be free again—free to prosper according to the bounty which a kindly Providence has entrusted to our hands.

Let me give you this parting picture.

The United States contains 6 percent of the world's area and 7 percent of its population. It normally consumes 48 percent of the world's coffee, 53 percent of its tin, 56 percent of its rubber, 21 percent of its sugar, 72 percent of its silk, 36 percent of its coal, 42 percent of its pig iron, 47 percent of its copper, and 69 percent of its crude petroleum.

The United States operates 60 percent of the world's telephone and telegraph facilities, it owns 80 percent of the motorcars in use, operates 33 percent of the railroads. It produces 70 percent of the oil, 60 percent of the wheat and cotton, 50 percent of the copper and pig iron, and 40 percent of the lead and coal output of the world.

The United States possesses about 17 billion dollars in gold, it has two-thirds of civilization's banking resources, and the purchasing power of its population is greater than that of 500,000,000 people in Europe, and much larger than that of more than a billion Asiatics.

A leadership which in 7 years cannot translate such a rich economy into assured prosperity is destitute of capacity. Yet pompous statesmen, looking over the Nation, solemnly declare that the methods by which all this was created are all wrong, ought to be abandoned, and that the time has come to substitute political management for individual initiative and enterprise.

I say no! Such a proposal is nonsense.

It was under the Bill of Rights, and the protection of the Constitution, that the individual initiative and courage of the people wrought the glory and the grandeur of the United States. With liberty came opportunity. Of justice was born initiative. Blessed with the great heritage of freedom on this continent, we have achieved the greatest measure of happiness and prosperity ever enjoyed by any people in the history of the world.

America can if she so wills return to prosperity, help restore and maintain the peace of the world, and in doing that job I am certain the good citizens of Kansas will be found in the vanguard.

## The One Hundred and Fiftieth Anniversary of the First Session of the Supreme Court of the United States

### EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

ADDRESS BY HON. CHARLES A. BEARDSLEY, PRESIDENT OF THE AMERICAN BAR ASSOCIATION

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the address delivered by the Honorable Charles A. Beardsley, President of the American Bar Association, at the exercises held in the Supreme Court Chamber today in commemoration of the first session of the Supreme Court of the United States.

There being no objection, the address of the Honorable Charles A. Beardsley, president of the American Bar Association, was ordered to be printed in the RECORD, as follows:

Mr. Chief Justice and the Associate Justices of the Supreme Court of the United States, I appreciate this opportunity, which has been accorded to me as the representative of the American Bar Association, to participate in this commemoration of the one hundred and fiftieth anniversary of the first session of this honorable Court.

It is most fitting that this event should be commemorated. Its commemoration may well serve to recall to the minds of the American people the purposes of the founders of our National Government, and the part, in the fulfillment of those purposes, that this Court was intended to take, has taken, and will take in the years to come. And this commemoration may well serve, further, to challenge the American people to dedicate themselves anew to the fulfillment of those purposes.

In the preamble of our Constitution, its framers recited the purposes to attain which the Constitution was to be ordained and established. In this recital, the purpose to "establish justice" is second only to the purpose "to form a more perfect Union."

Daniel Webster reminds us that justice is "the ligament that holds civilized beings together," and "the greatest interest of man on earth."

To the end that they might "establish justice," to the end that they might provide "the ligament that holds civilized beings together," to the end that they might strengthen the foundation of civilization on the North American continent, and to the end that they might serve "the greatest interest of man on earth," the framers of the Constitution provided therein for a Federal judiciary, with this Court as its head, to administer "justice" under and pursuant to law.

In the words of President Washington this Court was intended to be "the keystone of our political fabric." And it was intended to be the protector of our Constitution and of the inalienable rights of a free people.

Gladstone's characterization of our Constitution as "the most wonderful product ever struck off at a given time by the brain and purpose of man" is justified by the fact that, for 150 years, this Court has approached, as near as any human institution might well be expected to approach, the fulfillment of the purpose of the framers of the Constitution, to "establish justice" for the American people.

We may properly take pride in the extent to which this Court has approached that fulfillment, realizing as we do, as Addison reminds us, that to be just "to the utmost of our abilities is the glory of man," and that "to be perfectly just is an attribute of the Divine nature."

Not only is it permissible on this occasion for us to recall that this Court is a human institution, but it is also desirable for the American people to recall on this occasion that this human institution will endure, and that justice, under and pursuant to law, will be preserved for the American people, only so long as the American people, by their alertness, fidelity, and sanity, cause them to be preserved and to endure.

For there are forces at work in the world today that are inimical to the continued fulfillment by this Court of the purpose for which it was created.

As a result of the workings of these forces in substantial parts of the world, national temples of justice are no longer honored or worthy of honor, and international morality and law are giving ground to international immorality and anarchy. And many hundreds of millions of people are engaged in war, seeking to settle their differences not according to justice but by force—by the use of a means that is calculated to bring victory to the strongest or to the most unscrupulous, of the contending peoples, wholly regardless of justice.

And, even within our own borders, there are forces at work that are inimical to the principles upon which our Government is founded, including the principle of justice under and pursuant to law.

Thus, there is a tendency among groups of employers and employees to use physical force as the means of settling differences instead of being willing to use the administration of justice—the institution devised by man, when he was emerging from barbarism, as a substitute for combats, for fights, and for wars—an institution that is calculated to bring victory to the contending party who has the most justice on his side, regardless of the relative physical strength of the contending parties.

Also, we have among us many people who are eternally striving to inculcate doctrines that in other parts of the world are producing international lawlessness, anarchy, and war; doctrines that in other parts of the world are destroying temples of justice; and doctrines that in other parts of the world are depriving the people of their liberties and of their lives.

And, finally, there is an all-too-widespread inclination to disregard the fundamental principles upon which our Government and our civilization are founded, and an all-too-general disposition to ignore the historic warning that "eternal vigilance is the price of liberty."

For 150 years the American people have honored, respected, and sustained this Court, and through the years this Court has gained for itself the gratitude and affectionate regard of the American people, because the American people have been steadfast in their devotion to the fundamental principles upon which our Government is founded, and because the American people have seen in the record of this Court the evidence of the striving by its members to be just "to the utmost of their abilities."

This Court has gained, and has retained, this honor, this respect, this gratitude, and this affectionate regard, although, in the words of a nineteenth-century publicist, this Court has no "palaces or treasures, no arms but truth and wisdom, and no splendor but the justice and publicity of its judgments."

On this occasion, as we commemorate the one hundred and fiftieth anniversary of the first session of this Court, we dedicate ourselves anew to the task of defending our Constitution, to the task of guarding our liberties, and to the task of strengthening, defending, and preserving this Court as "the keystone of our political fabric," as the protector of our Constitution, and as the guarantor of justice for the American people under and pursuant to law, not only for another 150 years but also for all time.

## A Republican Program

### EXTENSION OF REMARKS

OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. ROBERT A. TAFT, Senator from Ohio, before the Republican

Club, Boston, Mass., on December 12, 1939, entitled "A Republican Program":

It is a real pleasure to return to the State of Massachusetts, where I spent 3 years at the Harvard Law School and learned the principles of American constitutional law, of which so many have become obsolete. It is a pleasure to come to a great Republican State in the midst of Republican New England. No State had more to do with the formulation of the American system of government or the American system of private enterprise. In the early days of the Republican Party Massachusetts was in the lead in advancing the principles of freedom and equality, for which the Republican Party has always stood; and today no State has been quicker to appreciate the unsoundness of New Deal principles than has the Commonwealth of Massachusetts.

We are looking forward today to the political campaign of 1940. The American people are vitally concerned with events in Europe. They do have a great interest in the outcome of the present war. They bitterly resent the recent attack of Russia on the honest and courageous Republic of Finland. To remain neutral in spirit is contrary to human nature. But because we cheer for one football team, we don't rush out in the field and carry the ball. We don't have to go to war because we favor one nation. The American people have shown clearly their determination to remain neutral in European contests. We may sympathize but we cannot understand all the complications of European politics. We cannot hope by our intervention to solve the problems of Europe. There were many differences in Washington as to the best method of keeping out of war, but it was made clear to Congress and the President alike that 90 percent of the American people were determined to stay out. From a political standpoint, therefore, we can assume that we will not be involved in war during the 1940 campaign.

The issues of the next session of Congress will again be domestic issues. Under the cloak of preparedness, every public spending project which has been rejected by Congress during the past 5 years is about to be revived, and we may see an attempt to stir up public opinion against alleged monopoly and profiteering. But these attempts to divert public attention from the failure of the New Deal are not likely to change the people's present views. After critical study and analysis an adequate defense program will be adopted. There is not likely to be any great change in price levels during this year. The great question before the American people is whether we continue the New Deal administration or return to the basic principles which have guided every Republican and Democratic administration prior to 1933. On that question more than any other depends the future happiness and actually the freedom of the American people.

Everywhere in the United States people realize that the New Deal has only achieved failure. It promised prosperity and a higher standard of living. It promised a balanced Budget and a sound currency. It promised higher farm prices and improvement in the condition of the underprivileged. Today there are still more than 9,000,000 people unemployed. In spite of the dispensation of billions of dollars of Government money, there are more underprivileged than there were under the last Republican administration. Their position is more hopeless and the orthodox New Deal theory now is that they are going to remain unemployed and underprivileged the rest of their lives. We can never be prosperous with 9,000,000 people out of work, and unless that condition can be cured, the desirability of the American system itself is questionable. Farm prices, before the war boom, which was perhaps more psychological than real, were lower than they were in October 1933, when none of the New Deal control measures had been put into effect. The national income is about \$65,000,000,000, whereas in 1928 it was \$80,000,000,000 and there were 10,000,000 fewer people among whom it had to be divided. The average income, and therefore the average standard of living, is about 20 percent less than it was in 1928, whereas in every past depression we have always come back to a higher standard of living and a higher national income than before the depression began. Of course, times are hard, and they will remain so until most of the unemployed are returned to work.

The New Deal promised, above all, carefully planned Government policy to cure our economic ills yet there is utter confusion in dealing with the very matters in which the New Deal has the most interest. The present division of relief responsibility between the Federal Government and the States is most unsatisfactory and produces those situations like Cleveland where every agency blames the other. The Federal Government, working on the supposed theory that they will employ all employables who cannot get work in private industry, is completely failing in its announced purpose. In spite of the expenditure of billions on W. P. A., it is throwing back on the States and localities the relief of millions of employables as well as all the unemployables, in some cases beyond the financial resources of the States and localities. Yet there are few States which could not handle the entire relief problem, employables and unemployables alike, on the money which the Federal Government is spending on W. P. A.

In the housing field we have four separate Federal agencies administering different kinds of housing. Each agency is critical of the other. The administration has refused to proceed with an intelligent, impartial study of the whole problem to develop a consistent housing policy at reasonable expense.

In the vital field of finance, the Treasury and the Federal Reserve Board are hopelessly divided; on the open-market policy relative to Federal bonds, on the theory of spending the Government into prosperity, and on the question of encouraging or discouraging thrift.



In the matter of the production of raw materials, farm products in particular, Secretary Hull's policy is at absolute variance with that of Secretary Wallace. The reciprocal-trade treaties reduce the price of farm products. Secretary Wallace is spending millions to maintain it. Secretary Wallace's price program deprives the American cotton farmer, for instance, of his foreign market and reduces the international trade that Secretary Hull is trying to promote. There is hardly a field of Government activity in which there is not only duplication but a basic conflict of policy.

And finally, we have a deficit in operations and an increase in public debt which is a damning indictment of any organization or administration. An ability to make both ends meet has been considered an absolute essential in every form of human organization, and the new dealers are utterly unable or unwilling to accomplish this purpose. A deficit policy is an insane policy which can lead only, as it has elsewhere, to inflation, national bankruptcy, and the destruction of the very basis of the American system of thrift, industry, and private enterprise.

There are sections of the New Deal of which everyone can approve. There are departments which are well run. There are humanitarian purposes with which we may all sympathize. But the purposes themselves seem to have been forgotten in an earnest desire to change the basis of the entire system by which private enterprise has developed this country. No person can impartially review the results without concluding that after 6 years of unlimited power there has been a complete failure to carry out the announced purposes of the New Deal itself.

We hear today from Washington from all the New Deal apologists the stock answer of those who have failed, "But what would you do?", and "What is the Republican program?" Surely if an administration has plunged the country into hopeless debt, has left millions of people unemployed and left every Government policy in doubt and confusion, that is reason enough to turn for guidance and advice to a party which has conducted America through many of its greatest crises and contains leaders of outstanding ability. But that party has definite principles and can interpret those principles into a definite program.

I find very little difference between Republicans as to what the principles of that program shall be. Many of the details are complicated and must necessarily be left for actual administration, but the main principles may be stated as follows:

First, to take every possible measure to encourage the development of private enterprise through a repeal or revision of the regulatory measures which have prevented its growth, through a friendly administration of the regulations like monopoly control, which remain necessary, and by the revision of the tax system to encourage thrift and investment and production.

Second, to cut Government expenses so that there shall be no deficit, and repeal the inflationary powers to devalue the dollar and issue greenbacks, so that the slide toward bankruptcy may be checked, stability and confidence restored.

Third, to continue those humanitarian activities like relief, old-age pensions, unemployment insurance, and housing and medical aid to the poor, but revise the administration so that it is intelligent, economical, and fair not only to those who receive aid but to those who are working hard to get on without that aid.

Fourth, to aid business and agriculture through measures of different kinds designed to build up private enterprise without regulation, and curtail all extension of Government activities in competition with private enterprise.

I should add that in foreign policy we favor an adequate preparation for defense and the keeping out of war, but on these principles there is no present conflict with the New Deal administration.

It is easy to state a general criticism of New Deal policy. It is not quite so easy to state the general principles of Republican policy. It is much more difficult to interpret that policy into specific proposals to deal with the many problems facing any administration. It requires an actual knowledge of the things which are being done today and of the complications which every solution may produce. I am going to suggest a number of specific policies which represent my own conclusions today, but I quite realize that there may be differences of opinion and that the final Republican program must represent the considered conclusion of a large number of party leaders rather than any individual. The very essence of party government consists in a willingness to accept the advice and conclusions of others, even against one's own opinions, if they do not affect the basic principles of party policy.

I have suggested that the first item on our program should be the reduction and modification of regulatory measures which have discouraged private enterprise. America was built up by the constant encouragement of thousands and millions of men to spend their time and money in activities which both improve their income and position and put many other men to profitable work. During the twenties, all over this country thousands of men every day started out on such enterprises. Many fell by the wayside. Others started with one or two employees, then ten, then a hundred, and in some cases thousands of workers. The same process took us out of every past depression and restored us to a condition where every man who wanted a job could get a job. Today, every small business man is discouraged by government regulation, government reports, and government inspection. Where a man originally could hope that his own efforts might enable him to improve his own condition, educate his children, and leave his family better off, today success seems to depend entirely upon government policy.

I believe that we should gradually abandon all price-fixing programs, because the effort to fix prices of basic commodities inevitably involves the gradual regulation of all practices which affect prices and the extension of price fixing from basic commodities to all incidental commodities. This applies to the fixing of farm prices, coal prices, sugar prices. I do not object to general effort to improve prices by policies which do not involve a regulation of the individual farm or business. It means the modification of the wage and hour law or its administration so that it becomes what it was originally intended to be, a minimum-wage law protecting employees against oppression where the normal processes of collective bargaining are not effective. I believe that the National Labor Relations Act should be amended so that it carries out its real purpose of permitting employees who wish to organize and bargain collectively, without the slightest compulsion from their employers. The amendments proposed by the American Federation of Labor are reasonable and, in addition to those, I believe that the prosecuting and judicial functions of the Board should be completely separated. The hearings before our Committee on Education and Labor show that the act as written could have been administered by a fair board without serious complaint, but the discretion given to the Board is extremely wide and it has been abused in such a way as to produce the greatest miscarriages of justice which this country has ever seen. Today, therefore, the Board's powers will have to be more circumscribed, but an impartial administration is the most essential single change.

The regulation of hours, I believe, should also be modified in many industries, particularly those relating to agriculture. Hour regulation for the purpose of preventing injury to health and lack of time for recreation is certainly justified, but the use of hour regulation to spread work and indirectly affect wages in the long run does employees no good and actually checks employment.

Policies of farm regulation insofar as they involve regulation of every individual farm should certainly be modified, though production-control plans are complicated and cannot be abandoned overnight. In some agricultural industries it may be possible to work out a successful control; in others they should be gradually abandoned. But we must remember that each farm industry is really an independent industry, with problems of its own. But today the farmer is unquestionably at a disadvantage compared to the city workman who has a job, and until that balance is restored assistance must be given through soil conservation benefits or other measures. Whether any device can be worked out to give the farmer the benefit of the higher prices incident to the American market without depriving him entirely of a foreign market I do not know, but if it can be done without involving a regulation of the individual farm I believe it should be attempted.

In the end the principal necessity is the administration of all laws regulating business, including those which properly prohibit monopoly and unfair competition, in a spirit of real friendliness to private enterprise, and in an earnest desire to accomplish the purposes without interfering with the operation of each business. The present administration has not been inspired by either of these purposes. It is full of administrators who at heart are opposed to the entire profit system and convinced that the Government should have its hand in every policy and regulate every detail.

The second section of the program I suggest is the reduction of Government expenses and the repeal of measures which constantly threaten inflation. There is not the slightest reason today why the President should have power to devalue the dollar. The price of \$35 an ounce which we are paying for gold has brought to this country \$17,000,000,000 out of a total world supply of \$27,000,000,000 of gold. If the war continues for 4 or 5 years, we will have it all, and it may not be worth \$35 an ounce. Certainly it would be idiotic to increase the price further. We should stop at once the purchase of foreign silver, which has no conceivable purpose except to let the Government play politics in Mexico. Incidentally I wonder if we could not help Finland by refusing to buy silver or gold of Russian origin. We should certainly repeal the provision which authorizes the President to issue \$3,000,000,000 in greenbacks. If we definitely stabilize the American dollar we will make it the single standard of all world trade and give a stability which will do more to promote that trade than any reciprocal trade treaty policy.

Of course the Budget should be balanced, and by the reduction of Government expenses. We cannot go on with deficit and debt. We are always met by the demand that we state exactly what activities are to be curtailed. The effort to return to sanity in government is going to require the reduction of expenses by every department and a sacrifice from every group drawing financial benefits from the Federal Government. I believe there will be no serious objection if the effort to prevent national bankruptcy is a cooperative effort by all who are affected. People are willing to accept, and even to demand, benefits, simply because others are receiving them. If all can be sure that all are participating in the sacrifice, there will be little objection to such reductions. No one has ever better stated the case than Franklin D. Roosevelt himself in 1932 before he was elected President. He said on July 30, 1932, "Revenue must cover expenditures by one means or another. Any government like any family can for a year spend a little more than it earns; but you and I know that a continuation of that habit means the poorhouse."

And again, "Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policies, we must avoid this danger, we must move with a direct resolute purpose now. The Members of Congress and I are pledged to economy."

A careful study of the Budget indicates that it could be balanced in about 2 years at a figure of approximately \$7,000,000,000. This would be twice the expenditures of the Hoover administration, surely not an unreasonable goal. The Government has been administered for 6 years on the theory, promulgated by Mr. Eccles, and gleefully accepted by every department head, that deficits are a blessing in disguise. Many activities of government could be eliminated without one citizen in a thousand knowing they had disappeared. Many others can be curtailed. It will require courage and determination on the part of the executive, the party, and the Congress. The administration apologists always say that the Budget cannot be balanced. There is only one conclusion found to that argument. That conclusion is national bankruptcy and inflation, the destruction of the American system of private enterprise and probably the destruction of democracy itself. That is what happened in Germany and Italy and Russia. It is an unthinkable alternative.

The third section of the program I suggest is the continuation and reform of the humanitarian activities of the Government. The administration of work relief, in my opinion, should be returned to the States under a plan by which the administration of work relief and direct relief be administered entirely by the State or local authorities, under a plan conforming to Federal law and approved by the Social Security Board. Because of the limited taxing powers of States and local governments, the Federal Government should make a grant of two-thirds of the total amount of money expended for work relief and direct relief. A condition of this grant should be provision of one-third of the total cost from State or local funds. One of the requirements should be that the State plan be administered by a board acting under civil-service restrictions so that State politics be not substituted for national politics. Such a plan would eliminate the situation which has arisen in Cleveland, because the State plan would have to be adequate and approved in principle by a Federal board. The distinction which the Federal Government pretends to make between employables and unemployables is utterly unsound, and is not really the basis of the W. P. A. W. P. A. is merely an expensive Federal work program not much related to relief or the actual needs of any community, not related at all to the amount of money the community itself is prepared to advance. In Cleveland today if the local authorities had available the money which is being expended on W. P. A. in that city, they could satisfactorily handle the entire relief problem with a smaller local contribution than they are now making. It is my conviction that the total amount of money which the Federal Government would have to provide under such a system would be substantially less than they are now spending. The local authorities would determine who is entitled to relief, the amount of work relief, the character of work relief projects, and they would certainly assure a much more equal distribution of relief than is secured today.

While the unemployment insurance provisions of the security act are still in an experimental stage, the general principle seems to be working out satisfactorily. The old-age pension provisions, on the other hand, are extremely confused. All pensions paid up to date are paid under the noncontributory plan, and in most States are larger than they will be for many years under the contributory plan. I believe the whole reserve system with its compulsory deductions from pay roll should be reexamined, that we should have a pay-as-you-go system without deficits on the one hand or the accumulation of unnecessary reserves on the other. These reserves are now invested in Government bonds which means that they are used to finance New Deal deficits. The truth is an entire nation cannot build up a reserve. Under any system they will have to raise the money by taxation at approximately the time it is to be paid out. We might as well recognize that only those who are working at or about the same time can support those who are not working at that time.

The burden of these humanitarian activities is bound to fall on every man who is earning money. Our total Government expenditures—national, state, and local, today are so great, amounting to \$18,000,000,000 or nearly 30 percent of the national income, that the amount required can only be secured by imposing a universal burden. If all individual income over \$10,000 was confiscated entirely, it would not produce enough to run government for 6 months in any year. The average workman today pays 15 percent of his income in taxes directly, or indirectly through prices of the goods he buys. He is the man who has to pay any increased bill for relief to the unfortunate. I believe he is willing to do so. I believe that we have all recognized the obligation to assist those to whom our system does not afford a job at a wage that will reasonably support a family. But I believe also that such assistance must be afforded with as much regard for those who are paying the bill as for those who are assisted. It must be administered with the thought that those receiving assistance shall not be better off than men who are earning their own living, providing their own homes, and raising their own families. It must be administered in such a way that we do not make permanent paupers of the recipients of assistance. Up to this time each department has apparently felt concern only for its wards and has regarded the Federal Treasury as a bottomless barrel. The time has come to review carefully all of these humanitarian activities and place them on a businesslike, equal, and economical basis, with as much decentralization to local government as possible.

The housing program should certainly be restudied. The United States Housing Authority theory of providing all low-income groups

with housing in Government-owned apartment houses is extremely expensive, so much so that it cannot reach more than a small proportion of those who need assistance. It prevents home owning, which has always been considered an American ideal. Some slum elimination and Government housing is desirable, but it should be coordinated with the Federal Housing Administration plan of financing private residences, with the Federal Home Loan Bank system of financing through private building and loan associations, and a definite policy established whose cost we can predict.

There should be some extension of the present Federal aid to the health of the poor, but the present Wagner bill is not only extremely complicated and hopelessly expensive but also looks toward a system of socialized medicine without any right on the part of individuals to select their own physicians. The Federal Government should interest itself financially in the question, but not through the Wagner Act in its present form.

The fourth section includes many possible aids to agriculture and business. I believe that the Government can assist private enterprise without the evils of regulation. It can assist the farmer through soil-conservation payments. It can assist housing through methods similar to the Federal Housing Administration. It can assist in providing better foreign markets for American products. It can assist the American farmer in retaining his home markets. It can find new uses for agricultural products. It can interest itself in preventing monopoly and protecting small industry against unfair methods of competition. Undoubtedly, the Federal Government today has a much broader field than it once had. Business has grown to such an extent that such controls as are necessary must be Nation-wide under Federal administration if they are to be effective at all. Such activities should be conducted for the general purpose of building up private enterprise and building up private employment. We cannot solve our problems without putting people back to work. We can only put people back to work in private enterprise. The New Dealers have done their little best. They have increased the Federal pay roll from 563,000 to 932,000—more than we had even at the peak of World War activity—but this is merely a drop in the bucket. Private enterprise made America what it is today, the greatest and most powerful, yes, and even today the most prosperous nation in the world. We are the same people. We face substantially the same conditions we have faced for the last 50 years. This is not a new era any more than 1929 was a new era. The American people can be as thrifty and industrious and prosperous as they ever were. Physical frontiers may be gone, but they have been gone for 50 years, and we have had many years of prosperity since then. There are plenty of economic and scientific frontiers to overcome. America is not finished.

We have come out of every past depression to a higher standard of living and higher national income than we ever had before, and we have come out under Republican administration without planned economy and without a vast public debt. It can be done again, but it cannot be done unless we reverse the whole basic principles of present administration policy.

## Extension of the Reciprocal Trade Agreement Act

### EXTENSION OF REMARKS

OF

HON. JERE COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

STATEMENT BY EDWARD A. O'NEAL, PRESIDENT, AMERICAN FARM BUREAU FEDERATION

Mr. COOPER. Mr. Speaker, under leave to extend my remarks in the Record, I include the very able and splendid statement of Hon. Edward A. O'Neal, president, American Farm Bureau Federation, at hearing before the House Ways and Means Committee on House Joint Resolution 407, to extend the Reciprocal Trade Agreement Act, Washington, D. C., January 25, 1940.

The statement is as follows:

I have come here today to give you the views of the American Farm Bureau Federation on the question of extending the Reciprocal Trade Agreement Act, as provided in House Joint Resolution 407 introduced by Chairman Doughton, of the Ways and Means Committee.

The American Farm Bureau Federation, at its annual meeting in Chicago recently, went on record in favor of continuance of this program, under proper safeguards.

The present position of the American Farm Bureau Federation is in line with the position it has taken ever since it was founded 20 years ago. The American Farm Bureau Federation has steadily



worked for measures which would restore equality to agriculture, by control and disposal of surpluses, and by making the tariff effective for agriculture. We have tried to bring agriculture within the protective system of controlled prices and bargaining power which has proved so beneficial to other groups.

The first World War brought a big expansion of agricultural production in the United States. When the war came to an end, a large part of the foreign demand ceased. Surpluses piled up in this country, and farm prices were drastically reduced. The index of prices received by farmers fell from 213 in 1919 to 125 in 1921. But the index of prices paid by farmers fell much less. From 202 in 1919, it went down only to 152 in 1921. The result was that per capita farm income from production was reduced by 60 percent. Not only that, but farm income went way down as compared with nonfarm income. In 1919 the per capita farm income from production available for family living was 54 percent as great as the per capita nonfarm income. But by 1921 the per capita farm income was only 21 percent as great as the per capita nonfarm income.

Farmers found that they were completely deflated. But industry and labor were protected against the full effects of the post-war deflation by tariffs, wage laws, and the corporate form of business organization. Farmers naturally demanded that they too be included in the protective system. This demand for equality was one of the principal reasons for the organization and growth of the American Farm Bureau Federation.

In step with this demand, the American Farm Bureau Federation immediately threw its support behind measures to protect the domestic prices of farm products. We felt that the world would take our surpluses, but we had to have some way to protect the domestic price. We thought, at that time, that we could accomplish this result through the tariff and through the control of domestic supplies by farmers' voluntary cooperative marketing organizations. We thought if we could only get rid of the exportable surpluses we could make the tariff work for agriculture. Our slogan was "Tariff for all or tariff for none."

That is why we supported the Emergency Tariff Act of 1921 and took part in the National Agricultural Conference called by President Harding in 1922, which recommended further tariff revision. We then supported the increase in tariffs provided in the Fordney-McCumber Act of 1922.

We, apparently along with everybody else at the time, failed to realize that the change of this country from a debtor status to that of creditor called for a new foreign policy. We just didn't appreciate the significance of this change, and apparently some people don't appreciate it even now.

Meantime the surplus problem was ever present, and we supported a whole series of measures and proposals intended to cope with it.

One of the very first projects sponsored by the American Farm Bureau Federation was the gift of over 400 carloads (roughly equivalent to a half million bushels) of surplus corn for the relief of suffering people in Belgium, Poland, and the Near East in 1921. This corn was donated by farmers, who felt that it was simply weighing down prices in this country and would fill a real need overseas.

In 1921 we supported the extension of the powers of the War Finance Corporation, enabling it to lend up to \$1,000,000,000 to farmers, and later, authorization for it to make advances to foreign purchasers of our surplus agricultural products.

We worked actively for lower freight rates so as to facilitate the movement of our surplus products abroad. We also supported expansion of the American merchant marine with the same end in view. We favored the Great Lakes-St. Lawrence Waterway and the development of the Missouri, Ohio, and Mississippi Rivers so as to cut down the cost of getting our wheat into the Liverpool and other foreign markets.

Still we were plagued with a surplus. We then threw our weight behind the McNary-Haugen bill, under which a Government export corporation would have been set up to dispose of our surplus farm products in foreign markets in such a way as to give our farmers the benefit of the world price, plus the tariff, in their own markets. The principal aim of the McNary-Haugen bill was to make the tariff effective on our farm products. This proposal, although enacted twice by Congress, was blocked twice by Presidential veto and was never carried into effect.

The McNary-Haugen fight was an 8-year fight. The cities were prosperous, but agriculture was depressed. We fought continuously to achieve control of surpluses and to bring agriculture into the American protective system. Farmers in the corn and wheat areas, joined by their neighbors in the Cotton Belt of the South, became thoroughly aroused.

As a substitute for the McNary-Haugen plan, farmers in 1929 were given the Agricultural Marketing Act. We did not recommend this plan, but we cooperated in every way possible to give it a full and complete trial.

The experience of the Federal Farm Board under the Agricultural Marketing Act demonstrated the futility of trying to control surpluses and make the tariff effective without Government help to farmers in the control of their production. The Farm Board found that even through the use of subsidies it was extremely difficult to get rid of the surpluses in foreign markets. In its annual reports the Farm Board frankly confessed the futility of this type of operation, unsupported by production control.

During the decade of the 20's there had been a gradual but slight improvement in the farm situation. A few moments ago I

pointed out that in 1921 the per capita farm income was only 21 percent as great as per capita nonfarm income. By 1929, it was 28 percent as great as nonfarm income.

But the stock market crash in 1929 ushered in a new and even more serious emergency for agriculture and the Nation. For years the cities had thought they could keep on being prosperous without a prosperous agriculture. We had repeatedly warned that the Nation could not continue half boom and half broke. At last the storm hit the cities and the farms both.

Farm income was dealt another staggering blow. The incumbent administration proposed another revision of the tariff. In desperation the farmers joined in with this movement. The American Farm Bureau Federation supported the upward adjustment of agricultural rates, hoping thereby to get farm prices up to parity with industry. We did not, however, approve the upward adjustment of nonagricultural tariffs. Our Washington representative, Mr. Chester H. Gray, testifying before the Ways and Means Committee of the House on January 24, 1929, clearly brought out this point in answering the questions of Representative Cordell Hull, then a member of the committee.

Mr. Gray said: "I pointed out, I believe, the first day I appeared before the committee, on behalf of schedules we were seeking, that the adjustments of tariff rates this time were to equalize agriculture with industry. If that were done, we would have no assault to make on the industrial fabric, unless the industrial duties should be sought to be raised so inordinately, or so far beyond what we are seeking, as to make it entirely out of proportion. Then we would have to make a fight, and we would make a strong one, to bring those schedules down."

That was the position taken by the American Farm Bureau Federation at the time the Smoot-Hawley Act was under consideration. In the spring of 1929 a special session of Congress was called for the specific purpose of enacting farm legislation and a limited revision of the tariff to help agriculture. But what happened? The action that started out as a limited revision became a general revision, in spite of the insistence of the President and friends of agriculture in Congress. Almost every special interest in the manufacturing field demanded a share of the tariff gravy that was being dished out. Agriculture got quite a number of increases in agricultural tariff rates; but for every increase the farmers got, industry got several times as many. After a year of old-fashioned tariff logrolling, the Smoot-Hawley Act was passed by Congress and signed by the President. It embodied the ultimate extreme in high-tariff protection in the history of the United States. It contained over 4,900 dutiable items on which the average ad valorem duty, computed at 1930-32 values, was 57 percent.

Actually, the protection given most agricultural prices in the Smoot-Hawley Act was only a mirage. This was especially true for the export commodities, on which tariffs were not effective because the exportable surpluses forced the domestic price down to the world level. During the years immediately following this period, this fact became more and more evident as the prices of our staple farm commodities fell lower and lower. By 1932 farmers were getting 30 cents a bushel for their wheat, in spite of the fact that they enjoyed a wheat tariff of 42 cents a bushel. They were getting only 10 to 20 cents a bushel for their corn, even though the tariff on corn was 25 cents a bushel. They were getting only 15 or 16 cents a pound for their butterfat, even though the butter tariff was 14 cents a pound. They were getting only 9 cents a pound for their wool, even though the wool tariff was 24 cents a pound.

Industrial prices did not decline nearly as much as farm prices, because industrial tariffs were more effective and because industry operated under monopolistic controls. Thus, the disparity of agriculture with industry was greatly increased.

The great rank and file of farmers at last had their eyes opened to the inadequacy of higher tariffs as a means of coming within the American protective system. They became convinced that every time they were lured into the tariff game they got traded out of their shirts. Their painful experience with the Smoot-Hawley Act demonstrated to them, once and for all, that higher tariffs were not the solution to their surplus problem. Farmers at last realized, probably more fully than ever before, how they were penalized under the tariff system. Despite the higher tariffs and despite the stabilization operations of the Farm Board, which was doing the best it could with the machinery it had, the surpluses of farm products piled up and the bottom dropped out of farm prices, while the prices of things farmers had to buy were maintained at much higher levels.

The Federal Farm Board, in its desperate efforts to dispose of surpluses, sold seven and one-half million bushels of wheat to a German importer whose notes were guaranteed by the German Government. The price was \$3,912,000, of which \$1,276,000 is still unpaid. The Farm Board also sold 15,000,000 bushels of wheat to the Chinese Government and took notes for \$9,212,000, of which only \$6,000,000 has been paid. It gave 85,000,000 bushels of wheat to the Red Cross.

Thus the tariff did not solve our domestic price problem and accentuated the disparity between the farmer and the rest of the public. Incredible as it seems, by 1932 the per capita farm income was only 12 percent as great as the per capita nonfarm income.

That was the climax of the 10 years of effort by the American Farm Bureau Federation and by Congress to give equality to agriculture under the old-fashioned tariff system.

Not only did the tariff fail to help American farmers out of the depression, but it actually injured them severely, and greatly intensified the effects of the depression. When the United States imposed these high industrial tariffs, other countries soon retaliated against our products, particularly our farm products, and cut off to a large extent our already dwindling foreign outlet.

For example, Cuba, our second largest market for lard, angered by our high duty on sugar and following our example of intense nationalism, boosted the duty against our lard to over \$9 a hundred, and added a consumption tax of practically 10 percent. How could we hope to sell our surplus lard to Cuba under such conditions?

Similarly, in the case of wheat, Germany, France, and Italy, who were among our best customers, boosted their tariffs to more than \$1.50 a bushel. How could we sell them any wheat under such conditions.

The worst damage to American agriculture came when the United Kingdom, which had long been our greatest market for farm surpluses, abandoned her traditional free-trade policy in favor of Empire preference. This dealt a heavy blow to our exports of lard, pork, beef, wheat and flour, apples, tobacco, and other American farm products. The whole world became a veritable jungle of trade restrictions and trade barriers of every kind. These barriers, together with the other nationalistic policies which many countries had adopted after the first World War, strangled trade, threw millions of people out of work in the United States, and caused enormous surpluses of farm products to pile up in our domestic markets, wrecking farm prices and bankrupting thousands of farmers.

The disastrous results of the Smoot-Hawley Act showed that some better method of tariff making would have to be adopted. That unfortunate experience proved that whenever Congress undertakes a revision of the tariff the country is then at the mercy of logrolling, vote-trading blocs which without regard to the general welfare seek to further their own special interests.

Many years before, the shortcomings of the old method of tariff making had begun to be realized by even the advocates of the protectionist philosophy. In the Fordney-McCumber Act, Congress recognized the need to get away from the old method of making revisions. For this purpose it established the Tariff Commission and provided for a flexible tariff, which people hoped would take the tariff out of politics and out of the congressional logrolling, and provide for scientific tariff readjustments based on factual studies. This action was supported by the American Farm Bureau Federation. It was predicted at that time that the Fordney-McCumber Act would be the last general revision by Congress.

Looking back now, how the farmers wish it had been. The flexible provision, however, proved to be very cumbersome and slow, and failed to provide a satisfactory method of tariff adjustment. With the exception of a few commodities, the adjustments were inconsequential to the point of absurdity, and practically all of the changes were upward.

In the light of the Nation's experience under these various tariff acts, and profiting from the lessons learned during the depression, Congress in 1934 passed the Reciprocal Trade Agreements Act. One of the main purposes of this act was to reopen export markets for American farm products. This act set up machinery whereby our Government could induce other countries to scale down their trade barriers against our farm and industrial products.

Meanwhile, the cutting off of our export outlets, resulting from the trade barriers throughout the world, forced American farmers to develop an effective mechanism with which they could adjust their acreage and production in line with available markets—domestic and foreign. The loss of our foreign outlets made it necessary to reduce the production of surplus crops by 30,000,000 acres. Through the Agricultural Adjustment Act of 1933 farmers had the aid of the Government in making this adjustment.

Both the agricultural-adjustment program and the trade-agreement program were supported by the American Farm Bureau Federation. Since that time we have heartily supported the Soil Conservation Act and the Agricultural Adjustment Act of 1938. The farm program and the trade-agreement program are not contradictory but actually dovetail together in working toward the objective of bringing parity to the American farmer. Under the one program, farmers are keeping their production in line with existing demand, and under the other program the Government is attempting to regain foreign markets so that farmers can produce more at profitable prices.

The Nation has now had nearly 6 years of experience with the Reciprocal Trade Agreements Act. The program carried out under that act has been almost constantly the subject of intense controversy. There have been repeated charges that under the trade agreements "farmers have been sold down the river." On the other hand, friends of the trade-agreement program have claimed that it is of substantial benefit to agriculture.

In order to get at the real effects of this program without regard to partisan politics or preconceived economic theories, the American Farm Bureau Federation enlisted the cooperation of one of the leading agricultural colleges of the United States, Iowa State College. Under the direction of Prof. T. W. Schultz, head of its economics department, this college, during the last few months, has carried on a comprehensive study of the program. We wanted facts and not propaganda.

In this study Professor Schultz and his assistants sought the answers to these and other questions:

Have the American farmers been hurt by increased imports under the trade-agreements program?

Have the American farmers been helped by increased exports under the trade-agreements program?

Have the American farmers received benefit from increased industrial exports under the trade-agreements program?

What has been the over-all effect of this program upon American agriculture?

Based upon the results of the Iowa State College study and factual information made available from other sources, the delegates representing farmers from 39 States, at the annual meeting of the American Farm Bureau Federation at Chicago in December 1939, without a dissenting vote adopted a resolution declaring as their conviction that the net effect of the trade-agreements program had been helpful, rather than harmful, to American agriculture, and favoring the continuance of the trade-agreements program with proper safeguards. They felt that the farm program and the trade-agreements program, working together, provide the greatest hope not only for a balanced economy in America but for strengthening this Nation's position as the world's foremost Christian democracy.

The resolution adopted was as follows:

"Recognizing the fact that our tariff policies had failed to protect the domestic price of basic farm commodities generally produced in surplus volume in this country and, further, that such policies had contributed to the disparity that had developed between farm prices on the one hand and industrial prices and wages on the other, the American Farm Bureau Federation in 1934 authorized its board of directors to support legislation permitting the negotiation and consummation of reciprocal-trade agreements with other nations; insisting, however, that in negotiating such agreements no concessions be made which might have the effect of reducing or holding the domestic price of any agricultural commodity below the parity level.

"The Federation recently sponsored a study by recognized economists of the economic effects of all important existing trade agreements. This study seems to reveal that there has been a substantially larger increase in exports to agreement than to non-agreement countries, and that there has not been any appreciable difference in the percentage of increase in imports from agreement and non-agreement countries. Many factors have no doubt contributed to this increased trade, including our gold policy and a general upturn in world business. From all facts thus far available, it appears that while the greatest portion of increased exports has been in industrial products, from which agriculture has only indirectly benefited, yet this study, together with other information available to the Federation, reveals that the net effect of the agreements has been helpful rather than hurtful.

"In giving our support to the continuance of reciprocal-trade agreements, we renew, with increased emphasis, our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.

"We further insist that in the negotiation of trade agreements, economic factors be given consideration equivalent to the weight accorded to the factors of diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture."

In another resolution the delegates called attention to the danger to agriculture in the proposed trade agreements with Argentina, Uruguay, and Chile. This resolution was as follows:

"With respect to the proposed Argentine trade agreement, we believe that it will be extremely difficult to negotiate an agreement with the Argentine which is not fraught with grave danger to American agriculture, for the reason that the bulk of Argentine exports are directly competitive with the products of American farms. A similar principle is involved in the proposed trade agreements with Chile and Uruguay.

"We again direct the attention of the State Department to our brief on this subject, filed by the American Farm Bureau Federation with the Committee for Reciprocity Information on October 4, 1939, in which we insist that no concessions be granted to the Argentine which might reduce or hold the domestic price of any agricultural commodity below the parity level. To do so would force American farmers to condemn such an agreement and would seriously detract from their otherwise support of this fundamental policy of foreign trade."

What are the facts on which the position of the American Farm Bureau Federation is based?

Have American farmers been hurt by increased imports? The facts show that the volume of agricultural commodities from trade-agreement countries has not increased to any greater extent than the volume of such imports from nonagreement countries. Furthermore, the total volume of all competitive farm imports is substantially less under the present trade-agreement program than it was during the period 1924-29. Careful analysis fails to disclose any measurable injury to American agriculture chargeable to trade agreements.

The State Department has wisely pursued a cautious policy in making concessions to other nations, frequently resorting to quota restrictions to protect our domestic markets against excessive supplies of imported commodities. Furthermore, Secretary Hull, in his address at the American Farm Bureau annual meeting, gave his own personal assurance of his deep concern in the welfare of farmers



and his intention to safeguard and promote their welfare. He said, "Let me say to you in perfectly plain language that if there were the slightest suspicion in my own mind that farmers in this country were being hurt rather than helped by the trade-agreements program, I would be the first to favor dropping it. But the facts tell a different story."

Subsequently, President Roosevelt, responding to my letter transmitting our resolutions on the trade-agreements program and the Argentine agreement, also gave definite assurance that the welfare of agriculture would continue to be zealously safeguarded. His letter reads as follows:

"Thank you for your letter of December 15, 1939, enclosing the summary of a study made by Dr. Schultz, of Iowa State College, of the effects of the trade-agreements program upon agriculture.

"The results of this careful and unbiased study afford a perfect illustration of what happens when the reckless and irresponsible charges that have been made against the trade-agreements program are properly sifted and exposed to the test of facts. Every effort has been made, and will continue to be made, to safeguard the interests of agriculture.

"The evidence that agriculture has been helped, rather than hurt, by this program seems unanswerable, and I congratulate you and the American Farm Bureau Federation for the splendid stand which you took on this vital question at your recent annual meeting in Chicago."

Since these assurances were given, an announcement has been made of the abandonment of the proposed agreements with Argentina and Uruguay, due to the insistence of our Government upon adequate safeguards to protect our farmers, especially on flaxseed and canned beef, and the refusal of Argentina to accept an agreement containing such safeguards. The willingness of our Government to scrap these agreements rather than sacrifice the welfare of our farmers is greatly appreciated and is ample evidence of the good faith of both President Roosevelt and Secretary Hull.

Have Americans farmers been helped by increased exports of their farm products? The facts show that exports of farm products to trade-agreement countries from 1935-36 to 1938-39 increased 15 percent, while exports of farm products to other countries decreased 19 percent. Important concessions were made by Great Britain, France, and other countries on American wheat, American pork and lard, and a wide range of fruits, vegetables, and other products. This certainly is strong evidence of the effectiveness of these agreements in restoring our export trade.

We recognize that, world conditions being what they are, the trade-agreements program by itself has not been able to restore the American farmer to his former position in the world market. On certain commodities, particularly wheat and cotton, our Government has proposed special international agreements which would assure our farmers of their share of the world market. Pending the completion of such agreements, it has been necessary for our Government to subsidize the export of wheat and cotton. During the wheat-marketing year, which ended last summer, we were able to export more than 100,000,000 bushels of wheat. The current cotton-export program already assures that during the present marketing year cotton exports will total 6,000,000 bales or more. Both the trade-agreements program and the export-subsidy programs demonstrate the beneficial effects on farm income of the disposal of a relatively small portion of these commodities in the export market. The total cost of last year's wheat-export program was about \$25,000,000, and that of this year's cotton-export program about \$40,000,000, whereas the increase of farm income which has resulted is several times as great.

Have American farmers benefited from an increase in industrial exports resulting from the trade-agreements program? There is strong evidence that they have so benefited. Under the Canadian trade agreement alone industrial exports have increased by almost \$100,000,000. This increase in industrial exports is reflected in a larger volume of factory pay rolls in the United States. These larger factory pay rolls in turn are reflected in increased income received by the producers of livestock products, dairy products, poultry products, and fruits and vegetables.

The Iowa State College study indicates that the over-all result of the trade agreements has been a benefit to American agriculture. Professor Schultz in his report says: "There have been positive gains to agriculture from the trade agreements. Though possibly less substantial than many had hoped for, the gains have been real and in the right direction."

It should be made clear that the American Farm Bureau Federation is not asking for an income for agriculture above the parity level. There is no just reason for complaint about imports of a commodity the price of which is above parity. Our farmers, for example would be glad to admit Argentine corn if the price of corn were above parity. A few years ago when drought cut down our domestic corn crop by a billion bushels, our members had under consideration a recommendation that the tariff on corn be temporarily reduced. But the American Farm Bureau Federation does favor tariff and other policies which will place agriculture in a fair-income relationship with the rest of the public.

We feel that the slogan used in some quarters, "The American market for the American farmer," does not by any means indicate what the farmer really wants. The American market alone is not nearly enough for the American farmer. What the American Farm Bureau Federation stands for is: "An American standard of living for the American farmer."

An important aspect of this whole tariff- and trade-agreement question is the effect of the tariff and other policies on the farmer as a consumer. Agriculture is an important part of the American

market for industry. There are 10,000,000 farm people in the South dependent on cotton and 5,000,000 farm people in the Corn Belt dependent on corn and hogs. All these farmers are producing for export and their income and purchasing power is directly affected by the opportunity to sell their products in world markets at profitable prices.

The farmer as a consumer is affected not only by his own income, but by the price of things he has to buy. For a long time he has had to pay higher prices by reason of the tariff on manufactured goods. If the tariff duties on products the farmer consumes were completely effective in raising prices, the tariff on goods they used in 1935 would have cost American farmers \$681,000,000, according to a recent Department of Agriculture estimate. This amounts to \$108 per farm family. Though the duties were not, in fact, completely effective in raising prices, the actual cost of tariffs to farmers was still a substantial portion of these estimates and amounted to a noticeable item in the farmer's budget that year. For goods used in family living on the farm, tariff costs, on the basis of the same estimate, would have amounted to \$510,000,000 in 1935 and, for goods used in farm production, \$171,000,000. These costs average \$81 and \$27 per farm family.

We hear a great deal these days about taxes that are said to be taxes on consumption. But farmers, who receive so little benefit from the tariff and who must pay tariff-protected prices on purchases to supply their everyday needs, are undoubtedly the chief victims of such consumption taxes. Here are a few articles farmers must buy, and the rate of the tariff tax on them: Shoes, 20 percent; axes, 45 percent; stoves, 70 percent; rope, 30 percent; skillets, 60 percent; suspenders, 35 percent; tooth brushes, 172 percent; tooth paste, 75 percent; padlocks, 253 percent. When you consider the high tariff tax farmers must pay on almost everything they buy, it is little wonder that their total cost of living is increased by hundreds of millions of dollars because of the tariff.

Behind the shelter of sky-high tariff walls, numerous American industries have been able to carry on monopolistic practices and monopolistic price fixing. A notorious instance of this was uncovered by the Federal Trade Commission when, on July 2, 1937, it issued a complaint against the Cement Institute charging it with price fixing, price discrimination, and violations of antitrust laws. The Federal Trade Commission found that the cement industry, the bulk of which was concentrated in two or three giant corporations, maintained a rigid price scale through a "multiple basing point system," and that in order to maintain its price scale, had consistently fought to keep out any competition from abroad.

I cite the case of the cement industry because it is typical of what happens in many tariff-protected industries. Monopoly finds its greatest stronghold in those industries which are the most impregnable citadels of tariff protection.

Reports of the Temporary National Economic Committee show that some of these industries, through their legally sanctioned corporate power, buttressed by tariff laws and other governmental devices, have made trade agreements of their own against the public interest in the form of national and international cartels. Through these controls they have become more powerful than the governments which created them and they fix their own prices to the disadvantage of agriculture, labor, the consuming public, and that portion of business which is unprotected.

The American Farm Bureau Federation is against monopoly and is on record in favor of the Government's efforts to combat violations of the antitrust laws, whether they be in agriculture, industry, or labor. But we recognize that in many cases letting in some competitive imports is one of the most effective ways of enforcing these laws.

Under the Government's legitimate trade-agreements program it is possible to bring some real competition into such industries as the cement industry and thus get some genuine enforcement of the antitrust laws. No consumer group in the United States has more to gain from the restoration of such competition than the farmers.

The claim is sometimes made that high industrial tariffs are necessary to maintain the wage scales of industrial workers. But studies have shown that it is the protected industries that pay the lowest wages. The efficient industries, meeting the competition of the world, are the ones that on the average can pay the best wages to their workers.

Confirming this point, my good friend Charlton Ogburn, counsel for the American Federation of Labor, wired me on January 18 as follows: "In 1929 a survey showed that annual wages paid average worker in 36 typical tariff-protected industries were \$595 less than wages to worker in 36 typical export industries."

From an economic standpoint alone there is ample justification for continuing the trade-agreement program, but in the present state of world affairs, we must keep larger considerations constantly in view. Does the trade-agreement policy make a contribution toward the restoration of orderly relationships among the peoples of the world? It is our belief that it does make a substantial contribution. Suppose the war in Europe should end this year. Upon what basis would our country be able to regain its place in the world-trade picture if our trade-agreement policy is scrapped?

It is absolutely impossible for the welfare of American agriculture to be preserved if we should attempt to reorganize our affairs on a nationalistic basis. Our cotton producers, our tobacco producers, our wheat producers, our hog producers, our fruit producers are all dependent on the foreign market. Suppose the cotton and tobacco producers lost their foreign market completely. They would immediately go into competition with the corn and

hog and beef and dairy producers. The largely imaginary competition which some people claim faces these producers through the trade-agreements program, would be replaced with real competition of tremendous scope within our own country.

The statement has been made that 97 percent of the market for American farm products, with the exception of cotton and tobacco, is right here in the United States. From this the conclusion is drawn that we don't really have to worry about the export market for agriculture.

I want to say to you gentlemen right here and now that the American Farm Bureau Federation does not subscribe to any such fallacy as that. We are out to protect the interests, not only of the cotton and tobacco farmers, but also the wheat and hog farmers, and the producers of other farm commodities, who for many years have been on the export market. And we are out to protect the interests of the dairy farmers and the cattle farmers, for we realize that they too will suffer if the farmers now producing for export are forced into competition with them. Because of the opportunity of farmers to shift from the production of one commodity to another, no one branch of agriculture is immune from the effects of misfortune to any other branch. The truth is that, directly or indirectly, all of agriculture is on the export market.

Some people claim that chemurgy is going to open up new markets for farm products in industry. We all hope that real progress along this line can be made, but sober common sense tells us that we cannot expect any sweeping results overnight. There isn't any magic way out for the American farmer. He must work for markets abroad if he is going to have any chance at all of disposing of his surplus production.

The prosperity of the dairy and cattle producers is related to that of the cotton, tobacco, wheat, and hog farmers in another way. When the farmers of the South, for example, who constitute 47 percent of the 32,000,000 farm population, and whose prosperity or lack of it determines the economic condition of one of the great regions of the United States—when these people are lacking in purchasing power, they cannot buy the butter or beef produced by the dairymen and cattlemen. Neither can they buy the products of industry. And when industry slackens off and factory pay rolls decline, the dairymen and cattlemen are immediately hurt.

The American Farm Bureau Federation stands for unity in agriculture and consistently fights for the best welfare of agriculture as a whole and of every one of its branches.

The American Farm Bureau Federation also stands for national unity and national balance. At our annual meeting a year ago, our members adopted a resolution vigorously supporting measures which will promote a better balance in our national life and strengthen our national democracy. In this resolution they said:

"America needs an economic balance which will assure security for labor, stability for industry, and parity for American agriculture."

It is because we believe the trade-agreement program contributes to that better balance in our national life that we have consistently given it our support.

It all comes down to a question of what is the best method of tariff making. We have the tariff and no one wants to get rid of it so suddenly as to upset the country, but we want the tariff to work for us and not against us. We want to be able to adjust it up or down, according to the interests of the entire Nation. One method which has been proposed is that trade agreements be made subject to Senate ratification. We respect the far-seeing wisdom of the Members of the United States Senate, but as I have shown, it is impossible to safeguard the fundamental interest of the general public when Congress concerns itself with the details of tariff making. The record over the last 20 years shows that that system, as far as agriculture is concerned, is a complete failure. Senate ratification of trade agreements would mean a return to the old system of logrolling. We might as well repeal the law altogether as to have that.

The American Farm Bureau Federation feels that substantial progress has already been made under the trade-agreement program and, if world conditions permit, much greater progress can be made in the future. Therefore, on the basis recommended in our resolution, we favor a continuation of the Reciprocal Trade Agreements Act.

## Appropriation for Dry-Land Agriculture

### EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

### TELEGRAMS FROM CONSTITUENTS

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tele-

grams received by me with reference to the work of the dry-land stations:

HAVRE, MONT., February 1, 1940.

Congressman JAMES F. O'CONNOR,  
Washington, D. C.:

Met with various organizations this afternoon. Believe they are wiring their reaction. M. A. Bell, former superintendent of this station, is in Washington. Can be reached by telephoning Bureau of Plant Industry, Dry Land Agriculture. He can give you all the material you want, having been at this station 16 years.

FRED S. WILLSON,  
Superintendent.

HUNTLEY, MONT., February 1, 1940.

Hon. JAMES F. O'CONNOR,  
House of Representatives, Washington, D. C.

Appropriation for dry-land agriculture at Huntley, Mont., \$4,800. This station for 28 years has been a source of reliable basic agricultural information to farmers and stockmen. Long range and wide scope of research in crop rotations, tillage, regrassing, crop improvement, pasturing, climatic soil moisture, and conservation is yielding increasingly valuable information each year toward sane development of Montana agricultural resources.

A. E. SEAMANS.

BOZEMAN, MONT., January 31, 1940.

J. F. O'CONNOR,  
Member of House of Representatives,  
Washington, D. C.:

Without the supplemental funds provided by H. R. 2422, passed last year, restoring reductions in extension funds, this work would have suffered serious curtailment in Montana. Many people, both urban and rural, deeply appreciated your efforts in support of this bill and trust it will be continued for renewal of this appropriation for next fiscal year. No doubt this is under consideration now, along with other appropriation measures. Renewal of item is vital to maintenance of extension work in this State at present level. Letter dated February 18, 1939, explained need in detail.

J. C. TAYLOR,  
Director, Montana Extension service.

BOZEMAN, MONT., January 31, 1940.

JAMES J. O'CONNOR,  
House of Representatives, Washington, D. C.:

Am disturbed by reports on Budget reductions, Department of Agriculture, as affecting Montana. Cooperative relations between Montana agricultural experiment station and Department involve Bureaus Agricultural Economics, Animal Industry, Dairy Industry, Entomology, Forest Service, and Plant Industry, including Divisions Cereal Crops, Dry Land Agriculture, Forage Crops, Irrigation, Agriculture, and Soil Survey. Do proposed Budget reductions affect only Montana or are they aimed at the West as was true several years back?

CLYDE MCKEE, Director.

HOBSON, MONT., February 1, 1940.

Hon. JAMES F. O'CONNOR,  
House of Representatives, Washington, D. C.:

Do all in your power to amend appropriations bill eliminating Moccasin Experiment Station. This station of vital interest not only to central Montana but the entire Nation as well, for its data on crested wheatgrass and other forage crops. The hardy variety of crested wheatgrass developed at Moccasin station prevents soil erosion and plays an important part of soil conservation.

Senator R. DALE WOODS,  
President, Hobson Commercial Club.

LEWISTOWN, MONT., January 31, 1940.

Congressman JAMES F. O'CONNOR,  
Washington, D. C.:

If production of Montana's high-protein milling wheat, value of her federally sponsored grazing districts, benefits of range-control program, national economic importance of her cattle, sheep, and wool industry, and the very existence of her many communities dependent upon these things is to be maintained, then the 30 years' experiment and research work of Moccasin Experiment Station must be made possible of continuation by Federal support. Urge you extend efforts to secure appropriation for this station.

CENTRAL MONTANA CHAMBER OF COMMERCE,  
HALL CLEMENT, Secretary.

HAVRE, MONT., February 1, 1940.

JAMES O'CONNOR,  
Member of Congress,  
Washington, D. C.:  
Resolution

Whereas the experimental station of the Division of Dry Land Agriculture is conducted at Havre, Moccasin, and Huntley, Mont., by the Bureau of Plant Industry, United States Department of Agriculture; and

Whereas the experimental station has rendered invaluable service in developing and establishing adapted varieties of grain and other



crops, proper tillage practices, as well as in the demonstration of sound farming methods; and

Whereas the work that has been done by these stations have had a sound and constructive influence on the development of dry-land agriculture and the proper utilization of land in Montana; and

Whereas the results of these stations have been widely used by the newer action agencies created to bring about the conservation of natural resources, and proper adjustment in land use; and

Whereas the nature of the experimental and demonstration work carried on by these stations is such that any discontinuance thereof, even for a short period, would, to a considerable extent, nullify the result of the experiments which have been under way for many years, thereby causing irreparable loss to the State; and

Whereas the committee recommendation presented to the Seventy-sixth Congress of the United States does not provide funds for the continuance of the work referred to: Be it therefore

*Resolved*, That the undersigned protest against the discontinuance of this experimental program and ask that provision for its continuance be included in the Budget; be it further

*Resolved*, That a copy of this resolution be sent to the Director of the Budget, Secretary of Agriculture, Senators B. K. WHEELER and JAMES E. MURRAY, and Representatives JAMES O'CONNOR and Dr. THORKELSON, all at Washington, D. C.

HILL COUNTY AGRICULTURE  
CONSERVATION ASSOCIATION,  
By F. B. PURDY, *Chairman*,  
HAYRE KIWANIS CLUB,  
Dr. J. A. WRIGHT, *President*,  
HAYRE ROTARY CLUB,  
By F. S. MARION, *President*,  
HAYRE LIONS CLUB,  
By JESS L. ANGSTMAN, *President*,  
FARMERS GRAIN EXCHANGE,  
By ARTHUR R. POTVIN, *Manager*,  
HAYRE CHAMBER OF COMMERCE,  
By ELMER HANSON, *President*,  
HILL COUNTY PLANNING BOARD,  
By JOHN OSTNESS, *Chairman*.

BOZEMAN, MONT., January 31, 1940.

Congressman J. F. O'CONNOR,

Washington, D. C.:

Budget reductions proposed for Division Dry Land Agriculture will eliminate crop and soil research from dry-land experiment stations at Havre, Moccasin, and Huntley. Means closing Moccasin station and elimination of crop and soil investigation at Havre and Huntley. Would seriously handicap development permanent agriculture in Montana. Farm people place much dependence on results from these stations in planning land use for future. Hope you can urge restoration of funds for Dry Land Division, Department of Agriculture, as it means much to all of Montana east of Continental Divide.

CLYDE MCKEE,

Director, Experiment Station, Bozeman.

GREAT FALLS, MONT., January 31, 1940.

Hon. JAMES F. O'CONNOR,

United States Congressman,

Washington, D. C.

Reliably informed that appropriations for Montana experiment stations being withdrawn. Of the same opinion as several years ago when we and practically entire State protested vigorously against this. Any such elimination would be disastrous. Experiments at Moccasin alone regarding winter kill of wheat saved farmers of State many times appropriation. Hope we may have your best cooperation.

BULEN AND BREITEN CHAMBER OF COMMERCE.

LEWISTOWN, MONT., January 31, 1940.

Congressman JAMES F. O'CONNOR,

Washington, D. C.:

Montana is a large State with a wide variety of soils and with climatic conditions which are highly variable, both as to location and season. No one station alone, without or within the State, can render adequate service regarding research needed for so large an area. There are no federally owned dry-land agronomic stations in Montana, although most State stations have cooperative agreements with various Federal agencies. There are four State-owned experiment stations within Montana where agronomic studies are conducted: Bozeman, the central agency, and the three branch stations: Moccasin (in the center of the State), Huntley (in the southeast area near Billings), and Havre (in the northeast).

The results of the central Montana branch station, which is located about 30 miles west of Lewistown, is representative of the largest part of the dry-land agricultural area of the State. As it is run under a cooperative agreement between the Division of Dry Land Agriculture, Bureau of Plant Industry, Washington, D. C., and the Montana Experiment Station, its success depends upon this agreement. At present 50 percent of the funds are supplied by U. S. D. L. A. appropriations. The Government at present furnishes the technical staff for this Moccasin station, funds for its own project of tillage and methods of seeding of about 200 rotations which have given data over a continuous period of 31 years, one of the longest in the Northwest. This

cooperative agreement also assures the continued operation and cooperation with other agencies such as the Cereal Crops and Diseases, Forage Crops and Diseases, Soil Conservation Service, etc. The results of some of the stations' work will be related later to emphasize the need of Federal funds to keep the continued record of our crops, of which we now have 31 years' results.

The work of the Division of Dry Land Agriculture should be maintained at least at one place in Montana in order that continued studies may alleviate some of future crop problems. The Central Montana Branch Station, located at Moccasin, should be one of or the one station in Montana for the following reasons:

1. It is most representative of all the dry-land stations in Montana and is located in the approximate center of the State.

2. Experiments have been conducted continually for more than 30 years and results are applicable to a large portion of the dry-land areas of the State.

3. The continued cooperation between the State and Federal agencies will allow the continuance of important studies which would be curtailed if the Federal assistance is withdrawn.

4. The success at present of the central Montana branch station is linked with the Federal cooperation and appropriations.

It has been estimated by the economics department that between three to four million acres of land in Montana is known as restoration land. This land, it is agreed by most authorities, should be returned or in grass. Overproduction of wheat has caused other agencies to recommend a marked reduction in the acreage of small grains. During the past 5 years it has proved to be a somewhat difficult task yet fair progress has been made. Each acre taken out of grain production must be properly taken care of or we will increase our conservation problem even greater than it is at present and thereby have more soil, water, and wind erosion. One of Montana's greatest problems is to take proper care of its marginal, restoration, and tillable lands. Thirty years of results and experiments at Moccasin will furnish convincing proof that no other experimental agency has the possibilities of being more helpful in solving our restoration problems. Montana has three and one-half million problem acres.

One of the greatest contributions of the Department of Agriculture regarding the restoration of eroded dry-land soil in the northern Great Plains area is its introduction and development of crested wheatgrass. The Moccasin station has grown this species for 25 years, has recommended it for dry-land use for 20 years, has established stands which have been in production for 15 years, and obtained much data concerning its uses. The future possibilities of this grass are even yet not fully known. No place in Montana or in the Northwest has proven to be better adapted for the growth, production, and use of crested wheatgrass than in central Montana.

Some of the outstanding contributions and work with crested wheatgrass at Moccasin are as follows:

1. Date, rate, and method of seeding and production of seed.
2. Data on the carrying capacity of crested wheatgrass pastures.
3. Comparison of crested wheatgrass pasture with brome and native grass.
4. Preliminary winter-feeding trials comparing the feeding of crested wheatgrass hay with various levels of cheap protein supplements and the pasturing of uncut mature crested wheatgrass.
5. Studies in the change of feed value of crested wheatgrass by chemical analysis during the grazing season.
6. Studies of the ground cover of crested wheatgrass, brome grass, and native grass, as affected by grazing.
7. Determining the number of pounds of beef produced by pasturing crested wheatgrass in comparison to native grass pasture.
8. Date, method, and cost of seeding crested wheatgrass on abandoned crop land.
9. Data on the spreading characteristics of the crested wheatgrass plants in abandoned land plantings.
10. Data regarding the use of crested wheatgrass with or without nurse crops and in mixtures with other grasses and legumes.

The station has approximately one-half of its 800 acres of land in crested wheatgrass which are available for further studies such as:

1. Extended feeding trials with crested wheatgrass hay cut at various stages.
2. Continued rotation, tillage, and crop seedings on land which has been in crested wheatgrass from 1 to 15 years.
3. Future feeding trials using crested wheatgrass straw obtained from fields which produced seed.
4. Future trials with other livestock in the pasturing of crested wheatgrass.
5. Further studies regarding the use of crested wheatgrass in the crop and pasture management of Montana farms.
6. Provide other agencies with long-time data from larger and more practical acreages of grasses, especially crested wheatgrass.

The many future possibilities of crested wheatgrass remain unknown. Continued study is imperative and no station has a better foundation, for such research.

Most of the buildings of the Moccasin Experiment Station are located on the southeast quarter of section 16, township 15 North, Range 14 East. This quarter of land was given to the State of Montana for experimental research as long as the U. S. D. L. A. cooperated in experimental studies but will automatically revert back to the estate should the Federal agencies withdraw their appropriations.

RALPH M. WILLIAMS,

Superintendent, Judith Basin Branch Station,  
Moccasin, Mont.

## Yankee Traders—From Clipper Ships To Clippers

## EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

RADIO ADDRESS BY HON. CARL HINSHAW, OF CALIFORNIA

Mr. HINSHAW. Mr. Speaker, under leave granted to extend my remarks in the Record, I include the following address delivered by me over the Mutual Broadcasting System, originating in their studio at Washington, D. C., February 1, 1940:

I was eating a sandwich in the cloakroom of the House of Representatives the other day when I overheard one of my colleagues from New York tell another that he was going "way out West" to make a speech. He said he was going to Missouri. That struck me as very funny, and I laughed. He turned and said "What's so funny about that?" So I told him about a friend of mine who lives in my home town of Pasadena, Calif., and whom I hadn't seen for several weeks, and when he finally showed up, I asked him where he had been. He said he had gone East on business, and when I asked him where, he answered, "New Mexico." Then we all laughed. Albuquerque, N. Mex., is about as far east of Pasadena, Calif., as St. Louis, Mo., is west of Washington, D. C. This is a big country, in case anyone should inquire. Let me tell you something amazing about it. In this great country we are so busy making things and growing things, and exchanging our products with each other, that our transportation facilities are called upon every year to move for every man, woman, and child in the United States, a ton of freight a distance of 435 miles. Think of it. Think of the enormous amount of business that represents.

Here in the United States we have an abundance of nearly everything we need without having to worry much about what goes on abroad. To be sure, we do need to buy rubber and tin and silk, coffee, tea and spices, perfumes and some vegetable oils and other things, from other parts of the world, but 95 percent of our wants and needs can be satisfied right at home. Our foreign trade amounts to less than 5 percent of our national income, while for England, it is nearly 20 percent. (Figures 1937.)

Last year we heard Mr. Hitler say that Germany must export or die—and he meant it—he was right. Neither Germany nor any other European nation is so fortunate as we. They can't even grow enough food to adequately feed their own people. They all buy food and raw materials in large quantities. The only way they can pay for it all, without paying in gold, is to sell or export their manufactured products and services. And that is where the fighting begins. That is where it has started for centuries past, and for how long in the future, nobody knows.

Fortunate we all are to live in one great country, each part of which contributes of its work and wealth toward a well-rounded whole. Way back 200 years ago when the various parts of this country were still colonies of some European nation, this was a farming and hunting country. We shipped out cotton, corn, tobacco, and furs to Europe, and Europe shipped manufactured goods back to us. Europe was bleeding our country of its wealth, as our Old World rulers would not allow us to manufacture things from our own raw materials without paying a heavy tax. That "taxation without representation" brought on the Revolution, which gave birth to the United States of America. Europe still needs colonies, and for the same reasons as of old. She needs food and raw materials to feed her people and give them employment. And that is what most of the fight is about in Asia too—raw materials—employment—and the more abundant life.

We need some raw materials also—but we aren't fighting about it. Just because we need rubber, we aren't trying to grab the Malay Peninsula from England, and we don't intend to subdue Brazil in order to get coffee. That would be ridiculous. We offer our goods and services in exchange on the markets of the world. It is not necessary for us, as a Nation, to export or die. We export to pay for the things we need and can use from abroad. In fact, we could sit down and just about figure out how much of these various items we should buy from abroad, add it up, and say that the total value is about what we can hope to export every year to pay for these things we need and can use.

But that doesn't seem to be the theory of this administration. In fact, the big brains here in Washington seem to be divided in their counsel. One group seems to believe that the more importing and exporting we do, the better off we are, and another wants "free trade." Those two ideas, when boiled down in the same kettle, make one of the most poisonous concoctions ever fed to American labor, farming, and industry.

Let's see how it works. In the first place, there is no sense in trading just for the sake of trading. Swapping dollars for dollars

or doughnuts for doughnuts isn't what you could rightly call doing business. A good Yankee trade is one in which each side obtains a fair advantage. There is no sense in selling American corn abroad, and at the same time, buying Argentine corn, nor in selling beef cattle to one foreign country, and then buying beef cattle from another. That isn't what could be called a profitable trade. A really good deal is one where we trade corn, oranges, and automobiles for coffee, rubber, and silk. Both sides can benefit from such trading. Each side receives something it needs and can use. That is genuine reciprocal trade. But there is a limit to the amount of genuine reciprocal trading that we can profitably do. That limit can be found by summing up the total value of the foreign products we need and can economically use. If we go beyond that, and bring in products that directly compete with our own home products, we gain nothing. We lose instead. Would you guess that we have been allowing the importation of some of the farm products of which we have such large surpluses already that the market has had to be supported by crop loans and Government surplus purchases? Look at the record. It is almost unbelievable, but quite true.

That seems to be linked somehow with the old idea of "free trade." The idea of world trade without tariff protection comes from two schools of thought. First, we have the internationalists who look upon the other nations of the world as loving brothers of ours and say, in effect, that we in America should be willing to make sacrifices in order that the rest of the world may have peace and prosperity. That's fine; but I am still waiting to meet the unselfish foreigner who wants to help the United States. We do all the helping, while they help themselves. If we can keep peace at home and improve the lot of our own people, we shall be doing well. I like the foreigners, but it seems that when we are invited to help them, they always contrive that we pay the bill. They are expert fumblerers.

In addition to the internationalists, we have the old-fashioned variety of free traders. They mostly come from the Old South, and they have had a legitimate reason for wanting free world trade. For 200 years they have grown twice as much cotton as could possibly be consumed domestically. It has meant that half their crop had to be sold on world markets in competition with the other low-wage, low-standard-of-living cotton-growing sections of the world. And right there is a perfectly good example of what our whole country would be forced to suffer if we went on a free-trade basis all around. The lowest income groups, the lowest standards of living in the United States have persisted in the Old South. Their whole argument for free trade is that they are forced to sell cotton on world markets and buy their supplies on protected markets. Their entire economy has had to be built around cheap labor and low-living standards for their workers, in order to compete with the world. I can speak freely and feelingly on that subject, because while I am a Californian, I am also a grandson of Tennessee and the Carolinas.

It is now too late to benefit the cotton plantation owners by having free trade. In fact, they are likely to be coming to Congress and asking for a tariff on cotton any day now, because Brazil can deliver cotton to our mills cheaper than most of our South can afford to grow it. The South will have to turn to diversified farming and the processing of their raw materials in local factories, some of which have already been built. Cotton grown and consumed in the United States must receive an American price—not a price set by standards of peon labor in Brazil, Russia, and China. The sooner that fact is fully realized, the better for the whole United States. When the average income of the South is raised to equal that of the rest of the United States, we will all be benefited. Free trade should be a dead issue, but a courtly representative of the Old South graces the chair of the Secretary of State, and now guides the foreign-trade policies of our country. "Shall we renew his power to reduce tariffs?" is a question before the Congress. He has already reduced our protection on over 1,000 items, about 200 of which have been tariffs on farm products that compete with our own, such as cattle, pork, cereals, birds, eggs, potatoes, a long list of fruits and vegetables, both fresh and preserved; honey, hay, straw, etc. All this by the misnamed "reciprocal trade agreements" process.

To my mind there isn't any sense in encouraging the importation of such things into our country, regardless of how small the quantity may be. But, although the administration tries to make light of it, they have to admit that we imported last year competing farm products to the tune of \$500,000,000 worth. But that value of imports is figured at foreign prices. If you translate that into American farm prices, it would amount to nearly \$700,000,000 worth of importations to compete with American farmers.

Now, let's see what the effect of that is. It simply means that, if that produce had been raised at home, it would have required the use of about 35,000,000 acres of American farm and range land and all the labor necessary to work it. But we didn't use it, so we have to pay the foreigners for the produce and then spend millions more in supporting idle American farmers and farm labor on relief. We have had to pay a double penalty for that tragic folly. We are going broke fast doing that.

To American industries and industrial labor this means that while they have this foreign market of \$500,000,000, if our own farmers could have grown these products, they would have provided a \$700,000,000 market for such products right at home and saved money to everyone by reducing the relief rolls and increasing county tax collections.



It seems outright lunacy to me for us to restrict crops to help raise prices to parity and then turn right around and allow the importation of the very same crops from abroad. It is bound to suppress the rise in prices, and subsidies for parity payments become a big help to foreign agriculture. If that isn't just plain cockeyed, I don't know what to call it.

Our Secretary of Agriculture has been running from fence post to barn door trying to find some satisfactory method of raising farm prices. He has tried plowing under, acreage allotments, processing taxes, soil conservation, international crop control, export subsidies, erosion control, and now he has a new panacea out of the medicine chest called the certificate plan. Give him credit for having a well-fertilized brain anyway—he can sprout a new idea every year—and his heart is still on the left side. He has tried nearly every scheme he could think up to raise farm prices except the one right under his nose. He could go down the street and ask the Secretary of State to cancel the reductions he has made in tariffs on competing agricultural products, and he might even ask that some of them be raised higher yet. But will he do that? He will not, because the big brains in the New Deal are working toward free trade.

Let me tell you something very interesting. You and all of us have heard a lot of bellowing around about how terrible was the Smoot-Hawley Tariff Act of 1930, haven't we? They blame all our misfortunes and the troubles of the whole world on it. But they haven't repealed it. The Smoot-Hawley Tariff Act is still on the statute books after 7 years of opportunity to repeal it. There are 2,500 tariff items in that act. No doubt some of them needed reduction, but under the Reciprocal Trade Agreements Act of 1934 they have reduced 1,004 of those tariffs through 22 trade agreements that apply to all countries alike when the agreement was made with one. One thousand five hundred Smoot-Hawley tariff rates still stand untouched. But here is the funny thing about it all. Under the Smoot-Hawley Tariff Act, nearly two-thirds of all our imports come in free of duty. They are the things like rubber and coffee and tin and spices that we need and can't produce at home. But give them more time and they will get all the rates down. The average reduction is 38 percent already. About that time we will buy everything we use from abroad and all go on relief. Won't that be dandy.

And that reminds me of what our great President said a long time ago, 1932, in Baltimore. He said: "I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it, and will not be deceived."

Well, my friends, over 200 such duties have been lowered, so what? How long will it be before the great mass of intelligent citizens of this country begin thinking for themselves again, instead of trusting in such promises, like a lot of dumb sheep being led to slaughter. You answer that.

### President's Message for Hospitals in Needy Areas of the Nation

#### EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

Mr. KITCHENS. Mr. Speaker, on January 30, the President, in keeping with his humanitarian thought, efforts, and purposes, as always, for those of our people needing unavailable help, recommended the construction of small hospitals in needy areas of our country. None are recommended where private institutions are already available to the people in need of service even if the private institutions are not of the best standards.

Mr. Speaker, I deem the message one of the finest and most constructive for the general good of our people ever delivered to Congress. It remains for us to carry out that message. In my campaign for membership in this honorable body I advocated the establishment of such hospitals. Now, we have one of the greatest of opportunities to render a service to the people for which we will have their everlasting gratitude.

We appropriate for defense every year millions upon millions, yea, billions, for our Army, Navy, Marine and Air Corps. Likewise, we spend many millions to combat pests, diseases of plants and animals. We spend billions for other purposes. Let us not forget it takes strong, healthy, able, and educated men and women to plan, produce, equip, administer, and control all such agencies. We may surround our country with battleships and fill it with soldiers, equipment, and munition factories, but that really will not make us a

strong nation. That is merely a mechanical and superficial preparation of instruments for use in our defense.

To have a strong nation we must have a healthy, contented, educated, and prosperous people. To have a healthy people we must care for, protect, and cure those who are sick, weak, disabled, deformed, and diseased, mentally and physically, and who are without means and facilities for their own rehabilitation. To have an educated people, owing to unequal distribution of wealth, the Federal Government must assist to equalize the opportunities for an education. To have a contented people we need internal improvements and the benefits of modern inventions and civilization made available to all the people. To have a prosperous people we must first be made well, content, and have fair opportunities for an education and decent living and be given an equal opportunity in life under all law.

A bill to carry out our Chief Executive's recommendation in his message as to hospitals is now before the proper committee. The message has my full endorsement. I shall cooperate fully to make it effective.

### Judicial Review in Taxation

#### EXTENSION OF REMARKS

OF

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1940

ARTICLE BY GEORGE STEWART BROWN

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and informative article by George Stewart Brown, Esq., on Judicial Review in Taxation. The article was published in the Georgetown Law Journal for November 1938, and reprinted in the Baltimore Daily Record of January 3, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUDICIAL REVIEW IN TAXATION A NECESSITY IN A GOVERNMENT OF LAW

(By George Stewart Brown<sup>1</sup>)

In the general discussion over administrative law now going on, it may be profitable to consider the origin, history, and development of the judicial review of the legality of a tax. This arose and was fully developed before the expression "administrative law" was ever used in this country.

In the first place the term "administrative law" may be somewhat misleading. It simply means "public law," that which grows out of litigation between the citizen and his Government, as distinguished from "private law," the law which controls litigation between private individuals.

To the casual person the term "administrative law" may falsely suggest the idea of a court performing some part of the administration of government. That is a complete misconception. For clarity, then, the term "public law" is greatly to be preferred in any discussion of the subject of whether or not, and if so to what extent, the action of governmental administrators should be subject to court review.

When government was simple, before it assumed its present multitudinous duties and all-pervading control of social problems, the suits between the citizens and their government arose principally concerning the incidence, and application, of tax laws. The administrative action of Government officials in applying, assessing, and levying taxes was the principal administrative action which citizens desired to have reviewed by the courts.

As the sovereign government was not suable directly without statutory permission, and as, at that time, there were no statutes giving such review, it required the ingenuity of the common-law lawyers to invent remedies to meet the situation and to promote the ends of justice.

It was always plain that when an administrative official misapplied a tax law, by including within the tax subjects or persons

<sup>1</sup>A. B., Johns Hopkins University (1893), LL. B., University of Maryland (1895). Judge of United States Customs Court since 1913. Author of: The United States Customs Court (1933) 19 A. B. A. J. 333; Judicial Review in Customs Taxation (1933) 26 Law. and Bank. 263.

not intended by the legislature, or by imposing a rate or amount of tax higher than the law authorized, either by misapplying the facts which made the law apply, or by misconstruing the terms of the law itself, an injustice was done and the Government Treasury was enriched at the expense of the citizen by taking something which did not belong to it.

The common-law writs of mandamus and prohibition, the writ of right, and the equitable writ of injunction, all invented or applied by the courts to control the illegal acts of public officials, as well as the illegal acts of individuals, did not fully meet the situation. They generally lay in the discretion of the court, and the court could not review a discretion in the official expressly granted by the statutory law, but could only correct an arbitrary abuse of such official discretion. For the purpose of giving a judicial review of the administrative act of collecting an illegal rate or amount of tax they were not fully effective. Something more had to be done.

The common-law courts came to the rescue by sustaining the common-law action against the tax collector himself, which compelled him to pay to the citizen the amount of an illegal tax collected by him, whether it arose through his mistake in finding the facts which made the law applicable, or his mistake in construing the law. The former, of course, was just as vital and necessary as the latter.

In the United States, following settled British precedents<sup>2</sup> the doctrine was first declared in its fullness by the Supreme Court in *Elliott v. Swartwout*.<sup>3</sup> The court here points out that, if in making payment to a collector, notice is given to him that the duties charged are too high, and that the party paying did so only to get possession of his goods, and a declaration is made by such party that he intends to sue the collector to recover the amount erroneously paid and so the collector should not pay it over to the Treasury, then certainly the party in question should have an action against the collector.

To hold otherwise would mean that no action would lie against a collector to recover excess duties paid to him, but that recourse must always be had to the Government for redress. This would be carrying the exemption of public officers too far.<sup>4</sup>

Later in *Bend v. Hoyt* the Court concludes in effect that the law must be where an agent illegally demands and receives money, and then pays such money over to his principal, after notice not to do so, he is nevertheless personally liable for such money as was paid to him illegally.<sup>5</sup>

Mr. Justice Cardozo made some interesting comments regarding the historical development of the judicial remedy in taxation in *Moore Ice Cream Co. v. Rose, Collector of Internal Revenue*,<sup>6</sup> wherein he stated that, at common law, and under the Federal Statutes for many years, protest at time of payment was a condition precedent to the recovery of taxes.<sup>7</sup> This rule was finally abolished by the Revenue Act of 1924 which applied to all future suits (but not to suits pending). He pointed out further that this requirement of protest, when it was in effect prior to the statute, applied to suits against the Government itself as well as the collector of internal revenue and that in the latter case the United States was usually the genuine defendant, the liability of the nominal defendant being only a formality. Thus the Government was unjustly enriched at the expense of the taxpayers when it held on to moneys collected illegally, with or without protest.<sup>8</sup> It is to be noticed that Judge Cardozo refers to customs

cases and income-tax cases interchangeably, rightly considering the principles equally applicable to both.

The trouble with those who maintain that the finding of the facts which make the tax applicable by the administrative officials should be binding on the reviewing court if there is any substantial evidence to support it (and there usually is some) is that they practically propose that the party defendant (or his subordinates, which amounts to the same thing) may bind the plaintiff taxpayer as to the facts without effective judicial review. That is obnoxious to the most elementary principles of justice. It violates the principle that no one can be both actor and judge in his own case. The judicial review remaining, whenever the case turned upon a mixed question of law and fact, which is generally the case in customs taxation and frequently true in other taxation, would be a sham and a farce.

Only in those rare cases where the facts are admitted and the litigation turns solely upon the construction of the language of the law would the citizen's rights be protected and preserved.

Those early Supreme Court cases where the principle was declared involved customs taxation, then the main source of our Federal revenue. The principle necessarily applies, however, to all forms of taxation. It carries with it a right to a jury trial on the facts.

While statutory remedies have succeeded it since 1890 in customs taxation<sup>9</sup> by direct suit against the United States, an equivalent action to recover illegally collected income, estate, and other taxes with a jury trial may be brought in the United States district courts today.<sup>10</sup>

Thus the public law to permit review of governmental action in levying illegal taxation developed early as a substantive proposition in a class by itself. Such judicial review is vital in a government of law constitutional in form, as distinguished from a totalitarian government where the citizen has no rights which the government is bound to respect.

Without it, Frank J. Goodnow, former president of Columbia University and of Johns Hopkins University, says that constitutional government is impossible.<sup>11</sup>

The judicial review from the findings of the so-called independent agencies of Congress, such as the Interstate Commerce Commission, the Federal Trade Commission, the Labor Relations Board, the Tariff Commission, and the like, is very limited in scope. This is because they carry out delegated powers legislative in character. They fill in the legislative details and apply to particular situations a legislative discretion in furtherance of the general indefinite legislative policy declared by Congress.<sup>12</sup>

Judicial review of the action of the above agencies and their factual determinations is usually confined to constitutional questions, which are few; and to violations of the statutory requirements in procedure, including a fair hearing. The courts cannot review the weight of the evidence upon which their findings are based but can only set them aside as being purely arbitrary.

Whatever justification there may be for that limited review, on principle it cannot apply to the administration of a tax law. The administration of tax laws consists simply in collecting the rate or amount of taxes which the legislature has imposed. The tax collector does not act under a delegated power, legislative in character, to levy taxes as the agent of Congress under a delegated congressional rule, as does the tariff commission under the flexible tariff and the President in negotiating a reciprocity treaty. The collector simply collects the taxes in rate or amount as fixed by Congress in the law itself. He does not make the law. He does not change the law even in the remotest detail.

If then his discretion in construing it, or in finding the facts which make it applicable, is binding, without any right to the disgruntled taxpayer to a day in court to test the accuracy of his findings, both as to law and fact, before a court independent in tenure of the executive, which must weigh the evidence as well as construe the law, the tax collector becomes an autocrat instead of an administrator. The taxpayer has no protection from the collector's illegal action whatsoever. The taxpayer in such circumstances must pay what the official demands from him whether the legislature has taxed him or not.

As La Ferrière says, before the official the citizen can only beg and complain. Any relief he obtains is a matter of favor and grace. When he gets before a court, however, he asserts a right to be treated according to the terms of the law and according to the facts which make the law applicable, and demands that his rights be respected by a judgment of the court in his favor.<sup>13</sup>

<sup>2</sup> *Irving v. Wilson* (4 T. R. 485 (1791)).  
<sup>3</sup> "The suit was originally instituted in the superior court of the city of New York by the plaintiff against the defendant, the collector of the Port of New York, and was removed by certiorari into the circuit court of the United States." (10 Pet. 137 (U. S. 1836).)

<sup>4</sup> 10 Pet. 137, 156 (U. S. 1836).

<sup>5</sup> In *Bend v. Hoyt*, 13 Pet. 263, 267 (U. S. 1839), Justice Story said, "As to the first question, there is no doubt that the collector is generally liable in an action to recover back an excess of duties paid to him as collector where the duties have been illegally demanded and a protest of the illegality has been made at the time of payment or notice then given that the party means to contest the claim whether he has paid in the money to the Government or not."

<sup>6</sup> 289 U. S. 373, 375 (1933).

<sup>7</sup> *Elliott v. Swartwout*, 10 Pet. 137, 153 (U. S. 1836); *Curtis's Adm'x. v. Fiedler*, 2 Black 461 (U. S. 1862); *Chesedborough v. United States*, 192 U. S. 253 (1904); *United States v. N. Y. & Cuba Mail S. S. Co.*, 200 U. S. 488 (1906).

<sup>8</sup> 289 U. S. 373, 378 (1933). Justice Cardozo continues on p. 380:

"As the law stood before later statutes, the taxpayer's protest was notice to a collector that suit was about to follow, and was warning not to pay into the Treasury the moneys collected. *Elliott v. Swartwout*, *supra*; *Smetanka v. Indiana Steel Co.*, 257 U. S. 1, 4. Statutes first enacted in 1839 (act of March 3, 1839, c. 82, sec. 2, 5 Stat. 348) and progressively broadened (R. S. sec. 3210, c. 26 U. S. C. sec. 140), made it the duty of the collectors to pay the money over to the Government, whether there had been protest or no protest. At first this was thought to have relieved them from personal liability (*Cary v. Curtis*, 3 How. 236; *Smetanka v. Indiana Steel Co.*, *supra*), but later acts of Congress establish a different rule, though maintaining the duty to make remittance to the Treasury. *Philadelphia v. Collector*, 5 Wall. 720, 731; *Curtis's Adm'x. v. Fiedler*, 2 Black 461, 479; *Collector v. Hubbard*, *supra*; *Arnson v. Murphy*, 109 U. S. 238, 241; 5 Stat. 727; 12 Stat. 434, 725, 729; 12 Stat. 741, sec. 12; 13 Stat. 239; 14 Stat. 329, sec. 8."

<sup>9</sup> See the writer's *The United States Customs Court* (1933), 19 A. B. A. J. 333, 82 CONGRESSIONAL RECORD, pt. 3, Appendix, December 11, 1937, at 411.

<sup>10</sup> *McCaughn v. Real Estate Co.*, 297 U. S. 606 (1936); *Higgins v. White*, 93 F. (2d) 357 (1937).

<sup>11</sup> Goodnow, *Principles of Constitutional Government* (1st ed. 1916), 244.

<sup>12</sup> *Norwegian Nitrogen Products Co. v. United States*, 283 U. S. 294 (1933); *L. & N. Ry. v. Garrett*, 231 U. S. 293, 305 (1913); *Simpson v. Shepard*, 230 U. S. 354 (1913). *Arizona Grocery v. Atchison Ry.*, 284 U. S. 370 (1932), at p. 386 Mr. Justice Roberts says: " \* \* \* it speaks as the legislature, and its pronouncement has the force of a statute."

<sup>13</sup> La Ferrière, *Traité de la Jurisdiction Administrative et des Recours Contentieux*, pp. 6, par. 2 (1896).



That denotes the difference between a government of law and a government of men, between a free government and one under which the citizens are not free.

Denial of the judicial review in taxation would set up autocracy in its worst form, applying the principles of a totalitarian government. It would amount to taxation by administrative fiat instead of by law. As taxation is the power to destroy it would indeed establish a supreme omnipotent bureaucracy. This is equally true no matter what supposedly expert advice the tax administrator takes before acting and no matter how full and free a hearing he, or his subordinates of limited tenure, vouchsafe to the begging and complaining taxpayer.

After all he, or his subordinates acting for the Government, are virtually the defendants when the matter gets into court, and so far and to the extent that his action on either law or fact binds the court and limits the review, he becomes actor and judge in his own case.

The dangerous ground which we are approaching is vividly set forth by Coleman Silbert in the January 1933 Georgetown Law Journal in an article entitled "Federal Taxation Remedies and the Doctrine of Sovereignty." At page 224 he mentions the recent suggestions of some legal writers that the remedies of all taxpayers be curtailed. This would be a calamity. The public should be aroused to the danger thus threatened, presumably in the name of fancied efficiency in government.

No government could be described rightly as either efficient or honest which denies to its citizens all legal remedy for the return of illegally collected taxes. It is admitted that believers in a totalitarian form of government would not concur in that statement.

As the functions of government continue to increase, and new forms of taxation multiply, the question of the judicial review of administrative action, and particularly the question of maintaining in their full integrity the legal remedies to compel the return by government of illegally collected taxes becomes of tremendous importance in a government of law such as ours.

The denial of a full, adequate, and complete judicial review of either questions of law or questions of fact in taxation cases becomes more disastrous in its effects upon the citizens of a free, democratic State as governmental functions continue to expand and multiply.

The fact that under the doctrine of sovereignty the Government may have the "power" to deny such relief to its citizens is not a sound public reason for exercising such tyrannical power. It is hardly a question of policy or expediency, as some seem to think. It seems to the writer to be a simple question of right and wrong.

Mr. Justice Story stated in effect in *Cary v. Curtis*<sup>14</sup> that the most important power of a free people is that of levying taxes and duties; that if this power is to rest simply with an executive functionary of the Government, who has discretionary powers from which there is no appeal to any judicial tribunal, then certainly there is no security whatsoever for the rights of citizens. Furthermore, if Congress can, within its constitutional authority, vest such arbitrary power of interpretation in an executive functionary, there is hardly a limit to the scope of legislation which may give further such power to the executive department, even to the Executive himself. Certainly it was not the intent of Congress to deprive the citizen of such an important remedy and so leave him without any adequate protection.

Justice Story points out further that in such a case the only place of appeal will be to the Secretary of the Treasury. None of the rules of law will apply, and even though the Secretary acts in a fair and just manner, as he naturally would, there is nevertheless a usurpation of judicial authority by the executive branch of the Government. In a sense one entire field of controversy will no longer be tried by the law courts, but rather be decided by a single man. And lastly, discounting all of the above, the question arises, can one man decide a problem so fraught with difficulties, and in which the line of demarcation between various articles and fabrics, for instance, is so fine and sometimes obscure? Certainly in such complicated matters a judicial inquiry is more fitting than the discretion of one man.

Justice Story summarizes in his conclusion, that it is a known fact that the Secretary of the Treasury issues his instructions in detail to the various collectors of the customs setting out his interpretation of the various revenue laws. Therefore, the right of appeal to the Secretary is fruitless, as he has already made known his ideas and in the great majority of the cases the collectors follow his instructions in detail. Thus everyone knows in advance how the Secretary will decide. And since the Constitution looks to the courts for the interpretation of the laws, it is illogical now to rest that right in an executive officer. In the opinion of Justice Story, Congress never intended to pass any statute by which the courts of the United States and the courts of the several States should be excluded from all judicial power in the interpretation of the revenue laws, and substituted for these courts an executive functionary. This would in effect deprive the citizen of rights,

privileges, and liberties to which he is entitled under our system of government.

Although what Justice Story had to say in the above opinion was filed as a dissent it became the law by declaratory action of Congress 36 days after its delivery. It is the most forceful statement of the absolute necessity of an independent judicial review in taxation to be found anywhere.

Dr. Frank J. Goodnow, former president of Columbia University and former president of Johns Hopkins University, also adds weight to the argument that the reviewing court must be independent of executive control if constitutional government is to be preserved:

"We may say, then, that one of the fundamental principles of constitutional government, as seen in the law of modern European states is:

"First. The existence of judicial bodies independent in tenure of the executive, which shall

"Second. Apply the law regulating the relations of individuals one with another—usually called the private law—by deciding the cases brought before them; and

"Third. Shall apply in the same manner the law regulating the relations between officers of the government and private individuals—usually called the public or administrative law.

"Whether a formal distinction is made between the private and the administrative law, and whether these two functions are discharged by the same courts, are matters of comparatively little importance. The important thing is that the courts which have these powers shall be independent of the executive. Without such independence it may be said that constitutional government is impossible."<sup>15</sup>

In conclusion, Woodrow Wilson in his lectures at Princeton stated the necessity of such an independent judicial review in a fashion which seems to be a prophetic answer to the present-day advocates of an authoritarian, as distinguished from a constitutional, form of government.<sup>16</sup>

"A man is not free through representative assemblies; he is free by his own action, in his own dealings with the persons and powers about him, or he is not free at all. There is no such thing as corporate liberty. Liberty belongs to the individual, or it does not exist. And so the instrumentalities through which individuals are afforded protection against the injustice or the unwarranted exactions of government are central to the whole structure of a constitutional system. From the very outset in modern constitutional history until now it has invariably been recognized as one of the essentials of constitutional government that the individual should be provided with some tribunal to which he could resort with the confident expectation that he should find justice there, not only justice as against other individuals who have disregarded his rights or sought to disregard them, but also justice against the government itself, a perfect protection against all violations of law. Constitutional government is par excellence a government of law."

## The Outlook in the Near East

### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1940

ADDRESS BY PROF. WILBUR WHITE

Mr. SHANLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Prof. Wilbur White:

Back in 1913 when William Miller published the first edition of his book on the Ottoman Empire, he began it as follows: "The near eastern question may be defined as the problem of filling up the vacuum created by the gradual disappearance of the Turkish Empire from Europe." Although our current view of the near eastern question covers somewhat more territory than Turkey in Europe, the essential fact of the struggle for the distribution of the spoils of the "Sick Man" continues to be important. Miller's study was chiefly of the nineteenth century, beginning with the Treaty of Kutchuk Kainardji in 1774 when, as Bernadotte Schmit has put it, Turkey "made its bow on the stage of western European diplomacy." During the period that Miller covered two answers were provided to the question of what was to succeed the Ottoman Empire—answers which found their way into the title of another penetrating study, that by Hans Kohn, which was published in 1931 and called in the English translation, *Nationalism and Imperialism in the Hither East*.

<sup>15</sup> Goodnow, *Principles of Constitutional Government* (1st ed., 1916), 244.

<sup>16</sup> Wilson, *Constitutional Government in the United States* (1st ed., 1908), 16, 17.

<sup>14</sup> *Cary v. Curtis*, 3 How. 236, 254, 256, 257 (1845). The details are given in the writer's *The United States Customs Court* (1933), 19 A. B. A. J. 333, 416; and *Judicial Review in Customs Taxation* (1933), 26 Law. and Bank. 263. See also *DeLima v. Bidwell*, 182 U. S. 1 (1901); and *United States v. Schiesinger*, 14 Fed. 682, 683 (1882).

The answer of the great powers was imperialism, and few of the great states of Europe failed to take advantage of Turkish decrepitude to enlarge their respective empires. In this policy of imperialistic land grabbing, friction occurred from time to time between the great powers, culminating occasionally in wars and threats of war. From the time of Napoleon through to the World War the Near East periodically became a focus of imperialistic conflict.

The subject peoples of the Turkish Empire, on the other hand, provided a second and very different answer to the near eastern question. Their answer was that of nationalistic self-determination, which, in turn, involved for them a series of conflicts. The first and most obvious was with the parent state. Another was a conflict between themselves in the settlement of their mutual boundaries. But equally important was a third conflict which involved their relations to the great powers whose own interests were projected into the area which the smaller groups had hoped would be their respective national domains. The total picture thus produced involved an amazing complexity of international ambition, with great powers set against great powers, small states set against small states, and a bewildering array of smaller states sponsored by great powers struggling against other great powers or small states backed by great powers.

At the risk of putting undue emphasis on the historical background, it may be well to review briefly certain objectives of the foreign policies of the states involved in the near eastern question to the extent that they became traditional. Such a one is the drive of Czarist Russia for an ice-free port which made Russia vitally interested in the Black Sea, and access to the Mediterranean through the straits at Constantinople. The result has been recurring conflict between Russia and Turkey, a conflict that was consistent though intermittent until 1917. Another power adjacent to the area and vitally interested, particularly in the Balkans, was Austria-Hungary, which from time to time attempted to extend her power by occupation, annexation, and the acquisition of spheres of influence in southern Europe. Prior to the World War this was greatly augmented by the *Drang nach Osten* of Germany and its challenging Berlin-to-Baghdad dream.

France also had interests in the Near East, which Napoleon attempted to materialize, and although the French were for some time excluded from the area as far as possessions were concerned, their cultural influence has been strong even in countries other than Syria and the Lebanon, over which France was granted a mandate after the World War. Great Britain came into the picture by forcing Napoleon out of Egypt, and by a policy of guaranteeing that no other great power should detach the Arab sections of the Ottoman Empire. In 1882 the British occupied Egypt, having been drawn in to a considerable degree because of their interest in the Suez Canal, toward which the British attitude went through more or less the same stages as Pope ascribes to man's view on vice:

"Vice is a monster of so frightful mien  
That to be hated needs but to be seen,  
Yet seen too oft, familiar with her face,  
We first endure, then pity, then embrace."

After occupying Egypt, Britain extended her interests in the area (Aden was acquired in 1839), and she became the self-appointed protector of the small states bordering on the Persian Gulf and developed an oleaginous interest in Mesopotamia. Italy was a late-comer in Mediterranean imperialism, having been crowded out of Tunis by France in 1881, but she acquired Tripoli after the war with Turkey in 1912, which time also dated her occupation of the Dodekanese Islands off the southwest coast of Turkey. The combination of these imperialistic policies was a contributing factor to the World War, in which Britain, France, Russia, and later Italy joined in checking the German-Austrian attempt to gain the hegemony of the Near East.

During the same period the Balkan peoples had been struggling among themselves for the succession to the Ottoman domains, and, if one omits Macedonia, independence had been achieved by the World War by all the Balkan states except Albania, which itself had acquired a degree of self-government. The peace conference following the World War set up a new status quo in the area. In spite of the defection of Russia, the Allies had thwarted the designs of Germany and Austria. Austria and Hungary were cut down and separated, and Germany was put in a position in which she could not soon repeat her threat to Anglo-French domination of the Near East. France was aided by the Little Entente. Italy was given title to the Dodekanese Islands, and England and France were given control of certain of the Arab countries under the new system of mandates.

Since the World War the pattern of progress in the international relations in the Near East has apparently been more simple than it was in the century and a half before the war. No threat to the new status quo was observed on any dangerous scale on the part of any great power for some 15 years. This obviated one of the main dangers of war which had been present during and immediately after the nineteenth century, namely, that conflicting imperialisms would burst into open flame. The second threat of conflict, that between the subject people, did, however, continue, particularly in the Balkans, and we find Bulgaria especially maintaining what she considered legitimate territorial demands against all of her neighbors. At the same time Hungary continued to press her claims for Transylvania, which Rumania had acquired, and Russia refused to recognize Rumania's acquisition of Bessarabia.

Such irridentism was less important in the Arab countries, and the problem of the Turkish boundaries, except for Alexandretta, seemed not to be one which would produce conflict. The chief point of friction was that between the subject peoples and the great powers which held varying degrees of overlordship over them. The small states demanded their independence, and the process of acquiring that independence resulted in rioting, unsettled conditions, and more or less bloodshed in Egypt, Iraq, Syria, and Palestine. In the two decades which have followed the World War, however, the same general tendency which was followed in the Balkans has been observable also in these Arab states, namely, in the direction of independence. Iraq was the first state to achieve this legal status, which she was granted in the treaty of 1930. Egypt followed by a similar procedure in 1936. The French have been more reluctant to grant this step to Syria and the Lebanon and have found numerous excuses for dividing the country and forestalling complete independence. Palestine also, due to a considerable degree to the fact that she had two conflicting nationalities within her borders, has also been unable to achieve self-government.

It may be, of course, argued that Iraq and Egypt do not have complete independence. That is quite often the case where such small states are within the sphere of influence of great powers. Great Britain has been adept, however, at doing in these countries a thing which is somewhat similar to that which she has done in the Dominions. She has not forced compliance to the strictest dependence upon the sovereign ties, but has rather granted the wishes of these other parts of the Empire, depending upon a community of interests to hold the sections close to her. In Egypt and Iraq, of course, there were stipulations which varied from the dominion relationship in certain legal servitudes, such as the maintenance of bases and the passage of troops. Britain has discovered, however, that by granting these small states the trappings of independence and by having them agree to grant her what she deems necessary for the sake of her imperial communications and economic good, and then setting the whole relationship up in the form of an alliance, both she and the small states have achieved a maximum of advantage from a relationship which they, hardly less than she, would desire to sever. France has not learned this lesson as rapidly or as well as Great Britain, but in Syria and the Lebanon she is, at least theoretically, committed to the principle of such action. The result has been what might be called a relaxing or decreasing imperialism on the part of Great Britain and France, which, if other factors had not intervened, might well have been expected 5 years ago to culminate in the relatively peaceful acquisition of independence by the Arab peoples.

This post-war tendency of simplification of the near eastern problem has broken down in the last 5 years in the face of the threat of increasing imperialism on the part of certain other great powers. Italy's acquisition of Ethiopia and her more or less unofficial claims, including not merely Sardinia and Tunisia but a share in the Suez Canal and rather vague assertions toward expansion in the eastern Mediterranean and in Africa, challenged the trend which had involved merely a settlement of the question of future independence between the subject peoples and the withdrawing imperialism of Great Britain and France. The challenge was twofold. The threat was recognized not merely by the Turks and the Balkan and Arab peoples, the last of which had no desire to jump out of the British or French frying pan into an Italian fire; it challenged also the assumptions of Britain and France in regard to the post-war status quo in this area. The claims of Italy were presented up to the middle of this last year rather vociferously, and even recently they have been vaguely referred to as being still valid. Since 1938, however, an even greater potential threat has come from Germany, who, in taking Czechoslovakia and applying economic pressure throughout the Balkans, has been feared as an even more powerful example of imperialism which desires to expand into the Near East.

As we approach 1940 and attempt to project the lines of policy which have been observable in the recent past, a number of general plans which have operated previously comes into view. On the one hand, there is a considerable amount of strength on behalf of the status quo. In the first place, most of the small states highly favor a continuation of the present set-up as opposed to the possibility of their being returned to a smaller degree of independence by one or another of various great powers who have been developing, expanding, rather than relaxing policies of imperialism. In the Balkans, except for Bulgaria, most of the strictly Balkan states are definitely opposed to any major revision. Hungary, which borders on the Balkan area, may be classed with Bulgaria as one of the two revisionist states in the Balkans which have such important territorial claims against their neighbors that they might possibly view with some pleasure the forcing of their claims by some great power sponsor. Hungary and Bulgaria, however, have been placed in the very painful dilemma of having to decide whether their revisionist claims are worth the price of the existence of their own governmental regimes which would almost certainly be endangered by calling in the Nazis or the Soviets to help them establish their claims. Turkey and the Arab countries are essentially in the same position as the majority of the small states of the Balkans, and much prefer their own existing positions to anything which might be offered by Germany or Russia, or even Italy. It is typical, for example, that criticism of Great Britain from Palestine has been almost entirely replaced by loyalty since the war opened.



Not merely do the majority of these small states take a stand upon the status quo independently; they have banded together in small-state groupings for their mutual defense. The Balkan states of Greece, Yugoslavia, and Rumania have been tied to Turkey in the so-called Balkan Entente since 1934. This group directed its energies chiefly against expansion on the part of other Balkan states, mainly, of course, Bulgaria, and after Greece established the principle that she would not necessarily be drawn into a war with Italy should Yugoslavia fight that state back in 1936, one can hardly predict to what extent the Balkan Entente would operate against great powers, as, for example, Germany or Russia. Another grouping of the small states though on a nonaggression rather than a mutual-defense basis is that of the near eastern group—Turkey, Iran, Iraq, and Afghanistan—set up by the treaty of July 8, 1937.

Perhaps even more important in the defense of the status quo in the Near East is the commitments of England and France to the small states in the area. Under a system of mandates, alliances, mutual-assistance pacts, and guaranties, the British and the French have committed themselves to the defense of a large number of the countries in the area. Great Britain has alliances with Iraq and Egypt, and the mandate over Palestine, and looks upon most of the Arabian Peninsula, except perhaps for the Yemen, where the Italians are interested, as her special sphere. France is much less well represented among the Arab states, but maintains a mandate over Syria and the Lebanon. More recently Britain and France have further committed themselves by the mutual assistance pact with Turkey of October 19 and even earlier guarantees extended to Greece and Rumania. While it may be doubted whether France and Great Britain would ever uphold these commitments to their largest interpretation, it is nevertheless clear that in a number of these cases the French and British interests so closely parallel the interests of the small states that these great powers might well be willing to fight against an attack which would threaten to disturb their existing relations. One might question whether Britain and France would care to fight to maintain Rumanian control of Bessarabia, for example, should the Soviet Union advance across the Dniester River. But no less an authority than Maj. George Fielding Eliot has intimated that the British and French military officials might well be far from averse to forcing the Germans to fight on two fronts, which if this is the case, might definitely bring Britain and France into the Balkans to prevent German extension in that direction.

Italy, within recent weeks, has had a change of heart, and after having acquired some of her aims in the Balkans by the acquisition of Albania, now gives the appearance of favoring the status quo in that area insofar as she is averse to seeing Russian power extend in that direction. From her pronouncements rather than from her commitments, which are chiefly on a basis of friendship and trade, Italy might well be expected to take more offense at Soviet expansion into the Balkans than Great Britain or France.

On behalf of the change of the status quo there are similarly found interests of both small states and large. Austria-Hungary as such is out of the picture, but Hungary as recently as November publicly claimed that she could take no part in the establishment of a Balkan bloc barrier to either Germany or Russia unless certain of her long-standing claims, presumably chiefly those regarding Transylvania, were taken care of first, a point of view to which the Rumanian Government could not accede. Bulgaria, as has been almost always the case in the last 60 years, has revisionist claims, at present directed primarily against Rumania, perhaps to a slightly less degree against Greece, and to a minor extent against both Yugoslavia and Turkey.

One of the most important questions in regard to this whole problem is the possibility that Hungary and Bulgaria might join some kind of a Balkan bloc, or, on the other hand, the danger that they will call in Germany or Russia to exploit a situation which they have long felt unjust. Both are aware of the danger of the importation of Nazi-ism and the current variety of Communism, but the problem is, of course, being weighed very seriously in each country. Up until August it seemed the greatest threat came from Germany, who, in taking Czechoslovakia and Austria, had driven a wedge in the direction of the Balkan states. The German attack on Poland did not help matters from the point of view of the Balkan states, who well feared that they might be next in line, particularly Rumania. With the rapprochement between Germany and Russia the Balkan peoples have been no more happy. A combination of those two states driving into the Balkans would make a very serious change in the situation existing in that area. The extent to which Russia has been acting against Germany rather than with her along the Baltic, however, has raised the question as to the degree of cooperation that might be expected in the Balkans from those states. There is no doubt that currently thoughts in the Near East have turned to Russia rather than to Germany, and the big question mark for the coming year in the international politics of that area is, "What will the Russians do?"

The essential question in regard to Russian foreign policy is this: Has it changed to such an extent so that it is, in spite of protestations of the past years, definitely committed to a policy of imperialism? Insofar as the Russians may be convinced of the necessity of their Baltic acquisitions as defensive against Germany, Russia may perhaps not be a true threat to the Balkans and the Near East. If, on the other hand, the long-standing Russian desire for an ice-free port and its concomitant objectives

are dusted off and revived by the Communists, that is an entirely different matter.

At the beginning of this paper I mentioned in passing the long-time aims of the Czars toward the south. If those are to be revived, no Balkan state is safe. Istanbul is an important objective, as the control of the straits is practically as important as a frontage on the Black Sea. The Persian Gulf and the oil fields of Iraq and Iran also beckon, and, if not the sky, at least the southern seas are the limit of these ambitions. The moves on the near eastern chessboard have been extremely complicated, but the threat of Russia, or the possibility of the threat of Russia, seems at the close of 1939 to be the matter of largest importance for 1940 in the Near East.

Senator William E. Borah

## EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

Mr. SHANLEY. Mr. Speaker, I think no more fitting poem has ever been written to characterize Senator BORAH's life than that of Amos Bronson Alcott on Wendell Phillips:

People's Attorney, servant of the Right!  
Pleader for all shades of the solar ray,  
Complexions dusky, yellow, red, or white;  
Hast only questioned, What will Duty say?  
And followed swiftly in her narrow way:  
Tipped is thy tongue with golden eloquence,  
All honeyed accents fall from off thy lips,  
Each eager listener his full measure sips,  
Yet runs to waste the sparkling opulence,  
The scorn of bigots, and the worlding's flout.  
If Time long held thy merit in suspense,  
Hastening repentant now, with pen devout,  
Impartial History dare not leave thee out.

Dedication of Woodhaven Branch of Jamaica, N. Y.,  
Postoffice

## EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

ADDRESS BY HON. EUGENE J. KEOGH, OF NEW YORK, AND  
PROGRAM OF CEREMONIES

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks, I include a speech I made at the dedication of a new Federal post-office building at Woodhaven, N. Y., together with the program of the ceremonies and certain small excerpts in connection therewith:

ADDRESS BY HON. EUGENE J. KEOGH, OF NEW YORK

Mr. Chairman, Postmaster Rosenquest, reverend clergy, invited guests, and friends, the drabness of the day should not, and I am sure will not, mar the joy that is properly yours on the occasion of the dedication of the new building for the Woodhaven Branch of the Jamaica Post Office. It is indeed a pleasure and a privilege for me to join with you this day. The beautiful building that from now on will serve this community is one of which we may all be proud. Its construction and completion are a testimonial to the fine spirit of cooperation and assistance rendered by the high-ranking officials of the Post Office and Treasury Departments, under whose supervision public buildings, such as this, come, especially Postmaster General Farley and Fourth Assistant Postmaster General Purdum. Proper construction was assured when the contract was awarded to a builder of national reputation, Thomas G. Sperling & Co., of New York.

I am sure that my distinguished predecessors, David J. O'Connell and Stephen A. Rudd, are looking down upon us today, sharing the gratification that comes only with the fruition of an idea. Their untiring efforts in your behalf have been brought to complete success and this occasion would indeed be incomplete if I, as their successor, were not publicly to acknowledge the untiring efforts

expended by them in the promotion of this project. I, as your Representative, have been the beneficiary of those efforts.

Your community is entitled to have these more adequate facilities so that Postmaster Rosenquest and his faithful corps of post-office employees, who daily come into contact with more people than any other group, will the better be able and swifter to complete their appointed rounds. These quarters will, I know, be a source of encouragement to them, and I take this opportunity to assure them that any action I may take in their behalf or for their benefit I shall be most happy to take.

This day should, too, in the history of Woodhaven, mark another milestone in the effectiveness of public-spirited groups and individuals in instituting and completing movements designed to improve the public service, the civic welfare, and communal interests of all the people who reside in this neighborhood. These civic and political groups were, I know, greatly aided by the fine helpfulness of the local newspapers, particularly the Leader-Observer, the Chat, and Long Island Press. The leaders of these organizations have my deep appreciation for their counsel and advice during all the preliminaries leading up to this occasion. I should indeed be happy to set forth their names to you, but to do so would be most difficult at this time. You know who they are, and their efforts and the results of their hard work are fittingly exhibited by this edifice which from this day on will stand as a permanent and silent witness to the fact that we are privileged to live under a representative democratic form of government, where the will and needs of the people are recognized and respected by the Government.

This building was needed by Woodhaven, and Woodhaven has obtained it. My sincere hope is that it will serve you people usefully and efficiently for many years to come.

May I extend to you my good wishes and assure you that, as your Representative, it has been an honor for me to work with you.

#### DEDICATION EXERCISES OF NEW FEDERAL POST OFFICE BUILDING, WOODHAVEN, N. Y., JANUARY 13, 1940, AUSPICES ALLIED ASSOCIATION OF WOODHAVEN

##### OFFICERS

Hon. Eugene J. Keogh, Member of Congress; Hon. Gilbert W. Rosenquest, postmaster at Jamaica, honorary chairmen.  
John Pasta, general chairman.  
Louis A. Liebs, Mrs. Emma V. Baxter, vice chairmen.  
Harry L. R. Clapp, treasurer.  
Thomas P. Ohlert, secretary.  
Mrs. Cornelius G. DeLoca, recording secretary.

##### GUESTS

Hon. James A. Farley, Postmaster General.  
Hon. Ambrose O'Connell, Executive Assistant to the Postmaster General.  
Hon. Smith W. Purdum, Fourth Assistant Postmaster General.  
Hon. Gilbert W. Rosenquest, postmaster at Jamaica, N. Y.  
Hon. Eugene J. Keogh, Member of Congress, Ninth District, New York.  
Hon. William B. Barry, Member of Congress, Second District, New York.  
Hon. George U. Harvey, president of the Borough of Queens.  
Hon. James A. Roe, representing Democratic organization of Queens.  
Hon. Warren B. Ashmead, representing Republican organization of Queens.  
Hon. Joseph P. Teagle, member of assembly, sixth district, Queens.  
Hon. John A. Ferril, member of assembly, fifth district, Queens.  
Hon. William N. Conrad, member city council, Queens.  
Hon. James A. Burke, member city council, Queens.  
Hon. Gustav W. M. Wieboldt, justice, court of special sessions.  
Fred W. Piderit, chief banking examiner, bank department, State of New York.  
Hon. Edward H. Potter, assistant district attorney, Queens.  
Hon. H. W. Krogmann, assistant district attorney, Queens.  
Hon. Moses Symington, postmaster at Long Island City, N. Y.  
Hon. Joseph A. Doyle, postmaster at Flushing, N. Y.  
Hon. Euphemis Fitter, postmaster at Far Rockaway, N. Y.  
Dr. Eugene A. Colligan, president, Hunter College.  
Ernest A. Tobin, superintendent of the post office at Woodhaven, N. Y.  
Emil F. Kabus, superintendent of the post office at Richmond Hill, N. Y.  
William A. Fox, superintendent of the post office at Ozone Park, N. Y.

##### PROGRAM

Star Spangled Banner: Blanche Zuber.  
Flag raising and massing of colors:  
Woodhaven Post, No. 118, American Legion.  
Whiting Post, No. 59, Veterans of Foreign Wars.  
Woodhaven Post, No. 16, Catholic War Veterans.  
Richmond Hill Post, Jewish War Veterans.  
Pledge of allegiance: Boy Scouts of America—Ralph B. Moore and O. William Wolber, Neighborhood Commissioners, District No. 8.  
Invocation: Rabbi Arthur H. Neulander, Temple Beth Israel.  
Reading of scripture: Rev. James F. Laughton, Woodhaven Baptist Church.  
Remarks: John Pasta, general chairman.

Address: Owen Keen, Chief Clerk, Post Office Department, representing the Postmaster General.

Address: Alfred J. Ball, publisher of the Leader-Observer, speaking for the community.

Music: Band of St. Thomas the Apostle Roman Catholic Church.

Address: Hon. EUGENE J. KEOGH, Member of Congress, Ninth District.

Introduction of distinguished guests by Thomas F. Thornton, Law Assistant to the Surrogate of Queens County.

Presentation of keys of new post office building by architect to Hon. Gilbert W. Rosenquest.

Benediction: The Right Reverend Monsignor Metzger, St. Thomas the Apostle Roman Catholic Church.

America: Band of St. Thomas the Apostle Roman Catholic Church.

##### ASSOCIATIONS PARTICIPATING

American Legion, Woodhaven Post, No. 118, and Ladies' Auxiliary.  
Anti-Viaduct Association of Woodhaven and Ozone Park.  
Atlantic Avenue Improvement Association and Ladies' Auxiliary.  
Boy Scouts of America, Queens Council.  
Catholic War Veterans, Woodhaven Post, No. 16, and Ladies' Auxiliary.  
Catholic War Veterans, Queens County Chapter, and Ladies' Auxiliary.  
Christ Congregational Church.  
Companions of Foresters of America.  
Congregational B'nai Israel of Woodhaven.  
Daughters of America, American Eagle Council, No. 60.  
Equity Taxpayers Association.  
Fathers' Club of Boy Scout Troop No. 29.  
Fifth Assembly District Independent Forum and Ladies' Auxiliary.  
Forest Park Reformed Church.  
Emanuel Evangelical Reformed Church.  
Knights of Columbus, Woodhaven Council, No. 1866, and Ladies' Auxiliary.

Lions Club of Woodhaven.  
Mothers' Club of Public School No. 65.  
Woodhaven Methodist Episcopal Church.  
Parent-Teachers' Association of Public School No. 97.  
Queens Elaine Council, Foresters of America.  
Red Cross Auxiliary, Woodhaven Chapter.  
Round Table Club of Woodhaven.  
Shoard Moore Circle, Foresters of America.  
St. Matthew's Episcopal Church.  
St. Thomas the Apostle Roman Catholic Church organizations.  
St. Luke's Evangelical Lutheran Church.  
Union Course Civic Association.  
Woodhaven Baptist Church.  
Women's Republican Association of Woodhaven.  
Women's Woodhaven Democratic Club, Inc.  
Women's Woodhaven Regular Democratic Club, Inc.  
Woodhaven Branch of the Queensboro Home for the Blind, Inc.  
Woodhaven Civic Association.  
Woodhaven Regular Democratic Club.  
Woodhaven Exempt Volunteer Firemen's Association.  
Woodhaven Non-Partisan Association, Inc., and Ladies' Auxiliary.  
Woodhaven Republican Association.  
Yarmouth Regular Democratic Club of Woodhaven.  
Veterans of Foreign Wars, Whiting Post, No. 59.

##### COMMITTEES

Guests' committee: Thomas F. Thornton, chairman; Fred George; Mrs. Lillian Leach; Miss Irene Doyle; Carlye L. H. Hutzelman; William Burke; Mrs. Irene Fifer; John S. Siegelach, Jr.  
Reception committee: Edwin C. Morsch, chairman; Joseph P. Teagle; Alfred J. Ball; Mrs. Margaret L. Fanning; Mrs. Claire L. Siegelach; Mrs. Helen Reid; James Pasta; John Lutz; Mrs. Mathilda Stutz; Mrs. Mildred Klarman; Mrs. Cornelius G. DeLoca; Edward J. McCarthy; Mrs. Anna Duer; Emil F. Kabus; Edwin G. Phelps; Mrs. Agnes Corwin; Mrs. Effie Worthylake; Mrs. Anna Nelke; Dr. Alfred J. Barbieri; Mrs. Sadie Gillen; Edward H. Potter.  
Decorations committee: Harry L. Zachmann, chairman; Denis A. Hayes; Etting B. Burchell, Sr.; Mrs. Mae Thomson; Mrs. Mae Gross; Miss Ruth Erdtmann.  
Parade committee: Harry F. Sullivan, chairman; Matthew T. Palmer; Clyde R. Hunt; Julius Friedman; Ralph B. Moore; Henry Garbe; Robert E. Harper; Mrs. Lydia Barker; Mrs. Julia Cheshire.  
Finance committee: John F. Rapp, chairman; Louis A. Liebs; B. C. Baumgarten; Mrs. Mary Rapp; Mrs. Mary Sarbach; Mrs. Margaret Erdtmann; Miss Margaret Loughlin; Robert L. Thornton; Walter T. Wagner.  
Publicity committee: J. Leonard Obrey, chairman; William F. Hyland; Mrs. Ethel Burglund; Mrs. M. A. Baumgarten.  
Program committee: Joseph Honsa, chairman; Mrs. Magdalen Broesler; Albert Green; Raymond G. Pollard; Anthony A. Garofalo; William Wolber; William E. Lohman; David Feiner.

[From The Chat of January 18, 1940]

From farm land to one of the most thriving communities in the country has been the progress of Woodhaven during the past 30 years. This was stressed by the speakers at the official dedication of the new post-office building in Woodhaven on Saturday afternoon. The speakers detailed the progress during this period. And during the progress the activities of Woodhaven were moved from south of Atlantic Avenue to the north side, it was stated.

It was also emphasized that within easy walking distance of the new post-office building located on the west side of Forest Parkway



north of Jamaica Avenue there is a fine public library, a beautiful high school, an attractive bank building, and a well-constructed elementary school building.

Owen Keen, chief clerk of the postal department, representing Postmaster General James A. Farley, said that business in the country is on an upward trend. He based this statement, he said, on the steady increase in the revenues of the postal department.

"When the revenues in the postal department increase it means that business is getting better and this is, indeed, a very good thing for the country," he said.

Callous to weather conditions, when a substantial community accomplishment is to be celebrated, more than 10,000 persons participated in the exercises. They stood on the damp ground, showing thorough indifference to the intermittent rain, so that they might view the parade and listen to what the speakers had to say.

The parade, in which was represented 45 organizations, got under way shortly after 2 o'clock. The marchers were taken along Jamaica Avenue to Forest Parkway from Ninety-eighth Street to the music of several bands. The paraders were cheered all the way. They were framed by buildings that were buried beneath flags and bunting for the occasion. It had been planned to hold the exercises outdoors, but this was deemed unwise, and so the committee, invited guests, and speakers moved into the new post-office building. Several hundred persons crowded into the building. The others had to remain in the street in front of the building. This they did and listened to the addresses that came through loud speakers. The police arrangement, under the direction of Police Capt. Joseph Henley, of Richmond Hill precinct, was perfect. John Pasta, chairman of the general committee, was master of ceremonies.

The program opened with the singing of The Star-Spangled Banner. This was followed by the flag raising and massing of colors by Woodhaven Post, American Legion; Whiting Post, Veterans of Foreign Wars, Woodhaven Post, Catholic War Veterans; and Richmond Hill Post, Jewish War Veterans. The pledge of allegiance was led by the Boy Scouts of America under the direction of Ralph B. Moore and O. William Wolber, neighborhood commissioners of district No. 8.

The invocation was pronounced by Rabbi Arthur H. Neulander, of Temple Beth Israel, of Richmond Hill; reading of Scripture by Rev. James F. Laughton, Woodhaven Baptist Church; remarks by Chairman Pasta; addresses by Owen Keen; Alfred J. Ball, publisher and civic leader; Representative Eugene J. Keogh; introduction of distinguished guests by Thomas F. Thornton, law assistant to the Surrogate of Queens; presentation of the keys of the building by Martin Sperling, contractor, to Postmaster Gilbert W. Rosenquist, of the Jamaica District; address by Postmaster Rosenquest; the offering of benediction by the Right Reverend Monsignor George A. Metzger, pastor of St. Thomas the Apostle Roman Catholic Church, and the singing of America.

Following the exercises a reception was held in the home of Edwin C. Morsch, chairman of the reception committee, opposite the post office building.

In his remarks Chairman Pasta said:

"Some of you here today recall the time when this site upon which is erected this magnificent post office building was farm land, cultivated by the pioneers of this community. Not very long ago we appropriately celebrated the one hundredth anniversary of Woodhaven's birth. But this is not the Woodhaven as it was then known—Woodhaven then lay south of the railroad tracks and there was located there some homes, a school, a church, an organization of volunteer firemen, some policemen, and a general store. I do not know whether there were any civic organizations then, but certainly there was a town meeting place, where in true American fashion, things important to the community were vigorously discussed.

"The passing of these years witnessed many changes. Public-spirited residents, too numerous to mention, enlarged upon the town-hall gatherings and fought for and obtained many needed improvements. The farms slowly disappeared; streets were opened, sewers laid, homes erected, inviting to this community people from East New York, New Lots, Old Canarsie, and later the Bushwick section, Williamsburgh and Greenpoint. Then came larger schools and more churches of varied denominations. On this very parkway a beautiful public library was erected; to the north, across the way, a fine bank building; just south, the home of our newspaper, and a short distance to the west, and behind us a new high school. The post office of 1874 was located in the then Woodhaven Center. The new post office building of 1940 is located in the new Woodhaven Center."

Postmaster Rosenquest, after congratulating the civic organizations in the community for their persistent campaign for the post-office building, called attention to the fact that the letter carriers and clerks who participated in the parade had finished their labors at noon but insisted on taking part in the exercises.

"And for this splendid spirit I want to publicly thank them," he said. "They are a fine bunch of men whose aim is to create good fellowship and friendship wherever they go."

Referring to the post-office building, he said that Woodhaven is deserving of such a structure.

"All that I ask of you, and I mean the residents and businessmen in Woodhaven, is to purchase your postal needs right here in Woodhaven," he continued. "Don't go to Manhattan. Don't come to Jamaica. Do your buying right here. Show that you fully appreciate this gift."

Alfred J. Ball, in speaking in behalf of the community, paid his respects to Robert E. Harper, veteran civic worker in the community, for the many improvements he obtained for the district. At the request of Mr. Ball, Mr. Harper stood up and took a bow.

## Recognition of Services of American Civilians in the Construction of the Panama Canal

### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

Mr. McCORMACK. Mr. Speaker, in my judgment, one of the most meritorious bills on the House Calendar is H. R. 1674, introduced by the distinguished Member from Florida [Mr. PETERSON]. The measure has, for its purpose, the recognition by Congress of the invaluable services rendered by American civilians in the construction of the Panama Canal. It received the unanimously favorable report of the House Committee on Merchant Marine and Fisheries; and a companion bill (S. 1162) introduced in the Senate by Senator PEPPER, received the unanimously favorable report of the Senate Committee on Inter-oceanic Canals.

Some recital of the facts involved may be of interest. The construction of the Panama Canal—all things considered—constituted the greatest industrial achievement of history. To the world at large the operation of this great waterway is of incalculable importance and value, while as a national defense, economic and good-will asset of our own country, its worth is beyond all computation. Volumes have been written on the worths and significances involved, and for present purposes, the merest reference to the subject is sufficient.

Upon the completion of the Canal, early in 1914, a grateful people gave thought to the matter of expressing tangible appreciation and the according of due recognition to those who had striven and wrought so splendidly for their Nation, that is to say, to the fine body of Americans who, in a far-off, tropic, disease-infested land, had performed the seemingly impossible task of connecting the Atlantic and Pacific seas at the isthmus, thus, indeed, "dividing the land that the world might be united." Congress was duly impressed by this reaction of our people, and took partial steps to meet the situation. In 1915 it enacted a measure entitled "An act to provide for recognizing the services of certain officers of the Army, Navy, and Public Health Service for their services in connection with the construction of the Panama Canal, to extend to certain of such officers the thanks of Congress, and for other purposes." Under its provisions (a) the thanks of Congress were extended to those officers of the Army and Navy who had served as members of the Isthmian Canal Commission, and who were then living, four Army officers and one Naval officer, because of their services in connection with the construction of the Canal, and authorizing their advancement—which advancement promptly followed—in rank (major generals, two; brigadier generals, two; and rear admiral, one); (b) provided that the other officers of the Army and Navy who had been detailed for duty with the Isthmian Canal Commission on the Isthmus of Panama for more than 3 years should be advanced one grade in rank upon retirement; and (c) authorized the advancement—and the advancements promptly followed—one grade each of all the officers of the Public Health Service who had been detailed for duty with the Isthmian Canal Commission for more than 3 years.

In that measure, which became a law on March 4, 1915, no provision was made whatsoever for recognition, by extending the thanks of Congress or by according any material benefit, to any civilian official or employee of the Isthmian Canal Commission who had rendered on the Isthmus any services

in connection with the building of the Canal, regardless of the fact that American civilians had thus served, and for more than 3 years, during the construction period which ran from May 4, 1904, to March 31, 1914; and this, too, notwithstanding that such civilians, in every branch of the work, from the highest to the lowest, had rendered efficient service, and which was in all respects comparable to that rendered by those of the three governmental branches specifically singled out and honored by the provisions of the cited act. It is true that civilians largely predominated in the Canal work, but this does not affect in the least the principle involved.

Thus it was that Congress practiced what has always been regarded as a gross discrimination against these civilians—American citizens, if you please—employed in this great enterprise. However commendable may have been the services of those of the Army, Navy, and Public Health Service thus engaged, there has never been the slightest reason or justification for singling out the Army, Navy, and Public Health officers for special recognition and reward, and the complete ignoring of these civilians. Either none or all should have been the policy of Congress in dealing with the subject. Why make "fish of the one and fowl of the other"? As a matter of fact—and a feature that is a strong factor in the equation—during the first and most trying years of the construction period—from 1904 to 1907—the work was entirely in the hands of civilians. It was during that particular period that yellow fever prevailed and plague and malaria most fearful. The Army officers who became engaged in the construction work moved in during 1907, after the worst was over, so far as disease and insanitation were concerned. Colonel Gorgas, of the Army Medical Corps, in charge of sanitary work on the Isthmus, was practically the only Army officer there in the early days.

Can it be said that the American civilians—officials, engineers, and others, performed their work less efficiently than did those of the three special services singled out for distinctive recognition and reward by Congress a quarter of a century ago? The answer is "No," absolutely "No." The judgment of all those who, by contact and experience, were in position to have an opinion on the subject, negatives the idea that the work of these civilians was in anywise inferior, or less entitled to distinction and reward than the comparable work of those there engaged of the Army, Navy, and Public Health. Take, for instance, the testimony of General Goethals himself, who served from 1907 to 1914 as chairman of the Isthmian Canal Commission and Chief Engineer, and whose services in these capacities have been signally honored at the hands of Congress. What did he say? Concerning the passage of the act of 1915—wherein he was distinctively honored and advanced in rank—in a letter to the Secretary of War, written on the 22d of January 1916, he said:

It is deemed unnecessary to set forth the feeling of injustice that was aroused in the organization by the passage of this act [that of March 4, 1915, Army, Navy, and Public Health], because of its discrimination against the large class of employees not fortunate enough to belong to any of the foregoing branches of the public service, but who toward the accomplishment of the goal had worked just as faithfully as, in some instances more loyally than, those who were specifically selected for rewards. That there was just cause for this feeling cannot be questioned. This is the first instance where the thanks of Congress have been extended to the leaders of any enterprise without including all of those who were associated with it. The discrimination stands forth more glaringly when it is remembered that those detailed for duty on the Isthmus from the public services specified in the act, after the completion of their services here, are assigned to other posts of duty, and through retirement, are looked after by a paternal Government to the end of their days; while the civilian, after having been out of touch with affairs in the community from which he came during his absence of 3 or more years, is dependent upon his own energy and effort to secure employment.

In the organization that accomplished the result the work was so divided as to bring the service men in competition with the civilians, and the latter can truthfully claim that they accomplished results just as efficiently as, and in some instances more efficiently than, the men who were selected for reward, and yet even in a blanket provision they are denied the recognition of Congress.

It has been asserted that the service men had no choice but to obey orders which detailed them to duty with the Commission, while the civilians came of their own volition. This assertion, as it

relates to the service men, is not founded on fact. With one exception, all of the Army and Navy officers—and the same is true of the Public Health Service—who received recognition were detailed only after they had been consulted and had expressed a willingness to come. Furthermore, they all received compensation in advance of that specified by law for the positions they occupied in the Government service, this compensation in some instances exceeding three times the amount they would have received had they performed in the States or elsewhere the same duty that they were called upon to perform on the Isthmus. The increases granted by the act in the cases referred to are very substantial, amounting as high as 60 percent, which continues throughout the career of the officer affected. The privilege of retirement with advanced grade has been taken advantage of by several with great pecuniary gain. All of these facts are known to the civilians who labored as zealously and who received no reward.

Note what General Goethals said about the voluntary and willing service of those of the Army, Navy, and Public Health forces who participated in this construction work. Only those of the three units went to the Isthmus who wished to go. In all truth their work on the Canal enterprise was as voluntary as was that of the American civilians thus engaged. Also, note what he thus said about the pay of those of the indicated special services employed on the Isthmus, and the benefits which would be received by them under the act of 1915. The statement will bear repetition:

Furthermore, they all received compensation in advance of that specified by law for the positions they occupied in the Government service, this compensation in some instances exceeding three times the amount they would have received had they performed in the States or elsewhere the same duty that they were called upon to perform on the Isthmus. The increases granted by the act in the cases referred to are very substantial, amounting as high as 60 percent, which continues throughout the career of the officer affected. The privilege of retirement with advanced grade has been taken advantage of by several with great pecuniary gain. All of these facts are known to the civilians who labored as zealously and who received no reward.

What did former President Theodore Roosevelt say on the same subject—the gross discrimination practiced by Congress in 1915 in singling out the Army, Navy, and Public Health officials and employees for special honors and rewards, and in utterly ignoring the comparable claims of civilians? In commenting on the letter of General Goethals, just quoted, Mr. Roosevelt, among other things, said:

I most heartily endorse General Goethals' recommendation. As one who was instrumental in getting this work under way and who has followed its progress with deep interest and keen satisfaction, I am greatly concerned in seeing proper recognition accorded to the civilian employees. General Goethals has designated them as the real builders of the Canal. I sincerely trust that prompt action will be taken by Congress toward the early enactment of legislation to this end.

To the same effect are the statements and recommendations of Mr. John F. Stevens—who is yet living, after a long career as one of the Nation's most outstanding engineers and executives. He was in charge of the Canal work from 1905 to 1907 as chief engineer and part of the time as chairman of the Isthmian Canal Commission. In a letter urging enactment of this legislation, written to Senator BENNETT CHAMP CLARK, chairman of the Senate Committee on Inter-oceanic Canals, dated April 2, 1938, Mr. Stevens, among other things, said:

I have the honor to address you in regard to Senate bill 3621, which was referred to your committee on March 7, 1938, after two readings.

This bill, if enacted into law, would confer well-earned recognition upon the first civil employees of the Panama Canal Commission, who, by their loyalty and intelligence, especially at the inception of the Canal in 1906, made the successful work possible when tropical diseases were a menace to Americans and some of them went on to early graves in carrying out the tasks assigned them.

After the completion of the Canal, the officers of the Army, Navy, Marines, Hospital, and Public Health Service, who had—under orders, of course—served 3 years on Canal work, by a law passed by Congress were given the privilege of retiring at any time after the passage of the act at one grade higher than the one they had previously enjoyed. Such retirement granted them three-quarters pay of the retirement grade, this to continue during the remainder of their lives. The act also expressed the thanks of Congress for their services on the Isthmus.

As the writer was chief engineer of the Isthmian Canal Commission during the 2 years included in 1905-7, while the



plans for the Canal were being formulated (and adopted by Congress), the organization for construction made, the working force both white and colored brought to the Isthmus, the construction plant, the necessary arrangements for housing and feeding the employees made, and the real successful construction begun, not only in general but almost to the last detail. All of these arrangements were continued in their original shape until the completion of the Canal.

The writer justly claims, and such claim can easily be verified, that, owing to his intimate connection and supervision in effecting all these necessary measures, he was and is in a better position than any other man to know that the great and most important part of the success of the construction of the Panama Canal was due to the wonderful work of these early employees. It would be only simple justice if they were granted similar recognition to that which was granted by Congress to the Army, Navy, and other branches of United States service.

The writer will add that, if Senate bill 3621 becomes a law, he will personally in no way be financially benefited as his term of service was less than the prescribed 3 years.

Mr. Stevens performed a great and indispensable service in connection with building the Canal. Yet, for the sole reason that he is a civilian, he has never received even the thanks of Congress, though, just after the Canal's completion such thanks were accorded to the Army and Navy members of the Commission, and more tangible rewards were bestowed on them and on the others of the Army, Navy, and Public Health Service, as already pointed out. What justification was there for the action of Congress there and then, and what justification can be offered for the continued like action, in failing and refusing to extend its thanks, or any special benefit, to a solitary civilian, high or low, who was engaged in the construction of this great work?

Why the discrimination against civilians? Did they belong to a different order of American citizens? Has Congress so regarded them? Congress, made up of civilians, is always delighted to heap honors on those of the Army, Navy, and other life-tenure public agencies, who worthily serve the Government, but seems loath, if not altogether averse, to the bestowal of like honor and reward upon civilians who perform like service. Why do civilians in Congress accord such discriminatory treatment to civilians out of Congress? Is not all this class distinction with a vengeance? It is, to say the least, a strange psychology. Possibly, some answer is to be found in the fact that the special services of the Government are always organized and articulate; whereas this can hardly be true of such civilians who have passed out of the public service. They are scattered and unorganized; and, in consequence, too often it is the case that due recognition and reward, amply earned by the standards of service and precedent, are not accorded them. The more reason, therefore, why this Congress, in this particular situation, should act promptly and favorably.

The pending measure (H. R. 1674) proposes, in some degree, to remove the discrimination practiced against these loyal, deserving civilians more than a quarter of a century ago; that is to say, to remove that discrimination so far as those yet surviving are concerned. The majority of these civilians have passed to their final account; and they died with the bitter fact in their minds that they were the victims of a gross injustice. Those who yet live, cannot hope to live much longer. The mortality rate among them increases month by month, and year by year. This measure, if enacted, will extend the thanks of Congress to all the civilians who were engaged in the construction, operation, sanitation, and government of the Panama Canal and the Canal Zone during the construction period of the Panama Canal, from May 4, 1904, to March 31, 1914. These thanks will thus be accorded to all these civilians, living or dead, but much good will they do the latter! For those yet surviving, the bill provides for benefits to be paid to such of them as served in such construction services on the Isthmus for 3 years or more. The 3-year period was named because in the act of 1915, the special-service men below the rank of member on the Isthmian Canal Commission, who had that length of employment on the Canal enterprise on the Isthmus, were

made beneficiaries under the measure's provisions. The benefits provided for in the pending legislation take the form of payments, ranging from 40 to 60 percent of the basic pay of the proposed beneficiaries, based on the length of their respective construction period employments.

Full hearings were had on the House and Senate bills, and the justice of their provisions fully established. In this connection it was brought out that many of these—now old civilians—were in great need; that the average age of the survivors is between 60 and 70 years; that about 4,000 would have been beneficiaries had such legislation been enacted upon the completion of the Canal (1914); that less than 1,500 would now be beneficiaries if enactment is made without further delay. It was also brought out that fully 90 percent of these civilians yet surviving received salaries and compensation of less than \$2,000 per year during the construction period; that less than 8 percent received salaries and compensation of more than \$2,000 a year; and that less than 2 percent received salaries or compensation of more than \$3,000 a year. For the most part, those who received compensation of more than \$2,000 a year were of mature age when they rendered their Isthmian service, and there are but few of them yet living, and they of advanced years. Thus, if the proposed benefits are accorded, they cannot long continue, and within a comparatively short time they will inevitably cease.

If it be argued that because so many years have passed since the completion of the Canal, nothing should now be done to remove the indicated discrimination, with some substantial recognition of these survivors, a sufficient answer is that a belated act of justice is better than no act at all. Moreover, it ill becomes a great republic to plead limitation on any obligation of duty or gratitude. True, such legislation should have been enacted in 1915—at the same time that for the benefit of the special services was enacted; but it was not then nor since enacted. Let us, therefore, who are now in this Congress rectify, as far as we can, the wrong of a quarter of a century ago. While there was a bill introduced in the House and Senate in 1916 having for its purpose the according to these civilians certain benefits of a pecuniary character—where there had been 3 years or more of isthmian construction service—nothing came of it. It was recognized at that time that such legislation should be enacted; but the fact that these proposed beneficiaries were scattered all over the United States, and were unorganized, and inarticulate, together with the waging of the World War, operated, no doubt, to prevent favorable congressional action; and thereupon the idea slept until recently. Be the causes of nonaction what they may, Congress now has the opportunity to correct, in some measure, at least, and as to the surviving minority affected, the gross favoritism practiced years ago, and to accord, in a moderate way, much-needed benefits. These proposed beneficiaries constituted a generation ago in the fevered Tropics a part of the greatest industrial army ever assembled, and they performed for their country and for humanity—for all the world and for all posterity—a work of unprecedented character. The opportunity which is now ours to enact this legislation should be gladly availed of.

The fact that there were so many more civilians than of the special services already mentioned—Army, Navy, and Public Health—engaged in the construction activities of the Canal does not affect in the least the vital principle involved. That principle is exactly the same; what was fair for one class is fair for the other. As a matter of fact, if discrimination was to be practiced, it would have been more just for it to have been practiced in favor of the civilians. The special services had life tenure of place, as it was; they were not thrown out of employment by reason of the completion of the Canal, as were all the civilians, except those covered into the permanent organization of the Canal, for its operation, and at increased compensation over that paid in the construction period. But these civilians who found themselves out of employment when

the construction period terminated had to return to the United States. They were out of touch with conditions in the States; those in railroad work on the Isthmus lost all their seniority rights back home, and all had to start life over again upon their return, with all the hardships and disadvantages the situation inevitably presented. Had the proposed act of 1916 for their benefit been passed, their condition would have been made somewhat easier. That measure would have provided that each such civilian who had served on the Isthmus during the construction period should receive—where the service had been 3 years or more—the equivalent of 2 months' salary for each year of such service. Being civilians, they could not be advanced in rank or grade and permitted to retire, as had been provided for special services covered by the act of 1915. The privileges of the act of 1915 were of a distinct pecuniary benefit, and its beneficiaries not only received the advance-in-rank benefits but most of them promptly retired at the advanced ranks conferred, and were able to capitalize all this in entering upon remunerative employments and connections in private life. Thus it was that the proposed legislation for these civilians in 1916 carried the provisions just named.

Now, a word as to the cost involved, if the pending legislation is enacted. While the matter of cost cannot affect the vital justice at stake, yet the total outlay should prove a reasonable one. It should not now run, at the outset, more than a million dollars a year (and some, in very good position to estimate it, say that it should not exceed \$750,000 a year). The initial figure, whether one million or less, will diminish in a constantly increasing rate, because of the ever-increasing mortality of the beneficiaries; and, within a few years, the outlay will altogether cease.

What therefore is the situation presented? The Army, Navy, and Public Health officials and employees connected with the construction work of the Canal were liberally recognized and specially rewarded by the act of 1915; a considerable number of civilians—perhaps something like a thousand—were covered into the permanent organization of the Canal, after its completion, and at substantially advanced pay, and Congress some years ago enacted a liberal retirement act for their benefit and in addition provided that each of them who had served 3 years or more in the construction period should receive \$3 a month for every month of construction-period service; and as to certain other civilians who later served in the Government's Alaskan service and who had 3 years of construction service on the Canal, Congress enacted a measure giving them \$3 a month for that construction service. All those covered into the permanent organization of the Canal would have to be deducted from the estimated 4,000 civilians who, as already indicated, would have been eligible for the benefits of the pending measure had it been enacted at the completion of the Canal; and this is true, also, of those of the Alaskan service, just stated. This leaves of the entire construction forces of the Canal only those civilians left after the deductions just noted have been made—and, perhaps, some who returned to the United States and have since served in civil-service employments, with retirement benefits accruing—who have not received any specific benefits because of their service of 3 years or more in the work of building the Canal.

Much more could be said by way of proving the justice of the pending legislation; but this should be enough. Let us do our duty—though it be at such long last—and act so as, measurably, at least, to remove the old, old discrimination against these surviving civilians who served their Nation so honorably and so well a generation ago. This bill, based on equity and justice, and removing a discrimination that has existed for many years, should be enacted into law this session.

## Good Tariff Fences Make Good Neighbors and Promote Peace

### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1940

NONPARTISAN RADIO FORUM OF THE AMERICAN GOOD GOVERNMENT SOCIETY

Mr. MUNDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the addresses delivered over the blue network of the National Broadcasting Co., starting at 10 p. m. Wednesday evening, January 31, 1940, on the Nonpartisan Radio Forum of the American Good Government Society, by two colleagues, the president of that society, and myself.

#### GOOD TARIFF FENCES MAKE GOOD NEIGHBORS

The ANNOUNCER. The National Broadcasting Co. presents a discussion of the reciprocal-trade agreements under the auspices of the American Good Government Society, of Washington, D. C., featuring Senator Alva B. Adams, Democrat, of Colorado; Congressman Karl Mundt, Republican, of South Dakota; Congressman Homer D. Angell, Republican, of Oregon; and Richard A. Staderman, nonpartisan, of New York, president of the society, who is presiding at this discussion. Mr. Staderman.

Mr. STADERMAN. Thank you, Bryson Rash. Our appreciation to N. B. C., to the local stations, and to N. B. C.'s Kenneth Berkeley for this coast-to-coast hook-up.

It has been said that the price of liberty is eternal vigilance. Today we have an ever-growing army of little would-be gods in the Federal Government who tell you and your neighbor, "Do this or do that, or else we will crack down." One of the worst crack-downs has been on the farmers, workers, and businessmen, who thought we had decent tariffs to protect us from inferior imported products of foreign sweatshops and peon labor.

Suddenly these citizens have awakened to find that a handful of bureaucrats whom the people never even elected have had a star-chamber, secret meeting, and traded away our tariff birthright for a mess of imported canned beef mixed with entangling alliances and international power politics.

The worst of it is that if you have your farm or your business or your job ruined by a tariff reduction, you are practically denied your constitutional right to justice. In the case of *Hampton v. United States* (276 U. S. 394), the Supreme Court rendered a very unconvincing opinion based upon what Congress had inaccurately assumed to be fact. In this decision the Court upheld the limited amount of tariff juggling which Congress had delegated to the Tariff Commission. Long before there was a Reciprocal Trade Agreement Act the late constitutional authority, James M. Beck, with remarkable foresight cited this Court's opinion as "a very fateful one in influencing further unconstitutional delegation of power by Congress," which "may yet prove the 'wooden horse' whereby the citadel of the Constitution will be taken."

Prior to the Trade Agreements Act, a party injured by a change in a duty by the Tariff Commission was allowed under section 516 (b) of the Hawley-Smoot Tariff Act to carry his complaint through the Customs Court and the Customs Appeals Court and even obtain review by certiorari from the Supreme Court. The Trade Agreements Act denies the right to make such appeals from a duty changed in any trade agreement.

Under the rule established in the case of *Massachusetts v. Mellon* (262 U. S. 447), a person adversely affected by a tariff reduction would have to prove, first, that the statute was unconstitutional, and, second, that its application had caused him actual loss. The proving of loss as a result of a tariff reduction has been rendered well-nigh impossible under the Supreme Court's decision in *Louisiana v. McAdoo* (234 U. S. 627), where it was held that production of a given commodity does not necessarily give a party cause for legal action to prevent continuance of the reduction in tariff protection.

In its denial of the rights of the individual to appeal from the decisions of administrative authorities the Reciprocal Trade Agreements Act is open to all the general criticisms leveled at Federal agencies by the American Bar Association as reasons for the need of enacting the Logan-Walter administrative law bill, which the bar



sponsored. The administrative law bill does not include the State Department in its excellent corrective provisions, hence the trade-agreements situation needs specific correction by the Congress, which should never in the first place have exceeded its constitutional authority by delegating the tariff-fixing power to any Federal agency. Insult is added to injury to further deny aggrieved citizens the right to obtain redress through taking the matter into the courts.

Coupled with these indictments of the trade agreements from the fundamental constitutional standpoint, we find numerous other reasons why they should not be continued in their present form. A study of the past 150 years shows that Britain under free trade had several times as many years of warfare as did our own United States under what were at least partly protective tariffs most of the time. From the purely economic standpoint we find the national income of all the people in the United States rising steadily year after year for the 10-year period following the Dingley higher tariff of 1897 and for the 7-year period following the Fordney-McCumber higher tariff of 1922—facts which cannot be disputed by Secretary Hull and other advocates of the agreements.

The agreements are administrative absolutism at its worst, endangering the peace of the United States as well as the livelihood of millions of farmers, businessmen, and workers. In the name of simple fairness and honesty the trade-agreements program must not be renewed in its present form.

As our first guest speaker, we have the privilege of presenting a man who is known in his own State and in the entire United States as an outstanding authority on the economic, financial, and governmental problems of our Nation. We of the American Good Government Society take great pleasure in presenting Senator ALVA B. ADAMS, Democrat, of Colorado. Senator ADAMS.

Senator ADAMS. Thank you, Mr. Staderman.

#### RECIPROCAL-TRADE AGREEMENTS

The founders of the Constitution in accord with the lessons learned from English history, reinforced by the American Revolution against an English King, who attempted to deny to the colonists the rights which English citizens had won, placed the power of taxation in the Congress. The establishment of tariffs in an exercise of the taxing power. In Congress and in Congress alone is vested under the Constitution the power to establish tariffs.

All the powers which the executive department exercises in the making of so-called reciprocal-trade agreements come to it by delegation from Congress. Every change in a tariff rate is an amendment of a law. The 22 trade agreements which have been entered into, if valid, have amended acts of Congress many hundreds of times.

It is an accepted principle of law that Congress can delegate power to administer a law in accord with standards or rules set up by it but not delegate power to enact legislation.

The former flexible tariff act authorized the President to make changes in tariff rates to equalize the difference between the cost of production at home and abroad. While often a difficult rule to apply, yet it was an understandable and applicable rule or standard. The law was declared by Congress, its administration only was left to the Executive.

The reciprocal trade agreement law gives no practicable rule or standard by which changes in any tariff rate can be determined. In effect, this law declares that the President may enter into foreign-trade agreements changing existing duties whenever he decides that such changes will expand foreign markets or be of domestic advantage. The decision as to the making and the details of trade agreements are left to his uncontrolled discretion.

The only limit on the President in this act is that he may not increase or decrease any duty by more than 50 percent. Under this act 22 agreements have been entered into changing the tariff rates on over 1,000 items.

The act provides that if in any trade agreement a change is made in the tariff on any item the same change in rate shall apply to all foreign countries.

Thus a reciprocal-trade agreement with one country where tariff-rate concessions by us are compensated by tariff concessions from such other nation produces tariff concessions to other countries which are not reciprocal or in any way compensated. Such policy seems of doubtful fairness, both to producers in the United States who are affected by the reductions in tariff, and to the country which has made concessions in exchange for the reductions in rate upon its products.

So far as I am advised, every change in tariff rates upon the more than 1,000 commodities affected has been a reduction. Every reduction involves a lessening of our customs income and may bring competition to American products and American labor from products of lands with lower living standards.

It is, of course, the hope that the lowering of foreign tariffs will afford markets for increased American production. This is probably true but it is little consolation to an industry and its employees that is crippled or destroyed by the foreign competition admitted by the trade agreement that some other industry in some other section of the country is profiting by the trade agreements.

The industries and, indeed, the economic life and prosperity of many sections of the United States may be promoted or destroyed by favorable or unfavorable tariff legislation.

It has been the constant effort and desire of our citizens to maintain and, if possible, to raise American standards of living. As a result of the better wages paid our workmen, the shorter hours of labor, and better working conditions it is not possible for industry

in the United States to produce goods as cheaply as in countries with lower wages, longer working hours, and inferior living and working conditions. For the purpose of protecting American industry from destructive competition from importation of products of cheap labor, tariff laws have been enacted by the Congress. Whatever may be the defects in our tariff legislation it has been enacted in a constitutional way. The representatives from every section has not only been heard but have had a vote. Tariff laws enacted by Congress give first consideration to domestic industry and commerce. Congress may underestimate the value of foreign trade, but it is far wiser to overvalue domestic than to overvalue foreign trade. The advocates of the reciprocal-trade laws have not only overestimated the value and importance of foreign trade but have also greatly overestimated the benefits received by the United States from the trade agreements. Many gains in the economic life of our country due to the general improvement in conditions have been ascribed to the effect of the reciprocal-trade agreements.

Of course, when the United States enters into a trade agreement, concessions must be given as well as received. There are and can be no agreements under which we receive all the benefits.

The articles upon which the foreign nations seek and secure reductions are frequently also produced in our country. In many instances the trade agreements have reduced duties on foreign products coming in direct competition with American products.

Let me illustrate from the experience of my own State, Colorado:

One of our more important industries is cattle raising. The reciprocal agreement with Canada lowers the duty on cattle. We are told that the number which can be imported is limited to 225,000 head of one weight and 100,000 head of the other upon which a reduction is made. We are told that we have not been hurt, that the number coming in under the lowered tariff is but a small percentage of the American consumption. Unless the law of supply and demand has been repealed by the negotiators of the treaties, every animal added to the supply without a corresponding addition to the demand inevitably tends to lower the price which the producer would otherwise receive. Naturally, the Canadian shipper will send in his cattle when prices are favorable and leave the market to the American producer when prices are low.

Beet sugar is one of the chief agricultural crops of many western States. By a trade agreement with Cuba the tariff was lowered from \$1.50 per hundredweight to 90 cents. Even though there are quota limitations the natural result is to lower sugar prices in the United States. Moreover, the agreement requires the United States to fix quotas on its sugar production in order to maintain quotas on Cuban importations.

Colorado is a great producer of potatoes. The Canadian agreement lowers the duty on potatoes.

Colorado produces many sheep and much wool. The British trade agreement reduces the tariff on certain woolen fabrics. These fabrics will now replace American fabrics made of American wool to the detriment of the American producer of sheep and wool. Furthermore, unemployment in the woolen mills will ensue to the extent of the replacement.

The producing of cattle and sheep provide a market for a large amount of feed crops which will be lessened by the importation of Canadian cattle to the detriment of American farmers.

There have naturally been some benefits derived from 22 trade agreements, but so far as Colorado and the West are concerned these benefits are small in comparison with the detriment.

Only recently the West was threatened with reductions in tariffs on some of its other chief agricultural and mineral products.

That the President, in whom the authority is vested, and Secretary Hull, of the highest integrity and courage, by whom the authority is in fact exercised, are conscientious in endeavoring to promote the welfare of the United States in making these agreements is, of course, beyond question.

My criticism is not of those who administer the law but of the law itself which takes from the elected representatives of the voters their constitutional duty and powers and makes one man an absolute dictator of the economic welfare of American agriculture and of almost every important industry.

Today the power may be used with judgment and produce on the whole good results; tomorrow it may be so applied as to bring disaster. The welfare of American industry should not depend on the decision or the life of one man. Who knows into whose hands the Executive power may go in future years? Who knows what economic or political theories will dominate the Executive Office tomorrow? Regardless of changes in the Executive, the Congress today does and tomorrow will represent all sections of the country and all groups and interests. No individual no matter how many aides or assistants he may employ can have the grasp of national interests and problems possessed by Congress composed as it is of representative men from every section of the land in constant touch with every group and interest. It probably will be less efficient than a wise and benevolent dictator, but in its cumbersome way it will safeguard the rights and welfare of all parts of the country. The history of the past and the events of today confirm the wisdom of vesting the power of levying taxes and spending the people's money in a representative assembly.

There is, therefore, involved in the reciprocal-trade law an issue of greater importance than the mere changing of tariffs. It involves our faith in some of the great fundamentals of our Government. The Constitution placed the exclusive power to levy taxes and determine tax policies in the Congress. The Constitution pro-

vided that revenue bills shall originate in the House of Representatives. The Constitution requires all treaties to be ratified by the Senate.

Reciprocal-trade agreements are an exercise of the taxing powers. They are revenue bills. They are, moreover, definite binding agreements with foreign nations affecting for a fixed time the commercial relations of the citizens of the respective countries. They amend existing law and become the supreme law of the land. They are treaties.

The reciprocal trade agreement law, therefore, offends against three fundamental provisions of our Federal Constitution.

The blame for this law rests not upon the President nor upon Secretary Hull, who are but endeavoring to carry out the law enacted by the Congress. Whatever blame there is rests upon Congress. It is not a case of usurpation but of abdication.

However, criticism may justly be made of those in the executive department who insist that this unconstitutional grant shall be renewed and declare that if the agreements are to be subject to Senate ratification, disaster will follow and the foreign-trade structure of the United States will be ruined.

I believe in the policy of reciprocal-trade negotiations between nations. I recognize that Congress is not the agency to conduct such negotiations but, as under the Constitution the authority of the Executive to conduct negotiations is derived from the Congress, the Executive should both as a matter of duty and of choice refer its completed work back to the Congress for approval or rejection.

The Senate upon the submission to it of an agreement would not have open to it an opportunity to amend individual items of the agreements. Its duty, as in the case of other treaties, would be to approve or reject the agreement as a whole.

Opposition to referring back for ratification to the Senate their work is either a reflection on the Senate or the assumption of a very great superiority on the part of the negotiators. In making these agreements the Executive according to its own theory acts solely under congressional authority and in accord with rules laid down by the Congress. Why should an agent be so reluctant to report to his principal what he has done under his authority? What would we think of an attorney who was unwilling to report back to his client what he had done with his business? And what would a client think of a lawyer who was unwilling to account to him or to submit his work for the client's approval? If they fear to submit their agreements to the Senate they should not make them. If they are for the good of the country, the Senate will ratify them; if they are not, they should not be ratified.

I now return the microphone to Mr. Staderman.

Mr. STADERMAN. Thank you, Senator ADAMS, for your enlightening and stimulating talk. We heartily agree that Congress should have the last word on all tariff matters.

As the next distinguished guest of the American Good Government Society we have Congressman KARL MUNDT, Republican, of South Dakota, the man who made the United States Department of Agriculture stop importing South American beef.

Accidentally discovering that the Department's own basement store was selling canned corned beef imported from Argentina, Congressman MUNDT got a reporter and was photographed in the act of buying a can.

Congressman MUNDT, what did you do with that can?

#### GOOD FENCES MAKE GOOD NEIGHBORS

Congressman MUNDT. It was this way, President Staderman. I immediately took the can and the sales receipt for it over to the chamber of the House of Representatives and held it up for all my colleagues to see as exhibit A of how bureaucrats encourage imports of things which drive our own farmers and businessmen into bankruptcy and force laboring men onto relief. While this example was perhaps a little more startling than the average because it involved the Department of Agriculture store, it is only typical of the manner in which the whole reciprocal trade agreement program of the New Deal has discriminated against American farmers, ranchers, laborers, and businessmen by giving foreigners the benefits of our tariff reductions and permitting them to drive American products from the market because of cheap sweatshop products from foreign farms and factories.

However, what I want to talk about tonight, Mr. Staderman, is the way in which the Government's huge propaganda machine behind these trade agreements is now trying to mislead so many of our citizens, especially the mothers of America, into thinking that these low-tariff agreements promote peace.

I agree heartily with the statement of Senator ADAMS that the increased imports resulting from the Hull-Roosevelt treaties are seriously crippling domestic producers. That is as true of South Dakota as it is of Colorado. These low tariffs are a direct discrimination against American farmers and laborers and serve only to perpetuate the depression and increase maladjustment of opportunity in this country. I believe even the New Deal enthusiasts for these executive trade treaties are realizing how badly their case crumbles on the economic front. They are now trying to divert attention from our low prices for farm products, our widespread poverty and unemployment, our closed factories, idle acres, frozen capital, and other heritages of this flirtation with free trade by attempting to deceive citizens into arriving at muddled-thinking conclusions that these trade agreements in some mysterious way promote world peace. Tonight, therefore, I want to meet this argument head-on.

New Deal propagandists are now busy trying to get women's clubs, peace societies, church groups, and peace lovers everywhere to en-

dorse the reciprocal-trade agreements as a weapon for peace. Radio friends, before you are misled by such Trojan horse strategy, may I seriously suggest that you ask some direct questions of those who frantically urge your support of the New Deal low-tariff program by attempting to tie reciprocal-trade agreements to the tail of the kite of peace.

For example, it is fair to ask them, "How can it help promote peace in America to deny the Congress, which represents the people, whose sons must do the fighting, from having the right to review and ratify these trade agreements, which can so easily involve us in disputes leading to war?" No one can deny that giving the President and his appointees full power to make treaties, which can be manipulated to favor the product of nation B, and discriminate against the products of nation C, is giving the President the power to join the United States in "economic warfare" between two groups of nations. It is almost delegating the power to declare war. Nor does it promote peace to fill the hearts of American farmers and workers with hatred for the people of foreign countries whose sweatshop products of farm and factory flood our domestic markets as a result of these Executive low-tariff treaties, thus forcing more poverty on our farms and more unemployment in our cities. The first step in maintaining international peace is to maintain internal prosperity; this we can never do by displacing American products on American markets with foreign imports rolling in to force down our own standard of living. America weakens its force for world peace when our people live in poverty and develop hatreds for the foreign producers who have invaded our home markets.

#### GOOD FENCES MAKE GOOD NEIGHBORS

Good fences have made good neighbors of Americans for 150 years, during which time we have had fewer wars than any other similar country. Good fences have kept out coolie and peon products, and Americans have developed their country with no hatred in their souls for any people. But now that the Hull reciprocal trade pacts are gradually driving us onto a free-trade basis by the piecemeal scrapping of our protective tariffs, we find ourselves being generous with some nations, selfish with others, and over all forms of prejudicial trade policies and unneutral trade agreements, the people and their Representatives in Congress have not one word to say. Can it make for peace, I repeat, to delegate the power to create warlike disputes and hatreds to the executive branch of Government? Did one-man control keep Russia or Germany at peace? Did it save Ethiopia from Italy? Has it prevented China from being attacked by Japan?

#### TRADE TREATIES DO NOT PROMOTE PEACE

In fact, the whole record of history belies the assertion that executive-trade treaties make for peace. Especially does it deny the theory that low tariffs or free trade make for peace. For 14 years, from 1920 to 1934, America had high tariff walls, and America and all of the world lived at peace. We refrained from undercutting foreigners in their markets, and we protected our home markets from foreign exploitation. Came the reciprocal-trade pacts in 1934—since that date we have had the Italian-Ethiopian war, the Italian-Albanian war, the Japanese-Chinese war, the German-British-French war, the Russian-Finnish war. The apologists for the reciprocal-trade treaties can point to no wars caused by a system of traditional American protective tariffs. I do not charge these treaties with being solely responsible for the wave of wars which followed them, but it certainly does show that the trade treaties have not promoted peace. It should be further remembered that in their origin all of the foregoing wars were based on economic needs. These needs were, at least in part, stimulated by the New Deal trade treaties, which drove other nations to become more aggressive in foreign economics, because we were granting concessions to foreign countries and trying to steal foreign markets which were formerly supplied by these nations. It takes a crafty political orator indeed to show how peace can be promoted by stimulating an aggressive trade war through an attempt to drive foreign products out of foreign markets by sacrificing our own farmers and laborers through the acceptance of increased imports in order to force sales abroad of the products of a few pampered American monopolies.

You know and I know, in the calm judgment of our honest convictions, that it is as unfair and as unjust to American farmers and laborers to tear down our tariff walls to help step up exports for a few manufacturers of farm machinery, sewing machines, office equipment, and other isolated favored industries as it would be to tear down our immigration restrictions and flood this country with additional unemployables in order to step up business for a few ship lines specializing in bringing over immigrants. Importing beef into America to force-feed a few extra sales of harvesting machines to Argentina wrecks a great American farming enterprise, stimulates more farm competition from abroad, and in the final analysis destroys even the favored Americans it is meant to help by depriving them of a prosperous farm market in which to sell their products. As it operates with imported beef, so it also operates with imported dairy products, eggs, grains, shoes, lace, coal, oil, and other products of American farms and factories.

Such a policy gains us the ill will of the foreign powers whose products we displace abroad and of the domestic producers whose interests are sacrificed through increased competitive imports at home.

In analyzing the relationship of trade treaties and peace, English history will be illuminating. There we have an English-speaking nation, whose people are similar to ours; and whose industries, when the entire Empire is considered, resemble our own in size



and variety, both on the farm and in the factory. Up until 1930 England was a prize example of a country having trade relations such as those sought by the reciprocal trade agreement sponsors. England's devotion to low tariffs was such as to give her almost free trade prior to 1930. Surely, if low tariffs promote peace, England's history prior to 1930 should reveal the fact. Let us look at the record. On page 189 of the Record for October 9, 1939, is a printed list of England's wars before 1930. It is an emphatic answer to those who argue that low tariffs assure peace. Between 1780 and 1930 England was engaged in 54 wars. During that 150 years, while America was engaged in foreign war less than 20 years, England was at war for more than 100 years. Included in those wars were wars with France, with Sweden, with Russia, with the United States, with Turkey, with China, with Germany, with Denmark, and many others. Historians report that most of these wars were about disputes involving foreign trade; all of them were fought while England's trade treaties and tariff policies excelled the fondest dreams of today's low-tariff proponents of American reciprocal trade treaties. Ladies and gentlemen, I repeat: Good fences make good neighbors. In private life or public affairs, poor fences and the policy of stepping on our neighbor's toes or having him step on ours is the formula which leads toward war and away from peace. Power should be restored to Congress to review and ratify all foreign-trade treaties.

Mr. STADERMAN. We heartily agree, Congressman MUNDT, that good tariff fences make good neighbors and promote peace.

The next distinguished guest of the American Good Government Society is Congressman HOMER D. ANGELL, Republican, of Oregon, who had many years of service in the Oregon Legislature and practiced law before the United States Supreme Court before coming to Congress. Congressman ANGELL, what is your objection to the trade agreements?

#### SHOULD THE TRADE AGREEMENTS ACT BE EXTENDED?

Congressman ANGELL. My objection, Mr. Staderman, to the reciprocal trade agreements program is the way it is operated by the State Department, resulting in very serious injury to many of our people, particularly in the Northwest and my own State of Oregon. In brief, the whole theory of the reciprocal-trade law is to facilitate trade by stimulating and providing markets for American products of which we have a surplus, and at the same time opening American markets for importation of those products which we do not produce and which we need. The underlying theory is the same as that laid down by President McKinley in 1897, when he said:

"The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people but tend rather to increase their employment."

I want to stress that the purpose of the reciprocal-trade program is not to open our markets to products which we ourselves produce or can supply. It was not designed to bring about free trade, but to provide foreign markets for products which we produce in excess of our own demands and furnish American markets for such imports as we ourselves do not produce. It was never contemplated, for instance, that the lumber markets of America should be thrown open to imports of forest products from Canada and other countries, depriving our own lumber producers of a market for domestic lumber, of which we have a surplus. Furthermore, it was not intended that the bars should be let down for the importation of cattle and beef products from Canada and Argentina to displace our western cattle. In 1934 we imported 59,000 head of cattle. In 1938, under trade agreements, we imported 424,000. In 1934 we imported 313,000 pounds of fresh beef and in 1937, 4,600,000 pounds.

In my own State of Oregon we have the largest body of standing timber of any State in the Nation. Over 50 percent of our pay rolls come from the forest industry. The reciprocal-trade agreement with Canada has resulted in great injury to this industry in our State. In 1935 the total forest products and paper imported from Canada was \$108,724,793, whereas in 1938 it had increased to \$168,990,162, or an increase of 55 percent. We formerly supplied 75 percent of the North Pacific coast lumber used by the British nation. The Canadian agreement of 1935 lowered the American tariff wall one-half, but left the British Empire tariffs intact. American duties on Canadian lumber were cut 50 percent—all the law allowed—restricted to 250,000,000 feet annually. Under the most-favored-nation clause, this reduced lumber duty was automatically extended to every other country in the world shipping lumber to the United States, including Soviet Russia. Lumber imports to the United States increased at once. Douglas fir and west-coast hemlock from British Columbia were practically doubled. In the first 11 months of 1938 Canada shipped 155,000,000 feet of Douglas fir and west-coast lumber into the United States, while west-coast shipments to the entire British Empire, Canada, included, totaled only 59,000,000 board-feet—a ratio of 3 to 1. In other words, American lumber exporters have been cut off from the British market, but the home market has been opened to Canadian shipments. In 1938, in the Northwest, 16 percent of the sawmills worked full time, 32 percent part time, and 52 percent were idle. We paid 76.7 cents per hour to our workers for a 40-hour week and British Columbia paid 57 cents for a 48-hour week.

We are all deeply concerned for the welfare of our country. We want to play our part as one of the family of nations. We do not feel, however, that we are called upon to surrender the American market to foreign importations of the very products which we produce and of which we have a surplus which we are now unable to sell. Reciprocity means receiving compensating benefits for those

we give up. We have only 7 percent of the population of the world, but we have the best markets in the world, and we cannot in justice to our own people, open our markets to the other 93 percent, without some protection for our own people.

The farmers of my own State of Oregon are in distress. They are not now receiving the cost of production for their products. The Congress appropriated \$700,000,000 for the relief of the farm industry last year. Many loggers and sawmill workers are forced out of work in the Northwest. We want agriculture and the great forest industry of the Northwest, and our workmen, protected from importations of products from cheap labor which are underselling and glutting the American market. We have 10,000,000 unemployed, and many more millions on relief. We have huge surpluses of agricultural products and lumber for sale. Let us preserve our own American market. We urge that the reciprocal-trade agreements require congressional approval as under the Constitution tariff making is a legislative power, vested in the Congress, and we have no right to delegate it. The interests of every community in America will be protected by such a provision.

Few countries have gone as far as has the United States in protecting its wage earners. We have a floor under wages and a ceiling over hours, and have raised standards on a broad scale for the guaranteeing to American workmen healthful surroundings and social security. As a result, these additional costs are reflected in the cost of American products. We cannot hope to maintain our agriculture and industries on a profitable basis, which are heavily taxed for these purposes, if we throw our products in free competition with peon, coolie, and other cheap labor in foreign countries.

Those of us in the Congress who represent the districts which are suffering from these importations are earnestly endeavoring to provide suitable safeguards in the further extension of the reciprocal-trade program so that such practices will be stopped and our foreign trade expanded. Under the present conduct of the program through the State Department the Congress is denied any voice in the matter. The duly elected representatives of the several States most vitally affected by these unwarranted importations are without any power or authority in the adoption of the program. We join with Secretary Hull in an earnest desire to engender international good will by removing, so far as possible, foreign-trade barriers. We do not, however, feel that in justice to American citizens we should adopt a free-trade program with respect to any major products of our own country that will stifle American production, throw American laborers out of work, and trade off American markets with no compensating returns.

Mr. STADERMAN. Thank you, Congressman ANGELL, and our best wishes to all friends of good government.

### Work Projects Administration Program in Pennsylvania

#### EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

LETTER FROM COL. F. C. HARRINGTON

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Col. F. C. Harrington, Commissioner of the Work Projects Administration, with regard to the Work Projects Administration program in Pennsylvania.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL WORKS AGENCY,  
WORK PROJECTS ADMINISTRATION,  
Washington, D. C., February 1, 1940.

The Honorable JOSEPH F. GUFFEY,  
United States Senate.

MY DEAR SENATOR GUFFEY: The following is in response to your request for information concerning the Work Projects Administration program in Pennsylvania. I would like to avail myself of this opportunity to go into the matter in considerable detail. This will require some explanation of the legislation under which the W. P. A. is operating, as well as a review of past fluctuations in W. P. A. employment in the State of Pennsylvania.

The quotas for W. P. A. employment in all States are set by the Commissioner with no legislative restrictions upon his authority in this respect. When the current appropriation act for the W. P. A. was passed by the House of Representatives it contained in section 1 (c) a formula to govern the apportionment of such employment. This section was stricken from the bill as it was reported to the Senate by the Senate Committee on Appropriations and was never

reinserted. This indicates quite clearly that the Congress desired the apportionment to be made by the Commissioner in his discretion.

The apportionment of W. P. A. employment to the various States is one of the gravest responsibilities that the Commissioner has to discharge. I assure you that I am fully aware of the important duty which is imposed upon me in this respect and that I am performing it as conscientiously as I possibly can. I assumed charge of the W. P. A. on December 24, 1938. All decisions which have been made with regard to the allocation of W. P. A. employment since that time have been made by me with complete independence, and I accept full responsibility for them.

The mechanics of the process by which this apportionment is made are as follows. Each State administrator of the W. P. A. is authorized each month to employ not to exceed a certain number of people. The allocation is in the form of a specific number of jobs rather than a sum of money, although obviously the amount expended is approximately in proportion to the number employed, the only variation being that due to differences in wage scales. The primary consideration in making the distribution is the number of able-bodied people in the State who are in need. We use every resource of our field organization to obtain this information in the most accurate possible form. There are, unfortunately, certain deficiencies in this basic data but we are continually striving to improve the completeness of our statistics on this point.

Two other factors enter into the assignment of quotas. The first is the amount of funds available, as these must, under the terms of our appropriation act, be so apportioned and distributed as to cover the entire fiscal year. The second factor is the availability of locally sponsored projects which are suitable for operation by the W. P. A. and are located where the unemployed people are.

Passing now to the Pennsylvania situation, the quota authorized for that State for the month of January was 160,000, against which there was an actual employment on January 24, 1940 (the date of our latest count), of 144,672. For the month of February the State administrator has been authorized to employ not to exceed 165,000 persons. This increase of 5,000 in the Pennsylvania quota was a part of a total increase of 53,000 which was made nationally.

The variation in employment in Pennsylvania financed from W. P. A. funds during the calendar years 1938 and 1939 has been as follows:

Month <sup>1</sup>	1938	1939
January.....	183,962	248,470
February.....	193,350	245,359
March.....	223,052	241,248
April.....	227,635	218,777
May.....	244,836	210,469
June.....	264,379	180,187
July.....	277,388	141,910
August.....	274,110	130,514
September.....	277,783	131,925
October.....	291,447	145,177
November.....	286,546	146,416
December.....	261,891	147,972

<sup>1</sup> Data are for the last week of the month.

On a national basis the lowest W. P. A. employment was 1,448,411, which was reached on September 29, 1937. Subsequently, in an attempt to meet the increase in unemployment due to the recession which became apparent in the late summer of 1937, the W. P. A. rolls were increased to a maximum of 3,363,841 on November 2, 1938. On that date they began to decline and had reached a figure of 3,093,855 at the time that I assumed charge of the Administration at the end of December 1938. The reduction continued to a low point of 1,661,970 on September 6, 1939. At that time an increase was begun, as is usual to meet seasonal conditions, and the present national employment stands at 2,230,597.

The essence of Governor James' charges is that the reason for the reduction in W. P. A. employment which has been made in Pennsylvania since the autumn of 1938 has been a desire to penalize the State for having elected a Republican administration. I deny this with all the emphasis at my command and state categorically that no political consideration has entered into the fixing of any W. P. A. quota since I assumed charge of this Administration. If Governor James' charges were true, they would prove me to be completely unfitted for the position which I hold, but he has never at any time produced a scrap of authentic evidence in support of them.

During the fiscal year extending from July 1, 1938, to June 30, 1939, the amount available to the W. P. A. was approximately \$2,250,000,000, while for the 12 months from July 1, 1939, to June 30, 1940, the appropriation is approximately \$1,500,000,000, or one-third less. Obviously W. P. A. employment has to be decreased in order to meet the reduction in the appropriation. In distributing the reduced employment, every effort has been made by me and my staff to apportion it on the basis of need.

The reduction in the appropriation itself, of course, required that Pennsylvania's W. P. A. quota should be drastically reduced. Furthermore, in the industrial upswing which has occurred in the past 6 months the State of Pennsylvania has occupied a favorable position, which justifies a proportionately greater reduction in W. P. A. employment than has been made in other States where industrial improvement has had less effect.

Since the inception of the W. P. A. program it has been difficult to secure adequate sponsors' contributions on W. P. A. projects in

the State of Pennsylvania. The current appropriation act requires that on projects approved subsequent to January 1, 1940, the State average of sponsors' contributions shall be at least 25 percent of the total cost. I, of course, have no authority to depart from this requirement and it must be enforced by the State administrator. At the present time the proportion of sponsors' contributions in Pennsylvania is the lowest of any State in the Union except one.

Furthermore, projects to be suitable for operation by this Administration must be located in areas where the unemployed workers reside or within reasonable distance thereof. Obviously workers cannot be transported hundreds of miles in order to employ them on suitable projects.

The deficiency in W. P. A. employment in Pennsylvania is concentrated largely in five counties—Philadelphia, Allegheny, Luzerne, Lackawanna, and Schuylkill. This is because of the fact that projects for the employment of the needy in these counties have not been forthcoming. Elsewhere in the State the W. P. A. is employing very nearly all of the able-bodied persons who have been certified as in need.

The most striking instance of the situation which I have just described to you is in Philadelphia. From our knowledge of the need which exists in Philadelphia in proportion to that in other parts of the State, the W. P. A. would be justified in employing 39,000 persons in that city. This is in contrast to the present actual employment of 20,468. Of the actual employment of 20,468, only 4,545 are on projects sponsored by the city of Philadelphia. Four thousand three hundred and seventy-four persons are on projects sponsored by the Federal Government. Employment for the remaining 11,549 is provided as follows: Fairmount Park Commission, 1,600; board of education, 1,346; State highway department, 97; and nonconstruction projects, sponsored by the State department of public assistance, including sewing rooms, 8,506.

This is a situation which this Administration is entirely powerless to correct. If the deficiency in projects in Philadelphia were remedied, the employment in the State could be brought up to the authorized figure of 165,000, at which time discussion of further quota increases might be germane. However, an increase in quota at this time would be a meaningless gesture when nearly 20,000 vacancies remain unfilled. The State administrator has been doing everything in his power to remedy this situation and to secure projects which will enable him to employ the authorized quota. Some improvement in this respect is being made, but the situation is still highly unsatisfactory from the standpoint of this Administration.

While population cannot be taken as a yardstick for the apportionment of W. P. A. employment, an analysis of this factor insofar as Pennsylvania is concerned does not indicate any discrimination against the State. The population of Pennsylvania, according to the 1930 census, is 7.8 percent of that of the United States, and during the 6 months from July to December 1939 the W. P. A. employment in Pennsylvania was 7.1 percent of the total W. P. A. employment in the Nation. The unusual situation which pertains in Philadelphia is largely responsible for the fact that the proportion of W. P. A. employment is somewhat below the proportion of population. This is strikingly illustrated by the fact that if Philadelphia is eliminated the population of the remainder of Pennsylvania represents 6.36 percent of the population of the United States, and the W. P. A. employment provided in the last 6 months of 1939 has been 6.34 percent of the total W. P. A. employment.

In closing this rather lengthy and detailed letter I wish to state emphatically again that no political considerations of any nature whatever have entered into the authorizations for W. P. A. employment in the State of Pennsylvania and to assure you that none will in the future.

With kindest personal regards, believe me,  
Cordially yours,

F. C. HARRINGTON,  
Commissioner.

## Virginia Editorial Association

### EXTENSION OF REMARKS

OF

## HON. HARRY FLOOD BYRD

OF VIRGINIA

### IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by the Senator from Montana [Mr. WHEELER] on January 27, 1940, before the Virginia Editorial Association at Richmond, Va.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I suggested to my good friend Senator BYRD that since I had received and accepted an invitation to speak to the United Mine



Workers of America at their golden jubilee convention that you might want to cancel my invitation to address you this evening. Yesterday I spoke to the miners. I talked to John Lewis—the same John L. Lewis who, according to a prominent Republican Senator, was once offered a place in President Coolidge's Cabinet as Secretary of Labor. Some time ago a Catholic paper said something kindly about me and I immediately received letters saying I ought to repudiate the paper. Thereafter I spoke in the city of New York at a peace meeting and a Jewish rabbi introduced me, whereupon letters were sent to the Democratic leaders of my State saying I was selling the country "down the river." When I spoke before the National Association of Manufacturers a labor paper in my State said that I had sold out to the Tories and the reactionaries. But I am proud to speak to any group of American citizens who are interested in the welfare of our people and the preservation of American institutions. I am reminded of a story that is told upon my old friend, Senator Jim Watson.

Jim was walking along the streets in Indianapolis with two or three Republican leaders when he met a Negro. He left his friends for 5 minutes while he engaged in conversation with the Negro. When he had finished one of his friends said to him, "Jim, why do you want to waste your time with that old Negro? He has no influence and he is crazy." Jim replied, "I know he is crazy and I know he has no political influence, but he is the only man in the United States that has ever told me that he thought that I should be President of the United States, and I'd walk five blocks to shake hands with that old Negro."

The founder of the Democratic Party, Thomas Jefferson, a Virginian, was the greatest expounder of racial and religious tolerance; but those are not the only kinds of intolerance we have in this country. I find in my travels about the United States today that there is a tremendous lot of economic and political intolerance as well as racial and religious. When I was in Germany in 1923 I found the same intolerance widespread there. Intolerance of any kind tends to break down and destroy a democratic form of government, and as American citizens we should be extremely careful lest our passions and our prejudices rather than our reason govern our decisions.

When I say to you that I feel not only honored but pleased to be invited to address this meeting do not imagine that I have any illusions regarding the difficulties that confront me. It is trying enough for us Members of Congress to undergo the searching examination of our thoughts and purposes by a single alert reporter. But to face a large aggregation of newspapermen skillfully practiced in the analysis of current problems and employed in the skeptical appraisal of public men ought to make one feel much as if he were being trundled into an operating room as a helpless subject for the exercise of surgical virtuosity.

That I have been able to bring myself to face this ordeal without flinching should be attributed to my confident reliance on the graciousness of southern hospitality whose fame your fine old State has had such a large part in creating. In attempting to discuss before you some of the issues of the day I count not alone on the relation of host to guest, but also anticipate the treatment of moderation and charitableness which as you are so humbly aware is characteristic of the journalistic profession the world over.

Before going further I want to declare my respect and admiration for your Senators GLASS and BYRD who so ably represent this State in the Congress and who are such a credit to you and the Nation. We have not always agreed on public questions but no differences of opinion have ever lessened the high esteem in which I hold them, or diminished my appreciation of the high value of their public service. I am sure that my warm regard for them is shared by all their colleagues in the Senate.

I do not intend to try to enumerate all the distinguished sons of the Old Dominion who have made great contributions of thought and action to the upbuilding and glory of this country. Their names and achievements are too well known to you and the Nation to require any elaboration from me. But as a member of the Democratic Party I must pause to pay tribute to Thomas Jefferson. He was the author of the Declaration of Independence—a scholar, a statesman, and the unrelenting foe of everything embodied in nazi-ism, fascism, and bolshevism. Jefferson was a patriot. He was the champion of tolerance and freedom. The precepts he enunciated over a hundred and fifty years ago constitute the very basis of the Democratic Party.

Other parties have come and gone. Even their names have disappeared from use if not from memory. One party or another has arisen with this issue or that, carried on for a while, with or without success, and then gone into the discard. But the Democratic Party has lived on; at the advanced age of nearly a century and a half; it is still as active, progressive, and forward-looking as it ever was. It is in full possession of its faculties.

The reason for this longevity is that the Democratic Party does not owe its existence to the adoption of some contemporary and transitory issue, but that it was based on fundamental and eternal principles. It stood for equal rights and opportunity for all men; its appeal was to the mass rather than to the group, to the universal instinct for fair play instead of to the selfish desire for special privilege and advantage. That is not to say that inequality and special privilege did not sometimes win out, but the effectiveness of the Democratic appeal persisted, nevertheless, and triumphed often enough to keep the ship of state from floundering and headed in the right direction. The people have sometimes gone on a spree; they have sometimes fallen for the alluring promises of false

prophets; but after every brief debauch they always return to sound principle to cure their headaches, cleanse their systems, and restore their nerves. There is sound sense and ample justification for their action. In all the long history of the national party there has never been a Democratic administration that was corrupt—not one that was ever smirched by a major scandal. It is demonstrably true that Democratic administrations have been clean and honest administrations, while many other administrations have not been. It is something of which members of the party may well be proud.

This administration has a record of accomplishment. It is not a question of promises or proposals, of suggestions or tendencies, but a list of actual solid accomplishments and fixed policies. An idea of what will be done can be had from looking at what has been done. If the honest critics of this Democratic administration, not the captious or malicious critics, could be transported into the future 25 or 30 years, and, looking back, I believe they would confess that within its term more has been achieved in the upbuilding and improvement of the country materially and in the advancement of the social and economic welfare of the people as a whole than in any three or four like periods in the Nation's history.

If you will just stop and think calmly about the matter, you will find there is hardly one condition touching the life of the citizen of this country that has not been bettered as the result of some activity or measure of this administration. His bank deposit has been made safe; he has been protected from the operations of stock swindlers; he has unemployment and old-age insurance; he can buy a home on the easiest of terms without any longer being the victim of mortgage sharks; he can secure relief if misfortune has made him destitute; he can transform himself from tenant farmer to farm owner with the assistance of the Government; and if he is a hapless migratory worker the Government offers, as fully as at present possible, shelter in decent surroundings. The farmers have been aided with a higher income. The workman's right to collective bargaining has been assured. The consumer, both urban and rural, can in many instances acquire cheaper light and power.

In addition to these things that affect the individual directly, there are the splendid public works which have been constructed and will last for generations to carry out their useful purpose. Waterworks, bridges, hospitals, libraries, educational buildings, and highways—all products of the thought and enterprise of this administration—are scattered through every State and almost every county of the country—adding to its wealth and conferring benefits upon the public for years and years to come.

Someone remarked to me tonight, "Senator, we know the administration and you Democrats have acted—you have done much good, and you have made some mistakes—but when are you going to balance the Budget?" The answer is simple. We can balance the Budget when the people of New York City, Chicago, Philadelphia, Butte, and Richmond can meet their local needs. In one breath your civic groups wire and urge us to provide funds for a new auditorium, a swimming pool, a library, or something else, and in the next breath they demand a balanced Budget. When local needs are met by local governments the Budget will be balanced. But a democracy that fails to furnish the essentials of human dignity to its people is not worthy of the name; and if private industry fails to furnish jobs to the unemployed, the Government must.

No government can spend more than its income over a considerable length of time without coming face to face with bankruptcy. And it should never be forgotten that financial bankruptcy is the first and most direct step to political bankruptcy—to dictatorship. A dictator is but the receiver of a bankrupt nation. Let us, of course, realize the periods of national emergency, such as we have been experiencing, but the possibility of a balanced budget beyond the power of either a liberal or a conservative administration. We all want lower taxes; we would all like to pay less for government. Every thinking person realizes that every effort should be made to balance our National Budget. The present Congress of the United States is aiming in that direction.

Within the last month or two I have addressed great conventions of organized industry, organized labor, and organized farmers. I speak the same language to industry, to farmers, and to labor that I speak to you. I want to repeat what I have said to them.

This Nation of ours is confronted with a grave crisis. We have solved the problem of production, but the necessary correlative of mass production is mass consumption.

People everywhere are rightfully asking, Why do granaries bulge when people are hungry? Why are bales of cotton piled higher and higher when people lack clothing? Why do workers walk the streets when we need more adequate housing facilities? What has created this paradox of want amid plenty? What is it that leads men to close down mines and factories when people are cold and hungry? What is it that leads man to destroy wealth to create wealth? These economic riddles came with mass production, and they will go with mass consumption. The problem of consumption lies basically with the great underprivileged segments of American society—the unemployed, the underpaid, and the underprivileged farm group.

Contrary to the belief of many people, income levels of large sections of even the employed are desperately low. For instance, the wages of almost 40 percent of the workers were less than \$500 during 1937. The wages of almost two-thirds of the workers during that same year were under \$1,000. A quarter of our population is engaged in agriculture and the average cash income per farm during 1939 was \$625—and this includes the Government benefit payments.

Unemployment and the farm problem must be solved before this Nation can prosper. The nearly 10,000,000 who lack real jobs—and agriculture with its millions of low-income farmers—must be given an opportunity to consume not only the necessities but also the luxuries of life.

I have repeatedly said that it is not necessary for business to high-pressure John Jones into buying a new automobile; he would like to have a 1940 model. You don't have to high-pressure him into buying new clothes or more food or even a new home; he wants them all. His wife wants the modern conveniences.

John Jones and his wife and 40,000,000 others lack the means to buy goods with which our markets bulge. Industry has created the demand, but neither Government nor business has provided the necessary purchasing power.

This country is neither exhausted economically nor inefficient industrially. On the contrary, we are rich in men, money, and machines. We have a potential market. But until we have also helped to provide the means whereby this potential market becomes an actual market, the job is only half done. Our energies must be devoted to finding ways to give the farmers and the workers the purchasing power that will keep our factories running, not at 50 percent or 58 percent but at 100 percent all of the time.

Industry, as well as labor and farmers, are vitally concerned with this basic task that confronts us today. No one solution is available at the present time, nor is any one group or organization in a position to recommend a specific program to be readily accepted by all others. The Government, therefore, must assume the leadership. And to this end the national leaders of industry, agriculture, and labor should be called together to meet and confer and recommend a program by which we may achieve industrial democracy and economic and social security.

I have not mentioned international problems—Europe and Asia presently know the horrors of war. We are at peace, and, God willing, I hope we will ever be. As a candidate for reelection to the Senate in 1934, I promised the people of Montana that I would never vote to send an American boy to fight on foreign soil. In 1940 I am again a candidate for reelection to the Senate, and I give to you and renew to the people of Montana that same pledge.

As Americans—Democrat or Republican, liberal or conservative—our main and first and final duty is at home, not in Europe and not in Asia. We need not fear armed invasion by any means from any nation 3,000 miles away. We can and should, therefore, devote ourselves to a solution of domestic problems, not European difficulties. The danger to the United States and to democracy comes from within, not from without. We have nothing to fear from a mad dictator in Europe, but we do have much to fear from continued unemployment and an unsolved agriculture problem. Those are the primary problems that face us and their solution must be found within the framework of traditional American principles. In a spirit of constructive cooperation we can do this. American labor, agriculture, and capital working with Government, can solve all our problems. We do not hate any race or nation. We must keep peace with the world and at the same time extend the borders of economic and social justice at home. We are the richest, the freest country on this earth, and the last haven, the last frontier of tolerance and reason. By making the United States a better place in which to live, by maintaining our sanity and balance, we best serve democracy, civilization, and the world.

### Pembroke Republican Club

### EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address I delivered before the Pembroke Republican Club, Harrisburg, Pa., on February 1, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The economic basis of our Republic must be maintained, or we are destined to witness the greatest social tragedy the world has ever known. The mounting national debt and the continued policy of borrowing without respect for our ability to pay is bringing on a crisis. Probably you have all heard the lines:

Oh, Little Debt, don't you cry;  
You'll be a crisis by and by.

I tell you this is no laughing matter.

I have advocated for years that public confidence is as necessary to economic prosperity as our material resources, and that public

confidence can be sustained only by the active development of our capital structure. The American people are being led into a trap. We might be likened to mice nibbling at the cheese bait of the mouse trap. The cheese is our capital wealth and the trap is national bankruptcy. Just as mice are induced to nibble and nibble at the cheese until the trap snaps to break their necks, so the American people are being lured on to eat into our capital structure, to borrow and borrow and borrow again, and all the time beholding no increase of earning power and no increase of economic strength with which to meet our obligations. With no money with which to buy, we have been encouraged to borrow until we are sinking in the devastating quicksand of debt.

If we tie our Nation to the lag of world prices, we shall unquestionably remain just about where we are for a long period of time for the simple reason that the weight of world difficulty is so ponderous as to keep us constantly depressed. World prices will rise, but slowly. On the other hand, if we adopt a strict national developmental point of view and constitute ourselves as economically self-sufficient as possible, we shall not have to wait for world forces to recover, but shall be able to move toward prosperity much more rapidly.

Wealth consists not of any form of money, credit, or reform propaganda but rather of human and material resources, with which we are abundantly blessed in America. True wealth consists in high standards of living, together with the resources necessary to the maintenance and development of these standards. Our wealth, our capital structure, remains unimpaired today; our material and human resources are just as powerful as ever. However, inflation, the artificial alteration of price and wage levels, does not strengthen the capital structure or permanently stimulate exchange. Inflation is like a shot of a high-powered drug; it temporarily quickens the heartbeat of industry but must be constantly repeated in order to permanently speed up business. If oft repeated, the spiral of artificial prices soars beyond control and the capital structure is weakened, for confidence is lost. Any act of inflation, such as the devaluation of the dollar or the issue of greenbacks not backed by a metallic reserve, is a blow which staggers public confidence, for it always decreases the value of the securities of those who have them, the people who have had the thrift and the ingenuity to acquire them.

Credit expansion whether based on an inflated base or on a normal base has severe limitations for loans can be extended profitably only when borrowers possess earning power with which to repay them. Credit expansion is absolutely out of place when industry is stopped. The only use of credit expansion is a parallel movement with business expansion.

New forms of government and new forms of industrial discipline, new bureaus, and new codes do but little to strengthen the capital structure. These new forms are frankly experimental. They are powerless in themselves to make the economic machine work more efficiently. The only way to put power into new forms of government and industry is to place them in the hands of those who have the capacity to lead. These are people of brain power and experience, and it is very, very difficult to persuade them to scrap the old forms of society to which they are accustomed and to accept substitutes which are frankly experimental.

Therefore, if we are to emerge from the depression we shall have to find a way to increase our capital structure. If we seek simply to maintain it, we shall find it will decay before our eyes. Things do not stand still. They either go forward or backward. Our capital structure must be increased, and the only way to do that is to put it to work to meet economic demands.

Our problem is that of putting our capital structure to work. We need to search out the greatest markets in the world and use them; they are ours. The greatest purchasing power in the world is the United States. The greatest producing power in the world is the United States. Harness this purchasing power to the producing power and you have prosperity if you maintain quality production and a constant increase of wages.

These years of depression have laid low the pride of millions of our citizens. They have been compelled to subject themselves to conditions of life entirely strange in our American economy and for the first time many of them have been brought to a clear realization of the tragedy of insecurity which so long has prevailed throughout the world. The spirit of these depression years has been one of increasing insecurity. In the attempt to attain social security through governmental action economic security for our citizens as a whole has suffered. Our people know that war would bring increased uncertainty, and they have had enough of it. This is not the spirit that welcomes a fight on foreign soil.

If war ever had any glamour at any time, surely that strange romance has vanished in recent years. The world has been appalled by the revolting cruelties of war that have been thoroughly exposed by our recently developed efficiency of modern communication. War has ever been ugly, hideous, and ghastly. But its tragedies were known chiefly of old by those who went to battle. Now everyone who reads the papers, listens to the radio, attends the movies, has intimate glimpses into the reeking horror of it all. The American public has had a daily diet of this devil's brew during these fateful years since 1931. The bombing of innocent civilians, the starvation of helpless women and children, the wars that have involved all Europe and Asia have stabbed open the heart of the American people. The futility of war has been thoroughly exposed.

America has the will to peace and this will should be kept effective by a never-ending concentration on our own unsolved domestic problems. The more we think about foreign affairs in terms of war the more likely we are to become involved in foreign wars. We



have enough unsolved problems in our own country at the present time without going abroad to seek out the unsolved problems of foreign powers. This does not mean that we should refuse our sympathy to the oppressed minorities of the world. It does mean that we shall resolutely place first the peace, welfare, and safety of the American people.

The strongest safeguard of peace is not to be found in prohibitive acts of neutrality. The strongest safeguard of peace is eternal vigilance in building up the mind and will to peace among the people. A peace-minded people will not easily be betrayed into war. The sovereign power of government is still with the people. This will be reflected from day to day in an ever-increasing expression of public opinion. If the stream of public opinion is kept strong for peace, America will keep the peace.

It is inescapably true that the peace of the world is now upset by nations whose powers of government are dictatorial and removed from the thought and will of the people as a whole. It has ever been true that war is made by political cliques that ride roughshod over the peaceful desires of the people in order to attain increased domination for themselves. This makes ever more clear how fortunate we are in the United States where the President and the Congress are granted concurrent responsibility under the Constitution in the formulation of effective foreign policy. Executive control of foreign policy such as is exercised by highly centralized governments has an advantage of speed and secrecy but the American people do not want to be hurried into war in any sudden or secret way. So long as the United States continues to be governed under our Constitution, Congress will directly participate in the formulation of foreign policy, reflecting directly the will of the people. And the American people do not want war.

We have demonstrated on the North American continent that human beings of different race, class, and creed can live side by side peaceably. We have proven that defense consists of something more than guns. It takes more than armaments to make society secure. It takes men and women, boys and girls, with integrity and character and the will to peace. It is pathetic to see millions of people driving down the road to war, seeking to kill and destroy, without knowing why, trying to gather up the answers to their broken lives in the later records of historians who recount the tragic tale. We have shown that no barricades are necessary between Canada and United States. The good will established along this border can and should be extended in other parts of the world. We should put our trust in peace—not in war.

### Tribute to the Late Senator Borah

#### EXTENSION OF REMARKS

OF

#### HON. D. WORTH CLARK

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

POEM BY KENNETH STUART MCKENZIE

Mr. CLARK of Idaho. Mr. President, I ask unanimous consent to have printed in the *RECORD* a poem written by Kenneth Stuart McKenzie, of Idaho Falls, Idaho, on the occasion of the death of Senator BORAH.

There being no objection, the poem was ordered to be printed in the *RECORD*, as follows:

Stand silently, ye multitude,  
With bowed, uncovered head,  
Let no irreverence mar your hallowed mood,  
Before your mighty dead.

Stand silently about his bier,  
His soul's before his God,  
His mortal corpse, with glistening tear,  
You'll lay beneath the sod.

May no trifling speculation  
Disrupt the reverence of your mien  
Or disturb the relaxation  
Of his endless sleep, serene.

The Master's call's been answered  
By one of great renown.  
The "Lion of the Senate"  
Has laid life's burden down.

No more shall stanch supporters  
Hear him on the Senate floor;  
No more shall news reporters  
Record the Lion's roar.

No more reverberations  
From the galleries applause  
Shall resound through Senate corridors  
For the justice of his cause.

But the still-applauding populace  
Listens in with bated breath—  
He was eloquent in life;  
He's still eloquent in death.

He oft defied the tyrant's scorn,  
He was faithful to his trust,  
But soon his cold and pulseless form  
Will mingle with the dust.

Who'll dare now to fill his place?  
Who'll stand now in his stead?  
No mortal man can try, with grace;  
The immortal BORAH's dead.

Down the last, long, lonely river,  
His soul has gone to rest;  
But his spirit's here forever,  
'Tis the spirit of the West.

KENNETH STUART MCKENZIE,  
Idaho Falls, Idaho.

### The Negro in American Politics

#### EXTENSION OF REMARKS

OF

#### HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

RADIO ADDRESS BY EARL W. MANN

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have inserted in the Appendix of the *RECORD* an address by a wide-awake, thinking, and observing Negro leader of Colorado, Lt. Earl W. Mann, on the subject of the Negro in American politics.

This splendid address was delivered over radio station KVOB during Negro achievement week, and enlisted widespread comment. It analyzes, in a matter-of-fact way, the political significance of the migration into the North of the American Negro. It is startling to note that Lieutenant Mann looks upon the slums and abandoned areas of northern American cities as both a refuge and an opportunity for the foot-loose, and points out that city air still makes men free, and that these so-called slums are the most democratic of all our territorial units.

There is a challenge to his race in his quote that the Negro's struggle to get ahead is an inspiration and a discipline. This very significant and thought-provoking address is well worth the time of every American interested in the complexities of his country's current political development.

There being no objection, the address was ordered to be printed in the *RECORD*, as follows:

Before discussing the Negro in politics of a northern community, it is necessary to revive the history of Negro participation in American politics. It is also necessary to consider in what direction this group is going. The trend of American political development has been toward a wider and wider participation of all elements of the population in the affairs of government, sex, religious, and racial qualifications for voting and officeholding have been gradually liberalized. These changes being made in accordance with the ideology of democracy, which calls for political equality, in form of universal suffrage and freedom of choice. However, when these dogmas have been applied to these people, struggling from an inferior status, friction and conflict have resulted. In recent years there has been a great migration of the Negroes from the plantations and small towns of the South to the manufacturing cities and metropolitan centers of the North. This migration has brought a great change in the condition and in the outlook of the Negro people of America. In the cities rural Negroes have become involved in a competition—biological and economic—more intense and pervasive than they had ever known. On the other hand, the Negro has developed an intellectual life and produced a literature for which, otherwise and elsewhere, there would have been neither the occasion nor the opportunity. The character of this new Negro politics seems largely determined by the fact that, like other immigrants, Negroes moving northward settle first where they encounter least opposition, either in the way of high rents or social prejudice, namely, in the so-called slum areas. These areas where people live, ordinarily from necessity rather than choice, are in many respects the most democratic of all the territorial units in which this urban

complex finally resolved itself. Here where neighbors are mostly strangers, there is likely to be some sort of equality and a general disposition to live and let live, not characteristic of more highly organized communities. It is in these areas and the adjacent territories, where these people are forced to reside, that a voting preponderance has been achieved that has made them a political power to be reckoned with. It is significant also that the migration of the Negro to the northern cities took place at a time whites were leaving their homes in the center of the cities for the more spacious suburbs. Commensurate with the expansion of these suburbs, the abandoned areas also expand, now being peopled largely by immigrants and Negroes.

The result has been that by a singular turn of fortune the southern Negro, lately from the sticks—the man furthest down—now finds himself living in the center of a great metropolitan city, where his vote is not only counted but where, in various ways and for various reasons, it counts. Whatever criticism that may be offered for the birth of this new Nation upon the embers of an old one, the fact remains that those responsible were not able to see the woods for the trees. It is quite probable that no one visualized this new way and new deal, wherein the Negro would enjoy his civil rights. But, happily, he has at least been able to enforce, in this new social and political order, a consideration that he did not receive in the old. When, in January 1901, George H. White, the last Negro Member of Congress from the Southern States, delivered his valedictory speech, the incident, although it attracted little attention at the time, marked the end of an epoch. Since that time the public that gets its politics from the press had become accustomed to the notion that the Negro was out of politics, if not for good and all, at least for an indefinite period. The public was, therefore, surprised and a little disconcerted when, in 1928, Republicans of the First Congressional District of Illinois, elected a Negro to Congress. Still more surprising, 6 years later a Negro was elected from the same district on the Democratic ticket, to succeed a Republican. This shattered all traditions. Today we have Negroes holding legislative positions in several States, as well as members of this group being identified upon school boards, administrators of our courts, one young woman, a Yale Law School graduate, being recently appointed to a judgeship in New York City at a salary of \$10,000 a year. Also other appointive positions too numerous to mention. What makes this more interesting and significant is that these positions have been developed by the votes of the Negro migrants from the South, voters who at home had been effectively dispossessed of their franchise. It is still true of the Negro in America as it was of the serfs of Europe that city air makes men free, and this is true in more ways than are ordinarily conceived. The great cities are now what the frontier and wilderness once was—the refuge of the foot-loose, the disinherited, the exploited, and all those possessed of that undefined malady we call social unrest. The struggle of the Negro to get ahead has been described by one of my good friends of the dominant group, as an inspiration and a discipline. It has given the Negro a cause and a career, the influence of which upon his intellectual life can hardly be overestimated, for intelligence and intellectual life are incidents of action that give individuals and races the courage and inspiration that is necessary to rise from a lower to that higher cultural level of intellectual life, which is the standard of the world. It is true that there have been other races similarly circumstanced, as both Irish and Jews were left to their own resourcefulness upon arrival upon American shores. But in these comparisons we must bear in mind that the Negro had farther to go than either Irish or Jew. He started farther down—a slave. He has adapted himself, however, to our western civilization, with its complex traditions and polyglot groups, as has no other ethnic group, and is deserving the equality of opportunity he seeks.

### America's Relations With Japan

#### EXTENSION OF REMARKS

OF

HON. A. B. CHANDLER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

INTERVIEW WITH HON. THEODORE FRANCIS GREEN, OF RHODE ISLAND

Mr. CHANDLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an interview participated in by the distinguished Senator from Rhode Island [Mr. GREEN], in which he answered questions put by Mainichi, a newspaper published at Osaka, Japan. This interview was a most unusual one. It was transmitted by telephone from Washington to San Francisco, by radio to Honolulu, and thence to Japan, where it was broadcast to the country. The Senator from Rhode Island, in the interview,

answers three very important questions concerning the relations of our country with Japan.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

ANSWERS OF HON. THEODORE FRANCIS GREEN, OF RHODE ISLAND, IN A RADIOPHONE INTERVIEW TO QUESTIONS PUT BY MAINICHI, A NEWSPAPER OF OSAKA, JAPAN, FROM WASHINGTON, WEDNESDAY EVENING, JANUARY 24, 1940

1. What are the reasons on the part of the United States for delaying the conclusion of a new treaty with Japan?

The reasons for delay in concluding a new treaty with Japan are the same reasons which led to the termination of the old treaty. You have asked me to be frank in my answers. Being frank, I believe that these reasons are twofold. In the first place, the people of the United States are indignant at the way in which their rights in China have been disregarded and denied by Japan. Many of these rights are based on treaties entered into by China and the United States in good faith on both sides, and the United States cannot condone their denial or interruption. In the second place, our people realize the importance to all civilized nations of law and order in the world and the abandonment of war as an instrument of national policy. We believe that our own interest and also of interest of the world at large is threatened by the use of force unsustained by right. They therefore condemn the invasion of great parts of China both as inhumane and a threat to world peace.

2. What is the prospect of an embargo on Japan? Is the sentiment of Congress favorable to the adoption of embargo bills?

All bills and resolutions relating to this matter have been referred to the Senate Committee on Foreign Relations. As a member of that committee, I feel that I should not express any opinion pending discussion in the committee and report by the committee to the Senate.

3. In view of the European war, don't you think it important for the United States and Japan to be on amicable terms and maintain a spirit of mutual cooperation?

Without regard to the European war I do think it important for our two countries to be on amicable terms and maintain this spirit. Our countries were for many years close friends. As a United States Senator from the State of Rhode Island, I appreciate this fact particularly because it was a son of Rhode Island, Commodore Perry, who helped Japan to open its doors to the world and create a modern Japan. Since then my countrymen have for many years looked with admiration at the extraordinary progress Japan has made. They have watched this not only with admiration but with friendly interest. However, we must remember that friendship cannot be one-sided. It must be mutual. It is difficult to maintain friendship when one of the friends ceases to respect the rights and opinions of the other. I, therefore, sincerely hope that the present tense situation may prove temporary and that the old friendship between our two Nations may be restored.

### Indian Fishing Ground

#### EXTENSION OF REMARKS

OF

HON. D. WORTH CLARK

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

ARTICLE BY RICHARD L. NEUBERGER

Mr. CLARK of Idaho. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in a recent issue of Collier's magazine, written by Richard L. Neuberger, and entitled "Unhappy Fishing Ground."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Collier's for October 21, 1939]

UNHAPPY FISHING GROUND

(By Richard L. Neuberger)

WE'RE STILL CROWDING OUT THE INDIAN—THIS TIME IT'S HIS FISHING RIGHTS THAT ARE IN DANGER—MAYBE HE WILL HAVE TO PAY A TOLL EVERY TIME HE GOES FISHING FOR SALMON

At the last big drop of the Columbia River on its swift course to the Pacific, Abe Showaway and four or five thousand other Indians are making a final defense of the heritage which was theirs. All else that belonged to the red man is gone. Even his lands have been taken from him. Celilo Falls is his last stand. There he is a warrior still—fishing exactly as Indians were fishing when they held dominion over North America—except that the white man has told him he must have a fishing license.



The "X" marks with which William Chinook, Elash Kish Kic, Mission John, and other chiefs ceded to the United States an area as large as England were not put to the treaty of Wasco in 1855 until a clause had been included assuring the Indians perpetual fishing rights at Celilo Falls. Almost within sight of the white plumes of the tumbling river the treaty was drawn up and signed and sent by military courier to far-off Washington, D. C.

The treaty of Wasco, ratified by Congress and proclaimed by President James Buchanan, made no mention of poundage fees, fishing licenses, game wardens, State policemen, open and closed seasons, and huge dams across the Columbia. The right of the Indians to fish forever for the giant Chinook salmon was not limited or qualified. Now restrictions have been imposed and the warriors are waging a resolute campaign of opposition.

"If white man can tell us go get fishing license," argues wise old Tommy Thompson, chief of the Celilo Indians, "maybe by and by he can tell us go away from falls all time and no fish any more."

The controversy involves not only the Federal Government, with which the Indian tribes made their treaty 84 years ago, but also the States of Oregon and Washington, which are separated by the river at Celilo Falls. Washington forms the north shore of the Columbia, Oregon the south. These States have been exclusively responsible for such restraints as fishing licenses and game inspectors. The dams blocking the river, with their threat to the future of the salmon runs, are solely the product of the Federal Government.

The red men believe that this encroachment imperils their very livelihood. Royal Chinook salmon from the Columbia River may be a rare treat in restaurant or dining car, but at Celilo Falls it is actual subsistence for hundreds of Indian families. Salmon to these original Americans is the equivalent of rice to the Japanese. This explains the perseverance and resourcefulness with which the tribes are protesting denial of their treaty rights.

When ordered by game wardens to fish on the Columbia according to State regulations, the Sokulk Indians in Washington began a campaign of passive resistance. They put away their dip nets and spears and let the salmon thrash upstream unmolested. Hunger invaded the wigwams and cabins of the Sokulks, who always had depended on salmon as their main food supply. In the river there was sustenance, but Chief John Buck shook his head each time braves took down their fishing equipment. "My people," he told them, "this is the way we must uphold our rights."

The Gandhi strategy proved successful. With famine menacing the teepees and shelters of the Sokulks, white settlers in the region became aroused. They sent a long petition to the State capital. It stirred the politicians, and the Washington Legislature has just passed a law pledging the Sokulk Tribe unrestricted salmon fishing on the Columbia River.

Public opinion in the Northwest overwhelmingly favors the Indians. This was demonstrated recently when warriors were arrested for fishing without licenses at Celilo Falls. While the braves sat in jail in the Washington town of Goldendale, their chiefs congregated in front of the building and solemnly made known their feelings.

#### BOSS OF INDIANS' LOBBY

It was clear everyone agreed with gray-haired Chief Speeding Arrow, of the Spearfish Indians, who said, with stony expression, "We all no like this." Friendly lawyers advised the prisoners to demand jury trials. They did. The charges were dismissed, the authorities apparently deciding it was wiser to free the Indians immediately than wait for 12 citizens to do so.

To protect the rights assured them by the American Government nearly a century ago, the Indians fishing on the Columbia even have ventured into politics. John Whiz, of the Yakima Tribe, is chairman of the Celilo Falls fish committee. This means he is the boss of the Indians' legislative lobby. In fact, he is the whole lobby.

"Indians have hard enough time now without paying fishing fees," John Whiz told senators and representatives as he stood in the marble rotunda of the capitol building beneath the mural of Lewis and Clark at Celilo Falls. The legislators and Gov. Charles A. Sprague concluded he was right, and this all-important sentence was inserted in the Oregon laws specifying fees for fishing:

"Provided, however, That the fees prescribed in this chapter shall not be required of Indians with treaty rights."

The red men regard John Whiz's lobbying feat as a great victory, but they know the campaign is still far from won. A district judge in Yakima has just ruled that the State of Washington can collect license tolls from the Indians, because the funds are used for conservation of the salmon runs. Chiefs and warriors with grim faces listened in the courtroom as the verdict was given.

The Indians will not give up until every appeal has been exhausted, and even after that they may keep on trying. The Department of Justice is allied with the tribes in this phase of the struggle. The National Government insists that Indians with rights under the 1855 treaty cannot be compelled to buy State licenses in order to catch salmon at their traditional fishing grounds.

"This is an important problem," contends Carl Donough, one of the Federal district attorneys in the Northwest. "Our country has a pact with these people. To violate that pact in any way would be as morally wrong as to break a treaty with our most powerful neighbor abroad. Our treaty with the Indians on the Columbia River is as entitled to respect as a treaty with the British Empire."

Yet, colorful though it is, the spectacle at Celilo Falls is no synthetic ceremony staged for visiting royalty or curious Pullman passengers. It is a real and serious business to the Indians of many tribes. The salmon catch is not only their principal food but also the solitary source of income for most of them. At the peak of the autumn run, when the fish jam in a thick mass below the falls, the Indians with their dip nets and spears have taken out 100 tons of salmon in a day. During such a period a dextrous brave can haul in enough fish to feed his family for many moons.

Not so long ago the Indians were pulling 9,000 tons of salmon annually from this swirling stretch of the Columbia. At a cautious calculation of 4 cents a pound, the value of such a catch would be \$720,000. In recent years the haul has been less. As civilization has hemmed in the river's lower reaches and dams have blockaded its course in the highlands, the salmon runs have dwindled. The Yakima Indian Agency estimates that the red men now catch approximately 5,000 tons of fish at Celilo each year. This is still no haul to be grunted at disdainfully. It consists of the sleek, flaky-fleshed Chinooks which are matched few other places on earth, and its commercial value would be \$400,000. If the catch only stays at this level—and the Indians are left in peace to catch it—the tribes will be content and Celilo Falls will continue to be their happy fishing grounds.

#### SALMON THEIR MAIN DIET

The Indians cure and smoke all the salmon they possibly can use themselves. The rest they sell to canneries along the river. At the crest of the September run, a fisherman like Abe Showaway or Joe Skahan can make as much as \$125 a week in this fashion. It is all the money many of these Indians earn during the year. It must pay for blankets, overalls, salt, sugar, diapers for the newborn papoose, a white doctor for the papoose's mother, and gasoline for the ramshackle, second-hand automobile that takes the family to Celilo for the spring and autumn salmon fishing.

Most of what the Indians catch they eat. Salmon is the bulk of many of their meals. While the men fish at the falls the squaws chop up and cure the catch. The portion of the catch sold to the canneries is shipped across the globe.

Red men whose salmon-catching prowess is almost legendary along the Columbia—Tom Frank Yallup, Joe Esterbrook, Willie John, Charley Fectochun, Oscar Billy, Abe Showaway himself, and many others—occupy dozens of rocks and crags at the falls. Sometimes they fish from wobbly platforms. A lot of the braves are fastened to the shore with ropes around their waists. Seldom a season passes that an Indian, thrown off balance by a salmon thrashing in his net, does not totter into the rushing river where no man can swim. Ladders leaning against the cliffs get the warriors from one crag to another. They also ride a little improvised cable car to the rocks in the center of the cataract. This is a hazardous passage. The cables and posts are makeshift, the work of the Indians themselves.

No brave has a monopoly on any particular point at Celilo. The place is the property of all the tribes. The fishermen cooperate rather than compete. Every Indian has an equal time to catch salmon.

Because the Indians want no white men interfering with their ancient fishing site, the braves at the falls take charge of their own discipline. Fishermen who get drunk are banished from Celilo. Night fishing is not allowed, for fear some warrior will stumble into the rapids in the dark. Rowdy or quarrelsome fishermen are also told to get out by the tribal council.

Except for their overalls and factory-made shirts and caps, the Indians at Celilo Falls have not changed greatly since Lewis and Clark paddled down the Columbia in 1805. They use the same sort of equipment the red men had then. The cable car is the only addition. When the river is especially thick with salmon some of the warriors bring out spears their fathers used.

Otherwise the standard device is the dip net. Once in a while the nets fill so rapidly that it takes two Indians to lift them out of the water. From experience the red men know exactly which swirls and eddies to probe. As a pilot charts a channel, they have spotted the white caps and chutes where the salmon accumulate. In these spots the Indians hold the dip nets, which are oval-shaped, with pole handles. The nets are constructed in the same way as they were long ago, with the frames being bent from sapling wood or pliable animal bones. No metal holds the nets together; instead, cord and thongs are used.

From the passes of the Cascade Mountains and from the plains of the inland empire many tribes trek to Celilo each year to catch the chinooks. There they are governed by Chief Tommy Thompson, ruler of the Celilo Indians. Other chiefs, sovereigns in their own realms, sit respectfully at his council fire during the fishing season. At the war dances and salmon feasts Tommy occupies the place of honor.

So many Indians now come to Celilo Falls that there are not enough cabins and shacks to shelter them. The long house has been commandeered in the emergency, and scores of tribesmen sleep on the floor, blanket to blanket, like marching soldiers bedded down for the night. Many of these Indians and their families speak only tribal tongues.

What about the dams and the salmon runs?

Last year approximately 413,000 salmon were counted flipping their way up the big concrete fish ladders at Bonneville. This is a lot of fish, especially considering that one female Chinook salmon may deposit 3,500 eggs in the spawning beds in the high-

lands. But the parent fish invariably die after the eggs are laid; and Prof. Lawrence E. Griffin, of Reed College, who has made an extensive study of the salmon runs, believes the quantity of fish ascending the \$7,022,000 steps at Bonneville is "insufficient to maintain their numbers in the river."

And 290 miles above Bonneville Dam now looms the vast fortress of Grand Coulee, already the largest structure ever built by man, although less than two-thirds completed. No salmon can pass that towering wall. So the fish will be collected in tanks and placed on trucks for transportation to the upper river beyond the dam. There the salmon will be released into the Columbia again. A fleet of these trucks has been specially constructed for the Government. They will contain ice compartments to keep the water cold, and oxygen pumps to keep it fresh. Fifty miles an hour the trucks will travel to return the fish to their natural environment as speedily as possible. Some of the salmon will be taken all the way to the tributary rivers in which the fish customarily spawn.

#### OTHER PERILS BESIDES DAMS

Nor are dams the only menace to the fish on which Abe Showaway and his fellow braves rely for subsistence and livelihood. Civilization—cities, towns, factories, mills, docks, sewers—constitute an equal peril. In 1925, 8 years before Bonneville Dam was started, the salmon runs began to taper off sharply. The weight of the total Chinook catch declined 18 percent from 1925 to 1926. Hugh C. Mitchell, director of Oregon State fish hatcheries, is afraid the great Chinooks, finest of all salmon, are gradually disappearing from the Columbia River. He blames dams, stream pollution, and civilization in general.

The faces of Tommy Thompson and his red-skinned followers are hard and set when they realize that fewer fish come upstream each year. Yet the Indians will be happy and content if only the present runs get no smaller, and if the white man honors the treaty the Government made in 1855.

"The multitudes of salmon are almost inconceivable," wrote Lt. William Clark in his journal as the little Indian girl, Wolwaypoo, watched him long ago. That day is gone now. Wolwaypoo's grandson, Abe Showaway, points to the thundering falls and says:

"All we want is white man leave us fish enough eat, and no arrest us when we catch—like white man promises our people when treaty made."

### Women's National Republican Club of New York

#### EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1940

ADDRESS BY HON. J. WILLIAM DITTER, OF PENNSYLVANIA

Mr. DITTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the Women's National Republican Club of New York, on Saturday, January 20, 1940, and broadcast by the National Broadcasting Co.:

Mrs. Hays, and members and friends of the Women's National Republican Club, it has been said "the hand that rocks the cradle is the hand that rules the world." Well, some of you may never touch a cradle, but if the enthusiasm that I see here today starts rolling, I am convinced that your rocking will put the New Deal to sleep soundly in November. It may take a lot of rocking, for the baby has been well fed, has gotten beyond the bottle stage, and knows how to squeal and squirm, but I believe you intend to do the job, and do it you will.

I recall my last visit here. It was around the time that the Court was to be packed and the executive branch of the Government disorganized. Since then there have been purges, tweedledums, tweedledums, and the 1938 elections. My, what a difference a few short years can make.

I find that I am in much the same frame of mind, though not in the same spirits, as the Irishman at a wake who was drowning his sorrows, not wisely but too well, when he said, "As sad as we are at Mike's death, I must confess I'm glad the Lord spared me to help celebrate the event." I am certainly glad that the Lord has spared me to help celebrate this occasion, helping to mark, as I believe it does, the beginning of the end of the New Deal; and I want to express to you my appreciation of the honor which is mine in being your guest today.

You are to be congratulated today for one thing—there are no empty chairs such as those which aroused heavenly hopes at the Jackson Day dinner. I am delighted that you felt it unnecessary to invite three high priests of the New Deal to bolster up the tone

of this luncheon. I admit that it would have been difficult for me to shed crocodile tears over empty chairs, and I know they would not have inspired me with any sense of saintliness.

But while the praise of the Women's National Republican Club is still on my lips I would like to give credit to the leadership of this club, representing as it does the Republican women of America, for its enthusiasm, its activity, and its devotion, all of which have been a continuing challenge—a real incentive to the men—and which in a large measure have helped to make the New Deal today as nervous as a dish of Jello. I marvel especially at the fidelity of those who must vote in this Tammany stronghold, who must withstand from day to day the direct shock of the New Deal, and who, because of mass production at the polls, are required to supplement their active political work with prayers for their unregenerate neighbors. I believe your prayers will be answered.

That hope is the stronger as I realize the complete change of front which has taken place in Washington during the last 6 months. Like a drowning man grasping for a rope, they have snatched at every pretext to send out an S O S for the adjournment of politics. Some attribute it to the war abroad, although others are more practical in their thinking. At all events, it is becoming increasingly evident day by day that the administration knows that the Republicans must be reckoned with as the day for the final accounting of the New Deal approaches. There certainly has been a complete change of front.

But the Republican Party wants more than that. It wants more than a change of window dressing. It wants a change in thought—yes; and a change in actions, too. It's time to stop daydreaming. It's time to stop pussyfooting. It's time to call an ace an ace and a spade a spade. It's time to stop and decide where we are going and what we'll find at the end of the road. It's high time that a decision be made as to what our future is to be.

We can't wobble around, first here and then there and expect to get anywhere. We can't be parlor pinks today and true blues tomorrow. We can't flirt with collectivism and cherish competitive endeavor. America cannot have free enterprise with ringmasters cracking the whips of regimentation. I repeat, it is not a change of front that is needed. What the country calls for is an about face, so that we will be looking not for a "rendezvous with destiny" but out in the open in search of rallying posts of new and larger opportunities as freemen. No one can gain a yard or hope to make a touchdown unless he knows where the goal line is. And that goes for the quarterback as well as any other player. Our first job is to get back to bedrock—to fundamental principles—to the landmarks of the Republic.

In his message on the state of the Union, the President urged the need of a reassertion of our faith in moral values. He could have given no better advice. I know, and I believe you know, that our faith in these values has been shaken severely in the last 7 years with a heads I win, tails you lose game going on at full swing in Washington. As a matter of fact moral values have been marked down so low that in many cases they have not been saleable even in a bargain basement. Moral values are more than a blatant billboard or a fancy label. They are a way of life. In the days of the old-fashioned copybook they included such principles as honor bright, as good as one's word, on the square, utmost good faith, clean hands. And moral values, to be worth anything, must be woven from exactly the same fibers today.

Manifestly our faith in moral values has been tried as we have heard promises of breathing spells made to businessmen today, and have watched the executioner go to work to strangle the life out of those selfsame businessmen tomorrow. It's hard to have faith without any practice, for "faith without works is dead." How has our faith in moral values been affected by the Federal Administration of relief? It is painfully plain that the faith of a Moses would be tested as the record reveals an agency which has squandered millions of dollars with outrageous extravagance, which has shackled the needy with the chains of political serfdom and which, nevertheless, has been condoned, excused, and unrebuked. It takes more than a whitewash brush to restore life to a shattered faith.

You are familiar with the shocking revelations that come to us day by day from the House committee investigating the National Labor Relations Board. They would try the faith of a saint. For a long time the lid was clamped down tight on that Board's conduct. It was harder to pry open than the vault of the Federal Reserve. The bill to authorize that committee was fought tooth and nail. You and I—yes, everyone—had heard of the suspicions of conspiracy. Repeated charges were made that the most elementary rules of evidence were flagrantly violated and the most fundamental principles of law and equity defiantly ignored. The record of the hearings is disheartening as well as disquieting, with case after case showing the abortive methods which an administrative agency may use when clothed with judicial power. That record speaks for itself. You know the details just as well as I do. That record calls for action. The country wants neither an apology nor an excuse. It wants the stigma of disgrace which has been fastened on our regularly constituted judicial processes by this sinister intruder removed. It wants every taint of suspicion cleared up. It wants the relation between the employer and the employee protected against the cunning designs and the crafty purposes of racketeering spoliators. It wants an umpire who knows the rules, who keeps his eye on the plate, who calls balls and strikes without fear or favor, and who has not placed a bet on the final score.



As a member of the Appropriations Committee of the House I have been interested particularly in the fiscal policies of the Federal Government since 1933. I can't help but wonder how these operations have influenced our faith in moral values. I recall the assurances given year after year that the Budget would be balanced, but always next year. I recall the lavish hand with which expenditures have been made. I recall the promises going back as far as the campaign of 1932 that our Federal housekeeping would be put in order. I have seen the extraordinary methods and the complicated bookkeeping which has been tried in the hope of making it appear that outgo was somewhere in line with income. At last we have come to the point where an "A" budget and a "B" budget are in operation. To watch the ease with which bureau chiefs switch items from one budget to another is enough to make an engineer on a shifting freight green with envy. As a matter of common sense there is no real or practical difference between the two budgets. Whether the items are in "A" or "B," or, for that matter in "X" or "Z," they are one and the same thing—dollars and cents coming out of the taxpayers' pockets—and no amount of alphabetical juggling will change them.

The more I think of our fiscal operations and our faith in moral values, the more am I impressed with the Biblical definition of faith as the substance of things hoped for, the evidence of things not seen. We certainly have been called upon to live by faith during the last 7 years in the management of our fiscal affairs.

In 1932 the President promised to put our financial house in order. Deficits were to stop. Debts were to be reduced. Taxes were to be lowered. There were no ifs or buts attached to the promises. They were positive. They were plain. They were clear. But that job has not even been started.

It is now suggested that what the New Deal has failed to do along this line should be undertaken by others—that others should indicate methods by which order can be brought out of chaos. It's pretty much like locking the stable door after the horse is stolen.

Our present financial plight is a direct result of a policy that is near and dear to the heart of every new dealer—a policy that has been approved and followed with but slight interruptions for the last 7 years—the policy that prosperity depends upon pouring out the money in the Public Treasury and when that is all gone to borrow more and start pouring again.

The President is reported to have said some time ago that "we can afford what we need." He was right. The trouble is we have been trying to afford a lot of things that we do not need. The Federal Government has been spending money right and left for a lot of trinkets and soothing sirup that we neither needed nor could afford. As a matter of common sense—yes; and common honesty, too—there is only one way to put our financial house in order, and that's to start doing it. As long as the automatic check writer in the Treasury Department is permitted to run wild, as long as it continues to be the most overworked machine in Washington, deficits will continue to be piled upon deficits, and the Budget might just as well be put on exhibition in the Smithsonian Institution.

When the present administration took over the reins of Government, the Federal pay roll carried less than 600,000 names of the civil administrative function. By September of 1939 that figure had jumped to more than 900,000. This means that over 300,000 new job holders have been added to your pay roll in less than 7 years. As you know most of these new berths are filled by people who are busy in either making or enforcing rules and regulations which tie down your hands and the hands of millions of other Americans. The more rules and regulations we have the harder it becomes to get any real work done. That's true in your home and it is likewise true in the Nation, for every new rule and regulation is in some measure or other a restraint upon initiative, upon production, upon enterprise, and upon the smooth flow of plenty.

Those 300,000 new pay rollers are a very definite part of our problem. All of us remember the vast expansion of the Federal machinery during the World War days. No one ever imagined that we would ever see such a mushroom growth again. But the fact of the matter is that our peace-time growth of bureaucracy under the New Deal has overreached by far the war-time expansion of the Wilson years. At the World War peak the executive civil rolls carried 917,000 names as against 940,000 last September. Only a wizard could imagine what the Federal pay roll would be were a genuine national emergency forced upon us.

In the present confusion, in trying to square national conduct with the precepts of its leadership, in trying to find the substance rather than the form, the words of the President ring in our ears when he said, "But remember well that attitude and method—in other words, the way we do things, not just the way we say things—is nearly always the measure of our sincerity."

We look out on a troubled world today. Moral values have ebbed to a low level. They have been lost in the swirl of dictatorships. Deception and cunning have forced the surrender of honesty and frankness, and the cruel passions of hate have torn the world loose from its moorings. Ours is a serious responsibility as men yearn for enrichment and healing. In the measure by which the soul of America is rekindled with a love of truth will this enrichment and healing come.

With the prophet of old we cry "To your tents, oh Israel."

## The Anti-Americans

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

Mr. THORKELSON. Mr. Speaker, it is hardly conceivable that the public will be so foolish as to believe the atrocity stories now published in the daily papers, magazines, and glibly shot over the air by superdetectives who advise the F. B. I. how to catch patriotic American citizens, in order to protect the Communists. The purpose of this propaganda is to start tears rolling for the plight of our own hidden rulers, so that we will rally to their rescue and our doom.

I am little interested in Europe, but greatly interested in keeping the United States out of the present strife in Europe, for as I have said before, we are facing a much more serious situation at home. Let me now quote from articles which appeared in the Jewish Chronicle, London, December 20, 1935, February 7, and May 8, 1936, by Mr. S. Landman:

#### THE ORIGIN OF THE BALFOUR DECLARATION

TO THE EDITOR OF THE JEWISH CHRONICLE:

SIR: The Jewish Chronicle is rendering a valuable service by opening its columns for discussion on this very important subject, and it is certainly advisable that the utmost possible light should be thrown on the origin of the declaration before all of those responsible for it have passed away.

During the critical days of the war, in 1916, when the defection of Russia was imminent and Jewish opinion generally was anti-Russian and had hopes that Germany if victorious would in certain circumstances give them Palestine, several attempts were made by the Allies to bring America into the war on their side. These attempts were unsuccessful. Mr. Malcolm, who at that time was in close touch with the late Sir Mark Sykes (of the war cabinet secretariat) and M. Georges Picot (of the French Embassy in London) and M. Gout, of the Quai d'Orsay (eastern section), took the initiative in convincing these representatives of the British and French Governments that the best and perhaps the only way to induce the American President to come into the war was to secure the cooperation of Zionist Jewry by promising them Palestine. By so doing the Allies would enlist and mobilize the hitherto unsuspected powerful force of Zionist Jewry in America and elsewhere in favor of the Allies on a quid pro quo basis.

At that time President Wilson attached the greatest possible importance to the advice of Mr. Justice Brandeis. \* \* \* Sir Mark Sykes obtained permission from the war Cabinet to authorize Mr. Malcolm to approach the Zionists on that basis. Neither Sir Mark Sykes nor Mr. Malcolm knew who were the Zionist leaders, and it was Mr. L. J. Greenberg to whom Mr. Malcolm applied for information to whom he should address himself. Mr. Greenberg arranged for Mr. Malcolm to meet Dr. Weizmann and Mr. Sokolow whom Malcolm put into communication with Sir Mark Sykes and later with MM. Picot and Gout. Mr. Wickham Steed, in his book *Through Thirty Years*, mentions Sir Mark Sykes and Mr. Malcolm as the two individuals mainly responsible for the Balfour Declaration. The Zionists carried out their part and helped to bring America in, and the Balfour Declaration of November 2, 1917, was but the public confirmation of the verbal agreement of 1916. This verbal agreement was made with the previous knowledge, acquiescence, and approval not only of the British, American, French, and other allied governments but also of the Arab leaders. It was not merely a voluntary gesture on the part of the Allies, but, as I have previously mentioned on the authority of H. M. V. Temperley (*History of the Peace Conference in Paris*, vol. 6 (1920), p. 173), it was a contract between the British Government and the Jewish people.

In reading the first paragraph of this letter, it is evident that Mr. Landman feared that he and his brother Zionists would not receive full credit for their effort in involving the United States in the World War, and it is to give them this credit I am quoting from his letter. I am even agreeable in granting the same group credit in attempting to involve us in the present war. I am also anxious that the American people will take notice and give them credit for this intrigue and double dealing, hoping that such knowledge will keep us out of the present European war.

It is most interesting to note that the Zionistic Jewry had consigned the United States to war early in 1916, when we, the people, in simple faith elected President Wilson for the second term on the slogan "He kept us out of war." It is extremely interesting to note according to this letter that "Jewish opinion generally was anti-Russian" at that time, when Russia had a Christian government, and that the same groups became pro-Russian after a communistic government had been established by Lenin and Trotsky. That in itself is significant and should identify the source of communism and the Communists.

In order that there will be no misunderstandings as to the identity of the international warmongers, I quote again from Mr. Landman's letter:

As already explained elsewhere by me in detail, Dr. Weizmann and Mr. Sokolow knew that Mr. James Malcolm came to them as the emissary of the British War Cabinet, which authorized him to say in their name that England would "give Palestine to the Jews" in return for Zionist assistance, through Justice Brandeis, in inducing the United States to come to the help of the Allies.

As a result of the Balfour Declaration, controversy arose with the Arabs because of promises which had been made to them by Colonel Lawrence. They rightfully resented the about-face of England in the Balfour Treaty, which gave Palestine to the Jews, and it is over this grant war broke out in Arabia. I further quote:

I have read the letters on the above subject from Mr. Gullaroff and Mr. Hyamson in your recent issues, and they call for a reply. As they are couched in similar terms, I will deal with them together.

Your correspondents are entitled to their own views about President Wilson, but it does not follow that the advice given him by Zionists was reprehensible or not according to the view taken of the feelings and interests of the vast majority of the American people who were straining at the leash to join the Allies in the war. As a matter of fact, no one else has ever thought or said so.

Mr. Hyamson may disagree with the History of the Peace Conference in Paris, by Professor Temperley, which says that the Balfour declaration was "a definite contract between Great Britain and Jewry," but I think if he reads the Journal of the Royal Central Asian Society for January 1936 he will be rudely surprised and reluctantly obliged to admit that he is in fact supporting the opinions of Fakhri Bey Nashashibi, who is probably the most inveterate and uncompromising of the anti-Jewish Palestine Arab leaders. He alleges that I have "attributed actions" to Sir Herbert Samuel which he had previously disclaimed. But where, how, and when he does not say. I certainly fail to see that I have done such a thing.

Please note that in the third paragraph the Palestine Arabs, who you may recall as Semites, are called anti-Jewish by Mr. Landman himself, who is a Zionist. This, according to Mr. Landman's own interpretation, makes the Palestine Jews anti-Semites, for they are now fighting the Arabs.

In the following paragraph which I shall now quote it is my desire to call your attention to the fact that the writer of the letter involves the United States in the Arabian controversy:

As regards knowledge by Arab representatives of the pour-parles, Mr. Hyamson is in error. Both Sir Mark Sykes and Mr. Malcolm informed the Arab representatives in London and Paris that without the assistance of the United States the prospects of any Arab state arising after the war were most problematical, and they must, therefore, agree that Palestine should go to the Jews as their reward for their assistance in bringing in the United States.

The Arab representatives understood and agreed, and later Emir Feisal confirmed the agreement in his letter to Professor Frankfurter. The Palestinian Arabs were at the time fighting against the Allies and could not (even if it were necessary) be consulted.

I hope the American people will now give full credit for our entrance in the World War to those who are bragging about the power they had to involve us in that conflict. We were indeed gullible, for we swallowed all this prepared propaganda "bait, hook, line, and sinker." I also hope that we will not become unduly excited over the present emergency and propaganda, which is manufactured by the same group, to fool the American people again. If there is to be another war, let us give the Zionists and the international financiers guns so that they may finish their anti-Semitic and antiracial war in Arabia.

Have you folks noticed that little or no criticism is leveled against Russia in her present inexcusable war against Fin-

land, and have you noticed that the President has failed to declare Russia an aggressor nation? Do you not think it is strange? He declared Germany the aggressor against England and France, in spite of the fact that Germany as yet has not declared war on either of them. Oh, neutrality, what crimes are committed under they name.

I often wonder what sort of neutrality we observe. Here is Russia with 170,000,000 population engaged in war with Finland, a nation with a population of 3,000,000 people. Russia may buy all war materials she wants, in spite of the fact that she is an aggressor nation with nearly a 100 percent Jewish communistic government. No one can deny that Russia is the cradle of communism and the source of communism in the United States. The Russian Government, with her mass liquidation of life, torture in Siberia, and submarine graveyards, is not the most benevolent government, but is, instead, if one is to believe such descriptive literature, as Democracy and World Dominion, by Schoonmaker, a most inhuman and un-Christian nation. After reading this book by Schoonmaker, including many others, I am thoroughly convinced that we should not only get rid of communism but the Communists as well. In order to support the statement I have already made, I shall quote a few excerpts which, I believe, should be interesting to all Americans.

In a report on bolshevism in Russia, written by Sir M. Findlay to Mr. Balfour on September 17, 1918, he makes this statement:

I consider the immediate suppression of bolshevism the greatest issue now before the world, not even excepting the war which is still raging, and unless, as above stated, bolshevism is nipped in the bud immediately, it is bound to spread in one form or another over Europe and the whole world, as it is organized and worked by Jews who have no nationality and whose one object is to destroy for their own ends the existing order of things. \* \* \* So numerous were the communications and so important was the subject \* \* \* that the State Department compiled and published a digest of these reports, and, in addition, the United States Senate appointed a special committee called the Overman committee, which went thoroughly into the whole matter. \* \* \* The following extracts show the general trend of the testimony of these witnesses: "The leaders of the movement, I should say, are about two-thirds Russian Jews" (William C. Huntington, commercial attaché of the United States Embassy at Petrograd from June 1916 to September 1918, p. 69).

"In Russia it is well known that three-fourths of the Bolshevik leaders are Jewish" (Mr. Welsh, for 2 years a junior officer of the National City Bank in Russia, p. 269).

Later, in the Yale Review, in an article entitled "The World Menace," Mr. Henry C. Emery, LL. D., former chairman of the United States Tariff Board, supported this testimony. "No one who ever made a visit to Smolny Institute, when that was the headquarters of the Bolshevik government in Petrograd, could fail to understand how easy it is to get the impression that the Jews have at last seized powers." Newspaper correspondents on the ground cataloged their numbers and gave them to the world. "Ninety percent Jews," said the correspondent of the London Daily Mail. The correspondent of the Morning Post was more exact. Out of 545 commissars in the country, 447 were Jews. Of the leaders of this alien bureaucracy a few stand out like flags. There was Trotzky, from New York, leading the armies of Russia, and Zinoviev heading the great international that was to release the toilers of all nations. Zinoviev was also commissar of Petrograd, while Kamenev, brother-in-law of Trotzky, was commissar of Moscow. To Madame Kamenev had been entrusted the culture of Russia, and to Radek, director of publicity, the task of selling this new Russia to the world. Steinberg was commissar of justice, and Uritsky, commissar in charge of counterrevolution and speculation. Over the Ukraine, the richest province of Russia, was Rakovsky, while Joffe, high plenipotentiary, negotiated treaties for this new Russia with the nations of Europe and the Far East. From the foreign office was soon to pass the Russian Chicherin, to be succeeded by the Jew Litvinoff (Finklestein), and behind Finklestein, Weinstein. And so it went.

Equally surprising and equally significant is what happened in the field of religion. "Religion is the opiate of the people," Marx had written. To destroy religion, therefore, was essential if the great emancipation was to be achieved. Fifteen years after the Bolshevik Revolution was launched to carry out the Marxist program, the editor of the American Hebrew could write: "According to such information as the writer could secure while in Russia a few weeks ago, not one Jewish synagogue has been torn down, as have hundreds, perhaps thousands of the Greek Catholic churches. \* \* \* In Moscow and other large cities one can see Christian churches in the process of destruction. \* \* \* The Government needs the location for a large building. (American Hebrew, Nov. 18, 1932, p. 12.) Apostate Jews, leading a revolution that was to destroy religion as the 'opiate of the people' had somehow spared the synagogues of Russia."



It should now be clear who the Communists are, and where they may be found, for they are self-identified. This self-identification should not only be useful to the Dies committee, but particularly to the Department of Justice and the F. B. I. Credit must, however, be given to the congressional committee on subversive activities for having at least exposed one communistic organization, the League for Peace and Democracy.

The recent fiasco in New York City, where 17 young men were arrested for the possession of obsolete rifles, which they used for target practice, is a childish attempt to shield the Communists, who operate openly with the utmost freedom in their attempted destruction of our Government. Who is Mr. Birmingham and what is his connection with Mr. Prince and Mr. Shelton? Why not investigate the communistic intelligence service with headquarters in New York? Just what excuse for existence has the various boycott leagues and private propaganda analysis bureau? No one is allowed to operate such private investigation bureaus except the Communists. Why was Mr. Birmingham employed by the F. B. I. to build up and prepare a case against the so-called Christian Front? Is not it possible that this investigation was directed by certain defamation groups in New York City, in somewhat the same manner as was employed in the recent attempt to smear the Dies committee? It is to the everlasting credit of the Dies committee and Mr. Mayne for having exposed this defamation racket, for others have suffered from attacks by the same defamation groups. Their racket is not that of intelligent criticism and fairness; it is instead pure mud slinging, which is now rebounding on those who have been pitching for these international defamers.

The Dies committee has made a good start and should continue to investigate the higher Communists. Many of them, their fellow travelers, and their nit-witted gentile fronts should now be investigated, and their names may be found embossed on the margins of many letterheads such as Non-Sectarian Anti-Nazi League, 20 West Forty-seventh Street; Council Against Intolerance in America, Lincoln Building; Humanity Guild, 11 West Forty-second Street, all in New York City, and the last with approximately 120 names, professors predominating. We then have United Christian Council for Democracy, and when you find these organizations with "democracy," scratch it a little bit and you will find it full of Communists. That is what the Dies committee did to the League for Peace and Democracy and whose membership in Washington was found to be well represented and fully employed in various Federal departments. We then have the Peace House, One Hundred and Tenth Street and Fifth Avenue, New York City, which the United States detective No. 1 may investigate and report over the air to his friend in the F. B. I. To me it is strange that the greater number of these peace organizations may be found in New York City, in a State and city always restless, but with two distinguished gentlemen at the heads of both governments. Investigation may also be made of Rev. Charles C. Webber and his new philosophy, and particularly the membership of the board of control. Then there is the Federal Council of Churches, 297 Fourth Avenue, New York City, which should not be forgotten. The greatest attention should be bestowed on the financial resources of these anti-American organizations and their "sugar daddies" exposed publicly. It is only reasonable to assume that it takes a lot of money to run and hire the framing of these organizations, and we should make it our business in Congress to find out in what manner this money is obtained.

Government records, intelligence reports, and hundreds of publications reveal that the Communist and his fellow travelers are the anti-Americans who are threatening our Government and institutions of learning. The question may therefore be asked: What is the Department of Justice and the F. B. I. waiting for? These departments know that the Communists are and have been here for over 40 years, and that the United Mine Workers complained about them 20 years ago. Is it possible that the Department of Justice is

shielding these anti-Americans, who are now engaged in the sabotage of the Government, and if so, is it because the Justice as well as other Departments are infiltrated with communism to such an extent that exposure of such activities by the employees is tantamount to dismissal?

The recent attempt in smearing the Christian Front and the Dies committee is a peculiar warfare, which is not American, but is, instead, Asiatic in origin. It is promoted by the Communists and disseminated in pro-communistic newspapers, which are owned or controlled by the Communists or communistic sympathizers. It was this kind of ridicule that was heaped on General Moseley, Messrs. Deatherage, Pelley, True, and others because of having exposed and identified the Communists. These gentlemen are 100 percent patriotic American citizens, who are persecuted because they hate communism and subscribe to the fundamental principles of this Republic.

It is well to bear in mind that the people reserve the right under the Constitution to carry arms, and naturally such arms will be kept in their homes. The Bill of Rights also provides for free speech, to which there is, of course, no objection, so long as such speech does not advocate changes or destruction in the Government. When the speaker advocates destruction of the Government, he has then exceeded the liberty of free speech and is, instead, engaged in spreading sedition. The Constitution does not provide either the right or liberty for anyone, under the guise of free speech, to advocate changes that will prove destructive to our Government. Free speech is one thing—seditious speech is another. The Constitution provides means for taking care of both.

All of this can be avoided if every citizen subscribes to the principles of this Republic, and the fact that those who so subscribe denounce attacks upon our Government is a natural defense reaction which may be expected when the Government itself departs from the principles of this document.

It is, indeed, unfortunate that a person cannot address himself to the fundamental principles of this Republic, as set forth in the Constitution of the United States, without being smeared and ridiculed by international communistic saboteurs. I am quite willing to admit that these international Communists, whose "god is gold and whose savior is a bribe," control our money through their banks and bank associations. I am also willing to grant that they have used this deposit money to buy press, radio, cinema, hotels, real estate, and nearly all paying industries in the United States. It should, however, be understood that this accumulation of wealth and property has been acquired by them, not with their personal money, but with the Nation's monetary wealth, which is on deposit and naturally gravitates into the larger banks.

In order to clear up the confusion under which we labor today, let us divide the various groups that are now operating within the United States into two parts. The first group is composed of patriotic Americans, who believe in the fundamental principles of this Republic, as originally set forth in the Constitution of the United States. This group, being Americans, is, of course, intolerant toward socialism, bolshevism, communism, and all forms of radicalism, covered by the cloak of liberalism. This group is becoming larger and larger by leaps and bounds, as the people realize the inroads which communism has made in the United States.

The second group is composed of a conglomerate mass of people who believe the Constitution is a flexible document and therefore adaptable to their particular views. In this group we find the Socialist, the Bolshevik, the Communist, the radical, and the syndicalist, and those Fabians that do not believe in any government. The strange part is that these subversive groups are well financed, and Congress should make it its business to find out from whence the money comes. It is this group that shouts about the right of free speech while it is insidiously engaged in restricting those who believe in and advocate strict adherence to the Constitution of the United States.

**Bonneville Power for Southwest Washington—The Pacific Northwest—New Frontier for Men, Machines, and Money**

**EXTENSION OF REMARKS**

OF

**HON. MARTIN F. SMITH**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Friday, February 2, 1940*

ARTICLE IN UNITED STATES NEWS, WASHINGTON, D. C.,  
FEBRUARY 2, 1940

Mr. SMITH of Washington. Mr. Speaker, the great Bonneville hydroelectric power project on the Columbia River in my district is beginning to prove an important and vital factor in the development and progress of southwest Washington, and I shall always be proud of my sponsorship of this legislation. Four local public-utility districts are now selling public power on a county-wide basis, my home county of Grays Harbor, Pacific, Mason, and Skamania Counties. The Cowlitz County district, also in my congressional area, is operating a rural electric-power project financed by the Federal Rural Electrification Administration. Pacific County has just completed purchase of private power facilities. Skamania County acquired the West Coast Power Co.'s properties January 4 and Grays Harbor Public Utility District purchased the Grays Harbor Power & Light Co. January 15, and all four districts are now selling power at retail. Grays Harbor and Pacific districts are using present generating plants and will be hooked up with the new Bonneville transmission lines next summer. Skamania County is already distributing power from Bonneville Dam, the first utility district to do so.

When the Pacific County district took over the local distribution system, the Bonneville administration purchased the Willapa Electric Co.'s 66,000-volt transmission line in the northern part of the county; also the Raymond substation. It was Bonneville's first purchase of a private utility property for incorporation into the Bonneville Pacific Northwest power system.

Steady progress is being made in the construction of Bonneville transmission lines in Cowlitz, Lewis, and Pacific Counties, and this work is furnishing employment to hundreds of citizens. In northern Cowlitz County over 500 men are working on the right-of-way for the line which will extend from Vancouver to Puget Sound. In Lewis County crews totaling 458 men are working on the north-south line and Raymond-to-Chehalis line. Actual construction has been commenced on the line at the Raymond terminus, and about 5 miles of double poles are being placed eastward from the Raymond substation, headquarters being maintained at Pe Ell. About 125 W. P. A. workers are clearing the 32-acre site near Napavine or the Chehalis substation planned by the Bonneville administration. Tentative plans call for a substation at Mossyrock to supply eastern Lewis County with electricity from Bonneville.

The location of the large plant of the Aluminum Corporation of America at Vancouver is just the beginning of the great industrial development certain to result in southwest Washington from the Bonneville project. Other big eastern concerns are making inquiry regarding sites and ascertaining possible savings in operating costs due to cheaper hydroelectric power and closer proximity to raw materials, according to information received from official sources.

President Roosevelt approved January 24 an allocation for \$919,859 for clearing the right-of-way for Bonneville project transmission lines. These lines will run from Vancouver to Aberdeen, in my congressional district, and from Vancouver

to Eugene, Oreg., and from Bonneville to Yakima and Grand Coulee.

Mr. Speaker, under leave to extend my remarks, I insert an article which appeared in the United States News, Washington, D. C., February 2, 1940, which describes the prospects for development of a great rich empire in the region to be served by the Bonneville and Grand Coulee Dams in the State of Washington:

[From the United States News of February 2, 1940]

President Roosevelt is holding firmly to an idea that dominated much of his thinking in early New Deal days.

The President thinks that New York City would be better off if its population was six million instead of seven. Mr. Roosevelt thought the other day that he could pick an argument with Mayor Fiorello LaGuardia of New York when he reexpressed this sentiment.

The mayor jumped to the argument, but on the ground that New York would be better off with five million in its population than with six or seven million.

Here is the germ of the idea that has persisted deep in the President's thinking. At one time he had in mind moving large numbers of people from drought regions in the Middle West. At another time he had in mind large numbers of subsistence homesteads that could absorb idle workers from the cities. The President thinks that the country would be better off if large cities were smaller and if the Nation's industry was decentralized.

That thought is taking positive shape again with new plans for moving large numbers of people. This time the President is announcing an intention to make a real Garden of Eden for 500,000 people in the Pacific Northwest, where the Government is spending large amounts of money to complete the Bonneville and Grand Coulee Dams. And Harold Ickes, Secretary of the Interior, is announcing plans to spend more millions to develop other areas that can start to absorb people moving from the drought areas of the Farm Belt and the blighted areas of the Industrial Belt.

Nearest completion is the development in the Northwest.

Here the Bonneville Dam is producing electric power, available for distribution under a plan that does not involve displacement of the private utilities. Farther upstream on the Columbia River is Grand Coulee, nearing completion. When completed, this dam will supply water to irrigate 1,200,000 acres of rich, but dry, land.

It is this area that the President sees as a new frontier to provide for 80,000 farm families who will help supply what he expects is to become an important new industrial area utilizing low-cost power. Industry in this region—if plans carry—will be decentralized, centering about small communities, rather than centralized, to correspond to the industrial cities of the East.

Interior Department officials say that the metallic and non-metallic resources of the Northwest are sufficient to support iron and steel, ceramics, plastics, electrometallurgical and electrochemical industries, in addition to paper, furniture, food processing, and lumber.

Already the Aluminum Co. of America is planning a plant to cost several million dollars at Vancouver, Wash., to be powered by 32,500 kilowatts from Bonneville. A steel company is contemplating construction of a new plant at Portland. President Roosevelt is interested in development of a steel industry on the Pacific coast that would utilize what he is told is a practical "wood coke." This industry would turn out the very highest grade steel for naval armament purposes.

But the President is not to realize his dream of getting a million persons out of New York to the great open spaces. Neither is he to realize any time soon his dream of moving large numbers of farmers out of the drought regions and the overpopulated farming regions of the country.

Reason is that even in the large Northwest area farm operations with Grand Coulee water cannot begin for at least 4 years. Irrigation projects must await completion of the dam itself, now about three-quarters finished. Resettlement will not be completed, probably, for 30 years.

**HOMESTEAD REQUIREMENTS**

No one is advised to migrate northwestward yet. When the first 50,000 or 100,000 acres are irrigated, the Government will select families for the land. Basis of selection probably will parallel present homesteading procedure. Requirements will include 2 years' farming experience, irrigation experience preferred, good health, moral character, and \$2,000 in capital or credit—possibly from the Farm Security Administration.

Holdings will be limited to 80 acres per family. Land values are to be fixed by the Government at dry-land value, probably about \$10 an acre. Large holdings now in the hands of banks, railroads, and city families must be sold before the Government will supply water for irrigation.

Rainfall in this area is about 8 inches a year, as compared with 30 inches in the Midwest. Climate is dry. Winters are short; summers long. Normal temperatures range from 32° in winter to 82° in summer.

Such are the ingredients from which a new northwest empire is being built. Up to now industrial development has been held back for lack of coal. Now this deficiency is made up by almost limitless supply of electric power.

The vision of the Northwest is the vision of a new kind of empire.



## America's Biggest Ditch

## EXTENSION OF REMARKS

OF

HON. D. WORTH CLARK

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Friday, February 2, 1940

ARTICLE BY RICHARD L. NEUBERGER

Mr. CLARK of Idaho. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "America's Biggest Ditch," published in a recent issue of the Coast magazine and written by Richard L. Neuberger, of Portland, Oreg.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Coast for December 1939]

AMERICA'S BIGGEST DITCH—HELLS CANYON HOLDS THE TORTUOUS SNAKE RIVER BETWEEN IDAHO AND OREGON

(By Richard L. Neuberger)

Washington Irving never got beyond the Rocky Mountains in his westward travels. The Snake River he knew only by the narrations brought back by Lewis and Clark, the Astor expedition of 1811, Captain Bonneville, and others who struggled into the Pacific Northwest when the United States was still a new country. From these sources Irving obtained a vivid impression:

"Indeed, from all that we can gather from the journals before us, we are inclined to think that the Snake River must be one of the most remarkable for varied and striking scenery of all the rivers of this continent. It penetrates vast sierras or mountainous chains, broken into romantic and often frightful precipices, and crowned with eternal snows. Tremendous walls of basaltic rock rise perpendicularly from the water edge, frowning in bleak and gloomy grandeur. Wildness and sublimity appear to be prevailing characteristics."

This is a description of Hells Canyon, the deepest chasm of North America and one of the last great wilderness fastnesses of continental United States. Hells Canyon is the final frontier of the far West. Men who have explored the world say there is no more rugged region on the planet. It was the principal barrier to the adventurers who settled the Pacific seaboard, and it has not yet been fully conquered. To this day, a century and a third after the first pioneers, Lewis and Clark, saw the Snake River, Hells Canyon remains a challenge to the people who would have a look at the American West as it was before the frontier was pushed back.

The immense abyss carved by the Snake lies along the border between Oregon and Idaho. It is 189 miles long and 10 miles wide at the broadest point. In the deepest stretch it averages 5,510 feet in depth for 40 miles. At one place it is 7,900 feet deep; this is at He Devil Peak, on the Idaho side. The Wallowa Mountains of Oregon form the western ramparts of the gorge, and opposite them is the Seven Devils Range of Idaho. Promontories 6,000 feet above the river are not unusual. The Snake is a tenuous thread from the last rim.

All over the West men and women are just beginning to realize that Hells Canyon is one of America's premier spectacles. Few natural wonders have been more obscure. Many encyclopedias and atlases barely mention it; tourist offices have not known whether it is in Idaho or Zanzibar; the thorough Britannica gives it only passing reference; the World Almanac does not list it at all. Such an authentic source of information as the World Book calls the Grand Canyon of the Colorado the deepest chasm in the Nation, with the Grand Canyon of the Yellowstone second. The Yellowstone's beautiful canyon reaches a maximum depth of 1,500 feet. Hells Canyon is five times as deep in some places. Actually the third deepest of the country's chasms, after Hells Canyon and the Grand Canyon of the Colorado, is the canyon of the Salmon River, which is the main tributary of the Snake. Its greatest depth is 6,000 feet. Then come the Bighorn River Canyon in Montana and the Gunnison River Canyon in Colorado.

Not until 1935 were the great dimensions of Hells Canyon officially confirmed. That year a report of the United States Geological Survey declared: "Below the Oregon mining town of Homestead the Snake River has cut through the mountain ranges that blocked its way to the Columbia River and flows in the deepest, narrowest canyon in the United States. When this canyon becomes better known it will doubtless rank as one of the great canyons of the continent."

There are three ways to glimpse America's deepest chasm: On foot, by automobile, or from a boat. All of them are adventures. Haldane (Buzz) Holmstrom is the most famous river runner in the world. He is the only person who ever voyaged through the Grand Canyon of the Colorado alone. Recently he added Hells Canyon to his exploits. "The Snake River Canyon," said he, "is four times as tough as the trip down the Colorado to Boulder Dam.

I was mighty lucky." And Amos Burg, of the National Geographic Magazine, internationally known as an explorer, exclaimed as he reached the lower end of the abyss, "Rapids are so frequent we seemed to be descending the canyon on watery stairs. Above us mountain rose upon mountain, shooting their splintered pinnacles dizzily into the heavens, flanked by more mountains and more pinnacles, climbing to loftier and loftier altitudes."

The average traveler cannot duplicate the feats of Buzz Holmstrom and Amos Burg. But he can go on the most sensational boat ride in the United States of America. This is the 99-mile voyage from the Idaho shipping center of Lewiston south and upstream to Johnsons Bar, far into the core of Hells Canyon. The trip is made once a week by a calm, laconic boatman named Kyle McGrady, who takes mail and supplies to the prospectors, ranchers, and sheep herders dwelling in America's loneliest hinterland. Occasionally McGrady has space for a passenger or so. In a few weeks he will have room for more; he now is building a larger boat.

At Lewiston there also is a pair of veteran Snake River argonauts—Press Brewink and "Cap" MacFarlane. When the water is not too low, they can coax their flat-bottomed Idaho upstream to Johnsons Bar. The Idaho comes back down the river in approximately one-fifth the time it required to make the ascent.

The boat trip from Lewiston to Johnsons Bar does not include the worst stretches of the river, but it covers rapids and white water which make the heart beat faster. Above Johnsons Bar the Snake is a hurtling demon. At Cauldron Linn, upstream from Hells Canyon, the water virtually boils. There the Astor expedition came to disaster, losing boats and boatmen in a tragic pile up. "La maudite rivière enragée," the early French-Canadian voyagers called the Snake—"the accursed, mad river." At Johnsons Bar this term is understandable.

The paramount drawback to the journey by boat is that only from Johnsons Bar and one or two other points may the final rim be seen. Otherwise merely the first cliff is within view of the traveler. This fact impressed itself on frontiersmen who tried to make Hells Canyon a route to the Pacific. The Astor party, attempting to climb out of the abyss, scurried past the first rim and "found they were not half way to the summit, and that mountain upon mountain lay piled beyond them in wintry desolation." Bonneville and his followers experienced the same disappointment and discovered that "although already at a great elevation they were only as yet upon the shoulder of the mountains."

To appreciate the true proportions of Hells Canyon it must be seen from above. This requires a route somewhat different from the boat trip. The bulk of it can be covered by train. The Southern Pacific's Klamath Limited leaves San Francisco at 9 o'clock at night and exactly 24 hours later is in Portland. At 9:30 this second night the Union Pacific's Portland Rose starts for the East. In the shivery, gray dawn the next morning the wayfarer tumbles out on the station platform at La Grande. At 6:15 in the morning a mixed freight and passenger train pulls out of La Grande for Enterprise.

This is a typical hinterland local. The coaches are heated with wood stoves and have carbon-arc lamps. The conductor wears overalls and knows most of the passengers by their first names. The train stops along the wayside to pick up loggers, ranchers, and backwoodsmen. As the chugging engine conquers the steep grades of the Wallowa Valley, villages become less frequent and farmhouses more remote. Forests begin to encroach on the railroad embankment. In the background, over in Idaho, tower the distant tips of the Seven Devils.

At Enterprise, automobile is the method of conveyance. Thirty-six miles away, over good dirt roads, is the post office of Imnaha, the jumping-off place for Hells Canyon. Imnaha seems at the end of the world; it is at the head of the canyon of the Imnaha River, which is almost half a mile deep.

Up out of Imnaha, around the shoulder of the Canyon of the Imnaha, curves a narrow road. It is wide enough for one car, with turn-outs spaced at irregular intervals. There is no railing, but there is often a 2,000-foot drop on the outside. Over the cowl of an automobile, the passenger sees space in which hawks and eagles soar against a backdrop of far-off mountains. This stretch is a mere 3 miles, but after it is over hands are usually clammy and abdomens seem to be revolving like a ferris wheel. "I'm used to it now," observes Grady Miller, who for 29 years has been a Forest Ranger in the Snake River region. "The only time I get nervous is when I think a lot about it afterward."

Once past the Imnaha, the road covers 17 miles of forests thick with lodgepole pines and comes out at Hat Point. Imnaha Canyon appeared impressive and deep, but it is a gully compared to the panorama from Hat Point. Far below, the Snake flows through Hells Canyon. Ponderosa pines and Douglas firs seem dwarfed to the size of the hackberry bushes. The crags are rough and the ridges broken, and the whole earth here gives evidence of the buckling and gnawing which took place during prehistoric epochs. The chasm is so vast that its depths fade away in a thin blue haze. Forest Service photographers, reaching this spot after having taken pictures in almost every State, said no view could compare with it in immensity and grandeur.

The road to Hat Point is open only about 5 months of each year, generally from June through October. Snow and ice barricade the passes the rest of the time. The difference in elevation between rim and river is so great that although the cliffs above Hells Canyon are invariably mantled and blocked every winter, the bottom of the chasm is powdered only with an occasional snowfall. Trails

from Hat Point lead to Barton Heights and Freezout Saddle and other promontories, where even more spectacular glimpses of the canyon are possible. These trails can be traversed on foot or by horseback.

There is a third direction from which Hells Canyon can be approached. This is at the upper end, near the Oregon hamlet of Homestead. The Oregon Short Line of the Union Pacific crosses the Snake 50 miles above Homestead, and a fair automobile road covers the rest of the distance. No other route is so good in winter, because from Homestead the chasm can be reached via the bottom. A road comes down from Idaho not far from the abandoned Red Ledge mine. It is called the Kleinschmidt Grade and surpasses even the Imnaha for thrills. The road has started to slough away in some places and slopes toward the outside. Once slipping there, a car would soar into the canyon like a stricken bombing plane.

Fewer people visit this unparalleled spot each year than go to one performance at one movie theater in San Francisco or watch the girls undress in a single evening at a burlesque house in Portland. But eventually Hells Canyon will probably be one of the great outdoor centers of the Pacific coast. From the population centers of California it is not so far to the vast chasm. Lewiston, where the boat trips begin, is 922 miles from San Francisco by highway; Homestead is 856 miles, and Enterprise is 929 miles. It is only a day's drive from Seattle or Portland to Lewiston.

Cliffs 1,500 feet to the first level are not rare in this awesome declivity in the American wilderness. Thousand-foot bluffs are ordinary. Some precipices tower 3,500 feet up from the river. Sheep Rock along the Oregon wall is higher than the whole Catskill Mountain Range on the other side of the continent. The needled trees on the crag's summit are 4,278 feet above the Snake. Three Empire State Buildings plus one Golden Gate Bridge, piled on top of each other in the river bed, would only slightly surmount the crest of that rock—and above Sheep Rock the canyon slopes upward another 1,007 feet to Lookout Mountain.

Various plans are now under way to make the chasm of the Snake River a recreational and scenic center for the States of the far West. In the summer a Department of the Interior survey examined the region, preparatory to recommending to Congress that it be set aside as a national park or national monument. The survey was requested by Senator CHARLES L. McNARY, of Oregon, the Republican minority leader. The American Wilderness Society would like to keep the region a vast primeval area, untrammelled by tonneau tourists or professional sightseers. Secretary Ickes hopes to have certain sections of the West preserved in their natural state, a scheme into which Hells Canyon might fit appropriately. Ranchers and stockmen will protest any attempt to take the management of the area away from the Forest Service.

Some public officials in Idaho want a road constructed through the bottom of the canyon. A preliminary survey by the State has disclosed that the project would cost approximately \$12,000,000. Other people are supporting the road venture, but think it should be along the rim of the chasm, in the heart of the Seven Devils.

Whatever is done with the expansive wilderness of Hells Canyon, it will not be possible to rob this last frontier of its color and flavor and folklore. It is as rich in tales and personalities as it is in scenic majesty. Back in the Wallows is Charley (Silver Tip) Seeber, venerable woodsman, who is 100 percent for a national park. Along the river rides Mack Chetwood, cowpuncher from Halfway, carbine at his saddle, cowhide mackinaw on his back; he thinks cattle should be allowed to graze on the upper slopes above the Snake. In the heart of the Seven Devils is a school where children come in from far-flung ranches, leading pack horses with loads of provisions and blankets. Downstream is the place an old hunter unearthed Meriwether Lewis's branding iron. Every cabin and tent and shack contains a score of tales and stories which have yet to be forgotten in the rush of civilization.

Long, weary wilderness miles from the sound and bustle of modern society, the water gurgles and splashes as it seeps down out of the highlands—the noise, once a whisper and later a roar, of Sheep Creek flowing to the Imnaha, of the Imnaha flowing to the Snake, of the Snake flowing to the Columbia and, far off, of the Columbia flowing on to the sea.

### The Civil Aeronautics Act of 1938 and Airport Development

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

ADDRESS BY COL. EDGAR S. GORRELL, PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following able address

given in Chicago this week before the American Road Builders' Association:

"This system . . . of making gifts to States and sections of the Union for roads and canals—will degrade the States by inducing them to look for bounties, to the Federal Government; will degrade and demoralize the people, by making them dependent on the Government . . . . As soon as the people of ancient Rome were taught to look to the public granaries for support, the decay of public virtue was instantaneous."

Thus, over a century ago, did a South Carolinian protest to the House of Representatives against congressional spending. And with this quotation an eminent student of our constitutional system opens his history of the spending power of Congress a hundred years later.<sup>1</sup>

This sober warning against the iniquities of Federal spending has been repeated in varying terms upon many occasions, even in years fresh in our memories. Within the sweep of the condemnation comes Federal spending for airports quite as well as for roads or canals or farm relief. And we, as responsible citizens, cannot sanction increased Federal participation in a program of airport development if these dire consequences, so eloquently asserted, will indeed follow from such a course. And the Civil Aeronautics Act, in providing for such Federal participation, should promptly be amended if such degradation and demoralization will result.

Of course, the truth of the matter is that no such doom is upon us. On the contrary, Federal participation holds incalculable promise for the future strength and security of our Nation. But we must understand and accept the full implications of Federal action in this realm if we are to avoid waste and foolhardy expenditure of money and energy.

Both in the old Air Commerce Act and in the Civil Aeronautics Act airports are treated as air navigation facilities.<sup>2</sup> They are, in other words, means whereby air navigation is made possible, of exactly the same nature as other facilities such as beacon lights and radio beams. Taken all together these facilities are to flight exactly what navigable waterways are to water transport.

The validity of Federal expenditures for such objects was established by a deeply significant political and constitutional struggle which began a hundred and twenty-five years ago and raged feverishly until a Civil War embraced all the clashes of our early history in one bloody climax. I refer, of course, to the struggle over "internal improvements," a term which merits capitalization. The struggle had many battlegrounds, from the Cumberland Pike to the first land grant to the Union Pacific, and there finally triumphed the principle that the Government of the Nation should take the lead in the development of the Nation's resources. The principle may be termed distinctly socialistic; but it is a fundamental of our American order, it is applied annually without question in the expenditure of hundreds of millions of dollars, and it has made possible the development of engineering wonders which go far to explain the proud position of our country in the family of nations.

Thus when the air became a means of commerce and travel there was an American tradition firmly grounded that the establishment of facilities necessary to air navigation should not be left to private interest. The universal acceptance of governmental responsibility for the facilities necessary to navigating the high seas, extended as well by our long struggle over the question of internal improvements to a comparable responsibility for inland waterways, made it clear from the beginning that air navigation facilities must be a matter of direct concern to the Federal Government.

That this should be true is not a matter merely of tradition, however. Consider the alternative.

In the early 1920's, when, because of the constructive policies of foreign governments, civil aviation was advancing rapidly abroad but, because of the negative attitude of our own Government, was floundering badly here, there were many wise men who gave serious study to the future of aeronautics and who considered every possibility. It was obvious that one of the most immediate needs was that of proper air-navigation facilities. At the very beginning of the air-mail service some had blandly assumed that nothing more than a compass was necessary for flight. This gross misapprehension was soon corrected by events sometimes amusing<sup>3</sup> but too often tragic. And very shortly students of this new science and leaders of public thought became impressed with the magnitude of the navigation facilities which would be required.

One possibility, of course, was that the provision of these facilities should be left to private capital. Another possibility was that there should be initial governmental aids to private interests, but that, once an industry had been launched, private capital should assume the full burden.

I speak advisedly of these alternatives as possibilities. For either was possible.

The fact that right up to 1937 private capital had spent more on the construction of air-navigation facilities than had the Federal Government<sup>4</sup> is sufficient indication that private enterprise might

<sup>1</sup> Warren, Congress as Santa Claus (1932). The quotation is from a speech by Congressman Warren R. Davis on April 4, 1832, 22d Cong., 1st sess.

<sup>2</sup> Air Commerce Act, sec. 5 (b) (1); Civil Aeronautics Act, sec. 1 (7).

<sup>3</sup> Warner, the Early History of Air Transportation (1938), at pages 7-8.

<sup>4</sup> Hearings on Senate amendments, State, Justice, Commerce, and Labor appropriation bill for 1938, before subcommittee of House Committee on Appropriations, 75th Cong., 1st sess., at p. 16.



well have been proceeded independently, or might have carried on after an initial period of assistance. In the case of the railroads, after enormous grants-in-aid early in the industry's history,<sup>5</sup> the provision of rights-of-way and related facilities was left to private enterprise. The same thing might have been done in the case of civil aviation.

But had any such policy been adopted the consequences would have been disastrous. Not only would there have been a much slower and more restricted development of scheduled air transportation, due to the demands which would have been placed upon private capital and to its necessary tendency to invest only where it could be most secure and profitable, but there would have been erected a barrier against the development of the nonscheduled commercial operator and the private flier which would have crippled us irreparably. For the result would have been the acquisition of monopolistic rights by large aggregations of capital in a few choice air routes. Not only the nonscheduled commercial operator and the private flier (were any to appear) but also the national defense forces would have been at the mercy of private monopoly. And except for a few choice routes where private capital could have effectively protected its monopoly, there would have been no development whatever of air-navigation facilities.

These consequences were foreseen by sober minds in the early twenties, and they came swiftly to the conclusion that the American tradition of direct governmental action to provide the ways for commerce and travel must be extended to the air. The entire argument is aptly summarized in striking passages from two reports which largely influenced the adoption and the terms of the Air Commerce Act of 1926. One was a report on civil aviation by a joint committee of the Department of Commerce and the American Engineering Council. The other was a report of a board, headed by Mr. Dwight Morrow, appointed by the President to study the development of aircraft as a means of national defense.

In the one it was said:

"Air routes can be developed in one of two ways—either they can be built up and maintained at great expense by private organizations, which may result in monopolistic control of the desirable routes, or they may be established as public facilities free to all who conform to proper regulations governing their use. The latter method is wise and sound and will be effective in bringing about the rapid development of civil aviation and avoiding the mistakes which have accompanied the development of some of the other means of transportation."<sup>6</sup>

And in the other report it was said:

"The principal conditions standing in the way of progress and acting in restraint of the more rapid investment of private capital in the field of air transport are:

"(1) The excessive burden placed upon private capital if it is to be required to pioneer in the development of flying equipment best suited to air transport and at the same time supply all the collateral requirements, including airways and air-navigation facilities, especially as such facilities are by their very nature open to the use of all, and no proprietary rights can be retained by the parties undertaking the original investment and the expense of maintenance. The parallel with maritime transport in this particular is exact."<sup>7</sup>

There, in brief, is the entire point. If the establishment of air-navigation facilities had been left to private capital, those facilities would have been provided in only a few favored regions because of their cost and because of the necessity that they be so situated that the private owners could exclude others from using them save at the owners' terms—necessarily a difficult accomplishment—and the power of large aggregations of capital in this new science would have been enhanced beyond all conscience, to the sore detriment both of our civil and our military life.

No wonder, then, that in the Air Commerce Act of 1926 an American tradition developed on the ground was applied by Congress to the air, and in section 5 (b) of the act the Secretary of Commerce was authorized to establish, operate, and maintain air-navigation facilities. That decision, reflecting stirring and even bloody pages in the history of our country, was probably the most important single decision ever made by our Government in its treatment of civil aeronautics. It is the very foundation of our aeronautical future.

The act of 1926 did, however, exclude airports from the competence of the Secretary of Commerce. His powers extended to all other air-navigation facilities, including emergency landing fields, but airports—a most important facility—were entirely excluded from his jurisdiction. Indeed Congress went so far as to provide that even those airports which in 1926 the Postmaster General already

controlled could not be transferred to the Secretary of Commerce but only to the various municipalities.<sup>8</sup>

This important exception from the powers granted to the Secretary of Commerce may at first blush seem illogical, if not quite inexplicable.

It arose in the following manner.

The bill as adopted by the Senate gave to the Secretary of Commerce the power to establish and operate only certain named navigation facilities, in substance lights and certain radio facilities.<sup>9</sup> In the House amendments to the bill the powers of the Secretary of Commerce were broadened to include all air-navigation facilities, including airports, and provision was also made for transferring the Post Office Department's airports to the Secretary of Commerce.

In explaining this extension of the Secretary's power, the House committee's report recognized that normally in water commerce terminal facilities had been provided either by the municipalities or by private interests, and it was stated that, while the Secretary was, under the proposal, given broader power, it was assumed that, pursuant to another provision of the House bill, the Secretary would have due regard to his duty to encourage the establishment of air-navigation facilities, "and, in particular, airports," by municipal and private enterprise in order that the place historically occupied by such enterprise in water transportation might likewise be occupied in air transportation.<sup>10</sup>

Thus, the maritime analogy was strongly urged, even by the House, and the compromise reached by the conference committee carried out precisely what was conceived to have been the historic view respecting waterways and seaways, by providing for Federal establishment, operation, and maintenance of air-navigation facilities, except airports. The matter was explained by Senator Bingham, one of the conferees and the Senator in charge of the bill:

"The conferees after a long discussion agreed that it was an unwise thing for the Federal Government to enter upon the ownership of airports, and that provision was stricken out \* \* \*. The object of the bill as now presented is to encourage municipalities to own their own airports and to permit the Secretary of Commerce to arrange for proper navigable airways \* \* \*. It was not our intention that any airports should be operated by the Federal Government. The committee thought that would leave the door wide open to thousands of cities desiring to have airports provided by the Federal Government. The Federal Government has never provided seaports, but only facilities in between seaports."<sup>11</sup>

While the Senator spoke of the dangers of ownership by the Federal Government, the real objection, obviously, was that too great a demand would be made upon Federal funds—and this objection would apply not only to Federal ownership, but also to Federal expenditures with municipal ownership.

So the alleged maritime analogy was carried out precisely, and airports, corresponding to seaports, were to be left to municipalities and private capital.

While a great step had been taken in granting to the Secretary of Commerce these powers respecting air-navigation facilities, the exclusion of airports left open some of the very problems which had led to the Air Commerce Act. I have referred to the grave dangers inherent in any policy which leaves to private capital the establishment of air-navigation facilities. Obviously much the same danger is inherent in a policy which leaves to private capital the establishment of an air-navigation facility so important as airports. The cost of airports would be a deterrent to all but large aggregations of capital. Furthermore, of all air-navigation facilities the one which would be most suited to the exercise of an effective monopoly is the airport. This had been recognized by the joint committee of the Department of Commerce and the American Engineering Council, to whose report I have already referred.<sup>12</sup> Therefore if there was any thought that the restriction in the Air Commerce Act would encourage private capital to provide airports, Congress was treading on dangerously thin ice.<sup>13</sup> Were the field to have been preempted by or left to private capital the consequences to the development of civil aeronautics would have been far more ominous than have been the consequences to water commerce of such activity as there has been on the part of private capital in seaport construction.

In any case, while there ensued some notable instances of private investment in airport development, and while several proposals for large-scale private financing have been advanced from time to time, it was naturally the municipalities which came to the fore. Their contribution has been of incalculable value. Not only has it assured them of air service, but it has provided the very nucleus for the development of private and miscellaneous flying using publicly owned airports open to all aviation.

<sup>5</sup> Sec. 5 (a).

<sup>9</sup> This provision and its later legislative history are succinctly reviewed in H. Rept. No. 1162, 69th Cong., 1st sess., the statement of the Managers on the part of the House on the Conference Report. See Legislative History, op. cit., supra, No. 7, at p. 51.

<sup>10</sup> Legislative History, op. cit., supra, No. 7, at p. 37.

<sup>11</sup> 67th CONGRESSIONAL RECORD 9354-9355.

<sup>12</sup> Op. cit. supra, No. 5, at pp. 13, 96.

<sup>13</sup> The House committee had stated that private enterprise as well as municipal enterprise should be encouraged to undertake airport development. Supra, No. 10. Senator Bingham, in the passage from his remarks quoted above, spoke only of encouraging municipal ownership of airports. Later in his remarks, when Senator Norris twitted him for socialistic tendencies, he stated that he should have said that both private and municipal ownership should be encouraged (67th CONGRESSIONAL RECORD 9356).

<sup>6</sup> Civil Aviation, a report by the Joint Committee on Civil Aviation of the U. S. Department of Commerce and the American Engineering Council (1926), states, at p. 96, "Aid was given to the pioneer railroads because capital would not and could not enter upon costly and speculative ventures without assurance of support. The development of the West would have been long delayed if such aid had not been extended."

<sup>7</sup> Civil Aviation, op. cit., supra, No. 5, at p. 13.

<sup>8</sup> Report of board appointed to make a study of best means of developing and applying aircraft in national defense (S. Doc. No. 18, 69th Cong., 1st sess., at p. 9). This passage was paraphrased in S. Rept. No. 2, 69th Cong., 1st sess., by the Senate Commerce Committee in favorably reporting the bill which was to become the Air Commerce Act. (See Legislative History of the Air Commerce Act of 1926, 1928 ed., G. P. O., at p. 27.)

Nonetheless, the municipalities' experience has been in many cases a struggle against unequal odds. Long before 1938 it was apparent that the problem was too big and too complicated for them to handle alone. The analogy between airports and seaports left out of consideration some vital characteristics of civil aeronautics.

Even prior to the adoption of the Air Commerce Act, there were disturbing signs. According to the admission of the Post Office Department, some of its agents had induced certain municipal and civic groups to finance airport construction with an overzealous representation that the Federal Government would reimburse them.<sup>14</sup> Undoubtedly there have been numbers of cases where misapprehensions of one sort or another were instrumental in securing municipal action and disappointed expectations as to the adequacy of airports, their Government rating, and the use to which they would or could be put have been too frequent.

To a large degree this has been due to misdirected enthusiasm and to carelessness. Unfortunately there has been a dearth of activity by informed and responsible organizations which could furnish to municipalities the advice and leadership which they should have had.

However, the basic difficulty is that neither from the standpoint of the financial burden involved in airport development nor from the standpoint of the planning and placing of airports can the problem be regarded as a matter for the municipalities alone. The airport is a link in a vast chain of technical apparatus that must continually be altered to keep pace with scientific and commercial developments which are proceeding with lightning speed. In the time taken to build one airport of respectable size, a thousand changes may have occurred in aeronautics which could make that airport either obsolete or misplaced. Unlike water transportation, aeronautics has not developed slowly, along obvious lines, and in channels which can be marked ahead of time with reasonable certainty. For airport development to proceed willy-nilly from one municipality to another is folly. Long ago it became clear that there must be Federal participation to a degree which the framers of the Air Commerce Act did not appreciate. The principal need was for adequate Federal planning, coordination, and advice. And there was also need for a certain amount of Federal funds.

Before the Air Commerce Act had been changed there appeared, quite fortuitously, a form of Federal participation which no one would have thought of a few years ago. Due to the remarkable foresight of a handful of individuals, the Works Progress Administration included in its stupendous program of work relief projects a generous allowance for airport construction. When the history of civil aeronautics during its formative era is finally written there will be a chapter on the activities of W. P. A. which will be unstinted in praise. At a time which has proved critical in the development of civil aeronautics, at a time, moreover, when those who had been meeting the needs for airport development had taxed their resources and ingenuity to the breaking point—even though many of them probably did not realize it—the W. P. A. launched its program. It was one of those seemingly unplanned coincidences which characterize democracies. But it was the result of deliberate and shrewd foresight, for which those responsible, from the President on down the line, are entitled to the highest measure of gratitude and credit. Easy hindsight today shows that this action was a most important step in the development of civil aeronautics in the period from the adoption of the Air Commerce Act of 1926 to the adoption of the Civil Aeronautics Act of 1938.

But the W. P. A. program did not and cannot offer a permanent basis for Federal participation. That came with the Civil Aeronautics Act. In the provisions of that law we have at last all the necessary legislation for proceeding with a permanent program.

Strangely enough the importance to airport development of the provisions of the Civil Aeronautics Act has been grasped only slowly by many who are vitally interested in the problem. Even during the last session of Congress a bill was introduced authorizing certain appropriations for airport development. No such authorizations and enabling legislation are necessary. Advocacy of such legislation wastes energy that should be devoted to securing such appropriations as may be necessary, confuses the real issue, and runs the risk of unfavorable political consequences that might follow if a new enabling bill were defeated or were adopted with restrictive terms not appearing in the present law.

Let us, then, understand exactly what the Civil Aeronautics Act provides, and act accordingly.

Section 302 (a) of that act, in the broadest possible phraseology, authorizes the Administrator of the Civil Aeronautics Authority to acquire (a power never conferred upon the Secretary of Commerce under the Air Commerce Act), establish, operate, and maintain along civil airways all necessary air-navigation facilities. And the term, air-navigation facilities, is defined to include airports, or facilities on airports.<sup>15</sup> He can also acquire, establish, operate, and maintain, in whole or in part, any air-navigation facility on a landing area, municipal or otherwise. The only limitation upon his power is that he cannot acquire, by purchase or condemnation, an airport. And that means only that he cannot buy up completed airports. But he can, himself, establish an airport and he can maintain an airport. And he can establish and maintain any navigation facilities on airports.

It is difficult to conceive how a broader power could have been conferred. In this law there is all the power necessary for Federal participation in sound airport development. All that remains to be done is that the law be properly administered and that the Congress provide the funds necessary for that administration in its regular appropriation acts.

Here then, at last, there is the legal basis for sound airport development. The gap in the old Air Commerce Act is closed. Every agency of Government—municipal, State, and Federal—can cooperate fully, each according to its proper capacities. The time is ripe for the formulation and the execution of plans for doing the job properly. To accomplish this there must be cold, dispassionate appraisal of practical possibilities and rigid adherence to sound planning for the future. The day is long past when blind enthusiasm and haste can prevail. What is most needed is steady and persistently cooperative work on a coherent, practical program.

I have spoken in these later paragraphs of plans and programs. I have indicated that Federal participation implies more than the doling of money. Let us be clear as to just what is implied.

No agency of government ought to spend the people's money unless it is convinced not only of the need for the expenditure but also that the expenditure will be made under conditions which will assure that the need will be met.

In some cases it may be true that the Federal Government can be more effectively assured of wise expenditure by turning funds over to local or State governments virtually without strings attached, to be applied by those governments as needs appear to them to dictate.

But I can see no basis for regarding such a passive attitude on the part of the Federal Government as necessarily proper in all cases. And certainly in the case of airport development it would be a serious error. In fact, you will observe that under the Civil Aeronautics Act no provision appears whereby the Administrator can merely dole funds to municipalities or States. He must himself do the establishing or the maintaining of the facility in question. Under the temporary W. P. A. program—which is still in effect—a greater degree of formal local autonomy in the use of Federal funds is possible; but as that program has been administered, the Federal Government has by no means been passive. And, to assure that the expenditure of Federal funds, even pursuant to the W. P. A. program or some similar medium which might be established in the future, will at all times be in accordance with standards and needs considered from the broad national point of view and in accordance with a coherent national program, Congress included in section 303 of the Civil Aeronautics Act a requirement that no Federal funds can be expended, other than for military purposes, upon any landing area, or any air-navigation facility on any landing area, without the recommendation of the Administrator of the Civil Aeronautics Authority and his certification that the expenditure is necessary.

Thus, however Federal funds may be expended, they can be applied only under conditions which fit the Federal Administrator's standards and program. And it may be earnestly hoped that the Congress will provide the necessary funds for the Administrator himself to proceed with the necessary construction quite independently of the exigencies of temporary work-relief projects, so that he may be able to apply most effectively a true Federal program looking to the Nation's needs for many years to come.

In the formulation of the Administrator's program all of us should be prepared to give him the advice and help that he will need. Again, careful, cold thought is requisite.

An example will indicate the nature of the problem.

Next only to the central question of actually providing for airport construction, nothing is so important as assurance that the areas surrounding airports will not become so obstructed with buildings or other structures that the airports will be too hazardous for proper use. To secure that assurance must be one of the first concerns of the Administrator if he is to avoid wasteful expenditure. This means that in some—and perhaps many—instances the Administrator will have to examine local provisions for airport zoning, and he may well find it necessary to require either that zoning legislation be adopted or that existing legislation be improved or that other steps be taken to assure against future destructive obstructions.

On a question of that kind voluntary organizations of informed citizens can, if they will, be of great aid, not only through the studies and recommendations they can make to the Administrator but also through the work of education which they can perform so effectively before local governing bodies and State legislatures.

In the administration of the great public-works program, the Public Works Administration found it necessary to draft and secure enactment of a whole series of measures by States and municipalities designed to secure adequate protection for its public works. Such enactment was often imposed as a condition to the grant of funds. Necessarily the P. W. A. had to work hurriedly and oftentimes toes were trod upon and feelings offended.

It may be—indeed, an appreciation of the importance of problems such as that of airport zoning indicates that it is quite likely—that the Administrator of the Civil Aeronautics Authority will have to proceed in somewhat the same way. In doing so, if he has the alert help of patriotic organizations everywhere, he should be able to avoid much of the difficulty which other agencies of the Federal Government have encountered in some of their emergency programs. Whatever can be done to promote timely action by the Administrator and to smooth the way for informed cooperative effort between the various agencies of government will prove a boon to the Nation.

<sup>14</sup> See, e. g., H. Rept. No. 472, 68th Cong., 1st sess., at pp. 2, 3; see also hearings before a subcommittee of the House Committee on the Post Office and Post Roads, 69th Cong., 1st sess., on H. R. 4326 and H. R. 4642, at pp. 4 et seq.

<sup>15</sup> Sec. 1 (7) and (8).



So I repeat, the time is ripe for action. The problem is national in scope, and it is not an easy one. Not only must there be the immediate appropriations of funds necessary to effective administration of the airport provisions of the Civil Aeronautics Act and to the airport construction now wanting—of even more importance is the careful study that should be devoted to the kind of program that should be followed and to the standards that should be applied, and the work of preparation among the various States and municipalities to meet that program and those standards. America, in looking up from the navigable waterways to the airways, has taken a step of the most profound importance to the national defense and to our happiness and prosperity. May our new enthusiasm be guided with the same intelligence that has led us to so many constructive accomplishments on the waterways. And may we be inspired by the same foresight which motivated the advocates of internal improvements, the sponsors of the Air Commerce Act, the leaders of W. P. A., and finally the authors of the Civil Aeronautics Act.

### Farm Legislation

#### EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

Mr. DIRKSEN. Mr. Speaker, this morning while turning the pages of the CONGRESSIONAL RECORD I observed an extension of remarks by the gentleman from Arkansas [Mr. TERRY], which included a letter addressed to me by Mr. Edward A. O'Neal, president of the American Farm Bureau Federation. In this letter Mr. O'Neal made inquiry about my view on farm legislation generally and parity in particular.

Perhaps the best answer that I can make will be further in the remarks which I made on the pending bill on the 30th of January:

I am willing to support any feasible and reasonable farm program and support any and all reasonable expenditures in behalf of agriculture if only there is some prospect that a solution will be found. In the light of the experiences of the last few years with generous appropriations to carry out a program for curtailing supply and expanding demand, is there anyone so bold as to insist that we have found the solution or, if not, approximated a solution? It is results that we are after, and I believe I express the sentiment of the majority of farmers that they seek results rather than experimentation.

It was rather interesting to observe in the February 1, 1940, edition of the Chicago Tribune an article which quoted one of the outstanding and most vigorous farm leaders in the United States. I refer to Mr. Earl C. Smith, president of the Illinois Agricultural Association and vice president of the American Farm Bureau Federation, who, in addressing the Twenty-fifth Annual Convention of the Illinois Agricultural Association, stated as follows:

Everything yet done by Congress for the solution of the farm problem has been done to appease the farmers rather than to solve the agricultural problem.

Mr. Smith rather well expresses my own sentiments. I, too, with all sincerity am seeking a solution of the farm problem.

### The Venezuelan Trade Agreement

#### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

STATEMENT BY HON. LYLE H. BOREN, OF OKLAHOMA, BEFORE THE WAYS AND MEANS COMMITTEE

Mr. BOREN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement I made before the Committee on Ways and Means:

Mr. Chairman and gentlemen of the committee, I appear here to request this committee to make whatever amendment is necessary to existing law to prevent the inclusion of oil excise taxes as tariffs in trade agreements. In my judgment, the State Department has made a mistake by their inclusion of the oil excise taxes in the Venezuela trade agreement. I cannot believe that the State Department would deliberately ignore the clear intent of Congress, nor do I believe that they would knowingly grant privilege to a few great oil-importing companies at the expense of the United States Treasury and of the domestic petroleum industry.

I am not here to criticize those who are responsible for this error. I am quite aware that those in high positions must rely for information on subordinates, upon whom it is difficult to fix responsibility. The question is not who might be to blame for this, but rather, "What is the best manner of undoing the wrong?"

There is no great blame in making a mistake, but it is a great wrong to make a mistake and refuse to rectify it. I feel that the Democratic Party should evidence to the Nation that it hastens to correct any mistake that it might make. I personally never want to be in a position of attempting to defend or conceal error.

Mr. Chairman, my duty to my constituents also directs me here. Large numbers of my constituents are stripper-well operators. I believe I have more stripper wells in my district than are found in any other district in this country. Their production is of great importance to the entire Nation. Their costs are high and they cannot compete with cheap foreign oil. If the operators are forced to abandon these wells because they cannot be economically produced in a market controlled by the importers, then this country will lose the oil which underlies them. The national conservation program is largely based upon the protection of the wells of settled production many of which are commonly called stripper wells. The State conservation legislation for the prevention of waste limits the production of flowing wells to a comparatively small percentage of their potential production in order to effectively protect the stripper wells from abandonment. These wells can only produce when they have a market. They cannot have a market unless they can receive at least their costs of production. If a market is denied them over a considerable period the wells are closed down, water usually enters and the oil underlying these wells is lost so far as present known methods of recovery are concerned, since it would not pay to redrill them except as an emergency measure. Every known oil well will eventually become a stripper well unless it goes dry. Therefore the national conservation program put into effect by regulatory bodies in the oil States is protecting the future of the flush wells at the same time it protects the present stripper wells. To invite unlimited imports of cheap foreign oil by taking from Congress the power to deal with these imports and with the excise taxes as necessity may dictate, threatens the life of every stripper well in the country and with them the greater part of our known petroleum reserves.

My constituents, like the rest of the domestic petroleum industry, felt quite assured that Congress would not permit any trade agreement to take away its power to take any necessary legislative steps to meet changing situations in the petroleum industry due to importations. Because of that they made no representations when the Trade Agreements Act was originally enacted or when it was renewed in 1937. They were, therefore, shocked when this Venezuelan trade agreement was promulgated and they learned that their market was at the mercy of the importers and that in the future, for the life of this agreement at least, they could not turn to Congress for that sympathetic understanding and quick relief which they have previously experienced.

Because of the confidence I have in the integrity of purpose of the administration, I have no hesitancy in urging that this committee place itself upon record as favoring the definite exclusion of the existing excise taxes from any trade-agreement negotiations. I believe that if we thus make clear our policy and the intent of Congress the State Department will, in turn, take such steps as are best adapted to eliminate the petroleum excise taxes from the Venezuelan trade agreement and restore these to the supervision and control of Congress.

The trade-agreement program in its conception is sound. The Venezuelan trade agreement is not in harmony with that program. It is an abuse of a policy which the Democratic Party has established. If the example set in the negotiation of that treaty should be followed, it will mean the abandonment of principles as well as programs which our party has sponsored.

It is necessary, therefore, that we should very definitely and positively place ourselves on record in favor of correcting the mistake which has been made and make clear our desire that it shall not recur. We must, furthermore, do all in our power to actually correct the error and reestablish the situation as it existed before the excise taxes were included in the Venezuelan negotiations.

The Democratic Party is committed to the program of reciprocal concessions in order to promote trade. As a member of the party I am in hearty sympathy with this program. I have spoken in its favor. I have voted for it. As a Member of Congress I owe a duty to my constituents as well as to my party. The duty I owe each of these compels me to call attention to an abuse of this program of our party which I feel, if not corrected, will not only destroy our program but will destroy the party and our country.

In this Venezuelan trade agreement we have turned over to a few great importing companies one of the most jealously guarded prerogatives of Congress—the power to conduct foreign relations. This was never contemplated when we planned and worked for the Trade Agreement Act. If we are to keep our foreign relations in proper hands, we must be honest in our effort to correct the mis-

take which has been made in this trade agreement. That correction should come from those of us who are members of the party and believers in reciprocity. If this criticism were being offered by a member of the opposing party, it might be treated as a political maneuver and, therefore, not receive the consideration it deserves.

Mr. Chairman, I view this question as a matter of principle with broad and far-reaching scope. After mature and deliberate consideration I have decided, as an individual, that I will have to oppose the further continuation of the trade-treaty program unless this fundamental problem is solved and the State Department shows full faith in living up to the intent of Congress as expressed in the original report of this committee on this subject. I cannot see our oil compact system destroyed by this means. I hope this committee will make it possible for me to continue my support of this program by correcting this situation.

### Diplomacy and Russia

#### EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

UNITED PRESS DISPATCH

Mr. BOLLES. Mr. Speaker, the first resolution offered in this House at this session was one requesting that appropriations for supporting the Embassy and diplomatic agencies in Russia be no longer made. The effect of this resolution would be to close our Embassy in Moscow and all other agencies of the Department of State having to do with the Soviet Socialist Union.

I based that resolution on the constant violations of the terms of the agreement between Litvinov, the Commissar, and President Roosevelt, in 1935, and these violations still continue with more emphasis even than at the beginning. I find other nations are taking somewhat the same attitude.

I ask unanimous consent to print in these remarks, copy of a United Press dispatch from Moscow dated February 1:

Moscow, February 1.—French Ambassador Paul Emile Naggiar will leave for Paris Saturday on "indefinite leave," it was learned tonight.

The British Ambassador to Moscow, Sir William Seeds, recently returned to London for a "holiday" which is expected to be of prolonged duration.

Demands were raised in the French press and Parliament last week for recall of Naggiar and a breaking off of diplomatic relations with Russia. The government, indicating that it refused to take such a step pending a similar decision by Great Britain, refused to heed the demands, but explained that relations with Moscow were under constant scrutiny.

### Julien N. Friant

#### EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

EULOGY BY ALPHONSE C. LA FORGE

Mr. GATHINGS. Mr. Speaker, under leave granted to extend my remarks, I desire to include a eulogy to Hon. Julien N. Friant, former Special Assistant to the Secretary of Agriculture, by Alphonse C. La Forge, entitled "He Was My Friend":

#### HE WAS MY FRIEND MY HEADS

For many and many a time, in grief,  
My weary fingers wandered round  
Thy circled chain, and always found  
In some Hall Mary sweet relief.

—Father Ryan.

Julien N. Friant, an established and beloved boyhood friend, has with a patient little sigh closed his eyes and drifted out to shores beyond our view. The hands that bled at Calvary carried that gallant soul through starland to his trusting place with the Divine, where God will bestow His reward as he kneels before His throne.

There is nothing more precious than an old friend—nothing more difficult to replace when we are in the youth of our old age and our thatches have thinned and been grayed by the years.

A mantle of gloom has been cast over his family and his friends as bruised and broken hearts mingle their tears and mourn their loss, and our happiness is eclipsed by sorrow as we stand in the shadow of sadness.

To his wife, Bertha, the memory of his tender love and happy relationship will shine forever in the horizons of her heart—nor lose a single ray. Until death do us part—a sacred pledge fulfilled.

His children, Katherine and John, are like two faintly glowing sanctuary lamps shedding their rays in the home whence a loving, an understanding father has departed. 'Tis fame enough to bear his name. To them he left a legacy of loving acts done tenderly, unselfish gestures performed graciously, dreary tasks done cheerfully, the privilege and pleasure of having enjoyed his love, companionship, and guidance, lo, these many years; it gladdens them, their mother, and his sisters; and it is solace for their grief.

To his friends and associates the building in which his office was located will for a time become a big shell, a mausoleum to remind them that therein once worked a noble and gentle soul, a faithful and priceless friend. Our pot of gold is buried deep in the heart of friends like him. His friendship was a golden gift to share.

Better than riches are a peaceful home, fireside friends, sane living, and lofty thoughts—all these, and Heaven, too, for Julien.

Ever in the strife of his own thoughts he obeyed the nobler instinct.

His bright and cheery home held a welcome, opening wide its door of greeting to the many, not the few, and we who were privileged to call him friend and enjoy his hospitality will cherish his memory always.

He taught me that kindness is the best key to unlock the door to happiness.

I voice the thoughts of all those who loved him when I dedicate with tears the burning lamp of memory for him out somewhere over the rainbow.

Though he sleeps peacefully back there amidst the birds and the flowers, where songs and silences unite, I sense him at my side.

I breathe this blessing, I pray this prayer:

Out where he rests may the sun shine kindly, stars gleam brightly, breezes blow softly, rain fall gently, someone keep it orderly, and angels guard the lovely scene. And please, dear God, help me live so that I may be with him again.

Good-bye, Julien.

ALPHONSE C. LA FORGE.

### Let's Get Back to States' Rights

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

Mr. ALEXANDER. Mr. Speaker, before and since my election to Congress, I have presented the thesis that we should get back to the original theory of States' rights, which are fast being taken away and destroyed by the process of centralization of power and government in Washington.

Home rule is the only fit government for free men and women, and operation of every single activity and detail of government should be carried on in the respective States and the political subdivisions thereof to the fullest possible extent, leaving to the Federal Government only such limited powers and duties as were originally established by the Constitution and intended by its framers.

In practically every case the various States could operate their activities more efficiently and more economically than when operated and overseen by Washington authorities. In fact, most States collect and pay over more money to the Federal Government than they get back in largesse from the handers-outers here. A good illustration of this fact is called to attention in the last paragraph of the following letter, which came to me today regarding the Cartwright bill (H. R. 7695) providing for a 2-year authorization for Federal aid to State highways, and calling attention to the discrepancy between Federal gas-tax and excise-tax



collections and the Federal aid Minnesota has received for highway building:

ASSOCIATED GENERAL CONTRACTORS OF MINNESOTA,  
Minneapolis, Minn., January 31, 1940.

HON. JOHN G. ALEXANDER,  
House Office Building, Washington, D. C.

DEAR SIR: There has been introduced into the House H. R. 7695 and S. 3020, by Congressman CARTWRIGHT and Senator HAYDEN, respectively, providing for a 2-year authorization for Federal aid in connection with State-highway construction.

It is our understanding that hearings will commence, or already have commenced, on one or both of these bills, and we direct your attention to them, because, if passed, it will be a major factor in Minnesota in providing employment for between ten and fifteen thousand workmen, and around 300 employers, with a capital investment of between ten and twenty-five million dollars.

The effect of the legislation on Minnesota construction will be discussed with you in a future letter in more detail, but, in view of the fact that at no time has Minnesota received in Federal-aid highway funds from the Federal Government as much as has been paid in through the Federal gas tax and excise taxes, we believe that these bills should have your favorable consideration.

Very truly yours,

ASSOCIATED GENERAL CONTRACTORS OF MINNESOTA,  
By R. J. HENDERSHOTT, Manager.

Now, after studying the above communication, what is the conclusion which strikes one? Is it not that it would be better to collect our own gasoline and excise taxes and spend them ourselves, than to let them pass through the Federal sieve and then have only part of them come back from the Federal wringer to the States? If my mathematics is as correct as usual, then I am forced to conclude that there should be a reawakening among our people and among our legislators.

### Larger Percentage of Noncollege Students Should Receive Pilot Training

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

#### LETTER TO CHAIRMAN OF THE CIVIL AERONAUTIC AUTHORITY

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me to the Chairman of the Civil Aeronautics Authority:

FEBRUARY 1, 1940.

HON. ROBERT H. HINCKLEY,  
Chairman, Civil Aeronautics Authority, Washington, D. C.

MY DEAR CHAIRMAN HINCKLEY: I want to take this opportunity to highly commend the manner in which the civilian pilot-training program is being handled throughout the country. I have had an opportunity to personally observe this student training at several colleges and have only the highest praise for the thorough and complete preparation these young men and women are receiving in the science of aviation. I know that Grove Webster, Chief of the Division of Private Flying, and his staff, are doing splendid work and are to be congratulated.

I would like to suggest at this time that the quota of noncollege students benefiting from this program be increased from 5 to 20 percent for the coming year. I know personally several splendid young men and women who are most anxious to participate in this training and who, I feel, would make excellent pilots, but who are not eligible under the college requirements. I feel that this would be the means of actually providing a career for many young people who are unable financially or for other reasons to attend college, but who, at the same time, are definitely air-minded and anxious to participate.

Let me again commend you on the success of this undertaking and want to assure you of my cooperation at all times.

With kind personal regards, I am,

Sincerely,

JENNINGS RANDOLPH.

### Des Moines (Iowa) Register-Tribune Backs P. W. A.

#### EXTENSION OF REMARKS

OF

HON. WILLIAM S. JACOBSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

EDITORIAL APPEARING IN THE JANUARY 22, 1940, ISSUE OF  
DES MOINES (IOWA) REGISTER-TRIBUNE

Mr. JACOBSEN. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following article from the Des Moines (Iowa) Register-Tribune of January 22, 1940, pertaining to the Public Works program:

[From the Des Moines (Iowa) Register-Tribune of January 22, 1940]

P. W. A. LOOKS BACK ON NOTABLE SERVICE

Because projects authorized under the last Public Works Administration allotments are now rapidly approaching completion, and because there appears little likelihood of further large appropriations, this region's P. W. A. office at Omaha is to be closed on February 1 and consolidated with the Chicago office.

Of the 225 P. W. A. projects in Iowa for which allotments were made in the current program, all but 32 have now been finished. Unless the program is to be further extended, this elimination of regional direction is a logical retrenchment.

Much slower to get under way than some of the other Federal emergency agencies, because it dealt principally with major improvements that couldn't be launched overnight, it has proved to be one of the most efficient and most productive of them all. It provided employment directly at the site of substantial construction projects, as did other programs, but because the improvements under its supervision called for vast quantities of materials and the use of construction equipment, it also extended the employment benefits back through the long lines of supply and transportation to mines, mills, forests, factories and shops, and into the plants of the heavy industries.

At the same time, P. W. A. added enormously to our national wealth in the construction of schools, highways and crossings, streets, courthouses, hospitals, and other public buildings which will serve generations to whom this depression will be history.

When conditions are more favorable, we shall do well as a Nation to plan into the future for other possible emergencies. P. W. A. has given us a pretty good model for such planning.

### Department of Agriculture Appropriations

#### EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

RESOLUTION OF THE LEGISLATURE OF THE STATE OF SOUTH CAROLINA

Mr. BRYSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of the State of South Carolina:

Concurrent resolution memorializing the Congress of the United States not to make the farmer the goat of economy

Whereas it appears in the morning press that a certain group in the Congress of the United States are demanding a 51-percent cut in next year's Agriculture Department supply; and

Whereas if this group succeeds, the farm fund will be cut from \$1,301,340,315, the amount provided in 1939, to \$630,374,256; and

Whereas it is a matter of common knowledge that the things produced today by the farmers of America are not bringing a parity price as compared with other articles of necessity and common use and especially with those which he has to buy: Now therefore be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States is respectfully requested and urged not to make the farmer the goat of economy and

to make ample and adequate appropriations for the Department of Agriculture; be it further

Resolved, That copies of this resolution be mailed to the United States Senators and Congressmen from this State and to the clerk of each branch of the Congress.

### United States Imports—Selected—Of Special Interest to California

#### EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

Mr. HINSHAW. Mr. Speaker, there were approximately 2,500 classes of products upon which import duties were levied under the Hawley-Smoot Tariff Act of 1930. Of this number, tariffs have been reduced on 1,004 of such classes of products through the consummation of trade agreements with 22 foreign countries under the Reciprocal Trade Agreements Act of 1934. I have examined the voluminous statistics concerning our foreign trade and have selected from them a list of imports of products that are of particular interest to the people of California.

In the following table which I have prepared I have endeavored to present these statistics as compiled from several sources. In considering them it must be remembered that several factors enter into imports in addition to the customary fancy demand for certain imported articles. One of the strongest factors is the price of the article in the United States as compared with the foreign price. When our prices are comparatively high, imports should increase; and when

our prices are comparatively low, they should decrease. The rate of the American tariff enters into the picture at all stages, because when foreign shippers eye the American market they figure their own price plus freight plus duty in deciding whether or not they will ship to the United States. They also figure the exchange rate of their own currency in terms of United States currency, of course. Currency controls have been exercised in many countries and, although direct information is not made available, it is assumed that our Government also exercises such control through the operation of our stabilization fund. This is an interesting factor that enters largely into foreign-trade operations and is most difficult for the layman to fully comprehend.

Another set of influences bear upon imports and exports, and they include unsettled conditions, war and wartime needs, dumping operations, gold purchases by the United States since (1934) trade balances, and combat zones, requisitioning of vessels, and so forth. Still another set of influences include weather and crop failures, domestic acreage allotments and subsidies, Government purchases of surplus commodities, and so forth.

While the quantities of the articles enumerated in this table are not all large in proportion to the total annual domestic production of such articles, yet the fact that they are imported in any quantity at all is of importance to American producers. Every such importation has an effect, in some degree, upon the American home market and the American grower, and insofar as these products compete with like products of our own their importation and sale takes productive jobs from American labor.

I recognize that we cannot export unless we are willing to also import in order that foreigners may be able to pay us for the things we sell them, but I fail to see how we are ultimately benefited by importing products that compete directly with our own and of which we have ample capacity to produce economically.

TABLE I.—69 selected United States imports—Dutiable items upon which tariff has been reduced in reciprocal-trade agreements

Item	Unit	Tariff reduced from—	Reduction date effective	10 months, January to October, inclusive, 1933		10 months, January to October, inclusive, 1939		United States duty or tariff reduced by agreements with—
				Quantity	Value	Quantity	Value	
Figs.....	Pound.....	5¢ to 3¢	May 5, 1939.....	3,033,175	\$205,420	2,726,044	\$182,483	Turkey.
Raisins.....	Pound.....	2¢ to 1½¢	do.....	171,327	16,903	192,551	16,050	Do.
Walnuts.....	Pound.....	15¢—no change	.....	2,628,009	368,965	3,967,244	525,695	United Kingdom
Grapefruit (Cuba: Aug. 1 to Sept. 30).....	Pound.....	1½¢ to 3¢	Sept. 13, 1934.....	4,071,999	49,343	4,254,148	52,322	Cuba.
Limes (Cuba).....	Pound.....	1½¢ to 4¢	Sept. 3, 1934.....	4,633,607	105,612	3,108,820	69,079	Do.
Candied or prepared fruit.....	Pound.....	40¢ to 25¢	June 15, 1936.....	524,612	45,191	447,210	35,114	France.
Jellies, marmalades, etc.....	Pound.....	28¢ to 14¢	Sept. 3, 1934.....	1,827,839	221,211	2,809,987	338,700	Cuba.
Cocoa.....	Pound.....	.....	.....	2,520,487	303,930	2,788,231	320,619	.....
Sugar and related products.....	.....	.....	.....	.....	133,421,835	.....	116,601,078	Cuba, etc.
Olive oil:	.....	.....	.....	.....	.....	.....	.....	.....
In packages less than 40 pounds.....	Pound.....	9½¢-8¢	July 24, 1931.....	27,640,381	3,914,983	22,809,511	3,025,366	United Kingdom, etc.
40 pounds and over.....	Pound.....	6½¢—no change	.....	35,556,568	4,786,215	31,771,936	3,967,119	.....
Olives in brine:	.....	.....	.....	.....	.....	.....	.....	.....
Not pitted.....	Gallon.....	20¢—no change	.....	2,809,685	1,806,304	2,614,638	1,524,030	.....
Pitted or stuffed.....	Gallon.....	30¢—no change	.....	2,662,633	2,389,167	2,884,653	2,746,743	.....
Beverages:	.....	.....	.....	.....	.....	.....	.....	.....
Whisky.....	Proof gallon.....	\$5 to \$2.50	Jan. 31, 1939.....	7,646,461	31,557,586	7,636,258	32,819,067	Canada.
Rum.....	Proof gallon.....	\$5 to \$2.50	Jan. 1, 1939.....	311,943	1,217,074	312,534	1,221,099	Haiti, United Kingdom.
Gin.....	Proof gallon.....	\$5 to \$2.50	Jan. 1, 1939.....	49,040	148,059	57,419	158,734	United Kingdom, Netherlands.
Brandy.....	Proof gallon.....	\$5 to \$2.50	June 15, 1936.....	460,044	\$2,283,066	595,106	\$2,694,179	France.
Other spirits and compounds.....	Proof gallon.....	.....	do.....	244,499	965,322	262,065	1,194,274	Do.
Wines:	.....	.....	.....	.....	.....	.....	.....	.....
Sparkling wines.....	Gallon.....	\$6 to \$3.....	do.....	261,209	1,308,323	350,390	1,652,635	Do.
Still wines.....	Gallon.....	\$1.25 to 75 cents.....	do.....	2,064,550	4,344,546	2,573,874	5,001,993	Do.
Other.....	Gallon.....	\$1 to 50 cents.....	Feb. 15, 1935.....	1,627,990	1,627,990	.....	1,541,149	France, etc.
Vegetables:	.....	.....	.....	.....	.....	.....	.....	.....
Peas.....	Pound.....	3½¢ to 2¢	Jan. 1, 1936.....	2,480,089	120,725	2,051,624	99,824	Canada, July 1 to Sept. 30.
Tomatoes:	.....	.....	.....	.....	.....	.....	.....	.....
Natural state.....	Pound.....	2½¢ to 1½¢ (Cuba).....	Sept. 3, 1934.....	50,849,244	1,134,518	40,413,697	873,303	Cuba.
Canned.....	Pound.....	50 percent—no change.....	.....	45,095,990	1,802,540	47,772,815	1,884,062	.....
Canned beef.....	Pound.....	.....	.....	65,832,543	7,031,749	78,072,584	7,813,996	.....
Pork (fresh).....	Pound.....	2¢ to 1½¢	Jan. 1, 1939.....	3,705,912	567,593	1,904,869	354,871	Canada.
Bacon, hams, etc.....	Pound.....	3½¢ to 2¢	do.....	36,617,802	9,746,371	35,063,191	9,251,122	Do.
Poultry:	.....	.....	.....	.....	.....	.....	.....	.....
Turkeys:	.....	.....	.....	.....	.....	.....	.....	.....
Live.....	Pounds.....	8¢ to 4¢	Jan. 1, 1939.....	8,305	1,456	6,880	1,178	Do.
Dead.....	Pounds.....	10¢ to 6¢	Jan. 1, 1936.....	269,629	44,620	61,226	10,856	Do.
Other poultry (live).....	Pounds.....	10¢ to 5¢	.....	.....	171,573	.....	94,832	Do.
Eggs:	.....	.....	.....	.....	.....	.....	.....	.....
Whole:	.....	.....	.....	.....	.....	.....	.....	.....
In the shell.....	Dozens.....	10¢ to 5¢	Jan. 1, 1939.....	182,844	34,482	267,326	46,783	Do.
Dried.....	Pounds.....	18¢ to 27¢	July 24, 1931.....	148,615	49,336	40,500	14,985	Do.



TABLE I.—69 selected United States imports—Dutiable items upon which tariff has been reduced in reciprocal-trade agreements—Continued

Item	Unit	Tariff reduced from—	Reduction date effective	10 months, January to October, inclusive, 1938		10 months, January to October, inclusive, 1939		United States duty or tariff reduced by agreements with—
				Quantity	Value	Quantity	Value	
Fish (fresh or frozen):								
Fresh water and eels.....	Pounds.....	Mostly one-third reduction.	Jan. 1, 1936-39.....	40,303,226	3,650,786	40,001,149	3,456,803	Do.
Salmon.....	Pounds.....	do.	do.	5,510,596	594,544	5,641,051	590,192	Do.
Cod, haddock, hake, etc.....	Pounds.....	do.	do.	1,033,947	42,078	1,276,057	49,809	Do.
Halibut.....	Pounds.....	do.	do.	5,608,241	601,020	5,223,484	557,863	Do.
Mackerel.....	Pounds.....	do.	do.	985,889	58,777	1,017,972	55,664	Do.
Swordfish and sturgeon.....	Pounds.....	do.	do.	4,234,382	529,142	3,842,629	586,177	Do.
Other fresh fish.....	Pounds.....	do.	do.	4,908,507	172,620	3,856,080	181,851	Do.
Fish (in oil, etc.):								
Sardines.....	Pounds.....	30% to 45%. (Note increase.)	Jan. 13, 1934.....	17,329,258	2,564,728	27,777,468	4,060,701	United Kingdom.
Anchovies.....	Pounds.....	do.	do.	1,641,783	732,851	1,908,821	694,950	Do.
Tuna fish.....	Pounds.....	do.	do.	6,359,883	1,098,584	8,615,852	1,399,209	Do.
Other.....	Pounds.....	do.	do.	480,205	128,422	489,405	123,033	Do.
Fish: Packed in airtight containers, not in oil, etc.	Pounds.....	25% to 15%.....	Jan. 1, 1939.....	11,533,678	1,053,522	12,363,984	1,139,909	Do.
Grains:								
Barley.....	48-pound bushel.....	20¢ to 15¢ bushel.....	do.	125,761	70,765	744,899	320,344	Do.
Corn.....	56-pound bushel.....	20¢ to 10¢ bushel.....	Sept. 3, 1934.....	322,834	215,342	370,728	213,054	Cuba.
Salt.....	Pound.....	11¢ 100 pounds to 7¢ 100 pounds.....	Jan. 1, 1939.....	29,099,286	38,272	47,022,758	61,092	Canada.
Beet pulp (dried).....	Ton.....	\$5.00 to \$3.75 ton.....	do.	25,431	601,837	9,968	193,332	Do.
Fodders and feeds.....	Ton.....	10% to 5% ton.....	Jan. 1, 1939-39.....		279,627		594,836	Do.
Hay.....	2,000-pound ton.....	\$5.00 to \$2.50 ton.....	Jan. 1, 1939.....	13,505	103,590	35,550	260,807	Do.
Seeds:								
Alfalfa.....	Pound.....	8¢ to 4¢ pound.....	do.	2,365,400	465,263	2,234,104	349,955	Canada, France, United Kingdom.
Other.....	Pound.....	8¢ to 4¢ pound.....	Jan. 1, 1936-39.....	1,372,345	356,414	1,371,473	287,017	Do.
Cotton cloth:								
Not bleached.....	Square yard.....	Various reductions.....	Jan. 1, 1939.....	2,430,930	486,990	2,910,605	566,762	United Kingdom.
Bleached.....	Square yard.....	do.	do.	26,623,700	2,038,573	65,447,095	3,628,943	Do.
Printed, colored, etc.....	Square yard.....	do.	do.	18,127,302	3,006,988	15,284,421	2,685,096	Do.
Oils:								
Petroleum, crude.....	Barrel.....	Excise tax $\frac{1}{2}$ ¢ to $\frac{1}{4}$ ¢.....	Dec. 16, 1939.....	18,390,199	13,620,756	23,346,566	15,872,557	Venezuela.
Refined mineral oil.....	Barrel.....	do.	do.	23,113,357	16,398,336	23,293,355	15,660,864	Do.
Manganese ore.....	Pounds.....	1¢ pound on most contracts.....	Jan. 1, 1936.....	954,232	3,738,348	1,384,588	5,150,972	Brazil.
Copper.....	Pounds.....	4¢ excise tax.....	do.	334,866,596	30,511,823	364,234,263	34,090,288	Canada.
Nickel and alloys.....	Pounds.....	3¢ to 2¢.....	Jan. 1, 1939.....	34,903,702	8,751,078	79,407,756	19,912,348	Canada, United Kingdom.
Wood manufactures.....	Miscellaneous.....	Reductions, 33 $\frac{1}{3}$ % to 50%.....	do.		1,212,170		1,188,814	Belgium.
Cement (hydraulic).....	Pounds.....	6¢ 100 pounds to 4 $\frac{1}{2}$ ¢ 100 pounds.....	May 1, 1935.....	553,974,666	1,194,643	630,552,320	1,575,150	Do.
Cattle.....	Number.....	2 $\frac{1}{2}$ ¢ to 1 $\frac{1}{2}$ ¢ per lb.....	Jan. 1, 1936-39.....	330,653	6,794,238	664,339	18,138,819	Canada.
Cattle hide (wet salted).....	Pieces.....	do.	do.	818,594		2,201,595		Do.
	Pound.....	do.	do.	38,421,224	3,333,549	99,548,328	8,526,385	Do.
Wool grease.....	Pound.....	1¢ to $\frac{1}{2}$ ¢.....	Jan. 1, 1939.....	1,493,242	82,643	3,280,965	162,101	United Kingdom.
		2¢ to 1¢.....	do.					
		3¢ to 2¢.....	do.					
Wool and hair wastes.....	Pound.....	Various reductions.....	do.	583,830	249,257	3,190,422	1,012,846	Do.
Earthenware:								
Domestic.....	Dozen.....	10¢ doz.+50% to 30%.....	do.	2,042,043	1,489,594	2,358,677	1,614,555	Do.
Hotel and restaurant.....	Dozen.....	do.	do.	21,729	21,414	20,050	17,327	Do.
Other.....	Dozen.....	do.	do.	1,120,357	834,659	1,208,280	841,318	Do.
Total value of 69 imports listed above—10 months.....					315,613,431		441,955,083	
Total of all imported dutiable items—10 months.....					637,296,000		717,718,000	
Total of all imports for consumption—10 months.....					1,612,597,000		1,827,973,000	

NOTE.—Where the tariff rates are referred to as "percent" percent ad valorem is meant. It means that the import duty is figured as a percentage of the value established as fair in the foreign country of origin.

NOTE.—Where "(Cuba)" appears, it is meant that the tariff reduction applies only to imports from Cuba.

Items entering the United States duty free constitute 61 percent of our total imports.

There are over 200 paragraphs in the Tariff Act of 1930 providing for the entry of certain classes of merchandise into the United States duty free. These items are largely those that are not, for the most part, highly competitive with our home agriculture and industry, and which we need and can use. Some of these, such as fertilizers, are entered free of duty in order to directly benefit agriculture.

In negotiating certain trade agreements the United States has agreed not to place tariffs on most of these now duty-free items, and we have bound ourselves against conditional tariffs with certain exceptions. These items are listed as "Duty-free-status bound." When we took that course we laid ourselves open to possible dumping operations. Very soon after signing agreements most of the countries proceeded to reduce their currency exchange rates with our currency, thus enabling them to sell more readily on our markets and make it more difficult for us to sell on their markets. For example, Canadian exchange is now on a better than 10-percent dis-

count basis. A dollar's worth of Canadian goods can now be sold in the United States for 90 cents plus duty. On the other hand, it costs the Canadians \$1.10 to pay for one dollar's worth of merchandise in the United States. By the reduction in the exchange rate by 10 percent the Canadians have thereby canceled the effect of our import duties to the extent that 10 percent is a proportion of our tariff. Exchange rates with some other countries show greater discounts, and to the extent of such reductions the United States tariff rates are nullified.

When wars and consequent trade interruptions have passed, when millions of men return to productive work again, there will be a terrific struggle for markets. Unless steps are taken to protect ourselves we may well become the dumping ground for large quantities of foreign merchandise.

The following table contains a list of many items that are now "Duty-free status bound" under our trade agreements with foreign nations. This list is selected at random, but with a view to popular interest. Where the status as duty free is not bound, I have so noted.

# APPENDIX TO THE CONGRESSIONAL RECORD

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TABLE II.—42 selected United States imports, duty-free, status bound

Item	Unit	10 months—January to October 1938, inclusive		10 months—January to October 1939, inclusive		Status bound, by agreement with—
		Quantity	Value	Quantity	Value	
Breeding animals:						
Horses	Number	335	\$207,593	391	\$286,790	United Kingdom, Belgium.
Cattle	Number	7,815	731,541	8,232	755,128	Canada.
Dogs	Number	499	83,503	552	81,549	United Kingdom.
Bananas	Bunches	50,727,409	24,622,697	49,239,526	24,827,094	Haiti, Honduras, Costa Rica, etc.
Coffee	1,000 pounds	1,629,415	112,137,221	1,608,815	112,399,538	Guatemala, Nicaragua, El Salvador, etc.
Tea	Pounds	65,365,640	15,084,757	75,838,403	16,580,300	United Kingdom.
Spices (unground)	Pounds	40,719,531	2,912,443	59,193,556	3,374,490	Haiti, United Kingdom, Netherlands, etc.
Taploca	Pounds	183,321,906	3,310,905	295,088,409	4,018,887	
Wood (unmanufactured):						
Logs	M board feet	72,006	740,829	187,348	3,903,834	Canada.
Softwood	M board feet			161,000	1,807,109	Do.
Hardwood	M board feet			1,269	32,075	Do.
Raw silk	Pounds	43,663,286	69,668,414	41,643,554	93,029,699	
Yarn (Angora rabbit)	Pounds	79,158	395,462	65,856	409,826	United Kingdom.
Rag pulp	Pounds	56,264,621	1,018,978	104,137,609	1,062,957	Do.
Chrome ore	Tons	486,690	4,628,425	323,722	2,946,108	Do.
Fertilizers	Tons	1,292,481	30,161,314	1,145,012	27,537,330	Netherlands, Belgium.
Skins: Deer and elk	Pieces	602,416		678,274		Nicaragua, Costa Rica, El Salvador, etc.
	Pounds	1,736,088	453,633	1,938,037	581,091	Costa Rica, El Salvador, Ecuador, etc.
Rubber:						
Crude	Pounds	738,495,000	102,183,459	810,873,000	127,141,741	United Kingdom.
Balata	Pounds	963,984	150,152	1,196,786	188,914	Brazil, Colombia.
Gutta percha and other guttas	Pounds	459,409	107,518	2,780,256	418,697	Netherlands, United Kingdom.
Sisal (not dressed or manufactured)	Tons	94,381	8,477,186	92,826	6,626,071	Haiti, Netherlands, United Kingdom.
Cattle-body and horse-body hair	Pounds	2,086,293	194,088	2,703,113	234,344	Canada.
Gypsum or plaster rock	Tons	586,620	619,561	868,966	884,206	Do.
Shingles of wood	Squares (100 square feet)	1,835,021	4,996,251	2,560,708	7,210,813	Do.
Platinum	Ounces troy	2,454	52,445	5,943	137,500	Columbia, United Kingdom.
Newsprint paper	1,000 pounds	3,671,116	81,710,587	4,246,669	94,228,948	Canada, Finland.
Wood pulp	Tons	1,350,047	57,816,383	1,518,702	57,488,529	Do.
Tin	Pounds	93,402,774	37,274,984	111,574,325	50,968,085	United Kingdom.
Asphaltum and bitumen	Tons	16,167	298,866	55,152	461,169	Do.
Turtles and crabs	Pounds	464,720	25,313	699,020	40,023	Nicaragua, Costa Rica, United Kingdom.
Furs:						
Cony and rabbit	Number	58,422,561	5,947,366	83,618,816	6,340,952	United Kingdom.
Hare	Number	3,887,038	646,247	8,098,305	1,267,133	Do.
Lamb, kid, sheep, and goat	Number	4,501,932	16,057,638	4,772,132	14,195,294	Do.
Other furs	Number	10,500,247	14,920,234	13,498,131	18,526,386	Do.
Coal:						
Anthracite	Tons	252,913	1,799,292	247,912	1,750,917	Do.
Bituminous coal and shale	Tons	131,401	583,984	215,459	1,065,141	Do.
Coke	Tons	79,346	797,290	93,542	970,199	Do.
Charcoal	Pounds	6,053,237	34,331	4,884,951	32,405	Do.
Slack and culm and lignite	Tons	37,586	145,672	45,879	202,010	Do.
Coal tar product: Dead or creosote oil	Gallons	44,567,944	5,074,185	43,242,415	4,860,783	Canada.
Precious stones:						
Diamonds	Carats	79,414	5,931,245	83,107	4,907,739	United Kingdom.
For glaziers, engravers, and miners, not set	Carats	1,080,048	3,328,934	3,234,934	8,226,048	Do.
Gold, at \$35 per ounce	Ounces		1,561,132,924		2,955,484,973	Do.
Total of the 42 duty-free items listed above, except gold	10 months		615,330,926		701,917,822	
Total including gold	10 months		2,176,463,850		3,657,402,795	
Total imports "duty-free" for consumption	10 months		975,301,000		1,111,204,000	
Total all imports for consumption	10 months		1,612,597,000		1,828,973,000	

The following table is to be found on page 384 of the Annual Report of the Secretary of the Treasury on the state of the finances for the fiscal year ending June 30, 1939:

TABLE 13.—Values of dutiable and taxable imports for consumption and estimated duties and taxes collected, by tariff schedules, fiscal years 1938 and 1939

Tariff schedule	Value		Duties and import taxes <sup>1</sup>		Percentage increase or decrease (—)	
	1938	1939	1938	1939	Value	Duties
1. Chemicals, oils, and paints	\$55,475,355	\$57,368,627	\$19,111,740	\$21,199,485	3.4	10.9
2. Earths, earthenware, and glassware	\$1,425,090	25,532,715	\$14,849,480	11,144,248	-18.8	-25.0
3. Metals and manufactures	87,519,655	78,422,702	28,353,815	23,257,203	-10.4	-18.0
4. Wood and manufactures	16,340,747	15,131,862	2,736,283	2,216,492	-7.4	-19.0
5. Sugar, molasses, and manufactures	\$2,668,849	76,910,369	\$38,343,028	37,690,323	-17.0	-1.7
6. Tobacco and manufactures	32,281,061	37,686,597	22,859,323	25,709,004	16.7	16.5
7. Agricultural products and provisions	\$200,232,682	164,246,322	\$67,078,647	56,008,920	-18.0	-12.5
8. Spirits, wines, and other beverages	\$68,968,794	58,093,406	\$41,087,301	33,249,541	-15.8	-19.1
9. Cotton manufactures	32,045,789	25,774,976	\$12,723,960	9,573,951	-19.6	-24.8
10. Flax, hemp, jute, and manufactures	60,282,274	52,046,383	14,730,639	11,546,278	-13.7	-21.6
11. Wool and manufactures	37,005,874	37,847,815	24,439,511	25,692,091	2.3	5.1
12. Silk manufactures	7,356,871	5,766,214	\$3,987,915	3,068,704	-21.6	-23.1
13. Manufactures of rayon or other synthetic textiles	4,897,922	8,654,998	2,248,238	2,793,879	76.7	24.3
14. Pulp, paper, and books	13,776,661	12,031,449	2,975,167	2,403,765	-12.7	-19.2
15. Sundries	130,951,663	129,717,872	\$40,701,691	36,057,511	-9.9	-11.4
Free list commodities taxable under the Revenue Act of 1932 and subsequent acts, dutiable under section 466, Tariff Act of 1930, etc.	\$37,312,059	34,924,671	\$11,044,722	10,483,580	-6.4	-5.1
Total	\$908,541,346	820,156,968	\$347,271,460	312,094,976	-9.7	-10.1

<sup>1</sup> Taxes collected on dutiable commodities under the revenue acts and the Sugar Act of 1937 are included in appropriate schedules.

<sup>2</sup> Revised.



TABLE 14.—Estimated customs duties, values of imports for consumption, and ratio of duties to value of dutiable imports and to value of all imports, for the calendar years 1929 to 1938 and by months from January 1938 through June 1939<sup>1</sup>  
[Dollars in thousands]

Year and month	Estimated duties (including taxes on imports)	Value of imports for consumption		Ratio of dutiable to total	Ratio of duties to value of—	
		Total	Dutiable <sup>2</sup>		Dutiable imports	Total imports
Calendar year				Percent	Percent	Percent
1929	\$584,772	\$4,338,572	\$1,458,444	33.62	40.10	13.48
1930	461,885	3,114,077	1,032,954	33.17	44.71	14.83
1931	370,771	2,088,455	696,762	33.36	53.21	17.75
1932	259,600	1,325,093	439,557	33.17	59.06	19.59
1933	283,681	1,433,013	529,466	36.95	53.58	19.80
1934	301,168	1,636,003	644,842	39.42	46.70	18.41
1935	357,608	2,038,905	832,418	40.83	42.06	17.54
1936	408,061	2,423,977	1,038,219	42.83	39.30	16.83
1937	470,505	3,009,852	1,243,534	41.31	37.84	15.63
1938	301,380	1,949,617	765,963	39.28	39.35	15.46
Month: 1938—						
January	24,923	\$163,312	64,852	39.71	38.43	15.26
February	22,961	\$155,927	59,448	38.13	38.62	14.73
March	27,214	\$173,185	69,816	40.31	38.98	15.71
April	22,526	\$155,118	58,744	37.74	38.35	14.52
May	20,766	\$147,123	54,188	36.83	38.38	14.14
June	21,632	\$147,779	53,807	36.41	40.20	14.64
July	24,150	\$147,767	59,745	40.43	40.42	16.34
August	\$29,288	\$171,023	\$71,082	41.56	41.20	17.13
September	27,663	172,909	70,960	41.04	38.98	15.00
October	28,973	178,447	73,780	41.35	39.27	16.24
November	27,010	171,668	67,583	39.37	39.97	15.73
December	24,244	165,359	61,958	37.47	39.13	14.66
1939—						
January	23,708	169,353	66,031	38.99	35.90	14.00
February	22,000	152,577	60,375	39.57	36.44	14.42
March	28,539	191,269	76,132	39.80	37.49	14.92
April	27,653	185,916	78,642	42.30	35.16	14.87
May	24,679	194,185	68,570	35.31	35.99	12.71
June	24,189	178,374	65,299	36.61	37.04	13.56

<sup>1</sup> The amount of customs duties is calculated on the basis of reports of the Bureau of Foreign and Domestic Commerce, Department of Commerce, showing the quantity and value of merchandise imported. Figures for 1934 and previous years were compiled by the Bureau of Foreign and Domestic Commerce; figures for 1935 and subsequent years were compiled by the Treasury Department. For figures back to 1867, see annual reports for 1930, p. 523; 1932, p. 382; and corresponding tables in subsequent reports.

<sup>2</sup> Imports into the Virgin Islands from foreign countries not included in "dutiable" imports for 1935 and subsequent years.

<sup>3</sup> Revised.

A number of conclusions may be drawn from these figures, but it is evident that because of lowered tariffs a higher proportion of dutiable goods are entering the United States, and that the income from duties on dutiable goods has not only failed to increase proportionally but has fallen off, as is to be expected. These dutiable goods that are increasing in volume are, with certain exceptions, goods which are largely in competition directly or indirectly with American home products.

### New Post Office at Madison, Conn.

### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

ADDRESS BY FRANCIS J. BUCKLEY, DEPUTY FOURTH ASSISTANT POSTMASTER GENERAL, AND ESSAY BY MISS GLORIA CIABURRO

Mr. SHANLEY. Mr. Speaker, I have asked and obtained unanimous consent to extend and revise my remarks and include two speeches made on the occasion of the dedication of the new post office in Madison, Conn. One is by the Deputy Fourth Assistant Postmaster General, Francis J. Buckley, and the other is the prize-winning essay by Miss Gloria Ciaburro, which are as follows:

#### ADDRESS OF HON. FRANCIS J. BUCKLEY

It is an honor and privilege to appear before you on this occasion and join with you in the dedication of this new home for your post office and other Federal activities in this community.

Hon. James A. Farley, our Postmaster General, and Hon. Smith W. Purdum, Fourth Assistant Postmaster General and member of the Interdepartmental Committee on Public Buildings for the Post Office Department, both send you their kindest greetings and best wishes for the success of this occasion.

This fine building will provide for the postal needs of your community. It will replace the present post-office quarters, which have been leased from Mr. J. Harrison Monroe for many years, and will provide for you patrons, the postmaster, clerks, and carriers a more modern, airy, and satisfactory place in which to transact your business with the Federal Government. It will always be a reminder of this Government and what it stands for—liberty, equality, and freedom.

The site upon which this building stands was selected after careful consideration had been given to all of the sites offered, and was purchased from Mr. L. E. Bonoff for \$15,000. The building was constructed at a cost of \$52,740 and is modern in every way and is ample to provide for your needs for some time to come. The building was obtained largely through efforts of your Congressman, JAMES A. SHANLEY, who is here with you today.

The town of Madison was originally a part of the town of Guilford. The earliest record of any settler in this section of the old Guilford colony is that of John Meigs in 1654. This record also shows that the land now included in the town of Madison was acquired from the Indian sachems Weekwash and Uncas, and consisted of approximately 26,000 acres, the purchase price having been four coats, two kettles, four fathoms of wampum, four hatchets, and three hoes. From this brief historical statement it appears that the settlers adopted peaceful methods to secure their land rather than the seizure of the land from the Indians by force.

Madison was separated from the town of Guilford in 1826 and named for James Madison, the fourth President of the United States.

Postal records show that the Madison post office was established July 1, 1826, and was given its mail supply by the stage route plying between New Haven, Conn., and Providence, R. I. The earliest postal records show that Mr. Alva O. Wilcox was the contractor for that portion of the route between New Haven and Saybrook. The service was three times weekly, and the stage was described as a one-horse wagon.

The first postmaster appointed at Madison was Mr. Curtiss Wilcox, who served from July 1, 1826, to September 13, 1829. In all, there have been 19 postmasters or acting postmasters, including your present efficient postmaster, Clinton A. Theis. I have here a list of the gentlemen who have served your community as postmasters, and I will hand it to Postmaster Theis so that he may have it as a record here in your office.

The earliest postal records were not as complete as those now maintained, hence we find that the first record of postal receipts at Madison were for the fiscal year ended March 31, 1827, a period of 9 months from the date of establishment, and amounted to \$67.76 net. For the next fiscal year, ended March 31, 1828, the receipts amounted to \$78.10, as compared with \$14,783 for 1938, which would indicate that your office is in a healthy condition insofar as the postal receipts are concerned.

The postmaster's salary was not always what it is today, as the earliest postal record shows that Mr. Curtiss Wilcox received a total salary of \$72.31 for the fiscal year ended March 31, 1829.

We now complain somewhat at times because we are required to pay 3 cents in postage to send a letter any distance outside of the delivery of the postal district in which we live. In those good old days the postage rate on single sheets of paper was 6 cents up to 30 miles; 30 miles to 80 miles, 10 cents; 80 miles to 150 miles, 12½ cents; 150 miles to 400 miles, 18¾ cents; and over 400 miles, 25 cents.

These rates were doubled for two sheets of paper; tripled for three sheets; and quadrupled for what was then called a packet, made up of four or more sheets and weighing not more than 1 ounce. In those days the person who had much news to convey certainly had to pay the postman. Consider the postage rates of those days, and what the settlers received in return, with the rates charged today, and we can find small cause for complaint.

During the period 1921 to 1933 I was the resident post-office inspector for this district and inspected the Madison post office a number of times. While making those inspections the number of issues of the different denominations of postage stamps always caused me to wonder why they were necessary. Finally I asked and was informed that there were several stamp clubs in your community. Recalling this incident, I thought you might be interested somewhat in the history of postage and the several ways in which it was collected.

In the earliest days of the American Colonies postal service and posts were unheard of. Occasionally letters were brought by sea captains from overseas and these were delivered to coffee houses and taverns, where the addressees would eventually call and secure them. This uncertain method continued until November 5, 1639, when the General Court of the Colony of Massachusetts passed an act authorizing Richard Fairbanks, of Boston, to receive these letters from the sea captains and receive letters from the colonists for delivery to the captains to be carried overseas. For this service Mr. Fairbanks was authorized to collect 1 penny for each letter and was held responsible for the safekeeping and delivery of the letters. Here we have our first instance of the collection of postage in this country.

The next step was the establishment of a postal service in Pennsylvania by William Penn in 1683, and under this system fixed

rates were charged for the transportation and delivery to post offices of the mail. Between these two events there were other attempts to establish some kind of postal service in the colonies, but without much success.

On February 17, 1691, letters patent were granted to Thomas Neale by the King and Queen of England giving him full power and authority to establish offices for the receiving and dispatching of letters and packets and to receive, send, and deliver the same under such rates and sums of money as the planters agreed to give. Neale never came to the colonies but appointed Andrew Hamilton to the position of Postmaster General for America. Under the guidance of Mr. Hamilton a weekly service between Portsmouth, N. H., and the Colony of Virginia was established on May 1, 1693. Records do not state what the postage rates were but did comment that the rates were high but not excessive for the service rendered.

From this beginning we trace the service through its various stages, the establishment of additional post offices, improvement in transportation methods, and gradually growth of the service.

During all of this period postage was collected by postmasters and the amount so collected was either written or stamped on the outer covering of the mail matter. Some postmasters had special stamps and devices for use on mail matter as evidence of the prepayment of postage and these have come to be known as "postmaster's stamps" or "provisional" issues. Some of these have a very high philatelic value and have been sold to collectors for as much as \$10,000 each.

The first issue of postage stamps was placed on sale at the New York, N. Y., post office July 1, 1847, and consisted of only two denominations, a 5-cent stamp bearing the likeness of Benjamin Franklin and a 10-cent stamp bearing the likeness of George Washington. The use of adhesive postage stamps for the prepayment of postage was not made obligatory until July 1, 1855, and during the intervening 8 years the postage on mail matter was collected by means of both stamps and money.

The Postmaster General has authority under the law to make such change in postage-stamp designs as may be found desirable, including the issuance of special stamps for historical events.

For convenience in classification, postage stamps are listed in three groups:

- First. Ordinary or regular series stamps.
- Second. Commemorative stamps.
- Third. Memorial stamps.

The first set of commemorative stamps, known as the Columbian series, was issued in connection with the world's fair in Chicago in 1893, and from this date practically every event of importance in which the Government has participated by act of Congress has been recognized by a special set of postage stamps, and there have also been many stamps issued to commemorate anniversaries of important historical or industrial events associated with the development of the Nation.

The study and collection of postage stamps has grown to huge proportions, and has passed into a classification which can be correctly termed "big business." The sales of special issues by the Philatelic Division of the Post Office Department has grown to almost \$2,000,000 annually. The sale of ordinary issues of stamps for regular use on mail matter has increased from 860,380 during the fiscal year 1848 to more than 15,000,000,000 during the last fiscal year.

The foregoing is but a very brief sketch of the interesting data concerning postage and postage stamps. One could talk for hours and not exhaust the known facts, historical information, and interest in this subject.

One thing is important about postage stamps and that fact is known to all of us. We affix a stamp to our letter, drop the letter in the post office or street-collection box, and we have the assurance that for the small fee of 3 cents that letter will be conveyed by the fastest available transportation facilities and reach the addressee in the shortest possible time. If by chance one of our letters should be delayed we make haste to let our postmaster know of the incident and we feel certain that the cause for the complaint will be corrected, and it is.

In conclusion, as the representative of the Post Office Department on this occasion, it is with pleasure that I inform you that this building is yours for the transaction of your business with the Federal Government but principally your postal business. It is my sincere wish that you may all have the pleasure of using its facilities for many years and that the letters and other mail matter received by you may bring you nothing but pleasure and good news.

Thank you.

#### THE POST OFFICE OF TODAY (By Gloria Ciaburro)

The backbone of modern communication is the mail service. This service is one of the biggest businesses in the world. It covers a larger area than all other businesses and uses a goodly amount of money. Today we are dedicating a new post office to carry on this business here in Madison. This is a business we have at our fingertips and take for granted. But few of us stop to realize how this great business was started. Let's turn back the pages of time to the seventeenth century.

At this time the United States had no postal system, but letters were posted by private messenger and only the very wealthy could afford it. In England a postal system had been developed, but it wasn't very efficient because it was far too expensive to be practical.

After a few years, though, letter writing became more popular and necessary. A postal system was organized in a vague sort of way which seems as quaint today as the powdered wigs of the same time.

In Virginia there was a law written requiring every planter to carry the mail as far as the next plantation and in this manner it finally reached its destination. A little later, 1672 to be exact, a monthly post was established from New York to Boston. It took only 1 week to send a letter on this route. In 1753, 81 years later, Ben Franklin was made postmaster general of New York City. Up until this time the postage rates were charged as to the number of sheets of paper used in a letter and it was charged to the recipient. But in 1775 Ben Franklin introduced the penny postal system and on July 26 of that year the first real postal establishment was opened. Immediately boxes were erected in most towns and the mail was gathered from these and distributed either by stagecoach or sailing packet. At this time the mail route of the whole country covered 453 miles.

In 1783 the first Government post office was built and the mail system, which was then started wrong, started going down and the financial support as well. This Postal Service drifted along until 1850 when the Government realized that a postal system was really needed to aid the people and not just to bring profit to those who ran the establishment. From this point an appropriation of \$500,000 was made annually to make up for any deficits. The postal system increased by leaps and bounds. Within 30 years registered mail, money orders, and special delivery were introduced along with an international postal union, organized at Berne, Switzerland. This postal system has been steadily increasing through the years not only in size but in efficiency as well until in 1938 the United States postal route covered 44,000 miles and sold 14,000,000,000 stamps.

Our United States postal system costs the Government \$100,000,000 a year, and yet here in Madison today we are dedicating a new post office which was built for our own use and to satisfy all our needs for many generations to come, with no financial obligation to us whatsoever. We will all endeavor, I am sure, to make the most of our good fortune and let this, our new post office, be a symbol of the greatest business enterprise of the United States of America.

#### Senator Borah

#### EXTENSION OF REMARKS

OF

#### HON. WILLIAM LEMKE

OF NORTH DAKOTA

#### IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1940

Mr. LEMKE. Mr. Speaker, recently I returned from the funeral of Senator BORAH at Boise, Idaho. It was a most impressive occasion. The State capitol was filled to overflowing, with thousands outside. It seemed as if every citizen of Idaho was present to pay tribute and respect to their and one of the Nation's greatest sons. The rotunda was literally filled with flowers. There was a general feeling of grief and yet of subdued joy. A feeling of strength and pride—a determination that the things the Senator stood for would continue to be the guiding spirit of this Nation—democracy without foreign entanglements.

Every boy and girl and every man and woman present felt that the State of Idaho and this Nation were better places to live in because of Senator BORAH's long and brilliant career. They felt that he did not belong only to their State but to every State of the Union—to the Nation and to the world. They knew that he was intellectually honest with himself and with their State and Nation, a quality altogether too rare in our everyday political life.

Senator BORAH was greater than Presidents—greater than kings. He was an American citizen—an intellectual giant who was not afraid to say "No." He was the enemy of greed and selfishness, of fraud and deception. He was not cowed by kings, queens, or Presidents. He belonged to the class of Clay, Webster, and Calhoun. His name, the same as theirs, for years had been mentioned as a Presidential possibility. But the king makers would not have it that way. They prefer more docile men.

Senator BORAH is not dead. He is part of the infinite. His name now more than ever will be associated with human progress. He will continue to live in the Nation's memory through generations. He will be remembered by every man



and woman who works for an honest living. His grave will become a shrine for those who appreciate and know true greatness.

His battles in the United States Senate were for humanity—for the common people rather than for the pampered, select, and privileged few. We will miss him, but from his passing Congress and future Congresses will take renewed devotion and determination so that this Nation will again become the guiding light of all nations—a place where one who possesses energy possesses wealth, and where such a person will have an opportunity to live and let live.

### Why Beat Around the Bush? Let Finland Have Loans for Arms

#### EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1940

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK,  
ON FEBRUARY 4, 1940

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio address which I delivered Sunday, February 4, 1940, over radio station WMCA entitled "Why Beat Around the Bush? Let Finland Have Loans for Arms," as follows:

Finland must have ammunition and implements of war to fight her battle—and even our battle—against the Communists. She asks for planes, we offer her cookies. She asks for guns, we offer her cake. To vary the simile, shall we sit in the bleachers and watch her being slaughtered in the arena of bloody Stalinism?

My understanding is that when the settlement was made with Finland, the amount funded was \$9,000,000, which was set up on a 62-year amortization plan, with interest at 3 percent for the first 10 years and 3½ percent thereafter.

Prior to the funding agreements Finland paid interest in the amount of \$309,315.27, and subsequent thereto she paid interest of \$4,624,443.27, a total of \$4,933,758.54. She has also made principal payments of \$957,511.23, so that payments of principal and of interest, both prior and subsequent to the funding agreements, aggregate \$5,891,291.77.

The balance of Finland's indebtedness is \$8,042,466.77 principal and \$100,423.44 accrued interest.

If we eliminate interest, Finland has paid over \$8,000,000 on a debt of \$9,000,000—practically eight-ninths of her debt to us.

She fights Soviet Russia, which owes our Government approximately \$187,730,000 and which owes our citizens approximately \$225,000,000.

Think of this—Finland has paid and retired bonds held by our citizens during the past 8 years in the sum of about \$80,000,000. If she had followed the example of Russia and other nations and refused to pay she would have accumulated \$8,000,000 paid into our Treasury and \$80,000,000 paid to bondholders, or a total of \$88,000,000. If she had held those \$88,000,000, she would not need our loans. She could now purchase with such sum all the arms and planes she needs. She paid. Others reneged. She is entitled to special treatment.

Under the proposed arrangement, which has the White House approval, a loan of \$20,000,000 might be made by the Export-Import Bank, whose capital would be arranged for that purpose. The loan, however, would be made on the condition that the purchase in this country would not include airplanes, arms, and munitions. Under such an arrangement, what is to prevent Finland from taking the American food that she can buy with the money loaned to her and exchanging same with other nations for such military supplies?

But why put such temptation up to innocent Finland? Where is the consistency so far as our policy toward Finland is concerned? It has been the well-recognized and well-merited rule of the State Department to refuse to recognize any territorial changes brought about by force. For that reason, we refuse to recognize the capture of Manchukuo in China by Japan; we refused to recognize Bohemia and Moravia, which was stolen from Czechoslovakia by Germany. For the same reason we could not recognize any exploitation of Finland by Russia. Why should we not help Finland against the bandit Stalin? We make speeches concerning the sanctity of treaties and international law. We have a Kellogg Treaty, to which scores of nations have been signatories, whereby we exacted the solemn pledge that they would not resort to war

as an instrument of national policy. Russia has violated the letter and spirit of that treaty. She seeks to possess Finland by force. She has ditched international law. Shall we encourage her butchery by refusing aid to her victim? Shall we remain stupidly silent in the face of rapine and plunder?

Nay, more, we have sent to aggressor Japan, in her pillaging of China without let or hindrance, scrap iron, copper, lead, and all kinds of military supplies. If we can supply 85 percent of the military import needs of Japan, including planes, equipment, and American bombs to slaughter Chinese women and children, assuredly there should be a way to help the gallant Finns fight the cause of human liberty and prevent ruthless slaughter of innocents. The Finns badly need pursuit planes to fight off Russian bombers. We should help supply them.

We have loaned money to China to the extent of \$25,000,000. China is in no way one wit different from Finland, because we have refused to apply the Neutrality Act in the fracas between China and Japan.

In my humble estimation, we subscribe to international anarchy if we do not help poor and helpless Finland—and that help should mean "help." The only help worth while is arms, airplanes, bullets, guns. Cakes and cookies and sandwiches will not do much good to Finland now. I would thumb my nose at some of the psalm-singing hypocrites who agitate against sending her military supplies. The Finns today, in their heroic stand against Stalin's Communist hordes, rank with the Greeks at Marathon, Washington at Trenton, and the Texans at the Alamo.

The whole world acclaims plucky Finland, whose guns at the Mannerheim line and whose skiing patrol have punctured the bubble of Russia's supposed military power. The Finn's machine guns sweeping along the frozen surface of Lake Ladoga have virtually slaughtered Red army regiments. The debt of the entire world should go to the Finns for their destruction of the bogey man of the European chancelleries. They have literally "shown up" the leaderless mob which we call the "red" army. The world no longer need fear Russia's supposed military power.

How can we stand by and be neutral when on the one side we see this monstrous bloody contemptible Stalin, and on the other side we see a nation of free men outnumbered 100 to 1 fighting voluntarily not only for their firesides and for their very existence but for democracy. Shame on any American who presumes to be neutral under such circumstances.

Remember this: The Finns are defending the gateway to the whole Scandinavian world. If the Soviets break through the Mannerheim line, Lord help Denmark, Sweden, and Norway. If Russia can get within cannon distance of Sweden, Hitler will undoubtedly send his army through Denmark and finally into Sweden before Stalin can get control of the Swedish iron-ore mines, because that ore is indispensable to Germany. We will then have a repetition of the tragic happenings in Poland. As soon as one or the other of the vile partners of the vile and unholy alliance between Hitler and Stalin becomes victorious in any part of Scandinavia the other will step in as in the case of Poland. Such thieves have no honor among themselves. Denmark, Sweden, and Norway will then become conquered provinces.

Therefore the gateway to Scandinavia must be held at all costs. If that gateway is not held, the cause of the allies, to whom we cannot but assume a "benevolent neutrality," will be greatly weakened. In truth and in fact, democracy itself, which is now on trial, will have received a severe blow. We cannot help being actively interested.

The European agents of the Carnegie Endowment for International Peace declare in confidential reports recently received here that United States help for Finland is imperative if Scandinavia is to remain intact. Without such active help the Scandinavian countries will go down one by one before the aggression of Russia and possibly Germany. Without our help Finland cannot hold out more than 10 weeks or so.

The fifty million or sixty million used for unrestricted purchases would enable Finland better to "gird her loins." It would enable that plucky little country to resist probably another 4 or 6 months. Frankly, if there ever was a case where, as Walter Lippmann puts it, "a stitch in time might save nine," it is the case of Finland today. For today the whole controversy can still be averted by supplying the Finns with arms; if this is not done, an infinitely more complicated problem, involving both Germany, Russia, and all Scandinavia, will confront the American people.

The Finns have proven their military judgment and capacity. We can rely upon them. They asked us for \$60,000,000 in order to offer ample resistance for 4 months. They turned to us because the United States is the only country where the type of arms and munitions and planes that they need can be sold to them immediately. France and Great Britain and other countries need all modern equipment they can make or purchase. They can only let Finland have their obsolete stocks. We are turning out a superabundance of the kind of modern and up-to-date equipment which Finland vitally needs to stop the Russian advance. Both our American Army and Navy are willing to let the Finns have this equipment, particularly pursuit planes and Garand semiautomatic rifles. Why in thunder should we object? I shall do all in my power to get congressional approval. I have offered appropriate bills for that purpose. I shall not rest until they have been approved. One bill, H. R. 7932, reads as follows:

"Be it enacted, etc., That the Reconstruction Finance Corporation is authorized and empowered to loan to the Republic of Finland a sum of money not exceeding \$50,000,000 for the purpose of enabling

the Republic of Finland to finance the purchase in the United States of such articles and materials of war as it deems necessary, including the Army Garand semiautomatic rifle. The Secretary of War is authorized and directed to sell to the Republic of Finland such rifles and other materials of war at a price not exceeding cost. This loan shall be made through the Export-Import Bank on funds furnished by the Reconstruction Finance Corporation on such terms and conditions as may be prescribed by the Federal Loan Administrator.

"In order to provide funds to carry out the purposes of this act the amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is hereby increased by \$50,000,000.

"This act shall be in full force and effect immediately upon the enactment thereof."

It was refreshing indeed, a few months ago, to have read of the actions of the assembly of the League of Nations to oust Russia from the League and expel her as an aggressor. That was an effective way to strike at the brazen, appalling brute. I would encircle Stalin with a moral blockade. I would ostracize him as being afflicted with a dread disease which his excesses have brought upon him. The foulness of his crime is all the more discernible since he refused to accept the good offices of President Roosevelt to negotiate a settlement, whereas Finland willingly accepted. Guilt is written all over Stalin. It oozes out of his slimy mouth and bleary eyes.

Our refusal properly to aid Finland now is hardly understandable because there was every indication a few months ago that we would help Finland. We have led Finland on. We have deceived her. There was every indication of American sympathy and our desire actively to help. The Finns, I am sure, never would have applied for the loan for the purchase of arms had they received the slightest indication that they would be refused. That refusal would be tantamount to a great victory for Stalin. It would be a horrible blow to Finland.

As Dorothy Thompson recently said, the refusal would be equivalent to sending a handsome wreath to Finland's funeral, bearing the inscription "He was an upright man and paid his debts." The Daily Worker, the Communist mouthpiece of the Soviet Government, in many of its news items and editorials is highly jubilant over the attitude of some of our men and women in public life who refuse to finance the defense of Finland. It speaks of the refusal as a great victory.

Earl Browder, who stands convicted of a Federal crime, likewise applauds. He said recently that if the United States ever gets into war with the Soviet Union, he would start a civil war in the United States.

How in thunder can we give comfort to rascals like Browder and publications like the Daily Worker? There must be something wrong with anything that gives them a feeling of victory.

Finland's 73-year-old peasant President, Kyösti Kallio, who is full of *sisu*—which in English is courage—has recently stated to the New York Times correspondent, Harold Denny, as follows:

"We are deeply grateful for the help America has extended us with humanitarian materials, but such help must be altered if the Finnish population is not to be massacred. If our civilians—our old men and women and children—are to be killed in their houses, as is happening every day in our cities, towns, and villages, they will have no need for food and clothing." (Finnish estimates of last fortnight's air raids—worst of the war: Localities bombed, 42; hospitals bombed, 3; bombs dropped, 2,000; people killed, 18; wounded, 93.)

Why could not all prosperous American cities decide each to take care of one city in Finland, or each one of your 48 States adopt a Finnish town? E. g., New York could adopt Helsinki, Chicago could adopt Viborg, Washington could adopt Abo, etc.

We must help the plucky Finns against the "red" Goliath, against the "red" Moloch, against OGPU terrorism.

Write me if you are with me on this loan to Finland. Write your Congressman and Senator. Write the President.

## Industry and Agriculture at the Gates of a New Decade

### EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY HON. JAMES A. FARLEY AT WINSTON-SALEM, N. C., AND EDITORIAL COMMENT

MR. BAILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an important and timely address delivered at Winston-Salem, N. C., by

the Honorable James A. Farley, and together with it certain interesting editorial comments on the same subject.

There being no objection, the address and editorial comments were ordered to be printed in the Record, as follows:

I am happy to be in Winston-Salem again for the privilege it affords to address this representative group of your chamber of commerce.

Whenever I plan to come to North Carolina I always have the feeling of friendship and good will. Your welcome tonight confirms my faith in your friendship.

Sometime ago, President Roosevelt, in conference with southeastern Governors, is reported to have said that North Carolina is the best balanced State in the Union. This is a most distinctive tribute from a most distinguished source.

When I received your invitation to speak on this occasion my mind went back to the statement of President Roosevelt.

I am satisfied from my study that your unique position of balance is due, in part, to your economic equilibrium, to the diversity of your crops, and the wide scope of your industrial activities. There are a number of States with larger industrial production than North Carolina. There are also States with greater agricultural production. But there is no State where industry and agriculture, operating together with local raw materials, give such unified scope of industrial activity and steadiness of employment.

Other factors indicate your balance. North Carolina has busy factories and extensive park playgrounds, good roads, and diversified small industries, depending upon economical transportation beyond their local markets, State-supported public schools offering the children in the outlying communities as good as is offered the children of the cities, State maintenance of the local roads of the poorer counties as well as the wealthy counties, State supervision and handling of all prisoners with practical work programs looking to rehabilitation of the hopeful. I could go on, but I think I have made the point.

I have been collecting material for some time to undertake a speech giving expression to my views from a national standpoint on the subject of industry and agriculture, and saying nothing at all about politics. If I get through this speech without a political tinge, some people will doubtless think that such performance is in itself highly political. Maybe so. In any event, I have traveled up and down this country from Texas to Maine and across and back, and back again many times. I have seen my fellow countrymen in every business, occupation, and profession. I have talked with them in over a thousand cities, towns, villages, and hamlets, and at the countryside. I have heard their story. They have told me of their joys and their disappointments. I hope I am not too bold in saying that I have become acquainted, in part at least, with their intimate needs and problems.

I know that back of every factory and every farm lie economic and social issues more deeply imbedded than the surface content or discontent that expresses itself in political action and reaction.

In this connection, I would like to make it perfectly clear without pretense or flag raising, that I am partisan in politics and honestly devoted to the success and welfare of my party. I also want to make it clear that if at any time I am confronted with the issue of the welfare of my party, on the one hand, or the welfare of my country on the other, that that issue has already been decided. I love my country better than I love the Democratic Party. It is my constant hope that I will never be confronted with such an issue; but if it should come in this hour of international chaos, I owe too much to America to sacrifice my first loyalty upon the altar of party expediency or party fealty. The effect of existing wars upon American politics is utterly unpredictable and the judgment of our people in patriotic devotion will subordinate partisanship to the public good.

I just wanted to make this observation to clarify my political attitude with reference to my paramount obligation as a citizen of this Republic.

I stated that I was going to talk to you on the subject of Industry and Agriculture. In doing this I shall lay down my conception of certain principles of fundamental importance. There are five factors, as I view it, essentially interwoven with American industry—the employer, the employee, the stockholder, the consumer, and the Government. If industry is to carry on, giving steady work, there must be genuine understanding and cordial cooperation between these forces affecting industrial production.

Let me speak of the employer first. He must be able to operate under wholesome conditions with an opportunity for a fair margin of profit and a conscious sense of obligation to the public welfare. He must do more than this. He must recognize the legal validity of the status, and the moral rights, of the worker and the reasonable wisdom of a just participation of labor in the fruits of its service.

What about the employee? The Congress, the country, and the conscience of America have come to understand that it was in justice and not in wrath that man was commanded to eat his bread in the sweat of his brow. Labor in America is no longer a commodity. It has been decreed that labor shall not be bartered, sold, trafficked, and marketplaced as an inhuman senseless product. Men, women, and children shall not be exploited to the powerful demands of materialism.

Let me say a word about the stockholder. This point has partially been covered in my statement on profits. The American investor cannot be expected to risk his capital and venture his



assets without reasonable regard for the profit motive. This applies with equal force when taxes become so burdensome as to stifle private initiative and abolish fair prospects of profit. If we should ever at any time in America rub out the profit motive, we lay the foundation of the totalitarian state.

What are the rights and interests of the consumer? He is likely to become the forgotten man. But since we are all consumers—all of the 130,000,000 of us—his interest in the aggregate is greater than that of any other.

It is to the best interests of the employer, the employee, and the stockholder to furnish to the consumer the goods that meet his needs and wants at a fair price, and whenever possible, at a price that will lead to the highest possible consumption.

May I now say a word on the question of government and industry. On this point, I have no sympathy with the theory that government and business are naturally arrayed in hostile camps. Government must look with clear vision and embrace within its broad scope the employer, employee, stockholder and, finally, the whole public. My conception of government in business is that government should act as an umpire, and we all know that the first duty of an umpire is fair play and no favorites, to call fouls when fouls are committed, and to follow the ball without prejudice or bias.

This general statement regarding industry and its allied relations is capable of expansion and more detailed outline, but it represents my view of the Bill of Rights, of fair and reasonable treatment, and I believe constitutes the basis of liberal, mutual, and successful operation of American industry.

May I now tell you something of what I have absorbed, learned, and believe concerning some aspects of American agriculture.

I would like to talk to you at the moment about agriculture, in relation to an equally important subject—national defense. Today the mind of the Nation is turning in unity to the question of national defense. With the exception of the United States, most of the powerful nations of the world are engaged in war and thinking in terms of ships and guns, and forts and aircraft. Yet, I cannot escape the feeling that when this war is finally won its victory will not be accomplished on land or sea or by guns or aircraft alone. The forces of victory may come from the quiet peace of the laboratory and from the brain of creative research. They may come from the farms of this Western Hemisphere.

When I think of our experiment stations, agricultural colleges, farm agents, and above all, our vast State and National departments of agriculture all working together, I see the front line of our national-defense program gather a new force against any economic upheaval at home or abroad, and, at the same time, make more formidable our most powerful battleship and more swift our most daring aircraft.

Here in North Carolina industry and agriculture both loom large and strike an excellent balance. In the Nation at large, however, we have so long treated symptoms coming from the dislocation of these great branches of our national life that I fear we have developed a tendency to lose sight of the fundamentals of their interrelation.

The great industrial development which sets this Nation apart from all others has been made possible only by its fortunate agriculture. I doubt that the inventive genius of our people would ever have prevailed in industry except for our agricultural background. Here is one distinctive feature of how we differ from other lands. No other great nation of the world is able to produce its food from the land with the efforts of less than one-half of its total population. Agriculture in this Nation produces our food from the land with the efforts of only 13 in 100. It is the vast manpower released for other things than food getting that has made possible the creation of wealth and luxuries that set our civilization apart.

Happenings of the past two decades, however, have thrown increased burden on our agriculture. And industry could not escape the shock of adjustment to these events. Let us look at what has happened.

In the first place agriculture lost the market of the production of 50 or 60 million acres of land. It lost this market to the oil wells through the coming of motorized transportation on roads and streets and the coming of tractors to do farm work. The product of these acres, which formerly furnished horse and mule feed, is now thrown on the human food market in the form of bread, meat, milk, and eggs.

Right on top of this transition from horsepower to motorpower came the 1930 tariff revision, resulting in retaliatory measures by other countries which barred many of our farm products from European shores.

Heretofore, as agriculture has increased its efficiency and production city industries have expanded sufficiently to absorb the manpower released from the farms. In the decade just preceding the high days of 1929, 17,000,000 young people between 15 and 30 years of age left the farms and found employment in the towns. But for the past 10 years rural population has been damming up in rural districts. And we should never forget that rural districts constitute the great breeding ground of America. Yet the farmer today has lost the market for his greatest of all crops—his baby crop.

We are now over the critical stage of the maladjustment and are ready to start forward again. And I believe that this historic sketch of the road along which we have come furnishes us with a real clue to the road we shall travel.

Science and research got us into our trouble through making more complex our civilization. Science and research, I believe, stand ready to get us out and keep us out of our trouble, and to build a new civilization the like of which has never been charted, even by imagination.

Have you ever reflected on the fact that the great industries of today are along lines never dreamed of 40 years ago? I do not think I am alone in believing that the great industries of tomorrow will be along lines not dreamed of today. The industries which set today apart from 40 years ago are based on inventions. These inventions, in turn, are based on pure science studies carried out over a long period in laboratories manned by men of genius.

My proposal is that this Nation should give unstinted support and encouragement to basic research in physics, metallurgy, and chemistry. It is on discoveries in these fields that ingenious men contrive inventions upon which new industries are built.

Today research must be bought and paid for just as any other commodity, and while we have today the personnel of brilliantly trained young men ready and eager for opportunities our Government has, to a large extent, been neglectful of this whole field. In this respect European dictatorships have far exceeded our efforts.

In agriculture our present situation calls for the expanding of basic research for the very reason that it is burdened with many surplus products—overproduction. For example, in addition to competition with other nations, the farmer today has strong competition from farmers of other regions of this Nation. Too often he has to meet this competition without adequate knowledge to support his efforts or without being informed of the limitations under which he operates. To illustrate: The new hybrid corn of the Middle West, yielding one-fifth more per acre on these already high-yielding lands, puts a strain on the North Carolina corn farmer. The discovery of how to adapt the growing of cotton to the semiarid lands of Texas put nearly as much strain on cotton growing in Eastern States as did the boll weevil.

In any research program the plant breeder must be a sentinel in the front line of agriculture. It is only during the past couple of decades that it has been possible for man radically to change and modify plant forms. What they are doing today for human betterment has no counterpart in all history. Just a few months ago, the world was thrilled by reports of the new potato developed here in North Carolina by a member of your eminent State College staff. This potato, bred for high resistance to diseases and to insects, has yielded over a 5-year period, under the conditions of its trials, approximately 100 bushels more per acre than its nearest competitor.

Soil conservation has been given a new life by the coming of the great group of Asiatic plants called lespedezas. Here in North Carolina, more than 1,000,000 acres are covered by these plants which were unknown here 20 years ago. Throughout the Nation there are 40,000,000 more acres in this crop. They check erosion, and build rich soil in land heretofore considered marginal and headed back to complete destruction. We are just beginning to realize the vast and limitless value of lespedeza to American farming, and we owe much to our brilliant agricultural journalists in spreading the gospel of this great legume.

Scientists working on the problem of saving the blow lands and the almost denuded public domain now see that the new magic of the plant breeders must be made their first ally. It is in basic work in science that we are most deficient.

It seems to me to be fundamental and noncontroversial that the solution of many of agriculture's problems will come through the encouragement of basic research and that scientists themselves should make their basic programs and should be permitted to follow relentlessly any mystery that intrigues their imagination.

Basic research adequately financed is the biggest long-time creative force for adjusting agriculture and industry to one another and for the advancement of both.

In the working out of our problems in these fields there is one conviction that is deep with me. We have had uncertainty and fear striving to monopolize our national thinking, but we must not have these two devils again. I have respect for the past, and I realize that it is through error and mistake that progress comes; but at heart I keep looking ahead, convinced that tomorrow, somehow, some way, will bring a better day. Above all, I have confidence in the capacity of this country to solve its problems righteously and that the steady upward movement of our industry and agriculture will carry us to greater heights than we have yet achieved.

[From the Winston-Salem Journal of Thursday, January 25, 1940]

#### THE EMERGENCE OF A STATESMAN

Citizens of Winston-Salem and a national radio audience were happy participants last night in a significant and history-making event, when the Honorable James A. Farley addressed the annual meeting of our chamber of commerce.

They sat in on the casting of a new role for one of America's great citizens. They saw the acknowledged maestro of political movements, perhaps American history's outstanding vote getter and election-return prognosticator, start down what may become his and his country's glory road as a statesman.

Here was Jim Farley, Postmaster General, dedicating not a shining new post-office building but himself to whatever broad service his country might call him. Here was not a word about postal surpluses or deficits nor about the sleek efficiency of the great communications system he directs. Here was Jim Farley, Democratic national chairman, chief to millions of party workers,

not asking for votes and political operatives on behalf of his party's nominees, and playing his characteristically unselfish role but, instead, avoiding all reference to partisan politics—an omission significant in itself.

And here was Jim Farley, Democratic disciplinarian and loyalist, practical organizational genius, the greatest believer in party solidarity, patriotically putting country above party if necessary, demonstrating his boundless worth to his country as a public-spirited, forceful, and yet humble citizen.

But most significant of all, here was James A. Farley, speaking out on the fundamental problems of our Nation. Here was a man whose intelligence and integrity go unchallenged by Democrats and Republicans alike, setting forth for the first time, perhaps, on the basis of his wide travels from coast to coast, from border to border, his own views on industry and agriculture, and the part that government should play. And here was a statesman, probably better equipped than any other living man to tell of the thoughts and desires and needs of all the people, in all walks of life, submitting a cogent and restrained, yet unequivocal, bill of particulars for the Nation's consumption, and, we hope, acceptance.

Here was a disquisition in statecraft, with no political harranguing.

What Mr. Farley did not say is important. But what he did say merits the careful and exhaustive attention of every voter in America. His remarks, concerned as they necessarily were with national affairs, were neither Old Deal nor New Deal. They were neither rightist nor leftist, and for that reason will not have the ecstatic endorsement of reformists on the one hand or of inactionists on the other. But this sound and progressive attitude, this expression of moderate democratic philosophy, will, we feel sure, appeal to the vast majority of forward-looking citizens who are proud of American institutions and are hopeful for the future.

Mr. Farley is, we believe, on solid ground in his attitude toward fundamental problems. With regard to industry, he feels that the employer must have an opportunity for a fair profit, and yet recognize a sense of responsibility to the public welfare and to the employee, who at the same time is not to be exploited. He believes that the stockholder should properly expect a return on his investment, and that the consumer should not be the forgotten man, but should have his needs and wants at a fair price.

Mr. Farley does not believe that government and business are naturally arrayed in hostile camps, but that the role of government in business is that of umpire.

Mr. Farley takes the position that the unparalleled industrial development of this country has been because of its fortunate agriculture, the comparatively small percentage of our population needed to produce food from the land. But developments of recent years, such as the loss of great areas of production for certain purposes, and tariff retaliations because of the 1930 revision have put increased burdens on agriculture. Mr. Farley thinks that science and research, which got us into trouble, can get us out of trouble. He believes that science and research will make possible the adjustment of agriculture and industry to one another, and advance both, and that we will see the end of the damming up of rural population in rural districts. And to these ends he advocates unstinted support of basic research. The problems of surpluses and overproduction will, he believes, be solved by the results.

Altogether Mr. Farley accepts the American way and looks to the future. He indicates the necessity of the retention of the profit motive, for industry and for agriculture, and a square deal for workers in both. He believes that the alternative of the retention of the profit motive is a totalitarian state, such as those crushing the people across the oceans. And with an optimism which we share, Mr. Farley conceives of a new civilization, on the threshold of which we have arrived, to be created by new industries and inventions surpassing even those of the past 40 years.

If James A. Farley is a candidate for high office in this land, we believe that he has stated an attitude toward fundamental problems which should, in that respect at least, qualify him for any position of solemn trust to which he might aspire. We do not know his plans. We do know, however, that he has appeared for, perhaps, the first time as his own spokesman on the state of the Nation.

There are other things we do know: That he is an inspiration and an example for every mother's son in his personal habits; that his honesty is as long as the tall shadow which he casts over the length and breadth of this land; that his word is as steadfast as the smiling sky above him; and that his growth in stature as a man and as a leader has been an American phenomenon.

No; we don't know what will happen at the Democratic National Convention, but we do know that Jim Farley and his views won't be ignored there, and that his strong voice will sing loud in the chorus which shapes our country's destinies.

And practical politician or not, we salute him as a statesman.

[From the Greensboro (N. C.) News of January 26, 1940]

#### MR. FARLEY AT WINSTON-SALEM

Postmaster General James A. Farley's speech before the Winston-Salem Chamber of Commerce Wednesday night assumed significance not only because of its context but, even more so, because of the advance publicity and emphasis placed upon it by Washington commentators who should have been in position to know its political background and purpose.

The Postmaster General, who cannot be dissociated in the public mind from his chairmanship of the Democratic National Commit-

tees, stressed "my" throughout his presentation of views and impressed upon his audience at the outset that his data and his impressions had been gathered over the entire Nation. It was obviously a Nation-wide bid which he was making on the two interrelated subjects, business and agriculture, which have been the chief bones of Washington contention.

Mr. Farley's prefatory assurance that country comes above party might be interpreted as anyone wished. It could mean a readiness to go along with the New Deal, to lead Mr. Roosevelt in a third term campaign even if a party split resulted. On the other side, however, it is just as possible that he would go with what he conceives to be the old-line forces of democracy, that the good of the country and national unity in time of international chaos would cause him to take a walk in a direction that F. D. R. had not intended in his projection of walk-taking suggestions. These courses, however, offer the two extremes, and there is endless territory between them for compromise and for political as well as public service.

It is in this middle ground that we conceive Mr. Farley to stand. He obviously believes he is expressing the wishes and the feelings of the American people in decrying hostility between business and Government, in upholding the profit motive, in stressing cooperation rather than strife and in asserting that Government's role in business is essentially that of an umpire, which presupposes fairness to all sides. In the Farley discussion of agriculture one finds no reference to restriction; rather there are a forward-lookingness, a preaching of increased production, with the consumer ever in mind, for the life more abundant and a dependence upon science and research to steer us through the situation into which they have brought us and out into brighter social and economic vistas. The Farley philosophy, liberal in its basic aspects as some of us at least have interpreted liberal, differs sharply in various respects from that which has prevailed and ruled in Washington these last few years.

To us it seems that Mr. Farley has said, in so many words, that this is his creed, his bill of rights for business and agriculture, that that bill of rights will serve as his guide in days ahead and that when it comes to selection of a Roosevelt successor he and his views, based on close contact with the American people, must and shall have consideration.

[From the Asheville (N. C.) Citizen of January 26, 1940]

#### MR. FARLEY BESTIRS HIMSELF

That was an uncommonly thoughtful and constructive speech which James A. Farley delivered in Winston-Salem Wednesday night. In some ways it was one of the most significant addresses which this parlous political situation has produced in recent weeks.

Mr. Farley is, among other things, chairman of the Democratic National Committee. He could not discharge his duties as field marshal of his party if he did not devote a vast deal of thought and emotion to partisan issues and activities. His primary task is to keep the Democratic forces organized and enthusiastic and to win elections. Even the Republicans must admit that he performs this task with unusual ability and success.

Naturally enough, the American people have come to expect strictly partisan speeches from Mr. Farley. When they listen to him, they are in no wise disappointed or disillusioned if he celebrates the glories of the Democratic Party in glowing phrases and discredits the Republican Party at every honorable opportunity.

Mr. Farley changed his role Wednesday night. From the text and tenor of his remarks, he might have been an independent statesman rather than a party chairman. His references to the Democratic Party were incidental and oblique. He discussed national issues with originality of thought and expression.

Some citizens, in office and out, feel that there is a natural and ineradicable antipathy between business and government. The citizen fears that this feeling is rather generally held by many of the young theorists who swarm all over the Federal buildings in Washington and who are so active and so vocal in their attempts to shape the policies of the Government. Mr. Farley does not share this view. If this means treason on his part, then his critics will have to make the most of it.

Mr. Farley spoke his mind forthrightly in Winston-Salem. He dismissed with genial scorn the highly mischievous view that "government and business are naturally arrayed in hostile camps." He asserted the contrary doctrine that there can be no sane and durable prosperity unless all the elements—government, industry, labor, and agriculture—work together.

He went even further. He added: "My conception of government in business is that government should act as an umpire, and we all know that the first duty of an umpire is fair play and no favorites, to call fouls when fouls are committed, and to follow the ball without prejudice or bias." This is, of course, sound democratic doctrine. It is but a restatement of the policy which Woodrow Wilson announced and practiced.

This doctrine will draw the fire of the extreme liberals who look upon all business as suspect and who feel that government should side instinctively against industry. But it is none the less sensible and sound on that account. Business in the aggregate is neither saint nor sinner. The average businessman is an honest, patriotic citizen who wishes to provide employment, to deal fairly with his employees, and to do his full duty by his community, State, and Nation. The antisocial, malevolent businessman is exceptional. Of course, industry must be regulated. Such legal



control is inescapable in our complex society. But such regulation should be directed against specific abuses and should be enforced with rigorous impartiality. The honest role of the Federal Government is the rule of the vigilant, incorruptible but just umpire.

Equally original and interesting was Mr. Farley's discussion of the agricultural problem. He made no references to the commonly discussed and practiced remedies for the medication of this problem. It is fair to assume from such omission that he has little faith in crop-production control and other artificial solutions of the question. He must realize that these schemes are at best temporary devices which can be justified on the score of an emergency but furnish no permanent cure of the farm ailments. Any lasting betterment of the situation must be based upon policies that treat the disease rather than the symptoms.

The United States can grow more farm products than it can consume or export under present world conditions. Of course, the Federal Government should not relax its efforts to open new foreign markets to our surplus agricultural commodities. But we must learn how to grow better crops more cheaply. Above all, we must develop new domestic uses—and therefore new domestic markets—for our farm products. Given the same research which has blessed American industry with such miraculous achievements, our agricultural problem will be solved partly if not completely. As Mr. Farley phrased it, "basic research adequately financed is the biggest long-time creative force for adjusting agriculture and industry to one another and for the advancement of both." Governmental research in agriculture has accomplished much, but it has hardly scratched the surface. If the Federal Government had spent on such research one-fourth of the sum that it has expended on subsidizing crop control, the whole farm picture might be changed today.

Taken all in all, Mr. Farley's address was a noteworthy effort. It was all the more notable because it was delivered by a man who is supposed to be thinking only in terms of his party and of elections yet to be fought and won.

[From the Charlotte (N. C.) Observer of January 27, 1940]

#### MR. FARLEY IN THE SOUTH

Significance attaches to the visit of James A. Farley, Postmaster General and chairman of the Democratic National Committee, to this general part of the South at this time.

Particular weight is to be ascribed to his remarks incident to his dedications of post offices at some points, but notably, we contend, to his address before the annual meeting of the chamber of commerce at Winston-Salem.

This latter occasion gave him an audience before which he could touch impressively upon his views as to business and industrial situations in the United States, but more strategically as to what he thinks ought to be the relationship between business and Government.

The importance which we believe to be associated with these engagements of Mr. Farley in the South at this time, and to his Winston-Salem speech in particular, lies in the unquestioned fact that he remains very much of a possibility as the Democratic nominee for the Presidency in 1940.

There is a sense in which he may mount up to be the strongest candidate entering the nominating convention.

It is the sense in which he maintains such a powerful hold upon the machinery of the party.

None is warranted in denying his unique power at this point. As chairman of the national committee, he is awarded this advantage by the mere mechanics of his office.

It is his duty in such an official position to handle the political organizations of each of the States and, through them, on down to the smallest political subdivision of the government of this country.

By reason, therefore, of this assignment, Mr. Farley comes into direct, intimate, and influential touch with the political machinery of the party, with the most powerful leaders in the States and, only somewhat more remotely, with the most important leaders of the party in the smaller communities.

Not only, therefore, does he hold in his hands this potential delegate-strength in the national convention, but there is something else about him which is even more strategic.

Mr. Farley is uniquely popular with these influences within the party.

The public likes him and the men who officially work with and for him are manifestly devoted to him personally, and quite apart from their political attachments.

He has a magnetism that radiates from his speech and his presence, but no more so from these sources than from the simple strength of the man's morality and personal uprightness and integrity.

Those who speak of him even dispassionately admit his power at this point. His almost puritanic habits are such as to commend him to those who appreciate high-toned personal behaviorism.

And not only so, but Mr. Farley's further assets include his knowledge of the American people and of their government.

We doubt if there is any other man in the Nation who so singularly possesses within his own knowledge a cross-section of what are the thoughts of the public on problems of government, and so long as we confess that the human factor is the biggest problem

of government, we must likewise admit that the individual who has a mastery of knowledge of simple human problems and what the people themselves think and believe to be their problems, such an individual is in position to exercise a peculiarly wise and gifted sense of the solutions for a nation's political issues.

Mr. Farley's position in relation to the problems of American government at this time was touched upon in his Winston-Salem speech.

Notably intriguing were his remarks relating to what he believes should be the attitude of business and government.

Striking out strongly in defense of the profit motive and of the system of free enterprise, which lies centric to the basis of representative government—which, indeed, is the mudsill of the democratic concept—Mr. Farley would allow government only to occupy the status of an umpire and not of dictator or usurper.

This is refreshing and heartening.

And whether Mr. Farley manages to annex the nomination for President or not, he will do his party an invaluable service and his country an even greater and more permanent favor, if he will continue to use his powerful influence, in the convention, and everywhere else, toward magnifying this immutable truth and insisting that the American Government return to the simple role to which he ascribes its basic and ideal purpose.

Other phases of Mr. Farley's address were more than merely illuminating. They were frank, clear-cut, emphatic, and eloquent of that fundamental Americanism, back to which, in all of its rugged but effective simplicities, there comes clear and unequivocal call in these heavy and disturbed days in our national life.

Mr. Farley may, therefore, be kept constantly in mind by the American people as one whose influence in shaping the policies of his party will continue to be effective and intelligent.

He may not win the nomination for the Presidency, but his services have been too great, his devotion to Democratic principles too deep, and his influence too pervasive to think of him as being ignored at the next convention.

[From the Worcester (Mass.) Gazette of January 25, 1940]

#### MR. FARLEY STATES HIS VIEWS

If the speech James A. Farley delivered last night at Winston-Salem, N. C., could have been made a year ago, it might have passed largely unnoticed. The Postmaster General has been making addresses all over the country. Whenever a new post office was ready for dedication, he was pretty sure to be on hand with a few well-chosen words.

He went a little further, last night than he has gone before in defining his views on the proper relation of government to business. Yet a year ago this might have been taken as merely another voice from the administration promising peace and harmony for business.

No one today assumes that he is speaking for the New Deal or for the President. Mr. Farley is presenting nobody's views but his own. He is telling the country what he thinks about all this business baiting.

A possible key to his purpose was his introductory statement that he was going to avoid any reference to politics, but that this very fact would probably strike his hearers as "highly political." And that is precisely the way it does strike them.

As between the New Deal reformers of yesteryear and the hide-bound conservatives of the Democratic Party, Mr. Farley takes up his position carefully in the middle of the road. He is not an avowed candidate. But he is definitely freeing himself from the contaminating influence of the present administration. And, if the Democrats should find themselves in need of a compromise candidate, there he is.

[From the Sheboygan (Wis.) Press of January 25, 1940]

#### A REAL AMERICAN

Postmaster General James A. Farley, guest speaker before the Winston-Salem Chamber of Commerce last evening, drew tremendous applause when he placed his country above party if that day ever came for choosing.

His address was nonpartisan and his keynote was the Government acting in the position of an umpire, deciding questions involving the rights of the people, and always in the interest of a fair deal, calling fouls when fouls were committed, to the end that no injustice would be done.

Mr. Farley said he was a partisan in politics, but added:

"I want to make it clear that if at any time I am confronted with the issue of the welfare of my party, on the one hand, or the welfare of my country, on the other, that that issue has already been decided. I love my country better than I love the Democratic Party."

"It is my constant hope that I will never be confronted with such an issue; but if it should come in this hour of international chaos, I owe too much to America to sacrifice my first loyalty upon the altar of party expediency or party fealty."

Those are the sentiments that have dominated our men in public life and which have contributed so much in building a stronger and enduring America. We are proud of "Jim" Farley because he represents the best in American citizenship, and God and country are his first concern. Nothing else matters. Upon a foundation like that we can go forth to further heights.

[From the New York Times of January 26, 1940]

WORDS LEFT UNSAID?

A good many things can be and are being read between the lines of Mr. Farley's pleasant talk before the chamber of commerce at Winston-Salem. Perhaps he intended to put them there. If so, he will no doubt bring them more plainly into view when he believes that the time is ripe to discuss them.

Meanwhile it is not necessary to read between the lines of the Winston-Salem talk in order to find in it much common sense and sound advice. In these categories fall Mr. Farley's repudiation of "the theory that government and business are naturally arranged in hostile camps"; his advice to government to risk no measures that threaten "to stifle private initiative and abolish fair prospects of profit"; his advice to business to recognize "the legal validity of the status and the moral rights of the worker, the reasonable wisdom of a just participation of labor in the fruits of its service."

One passage in the speech has drawn particular attention: "I want to make it clear that if at any time I am confronted with the issue of the welfare of my party, on the one hand, and the welfare of my country, on the other, that that issue has already been decided; I love my country better than I love the Democratic Party." The immediate implications of this statement may be somewhat cryptic, so far as 1940 is concerned. But no first-hand friend of Mr. Farley can doubt that in a real test for him between party and country his Democracy, fervid though it is, would come off second best.

### The National Health Bill

#### EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an able address delivered by the junior Senator from Montana [Mr. MURRAY] at a joint session of the American Statistical Association and the American Association for Labor Legislation, at Philadelphia, Pa., on December 29, 1939, in regard to the legislative position of the national health bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is altogether fitting that the members of your two associations should be reviewing and discussing legislation for health security. The American Statistical Association represents statesmanship, as well as scholarship and technical expertness, in all the fields of statistical knowledge. The American Association for Labor Legislation has for a long time furnished strong and effective leadership in the promotion of progressive legislation in the interest of labor groups. The two associations embrace knowledge and action, the twin bases for progress. You should have much to contribute which should be of permanent value to the health of the Nation.

At a time like the present, when a large part of the world is convulsed in the agonies and disruptions of war and international dissension, there is a tendency in some quarters to forget or to relegate to the background many of the vital problems which confront us on our own domestic scene. There is much loose talk today to the effect that our domestic program for the solution of social and economic problems is "on ice" for the duration of the war. This, in my judgment, is an irresponsible attitude.

No sensible person can ignore world conditions and their effects upon our own lives. Yet no responsible citizen should seriously propose to disregard our own problems or sanction or encourage any reduction in our own efforts to strengthen and extend the welfare of our own people. The greatest problem of our country—it is second to none—is to make our democracy strong, efficient, and effective. At this time, when the lamps of civilization are burning low in Europe and in other parts of the world, it is our special duty to undertake to make them burn brighter and clearer in the United States. Thus only can we preserve our American system of government.

Democracy is being challenged on all sides. Our answer to that challenge is a renewed determination to make our democracy an even stronger instrument for peace, for defense of liberty, and for the health and happiness of our people. To these ends we must look to the needs of our citizens and we must encourage constructive efforts to advance human welfare. The health of the Nation cannot be viewed apart from other important characteristics of national life. Just as health is a basic need for all other pursuits, so also it is a result of many other conditions.

Yet, to the extent that public health, medical science, and administrative skill provide special and direct methods of dealing with health needs, a program for national health need not wait on the solution of other major problems. We can reduce a worker's exposure to silica dust and thus protect him from contracting silicosis, even if we cannot yet assure him full employment, adequate compensation, and economic security. We can make possible the draining of malarial swamps, the conservation of great water resources, and the establishment of many sound practices in agricultural economics, even if we cannot yet solve all the problems of agricultural production, distribution, and prices. We can build and staff hospitals and health centers and make them available to communities lacking in such facilities, even if we cannot yet solve all the pressing domestic problems which contribute to unemployment, poverty, and human distress. Modern medical service means something totally different than the medical practice of past decades. No longer can an individual doctor give complete medical service to his patients. Modern practice is group practice. We can bring together doctors and patients and we can provide for more effective distribution of health services, even if we cannot yet solve all the vital economic problems of production and distribution which leave large portions of our population insufficiently provided with the necessities of life.

The national health bill (S. 1620) now before the United States Senate is a comprehensive proposal to establish a health program for the Nation. Indeed, it is probably no exaggeration to say that the program which this bill proposes to establish could contribute greatly to the health and welfare of the entire population. It is therefore one of the most important subjects under consideration by the Congress.

The national health bill (S. 1620) was introduced on February 28, 1939, by my able colleague, Senator ROBERT F. WAGNER, of New York, whose long association with liberal and progressive programs has made him a distinguished national figure. Behind this bill, its objectives, and its provisions, there is a long history of investigations and conferences. Many of you are acquainted with much of this background. I need only remind you of the most recent events.

The Committee on Economic Security, appointed by President Roosevelt in 1934, developed the outlines of a health program as part of a general plan for economic and social security. Some parts of that health program were adopted in 1935, and they were embodied in the Social Security Act as titles V and VI, providing Federal grants to States for maternal and child welfare and for public-health work. Other parts of that program—dealing with medical care, the construction of needed hospitals and other health facilities, and compensation of disabled workers—were reserved for further study.

The President's Interdepartmental Committee to Coordinate Health and Welfare Activities resumed the health studies, and in 1938 made public the national health program which had been developed by its technical subcommittee on medical care. As many of you know, this report was very favorably received at the National Health Conference in July 1938, where it was considered by a large and representative public gathering. Subsequently the program was explored in some detail with lay and professional groups and it was transmitted to the Congress by the President with his message of January 23, 1939, accompanied by a report of the Interdepartmental Committee.

Senator WAGNER's bill was introduced shortly thereafter. It was referred to the Committee on Education and Labor, which created a special subcommittee, of which I am chairman, to handle this bill. The subcommittee conducted public hearings between April and July 1939, in the course of which it accumulated an exhaustive record of evidence demonstrating the need for the national health program, and the opinions of many representatives from various groups, both lay and professional, concerning the bill.

I will not undertake to review at this time the record of existing conditions which have led many leaders of the country to propose a new health program for the Nation. These have been stated in sufficient detail in the reports of the technical committee and of the interdepartmental committee; they are embodied in the hearings and are summarized in the preliminary report which I made to the Senate on August 4, 1939, on behalf of the Committee on Education and Labor.

A large mass of evidence which has been presented before this committee shows convincingly that there is a great need and a great opportunity to improve health conditions in this country, to reduce the toll of pain and suffering, to lessen disease and premature death, and to greatly diminish the public and private burdens created by preventable sickness and disability. These opportunities exist notwithstanding the fact that health conditions have been steadily improving.

Our general death rate has been declining; the deaths from tuberculosis, diphtheria, and other diseases have been greatly reduced; infant mortality has been cut to nearly half of what it was about 25 years ago; and other great accomplishments have been achieved.

While all this, and more, redounds to the credit of public and private efforts which have been made to improve the Nation's health, urgent needs still exist and large opportunities are still ahead.

It is necessary to consider not only present achievements but what can be done—what it is possible to do with the resources at our command. It is well known that the prevalence of disease and the length of life are related to economic status. Because of this country's relatively high standard of living it is to be expected that our sickness and death rates should compare very favorably with those



of other countries. While death rates were lower last year than ever before, this is no reason for failing to strive for further improvement, since the same statement could have been made concerning the rates of 5, 10, or 30 years ago.

However good our accomplishments, compared with those of other countries or those of our own past, it is nevertheless true that the conditions of health in this country could be and should be very much better than they are. We are convinced, from the testimony presented before us, that if existing medical knowledge and skills were adequately marshaled and put to work the prevalence of disease and disability could be greatly lessened, tens of thousands of deaths annually could be prevented, the average expectation of life could be appreciably increased, and our people could be rendered healthier, happier, and more productive.

The opportunities for improvement in health conditions become evident when we look beneath the surface of national death and sickness rates, and consider the rates for particular localities or groups in our population. Then it becomes apparent that these average rates, which may be highly encouraging, obscure rates for particular communities, population groups, or diseases which are disgracefully high. We then find how much less we are doing than we are capable of doing; how much suffering, disability, and premature death persists which obviously could be prevented by known and applicable methods. If to accomplish these ends is a good, sound national investment, why should we delay?

The purpose and objective of S. 1620 is to aid the States in improving health conditions and services in the United States and in establishing systems of insurance against wage loss from temporary disability.

This bill does not propose a new departure or a new type of activity for the Federal Government. Participation in health services by the Federal Government is as old as the Nation itself. Federal cooperation with the States in safeguarding health and strengthening State and local health services has an unbroken history of 150 years. The bill before us proposes only to lay out a long-range and systematic program as a basis for carrying on old and traditional activities in a sound and efficient manner.

Disease germs and the economic effects of sickness do not respect State lines. The opportunities for the spread of disease are increased by modern methods of transportation and by the mobility of population. The citizens of one State cannot be safe from communicable disease so long as such disease prevails among the citizens of other States. We recognize all these principles in regard to our national livestock and agricultural industries. One State cannot stamp out tuberculosis among its people unless the disease is also stamped out in neighboring States. One State cannot meet all the costs of improved health services and cannot protect itself against the burdens of dependency caused by sickness, disability, or premature death unless other States also participate in a common effort against disease. But together, and with the aid of the Federal Government, an effective and concerted war can be waged against disease. Such an investment would pay dividends to the States and to the Nation.

The Federal Government is now providing aid to the States for a variety of purposes having to do with the general welfare and with health. Grants to the States are now being made for the provision of assistance to the needy aged, dependent children, and blind, for vocational rehabilitation, for the strengthening and developing of public health and maternal and child-health and welfare services, for the provision of health services to crippled children, and for the control of venereal diseases. There are as strong reasons for Federal assistance, financial and technical, to the States for health services as for any other objective of social endeavor.

A national health program is not merely an emergency program, any more than the health problems of today are emergency problems. On the contrary, a sound health program must deal with a problem of large magnitude. It is a problem which can be solved only by years of sustained effort. The accumulated neglects of many years must be overcome and careful plans must be laid to wage a ceaseless and unremitting war against disease.

We are spending about three and a quarter billion dollars or more each year for health services and medical care. Our workers probably lose over a billion dollars a year in wages that are unearned because of disability. Premature death of wage earners brings losses in our human capital which have been authoritatively estimated as amounting to over \$5,000,000,000 a year. Altogether, sickness and disability levies upon the national economy a toll, in costs and losses, of something like \$10,000,000,000 a year.

As a result of these costs and losses there is a staggering public burden for dependency and relief. One State alone expends \$22,000,000 per year for home relief of families made dependent by illness of the breadwinner.

The public hearings on S. 1620 held by our committee provided an opportunity for us to be furnished a large volume of information and to hear the opinions of groups and individuals interested in health services and in the public welfare. The committee cannot fail to be greatly impressed by the large number of highly responsible organizations and agencies whose representatives testified in support of the bill and urged action by the Federal Government.

These public hearings have shown that there is broad and substantial support in this country now for Federal legislation to strengthen, extend, and improve the health services of our people. Scarcely a witness raised objection against the objectives of the

bill, although representatives of some organizations presented serious criticisms. These criticisms, in the main, resulted from a misconception of the real provisions of the bill.

This national health bill simply proposes to implement the national health program by building upon the framework of health services already constructed under the Social Security Act. To that end it merely amends several titles of the act, to enlarge and broaden their scope, and adds three new titles. There would then result the outlines of a general program, with five principal elements:

- (1) Maternal, infant, and child health and welfare services;
- (2) General public health services;
- (3) Construction of needed hospitals and related facilities;
- (4) General medical care; and
- (5) Compensation for disability wage loss.

S. 1620 offers the basis for a balanced, long-range program.

In its general pattern, S. 1620 undertakes to develop the national health program primarily through the method of Federal grants-in-aid to the States. Thus it follows closely the basic pattern of the Social Security Act. This pattern tends to give great latitude to the States in the development of their own plans. The last 4 years' experience shows that such a pattern is flexible and adjustable to the different needs which exist in the States, though it has some weaknesses evident in the diversity and in the inadequacies of some State plans and in the inability of the poorer States to meet the uniform matching of funds required alike of the poor States and the rich States.

There is only one part of the Social Security Act which is wholly Federal; that is the system of old-age insurance. I pointed out in our preliminary report that this has a direct bearing upon the health bill in connection with the proposals for disability insurance. The health bill proposed Federal grants-in-aid to the States which develop systems of temporary disability insurance. The bill did not deal directly with insurance against permanent disability, because it was intended that insurance for those who are permanently disabled should be part of the Federal old-age insurance. An independent amendment to this effect was introduced in connection with other amendments to old-age insurance, but permanent disability insurance benefits were not adopted at the last session of Congress. Accordingly, I reported that when our subcommittee resumes the study of the health bill, it will have to consider whether permanent disability insurance should be taken under consideration at the same time when we study temporary disability insurance.

In the preliminary report to the Senate I pointed out that S. 1620 has received wide support from large and representative organizations. Its objectives are noncontroversial. However, the importance and complexity of the program requires that it shall be worked out with great care. The committee had not had adequate time to make an exhaustive study of all of the problems involved in this proposed legislation. It therefore promised to continue its study of the bill so that a definitive report could be submitted soon after the beginning of the next session of Congress.

In order to expedite further study of the bill, I submitted a carefully prepared summary of the bill itself and of 12 of the most important problems raised in the hearings, these being questions on which differences of opinion had developed or topics which required special further study. These special items included such subjects as: The formula on which Federal grants would be made to the States; the methods of adjusting the grants to the financial needs of the States; the income limits of the populations which may be aided under the bill; the need for special provisions to support or encourage medical education, research, and health education of the public; the coordination of administration at both the Federal and State levels; the protection of minority population groups against unfair discrimination in any health plans developed under this program; limitations on the freedom of each State to determine the scope of services or the eligibility of practitioners under State plans; cooperation between official and nonofficial health agencies; safeguards to assure the construction only of needed hospitals; and assurances that nongovernmental hospital and other facilities would be utilized effectively under State plans. I review this list in order to call to your attention the scope and the complexity of the problems which still remained before our committee after the public hearings were completed.

These special problems raise questions of different kinds. In some instances, we are confronted with highly technical subjects in which we must be guided by experts of one type or another. This is inevitable in a program which is designed to deal in a comprehensive way with different kinds of needs in highly diverse communities. In other instances, we are dealing with misunderstandings rather than with real problems. In most instances, these questions can be resolved by comparatively simple amendments to the bill.

In the preliminary report I gave special attention to the problem of industrial health and safety hazards. There can be no doubt that the activities of the Federal and State Governments need to be greatly expanded and strengthened so that the health of industrial workers may be better safeguarded and improved. If we needed any new reminder of the terrible plight of workers exposed to dangerous dusts, fumes, vapors, etc., and living under insanitary conditions, we should find it in the recent report on Living, Working, and Health Conditions in the Tri-State Mining Area (Missouri, Oklahoma, and Kansas). I am personally ac-

quainted with silicosis problems in my own State of Montana. Furthermore, there is serious need to strengthen the administration of workmen's compensation laws in the States. To these ends we have been giving careful consideration to the proposal made to our committee that an additional title be added to the bill. Under this title, while strengthening the industrial hygiene activities of health agencies, it is proposed that Federal grants-in-aid be made available to the States, through the Department of Labor, to assist the States in the control of working conditions and practices involving health and safety hazards in industrial establishments, and in the administration of workmen's compensation laws. There would, of course, need to be coordination at the Federal and State level among the health, labor, social insurance, and related agencies. Such coordination can, of course, be worked out. Developments along these lines could give a new and strong stimulus to industrial hygiene activities on a practical scale. This offers one of the important opportunities for the improvement of national health.

Thus, the specific amendment of the bill still lies ahead, but I believe that soon after Congress convenes our committee will undertake the job of preparing an amended bill in a hopeful and optimistic spirit.

In bringing you up to date on the legislative position of S. 1620, I must refer not only to the problems and issues which I summarized in August but also to some more recent developments.

We have, for example, reviewed the recommendations recently published by the American Youth Commission of the American Council of Education, calling attention to the special health needs of the youth of the Nation. It is gratifying to find that these recommendations are amply anticipated and met by the provisions of the bill.

Two of the great labor organizations of this country, namely, the American Federation of Labor and the Congress of Industrial Organizations, recently enacted resolutions at their annual conventions in which they emphasize their preference for national rather than State social-insurance systems to protect wage earners against the costs of medical care and against loss of earnings because of disability. There is obviously much to be said in support of their recommendations and these must be given very careful consideration. We recognize that the development of the insurance parts of the health program on a Federal basis presents some complex and knotty administrative questions which require further study by the technical experts as well as by Members of Congress.

Many welfare administrators in the States and localities, as well as other persons, have repeatedly called attention to the health and medical problems of needy people. In many places the deficiencies of medical care are quite acute for people who are already being assisted for their food, shelter, and clothing through funds provided under the Social Security Act or through the general relief programs of States and localities. A serious question has been raised whether the Federal Government should make special provision to help the States in providing medical care for these needy persons through the health bill or whether this problem should be met by amendment of the public-assistance titles of the Social Security Act.

Medical assistance for needy persons would meet an obvious objective. It cannot, however, be considered as a substitute for a program to meet the medical needs of many millions of self-supporting people. We have had ample testimony showing that wage earners, farmers, agricultural workers, and people who run their own small business do not wish to obtain the medical care they need on a charity or on a relief basis. Millions of these people who are self-supporting for all the other necessities of life find themselves unable to pay their way when they are faced with serious illness or expensive medical or hospital care. These people who do not have to take a "means test" for anything else do not want to take a "means test" for health services. Medical assistance is no sound answer to their problem. A sound plan would make medical care available to them on a basis which they can accept as self-respecting.

There are various groups of people who have expressed dissatisfaction with the general medical care program embodied in title XIII of the health bill. Even some of those who believe that medical care insurance should be developed on a State basis would prefer to see this title divided so that some parts would deal with medical assistance for needy people and other parts would provide specifically for medical care insurance programs, with appropriate standards and safeguards explicitly stated in the bill. If the medical care programs for self-supporting people should be developed on a national basis, it is possible that the Federal-State program of title XIII should be restricted to the needy.

Many of you know that the health bill received endorsement from many important organizations, representing citizens in all walks of life. These endorsements included not only labor, consumer, civic, welfare, public health, and other groups, but also many special professional groups. The American Medical Association and some other professional associations endorsed the general objectives of the bill, but expressed various reservations as to the specific proposals or the details.

Recently, the American Medical Association published an eight-point platform which has a direct bearing upon the problems before our committee considering the health bill. That association advocates: The establishment of a unified Federal agency coordinating and administering all medical and health functions of the Federal

Government, exclusive of those of the Army and the Navy; the allotment of Federal funds on proof of need; local responsibility, local determination of needs, and local control of administration in health and medical services for the sick, for the prevention of disease and for the care of the indigent and the medically indigent; full utilization of qualified existing facilities; the continued development of the private practice of medicine, subject to such changes as may be necessary to maintain the quality and increase the availability of medical services; and the expansion of public health and medical services consistent with the American system of democracy.

It is gratifying that the broad principles and objectives expressed in this platform are in general agreement with the principles on which the health bill was drafted. Nor is this surprising; when the bill was being prepared the American Medical Association had already stated in considerable detail—in the resolutions adopted by its house of delegates in September 1938—its views on the proposals previously developed by the technical committee on medical care.

The only point at which the bill is clearly not in accord with the eight-point platform of the Association is on their first point, the establishment of a unified Federal agency embracing all medical and health functions of the Government except those of the Army and the Navy. This is obviously a counsel of perfection, which must be tempered by practical and realistic considerations. To carry out this proposal numerous and complex activities would have to be dislocated wholesale from other agencies of government with which they are now functionally coordinated. This would be greatly to the disadvantage of their efficiency. Otherwise I can see no basic disagreement between the platform of the American Medical Association and the objectives or the provisions of the bill. There may be some minor differences of detail, but it should not be difficult to iron these out. I look forward to cooperative exploration of all such problems.

Whether all parts of the program can be worked out satisfactorily in the next few months, whether it should be enacted as a whole, or whether some of its parts should be given preference over others will receive careful consideration.

Last week the President himself suggested the advisability of a limited program, concentrating for the present on the construction of hospitals and health centers in communities where the need for such facilities is greatest. It is reported that this plan contemplates construction of hospitals by the Federal Government, wholly at its expense, where the need exists and where the locality is willing and able to maintain and operate the institution after it is built. I understand that the details of this plan have yet to be worked out and that it is being carefully studied by the interdepartmental committee. It is therefore premature to hazard opinions about its merits.

The health bill emphasized the need for constructing hospitals in certain areas. It also made provision for small temporary grants, disappearing after 3 years, to assist the communities in taking over financial responsibility for operation and maintenance. Grants-in-aid for hospital construction are proposed in the bill on a "variable grant" basis, the Federal grants ranging from 33½ percent for the wealthiest State to 66½ percent for the poorest State. It was intended that this formula should enable even the poorest area to participate substantially in the program. If this formula still gives too much to the wealthy States and too little to the poor States, there might be justification for spreading the range of variable grants still further. Under the public-health title of the present Social Security Act no matching of funds is required from the States. Our committee will carefully study any plan which may develop from the President's suggestion.

Thus, while there are both old and new questions still confronting us, we can happily report that much progress has been made in the development of health and disability legislation. It is now widely recognized that many fears which were expressed when the bill was first introduced are largely groundless. Some who at first thought that the bill proposes to bring about revolutionary or dangerous changes in medical care have found, as they have proceeded with the study of the bill, that these fears are largely unwarranted. Everyone is agreed on the objectives to make health services available to all our people; everyone wants these services maintained at and raised to the highest practical level; everyone wants sound relationships between doctor and patient; everyone wants to protect the integrity of health services; and everyone wants the worker protected against disability which brings loss of earnings and threatens security. I am confident that these objectives are attainable.

As we continue our work on the bill, we shall welcome further suggestions as to specific amendments which may safeguard the objectives of the bill and make its provisions surely practical. Medical science has reached a high state in this country. The bill should contain provisions which will encourage the further evolutionary development of medical science, teaching, and practice. It should contemplate proposals which will work toward the goal of making modern health services—preventive, diagnostic, and curative—available to all people in all walks of life. It should aid and encourage health safety in industry. Its provisions should be equally significant for the people living on farms and in villages as for those who live in the cities. It should not only maintain but encourage the partnership of effort between the Federal Government and the States and localities in the continuous improvement of health and the advancement of security.



## Jewish Congress at Detroit

## EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS OF HON. PRENTISS M. BROWN, OF MICHIGAN

Mr. BROWN. Mr. President, I ask unanimous consent that an address delivered by me to the Jewish Congress at Detroit on Sunday, February 4, 1940, may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies and gentlemen, from the dawn of recorded history down to the present day the peoples of the world have been engaged in bitter struggle. War is, of course, a most newsworthy fact. Historians as well as newspaper reporters lay great emphasis upon the spectacular, and war is spectacular. Perhaps the picture is somewhat overdrawn, but, nevertheless, the history of the human race is a history of internal and external violence. War, not peace, has prevailed in this world of ours.

In the days of my youth, when we contemplated the period of peace between the end of the Franco-Prussian War and the beginning of the twentieth century, we who were in school and college thought that perhaps the era of struggle was coming to an end. But, Mr. Chairman, the first half of the twentieth century is probably the bloodiest in history. The promise of the late years of the nineteenth century has not been borne out. America, in this century, has not been the scene of war. The one in which we participated was, thank God, away from our shores and beyond our realm, but we were finally drawn into the greatest struggle in history and played a part in its final years. It is our most heartfelt hope that we may avoid embroilment in the present struggle.

But the present wars are more widespread than the last World War. Then it was confined to the east, west, and south borders of the Central Powers; now it has spread to the north, before untouched. The great struggle in China involves more than a half billion people, over a quarter of the entire population of the world. It has not, like the last, affected as many nations, but many more people are closely involved, subject to war's horror and the civilian population who actually feel the hot and destructive breath of the war monster, is many times that in the last war.

I think that if you will search deeply, you will find that mankind in general will suffer almost any kind of enslavement other than enslavement of the mind. I think you will find also that from the days of the holy wars of the crusades, down to the present struggle in Europe, that intolerance, the desire to impose the thoughts and beliefs of a more powerful and numerous people upon the less powerful, the minority, is still the deep underlying cause of war. I said a moment ago that man would accept almost any yoke of service. He will willingly obey the laws which impose restrictions upon his right to do business, such, for example, as tariffs, trade limitation, and regulation; on his mode of living, such as the type of house he may build in a certain locality, the speed at which he will drive his automobile, and even the number of hours that he will work and the minimum rates of his pay. He will assent to the public demand that his children obtain a minimum of schooling in schools of his own choice. In short, he will accept the restraints that civilization requires. All of these restrictions on personal liberty we generally recognize as being necessary to our peaceful living together.

But, Mr. Chairman, the most important thing in our lives is our individual theory of morality, our ideas of the future, our religion, our worship, particularly the course that we should take in life to assure as nearly as we each think we can, what will happen to us after we leave it. The answer to the famous Jew, the Psalmist, who asked, "Lord, who shall abide in Thy tabernacle—who shall dwell in Thy holy hill?" is one that each for himself must make. In this realm, the God of us all has placed in each of us an unquenchable determination that he shall think his own thoughts, live his own life of worship, and attach himself to the religion of his choice. When men interfere with this phase of our natures, no matter what the cause, we humans rebel at restriction. There is also a desire on the part of mankind to impose, persuade others to their favored viewpoint, and that desire carried to extremity, is in my judgment, the chief cause of world unrest, of world war.

The converse of this is the denial of the right to worship, to the exercise of religion, of the right to believe according to the natural processes of thought of each individual. Search of the beginnings of the present holocaust in Europe and you will find it was first exhibited in the persecution of your brothers by the German ruler in the early days, a persecution that has continued unabated to the present hour. It was the spirit of intolerance, denial of freedom of thought and worship.

If wars were carried on today in the twentieth century as they were carried on in the nineteenth century and preceding centuries,

there would not be the suffering that we have today. Then armies fought as representatives of nations. Today, the entire populace is involved. The only civilian contacts with war in the old days were in those places through which the armies passed and in the few and usually remote localities where battles took place. Now the whole population of a nation is in fear of air raids. Where once men looked upward to the skies for peace, now it is filled with the hellions of destruction. Peaceful travelers are the targets of undersea assassins. Neutral ships and the property of citizens of neutral nations are destroyed without hesitation and without discrimination. In the eyes of the rulers of certain powers, every babe in the land is a combatant.

The Chinese philosopher Confucius is generally credited with the idea of the Golden Rule. Five thousand years of bloody history has not taught the peoples of the world the truth of the Golden Rule. At least we do not apply it. The excesses of the savage barbarian of the past came from an uncivilized, uneducated, untaught mind. He justified his savagery upon the ground of some strange belief, but the cold-blooded barbarian of today has been taught the tenets of religion. He knows of pity, tolerance, humanity, but he rejects them all. The savage of the past knew no better; the savage of today can plead no such immunity when he faces his Maker.

Mr. Chairman, many have painted for you the picture of the treatment of your race by the present misruler of Germany. I give you a brief summary, a factual summary of the suffering, the destruction, the butchery that has taken place: Since January of 1933 the Jewish population of the then Germany has been reduced from 500,000 to 180,000. About 250,000 have migrated and an unknown number of the remainder have succumbed. In 1933 the employed Jewish population of Germany was 51 percent of the total of all Jewish employables. Today only 16 percent are so employed. There are said to be 35,000 Jews in 3 concentration camps. During the month of November 1938, 463 synagogues were demolished. This was before the war, over a year ago.

In Austria, in March of 1938, there were 165,000 Jews. In September of 1939 there were 65,000. In 5 years over two-thirds of the Jews in Austria have either migrated or have been driven out. It is now announced that the Nazis intend to expel all Jews from Vienna at once. Economically speaking, there are no Jewish enterprises left in Austria. Out of 25,898, all have been liquidated or taken over.

Previous to the taking over of Czechoslovakia there were 356,000 Jews. I am reliably informed that this number has been reduced almost one-half; that the Jew is denied the right to engage in all professions and many occupations; that in Slovakia the Nazi representative, Premier Tiso, announces that Jewish property reverts to the Government upon the death of the owners.

It is impossible to keep up to date with Nazi persecution in Poland. At the outbreak of the war there were 2,000,000 Jews in the German-occupied area. It is estimated that about one-quarter million have died, 25,000 were executed, and 2,500 committed suicide. One estimate states that less than one and one-half million have survived out of the former population of 2,000,000. The *Essen National Zeitung*, a German publication, says that the Nazis have liquidated 87 percent of the workshops and 83 percent of the stores owned by Jews. Agricultural property has been confiscated. Funds remaining in the hands of individuals or Jewish institutions have been, in effect, confiscated. I could go on giving you details of petty persecution, of execution, of suicide, and the general terrorism, but I know that you have full knowledge of all of these things. I summarize without the gruesome but truthful details in a few lines from a weekly news magazine: "Since Adolf Hitler's inspection of bomb-shattered Warsaw last October, German-occupied Poland has been verboten to neutral correspondents. Only the meagerest details of how 19,000,000 people were faring at the hands of their new Nazi masters filtered through the news black-out to the outside world. The woeful experiences of escaped refugees, occasional off-the-record reportings of neutral consular agents, revelations of the Nazis themselves, have generally added up to the same thing: The Germans have methodically looted the land of grain, foodstuffs, cattle, butter, swine, horses. Jewish and Polish property has been confiscated indiscriminately. Vast concentration camps have been set up and at least 300,000 young Poles, many of them former soldiers in the Polish Army, have been conscripted for labor in the Reich. Jews have been forced to wear identifying clothing (generally yellow arm bands) and are largely confined to ghettos. Thousands of Jews, not only from former Polish provinces but also from Bohemia, Germany, Austria, have been dumped unceremoniously, with little food, clothing, or money, into a small, not yet defined enclave around Lublin, southeast of Warsaw. Famine, disease, and epidemic threaten the territory."

I cannot understand the type of mind that permits these things to be done, nay, that directs the hand that does it. I cannot understand the inhuman attitude toward the Jew. In every nation in which your people have been accorded a degree of tolerance, they have rapidly forged to the front, be it in government, in law, in finance, in charity, in religion. That may be the reason for it. I am most familiar with the achievements of members of the Jewish race in the law. I think the most brilliant advocate of my time was the great New Yorker, Samuel Untermyer, and I recall Chicago's great legal light, the famous Levi Meyer, and in our own Detroit, the Butzel family, one of whom sits on the highest court in our State, and many others. When the history of the Supreme Court of the United States is written none will eclipse Brandeis, whom I consider the greatest judge of the present day.

In science you have produced Einstein and many others. In politics many, headed at the present time by the solid, substantial Morgenthau, the Secretary of the Treasury; Governor Lehman; Governor Horner. In charity, Strauss and many others in the metropolitan center of New York. I well recall the great prominence that David A. Brown achieved, and his success in carrying on the drives for charity in the city of Detroit. In religion we admire the leadership in the Nation of Rabbi Stephen S. Wise and your own Leo M. Franklin in the city of Detroit. In finance the accomplishments of your race have been most remarkable, some heading the greatest of our financial institutions. I know of no line of endeavor where you have not proven yourselves to be fully adequate to your responsibility.

I cannot understand intolerance. I do not believe that I have an ounce in me. You know that the great Catholic Church has been the object of intolerance on the part of many. You know that attempts have been made to prevent her from educating her own children. My earliest political effort was my resistance to the so-called parochial-school amendment. My first national political convention was one in which I, a Methodist, voted constantly and continually for a great Catholic, Alfred E. Smith, of New York.

Mr. Chairman, we are now in a State which was carved out of a territory whose original basic organic law, the Ordinance of 1787, stated this great principle, that the Northwest Territory was founded for the purpose of "extending the fundamental principles of civil and religious liberty which form the basis whereon these republics, their laws, and constitutions are erected, to fix and establish those principles as the basis of all laws, constitutions, and governments which forever hereafter shall be formed in said territory."

The substance of that ideal is the fundamental law of Michigan today. And, Mr. Chairman, we live in a Nation whose Constitution provided in its first amendment, yea, in the first sentence of its first amendment, the following:

"Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof."

There have been violations of these cardinal principles in this land of ours. There have been in the past, and there are now, many movements contrary to these superb tenets of democracy, to these assurances of religious freedom, but in the main the great majority of our people when the tests came, when the issue was raised, stood by your religious liberty and mine.

I know that spirit pervades the Congress of the United States today. I know that it pervades the administration in Washington. Criticism has come to it because too many representatives of minority groups are in this administration. I would rather lean backward in my tolerance than forward in intolerance.

I am not among those who believe that the moral force of what I consider to be the prevailing public opinion of my country should not be used. I do not believe that neutrality implies that a citizen or a Member of Congress may not condemn aggression, cruelty, and modern barbarism when he finds it. And, Mr. Chairman, I have not hesitated to express my views concerning the actions of the present ruler of Germany. During the neutrality debate on the floor of the United States Senate, and subsequently over the radio, I said:

"American public sentiment is against Germany in this war because the ruler of the German people has seized and throttled democratic government in Germany and has reorganized a powerful nation apparently for the purpose of dominating Europe. Our sentiment has risen against him because he has cruelly persecuted a Jewish minority; because he has endeavored to break down religion, attempted to throttle the great Christian Church in Germany, Catholic and Protestant alike; because he has mercilessly bombed Polish cities and slaughtered Polish citizens without just cause; because he has devoured the democratic countries to the south of Germany, such as Austria and Czechoslovakia against their will. I think no military master or ruler in history has gone as far as he has. He aspires not only to one-man rule, but he names his successor. Even the absolute monarch claimed no such power; he was bound by the laws of legitimate inheritance and succession. But Hitler names his successor and his successor's successor. But we condemn him most because he has plunged an unwilling world into war, unleashed the most contagious passion known to man, and menaced my sons and yours. This and much more is the reason for the dominant anti-Nazi sentiment of America today."

And, Mr. Chairman, we view the nefarious doctrines of the present Government of Russia in much the same way. The present wave of sentiment for the heroic Finn in his defense of his homeland is due in part to our aversion for the principle of communistic Russia. Much of my own legislative effort for the past month is to get Finland such aid as I can, within the bounds of our neutrality, in her battle for national life. Our great Nation must be and will be neutral in act, but we cannot all be neutral in thought.

There still swells within our breasts the love of human freedom, sympathy for the oppressed. We cannot view the spectacle of a brutal foe, outnumbering his intended victims 50 to 1, in an unprovoked attack on a peaceful nation without emotion. Those who love liberty need not be silent.

The views and the attitude of this mighty Nation of the western world are important to the peoples of Europe. No matter how much they may rail at us over our commercialism, they know that in the last war we asked nothing and received nothing; that we expended tremendous amounts of money, of resources, of men. They know all this stands upon our ledgers in red, as a great loss; that the

prevailing opinion is that our effort was in vain; but the people of Germany, the people of Russia, know that our great President, Woodrow Wilson, struggled for a just peace; that probably due to the suffering of the Belgians and the French, to the destruction caused by the Germany Army, vengeance rather than justice dictated the terms of the peace treaty, which was an unfortunate one for the world.

The thinking people of the Central Powers know that the public opinion of this Nation, not only because of its morality but because of its tremendous power, can be and is a potent force in the world. I favor the use of that American public opinion in condemnation of the course that the German ruler has taken in his treatment of the civilian populations which he has subjugated and cruelly mistreated, and, though that public opinion will not affect him nor the servile sycophants around him, it will ultimately affect the people of Germany. And that public opinion will be a tremendous factor in shaping for the world a course which all men of good will hope will see the end of this half century of war.

Let no man misunderstand me. Much as we condemn those for the moment—and I hope it is a brief one—who control the Governments of Germany and Russia; much as we sympathize with their innocent victims, there is nothing we can or should do, in my considered judgment, by military action. I look for their complete defeat. I look for the ultimate rise of their own people against these cruel masters of the moment. Our course as citizens is the expression of our abhorrence and such aid as we can in our charity give. I approve the eloquent words of a recent editorial in a Detroit newspaper:

"The German experience must have gone far to confirm the fact, accepted in this country for 200 years, that religion is safe only where there is democracy. Only democracy can assure that respect for the worth and dignity of the individual human being which is the basis of all freedom, including religious freedom."

The greatest service we in America can now perform is to maintain this Nation now and in the future as it has been maintained in the past an example to the world that a solid, substantial, and permanent government can exist with liberty of worship and individual freedom for all its people.

That is our mission. To follow that example is the one hope of this war-torn world.

## Hospital and Sanitation Needs

### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, AND EDITORIAL FROM THE NEW YORK TIMES

Mr. MEAD. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered by me last evening over the Mutual Broadcasting System, concerning problems associated with hospital and sanitation needs, together with an editorial from the New York Times of January 31, 1940, on the same subject.

There being no objection, the address and editorial were ordered to be printed in the RECORD, as follows:

Tonight I wish to discuss with you some of the problems associated with our hospital and sanitation needs.

Last week I presented a bill in the Senate which proposes a rather large construction program aimed at the eventual fulfillment of these needs.

Any proposal of this type is bound to attract some criticism, especially in these days when we are seeking to reduce government costs.

However, neither at this time nor in the future can we afford to neglect the health of our people.

My bill provides a modest approach to the protection and improvement of the Nation's health. That is why I believe you will be interested in what I am trying to accomplish.

To grasp this subject we must remember that in the pioneering of this great country, communities sprang up almost overnight.

The trend was ever westward.

As towns and villages began to dot the map and to expand there was little or no long-range planning.

An adequate water supply, of course, was always an essential; but less attention was paid to sewage disposal, to hospitalization, and to kindred health and sanitation requirements.

It was natural, therefore, that as time went on, improper sewage disposal should result in polluted rivers and lakes which, in turn, brought on disease that at times reached the proportions of epidemics.



It was not until shortly after the Civil War that the country at large realized the lack of adequate and necessary facilities for safeguarding the public health.

This gave rise to the creation of sanitation boards, planning commissions, and other bodies by States and local governments, to combat these alarming conditions.

While great strides were made in the protection of the public health, by the turn of the century we were inundated with a vast army of new citizens.

America was growing by leaps and bounds.

Cities numbering into the millions developed and with them developed even graver sanitation needs.

We are still growing in population and the construction of adequate, modern hospitals, water-supply systems, and sewer facilities has not been able to keep pace with our growth.

Complicating this problem came the economic tailspin of 1929.

The depression crimped all lines of endeavor and the public health suffered proportionately.

A sharp curtailment of construction took place.

The depression took its toll in health as problems of substandard housing, malnutrition, and reduced standards of living asserted themselves.

Our existing hospitals took on added burdens. In many instances entire water systems or sewage-disposal systems of communities were condemned.

Expenditures for hospital construction by 1933 were at an incredibly low level.

The Public Works Administration, set up to offer financial assistance to local bodies in the national emergency, met a portion of the public need by providing funds for over 1,700 hospital projects, involving the construction of over 2,000 buildings with accommodations for 107,000 patients.

The Public Works Administration has been immeasurably helpful to suffering communities during the 6½ years of its existence but now it is being liquidated, therefore a new attack must be made on this problem.

There is a vast amount yet to be accomplished and it is to this task that my bill applies itself.

In 1938, President Roosevelt called attention to health requirements of the Nation. At that time his National Health Conference, after a Nation-wide health survey, reported that an estimated normal increase in hospital beds should be 25,000 a year.

Again, in January 1939, the President expressed to the Nation his concern over national health services and resources.

Then, just a week ago, he again emphasized the immediate and pressing need for the provision of hospitals, particularly in financially distressed areas.

Public-health officials and private medical experts have again and again cited the needs that exist for more adequate and more up-to-date health facilities.

And so we see that this is not a theoretical problem; it is an extremely real problem. We have no more precious stake in our Nation than the health of our people.

The President has carefully and dramatically explained the needs for hospital facilities in financially depressed sections of the country. No one has taken issue with his judgment on this subject. I thoroughly agree with the proposal he suggests.

But I am likewise concerned with the problem of health on a wider scale.

Allied to the ever-increasing demand for hospital facilities is the need for adequate water-supply systems. It is estimated that approximately 35 percent of suburban and rural communities in the Nation are in genuine need of additional or improved water-supply systems. We must not blind ourselves to this widespread need.

Sewage disposal plants and sewer lines constitute absolute necessities to every community. If funds at reasonable rates were available from any source, hundreds of cities and villages would go ahead with construction of new and improved projects of this type.

The elimination and reduction of stream pollution has likewise become a paramount need throughout the country.

Aside from the disease epidemics that result from such pollution, there are practical reasons why such conditions demand to be corrected or eliminated. The wholesale destruction of fish has resulted in many places, bringing pangs to the hearts of sportsmen and depletion to our fish supply.

Since I introduced my bill to provide loans for the construction of facilities to meet these needs, I have received a great many letters from all over the country inquiring into its details.

Before I conclude, therefore, I wish to briefly explain its provisions.

I would emphasize right here that this plan in no manner conflicts with the President's recommendations, nor with those of the Public Health Service; this is a supplementary proposal to those recommendations—one which, in my opinion, commends itself as meeting the existing requirements of hundreds of our communities.

I am proposing that the Federal Works Agency be authorized to make loans, 100 percent loans—no grants, for the construction, equipment, repair, alteration, extension, and improvement of hospitals, water and sewage systems, and remedial works for the reduction of pollution in our rivers and creeks.

In some few cases it might be advisable to amortize such loans over a very long period. Therefore, I have indicated a ceiling of 50 years for the maturity of these loans. I have stipulated that a 2 percent interest rate be charged and that \$300,000,000 be provided for the purpose. One-third of this sum is definitely earmarked for hospital construction.

Hospital loans will be made available to public bodies and to private nonprofit organizations. This means that privately owned, nonprofit institutions, operated by religious, fraternal, and educational organizations, heretofore denied Federal Public Works assistance, will benefit under the provisions of this measure.

Important to bear in mind is the fact that these loans will be repaid to the United States Treasury. They will involve no permanent financial burden on the Government. They will assist communities and nonprofit organizations in the construction of permanent, self-liquidating, essential projects.

While I have not discussed this proposed program as it would affect our economy and the unemployment problem, that, of course, is a natural outgrowth.

Such a program would provide many jobs in both the skilled and unskilled fields. It would serve to stimulate increased activity in the heavy, durable goods industries.

In view of the liquidation of the P. W. A., and the curtailment of relief funds, this program would serve as a partial cushion for the shock that is bound to result from abrupt reductions in public employment.

This plan dovetails into other suggestions that are being advanced to promote the public health.

There is a widespread demand for essential projects of this nature. We cannot afford to neglect the Nation's health—if we do, we are all bound to suffer in the future.

This is an appropriate time to apply ourselves to a practical, inexpensive solution of this problem.

A strong, healthy, vigorous race is our Nation's supreme defense.

[From the New York Times of January 31, 1940]

#### THE PRESIDENT'S HOSPITALS

There can be little doubt that Congress will approve the President's request for an appropriation of \$7,500,000 to \$10,000,000 for the construction of some 50 experimental hospitals in regions where populations are poorest and medical care is hardly known. Social workers, organized medicine, public health officers, medical reformers all hailed the plan when it was first outlined a few months ago. Yet in view of the mounting deficit, the Nation would support the President's medical enterprise more wholeheartedly if he had not made a special financial case of it. Though the maximum of \$10,000,000 requested is little more than one-tenth of 1 percent of a national Budget of nine billions, can we be sure that this is the end of medical experimentation until a Federal health bill is passed? Experiments have a way of revealing unforeseen, urgent, and expensive needs. The hospital plan would not have suffered if, instead of asking for a special appropriation, the President had simply included the item of ten millions in the Budget and indicated that the money should be found through offsetting economies where they could most easily be made.

Medically the President's plan has one weakness. It does not dwell heavily enough on the kind of medicine and surgery that is to be practiced in the experimental hospitals. Since the Federal Government is to erect the buildings and retain title to them and their equipment, it has a right not only to set up medical standards, as the President indicates, but to insist that the standards be observed. Insistence is especially important in counties where physicians are few and not highly competent, and where surgery is nonexistent. Yet the President believes that a board with merely advisory powers will meet the requirements. If medical standards are to be of the highest the board must have authority to enforce its medical rules. Advice may be ignored.

Congress can rectify this oversight by specifying the functions of the medical board and giving it the power that it should have if the local communities which are to conduct the hospitals with their own money are to render the kind of service expected of well-equipped institutions. Control is the very essence of every experiment. And unless control is exercised by the Surgeon General, and a medical board of which he should be the chairman, we run the risk of building 50 hospitals from which little of medical value can be learned. If this experiment is conducted in the right way, Congress will be greatly aided in framing a health bill which will not impose on the country a tax burden as outrageously heavy as that called for by the Wagner bill.

#### The Forest Service

#### EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

LETTER FROM HON. GIFFORD PINCHOT

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and made a part of my remarks a letter written to me by Gifford Pinchot, twice Governor of

the Commonwealth of Pennsylvania and a recognized national leader in all efforts to conserve and beautify our national forests. In this letter he calls attention to the attempt of the Interior Department to get the Forest Service and the national forests away from the Department of Agriculture and outlines his objections to such a transfer.

Mr. Pinchot is an authority on this subject and speaks with the force of a lifetime of private and public experience. As Governor of the Commonwealth of Pennsylvania he put into effect his principles of forest conservation and beautification, with the result that Pennsylvania is the proud owner of one of the best maintained and most beautiful areas of forest land in the country.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

1615 RHODE ISLAND AVENUE NW.,  
Washington, D. C., February 3, 1940.

HON. JAMES J. DAVIS,

United States Senate, Washington, D. C.

DEAR JIM: I am taking the liberty of calling your attention to the renewed attempt of the Interior Department to get the Forest Service and the national forests away from the Department of Agriculture.

There is no good reason for the proposed transfer of the Forest Service or any part of it. Moreover, it would be a severe and unnecessary blow to the farmers of America. The Farm Bureau Federation, the National Grange, the Farmers' Union, the National Cooperative Council, the Federation of Milk Producers, and other farm organizations have made official protest against it.

So have the National Federation of Women's Clubs, the American Forestry Association, the Association of State Foresters, the Society of American Foresters, the National Livestock Association, the National Wool Growers' Association, the National Lumber Manufacturers' Association, the California and other western chambers of commerce, the Izaak Walton League, the Camp Fire Club of America, etc.

The users of the national forests and the people of the 11 States which include most of the national forests, and their representatives in Senate and House, are overwhelmingly in favor of letting the Forest Service be. There is also strong opposition in the Central and Eastern States.

This is no partisan question. I fought the transfer when Republican Secretaries of the Interior tried for it under Coolidge, Harding, and Hoover, just as now. Under any administration it would ruin the Service.

Nothing whatever is to be gained by tearing the Forest Service out of the Department where it belongs, grew up, and has done such admirable work. No one pretends that it could do better elsewhere than where it is now.

Every Chief Forester has been dead against it. Every Secretary of Agriculture for the last 40 years has emphasized the close relationship of forestry with agriculture. The national forests are important parts of the agricultural equipment of America. They are cooperating forms of land use built on the soil. To separate them would deeply injure both.

As the President himself said last December, "the forest problem is part of the broad problem of modern agriculture." Forest conservation is an indispensable part of agricultural conservation. Trees are an important farm crop. They help sustain farm enterprises, lessen erosion and floods, serve irrigation, and contribute to livestock pasturage.

The Forest Service is in close, constant, and necessary cooperation with more than half of the other organizations in the Department of Agriculture, such as the Soil Conservation Service, the Agricultural Adjustment Administration, the Farm Security Administration, Agricultural Economics, etc.

All but an insignificant minority of conservationists oppose taking the national forests or the Forest Service (in which the conservation policy originated) out of its present location. This move would amount to a most destructive attack on the national-conservation policy.

The Interior Department is not fitted to handle the national forests. Its chief function with respect to public lands under the laws of Congress is to pass them into private hands. Again, the Interior Department centralizes its work in Washington. The Agricultural Department decentralizes. The Forest Service decides local questions by local men on local grounds. Centralization would cripple it.

The national forests are handled for production from the soil. The national parks are not. That the parks are in the Interior Department is no reason whatever why the national forests should be there also.

Because Theodore Roosevelt recognized that the Interior Department's handling of the national forests was a public scandal, he secured their transfer to the Department of Agriculture, where their administration has become a model of clean, competent, publicly approved efficiency unsurpassed by any Government bureau.

The Interior Department has no claim whatever upon the national forests. Ambition for power is no good reason for upsetting a lay-out that works superbly where it is.

The transfer would seriously disable the Forest Service, cut off essential cooperation with other bureaus, injure the users of the

national forests, and hurt and affront the farm interests of America.

Only the strongest constructive reasons could justify the transfer. As a matter of fact, every reason of morale, cooperation, natural relations, tradition, and good work are against the transfer. Why rock the boat?

Sincerely yours,

GIFFORD PINCHOT.

### Associate Justice Murphy

### EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ARTICLE BY H. C. GARRISON IN THE DETROIT NEWS

Mr. BROWN. Mr. President, yesterday the Honorable Frank Murphy took the formal oath as an Associate Justice of the Supreme Court of the United States. He then achieved the highest position that has ever been achieved in this Government by a native of Michigan. A very fine tribute was paid to him by Mr. H. C. Garrison in the Detroit News. I ask unanimous consent that Mr. Garrison's article may be printed in the Appendix of the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the Detroit News of January 4, 1940]

MURPHY'S STORMY CAREER MAY FIND ITS FIRST CALM

(By H. C. Garrison)

For nearly 20 years, slim, red-headed, bushy-browed Frank Murphy has stood at the very core of the political maelstrom where the storms of criticism rip and roar, where ambitions fall before the hurricanes of opposition and reputations are shredded into ribbons.

His incumbency of virtually every public position he has held—and there have been a half dozen of them—has been the subject of violent controversy, for Frank Murphy was of a peculiar temperament that caused among his friends an admiration that was close upon idolatry and goaded his enemies into something akin to a frenzy of hatred. There were few persons who were able to preserve an aloof middle ground with Frank Murphy. You either liked him a lot or you hated his guts. That's a pretty pungent phrase, but it's descriptive.

As judge of the recorder's court of Detroit, Murphy was praised to the skies for his humanitarianism, his understanding of the problems of the unfortunate, and he was lambasted right merrily for what his critics were pleased to call "softness."

CITY'S GRAVEST CRISIS

As mayor of Detroit, he ran full tilt into the city's gravest economic crisis. Mayor Murphy decreed that no one should go hungry. The welfare funds were poured out like water.

It may be there was waste at first, before the system was fully organized. On the other hand, the problem was there and had to be met at once, not next week or next month or next year. Time, tide, and empty stomachs wait for no man. The budget went out of balance. It had to.

The criticism was terrific. The wolves howled upon the Murphy doorstep day and night. Yet there was a mighty host who said: "This is the man who fed us when we were hungry." You were running into trouble when you criticized Frank Murphy to those people.

Again, as Governor, Murphy had the sit-down-strike problem thrown into his lap. It was a ticklish problem, too. No one can deny that. The stern legalists said Governor Murphy should have blasted the strikers out of the plants, if need be. They didn't think it would go that far, it is true. They believed that a word from the Governor would have brought the strikers out. But there was no proof of that. An attempt to dislodge them might have meant the bloodiest day in Michigan's history.

ONLY ONE HURT

The strikes were mediated. The men finally came out peaceably. No one was hurt—that is, no one but the man who decreed there should be no bloodshed. He went down to defeat the next time out, and 90 percent of the cause of that defeat was opposition to his sit-down policy.

His policies as Governor General and High Commissioner of the Philippines met with sharp criticism and high praise. So did his work as Attorney General of the United States.

Yet, buffeted and blown about as he has been, Frank Murphy always has weathered the storm. He has gone on steadily, relentlessly almost, from job to better job.

And now, after nearly 20 years of the wars, Frank Murphy has emerged on the high, still plateau of the Supreme Court of the United States, where the political winds blow not, where criticism,



when it comes at all, is whispered behind a shielding hand in dark corners, where there is peace and security and the opportunity to ponder problems in quiet and at leisure.

Maybe Mr. Justice Murphy will enjoy the calm of the country's highest legal tribunal. Maybe he has been in the hurly-burly too long and will fret and paw at the unaccustomed quiet like an unhappy old war horse in a stall. You must remember that Frank Murphy is Irish, and red-headed to boot. And he is only 46, which is young to retire.

#### FAMILY OF REBELS

Murphy comes from a family of rebels. His father, the late John F. Murphy, was imprisoned in Canada when a boy for Fenian activities. There are stories of rebellious Murphys in Ireland, but his father would never permit young Frank to study his family tree.

"Only snobs bother about family trees," said Murphy the elder, "and, anyway, you probably wouldn't like what you found."

Frank Murphy was born in Harbor Beach, Mich., April 13, 1893. He came by his Democratic politics honestly, for his father before him was an ardent Jeffersonian and was active in Huron County politics.

Frank took part in the usual boyhood activities of a small town, but he was more serious and farther-seeing than most boys of his age. He decided before he ever left home that he never would smoke or drink. He felt that these habits would impair his efficiency, and he had already decided he was going a long way up. Therefore, he felt he needed all his powers.

On the campus of the University of Michigan young Murphy won a reputation as an orator, an art which he retained and polished until he is today one of America's finest platform speakers.

#### FIVE-DOLLAR-A-WEEK CLERK

Graduated from the law school of the university in 1914, he obtained a post as clerk in the law office of the late George F. Monaghan, in Detroit, where his services were valued at the unflattering stipend of \$5 a week. This he pieced out to \$13 by teaching three night classes a week in the Delray district.

After 3 years as a struggling young lawyer in Detroit, Murphy entered the officers' training camp at Fort Sheridan, Ill., and was commissioned a lieutenant. He saw no active service but went to France and later was part of the Army of Occupation in Germany. After the war he was detailed as an Army student to study law at Lincoln's Inn, London, and afterward at Trinity College, in Dublin. He was discharged with the rank of captain and returned to Detroit.

Here he was appointed an assistant United States district attorney in 1919, under that stern taskmaster, the late John E. Kinnane. He received official commendation from Attorney General A. Mitchell Palmer and from Gen. John J. Pershing in 1920 for his successful prosecution of a \$30,000,000 war-graft conspiracy.

In 1923 Murphy was elected judge of the recorder's court of Detroit after a stirring campaign against the so-called "big four" judges. In 1929 he was elected to a second term but resigned in 1930 to become a candidate for mayor. Mayor Charles Bowles had been recalled, and there was a large field, including Bowles himself, at the election to select a successor. Under the faulty law as it stood at that time, there was no primary. Murphy won easily.

Murphy admitted he had had no experience as an administrator, but promised he would pick excellent men for his cabinet. That promise was kept religiously. He made the late Joseph E. Mills commissioner of public works, and Mr. Mills turned out to be one of the best executives in the history of the city. He retained the able Clarence E. Wilcox as corporation counsel; he put James K. Watkins, an attorney of high reputation, in as police commissioner.

Perhaps his most fortunate selection, in view of his own career, was that of G. Hall Roosevelt as city controller. Hall Roosevelt is the brother of Mrs. Franklin D. Roosevelt. That was the beginning of his friendship with President Roosevelt and the basis of the friendly charge that Murphy has "gone onward and upward with Roosevelt."

#### MILLIONS FOR RELIEF

In the first year of his administration, Mayor Murphy spent \$20,000,000 for welfare relief. Neither the State nor the Federal Government was contributing at the time, to any substantial degree. There was plenty of criticism, but Murphy was easily re-elected mayor in 1931.

Mayor Murphy, in his second term, began the job of reducing the budget. He called in a "brain trust" of financiers, industrialists, and businessmen and cut the operating costs of the city government by \$27,000,000 in a period of about a year.

He had launched a debt-refunding program when he resigned as mayor in April 1933 to accept President Roosevelt's appointment to the \$18,000 a year post as Governor General of the Philippines. He took a number of his trusted Detroit friends to the Orient with him to fill key posts—Joe Mills, his best executive; Edward Kemp, his law partner; Norman Hill, his secretary.

In the first year of his administration in the Philippines Governor General Murphy cut governmental expenses \$10,000,000. Other achievements of his regime included the introduction of an 8-hour-day law, a franchise for women, a central budget control system, placing government-owned enterprises on a paying basis, a parole and indeterminate-sentence system, reorganization of the constabulary.

#### PLEASANT RELATIONS

When the Philippines became a commonwealth Governor General Murphy was retained at Manila as High Commissioner. He had no real authority. His only job was to keep relations between the Governments of the United States and the Philippine Commonwealth pleasant.

Of course, he was criticized for his work in the Philippines, too. There were some who said he played too close to ambitious Manuel Quezon, later President of the Philippine Commonwealth, but his successor, Paul V. McNutt, found he had to pay a great deal of attention to Quezon, too.

In 1936 Murphy resigned the High Commissionership and returned to Detroit to become a candidate for Governor. He was elected by a narrow margin. The first big sit-down strike was already in progress when Governor Murphy took office January 1, 1937. Murphy called out the National Guard to keep peace in Flint, but would not permit them to attempt to eject the strikers.

The General Motors strike was followed by the Chrysler strike and by a host of smaller ones. The critics said all subsequent strikes could have been avoided had the Governor acted "strongly" in the first one.

But there was no bloodshed and the strikes finally were settled peaceably.

#### CALLS ON EXPERTS

Governor Murphy had followed his Detroit custom in his appointments. Almost all of the key appointments were nonpolitical. He took men who were experts in their line but were almost unheard of politically, men like his budget director, Harold D. Smith, who had been executive secretary of the Michigan Municipal League for many years but who never had held a political office.

In the uproar over the sit-down strikes, the public lost sight of the really magnificent accomplishments of the Murphy administration in Lansing. He put through a civil-service law over the opposition of many of his own party leaders; a secret primary ballot; a basic science act; an occupational-disease law; a teachers' tenure law; a welfare consolidation law, later defeated in referendum through the influence of county politicians.

When the legislature appropriated \$18,000,000 more than the State's estimated income, Governor Murphy vetoed \$3,000,000 in appropriations and slashed \$12,000,000 from the budget. He cut another \$2,000,000 from the budget in the summer of 1938, when the relief problem became pressing again, by reducing salaries from 6 to 15 percent.

#### DEFEATED IN 1938

These accomplishments faded out, however, before public dissatisfaction with his handling of the sit-down strikes, and Murphy was defeated for reelection in 1938. Even former Gov. William A. Comstock, of his own party, publicly turned against him.

Before Governor Murphy was out of office, he was appointed Attorney General of the United States by President Roosevelt. He entered into his new duties shortly after January 1, 1939.

In Washington his conduct of his new post has been spectacular. He convicted Democratic Boss Pendergast, of Kansas City; routed the corrupt Democratic politicians of Louisiana; indicted Moses Annenberg, Philadelphia publisher, for income-tax evasion; prosecuted Federal Judge Martin Manton in New York for "selling justice." He shook up the personnel of the Department of Justice, replacing many of the old political hacks with young men who were not afraid of politicians or political power.

### American Coalition

### EXTENSION OF REMARKS

OF

HON. RUFUS C. HOLMAN

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY HON. RUFUS C. HOLMAN, OF OREGON

Mr. HOLMAN. Mr. President, a few days ago I delivered in this city, before the American Coalition, a brief address which reflects in a limited way my views on a subject which is of lively interest to many of our citizens. I ask unanimous consent to have the stenographer's transcript of my speech printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Colby, Mr. President, fellow countrymen, what I have to say to you must be said extemporaneously and without previous preparation. I did not know that I was to speak here today, but I am glad of the opportunity. Ever since I have come out of the West and into the East, I have longed for the opportunity to appear before an American audience. [Applause.] Time and again the lines have occurred to me:

"Breathes there the man, with soul so dead,

Who never to himself hath said,

"This is my own, my native land."

You will pardon me if I make some reference to my own background and present opportunities, because you do not know me, and neither does the kind gentleman who introduced me, nor he

who invited me here. Perhaps when I get through you will regret you ever met me.

On my mother's side I come from an old American family. She was a Huntington, and the Huntingtons founded Norwich, Conn., in 1635 and fought through the American Revolution. On my father's side, I am the son of an English immigrant boy. I mention that because I am going to have something to say on immigration.

Both of my parents, but prior to their marriage, crossed the plains to Oregon in the covered wagons of 1852, and I just want to give you a little background because it has to do with the present philosophy of opportunity, or the lack of it, in this country.

When Oregon pioneers with their covered wagons, facing and experiencing Indian attacks, came to the broad rivers, they didn't stand by the river bank and begin to wear out their thumbs for a lift. There were no bridges but they got across the rivers. The faint-hearted turned back. When the Oregon pioneers came to the mountains and they found no roads over them they didn't sit down and demand that Congress pass a law. They got over the mountains. And when they got in the gorge of that great Columbia River, that deep and inhospitable gorge, in the late fall and early winter and the snowstorms came on and every head of livestock starved they didn't go on relief. [Applause.] They went into that densely timbered country, my own grandfather and his family, with not a head of livestock, winter coming on, made a clearing in the forest, built a log cabin, and did not have even salt to put on baked potatoes. They had no salt nor pepper, tea nor coffee nor sugar. They parched wheat to make a hot cereal drink long before anybody ever heard of Battle Creek, Mich. They did not claim to be underprivileged. They would have resented—and vigorously as an insult—any such term as applied to them.

In crossing the plains they had thrown out of their wagons their bedsteads, their furniture, their dishes, everything that they had, except dried apples and beans and things of that kind, and a few crude farming implements because oxen could not drag the heavily loaded wagons where there were no roads or bridges.

The Oregon pioneers may have been destitute, but they were never poor. Do you get what I mean? [Applause.] They had character, self-reliance, and independence—they were genuine Americans—the kind of Americans that made our country and upon whom we must now depend for its preservation. By the observation of the orderly enforcement of law, by perseverance, truthfulness, self-reliance, and thrift, their clearings grew into fine farms and their log cabins into frame dwellings.

I come on here to Washington with no previous experience in legislative work, but I have had 20 years of administrative experience and have left behind me a record of doing more things with less money. [Applause.] It appalls me to see here the wasteful, useless extravagance resulting from what I think is incompetent administration. And in this period of ever-mounting Federal deficits, bear this in mind: No government in history ever survived bankruptcy, and if we lose our Government, we lose everything.

I like the language that I learned in my schoolboy days, reported to have been used by John Smith who founded Jamestown, Va., in 1607, and during that later time called the "starving time," when he said, "He who will not work shall not eat."

I like the words of Thomas Jefferson when he said, "If we are to be told from Washington when to sow and when to reap, we shall soon want bread."

I also like his expression, "That country is best governed which is governed least."

I like to read George Washington's Farewell Address as he stresses the wisdom of the avoidance of international alliances.

I come on here as a Senator from Oregon and find myself a member of five very important committees, some of which are very pertinent to the questions that this group, I understand, is considering. I am a member of the Appropriations Committee. I am a member of the subcommittee on naval affairs of the Appropriations Committee. I am a member of the Military Affairs Committee, the Public Lands Committee, and I am also a member of the Immigration Committee. It seems to me I have a wonderful opportunity to serve the American people, and I have nothing left in life to do but to serve them. [Applause.]

I have gone along and been a party to, and assume my share of responsibility for appropriating money and devising ways and means for America to become so strong in a military and naval sense that no nation or group of nations dare attack her, and then with all my heart and soul I want America to mind her own business. [Applause.]

Every elected official or representative of the people in our Nation, from the President to the local town constable, must take an oath of office. In every one of those oaths is the obligation and the promise to protect, defend, and support the American Constitution. When I have taken that oath (and I have taken it many times) I never have had any mental reservations.

For what I am going to say from now on I probably will get hisses from some as well as applause from others, but I have lived my political life as a lone wolf. While I have received the nomination at times of both parties, I have always received the opposition of the organized politicians, in both parties. I am able to stand alone.

When I took the oath to protect, defend, and support the Constitution, the obligation didn't set forth from what particular kind or methods of attacks. I took it to mean from every kind of an attack I was to protect, defend, and support the Constitution.

It is the avowed purpose of Communists to undermine and overthrow our Constitutional Government; so that when out in my State one of the county courts removed Communists from the relief rolls and was forced to put them back on the relief rolls by a representative of the executive branch of our Federal Government, I thought the Executive was violating his solemn oath to protect, defend, and support the American Constitution, because through one of his appointed representatives he was giving aid and comfort to its enemies. [Applause.]

We need leadership in this country whose acts and deeds square with its fair words. [Applause.]

My distinguished colleague from Massachusetts, Senator WALSH, has told you more eloquently, and probably more forcibly, of the hazards of our foreign relationships than I can; but I want to call to your mind the immediate hazards of our domestic and interior relationships. I believe if our Government is to be overthrown it is to be overthrown from enemies within our territory rather than by enemies from without. Our present foes are domestic foes, not foreign foes.

I have taken a great interest in the subject of immigration, in its regulation, and in the supervision of those aliens amongst us who need supervising. Up to now, my efforts have not resulted in anything constructive, and time is fleeting. I have requested repeatedly other Members of the Congress, men who have been here longer than I, to permit me to join with them that we may co-operate together and bring out an immigration bill and a bill governing the conduct of aliens in this country that would have the general and united support of all of us. All I have got so far along that line is merely oral approval signifying that I have a grand idea. I have within the last 2 or 3 days made another attempt for concerted action which I hope will bear fruit.

Now mind you, don't ever forget the fact that my own father was an immigrant and that I have no personal enmity to any such of good character, but when he took the oath of citizenship under our Government but he had no mental reservations. He didn't retain any tie to the land of his origin. He took that oath, as he did everything else in his life, sincerely and honestly, and lived according to it.

And he raised an American family. [Applause.]

We have had tremendous difficulties out in the West. Our leading industry—lumber—the bread-and-butter activity of our population, has been paralyzed, and out there we pay the highest wages that are paid in the world for labor. Yet an industry that had no quarrel with its men, or its men any quarrel with it, has been paralyzed and brought to its knees financially, and the workers have lost their chance to work and support themselves and their families. How and why? Because two conflicting groups of racketeers of honest labor—men who profit from exploiting labor, parasites on labor—were striving for the mastery to sell the labor of others. It has been a dreadful situation, and it has been directed out on our coast by aliens, and our Secretary of Labor has recently held some kind of a hearing and, as I interpret the decision, has put the stamp of approval on those troublemaking aliens as if they were desirable citizens. I am opposed to that idea and that decision with everything that is in me. [Applause.]

I have a bill reported out of committee and now on the Senate Calendar, authorizing an investigation into the conduct of the Immigration Bureau in the Department of Labor. I hope it may effect a thorough and far-reaching investigation. [Applause.] I wish I could get the approval, when I appear before senatorial committees and before the Senate, that I can get when I appear before American audiences, for the ideas that I am now expressing.

Out on the coast we also look to Asia in our foreign relations as well as to Europe. We know the Chinese. The house servants in my father's home were Chinese boys. We know the Chinese to be a fine, peaceable, honest, faithful, loyal people. Those of us who know the Chinese feel as sorry for them and have as deep a sympathy for their plight as anyone of any group can have for any of their group in Europe. China was a peaceful nation. It had done nothing offensive to anybody; minding their own business, getting along as best they could; and then in comes Japan without provocation and slaughters, maims, and destroys them. Think of the terrified, frightened little children, the women, the peaceful men of China. How dreadful their plight.

But having that sympathy, I would not open our doors and permit the distressed people of China to swarm over here and settle in our country as permanent residents, and become American citizens. Neither will I open our doors to take in all of the distressed people of Europe. [Applause.] No man can serve two masters. I owe allegiance to my people—the American people—and I have taken an obligation to support, defend, and protect the American Government. Regardless of how I may sympathize—and I do sympathize—with the distressed people of Europe, I must take care of my own, and they now need taking care of.

Therefore, in view of the trouble that aliens have made for us, in view of the fact that thousands and tens of thousands of Europeans are coming into this country annually regardless of quotas—they are coming here as visitors, losing themselves in our land even to the extent of changing their names—I want to stop all immigration, at least for an experimental period; at least until we approach a solution to our unemployment problems and our domestic administrative difficulties in financial matters and in law observance and maintenance of order and until we have established peace in industry. Then, perhaps if the experiment proves successful, the prohibition could be made permanent.



I want the government of this country to go back to its city halls, its courthouses, its statehouses, and its National Capitol. I object to the prevailing lawlessness, and being told from the headquarters of racketeers of honest labor, from the cells of Communists, and from other unauthorized places of Government what we, as American citizens, may and may not do. [Applause.]

I look back to the founders for guidance. Experience is a wise master. I still am a disciple of Benjamin Franklin and his ideas of industry, thrift, self-reliance, truthfulness, and loyalty; and of George Washington and his determination not to accept a third term. [Laughter and applause.]

To me the Constitution means liberty and freedom. My liberty ceases where yours begins. Oh, I shall name those who inspire me: Washington, Jefferson, John Marshall, Andrew Jackson, and that almost God like man Abraham Lincoln; and Grover Cleveland, when he did not permit interference with the delivery of the United States mail. What a contrast with what happened recently in Michigan.

When I look back to these patriots and statesmen, my reverence for the wisdom of those who founded this great Government of liberty and freedom and opportunity, and those who have carried it on and perpetuated it for us, I say, with Kipling—

"Lord God of Hosts, be with us yet,  
Lest we forget, lest we forget."

[Applause.]

### Connecticut Bankers Association

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY WALTER PERRY

Mr. MALONEY. Mr. President, I ask unanimous consent that I may have inserted in the Appendix of the RECORD an address delivered by Mr. Walter Perry, bank commissioner for the State of Connecticut, to the Connecticut Bankers Association at its midwinter banquet, held in New Haven, Conn., on January 25, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Were I to choose a text this evening, it would be found in the sixth chapter of the Gospel according to Matthew, in the twenty-first verse: "For where your treasure is, there will your heart be also." Now, we are led to believe that when St. Matthew wrote these immortal words they were words of admonition not only to the men of his own time, but he was also looking far into the future, and in his mind's eye he saw the board of a mutual savings bank, a few members of which, although they proudly referred to the institution as "our bank," continued to keep their own money, if they had any, somewhere else. In order to correct this seemingly unethical situation I am strongly in favor of a deposit qualification for directors or trustees of savings banks. My reasons for speaking to you about it are these:

This is a very unique gathering, since it is made up of the representatives of National banks and State banks and trust companies, while many of these representatives of both groups are also directors or trustees of savings banks. Although savings banks do not belong to this association, there are probably more savings-bank directors or trustees here than ever gather at the meetings of the savings-banks association, such meetings usually being attended by officers and by but few directors.

Savings banks keep their checking accounts with the commercial banks, both State and National, and occasionally borrow from them. Trust departments of these banks deposit trust funds in savings banks. The stock of every commercial bank in the State is on the legal list for savings banks, so that to a considerable extent savings banks are also your stockholders. Your interests are so interwoven with those of the savings banks that I feel sure I can count on your influence to help add a slight percentage to the number of those who live up to the already high standard of management set by many banks.

Directors of most corporations are required to hold qualifying shares of stock. The law requires this of both State and National banks. It seems to be a sound rule, and one of long standing, that the owners of a business who are stockholders have a right to insist that a director shall have some stake in the enterprise which he serves, and also that the stockholders shall elect him. Boards of management are thus not only the chosen representatives of the owners, but also have a stake along with the other owners.

If we allow that the owners of a mutual savings bank are the people who have their money in it, since there are no stockholders, we must admit that the owners of this particular type of business

have neither of the two usual privileges, that of selection of management, and that of requiring of management a stake in the business. While at present the law gives the depositor neither privilege, if he is the owner in effect, I believe he has a moral right to at least one of these privileges, and future legislation may give him both.

Some claim that depositors are not the owners. There are no stockholders, but there must be ownership somewhere and while we may not agree as to just what type of ownership to call it, there certainly is ownership of some type, though perhaps akin to a vested interest in a trust fund. There is very definite support for the ownership theory in the *Watertown case* (81 Conn. 265), and there is reference to the trust theory in the *Windsor Locks case* (89 Conn. 451). I believe, however, that there is no support whatever to be found anywhere for the sometimes accepted theory that the depositors are nothing but the customers of a business owned by somebody else.

Depositors in mutual savings banks are beginning to be articulate, and during the last three general assemblies they introduced bills, some of which provided for the election of directors by depositors, and some for the appointment by some authority of at least some depositors as directors. Elections by depositors would be cumbersome and impractical. A simple and effective way to remove the cause for this demand, is to provide that those who now elect the directors, elect only depositors for directors, and there you are. Depositors are then directors and directors are depositors. Whether depositors are owners or trust beneficiaries, they are vitally interested in an invested fund of some \$800,000,000, and I believe they have the moral right to demand that the State which chartered these savings banks shall see to it that this fund is administered by the best management that law can provide. The management of the savings of a million depositors should be regarded as a public trust and never a private snap. A law which provides that every member of the managing board of a savings bank must qualify as a depositor of some specified minimum amount will not result in perfect management, but it will help, and it will remove a grievance.

At present a self-perpetuating body of corporators meets only once a year and elects directors who, like themselves, may or may not have a dollar invested in the enterprise. At the time of the last General Assembly, little more than half of the directors of savings banks had any deposit at all. A deposit qualification would be some pledge of good faith and result in better management for some savings banks. Of course, there are many directors who would serve the savings banks, or any other institution, just as faithfully and with as much interest, whether or not they had any financial stake in the business, but the stake I propose would insure the interest of any who might not be in that category.

A national banker, very prominent in your association, told me some time ago that he did not agree with my proposal. He was, however, recently elected to a board of a savings bank and immediately became a depositor. When I asked him why he did that he said, "I would not feel comfortable not to do so." Perhaps, having for so long a time been under the influence of the comptroller's office and Governor Young's office, he had developed a yearning for those activities that are voluntary rather than mandatory, but he certainly knew what was the right thing to do and he did it.

In spite of inroads on earnings, we have been able by a reduction in dividends to maintain surplus at approximately the same level as in better times so that the savings banks are now sound, as sound as before although earning less. In order to continue to keep them sound, we want the best possible management and a management that has the full confidence of the public. If your name alone as a director gives the public confidence in the institution you serve, the public will have an even greater confidence in the institution, and with reason, if it knows that your own money is invested with that of other depositors.

"For where your treasure is, there will your heart be also." And St. Matthew might have added—but he didn't, so I'll do it for him—

Let him that hath stewardship over the treasures of many people, subject his own treasure to the hazards of that stewardship.

### Westminster College, Fulton, Mo.

#### EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY HON. JOHN HAMILTON

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on liberalism, delivered by John Hamilton of Kansas, chairman

of the Republican National Committee, at Westminster College, Fulton, Mo., January 30, 1940.

There being no objection, the speech was ordered to be printed in the Record, as follows:

We hear a great deal about liberalism today. In current political discussion few words are more frequently used and few are less understood. It has become a popular catchword, a nebula of half-understood ideas, a smoke screen for designing propaganda of all sorts. In recent years this word "liberalism" has become almost a necessary badge for the holding of public office, although few who claim the label seem to know really what it means.

It seems to me eminently fitting then that in these halls of scholarship and learning we pause briefly to inquire into the nature of real liberalism. Such inquiry, I believe, will disclose that much which passes among us today as liberalism is merely disguised subversive radicalism and a cloak for the schemes of crafty politicians who would substitute bureaucracy for our constitutional form of government, and economic regimentation for our system of free American enterprise.

Present-day liberalism flows from two distinct traditions in the eighteenth century. They are not easy to distinguish because they often express themselves in the same words. The first lays emphasis on reason, on individual initiative, on freedom guaranteed by a bill of rights. It is from this philosophy that real liberalism stems.

The second liberal tradition that has come down to us had its origin in the emotionalism of Rousseau. It emphasizes enthusiasm, collective sovereignty, and, yes, even the uprising of the people. It is this philosophy which has been perverted into the false liberalism of today which, like charity, is used to cover a multitude of sins.

It was on the first of these traditions that the old English liberalism was based—the liberalism which we carried forward in this country for 150 years. In politics it found expression in the formal limiting of the powers of government by recognized respected constitutional checks and grants.

The purpose of a constitution is first of all to compel the sovereign power to act only within the law. Instead of depending on the Government to make them decent, reasonable Englishmen sought to make the Government decent and so to respect the dignity and peace of the individual, to assure men's rights by seeing to it that everyone had legal remedies against usurpation.

The great purpose was to prevent any organized group to rule by sheer brute force. Inevitable conflicts among men were to be settled as matters of principle and reasoned law. This is revealed, for instance, in the whole tone of Burke's speech on conciliation. The argument is based on discussion of the rights guaranteed men under the constitution. "We conquer," said Burke, "not by force but by our constitution." Here is no rule or ruin temper of mind. Discussion here is not intellectual bullying or raucous demand, but a tolerant attempt at a meeting of minds.

Thus, we may define real liberals as those who have learned to exercise self-restraint, to respect one another's independence, to grant one another opportunity for self-development and personal responsibility. In other words, we have real liberalism when people on the whole are intelligent enough to create a social order in which both the individual citizen and the Government mind their own business.

The characteristics of the pseudo liberals are a passion for blind reform, an impulse to crusading, and an attitude of intolerance. Without a cause and a creed their ego shrinks. Their wish to be important is rationalized as devotion to principle. Their lack of inner adjustment and their emotional instability they mistake for philosophic love of truth.

Raymond Moley, in his book, *After Seven Years*, relates an anecdote concerning President Roosevelt that aptly illustrates this type of mind.

The President told Moley that he wanted a "fighting speech" for his annual message in 1936.

"Whom are you going to fight? And for what?" the astonished Moley asked.

The President, Moley says, was vague about whom he wanted to fight or why. But he was very definitely of the opinion that fight he must.

Liberals with such a mental outlook seldom attain intellectual independence; their life is a series of conversions. The objects of their belief shift and change, but the act of believing remains the same. They accept their latest faith with the same infantile credulity and delusion of finality as their first.

Their technique to bring about what has been called the more abundant life is to operate on man from without, manipulate his environment, regulate the conditions of his life. Never mind about individual responsibility—such a term has no place in their vocabulary. Treat every man as an automaton. Emancipate the masses by social machinery.

So they talk glibly of liberalism. But the course they pursue clearly indicates that they are little familiar with Hume and Voltaire. Indeed, from their mouthings one would hardly suspect that Hobbes, Milton, Montaigne, Rabelais, Locke, Gibbon, Shelley, John Stuart Mill, or even our own Emerson and James, had ever lived and made their priceless contributions to the cause of real liberalism.

None has paid greater lip service to liberalism than Mr. Roosevelt and members of his administration. But if true liberalism be what I conceive it to be, let us apply the acid test to the New Deal and its works.

Is it liberalism to demand that our essential liberties be handed over to boards of bureaucrats over which the people have no control because they never submit themselves to the verdict of a popular election?

Is it liberalism to tax business enterprise to death and to shut off the free flow of investment funds into new enterprise?

Nowhere in the world have enterprising young men with only meager capital had such opportunities to start in business as in the United States.

Is it liberalism to take from them their surplus earnings in the form of an undistributed-profits tax and prevent them from plowing back these earnings into a growing enterprise?

Is it liberalism to thus prevent the growth of small business? Is it liberalism to leave the small-business man so little profit that when slack periods come he has no funds to tide him over and must close up shop?

Is it liberalism to use the prestige of the Federal Government to split organized labor wide open and embroil it in civil war?

The answers, I believe, are obvious. And I also believe that you will agree with me that true liberals, today as always, are those who are making a determined fight against the centralization of government powers in one man. True liberals would never vote for such relics of the reactionary periods in France and China as the New Deal schemes to restrict by compulsion industrial and agricultural production and fix prices. True liberals favor enforcement of the antitrust laws and not their suspension.

True liberals would never vote for irresponsible fiscal measures and for monetary tinkering which chiefly benefit a few speculators at the expense of the industrious farmer and worker. True liberals today are fighting against domination of the labor movement by government bureaucrats.

True liberals do not harbor in their party leaders who deny men their constitutional rights of free speech and assembly. True liberals cannot remain silently acquiescent when funds voted to relieve the distress of the unemployed are used for partisan political purposes.

For a short period after entering the White House Mr. Roosevelt indicated an understanding of true liberalism, for he said that "too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy." What he then feared has happened, for today Mr. Roosevelt regards as a liberal anyone generous and liberal with other people's money.

So much for the liberalism of the New Deal. Now let us look at the attitude of the New Deal toward youth. The question has been raised in your series of discussions here as to whether student America should concern itself with politics. The answer is a short, sharp, decisive "yes." For the students of America are young, ambitious, and self-reliant. They do not want government hand-outs, but a real opportunity to help themselves.

And what hope does the New Deal hold out to them? Let me quote you what Aubrey Williams, head of the National Youth Administration, said in an address before the Council of Social Agencies of Buffalo, N. Y., in 1936. I quote:

"Thousands of young men and women leaving our schools each year are destined never to become self-supporting and independent in the sense that your and my generation were led to believe was our due. The supply of workers exceeds the demand. Man power is a drug on the market. The productive forces of this country are glutted with brain and brawn which they cannot use. And what can't be utilized is simply laid aside to molder and decay."

Are you willing to be "laid aside to molder and decay"? Are you willing to accept that philosophy of defeatism? Never; not if I know the spirit of the students and youth of the United States.

A significant report was made recently by the American Youth Commission, a body of leading educators and industrialists that inquired into the nature, extent, and causes of the problem of unemployed young men and women.

The report stated that the rate of unemployment is higher among youth between 20 and 24 than in any older age group, and that the rate of unemployment above the age of 55 is not nearly as high as under the age of 25. The report also stated and I quote directly:

"\* \* \* the number of farm boys who reach the age of 18 each year is more than twice as great as the number of farms that fall vacant. Opportunities \* \* \* are reduced by the growing concentration of business and the diminution in the number of small businesses. \* \* \* The restrictive rules of trade unions and professional associations have limited \* \* \* openings for beginners."

And the only answer the New Deal has—the only answer it has ever had in its futile and costly attempt to solve the unemployment problem—is the creation of more work projects.

Is it really, as the report states, a growing concentration of business that compels us to throw young producers on the scrap heap before they have even begun to produce? If that is so, should not some thought be given as to whether business should not be deconcentrated?

Is it truly the diminution of successful small businesses that is to blame? Then how about working to restore small businesses? Are our prospective farmers really outnumbering the farms? Could Government policies curtailing crops and tending toward even larger farms have anything to do with it? Are the restrictive rules of trade unions a factor? Then should not some attention be given to modification of those rules?

And while we're about it, shouldn't we get rid of every depressive rule and practice; every price-fixing, trade-barricading, production-thwarting, competition-stifling dodge that is hamstringing our



economy? Hasn't the time come to stop feeding free men the dangerous pap that the way for a Nation to get rich is to destroy its wealth, restrain its production, and restrict its jobs?

On April 13, 1936, Mr. Roosevelt made a speech in Baltimore, addressed to the youth of the Nation. What he said was little noted nor long remembered. In view of the New Deal record since that time, a rereading of that address today leaves the impression that its significance lies not in what Mr. Roosevelt said but in what he failed to say.

It was in this address that Mr. Roosevelt said that "some people tell you that even with a completely restored prosperity there will be a vast permanent army of unemployed. I do not accept that." How hollow that sounds in view of Mr. Roosevelt's more recent utterances on the subject.

And when in Baltimore Mr. Roosevelt discussed reemployment he failed to make mention of the obvious truth that if corporations were not allowed to keep surpluses it would mean the curtailment of employment and the reduction of wages as soon as the inevitable rainy day came.

He did not say but well he might have said that every young man and young woman coming out of college knows that there can be no jobs unless business is making some profit.

And he might also have well said that all young people know that if we do not encourage industry, if we pass legislation which hinders and stifles business, this will create more unemployment and, therefore, less opportunity for young people to get jobs.

Yes, Mr. Roosevelt might well have said these things to the youth of America, because our young men and young women understand conditions pretty well—many of them better than the New Deal administration.

They understand that unless the finances of the Nation are put in order, it is the youth of America and the generation to come who will have to pay both direct and indirect taxes to liquidate the already colossal and ever-growing Federal debt.

Fresh from school, high school or college, our young men and women know that a business house cannot add employees unless it can afford to pay them. They know that industry is as anxious to employ more workers as unemployed workers are anxious to get jobs.

Waiting impatiently on the threshold of life, youth realized that its opportunities can never rise until, with the overwhelming force of its millions of new votes it removes extravagant and experimenting officials from high office, lifts the weight of Government interference from business, and permits a return to normal conditions, in which youth will find its place.

To a large extent there rests today on the shoulders of the youth of America the responsibility of bringing America back from the ruinous Roosevelt experiments. In the hands of youth lie the ballots which can bring the change next November—a change which would mean restoration of youth's opportunity and the deliverance of the Nation from 8 years of political and economic bondage.

## Democratic National Committee

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. BARKLEY. Mr. President, I ask unanimous consent that there be printed in the RECORD the address delivered yesterday by Hon. James A. Farley, chairman of the Democratic National Committee, at the meeting of the committee at the Willard Hotel, in this city.

There being no objection the address was ordered to be printed in the RECORD, as follows:

Once more we are gathered to formulate plans for a continuation of democratic government. This means that our procedure and our processes must be such as to prevent any interruption of the program which has kept our country at peace amid a world the countries of which are either actually at war or are trembling at the menace of war; a program that has restored business to a peak that has not been paralleled since the last Republican administration led us into a depression that shook the foundations of the whole American system. We must all shudder to contemplate the depth to which our failure to win the 1932 election would have plunged the country.

The peril of those dark days was averted by the Roosevelt policies, and as a result of those policies the United States continues to be the greatest nation in the world—great in its wealth, great in its power, and more important than all, great in the circumstance that our people are the envied of all the earth. All we know

about food rations and interference with the natural rights of free people is what we read in the reports of conditions abroad.

The Democrats have accomplished all these things without the sacrifice of any of our cherished institutions. We continue to have freedom of speech, the freedom to worship as we please, freedom to develop individual enterprise, and freedom to enjoy the proceeds of our industry.

The mere fact that we have intensive political activity in this country is in itself the finest evidence that we are on the right track and going strong. Where else but on this continent is it possible today for an opposition party to flourish? Where else would any group or individual be permitted to assail the government, to question its motives, and to urge the people to strip it of power? In any other country this would mean revolution. Here it means filling the air with radio clamor, filling the newspapers with critical editorials, and filling the CONGRESSIONAL RECORD with speeches for or against the administration. These things are probably the healthiest manifestation of the sturdiness of American principles and our greatest safeguard against the evils that beset the other great commonwealths of the world.

True, we have by no means solved all the problems. True, the job our party undertook 8 years ago has not been completed. Much remains to be done, and it is our part to see to it that what remains to be done will be done in orderly, democratic fashion. So I address you today not merely as the chairman of this committee, but as an American citizen, proud of the progress we have made and eager and anxious that there shall be no let-up in our efforts to preserve all our American liberties and to enhance the happiness of our people.

Naturally, our political foes question Democratic competence to meet the problems that still exist. They point to the vastness of our Federal debt. They emphasize the perils of an unbalanced Budget. They declaim against continuing unemployment and the size of the relief rolls. That is their right, and is perhaps the only method available to them to forward their hope of regaining control of the Government. They dare not permit the comparison of things as they are, compared with things as they were, when a disgusted country turned them out of office for simple incompetence—for a complete bankruptcy not only of policy but even of ideas.

Of course we have a huge Federal debt; that is the price we paid for averting chaos. The situation is comparable with that of a family stricken with a dreadful disease that goes into debt in order to save the patient. We have had a big debt before, and have worked out of it with no great distress. The Roosevelt Administration did not invent the deficit. We had 2 or 3 years of deficits under Mr. Hoover. The difference between those deficits and ours is that the Hoover deficits accomplished nothing, while the Roosevelt deficits fed and housed millions of people and gave business the backing which has enabled it to substitute dividends for assessments; to substitute sound and secure banks for the toppling array which closed the doors of more than 6,000 national and State banks in the few years prior to the banking holiday, which was the first act of the Roosevelt Administration.

I confess that I have no great apprehension as to the result of the forthcoming election. Until or unless the Republicans are able to formulate a better program to take the place of our program, I do not think there is any danger of the voters of the United States consenting to any interruption of the course that has brought us so far on the road to recovery. It has long been a political maxim that in a political campaign you cannot beat anybody with nobody. It is equally true that you cannot beat any program with no program.

We have come through more than 7 years of an administration that has expended enormous sums with not a single scandal. It is quite possible—in fact, it would have been a miracle if in our wide distribution of relief some fellow had not received a basket of groceries for which he was able to pay. But I think you will agree with me that it was better to have a limited amount of this petty chiseling rather than to have deserving and destitute people go hungry because some relief administrator was hardboiled or too busy to bother with such petty things. We have had no Teapot Dome scandals, no hundred thousand dollar bribes in a black satchel, or anything of that sort to blemish our record as custodians of the country's welfare.

But while I express to you my sincere belief that our party is in a healthy condition and still has the warm affection and support of the majority of our people, I must urge on you that we cannot afford to take any chances. The opposition is bitter and resourceful. It has at its command bottomless money bags to carry on its campaign. The eminent gentlemen who possess the greatest wealth in this country are hungry for a return to the old conditions by which they dominated the Government for their own advantage and profit. They will have dollars where we have dimes, to pay the normal expenses of the coming campaign. And long practice has made them experts in how to put their dollars around.

Against a united Democracy our enemies are helpless. Between the two great parties are roughly 10,000,000 voters who will cast their ballots for the best candidates and the best program that is offered. It must be our job to so conduct our campaign that those independent voters will adhere to the allegiance they gave in 1932 and 1936. Nothing would so tend to make them waver as the spectacle of a shattered Democratic front. I look forward to a very active pre-convention campaign, for there are many candidates, each with his devoted adherents. The greater the enthusiasm that can be aroused for these varying candidacies, the greater the good to the Democratic Party, always provided that

the preconvention campaign does not become so bitter that the rivalries will hold over beyond the period when our coming convention gives us a ticket.

Officially the Democratic National Committee can, of course, take no part in the preliminary struggles. We all have, of course, our individual preferences. But the guiding principle must always be that the Democratic National Committee is for the candidates selected by the national convention, unqualifiedly, enthusiastically, militantly.

Our function is to see to it that our party workers have every encouragement. We did not win the other elections. Those were won by the party workers; by the men and women far down in the ranks who gave their time and all that was in them to the maintenance of Democratic principles and to carry the message to the whole country that our candidates were the men best fitted and most eager to serve the public interest. I have the deepest appreciation of the faithfulness with which you men and women have carried on. May I take this occasion also to thank the vice chairmen and women of this committee, including sturdy, stalwart John Nance Garner, Vice President of the United States. Let these words of gratitude go to the State chairmen, the State committeemen, the county chairmen and the county committeemen, district captains and ward leaders, and that other multitude of good Democrats who, without title, labored so tirelessly in the past. I know that I do not appeal to all of these in vain when I ask them to take up the burden again and to work as hard and to strive as tirelessly in the coming election as they did in the past elections.

Victory is again within our grasp. We can only lose if, through overconfidence, we neglect to do the things that we are able to do or to slight our individual tasks with the idea that somebody else is sure to shoulder the burden.

It seems to me that it is the best political strategy to regard no battle as won until the ballots have been counted.

In fact, as to the coming election, we should regard the size of our majority as only less important than having any majority. The fight for popular government, which has been the mainspring of every Democratic campaign, is not over on election day. It must be our aim to make the assurance and the sustaining of democracy so plain that the lesson to our adversaries will not be lost sight of in the future. In no other way can we make certain of a long continuance of our party in power. We can and should demonstrate that regardless of candidates our determination is to give this country the best government that can be furnished. We must never lose sight of the principle that good government is good politics. We must realize that our term in office can last only so long as our administration meets the popular will and wins the popular approval. We are all good Democrats, of course, but we are loyal Americans first.

Let me thank you again for your service to your party and your country. And now let's get to work.

### South Carolina Political Forum

#### EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address delivered by the distinguished Senator from Florida [Mr. PEPPER] on February 1, 1940, before the South Carolina Political Forum at the University of South Carolina at Columbia, S. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Reaching from the tidewater of Virginia to the plains of Texas lies an area one-third of continental United States. This region forms a great crescent bounded on the east and south by the Atlantic Ocean and the Gulf of Mexico, which meet at the southern tip of the Florida Peninsula, and on the north by the Ohio River and the Potomac. Traversed by the great waterway of the Mississippi and its tributaries, crowned by the Blue Ridge, the Great Smokies, and the Ozark Mountains, basking in the salubrious climate of the temperate and subtropic zones, endowed with an abundance and variety of natural resources and presenting every promise of potential bounty, are 13 great States comprising the South.

Let us take a quick look at a business-like inventory of that South.

Population: Estimated (1937) over 36,000,000; white, 71 percent; native born, 97.8 percent.

Land: Total area, 552,000,000 acres, or between one-fourth and one-third of Nation's total. Soil types, three hundred odd; farms, 2,380,000, or nearly 40 percent of Nation's total.

Climate: Range, temperate to subtropical. Area with frostless growing season over 6 months; about 50 percent of Nation's total. Area with 40 inches or more annual precipitation, two-thirds of Nation's total.

Forests (southeast): Commercial forest area, 198,000,000 acres, or about 40 percent of Nation's total; saw timber area, 30 percent of Nation's total; virgin area, 15 percent of Nation's total; hardwood area, 78,000,000,000 board feet, or 43 percent of Nation's total; softwood area, 121,000,000,000 board feet, or 8 percent of Nation's total; southern yellow pine, 118,000,000,000 board feet, or 98 percent of Nation's total.

Minerals: Soft coal reserves 5 percent of world's total, 10 percent of Nation's total; soft coal supply, 20 percent of Nation's total; coal seams untapped, 98 percent; iron ore, 10 percent of Nation's 1930 supply; phosphates, 98 percent of Nation's production; petroleum (including New Mexico and Arizona), more than 65 percent of Nation's production; natural gas, more than 60 percent of Nation's production; others available, limestone, granite, sandstone, basalt, slate, marble, copper, bauxite, manganese, clay, lime, soapstone, and barite.

Power: Installed hydroelectric capacity, 27 percent of Nation's total; undeveloped hydroelectric capacity, 13 percent of Nation's total.

Wealth and income: Tangible wealth (Southeast), \$1,498 per capita. Bank resources: Highest Southeastern State, not over \$275 per capita; highest State in Nation, \$1,850 per capita. Savings deposits: 7 Southeastern States, under \$50 per capita; 6 Northeastern States, over \$500 per capita. Average income: The South, \$314; the Nation, \$604.

Cotton and tobacco: Total annual production range for cotton, 12,500,000 to 17,000,000 bales; proportion of 1932-33 world consumption grown in South, 58.2 percent. Tobacco production (Southeast), 1,600,000 pounds, or 85 percent of Nation's total.

Textiles, pig iron, and cigarettes (Southeast): Producing cotton spindles (1929), 58 percent of Nation's total; counties with over 100,000 spindles each, 56 of Nation's 79; pig-iron production, 7 percent of Nation's total; cigarettes, 84 percent of Nation's total.

Fish and game: Furs (1 State), 6,000,000 furs from 20,000 trappers. Value of 1929 commercial fisheries: Southeast, \$22,000,000; Nation, \$104,000,000.

Transportation: Railways (1931), Southeast: Main track, 52,433.48 miles. Main track to 1,000 population: Southeast, 2.05 miles; Nation, 2.03 miles. Main track per 100 square miles: Southeast, 10.27 miles; Nation, 8.22 miles. Locomotives, 11,205, or about one-fifth of Nation's total; freight cars, 431,264, or about one-fifth of Nation's total; passenger cars, 7,979, or about one-sixth of Nation's total.

Highways (1933), Southeast: State and local, approximately 666,666, or 22.1 percent of Nation's total; surfaced, 70,638, or 26.6 percent of Nation's total.

Other facilities: Mississippi and tributary river systems to other regions and to Gulf and Atlantic coasts; Atlantic and Gulf ports for seagoing vessels; major air lines serving each of the major cities.

(NOTE.—These data refer to the 13 Southern States of Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas, except where noted "Southeast," omitting Oklahoma and Texas.)

It might be added that this South is bordered by thousands of miles of coast line affording innumerable and excellent harbors for seagoing transportation, while the whole region is traversed by a generous portion of the Nation's internal waterways.

Southern shores, rivers, streams, and lakes abound in shrimp, shad, oysters, clams, scallops, mullet, mackerel, sponge, trout, bass, bluefish, frogs, and turtle to the extent that the South supplies the Nation with more than a fifth of its total commercial fisheries' products. A high authority states that the best fishing in the world is found in the waters of the Gulf of Mexico off Florida.

The South has almost half of the country's agricultural workers. It has four-fifths of the Nation's female farm workers.

These are good things about the South in terms of physical assets. The richness of her culture, the nobility of her spirit, her ability to sacrifice and to suffer, the soaring reach of her idealism, the deep roots of her understanding, and her culture, are a worldwide tradition which shall in the future, as it has in the past, dignify and beautify the pages of history.

Unfortunately there are some bad things about the South. Eleven of the twelve States with an annual per capita crop farm income of less than \$200 are in the South. The average annual wage of southern industrial workers is but two-thirds of that of the industrial workers in other parts of the country. The 12 States in this country in which the average per capita wealth is less than \$2,000 are Southern States, and the figure for the thirteenth Southern State is only slightly over the amount. The South has been so unable to accumulate productive capital assets out of her sparse income that the average per capita income from dividends and interest is but a fourth of that for the rest of the country. Taxable property in the South yields to State and local governments but three-fifths as much revenue per person as that of the Nation, and southern income yields per person are less than half as much Federal income-tax revenue as that of the Nation as a whole.



More than half of the Nation's illiterates are in the South. In the South only one out of six school children is in high school, as compared with one out of four for the other parts of the Nation, and the combined endowment of all southern colleges and universities is less than that of two large northeastern schools.

The South has to bear the scourge of malaria, typhoid, hookworm, pellagra, venereal diseases, tuberculosis, and other sicknesses, which, if attacked with adequate means by medical science of today, could be eliminated or controlled. Malaria takes a toll of a third of southern laborers' industrial productivity. Pellagra, the disease of malnutrition, is readily preventable, and yet afflicts 1 southerner in 50. Perhaps half of the school children receive inadequate diets. Tuberculosis, rickets, and anemia generally harass those improperly and insufficiently fed.

Farms in the South are small; 1 in 5 is less than 20 acres. Two-thirds of the Nation's tenant farmers are in the South; and half of the southern farmers are tenants. A small farm operated by a tenant farmer means that every available acre must be tilled; that little or no incentive exists for conserving the land; and that cash crops receive an undue share of attention. Cotton, corn, and tobacco continually planted without cover crops, contour plowing, and other devices for conserving and restoring the essential qualities of the soil, have wreaked havoc with land originally so fecund. Of the South's 100,000,000 acres, or three-fifths of the Nation's badly eroded soil, over 20,000,000 acres are ruined beyond recovery. This is the uncounted harvest of intertilled cotton, tobacco, and corn.

There are no more deserving people in the world than southern farmers, yet only 1 farm in 20 has water piped to the house; only a third of the houses are protected from flies and mosquitoes; 1 farm in 5 does not have a privy. According to modern housing standards, half of the farmhouses have been described as inadequate for human habitation. Of the 10 States in which the value of farm equipment is less than \$200 per farm, 9 are Southern States.

The farmer has no monopoly on privation; the industrial worker shares his lot. Two out of five southern urban homes are substandard, with more than one-fourth of these lacking sanitary plumbing. Before the effective date of the Fair Labor Standards Act in 1938, more than two-thirds of the southern textile mill workers received less than 37½ cents an hour while two-thirds of the northern millworkers received more. In spite of the very high standard of wages which prevails in certain cotton textile mills, which are highly to be commended indeed, it is unfortunately true that, taking southern cotton textiles as a whole, reports to the Bureau of Labor Statistics for November 1939 indicate that there was still a difference in average hourly earnings of 7½ cents between the North and the South.

What I have said is unpalatable to us who are of and who love the South, but I have presented a sketch of our assets and liabilities. The facts and figures are not mine; they are gleanings from the thorough work of scholarly people who have been permitted more time than I to make a survey of southern problems. This is what has been variously called the Nation's economic problem No. 1 and the Nation's No. 1 opportunity, appellations which to me have seemed synonymous. This is the good and the bad which we must accept objectively in our efforts toward solving the problems before us.

Let us look at some of the causes of these dark shadows across the picture of the South. Until the War between the States, this region was in many respects the richest section of the Nation. The devastation of the war itself and the subsequent reconstruction cannot be estimated in terms of money. The accumulated capital represented by slaves alone has been estimated at \$3,000,000,000. This was wiped out together with other forms of capital. The whole "going concern" value of the South was dissipated. The waste of cities pillaged and homes and factories burned, her young men killed and maimed, and women and children ravaged by disease and starvation left the South prostrate and at the mercy of a bitter and hostile North. Under these tremendous handicaps her efforts to build herself anew inevitably forced the South to place herself in hock to the remainder of the Nation.

The passions and prejudices of the war are gone, but the economic burdens which were its aftermath in the South are deeply entrenched and linger on to plague her people.

Undoubtedly the fact that our economy had been built on slave labor and had to experience the shock of an adjustment to free labor, together with the hazards of weather, price, and markets growing out of the two-crop system, have contributed immensely to much of our unhappiness.

The southern farmer, forced to purchase his commodities in a protected market and sell his products in an unprotected world market, without adequate capital to finance his efforts or to enable him to choose to whom or where he shall sell, and paying for the money he uses at exorbitant interest, has continually faced a combination of economic forces which have kept his nose to the grindstone.

Again a freight-rate structure had grown up in the Nation which to a large degree isolated the South economically from the rest of the country. Such a system of rates put the South generally under a 30-percent disability in reaching the great market north of the Potomac and east of the Mississippi, and, naturally, limited the extent of the South's competition.

A low wage scale not only pulled down the South's standard of living but it so reduced the South's purchasing power that we have had no adequate market for what we produced.

Moreover, there has been a continuous draining of the South's resources and wealth into the pockets of the great financial centers of other sections of the country. Not only were our forests, mines, and minerals—in fact, essentially everything we had of Nature's endowment—being developed to the profit of absentee investors, but our savings as well, poured in a steady stream into insurance companies, investment houses, banks, and enterprises of all kinds and character centered principally in the North. The North was the owner of the machines and the patents constituting the essentials of our mechanization and industry, and to them went a steady tribute. Meanwhile the Federal Treasury poured out to citizens of the North billions of dollars in the form of pensions and business subsidies, while the South continued almost "a stranger in a strange land," her status still almost that of a province, as she was after the Civil War, except only that her subjugation was economic and political instead of military.

Standards of public education and public-health facilities for research and graduate education in the South, being lower than in other parts of the Nation, were an incalculable drag upon our ability to progress and our advancement. Because of a combination of all of these conditions it is not surprising that the South has lost every year thousands of its most alert and enterprising young men and women, whom it has trained and educated at painful expense, to devote their increased productivity to a further disparity between the South and the North.

What forces have been at work to improve our situation? For the first year after the Civil War the energies of the South were dedicated to a restoration of our civil order, the preservation of the essentials of our civilization which war had shattered and all but destroyed. With matchless faith and courage we entered upon the lonely and hard struggle against odds which would have destroyed the faith of a less virile and determined people. By the end of two decades the South had thrown off the shackles of military force and dominion and regained its political sovereignty. Again self-determining, Herculean were its efforts to build a new edifice from the fragments of the old and the vital materials of new hope and new opportunity.

But the new prosperity which came to the South in the wake of the great sales campaign of the South's resources so effectively launched and sustained by Henry W. Grady, and his colleagues, fattened only a few chosen spots in the South and almost as many out of the South. Nearly everywhere there was still abject poverty, the natural consequence of the shock of the war and the disrupted economic order of pre-Civil War days. So the State and the local governments had little money for education, less for public health, and hardly any at all for public aid either to agriculture or to native industries.

Moreover, a great part of the South's ills grew out of the attitude and the policy of the Federal Government, and, of course, the Federal Government for nearly two decades after the Civil War was the armed enemy of the South. Afterward those dominating this Government disclaimed the South's problems unless they afforded an opportunity for exploitation of the South's virgin resources. Hence, the local governments were not able to discharge their obligations, and the Federal Government was not interested.

Though there has been a steadily increasing tempo in the South's progress, the last 6 years have seen a more fundamental and sympathetic attack upon our real problems than has ever been made. A glance only at these 6 years will show what a friendly Federal Government has done for the South. During the past 6 years the nonrepayable Federal expenditures in Southern States amounted to \$5,400,000,000. Repayable loans totaled \$2,900,000,000. In addition \$300,000,000 of F. H. A. home mortgages have been insured. These figures are exclusive of the activity of the United States Housing Authority in erecting low-rental housing units to replace the substandard dwellings that so many of our southern people are forced to inhabit.

During this period the Reconstruction Finance Corporation has loaned \$700,000,000 to stabilize and increase credit of southern business. Some \$900,000,000 has been loaned farmers and livestock raisers in the South during the 6-year period by the Farm Credit Administration. These loans included a quarter million long-term amortized loans on farm properties, 1,000,000 crop-producing loans and one-half million loans to livestock growers. Also more than 75,000 loans were made for drought relief. Over \$90,000,000 has been loaned to over 400,000 needy families by the Farm Security Administration's Rural Rehabilitation Division and subsistence grants allowed by the agency amounted to \$65,000,000 for the period. The Rural Electrification Administration has loaned \$17,000,000 and provided 24,000 miles of electric lines to serve 90,000 families.

During this period the Public Works Administration made over \$300,000,000 available to Southern States for a variety of public projects including schools, waterworks systems, sewers, jails, university buildings, libraries, hospitals, disposal plants, auditoriums, recreation centers, fire houses, gymnasiums, bridges, and streets. Home owners who found their property about to be seized because of unfortunate personal financial troubles found relief through loans made by the Home Owners' Loan Corporation, which loaned \$480,000,000 to 200,000 distressed home owners. The Federal Housing Administration insured \$210,000,000 for the building of new homes or for refinancing existing homes for \$52,000 southern families, and insured \$80,000,000 loaned to 217,000 southern families for modernization and repair purposes. The Bureau of Public Roads has spent \$410,000,000 in building more than 21,000 miles of southern roads and in eliminating over 1,000 grade crossings.

The Agriculture Adjustment Administration has made 4,500,000 crop-adjustment contracts amounting to \$900,000,000 with southern farmers, to stabilize prices and allow them to change their crops from those that deplete the soil to those that improve or conserve soil resources. The important programs of soil-erosion control, forest-fire protection, and reforestation have been aided tremendously by the expenditure of \$32,000,000 in the southern region during the period by the Soil Conservation Service, which also operates several demonstration areas throughout the Southern States.

With an expenditure of \$570,000,000, the Civilian Conservation Corps has provided admirable training to 586,000 enrollees in the South who during the 6-year period made great improvements in forest areas, through extensive conservation and reforestation.

Relief expenditures have amounted to nearly a billion and a half dollars and in addition to giving jobs to hundreds of thousands of our needy and unemployed, have resulted in an impressive array of public improvements: roads, bridges, culverts, curbs, schools, athletic fields, playgrounds, parks, tennis courts, golf courses, water supply, sewage systems, and improvements made to thousands of such families. More intangible but worthy contributions to southern life have been made through projects for serving of hot lunches to needy school children, nurses to visit indigent homes, furnishing clothing made in the sewing rooms. Finally, there is the research and clerical work which has helped so many local governments in their work.

The National Youth Administration has aided 93,000 southern students in providing adequate work for them to do so that they can earn their education. Fifty thousand youths who are out of school but need assistance have been helped by the N. Y. A. work projects. Another great humanitarian venture is the social-security program, which through State and local authorities has provided aid in the South to 8,800 needy blind people, 410,000 aged persons, and 150,000 dependent children. The Federal expenditures for the program have amounted to \$72,000,000.

The Corps of Engineers of the War Department has done \$300,000,000 worth of river and harbor development and flood-control work in the South for this period. Even the angry floodwaters of the Mississippi have been successfully harnessed.

The contribution of the Tennessee Valley Authority in reclaiming a great valley of the South cannot be measured in terms of money. It has provided a pattern of such magnitude that the history of the Nation will be affected by it henceforward.

The employment work of the United States Employment Service, the securing of bank depositors' savings through the insurance by the Federal Deposit Insurance Corporation, the extensive research work of the Department of Agriculture, the distribution of surplus commodities—all have made a peculiar contribution to the South's rehabilitation.

Late in the session of 1938 the Congress passed the wage-hour law. Many claimed to see in it the death knell of the South. Others of us saw that the South had to raise her wage scale to get a greater purchasing power, which in turn would lead at once to a better market for southern industries and agriculture, and a higher standard of living for the southern worker. We saw also an economy of the South's native resources which had been squandered without conscience and without economic justification, except by the use of sweated or underpaid labor. There was also the thought that the accelerated emergence of a skilled labor supply of strong and intelligent people would attract industry requiring more skill and responsibility in the worker. In spite of the shock which always follows a fundamental change in economic conditions, and a number of defects in the law, which experience has revealed and are in process of adjustment, the satisfaction with the law has been far more general than was anticipated, and it is realized that the law was an inevitable attribute of the times.

The South has already gained from the Congress two major concessions as a result of the wage-hour law. The first is the provision in the transportation bill, which passed the Senate during last session, directing the Interstate Commerce Commission to take such steps and to enforce such rules and regulations as will abolish and prevent freight-rate discrimination against any section or region of the country. This provision is also in the House bill, and will undoubtedly become the law at the next session of the Congress.

Here is one of the major obstacles to the South's progress, which would otherwise have challenged our best efforts for years, swept away in a few months after the wage-hour law became effective.

After these differentials are removed, the products of southern industry will be able to enter the great markets of the country without having to surmount a freight-rate structure which was, in effect, a tariff wall shutting out the South's products.

The second glaring discrimination against the South has been a W. P. A. security wage scale which gave the worker in the North or West much greater compensation than the southern worker for the same labor. The southerners who resisted a W. P. A. wage higher than the impoverishing prevailing wage are as much responsible for this condition as uninterested outsiders. This differential we abolished in the Emergency Appropriation Act of 1939 with the proviso that workers must be paid the same wages the country over for the same work, with a permissible allowance only for actual difference in cost of living. We know that if the same standard of living is maintained, the difference in living cost in different sections of the country is hardly more than 5 percent. Thus, more millions of dollars will come to southern workers and southern merchants.

The passage of the wage-hour law has given the remainder of the country a new feeling about the South. Realizing that the South thus undertook new burdens, they have been willing to relieve it of many old discriminations and handicaps.

The Conference on Economic Conditions in the South, summoned by the President, held in Washington in 1938 was the first time a President of the United States has so conspicuously and so conscientiously set in motion the machinery of government designedly to help to a new life a particular section of the country. No other President has been so close to the South, has had the same knowledge of its problems and the same sympathy for our difficulties, as has President Roosevelt.

In Congress a real fight is under way to meet another great need of the South—adequate capital and credit for business and business expansion. The South's vast resources are notoriously owned and exploited by absentee ownership. The South did not have the money to develop these resources, and it has had to do what Henry W. Grady and southerners after the Civil War did—beg northern capital to "come over into Macedonia and help us." Help came, but it stayed and took over the place generally.

As a consequence, our transportation systems, our utilities, our mines and factories, are not ours. While our resources have been used up, and wealth from our Treasury has poured into the coffers of other sections, the South has gained little in either taxes or wages. With 28 percent of the population, our investment banking facilities were less than 20 percent of those of the Nation. Big investment bankers of the North were not interested in our unknown issues. Such issues were not proper subjects for houses which have a large overhead expense and have to sell quickly. Everywhere there has been an admitted demand for effective long-term credit to small- and average-sized business, impossible through the existing banking system, which by its very nature can accommodate only short-term commercial demands.

Accordingly, hearings have been held, or are under way before the Senate Banking and Currency Committee and the Temporary National Economic Committee on the Mead bill, providing Reconstruction Finance Corporation insurance for bank loans to small business, and the Pepper bill, contemplating a system of regional banks with an adequate capital subscribed by the Government initially, but open to subscription by the public. Such banks, governed by boards chosen jointly by the President and private investors, would be reservoirs of capital and credit not drying up in bad times, and having available equity capital and investment capital, as well as both short- and long-term credit. The plan includes also a system of insurance for the funds employed so that a large distribution of any loss may be had. From such facilities the alert and responsible businessmen of a section may develop the resources there, and their increment will go to enrich their communities and States, as well as themselves.

Laboratories and experimental research in agriculture and industry the Government has also established in the South. A vast new industry—the kraft-paper industry, has, to a large degree, grown out of a forest-conservation program of the Federal Government. Florida and Mississippi have recently joined Virginia in shipbuilding under the Maritime Commission contracts. Army and Navy air bases, alert eyes and arms of our Nation's defense, and furnishing a permanent pay roll, dot the South.

The greatest effort we have ever seen has been made by the Government to stabilize the income of farmers. Control programs, subject to the approval of the farmers themselves, have been set up, by which production and price have been relatively stabilized. Crop insurance against the hazards of weather and pests has been provided for the wheat crop; a recent Senate bill extended it to cotton. Soon it shall assure the producers of all major crops, and the gamble, which the farmer could never afford, will have been largely removed.

A vast program for Federal aid to public education, which will have the effect of equalizing the educational opportunity of the children of the South with the offspring of the North, is upon the Senate calendar with a favorable report from the Senate Education and Labor Committee.

Also upon the Senate calendar, with a favorable committee report, is a bill for Federal aid to the States in affording required training in the public schools for physically handicapped children, and for children in the tender, but important kindergarten stage.

Last year the Congress vastly increased the funds available for vocational education.

The Wagner bill, providing for Federal aid to the States in furnishing better health facilities, will give the South means for health work which now is so pathetically needed. Recently the Congress, with larger annual appropriations, launched a great attack on cancer and venereal diseases. New funds for research in the virus diseases are about to be voted to the Public Health Service.

Here, then, are only a few of the instances in which the Nation, through the effective instrumentality of its Government, is undertaking a program which reaches down to the very roots of our problems. Gone is the old enmity and the ancient indifference, and in their place in the White House, in Congress, in the bureaus there are men and women who are zealous to be helpful to the South, to make things better with us.

What is the South's future? Are we to remain an agricultural economy, or shall we forsake our ancient role and embrace the new industrialism? Or shall we, perchance, be the favored region where a proper balance between the two may be struck? Shall those who locate industry hereafter take into consideration the opportunities which a certain locality offers for living as well as for working? To



what extent shall an equable climate with a long growing season where the laborer cannot only have a home but a garden influence the establishment of a factory? Are we about to lose cotton as our great crop to other countries having lower labor standards or to substitutes? Or shall we meet lower costs by less cotton production or by machinery displacing manpower? If we do lose cotton, what shall take its place? How shall we accommodate the millions of unskilled labor now engaged in cotton production to an abrupt change if it should occur? Shall we go in for subsistence farming and the exodus be to the farm for food and shelter? If so, what shall be the cash crop? Shall we turn to home manufacturing again, or to decentralized industry, where small units shall be distributed over the countryside? Due to our proximity to Central and South American countries, shall we in the deep South be great assembly centers for American production, where raw material from those countries and the factory shall meet? What changes shall research and discovery make in the South in the next quarter of a century?

There are many who think the South, with the prospective loss of her cotton crop and the general plight of agriculture, has a somber future. Others wonder if, as has happened before, her misfortunes may not be her greatest opportunity. With her vast natural resources of increasing use with the progress of science, with her climate and living advantages, the strength and genius of her people, and the rewards of profit, health, and pleasure which await those who come to blend their destiny with ours, no place in the world has an assured future more inviting than the South. In many of our hearts hope is hardly ahead of faith that the South is destined to be the cradle of the best that civilization can produce. We believe that here sturdy men and women may learn to live not too hurriedly but intelligently and well, properly balancing their work; gain something of equilibrium in their economy and in their lives.

In the last analysis, what the South shall be, her people, and not her resources, or her climate, will determine. What shall be the attitude of the South's people to her problems toward other people, toward the Nation, and the Nation's government? There may be some who dream of some glorified isolation for the South. Only the blind can feel such detachment, or the unthinking desire it. Most of us will realize that we cannot, if we would, surmount our difficulties alone. We cannot free ourselves from age-old discriminations and injustices by our own remonstrance alone, or with only local instrumentalities. In short, we are of and a part of this great, throbbing Nation. We must go along with it. We must help it solve its problems and see that it aids with ours. If we pull back we shall be dragged along anyway. If we go along joyfully and bear our share, we shall enter into the councils of the common course and have our just rewards.

One thing must be clear. We were born to be leaders, not followers or pouters with our lips stuck out. We led this continent in a Declaration of Independence at Mecklenburg. We led in the War of Independence, and for decades we led the procession of the Nation's noblest men across the stage of our national life. We led the trek of virile men and brave women who made the West and remade America. Only when we lost our consciousness of identity with the Nation did we cease to lead and our vision fail. Again we led the Nation to a new sense of right in the eighties and nineties, and set in motion a train of ideas and a sense of social justice which have swept on down through William Jennings Bryan, Woodrow Wilson, and Franklin D. Roosevelt. The tradition of the South is positive, not negative. Its men have dreamed but they wrought their dreams into throbbing truth and vital fact.

There are yet myriad wrongs to be righted. From generation to generation honest and diligent men still bear the galling yoke of economic slavery. Callous wealth still indifferent and conceited yet sees the neglected babe sobbing beside the mother, dead ahead of her time, and preventable disease taking its barbaric toll. Nature's rich jewels are swept up by the powerful, and hoarded from the hungry sight of the confused and impotent masses. Millions needlessly suffer "the slings and arrows of outrageous fortune" molded by human and not divine hands.

There are great dreams to be dreamed, and mighty works to be done in our South, in our great country, in this troubled world. These great things cannot be done by those who sit beside the road. The South is ready to march as she always, in her heart, has been. Let her speak in this troubled today in the same stirring words of determination to go through with the program now under way, which one of her great Georgia sons uttered when she was leading another crusade.

Said he:

"Today there stands waiting in the South and West as grand an army as every brought pride to a warrior. It only needs leaders bold and true. Leaders who can't be bought, or duped, or bullied. Leaders who, knowing what the enemy is, will dash straight against it and take no rest and make no terms until the enemy is routed. Leaders who do not stand aside and shirk dangers and avoid responsibilities, but who will dash to the front; who by example will dispel doubt and remove hesitation and who by their courage will win the right to say, 'Let the bravest follow me.'"

"Given leaders like that, there can be no retreat. We know what we want; let us take nothing else. With this resolution strictly adhered to, we draw all our energies to a focus . . . any other policy breeds divisions, factions, malcontents. Our energies will be scattered. . . ."

"When I entered this reform movement I meant business.

"The people who elected me meant business. I mean it yet. So do they. We never meant to carry the movement a trifling distance and then stop. We meant to go clear through or die trying. We mean it yet."

## The American Defense Society

### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ADDRESS BY LT. GEN. HUGH A. DRUM

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an address by Lt. Gen. Hugh A. Drum, commanding the First Army and the Second Corps Area, on the occasion of the award of a distinguished-service medal by the American Defense Society at a banquet at the Hotel Commodore, December 15, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Twenty-four years ago the founders of your society pledged themselves to maintain a policy of "peace through preparedness." Through the long years which have intervened, our great Nation has watched the world turn away from the peaceful pursuits and become engaged in conflict. As these unhappy events have come to plague us, the United States has eagerly sought to solve not only our own problems but, through sympathetic cooperation with our neighbors, to seek solutions for our common problems. Despite these efforts, we find that war remains a paramount issue in many parts of the world. It is not my desire to speak of conditions in any part of the world other than our own. It would be idle to deny that we are unaffected by happenings on other shores. Consequently, it is important that we consider in detail our own household and how we may best avoid the miseries we see in other lands.

What is our own ability to maintain your policy and our Government's policy of "peace through preparedness"? Are we prepared to insure such peace as will guarantee to all our citizens life, liberty, and the pursuit of happiness? You will recall that in 1920 the Congress of the United States established a law outlining the framework of our national-defense policy.

Our national war experiences indicate a consistent aversion on the part of our people to a sound preparedness policy. The old militarism of mother countries and financial burdens caused them to shun a practical solution. Our people seem to have preferred to risk national ruin—to pay uncalled-for expense in lives and finances—than to have faced this national problem with a realistic approach. History shows that we have followed a vicious cycle—first, hasty defense, irrespective of costs or sacrifices; second, war success without thought of lives needlessly sacrificed and financial burdens; third, a rush back to the old state of defenselessness, exposing the next generation to a worse fate.

As a result of our World War preparedness, we had 20 years ago the strongest defense establishment our Nation had ever known—in fact, the strongest in the world. Some 4,000,000 men had been under training, our navy was unsurpassed, and we had secured or produced adequate arms and supplies for such a force. During the demobilization of these forces, and after prolonged study, Congress enunciated a defense program to meet our peacetime preparedness needs.

In its act of 1920 the Nation adopted for the first time a defense policy parallel to that enunciated by Washington and translated the objectives into an army of some 300,000 Regulars, 435,000 National Guard, with an indefinite number of Organized Reserve officers and enlisted men, and stocks of arms, munitions, and supplies for an army of not less than 1,000,000 men, as well as a system for mobilization of our industries.

What has become of this policy in the last 20 years? It has remained on the statute books with only minor changes, but have we kept it implemented, active, and healthy, or has it followed the course of many other of our good defense intentions? Three great influences appeared shortly after its adoption and practically made it noneffective:

First, The slogan "war to end war" and all the associated hopeful, theoretical, psychological, spiritual views come into play. We had made the "world safe for democracy," and the next step was for our Nation to lead the world in disarmament; we should lead the way and be an example. We scrapped the superiority of our fleet and reduced our army. It was a great experiment and too bad that our conception was not followed in the rest of the world. Our faith and intentions were honest but hardly practical in view of the world situation of today.

Second. "Economy," "reduce the war debt," became a laudable political appeal, accepted by our people in principle, but the main application was tied into the theory of "peace by disarmament" and being an example to the rest of the world—so that the main economies were applied to our naval and army forces. The policy of 1920 was forgotten, and our great defense power of that time was allowed to slide unobserved, so that by 1930 we stood seventeenth in armed military strength of the nations of the world.

Third. Old age and obsolescence and depletion of stocks came upon our trained manpower and arms, munitions, and equipment. In the 20 years since the World War the fine men trained therefor became too old and much of our organization antiquated. In these years our reserve supplies were used up or deteriorated as funds were not available to replace or renovate them. Then again, modern improvement in military weapons paralleled similar advances in civil life. Think of the mechanical advances in your lines in these 20 years—transportation, motors, aviation, communications, business machines, etc.—and add to these the developments in specialized military weapons—airplanes, tanks, antiaircraft artillery, communications, etc.

These considerations, as well as the lack of governmental support, not only depleted our vast assets of 1920 but reduced our standing defense forces in many ways to less than we had had before the World War, and, such as they were, they were far from being modern. This is a brief picture of the history of our defensive forces since the World War. As in the past, we are now rushing with all the weakness associated with such a hasty approach to overcome these existing deficiencies.

The crisis in Asia and the turmoil in Europe a few years ago, and the war today have fortunately had their repercussions on our people. The fallacy of neglecting Washington's advice has gradually gained ground. Our present administration sensed the situation some time ago and is striving to recuperate some of our losses and to revitalize and modernize the whole system. Our past neglect has now "come home to roost." Lack of funds in the past years must now be compensated for by extraordinary appropriations if we are to catch up. Bear in mind that modern arms—aviation, tanks, motors, anti-aircraft, and anti-tank weapons—cost far more in funds, and, more to the point, in trained manpower to operate and maintain them. An airplane in the air requires about 15 men to produce and maintain it, a field gun about 8, and a tank about 10 men. One mechanized brigade costs about \$100 per mile of travel, not counting the pay and maintenance of its personnel.

These new financial problems are complicated by the increased difficulties of organizing and training forces to use efficiently the modern weapons of defense. The day of the "minutemen" and the "making of a soldier in 10 days" has passed. The system of scattering our army in small posts in 48 States without adequate training facilities must be discarded. The great mass of an army must be skilled mechanics—the infantryman must combine individual initiative and field craftsmanship with skill in operating the new mechanical weapons. The junior officers as well as the higher leaders must learn the characteristics of all weapons and know how to team those in the air and on the ground to secure decisive results in a battle crisis. These ends are difficult to secure. Without such efficiency modern arms and weapons are valueless. Consequently, forces trained in the practical employment of modern weapons is a prerequisite and one that cannot be secured without long individual and group training and the facilities essential thereto.

The War Department has been well aware of all of these several deficiencies which I have briefly enumerated here. Its plans look to the future and are, of course, dependent upon receipt of appropriations from the Congress. However, we must bear in mind the time required to produce airplanes, arms, and other munitions. With the funds now available little of the modern equipment contemplated thereby can be made available in less than a year, and in many cases it will take 2 years. Then again, even though all the modern equipment required were available today, our army would still face a difficult task. There must be men available to put this equipment to use, and that problem requires long and painstaking care to see that individuals are well trained, well led, and well organized for the duties facing a modern army. This essential difficulty has, in a small way, been brought to the attention of the American public during the series of army maneuvers held this year. These maneuvers, particularly the recent maneuver in August in the vicinity of Plattsburg, N. Y., clearly indicates that in numbers of men, amount of equipment, and in organization and training, all components of our army require attention. To my mind, the outstanding characteristics of these maneuvers was the clear indication that the spirit and willingness of all the officers and men exists as high today as it ever has in our Nation. With that spirit and willingness, so clearly evident, it is essential that these men be provided with adequate equipment and opportunity to train for the tasks our Nation may require them to perform. I cannot emphasize too strongly that throughout every part of the Regular Army and the National Guard and the Organized Reserves this same spirit to face every task unflinchingly exists in all the officers and men. And I emphasize with equal force that it is the duty of every citizen and of our Government to see to it promptly that these men are provided with the essential tools they need to do their work and greater opportunity to learn how to use them efficiently.

We are all aware that in the field of political philosophy today, force remains an essential factor. We are equally aware that if we as citizens are to enjoy the rights and privileges of our society, then we must cheerfully accept the obligations that accompany them.

## The Blight of Bureaucracy

### EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ARTICLES BY COLE E. MORGAN

Mr. BYRD. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD four very able articles written by Mr. Cole E. Morgan and published in the New York Journal-American under the caption "The Blight of Bureaucracy."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

#### ARTICLE I

WASHINGTON, January 2.—One of every seven persons employed or engaged in business in the United States draws a Government pay check every week, every month, or twice each month.

Of the \$63,993,000,000 total national income earned by the 45,500,000 gainfully employed workers and producers of the Nation in the calendar year 1938, \$7,926,000,000 was received in the form of salary or wages from some Government disbursing office by 6,902,000 men and women enrolled on some public pay roster.

This means that of each 100 workers or producers, 15, or practically one-seventh, were getting their pay from some agency of Government, Federal, State, county, municipal, township, or other subdivision.

Of each \$100 of income earned by all the people, these public pay rollers received \$12.35—12.35 percent—virtually one-eighth of the total.

Six income producers, engaged in privately operated commercial, industrial, agricultural, and professional activities, earned the income.

They provided the taxes therefrom to pay off one of those fortunate enough to have a public office or a public job.

The 38,598,000 private income earners received \$56,067,000,000, or an average of \$1,452 each, for the year. The 6,902,000 public pay rollers received \$7,926,000, or \$1,148 each, on an average.

But 2,996,000 of the 6,902,000 receiving public pay and constituting 43.5 percent of the group drew only \$2,100,000,000, an average of \$701 a year each.

The other 3,906,000, or 56.5 percent, got \$5,826,000,000, an average of \$1,492 each. This is more than double that of the low-pay group and \$40 a year more than the 38,598,000 private income earners averaged.

The \$701-a-year-average men and women were employed on depression-made emergency jobs at subsistence wages as an alternative to a direct-relief dole.

Yet they were working.

The \$1,492-a-year-average folk were in regular governmental employment, though hundreds of thousands of them were in positions created in the last 7 years under the cloak of emergency.

The foregoing facts and figures are derived from official Federal Government sources—after painstaking research, study, and analysis. If anything, they are ultra-conservative.

These facts and figures mean that every one of the close to 40,000,000 of income earners engaged in private endeavor in the United States last year contributed, in direct or indirect taxes, on the average of \$17 a month to support some governmental job-holder.

This was apart from what they also provided to carry on the multifarious operations of government from the rural civil district and township up to the mammoth national and international ramifications of Federal administration.

The Federal Government alone in 1938 spent . . . in round figures . . . \$8,000,000,000. . . . This was one-eighth of the entire \$64,000,000,000 total national income that year.

Half of this eight billions . . . or four billions . . . went out in the form of wage . . . and salary . . . checks . . . to Federal job holders.

Practically another four billions . . . went in wages . . . and salaries . . . to job holders of State governments . . . and their political subdivisions.

Thus the job holders' pay rolls . . . consumed one-eighth of the national income.



The Federal total . . . was \$4,031,949,000 . . . and that of the States . . . and their subdivisions . . . \$3,893,724,000 . . . Breaking down the figures in detail . . . 38,598,000 persons . . . engaged in private business and industry . . . earned \$56,067,000,000 . . . while 6,902,000 persons received . . . \$7,926,000,000 . . . in governmental pay checks.

The Federal statisticians . . . include this \$7,926,000,000 . . . of public pay-roll earnings . . . as part of the \$63,993,000,000 national income.

Necessarily it had to come out of tax revenues levied . . . on the returns . . . of private business.

It didn't just come out of the air . . . though it would appear . . . some governmental spenders have that idea.

Here is the governmental job holders' break-down:

Government	Employees	Pay roll	Wage average
Federal	1,187,814	\$1,931,949,000	\$1,626
States	475,988	616,056,000	1,294
Counties	309,601	419,948,000	1,356
Municipal	721,911	1,204,266,000	1,668
Public Education	1,210,946	1,653,454,000	1,365
Work Relief	2,995,702	2,100,000,000	701
Total	6,901,962	7,925,673,000	1,148

The work-relief category covers only wages . . . paid to workers . . . on Work Projects Administration-operated projects . . . and enrollees . . . and military details . . . in the Civilian Conservation Corps.

With 38,598,000 private business earners . . . providing the \$7,925,673,000 . . . of tax money to pay the wages . . . and salaries . . . of the 6,901,962 governmental jobholders—the average cost to each private earner . . . was \$205 for the year.

This, divided by 12, makes \$17 a month . . . as the individual contribution to the pay-roll army.

#### ARTICLE II

WASHINGTON, January 3.—Public education . . . is one of the major activities of government . . . in the United States today . . . and probably the most important and valuable . . . to the people as a whole.

For the year 1938 various governmental agencies . . . from the Federal Government . . . down to the local school district . . . expended \$1,653,454,000 in salaries . . . to 1,210,946 teachers . . . and others in the Nation's public school and college system.

These school and college employees . . . averaged \$1,365 salary each . . . for the year.

Kindergarten—primary—and grade school teachers—averaged around \$1,000 . . . high-school faculty members around \$1,500 . . . and college and university instructors around \$2,000.

These figures are the estimates . . . of the Office of Education . . . of the Department of the Interior.

Specific figures for the 1935-36 public school year . . . show: That 870,963 elementary and high-school teachers . . . received \$1,146,460,000 . . . an average of \$1,340;

That 19,118 administrative officers . . . received \$67,436,271 . . . an average of \$3,527.

That 29,570 supervisory and maintenance workers . . . received \$60,968,247 . . . an average of \$2,061.

Thus . . . 919,651 public school personnel . . . in that year . . . received \$1,274,864,918 . . . an average of \$1,387 . . . which is \$22 more . . . than the 1938 average.

Money spent for education . . . does not go to waste . . . as history well proves in the intellectual advance . . . and the decline of illiteracy . . . in the country in the last half-century.

If all tax moneys were spent as judiciously . . . as are those invested in education . . . the taxpayer would have little . . . of which to complain.

So, to be fair to the cause of education, funds expended in that field . . . cannot be treated in the same light . . . as those for other governmental operations.

Deducting the \$1,653,454,000 . . . paid to the 1,210,946 employees . . . on the public educational pay rolls—there remain 2,354,414 governmental employees . . . drawing \$3,803,119,000 in 1938 . . . an average of \$1,615 each.

Taking the educators out . . . jumps the average \$111 better a year . . . better than \$2 a week . . . for jobs that are essentially political.

Least political . . . of any branch of government . . . is the judiciary.

The Federal judicial system's personnel in 1938 . . . numbered 2,271 persons . . . These 2,271 persons, including 1,860 holding official status and 411 in minor capacities received \$6,815,000 . . . an average of \$3,001 each in 1938.

The legislative organization of the Federal Government . . . the Congress and its staff of assistants . . . that year embraced 5,145 persons.

The legislative pay roll . . . including \$5,351,000 . . . for salaries of 96 Senators and 435 Representatives at \$10,000 a year each . . . totaled \$13,185,000.

The average . . . was \$2,562.

Taking the Federal legislative and judicial personnel . . . out of the picture . . . there are left on the Federal pay roll 839,498 persons.

These constitute the officials and employees . . . of the executive branch . . . of the Government.

There also remain 1,507,500 . . . on the various State pay rolls . . . including cities . . . and counties . . . as well as State governments.

Deduct the \$6,815,000 judiciary pay roll . . . and the \$13,185,000 going to the congressional or legislative establishment . . . from the \$1,562,849,000 Federal expenditure . . . that remained . . . after the Army and Navy and work relief wages . . . had been chalked off.

That leaves \$1,542,849,000 . . . with which the executive personnel . . . was paid for the year 1938.

There also remained . . . \$2,240,270 of State pay-roll expenditures . . . after the educational outlays . . . were eliminated . . . a total of \$3,782,119 Federal and State funds.

The loose-jointed methods of presenting governmental statistics . . . frequently give an incomplete picture . . . of the whole . . . unless the flow of figures . . . is traced to its source.

This is how it is done:

The Civil Service Commission's monthly reports . . . showed a total . . . of \$1,542,848,640 . . . paid out in executive department salaries . . . and wages . . . in the 12 calendar months of 1938.

At an average of \$151 a month . . . of \$1,812 a year . . . this outlay . . . less the \$11,465,681 December postal service extra . . . or a net of \$1,531,382,950 . . . would have paid 845,193 full-time workers for the year.

The Bureau of Foreign and Domestic Commerce . . . fixed the total earnings of these workers received from the Government . . . at \$1,931,000,000—1,187,814 as the total number on the Federal pay roll in 1938.

That included, beside the executive department, the Army . . . Navy . . . and Marine Corps enlisted and officer personnel . . . the legislative branch of the Government . . . and the Federal judiciary.

The Bureau of Labor Statistics . . . gave the writer the figures 340,900 . . . as the Army, Navy, and Marine personnel . . . 5,145 for the legislative establishment . . . and 2,271 for the judiciary . . . These three items total 348,316 . . . and leave 839,498 . . . as theoretically the executive personnel.

The Civil Service Commission's semiannual report . . . added up . . . to a total of 10,164,685 man-months of executive department employment in 1938.

Dividing that by 12 . . . gives a monthly and yearly average of 847,057.

How are these three figures—847,057, 845,193, and 839,498—to be reconciled? The writer chose the lowest figure—839,498.

#### ARTICLE III

WASHINGTON, January 4.—The founding fathers, in drafting and adopting the American Constitution a century and a half ago created three coordinate branches of the Federal state—the executive, the legislative, and the judicial.

To all practical purposes there has developed a fourth branch, the national defense.

No part of the Government operates more independently than the Military Establishment—the uniformed Army, Navy, and Marine Corps.

With 340,900 men drawing \$369,100,000, the average is \$1,080 a year, or \$90 a month, for the combined officer and enlisted military personnel.

Of course, outside of this base pay they are fed, clothed, and housed at Government expense.

In the judiciary department, the 1938 pay roll was figured at \$6,815,000 by the department.

The department claimed only 1,860 judicial employees against the 2,271 figure of the Bureau of Labor Statistics. Taking the 2,271 as the complete figure, the \$6,815,000 pay roll struck an average of \$3,000 each.

Topping the salary list is Chief Justice Charles Evans Hughes, at \$20,500, and his eight Associate Supreme Court Justices at \$20,000 each.

Federal circuit court judges get \$12,500 and district judges \$10,000, except in Hawaii, where the pay is \$7,500.

Clerks range from \$8,000, for the Supreme Court, down to \$2,400 in Hawaii, with \$3,800 the lowest in the States.

District clerks average \$5,600.

District attorneys run from \$10,000, in New York City, down to \$4,600, with \$6,000 the average.

United States marshals range from \$6,500 down to \$3,000.

Other judicial personnel includes . . . United States commissioners . . . and referees in bankruptcy . . . district attorneys . . . clerks . . . marshals . . . bailiffs . . . stenographers . . . file clerks . . . record clerks . . . etc.

The legislative branch of the Government . . . with its 5,145 personnel . . . and \$13,185,000 wage and salary account . . . in 1938 averaged . . . \$2,563 per person.

The funds were divided as follows:

Salaries, 96 Senators, at \$10,000 each	\$960,000
Salaries, 435 Representatives, at \$10,000 each	4,350,000
Salaries, 3 territorial delegates, at \$10,000 each	30,000
Total, 534 Members' salaries	5,340,000

Senatorial patronage positions, 864, at \$1,800 average...	1,555,200
House patronage positions, 1,752, at \$1,600 average...	2,803,000
Permanent non-patronage parliamentary staffs, 60, at \$3,000.....	180,000
Congressional Library, 864 positions, at \$2,000 average...	1,728,000
Architect of Capitol, 800 positions, at \$1,600 average...	1,280,000
Miscellaneous employment, 71 positions, at \$1,000 average.....	98,600
Miscellaneous employment, 200 positions, at \$1,000 average.....	200,000

Total salaries for 5,145 positions..... 13,185,000

Bureaucracy flowers . . . to its fullest bloom . . . in the Executive establishment . . . of the Federal Government.

Seventy percent . . . of the entire regular Government personnel . . . hold bureaucratic positions . . . chosen for . . . and placed in . . . their jobs by bureaucrats, not one of whom . . . except the President himself . . . owes his office directly to the votes of the people.

The others . . . are creatures of the appointive power . . . vested in the Chief Executive . . . and, except in a few instances, delegated by him to bureaucratic subordinates.

The Executive departmental personnel . . . in the main . . . is composed of intelligent and conscientious persons . . . and persons of unquestioned character . . . But anyone who has been around Washington . . . knows of many instances of square pegs . . . trying to fill round holes . . . at the behest of some bureaucratic . . . or political . . . friend.

#### ARTICLE IV

WASHINGTON, January 5.—Recruiting the governmental job-holders and pay-roll proportions . . . is not confined alone to the Federal Government.

It is just as pronounced . . . in the States . . . the counties . . . and the cities.

The percentages of increases for the States . . . and their political subdivisions . . . do not run quite as high . . . as for the Federal Government . . . but they are high enough to cause the average taxpayers to stop . . . look . . . and wonder . . . what it's all about and why.

Statistics . . . compiled by the United States Civil Service Commission . . . and the National Income Section of the Bureau of Foreign and Domestic Commerce . . . disclose that between December 31, 1932 . . . and December 31, 1938 . . . administrative personnel of the Federal Government rose . . . from 568,345 . . . to 861,914.

This excludes all military . . . legislative . . . and judicial officials and employees and . . . it represents an increase of 293,569 . . . or 52 percent.

Personnel of the States . . . counties . . . municipalities . . . and minor subdivisions . . . excluding all public education . . . rose 218,577 . . . from 1,288,923 . . . to 1,507,500 . . . an increase of 17 percent.

State government personnel alone jumped from 334,476 . . . to 475,988 . . . a gain of 141,512 . . . or 42 percent.

County employees, including all minor governmental units outside the incorporated municipalities, climbed . . . from 270,521 . . . to 309,601 . . . a gain of 39,080 . . . or 14 percent.

Municipalities . . . went up from 683,926 . . . to 721,911 . . . a rise of 37,985 . . . or 6 percent.

For the calendar year 1932 . . . the Federal executive departmental pay roll was . . . \$1,038,000,000 . . . For the calendar year 1938 . . . it was . . . \$1,543,000,000 . . . an increase in 6 years . . . of \$505,000,000 . . . say a round half billion . . . or 49 percent.

The States . . . and their subdivisions in 1932 . . . had pay rolls totaling \$1,916,000,000 . . . and in 1938 . . . they ran up to \$2,240,000,000 . . . an increase of \$324,000,000 . . . nearly one-third of a billion . . . or 17 percent.

It will be noted that the increase in personnel and pay rolls for the States and their subdivisions . . . were identical . . . 17 percent . . . while Federal personnel jumped 52 percent . . . against a 49 percent gain in pay rolls.

The State governments . . . increased their pay rolls . . . \$187,592,000 . . . from \$428,464,000 . . . to \$616,056,000 . . . a step-up of 44 percent . . . against 42 percent . . . in personnel.

The counties and minor subdivisions . . . went up in pay rolls . . . from \$376,861,000 . . . to \$419,948,000 . . . or \$43,087,000 . . . an increase of 11 percent . . . That was 3 percent less than . . . the employment gain.

The municipalities . . . rose \$93,399,000 . . . from \$1,110,399,000 in 1932 . . . to \$1,204,266,000 . . . in 1938—a boost of 9 percent . . . against a 6 percent employment rise.

There was a tax increase . . . of \$4,616,000,000 . . . or 61 percent . . . in the 4 years from 1933 . . . to 1937 . . . It will be observed . . . that the Federal taxes jumped . . . from 24.8 percent of the total in 1933 . . . to 42.3 percent in 1937.

The State percentage . . . shifted only one-tenth of 1 percent . . . dropping from 23.2 to 23.1 . . . while on the other hand . . . the city and county taxes dropped . . . from 52 percent . . . to 34.6 percent.

That means . . . that the local communities . . . shifted a big share of their obligations and responsibilities . . . to the shoulders of a willing Uncle Sam.

In fact, they were heartily encouraged to do it . . . by the liberal way . . . in which the Federal Government . . . passed out loans and grants . . . for most every conceivable purpose.

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The Federal tax haul in those 4 years . . . jumped \$3,269,000,000 a year . . . that of the States, \$1,065,000,000 . . . and that of the cities and counties, only \$282,000,000.

Federal taxes were up 175 percent.

State taxes were up 60 percent.

City and county taxes were up only 7 percent.

On February 23, 1933 . . . 4 days before the inauguration of the Roosevelt administration, there were 563,487 names . . . on the Federal executive civil pay roll . . . On October 31, 1939, there were . . . 937,357 . . . an increase of 373,870!

If that monthly average of increase . . . keeps up another 12 months . . . up to October 31, 1940 . . . it will mean the creation . . . of 56,076 more jobs . . . to be passed out to the faithful . . . in time to be on the pay roll . . . when next election day comes around . . . on November 5, 1940!

When the New Deal came into office . . . on March 4, 1933 . . . it was faced with this pledge . . . written into the platform adopted by the Democratic National Convention . . . in 1932:

"We advocate an immediate and drastic reduction of Government expenditures by abolishing useless commissions and offices, consolidating departments and bureaus and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government."

President Roosevelt ran and was elected in November 1932, on that platform.

The Federal Budget . . . in 1932 . . . was \$3,500,000,000 a year . . . In his message to Congress last January . . . submitting the Budget for the 1940 fiscal year . . . the President said:

"The expenditures contemplated for the fiscal year 1940 (exclusive of expenditures for debt retirement and those payable from postal revenue) total \$8,995,663,200."

When the President sent his message to Congress last April 25 . . . submitting a plan for reorganization . . . of the executive establishment . . . Congress quickly adopted the program . . . and put it into effect July 1.

On June 30 . . . according to the Civil Service Commission . . . the executive personnel . . . was 925,982 . . . and the monthly pay roll . . . \$140,217,974 . . . On October 31 . . . after 4 months of reorganization . . . that promised a saving . . . of \$15,000,000 . . . to \$20,000,000 . . . a year . . . the personnel was 937,357 . . . and the pay roll . . . \$142,065,340!

In the first 4 months of reorganization . . . the personnel was "reduced" by hiring an additional 11,375 workers . . . and the pay roll was "reduced" by an additional \$1,847,366 in pay checks.

Some people may figure . . . that's good arithmetic . . . but it's not the kind this writer was taught . . . many years ago . . . back in grade school. But such is government . . . in these new dealish days.

#### Civic Planning

#### EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

EDITORIAL FROM THE WASHINGTON EVENING STAR OF JANUARY 29, 1940

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Evening Star of January 29, 1940, concerning the development of the National Park and Planning Commission in the city of Washington.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of January 29, 1940]

#### CIVIC PLANNING

More than a decade and half ago, when much of the post-war public building and parkway program for Washington was still in the dream stage, a group of forward-looking citizens organized the Committee of One Hundred on the Federal City. With the Nation's Capital already suffering from growing pains due to the tremendous expansion of governmental activities resulting from the World War, the committee, of which Frederic A. Delano was chairman, appointed subcommittees to study such problems of city development as zoning, architectural harmony, parks, highway improvement, school and playground sites, and water-front beautification. The committee offered its cooperation to Federal and municipal authorities in solving these ever-multiplying problems.

At that time there was no official park and planning agency such as exists today, but this situation was remedied the next year, 1924, with the passage of the Ball-Gibson Act, creating a National



Capital Park Commission and authorizing purchase of land for parks in the District of Columbia. Two years later Senator ARTHUR CAPPER, of Kansas and Senator ERNEST W. GIBSON, then a Member of the House, sponsored the noteworthy Capper-Gibson Act, which created the National Capital Park and Planning Commission. In 1930 another important act bearing on the methodical esthetic development of the whole metropolitan area was passed—the Capper-Cramton Act, providing for the George Washington Memorial Parkway along the Potomac River, from Mount Vernon to Great Falls.

These were memorable milestones along the path of Washington's amazing progress of the late twenties and of the thirties. During that epoch the sprawling, flimsy temporary war buildings in the Mall area were replaced by imposing, columned structures of stone and steel. The "Federal Triangle," which so long existed only on paper, became a magnificent reality. Great memorials, broad avenues, new parks came into existence. All are fine monuments to the foresight and determined endeavors of countless citizens and agencies, both public and private. Some of these civic planners will review the accomplishments of the past and discuss a program for the future at a dinner Wednesday night in the Willard Hotel in honor of the National Capital Park and Planning Commission. The hosts will be the Committee of One Hundred on the Federal City and the Board of Directors of the American Planning and Civic Association. Attending will be many of the persons who have played leading roles in the controlled development of Washington in recent years. They have the satisfaction of knowing that their plans were well laid and that their efforts have brought remarkable results. But they know, also, that Washington will continue to grow and that new problems constantly will arise. An immediate concern of the planners, for example, is the overdevelopment of Northwest Washington. The trend of expansion naturally is toward the east, where large parkway and building projects are planned. Such public-spirited citizens as those to gather here this week must continue their vigilance and their cooperative efforts if the Washington of tomorrow is to continue to enjoy the orderly growth befitting the Capital of the Nation.

### Gold Buying

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

EDITORIAL FROM THE NEW YORK POST OF SEPTEMBER 19, 1938

Mr. TOWNSEND. Mr. President, my recent speeches on gold have inspired numbers of people to write me and to send me clippings of articles on the subject. Among these is an interesting editorial from the New York Post of September 19, 1938, which I ask consent to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of September 19, 1938]

#### GOLDEN BOY

"I would classify this [inflow of gold] as a very pleasant movement."—Secretary of the Treasury Morgenthau.

Gold continues to pour into the United States. The Nation's monetary gold stock rose last week by \$184,000,000, to a new record high of \$13,421,000,000.

If gold should continue to come into the country at the same rate, in 1 year and 3 months we'd have all the monetary gold in the world.

That, to Secretary Morgenthau, is a pleasant prospect.

Mr. Morgenthau's statement is a monument to the gold obsession which grips him and which appears to have hypnotized official Washington.

To us the spectacle is anything but pleasant.

It is not pleasant insofar as it represents panic and terror abroad. It is even less pleasant insofar as it represents stupidity here at home.

Every ounce of this gold will be paid for in the labor of American workmen in one of two ways:

Or in the form of bank balances, securities, or other credits which can be used as claims upon goods later on.

In either case, now or later, we hand over something valuable and usable in exchange for metal so useless that the most we do with it is to bury it in the ground.

That gold never will be any good to us unless at some future date we can dig it up again and use it to buy from other countries commodities which we can use and enjoy.

At present we have nearly 60 percent of all the world's monetary gold. Yet Mr. Morgenthau declares:

"The attitude of the Government is that if individual investors and governments and central banks want to send their money here in the form of gold, as a haven of refuge, why, we stand ready to buy it at \$35 per ounce."

This naïveté of the Secretary of the Treasury reveals how little he has analyzed the problem which faces him and how oblivious he is to the great danger which faces the Nation.

For what's going to happen after we get the bulk if not all of the world's gold?

The theory is that it will represent a ticket for the future on the goods of other nations; that, say in 1980, we will be able to send it to England or France and get goods in exchange, just as they now send it here and receive goods in exchange.

But if the other powers ship their gold here—

What's to prevent them from demonetizing gold? From telling us:

"Well, Uncle Sam, you've got the gold; may it do you a lot of good. We don't want it. It isn't money in our countries any more."

Fantastic? No more fantastic than the repudiation of the war debts. No large nation today uses gold as general currency; most use it as a symbol.

And other nations can demonetize gold, once they are rid of it, quite as easily as we prohibited citizens from possessing gold.

Then we will be left with a huge buried pile of metal—a pile worthless to us, worthless to the world. Again we will have been the prize sucker of civilization.

Yet, as the gold pile mounts, as the day draws nearer, Mr. Morgenthau smirks with satisfaction.

For sheer contemptuousness of reality, the pose of America's Golden Boy may go down in history alongside Casablanca's standing on the burning deck and Nero's fiddling while Rome burned.

### The Northwest Territory

#### REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. ROBERTSON. Mr. Speaker, we recently celebrated the one hundred and fiftieth anniversary of the formation of the Northwest Territory. Virginia, of course, claimed title to that vast area and ceded it to the Federal Government. In colonial days all of the Northwest Territory was a part of Augusta County, one of the counties of the present Seventh Congressional District. Rev. James Sprunt, of Lynchburg, Va., has written a very interesting article on the early settlers of Augusta County, describing their origin, their hardships, and their manner of living. It was those settlers in colonial days that first went into the great Northwest Territory. Their descendants in the States carved from the Northwest Territory as well as their descendants in the Shenandoah Valley of Virginia have a right to be proud of these nation builders.

The article by Reverend Sprunt follows:

THE SETTLEMENT OF THE GREAT VALLEY OR EARLY DAYS IN THE GREAT VALLEY

(By Rev. James Sprunt, Lynchburg, Va.)

Virginia was settled from two directions. As Dr. R. B. Bean succinctly points out in his book, the Peopling of Virginia, "The earliest settlers came almost entirely from the south and southwest of England and settled around the Chesapeake Bay and along the rivers which empty near its confluence with the ocean. They were chiefly cavaliers and were strong for church and king. The second great movement of people into Virginia started from the northwestern corner of the State into the Shenandoah Valley, also called the Valley of Virginia. These were mainly Scots with a considerable number of Germans, a few Dutch, and some Irish." And, we may add, they were a conscientious, God-fearing, hard-working, liberty-loving people.

Back of this second great movement into Virginia, which issued in the settlement of the great valley, there was another which must at least be mentioned. Beginning about the year 1714, and continuing for 60 years and more thereafter, there occurred a singular migration from Europe to America. It has been described as the most extensive movement ever made across the Atlantic before the modern days of steamships. Often as many as 12,000 persons came in a single year (which I believe was the record number of troops carried the other way by the steamship *Leviathan* on one trip in the days of American participation in the

World War). In 1 week in 1727, 6 ship loads landed at Philadelphia. And who were they? They were sturdy Scottish folk from Ulster, in the north of Ireland, and from Scotland. One of them, Thomas Craighead, was entered upon the records of the University of Glasgow as Scotto-Hibernus, a Scot from Ireland. Most of these immigrants were such, and we call them the Scotch-Irish. So many of them sailed westward across the great sea in those days that when the War of the Revolution broke out there were approximately 500,000 Scotch-Irish in the Colonies, forming one-sixth of the total population. And these same valiant folk played a heroic role in the winning of our independence. To answer the natural question as to why it was that Scots should come from Ireland to America would take too long just now, though it is an intriguing story. Suffice it to say that harried by persecution in Scotland, there had been numbers who had set up in the north of Ireland a godly, Presbyterian civilization. But there too they met with conflict and trials innumerable. Finally to escape the oppressive, tyrannical laws which bound them, a great host of these liberty-loving Scots of Ulster sought new homes in America, where their longing to be free contributed so vitally to the making of a new nation on this side of the water. Hanna, the historian, estimates that about 200,000 Protestants, most of them Presbyterians, one-third of the entire Protestant population of Ireland, left the Emerald Isle between the years 1725-68. These represented the young, the enterprising, the most energetic and desirable classes of its population. They took such a leading part in their new home in America toward the attainment of self-government and liberty that when the news of the extraordinary proceedings in the days of George the Third reached England, Horace Walpole exclaimed in the English Parliament, "Cousin America has run off with a Presbyterian parson."

You will no doubt think that we have wandered far from the great valley, but as a matter of fact we are heading straight for it. Some of these incoming Scotch-Irish folk landed in New England, and some in South Carolina, but the great majority sailed up the Delaware Bay into Philadelphia, and most of these soon made their way westward into the Pennsylvania settlements, realizing that the best opportunities for themselves and their families lay on the frontier. It was from there that the stream of pioneers began to pour down into the inviting valley of the Shenandoah, "the daughter of the stars." About 1732 the first trickle of settlement took place in the northern tip of the valley, but from that time on it grew in volume and extent, pushing on by 1740 into North Carolina and 10 years later into upper South Carolina and on into upland Georgia. During the days of savage Indian warfare prior to the Revolution and in that long struggle itself these Scotch-Irish and their fellow pioneers were settled largely on the frontier, a line of strong, sinewy men thrust in as a barrier between the older colonists on the east and the Indians on the west.

This actual settlement of the valley of Virginia was not the first time that its soil had been trodden by the feet of the white colonists of America. It is customarily thought that Gov. Alexander Spotswood, that brilliant exception to the rule of despicable royal Governors of Virginia, and his Knights of the Golden Horse-shoe were the first to look upon the entrancing vistas of the valley, from Swift Run Gap in the Blue Ridge in 1716. One may read the description of their achievement in prose and poetry on the monuments erected there beside the highway. But there were earlier explorations of this tramontane region, to say nothing of the isolated hunters and traders from the east who made their unrecorded travels across its happy hunting ground. In 1669 John Lederer, an enterprising German surgeon, said to have been a former Franciscan monk, explored the James River over the valley of Virginia, up which he proceeded to the headwaters of the Roanoke. Later he traveled from Williamsburg across the Blue Ridge at Rock Fish Gap (which we more generally know as Afton) to where Waynesboro now stands, and in 1670 he crossed the valley somewhere in the vicinity of the present towns of Front Royal and Strasburg. He left a fascinating diary of his peripatations, in which one finds the singular statement that from the top of the Blue Ridge he was able to see the Atlantic Ocean. Those of you who have climbed our highest mountains will understand how he could be so deceived by the eastward haze that resembles the great sea.

In the year 1671 Governor Berkeley directed Gen. Abraham Wood to send an exploring party under Capt. Henry Batte, Thomas Wood, Robert Fallen, and an Appomattox Indian, who traveled with 5 horses. They were sent, Berkeley says, "for ye finding out of ye ebbing and flowing of ye waters behind ye mountains in order to the discovery of ye South Sea." Their nearest approach to the south sea was the discovery of a river which the Indians called Kanawa, "River of the Woods," which flowed in that direction. In 1684 Maj. Abraham Wood of Petersburg made a trip of explorations through a gap in the Blue Ridge, even now called "Wood's Gap," in the endeavor to find a body of water that flowed into the Pacific Ocean. He discovered New River, which was known for a time as Wood's River, but never got time to follow it on to his cherished Pacific. How astonished he would have been to know of the vast area which even the waters of the New River traversed on their way to the Gulf at New Orleans.

Louis Michelle and others came up from Annapolis in 1707 and entered the valley at or near Harpers Ferry and proceeded up the north fork of the Shenandoah as far as what is now Woodstock or Edinburg. Michelle's map of his itinerary is now on file in the Public Record Office in London. There were many others

who penetrated at one time or another into the valley lands, and some worth-while surveys were made. The dates of these various expeditions are matters of controversy now, and no one can be quite sure of their accuracy.

Although there were, it is stated by some, a small handful of German settlers in the valley near the Massanutten Mountain prior to this time, the first real settlement took place in 1732, when the area around Winchester (westward and northwestward), and that farther along, near Staunton, was occupied. Joist Hite, a German, like a patriarch of old, with his family; his sons-in-law, George Bowman, Jacob Chrisman, and Paul Froman, with their families; Robert McKay, Robert Green, William Duff, Peter Stephens, and several others, amounting altogether to 16 families, came down from Pennsylvania, crossing the Potomac (called by the Indians, and for many years by the whites, the Cohongoruton, "River of Wild Geese") near Harpers Ferry (about 2 miles above). Hite settled on the Opecon, a few miles south of Winchester, and the other families settled in the same general neighborhood wherever they could find wood and water convenient. They took what lands they wanted, largely by "tomahawk rights" (marking their area off by slashed trees), not bothering about proprietors, but later had many disputes about titles. After them came many others in an increasing stream down the old Indian warpath that was worn and deep and followed by so many that it came to be called the Pennsylvania Road. Some settled on the Shenandoah, some stayed just south of the Potomac, others turned to the west of the Indian road to the Wappatomaka, the south branch of the Potomac, while others, Ross and his Quakers, abided on the Cacapon. Many of these settlers of the lower, or northern, part of the valley were German Palatinates, who had fled their native land because of King Louis, and the large number of Lutheran German Reformed, Mennonite, and Brethren Churches in the lower valley today testify both to the numbers and godliness of these German ancestors. In this same year of 1732 there came one John Lewis, a Scot from Donagah in Ulster, with his wife, Margaret Lynn, and their two daughters and stalwart sons, Thomas, Andrew, William, and Charles, who pushed on up the valley beyond the settlements on the Shenandoah and the Potomac to the two little mountains opposite Rock Fish Gap which he named Betsey Bell and Mary Gray, after two hills back in County Tyrone in Ireland.

"O Bessy Bell and Mary Gray.

They were two bonnie lasses—

They biggit a bower on yon burn-brae,

And theekit it ower wi' rashes." \* \* \*

There they built their stout log home, and became the founders of what later became Augusta County. In his wake there came Ulsterman after Ulsterman, the Robertsons, Campbells, Matthews, McClanahans, McClungs, McCauslands, McCues, Mosbys, McDowells, Mackays, etc. Some of them were attracted by the lands to the south, among whom were Ephraim McDowell and his sons, John and James, the Greenlees, and Paxtons, who were the first in the Rockbridge section.

It should be stated that most of the domain in the great valley was divided up into large grants of land procured by energetic and influential individuals who became thus responsible for the settlement of these broad acres. In the main there were four of these large tracts, aside from the vast area which was under the sway of Lord Fairfax, from the northern neck of Virginia westward across the lower portion of the valley. The Van Meters, and later Joist Hite, obtained the grant of the region around Winchester. William Beverly, in 1736, was granted by patent of King George II the 119,000 acres of Beverly Manor, which lay to the southward in what is now Augusta. Benjamin Burden (or Borden) was the owner of what was known as Burden's grant, to the south of Beverly Manor. The story is that this affable and wily individual ingratulated himself with Governor Gooch at Williamsburg by the present of a buffalo calf which he had captured in the valley, and by virtue of this was able to obtain the grant of this great area. In the absorbing diary kept by Margaret Lewis, the wife of John, sometimes called the Valley Manuscript, she states that this calf was captured by her sons, kept at their home some months, and then given to Burden, who took it to the Governor. Because, as she says, the Governor had never seen "so comical a monster in lower Virginia," he was in generous mood. The area south of Burden's grant became the property of Matthew Burke, and was known as Burke's tract, lying along the James. If you would read a perfectly fascinating account of the settlement of this particular region, I heartily commend the novel by Mary Johnston entitled "The Great Valley." All of these grantees were obliged to settle a stipulated number of families on their land in thousand- or hundred-acre sections, or to have a certain number of cabins erected by a certain time. In the event of failure their patents would be forfeit or would have to be extended. Strenuous efforts were therefore made to induce settlers to take up land by these large landowners. And sometimes ingenious tricks were resorted to to fulfill the legal conditions of ownership. Samuel Kercheval, the Froissart of the valley, in his classic history written in 1833, tells of how Jacob Stover, an enterprising German, obtained a grant for 5,000 acres on the south fork of the Shenandoah. "On his application to the executive for his grant," writes Kercheval, "he was refused unless he could give satisfactory assurance that he would have the land settled with the requisite number of families within a given time. Being unable to do this he forthwith passed



over to England, petitioned the King to direct his grant to issue, and in order to insure success had given human names to every horse, cow, hog, and dog he owned, and which he represented as heads of families ready to migrate and settle the land." It worked, and soon after obtaining the land he sold it off in small lots and went off with his money. The bona fide grantees, however, labored hard to bring in true and able settlers to their lands. As Foote tells us in his *Sketches of Virginia*, advertisements describing in glowing terms the beauty and fertility of the valley, offering a home, terms, were sent abroad in every direction and attracted the attention of the hard-working tenants in England, Ireland, and Germany, to whom the offer of a farm in fee simple was the offer of wealth. (We may rest assured the hardships and dangers of the frontier life were not mentioned at all.)

These advertisements, no doubt, played their part in maintaining the stream of immigrants that flowed across the sea in those years. The results were shortly evident. Within 10 years there were about 2,500 settlers in the region known as Beverly's Manor alone. As Waddell suggests in his *Annals of Augusta County*: "We may accompany in imagination these immigrants on their way from the settlements north of the Potomac, through the wilderness, to their future home. There was, of course (in the beginning), no road, and for the first comers no path to guide their steps, except the trail of the Indian and the buffalo. They came as a venture, climbing the hills, fording the creeks and rivers, and groping through the forest. At night they rested on the ground, with no roof over them but the broad expanse of heaven. After selecting a spot for the night's bivouac and tethering their horses, fire was kindled by means of flint and steel, and their frugal meal was prepared. They carried only a scanty supply of food, for as game abounded they mainly subsisted off the country." Before lying down to rest many of them did not omit to worship the God of their fathers and invoke His guidance and protection. The moon and stars looked down peacefully as they slumbered, while bears, wolves, and panthers prowled around. It was impossible to bring wagons (at the first) and all their effects had to be transported on horseback. The list of articles was meager enough. Clothing, some bedding, guns and ammunition, a few cooking utensils, seed, cord, axes, saws, \* \* \* and the Bible were indispensable, and were transported at whatever cost of time and labor. Houses and furniture had to be provided after the place of settlement was fixed upon. We may imagine the leaders of each band, on arriving at a well-wooded and well-watered spot, exclaiming, 'This is my rest and here will I dwell.' In the meantime there was no shelter from rain and storm."

"The world was all before them where to choose  
Their place of rest and Providence their guide."

For a graphic description of such a pioneer journey I refer you again to the story of Mary Johnston, which tells of a Scottish family, the Selkirks, making their way from Williamsburg to Burke's Tract, the establishment of their home, and the saga of their family.

The valley country has been under many political authorities in Virginia. The whole area beyond the mountains was added to the domains of Essex County by Governor Spotswood in 1716. Then in 1721 Spotsylvania County was formed from parts of Essex and other counties, and was the frontier county. Giles Brent, cousin of Lord Baltimore, who married an Indian princess, was its first settler. Orange was formed from Spotsylvania in 1734, just 100 years after the first eight original shires of Virginia were established. Orange County was the largest county the world has ever known. It went "with a fine indefiniteness" south toward the Carolinas, north to the Great Lakes, and westward to the blue waters of the Pacific. Out of Orange in 1738 were cut Frederick and Augusta, "the first," as Mary Johnston writes, "leaning upon Potomac, the second upon James, but careering sublimely, when it came to the west, over Alleghanies and outward."

Frederick was named for the Prince of Wales and Augusta for the princess, his wife. Neither of these two counties could compete with their mother county, Orange, in size, for their westward limits were merely upon the Mississippi. Nevertheless, by the Treaty of Paris in 1763, the territory of our present States of Missouri and Michigan were added to Augusta. Therefore, Augusta, be it known, was not a county to be sneezed at, for it then embraced the area now comprising the States of West Virginia, Kentucky, Ohio, Indiana, Illinois, Michigan, Missouri, and the southwestern parts of Pennsylvania and Virginia. It was to this region that General Washington referred when, in a dark period of the Revolution, he said, "If I am defeated I can retire to the wilds of West Augusta and hold out indefinitely." And the metropolis of this vast domain was a town, if such it could be called, consisting of a mill and two or three log houses, before the largest of which swung a sign stating that it was McClanahan's Ordinary. This was Beverly's Mill Place, better known to us as Staunton. The other counties of the Valley were not formed for a score of years and more.

Perhaps you have wondered ere this that I have not mentioned the Indians and their relationships with the white pioneers of the Valley. Let a page from the novel *The Great Valley* serve us here. The Reverend John Selkirk, one-time minister in Thistlebrae Kirk, in Old Scotia, is talking in Williamsburg, with Col. Matthew Burke, the holder of Burke's Tract, and the colonel is much interested in the possibility of the Scot and his family becoming settlers on his land.

"There is another thing, sir," said Selkirk, "that I would bring up now rather than later. I would know about the Indians."

"The Indians?" Col. Matthew Burke again straightened from the map and prepared to take up a frequent explanation. Everyone into whose head the Great Valley had entered must know about the Indians. Very soon in their conversation they asked, "What about the Indians?" So now this Scot minister and his family had come to it.

"Well, Indians are Indians, Mr. Selkirk! God made them and they have certain virtues. For the rest, when it comes to a fight and the ways of it before and after, they are much, I'm thinking, like the Caledonians and Picts and the sons of Erin before the time of the blessed saints Patrick and Colum! But in the first place you're to understand that the authorities do everything possible to make and keep peace with them, and that we've had peace for a score of years."

"What I'm meaning," said Selkirk, "is, if I and mine go to this new country, will we put them forth, or agree with others putting them forth, from lands they've held God knows how long, and that make their home on earth? In my life, Colonel Burke, I've seen a deal of putting forth of the helpless by the powerful. I would not cross over into that camp!"

"Ah?" said the Irishman, "And that's the way you're feeling about it? And of course it does you honor! Then I'm happy to tell you, Mr. Selkirk, that the great valley, from the first sight of it a score or more years ago until now, is not dwelt in by Indians. When they left it, and why they left it, God knows, for it is a fair land. It's likely it was once pretty populous with them as they count populousness, which is nothing like our populousness."

"Long ago they cleared a considerable portion of the floor of it and left it to the high grass and the buffalo and the elk. There must have been villages and maize fields. There are many beautiful rivers, and they love rivers. But they're hunters, and at last they eat up the forest around them and they move. Or there is a war and they are killed off. Or they move restlessly anyhow, like the waters of the sea. Whatever the reason, they're clean gone, and with them, or before them, the buffalo and the elk. Hunting parties, or just rovers for curiosity come back into it at times, and it is true that the war bands of the Catawbas and Delawares, who are perpetual enemies of one another, have a warpath through it which they use when they are in active controversy. But that's all. The true Indian country is now back of the Ohio, behind those Allegheni or Alleghany Mountains that make the western boundary of the valley. No, sir! Indians may make a sentimental claim to all of Virginia, or all the continent for that matter. But as they don't choose to live in the great valley, who's to gainsay others from doing so? \* \* \* Faith, and indeed, sir, your conscience may be at ease!" (pp. 20, 21).

Just how tragically wrong Colonel Burke was in his promise of naught but halcyon days for his settlers in the valley is discovered by the further reading of that splendid book. It is true that the relationships were all to the good between whites and Indians at the first. But 70 pages of Kercheval's fascinating history of the valley are taken up with the accounts of those Indian forays and massacres and fights which brought such sorrow and tragedy to the border folk in the years just prior to the Revolution, to say nothing of the continued strife with the red man during that bloody period. Now and again we see the markers on our highways telling where such and such fort stood, and where a massacre took place. The first clash with the red men was in 1742 when John McDowell and seven of his men fell up here where the North River joins the James at Glasgow. Following the disastrous rout of Braddock's force on July 9, 1755, the terrible news spread like wildfire through the valley, and consternation and fear followed in its wake. And well it might be so, for a wave of dolor and horror broke upon the border in those days, and many there were who fell victims to the tomahawk and the scalping knife. An interesting side light on the state of mind produced among the settlers by the tidings of Braddock's defeat is preserved in the memoirs of a young minister who was traveling through this country southward at the time. He was the Reverend Hugh McAden, a graduate of the fifth class of Princeton, then Nassau Hall, afterward to do a great work among the Presbyterians of Carolina, who, by the way, is a great, great, great grandfather of my wife. It was at the house of a Mr. Bowyer, near Staunton, that McAden noted in his diary on July 16, 1755: "Here I received the most melancholy news of the entire defeat of our Army by the French at Ohio, the General killed, numbers of inferior officers, and the whole artillery taken. This, together with the frequent accounts of fresh atrocities being daily committed upon the frontiers, struck terror to every heart. A cold shuddering possessed every breast, and paleness covered almost every face. In short, the whole inhabitants were put into universal confusion. Scarcely any man durst sleep in his own home, but all met in companies, with their wives and children and set about building little fortifications to defend themselves from such barbarian and inhuman enemies, whom they concluded would be let loose upon them at pleasure."

It was at this period that the many forts were constructed here and there for every convenient group of settlers. Into these tiny areas of protection they gathered in apprehension during the days of Indian raids, free to live in their own homes in comparative peace of mind only during the days of winter. In some cases, as at the Old Stone Church at Fort Defiance, the stone church buildings were centers of these fortifications. If you wish to read the details of the awful experience of those days when any moment might

bring the sound of an Indian war whoop, the destruction of one's home, the death of dear ones, and possible capture and torture, then you will find much absorbing material in old Kercheval's History. You will find it hard to put it down, I assure you. It was not until General Wayne's treaty in 1794 that the menace of the red men and the tomahawk was removed from the frontier folk of the valley.

It was my intention at the outset to describe in some detail the homes, the dress, the food of these early pioneers, and something of their manner of life and customs, in particular their wedding feasts and jollities. Now I must revise that outline, as my time is overpast. Nevertheless, with your indulgence I would give you a glimpse of these things, by quoting a paragraph or two from Bean's *The Peopling of Virginia*:

"The pioneers had no luxuries in those days. They possessed a scant supply of clothing and bedding, and had for kitchen utensils chiefly iron kettles, frying pans, pewter spoons, steel knives and forks, wooden bowls, trenchers, platters, and noggins. The head of the family had to be a farmer, hunter, and warrior. He was a 'jack-of-all-trades,' as he made the wooden vessels, bedsteads, cupboards, tables, stools, looms, and moccasins. His tools were a drawing knife, ax, tomahawk, and possibly an auger and handsaw. The men wore leather breeches, leggings, linsey woolsey suits, and moccasins. A bride, we are told, wore a poke bonnet, 'bedgown,' linsey petticoat, and moccasins.

"The houses were cabins of unhewed logs with but one room, except in the families of the well-to-do, who had hewed logs with huge fireplaces, a living and eating room, a small bedroom, and kitchen, and a loft above reached by a ladder, where the boys slept. The joints were held in place by wooden pegs, and pegs were also thrust into the walls to serve as wardrobes. Buck antlers held the ever-ready rifles, four wooden logs were used to hold a huge clapboard for a table, and there were three-legged stools for seats. At mealtimes the tables groaned with a display of all varieties of meats: Bear, venison, steaks, roasts, wild turkey, pheasants, and other small game. Wonderful Johnny cakes and corn pone, abundance of rich milk from cows that grazed on the pea vine and bluegrass, sparkling water that gushed from lively springs provided the families with nourishment that kept the grown people robust and vigorous and developed the children into stalwart men and women.

"Logrollings, house warmings, sugar stirrings, quiltings, 'apple butter billings,' corn shuckings, house raisings, and the Old Virginia reel were frolics in which the entire neighborhood took part. (When a new house was needed the logs were cut and hauled to the desired place, and there in 1 day the men of the community would complete the house, except for doors, floors, windows, the roof, and the chimney.)" (Pp. 40-42.)

And we may add to this brief description to say that in all and over all and through all the church of the living God stood indeed for them not only as the pillar and ground of the truth but the center of their community life and interest, their social hub, and their spiritual fountain. They had strong minds in those days that delighted in sermons of hours' duration, that often had some 50 points and more, and equally strong backs to enable them to sit on their puncheon pews and not only take it but like it.

These are some vistas of those early days in the great valley that will serve, I hope, to entice you to further exploration. And if as we ride along in our comfortable cars on the smooth surface of the valley pike we will have a new appreciation for those hardy souls who broke the way and bore the brunt and lived heroically that we might have our heritage of today I will be indeed content.

Thomas A. Edison

# REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. VREELAND. Mr. Speaker, the 11th of this month will be the anniversary of the birth of Thomas A. Edison, who died a resident of West Orange, N. J., in my district.

Mr. Speaker, during the first portion of my remarks on this subject I am going to ask all who are present to employ their imaginations, as the condition I am about to describe is, I am glad to say, an imaginary one.

Suppose, if you will, that it is nearly half past 3 in the morning on the 18th of October, 1931. Suddenly the entire world is robbed of its electric power. Whole cities are plunged into darkness. Transit lines are at a complete standstill. Radios, telephones, and the telegraph are unable to function. Communication has received a tremendous set-back.

The 18th of October dawns on a different world. Men in cities either walk to work, or go by horse and buggy, for

storage batteries have failed completely and countless thousands of automobiles, subways, and airplanes are electrical cripples. In the tall city buildings elevators are no longer running. Factories lack the power to operate. Electric appliances in the home are reduced to the status of ornaments. In the rural districts, men on modern, electrically equipped farms are forced to return to the harvesting methods of their grandfathers. By nightfall, panic has seized the world. Every division of industry has been victimized. The United States and all the world about us are paralyzed. People seeking solace in entertainment find the phonograph silent and motion pictures nothing but a memory. In hundreds of ways, the progress of civilization has been robbed of the accomplishments of half a century.

I suppose you are saying to yourselves that my words are fantastic and that such a series of calamities could never befall the world. You are right. My words are fantastic. Such a series of misfortunes is most improbable. Then why did I use such fantasy to preface my remarks? I will tell you.

I employed the story of a crippled, paralyzed world because that is exactly the way it would have been if, on that quiet October morning, 9 years ago, the things created and made possible by Thomas Edison had been taken from this world when he himself passed into the Great Beyond.

Not one person in this great room can fully appreciate what Thomas A. Edison did for America and for the entire world. He changed America and he changed the world as no other man has done before or since.

The story of Thomas Edison unfolds like a fairy tale and is amazing in its revelation of what one man can accomplish in the span of a single lifetime. Here today time will permit me to mention only a few of the outstanding events in the life of America's greatest genius, but, perhaps, after hearing these, we will all come to realize some of the greatness of Mr. Edison and the unpayable debt of gratitude which we as Americans owe to him.

Ninety-three years ago, on the 11th of February 1847, Thomas Edison was born in the little town of Milan, Ohio. Young Edison was a real boy and got into trouble with annoying frequency. He nearly lost his life when he fell in the town canal, and again when he tumbled into a great pit of wheat in a nearby grain elevator. He had the top of a finger accidentally chopped off by an ax, was butted through a fence by an angry ram, and was spanked in the public square, as an example to the other village boys, because a fire he had built in a barn had burned it down.

Despite all this, the young lad was a constant student. He watched everything and learned something from it. One of his earliest experiments was to sit on a nest of hen's eggs in the hope that he could hatch himself a batch of chickens.

At the age of 12, Edison had his own laboratory rigged up in the cellar of his home. While still 12 years of age, the boy began to sell newspapers on a local train, running between Port Huron and Detroit, Mich. Later, he set up a second-hand printing press and printed his own *Weekly Herald*, the first newspaper ever printed on a moving train. The fame of his little journal spread to England, where it received the enthusiastic approval of the *London Times*. Edison, only 15 years of age, was everything from newsboy to editor and publisher, and proud of his achievement.

Soon the youthful Edison became interested in the telegraph, which was then in its infancy. Before long he became an expert and, like all telegraph operators in those early days, drifted from one section of the country to another, serving as telegraph dispatcher on the railroads.

While following this occupation he perceived many difficulties in the crude telegraph equipment. His inventive mind began to function. Young Edison began to experiment with improvements for the telegraph systems, both sending and receiving. Even then, he was working under difficulties, when we consider it was not many years after his birth that Edison was left almost totally deaf, due to an accident



which occurred while he was editing his Weekly Herald on the Grand Trunk Railway.

But in spite of this physical handicap, he continued the work that was to bring him world renown, and secured the patent for his first invention, the electrical vote recorder, when he was only 21 years of age.

This, however, was only the beginning. After obtaining his first patent, Edison really went to work. The resulting inventions were amazing in their number and variety. All told, they reached the staggering sum of more than 1,150 products of Edison genius, all of them patented in the United States Patent Office and many patented in foreign countries as well.

When we consider that it took "The Wizard of Menlo Park" 10 whole years and that he experienced some 50,000 disappointments before he completed his most difficult invention, the nickel-iron-alkaline storage battery; and when we consider that the scope of his inventions encompassed everything from gigantic electric dynamos to our simple, everyday waxpaper, we begin to get a faint idea of the greatness of the man.

It would take hours to mention those 1,150 inventions, so I will merely mention a few of them in order that we may get a small idea of the debt we owe to this great American genius.

He ushered in the era of electricity, inventing the first practical electric light, the dynamos to supply power on a commercial basis, and the first electric lighting system. He gave the world the duplex and quadruplex telegraph; the first thermionic tube, forerunner of our modern radio tube; the telephone carbon transmitter which contributed much to the development of both Bell's telephone and the radio; the Ediphone business dictation machine now so indispensable in our great business concerns; the magnetic ore separator; giant cement kilns for the mass production of portland cement; the electric pen, which led to our modern mimeograph machines; the storage battery safety lamp for miner's caps; the Universal stock ticker; a fluoroscope now used in modern X-ray machines; and even the gummed paper we find in nearly all our up-to-date stores and shops. If, by any chance, you begin to grow tired of this parade of inventions, gentlemen, please remember that there are more than one thousand, one hundred more, which I am not taking the time to mention.

The favorite inventions of the Wizard, himself, were the phonograph and the motion-picture camera. We do not know why, but I would like to venture the opinion that Mr. Edison preferred these two because they added so much to the gaiety and entertainment of the world, for Edison was always the humanitarian, thinking not of what he could do for Edison, but rather of what Edison could do to make life easier and bring more comfort and happiness to his fellowman—and more prosperity and prestige to his country.

One invention alone, such as the electric light, would have given Thomas Edison a permanent place on the pages of history, but the tremendous Edison energy kept new ideas, new mental conquests tumbling forth from his inexhaustible imagination.

Most people think that the story of Thomas Edison begins and ends with his multitude of inventions, but that is where most people are wrong. The story merely starts there. Here, briefly, is what the inventions of Thomas Edison mean to the world in general and to the United States in particular.

They mean employment. A recent survey has shown that one out of every nine people gainfully employed in the United States in all the transportation, communication, and mechanical industries, owes his employment directly to the inventions of Thomas Edison.

The inventions of Edison mean higher standards of living. We can be sure, gentlemen, that the fantastic situation I described in the beginning of this talk would not be at all fantastic if the multitude of Thomas A. Edison inventions were suddenly subtracted from our everyday lives.

The inventions of Edison mean the development of industries. As far back as 1931, the industries arising directly

from the inventions and discoveries of Thomas Alva Edison represented a total of over \$25,000,000,000. That was 9 years ago. A conservative estimate of their worth today would be well over \$30,000,000,000. The genius of Edison has aided the development of every single industry we have. The inventions of this one man have made the United States the greatest industrial nation on the face of the earth.

Not only have Edison's inventions made us the greatest industrial nation on earth, but they have also given the United States leadership in the constant battle to uncover the secrets of nature and further the progress of mankind. When Edison erected his laboratories in New Jersey and surrounded himself with a group of master scientists, technicians, and students of physics and chemistry, he pioneered a system of organized research. This system, after steady development, is today responsible for the marvels of science and industry continually being born in our great scientific and industrial research laboratories.

The potentialities of the organized research methods and rich industrial heritage which Thomas Edison bequeathed to the world in general and to America in particular defy the powers of human calculation and conjecture. This is a strong statement to make, a very strong statement, but also a very true one.

The inventions of Edison mean democracy. Take Mr. Edison's very first invention, the electrical vote recorder. There, right at the start, was an instrument of democracy. "The Wizard of Menlo Park" loved and labored for his country and the principles of stanch democracy for which it stands. During the World War he devoted all his time and his genius to the United States Government, making a complete, first-hand study of conditions and needs, and then suggesting 42 defense and life-saving measures, rather than instruments of war and death.

His work in establishing methods and plants with which to overcome shortages in the necessary war chemicals is outstanding. For instance, Edison installed and put into operation in 45 days a benzol plant at Johnstown, Pa., and in 60 days another in Woodward, Ala. Previous to this time it had taken 9 months to install and operate benzol plants. In Canada two plants were put into operation within 60 days. This, too, was accomplished according to plans mapped out by America's greatest of all inventors.

Later he surveyed national economic conditions and drew up a complete report, including his suggestions for improvement, which he presented to the astonished officials at Washington.

Finally, the inventions of Edison mean an inspiration to youth. It is common and very logical knowledge that the future of any nation is in the youth of the land. With the advantages and inspirations supplied by Thomas A. Edison the youth of America has an example of inventive accomplishment that the youth of no other land in the world can boast. Young America can look upon the life of Thomas Alva Edison as a life of conquest and achievement—a life of conquest over the things worth conquering and of achieving the things worth the work of achievement, a life that embodies all the finest ideals of America today and the America we hope for tomorrow, a life that is the very essence of peace and progress, because it has made possible, and will continue to make possible, the peace and progress which we, as a nation, are enjoying today.

There are some among us who may say that Mr. Edison received ample reward for the products of his genius and that we would be lucky if we possessed the wealth which came to him from his inventions. It is true that Mr. Edison did receive large sums of money from his inventions, but not nearly as much as he could have made. As soon as an invention was perfected by the great inventor, he lost no time marketing it for whatever it would bring. This money was then turned over to finance his new inventive interests and the operation of his research laboratories. Why, on the Edison steel storage battery alone, the Electrical Wizard invested the enormous sum of \$3,000,000.

No, gentlemen, his motive was not to obtain a life of ease for Thomas Edison. If it were, he could have retired for

life on the royalties of just one invention. However, on the very day when fatal illness overtook him, he was at his Fort Myers, Fla., laboratories, busying himself with the problem of extracting rubber from the common, ordinary goldenrod. Therefore, gentlemen, we see that Thomas Edison derived his reward not from what money he made, but rather from the happiness he brought to his fellow man, and the peace and prosperity he did so much to secure for America.

Merely because his birthday neighbors were also great men, the life and deeds of Thomas Alva Edison should not be consigned to obscurity. Men like Edison are mighty scarce.

It is indeed difficult to think of any other man who has patented more than 1,150 inventions, and who has contributed to mankind the tremendous amount of good that has come to us, and will continue to come, from the genius of Thomas Edison.

To forget a man like Edison is not characteristic of the American people. He merits exceedingly high ranking among the great men of our young and glorious history. His name should be honored and his birthday celebrated by America and by Americans everywhere.

He is an outstanding example of achievement and initiative of the people of this country by the efforts of whom it has become the greatest nation on earth in the shortest period of any in history—a great American and a great country.

### Navigation on the Columbia River, 1897-1939

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

STATEMENT BY M. J. VENNEWITZ

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Mr. M. J. Vennewitz:

#### NAVIGATION ON THE COLUMBIA RIVER, 1897-1939

(By M. J. Vennewitz)

Two years ago, in January 1938, the Bonneville lock was opened and a new era in river navigation above Bonneville began. Prior to the construction of the Bonneville Dam and the formation of the pool to The Dalles, the Cascades Canal provided the means for navigating the Cascade Rapids and continuing upstream. On the upper river the Dalles-Celilo Canal is still the connecting link between the deep-draft navigation possible below The Dalles and the shallow-draft navigation above. (At the present time, pending completion of a 27-foot channel below Bonneville and the raising of several bridges, all traffic on either stretch of the river is shallow draft.)

In the table accompanying this article an abbreviated summary has been made of river traffic since the construction of the Cascades Canal in 1897. With the exception of logs which are rafted down river from points usually between Stevenson and Hood River, the difference between commodities shown passing Bonneville locks and those passing the Dalles-Celilo Canal represents that shipped from or to The Dalles.

Traffic through the Cascades Canal from its opening in 1897 to about 1920 was mostly in miscellaneous merchandise, berries, and fruit. Practically no petroleum products or rafted logs were moved and shipments of wheat, if any, were small and unimportant.

From 1921 to 1925 traffic through the Cascades Canal underwent a transition. The commerce in merchandise, berries, and fruit which prevailed during the first 23 years of canal operation abruptly diminished and by 1925 had disappeared. Simultaneously with the diminishment of that traffic commerce in logs began, in general, increasing as the previous traffic declined. Shipments of petroleum products and wheat, if any, were still small and inconsequential.

The year 1931 marked the approximate date of another transition period for river traffic. Movement of logs reached its peak during that year, sharply declined the next year, and then stabilized around an annual tonnage of between 40,000 and 50,000.

About this time shipments of wheat through both the Cascades and the Dalles-Celilo Canals began. Small at first, they increased sharply for several years, reaching a high in 1934 of 33,608 tons through Cascades Canal and 21,017 tons through the Dalles-Celilo Canal. Wheat listed as through the Dalles-Celilo Canal actually was shipped from a point located on the canal. It was not until 1938 that any wheat was shipped from points on the upper river. (In that year about a third of the wheat through the Dalles-Celilo Canal came from points above. Figures are not yet complete for 1939, but with several new terminals constructed on the upper river during the year, the proportion of wheat coming from points above the canal promises to be much greater in 1939 and to continue to increase in future years.)

In 1937, when other traffic was choked by construction activities at Bonneville Dam, the petroleum products transportation industry was born. For 9 months, while other traffic was at a standstill, gasoline was pumped over the dam and continued upstream to The Dalles and Attalla.

At first, all petroleum products passing through the Dalles-Celilo Canal went to Attalla, 127 miles above The Dalles. Since the construction in the spring of 1939 of terminal facilities at Umatilla, 30 miles downstream, the traffic above The Dalles has been divided between the two. In 1938 and 1939 a little over 50 percent of the petroleum products passing Bonneville locks continued through the Dalles-Celilo Canal to Umatilla or Attalla, the remainder was discharged at The Dalles.

With the opening of the Bonneville lock in January 1938 river traffic surged forward. The newly born petroleum commerce accounted for about 50 percent of the traffic through both canals, with wheat representing roughly 25 percent at Bonneville. With one exception, no previous year has been as large (1931 was a little larger, but that traffic was almost entirely logs valued at about one-fourth that of wheat or gasoline). The Dalles-Celilo Canal passed nearly as much freight during the year as in the previous 22 years of canal operation. In reality, for the first time since its construction in 1915, this canal was effectively serving the vast hinterland beyond The Dalles. One important reason why the canal had failed to attract commerce in the past was the number of swift, shallow rapids above Celilo, making navigation possible only at high-water stages and hazardous at all times. This condition was remedied to a great extent in 1938 with the completion of a channel 150 feet wide and 7 feet deep at low water from Celilo to Umatilla, making shallow-draft navigation possible over the entire year.

In 1939 commerce through the canals soared. Petroleum products, amounting to over 50 percent of the traffic through both canals in 1938, increased over four times. Wheat almost doubled. Rafted logs, which represented 80 percent of the traffic through Cascades Canal in the period from 1925 to 1936 was less than 6 percent of the total commerce through Bonneville in 1939. Total commerce through Bonneville during the past year was three times as great as that in 1938, while at Dalles-Celilo nearly twice as much went through in 1939 as in the 22 years of canal operation from 1915 up to 1938.

Such is the record of river navigation before and after the construction of Bonneville Dam. The large increase in traffic since the dam was constructed is gratifying in the fullest measure and prophesies a future which indeed looks bright.

#### Abbreviated statement of tonnages through Bonneville and Dalles-Celilo Canal, 1897-1939

Period	Through Bonneville locks (Cascades locks prior to 1938)			Through Dalles-Celilo Canal		
	Petroleum products	Wheat	Rafted logs	Petroleum products	Wheat	Total tonnage through locks
1897-1900.....	(1)	(1)	(2)			
1901-10.....	(1)	(1)	(2)			
1911-20.....	(1)	(1)	(2)	(2)	(3)	4,020
1921.....	(2)	(2)	0	0	0	0
1922.....	(2)	(2)	267	0	0	127
1923.....	(2)	(2)	1,500	0	0	0
1924.....	(2)	(2)	157	0	0	7
1925.....	(2)	(2)	5,110	0	0	75
1926.....	(2)	(2)	38,615	0	0	0
1927.....	(2)	(2)	55,227	0	0	0
1928.....	(2)	(2)	20,748	0	0	0
1929.....	(2)	(2)	79,073	0	0	0
1930.....	(2)	0	77,928	0	0	0
1931.....	(2)	476	103,311	0	0	987
1932.....	(2)	5,160	47,456	0	293	408
1933.....	(2)	23,472	49,093	0	14,402	15,640
1934.....	(2)	33,608	46,172	(2)	21,017	23,408
1935.....	(2)	18,734	43,691	(2)	3,108	3,631
1936.....	(2)	10,192	45,012	(2)	6,495	7,295
1937.....	7,890	1,385	5,730	4,392	1,190	5,626
1938.....	51,685	27,642	9,265	26,254	12,111	44,349

1 Yearly average.

2 Indicates that the tonnage, if any, was small and unimportant.

3 Canal completed 1915.



Abbreviated statement of tonnages through Bonneville and Dalles-Celilo Canal, 1897-1939—Continued

Period	Through Bonneville locks (Cascade locks prior to 1938)				Through Dalles-Celilo Canal			
	Petroleum products	Wheat	Rafted logs	Total tonnage through locks	Petroleum products	Wheat	Total tonnage through locks	
1939:								
January.....	5,217	1,121	420	7,257	2,735	1,368	4,197	
February.....	4,003	5,281	295	9,931	3,137	3,296	6,434	
March.....	6,292	4,452	170	11,476	2,981	2,264	5,546	
April.....	11,298	4,420	830	17,576	7,298	1,435	8,734	
May.....	13,723	3,641	1,698	19,150	7,980	1,210	9,192	
June.....	18,653	1,930	2,542	23,516	11,858	708	12,728	
July.....	27,357	3,560	2,388	37,787	15,834	1,325	17,825	
August.....	29,649	9,749	2,455	43,925	16,064	3,392	19,494	
September.....	25,618	5,002	1,810	35,700	14,973	2,704	17,677	
October.....	23,365	3,410	2,158	30,855	8,211	0	8,211	
November.....	26,534	3,722	2,082	34,484	15,295	769	16,063	
December.....	24,100	3,132	990	29,210	12,984	450	13,434	
1939 total....	215,809	49,420	17,838	300,867	119,350	18,921	139,535	

NOTE.—Total petroleum products shown above are about 93 percent gasoline and 7 percent fuel and Diesel oil.

### The Shadow of McKinley

#### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

EDITORIAL FROM THE BOSTON HERALD OF FEBRUARY 4, 1940

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Herald of February 4, 1940:

[From the Boston Herald of February 4, 1940]

#### THE SHADOW OF MCKINLEY

It was inevitable that advocates of the renewal and extension of the Hull pacts should call attention to the last speech of President McKinley. A Civil War veteran, a staunch Republican, a former Governor of Ohio, chairman of the Ways and Means Committee which prepared the McKinley tariff bill, an associate of Mark Hanna, he was the embodiment of Republicanism at the turn of the century. Six months after he began his second term in 1901 he delivered in Buffalo a speech which was still echoing throughout the country when he died, assassinated, 9 days later.

In that address he carried the doctrine of reciprocity further than any of his predecessors. There is no telling how much more he would have modified his views or whether he would have recanted if he had survived.

The United States was not a creditor nation then, but circumstances were making it a power in the Caribbean and the Pacific. The strictly continental phase of our development had come to an end. The young giant was feeling its industrial and agricultural might, and visualizing the Stars and Stripes flying all over the world on ships laden with American goods. President McKinley, triumphant a second time over William J. Bryan, was reaching out in a more or less vague way for new, larger markets. His eagerness to obtain them had apparently made him turn his back on the high-protection dogma which had been so closely associated with Republicanism and was largely responsible for his second election.

In this mood he made his last address at the Buffalo exposition. Few were prepared for it. Hardly anybody had expected him to speak so emphatically. He said, among other things:

Our capacity to produce has developed so enormously and our products have so multiplied that the problem of more markets requires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. \* \* \* By sensible trade arrangements which will not interrupt our home production we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. \* \* \* What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and productions,

and thereby make a greater demand for home labor. The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. \* \* \*

That speech will be referred to continually when the debate on the Hull pacts engages the attention of Congress and the country. To date the discussion has not produced anything new or startling. The short experience of the Nation with the agreements and the exceptional circumstances of the period have blurred the picture. Interests which objected to the arrangement a year or two ago are still antagonistic. Interests which see in them what McKinley and Blaine saw in something similar have not changed their attitude. The impressive, influential speeches are yet to come.

It is not unlikely that a compromise will emerge, under which the pacts and the salutary principles underlying them will be retained, with the Senate somehow receiving more consideration than at present, and with mechanics improved. A return to the old, time-consuming, pull-and-haul process of tariff making of the days of McKinley is not a pleasant prospect for even the most vehement critics of the Hull treaties.

### Aid for Finland

#### EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. SPRINGER. Mr. Speaker, the great majority of our people have the utmost sympathy for Finland and her people. I have not heard any expression in favor of Russia—but our people, without exception, express the greatest admiration for the brave Finns and they deeply sympathize with them on this grave crisis.

Finland has many near neighbors in Europe who can aid her and who should aid her in this great disaster. The problem of Finland is their problem. The result of this conflict between Russia and Finland will have a direct and far-reaching effect upon those near neighbor nations. Those European nations owe to Finland their wholehearted support and they should contribute unstintingly to Finland's cause.

Mr. Speaker, we of the western hemisphere have commitments which we must respect. We have our own problems to solve. Our economic conditions in this Nation are our first concern, and our own people must be rehabilitated and our own people must be properly cared for. This is our first duty, and that duty must be met.

May I say that in the event our Government should engage in making any loan, as a Nation, to Finland, we would thereby establish a precedent which I fear would become very embarrassing in the future, if, in fact, the same would not cause us to become involved in this European conflict. If our Government should make one loan to Finland—and I have the greatest sympathy for that nation—then I wonder how many European nations would negotiate a like service from us? And, in the event we should make one loan to any European nation at this critical period, how long would it be until we are asked to furnish manpower? If we should participate in this European war by making any loan, or loans, to belligerents we cannot now contemplate the far-reaching mental effect that overt act would have upon all other European nations who are unable to secure such assistance.

We have our own problems which must be solved. Let us engage in the solution of them and let us avoid any participation in this war.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief but very carefully written editorial which appeared in The Palladium-Item, of Richmond, Ind., on January 31, 1940, which follows:

[From the Palladium-Item, Richmond, Ind., January 31, 1940]

#### MORE WAR PROPAGANDA?

Get a copy of the January 29 issue of the magazine Life and turn to page 16. A subhead states: "The Great Isolationist dies as America moves toward a place of power in world affairs." The lead article is an editorial appreciation of the late Senator Borah.

In it the Senator is described as a loser in the battle to keep the United States from interfering in foreign affairs and pursuing an isolationist policy. Life says Borah's counsel of isolation was that of wisdom when our country was young, but that now that "greatness and power have been thrust unwillingly upon her," she cannot "shirk" her destiny.

Walter Lippmann is quoted: "What Rome was to the ancient world, what Great Britain has been to the modern world, America is to be to the world of tomorrow." If this is not propaganda to the effect that we must turn militaristic and go forth and try to conquer the world, what is it? That is what Rome and Britain tried to do.

In the article that follows this one Life puts up an argument for aiding Finland. "Implements of war are the one thing that Finland needs," says Life. It continues, "One thing certain is that if Finland falls and the Russians or Germans overrun all Scandinavia, both the pressure and the need for American dollars will be multiplied manifold."

A European, a Britisher, recently said the present war in Europe was a civil war; the rebellion of one part against the other. During our Civil War Britain and France gave every aid and comfort possible short of war to the Confederate States. It was quite apparent the motive behind this enmity toward the North was that the United States should be permanently divided and weakened. In the present war in Europe we are a bit better toward the British and French than they were toward us during our Civil War. We hope they will win, because we believe they represent the better cause.

The situation in Finland is not yet our concern. It is the concern of Europe and of Britain and France, and of all the neutral nations of that continent that do not want to be swallowed by powerful and unscrupulous neighbors. Finland is the left flank of the battle line occupied by the enemies of bolshevism and nazism. If the other Scandinavian nations are at heart enemies of those movements, if they are determined to hold them at bay, then they, not we, as yet, belong in the fighting line alongside of the Finns.

Europe was spoiled by our armed intervention in 1917. She now has the idea that we should send her armed help every time she gets into serious difficulties. If we give in again to this idea, then we will give in again and again, because Europe is always having recurring "civil wars." Then the end will be that we shall have to go forth and attempt to conquer the world, as Life and Lippman seem to urge. It would be the only way, we or our children would be told, by which we could attain lasting peace—the lasting peace that is already ours if we will but let Europe settle her own affairs, and we be sufficiently armed and cooperative with our sister American nations, also adequately armed, to make the rest of the world with its quarrels and conquests keep away from our hemisphere.

### Civil Aeronautics Authority Favorable Toward Increase in Noncollege Students Participating in Pilot-Training Program

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

LETTER FROM ROBERT H. HINCKLEY

Mr. RANDOLPH. Mr. Speaker, a few days ago I placed in the RECORD a letter I had written to Robert H. Hinckley, Chairman of the Civil Aeronautics Authority, in which I advocated an increase in noncollege students participating in the pilot-training program. I am gratified at the reply received, copy of which is included, as follows:

CIVIL AERONAUTICS AUTHORITY,  
Washington, February 2, 1940.

HON. JENNINGS RANDOLPH,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN RANDOLPH: Thank you very much for your letter of February 1 and your fine expression of commendation.

With regard to your suggestion for increasing the noncollege quota from 5 to 20 percent, you will be interested to know that we have now enrolled this year approximately 8 percent instead of 5 percent, with the possibility of the percentage being still higher next year.

With all good wishes to you, I am,

Sincerely,

ROBERT H. HINCKLEY,  
Chairman.

### What Can We Do About Civil Service?

#### EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

RADIO ADDRESS BY HON. GUY L. MOSER, OF PENNSYLVANIA

Mr. MOSER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following personal address in the American Forum of the Air panel, Mutual network, January 14, 1940, on the subject, What Can We Do About Civil Service?

By an unflagging honesty in practice and a genuine sincerity of purpose, the present progress of disintegration of all semblance of merit under our civil-service system, as presently and for many years past administered, can be arrested and effectively stopped. Confidence can only in this manner be restored, individual initiative and enterprise be encouraged, and a genuine system of merit based on efficiency reestablished.

The act of Congress January 16, 1883, establishing the civil service, provided for open competitive examinations as therein described, and only permitted "noncompetitive examinations in all proper cases before the Commission, when competent persons do not compete, after notice has been given of the existence of the vacancy \* \* \*." Contrast this to the well-known and established practices of favoritism and prejudices manifestly rampant. Instead of extending the merit system, it crushes ambition, destroys initiative, and creates apathy, lassitude, and indifference, with its consequent enmities, jealousies, and other elements destructive of harmony so essential to efficiency.

This generation of Americans in its "rendezvous with destiny" has little in which to look forward to a career in the classified civil service.

When I was a young rural teacher in a single-room hilltop schoolhouse, ambitious to advance myself beyond the meager \$28 per month salary, the Railway Mail Service beckoned. I applied to the Civil Service Commission and received with my formal application a Manual of Examinations, containing a sample set of questions previously used in strict conformity with the provisions specifically set forth in the act cited. It was invaluable, as I burned the midnight oil in preparation for the examination. I passed fourth in the State of Pennsylvania, being offered a substitute's appointment, which I accepted within 3 months of the examination. Try and get a manual and match that record now. It cannot be accomplished. I cite this as an example of the Commission's conformity to the act of 1883, when it had only attained its majority after 21 years of existence.

In the years that followed, with requisite qualifying experience, I applied for but couldn't get permission to take an examination to qualify for post-office inspector, until I used the influence of a Member of Congress. Though I passed the examination in a class of seven, six of whom I believed competitors, I learned the examination had been noncompetitive, without the restrictive permissibility under the act having been met. I was even then denied appointment until years later a change in the national administration had been effected, establishing the complacency with which the Commission was then already yielding its prerogatives under the act.

Our Nation abounds in landmarks and epigrams of our form of democracy in a republic under our Constitution. In the Declaration of Independence, Thomas Jefferson penned, "All governments derive their just powers from the consent of the governed," only a corollary to the Divine injunction, "All things whatsoever ye would that men should do unto you, do ye even so unto them."

By the apathy of the citizens another Jeffersonian admonition relative to "external vigilance" was forgotten and his philosophy of democracy, "Equal and exact justice to all men of whatever state or persuasion, religious, or political," cast to the limbo so far as merit under present civil services can be reconciled.

When I became a Member of Congress, there was before our House Committee on Civil Service a bill (H. R. 2700), introduced by our distinguished chairman, providing for open competitive examinations for all persons already employed by the Federal Government. President Mitchell and others, speaking for the Civil Service Commission, opposed it. We had the votes to report it out 2 to 1, but an amendment to make it noncompetitive was offered and defeated 1½ to 1 after other opponents had left the executive session. It died in the committee exactly that way. I shall violate no confidences reflecting the change. However, in the Seventy-sixth Congress we have H. R. 960, proposing the same purpose of blanketing all prohibited positions under the act of 1883 into the classified civil service, subject to noncompetitive



examinations. With absent opponents and a change of pledged positions, it was reported out by scant margin and is on the House calendar. It has my opposition for reasons manifestly apparent.

Though the President in his message to Congress, January 3, only mentioned extension of the merit system, among others, as a desirable objective, I can neither reconcile it to be his aim to use patronage, by blanketing processes and noncompetitive examinations to create merit, nor square such course with his pronouncements in *Liberty* magazine in 1932 on the subject. Only recently he declared to me personally: "This country is still on a competitive basis," agreeing that "competition is still the life of trade." Competition, law observance, and the application of the philosophy of the Golden Rule, only, enhance merit.

### The Late Associate Justice Oliver Wendell Holmes

#### EXTENSION OF REMARKS

OF

HON. MELVIN J. MAAS

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY HON. WILLIAM N. MORELL

Mr. MAAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. William N. Morell, national president of the Federal Bar Association, at the tomb of Justice Oliver Wendell Holmes, Arlington Cemetery, on February 1, 1940, on the occasion of the Sesquicentennial of the Supreme Court of the United States, under the auspices of the Joint Committee of the Congress of the United States on the One Hundred and Fiftieth Anniversary of the Supreme Court of the United States:

It is appropriate, in commemorating the sesquicentennial of the Supreme Court of the United States, that the members of the bar make a pilgrimage to this hallowed place in Arlington National Cemetery—the grave of the late Associate Justice of the Supreme Court of the United States, Oliver Wendell Holmes. He brought to the Court high attributes of character and intellect, noble qualities of mind and spirit, the impress of which will remain a heritage of our people as long as the courts endure—as long as the love of justice lives in the soul of our Nation. We come to pay homage to him as a great prophet of the Court, as a brave soldier, and as a true citizen. His mortal remains rest in perpetual reunion with his comrades of the Civil War here on the hills of Arlington, overlooking the Capital of the united Nation which he served so valiantly in war and so wisely in peace. It brings to mind the verse of the poet O'Hara:

"The muffled drum's sad roll has beat  
The soldier's last tattoo;  
No more on life's parade shall meet  
That brave and fallen few.  
On fame's eternal camping-ground  
Their silent tents are spread,  
And glory guards, with solemn round,  
The bivouac of the dead."

APPOINTED BY THEODORE ROOSEVELT

It is not necessary to recount his many achievements as a soldier, citizen, and as a jurist before his appointment by President Theodore Roosevelt to the Supreme Court of the United States on December 4, 1902. We may recall, however, that Justice Holmes, as a valorous officer in the Union Army, was wounded in action in three separate engagements; that he had a brilliant career as a lawyer in active practice, as a law professor, as an associate justice, and as chief justice of the Supreme Court of Massachusetts. He was the son of an illustrious father and from him, no doubt, he inherited his genial wit, poetic imagination, and brilliant literary style.

BELIEVED IN THE WISDOM OF THE PEOPLE

It has been said by one of our great leaders of the bar that Justice Holmes' conception of the judicial process "is our best hope in the painful process of adjusting ancient dogma to the startling changes of the modern world." He was close to the heart of the people. He firmly believed that the law was a matter of slow evolution. The dissenting opinions of Justice Holmes constitute a vital link in the process of legal evolution. They bridged the gap from ancient dogma to modern realities and made the philosophic journey a less painful pilgrimage. He had a profound belief in the ultimate wisdom of the people and their essential capacity for self-government. He was not a hermit cloistered from the realities of life. He scorned false pretense. The spirit of legalistic sacerdotalism was not in Justice Holmes. Justice Holmes conceived the law as a reasoned adjustment of human relations.

The opinions and writings of Justice Holmes stand as a monument to his scholarship, his courage, and his vision. His influence in formulating constitutional doctrines is equalled only by Chief Justice Marshall. Theodore Roosevelt considered his appointment of Justice Holmes as an outstanding accomplishment of his administration. Well might he have been proud of that appointment.

#### THE COURT AND THE CONSTITUTION

While we are commemorating today the sesquicentennial of the Supreme Court, the Court in an important aspect is an extension of the Constitutional Convention of 1787. The convention wrote the Constitution, but the formulation of the prevailing concepts and doctrines of that document is the work of the Supreme Court. The opinions of Justice Holmes had a constant recognition of this fact during his 29 years on the Court.

#### JUSTICE HOLMES' MESSAGE TO FEDERAL BAR

The Federal Bar Association feels honored to have been selected under the auspices of the Joint Committee of the Congress of the United States on the One Hundred and Fiftieth Anniversary of the Supreme Court of the United States to render this homage to Justice Holmes on behalf of the American bench and bar. On the ninety-first anniversary of the birthday of Justice Holmes, March 8, 1932, the Federal Bar Association held its annual dinner in his honor. Although his health did not permit him to attend that dinner, he sent the following memorable message to the members of the association, a message which has the place of honor in the archives of the association, as well as in the memory and heart of each member:

WASHINGTON, D. C., February 29, 1932.

Gentlemen of the Federal Bar Association:

Your kind invitation for March 8 has been answered, I believe, in due form. But I cannot say farewell to life and you in formal words. Life seems to me like a Japanese picture which our imagination does not allow to end with the margin. We aim at the infinite and when our arrow falls to earth it is in flames.

At times the ambitious ends of life have made it seem to me lonely, but it has not been. You have given me the companionship of dear friends who have helped to keep alive the fire in my heart. If I could think that I had sent a spark to those who come after I should be ready to say good-bye.

O. W. HOLMES.

#### A SPARK KINDLES A TORCH

To those who come after he sent a spark which kindled a flaming torch. Its far-flung beams encompass us all. It is a perpetual light, which the profession, the bench, and the bar with reverence, affection, and respect will join in carrying on. That flame lives and is vibrant today—the Sesquicentennial of the Supreme Court. Hold high the torch which that spark has kindled. May its bright beams dissolve the shadows and darkness which hide the oppressed and may it shine forever as a beacon of inspiration in a troubled world.

### A Balanced Housing Program

#### EXTENSION OF REMARKS

OF

HON. EMMET O'NEAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY NICHOLAS H. DOSKER

Mr. O'NEAL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Nicholas H. Dosker, administrator, city of Louisville Municipal Housing Commission, before the National Public Housing Conference, January 26, 1940:

Most of the mistakes of our early efforts at public housing were the result of our American weakness of attacking a great problem too hastily without proper study and research. Splendid as are most of our P. W. A. housing projects, and excellent as is the character of the accommodations they provide for the higher brackets of the low-income group, they nevertheless should have been built at the end, instead of in the beginning of a national housing program.

It was unavoidable that U. S. H. A.-aided housing should have been influenced in its early stages by the existing P. W. A. program. Therefore, some of the earlier efforts under the U. S. H. A., though they all serve only the lowest income third, still did not reach down far below the top portions of this group. The present policy of planning U. S. H. A.-aided projects which will provide decent shelter without frills within the financial reach of the vast bulk of the lowest income third, will, in our opinion, sell itself to the good sense of the American people. This does not discount the need for better housing for the highest bracket of the low-income third. It merely places the emphasis for Federal subsidized housing where the need is greatest. The extent to which low rents will be achieved

depends not only upon the close scrutiny of costs by the local authorities and the U. S. H. A., but in a large degree upon the cooperation given them by labor and the materialmen.

There is unquestionably an acute shortage of decent standard dwelling units now available to families of all low-income groups. But the needs of every community are not the same. What kind of housing shall we build? Where shall we build it? What low-income and racial groups shall we serve and in what proportion? How large are the local pools of available tenants from which we can draw? These and many other related questions are of deep concern to any local authority contemplating a housing program. The answers can be arrived at only by an intensive survey. Such a survey is an essential for any well-planned housing program. In Louisville we are fortunate in having one, and we have molded it into an elastic, workable, long-range housing program. We call this our 10-year plan.

In preparing this plan, our first concern was a complete and detailed study of families now living in substandard housing. To aid us in this work, we recently completed two very important surveys—one a real property, and the other a low-income housing area survey. The housing survey has become our chart and compass in analyzing both our present and anticipated needs in our sincere efforts to bring low-rent housing to our needy families. From this survey we learned the number of tenant families, by race, now living in substandard housing. The all-important data relating to incomes and rents now paid by these families are also pointed out. From this information elaborate tabulations are made dividing all tenant families not on relief into groups, and labeling these groups according to the agency from which they may expect assistance.

By this method we are able to pick out those families, all in the lowest-income third, which may look to the local authority and the United States Housing Authority for aid. At the very bottom of the lowest-income third is found that hopeless element of families whose exceedingly low incomes now prohibit our offering them dwelling units at such rentals as they can afford. Even though we are unable to presently offer them assistance, we have at least definitely established the number of such families by race, income, and current rents. From these data, and with a continued study of their living habits, it is hoped that some ultimate solution can be found to render assistance to this unfortunate group.

Above the lowest-income third set aside for United States Housing Authority assistance, we find a large number of families in the middle-income group who, though now living in substandard housing, have such incomes that private industry through research and study should ultimately develop low-rent housing for them without the assistance of annual subsidies, capital contributions, or local tax exemptions.

We now have in Louisville two housing projects built by the Housing Division of P. W. A. which offer dwelling units to families in the higher portion of the low-income third who come out of substandard housing. Our two United States Housing Authority aided projects now under construction, which will offer approximately 800 dwelling units to white families and 800 dwelling units to Negro families, are designed to meet the middle portions and as much as possible of the lowest portion of the lowest-income third—the only third helped by the United States Housing Authority.

We have just made application for a loan contract from the United States Housing Authority to build two additional projects. A way must be found, and we believe will be found, to build these new projects to serve the lowest portions of the lowest-income third. In these projects we expect to serve nobody with an annual income exceeding \$800, and we expect to provide shelter rents not exceeding \$8 per month for an average four-room unit. Contemplating this, we have secured the services of Mr. Walter R. MacCormack, dean of the school of architecture of the Massachusetts Institute of Technology, and under his guidance and based on a program to be outlined by him and ourselves, we are preparing to hold an architectural competition, under the rules of the American Institute of Architects, to develop an improved, sound, but inexpensive type of low-cost housing.

Although we realize that the population in most of our large cities is not increasing at the accelerated tempo suggested several decades ago by our city planners, we have, nevertheless, reflected in our suggested pools an anticipated increase in population in our low-income groups. We also considered that a small number of owner families now living in such deplorable and dilapidated housing that they can scarcely be called homes might be given consideration in future housing plans.

The second part of our extended plan deals with the study of the dwelling units in which these families now live. Although we know that in Louisville we have approximately 32,000 dwelling units which we class as substandard, we have never felt that this study was quite complete. The current definition of a substandard dwelling unit is so broad that when applied to some 32,000 dwelling units we still have only a mass of figures. To prepare for our study a more accurate detailed picture of our substandard dwelling units, they were divided into seven groups, ranging from structures unfit for human habitation to those barely substandard by occupancy standards. Although the study is not yet complete, a partial analysis of this data has presented many interesting facts. We know that ultimately we will be able to segregate these dwelling units into three principal types of neighborhoods. The first, of course, will be such areas as contain structures unfit for human habitation, in need of major repairs or those lacking proper plumbing facilities, or any combination of the above. These are the districts to which

we now point as our slum and blighted areas. Generally they are found in contagious areas. However, we do find single, scattered blocks throughout the city which present in themselves conditions quite as poor as those in our worst slums.

The second type district determined is one which offers a serious future problem, which, if left unchecked, will become the slum of tomorrow. This area is characterized principally as containing many old single family structures which are now being cut up and converted into multifamily buildings. In most cases these conversions are made without the addition of bathrooms and kitchen equipment, which force the unfortunate tenants to share these utilities which are so important to private use. We do know that unless measures are taken to arrest this wave of conversion and to stop the spread into these neighborhoods of all these factors which are so incompatible to better living, we are actually permitting the development of our future slums.

The third group, very much like the second, except that conditions have not developed to as critical a point, also present one of our future problems. With the knowledge of the families and neighborhoods to be served the basic points of our problem have been brought to light. The coordination of these two will serve as part three. When this relationship is studied and planned for a 10-year period with particular reference to our city plan, intelligent results will follow.

A city plan that proposes the development and addition of such important utilities as parks, playgrounds, schools, streets, parkways, community centers, and neglects the rehousing of those families now forced to live in substandard dwelling units presents only a portion of the picture. A more solid approach to the ultimate betterment of our city should in a measure be based on the replanning and construction of decent standard dwelling units to meet the needs of the now unserved low-income groups. A city with broad highways, magnificent parks, and tall buildings that hide miserable hovels which cost very large sums to support is not progressing on a firm foundation. Our cancerous slums that breed those things so incompatible with decent and better living are the areas heretofore overlooked in the planning of our American cities. These were perhaps not so much overlooked as they were considered diseases for which no cures were known. The current inability of private industry to cope with this problem and the opposition from pressure groups have been powerful factors which have contributed to their existence in so many American cities today.

In addition to slum areas planned for demolition and reconstruction there are numerous areas suggested for demolition only. These are the areas we hope to clear when vacant land is used for future development and the equivalent elimination clause invoked. These areas generally are small and scattered and are found principally surrounded by old-established industrial developments or adjacent to new, fast-growing industry. In such districts we know that existing residential development has no chance to survive and should be eliminated to provide expansion for future industry. In such scattered areas it would be impracticable to replace the worn-out, dilapidated structures with decent standard housing when areas more conducive to better living can be found.

In part 4 we concern ourselves with the design and construction of such dwelling units as will meet the rents outlined in part 1 and designed to serve particular income groups. In this connection we contemplate a competition among local architects for the design of our two anticipated projects. We feel that through this competition the many worth-while ideas which are currently discussed, but not put on paper, will be brought to the attention of the local authority and built into our future projects. It is our policy to continually keep abreast of such construction methods as will permit lower construction costs, which, of course, means lower rents to the low-income groups.

Part 5 of our ten-year plan concedes that all of the families of low incomes, now revealed by our research to be living in substandard housing, cannot be served by United States Housing Authority-aided projects, which are limited to the lowest income third. Those with incomes in excess of \$1,500 per annum, and many below that limit, can and we believe should be decently housed by private capital, either through new construction or through the rehabilitation of existing structures worth saving.

We believe it to be the duty of the local housing authority to do whatever it can, to correct, as far as it can, whatever bad housing conditions exist under its jurisdiction. In most cases beyond United States Housing Authority aid, it can only provide the leadership, and be the coordinating force, but that leadership, if vigorous and intelligent, should be able to make a community so housing-conscious that great good can be accomplished. Our present intention is to attempt to interest owners and mortgagees of substandard and blighted properties in a plan of neighborhood rehabilitation somewhat similar to that now being experimented with by the Home Owners' Loan Corporation in Baltimore and Chicago. As a result of such a plan much housing could be restored to its former substantial character, thus protecting equities in it which are now slipping dangerously because of neighborhood blight. Such a plan would do much to reclaim today the slums of tomorrow.

Another activity to which we are giving serious consideration is the assuming of leadership in attempting to interest the owners of vacant or partially built-up industrial subdivision sites, in the building of new, decent, low-cost houses for that part of the low-income group at the bottom of the middle-income third and therefore just beyond the reach of United States Housing Authority assistance, and also for some of those who may be barely within the lowest-income third, but who cannot be accommodated



in existing United States Housing Authority aided projects because more needy applicants are given preference.

The Federal Housing Administration has just issued regulations covering property improvement loans, under title I of the National Housing Act. This revised regulation seems to offer a splendid opportunity for hesitant capital to build low-cost housing on very favorable terms for those in the middle-income third. Several of our local owners of land contiguous to industrial districts are now giving serious consideration to this plan. Other avenues for proper housing activities outside the United States Housing Authority aided projects will unquestionably present themselves from time to time.

In part 6 we plan a study of existing laws incidental to the execution of our suggested plans. From the study of substandard dwelling units referred to in part 2 we expect to prepare such maps as will show the location of structures unfit for human habitation and those in need of major repairs. These data may well be used to inform our building inspector's office of the deplorable conditions that exist scattered throughout our city and of the importance of preparing or strengthening such legislation as is necessary to rid the city of these menaces to health and morals. It is possible, too, that some revisions to our present building code may be necessary before some of the planned activities may be effected.

All of this 10-year plan may not be accomplished, but we believe that armed with a detailed knowledge of exactly what we have to do to achieve ideal housing conditions in our city we will actually do a much better job than we would do if we did not set a high goal, the reaching of which would mean real housing progress in our city.

The avoidance of superlatives is difficult for those of us who have made a serious study of low-rent housing for the lowest income groups, and for those of us who think we can visualize its possibilities for transforming the outlook of the beneficiaries of this program from despair to hope—from the straw-grasping espousal of un-American panaceas to an unquestioning return to the American philosophy and all that it denotes.

We must remember that much must yet be done before our country is sufficiently sold on subsidized public housing to be as enthusiastic about it as we are. The decent housing of the lowest income third, at rents which they can afford to pay, is a program too important to be a football for partisan politics. It is big enough and broad enough, when properly understood, to demand the support of all thinking persons, regardless of political affiliation. It is a basic philosophy as fundamental as the American home itself. Its accomplishment represents not only a duty of a great, growing nation to those economic unfortunates whose present living conditions are a byproduct of the upward surge of our rapidly growing national economy, but also a duty to our own more fortunate progeny.

There is nothing radical in providing the means for obliterating, as far as possible, the spawning beds of radicalism, crime, disease, and immorality. Yet some of our friends would have us believe that our championship of this worthy cause marks us as "crackpot sentimentalists," if not potential enemies of the existing order of things. To me our efforts to eradicate the slums and effect their replacement by decent, low-rent housing for the lowest income groups, secured by Government subsidy when necessary, is merely an evidence of intelligent capitalism entrenching itself more firmly as the basic economic philosophy of American life.

We may not enjoy the applause of our contemporaries, but I am convinced we will earn and receive the plaudits of the next generation in proportion as we succeed in our efforts to improve the basic housing conditions of today.

### Gridiron Club Dinner, St. Louis, Mo.

#### EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY HON. HARRY H. WOODRING

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. Harry H. Woodring, Secretary of War, at the Gridiron Club dinner, St. Louis, Mo., January 30, 1940:

You have rung down the curtain on a stage that is a symbol of a great institution—a democracy of free people. Your gridiron is the expression of that freedom of speech, freedom of assembly, and freedom of the press that are cardinal principles of this great American democracy in which we live today.

Only recently in Washington the curtain was rung up on the stage where the last forum of true democracy holds sway—the third session of the Seventy-sixth Congress. It is the opening scene of the deliberations of a true democracy at work. All of us, I think, are impressed with the thought that this assembly of Congress represents one of the last of the world's great, true democracies.

In this tragic era in the life of our Republic, in both domestic and foreign affairs, it is well that we Americans take stock of and analyze our institution of government; determine in our own minds our course of direction as we face the fateful forties—not as partisans, not as Democrats or Republicans, but as Americans.

Elsewhere, in most countries of comparable importance, democratic processes have been temporarily or permanently suppressed. There has been an alarming growth of the idea—to which I cannot subscribe—that democracies are inefficient, outmoded, and unworkable. We have witnessed the phenomenal rise of the concept of the totalitarian state—only a new name for an ancient institution. We have seen old democracies forego some of the functions of democracy in the immediate interest of their national security.

Across the ocean a great war is being waged. During its progress the peoples of the nations involved not only suffer all the unspeakable horrors of modern warfare—devastation, death, disease, famine—but they are temporarily losing those hard-won personal liberties for which their ancestors fought and died. Instead of democracies, we have a modification of the idea of the absolute or totalitarian state. This hazard to free institutions should alone be sufficient cause for our democracy to remain at peace.

The totalitarian concept of the state has come down to us from ancient times. A modern exposition of this concept was given by Kant and Hegel. They declared that the state was omnipotent, infallible, and divine in essence. Some of their disciples went much further, holding that the state was bound neither by the principles of morality nor international law. This led to the view that the state must be self-assertive, aggressive, and militaristic, and that a superior civilization had the right, if not the duty, to impose its culture upon those less favored. Naturally, I do not suggest that any responsible statesman of the present day holds such an extreme view. However, it is correct to assert that in the totalitarian state governmental functions are performed primarily with a view to the advantage of the state and only secondarily for the benefit of the individual.

Strangely enough, the philosophy of Hegel—the deification of the state—and that of Marx—the glorification of the proletariat—appear to have merged. While the theories of communism differ widely from those of Hegel, the practical effects on the inhabitants of a country adopting either ideology seem to be almost identical—a ruthless suppression of all active or potential opposition to the government. This is the very negation of democracy.

European democracies engaged in the war have felt it necessary, in the interest of victory, to restrict greatly individual rights and privileges traditionally exercised by the people. Government by decree has to some extent superseded government by law. More or less strict censorship of the press has been adopted in some countries, while in others newspapers are either owned outright by the government or are published under rigid governmental control.

We may well congratulate ourselves that in America freedom still lives. Here, at least, democracy survives and flourishes. But we must remember that eternal vigilance is the price of liberty. It is not enough to talk about democracy. We must make it work. Marshal Foch once said that the French were an oratorical nation—because they had said a thing they thought they had done it. Some of us Americans are more or less like that. We make laws and speeches about our liberties and sometimes straightaway violate the spirit, if not the letter, of our declarations.

The Bill of Rights of our Constitution is the very soul of democracy. Freedom of speech, freedom of assembly, freedom of religion and freedom of the press—including freedom of opposition—are enshrined in our Constitution. Yet within 10 years after the adoption of the Bill of Rights the hateful sedition laws were enacted, which made it an offense to make false or malicious statements about the President or the Congress. As our hosts will recall, Dr. Thomas Cooper, a Pennsylvania editor, was fined and imprisoned for declaring that President John Adams was incompetent and that he had interfered with the administration of justice. Congressman Mathew Lyon was likewise fined and jailed for accusing the President of avarice and a thirst for ridiculous pomp and foolish adulation. I need not remind this audience that such comment on political leaders today would scarcely attract attention, much less land a man in jail. Otherwise, after tonight's performance, most of the St. Louis gridiron members would be in jail tomorrow.

I do not fear that we will again have to deal with repressive legislation of the type enacted in the Adams era. I do not think we will ever have a censorship of the press. Certainly, in office or out, I will always oppose such censorship, whether we be at peace or at war. I have sufficient faith in the loyalty of our American newspaper men to rely on their judgment in keeping the columns of the press free from anything that will give aid and comfort to our enemies.

However, I do fear that in a grave crisis there is a real danger that we may disregard some of the fundamental principles of democracy. This threat is a reality in Europe. Not long ago a distinguished British economist asked the question, "Is democracy

committing suicide in self-defense?" What would it profit a democratic government if it won a war, but lost its democracy?

In America our acute problem is not that of winning a current military conflict. Thanks to the blessings of a benign Providence we are at peace, and I am confident we are going to remain at peace. Recent enactment of our Neutrality Act and other steps taken by our Executive and Legislative branches, backed by almost unanimous public sentiment for peace, have greatly lessened the possibility of our involvement in the war.

Nevertheless, we cannot feign ignorance of the struggle being waged across the water, or of the issues involved. We cannot remain safely isolated and insulated behind the great moats of two oceans. America cannot possibly avoid the ultimate evil economic effects of this war. War is waste! The cost of that waste is assessed not alone against the vanquished, but also with tragic impartiality against the victor and the neutral.

An early and a lasting peace would be tremendously advantageous not only to the nations suffering the horrors of war, but also to the entire world and especially to the United States. There may be for us some immediate financial gain from war orders, yet an inevitable, tremendous economic loss in the readjustment period after peace. Our foreign trade and our domestic economy have already experienced tremendous dislocations. The shock of the conflict is felt throughout our social and industrial organization. Planning for the future necessarily must be contingent on events over which we have no control. The people of America, therefore, unite with all peoples of the world in the fervent hope and prayer that hostilities will soon cease and that a just peace will be proclaimed. Candor compels the observation that at the present moment there is nothing in the international situation that justifies the belief in an early end of the war. However, things sometimes happen with startling suddenness, and it is not impossible that a beacon of hope, of peace, may soon penetrate the thick fog of war. Therefore, we must at once be planning a program to take care of the serious economical and social situation that will confront this nation as soon as peace is declared.

While our eyes and our thoughts are turned abroad as spectacular events unfold on foreign battlefields, we should not permit ourselves to forget the present domestic scene. We are at a crucial point in the history of our democracy. There is need to concentrate our best thought, our best effort on our domestic problems. If these are solved we will retain the gains made by our democracy and continue to enjoy the fruits thereof. If we fail to solve these questions or neglect them, we will not only lose the gains we have made, but we may face the failure of democracy itself. Not only for ourselves but for the world we must preserve our American democracy. While we must not be oblivious to our international responsibilities, let us at the same time rededicate a considerable portion of our efforts to our own problems.

When this great conflict came to Europe last September our first thought was to insure ourselves against being caught in the greedy reach of the ugly tentacles of war. We have kept our ships from the zone of hostilities and thereby lost millions of dollars of normal exports, and we have sacrificed many of our rights under international law in order to lessen the danger to American lives and property. We have strengthened our Army and Navy. We are fortifying the house of democracy against outside attack. We must also preserve the house of democracy against the termites of social, political, and economic problems. Armies and navies do not shield us from internal deterioration.

The progress that has been made in the recent past is self-evident. Social advancement, unemployment compensation, old-age insurance, aid for our youth, our aged, and our physically handicapped, assistance to agriculture, extensive public improvements—all these have occupied our attention in the years just past. Much remains to be done. Some weeds must be pulled from our garden of progress. We must consolidate our gains. We still have poverty in the midst of plenty. Farmers are still selling products at less than cost of production. We must plan our fiscal administration so as to relate our Federal expenditures more closely to our income. Unemployed still walk the streets in a fruitless search for a job. Capital and labor, government and business, must learn more thoroughly the lessons of cooperation in the interest of the joint solving of our domestic problems.

The solution to these problems has been made tenfold more difficult by the hostilities in Europe. All the wishful thinking on this earth will not make it possible for us to retreat tortoiselike within our borders and let the rest of the world go hang. Though we can insulate ourselves from Europe in a military sense, we cannot hope to dwell unscathed from the social, moral, and economic consequences of this second World War.

It is to our disillusioned citizens whose judgment has been warped by long, desperate efforts to keep body and soul together that the promoters of political panaceas shout their propaganda of envy and strife, hatred, and intolerance. The gnawing pangs of a hungry man dim his ears to the clanking accompaniment of slavery in the siren song of Utopia.

Today, 1940, as never before does our democracy cry out for clear, dispassionate, critical, constructive thinking on the part of every American. It clamors for an open, unbiased mind. It places great stress on conscience, initiative, reason, morality, and discipline. We who would be true sons of democracy must separate the chaff from the grain in the political market place.

Democracy to win requires a suitable spirit as well as suitable institutions.

As we gaze on a world in which moral, religious, and political standards, won after centuries of heartache and struggle, are mined in a sea of oppression and hate, we see the necessity of pledging the best that is in us to the strength and the glory of our republic.

For more than 150 years our way of government has proved its temper; it has met the changing needs of a changing world and yet preserved our individual freedom. It is a priceless thing, our freedom—our democracy.

Other peoples may turn to the philosophies of Marx and Hegel. We want none of them. The democracy of Washington, Jefferson, and Lincoln meets our need.

As the curtain of this great symbol of freedom—the gridiron—is drawn until next year, our duty is crystal clear. In a strife-ridden world America must remain at peace. We must keep ever burning the torch of American democracy. When a war-weary world returns to sanity and begins to clear away the wreckage of destruction, let the scene be lighted by those beacons of American liberty—freedom of assembly, freedom of religion, freedom of speech, and freedom of the press—kindly lights that show the way for a world of free peoples to peace and happiness.

## Appropriations for Farm-Tenancy and Stamp-Plan Programs

### EXTENSION OF REMARKS

OF

HON. MARVIN JONES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

TELEGRAM FROM THE CHAIRMAN OF THE LEGISLATIVE COMMITTEE, NATIONAL FARMERS' UNION

Mr. JONES of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram received by me from the chairman of the legislative committee of the National Farmers' Union:

ST. PAUL, MINN., February 3, 1940.

HON. MARVIN JONES,  
Chairman, House Committee on Agriculture and Forestry,  
House Office Building, Washington, D. C.:

One week ago at Chicago the national officials of the National Farmers' Union, with most of the State presidents in attendance, unanimously chose me as chairman of their national legislative committee. The next day at Chicago the affiliated members of the National Federation of Grain Cooperatives unanimously re-elected me president for the ensuing year. The affiliated members of the National Federation of Grain Cooperatives are large regional cooperative grain-marketing associations at Amarillo, Tex.; Denver, Colo.; Ogden, Utah; Kansas City, Mo.; Spokane, Wash.; Omaha, Nebr.; and St. Paul, Minn. Both the National Farmers' Union group and the National Federation of Grain Cooperatives enthusiastically and unanimously approved the statements of attitude on national legislation which I discussed with President Roosevelt on January 15, 1940. We have furnished to you a copy of that statement. Therefore, I authoritatively speak for these two great farm groups. We are most grateful for the fight you are making for appropriations to carry on the farm-tenancy program and we are equally in support of adequate appropriations for the stamp-plan program. How any informed and intellectually honest Congressman can oppose adequate appropriations for these two programs is difficult for our groups to understand. The two programs mean much more to our unfortunate and loyal American subjects than a couple of battleships. In a representative government it is our right and duty to follow Representatives in Congress and to advise our people relative to their political conduct. We greatly appreciate the criticism of Congress made by Secretary Wallace with reference to the economy drive made against agriculture while at the same time these economists are supporting huge appropriations for armaments. All of us are firmly supporting your intelligent and militant fight for \$25,000,000 appropriation to carry on the farm-tenancy program. We are equally militant in our support for substantial increase to the appropriations for the very important stamp-plan program. Regret illness precludes personal contact with you. We will be grateful if you will place this statement in the CONGRESSIONAL RECORD. Please accept our gratitude and best regards.

M. W. THATCHER,

Chairman, National Farmers' Union Legislative Committee;  
President, National Federation of Grain Cooperatives.



## One Hundred and Fifty Years of Census Taking

## EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY HON. WILLIAM LANE AUSTIN

Mr. DUNN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. William Lane Austin, Director of the Census, on the Washington Star Forum, February 5, 1940:

The authors of the United States Constitution saw the need for a census of the population every 10 years. They wrote into article one of the Constitution these words: "The actual enumeration shall be made within 3 years after the first meeting of the Congress of the United States, and within every subsequent term of 10 years, in such manner as they shall by law direct."

Please let me emphasize that last clause by repeating it: "In such manner as they—the Congress—shall by law direct."

The first census, as ordered by the Constitution, was taken in the year 1790, a full century and a half ago this year. It had but one major purpose: The determining of how many representatives each State was entitled to seat in the Lower House of Congress.

The story of the 1940 census, with its wide range of subjects and questions becomes much clearer if we understand what has happened in the meantime.

By 1918 our great patriotic leaders were saying that our newly won political independence was not enough. We needed economic independence. We still were bound to the Old World by our need for manufactured goods. We needed to encourage the building of factories in this country, to make ourselves more independent from European merchandise. But how? Obviously the primary need was to know what factories already were here, and thus be able to judge our various needs.

So, as authorized in the Constitution, Congress passed a law creating a census of manufactures. That was in 1810.

Thirty years later, farming had become such a far-flung American activity that there was wide popular demand for a census of agriculture; and Congress again extended the scope of the census. That was in 1840, and the following 50 years saw a number of further extensions of this work—principally into the field of social statistics.

I am doubly thankful to the Washington Star and the National Broadcasting Co. for this opportunity to talk about my favorite subject: First, it is the one hundred and fiftieth anniversary of the census; and second, it is my fortieth year as a census worker.

I do not wish to burden you with my personal experience, except that I can testify first-hand to many of the reasons why the 1940 census is what it is.

The census is the fact finder of the Nation. Its inquiries change or expand as the needs of the people change or expand, and those changes are made, on constitutional authority, by Congress.

This year Congress has decided we will take a census of housing. It is a subject we never have covered before. But Congress felt that with all the talk that a great home-building revival might be a major step toward prosperity, the Nation at least should know the facts. Congress, as is its custom, was acting in response to powerful public sentiment. That is the way a democracy works.

I began work in this Bureau at the time of the Twelfth Decennial Census in 1900—actually before there was a permanent Census Bureau established by act of Congress. In those days we had to build up an entirely temporary staff each time, and so we had to use men and women who had had little or no experience in census work. I was one of them then. We were all very earnest and as scientific as we knew how to be; but judged by today's standards, the 1900 enumeration was an impromptu and a hastily organized affair.

The permanent Bureau of the Census was established by Congress while we were in the midst of compiling the tables from the 1900 enumeration, and it made everyone connected with the work feel that at last the census had come of age. Even so, as I look back at our work for that period and compare it with what we are doing this year, I realize not only how the Census Bureau has grown, how it has matured, how it has found its feet, so to speak, but also how America has grown.

The America we analyzed in that year was a simple and an uncomplicated nation compared to what it is now. The census was less than half the job it is today. There were about 56,000,000 fewer people in the country than there are now, and farming was the principal occupation. Sixty percent of the people lived on farms, whereas today nearly 60 percent live in towns. The railroads were our main industrial achievement. The automobile was just a visionary novelty, and there were virtually no good roads, as we know them now. Airplanes and radios were merely something

for the crystal gazers. Thousands of other machines of today had not yet been invented, and the effects they would have on our whole pattern of living were, of course, undreamed of.

Thus the Census Bureau's activities and scope have grown in direct response to the growth of America. Through the complex tabulating machinery of the census they pass—employment; unemployment; citizens and aliens; the growth of cities; depression on the farms; variety and change in occupations; decline in the birth rate; the movements of people from farms to the big cities; the shifts in industrial centers from one section to another in search of raw materials; the increasing average age of our population; and many other significant long-time movements within our civilization.

Taking the censuses which reveal these important facts is in itself a tremendous undertaking. For one thing, there is not just one census this year. The Bureau is taking seven separate kinds of enumeration in 1940. The one which has most general interest is, of course, the census of population, but there are six other major subjects. Some of them already have begun. On January 2 approximately 6,500 trained men and women started out from the 529 different districts into which the United States is divided for census purposes. They carried with them the many varied questionnaires which are used in taking the census of manufactures, and census of business, and the census of mines and quarries. Every one of the 170,000 factories, over 3,000,000 business establishments, and 12,000 mining and quarrying operations are being covered by these enumerators. They will be laboring at this task until May or June.

The censuses which will begin on April 1, although a much greater task, will be done in a much shorter time. These include the census of population, the census of housing, the census of agriculture, and the census of irrigation and drainage. These enumerations must be completed within 30 days, and because of this a much larger number of census takers is needed than for the operations which began in January. Along about the middle of March the supervisors of those 529 districts which I mentioned before will begin examining and hiring more than 120,000 men and women, who will do the huge job of conducting the April censuses.

One hundred and twenty thousand people! That is nearly half as many as there are in our regular peacetime Army. I think you can imagine the technical difficulties which the employment and training of such a number of people involve. That they will be trained, and well trained, we know. Our plans have been developing for well over a year. You might be interested in a brief sketch of how this job is done.

The Census Bureau itself is a permanent division of the Department of Commerce. Our regular year-to-year staff, including administrators, division heads, special scientists, machine operators, and the force does not run more than 750 as a usual thing. This permanent staff is kept constantly busy with the various permanent activities of the Bureau, such as the compilation of vital statistics and the issuance of monthly, quarterly, and annual industry reports. But it is also the function of certain members of our staff to plan for the major census operations. It is the work of these men and women to make sure that the big censuses run smoothly.

As the time approaches for a major census, some of our experts begin planning the questionnaires which will be used. They are assisted at every point by specially appointed committees from business and industry, from other groups or organizations of citizens, and from well-known experts both in other governmental departments and in private enterprises. This work has been completed for our 1940 undertakings, and all the census forms, with one or two minor exceptions, either are published or in the hands of the printer.

Meanwhile, another group of experts has been mapping the country scientifically for census purposes. We call these men the geographers. They gather all the latest local maps of cities, counties, and States; and they break up the country into more than 140,000 small individual maps known as enumerators' districts. These little maps are complete in every detail, and each of them is, generally, the "beat" of one census-taker. In sparsely settled areas two maps are given to one worker, but in any event this Nation-wide pattern of territories shows the workers where they must work and eliminates duplication of effort.

Into the picture, at this point, step the men who have the fastest job to do. We call them the field division. They must recruit, organize, and train the people who come to your door and ask you the questions. First, they bring nearly 200 picked "key men" to Washington for 6 weeks of intensive schooling. Those who pass this grind successfully become "area managers" stationed at more than 100 control points across the country. Each "area manager" must train from five to eight district supervisors. Then the district men set up 529 district offices, in which they examine and select the workers. This work involves the preparing of detailed instruction books on each subject from housing to agriculture. It includes the locating of suitable offices in more than 600 locations convenient for the work. It includes the time schedule of each step, the preparing and distributing of supplies, and a thousand small details. And it must be done, from start to finish, in about 6 months, so that there will be no distractions during the "work month" of April, when every minute counts. Just before the big drive starts in April, all the key officials will gather at eight convenient centers across the country for a final intensive review of their campaign with experts from Washington. Then they will hurry home for a final checking-up of their staffs.

That is what I mean by saying that the 1940 census is a closer-knit and better-defined operation than ever before.

What I have just described is the census operation only for continental United States. It does not include the enumerations in America's outlying Territories, which also are being taken in 1940. These areas include Alaska, where the work is already well under way, and Puerto Rico, Hawaii, the Virgin Islands, Guam, Samoa, and the Panama Canal Zone. Conditions are so different in these outlying possessions that that is an entire story in itself. But the work is being done just as thoroughly as possible, even though we sometimes have to use dog teams and sometimes get the help of the Navy. Not only the population, but also the homes, the farms, the businesses and manufactures, and the mining and quarrying operations will be analyzed by the more than 2,000 enumerators for these areas.

In the Philippines a complete census was taken during January 1939, but it did not come under the Census Bureau. It was conducted by the Philippine government. However, on their request, we did loan them one of our best men to supervise the job.

Now, every time there is a census there are a few people who complain furiously that the Government is poking its nose into their personal affairs, and one or two already have said it about our current work. I want to show you how absurd that is.

In the first place, the questions we will ask you are not our questions but your questions. They have been pressed upon us by scores and scores of large and important organizations and groups of citizens, declaring the facts they will develop are vital to the general welfare. We don't originate questions; we don't have to. During the past 2 years literally thousands of questions have been urged upon us. And we have sorted them down, rejecting and rejecting until we have the minimum number of basic questions according to the most expert counsel we can obtain.

I have been asked if it is compulsory to answer the questions which the census taker will ask you. The answer is "Yes." And it is nothing new. The answers have been compulsory for over 100 years, but the only questions you must answer are the questions printed on the census schedule. If you suspect that a census taker is asking you questions not on the official list, you may require him to show you the official list of questions. And the same law which requires you to answer requires the census taker to keep your answers confidential. Moreover, it provides much heavier punishment for him. Should he violate his oath, he is subject to a \$1,000 fine or 2 years in prison, or both.

You also have a right to know that your reports to us remain confidential for all time. No Government bureau or agency can look into our files to find out about you. No person or bureau can get our files for any purpose—taxation, or criminal investigation, or anything else. That is the law, and it has been tested in the courts and upheld.

I hope you will remember that the census is nothing new and startling, but one of the oldest of Federal activities. It comes along, decade after decade, carried out in just about the same manner. A few new questions are added each time because of public demand, and quite often more efficient methods are introduced, but essentially it is just about the same thing your parents and your grandparents experienced.

The value of the facts developed may be judged by the willingness of everybody to concede they are the ultimate in accuracy and completeness. The reason is that no private enterprise has either the resources or the authority to conduct such a big undertaking.

And the basic soundness of the census is best illustrated, in my opinion, by the fact that we have no record of ever having been forced to put a citizen in jail for refusal to answer. Of course, we use all possible persuasive means first, and on a few occasions it has been a hard job, but thus far explanation has been enough.

Of course, we will prosecute any of our own employees caught violating his oath, for the validity of this whole undertaking depends upon the cooperation and good faith of the millions who participate in it.

I have talked to you principally about the historical development and significance of the census and about the mechanical task it entails rather than discussing the questions to be asked this year. Those questions will be presented from many angles, during the next 2 months, in many media of public expression—in the newspapers and magazines, on the radio, and in other public forums—even in the movies. I hope that this brief look behind the scenes at the evolution of the census idea, and the organization of the 1940 activity, will give you a better understanding of why each question is asked when you come to answer.

It is safe to say that this census is as important to the lives of all of us as any Government activity to be undertaken this year. Few of us ever will have a complete conception of it. For even we at the Bureau are frank to say that it is much more than a one-man job to be personally familiar with all the Bureau's complex measurements of America.

But parts of it will be of intimate value to every one of us. Parts of it will have direct influence on our own lives, our prosperity, our health, and our security. The census is in effect an activity conducted by an enormous corporation, of which there are 132,000,000 stockholders, and its assets are nothing more or less than those stockholders themselves and their productive wealth, whether in labor or in machines or in management. You govern and control this corporation, and through your representatives you have ordered that the inventory of your corporation's assets, which we call a census, be taken.

To make the census valuable for your use the facts reported must be accurate. When the census enumerator rings your doorbell in a couple of months, think of him as your representative, the man or woman who is in his own small way responsible for the inventory of your Nation's wealth. The findings of this great census will be merely what you tell this man, added to what 132,000,000 other people tell 120,000 other census takers. The more accurate the facts you give him the more complete and useful will be the results of the 1940 census and the more beneficial to you and to America will be the uses to which the material is put.

## Sugar

### EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

#### ARTICLES FROM THE SUGAR JOURNAL

Mr. PEPPER. Mr. President, the January issue of the Sugar Journal, published at New Orleans, La., which just came to me this morning, carries certain data which I hope every Member of the Congress will have an opportunity to study, because I believe that the voice of 21 sugar-growing States will be heard on the floors of Congress during the present session in protest against the all-too-severe limitations placed upon domestic sugar production.

I should like to have inserted in the RECORD the Sugar Journal's article captioned "Cutting Down on Cuban Sugar," as well as the article from the same publication captioned "Where the United States Gets Its Sugar."

Attention is especially directed to the paragraph in the first article which explains the figures which suggest an actual drop in Cuban importation in 1938 as compared with 1937.

I should also like to direct special attention to the second article mentioned, which groups the figures on cane-sugar production by Louisiana and Florida, the two most important cane-sugar-producing States. These figures reveal that Florida and Louisiana produced in 1937, 11.31 percent of our domestically produced sugar. Of this 11.31 percent, Florida's production was merely a fraction of the total. Florida is producing slightly less than 1 percent of the domestic production, or only 10 percent of the cane production of the continental United States.

I earnestly hope that at this session of Congress the foreign policy and the domestic policy of this Government with respect to the production of sugar are going to be reviewed and that particular emphasis will be placed upon our domestic capacity to produce articles of this character, with respect to which there is no domestic surplus. On this issue there must be one single principle upon which our eyes must focus: Our first concern must be the welfare and the prosperity of the American farmer and grower.

I ask unanimous consent that these two articles may be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Sugar Journal for January 1940]

#### CUTTING DOWN ON CUBAN SUGAR

The last bulletin on sugar and molasses issued by the United States Department of Commerce in the spring of 1939 shows that we imported into the United States from Cuba in 1936, 1937, and 1938 the following quantities of sugar:

	Raw	Fully refined
	Short tons	Short tons
1936	1,925,213	387,404
1937	2,089,324	354,943
1938	1,878,943	343,531



The value of this sugar was as follows:

1936.....	\$96,473,466
1937.....	103,807,698
1938.....	76,828,540

We then imported from Cuba large quantities of blackstrap molasses. The following table gives the importation and the value for the last 3 years:

	Gallons	Value
1936.....	184,282,000	\$9,229,000
1937.....	237,272,000	13,207,000
1938.....	131,240,000	5,847,000

We also imported considerable edible molasses into the United States from Cuba, as follows:

	Gallons	Value
1936.....	15,172,779	\$1,653,715
1937.....	8,211,947	1,239,284
1938.....	8,609,200	1,498,119

The total importations from Cuba of sugar, sirup, and molasses, in dollars and cents, for the 3 years were as follows:

1936.....	\$107,356,181
1937.....	118,253,972
1938.....	84,173,659
Total.....	309,783,812

It will be noticed that there is a great difference in the total value of sugar and sirup in 1937 compared to 1938. A large part of this difference is due to the fact that the excise tax of one-half cent a pound on raw sugar, which is absorbed by the exporters and does not show on the import value of the sugar, affected only a small part of the importation for 1937.

It will thus be seen that we are "giving Cuba a good deal of business." Actually, we have always bought more from them than they buy from us. We can go back to 1911, and for 4 years the average value of our exports to Cuba from 1911 to 1915 was \$72,875,000. For the same period our imports from Cuba averaged \$142,695,000. The percentage of our total exports to the whole world which went to Cuba was 2.9 percent, whereas the percentage of the imports or products we bought from Cuba amounted to 8.2 percent of the total United States imports. At this time we bought nearly twice as much from Cuba as we sold them. From 1911 to 1925 the percentage of total United States imports that came from Cuba ranged from 8.2 percent up as high as 10.9 percent. Thus, for a period of 15 years nearly 10 percent of our total imports came from the Pearl of the Antilles. From 1926 to 1930 our exports to Cuba ranged around 2½ percent of our total exports to all the world, whereas our imports from Cuba were around 5 percent of our world imports. From 1931 to 1938, inclusive, the percentage of our total exports that went to Cuba ranged from 1½ percent to 2.8 percent, whereas in the same period the percentage of our total imports that came from Cuba ranged from 4 percent to 5.4 percent.

Throughout the years, then, there has not been much change in the proportion of United States exports that went to Cuba as compared to the percentage of the total United States imports coming from Cuba. We have paid Cuba hundreds of millions of dollars more than we have received from Cuba.

In 1938 our trade with Cuba declined considerably. In fact, our imports went down nearly 30 percent. As sugar is the leading commodity, we have already explained why this is so—namely, the generally low price received for sugar. (Note italics above.)

We hear a lot about the necessity of buying so much sugar from Cuba in order to sell more of our products to the people of that country. It is particularly emphasized that we are selling a lot of farm products there. Here is what the record shows for 1938:

*Percentage of each economic class in our exports to Cuba*

Crude materials.....	4.8
Crude foodstuffs.....	3.0
Manufactured foodstuffs.....	23.9
Semimanufactured.....	13.5
Finished manufactured.....	54.8

Total..... 100.0

In 1938 only 3 percent of our exports to Cuba included crude foodstuffs and 23.9 percent manufactured foodstuffs. Thus, only a little over 25 percent of the exports came directly from the farmer. It is true that the total cotton and cotton products used ran about \$6,000,000, or a little less than 13 percent of our total exports. But this is the manufactured value, and the actual amount of cotton used could not have been over \$2,000,000. This is a drop in the bucket to our vast southern cotton production. One good-sized town in one State in the United States would buy that much cotton products in a year. The total edible animal products amounted to \$5,825,824.

Thus it will be seen that Cuba's consumption of food products and other farm products, while desirable business, does not bring

in any great wealth to the United States as a whole. If 100,000 more people were given employment in Louisiana alone, or 25,000 were allowed to become prosperous sugar producers, they would create a market much larger than that furnished by Cuba for farm products. Twenty-five thousand families, with incomes of \$1,000 a year, would spend \$25,000,000, and most of this would be for foodstuffs and the necessities of life. The American standard of living is so much higher than that of the Cubans, it would not take many people to counteract the small amount of trade we get from Cuba. Now, if all the sugar sections of the United States were allowed to produce more sugar, and we could grow in this country much of the sugar now imported from Cuba, we would not only keep the money at home but we would make this country richer. Without the consumer paying any more for his sugar, we could get more wealth spread around; more trade developed among ourselves, and we would be better off economically than buying twice as much sugar and a few other things from Cuba in order to sell them half as much again manufactured products and some foodstuffs.

Remember that the same manufactured articles—automobiles, machinery, chemicals, and so on—would be sold to our additional producers of wealth here, not only in like amount as the Cubans now buy, but to a much greater extent. In other words, the automobile manufacturer would sell more automobiles to the sugar growers of Louisiana, Florida, California, Utah, Oregon, and so forth, if the farmers there were allowed to expand their industry than he would to the Cubans, where we are now buying so much of our sugar.

Instead of trying to restrict the production of the United States, as an economic proposition, we ought to expand it and gradually cut down on the importations of sugar from Cuba.

It is not necessary to feel so sorry for Cuba. Every nation in the world throughout history has been able to adjust itself as certain emergencies arise. Cuba is a tropical island and there are so many things it could grow down there. It could develop its banana production alone and make just as much money, or more, than it does on sugar. If Cuba wants to go ahead and sell sugar to the rest of the world, that's fine, but if they think the price is too low, then they ought not to hope that the United States will help them out forever by giving them tariff preferential on sugar. Let them try some other products that will do well in the warm, congenial climate. In any event, we should cut down on our importations from Cuba and increase the home production.

WHERE THE UNITED STATES GETS ITS SUGAR

The Sugar Act of 1937 allocates the sugar supply of the United States as follows:

	Percent
A. From domestic producers, including island possessions.....	55.59
B. From foreign countries—Cuba, Philippines, etc.....	44.41
Total.....	100.00

The domestic producers' 55.59 percent is divided:

Beet sugar.....	41.72
Louisiana and Florida sugarcane (Florida only 90,000 tons, or 1 percent).....	11.31
Total for continental United States producers.....	53.03
Hawaii.....	25.25
Puerto Rico.....	21.48
Virgin Islands.....	.24
Total.....	100.00

Foreign countries and the Philippine Islands are allowed the other 44.41 percent of the sugar consumption of the United States. Of this 44.41 percent:

	Percent
Cuba gets.....	64.41
Philippine Islands.....	34.70
Other foreign countries.....	.89
Total.....	100.00

Let us translate these percentages into concrete figures. If the United States continental consumption is 6,800,000 tons—3,780,000 tons (or 55.59 percent) can be supplied by United States sugar growers, Hawaii, Puerto Rico, and the Virgin Islands, as follows (in tons):

Continental beet growers.....	1,577,016
Continental sugarcane growers.....	427,518
Total for United States growers.....	2,004,534
Hawaii.....	954,450
Puerto Rico.....	811,944
Virgin Islands.....	9,072
Total.....	1,775,468

Total for United States and island possessions... 3,780,000

Out of the remaining approximate 3,000,000 tons:

The Philippine Islands can sell.....	1,047,940
Cuba.....	1,945,182
Other foreign countries.....	26,878
Total.....	3,020,000

From this we will see that the sugar growers of this country, which includes Hawaii, Puerto Rico, and the Virgin Islands, produces only a little over one-half of the sugar we need.

We are, then, buying nearly one-half of the sugar used in this country from Cuba and the Philippines. Why is it necessary to do that?

The following table shows where the United States got its sugar during the year 1938:

Where our sugar came from in 1938  
[Raw sugar—short tons]

Continental beet.....	1,471,000
Louisiana and Florida cane.....	422,000
Hawaii.....	922,000
Puerto Rico.....	846,000
Virgin Islands.....	4,000
Philippines.....	958,000
Cuba.....	1,947,000
Others.....	150,000
Miscellaneous.....	1,000
<b>Total.....</b>	<b>6,721,000</b>

UNCLE SAM CONSUMES 6.8 CUPS OF SUGAR A YEAR (EACH CUP IS A MILLION TONS)

Two cups come from the 21 beet- and cane-growing sugar States.

One and three-fourths cups come from Hawaii, Puerto Rico, and the Virgin Islands.

Two cups come from Cuba, a foreign nation.

One cup comes from the Philippines, half way across the world—a foreign nation.

Value of raw and refined sugar shipped into continental United States during 1936, 1937, and 1938

	1936	1937	1938
Beet sugar.....	\$43,634	\$57,881	\$21,252
Cane sugar:			
Cuba, dutiable.....	96,473,466	103,807,698	76,828,540
Other dutiable.....	1,918,398	2,242,349	2,983,263
Philippine Islands, free.....	57,007,143	59,198,317	50,588,110
Hawaii, free.....	67,975,548	63,575,478	50,743,327
Puerto Rico, free.....	64,167,644	66,090,370	54,505,410
Virgin Islands, free.....	266,804	545,600	236,016
<b>Total.....</b>	<b>287,852,637</b>	<b>296,517,693</b>	<b>235,905,921</b>

As we are getting practically 3,000,000 tons of sugar from Cuba and the Philippines, it would seem that the common-sense thing to do is to allow the cane and beet growers of the United States to gradually increase their production. The quota on Cuban and Philippine importations can gradually be decreased.

Sugar is the only important food crop, or staple, that is not wholly grown within our own borders. Certainly we ought to increase our production from three and three-quarter million tons to a larger total. We might start with one-half million tons a year, gradually reducing the quota of Cuba and the Philippines. This one-half million could be divided up among the beet-growing sections of the United States and the cane-growing States of Louisiana and Florida, as well as to Hawaii and Puerto Rico.

### Neutrality

#### EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1940

ARTICLES BY LLOYD C. GRISCOM

Mr. PEPPER. Mr. President, in the October 28, 1939, issue of the Saturday Evening Post there appeared an article entitled "Give Me Allies to Fight," by Hon. Lloyd C. Griscom; and in the subsequent issue of the Saturday Evening Post of November 11, 1939, there appeared another article by Colonel Griscom entitled "Let the Neutral Beware."

In view of the importance to the country at this time of the subjects discussed in those two articles in connection with the efforts of the United States to preserve its neutral rights while war rages in Europe, I offer the articles for printing in the RECORD. I am proud of Colonel Griscom, an honored

part-time resident of Florida. I am proud of him as a great American. I append to the articles a statement from Who's Who, which gives eloquent evidence of the rare ability and background out of which come these two articles. I ask unanimous consent to have that statement also printed in the RECORD.

There being no objection, the articles and statement were ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of October 28, 1939]

#### GIVE ME ALLIES TO FIGHT

(By Lloyd C. Griscom, former lieutenant colonel, United States Army, and liaison officer between General Pershing and British War Office)

A telegram reached me only a few days before half of the Seventy-seventh Division was to move into the front line. The windows of my office at divisional headquarters were rattling to the thunder of British guns; a few miles away the Germans were desperately trying to push the British into the sea. The message read as follows:

CHAUMONT, May 25, 1918.

Maj. LLOYD C. GRISCOM,

Adjutant General, Seventy-seventh Division:

Report G. H. Q. for duty immediately.

McANDREW, Chief of Staff.

Wars, I had always thought, were won on the battlefield, and I had come to Flanders hoping I could be somewhere near the center of activity. With a sigh of regret, I cleared my desk, packed my bag, and set off for Chaumont by way of Paris.

The next morning General Pershing intercepted me at the Hotel Crillon. He began in his usual brusque, incisive manner, "Sorry to take you out of the fighting line, but I've a far more important job for you. I need an experienced diplomat. You and I worked well together during the Russo-Japanese War, when you were minister at Tokyo and I was your military attaché. I won't give you any orders, but will you help me out?"

Clearly and directly the commander in chief explained what he wanted—someone to restore harmony behind the scenes between him and the British War Office in London. They were at odds over a fundamental principle of how American troops should be used. He was determined to form an American army as soon as possible; the Allies insisted that our soldiers should be brigaded with theirs.

General Pershing believed the chief difficulty was that direct communication with the British War Office was impossible. Any message from him to Lord Milner, the British Secretary of War, had to go across the Atlantic and back—from Chaumont to our State Department at Washington, to the British Ambassador there, to the Foreign Office at London, and finally to the War Office.

Neither side was necessarily to blame for misunderstandings. Disagreements were bound to occur between allies differing in temperament, background, experience, and concept of the war. Because the feeling had become so strong as to threaten successful cooperation, I was to go to London to speak for General Pershing. There could hardly have been a better illustration of Napoleon's famous dictum, "Give me an alliance to fight," than the story of my next 3 months.

#### INTO A FAMILY QUARREL

I spent 10 days at Chaumont, during which each department of the General Staff answered freely any questions I could think of to ask. Then I visited the American troops in the front line at Chateau Thierry and Belleau Wood. On the way to Boulogne I stopped to call on Col. Robert Bacon, the only other ex-Ambassador in the Army, who was General Pershing's liaison officer with the British G. H. Q. at Montreuil. He was dining with the British commander in chief, Sir Douglas Haig, that evening, and took me along.

Among the large group of officers present was General Lawrence, chief of staff. His first remark to me was, "Maybe you can put in a word for us in London."

"What do you mean?" I asked in surprise.

"Well, you'll find out, as soon as you get to the War Office, that they don't see eye to eye with us in the field. To be sure, they can call us by telephone and we can reach them in the same way, but in reality we are as far apart as though we belonged to another nation. This antagonism is hurting military operations. They supply us with arms and ammunition, and yet we feel their lack of confidence in the way we carry on the war. We're doing the best we humanly can; they aren't satisfied, but they can't show us how we can do any better."

Later that night Bacon gave me a sketch of the strained relations between G. H. Q. and the War Office. Quite naturally, he had no sympathy with the political cabal in London which wanted to remove Haig and was solely prevented by the fact that the British Army would not stand for it. Here was just another one of those astonishing situations that grow up in war and sometimes offer the gravest danger to its successful conduct.

This unexpected state of affairs brought home to me even more the gravity of my own mission. As I went up to London through the trim, rolling Kentish countryside, I sat wondering what the next few days had in store. I was like an ambassador arriving in a country in which he had no official standing, no high rank, no imposing staff, and no definite instructions to guide his actions.



My task was to win the confidence of three men—an English peer, a North-of-Ireland soldier, and a Welsh politician.

Lord Milner had served his apprenticeship under Cromer in Egypt, and had won his spurs as High Commissioner for South Africa before and during the Boer War. Although a bureaucrat of the old school, he was an able administrator who had the reputation of holding steadfastly to the course he thought right, no matter what opprobrium it might bring down upon his head.

The chief of staff, Sir Henry Wilson, had had a long career in the army and, owing to his services as liaison officer between the French and British earlier in the war, he was very close to Marshal Foch and his chief of staff, General Weygand. By some he was considered the foremost military mind of his day, clear and farseeing; by others he was regarded as little more than an eccentric and prejudiced intriguer.

Both of these men had not always seen eye to eye with the Prime Minister. Lloyd George, however, never let personal feelings influence his choice of the men who, in his opinion, could do their jobs best. He, too, aroused intense loyalty in some, and in others bitter enmity; in the army he was damned much more than he was blessed. He could and would shift like a weather vane if he thought it desirable. War was no time for a politician who had to probe public opinion here and test it there before he took action.

#### DRAFTED BY BRITAIN

At the war office, Lord Milner, very English, elderly, quiet, and self-possessed, stood up to greet me; he was glad I had come. No one else had yet brought him first-hand news of the Americans in battle. Wasting no time in preliminaries, he put a series of questions, and listened attentively to my answers. I could not judge what impression I was making; he appeared silent and uncommunicative by nature. However, I gathered he was apprehensive as to what General Pershing was going to do with our five divisions now in training with the British, and was afraid we were going to form them into a corps and move them away. Finally, in his unhurried way, he got up and opened a door behind him into a smaller room where two officers were seated at desks: "I say, I want Major Griscom to be a member of my personal staff. Couldn't you make a place for him here?"

Although it must have been a shock to have an officer of another nationality thus thrust upon them, Colonels Bowly and Amery said it could be managed easily, and before I knew it, I was established at a desk in the war office in a room next to the secretary himself.

One of their first questions was, "Are you on the general staff?"

"No."

"What do you know about the war?"

"Very little."

As soon as they saw I was not there to be an authority on strategy or tactics, or to instruct in any way, we got on without any nonsense.

Colonel Bowly conducted me down long corridors and presented me to Sir Henry Wilson, tall, lanky, with a large head and strong face—the most un-English person you could imagine. His first remark startled me: "Have you any news of my cousin?"

"What cousin?" I asked, bewildered.

#### A WAR OF WILSONS

"My cousin Woodrow. Has he taken back that statement about your 'being too proud to fight'?"

Sir Henry made no effort to conceal his dislike of our President. Every time I went to see him he started off with some thinly disguised slur, and I could not help resenting his sarcastic references. With full fine Gaelic fervor he launched himself into a dissertation on General Pershing's "ghastly mistake" in refusing to allow American troops to be brigaded with the British. He still hoped our commander would change his mind. He could assure me that the Prime Minister was not disposed to let the matter lie. "You lack staff officers accustomed to handling large forces of troops in battle. It has taken us 4 years to learn how; you can't learn in 4 months."

It seemed tactless for Sir Henry Wilson to start in by emphasizing so strongly the allied belief that our troops were of little value. However, I accepted his challenge. Our troops were being trained and had a far higher morale than he realized; he should not underestimate the ability and knowledge of the American Army officer; our West Point training was the best in the world.

He looked at me skeptically. "What difference do you think that makes over here? This is a modern war. The only experience that counts is what you get on the spot. Tell me, how soon do you think American troops can really render us any important assistance?"

Apparently the chief of staff enjoyed putting me on the defensive, but again I took up the cudgels. "They're rendering it right now. In a few months they'll be doing as much as anyone. By autumn they'll be a major factor in the war."

Sir Henry smiled at me again, condescendingly. "I'm an experienced soldier and I tell you it will take at least a year. Sometime in the summer of 1919—if we can hold out until then—the American Army will begin to contribute materially."

To find such unshakable prejudice on the part of the British chief of staff almost took my breath away. Obviously, any further effort of mine to convince him would be absolutely wasted, and I could not imperil my mission by entering into any altercation

with him. I wondered what would happen should his remarks come to General Pershing's ears. Then and there I made up my mind I was going to hear many things which, were I to maintain friendly relations, it would not be advisable to include in my reports.

I had not been in the War Office a week before I discovered that the English were taking their impressions from and basing their judgment of the American Army almost entirely upon French reports; a perfectly natural procedure, since our troops were fighting with French armies. To my astonishment, I found, again and again, that these accounts were extraordinarily inaccurate, colored, and even prejudiced. The result was that the whole War Office was remarkably misinformed of what our troops were doing or even what they had already done.

As soon as it could be arranged, I had an interview with the Prime Minister. I wanted to keep an open mind about this controversial figure, but his personality was so dynamic that I did not find it easy. From the moment we had shaken hands a torrent of words began to pour forth on the subject I would so much have liked to avoid. He seemed to feel a definite personal grievance at General Pershing's refusal to feed our troops into the depleted British divisions. His references and comparisons were so like Sir Henry Wilson's that there could be no doubt of their source.

Deciding to be perfectly frank, I told him General Pershing regarded the matter as settled; I could not possibly bring it up again. "Perhaps you can't," he said gruffly, "but that won't stop my doing it."

I left Downing Street understanding very well why General Pershing and the prime minister did not get on.

To make my position more authoritative for a time, I seriously considered building up a staff. The French must have had a dozen officers; even the Japanese had an imposing military mission. Soon it was apparent, however, that this would serve no good purpose. My task was to acquire the confidence of individuals. This was so purely personal that no higher rank or more imposing staff could help me. I said to myself, "I have a unique opportunity. Other missions, with their major generals and gold-braided aides, are isolated; the French have to walk about an eighth of a mile to get to Lord Milner's office, while I'm right in the heart of things."

The principal topic of conversation at the War Office continued to be American manpower. One day, Lord Milner, much disturbed, handed me a telegram from the British military attaché in Washington, who had learned unofficially that we intended to send over only two divisions in August and the same number each month thereafter. He said General Pershing had promised him six divisions in August. If there was any doubt about shipping, he could assure me formally that enough would be available to bring over at least a quarter of a million American soldiers a month. He believed General Foch, at the approaching meeting of the Supreme War Council, would demand our program for the next few months, and he was entitled to know. I telegraphed General Pershing at once, and in a few hours receiving a soothing reply that the two-division report was a false alarm. Lord Milner was once more restored to calm.

I was sent over to speak to the British for the Americans, but almost immediately our G. H. Q. began bombarding me with requests for information from the British which they could not get in any other way. Our Ordnance Department wanted to find out about a new English gun. How many were there? Could we get any?

Such information as this the British would, naturally, be very reluctant to part with. At first the official in charge was indignant. I kept quiet for 15 minutes while he elaborated on the colossal cheek of the Americans, and finally demanded, "Why the devil should we give you fellows these guns that we've worked so hard to develop?"

That was my cue. "In April 1917 our Congress declared war on Germany and we found ourselves engaged in hostilities with the German Army. During these months we've learned the British are also engaged in similar hostilities. Since our interests seem to be the same, we're venturing to ask you to tell us about this gun."

"Oh, come around in a couple of days and we'll have a memorandum ready for you."

The only department of the war office which I felt might have been somewhat more free and open was the intelligence. Colonel Nolan, the head of our service, was very anxious to get an accurate picture of what was going on in Russia; the United States had no adequate sources of information and the British were known to have most elaborate reports. I went to call on Maj. Gen. Sir George Macdonogh, their director of military intelligence.

#### ANOTHER WAR FOR INDEPENDENCE

I had been accustomed to go anywhere in the war office unchallenged, and walked unconcernedly past the barrier. Suddenly an office functionary told me sharply to get back. My feelings were somewhat hurt by this rebuff, although I could understand that all intelligence services would, naturally, be unwilling to explain their methods, which outlasted any particular war. Both the British and French guarded their secrets from each other, fearing, perhaps, that in 20 years they might be on opposite sides.

In telling Bowly about the incident, I dropped the remark, "I'll have to let Colonel Nolan know of this lack of sympathy in your

intelligence department." I meant to imply that we, on our part, might have to retaliate. I was sorry afterward.

Several days later I received a courteous invitation from General Macdonogh himself to lunch at the Carlton Hotel. I arrived to find almost every member of his staff there—obviously trying to allay any ill feeling I might cherish. General Macdonogh said frankly he thought there should be closer intimacy between their intelligence and ours; thereafter he was always ready to exchange information. In fact, I sent over so much material to Chaumont on Russia that Colonel Nolan assured me I was one of his best sources.

It was easy to see how misunderstandings could arise between peoples of different language, race, or traditions, but I was always surprised at the number of cracks that kept appearing in the armour of each ally. The distrust between British General Headquarters and the war office in London had its counterpart in the coolness between General Pershing and General March, chief of staff in Washington. Over and over again I found myself justifying General Pershing, not only to the English but to my own countrymen. Apparently among them also the feeling was widespread that General Pershing was not using our Army to its best advantage. Soon after my arrival I saw Admiral Sims, the commander of the American fleet in Europe. To my complete amazement, he was honestly convinced that the French and British criticisms of General Pershing were warranted.

I knew the admiral was in high favor in Washington and that any information he transmitted would be accepted for truth. I sat right down to try to show him he was totally misunderstanding General Pershing's intent. If there were a crisis, the British commanders had a free hand in using any of our troops in their area for defense. But in the case of small offensives, where their participation was quite unnecessary, Pershing objected to their being thrown in; especially when they were often arriving with thousands of absolutely green men among them.

Amusingly enough, when the admiral was discussing the Navy, his feelings toward the British were not at all the same. He said the only way he had avoided friction was to pretend not to notice some of the things they had tried on him.

Before I left I had the satisfaction of seeing the admiral's point of view veer around entirely, but this interview brought home to me the importance of having accurate information circulated among Americans about General Pershing and our Army. Every few days distinguished fellow citizens of mine would arrive in London, nearly all of them on some sort of official mission. If I could, I wanted to see that none who might have power to make trouble should receive erroneous ideas or become embittered through hurt feelings.

One of the evident places where misrepresentation of General Pershing and our Army could occur was in the English press; many of its articles were regularly reprinted in America. I did everything I could to get him a good press. A simple method was to arrange for leading journalists, such as James Barrie and Lord Milner's friend, Geoffrey Dawson, editor of the London Times, to meet him when they went to France.

Col. Charles A'Court Repington, of the Morning Post, was perhaps the foremost military critic in England and among the few who dared write what they thought. One week end, between tennis and charades, we struck up a bargain—I would keep him informed and he would show me what he was going to print. I would have done the same thing for any other writer, but nobody else wanted it.

One day came a letter from General Pershing; we needed 70,000 horses and the French could give us no more. Now it was up to the English. Lord Milner promised to take this up with the quartermaster general, Sir John Cowans, but nothing happened.

It is a very hard thing to get a good horse away from an Englishman, and I knew we would not want the horses they wished to get rid of. Therefore, I went around myself to see General Cowans, an imposing figure, a good 6 foot 3, very heavy, and habitually genial. When he heard what I wanted, he was non-committal. Fortunately, I discovered, in the course of the conversation, that we were both spending the week end at the Duchess of Marlborough's place in the country at Crowhurst. Feeling sure that would offer a better opportunity for persuasion, I abandoned my efforts temporarily.

The week end started off pleasantly enough, but in the middle of the first night a fellow guest awoke me, saying Sir John Cowans was very ill, could I suggest anything to do for him? I went to his bedroom. He was rolling about in absolute agony, the sweat pouring off him. I do not know why a fat man seems to suffer more than a thin one; perhaps it is because there is so much more of him, but, obviously, Sir John was in excruciating pain. It might have been gallstones, but I was reasonably certain it was appendicitis.

#### A GENERAL WHO DIDN'T DIE IN BED

We summoned a doctor. He gave General Cowans a little morphine and then ordered a purgative. I was horrified. If it really was acute appendicitis, then a purgative might be fatal. By this time all the other guests had gathered in the hall outside. I asked them whether they would back me up if I fought it out. They said they would.

I confronted the doctor. He declared he had made his diagnosis and given his prescription; he would not be responsible for Sir John's life if I persevered. I had visions of the flag on the

building of the Quartermaster's Department flying at half mast, all because of my interference. Yet I believed I was right.

An ambulance was called and the next morning we got General Cowans to the hospital at London. His appendix had just burst, but the infection had not spread. His physician said that, had he taken a purgative, he probably would not have lived. He never forgot this incident. He used to introduce me jokingly, "You know, this beggar saved my life," and thereafter he always did his best to help me out with the problems I brought to him. Eventually a horse trade was made whereby the British furnished draft animals for three divisions and we brought over heavy artillery.

At this moment a matter came up which, utterly ridiculous on the surface, threatened to disturb Anglo-American relations in certain high quarters. Col. Charles G. Dawes, general purchasing agent of the American Army, occupied a position far out of proportion to his nominal rank because he was General Pershing's best friend. He was a character if there ever was one. You have only to think of his nickname, "Hell and Maria," to get some inkling of his nature. He had found that Great Britain and France were actually bidding against each other for mules, horses, onions from Spain, optical goods, watches, field glasses from Switzerland, copper and all sorts of much-needed supplies in other parts of the world. He suggested a united Allied purchasing commission.

A meeting was arranged at which he could submit his plan to Sir John Cowans and other British officials. Sir John listened without enthusiasm, said stiffly and coldly, "Oh—ah—ouah—you know, we've so many important things on hand already, we'll have to put this matter over for a month."

Then Dawes rose from his chair, banged the table with his fist, delivered himself of a speech that would never be forgotten by those present. "No; you won't put this over for a month. You've been fighting this war for 3 years. Where have you got? Now we're here, and we're going to tell you how to run this war. It's time for you British to learn that if you're going to win, you've got to give up the methods of an effete monarchy."

"Effete monarchy" was too much for General Cowans. Furious, he jumped up. "I can't stand this. I'm finished." He walked out of the room and the conference broke up in confusion. The Cowans-Dawes affair had produced an open breach; you could not afford to have such misunderstandings between allies. I hoped that some opportunity might present itself for bringing about a reconciliation.

Everything else was driven from my mind, however, when one morning on arrival at the war office I was told I was to be included in the group leaving July 1 for a meeting of the supreme war council at Versailles. A distinguished party stepped aboard the special train at Victoria Station—Mr. Lloyd George, Lord Milner, Foreign Secretary Balfour, Premiers Borden, of Canada; Hughes, of Australia; Lloyd, of Newfoundland; and assorted secretaries and aides. We had the Channel boat to ourselves and zigzagged frantically back and forth, the radio aeriels crackling with messages.

#### LLOYD GEORGE AND THE TIGER

When teatime came, Mr. Lloyd George asked me to sit by him and he burst forth again on "General Pershing's great mistake"; he was even sharper and more severe in his criticisms than on the first occasion. There was nothing for me to do but preserve discreet silence until he ran down and shifted to his troubles with Clemenceau. He admired and respected the French Premier, but found it very hard to get on with him. "When we're together the sparks are apt to fly, but it always ends happily. I think we really have discovered a method of working together."

I started to express my great pleasure, but he went right on to discuss the British Army in the field, supplying statistics and details of the horrors of Ypres and Passchendaele, stressing the 700,000 men lost in the 1917 offensive. "It was a terrible blunder on Haig's part, and I'll never forgive him. It bled England white."

One of Mr. Lloyd George's weaknesses was his blind and bitter dislike of the military, although he could find few who did not think Haig was doing as well as was humanly possible. I thought it remarkable that he should pick upon an American officer close to Pershing as his confidant for scathing criticism of the head of his own armies.

The next morning I met General Pershing at the Rue de Varenne, and on our way out to Versailles asked his advice on the Dawes-Cowans imbroglio.

"Dawes is here in Paris," he said. "Why not see him yourself?" The Trianon Palace Hotel had been taken over for the meeting; I joined Bowly, sitting outside the long gallery which ran across the front. He said all I had to do was to wait there until the conference was over. One by one the leaders arrived—Balfour, Foch, with Weygand close behind; Pershing, followed by our Chief of Operations, Fox Conner; Clemenceau, who sat down at the head of the table.

The great glass doors were closed; the session was called to order. Clemenceau embarked on a lengthy harangue, his walrus mustaches wagging. Then he began banging the table, waving his arms, raising his voice, so that we could even catch a word or two. It was perfectly patent that wigs were on the green. Lloyd George leaned over to Lord Milner and then grew equally excited, shaking his fist, giving tit for tat. Clemenceau consulted Weygand and broke out again. General Pershing and Conner were going through papers and discussing something earnestly. After a while, however, they all calmed down enough to go on with their business.

It was a protracted meeting. To my astonishment, the minute the doors were opened, Clemenceau grabbed Lloyd George by the



arm and the two marched out and by us into the great restaurant room at the end of the gallery, where they sat down for a cup of tea. In a few moments both were laughing merrily.

The English always said some of the best business of bringing the Allies together and coming to important agreements was done over the Versailles teacups. Everybody gathered at little tables, nibbled sandwiches and cakes, sipped tea amid a buzz of conversation. It gave me an opportunity to find out what had caused the excitement.

M. Clemenceau had begun by saying the Allies were very badly off. He named the number of Allied divisions; the Germans had many more. Desperate measures had to be taken. There must be no holding back of men, or the war might easily be lost. While he was speaking, Lloyd George and Milner had their heads together. The French Premier was in the full flight of eloquence, when the British Premier interrupted, "M. Clemenceau, Lord Milner tells me our figures do not agree with yours."

"Marshal Foch himself gave me these. Who should know better?" The two Englishmen again conferred. "We're sorry, M. Clemenceau, but we can't make our figures coincide with yours. We show the Allies have 20 divisions more."

At this point Clemenceau's rage became monumental. He pounded the table, shouted, said it was intolerable that Lloyd George or anybody else should attempt to tell him how many divisions the Allies had. His figures must be accepted without question. He had the most absolute confidence in his military advisers. Lloyd George shouted back that he, too, had the utmost confidence in his military advisers. He could not permit anybody to tell him he was wrong. The British information was as good as the French.

In this grave crisis you could imagine the Allies quarreling about principles of strategy, but not about a matter of simple mathematics. A more ridiculous situation would be hard to conceive; it had an absurdity equaled only by the tea party Alice attended.

After fully 15 minutes of tension, it occurred to these gentlemen simultaneously to look at each other's lists. All was at once plain. Clemenceau had entirely omitted to include in his calculations the Belgian divisions which the English had counted in.

From all that I had seen and heard, the conclusion had been borne upon me that the best place for reconciling divergent points of view was a genial dinner table rather than a formal conference table. In my experience, difficult negotiations with no matter what nationality were always most successfully conducted when we talked things over as friends rather than officials. So many misunderstandings could be avoided if those at odds could sit comfortably down together; agreement would be well on the way if they were all smoking fragrant cigars, sipping whisky-and-sodas, laughing at an amusing story.

I was certain this would be the best means of bringing together General Cowans and Colonel Dawes, both such good fellows at heart. At my first opportunity I went to the Ritz to look up Dawes. As I entered his room he rose from his chair, lifting his arm as though to ward off a blow. "All right, Griscom, I know what you're going to say, but go easy."

#### THE DAWES TECHNIQUE

He was tall, thin, with a charming, whimsical sort of face, a man obviously full of good humor; certainly not the sort to prolong a quarrel. I began my little speech about the folly of antagonizing the British Army, and particularly its quartermaster general, who was so vital to Dawes' own plan.

"Wait, now," he interrupted. "I want you to hear my side. I found, years ago in business, that if you were talking to a fellow and he took a condescending attitude, there was no better way to negotiate than to haul off and hit him a crack in the belly. Then he began to notice who you were and to think you might be somebody. That's the principle I've adopted all my life, and I've never known it to fail yet. I don't actually hit anybody with my fist, but I do with my tongue. If ever a person was poisonously British, it was Sir John Cowans. I knew I would get nowhere if I didn't hit him. Crack! I did it, knowing exactly what I was doing, and I think you'll find it will work in the long run."

I could not help laughing; his explanation was so plausible. "If I can interpret your peculiar technique to Sir John and in some way bring about a reopening of relations, will you meet him halfway?"

"I'll promise to be as meek as a lamb."

"Fine. Come to dinner tonight and we'll have a glass of champagne on it."

Dawes occupied the seat of honor between Mrs. Leeds, our hostess, and Lady Sarah Wilson, aunt of the Duke of Marlborough, a most dignified, white-haired grande dame who had been a great figure in London society for a generation. I could not help overhearing the conversation. As soon as soup was served, the champagne began coming and the waiter started to fill Dawes' glass. "Here, waiter, you take that away. You get me a big cup of coffee and some cream."

Lady Sarah viewed him with surprise and endeavored to correct what she considered his bad manners: "Colonel Dawes, if you are dining as a lady's guest and want something different, don't give the order to the waiter, but ask your hostess. I'm sure she would be glad to order it for you."

"I'm a plain American and I don't pretend to understand these fancy European customs. We plain Americans like a big cup of coffee with our suppers. \* \* \* Say, I didn't catch your name. Who are you?"

"Lady Sarah Wilson."

"Lady Sarah Wilson. I can never get these titles over here straight. I'll give you a choice. I'll call you either 'Mrs. Wilson' or just plain 'Sarah.'"

Never in her experience had she encountered anything like this. But she was equal to the occasion: "Of the two, I think I prefer to have you call me 'Sarah.'"

"Then you, call me 'Charley,'" said the unabashed Dawes.

Before the dinner was over, they were having a wonderful time, and she asked him to come see her in London. It is certain she never forgot that evening.

#### A GOLF HUNT

As soon as I returned to London, I went down to see General Cowans, who was recuperating at his Sussex cottage by the sea. He loved golf, and, even though temporarily deprived of his favorite sport, he had found a method of enjoying the game. On sunny mornings he used to go down to the near-by links, choose a spot close to the rough where the seaside gorse grew in thickets so bristly and dense that it was practically impossible to get through. There he would sit, puffing away on his pipe, his retriever by his side. Soon a ball would come bounding along and disappear into the thorniest part of the underbrush. The players would approach, the caddy would say discouragingly, "You'll never find anything in there." The moment they were out of sight, General Cowans would whistle to the dog, it would dart off, and soon its master would be the richer by another golf ball.

I happened to arrive after a particularly lucky day; the general's pockets were bulging. He seemed in such good fettle that I ventured to remark I had seen Colonel Dawes in Paris. Although the first mention of this name put my host very much on his dignity, I boldly went on to describe Dawes' shame-faced attitude when I entered the room, and his motion to ward off my verbal blows, making my story as humorous as I could. General Cowans began to laugh, and I continued quickly, "After all, Colonel Dawes is General Pershing's most intimate friend; he has a serious scheme that both the general and the French War Office believe in. He has behaved in an extraordinary manner, but he is an extraordinary American."

Sir John's antagonism vanished. "I suppose it's time I learned something about Americans, if we're going to fight a war together. Probably I was never more insulted in my life, but you tell Dawes to come over again and I'll try to get on with him."

A remarkable friendship resulted. The two men, so entirely different, came to respect each other greatly, and, at the end of the war, parted on terms of unusual affection.

Even after repeated American successes in the field, the old friction over the separate American Army, which I thought had been buried in oblivion, again flared up in August. Lord Milner discovered privately that the American divisions were being removed from English areas. I had heard nothing about it, but came in for a full share of displeasure. He icily informed me that he thought the removal premature, and the manner of removal without consulting him showed want of consideration. He greatly regretted that our good relations should receive this blow and feared to tell the Prime Minister, knowing how angry he would be.

Here was a danger signal; I hurried to telegraph General Pershing. His reply was prompt and did not mince words. He had considered the matter settled. He believed he and Haig had full authority to make whatever arrangements were necessary.

Lord Milner said nothing more, yet there was an underground current of unrest about the War Office. Constant rumors were coming to my ears that the Prime Minister was very angry; he was merely waiting for the impending arrival of Secretary of War Newton D. Baker before demanding General Pershing's removal.

I knew the hotheaded Welshman was capable of anything, and I had no idea what effect a diatribe from him might have on Mr. Baker, who was entirely unknown to me. While I was waiting for something definite to take shape, Lord Milner said we were going to France again. Mr. Baker was already there, and I made up my mind, if possible, to bring the two Secretaries of War together. A meeting in France proved impracticable, but I met Mr. Baker and we traveled back to England together. I warned him in detail of the British disapproval of General Pershing and told him he should be prepared for criticism by the Prime Minister. He listened attentively, and then said noncommittally in his soft, gentle voice, "Thank you. Your information may be very useful." As to what he really thought, I could get no inkling.

At my house we found a message from the Prime Minister that he would disobey his doctors and come to London if Mr. Baker would not go down to the country to see him. He had something he felt he must say.

I believed General Pershing's fate might well lie in the balance, and waited with anxiety the result of the meeting. Mr. Baker returned at nightfall, as usual, calm and unmoved. I naturally asked him how things had gone. "I am entirely satisfied," was all he would say.

#### AMERICAN PAWNS

The next morning, however, when I reached the War Office, my ears were filled with the doings of the day before. Everyone was saying, "There's a great man \* \* \* a real statesman \* \* \* What an orator!"

I managed to piece together what had happened. Immediately after lunch, Lloyd George had half turned his chair so that he faced Mr. Baker, and began a vehement complaint: Great Britain

had stripped necessary Empire services of ships in order to carry American troops. They had scarcely arrived in British areas before General Pershing pulled them away. After 15 minutes, during which he became more and more wrought up, he ended with the categorical statement that, so far as Great Britain was concerned, the American Army was perfectly useless and the shipping devoted to bringing it over entirely wasted.

Mr. Baker now displayed in full measure his extraordinary gift for using the English language. He expressed profound astonishment at Mr. Lloyd George's accusations. He had just come from France. On General Pershing's war maps he had observed the number of German divisions stationed opposite the Americans and had been persuaded that our soldiers were at least detaining troops which might otherwise be added to the concentration against the French and British. He recognized the duty of the Prime Minister to employ the resources of Great Britain in any way that seemed most advantageous. Quite clearly, if carrying American soldiers to France was not the best use which could be made of British ships, Mr. Lloyd George ought to withdraw that service at once and devote them to whatever would be helpful.

#### MR. BAKER'S VICTORY

Gradually, as he went on, this little man lifted his voice and banged on the dinner table in just the same way that Lloyd George himself had banged it. "Mr. Prime Minister, we are not in need of advice from any foreign nation as to who should lead our Armies. General Pershing possesses the fullest confidence of President Wilson and myself, and except for the most unusual and sudden emergency, American troops must fight as American units and be commanded by American officers."

Lloyd George retreated precipitately from the attack, never voicing his demand that General Pershing be removed. With a few scattered remarks on the helpfulness to American troops of British training, he said he had to fight the war with Turkey and withdrew to his room.

Years later, Mr. Baker himself finished the story. When the time came to return, he set off with Lord Reading. About halfway to London, the Lord Chief Justice said, with diplomatic casualness, "Oh, by the way, Mr. Secretary, the Prime Minister asked me to excuse his not saying good-bye. Incidentally, he also wished me to say to you that you should think no more about the matter which he had raised for discussion after lunch."

The Baker episode was the nearest we ever came to an open breach. In a few weeks the worth of the American Army was so well demonstrated in the Argonne that no doubt could remain of the wisdom of General Pershing's position.

Events speak for themselves, but in a war the proof may be a long time coming. When human lives are at stake, every factor must be carefully weighed before a final plan of campaign is adopted. It is during such time of stress and strain that one ally may forget he has partners and that his idea is not necessarily the only one or the right one.

The clever and able Count Adalbert de Chambrun, who served many months as liaison officer for the French with General Pershing, once imparted to me his recipe for maintaining harmony between his two chiefs. "Every time I see General Pershing I tell him what a great man General Pétain is; every time I see General Pétain I tell him what a great man General Pershing is. After a time they both come to believe it." He said this to me half jokingly, but underneath was the fundamental principle upon which a liaison officer must work—the building and maintaining of confidence between the partners of an alliance.

Allies without faith are no allies. One of the greatest victories of the last great war was that the Allies, despite quarrels, criticisms, and disputations, ultimately did come to have faith in one another.

[From the Saturday Evening Post of November 11, 1939]

#### LET THE NEUTRAL BEWARE (By Lloyd C. Griscom)

A heavily laden freighter, the American flag whipping from her stern, was butting stolidly through the North Atlantic. Just off the Shetlands a grim, lean British cruiser shot up alongside, signaled, "Heave to." A boat put off, an officer boarded the freighter and demanded of the master, "Where are you bound?"

"Copenhagen."

"What's your cargo?"

"Pork."

"You'll have to go into Kirkwall for examination."

"But that's 150 miles out of my way. This is a neutral ship going to a neutral port."

"Can't help it. Denmark's an exporter, and not an importer, of meat. You'll have to prove it's not going to Germany."

The news came back to America that at Kirkwall officers had taken the freighter's manifest on shore for examination, gone through the cargo and checked the items, telegraphed to the contraband committee at London for instructions. Back had come the word, "Conditional contraband. Hold for prize court." At the hearing in London the captain could not prove his goods were not ultimately destined for Germany. They were condemned and sold for what they would bring. The proceeds were being held in England.

This was 1915. The same thing happened over and over with all sorts of cargoes—oil, cotton, copper—destined for Amsterdam, Rot-

terdam, Stockholm, other neutral ports. Again and again, I, like other international lawyers, was asked, "Have not we neutrals the right to ship what we want wherever we want? Have the British the right to slap new items on the contraband list whenever they please?" And more and more frequently, "Aren't we going to be paid for what the British take?"

#### THE BRITISH BLOCKADE

The principle of blockade was very simple—one side wanted to stop anything helpful to the other. In the process, international law as it had been known had been entirely altered. The layman, then as now, shook his head in bewilderment over whether rubber was absolute or conditional contraband, or what made a voyage "continuous." He wanted to know in plain, simple terms just how he was going to be affected.

The shippers were already feeling the pinch on their pocket-books. Their howls of protest rose higher and higher. If the cargoes had reached their destinations, they could have made huge profits; the British, they thought, were stealing these from them.

From the minute the Germans had invaded Belgium, my sympathies had been entirely with the entente. I was much concerned by the growing resentment against Great Britain. Public opinion was almost as much aroused against her as against Germany. She was fast making an enemy of the United States at a time when she could least afford our ill will.

One day of early November, when anti-British feeling was almost at the boiling point, I had a message from Paul Cravath, asking me to meet him at the Piping Rock Club. Wondering whether this was to be business or pleasure, I drove over from Syosset to Locust Valley through the narrow Long Island lanes brightened with autumn red and yellow. I found Cravath already there, a dominating figure, huge in build, who looked not only important but wise.

He had a very ticklish case on his hands. One of the clients of his firm, the Chicago packing house of Sulzberger & Sons, had a claim of several million dollars against the British Government for cargoes of meat condemned as contraband and sold by order of the prize court. Some months ago, Sulzberger had joined with Armour, Swift, Hammond, and Morris in appealing to the British Privy Council. The total damages for some 50 cargoes amounted to \$20,000,000, the largest case since the Alabama claims, paid by England after the Civil War.

Everybody realized the prize court was a purely partisan body, but the four law lords who acted as the judicial branch of the privy council were high-minded and impartial, comparable to our Supreme Court justices; they might easily decide the meat products must be paid for.

However, before the case came to trial, the British Government could interpose so many delays that the interested parties might be dead or the companies in bankruptcy; the Alabama claims had taken 8 years to arbitrate. Compromise was infinitely better than a remedy that came too late. The packers had sent a lawyer abroad to attempt a settlement out of court. His efforts had failed and the other packers had put the blame on the inclusion of the Sulzberger claims; the nominal head of that concern was known as an ardent and active pro-German. They now had decided to act on their own and had engaged as counsel Chandler P. Anderson, who had formerly been the able legal adviser to the State Department, and, until a few weeks previously, to the embassy in London. The Sulzbergers, left out in the cold, had come running to Cravath for advice.

"You won't find it easy to represent a house with a German name in England," concluded Cravath. "But no one is available in our firm. Will you go?"

I went home to think it over. Actually, the pros and cons of this case had already been set forth at length and eloquently. The shippers whose cargoes had been stopped had the most powerful lawyer that could be obtained—the United States Government. When the war had been hardly more than a few days old, Secretary of State Bryan had suggested to the English that they should accept the declaration of London of 1909, which put cotton, copper, oil, food, and other products on the free list. Although no nation had ever ratified the declaration, the British at first made some gestures toward observing it. However, in December 1914 Secretary Bryan felt compelled by their actions to send a very polite note to Sir Edward Grey, the British Foreign Secretary, hoping his Government would be as considerate as possible of our neutral rights. Sir Edward Grey, in reply, assured Mr. Bryan that, of course, every effort would be made to do so. However, the seizures continued.

#### THE BATTLE OF NOTES

In February 1915, Mr. Bryan had sent another note, this time a trifle firmer, and referring specifically to food, asking Great Britain not to put it on the absolute-contraband list. Great Britain said she would do what she could, but there was no way that she could see of distinguishing between food consumed by the German Army and food consumed by German civilians. She would have to keep right on seizing all that came her way, and offered Bismarck as an authority. The Iron Chancellor had said this practice was a justifiable method of shortening a war, if impartially enforced against all neutral ships, since it increased the difficulties of the enemy. In spite of Britain's conciliatory words, her actions said plainly. "These cargoes are not



going to get to Germany, international law or no international law, and we're going right on with our seizures."

Secretary Lansing replaced Secretary Bryan in the summer. We now insisted more crisply that American rights must be respected. The notes grew sharper and sharper. The British were offering as justification a doctrine which we ourselves had originated during the Civil War. At that time we had declared a blockade of the Confederate ports, but our comparatively small Navy could not at once make it entirely effective. However, in time, regular freighters found it unwise to attempt to run the blockade.

#### HISTORY REPEATS

In 1861, Nassau in the Bahamas had been a sleepy town from which only two steamers had cleared for southern ports. Two years later a swift, shallow-draft blockade runner was leaving every few days; under cover of fog and night, she could dodge past the sentinel guards into Wilmington, Charleston, and other southern ports. Trade in Nassau had increased thirtyfold. The warehouses contained more clothes, shoes, guns, and cutlery than the inhabitants could use for generations. To a lesser extent, the same transformation had taken place in Hamilton, Bermuda, and Matamoros, Mexico, right across the Rio Grande from Brownsville, Texas.

Confronted by this situation, the United States decided it was easier to intercept the cargoes before they reached the port of transshipment, and they invented the doctrine of "continuous voyage" to justify their seizures. Since the goods were obviously destined for the Confederacy, what difference did it make where they were captured? The Supreme Court of the United States, sitting in admiralty, declared the cargo of the *Springbok*, Nassau-bound, to be good prize, and likewise that of the *Peterhoff*, en route from London to Matamoros. In the post-war settlements, this doctrine was upheld and incorporated into international law.

As far as I could see, the packers had little hope of winning their case by relying on precedents. I should have to proceed by persuasion rather than by law. England was in an awkward position. She did not want to lose our friendship, but if she paid the packers' claims, it would set a precedent which might force her to pay out millions of pounds for similar claims.

I realized my particular mission might not only be difficult but even disagreeable. The British were certain to regard the Sulzbergers as Germans, and anybody who tried to make them pay money to their enemy was likely to be considered an enemy himself. Paradoxically enough, however, by paying an enemy, they would be helping to gain us as a friend. Settling the case would really be a contribution to friendly Anglo-American relations. I accepted Cravath's offer.

The first whiff of my case almost knocked me down. When I arrived to collect the data at the Sulzberger offices on First Avenue, I found myself right in the slaughterhouse. Everyone but me seemed to be totally unaware that anything was wrong with the atmosphere. I could hardly pay attention while the officials routed out boxes and boxes of documents, bound in huge files, classified according to items, destinations, prices, and dates. I beat a hasty retreat as soon as possible, wondering how anyone could work in such a nauseating stench.

I knew I was not going to win my case simply by brushing the dust off this trunkload of documents. If I tried to present my small claim separately, I would have little hope of receiving any attention. Somehow or other, I had to get my clients readmitted to the fold.

Essentially, all the packers' cases were identical. The Sulzbergers, whatever their origin or sympathies, were American citizens operating an American company under the neutral American flag. If the State Department would come right out and say the question of principle would not be settled until the claims of every single packer were also settled, then my clients could not be disregarded.

The affairs of the packers were under the watchful eye of Frank L. Polk, counselor for the Department of State, whom I had known as a young man in the law in New York. I walked up the steps of the State Department, sought him out, and told him what I was about to do. "Can you see any reason for distinguishing between these cases?"

"No," he declared. "Only the settlement of all will remove the bone of contention."

Since the other packers could now gain nothing by acting alone, I went to see Anderson, who was also in Washington. He agreed that we should present a united front, and we began discussing ways and means. It occurred to me at once that we would have difficulty making a favorable settlement as long as British officials could go through all our papers and read all our communications. Supposing negotiations reached a point where we could cable, "We're offered twelve million. Shall we accept?" If the answer came back, "Take it if you have to, but try for fourteen," clearly the British Government would be bright enough not to give us the fourteen.

#### AN UNDIPLOMATIC DIPLOMAT

Polk volunteered to help us out of our dilemma. We might store our confidential documents in the safes of the London Embassy, which would also transmit in code our messages to our clients. We got out paper and pencil, and a cable was immediately drafted to Ambassador Page, ending with the request that he give us "every unofficial assistance."

Thus having prepared the ground when we reached England, I thought it would save time and trouble in getting the papers past

the port authorities if the British Ambassador, Sir Cecil Spring-Rice, would drop them a word. Accordingly, I called on him. At the first mention of Sulzberger, he seemed to shudder. I had expected at least the courtesy of our profession, but, to my astonishment, met a wall of impenetrable frigidity. Facilities for me were out of the question. My errand was equivalent to aiding the enemy. He could not understand why Americans were not at that very moment in the trenches by the side of his countrymen—not realizing how much it might help to get them there if the Sulzberger thorn were extracted from the side of Anglo-American relations. Spring-Rice was obviously a very tired and exhausted old man, quite changed from the warm-hearted, quick-witted young secretary I had known years before.

Since I had pulled all the strings I could in Washington, I went back to New York to get my case in order. The Sulzbergers, to assist me in any way possible, sent from Chicago a serious-minded young lawyer named Brown, a specialist in international law, who was familiar with the material. He called my attention to sheafs and sheafs of invoices. "These cover shipments of casings. I don't see how they can be of any possible good to the enemy."

"What are casings?" I asked curiously.

"Sheep or pig gut used for sausage skins, violin strings, and medical purposes. You can't digest them, and I don't see how they could be used for anything connected with war."

I consulted a chemist, who confirmed Brown's statement that they were utterly without food value; obviously, therefore, here was one item which the British could not claim as contraband and object to paying for.

After the loss of the *Lusitania* and the *Arabic*, everybody had been nervous about crossing the Atlantic. Even though Germany had promised not to sink any more passenger ships without warning, we equipped ourselves with Gieve's waistcoats, made of rubber with cloth outside. The instant you were torpedoed, you pulled out a little pipe and blew and blew until you had blown a life preserver around yourself, quite safe and warm—unless you had a puncture.

Three days after Christmas I met Anderson and Brown at the Holland-America pier. "Rotterdam" was splashed in great red letters along the side of our vessel; they were lit up at night by bright lights, so that no mistake might be made. Newspaper photographers and reporters were all over the place. Col. Edward M. House was also sailing on some sort of mission—as the President's alter ego whatever he did was news. Cameras were flashing until the moment we backed into the river.

#### FLOATING INTRIGUE

On the voyage I saw a great deal of Colonel House, a thin little wisp of a man, so fragile that you would think he would blow away. He spoke in a voice that was scarcely audible, yet you could not help listening to him. In all my experience, no one ever gave me more the impression of being what you might call in simple terms a "wise man." He told me he was planning to see Sir Edward Grey and Lord Reading, the Chief Justice—just the two people who would have greatest influence in my case. He agreed as to the vital importance of settling this quarrel, and promised to speak a word for me if I needed it.

The passenger most in the limelight was Captain Boy-Ed, the half-Chinese, slant-eyed German naval attaché, whose recall had been requested by Washington because of his "improper activities." With spirits entirely undampened, he was devoting much attention to certain American girls. We used to watch his way with the ladies, wondering what plots he was putting them up to, and we were certain British agents were watching him too.

Outside Falmouth a little Navy patrol boat met us and guided us, zigzagging, through the mines into the harbor. British intelligence officers clambered on board and made straight for Boy-Ed's cabin and also the cabins of every one of his feminine admirers. Meanwhile we alien goats were separated from the British sheep, and while we stood waiting for officials to make up their minds about us, we saw Boy-Ed being led off the ship, protesting vigorously. The rumor went round that he was being taken away for examination.

Arriving in London, even in the gloom of January, had always had something of the cheerful excitement of arriving home ever since I had first lived there as Ambassador Bayard's private secretary. Now, however, I was struck by the air of depression. Somber-faced, set-jawed soldiers were drilling in every vacant square. When I reached the Ritz, they were even tramping back and forth in the Green Park right under my window. Warnings were posted in the room to keep curtains tightly drawn after dark, so that not a ray of light could escape. Anyone who left his shade up even a slint would be fined a pound.

#### WHAT HAPPENED TO BOY-ED

While I was unpacking there came a knock at my door, and who should walk in but Gerald Fitzmaurice, a secretary at the British Embassy in Constantinople when I was chargé d'affaires at Abdul-Hamid's court. Just as though 13 years had not passed since we had said goodbye at the gates of Isfahan, he remarked, with that queer, cynical smile of his, "Well, here we meet again. It's a long way from Persia, isn't it?"

"Where the devil did you come from, and how did you know I was here?"

He threw back his head and laughed. "Huh. Huh. That's my business, to keep track of suspicious strangers like you."

As soon as I discovered he was in the intelligence service, I asked him what had happened to Boy-Ed. It appeared that our travel-

ing companion had been brought to London almost frothing at the mouth, objecting vociferously that he had a safe conduct. Capt. Reginald Hall, of the Naval Intelligence, had silenced him in short order by saying, "We guaranteed the safe conduct of your person through England, but nothing was said about your papers and clothes. If I hear another word, I'll have you stripped naked here in this office and send you on board in that condition."

"Better watch your step, Griscom," he said, as he rose to leave. "We have our eyes on you."

I went on to dress for dinner. As I emerged from the hotel to take a taxi, I plunged into murky darkness. Along the streets only a few lamps with shades painted black or green emitted a faint flicker. It was said more people had been killed by the automobiles which dashed about without headlights than by the Zeppelins. At dinner everybody was discussing which part of a building was safest in case of a raid. If a falling bomb hit the roof, it would penetrate a floor or so; if it exploded in the street, it would blow in the lower stories. Obviously, the safest place was in the middle, and here space was at a premium because London buildings were not very high.

I saw the point of Fitzmaurice's jocular parting remark when, back at the Ritz, I discovered that my baggage had been thoroughly ransacked. In order not to lose a minute in getting our papers to safety the next morning, Anderson and I hurried around to call on Mr. Page. We found the embassy a perfect bedlam. It not only had to take care of vastly increased American business but also was handling German interests. The force had had to be extended until it was equal to our whole State Department staff before the war.

We told Mr. Page about our papers and messages, and said the only additional favor we would ask was that he or some member of the embassy should arrange our first call at the Foreign Office and intimate to them an "unofficial interest." He apparently considered we were trying to put him in a position where he would be making trouble for the British by helping to extract money from them, because, to my amazement, he announced freezingly, "Your case is a private one and you must handle it without any help from me. I am the official representative of the United States in England and, therefore, every act of mine is official."

This was an extraordinary statement from an experienced ambassador. Almost the first thing you learn in diplomacy is that the real accomplishments often come as the result of informal actions. All he had to do was say to Sir Edward Grey, "I'm not here officially and I don't know anything about this case myself, but I do know that my Government would like very much to see it out of the way."

Mr. Page was an excellent example of a man who had set out to be persona gratissima and had accomplished his end; no ambassador of ours was ever more liked. But from the point of view of the State Department he could hardly be regarded as successful. When he was charged to deliver a formal and disagreeable note to Downing Street, he would often soften it verbally so that it would lose its effect.

#### AN OUTCAST IN LONDON

Since I was unable to get any help from the Ambassador, I went to the counselor, Irwin Laughlin, who had been my first secretary in Japan, and asked him to make the introduction. It never occurred to me that he would think we were trying to hurt the English, but he, too, flatly refused. Knowing very well that the Embassy must have received the State Department's cable, I could not understand their attitude. However, with the Embassy hostile, there was no point in opening negotiations. We decided to notify Polk what had happened, and then sat tight and waited for developments.

At first I was glad of a little leisure, so that I could pick up the threads of former friendships and associations. Throughout the years I had kept up my membership in the Bachelors' Club. As I had always done when in London, I dropped in at the earliest opportunity and ordered some tea. All about me groups were conversing. I could not help overhearing their remarks. A young guardsman said there was going to be a big push in a certain sector, a fellow from the Foreign Office told some inside news, finally an old gentleman said it was a shame the Americans did not lend a hand, and the others chimed in with derogatory remarks.

I gulped down my tea and left hastily. I did not want to eavesdrop on their secrets. It was their club and their war, and no place for me.

On the street, a woman, seeing me in mufti, tried to pin on a white feather.

"I'm an American," I protested.

"Oh, one of those who're too proud to fight," she retorted, and threw the feather at me.

Everywhere I went I was asked, "Why doesn't America come in?" One old lady, in the presence of a company, embarrassed me by saying she hoped we were not so mean and cowardly a race as she had been led to believe. There was no arguing the point; neither she nor her friends were in the mood to listen. I could not get used to being treated as an alien by the same people with whom I had had so many good times.

I was glad and relieved when, after 2 weeks, we were summoned to the embassy. The State Department must have sent a sizzling cable, because Laughlin was now only too ready to cooperate. We should bring our papers over and he would arrange an interview at once with the Permanent Under Secretary of the Foreign Office.

Sir Eyre Crowe was very friendly and we got right down to business. The British Government would appoint a body of 12 men with whom we could negotiate, including himself, the legal adviser of the Foreign Office, representatives of the Admiralty and Board of Trade, the Procurator General, the Solicitor General, and, as chairman, Commander Frederick Leverton Harris, the head of the Blockade Bureau.

Before the first meeting of the committee, we set about lining up our cases. In the process I discovered that my clients were about to receive a severe financial setback. The British Government was planning to bar their products from being sold in England. I was sure the English could not know control of the Sulzberger company really belonged to American banks, mainly the Guaranty Trust Co., from which England had to borrow. In hitting the Sulzbergers, she was really hitting her best friends. I cabled Cravath that he should have the New York banks protest to the Midland Bank in England, which, in turn, should protest to the English Government. The ban never was put in effect.

#### ARISTOCRATS OF THE LAW

I realized, however, the English would never become enthusiastic over products labeled "Sulzberger." Better change the name, I suggested, and soon "Wilson hams" were on display in British butcher shops.

On some points I had to get a barrister's opinion—a momentous undertaking. He could only be approached through a solicitor, a humble fellow who prepared your brief, marked it in the corner with the price you would pay—four pounds, a hundred pounds, a thousand pounds—then sent it on to a barrister.

If he turned it down, it went to a second and even a third or fourth until finally someone deigned to accept it.

No American would understand the unique divinity which hedged about an English barrister. The story was current of a judge who, in the midst of a trial, looked up, glared, thundered, "Proceedings in this court will cease! There is a stranger within the bar!" Every eye was instantly focused on the unfortunate solicitor who had dared to lean over to whisper something to a barrister.

After what seemed to us an inordinately long delay, our solicitor sent word that the barrister would be ready to deliver his opinion at 4 o'clock the next day. He saw to it that Brown and I were 10 minutes early. As we passed the window we glimpsed a man reading and smoking, his feet on the sill and his chair tilted back comfortably. We entered the outer office. The clerk, recognizing the solicitor, asked rather curtly, "What are you doing here?"

"We've an appointment for 4 o'clock," the solicitor answered meekly.

The clerk looked at the clock. "Well, you may wait," he said, as though doing us a favor.

We waited. Not a second before the hour were we ushered in. The barrister spoke to the solicitor, but treated Brown and me as though we were not in the room. He pocketed our fee, delivered a very clear opinion, and then dismissed us without even an attempt at the ordinary courtesies. He had accepted the Sulzberger Co. as a client much as a criminal lawyer would take the case of some villain he knew to be guilty.

When we finally met the board we found it an imposing array of talent, containing some of the sharpest brains in England. Anderson undertook to debate back and forth the purely legal aspects of the case, and soon he and the solicitor general were engaged in learned disputations upon all the different precedents, the history of prize courts, blockade running, and the like.

I suggested the immediate elimination of casings from all discussion. "They are," I pointed out, "inedible and indigestible, in exactly the same category as the tins which hold sardines. You can claim the sardines themselves are food products, but it would be difficult to do the same with the tins."

The committee, which had begun by being very stiff, laughed and agreed to exclude the casings.

By merciful providence, Commander Harris and I took to each other from the start. I described to him the tremendous volume of accounts, affidavits, bills of lading involved. "We'll never read all this stuff. Let's try to find some way to settle it in principle, and then we'll hire chartered accountants to go through the mess and set up fair valuations."

"Yes," he assented. "I haven't any time either. Let's stick to that."

And we shook hands on it.

Shortly, Commander Harris asked me for a week-end to Leatherhead. His house, Camilla Lacey, had been built by Fanny Burney. He knew everything about her, had collected everything of hers he could lay his hands upon, had jammed every room with Burney memorabilia. When he drew from me the confession that I had never read Evelina, he brought out a copy, and, at his insistence, I read it and loved it. It formed a bond between us.

I found that the commander had also invited other members of the committee. We were served a dinner that had been prepared by the commander's famous chef, and afterward, over our port, they began chaffing me about my German clients, a very good sign.

#### FEATHERED RIDDLES

"You think your case is difficult," said Commander Harris. "Well, listen to this one. You Americans apparently wanted your canary birds, war or no war, and clamored so loudly for them that a group of neutral bankers decided it would pay to make up a big



cargo to fill this demand. From the Harz Mountains in Germany thousands of birds, worth several hundred thousand dollars, were shipped to a Dutch port and lay there for 2 or 3 months before being loaded on a Swedish ship. On putting out to sea, she was promptly hauled in by our blockading squadron and the cargo confiscated on the excuse that it was of German origin. The bankers employed a clever counsel, and soon we found we had stirred up a hornets' nest. He divided the birds into five categories and tried to argue that four of them, each worth thousands of dollars, could not possibly be considered of German origin \* \* \*. Look here," Commander Harris finished, and shoved over a memorandum. "That's the way they're classified."

1. Birds born in Germany and shipped out—indisputably German.

2. Fledglings hatched in the Netherlands while awaiting shipment, from eggs laid in Germany—German or Dutch?

3. Eggs laid in the Netherlands, but conceived in Germany—German or Dutch?

4. Fledglings hatched on Swedish boat—a floating bit of Swedish territory—from eggs laid in the Netherlands—Swedish or Dutch?

5. Eggs laid on Swedish boat—Swedish.

One of the interested parties went to a member of Parliament and suggested that he should ask questions about the case of the intercepted canaries.

It happened to hit the House of Commons' sense of humor and was greeted with roars of laughter. The members began speculating as to when a canary bird started acquiring a nationality—at the moment of fertilization, as an egg, at the time of hatching, or when it was mature enough to feed itself. Were the Dutch and Swedish Governments going to be involved over their canary-bird rights?

I spent several pleasant week ends with the committee and, on the surface, our business seemed to be progressing smoothly. Actually, at the regular meetings we were getting nowhere. Colonel House arrived at the Ritz from Germany on February 9, and I saw him daily during the 2 weeks he stayed. We agreed it was time for him to put in a word.

Nevertheless Colonel House left England and the business still hung on. The government, loath to pay out so much money unless absolutely necessary, interposed an endless series of delays, and I could see that years might go by before the finer points of international law could be exhausted. Not the least of our troubles were the barristers, who were constantly going off shooting. The solicitors recognized this as a matter of course, and could not understand our impatience.

We had to stay in London all week, and for exercise I used to drag Brown off on long walks about the town. He was efficient and hard-working and knew his job, but seemed to be getting little out of his first trip abroad. I did my best to stir up his interest in London. "There," I said, "is Buckingham Palace. The roof is covered with sandbags to protect the royal family from falling steel and iron."

He glanced up casually and grunted.

I thought I would try him on something modern. "Over on that great arch at Hyde Park corner is a searchlight and an antiaircraft battery."

Another grunt.

I showed him Stafford House, now a museum, but in my youth the home of the Dukes of Sutherland, where I had often been. I indicated the ever lovely view over St. James' Park; the bit of water and the stately Foreign Office as a background.

Brown only sighed deeply. "I wish I could be back again in my office in the stockyards of Chicago."

Brown had formed a deep-seated disapproval of monarchies and titles. He even looked askance at me because of my British associations. I told the committee about him, and they were delighted, making me repeat again and again his remarks about "arrogant aristocrats."

Finally, one day in March, Lord Reading sent for Anderson and me and made tentative inquiries as to our lowest figure for settlement. We set it fairly high; nothing was to be gained by concession. To our surprise, we met no opposition at all. Suddenly the Government capitulated. Our committee told me they had known all along they were going to pay eventually, but they had to put up a good fight. I always thought Colonel House's recommendation may well have turned the scales in our favor. The negotiations ended, as do few such long-drawn-out controversies, with friendliness on both sides. Each thought it had driven a good bargain.

The packers' case was historic because it settled a vital principle of international law, establishing that if a belligerent seized goods he could not clearly prove were contraband, then he would have to pay for them. The one great cause of friction between the British and American Governments was thus removed. The State Department could now stop bombarding England with disagreeable notes, and the way was paved for our ultimate entrance into the war on the side of the Allies.

The average reader, puzzling his way through his newspaper, may be no more at sea about his rights as a neutral than the expert steeped in Grotius and Pufendorf; the law is constantly being determined by changing conditions. Our case was won not so much because of precedents as because of the exigencies of the British; they needed a friend.

Before our departure we had one more example of the altering list of contraband. Anderson and I decided to celebrate the conclusion of our efforts with a good will dinner to the committee and include our unbelievably large array of counsel; not only did each packer have his own barrister but we had retained others to help prepare the legal briefs we were going to submit to the privy council. To our surprise the solicitors said they could not possibly attend unless, as one rather naively suggested, the permission of the barristers could be secured. This we did without difficulty.

The one person who refused to attend was Brown. The committee really wanted him produced, but he still felt that the dastardly British had behaved so badly to us in the Revolution that he ought not to consort with them. Anyway, he did not approve of their monarchical form of government.

About halfway through dinner, Commander Harris pulled out of his pocket a small piece of material about 6 inches long and 4 wide, which he handed to me. "Can you tell me what that is?"

I examined it carefully. One side was like fine cotton drill; the other was a shiny, smooth substance, semitransparent. The two were glued together. "I give up," I said.

"Did you hear that we had shot a Zeppelin down at the mouth of the Thames?"

"Yes."

"Well, the report was true. This is a piece of the bag."

"Yes," I said, still wondering.

"Do you see that shiny side? Do you know what that is?"

"No."

"Those are your damn casings, your sardine tins. If I had learned about this 48 hours sooner, you'd never have been paid for those. The Germans weren't importing them for sausages but for Zeppelins."

[From Who's Who]

GRISCOM, LLOYD CARPENTER; b. Riverton, N. J., Nov. 4, 1872; s. Clement Acton and Frances Canby (Biddle) G.; Ph. B., U. of Pa., 1891, LL. D., 1906; studied U. of Pa. Law Sch., 1891-93, New York Law Sch., 1895; sec. to Mr. Bayard, 1st Ambassador to England, 1893-94; admitted to N. Y. bar, 1896; m. Elisabeth Duer, d. Frederic Bronson, of New York (dec.); children—Bronson Winthrop, Lloyd Preston; m. 2d. Audrey Margaret, d. Marlborough Crosse, of South Sea, Eng. Deputy district attorney New York, 1897; volunteer in Spanish-Am. War; commd. capt. and asst. q.-m.; served 4 months in Cuba as a-d.-c. to Maj. Gen. James F. Wade; Recommended for promotion, but resigned to reenter diplomacy; apptd. sec. legation, Constantinople, July 1899; chargé d'affaires, Constantinople, 1899-1901; E. E. and M. P. to Persia, 1901-02, to Japan, 1902-06 (during Russo-Japanese War); A. E. and P. to Brazil, Jan. 29, 1906-Mar. 3, 1907, to Italy, Mar. 6, 1907-June 14, 1909. Pres. N. Y. Co. Rep. Com. 1910-11 and former mem. Rep. State Com., N. Y.; del. Rep. Nat. Conv., Chicago, 1912. V. p. Charity orgn. Soc.; mem. Soc. Internat. Law, Geog. Soc., Am. Red Cross, Japan Soc., Pa. Soc. (New York). Clubs: Knickerbocker, Century, Republican, Seawanhaka Yacht; Bachelors (London). Contributed articles to Philadelphia Sunday Press on travels in Central America. Apptd. maj., adj. gen.'s dept., 1917; ordered on active duty June 26 as a-a.-g., eastern dept.; made a-a.-g. 77th Div., N. A., at Camp Upton, N. Y., Aug. 1, 1917; with 77th Div. in France; later liaison officer, staff of Gen. Pershing; promoted lt. col. Awarded D. S. M.; Knight Comdr. St. Michael and St. George (Brit.), 1919.

## Arizona Small-Mine Operators Celebrate the Second Birthday, February 10

### EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. MURDOCK of Arizona. Mr. Speaker, there is no question but that mining is one of Arizona's basic industries. Years ago it was the predominant industry. Later it became rivaled by livestock and agriculture. Since, however, so large a proportion of this State is known to be highly mineralized, and since so small a proportion of it can be used for agriculture, and so limited are the possibilities for stock raising, mining must continue to be an important leg of our industrial prosperity, if not the taproot of our economic growth.

There is no question but that mining as a whole has been in the dumps for a number of years and that several things are needed besides the presence of rich ore deposits to restore mining activity as it once was and as we would like to see it

again in Arizona. What are some of these needed steps which might be taken by proper governmental action?

First, is the protection of our present copper industry from ruinous competition from abroad. This step has been partially taken by the placing and retaining of an excise duty on foreign copper, thus giving a measure of protection to our own production. We must not let down on this protection.

Second is a satisfactory price for the precious metals, gold and silver, which are found rather extensively in Arizona. Government has recently taken this step to a certain extent by fixing the price of gold at \$35 an ounce instead of the old price of \$20.67 an ounce, and very recently by remonetizing silver at the ratio of 16 to 1. However, the silver bullion owners are paid only 55 percent for their bullion at the mint. These features of a recent act can but stimulate the mining of the precious metals and encourage mining of the baser metals having gold and silver as a byproduct. Of course, it must be understood that there are conveniences yet to be worked out with regard to the Government's purchase of gold, and there are injustices to be righted concerning the Government's enormous profit of 45 percent seigniorage on silver. No one has seen and emphasized these detailed reform needs concerning gold and silver so well as have the small mine operators of Arizona.

A third step is the discovery and utilization, in a broad program of national defense and economic development, of strategic war materials, especially minerals, in Arizona. It is well known in Arizona, if not outside, that manganese, tungsten, and some other strategic minerals exist in abundance within the State. To prove that fact and to get governmental action is the next step in mining. A beginning has been made; at this very moment men from the United States Bureau of Mines are exploring the mineral possibilities of Arizona. Soon we shall have their word, together with that of local authorities, as to what actually exists under our ground. Simultaneously with the outbreak of the European war, the Nation hastened to lay in stock piles of the strategic minerals. Perhaps unfortunately, this legislation was written by an eastern Congressman, but western Congressmen succeeded in writing in an amendment which provided for the Buy American Plan favoring the development of home production.

A fourth step calls for the introduction of new capital into the mining industry out West. That conceivably might be brought about in more than one way. To those of us who believe thoroughly in individual initiative and private enterprise, the thing could be done automatically, and private capital would eagerly seek investment in mining if prices were right. This raises the question of how prices may be made right. Several suggestions have been made by Arizona men designed to accomplish that end. Another proposal is that the Government liberalize its lending regulations so that governmental capital may be more readily available. This calls for a liberalizing of the Securities and Exchange Commission requirements and regulations, or perhaps an extension and liberalizing of Reconstruction Finance Corporation powers. One way to liberalize the R. F. C. powers would be to extend its loan provisions to strategic minerals and other than gold, silver, or tin, to which it is now limited. Another way to liberalize the R. F. C. would be to furnish it more funds from which mining loans could be made. If the Government turned back into the mining industry the 45 percent seigniorage profit which it makes on domestically mined silver, there would automatically be provided a large sum which ought to be loaned to mining men. Nothing is fairer or more just than this logical proposal.

These are only a few of the steps, unexpressed until the Arizona small-mines organizations crystallized them into plans and proposals. As I said to some small-mine operators in Ajo about the time the organization was born, "Your public servants need to be educated along these highly technical lines," and this young organization in Arizona, only 2 years old, has done a remarkable job of just that. The eyes of the mining industry are upon this Arizona organization and great things may be expected from such a remarkable 2 years' start.

## Reciprocal-Trade Agreements Favored by Hon. Frederick P. Kenkel, an Authority on Foreign and Domestic Commerce

### EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ARTICLE BY FREDERICK P. KENKEL

Mr. COCHRAN. Mr. Speaker, for many years I have been fortunate in enjoying the friendship of Mr. Frederick P. Kenkel, of St. Louis, a man who I feel is one of the outstanding authorities in this country on domestic as well as foreign affairs. Mr. Kenkel is a journalist. In 1930 Mr. Kenkel received the Laetare medal awarded annually by the Notre Dame University. He is a director of the central bureau of the Central Verein and editor of the Central Blatt and Social Justice, the official journal of the Central Verein of America, and the central bureau. This magazine has been published since 1909.

Mr. Kenkel received the Notre Dame medal in consideration of 35 years of service as an active, energetic journalist and for his constant espousal of sound social and economic teachings. Since 1895 he has fought, in the papers he edited and from the lecture platform, as well as through the medium of societies with which he has been affiliated, and their resolutions, the dangers of socialism on the one hand and of unscrupulous misuse of wealth and privilege on the other. He is essentially an exponent of a wholesome middle-class policy. He wants this class preserved, and, where it has vanished, restored. The farmer, the worker, the craftsman, the independent merchant and manufacturer, the "white collar" man, and the man in overalls alike, from his point of view, are to be provided with opportunity to attain and retain independence and to foster among themselves a sense of social responsibility. While the middle class, which is to be kept open to all, is, to his mind, the backbone of society and the state, he feels cooperation among socially and economically related individuals and groups filled with a sense of duty toward their families and society and the state is an essential demand for social harmony and true economic progress.

In view of Mr. Kenkel's background, I feel his views on the question of reciprocal agreements should be invaluable, and therefore, Mr. Speaker, as part of my remarks I include an article written by Mr. Kenkel published in the February issue of Central Blatt and Social Justice. The article follows:

[From the Central-Blatt and Social Justice]

#### THE PROXIMATE AND ULTERIOR PURPOSE OF OUR TRADE AGREEMENTS

Men profess to love peace; horror of war is expressed on every side; vehemently by those who realize best that our Nation, one of the "haves," is opposed to any change in the existing condition of things economic. But what of the nations left out in the cold? Is it reasonable to expect them to accept the status quo as permanent and therefore never to be questioned? To do so would be tantamount on their part to signing their death warrant. There would be little else left to them but gradual decay preceded by revolutions and civil wars. Therefore, the "haves" must either be willing to make concessions to the people who were so unfortunate to be the last out of the woods or expect to defend their empires with their armies and navies.

According to C. S. Richards, who reviews Professor Bonn's book, the Crumbling of Empire, in the South African Journal of Economics, the chapter devoted to empire making and empire breaking "raises many questions of vital importance at the present moment: the positions of the 'have' and 'have not' nations and of equality and inequality among nations."<sup>1</sup> As Mr. Richards remarks, in Bonn's judgment the conditions necessary to world peace are a return to universal free trade postulating the gradual removal of all tariff and other official barriers. As between conquest or federation, federation is shown to be the only sane method, implying a willingness on the part of the "have" countries to grant concessions and a more reasonable attitude on the part of the "have nots."

<sup>1</sup> Loco citato, Johannesburg, S. A., vol. 7, No. 3, p. 323.



Ours is one of the "have" countries, a fact of which we are inordinately proud. Now, while there are those who would wish us to assist the nations of the world toward peace and federation, there is little willingness on our part to grant concessions of an economic nature. To instance a point: Every trade agreement concluded by the State Department under the wise leadership of Secretary Hull has met with complaints and criticism, dictated to a great extent by ignorance of the facts in the case and an unwillingness to await results. Speaking for the National Cooperative Milk Producers' Federation, Charles W. Holman, its secretary, accuses the trade agreements of blocking farm relief and asserts that "opposition by the general public in the United States to trade agreements is growing." The opposition is said to be particularly keen among farmers "whose interests have been least protected in the agreements made to date."<sup>2</sup> Or, to quote Louis B. Ward, author of a pamphlet, *Business Is Business*: "America, by her reciprocal trade agreements program, protected foreign trade, but at the price of selling the farmer down the river to secure a more imposing export figure for products of industry."<sup>3</sup> A narrow opinion, contrary to the facts in the case and unrelated to the broader aspects of the situation.

Mr. Hull has successfully refuted the criticism opponents of the reciprocal-trade agreements have leveled at them. The letters he addressed to Senators CHARLES L. McNARY and ARTHUR H. VANDENBERG on December 16 last are of interest in this regard. The Secretary of State reminds the former that, when addressing the American Farm Bureau Federation at Chicago on December 5, 1939, he had presented to his audience "conclusive evidence of the advantages secured by the country as a whole, and more specifically by our farmers, from the operation of the trade-agreements program." Moreover, that he had "also indicated some of the urgent reasons why this Nation, in its own best interest and in the face of the present grave emergency conditions, should continue to adhere to the policy underlying that program."<sup>4</sup> There is no mention in Mr. Hull's statements on this subject of national economic self-sufficiency, one of the outstanding phenomena of our days, the influence of which on the welfare of the nations of the world is so far-reaching. But he does speak of the numerous trade restrictions, such as foreign-exchange controls, quota restrictions, export-import license agreements, and other similar devices which serve as trade barriers. They are to an extent the aftermath of the World War; at its close, "everywhere the condition was one of serious dislocation and maladjustment in both agriculture and industry," as the Secretary of State said in his address, *War, Peace, and the American Farmer*, delivered before the American Farm Bureau Federation.

The obvious need at that time was, Mr. Hull stated on this occasion, "the restoration of normal and healthy trade relations among nations as the only possible means of establishing secure foundations for enduring peace and for the economic well-being of the peoples of all nations." But that is, as the speaker emphasized, "exactly what did not happen. Instead, the world pressed 'headlong down the perilous road of narrow nationalism.' On all sides there grew up a vast network of trade restrictions and other impediments to normal economic intercourse, imposed according to the mistaken theory that such extreme measures would bring greater prosperity. Instead new dislocations were added to the old. Agriculture and other supplies piled up in some parts of the world with no way to sell them. At the same time other regions were living on short rations, their purchasing power seriously reduced by inability to sell their industrial and other surpluses to foreign lands."<sup>5</sup>

Mr. Hull might have added, as proof of a further and more permanent result of national economic self-sufficiency, the introduction or extension of the cultivation or manufacture of products not hitherto produced or dumped on the world market in great quantities by countries forced or tempted to adopt this course by the ramifications of international affairs. Unfortunately, our country, together with other nations, was guilty of "great mistakes of policy" which "contributed greatly during the twenties to the impairment of the whole world economic situation" and culminated "in the great general break-down at the end of the decade."

"We refused to face the realities of the situation," Mr. Hull asserts. "We raised our tariff sharply and indiscriminately and thus made it impossible for other countries to keep up their purchases of our farm and other products and at the same time make payments on their debts to us. We then tried to escape the consequences by loaning the money to pay for our own exports. Finally, after announcing in 1928 our intention of once more raising our tariff, we capped the climax of an ever-narrowing economic policy by putting on our own statute books in 1930 one of the most ill-timed and costly pieces of legislation in the entire history of this country—the Hawley-Smoot Act."

What followed is, indeed, "painful history," to use Mr. Hull's expression. The tendency to adopt economic self-sufficiency spread to all parts of the world, with results from which the farmers of our country will continue to suffer if "the clogged-up channels of mutually beneficial trade between our country and other countries"

are not reopened and kept open. To do so is the purpose of the Trade Agreements Act of 1934.

Fully in accord with the policy pursued by the Secretary of State toward attaining this end, the President in a noteworthy passage of his recent annual message declares authoritatively:

"For many years after the World War blind economic selfishness in most countries, including our own, resulted in a destructive mine field of trade restrictions which blocked the channels of commerce among nations. This policy was one of the contributing causes of existing wars. It dammed up vast unsalable surpluses, helping to bring about unemployment and suffering in the United States and everywhere else.

"To point the way to break up the log jam, our Trade Agreements Act was passed, based upon a policy of equality of treatment among nations and of mutually profitable arrangements of trade."

Ultimately, President Roosevelt insists on the importance of the Trade Agreements Act and that it should be extended "as an indispensable part of the foundation of any stable and durable peace." The old conditions of world trade, he continues, "made for no enduring peace; and when the time comes, the United States must use its influence to open up the trade channels of the world in order that no nation need feel compelled in later days to seek by force of arms what it can well gain by peaceful conference. For this purpose we need the Trade Agreements Act even more than when it was passed."<sup>6</sup>

There is meaning and logic in the President's further statement that our Nation would find it difficult to exert its leadership "when the time comes for a renewal of world peace . . . if this Government becomes a dog in the manger of trade selfishness." And while "the present President of the United States" subscribes to and follows Washington's precept, warning the nation against entangling foreign alliances, he asserts the belief that "trade co-operation with the rest of the world does not violate that precept in any way."

The Hawley-Smoot tariff has amply proved the contention that the protective tariff on imports tends to destroy foreign markets of the farmer's surplus. This has resulted in conditions even the numerous well-meant efforts of the Government for the rehabilitation of agriculture have not surmounted. The farmers of our country do not, as a body, enjoy prosperity. King Cotton is sick even unto death and his realm, the South, is facing a pitiful economic situation from which there seems no escape. In spite of the evident results of economic nationalism on agriculture and industry, "the only suggestions seriously put forward by opponents of the program (of trade agreements) are," as Mr. Hull remarked on the occasion previously referred to, "poorly disguised maneuvers to return this country to the Hawley-Smoot embargo policy or its equivalent."<sup>7</sup>

The author of these sentences clearly stated in his letter to Senator VANDENBERG what, in his opinion, "the interests of this Nation demand under existing abnormal conditions—an emergency method of adjusting our tariff structure with a view to obtaining, through reciprocal reduction of trade barriers in foreign countries, better market outlets abroad for our great exportable surpluses of farm and factory products. This means that we must have a method by which we can adjust our tariff rates below the embargo levels of the Hawley-Smoot Act."<sup>8</sup> But due care would be observed "to make sure that the branches of production immediately concerned, in agriculture and in industry, are amply safeguarded." An almost superfluous assurance; we are so wedded to the existing tariff policy, and business, so sensitive to interference with the monopolistic privilege the tariff endows it with, that no far-reaching departure from the existing order of things is possible. Free trade is, for the present at least, out of the question. Trade agreements are evidently the only means we have at our command to mitigate the effects of the Hawley-Smoot embargoes and to aid a distracted world to open up the badly clogged channels of international trade.

It has been said the existing governance over society by the capitalism of the present makes for a state of perpetual war. Almost 40 years ago a former Secretary of the Treasury—Shaw—told the student body at Harvard University the new century would witness a tremendous, bitterly fought, international trade war between England, France, Germany, and our country, with the markets of the world for their aim. This prognostication proved only too correct. In fact, Japan, Italy, and a few other countries are now participating in the struggle. In a lecture delivered a little over a decade later before the Army War College at Washington, D. C., Henry C. Emery, professor of economics at Yale University, declared: "The most recent wars, such as the Boer War and the war between Russia and Japan, have unquestionably been primarily economic in their nature; and if I have been correct in my statements regarding the economic changes of the last generation and their effect on the increasing race consciousness and feelings of international hostility, we may be sure that even more completely than in the past nations will seldom go to war except for commercial advantage, but will ultimately resort to arms when con-

<sup>2</sup> From his *Trade Agreement With Argentine*. Washington, p. 27.

<sup>3</sup> Detroit, Mich., 1939, p. 11.

<sup>4</sup> Department of State Press Release No. 695. December 16, 1939, p. 4.

<sup>5</sup> Hull, *War, Peace, and the American Farmer*. Department of State Publication 1410. Washington, 1939, p. 6.

<sup>6</sup> Press release, the President's Message to Congress of the United States, Washington, January 3, 1940, p. 4.

<sup>7</sup> Hull, Department of State Publication 1410.

<sup>8</sup> Department of State Release No. 699. Washington, Dec. 16, 1939, p. 4.

vinced that by victory they will secure for themselves the necessary means of their commercial welfare."<sup>9</sup>

The wars of the past 25 years have underscored with a stylus dipped in blood the opinion expressed by Professor Emery, whose address was published in 1914 by the War Department for distribution in connection with the educational work of the Army. Historians of the future will view the catastrophic results of the wars we have witnessed since 1914 with astonishment over our apparent inability to realize that the days of purely national existence of states and nations have passed. They will deplore the fact that our times should have produced no statesmen capable of imbuing the nations of the world with the conviction existing conditions demanded of them the acknowledgment in fact of the solidarity of the human family. Once upon a time there was fought a stiff tariff war between New York and Connecticut. How ridiculous this event appears to us today. Among the reasons responsible for the World War the tariff laid by Austria-Hungary on Serbian pigs—caused by the machinations certain competing manufacturers of armaments had been guilty of—was not the last or least. And thus throughout the centuries strife has been engendered and wars fought to satisfy either the need or greed of peoples.

Our receding from the position we assumed by adopting the "Hawley-Smoot embargoes" grants, therefore, a ray of light and hope, sustained by the President's words regarding the obligation of the Nation to open the trade channels of the world with the intention of promoting international peace. Whatever the outcome of this policy may be, it is a commendable effort to veer away from economic nationalism, of which Pius XI says the state has made itself guilty, having become "a slave bound over to the service of human passion and greed."<sup>10</sup>

### Subsistence Relief Bill for Emergency Areas Due to Droughts, Floods, and Other Acts of Nature in the United States

#### EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. EDWIN A. HALL. Mr. Speaker, the introduction of this measure is an indirect result of conditions which were experienced in my own congressional district in the southern tier of New York State during the past summer when a 10.71-inch deficiency in rainfall during our normal growing season of 157 days caused an acute and in some cases disastrous shortage in subsistence roughages.

That meant what it means in every part of the country when anything of the sort happens. It meant that our farmers were faced with the alternative of selling off a large part of their stock at a terrific sacrifice or else buying roughages at exorbitant figures not consistent with good farm economy.

The shortage amounted to something like 50,000 tons of hay and 25,000 tons of ensilage, both figures spelling disaster for a great many farmers unless we could obtain hay at nominal prices for the relief of our farmers. I say "nominal prices" because of the fact that very little hay is grown in our area for the commercial market. At least 95 percent of it is grown for subsistence purposes only and is absorbed by the livestock on the farms where it is grown. Roughly, I would say that the average cost of such hay in the mow is less than \$4 per ton, represented in labor, team time, transportation, taxes, and other overhead. This means that for the farmer to go out and buy subsistence hay at more than let us say \$8 or \$10 a ton, even in an emergency, would be thoroughly disastrous in farm economics. It would sink the average dairy farmer.

But when we sought to obtain, through the various agencies of Government, the shipment of hay into that drought-stricken area to be distributed by Government agencies at a maximum price of \$10 a ton (which was all that sound farm economics dictated), we ran head-on into the fact

that no law existed permitting such relief in subsistence crops for animal consumption, regardless of the emergency. The Agricultural Department was willing enough and so were the various farm agencies, but none of them had any legal right or power to do the thing which had to be done if any real assistance within economic reason were to be given to our farmers.

As an example, the Farm Security Administration was perfectly willing to make loans for the purchase of hay. But what point would there be in a farmer's borrowing money to buy subsistence hay at \$18 to \$25 a ton? His business simply could not stand it even though he were able to borrow in unlimited amounts.

So what we have tried to do in this bill which has been prepared after extended conferences and detailed investigation—what we have tried to do is define a policy for Government relief, which is not a grant, covering such cases all over the country in the future—emergencies due to acts of nature, such as fires, frosts, droughts, insect plagues, earthquakes over which the farmers, ranchers, and husbandrymen of those areas have no possible control and to which they are certainly not contributive in any way through negligence or bad-farming practices.

I neglected to say that one argument which was raised against Government relief such as we asked for at the time, and such as other areas over the United States are bound to need from time to time, was that the purchase and transportation of hay or roughages of any kind by the Government for resale to emergency-area farmers at nominal prices, for subsistence purposes only, would conflict with commercial operations.

That is why we have undertaken in this bill to draw the proper line of distinction between subsistence crops and commercial crops and to set up some other definitions highly essential to the establishment of a reasonable Government policy covering such emergency relief. Our definitions may not in every circumstance coincide with dictionary definitions, or even the definitions which are taught by some agricultural colleges. That is to say, they may not go as far. But they are practical, as every farmer, every ranchman, every husbandryman in the United States will recognize.

In this bill we have established these definitions and then we have done what has been done so often in the past few years. We have stated the intent of the Congress. In other words, we have attempted to outline the policy of the United States Government in such matters, making it entirely plain that here is no interference with any commercial crop, its movement, or its use.

Then we have undertaken to outline, first, what a condition of emergency is, how it is created, and how it becomes an official fact.

We have protected its establishment as an official fact so that it will be impossible to dip into the Treasury of the United States for so-called relief or emergency purposes in just any old case. The Secretary of Agriculture, the Governor of the State, and the Farm Bureau people who are on the ground must not only be satisfied, but they must certify to the existence of such an emergency due to an act of Nature.

Then we have provided for an easy, foolproof, chiselproof method of giving direct relief within the shortest possible time without unnecessary red tape. We have provided against profit by the Government or by the individual distributors, and in section V of this bill we have provided for a fine of \$1,000 or a year in prison, or both, for chiseling, falsification of returns, resale of relief subsistence, and we have also suggested the sort of bookkeeping which we believe the taxpayers have a right to expect when Federal moneys are used for this or any other worthy relief purpose.

Finally, I want to make it plain that this act probably will not do my people in the Thirty-fourth Congressional District any particular good this year. It comes too late. The damage has been done in my district, and it is rather tremendous damage, too, because no such law as this was on the Federal statute books among all the relief laws that have

<sup>9</sup> Some Economic Aspects of War. Washington, 1914, p. 11.

<sup>10</sup> Quadregesimo anno. Oxford ed., p. 40.



been passed. What we are trying to do here is to prevent the same sort of economic disaster in the agricultural structure in other parts of the country due to a lack of scientific approach to emergency relief problems until they have become disasters.

There is nothing of the "grab bag" about this bill; nothing of the "pork barrel." We have tried to draft a sensible, practical emergency measure which I think will be recognized by farmers, ranchmen, and husbandrymen generally all over the country as the same sort of honest help which one farmer would extend to his neighbor if the other neighbor were in difficulty.

Call it a helping hand from Uncle Sam if you want to. It is just that. There is no radicalism in it, no paternalism, no socialism, or communism. It is as sound as the foundations of a well-built barn.

[From the Binghamton (N. Y.) Press of February 3, 1940]

#### THE DIFFERENCE

Aside from its deliberate approach to a well-demonstrated problem in farm economics, Representative ED. HALL's proposed measure for emergency subsistence relief in case of droughts or other acts of God is a good example of the difference between New Deal legislation and old-fashioned American legislation on the same subject.

One might also say that it is a good example of the difference between the Republican viewpoint and the New Deal viewpoint. That is particularly true of the formula which it sets up for the administration of necessary emergency farm relief. It is a workmanlike job. Rules of administration are not left to the discrimination of quasi-judicial, quasi-administrative body. No new bureaus or agencies are established to carry through its provisions. Not only is the intent of Congress established by a flat statement on the subject, but an exact process by which the emergency is established and through which aid is given is delineated in full outline.

Further, the measure carries penalties—and they are stiff ones—against chiseling. Those penalties are not limited to the recipient. They are also aimed at the distributing agency, and even include Government employees who falsify reports.

As Mr. HALL says, it isn't a "grab bag" or a "pork barrel." It isn't loose at the purse strings. It is a strict formula, and yet there is no delaying and entangling red tape to it. An economy-minded Congress, rather sick and tired of the creation of new agencies for every conceivable act of government, should welcome it as establishing a new pattern in such matters.

### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. H. CARL ANDERSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include that portion of the resolutions adopted at the Twenty-first Annual Meeting of the Minnesota Farm Bureau Federation on January 17, 1940, relating to trade agreements.

This resolution, I believe, represents the opinion of the majority of farmers in the State of Minnesota, and it will be noted that this resolution differs with the attitude as expressed by the national organization of the Farm Bureau Federation:

#### II. TRADE AGREEMENTS

While supporting generally the continuance of reciprocal-trade agreements, we demand that no such agreements be consummated, the effect of which may or would be to force or hold domestic prices on any farm products below parity level. Any other course would justify the condemnation of any such agreements by all agricultural groups: Now, therefore, be it

Resolved, That in the negotiation of any reciprocal-trade agreement that—

1. No tariff concessions be made on items in any treaty or agreement the effect of which would be likely to reduce or hold the domestic price of any farm commodity below parity;
2. Full hearing be given to spokesmen for producers of agricultural commodities affected in any way by treaty concessions, with a guaranty of consideration of such representations, and assurance that no treaty shall be completed until a full and complete record of such hearings has been made available; and
3. That the United States Senate must approve each proposed treaty or agreement in its entirety in order to make it effective.

Also, Mr. Speaker, under permission given me in the House, I include herewith in my remarks a letter received from Mr. W. S. Moscrip, president of the Twin City Milk Producers Association, St. Paul, Minn., which clearly expresses the opinion of that association, an organization of farmers in Minnesota, in reference to the reciprocal-trade agreements.

It will be noted that Mr. Moscrip's organization backs up the Minnesota Farm Bureau Federation in the resolution concerning trade agreements.

TWIN CITY MILK PRODUCERS ASSOCIATION,  
St. Paul, Minn., January 30, 1940.

HON. H. CARL ANDERSEN,

House Office Building, Washington, D. C.

DEAR MR. ANDERSEN: Newspaper reports of the appearance of Edward O'Neal, president of the American Farm Bureau Federation, before the Ways and Means Committee, give the impression that this federation favors reciprocal-trade agreements. The newspaper reports of his statement do not indicate that the proper safeguards for American agriculture, as we in Minnesota understand such safeguards, were included.

For your information as to the position of the Minnesota Farm Bureau Federation, I am enclosing a printed copy of the resolutions passed by this organization at their annual meeting in St. Paul on January 17, 1940. I have marked in red the resolution, which is No. 2, regarding trade agreements. Article 3 of this resolution, it would seem to me, ought to meet any fair-minded person's ideas as to the proper procedure in approving trade agreements or treaties.

Have we reached a point in this country where we are fearful of entrusting to the United States Senate the duties which unquestionably are theirs under the Constitution, namely, the approval of trade agreements and treaties? If this is true, we had best recognize it by doing away with that body and resigning ourselves to dictatorship, such as is apparently desired by this administration.

If we have not, then Congress should assert itself by so amending the Trade Treaty Act as to require Senate ratification, court review, and a return to our constitutional government.

Your best efforts to secure such an amendment will be greatly appreciated.

Yours truly,

W. S. MOSCRIP

### Aid for Finland

#### EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

EDITORIAL FROM THE MILWAUKEE JOURNAL OF FEBRUARY 2, 1940

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of February 2, 1940:

[From the Milwaukee Journal of February 2, 1940]

#### IT MEANS GUNS, BULLETS, AIRPLANES

Odd Nansen, son of the explorer, clarifies the question of aid to Finland—that is, he clarifies by explaining just what the Finns need and expect. He said while in Milwaukee:

"Everybody in Finland and in Scandinavia knows what Finland means when it specifies a loan for 'governmental purposes.' That means but one thing. It means guns, bullets, airplanes."

The request, then, is for American economic participation in the war, not by our citizens but by the Government. It amounts to making an end of our formal neutrality.

That the sympathy of Americans is with Finland has been abundantly demonstrated. The public has expressed sympathy in two ways: In condemnation of Russia and in contributions for the relief of Finnish war sufferers.

There has not been anywhere near the same expression for a course that might involve us in war and would certainly make an end of our neutrality. Some few men in Congress have urged such a step. There was the proposal to lend \$60,000,000 for arms, and the plan to sell 10,000 of our new rifles to the Finns at \$1 each, although they cost \$100 each to make. This would amount to a war subsidy of \$990,000 on one shipment.

In general, public expression shied away from that. Congressional leaders backed off from it. And President Roosevelt neatly sidestepped. Some of his lieutenants said they would fight for the proposals if he would give the word, but he did not give it.

Instead, there has evidently been the feeling that if we gave enough for nonmilitary purposes, we could, perhaps, avoid facing

the question of military aid. Proposed congressional help now calls for nonmilitary loans, of a size yet undetermined. One such loan is already in effect.

But this does not meet the need, as Finland and those who speak for her make clear. They are frank. Here is no attempt to propagandize America, to mislead this country. The request is for guns, bullets, airplanes. Finland, looking at the size and man power of her foe, foresees defeat unless it is war aid that comes. Food, hot coffee, bandages, medicines will not do. These have their place, and no doubt Finland is grateful. But it has to be guns to repel invaders and planes to shoot down the bombers if Finland is to survive.

So we have to face this question. There is no dodging. We might as well stop beating around the bush. Either we abandon our neutrality and become the ally of Finland or we do not meet the Finnish needs and requests. And if we do abandon our neutrality, we have no idea or assurance where we will stop. Will we be on a battle line before it all is over?

America laid down a principle in October. It was clear and definite. We would have no part in the European war—and that meant any fighting across the Atlantic. This time European conditions and developments would not succeed in sucking us in. Shall we abandon that clear resolve now?

It is the very essence of this question of military help to Finland.

### The Venezuelan Trade Agreement

#### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

STATEMENT BY HON. JOHN M. HOUSTON, OF KANSAS, BEFORE THE WAYS AND MEANS COMMITTEE

Mr. HOUSTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement I made before the Committee on Ways and Means:

Mr. Chairman, it is my intention to discuss at this time only the very serious effect the Venezuelan trade agreement will have on the oil industry in Kansas.

The Venezuelan trade agreement, by including the petroleum excise taxes in its provisions, has turned the machinery of control of the Kansas petroleum industry over to a few major companies who are importing foreign oil. The amount that these companies will import and dump into the domestic market will determine the amount which the small wells of Kansas will be permitted to produce. The costly exploratory work which has been done in Kansas in recent years and which has added millions of barrels to the Nation's oil reserves must be discontinued because the importers are encouraged by the Federal Government to bring in cheap oil, which may be sold at so low a price that it would be unprofitable for Kansas to search for new fields and pools.

This oil question is of vital importance to Kansas. Of the 52,500,000 acres in the State, 40,000,000 are now classified as potential oil and gas land and over 13,000,000 acres are now under lease for oil and gas production and exploration. Out of the State's 105 counties, oil has been found in more than 60. Approximately 40,000 persons are employed in the Kansas petroleum industry, and in a single year farmers and other landowners in oil-producing areas received over \$10,000,000 for rentals and an additional \$10,000,000 for royalties. The oil industry has invested over \$400,000,000 in my State.

This indicates the importance of the domestic petroleum industry to Kansas. So long as the watchful eye of Congress was upon the importers, the domestic market, in which Kansas has its part, was not seriously disturbed by the Venezuelan oil. Today that protection has been removed. By reducing the excise taxes on crude oil and on fuel and gas oil and by freezing the other taxes, the power of Congress to supervise these imports through its consideration every 2 years of the oil excise taxes has been taken away. There is nothing now to prevent the importers from bringing in unlimited quantities of cheap petroleum to the damage of the Kansas petroleum industry.

Kansas has been one of the leading States in the movement for conservation of our petroleum resources. It is a member of the interstate oil compact. The State regulatory body has held the production of Kansas in restraint in order to prevent a wasteful overproduction of this irreplaceable resource. In every way Kansas has cooperated with the Federal Government and with other State agencies in the operation of what we believed was a national program for conservation. A part of that national program was the practical control of imports by Congress. With that control now gone Kansas wonders what is left of the national conservation program.

The wells of Kansas are not all large ones. The greater part of them are older wells of settled production. The cost of production from these wells, involving heavy labor charges per barrel, makes it impossible for the stripper wells to compete in the same market with the low-priced foreign petroleum.

Kansas has been forced to sell its oil for a long time in a restricted market. Its outlet has been estimated at about 4.45 percent of its potential oil production. In spite of this the Kansas producers have asked no special favors but have merely urged that they be accorded an equitable part of the oil market between the States. This has been done so far as practical in the past. The new competing factor which will be introduced into the situation through the Government's encouragement of cheap foreign imports may reduce the outlet of Kansas oil to far less than the 4.45 percent which it has been enjoying up to the present time.

The local communities and the State of Kansas receive large revenues from taxes levied upon the Kansas petroleum industry. These revenues will be greatly reduced in proportion to the amount of the former Kansas market which is taken by the imported oils. This will constitute a very serious blow to a State which has been carrying heavy loads.

Kansans believe that it is improper and grossly unjust for any agency of the Federal Government, through favoritism shown to a few big importing oil companies, to jeopardize the well-being of one of the principal industries in the State of Kansas. Without subsidy and without the requirement of repayment, the petroleum industry has paid out, year after year, hundreds of millions of dollars in investment, in rentals, in bonuses, and in wage checks. It was able to do this because the Kansas petroleum industry could rely upon a certain share of the domestic market. The assurance of that share was definite so long as Congress maintained its biennial supervision over the excise taxes. Now that the importing companies have obtained, through the Venezuelan treaty, the official approval of their importation, Kansas has no assurance of any definite part of the petroleum market. The industry in my State will be unable to make any plans for the future.

The independents are in the petroleum industry in Kansas largely because the antitrust laws made it possible for them to compete. They have their lives invested in this industry in my State. They will not stand idly by and permit a few importing companies to take this from them. They will not understand why this Congress cannot protect them.

I cannot afford, because of any program or policy, to fail to insist that Congress must now correct a serious mistake that turns my people over to the control of a few whose interests are so dangerous. This treaty, so far as my people are concerned, nullifies the antitrust law as it applies to the oil industry.

### Importations of Oriental Starches

#### EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

LETTER FROM THE CORN INDUSTRIES RESEARCH FOUNDATION

Mr. BOLLES. Mr. Speaker, I desire to extend my remarks and include therein a letter from the Corn Industries Research Foundation of New York, as follows:

May we call your attention to the fact that during December the importations of oriental starches were the largest monthly total of all time, in spite of ample domestic cereal and root crops for starch-making purposes.

This heaviest total on record is the highest since February 1937, a year of high corn prices following drought. The total importations for 1939 were over 400,000,000 pounds, an increase of 67 percent over 1938.

Our advices are that this increase is partly due to the closing of European markets and amounts, in effect, to the dumping of the entire oriental starch production on our markets, in exploitation of the binding of these products on the free list under the Netherlands trade agreement.

Increased plantings of tapioca are reported from oriental starch-producing regions, indicating a continued increase of competitive pressure upon the domestic situation.

In this connection you may care to note a highly interesting finding, developed in the course of an investigation on starches recently completed by the United States Tariff Commission, showing in an advance copy of the text of its report that in 1937 these imported starches accounted for 44 percent of the starch consumption in those industries in which domestic and imported starches competed.



## The Forest Service

## EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

## LETTER FROM HON. GIFFORD PINCHOT

Mr. HOPE. Mr. Speaker, no man in America has a better right to speak on behalf of conservation than Gifford Pinchot. For almost 50 years he has been a leader along that line. His work in the field of forestry speaks for itself. He not only knows forestry from a technical and professional standpoint, but his long experience as the head of the Forest Service enables him to speak as an authority on forestry in its relations with the Federal Government.

In view of the efforts which are apparently now being made to transfer the Forest Service to another Government department, the following letter from Mr. Pinchot is of great interest:

1615 RHODE ISLAND AVENUE NW., WASHINGTON, D. C.,  
February 3, 1940.

HON. CLIFFORD HOPE,  
House Office Building, Washington, D. C.

DEAR CONGRESSMAN HOPE: I am taking the liberty of calling your attention to the renewed attempt of the Interior Department to get the Forest Service and the national forests away from the Department of Agriculture.

There is no good reason for the proposed transfer of the Forest Service or any part of it. Moreover, it would be a severe and unnecessary blow to the farmers of America. The Farm Bureau Federation, the National Grange, the Farmers Union, the National Cooperative Council, the Federation of Milk Producers, and other farm organizations have made official protest against it.

So have the National Federation of Women's Clubs, the American Forestry Association, the Association of State Foresters, the Society of American Foresters, the National Livestock Association, the National Woolgrowers' Association, the National Lumber Manufacturers Association, the California and other western chambers of commerce, the Izaak Walton League, the Camp Fire Club of America, etc.

The users of the national forests and the people of the 11 States which include most of the national forests, and their representatives in Senate and House, are overwhelmingly in favor of letting the Forest Service be. There is also strong opposition in the Central and Eastern States.

This is no partisan question. I fought the transfer when Republican Secretaries of the Interior tried for it under Coolidge, Harding, and Hoover, just as now. Under any administration it would ruin the service.

Nothing whatever is to be gained by tearing the Forest Service out of the department where it belongs, grew up, and has done such admirable work. No one pretends that it could do better elsewhere than where it is now.

Every Chief Forester has been dead against it. Every Secretary of Agriculture for the last 40 years has emphasized the close relationship of forestry with agriculture. The national forests are important parts of the agricultural equipment of America. They are cooperating forms of land use, built on the soil. To separate them would deeply injure both.

As the President himself said last December, "the forest problem is part of the broad problem of modern agriculture." Forest conservation is an indispensable part of agricultural conservation. Trees are an important farm crop. They help sustain farm enterprises, lessen erosion and floods, serve irrigation, and contribute to livestock pasture.

The Forest Service is in close, constant, and necessary cooperation with more than half of the other organizations in the Department of Agriculture, such as the Soil Conservation Service, the Agricultural Adjustment Administration, the Farm Security Administration, Agricultural Economics, etc.

All but an insignificant minority of conservationists oppose taking the national forests or the Forest Service (in which the conservation policy originated) out of its present location. This move would amount to a most destructive attack on the national conservation policy.

The Interior Department is not fitted to handle the national forests. Its chief function with respect to public lands, under the laws of Congress, is to pass them into private hands. Again, the Interior Department centralizes its work in Washington. The Agricultural Department decentralizes. The Forest Service decides local questions by local men on local grounds. Centralization would cripple it.

The national forests are handled for production from the soil. The national parks are not. That the parks are in the Interior Department is no reason whatever why the national forests should be there also.

Because Theodore Roosevelt recognized that the Interior Department's handling of the national forests was a public scandal, he secured their transfer to the Department of Agriculture, where their administration has become a model of clean, competent, publicly approved efficiency, unsurpassed by any Government bureau.

The Interior Department has no claim whatever upon the national forests. Ambition for power is no good reason for upsetting a layout that works superbly where it is.

The transfer would seriously disable the Forest Service, cut off essential cooperation with other bureaus, injure the users of the national forests, and hurt and affront the farm interests of America.

Only the strongest constructive reasons could justify the transfer. As a matter of fact, every reason of morale, cooperation, natural relations, tradition, and good work are against the transfer. Why rock the boat?

Sincerely yours,

GIFFORD PINCHOT.

## Undominated Labor

## EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

## RADIO ADDRESS BY FRANK T. BOW

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Frank T. Bow, general counsel for the National Council of Independent Unions, over the Columbia Broadcasting System, January 31, 1940:

Ladies and gentlemen, I am going to start my very brief talk by asking you a question. This question is directed to the men and women who are or who have been union members, but I hope you of my audience who have never been union members will think about it too.

The question is really in two parts. First, do you consider yourselves actually free people in union affairs? That may seem a strange query, but bear with me a minute. Don't answer it too quickly. Reserve your decision until you have heard the second part of the question, which is this: Can you say what you please about the conduct of the affairs of your union; can you speak out about union policies; can you make your officers do what you want them to do; make them refrain from doing that which you do not want them to do; do you control the election of your officers, both local and national; can you demand and get complete, honest, and understandable statements of where your union money goes; can you resist an assessment, let us say an assessment for political purposes, levied upon your pay; can you do any or all of these things fearlessly and as of right without being driven out of your union by some self-appointed and self-perpetuating officers and deprived of your right to earn a living? Can you? I hope that your answer is "Yes"; but I know that in too many cases your only honest answer must be "No." And if your reply is "No," my good union friends, you are not free men and women and you cannot, without a cruel penalty, exercise the rights which are inherently yours as American citizens. The question boils down to just about this: Do you and can you run your own union for your own benefit or are you exploited for the benefit of union leaders who tell you what to do and you do it or else?

A man who holds his job and earns his living solely by his ability and willingness to do his work is truly a free man economically, and he can look the world in the face and tell it what he thinks on any subject anytime. That man represents the American ideal of free, independent worker. He symbolizes undominated labor, undominated by anyone.

If, in order to keep his job and earn his living, a man has to depend upon something else besides his ability and willingness to do his work, or if he has to think as his employer thinks, say what his employer wants him to say, keep silent when his employer wants him to keep silent, stay out of a union if his employer does not like unions, or join the union his employer directs him to join, that man is not a free man. He is dominated by his employer.

If that man, our worker about whom we are talking, may not question or even oppose effectively the policies of his union leaders without being given the quick choice of dropping his protest or getting out, or remaining docile and jeopardizing his right to

work by offending his own so-called leaders, if he must pay when they say "pay," strike when they say "strike," he is still not a free man. He is just as effectively dominated by the ruthless men who have saddled themselves upon him as he might be by his employer.

In neither case does he approach the American ideal of undominated labor.

Let us take a recent instance that all of us know about. The leader of one of the biggest unions in the Nation has imposed an assessment, a tax, of \$2 upon each of the half-million or so members of the union, for a political campaign fund. The disposition of that money is in the hands of one man. Now, I ask you this: Did the members of that union vote upon or agree to have anything to say about that tax? You know they did not. And will they have anything to say about what will be done with the money? You know they will not.

Now, among the members of this union there must be Democrats, Republicans, Socialists, and, in the light of newly discovered purity and Americanism of its leaders, even Communists. The Democratic members of the union will not want their money to go to the Republican campaign fund; the Republican members will not want it to go to the Democratic Party; and the Socialists and Communists will not want it to go to either of the major parties. Can they do anything about it? They cannot. And if they make any protest about it, out they go. Or can they repudiate their national officers at the next election of officers? Again the answer is, they cannot. Nothing so old-fashioned and democratic as the election of national officers by the members is permitted. Finally, are the members of that union free and undominated labor? I leave the answer to you.

Here is a strange thing. The ideal of undominated labor is the ideal of independent unionism, of unions run by members for the benefit of the members and wholly controlled by the members. Yet the wholly undemocratic, even autocratic, union I have just been talking about is viewed with warm approval by those great idealists who have to do with the labor policies of our National Government, while the free, democratic, independent unions are looked upon with disfavor and suspicion and are treated as an unwelcome intruder. But let me add this: The more our independent unions are abused the stronger and more enduring they become. The fact that they have had to compete with Government-favored unions has made them depend upon service and responsiveness to their membership for their strength. The result is, unhappily for those who would destroy us, that independent unions are stronger today than ever before.

The National Labor Relations Board has been a relentless offender in this respect (as is evidenced by the investigation of the Smith committee in the House of Representatives) and independent workers will not forget it. The Labor Board has two standards of dealing with unions—one for nationally affiliated unions and one for independent unions. Let me give you an example. The Labor Board has used its power to destroy independent unions and prevent them from representing their members because the union was guilty of using the bulletin board of the employer for its notices. Ridiculous? Of course it's ridiculous. The Labor Board would not think of permitting on an election ballot the name of such a contaminated, independent union. Yet recently the Board helped, without a quail, in the certification of a nationally affiliated union in the moving-picture industry whose most active representative was accused of having taken a loan of \$100,000 from an executive of the industry which employed his members at the time he was said to be breaking a strike for that industry. But an independent union, on the contrary, may not even use the company bulletin board without a "crack down" from the Labor Board.

In the majority of instances the members of the big international unions have about as much to do with the management and control of their union, as union men, as a buck private in the Russian Army has to do with the policy of the Kremlin.

Those of you in my audience who are not union members may say, "Well, the law will protect union members from injurious and unjust practices by union officers. Why don't they turn to the law?" I ask you, "What law?" There is no law to protect union members from the cruelest injustices by their officers, practices which deprive the members of independence, self-respect, and a livelihood itself. They are defenseless so far as the law is concerned.

The conditions which created an atmosphere or attitude among those who govern us favorable to the kind of unions which dominate their members and use them as pawns and unfavorable to undominated labor and independent unions was brought about by the political power of the leaders who profited from it.

Conditions which will encourage or enforce free, democratic procedure and will relieve union members from corrupt, autocratic domination by self-appointed, self-perpetuating officers as well as by antisocial employers, will be brought about by the political power of those who are offended by injustice and have suffered from it.

The right of men to "unions of their own choice" is a hollow mockery to many of them until they are effectively guaranteed the further right to the democratic management of those unions for their own benefit and the benefit of their fellow employee, to the end that all American workmen may approach the independent-union ideal of truly "undominated labor."

Independent unions believe in and shall use all the force at their command to preserve the right to organize and bargain collectively with their employer, as well as the preservation of the right to strike or the right to work. They believe the 8,000,000

of the working men and women in the country that are members of the two quarreling international unions should have the right to belong to those unions if that be their free choice; and that the 35,000,000 independent working men and women not members of the international unions, by the same token, should be permitted to exercise the same rights and remain independent, if that is their choice, without coercion and threats by union leaders or domination by biased governmental agencies. The aim of the independent union is to bring about industrial peace, for the real and final sufferer in industrial warfare is not the leader who pockets the dues derived from the workman, but the individual worker and his family. The independent unions are constantly striving for a better, fuller understanding between capital and labor, for to them it seems inconceivable that these two great forces composed of men and in the age of an enlightened and advanced civilization would permit intervening forces, whether of their own inception or by the organization of outside influence, to create jealousies, hatreds, and suspicion for the driving of a wedge between them, to the destruction of harmony and cooperation.

I desire to express to the Columbia Broadcasting System the sincere appreciation of the National Council of Independent Unions for the time which they have extended to us to bring you this message, and this appreciation comes too, I know, from all members of independent unions throughout the Nation and all other who believe in "undominated labor."

## The Bulwark of the Republic

### EXTENSION OF REMARKS

OF

HON. WILLIAM W. BLACKNEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. BLACKNEY. Mr. Speaker, with the approach of Washington's Birthday, February 22, it is natural that we should devote some time to the consideration of the influence which America's greatest hero, soldier, and statesman has had upon our great Republic. To me, the most outstanding work that Washington accomplished was his invaluable aid in the formation of the American Constitution, which, although 152 years old, is still the oldest active political document existing in the world today.

Therefore, we are confronted with this arresting paradox: The United States, the youngest of the great nations, is at the same time the oldest government.

Since 1787, when our Constitution was adopted, civilization has been a world of tumbling thrones, prostrated dynasties, overturned constitutions—of new empires, new republics, new and constantly varying conceptions of states—yet in this epoch of upheaval during the last 152 years, one political entity, and one alone, has remained intact; that is the Constitution of the United States of America.

Our Constitution is not self-perpetuating. If it is to survive it will be because it has public support—active support, not passive. The Constitution of the United States is the final refuge of every right that is enjoyed by any American citizen. So long as it is observed, these rights will be secure. Whenever it falls into disrespect or disrepute the end of orderly organized government as we have known it for 152 years will be at hand.

Calvin Coolidge said:

The Constitution represents a government of law. There is only one other form of authority and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and oppression. To live under the American Constitution is the greatest political privilege that was ever accorded to the human race.

When the Constitution was formulated in 1787, one world war had recently ended and civilization was entering the eclipse of a new and great one. Then, as now, half the world was prostrated by the wounds of fratricidal strife. As Washington said, "The whole world was in an uproar" and he added that the task "was to steer safely between Scylla and Charybdis."

The problem, then as now, was not only to make "the world safe for democracy" but to make democracy, for which there is seemingly no alternative, safe for the world.



Impoverished in resources, exhausted by the loss of the flower of their youth, demoralized by the reaction from feverish strife, the forces of disintegration had set in in the United States between 1783 and 1787. Law and order had almost perished and the provisional government had been reduced to impotence.

It was then that Washington's greatest service was rendered to his country. The Thirteen Original Colonies were then governed by the Articles of Confederation, weakly drawn and unsatisfactory in their nature. Jealousies had arisen between the 13 States so that instead of having one United States we had 13 independent States, each striving against the other.

Washington for years had advocated a strong central government. His experiences in the revolutionary world had deepened that conviction. The first final step in the formation of the American Constitution was made in 1785 when the States of Maryland and Virginia endeavored to arbitrate their differences growing out of commerce on the Potomac River.

The meeting of the delegates was called for Alexandria, but later they met at Mount Vernon, and the agreement reached between those two States was called the Mount Vernon Compact. The following year, 1786, a call was issued by Virginia to all of the States to meet at Annapolis for the purpose of regulating commerce and other questions of mutual interest. This finally resulted in the call for the great Convention to be held in Philadelphia in 1787, not for the purpose of drawing up a new Constitution, but for the purpose of revising and perfecting the old Articles of Confederation then existing.

The history of the world presents very few historic events more important than the Constitutional Convention. Our American credit was gone, our business was paralyzed, lawlessness was triumphant. Not only between class and class, but between State and State, there were acute controversies and an alarming disunity of spirit. To weld 13 jealous and discordant States, demoralized by an exhausting war, into a unified and efficient nation against their wills, was a seemingly impossible task.

The Convention met on May 25, 1787, in the Old State House in Philadelphia, then a city of more than 30,000 people. The Convention met in a hall about 50 feet square, whose walls were already eloquent with sacred memories. There the Second Continental Congress had met, and there the Declaration of Independence had been signed. The delegates could from time to time hear the solemn reverberations of the old Liberty Bell, which from the belfry had "proclaimed liberty throughout all the land unto all the inhabitants thereof."

Seventy-two leading men in the Colonies had been selected as delegates to the Philadelphia Convention, as each State was permitted to send as many delegates as it pleased, the States, however, to vote as units. Each of the Thirteen Colonies selected delegates with the single exception of Rhode Island, which at that time was in the remorseless grip of demagogues. Rhode Island showed no desire to enter into a union, neither did she show any desire to cooperate with the other States, and became so disloyal that Washington called her action scandalous.

While 72 delegates had been selected, the highest number that attended at any one time was 55, and at the time of the adoption of the Constitution only 39 remained to finish their great constructive work, and to sign the Constitution which was to immortalize their names.

These delegates constituted a cosmopolitan group; there were merchants, financiers, farmers, doctors, educators, soldiers, and lawyers. Of these 55 delegates who participated in the Convention, 39 had been members of the First or Second Continental Congresses; 31 of them were lawyers; 8 of them had already helped to frame the constitutions of their respective States, and 24 of them were college graduates. This last statement is a remarkable tribute to the intellectual caliber of the Convention. To say that 24 men out of 55 were college graduates at a period 152 years ago is rather a remarkable statement and shows the great care which the

various States exercised at that time in the choosing of delegates to represent them in the National Convention.

It is significant to note that of these college graduates, nine were graduates of Princeton; three of Yale; two of Harvard; two of the College of Philadelphia, now University of Pennsylvania; four of William and Mary; and one each from University of Oxford, Columbia, Glasgow, and Edinburgh.

Of these 55 delegates, 2 of them towered above the rest: Benjamin Franklin, enjoying world-wide fame, was possibly the most versatile genius of the eighteenth century and universally known and honored as a scientist, philosopher, and diplomat; and George Washington, whose fame even at that day had won the admiration of the world as that of a true and unselfish leader of men.

It was Washington's great patriotism and love of country and strength of mind and purpose that made the Convention possible and the adoption of the Constitution assured.

Washington did not have the passionate and fervored eloquence of a Patrick Henry, nor the matchless logic of a John Marshall, nor the philosophical brilliancy of a Benjamin Franklin, nor the scintillating mental acumen of Alexander Hamilton, but he towered over and above these men as the polar star of American freedom and patriotism.

Washington was the master dreamer of the age. Although a cold, practical businessman in other ways, he dreamed a dream of a united country, of happy homes, of churches where one could worship God according to the dictates of his own conscience, of schools where the youth of America could attain their education—and this dream came true.

So at the beginning of the Philadelphia Convention the first action was the unanimous choice of Washington as President, and he presided over the 4 months' deliberation with unusual and commanding ability.

The delegates to the Convention were comparatively young men, the average age being a little above 40. Franklin, the oldest member, was 81 years of age; Washington was 55; James Madison was 36; Edmund Randolph was 34; Alexander Hamilton was 30; Charles C. Pinckney was 29; and Dayton, of New Jersey, the youngest member of the Convention, was only 27.

This Convention assembled behind closed doors, and the public was not admitted to the various sessions. There was a gentlemen's agreement among the delegates that none of the proceedings should be made public, and this gentlemen's agreement extended during the entire 4 months of the Constitutional Convention.

Many highly controversial questions came before the Convention which required the tact and ability of the chairman at all times to hold the Convention within bounds. Many compromises had to be made; between the North and the South; between the small States and the large. In order to insure the support of the small States it became necessary to agree that every State, regardless of size and population, should have equal representation in the Senate; namely, two to each State. Then, to conciliate the larger and more populous States, the membership in the House of Representatives was made to depend on population so that these large and more populous States had greater representation in the House than did the smaller and less populous States.

The slave issue was a cause of bitter discussion. The Southern States wanted the slaves to be included as population in determining the number of Representatives each State should have in the lower House. The Northern States bitterly opposed this and so as a compromise, we have the famous three-fifths clause which allows three-fifths of the slaves to be counted as population.

On September 8, 1787, the draft of the committee on detail was approved and a new committee was appointed to revise the style and arrange the articles that had been agreed to by the Convention. This committee was one of exceptional strength. Its members were Dr. William Samuel Johnson, a graduate of Oxford; Alexander Hamilton, brilliant New York statesman; Gouverneur Morris, a profound mind with an unusual gift for lucid expression; James

Madison, a true scholar in politics; and Rufus King, a great orator of his day.

September 13, the printed copies of the report of the committee on style were ready, and 3 more days were spent by the Convention in carefully comparing each article and section of this final draft.

On September 15 the work of drafting the Constitution was regarded as ended, and it was adopted and ordered to be engrossed for signing.

The Convention had been in session for 81 continuous days; during that time probably more than 400 hours were consumed in debate and if these debates had been fully reported they would probably have filled at least 50 volumes.

The delegates of the Convention, however, worked so efficiently that the net result of their work, the Constitution of the United States, consisted of only about 4,000 words, 89 sentences, and about 140 distinct provisions.

Lord Bryce, a distinguished English statesman and author of the *American Commonwealth*, in paying tribute to our constitutional forefathers for their terseness of English and the brevity of their statements, said:

The Constitution of the United States, including the amendments, may be read aloud in 23 minutes. It is about half as long as St. Paul's Epistle to the Corinthians, and one-fourth as long as the Irish Land Act of 1881. History knows few instruments which in so few words lay down equally momentous rules on a vast range of matters of the highest importance and complexity.

Even including the 21 amendments, the Constitution after 152 years of development barely exceeds 7,000 words.

What remarkable self-restraint! Single opinions of the Supreme Court on a single phase of the Constitution can be cited which are as long as the entire Constitution.

On September 17 the Convention met for the last time. The document was engrossed and laid before the members for signature. Of the 55 members who had attended, only 42 remained, 3 of whom refused to sign the Constitution. They were Edmund Randolph, George Mason, and Elbridge Gerry.

While the members had not been unconscious of the magnitude of their labors, they were quite insensible to the magnitude of their achievement. The historian Bancroft says they were awe-struck at the result of their labors.

Before the Convention adjourned they resolved:

That the preceding Constitution be laid before the United States in Congress assembled and that it is the opinion of this Convention that it should be submitted to a Convention of delegates, chosen in each State by the people thereof, under the recommendation of its legislators, for ratification; and that each Convention assenting to and ratifying the same should give notice thereof to the United States in Congress assembled.

A sufficient number of States having ratified the Constitution, the Continental Congress reported a resolution for putting the new Government into operation and on March 3, 1789, the death of the old Confederation of States was announced and on April 6, 1789, George Washington of Virginia was declared President by Congress, and on April 30, he was duly inaugurated.

While the Constitution apparently only deals with the practical and essential details of government, yet underlying these simple but wonderfully phrased delegations of power is a broad and accurate political philosophy, which goes far to state the "law and the prophets" of free government.

There are six basic principles of the Constitution to which I wish to call your attention briefly:

First. The first is representative government.

Nothing is more striking in the debates of the convention than the distrust of its members, with few exceptions, of what they call democracy. By this term they meant the power of the people to legislate directly and without the intervention of chosen representatives.

They believed that the utmost concession that could be safely made to democracy was the power to select suitable men to legislate for the common good, and nothing is more striking in the Constitution than the care with which they sought to remove the powers of legislation from the direct action of the people.

Our Government is not a pure democracy, where the people assemble directly to transact the business of the government but is a representative Government because the people act through their agents in transacting governmental business.

Second. The second and most novel principle of the Constitution is its dual form of government.

This constituted a unique contribution to the science of politics. This was early recognized by de Tocqueville, one of the most astute students of the Constitution, who said that it was based upon a wholly novel theory, which may be considered a great discovery in modern political science.

Previous to the adoption of the Constitution, it had not been thought possible to divide sovereignty, or to have two different sovereignties exist at the same time in the same Nation. However, these two sovereignties do exist, the Nation and the State. A citizen is at the same time a citizen of the United States owing allegiance thereto and also a citizen of the State, owing allegiance to that sovereignty.

The Federal Government has jurisdiction over the general affairs of government while the State has jurisdiction over matters particularly pertaining to the State administration.

Sixty-five powers are given to the Federal Government and seventy-nine are withheld, of which thirteen are denied both to that Government and to the constituent States. Forty-three of the sixty-five powers given to the Federal Government are expressly denied to the States; while, as to eighteen powers, the grant is concurrent.

At the time of the adoption of the Constitution, the States were very jealous of any encroachment upon their power and the doctrine of States' rights was developed to the maximum degree. But the tendencies in more recent years are toward centralization in the National Government, to the detriment of the State. As a result several scores of governmental bureaus assume powers formerly exercised by the States. There should be a happy medium between these two extremes if we are to have a government of the people, by the people, and for the people.

Third. The third principle was the guarantee of individual liberty through constitutional limitations.

This certainly was a great American contribution to the science of government. In all previous government building, the State was regarded as a sovereign, which could grant to individuals or classes certain privileges or exemptions, which were called liberties. Thus the liberties which the barons wrung from King John at Runnymede were virtually exemptions from the power of government.

Our constitutional forefathers did not believe in the sovereignty of the State in the sense of absolute power, nor did they believe in the sovereignty of the people, in that sense. They believed that each individual, as a responsible moral being, had certain "inalienable rights" which neither the State nor the people could rightfully take from him.

Under the guarantee of individual liberty a man, by virtue of his inherent and God-given dignity as a human soul, has certain specific rights, such as freedom of the press, liberty of speech, property rights, and religious freedom, which no one can rightfully take from him, without amending the Constitution.

Our forefathers believed in individualism. They were animated by a sleepless jealousy of governmental power. They believed that the greater such power, the greater the danger of its abuse. This theory of government gave a new dignity to manhood. It said to the State: "There is a limit to your power. Thus far and no farther, and here shall thy proud waves be stayed."

Fourth. Closely allied to this doctrine of limited governmental powers, even by a majority, is the fourth principle of an independent judiciary and the creation of the Supreme Court.

Our independent judiciary has been called the balance wheel of the Constitution and, to function, it must be beyond the possibility of attack and destruction.

This country was founded upon the rock of personal and property rights and the sanctity of contracts. The several



States are forbidden to impair the obligation of contracts, nor can Congress take away life, liberty, or property "without due process of law." The guaranty is as old as Magna Carta; for "due process of law" is but a paraphrase of "the law of the land," without which no freeman could be deprived of his liberties or possessions.

In order to protect these rights our Constitution created an independent judiciary. It throws about the individual the solemn circle of the law. It made the judiciary the final conscience of the Nation.

One of the greatest clauses of our Constitution is that which created the Supreme Court of the United States, now consisting of one Chief Justice and eight Associate Justices. This Court during the formative period of our country's history was under the leadership of Chief Justice John Marshall, fourth Chief Justice of the United States, from 1801 to 1835. It clarified and interpreted the Constitution which our forefathers had built. Our Supreme Court is the safety valve of the American Government.

Under our theory of government Congress is the legislative department of government, the President is the Executive, and the Supreme Court is the highest judicial body, not only in the United States but throughout the world. It has been wisely called the highest intellectual forum in the world. May our Supreme Court continue to maintain the high standard which it established during the formative and growing periods of this Nation.

Fifth. The fifth basic principle of the Constitution seeks to prevent the concentration of power in any one man or body of men by a complex system of checks and balances.

It deliberately delays and restrains both the Congress and the Executive to give ample opportunity for deliberation. Thus our forefathers created a bicameral Congress, a powerful Executive, each of which had power to check the other and both of which could in turn, be restrained by the system of short and fixed tenure of office.

The question of the wisdom or the folly of the framers of our Constitution in creating checks and balances could safely be left to any experienced Member of Congress, and such would probably say, with practical unanimity that it were much better that a few good laws should fail of passage by reason of the cumbrous machinery of legislation, rather than the country should be overwhelmed by a destructive flood of unwise legislation, which a single-chambered Congress, subject to no check from the Executive veto, would make possible.

The question of the checks and balances turns largely upon the question whether the real need of the public is for more or less laws. If the interests of the people require efficient power in grinding out new laws, then the framers of the Constitution made a great error; but if the welfare of the people is best subserved by the fewest possible laws and it be thought that a nation is best governed when it is least governed, then the system has been, and still is, admirably efficient in requiring that no law should be passed until after a period of careful deliberation, and then only when two different departments of the Government concur in its wisdom.

Sixth. The sixth basic principle of the Constitution is the joint power of the President and Senate in the determination of the foreign policies of the United States.

This peculiar feature of the American Constitution has been the subject of world-wide comment in the last decade. While such comment was generally hostile, it is interesting to note that the present tendency of many European governments is to imitate the American plan of imposing such joint responsibility upon the executive and legislative departments of the Government.

It is especially important in these days of unrest and of depression to become students of our great fundamental law. It has been our guiding genius for 152 years, from the time when our country consisted of 3,000,000 people along the Atlantic seaboard to today, with its 130,000,000 people.

We are an emotional people, and deep and quick in our sympathies. All too frequently in recent years we have been beguiled in our domestic affairs by appeals to our hopes and

to our fears. In our international outlook, we have been in constant danger that frantic appeals to our prejudices, and equally frantic appeals to our sympathies, would breed a tension or intolerance or an unreasoning devotion to causes abroad that would bring into our country all of the hates and the cleavages of sympathies which underlie the appalling situation in Europe.

In a topsy-turvy world in which many sins are being committed in the name of democracy, we must distinguish between real democracy and the sham and pretense which seeks to masquerade under democracy's cloak.

We must remember that no government can be automatic; that it depends upon the intelligence, the integrity, and the loyalty of her citizens.

The public schools and colleges of our country should present as one of their major subjects a close study of the underlying thought and principles of the American Constitution, because if the youth in our schools of today receive a proper conception of the importance and dignity of the American Constitution, then the future of our beloved Nation is assured.

### Management's New Responsibilities in Our Changing Social Economy

#### EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY C. M. CHESTER, CHAIRMAN, GENERAL FOODS CORPORATION

Mr. KNUTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Mr. C. M. Chester, chairman of the General Foods Corporation, before the United States Potters Association, on January 23, 1940:

Allow me—at the outset—to tell you how deeply I appreciate the honor which you have accorded me by this invitation to speak here tonight.

All of us have a little of the Christopher Columbus spirit in us. We like to make happy discoveries of our own—and I have just recently made one for myself. You see, over a period of years, I thought I knew most of the things to be proud of, as I surveyed the American industrial landscape. But not long ago, to my chagrin and delight, I found that I had overlooked one of the most admirable examples of organizational honor and integrity and co-operation in the whole land.

My only alibi is that perhaps I have been too preoccupied—as management generally is today—with the complications and problems of my own business duties; and I regret that I have known all too little about the fine traditions of the American pottery industry. For it is a stimulating story, gentlemen—an inspiring example of teamwork—and I think a lot of other businessmen and industries need to learn more about you and your good work.

At General Foods, we are proud of our pioneering background; and one of our divisions, in fact, is operating on the same historic site of its founding before the Revolutionary War of 1776 \* \* \* and you pottery makers can look back a long time, too. James Bennett started the first pottery in 1834. The pottery industry is an American tradition of more than 100 years' standing, and yours is one of the oldest trade associations in the country.

But what impresses me is this: Hallowed traditions have not been allowed to become cobwebs shadowing your industrial thinking. Steadily, you marched forward behind the banner of progress. You had the inheritance of pioneers to inspire you to pioneer yourselves.

For example, 40 years ago the United States Potters' Association was encouraging friendly and mutually fair relations with its employees and joining with them in collective bargaining in regard to wages and hours. You long ago set a fine example in cooperation and mutuality of interest between management and labor.

And it is to be regretted that our pottery industry today, despite its internal harmony, should be suffering because of external influences. You have taken a lot of beating from the competition from the cheap-labor countries. And how can your workers expect to compete, when we realize that your industry pays an average of 72 cents an hour, compared with the 4½ cents an hour paid on other shores?

What is the answer? The only suggestions I have are these: Make the truth widely known. Bring your problem fully before

the American public and Government officials. Public education is still a crying need but it is making headway.

However, you realize no doubt that your troubles are not unique. Every industry—and every individual manufacturer—faces difficult problems today. And we have learned from hard experience that industry cannot be coddled and wet-nursed back to robust health—it has to figure out its own salvation.

After all, this is a man-made empire—hewn out of the wilderness, with the Almighty's blessing. At the moment, we're still a free people. Our destiny still is in our own hands.

But along with the realization of self-determination and self-betterment, there is, too, the imperative warning at this critical hour that those of us in industry, business, agriculture, labor, and government who have been elected to posts of responsibility must today dignify the mandate from the people by manfully and intelligently and cooperatively shouldering these responsibilities.

It is the wisdom of history that challenges those who seek to shun the mature duties of mature men and women, and, above all, calls to book those among us who are slackers in trusteeship.

These latter are the guiltiest—the willful slackers in trusteeship. Too easily they abdicate, when troubles and complications challenge their traditional rights to a place in the sun. They are too ready to resign themselves to cynicism—too prone to forget that ours still is a new, free, growing civilization, rich in resources.

I'm afraid some of your friends and mine—some of these slackers in trusteeship—have succumbed temporarily to helplessness, something after the fashion of a famous doctor recently.

This doctor, I am told, woke up the other night. He complained plaintively to his wife of a headache. He groaned and he moaned. Finally his wife turned on the light at the night table.

"Robert," she said, "what is the matter?" And the doctor moaned just like the thousands of patients he had treated so successfully, and he said, "My head aches. My head is splitting."

By now his wife was fully awake. She said impatiently, "Robert, why lie there moaning? You know what to do—you're a doctor. Why don't you get out of bed and do something? You can cure that headache."

But her husband was stubborn. He groaned, "How can I?" And she cried, "How can you—what?" And the doctor said, "How can I do anything now? My visiting hours are from 2 to 6 in the afternoon."

A lot of people, I think, are also groaning about their headaches, when they could do something about it. They could, that is, if they manfully and intelligently shouldered their responsibilities, based on our great inheritance of trustworthy economic and social pathology.

We have possibly entered the most fateful year in our history. A fearless approach to the difficulties we face is the duty of all who can even remotely contribute to their solution.

What, briefly, is the national situation today?

First, beyond our borders 20 nations have abandoned democratic government. Six of the eight most powerful are at war. There is unrest everywhere.

Cruelties of daily occurrence that find their counterpart in the Dark Ages.

The ruthless use of armed might against weaker nations.

Dictators, loss of religion, loss of liberty, loss of hope.

And in our own country, 10 years of increasing debt, with no end in sight. In 1938, Government expenses absorbed the equivalent of all the income produced in every State west of the Mississippi River.

Vast reservoirs of capital lying dormant in our banks, afraid to venture to the aid of productive enterprise.

Millions still unemployed; annually 600,000 men and women seeking and many failing to get employment; and, in consequence, challenging the system which permits these things to exist.

Class consciousness greatly accelerated; the "have nots" against the "haves," the growth of the "Government owes me a living" school.

And, most dangerous of all, the insistent determination of the disillusioned or the vicious to make our system of free enterprise so unworkable that frustrated people will have no more of it and seek an answer to their justified demands in some of the alien philosophies with which we are being infiltrated.

These facts are known to you. Their cumulative recital is only for the purpose of throwing the spotlight on them and emphasizing their seriousness.

By no action of ours, I fear, can we at the moment greatly affect the course of events outside our borders, but we can help to rebuild America on a 1940 pattern, avoiding the pitfalls of the past, and by so doing we can make this country the model that may again appeal to the disillusioned people of other lands, who, after the war, will seek some safer road to happiness.

#### AMERICA'S LIABILITIES

Now, I am no prophet of doom. But let's look clear-eyed at the situation.

First, for more than 10 years America has experienced subnormal business activity and abnormal unemployment. It is the longest period in our history when business did not rise to new high peaks of prosperity. We have plunged deeply into debt. Taxes are higher and national income lower.

Right here in Washington your search will rival that of Diogenes if you try to find the man who knows when our Government will stop going further into debt.

Harmony between government, business, and labor is necessary for the security of America's priceless system of business enterprise.

But, unfortunately, such harmony has only reached the gesture stage.

How, in all conscience, can we solve unemployment except through increased production and lower costs, so that purchasing power can be increased? Yet when there have been moments that business had the ball and started to run with it an unexpected tackle was too often made, and employment and national income failed to gain.

What is the real objective of those who make these tackles? Is business being punished for past decades, or is there a blue print somewhere for some new kind of system? If there is, we business-men should see it. If it is something better and will bring more happiness to more people, we are for it. But if it is only a revamped form of the fallacious doctrines so often disastrously tried out in certain other countries at various times in history, then we must fight against it with every resource we have.

A decided majority of business people accept the principles of collective bargaining and sound labor practices; of old-age unemployment insurance to an extent that our economy can assume it without danger; of reasonable regulation of our security markets; of aid to depressed farm regions; of help for people out of work who cannot find work.

Nevertheless when such changes are effected with what many believe to be a purpose to place private business enterprise under complete political control; when business is hampered instead of encouraged; when 10,000 Government agencies issue regulations having the effect of law, and not one human being can know or understand them all—then loss of confidence is inevitable. The millions of people who do have money to invest are fearful. They do not want to risk investment in a business when they are uncertain as to whether it may be taken over by government. They do not want to venture their savings in enterprise when it is faced with unnecessary restrictions and dangers of destruction by excessive taxes.

There is no need to tell this audience the details of some obvious remedies.

A detailed blueprint of recovery has been worked out by a group of men who seek recovery chiefly because their jobs and the jobs of their employees depend on recovery. I refer to the National Association of Manufacturers. At the Congress of American Industry last month a program and platform were adopted.

In addition to the platform, the association in the last year or two, has drawn up in detail many changes needed in laws affecting business to make such legislation and its administration workable and fair, resulting in greater cooperation and effectiveness.

The association has done a job of this type on all phases of important business legislation. But more than that, it has set up principles for the guidance of its own membership.

For instance, it has written down principles for the best possible relations of business with its investors, employees, suppliers, dealers, and consumers. It is promoting health and safety for workers, scientific and market research, and all other known sound practices within industry. Furthermore, it has a program under way to get this news to the general public.

Other trade associations are working along similar lines. The net effect should be an upward surge of progress within industry. And with or without public education programs, such progress cannot forever remain a secret. But there is not plenty of time, and proper publicity should be used—and more of it—to interpret to the public what is going on.

Furthermore, business in this day of the expert asks that the local, State, and Federal Governments be operated on the same expert efficiency lines.

#### DUTIES OF MANAGEMENT

In light of all this the question then follows: What can be done about it? It is not for me to suggest what government and labor can do about it, but I am sure one of the greatest contributions must come from the managers of industry. That is the field I know best, and if you will bear with me, I would like to discuss the question briefly from that standpoint.

#### LABOR RELATIONS

The business manager must make a study of the whole field of employer-employee relations. More, he must keep in touch with the situation as it changes from day to day. Once, most of the managers worked in the ranks; they knew how their fellow workers thought and felt. But too often today's management becomes insulated from former working mates because of a cordon of assistants and secretaries, and through distance in cases where plants and offices are located in many States.

I consider it one of the prime duties of management to keep in close harmony with the employees. The executive manager should frequently make the effort to go in person through his plants and offices and use his eyes and ears—yes, and his mind and heart.

The manager obviously cannot do the whole job through personal contacts. He needs adequate assistance—soundly trained industrial-relations specialists.

Every little grievance—real or imagined—should be observed as it sends up its first sprout, and should be attended to before it grows up into trouble. Every effort needs to be made to see that employees are fairly paid and treated. After all, managers and wage earners have every reason to get along together—they are business partners, or should be.

Also, the industrial manager today, in his jack-of-all-trades role, must become a public-relations expert.

Above all, whether a company sells directly or very indirectly to the public, the good will of the public—the consumers—is vital.



The consumer is the person with both the family budget and the ballot. If he is sold on the integrity of manufacturing, he trades more freely, and, furthermore, he turns a deaf ear to unjust attacks.

Incidentally, one of the shortcomings of business management is its frequent lack of political sense. We know how to make products well, but we often fail to grasp public attitudes. On the other hand, it is unfortunate that so many highly popular politicians have so little understanding of economics and business.

In training our future business leaders we should make sure that they master public trends of thought and feeling.

And, we might add, in developing politicians for America every effort should be made to give them a thorough schooling in economics and practical business problems. In the meantime people on both sides of the fence need to try hard to overcome their shortcomings in these respects, if they want to avoid further serious mistakes. Conflict is too expensive. It hurts most the national economy. It is senseless and unnecessary.

Industry within itself can do some of the job of restoring employment and aiding recovery. The key to more jobs is found in public purchasing power. If the public can buy more things with its dollar, there will be more buying—hence more jobs. To bring this about there must be constant increases in industrial efficiency, making for lower prices. We, of course, also need the public back of us to demand utmost efficiency in the handling of public funds, so as to moderate the tax load on business. But within the field of business itself the congress of industry has mapped out practical suggestions for increased efficiency.

We must have new industries—new and better products, new jobs and services. We must become explorers again—treasure hunters in the new frontiers right here in our midst.

I, for one, am surprised to realize that only one or two American manufacturers out of every hundred have a research laboratory. And few indeed seem to be using the new techniques of market research. True, industry in this country has done a better job than industry in other countries. But we can and must do more.

#### INVESTOR RELATIONS

What about money—the stimulation of investment?

Probably a fair job has been done in the handling of stockholders by most leading companies. The millions of American investors undoubtedly will have a better feeling when some of the obstacles to sound business recovery are cleared away. Many stockholders have little understanding of the enterprises in which they have invested. The need of more stockholder education and cultivation is imperative.

#### COMMUNITY RELATIONS

By now I hope that I am making what I believe is a significant point in our quest for better times. To my mind, recovery is a patient step-by-step job of self-betterment—the taking of infinite pains, the steady search for new efficiencies.

Thus, for example, I believe more and better work is demanded of industrialists in the community where any plant is located. The main thing here, of course, is to have enthusiastic workers. But the handling of visitors, telephones, and mail are more important than we used to think.

The appearance of the plants—inside and outside—has a decided effect on the community. The local plant manager and his assistants should be trained to become a vital part of community life. All such activities in the community, multiplied a thousand times, give the voting and consuming public its impression of American industry. Industry is more efficient in America than anywhere else, but mere efficiency is no longer enough. We must have public support and approval.

#### MANAGEMENT'S JOB

We could go on and on lining up the challenging duties of modern management. We can point out shortcomings easily enough and we also can show improvement. Still I believe that management in production, distribution, finance, and many other fields has made more progress in the past 10 years than in the preceding 20, and in the next 5 years I believe it will march ahead as much as it did in the past decade.

As a matter of fact, it is vitally necessary that it do so. If another economic hurricane hits America, the fury of a disillusioned public must not be again directed at management, if we want our system of private enterprise to pull through.

To reach this goal a responsible manager of enterprise can help, first of all, in his own sphere of influence, by getting an outstanding job done to obliterate the likelihood of ill will, so that there can be no just basis for attack.

Secondly, by making sure his motives and accomplishments are properly understood by outside contacts.

And, thirdly, by working together with other leaders in united efforts to raise the standards of business as a whole and to let the country know fully and frankly what is being done.

#### AMERICA'S ASSETS

All these are but highlight details in a huge and complicated job—the imperative job of making this isolated citadel of freedom a prosperous land again.

Survey the scene. Sample the ore in the mountain. Analyze the economic factors. And inevitably you find that the gold salted away in those Kentucky hills is but a tiny nugget compared with the untapped national riches that fairly clamor for the pick and shovel.

America may be in a puzzled, disillusioned condition today, but it is not worn out physically, mentally, or spiritually.

Americans are a mixture of many backgrounds and forces which seem somehow to cause an explosion of the atoms, resulting in a new high for ambition and restlessness. They marched from East to West until stopped by the Pacific Ocean. Are we stopped? Not yet! Today we are in the process of pushing forward to some new kind of horizons through laboratory and test tube and inventive genius. There are fires of destiny smoldering among our people—we would like to go places and do things.

Look at our assets.

America is something new in the world from the standpoint of things material. It is demonstrably the world's leader in industry, commerce, and wealth. It produces within its borders most of the things it needs. It has become a leader in science, education, literature, arts, the professions, agriculture, mining, and many other fields. We know in America most of us enjoy standards of living higher than elsewhere—higher than any earlier generation.

An American worker can buy more of almost everything with an hour's labor than can the citizens of other leading nations. Our task is to help more workers to buy more of these comforts of modern existence.

Despite the airplane and fast ocean ships, the Atlantic and Pacific Oceans are two of America's mighty assets. They will be for a long time to come. Other assets are friendly neighbors—Canada and Latin America. We are, therefore, better able to concentrate on our domestic problems, with a minimum of worry about dangers from abroad. To our geography are added other material blessings of Nature—wide variations of climate, soil, and minerals, and supplies of oil, lumber, and waterpower.

#### THE GOLDEN RULE RESTORED

Balance it up, the debits and the assets; the blunders and follies and selfishness, and the signs of new determination to heed industry, which says: "Let's get back to work—let's work together."

Can we make a go of it? Yes; we can. The opportunities and the resources in men, money, and machines are here. But will we?

Possibly it all sums up to this: We'll just have to put more of the Golden Rule into our daily lives. We have got to be less selfish, less casual, and very much more responsive to our duties as citizens, if this system we call American enterprise is to survive.

For free enterprise is in danger. It can't stand up indefinitely under the barrage of calumny, debts, taxes, and unemployment of the last decade; and if free enterprise goes, liberty as we knew it goes with it.

We are sometimes prone to forget that the right of individual liberty in America was not the gift of a king. It was won at the point of a bayonet and pitchfork; but we, for some reason, think that it has become a right in perpetuity, that it will last through the ages. Such thoughts are sweet but only an illusion.

To save our country from disaster and to keep it on the road of progress who in honor can do less than perform faithfully and well the role of good citizenship in this our free democracy?

To do so may mean sacrifices on our part, but the road of individual freedom which winds through the years from Concord up to the present day, was paved in sacrifice. It would never have been built by those too timid to speak their thoughts or man the ramparts. Their courage left us this free America, and the thought I would leave with you tonight is that we turn anew to the lesson written in the eighteenth century upon glazed ware, and find courage in self-sacrifice and self-accomplishment from those pioneers who said:

"No handicraft can with our art compare,  
For pots are made of what we potters are."

Nils Pearson

#### EXTENSION OF REMARKS

OF

HON. B. J. MONKIEWICZ

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY BERNHARD KRAFFT

Mr. MONKIEWICZ. Mr. Speaker, the community in which I reside is proud of its population. It numbers among its residents a great variety of Americans and people of many extractions. Among its leading citizens, as in many other communities of my State and a great portion of these United States, are the descendants of the Swedish race. A quiet, respectable, peaceful people; lovers of good, conscientious, hard work; earnest in their endeavors and devoted to the

principles of this country, they have become a valuable asset in our American life. Their contribution to the culture and refinement of our country, as well as of the world, through their achievements in the fields of art, the sciences, music, and literature is of inestimable value.

The city of New Britain, Conn., is honored by the fact that for a great many years it had had as one of its residents Nils Pearson, a leader of these people and one of the founders and the first grand master of the Vasa Order of America. On October 8, 1939, at the dedication of a monument erected over Nils Pearson in Fairview Cemetery, an address was delivered by Bernhard Krafft, of Buffalo, N. Y., present grand master of the Vasa Order of America, which address, under leave to extend my remarks, I hereby insert in the Record:

Members of the Vasa Order of America and assembled friends, ladies and gentlemen, it is with deep reverence in our hearts that we are gathered on this solemn occasion to pay homage to the everlasting memory of Nils Pearson, the principal founder and first grand master of the Vasa Order of America. Only too well do I realize that nothing I could possibly say would add to the affectionate regard and high esteem, in which he has enshrined himself with all who had the privilege of knowing him or working with him, nor with the many thousands who today enjoy the benefits of his stalwart, constructive and, above all, sincere leadership. Yet it is only appropriate that a fitting record should be left to eternity of the virtues and achievements of a man that so nobly and unselfishly gave his very all in the service of his fellowman.

Nils Pearson was born in Sweden, the province of Blekinge, on April 24, 1850. As many other young men of his day, he felt an irresistible urge to travel in quest of greater opportunities, and this brought him to America in 1884, where he settled here in New Britain, Conn. Of his early life we know but little, except that he came here equipped with a good education and thorough training in his chosen field of engineering.

As all genuine men, so was Nils Pearson unassuming and plain. He cared not for pomp or ceremony, nor for ostentatious recognition of his life's accomplishment. Were he alive today, he would not have allowed us to single him out from among others of those early pioneers. Still his services to the Vasa Order stand out like a glittering beacon in the darkness of the night. Truly he earned the name of the "Grand Old Man" of the Vasa Order, and as such he will always live in our grateful memory.

The Vasa Order of America never had a truer exponent than Nils Pearson of its adopted motto: "Generosity, truth, and unity," and by an abundant display of all these sterling qualities he endeared himself to us all. Truly he was generous, and gave freely in his untiring effort to serve and assist his less fortunate fellowman, and what makes his star shine brighter in the blue sky of our souls is the fact that he did it unassumingly and without thought of reward.

Those that were associated with him through his long and honorable life, and therefore knew him best, proclaim him as being scrupulously honest. To them his word was his bond. The many problems of those early struggles to establish our order he faced squarely and courageously, never choosing the easiest way out, but facing each issue as it came up with determination and devotion to duty. Sham and hypocrisy were no part of his nature, neither was there ever anything artificial detected in his make-up. Nils Pearson was true to every trust confided to him; he was genuine.

It was not only new opportunities, however, that faced these early pioneers, but also serious problems. Most of them had suddenly become separated, at least temporarily, from both family and friends, and been placed in an altogether new and strange environment. In case of eventual misfortune they stood alone and had nobody to fall back on. To aid and assist his fellowman has long been recognized as a legendary virtue of the Swedish people, and this tendency soon found an outlet among the early settlers to band themselves together in fraternal groups for mutual aid and self-protection.

Nils Pearson was a firm believer in the age-old axiom that in unity there is strength. With this conviction firmly established in his mind, he soon visualized the importance of bringing these many small, independent groups together in a Nation-wide association, and this theory became an established fact in 1896, when the Vasa Order of America was organized.

At the outset, the purpose of the order was mainly directed toward aiding and assisting the Swedish immigrant in case of sickness and distress, and to safeguard for him an honorable funeral. In later years, however, as the Swedish immigration has more and more decreased, a new field of service has been entered upon, which is directed toward the younger element in an attempt to have the characteristics and cultural inheritance of the Swedish people kept alive and perpetuated to generations to follow.

Today we find locals of the order working for the above-stated purposes in every town or hamlet in both the United States and Canada, where people of Swedish birth or extraction toil and build. Thus it can truly be said, that the little seed which Nils Pearson planted 43 years ago, has grown from a small sapling to

a large and strong tree, that today spreads its protecting branches all over the American Continent.

After a long and meritorious life, and having reached the ripe old age of nearly 88 years, Nils Pearson's journey came to an end in Caanan, Conn., where he died on February 9, 1938. The grand lodge of the Vasa Order of America, holding its triannual convention in Philadelphia, Pa., concurrent with the tercentenary celebration of the first Swedish settlement on the American continent, decided by unanimous vote to erect a fitting monument to its principal founder and first grand master, and the result of that decision stands now before you, ready to be unveiled.

By that mandate we are here today to consecrate the grave and for all time enshrine the memory of Nils Pearson. He is no longer a trusted member of our council, nor is he still toiling with our problems. He has completed his journey through life, and now entered "that unknown country, from whose bourne no traveler returns." But, even if he has left our midst, his name will leave with us an inspiration and a benediction, giving us strength and courage to carry on where he left off. He lived in the belief, that even if we today are forced to taste occasional sorrow, by concerted effort it will be a happier tomorrow. Yes; that is the kind of meditation that gives comfort to the human soul and brings out what is fine and noble within us.

My friends, a great life like that of Nils Pearson never dies, because great deeds are imperishable. He who loves his fellow man, who accomplishes something for human happiness and human good, who lives not to himself alone, but freely and fully for all mankind, lives on in the hearts and minds of their fellow man—he knows not death. And so will the memory of Nils Pearson live as an inspiration for us to cherish and cultivate the structure that came out of his foresight and genius—the Vasa Order of America.

### What Some Southern Editors Think of the President's "Squeeze" Plan

#### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. HOFFMAN. Mr. Speaker, the President is ever giving advice, ever suggesting new experiments. Not so long ago he said, "The South should get out of hock to the North."

Presumably he meant that the South should build its own factories, furnish the money for development of its own industries.

To the President's statement the Charleston (S. C.) News and Courier (Democratic) in part, had this to say:

The South can build factories. . . . Why does it not? The people are afraid of his government. They are afraid of him . . . afraid of his laws . . . in terror of his new, his strange, his multifarious forms of taxation . . . of the competition of his government with concerns in which they might invest. They see Government building houses and renting them. Why should they put money into houses and lots? They see Government developing electric power. They steer away from purchase of bonds and shares in private corporations selling electric current.

They are afraid to take a mortgage on a farm for they are not sure how long Government will permit it to be tilled. For the same reason they hesitate to buy lands. They cannot lend money at 6 percent, for Government, as a lender, underbids them. They behold Government borrowing billions and practically compelling many of the banks to lend it. . . . They interpret him as an advocate of currency inflation, and that means debt repudiation.

Before their eyes is the evidence every day that if they buy shares in any industry, they who have sweated, sacrificed, and saved . . . Government may destroy its values. Yes, Mr. President, thousands of our people have thousands of dollars lying idle in banks. There was never before such a plethora of the stuff. Our people, those who have money, are not only without faith in Government, but are rapidly coming to believe that Government is their enemy, and that they prefer to have their properties in hock to the North than under the club your Government swings over them.

The above does not come from a partisan Republican, nor from a so-called Northern Conservative Democrat; it comes from the South, and if the South can shake off its blind adherence to a party label, the New Deal reign of business oppression will be ended and there will be no third term.



## Address of the Postmaster General

## EXTENSION OF REMARKS

OF

HON. MILLARD F. CALDWELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. CALDWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. James A. Farley, Postmaster General of the United States, at the dedication of the new Federal building, Pensacola, Fla., on Tuesday, January 23, 1940:

Ladies and gentlemen, I am happy to join with Senator CHARLES O. ANDREWS, Representative MILLARD F. CALDWELL, and other Federal, State, and local officials in dedicating this Federal building to the needs of Pensacola.

The best measure of a community's growth and progress is the history of its postal receipts, and, judged by that standard, Pensacola has every reason to feel proud of its record down through the years.

Although Florida was ceded to the United States in 1819, the first record of a United States post office here was in 1822. There are no figures available on the receipts for that year. But 5 years later, in 1827, the net receipts totaled \$1,123.44. Pensacola had hardly begun to grow.

The intervening years, however, have been marked by the steady march forward of your city, and last year the postal revenues reached the substantial sum of \$182,200.30. It was this increase in revenue which justified the erection of this excellent building, which houses not only the post office but other agencies of the Government, as well.

The gain in income is only one of the many remarkable changes which has taken place since the early day when Pensacola first became a link in Uncle Sam's far-flung postal system. The delivery of a letter was something more than a routine governmental transaction in the far-off period of the 1820's. There were no trains, no airplanes, and no motor cars to rush delivery of the mails from one end of the country to the other.

When the office was first established, there was only one mail route reaching Pensacola from the outside world, and this route involved a long and tedious journey by stagecoach and horseback for the letter carriers of that day. By 1830 there were three routes coming here, but the method of transportation was essentially the same. A letter from a sister State up north took several weeks in transit.

The high-speed service now in operation presents a picturesque contrast to those early days. In one swift flight letters are borne across the continent in one night by means of the air mail service. For the regular mail service, the Department at Washington employs every device of rapid transit which the ingenuity of man has been able to develop. Some of the methods employed include special high-speed mail trains, motor trucks, and underground tube service in the larger cities.

This advance in the methods of communication has helped to bring the people of Pensacola closer to every spot on the civilized world. The businessman, corresponding with a customer in a far-off State, is not compelled to wait weeks and months for an answer to his query. The individual, who has a friend or relative on the Pacific coast, or even in a foreign country, may write a letter with the assurance that a reply may be expected in a reasonable time.

The size of this gathering here today indicates that the citizens of Pensacola are proud of the building that has been erected here. Those present may observe its attractive appearance. It is of contemporary design with limestone and stucco walls, limestone trim, and wood, and double-hung windows. The building is three stories high and has ample accommodations for the post office, the Federal court, the United States marshal's office, and other governmental agencies. It will be adequate to meet the needs of this city and the surrounding territory for some years to come.

The construction of a Federal building at Pensacola is part of a policy and a program adopted by the administration in power at Washington to meet a pressing national need. The economic depression which overtook the United States nearly a decade ago resulted in the loss of employment for millions of worthy citizens who had no other means of subsistence but their daily toil.

In 1936, Congress moved to meet this emergency in part by enacting the Emergency Construction Program Act. The purpose of the act was to utilize the credit of the Government in providing work for the unemployed on useful and worth-while public projects. The administration proceeded in the belief that to use Government funds in this manner was not only sound public

policy but good business as well. In the past, the erection of a public building in a growing community has proved itself to be a wise investment and there is reason to believe that the buildings constructed under the present program will also justify themselves from the economic standpoint.

I am pleased to report that in the great task of economic rehabilitation and readjustment, the administration has had the constant support of the two Senators from your State, Senators PEPPER and ANDREWS, and also of the Florida members in the House of Representatives. The loyalty of the Florida delegation has been a potent factor in the success of the administration's program.

It has been charged that the money spent on public works has been wasted. That is a gross misstatement of the facts. In a program of such magnitude there may have been some miscalculation and occasional waste, but for the most part, the money spent was translated into property that today is worth all the dollars invested in it.

The Government has constructed or repaired about 200,000 miles of public highways, built more than 7,000 miles of storm and sanitary sewerage, erected 32,000 bridges, and put up a vast number of up-to-date public buildings. Large areas of grassland in the farm belt have been reforested—a form of soil conservation that should be of great help in preventing the type of dust storms which plagued the country a few years ago.

There is not time here to review all the worth-while things which the country has secured for the money invested. It is sufficient to note that the physical plant of America is in better shape today than it ever was before because the Government had the foresight to employ the Nation's idle manpower during a period of economic stagnation.

While the Roosevelt administration has been sharply criticized for its policies, a study of the various measures written into law will convince any fair-minded person that the sole purpose behind them was to protect and preserve the economic security of the great mass of American citizens. If conditions were ideal, of course, it would be better to get along without such legislation. But the fact remains that to refuse Federal aid for the farmers, the workingmen, and the needy unemployed under the kind of conditions which have prevailed, would be nothing short of a reckless gamble with the Nation's future.

Individuals may differ about the merits of the administration's agricultural program, yet every person who has explored the subject is ready to admit that some form of Federal aid is absolutely necessary.

A good example of the kind of legislation sponsored by the administration is the Social Security Act—the most humane piece of legislation ever written into the statutes of the United States. Payments under the act are beginning this year. When it is in full operation the Social Security System will help to stabilize the entire economic structure, besides providing assistance for a most worthy class of citizens.

It may be objected that the United States got along fairly well for a century and a half without the Government setting up this form of social insurance for the old folks. That is correct, but conditions are radically different from what they were in former times.

There was a time when the United States was largely a nation of farmers; and when old age came to the tiller of the soil he could sit before the fire in his own homestead and let the children carry on. But with the development of an industrial civilization all that has changed.

Many millions of men now toil for wages in factories and shops; and with the speeding-up process the man of 40 is haunted by the fear that he may be thrown out of his job for a younger man. It is easy enough to say that the average man on average wages should save enough to live in idleness in old age, but you and I know it simply is not so.

And so millions of men, worried about the future, have lived in constant fear. And this fear makes for a resentment against the entire social system, the kind of resentment which so often in the past has helped fan the fires of social revolution.

Under the new Social Security system, the worker will have the satisfying knowledge that provision has been made to take care of him when he is no longer strong enough or swift enough to carry on.

The banking structure in any country should be a major concern of government. The savings of the people should be given every safeguard to make sure that they are not lost or wasted by those who operate the banks. Yet, before the present administration came into power, it is an unpleasant fact that more than 10,000 banks had failed over a period of years, resulting in enormous losses for the most thrifty citizens in the communities where the banks were located.

The Roosevelt administration moved swiftly to correct that condition. Today every bank deposit up to a maximum of \$5,000 is insured and the number of failures has been reduced to a fraction of what they formerly were. This is another example of a wise government taking necessary precautions to protect the interests of its citizens.

One of the major causes of the economic collapse of a few years back was the wholesale issuance of securities that were either worthless or worth only a small part of the value they were supposed to represent. Many thousands of honest investors were the victims of this vicious system. Since then the Securi-

ties and Exchange Commission has been created to exercise supervision over the issuance of stock certificates. The former wholesale swindling of investors has been stopped.

It would be possible to continue indefinitely the list of worthwhile measures which have been enacted for the sole purpose of promoting the general welfare. These laws were not put there to promote the well-being of any favored class or group. They were designed to aid the great mass of average American citizens who have every right to the full protection of their Government.

The country has been rocked and shaken during the past few years by explosive controversies over the merits or demerits of legislation enacted by Congress to deal with domestic problems. There have been heated exchanges and many exaggerated statements have been made by partisans on both sides. This is the accepted American way and I doubt if any serious-minded people would have it otherwise.

But when all the record is in, I think that the great majority of the people, regardless of party, approve of the outstanding measures taken by the administration to promote the general well-being. It was a period that called for strong leadership and the public was fortunate to have a man in the White House who measured up to the test in every way.

No matter what our viewpoint on domestic issues, the need for national unity in the face of turbulent world conditions was never greater than it is today. It is the fervent wish of us all that the United States may continue to go forward along the pathway of peace and progress.

In his message to Congress on the state of the Union, President Roosevelt voiced the need for a united people in compelling language when he said:

"These words 'national unity' must not be allowed to become merely a high-sounding phrase, a vague generality, a pious hope, to which everyone can give lip service. They must be made to have real meaning in terms of the daily thoughts and acts of every man, woman and child in our land during the coming year and the years that lie ahead.

"For national unity is, in a very real and deep sense, the fundamental safeguard of all democracy."

Under the wise leadership of President Roosevelt, this Nation has made substantial progress in finding a solution for the same kind of economic and social problems which have brought about such fateful consequences in other lands. The solution has been found within the framework of traditional American principles and institutions.

The lesson for the United States is to continue along the course already charted. The ideal of national unity and national prosperity can be achieved in no other way.

## Emancipation Day—A Verse for the President's Birthday

### EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

POEM BY GEORGE SANFORD HOLMES

Mr. LEWIS of Colorado. Mr. Speaker, in praise of the humanitarian purpose—the treatment of victims of poliomyelitis, or infantile paralysis—to which are devoted the proceeds from the dinners, balls, and other entertainments held on January 30 in celebration of President Roosevelt's birthday, Mr. George Sanford Holmes, of Denver, Colo., wrote the following poem:

EMANCIPATION DAY—A VERSE FOR THE PRESIDENT'S BIRTHDAY  
(By George Sanford Holmes)

Somewhere today a child strapped to a bed,  
Or manacled in steel, with shining face  
Will smile at thought of you and know the brace  
That harnesses him to patience will be shed.  
Somewhere a mother, when your name is said,  
Will breathe a prayer and wish you health and grace,  
The while she sees a loved one romp and race  
And dance on limbs restored as from the dead.  
A new emancipation day is this,  
For shackled prisoners of paralysis;  
With purse and power a mighty land responds,  
To ransom captives from their lingering bonds,  
Its gold and genius pledged to your decree  
That youth enslaved to "polio" go free.

## Reciprocal-Trade Agreements Raising Havoc With West Coast Lumber Export Trade

### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. ANGELL. Mr. Speaker, I have often called to the attention of the House the importance of the forest industry to the people of my section of the country—the great Northwest—and to the serious plight in which that industry now finds itself. Since 1934 there has been a loss in excess of a billion feet of forestry products annually in offshore trade. This has affected, directly or indirectly, every family in the Pacific Northwest. It has meant the loss of thousands of jobs in this industry as well as unsettling employment in many other operations directly connected with this undertaking. The loss of a billion feet of lumber from our trade means the loss of 2,000,000 days of work every year, aggregating \$12,000,000 in wages.

Export trade in this industry, which formerly employed 12,000 sawmill and logging-camp workers, now employs some 4,000, resulting in a loss of 8,000 jobs for these workers.

Half of the territory of Oregon and Washington is forest land, and more than half of the industrial pay rolls in the two States comes from this one industry. This territory alone has the largest supply of exportable Douglas fir of any section in the United States. The Federal Government, forestry departments of Oregon and Washington, and private owners of forest areas are cooperating to the fullest extent in an endeavor to preserve this great industry and to preserve its continuity by selected cropping, reforestation, and other safeguards to insure a continuous crop.

Markets for our forest products have been lost or curtailed by our own operations under the reciprocal-trade agreements, foreign discriminatory or preferential tariffs, barter systems, quotas, limiting the volume of imports, exchange controls, managed currency, subsidized shipping, and other methods designed to place our own export trade at a disadvantage. In cooperation with others in the House and Senate I have introduced H. R. 7463, designed to give some relief by placing the power in the Maritime Commission to give lumber and manufactured timber products the export shipping services contemplated in legislation previously enacted by the Congress. This legislation is designed to make American lumber and manufactured timber products competitive in the major markets of the world insofar as it is affected by transportation. It is hoped that this legislation, with such amendments as may be deemed necessary, will be enacted at this session of the Congress, in order to afford some relief to this great industry.

Mr. Speaker, as a part of my remarks I ask leave to include an address recently delivered by Mr. W. B. Greeley, secretary-manager of the West Coast Lumbermen's Association, dealing with foreign trade in west coast lumber. Mr. Greeley is an outstanding authority on this industry, and this address is most informative and thought-provoking.

It is important to note that Mr. Greeley in his statement calls attention to the fact that four-fifths of the offshore lumber business of the west coast has been lost in the last 10 years and that the reciprocal-trade agreements have not only failed to restore our lost trade overseas but they have left lumber in a worse condition than it was before this policy was launched. He also states that protection of our domestic markets in the United States should be the first concern of the west coast lumber industry. Unfortunately, the reciprocal-trade agreements thus far negotiated have not only failed to protect this American market for American products but they have lowered the bars not only to increased Canadian importations of lumber products but have also, through the most-favored-nation clause, opened our



markets to the other lumber-producing countries of the Old World.

Mr. Greeley's address is as follows:

**THE EXPERIENCE OF WEST COAST LUMBER IN FOREIGN TRADE—WHERE DO OUR INTERESTS LIE?**

This is a plain, unvarnished talk. Passing by the glowing generalities usual in discussions of foreign trade, what are the cold facts in the situation of west-coast lumber?

**THE WEST COAST HAS LOST MOST OF ITS EXPORT TRADE**

The first cold fact is that our industry has lost four-fifths of the offshore business which we had 10 years ago. In round numbers we have lost a billion board feet in our yearly export volume. Roughly, \$15,000,000 to \$20,000,000 less business each year; and eight or nine thousand less jobs in our sawmills and logging camps. From an industry exporting 15 or 18 percent of our production, we have become an industry exporting 5 or 6 percent.

The whole American lumber industry has lost two-thirds of its overseas lumber market. All American lumber exports have dropped from 3,000,000,000 to 1,000,000,000 feet a year. Prior to 1930, American sawmills led the world in international lumber commerce. Now we have dropped to fifth place. We are surpassed by Sweden, Finland, Canada, and Russia. And Poland was about to crowd the United States into a still lower notch before the war broke.

Of all American species of lumber, Douglas fir has suffered most heavily in export trade. The American hardwoods have lost 45 percent of their former volume, southern pine has lost 63 percent; Douglas fir has lost 79 percent.

**RECIPROCAL AGREEMENTS HAVE NOT RESTORED FOREIGN LUMBER MARKETS**

The second cold fact in the west-coast situation is that the reciprocal-trade agreements have not only failed to restore our lost trade overseas, they have left lumber in worse case than before this policy was launched. In 1933, 1934, and 1935, west-coast lumber on the one hand and British Columbia lumber on the other had reached a fairly stable division of markets. The United States was well protected for the American industry by the tariff and excise tax. The British Empire was well protected for the Canadian industry by preferential tariffs. The net effect of the trade agreements with Canada and the United Kingdom has been to tear down the protective wall around the United States, not only for the benefit of Canada but of every other lumber-exporting country in the world, while leaving the protective wall around the British Empire practically intact. It is probably true that our high-priced clear and shop items have moved to Great Britain a little more freely under the very limited concession from the preferential lumber duty contained in the trade agreement with the United Kingdom of 1938. But our status as a supplier of the United Kingdom remains substantially unchanged. We get only the business, either in volume or in grade, that the mills in western Canada cannot supply.

That is where we stand with the entire British Empire.

For example, while the United States pays South Africa a tremendous bonus for her gold that country's discriminatory tariff against American lumber is still in full effect.

On the other hand, imports of Canadian fir and hemlock into the United States have increased about fivefold. Under the old division of markets we sold, annually, in the British Empire about double the volume of lumber that British Columbia sold in the United States. The reshuffle has enabled British Columbia to sell in the United States, prior to the emergency war purchases of England, three times the volume of our lumber moving to the entire British Empire. In the plain terms of business accounting, a former trade balance of 2 to 1 in favor of the American industry has been converted to a trade balance of 3 to 1 in favor of the Canadian industry.

While there have been slight changes favorable to lumber in other trade agreements, nowhere in all 20 of them has any real market been opened that would compensate for the domestic business we have turned over to Canada. The record of diminished west-coast exports speaks for itself. The role of the west-coast lumber industry in the foreign-trade program of the Government appears to be that of the sacrificial lamb, offered on the altar of Canadian appeasement. It is not surprising that the proposed renewal of the Foreign Trade Agreements Act brings no resounding cheers among west-coast lumbermen.

**THE HANDICAP OF HIGH LABOR COSTS—IN FOREIGN TRADE**

There are more cold facts that we should face. And one of the coldest is that the high cost of labor in the manufacture of west-coast lumber is probably our greatest handicap in competing for world trade. Let us analyze our situation fairly, and not try to make the reciprocal-trade policy a scapegoat for all our troubles. In round figures, the lumber industry of western Oregon and Washington pays an average wage 20 cents per hour higher than that of British Columbia, and must carry a higher overhead cost of 40 or 50 cents per thousand feet because of the shorter work week imposed by Federal law and labor relations. The unemployment and social-security benefits accorded employees by American law cost this industry another 40 cents per thousand feet. The labor cost of production in the Pacific Northwest is from \$3.50 to \$4 per thousand feet higher than in our competitor industry on the north.

I do not assume that this tells the whole story of comparative production costs in Canada and the United States. But it is self-

evident that the pinnacle of high labor cost on which the west-coast lumber industry finds itself, operates with special disadvantage in competing with Canada for world markets. Especially is this true when, as in the case of British Columbia, our rival maintains an aggressive foreign-trade policy, designed to keep its lumber competitive in the markets of the world—a policy expressed in dealing with labor, in port and stevedoring charges, in export shipping subsidies designed to aid lumber in most of the trade routes of the world. All of which is best expressed by the difficulty of the west-coast industry in holding its place in open markets where there are no discriminatory tariffs, like those of China and Japan.

**PROTECTION OF DOMESTIC MARKETS SHOULD BE OUR FIRST CONCERN**

From our experience in these competitive relations, it seems clear that protection of our domestic markets in the United States should be the first concern of the west coast lumber industry. Those are the marching orders of this association, from our committee on governmental relations. A test came in connection with the Canadian trade agreement of last year. It promised a further, though far from adequate, reduction in the preferential lumber tariff of Great Britain—when and if the American excise tax is wholly abolished. This was obviously an invitation from the State Department to go along in its quest for export markets, at a sacrifice of domestic trade. We said that, notwithstanding our desire for greater outlets overseas, protection of the American lumber market must come first, that the excise tax on lumber imports should be renewed. That was done, and it should remain the cornerstone of west-coast policy.

As part of the same necessary protection of the home market for the industry and labor of the United States, whatever may be done in renewing the Foreign Trade Agreements Act, there are some things that should not be done.

The trading powers of the Department of State should be limited to the adjustment of duties. They should not be permitted to invade the internal labor and recovery policies of the United States, as was done when the last Canadian trade agreement wiped out the requirement that imported lumber be marked to show its country of origin.

In the second place, reciprocal trading should not be permitted to destroy the well-established principle in American tariffs—of equalizing foreign with domestic costs of production. The present Foreign Trade Agreements Act suspends section 336 of the Tariff Act of 1930 as to any article covered in a reciprocal-trade agreement. As to such articles, the President, the Tariff Commission, and Congress are powerless to make any tariff adjustments to protect American wages or other production costs against the lower costs of imported goods. And nearly every trade agreement has bound certain commodities on the free list and thereby taken from Congress the power to establish any duties on such commodities. Thus, in the trade agreement with Sweden wood pulp is bound on the free list. As long as that agreement stands the United States has tied its own hands from providing any protection for its own wood-pulp industry. If the Foreign Trade Agreements Act is renewed it should at least reinstate section 336 and thereby restore to the Tariff Commission its function of adjusting duties within the limits prescribed by law, in order to equalize foreign with domestic costs of production.

In the third place, the trading powers conferred upon the State Department should not bind the Government of the United States against the adoption of antidumping duties necessary to offset the depreciation in foreign currencies. It is true that every trade agreement contains an article which permits either party to offer amendments in the event of wide variation in exchange. But the State Department is evidently unwilling to invoke this reservation unless serious injury is demonstrated by some American industry. And then relief would be subject to the long delay of negotiating all of the questions that have arisen on either side under a particular agreement.

For more than 4 months Canadian dollars have had an official, established discount of 10 percent or more in American dollars. This new factor in competition is affecting the importation of Canadian lumber and shingles. There have been periodic attacks upon the American wood-pulp industry by the depreciated currencies of northern Europe. In 1932 discount rates in north Europe exchange, of from 25 to 30 percent, dealt a body blow to the wood-pulp industry of the Pacific Northwest; and in 1939, before the outbreak of war in Europe, a similar situation had our Northwest pulp mills working at half capacity and millions of feet of hemlock logs left in the woods.

We can readily visualize the economic warfare that will follow the end of the present conflict in Europe. Every country involved, and the suffering neutrals as well, will seek to recover their lost trade, to reemploy their men in industry, to speed up economic recovery. We will go through a long period of unstable currencies and of "managed" inflations to stimulate the industries of particular countries. It would seem essential that the United States retain the right to deal with these threats against our home industry and employment by some clean-cut, generalized form of antidumping duty to take up the slack in foreign exchange, and that our country should not be compelled to deal with these trade crises through the slow process of renegotiating a score or more separate foreign trade agreements.

This is all to say that, if the reciprocal-trade policy is continued, it should be brought into harmony with the labor policy of the United States; with our monetary policy and gold-purchasing program; and also with the essential needs of our home industries for

protection from sudden disruptions and changes in economic conditions abroad. On the one hand, the United States has set out on the most advanced program in the entire world for protecting its labor—in wages, working hours, compensation when unemployed, and pensions in old age. But another division of the Government, in its pursuit of international commerce, destroys the safeguards and aspirations for American labor. It would certainly seem that now is the time to unify these two Federal policies on some common ground.

There is one other thing which I believe should not be done if the Foreign Trade Agreements Act is renewed. It should not remain a "star chamber" affair. American industries are entitled to know what is proposed in a trade agreement before the Government is irrevocably committed to it; entitled to an opportunity to point out how a pact will work, so that errors may be corrected before the deal is ratified. This would be accomplished by a requirement for Senate ratification. At the very least, a proposed trade agreement should be published and cooled off for 60 days prior to its final acceptance by the Government. This would enable affected industries or labor groups to point out its precise effects and thereby better enable the State Department to review its own work while there is still opportunity for change.

#### SHOULD THE FOREIGN TRADE AGREEMENTS ACT BE RENEWED AT ALL?

At about this point many of you are saying, "Then, why not ditch the whole works?"

Perhaps the only practical answer is to let the Foreign Trade Agreements Act die and be buried, without benefit of clergy. But before throwing our clods of earth upon its coffin, I suggest we stop, look, and listen.

I don't need to tell the men in this room how seriously the west-coast lumber industry needs the large trading area and range in lumber orders that can be obtained only when a substantial foreign market supplements our domestic market. Or how much better balanced and more economical is the utilization of our timber when orders for export cutting are plentiful. One of the serious losses in recent years has been the wastage of raw material, the greater cost of production, and the glutting of the domestic market with low-grade 1-inch and 2-inch items, because of the dearth of export business.

Nor do I need to emphasize how heavily the loss of export markets has fallen upon a number of west-coast tidewater communities and their labor. Nor how the economy of the whole Pacific Northwest has suffered from the "missing ships and missing men" that were formerly engaged in offshore trade. Within the past 5 years 41 substantial mills have dropped out of the west-coast lumber industry. Upward of 2,500 jobs have gone with them. The great majority of these mills were in tidewater communities; and had been maintained substantially by offshore trade.

The practical question is, Adhering to what we regard as necessary protection of our domestic markets, can we then recover the greatest volume in business overseas by killing the reciprocal-trade policy, or by continuing it in modified form?

Here I suggest a few more practical facts to consider:

First. If Congress declines to renew the Foreign Trade Agreements Act, no new agreements can be negotiated; but the Canadian agreement is an international obligation and will presumably run for the full 3-year term from its date of ratification. That means for 2 years more—unless Congress should intervene with compulsory adjustment or cancellation.

Second. Lumber has already taken the worst punishment that can be administered under the law. Our duties have been cut to the maximum extent allowable, and the benefits of that cut have been extended to every country in the world that ships lumber to the United States. We have put our share into the contribution plate for international commerce and peace. Possibly from now on we may get some returns.

Third. A number of trade agreements remain to be negotiated, including Argentina and other Latin American countries, Australia, and South Africa. Some of these will doubtless materialize and some will not. But it is not inconceivable that a continuation of the reciprocal-trade program may reopen important offshore outlets to the west coast lumber industry, and I believe I am justified in saying that the State Department recognizes our emergency in lumber exports and will keep lumber in the forefront of negotiations where there is opportunity for additional foreign markets.

Lastly; and this, in my judgment, is the most important fact on our foreign-trade horizon. We are in a world of numerous and complex trade barriers and we will see a fresh recurrence of them in the struggle for recovery following the present war. Even now, all around us, there are discriminatory tariffs favoring the products of one country over another; bilateral agreements or barter deals between two countries from which the rest of the world is shut out; managed currencies, designed to give the products of one country a competitive advantage in the markets of another; export or shipping subsidies, designed to reduce the cost of getting the products of one country into foreign markets; exchange controls, which limit the purchases of foreign goods by citizens of the countries concerned; and so on, and so on.

These are the conditions that the west-coast lumber industry must meet and overcome if we are going to trade abroad. They are not conditions that we can overcome ourselves. They are beyond the possibilities of trade promotion; most of them are beyond the possibilities of price cutting. Very largely, these barriers to trade can be broken down only by our Government. And to do that, our Government must be armed with trading powers. It

must be able to bargain across the table. "You do this for my industry, and I'll do that for your industry." I cannot picture important headway being made in removing the barriers against our lumber overseas, except through the principle of reciprocal trade.

Nor can I picture the west-coast lumber industry as content to quit the export field or wait, like Elijah, for the ravens to bring an occasional order. We need export markets. We should be aggressive in going after them. I believe we will gain more overseas trade in the long run if the reciprocal approach to this maze in the commercial relations of the world is retained.

But its retention should carry real safeguards. While reciprocal trading is probably the best key to the closed doors of offshore markets, its use should not permit one industry, however limited its political influence, to be "sold down the river" for the advantage of more powerful industries. And certainly foreign trade pacts should not be permitted to reduce the employment or lower the working standards of American labor.

While I believe lumber should support the reciprocal principle, we justly demand a far better application of it than we have had thus far.

#### St. Lawrence Seaway

#### EXTENSION OF REMARKS

OF

#### HON. PIUS L. SCHWERT

OF NEW YORK

#### IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. SCHWERT. Mr. Speaker, my colleague from the great State of New Jersey, MARTIN J. KENNEDY, has offered a measure requesting that all negotiations for a St. Lawrence seaway pact be suspended until a very thorough study and survey of the subject can be made. When original negotiations began the subject was considered to be solely in the nature of a treaty, and it would therefore be a subject only for Senate consideration; and it would require a two-thirds vote of that body. We learn from recent statements that authorization for this deep-waterway canal may take the form of an agreement between United States and Canada under a resolution which would require only a majority vote of both Houses.

It therefore behooves every one of us, Mr. Speaker, to carefully study and weigh the many interesting and expensive problems presented to the United States, to the State of New York, to my own congressional district, and to every taxpayer by this proposed St. Lawrence seaway which has been under discussion by conferees of the United States and Canada for some time. If the problems are considered in a nonpartisan manner by any of the above groups to which it might be presented, the final decision of these considerations would favor the immediate adoption of the previously mentioned Kennedy measure; and the final decision, following the investigation mentioned in this measure, would, I believe, be against approval of the project—at least at this particular time. I therefore hope my colleagues will bring the Kennedy bill before the House for adoption, so that proper investigation and hearings can be held on this most important subject. Do not accept it as a minor piece of legislation, overshadowed by appropriation and war questions—it is important now, and it will always be an important question.

While respectfully requesting approval of the Kennedy bill, may I take this opportunity of setting forth reasons why, in my humble opinion, the St. Lawrence seaway should not be approved at this time. It is my belief that completion of this seaway pact would strike a disastrous blow at established United States business, to say nothing of the additional burden placed upon the taxpayer to build and maintain it.

Let us analyze a few of the questions already presentable for our consideration: Is such a seaway project commercially and economically sound? Commercially we must admit that at present there is no lack of adequate, low-cost transportation in the territory the completed seaway would serve. Economically we must also admit that at this very time we, as a Nation, have reached the ceiling of our debt



limitation. We, in this Congress, are endeavoring to reduce Federal expenditures, while improving our various arms of defense, and we have been eliminating items much smaller than this seaway project in our effort to accomplish this result. The whole expenditure would be made on borrowed money, and we have borrowed close to the limit. Under present financial conditions it is therefore unsound economically to begin a new unnecessary project at this particular time.

The cost figures now being studied by the conferees are not new figures—statements made bringing out the fact that some of the cost figures are 10 years old. Therefore, other details of this seaway are being ironed out by the conferees before they have the present cost of the completed power and waterway development before them. Is this method of procedure good business, or is it economically the way to approach this question? As an example of increased costs we might refer to the increased cost of battleships as shown during recent hearings. Would we not find similar increases in the cost of this seaway—especially over a period of 10 years?

From a commercial viewpoint again: We read statements that this seaway will result in a saving of 10 cents to 12 cents per bushel on wheat exportation. These figures are ambiguous, because the entire cost per bushel of shipments to New York amounts to approximately 6 cents. Thus the maximum saving that could be brought about would be between 1 and 2 cents. As a matter of fact, recent figures tend to prove that our wheat-growing center is not in Minnesota or Wisconsin, as mentioned so often, but it is in Kansas. I believe that the gentleman from Kansas [Mr. Hope] will agree with this statement.

Now, as to the question of tax burden, would we receive corresponding benefits from the increase in taxes caused by this seaway project? Here we must refer to the last figures available, and these are becoming ancient history. These figures give the over-all cost at about \$543,000,000, with New York State paying \$90,000,000, the United States Government paying \$125,000,000, and the balance of \$328,000,000 to be paid by Canada. The cost does not seem large when compared with many other congressional figures, but it does seem large when you compare it with the reductions the present Congress is endeavoring to make in our governmental expenditures. But there are other questions presented by these figures which make it unwise to hurriedly approve this unnecessary project at this time. We find that the Dominion is to receive credit for construction already undertaken by it and that this would materially decrease Canada's portion and increase the United States and individual State payments. It also appears that Canada will receive credit for such expenditures as the Welland Canal. This canal is wholly in the province of Ontario, controlled entirely by Canada, and, while it does help New York harbors on Lake Ontario, it was primarily built to help the Canadian cities. Should we be retroactive in this project and allow United States to pay for this canal wholly within and entirely controlled by Canada and which was built many years ago? Payment now (same as credit allowed Canada) would not give us any new or additional benefit from our tax dollar.

Let us look at the situation from the angle of States removed from the area of the St. Lawrence seaway; for example, let us consider it from the viewpoint of the taxpayer residing in the State of our majority leader, Mr. RAYBURN. This State of Texas pays 3.2 percent of the Federal tax bill, and with the Canadian credits now being considered—which will boost New York State's share to approximately \$130,000,000—the taxpayers in the great State of Texas will be paying \$16,000,000 as their share of this seaway project. None of these taxpayers would receive any benefit from that portion of their tax dollar used for this \$16,000,000 expenditure. Yes; we grant that one section of the country should help another section of the country in necessary and beneficial expenditures. At present this project seems to fall in neither of these categories. What applies to Texas taxpayers applies to taxpayers of other States of the Union.

We cannot overlook the fact that the proposed waterway would be ineffective about 43 percent of the year. This is

because of weather conditions in the various waters affected by the waterway. Winters, such as we now seem to be having, would increase this percentage of ineffectiveness. Are we getting corresponding benefits when we make this unnecessary expenditure for a project to be ineffective 43 percent of the time?

At this point we might pause and ask, Are we considering this waterway as a means of transportation, or are we in reality using that phase as a subterfuge to bring about a power project that would eventually make the T. V. A. look small? Originally Canada was against the waterway. Since the outbreak of the present war she has become more conscious of her need of hydroelectric power. As a matter of fact, prior to the passage of the neutrality bill, industries at Buffalo and along the Niagara frontier were receiving enticing inducements to locate in Canada—more hydroelectric power for Canada will cause greater inducements to be made—thus we are practically helping Canada to induce our industries to locate in Canada if we build this waterway to furnish them hydroelectric power. As to power being cheaper—is power cheaper near Niagara Falls than it is in other portions of the State? As a matter of fact, hydroelectric plants are continually facing increasing competition from improved, high-pressure, high-temperature boiler and engine, and from the Diesel engine.

There has been a power authority in New York State for the last 8 years, and it has had about \$600,000 of the taxpayers' money; but about all the State has received in return is a set of plans for a St. Lawrence power development—rather an expensive set of plans for our New York taxpayers. Possibly the present treaty conferees are thinking of these plans more than of the transportation on the proposed waterway. Is it possible to provide power which will result in serious transportation difficulties? Such action would not mean increased benefits from our tax dollar.

Let us now turn to the transportation question. Would the St. Lawrence waterway divert traffic from American transportation systems, including motortrucks, steamship lines, and railroads? The gentleman from Michigan [Mr. DONDERO] recently stated that in 1938 21 percent of the United States commerce moved on the Great Lakes. That is indeed a large percentage, and practically all of it moved in United States vessels. The completion of the waterway through the St. Lawrence would cause this traffic to be diverted from these United States ships. We hear the plan referred to as a seaway plan, which would cause one to believe that the cities on the Great Lakes would become practical ocean ports. This is a fallacy insofar as the larger ships are concerned. The proposed channel, with a depth of 27 feet, would close the seaway to about 95 percent of the United States merchant marine, and to all foreign liners. Only small foreign tramp steamers could use Great Lakes ports as seaports. Competition with cheaply operated foreign steamers of this type would drive both Canadian and American-owned ships to a minimum of operation and possibly cause them to cease operations entirely. This would be more than a diversion of traffic from our own steamship lines.

How about the diversion of traffic from motortrucks and railroads? If a study of traffic on the Great Lakes is made, it will be found that the greater portion of this traffic is handled by railroads and motortrucks at various ports on the Lakes. Completion of the St. Lawrence waterway, therefore, would not only divert 21 percent of our commerce to foreign tramp steamers, but in so doing it would eliminate this business entirely from the railroads and motortrucks leading into and out of our various lake ports. It is estimated that the seaway would divert 3,500,000 tons of traffic from the railroads. May I be frank at this point and state that my own congressional district would be about the greatest loser of any along the Great Lakes. Great Lakes steamship lines, elevators, railroads, and truck lines all cooperate in traffic movements in my district and all would be disrupted by the St. Lawrence waterway project.

What effect would the St. Lawrence seaway have on rail, water, and highway freight rates? Competition with cheaply operated foreign tramp steamers would not only give them most of the Great Lakes commerce, but it would entirely dis-

rupt our various traffic rates and throw our rail, water, and highway freight rates entirely out of balance.

Would the effect of this waterway be detrimental to employment, purchasing power, and industry generally? May I answer this question by giving the effect on my own district? We would lose approximately \$50,000,000 worth of business annually. No locality can lose this amount of business and not have greater unemployment, greater loss of purchasing power, and a detrimental effect on industry generally. Labor used on the ships, on the docks, in the elevators, on the railroads, in the trucking business, and other incidental lines would be materially—and in some cases entirely—eliminated, resulting in a great increase in unemployment.

In 1939 more than 50 percent of every tax dollar in Erie County, N. Y., was for relief, and any increase in unemployment would be disastrous. An increase in unemployment means a decrease in purchasing power and thus a decrease in other lines of business and industry; the result is more trouble ahead. All the capital invested in Great Lakes shipping in Buffalo would be lost. The waterway pact would cause further lack of confidence in the investing public; it would cause the investors to hesitate at a time when we must build up rather than tear down their confidence; this would affect industry generally. Pay-roll reductions would bring corresponding reductions in general business. We have spent much money in an effort to improve business and increase sales. Should we reverse this process by building the St. Lawrence waterway project?

Would this project reduce tax returns by impairing property and rental values? Business could not be reduced and capital impaired without impairing property and rental values and thus reducing tax returns. Another phase of the present waterway discussions is the proposed increase of water diversion from the Great Lakes for the Chicago Drainage Canal. Prior to allowance of present amount of water diversion it was said that this canal would bring seagoing craft from New Orleans to the Great Lakes. This never materialized as it was planned; and, as I remember it, this Chicago project was going to help Buffalo. Well, the result on Buffalo was that the level of the lake has been so lowered that at the last session of Congress I had to request deepening of the Buffalo Harbor in order to allow lake boats to come into the harbor with a full cargo. Conferees are now talking of a gentlemen's agreement between Canada and United States to allow more than the present limit of fifteen hundred cubic second-feet to be diverted at Chicago. The present limit was established by the United States Supreme Court. Thus, this project, including this greater water diversion at Chicago, would result in a further lowering of the water levels and the possible closing of Buffalo and other lake ports, unless we again turn to another large expenditure for deepening all lake harbors. Do you think that impaired property and rental values and reduced tax returns would be the result? There can be but one answer. We are for Chicago, but not to the detriment of all other lake ports.

Aside from commercial and economic reasons, is this the proper time to conclude this treaty, or agreement, with Canada? We are, in reality, making a pact with a belligerent nation—Canada is a province of the British Empire—and thus we are opening our neutrality position to serious criticism. It has already been mentioned that the Welland Canal is entirely within the borders of Canada. Completion of this waterway will open up a 2,687-mile seaway, but the entrance to this seaway will be entirely within the borders of Canada—note portion of the St. Lawrence River entirely in Canadian territory. If at any time we have difficulties with Canada, this entire 2,687 miles of waterway will be in control of Canadian actions. Our relations with Canada have been beyond criticism, and yet we grant them more privileges now than they grant to us, and we will be assisting them more than we assist ourselves in the completion of this so-called St. Lawrence waterway. Many are now beginning to call it the Alice in Wonderland pact because they cannot understand what is really behind it.

The above questions are all worthy of careful investigation and study. They would indicate to me that there is no honest

excuse for spending untold millions of the taxpayers' money for an entirely new project which would simply compete with existing transportation agencies which cost the taxpayers nothing. Let us, therefore, get behind the Kennedy measure—study and investigate—before we vote and authorize further expenditures for this St. Lawrence Waterway. Let us look before we leap.

In the past, Congress has shelved the St. Lawrence seaway. I believe a careful investigation will find Congress following its own excellent previous example when the proposal is brought up, as a treaty before the Senate or as an agreement before both Houses of Congress.

I thank you.

### Cotton Export Subsidy

#### EXTENSION OF REMARKS

OF

HON. STEPHEN PACE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

Mr. PACE. Mr. Speaker, a small portion of the funds appropriated by the 1939 session of this Congress for the removal of surplus agricultural commodities was devoted to the payment of a small subsidy under the cotton-export program.

The operation of this program has produced good results, and I believe the Members of Congress would be interested in the following announcement made by the Department of Agriculture on January 30, showing that for a period of 6 months, or since July 27, 1939, when the program began, sales and deliveries of cotton and cotton products have totaled 6,214,000 bales, as against total exports during the entire 1938-39 marketing year of only 3,327,000 bales of cotton. The announcement of the Department is as follows:

The Department of Agriculture announced today that the rate of payment under the cotton-export program would be reduced to zero on cotton and on card strips and comber waste, effective at 2 p. m., eastern standard time, January 30, 1940.

Present rates of payment on cotton products other than card strips and comber waste will be continued.

Suspension of operations under the cotton-export program, except for cotton products, was made necessary by the fact that commitments under the program are nearing the total of available funds. Funds remaining on hand, however, are sufficient to make payments in connection with the exportation of cotton products equivalent to approximately 70,000 bales.

Sales and deliveries of cotton and cotton products as of January 29, 1940, under the cotton-export program totaled approximately 6,214,000 bales. This total includes sales and deliveries of cotton products equivalent to 333,000 bales.

The sales and deliveries so far this year (under the cotton-export program, which became effective on July 27, 1939) compare with total exports of 3,327,000 bales of lint cotton during the entire 1938-39 marketing year.

### Brotherhoods on S. 2009

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

#### LETTERS FROM BROTHERHOOD OF RAILROAD TRAINMEN

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

BROTHERHOOD OF RAILROAD TRAINMEN,  
MINNESOTA STATE LEGISLATIVE BOARD,  
Minneapolis, Minn., January 26, 1940.

HON. JOHN G. ALEXANDER,  
House Office Building, Washington, D. C.  
DEAR CONGRESSMAN ALEXANDER: May undersigned respectfully direct your attention to the omnibus transportation bill, S. 2009,



and the House substitute for S. 2009, now being considered by the Senate and House joint conference committee?

The United States House of Representatives on July 26, 1939, passed the following amendment, introduced by Congressman VINCENT F. HARRINGTON, of Iowa: "Provided, however, That no such transaction (consolidation, merger, purchase, lease, operating contract, or acquisition of control) should be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees."

This amendment proposes to protect the jobs and working rights of railroad employees. Without protection of the Harrington amendment it is expected that 200,000 railroad workers will lose their jobs.

May I respectfully advise that we insist upon retention of the Harrington amendment in the omnibus transportation bill, or any other transportation bill? In event of failure of the Harrington amendment to pass, we respectfully request you to vote against the report of the joint conference committee. It is clearly discernible that the railroads desire authority through the omnibus transportation bill to blot out jobs of great numbers of rail workers through consolidations or reduced expenses resulting from consolidations.

Your consideration and cooperation in support of the Harrington amendment, designed to protect the jobs and working rights of rail workers, will be greatly appreciated, as well as your opposition to any report of the joint conference committee that does not contain the Harrington amendment.

Respectfully yours,

G. T. LINDSTEN, *Chairman.*

GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,

Cleveland, Ohio, January 30, 1940.

The following is text of my letter addressed to Senators WHEELER, of Montana; DONAHAY, of Ohio; TRUMAN, of Missouri; WHITE, Maine; and REED, of Kansas; and Congressmen LEA, of California; CROSSER, of Ohio; BULWINKLE, of North Carolina; COLE, of Maryland; WOLVERTON, of New Jersey; HOLMES, of Massachusetts; and HALLECK, of Indiana; all members of the Senate and House joint conference committee on the omnibus transportation bill:

"I am deeply concerned about the omnibus transportation bill as passed, in different forms, by the Senate and House of Representatives.

"Railroad employees have been told that this is not 'consolidation legislation,' that it will not bring about widespread consolidations of the railroads, and that even if it does, the bill gives adequate protection to railroad workers. I have contended from the beginning that this is 'consolidation legislation,' that it will bring about widespread railroad consolidations, resulting in creation of ghost communities, and in throwing into the breadlines over 200,000 railway employees; that no adequate protection is afforded the employees; that the bill is designed to give railroad bankers a free reign in consolidation procedure, subject only to the graces of the Interstate Commerce Commission, and accordingly enactment of this legislation will mean that the Congress has abdicated to railroad bankers and the Interstate Commerce Commission by delegating authority to consolidate the railroads, without imposing any just and adequate standards for the protection of the traveling and shipping public and railroad employees.

"Who is right? If we harken to the voice of financial interests, to railroad interests, and to some representatives of railroad labor when they are not talking for the consumption of railway employees, all that I have said of this legislation, and more, is true and is confirmed by the very interests supporting this legislation.

"The Association of American Railroads declares that this bill will 'facilitate' railroad consolidations. The Wall Street Journal of January 17, 1940, declares as follows:

"The Interstate Commerce Commission anticipates renewed activity toward railroad consolidations and is hopeful that pending carrier legislation liberalizing merger provisions will stimulate the trend."

"Mr. George M. Harrison, a member of the Committee of Six, and chairman, Railway Labor Executives' Association, testified before the House Committee on Interstate and Foreign Commerce as follows:

"Through consolidations we will get a greater amount of economies, undoubtedly get rid of the weak lines that are now presenting a serious problem, and do much to strengthen the transportation industry. \* \* \* Now, if our recommendations in that direction are adopted, we are firmly convinced that there undoubtedly will be a good many consolidations, whereby the transportation industry, with particular reference to the railroads, can be strengthened. \* \* \* There is no good in a consolidation unless it has the effect of strengthening the financial ability and reducing the amount of the burden that is placed upon the industry." (Hearings, H. R. 2531, pp. 213-214.)

"It is not being honest with railroad employees to contend that the omnibus transportation bill does not have as one of its major purposes the expediting of widespread consolidation of American railroads in the interests of improving profits.

"I have repeatedly stated that such a program would add 200,000 railroad workers to the ranks of the unemployed. Is this a fact? Is this an overstatement? I submit the following from the Wall Street Journal of January 17, 1940:

"The savings, main purpose of mergers, and increase in efficiency in consolidation probably would be substantial. \* \* \* Estimates

have been made that if all of the possible or logical consolidations and coordinations were an accomplished fact, savings in railroad operations of as much as \$500,000,000 annually could be brought about."

"It is reliably estimated that 80 percent of the savings from consolidations will come out of the pay rolls of railroad workers. Eighty percent of \$500,000,000 is \$400,000,000. According to the official records of the Railroad Retirement Board, based on the wages actually received by the total number of workers employed, the average annual wage of railroad workers in 1937 was \$1,108. According to the middle of the month count of the Interstate Commerce Commission, the average annual wage was \$1,781, but it should be understood that this is a fictitious figure and not a true average annual wage. Consolidations would naturally eliminate the part-time employees first, so if we are to arrive at an accurate estimate of the total number of employees eliminated by railroad consolidations, the Retirement Board estimate, which includes all workers employed by the industry, would give us the most accurate results. Considering \$1,108 as the average annual wage of railroad workers, the \$400,000,000 annual 'take' from railroad labor would eliminate 361,010 employees. Even if we use the fictitious average annual wage used by railroad and financial interests, 224,593 employees would be eliminated. We have every reason to rely upon the Wall Street Journal's estimate of the contemplated savings, for the omnibus transportation bill proposes to give to the railroads and their bankers the initiative in railroad consolidations. The Journal of January 2, 1940, states that this legislation 'would give back to the railroads initiative on consolidation proposals.' In Mr. Harrison's testimony, above cited, he declared that the reason they were asking for repeal of the 1920 Transportation Act was to get rid of the uncertainty of Government action 'and the danger of having some governmental officer without practical experience, perhaps, trying to lay out the physical operations of the railroads \* \* \*'. In other words, give the railroads a free hand in consolidations.

"In any event, I am extremely conservative in estimating that enactment of this legislation will throw 200,000 railroad workers into the bread lines.

"It is contended that the original drafts of S. 2009 and the House substitute for S. 2009, commonly referred to as the omnibus transportation bill, give adequate protection to railroad employees. What are the facts? The original draft of these bills authorized the Interstate Commerce Commission to approve railroad consolidations without even so much as public hearings. Through the vigorous protests of this brotherhood, that feature of the bills was eliminated. It is said that 20 railroad labor organizations favor this legislation and only this brotherhood opposes it. The same was true with respect to the original draft of the bills which contained the iniquitous provision permitting approval of consolidations without public hearings. The Brotherhood of Railroad Trainmen was right then, and a consideration of the facts we are now presenting to you will prove that this brotherhood is right now.

"It is true that the omnibus transportation bill does contain references to the protection of employee interests. For instance, it requires that 'the Commission shall give weight to \* \* \*, where appropriate, the interest of the carrier employees affected.' It is a slander upon the intelligence of railway workers to assume that they would accept such weak and meaningless language as adequate protection against the desire of railroad bankers to consolidate railroads in the interests of greater profits.

"This bill is also defended on the grounds that the so-called Washington jobs agreement of 1936 will protect the railway employees. If you will permanently disemploy a quarter of a million railroad workers, somebody must absorb that pay-roll loss. In the hearings above referred to, Mr. George M. Harrison declared that 'the entire economies possible (from the 1936 Washington jobs agreement) will be absorbed by labor for the first year and a half and thereafter it will accrue to the corporations.' He is also on record before the House Interstate and Foreign Commerce Committee, March and April 1936, as declaring that that agreement would cost the railroads nothing, so great would be the savings over a period of years. Who is going to pay the cost of this threatened destruction of the jobs of a quarter of a million railroad workers? It is obvious that railroad workers and public relief agencies will absorb the loss, much to the profit of railroad financial interests. Let it further be recorded that railroad workers believe that a dismissal wage is no just substitute for a job. They want the right to work, not to be forced to surrender their jobs for a pittance. Following the signing of the Washington jobs agreement of May 21, 1936, I said the following of this agreement:

"I want to emphasize that so far as the Brotherhood of Railroad Trainmen is concerned, the agreement with the carriers relative to consolidation and coordination can in no sense be interpreted to mean that the way is clear for railroad consolidations and coordination. This Brotherhood will continue to fight as vigorously as it always has, such efforts to economize at the expense of humanity \* \* \*. We have now entered into an agreement with the carriers, designed, not to improve the standards of living or working conditions of railroad workers, but to share with them a small portion of the booty that would come to the coupon clippers if Wall Street's demand for 'economy' at the expense of humanity is carried out."

"That is our position today. That is the position of the rank and file of all classes of railroad workers today. Congress would break faith with a million railroad workers if it used the Washington jobs agreement as a flimsy excuse for turning over to railroad bankers and the Interstate Commerce Commission our only mass transportation agency for the purpose of impairing it through consolidation for greater banker profits. Furthermore, you would be breaking faith with the millions of people who depend upon the railroads in small communities throughout the Nation. As quoted herein, Mr. George M. Harrison declared that this proposed legislation would 'undoubtedly get rid of the weak lines,' but I submit that the people who are dependent upon these weak lines for their means of livelihood, small-business men as well as railroad workers, consider the 'weak lines' just as indispensable to their community life as the financially strong railroads.

"No one can intelligently consider the problems of the railroad industry without understanding that that industry is characterized by 'feast and famine.' There are bankrupt railroads and railroads in an unsound financial condition, largely so because they have been milked by the rich and powerful railroads and by railroad bankers. But there are also railroads that are among the best dividend-paying corporations in the Nation. In 1936 the Chesapeake & Ohio Railroad paid more in dividends than it paid in wages to its employees; as recently as 1936 the Bessemer & Lake Erie Railroad paid 1,100 percent dividends. It also paid 1,100 percent dividends in 1931, the year prior to the railway wage deduction. The Senate financial investigation of the railroads revealed that this industry is wasting a million dollars a day. It has been estimated that if the Government took over the railroads and paid a fair return to the security holders on the true value of the present investment \$500,000,000 in dividend and interest charges could be saved annually. The Wall Street Journal is interested in saving \$500,000,000 annually in the railroad industry. So am I, but I think the savings should come from those who are responsible for the present condition of the industry and not by defating communities throughout the Nation, aggravating our unemployment and general economic problems, and imposing the burden upon the innocent and those least able to bear it. That is the issue presented by this legislation.

"In view of present economic conditions in this country, the Congress simply must not enact legislation that will cause great unemployment throughout the Nation. The economic efforts of adding a quarter of a million railroad workers to the ranks of the unemployed, reaching as it would down into almost every community throughout the Nation, with its consequent creation of ghost communities and the deflation of business on a Nation-wide scale, is fraught with imponderable disaster. When we consider the past record of financial exploitation in the railroad industry, and realize that the omnibus transportation bill is proposing to turn over to the very financial interests that have plundered the railroads the 'initiative' and encouragement to launch this deflationary consolidation program in the interests of banker profits, in an industry that admittedly is wasting \$365,000,000 annually mainly as a result of the policies of these financiers, it is unthinkable that any Congressman or Senator would favor it.

"The Harrington amendment to the omnibus transportation bill, enacted by the House, effectively guards the people against this ominous threat to their prosperity and welfare. The amendment is as follows:

"*Provided, however,* That no such transaction (consolidation, merger, purchase, lease, operating contract, or acquisition of control) shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees."

"All classes of railroad employees, various civic, fraternal, professional, and business groups have signed petitions in favor of the Harrington amendment. Many city councils and local officials throughout the Nation have signed these petitions. The people generally, and the rank and file of railroad employees in particular, do not want this disastrous program of railroad consolidation. So far as I know, or have been able to ascertain, not a single representative of organized labor, including the railroad-labor groups, has ever spoken one word against the Harrington amendment. No railroad worker, and no one dependent upon the railroads for their means of livelihood and their community life, except railroad bankers, could oppose the Harrington amendment.

"As a member of the joint conference committee considering the omnibus transportation bill, I urge you to retain the Harrington amendment in any report you may make. It would be far better for the country and for railroad workers if you would report out no recommendations than to recommend transportation legislation that did not contain this amendment. If this bill should ever become a law without the Harrington amendment, and railroad bankers should launch their program of eliminating a quarter of a million railroad workers with consequent disastrous effects upon communities throughout the land, I assure you the Congress will soon have discovered that it has not solved the railroad problem, for the Nation-wide protest against this program of Wall Street railroad consolidation will compel a new and more equitable solution of our transportation problems.

"Sincerely yours,

"A. F. WHITNEY, President."

## The Attempt to Smear Dies

### EXTENSION OF REMARKS

OF

HON. NOBLE J. JOHNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

EDITORIAL FROM THE TERRE HAUTE (IND.) STAR OF  
FEBRUARY 3, 1940

Mr. JOHNSON of Indiana. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial in the Terre Haute Star of February 3, 1940:

[From the Terre Haute (Ind.) Star of February 3, 1940]

#### THE ATTEMPT TO SMEAR DIES

The Dies committee has been extremely unpopular with the left wing of the New Deal Party. It has been unpopular in the White House because some of the best supporters of the Roosevelt program have fallen under suspicion by testimonial evidence of having supported subversive activities.

The White House was definitely opposed to continuance of the committee, with Mrs. Roosevelt serving as one of its chief spokesmen. The President did not remain passive, but let it be known his attitude, although his criticism could hold little force because it was based upon the very thing that some of his favored committees had followed. He did not want publicity based upon mere evidence before the committee and he did not like some of the methods of obtaining evidence, yet the infamous Black committee was upheld in its seizure of telegrams and no word of condemnation was uttered when they were published. It apparently makes a difference about whose ox is gored.

The overwhelming vote for continuance of the Dies committee could not be countered by anything but subversive activity. Accordingly, Representative Hook, Democrat, of Michigan, caused to be introduced into the CONGRESSIONAL RECORD a series of letters which attempted to link Representative Dies with one of the "shirt" movements.

David Mayne, of Washington, now has admitted forgery of the letters. By whose instigation it is not revealed. After the revelation of the forgery, Representative Hook attempted to withdraw publication of the letters from the CONGRESSIONAL RECORD. That move was blocked as it should have been. The record should stand in order that the full evidence may be available in the future. It is only proper that the full record stand in order that there may be a proper division of persons and determination of who stands for what when all information is at hand.

## La Mont Boilers

### EXTENSION OF REMARKS

OF

HON. JAMES G. SCRUGHAM

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ARTICLE FROM THE WASHINGTON SUNDAY STAR OF  
FEBRUARY 4, 1940

Mr. SCRUGHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement from the Washington Sunday Star of February 4, 1940:

[From the Washington Sunday Star of February 4, 1940]

LA MONT BOILERS GIVEN CAREFUL TEST BY NAVY, FOUND WANTING, SECRETARY EDISON REVEALS—REFUTES CHARGES CONTAINED IN SERIES OF FRANKLIN ARTICLES

Boilers now being used by the United States Navy in its new fighting ships are superior to the La Mont type as exploited in Europe, according to Secretary of the Navy Charles Edison, and there is no basis for any statement that German warships, ship for ship, are the superiors of American vessels.



The Navy Department has made lengthy tests of the La Mont boiler and has been guided in its adoption of boilers for its new ships by the results of these tests and tests of other boilers of competitive design. It is the sincere belief of Navy leaders that the boilers which have been adopted as the result of these tests are the best which have yet been developed to meet the needs of the American Navy.

As a result of tests which have been in progress for several years, Secretary Edison stated the La Mont boiler has not been approved as satisfactory for naval use, nor has it revealed superior characteristics which warranted special consideration by the Navy Department in one way of sponsoring further development of the La Mont boiler.

Moreover, Mr. Edison declared, the German Navy, after starting out experimentally with the extremely high boiler pressures, which are an outstanding feature of the original La Mont boiler design, have been backing away from these high pressures and now are working with pressures reported to be identical with those employed in our latest naval vessels.

#### TESTS AUTHORIZED IN 1933

Mr. Edison pointed out that the La Mont boiler situation has been "a long drawn out procedure, and this isn't the first time the question has come up." The use of high-pressure and high-temperature boilers, he said, is not limited to the La Mont type of boiler.

Naval records show that the Naval Boiler Laboratory was authorized on October 20, 1933, to test the La Mont boiler and that necessary construction at the laboratory, in the Philadelphia Navy Yard, was begun shortly thereafter. The inventor, former Lt. Comdr. Walter Douglas La Mont, graduate of the United States Naval Academy in 1910, began experimental work in the field of high-pressure steam generation in 1918.

"With reference to the Bureau's authorization of the test of the La Mont boiler," the Navy Bureau of Engineering stated in an official report signed by its then Chief, Rear Admiral Harold G. Bowen, now head of the Naval Research Laboratory, to Senator WALSH, of Massachusetts, chairman of the Senate Naval Affairs Committee, released for publication for the first time, "it is the policy of the Bureau to require that equipment to be tested at naval laboratories to determine suitability for naval use be completely developed beyond the experimental stage.

#### INVENTOR USED LABORATORY

"The La Mont test was authorized under special conditions not ordinarily accorded other exhibitors in that the La Mont boiler was entirely experimental and had not been erected or tested prior to installation at the boiler laboratory. A section of the boiler laboratory was assigned to Mr. La Mont for the erection of his boiler, which was occupied without cost to Mr. La Mont for a period of over 3 years.

"To operate his boiler, makeshift pumps and other auxiliaries were employed by Mr. La Mont. Air for combustion was supplied from the navy-yard mains rather than by a blower, as in a ship-board installation. Under these conditions it was impossible to get complete data during the test of the La Mont boiler to determine its suitability for naval use.

"Shortly after the test was authorized Mr. La Mont informed the Bureau that unless unforeseen delays occurred his boiler would be ready for test within approximately 2 months. However, it was found that the boiler as originally designed required numerous modifications, and it was not until January 11, 1937, more than 3 years after the test had been authorized, that the development had proceeded far enough so that Mr. La Mont was able to present his boiler for test. For more than 3 years the facilities of the boiler laboratory were available to Mr. La Mont, during which time he had the help and advice of members of the laboratory's staff."

Abridged tests of the La Mont boiler were completed on February 6, 1937, according to the Navy Department record.

#### OPERATED ONLY 130 HOURS

"Since suitable auxiliaries are a most essential part of a forced circulation boiler, and since the La Mont boiler was equipped with makeshift auxiliaries, the boiler could not be given the usual complete set of laboratory tests to determine its suitability for naval use," it was explained.

It was impossible to determine the net steam output of the unit or the efficiency of the entire unit, nor was information obtained concerning the extended reliability of the unit or its maintenance requirements, it was stated by the Naval Bureau of Engineering.

"The efficiencies obtained during the test of the La Mont boiler were not as high as those being obtained with modern naval boilers employing natural circulation," the Bureau stated officially. "It is also significant that because of the large amount of development work that was necessary after the erection of the La Mont boiler at the laboratory it was operated but 130 hours during the intervening 3 years. In view of the above, the small capacity of the boiler, the considerable number of modifications that would be required for a naval installation, and the lack of suitably designed auxiliaries, the unit could not be approved as being suitable for naval use."

Secretary Edison said that soon after he came to the Navy Department, in 1937, his attention was called to the La Mont boiler and that he had gone to the Philadelphia Navy Yard.

#### PRELIMINARY DESIGN OFFERED

"It was a little thing, what we call a breadboard model, demonstrating a principle rather than being a boiler," he told newspapermen.

Mr. Edison said he had satisfied himself that the La Mont people were "getting every attention from the engineers" and were being afforded every facility to make their demonstrations.

After completion of the tests Mr. La Mont submitted to the Navy Department a preliminary design of a destroyer-size boiler, which he proposed to build and which he proposed the Government should purchase under a special arrangement, the Bureau of Engineering reported. There were no available funds, however, for further development of the boiler by the Navy, and Mr. La Mont was told that if further development were accomplished commercially and if the Navy's experiments with the high-pressure, high-temperature, forced-circulation type boiler should indicate its suitability for naval use, "the Bureau would then be interested in a test of a full-size La Mont boiler and would welcome the boiler into the competitive field."

In view of the rapid developments which were taking place in this country and abroad in the use of high pressures and temperatures in both commercial and naval fields the Navy Bureau of Engineering carefully followed these developments, having in mind the possible naval application of machinery installations employing higher pressures and temperatures.

#### BRITISH MAKING TESTS

Referring to the claims that the La Mont type boiler is being used abroad while being ignored by the United States Navy, the Bureau of Engineering reported that "the general situation in the German Navy in regard to boilers, temperatures, and pressures is known to the Bureau of Engineering."

"The troubles and delays, which the developments in German naval engineering have given rise to have also come to the attention of the bureau," it was stated. "In connection with the use of the La Mont boiler abroad it should be noted that the designs now being employed are an outgrowth of the original La Mont design, which the bureau believes did not prove satisfactory. From information available to the bureau it is apparent that the development of the La Mont boiler abroad has resulted in a boiler which does not have the attractive features of extreme low weight and low space factors which the original La Mont design contemplated. It is also known that an experimental La Mont boiler has been installed in a British destroyer. The working pressure of this boiler is 290 pounds, and the efficiency 71 percent at an evaporation of 121,500 pounds of steam per hour. At approximately the same evaporation the modern 600-pound natural circulation boilers, being installed in our destroyers have by actual test shown an efficiency of 84.5 percent. Since boiler efficiency is a very important factor in the over-all efficiency of a machinery installation, a vessel fitted with our modern naval boilers would show a very appreciable fuel saving with resulting increase in cruising radius over a vessel fitted with boilers similar to the La Mont boiler installed in the British destroyer, all other conditions being equal.

#### COMPLETE BOILER NEVER DELIVERED

"In connection with the use of forced-circulation boilers, it is the opinion of the naval boiler laboratory that it is quite possible by judicious changes in design to so raise the capacity of natural-circulation boilers that they can successfully compete with forced-circulation boilers in weight, space, and cost, still retaining other desirable characteristics inherent in the natural-circulation boiler."

As regards the so-called water-wall structure, which is a prominent feature of the La Mont design, Mr. Edison stated that this type of boiler was developed as early as 1850 and is not confined to the La Mont boiler. The Navy Department in 1929 authorized a test of the original La Mont inventions as applied to water walls in boilers, he said. These tests did not demonstrate that the La Mont water walls were suitable for naval use, he said.

La Mont never delivered a complete boiler with necessary auxiliary equipment of a size suitable for installation in a naval vessel to the Navy for test, Secretary Edison said. Nor has there been a profitable exploitation of the La Mont boiler for commercial use, he indicated.

Secretary Edison said he had been told by Mr. La Mont at the time his boiler was under test at Philadelphia that this represented a new design, which was in many respects an evasion of his previous patents, to which rights had been obtained abroad.

#### ANOTHER DESIGN USED ABROAD

"So the design of boiler that is talked about in this article—the Jay Franklin series—is not the La Mont boiler that is being exploited in Germany," Mr. Edison commented.

Summarizing his experience with the La Mont problem, Mr. Edison said:

"I was faced, when the final wind-up came, with this situation: We have only limited funds to carry on development. Mr. La Mont asked that the Navy carry on the development of his idea for him at Navy expense. The tests in the laboratory had not progressed to a point and were not conclusive in any way. They did not prove anything because all these auxiliaries, such as the main circulating pumps and that kind of thing, were makeshift. \* \* \* It was just a small-scale thing that didn't show as much promise as other types we were working on then.

"We tried to get in other competition, and Admiral Bowen had been successful in getting Foster-Wheeler to submit a boiler, and

Babcock & Wilcox. I was faced with this patent situation, which wasn't clear at all. We could not get up a boiler which would evade or get around all of his previous patents. I was faced with a complicated and unknown patent situation—one that was fraught with danger of suits. I was faced with a rather curious group of associates. I didn't know whether we could preserve the secrecy, or whether this would leak on over to foreign countries, and I was faced with lack of funds and an unproven article. To weigh that against having other types which were properly made by large companies which gave equal promise to the La Mont, it just seemed useless to go on putting up more money to develop this.

#### WANTED NAVY FINANCING

"We made the proposition that he go ahead and get somebody to build his boiler and finance it. We were interested, and if he could only bring it about and have it developed, going ahead and getting himself financed and build it, we would test it, and if it was acceptable we would be glad to consider the purchase of it. He didn't want that. He wanted us to finance the development of it.

"Finally he came back with another proposition, in which he said he would get somebody to finance the construction of a full-size boiler, and then they would build it and submit it for test, but if the test proved satisfactory we would have to buy it. \* \* \* He might make a thing that would fit in a ship and still pass the engineering specifications, but which would not be suitable for us. I refused to buy a pig in a poke. I told him to go ahead and develop it, like everybody else does. \* \* \* You must create your product, and then we will consider buying it. We will put you on an approved list of bidders. And that didn't satisfy him.

"As far as I know, Mr. La Mont has just an idea about a boiler. He tried to sell it to somebody to make money, and he is trying to get the Navy to finance it so that he can sell it to make money for himself, and the Navy doesn't want to."

Mr. Edison said that the Navy's present standard of 600 pounds and 850 degrees of temperature in boiler operation has been demonstrated sufficiently to show "a very large saving in fuel which means a longer cruising radius, saving in weight and space that can be used for military benefits, and so is generally accepted now by the Navy as a perfectly reasonable standard."

#### GERMANS REDUCE PRESSURE

He said that the Germans had started the other way, at the extreme upper pressure limits of around 3,200 pounds, but that the German Navy has reduced its designed pressures for steam installations to approximately the United States Navy's current practice of 600 pounds, according to currently believed information. He indicated that it is possible that difficulties experienced with materials and auxiliary equipment when using the high pressures and temperatures was the cause of the reported reduction in pressures used in the German Navy, and that gains in weight and space through the use of high pressures and temperatures were offset by a lack of reliability and ruggedness through trouble with auxiliary equipment and pipe lines.

Mr. Edison said there is no available information indicating that the Germans have employed the La Mont boiler in their famous pocket battleships, but that on the contrary the recognized authority, *James Fighting Ships*, states that eight Diesel engines are used for propulsion of these ships.

Mr. Edison's determination that the United States Navy shall remain abreast of all technological developments in order that our fighting ships may be the most modern in every particular it is possible to produce is well known. He has instigated a renaissance and enlargement of the Naval Research Laboratory, making it independent of the Navy Bureau of Engineering and responsible directly to his own office. He has added the patents section from another bureau to the laboratory and personally prevailed upon Admiral Bowen, recognized as one of the Navy's foremost advocates of applied research, to take over the leadership of the unit.

#### RESEARCH BEING FOSTERED

Admiral Bowen now is building up a national research advisory body composed of the Nation's foremost industrial and research leaders to cooperate in keeping the United States Navy abreast of the latest technological advances in every field which holds promise of being useful to the service.

Not only has Admiral Bowen used every effort to expand our research and make it applicable to improvement of our naval forces, it is pointed out at the Navy Department, but he also has sought to break up monopolies in the supply of any essential materials or equipment to the Navy and to introduce free and open competition in the hope that quality may thereby be improved. Most famous of his "monopoly smashing" campaigns had to do with the supply of boilers for naval vessels, and as a result there today is free competition in this field, which for many decades has been virtually limited to one company. It is known that he welcomed the efforts of a boiler company new to the naval field to obtain licenses to the La Mont boiler in the hope that this boiler might be developed to a useful stage and offered to the Navy in a usable form.

Secretary Edison stated positively that the new American super-heat control boiler being installed in new United States naval vessels is superior to the German La Mont boiler for pressures now being used in our Navy and understood to have been adopted for the German Navy. He showed that no efforts are being spared by the Navy to keep abreast of all developments, and that when a better boiler is produced it will be used.

## Farm Program of Oklahoma Emergency Association

### EXTENSION OF REMARKS

OF

HON. PHIL FERGUSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

#### RESOLUTIONS BY THE OKLAHOMA FARMERS' EMERGENCY ASSOCIATION

Mr. FERGUSON. Mr. Speaker, under leave to extend my remarks I wish to insert in the RECORD a copy of a set of resolutions adopted by the Oklahoma Farmers' Emergency Association.

The matter referred to is as follows:

We, the duly selected members of the resolution committee of the Oklahoma Emergency Association, meeting in the Hucksins Hotel, Oklahoma City, Okla., at our fourth annual meeting, the 8th and 9th days of January 1940, respectfully submit for your consideration the following comments and resolutions:

1. We heartily endorse the fundamental principles of the present Farm Act.
2. We favor amendments to the present act as their needs appear. Progress in present farm legislation has been the result of experience and any radical change would nullify this progress.
3. We believe that any successful farm program must be built around production control and soil conservation. We favor rigid production control.
4. We recommend that greater stress be placed on the soil-conservation features of the present act.
5. We feel that instead of continuing to call for funds from an already overburdened Treasury to support our program, that a tariff be placed on each commodity to support its own costs. We urge that the three leading farm organizations of the United States, the Farm Bureau, the Grange, and the Farmers' Union, join in a united front favoring the passage of Senate bill 2395, calling for the certificate plan. We favor dissemination of any information pertaining to the so-called certificate plan.
6. We recognize that the present Farm Act is facing emergency. Farmers must cooperate in their fight to save the act, since war appropriations and other emergencies are demanding more funds. Farming, being a basic industry, must not be jeopardized in order to appropriate more funds to meet other emergencies which may appear. History proves that war always brings overexpansion of agriculture, resulting in disastrous farm prices. The present Farm Act attempts to meet this emergency.
7. We favor crop insurance and recommend that it be extended to cotton.
8. We recommend that the multiple land-holding clause of the present act be modified to the extent that an operator would not be penalized on land not under his control.
9. Recognizing the widespread benefits of education and information as it applies to long-time agricultural problems, we recommend that State administrative officials give more time to placing this information before the public, particularly to county committees and other county agricultural leaders.
10. We recommend that the \$10,000 limitations of the agricultural conservation payments be eliminated so long as these payments are earned in conjunction with a tenant who operates the farm.
11. We recommend that commodity loans be continued and recognize the widespread benefits derived from the ever-normal granary. We also desire that these loans be made on a conservative basis, without undue risk to the Federal Government.
- It is our observation that under the present loan program a wide variation of service charges is being made upon redemption of warehouse receipts by producers before maturity of the loan. It is apparent that charges set up under terminal warehouse agreements are higher than those regularly applying on warehoused wheat outside the loan program. These charges must be more uniform, and farmers demand a voice in determining tariff schedules with the thought of entering into a bilateral agreement which will apply to all interested parties.
- We believe the economic location for storing farm commodities is close to the point of origin, namely: Farm and country warehouse storage. We suggest that encouragement be given and regulations be adopted working to that end.
12. We request that Senate bill No. S. 2585 be enacted, thus returning to the various State cooperatives the funds that are justly theirs.
13. We commend the Commodity Credit Corporation of the Agriculture Department for the making of the cotton loan in 1939 and urge that such loans be made available prior to the beginning of the harvesting of the crop upon which the loan is to be made.
14. We request that interest rates on Federal land bank loans be reduced to 3 percent and that legislation be enacted which will extend the present Commissioners land bank loan for 3 years beyond the present expiration date.



15. We endorse the principles and purposes of the Tenant Purchase Act and, in order that adequate finance may be provided, we request that the Federal Government extend to agriculture the same privileges that have been extended to the urban population under the Federal Housing Act by guaranteeing payment of principal and interest on funds provided for the purchase of family-size farms.

Respectfully yours,

RESOLUTIONS COMMITTEE OF OKLAHOMA FARMERS  
EMERGENCY ASSOCIATION,  
ROSCOE F. KEIFFER, *Chairman*, Helena;  
S. M. FORBES, Marietta;  
STEWART EADES, Piedmont;  
IRVIN C. ANDERSON, Waukomis,  
W. L. HUTCHESON, Frederick.

Harry Bridges

## EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 6, 1940*

EDITORIAL FROM THE PALISADIAN, OF PACIFIC PALISADES,  
CALIF.

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Palisadian, of Pacific Palisades, Calif.:

[From the Palisadian of January 12, 1940]

### I PLEDGE ALLEGIANCE

Harry Bridges' announced intention of becoming an American citizen "at the earliest possible moment" would seem to place him in a quandary knottier than any problem he has run up against in all his stormy career as a left-wing labor czar. Either he has changed his un-American views or else he hasn't studied carefully the nature of the oath a candidate for citizenship must take.

Here on the west coast where Bridges is known best, and where tens of millions of dollars have been lost in 5 years of violent, Bridges-dictated strikes, there is only scorn for the notion that Bridges can square his un-American activities by taking the oath of citizenship. Bridges' victory in the deportation hearing cannot erase his abuse of businessmen for pursuing their American right to engage in free enterprise. And his frank contempt for property rights, his open use of the strike—not as a means for securing the rights of labor but as a strictly offensive weapon for the destruction of employers as a class—sound suspiciously Stalin-esque to American ears. It will be a strange sight to see Harry Bridges, the ruthless, power-mad strike dictator, whose every act attests his distaste for democracy, with his hand solemnly raised, pledging allegiance to the American flag, American institutions, and the American people.

## Montreal Slaps United States Business in the Face by Opposing Seaway

## EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 6, 1940*

Mr. GEHRMANN. Mr. Speaker, I wish to say a few words about the attitude of Montreal, Canada, regarding the St. Lawrence seaway, that I hope will be ratified before this session of Congress comes to an end. Montreal is evidently not in agreement with the rest of the Dominion on this question. I am unable to see why this enterprising Canadian metropolis, situated as it is at the head of the St. Lawrence River, should not be the leader in urging ratification. I wish to quote part of a resolution which was offered by two of Montreal's aldermen early in January of this year, and I quote a few sentences therefrom:

Whereas the canalization project sponsored by certain groups is liable considerably to hamper the progress of the Harbor of Montreal, and as such becomes detrimental to the Canadian metropolis;

Whereas it is necessary to save for our sons the inheritance received from our forefathers; and

It is moved that the executive committee be requested energetically to oppose the project through the city council, to resort immediately to necessary steps to prevent the realization of the plan.

Montreal is the enterprising Canadian city of 850,000 population located upon the banks of the St. Lawrence River, which began as a royal colony 3 centuries ago, later became a military settlement and the clearance port of the early fur trade. Its present dominance as a great financial and shipping center came about through the stranglehold it has upon, and its ability to hold back, full economic development of a continent—that portion of the Dominion of Canada which lies to the westward of it and a large section of a friendly neighbor country, our United States of America. Blind to her best interests, Montreal clings to the past. Much of the prosperity that has fallen upon Montreal has been the direct gift of the American people, who have made heavy investments in enterprises financed from Montreal and who as tourists have left millions in that city and the Province of Quebec of which it is the metropolis.

### GRATITUDE, THY NAME IS MONTREAL

What Montreal calls her "inheritance received from our forefathers" is the ability to levy local tribute on all water freight that comes out of or seeks to enter the Great Lakes Basin. The bulk of the commodities are transshipped to or from large steamers at Montreal. This costly transfer and its delay would be dispensed with if the ocean craft had access into the Great Lakes Basin, the world's outstanding area of arrested economic development. The Great Lakes Basin is 1,200 miles long east and west, and 600 miles wide north and south. It is a vast region that is the very heart of the United States and the Dominion of Canada, with five sparkling deep-water lakes holding the potentialities of a colossal commerce that is straining and groaning for the low-cost waterway outlet denied them. The entire Great Lakes water route to the Atlantic is now open to boats of 20-foot draft except for the 184 miles between Lake Ontario and Montreal. Along this bottle-neck of canals and locks boats cannot pass that have a draft over 14 feet. Montreal would keep it that way always, and thus remain forever the head of ocean navigation. The United States of America has been very kind and friendly to the Dominion of Canada. Nothing has been withheld from Canadians or Canada.

Generally speaking, the people of Canada have been perfection, both as neighbors and as American citizens and non-citizens who have taken permanent residence in the United States. The natural expansion of industry and commerce that Montreal's water front dog-in-the-manger policy has kept away from the Province of Ontario and the Canadian midwest is held to have been largely responsible for considerable of this migration across the border southward. It is estimated that the present "Canadian stock" living in the United States and being supported by wages and income obtained in the American Republic numbers approximately 4,000,000, and the present total population of Canada is only two and one-half times that, or roughly 10,000,000 inhabitants. Hence, whatever boom would come to the United States from the modernization by Canada of its canals in the St. Lawrence River over the objection of the single city of Montreal will be directly shared by the thousands of Canadians who have shifted over into the United States and who for the most part live in the eight States that border on the Great Lakes. Canadian born on both sides of the frontier who are victims of the Montreal squeeze play partake with Americans in the benefits of the completed St. Lawrence waterway. Every year there is a large company of Canadians who have made their fortunes in the United States who return to Canada to settle down and take it easy for the rest of their lives. And every day of the year many Canadians who work in the United States return to Canada for the night meal, their slumber, and breakfast. These Canadians pass back and forth daily into New York, Vermont, Michigan, and Minnesota.

Perhaps the best indication of the extent to which Canada has been fostered and favored by the people of the United States is the investment picture. At the close of 1938 in a tabulation by the Department of Commerce it was shown that \$3,722,000,000 of American capital had gone into the Dominion

of Canada, both direct investments such as branch plants, mining properties, and other Canadian bonds and securities. Canadian figures of American investments in Canada are higher. At the close of 1937 they were said to be \$3,932,000,000, while British investments in Canada at that time were stated to be \$2,685,000,000. The United States Treasury also has kept the Canadian gold and silver mines going on a profitable basis for the last 7 years. The tourist industry constitutes Canada's biggest "take" in cash from the United States. Last year it was more than \$250,000,000. President Roosevelt's recent proclamation declaring 1940 to be "Travel America Year" which includes Canada, has raised the hopes of Canadians to double that sum. There have been some lucky breaks for Canada in the trade agreements with the United States—formerly the imports of Canadian shingles into the United States had been limited to 25 percent of the American annual consumption of shingles. This restriction was removed, and with shingles on the free list, Canadian shingles are pouring into the United States. The duty on Canadian lumber has been cut in half. The duty on live cattle was reduced 50 percent and the same tariff reduction was made on pulpwood and book paper. On account of the war in Europe, there has been a stoppage of imports to North America of newsprint and wood pulp from Norway, Sweden, and Finland.

These products enter the United States duty free from Canada but with the Canadian dollar devaluated 10 percent and more, the Canadian profits have been tremendous on both newsprint and wood pulp. Friendship of one country with a neighbor nation no matter how strong the heart interest may be is on firm footing only when there is a reciprocal conciliation of interests, and a fair exchange of good offices. It can never be wholly one-sided and last, for the time is bound to come when the nation that freely gives all and gets nothing in return but rejoinders such as Montreal's demand "to save for our sons the inheritance received from our forefathers" at the expense of 40,000,000 American people living in the Great Lakes Basin, is bound to awaken and ask "Why should this be?" Montreal, while the man-made head of ocean navigation into the international St. Lawrence River at the same time is the foot of the God-made system of fresh water rivers and lakes upon which the commerce of the interior of North America to survive and expand must be given deep water to pass into the economic heritage of a continent. Only a few feet of new depth for an extremely short distance is needed. And with the St. Lawrence canals deepened to 27 feet, the best engineering opinion is that Montreal would still remain the chief doorway of the outgoing and incoming trade of the Great Lakes Basin and thrive and prosper as never before. The foregoing facts and conclusions are addressed jointly to the North American people in the hope that they will stand together for the full and rational development of this American Continent.

#### SEE CONTINUED BENEFITS FROM PROJECT

This great undertaking should not be considered as purely of sectional benefit. I am sure that when this waterway is completed all the people in the United States and Canada will share in the advantage this great, modern transportation system will bring to this entire North American Continent. President Roosevelt recently stated in part as follows:

I wish the public to be assured not only of continued unremitting effort to complete the seaway and power development, but also of my strong conviction that recent events have helped to clear the way for action upon the broadest lines of public benefit. The use of electric energy is gaining so rapidly today that no sane person would dare to assert that, after the 7 years required for construction of works, St. Lawrence power would provide a surplus above actual needs. As a matter of fact, careful studies have shown that there will be a serious shortage of electric energy in the Northeast before the project can be completed. The Great Lakes-St. Lawrence project is in keeping with the spirit of the times and with the policy of cooperation now firmly established on this continent. For the United States and Canada to demonstrate the full value of such policy on a frontier that spans a continent would contribute immeasurably to security and progress in the Western Hemisphere.

There is absolutely no one that questions President Roosevelt's complete loyalty to the cause of the seaway. But it is encouraging and significant that the last Republican Presidential candidate, Governor Landon, of Kansas, is also very

much for it and advocated it not only as a candidate for President but as Governor long before he thought of becoming a candidate. On March 12, 1934, Governor Landon sent a petition to the United States Senate urging ratification, and among other things said:

I demand the setting aside of special privilege and sectionalism in the consideration of this great national and international undertaking. In voicing that demand I speak for the homes, for the industries, for the agriculture, for the united common need of a great body of the American electorate, impelled by one great desire—that the doors of transportation opportunity shall be opened to the widest possible extent by bringing the sea base into the heart of the North American Continent.

The St. Lawrence seaway treaty failed of ratification, not because of any lack of merit but because in the campaign for the improvement too much stress has heretofore been laid on the purely local benefits of the seaway and not enough attention has been given to acquainting the people of those sections not immediately tributary to the Great Lakes with the benefits which will accrue to such sections. The fact is that it will benefit 43 States and 130,000,000 people. To California we can truthfully say that the principal market for the product of its people—their oranges, grapes, and figs—is now, always has been, and always will be, in the midcontinent of America; to our friends from Georgia we can say that the market for peaches, peanuts, and pecans would soon be more than doubled if the treaty is ratified; to the people of Connecticut we can say that their market for watches and nutmegs would increase by leaps and bounds; to the people of Louisiana that they would sell more rice, and that the port of New Orleans would do more business than ever before, if the empire to the north of it were fully developed.

#### SEAWAY WILL HELP THE RAILROADS

I believe it is a historic fact that every great improvement, whether in the case of building railroads into new territory or the deepening of great rivers, have all been subject to opposition on the part of local interests, which think up imaginary fears and fail to realize that improved transportation results in increased commerce, benefiting directly or indirectly all sections. I am convinced that the building of the St. Lawrence seaway will not injure the railroads or throw their employees out of work; that it will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation. On the affirmative side, I subscribe to the definite belief that the completion of the seaway will greatly serve the economic and transportation needs of a vast area of the United States and should, therefore, be considered solely from the national point of view. I have not stressed the fact that the starting of this great work will put thousands of unemployed to work. I have preferred to stress the great future advantage to our country, and especially the fact that all of us should view this treaty in the light of the benefits which it confers on the people of the United States and Canada as a whole.

### Reciprocal-Trade Treaties

#### EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

STATEMENT BY CARL H. WILKEN BEFORE WAYS AND MEANS COMMITTEE

Mr. GURNEY. Mr. President, during this session of Congress there is much interest in the reciprocal-trade treaties. I have before me a very fine statement by Carl H. Wilken, secretary of the Raw Materials National Council of Sioux City, Iowa. I think this statement contains very valuable information on the employment question and other things of interest to all Members of the Senate. I ask unanimous consent that the statement be printed in the RECORD, together with a schedule accompanying the statement.



There being no objection, the statement and schedule were ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the Ways and Means Committee, and fellow citizens, my name is Carl H. Wilken, of Sioux City, Iowa. First of all, I am an American citizen, interested in the welfare of my fellow men. Second, I am secretary of the Raw Materials National Council of Sioux City, Iowa, an organization supported by \$10 memberships, and I have personally donated 2 years of time without salary. Third, I am chairman of the Progressive Farmers of Iowa, a farm organization in northwestern Iowa, southeastern South Dakota, and northeastern Nebraska. We are not a pressure group, but interested in saving our democracy. Up until 3 years ago I was an actual farm operator and for 3 years served as a member of a county committee on the Triple A program.

I think it was Frederick Taylor who once said that "the world lost 4,000 years of progress and many lives because no one took the 20 minutes off to learn how to lay bricks properly." The people of the United States have lost billions of dollars of income, suffered depressions, war, and misery because so few have taken the time out to analyze the operation of our economy and the operation of money in the trade relationship of the different groups in our Nation.

The subject before your committee is that of reciprocal-trade agreements with other nations and their effect. It is impossible to analyze the economic and monetary effect of such trade agreements without a fundamental analysis of our economy such as I will give to you. Without such an analysis any discussion of foreign trade will be based on theory, wishful thinking, pressure groups manipulation, and politics. From the research of the Raw Materials National Council we established a quite definite mathematical formula showing the operation of our economy. This formula we call 1-1-7, meaning that for each dollar of farm income we will have \$1 of factory pay rolls and \$7 of national income. The seven times being the average turnover of the dollar by the duplication of the use of money received from the sale of farm products. For example, if I, as a farmer, receive 80 cents a bushel for corn, I have \$800 income from each 1,000 bushels. When I trade the \$800 of income for products handled by the local merchant, he also has \$800 of income and has \$800 to reorder goods from the wholesaler and the wholesaler has \$800 to reorder goods from the factory, etc. But if I receive only 40 cents a bushel for the 1,000 bushels of corn, I have only \$400 to spend, the merchant has only \$400, the wholesaler has only \$400, and factory has only \$400, etc., or approximately one-half as much as in the first illustration.

When this formula was first brought forth in the Senate farm hearings in Sioux City, Iowa, in 1937, as a part of that testimony, it was buried in that record. Since that time, however, we have been able to practically prove its accuracy. The Farm Journal, published in Philadelphia, Pa., in the December issue, 1939, on page 14 carries an editorial stating that a billion-dollar increase in farm income will result in at least \$7,000,000,000 increase in national income, and that a 50-percent increase in farm income would result in jobs looking for men instead of our present unemployment situation. The Country Gentleman, part of the Curtis Publishing Co., of Philadelphia, has also accepted the formula as being accurate, and in the January issue on page 7, they carry an article by A. W. Rucker, of Eddy Rucker Nickels & Co., of Cambridge, Mass., analyzing the accuracy of the 1 to 1 part of the formula, or the direct relation of gross farm income to factory pay rolls.

If the committee desires, I will make both the article in the Farm Journal and the Country Gentleman a part of the record. As proof of the relationship of the gross farm income to factory pay rolls and gross national income, I wish to file an 18-year table from 1921 to 1938, inclusive, giving the record of gross farm income, factory pay rolls, and gross national income.

The average relationship for the 18-year period as 1 to 6.99 or roughly 1 to 7. One of the interesting facts disclosed by the table is that the relationship between gross farm and gross national incomes in 1926, generally recognized as a year of 100 or parity, is also 1 to 6.99, or the same as the average for 18 years, thus proving the accuracy of the commodity index in determining relative price relationship of various commodities.

Statistical record of the operation of our national economy

Year	Gross farm income	Factory pay rolls	Gross national income
1921	\$8,900,000,000	\$8,300,000,000	\$62,300,000,000
1922	9,900,000,000	9,100,000,000	61,100,000,000
1923	11,000,000,000	11,000,000,000	59,200,000,000
1924	11,300,000,000	10,500,000,000	71,900,000,000
1925	12,000,000,000	10,800,000,000	76,500,000,000
1926	11,500,000,000	11,400,000,000	80,200,000,000
1927	11,600,000,000	11,200,000,000	82,900,000,000
1928	11,700,000,000	11,300,000,000	84,100,000,000
1929	11,900,000,000	11,700,000,000	81,100,000,000
1930	9,500,000,000	9,600,000,000	75,400,000,000
1931	7,000,000,000	7,000,000,000	63,200,000,000
1932	5,300,000,000	5,200,000,000	48,800,000,000
1933	6,400,000,000	5,500,000,000	44,200,000,000
1934	7,300,000,000	6,800,000,000	50,400,000,000
1935	8,500,000,000	7,600,000,000	55,800,000,000
1936	9,500,000,000	8,800,000,000	63,900,000,000
1937	9,800,000,000	9,300,000,000	67,500,000,000
1938 <sup>1</sup>	7,500,000,000	7,800,000,000	54,100,000,000
Total	170,600,000,000	162,900,000,000	1,192,600,000,000

<sup>1</sup>Preliminary estimates for 1938.

With this mathematical relationship in existence, we automatically have a condition under which normal production and parity prices or equal exchange relationship are a normal base for prosperity and full employment. The instant farm prices drop below parity our primary income resulting from the sale of units of farm products times price is reduced and results in an equivalent reduction in factory pay rolls, and the collective income is reduced seven times that amount.

Economics has been made a rather deep subject and has even been confused with social legislation. Basically, however, after removing all the mystery surrounding economic discussions we usually end the year with two columns of figures, income and disbursements, with the income side of the ledger at the present time being balanced with deficits.

Mathematically, income consists of units of wealth produced or services performed times price. At the present time we are engaged in reducing both factors in the equation. On one hand we are reducing the number of units of wealth produced and the number of hours of labor and on the other hand through the reciprocal-trade agreements reducing the price per unit. There can be only one answer if such policies are continued and that's national bankruptcy.

A good example of what happens can be found in a comparison of production of farm products in 1928 and 1932. According to the agricultural yearbook of 1935 the production of those 2 years was approximately the same, but due to the price drop the gross farm income in 1932 was \$6,400,000,000 less than in 1928, and the national income due to the seven times turn was \$43,000,000,000 less in 1932 than in 1928. We have no quarrel with the theory of foreign trade as expressed in the reciprocal-trade agreements, but no agreement should be made allowing imports of raw materials or manufactured goods below the domestic parity price level. To allow imports at less than parity forces our price below parity, thus cutting off our flow of money from the sale of new wealth, and reduces our domestic market, which should be our first consideration.

Our Constitution was written to provide for a republican form of government and also for an economic democracy. To accomplish the latter objective the Constitution provided that Congress should have the right "to coin money and regulate the value thereof." The issue of money is easy with present types of printing presses, but to regulate the value of the dollar requires that we regulate the value of the wealth that the dollar is exchanged for. The point of parity is a 100-cent dollar, and as authority we wish to quote from the report prepared by the Senate Agricultural Committee, No. 1295, and Calendar No. 1347, as of November 16, 1937. On page 14 of that report you will find that in 1926 we had a 100-cent, or parity, dollar, and the only year since 1800 that the people of the United States have regulated the value of our dollar. During all of the other years, because of speculation and foreign manipulation of prices and money, the raw-material producer or the producer of the real wealth has been short-changed.

Our forefathers were fundamental economists and recognized the fact that in order to protect the value of our dollar they would require a tariff. Therefore the first session of Congress, 151 years ago this spring, passed a tariff act, the third act of that session. With this principle of tariffs, which are monetary adjustments, the United States in 151 years reached the point where 130,000,000 people do approximately 50 percent of the world's business. Strange as it may seem, because we haven't got the good common sense to mark the price properly, we are going bankrupt because of the business we do. The growth of the United States can be traced to the tariff, because there is no nation in the world today that has made similar progress under a free-trade principle. The reason back of it all is that with the aid of tariffs we were able to produce our own raw materials for industry at an American price and the turn-over of the dollar made it possible to build our present standard of living. In the words of Abraham Lincoln, we had both the "goods and the money."

The only criticism of our tariff system is that it has not been equitable for all groups in the past and is not equitable at the present time. In our Nation we have 48 States, 40 of which are principally raw-material producing and 8 industrial States. Equal tariff protection must be granted for the 40 States as compared to the 8.

Because of the natural conditions of development of our resources, tariffs on raw materials could not be effective until 1910. In 1910, because of the normal increase of population and the increase resulting from immigration, our consumption of raw materials and finished goods reached a balance with our production. As a result, our first parity period for a hundred years was a natural condition, in the 5 years from 1910-14, often called the golden age of agriculture. Any period of parity or equal exchange values will be a period of prosperity, because that is the point of mathematical accuracy and full operation of the law of supply and demand. Since 1910 we have been in a physical position of production to regulate the value of our dollar at 100 cents and to maintain parity prices. Our mental attitude and lack of knowledge as to the operation of our economy have prevented us from doing so. Our tariff problem today is not a question of high or low tariffs, but a parity tariff or one that will permit us to regulate the value of our money at 100 cents and to maintain a parity price relationship between raw materials and finished goods. There cannot be any half-way mark in the matter of tariffs. They are all wrong or right to a certain extent. The extent to which we must have tariffs is the parity price level.

Tariffs should be made on a mathematical or index basis instead of by pressure groups.

That they are still being made through pressure groups is self-evident from the breaking down of negotiations with Argentina

and Chile in regard to farm products and copper, because of the political "heat," as we call it.

Inequality of tariffs, under the present agreements, can be proved from the record. For example, the so-called Smoot-Hawley tariff, which increased the disparity between the raw-material producer and industry has not been repealed during the past 7 years.

As a result, tariff reductions under the trade agreements have been mostly on raw materials.

For example, in the CONGRESSIONAL RECORD of Wednesday, June 15 (legislative day June 14), 1938, you will find in a speech by Congressman CASE of South Dakota a tabulation of tariff benefits received by the steel industry. The table was originally prepared by Senator Oddie and brought up to date from the records of the United States Tariff Commission by Hon. ANDREW J. MAX, chairman of the House Committee on Military Affairs, and is so set out in the discussion by Congressman CASE:

*Imports and production of crude and semifinished steel in the United States and cost to American public of duties on crude and semifinished steel products*

Year	Imports of crude and semifinished steel	Duties collected on imports of crude and semifinished steel		Domestic production of steel ingots and castings	Cost to American public of duties on crude and semifinished steel
		Total	Per ton imported		
	<i>Gross tons</i>			<i>Gross tons</i>	<i>Duties</i>
1922	11,703	\$198,102	\$17.00	8,900,731	\$151,312,427
1923	23,991	641,295	26.73	44,943,696	1,101,344,694
1924	38,841	744,443	19.16	37,936,969	726,775,951
1925	85,756	1,161,035	13.55	45,393,524	615,032,250
1926	126,006	1,487,576	10.89	48,293,763	525,919,079
1927	110,573	1,299,014	11.75	44,935,185	527,988,420
1928	110,011	1,290,975	11.73	51,544,180	604,613,231
1929	67,659	1,206,325	17.83	56,433,473	1,006,208,824
1930	72,700	854,556	11.75	40,699,483	478,218,925
1931	115,699	1,011,626	8.74	25,945,501	226,763,679
1932	78,419	638,720	8.14	13,681,162	111,364,659
1933	28,716	329,082	11.46	23,232,347	226,763,679
1934	24,629	366,201	14.87	26,055,289	387,442,147
1935	33,159	437,823	13.20	34,092,504	450,022,241
1936	50,104	585,254	11.68	47,757,856	557,928,558
1937	54,965	795,816	14.47	50,569,000	731,733,439
Total	1,043,531	13,047,843	13.93	600,424,723	8,408,961,511

It is interesting to note that the steel industry, with total assets of \$4,430,855,614, as given in the Iron Age of April 1, 1938, received in the way of tariff benefits from 1922-37, inclusive, a total of \$8,468,961,511, or almost 200 percent of their total assets.

It is also interesting to note that they enjoyed the benefit of a tariff system which gave them a protection of \$8.14 per ton on crude and semifinished steel in the year 1932 and \$14.47 in 1937.

I am not giving this because I feel that steel has too high a tariff; it should be protected up to parity so that the steel industry can pay American wages for iron ore, coal, manganese, and other products that go into the manufacture of steel and make a fair profit. But I feel that the producer of raw materials has a right to equal tariff protection.

It would appear from our research that the steel industry could well afford to divulge their secrets of maintaining adequate protection and help the raw-material producer up to a parity with them. Such a move would make it possible to increase the annual production of cars a million and a half annually, thus increasing the output of steel tremendously.

That the farmer is not receiving equal protection can be proved from the fact that the prices of his products in many cases are being set by the world market which is approximately one-half of our parity.

And it is not due to surplus production. I will quote from Trade Information Bulletin No. 839, a compilation of imports and exports from 1926-37, inclusive, by the United States Department of Commerce, from the monthly Summary of Foreign Commerce, December 1938, compiled by the Department of Commerce, and from the National Provisioner, issued July 1, 1939.

In 1938, using 500 pounds per head as the amount of meat products imported in the form of live cattle, the record shows exports of meat products of 158,000,000 pounds; imports of meat products, 148,000,000; imports of live cattle, 424,022, or, at 500 pounds each, the equivalent of 212,000,000 pounds of meat products. This gave us a net income of meat products of 202,000,000 pounds in 1938, with one-third of our population hungry.

In the first 5 months of 1939 our imports of meat products, as given on page 33 of the National Provisioner of July 1, 1939, totaled 56,600,000 pounds, and our exports approximately 54,000,000 pounds. On page 42 of the same issue, we find that cattle imports were 460,381, or the equivalent (using again 500 pounds per animal) of 230,190,000 pounds, or a net import for the first 5 months of 1939 of 232,790,000 pounds, with a third of our population still hungry and hogs selling at 5 cents a pound, or the world price.

Under our system of handling exports, all exports sell at the world price which in the case of the buying power of England, as compared to that of the United States, is approximately 52 percent of our parity price level. Imports are, of course, purchased at the world price.

With our parity price level almost double that of the world the economic law "that goods flow toward the highest market" attracts foreign products to our shores unless protected by parity tariffs.

For example, on page 35 of the National Provisioner, issue of July 1, 1939, we find the interesting information that in the week of June 15 to 21, 1939, 3,237,702 pounds of meat products came into the harbor of New York City alone from 15 different countries, namely, Argentina, Brazil, Canada, Cuba, Denmark, Estonia, Holland, Italy, Latvia, New Zealand, Norway, Paraguay, Poland, Switzerland, and Uruguay. It is only natural that such an amount of imports would tend to break our prices to the world level, even though the record shows we had a shortage of meat in our own Nation.

On the other hand, in 1937, when we had an exceptional amount of Polish hams, the record in Poland was one of malnutrition. In other words, with our tariffs below parity, we will attract all world surpluses and even deprive the other nations of food until our price level reaches the world level.

If, on the other hand, we were to adopt parity tariffs, we could have parity prices for farm products and our national income would be increased approximately \$20,000,000,000 annually, our foreign trade would be increased, and our labor would not be on relief.

I know that thought is contrary to some of the theories that we have, but I will prove it by a simple example.

In Iowa we produced in 1939 approximately 500,000,000 bushels of corn. If the Iowa farmer were receiving 40 cents per bushel more, the farm income would be increased by \$200,000,000. With the seven times turn of the dollar our national income would be increased by \$1,400,000,000 from the Iowa corn crop alone, or approximately one-half of all our foreign trade in 1938. Yet we refuse to trade in our domestic market with our own people.

In Iowa we have all sorts of merchants, and it should be self-evident that the increased income would permit a greater purchase of both domestic and foreign products.

With parity prices for farm products and an approximate national income of from eighty to eighty-five billion dollars as a result we would increase our foreign trade.

This can be proved by an examination of the records. In the period 1926-30, for example, our average imports of meat products amounted to 144,000,000 pounds, as given on page 32 of Trade Bulletin No. 839 by the Department of Commerce. This can be compared to 148,000,000 pounds in 1938.

But in 1926-30 we received parity prices, produced more meat products than in 1938, with 9,000,000 less people to feed.

If we had the same per capita income in 1939 that we had in 1926-30, we would have required approximately 5,000,000,000 pounds more of hogs and cattle, either through domestic production or imports.

I would like to analyze briefly what can be done with our principal surplus crop, cotton. Under the operation of the present trade agreements, the South has consigned itself to the production of cotton at the world price. They can have parity prices for cotton if they will change their direction. With parity tariffs, here is a simple example of what can be done:

We are importing approximately 2,000,000,000 pounds of fats and oils. With parity prices and the increased buying power, our Nation could easily consume an additional 1,500,000,000 pounds, or roughly, the equivalent of 15,000,000 acres to produce the imports and additional consumption.

It would not be necessary to produce the vegetable fats and oils because with parity tariffs the revenue from fats and oils which we could import would make the monetary adjustment in trading the cotton in the world market at the world price.

On the other hand, if other nations refused to trade with us, we could, if necessary, divert our cotton acres to crops producing fats and oils.

Using the 1922-29 period, however, as a base, it would be logical to assume that if the United States took world leadership in financial affairs that our parity price would soon become the world price, thus bringing about world prosperity, and cotton could be sold at a good price in the world market in the same way that it was sold from 1923-29.

The record of 1937 of increased world consumption of cotton with the price boom resulting from drought in the United States in 1936 is proof that world consumption of cotton could consume all production at our parity price level.

Advocates of the present policy of our trade agreements claim that they are seeking world peace. World peace is an impossibility with mass poverty prevailing throughout the world, and if mass poverty continues in our own Nation we will continue to have class hatred and unrest.

The only way to world peace is for the United States to take world leadership, restore the fair income from world production of real wealth, and prevent the collapse of our international monetary system.

With the United States doing half of the business of the world, the rest of the world cannot be prosperous while we are going into bankruptcy, and we cannot have prosperity without parity prices for our wealth protected by parity tariffs.

If this committee wishes to be of service to the United States and the rest of the world, as I am sure it does, it ought to recommend that all trade agreements be adjusted on the basis of our parity price level. I am sure that the members are all agreed that our democracy, established to provide equal opportunity for our citizens, also contemplated equal tariff protection for all groups.

If such a step were taken and a foundation of parity prices for basic farm crops established, in 6 months the depression would be a sad memory of sincere mistakes; in a short period the seemingly unbalanceable Budget could be balanced for the simple reason that the sale of our annual production of new wealth would create the necessary income; and in 18 months jobs would be looking for man at a decent wage.



## Foreign crops displace American farm products

[From a compilation by the Research Division of the Raw Materials National Council]

[Following are the cold figures on the effect imports of foreign agricultural and allied products have upon the American agricultural picture. The figures are for 1935, 1936, and 1937]

Commodity	Unit	1935				1936				1937			
		1935	Foreign values	United States displacement	United States acres to produce	1936	Foreign values	United States displacement	United States acres to produce	1937	Foreign values	United States displacement	United States acres to produce
Corn imports	M bushel	43,242	\$20,288,097	\$60,864,291	1,840,000	31,471	\$16,082,000	\$48,246,000	1,326,000	86,337	\$56,184,000	\$168,552,000	3,680,000
Wheat imports	M bushel	38,865	19,432,500	58,297,500	4,528,280	64,000	19,139,000	57,417,000	7,626,600	26,000	17,806,000	53,418,000	3,093,000
Cotton and cotton manufactures and hemp imported			137,000,000	411,000,000	4,000,000		126,000,000	378,000,000	3,600,000		148,703,000	446,109,000	4,321,000
Tobacco imported			29,000,000	87,000,000	1,500,000		31,200,000	93,600,000	1,600,000		37,000,000	111,000,000	1,844,000
Oats imports	M bushel	10,107	2,010,700	6,032,210	408,000	140	54,000	162,000	5,940	58	35,000	105,000	2,300
Barley malt imports	M bushel	320,623	3,206,230	9,606,230	306,000	301,767	7,162,000	21,486,000	335,000	371,243	11,313,000	33,939,000	412,000
Barley imports	M bushel	4,839	1,451,700	4,355,100	247,000	8,144	6,887,000	20,661,000	490,000	10,384	9,564,000	28,692,000	617,000
Rye imports	M bushel	9,643	4,751,012	12,354,453	943,000	3,889	2,447,000	7,341,000	337,270	207	181,000	543,000	20,200
Sugar imports	M pound	5,908,295	127,080,000	366,240,000	1,900,000	5,936,000	157,930,000	473,700,000	1,909,000	6,392,000	166,248,000	498,744,000	2,063,000
Cattle imports	Number	365,000	8,863,370	26,590,110	1,825,000	399,113	10,708,000	32,124,000	2,028,000	494,945	16,302,000	48,906,000	2,534,000
Meat imports	M pound	115,000	7,782,405	23,347,215	1,150,000	64,411	18,076,000	54,228,000	640,000	105,921	30,666,000	91,998,000	1,050,000
Canned meats	M pound	76,653	5,365,710	16,097,130	1,226,000	87,919	8,439,000	25,317,000	1,390,000	88,087	9,172,000	27,516,000	1,419,000
Animal fats	M pound	18,895	1,133,700	3,401,100	180,000	46,320	3,547,000	10,641,000	460,000	47,328	2,867,000	8,601,000	470,000
Tallow imports	M pound	245,851	4,897,029	14,691,060	1,458,110	68,936	3,558,000	10,674,000	437,700	3,851	206,000	618,000	17,780
Butter imports	M pound	22,675	3,576,942	10,730,826	432,000	9,874	2,016,000	6,048,000	176,700	11,111	2,509,000	7,527,000	216,000
Milk, condensed and dried	M pound	22,674	1,133,700	3,341,100	227,000	22,674	1,133,000	3,399,000	227,000	22,674	1,133,000	3,399,000	227,000
Cheese imports	M pound	60,000	10,309,358	30,928,074	800,000	59,849	12,717,000	38,151,000	800,000	60,650	12,809,000	38,427,000	800,000
Eggs, dried	M pound	8,000	2,896,466	8,689,398	136,000	8,000	2,896,000	8,688,000	136,000	8,000	2,896,000	8,688,000	136,000
Hides and skins, imports	M pound	303,475	45,576,877	136,728,631	3,034,750	310,480	54,768,000	164,304,000	3,104,800	312,035	71,058,000	213,174,000	3,124,800
Wool and mohair	M pound	202,732	29,924,827	89,774,000	15,000,000	257,725	53,264,000	159,792,000	18,750,000	326,035	96,405,000	289,215,000	24,279,000
Wool manufactures			21,738,000	65,184,000	10,000,000		20,014,000	60,042,000	9,054,000		22,688,000	68,064,000	10,476,100
Oil cake, cottonseed meal, imports	M pounds	195,000	1,750,000	5,250,000	2,179,242	195,000	5,250,000	15,750,000	2,179,000	195,000	195,000	585,000	2,179,000
Flaxseed imports	M pounds	985,000	15,623,121	46,869,363	3,127,760	921,900	17,653,000	52,959,000	2,934,600	1,680,000	35,207,000	105,621,000	5,334,000
Molasses imports—edible, inedible	M gallons	247,806	24,512,000	73,536,000	600,000	252,686	13,597,000	40,791,000	608,000	312,331	17,459,000	52,877,000	757,000
Whisky imports	M gallons	7,062	26,498,697	79,495,890	44,150	15,153	13,868,000	41,604,000	94,600	16,188	62,242,000	186,726,000	1,009,100
Wines imported	M gallons	2,771	8,781,000	26,943,000	26,000	3,636	11,465,000	34,395,000	34,600	3,817	10,432,000	31,296,000	39,000
Tapioca and sago imports (starch sub.)	M pound	228,743	2,287,430	6,832,290	288,000	310,465	6,228,000	18,684,000	391,660	471,640	9,097,000	27,201,000	594,000
Hay imports	Ton	67,171	671,710	2,015,130	67,000	15,000	150,000	450,000	15,000	146,149	1,461,000	4,383,000	146,000
Shoes and gloves, imports	M		33,898,881	101,695,643	1,500,000		37,617,000	112,551,000	1,823,000		44,994,000	134,982,000	2,000,000
Vegetables, fruits (fresh and canned), imports			50,000,000	150,000,000	1,500,000		48,000,000	144,000,000	1,440,000		52,000,000	156,000,000	1,560,000
Vegetable oils (substitutes for lards, butter, vegetable oils, animal fats)	M pound	1,929,448	100,000,000	300,000,000	12,059,050	1,736,000	91,000,000	273,000,000	10,789,100	1,826,460	94,000,000	282,000,000	11,432,000
*Fish imported			27,500,000	82,000,000		371,206	30,356,000	91,068,000		364,669	33,911,000	101,733,000	
*Petroleum imported	M barrels	50,000	36,043,716	118,131,148	21,000,000	58,000	39,700,000	119,100,000	24,360,000	60,000	42,800,000	128,400,000	25,200,000
*Wood pulp imported (free)			208,000,000	268,000,000	8,000,000	2,278	218,000,000	654,000,000	8,384,000	2,395	268,000,000	804,000,000	10,307,000
*Chemicals imported			68,000,000	208,000,000	1,000,000		67,000,000	201,000,000	985,000		94,000,000	282,000,000	1,382,000
*Steel and iron			38,124,000	114,372,000			35,000,000	105,000,000			35,000,000	105,000,000	
*Metals imports			146,295,250	438,882,750			157,000,000	471,000,000			220,000,000	660,000,000	
*Coal and clay products, imports (including chinaware)			38,807,000	116,424,000			35,000,000	105,000,000			35,000,000	105,000,000	
*Toys and miscellaneous			41,000,000	123,000,000			30,000,000	90,000,000			30,000,000	90,000,000	
Total foreign value			1,346,430,429				1,414,821,000				1,801,513,000		
United States displacement				3,917,120,642				4,244,463,000				5,404,539,000	
United States acres required to produce					102,461,118				108,490,570				122,741,280
*Less the above nonagricultural products which total			533,769,966	1,260,809,898	29,000,000		545,056,000	1,635,168,000	32,744,000		664,711,000	1,994,133,000	35,507,000
Total agricultural displacements			812,660,463	2,656,310,744	73,461,118		869,765,000	2,209,295,000	75,746,570		1,136,802,000	3,410,406,000	87,234,280

1935 used as the average.

2 Displacement of acreage by crude petroleum imports figured on the basis of power alcohol required to replace such imports.

NOTE.—When processed, transported, and sold in the retail market, the domestic raw materials that would be produced, if it were not for the products imported, would represent still greater value than the figure shown in the last column for each year above. Producing, processing, and transporting such goods made from domestic materials would provide jobs for every available worker in America.

## Our Relation to World Peace

## EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask to have inserted in the Appendix of the CONGRESSIONAL RECORD a brief address on Our Relation to World Peace, delivered by me on the invitation of the Women's National Democratic Club at their first open forum on Tuesday, February 6.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Before proceeding to a discussion of the topic assigned me on this program, let me acknowledge my wholehearted approval of the series of symposiums to deal with vital public questions which has been arranged by the Women's National Democratic Club and which this meeting tonight inaugurates. The wider the appreciation and the better the understanding of the problems and of the policies of our Government the better for the Government and for the country.

Let me commend those women who are responsible for these meetings, for their energy, their public spirit, and their party loyalty.

Let me also applaud the words and sentiments of those who have preceded me—Chairman Farley, Representative Rayburn, and Mrs. Roosevelt—and let me bespeak my own appreciation of the privilege of participating in tonight's forum.

You have asked me to direct my words tonight to the subject of peace in the world. That is a subject which has engaged the thoughts of mankind and called for their supplications for centuries—indeed ever since the birth of Christ, the first apostle of peace and good will.

And yet today in this twentieth century, this age of enlightenment, this age of peace talk on every hand, and treaties to outlaw war, we find the whole world menaced with wars as terrifying, as cruel, and as devastating as any the world has ever known. We witness unspeakable tortures and purges and whole peoples facing annihilation or servitude.

The immediate and particular aspects of this immense subject of peace in the world, of which I shall speak on this occasion, are the questions relating to what our Government and our own citizens in this United States of America ought to do, and what we ought to refrain from doing under the existing circumstances in order, first, to insure against our involvement in the war in Europe or in the Orient; second, to safeguard our own security with some thought for the security of the Americas collectively; and, third, to do anything we can—consistent with our own neutrality and non-involvement toward peace for the world, if and when such becomes possible of attainment—and we may pray that it will be soon.

No one may appraise the final consequences to those nations, peoples, and governments engaged in the war; nor the consequences upon the world—indeed upon the whole fabric of human society. We only know that if this war in Europe is long continued, and if it spreads, the devastation will be beyond reckoning and very likely beyond repair within the span of anyone now living.

If we agree, and I believe we do agree, that our objectives are to keep the United States out of war upon any other continent, and to maintain at all costs our own peace and to keep the United States secure against attack by any foreign aggressor, and to encourage and to promote peace throughout the world, then it follows that our governmental policies, our courses of action, as well as our restraints and inaction, must conform to these objectives.

I believe the rank and file of our people are increasingly militant in their opposition to war or to any action by our Government that may be said to tend in that direction.

One gratifying element which gives strength and support to the cause of peace in the United States today is the resistance of our people to propaganda. Some of this propaganda originates with selfish interests in our own country who seek profit or advantage for themselves. Some originates with conscientious but misguided persons who allow their sympathies to warp their judgments. Much of it originates overseas with groups and governments that assume that the participation of the United States in the war would be to their advantage.

But our people for the most part are evidencing a determined purpose to treat the present war in Europe objectively. They are refusing to become bewildered and confused and misled by the devices and the importunities of those who would lead this country into war.

I believe they are increasingly wary of any foreign entanglements and increasingly insistent upon real neutrality; and this sentiment on the part of the public is finding reflection in Congress and with all the officials of our Government.

The imperative necessity of maintaining our neutrality is one of the cardinal points upon which the President, the Congress, and the country, regardless of party, are today in complete accord.

Of course, that is easier said than done. It involves many difficult decisions. We cannot altogether obliterate our natural sympathies for certain nations now at war, and our natural abhorrence of the tyranny, the persecutions, and the war lust of those who rule other than the belligerents. But we must be guided by our heads rather than by our hearts.

With reference to the question of our own security, we are taking necessary and adequate steps to strengthen our own defense on land, on sea, and in the air. We are of common mind and purpose on that objective. Our differences relate only to some of the details.

We are spending immense sums of money for our national defense and preparedness—not as a prelude to war, not for weapons of offense, but as an insurance against war.

Finally, we come to the question of being prepared to do our utmost to further the ends of peace for the world whenever and wherever the opportunity presents itself.

But let me say at this point that if anything in the realm of political affairs has been clearly proven by the events of the past 25 years, it is that the United States cannot promote world peace or save democracy by joining in a European war.

Out of the World War of 1914-18, into which we finally entered to save the world for democracy, has come communism, fascism, and nazi-ism elsewhere in the world, and in our own country—a post-war period of political and social stagnation which culminated in the economic collapse of 1929 and the ensuing depression—more severe and more prolonged than we have ever before experienced.

So our approach to the goal of peace for the world and our consideration of what we can do to that end must be one of watchful waiting, meanwhile doing all within our power for the preservation of our own peace, safety, and security in this dark hour in the world's affairs.

I submit that this is not a selfish course, but a prudent and a sensible one. Such a course does not rest upon the premise that we are indifferent to what transpires in Europe and are unaffected thereby. It rests upon the assumption that the preservation of our heritage, our own democracy, and the freedom for which our forefathers fought and died a century and a half ago, will not only serve the interests of our own Nation, but will contribute measurably to the post-war rehabilitation of the world.

The great majority of our people definitely reject the concept that the role of the United States is to defend right against wrong everywhere in the world—to oppose aggressors everywhere and to defend international morality.

I have no hesitancy in asserting that that is not the position of the President—nor the position of the Democratic Party, nor the position of the Congress. It is not a party question at all.

Indeed, on this entire subject of peace in the world and the foreign relations and foreign policy of this Government we are dealing with matters which transcend all questions of party. We are dealing with this question not as Democrats but as Americans. And it is my conviction that in the main essentials, we have a high degree of national unity and patriotism.

We all desire world peace. We all desire to aid in world peace. We have given evidence of that desire at every turn since the end of the World War. The President left no stone unturned to prevent the outbreak of the present war in Europe and has made it clear that our Government stands ready to assist in a just and enduring peace.

## Small Business the Key to Recovery

## EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Senator from Ohio [Mr. TAFT] at Miami, Fla., on February 3, 1940, entitled "Small Business the Key to Recovery."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure to come to the sunny shores of Florida from the snows of Washington, even if I may only spend a week end here while the Senate is in session. This is the Nation's winter playground. It seems too bad to interrupt a pleasant vacation with a serious political discussion, and perhaps you will not have much time to think about it during the rush of the winter season here. But when the vacation is over, and you go back to your homes in



the North, or settle down to a Florida summer, you must look ahead to your decision in November in the most important political election this country has ever seen. Shall a New Deal administration govern this country for 4 years more? There may be some New Deal policies which should be continued. There may be differences on details, but there is a fundamental issue between new dealers and antinew dealers, and this is it. Shall the administration be guided by a belief that the Government can produce prosperity by means of Government bureaus and Government regulation and Government in business itself? Or shall it rely on the restoration of private enterprise and individual business activity?

#### THE NEW DEAL HAS FAILED

We have tried New Deal methods for 7 years, and they have failed to produce recovery. There are still more than 9,000,000 people unemployed in the United States, whereas after every past depression we have always returned to a condition in which any man who wanted a job could get a job. It is true that we are better off than we were on March 4, 1933, at the very bottom of the depression, but the only fair comparison to make is with the years which have followed past depressions. For 5 years, from 1925 to 1929, the national income—that is, the income of all the people put together—averaged \$80,000,000,000. In 1939 it was only \$68,000,000,000. There were 10,000,000 more people in 1939 among whom this income had to be divided; therefore the average income was 20 percent less in 1939 than it was in the twenties.

To be equal to the condition at that time, we should now have a national income of \$88,000,000,000 instead of \$68,000,000,000. It is certain that if there were any such increase in income, \$20,000,000,000 a year, there would be jobs for all of the 9,000,000 unemployed. The New Deal promised to restore agricultural prices, and many of its most radical measures, both with respect to devaluing the dollar and with respect to regulating individual activities, have been allegedly for the purpose of raising these prices. Yet today farm prices are no higher than they were in October 1933, 6½ years ago, before any of the New Deal farm-control measures were adopted, and before we embarked on the Warren policy of increasing the price of gold.

When I was in the Legislature of Ohio and any problem arose, the easy solution always suggested was to pass a law, and most of the laws passed were entirely useless. The New Deal has improved on this theory. Whenever anything appears to be wrong, they not only pass a law, but they create a bureau, and they give the bureau power to adopt regulations. In the course of a few years the regulations are 10 times the size of the law, and every day in the Federal Register are printed pages of bureaucratic regulations which enlarge the law until it does not even resemble what Congress actually intended. As the law increases in size, of course the bureau adds more employees to go out and enforce these detailed rules in every business and every farm. Unfortunately these laws and regulations are not only useless, like our Ohio laws in the old day, but positively harmful.

The basic principle of the New Deal is to effect prosperity by economic planning, enforced by Government regulation. In that purpose it has utterly failed. And it has failed particularly in restoring happiness and income to the underprivileged, for whom it daily weeps crocodile tears of sympathy. There are more underprivileged than there ever were before; more people with a bare living or not enough to live on than in the happy and new-dealless twenties.

#### THE ONLY CURE IS THE GROWTH OF PRIVATE ENTERPRISE

It is obvious that the present condition of unemployment and hard times can only be cured by putting men back to work in private industry. The new dealers have done the best they could. They have increased the Federal employees from 563,000 to 932,000 in 7 years, unhampered for the most part by civil service, and they have increased the Federal pay roll by \$1,200,000,000 a year. But, of course, this is a mere drop in the bucket. The more active and prosperous private industry is, the more people are employed. And so the whole problem is to encourage the development of private business, large and small.

How is it to be encouraged to grow? After New Deal experimentation we at least know what will not put people back to work. They won't be put back to work by vast Government deficits or the pouring out of Government money to great numbers of city and farm workers on the alleged ground that consuming power must be increased. Whatever the reason is, apparently you can't produce prosperity by increasing consuming power, for in the last 7 years the Government has spent \$21,000,000,000 more than it has taken in in taxes, and most of it has gone with the idea of increasing consuming power. Of course, relief is absolutely essential, as long as present conditions continue, to meet the unemployment situation in the city and the abnormally low prices in the country. But the idea that relief and doles and farm subsidies will produce prosperity or prime the pump has been exploded by actual experience. No people can spend itself into prosperity.

The cycle of increasing prosperity in the past has been set in motion, not by increased consumption but by increased production; by the constant growth of private enterprise. We hear a great deal about big business and this country being a country of big business, but it did not grow in that way, and, in my opinion, the growth depends far more on little business; on encouraging every man to start new one-horse businesses; on encouraging one-horse business to grow into big business. We are still a country of little business. There are over 1,600,000 independent retail establishments; there are 176,000 independent wholesale establishments; there are 170,000

active manufacturers; and of all these establishments, more than 99 percent employ fewer than 500 men and women each.

This country grew from a small Nation of 4,000,000 people scattered along the Atlantic coast to be in 150 years the greatest Nation in the world. There has been a constant increase in the number of men and women employed, and it has been due to the beginning of new businesses and their growth. That is the only reason why millions more people were employed in 1930 than in 1900. There has been a constant incentive to every man of energy or initiative to start for himself. He has always felt in America that if he was willing to put his time and money into some business of his own, and if he was willing to work harder than his neighbor and had better than average ability, he could provide for himself a better income, a better standard of living for his family, a better education for his children, and a better provision for his widow after his death. He was assured that through his own efforts he could improve his condition over that of his less industrious or less competent neighbor.

The process of investment, both by those who establish their own businesses and those who assist others, has been with the same motive. We have in America today a great plant on which employment depends. There are thousands of cities with every type of building from sheds to skyscrapers. There are thousands of industrial plants; a great railroad system; a great utility system. Every stick and every stone represents money which some man or some association of men saved and put into permanent improvements for the purpose of providing better for their future and for the future of their families. There is hardly a small town in the United States where there is not some industry; certainly no towns where there are not a large number of small, individual business enterprises.

My own belief is that big business is not the leader; that most big businesses are likely to reach a point at which they are more or less stable. When times are prosperous they increase employment; when times are poor they decrease employment. But sound growth depends on the constant influx into the economic system of new enterprises which put one man to work, then two men, then hundreds of men, and in rare cases hundreds of thousands of men.

#### THE NEW DEAL HAS STOPPED AMERICAN PROGRESS

Our trouble today is that this whole process has been checked, and that more people have gone out of business in the last 6 years than have gone into business. I have gone up and down the streets of small towns and talked to the butcher, the baker, and the grocer. There is hardly a man who would not like to sell out his business if he could only insure himself a small but steady income. There is hardly a man who will encourage anyone else to go into the same kind of enterprise. He no longer feels that success depends on his own efforts or ability. He has a dozen reports to make out every month to the State and Federal Governments, and at least half a dozen different taxes to pay.

The small-business man is more discouraged than the big one because he must do his own bookkeeping and reporting. Every other day some Government agent drops in to read his reports and make him do them over again because he isn't keeping his books the way some bureaucrat down in Washington thinks a green-grocer ought to keep his books. He has almost as many Government agents calling on him as the farmer has. He hasn't time to attend to his own business, and certainly not time to develop new ideas and expand the business. This is the actual condition in America today, which has checked all initiative and enterprise.

It is said that everything has changed; we are in a new era; the frontiers have disappeared; we are a mature nation about to go into a decline. I don't believe it, and certainly you in Florida have no reason to believe it. You are enjoying prosperity here, and you are enjoying it because even Government regulations can't altogether curb the American spirit under conditions such as exist in this imperial State.

From the first introduction of citrus fruit into the peninsula by the Spaniards, on through Flagler until the present, Florida has been built by private enterprise. It has not been built by the big corporations which the newspapers refer to as big business, but by thousands and hundreds of thousands of individual men and women, rich and poor. This State, with its beautiful cities and great resorts along both coasts and in the interior, is a monument to the traditional American spirit. If anyone is looking for frontiers, Florida fills the bill.

But Florida, while the most spectacular, is not the only State which has been able to rise even above New Deal bureaucracy. We have only to look at Texas and its magnificent cities. If you are talking about physical frontiers, they disappeared 50 years ago, but we did not know, until assured by New Deal pundits, that that fact meant an end to progress. Frontiers consist of more than free land. America has the same inventive genius it always had, and every day are developed new products of adventurous chemists in the fields of metallurgy, fabrics, and other materials. For instance, out of Savannah we can see for years ahead a great new development of the South's pulp and paper resources. There are brand new frontiers which can be endlessly extended.

What has checked this progress, where it is not pushed irresistibly forward by conditions which rise above discouragement as here in Florida? Without question it is New Deal government policy. There is a determined hostility in many Government departments to the development of private industry. The Government includes many men who desire to change our system to a form of state socialism and who spread a doctrine of hopelessness about the future of private enterprise.

You can see it in much of the action taken by Government departments before the Temporary National Economic Committee. They seem to be more anxious to prove that private industry cannot be carried on in free competitive style, that monopoly is inevitable, and that Government must regulate it, than they are to remove restraints on business activity. They are showing a hostility to our whole system of life insurance, one of the most typical developments of American life and the best method of encouraging and investing the savings of the Nation. No true new dealer believes in saving. There is even a suggestion that the Government should go into the insurance business.

The S. E. C. has certainly gone far beyond its original purpose of protecting investors against fraud and through its unnecessary restrictions and red tape has retarded the investment of money in private enterprise.

There is nothing which so completely discourages the growth of private business as Government competition, and it is impossible to compete with an institution which has no need of balancing its budget. In the T. V. A., in certain parts of the housing program, and in other fields, the Government has gone into business itself.

I have spoken of the Government regulation of little industry in all fields, but I could call attention particularly to the National Labor Relations Board, the S. E. C., the Wage-Hour Administration, the Walsh-Healey administration, each with its own inspectors piling up vast records which no one will ever look at except for the purpose of determining the amount of waste paper which can be chopped up and used again for New Deal bureaus. However hostile the New Deal is to business generally, it is assuredly the friend of the waste-paper industry.

Of course excessive taxation is a tremendous discouragement, and creates a whole crop of regulators of its own. Taxes today have reached the tremendous total of \$18,000,000,000 a year in the United States, or 26 percent of the national income. In other words, the Government absorbs 25 percent of the activity of its people, and for the most part the cost of this activity must be carried by the other 75 percent. That means that everyone's reward for hard work and initiative and daring is cut down 25 percent, whereas the chance of failure is even greater. The tremendous surtax has almost stopped the investment by wealthy people in industry involving the slightest risk. The average wage earner pays 20 percent of his income in taxes, and therefore he has little left to put aside to help him start business by himself or join with others. Taxes today have reached \$317 for every employed person in the United States, and corporation taxes have more than doubled in the last 6 years.

Not only that, the tax system has been employed for the political purpose of redistributing income, which means that the rewards of initiative are less, and certainly far less permanent. Taxes are imposed for economic planning purposes, like the tax on undistributed profits still advocated by Mr. Eccles. The drastic effect of this tax was to prevent small companies from building up the reserves necessary to assure their permanence and growth. In short, New Deal policy is alone responsible for strangling the growth and development of private industry which has brought us out of every past depression to a condition of greater prosperity.

#### THE REPUBLICANS CAN RESTORE PROSPERITY

What can the Republican Party do if it is returned to power? It unquestionably has to meet certain increases in Government expense, at least for the time being. It must and should afford adequate relief to the poor. It must and should assist the farmer whose prices are far below what they ought to be in proportion to city wages and industrial prices. It must and should continue reasonable old-age pensions and unemployment insurance. All these things should be done. They can be done more economically, and more equally, and more efficiently than the present system, as I have explained in other speeches. But the total expense of all these activities is not even a severe burden if private industry can be restored to what it should be by Government encouragement instead of Government hostility. America is rich enough to be humane and generous to all.

In the first place the Government should at least keep out of business itself. Projects like the Tennessee Valley Authority, to the extent they have actually been undertaken, must be completed and operated, but they can cooperate with private industry instead of supplanting it.

In the second place, regulation can be reduced. Take the National Labor Relations Board. It was created for one laudable purpose—to enable men who wished to organize to do so without compulsion from their employers. After listening to the hearings before the Education and Labor Committee, I am convinced that this purpose would and should have been accomplished without undue friction and without unnecessary strife. It certainly could have been accomplished without the outrageous perversion of justice which has occurred because of the Board's prejudice against employers and even against the older unions. I believe the present Board should be abolished and a new one set up on which employers and employees are represented rather than left-wing enthusiasts. I believe that most of the amendments proposed by the American Federation of Labor should be adopted, including those to assure to craft unions their right to exist; to permit an employer to express freely his views on bona fide unions which are contending in his plant; to regulate definitely the question of elections and the form of ballot.

In addition, I believe there should be a separation of the judicial and prosecuting functions of the Board because no board can

fairly be a judge in the prosecution of a case which it has initiated. If employer and employee know that their disputes will ultimately be submitted to a fair tribunal, acting under the provisions of definite law, it will in nearly every case compel an amicable adjustment in the early stages of the controversy.

Nothing threatens to throttle small business today as much as the wage-hour law. Big business can conform; little business often cannot do so and survive. I believe it should be amended to put in effect merely a minimum-wage law—one to prevent oppression in those cases where the ordinary processes of collective bargaining do not work because of lack of organization. It should not be used to move industry from one section of the country to another. The whole idea of government regulation of wages is contrary to the collective-bargaining theory. If carried to its logical conclusion, it means the end of all labor unions and the end of all industrial freedom, for, if the Government once assumes the job of fixing wages, there is no place left for democratic leadership among the employees themselves. Let us place a ceiling over hours and a floor under wages, but let us make sure there is plenty of headroom left between the floor and the ceiling for the development of new enterprise in every section of the United States.

The Securities Act can certainly be amended to be what it was intended to be—a protection against fraud and not a weapon by which the Government attempts to say what investment is wise and what is not wise. As far as possible, necessary laws should be police regulations, enforced on the complaint of those who may be injured, and not administered on hypothetical and theoretical grounds by thousands of agents running loose over every business and every farm in the United States. It is right for government to be a policeman to keep open the traffic of free enterprise, but not the maiden aunt of every business.

I have only mentioned a few examples of particular bureaus which have operated to discourage reemployment, but there are scores of other bureaus whose agents do more harm than good. In particular, the administration of those laws which exist can be changed until they are administered in a spirit of helpfulness to private industry, and not of hostility. We need a government sincerely anxious to make the present system work, and not to change the system. We need cooperation and not threats. Government should be the friend and not the foe, or the fussy critic, of the small-business man.

In the tax field, there may be little chance for reduction until prosperity increases, but there is certainly opportunity for a change in the system. The pay-roll tax is particularly oppressive on industry. Yet in the end it is a consumption tax, increasing the taxes of every wage earner as well as employer, directly or through increases in the cost of his food and clothing. It puts a premium on getting rid of employees and increasing unemployment. Even a general sales tax would be less stifling to business and employment, without being any more burdensome on the wage earner. The very taxes planned to promote the wage earner's security in the future in fact promote his insecurity in the present.

The high surtax rates discourage the investment by wealthy individuals which should be most helpful in creating employment. In particular, I believe the capital-gains tax should be repealed or substantially modified so that anyone who does put his money into enterprise may have an opportunity to make a substantial profit in those cases where he does not suffer a loss. For 6 years taxes have been developed on the theory that all profit is immoral, and ought to be taxed out of the window. Only in the reward produced by profit has America been built up and employment been increased.

There are many policies in which the Government can assist industry directly, without regulation. A complete study of the housing policy should be made, with the idea of further stimulating private activity in that field where so much employment can be created, with less direct Government operation. The farmer can be assisted without telling him what he can plant and what he can't plant. The farmer can certainly be assisted by protecting him against the importation of foreign products in direct competition with what he is raising. The administration of the reciprocal-trade treaties is inspired by the free-trade principles of the Secretary of State. The Republican Party believes in imposing and retaining a tariff equal to the difference in cost of production abroad, where wages are low, and the cost of production in this country, where we enjoy an American standard of living.

In short, the policy of the New Deal must be reversed. It is leading us inevitably to increased Government regulation and activity, and the gradual absorption of all industry into a collectivized state. It is driving us inevitably to a condition in which neither rich nor poor shall have the economic liberty or freedom which we have heretofore enjoyed as one of the fruits of the Revolution of 1776. We can dispute as to the details of this policy or that policy, but fundamentally the new administration must restore confidence and prosperity and encouragement to the little-business men of the United States, and those thousands who would like to become little-business men on their own account. They must be made to feel that their freedom and liberty in the conduct of their business is the constant concern of every department of the Government; that the Government is ready to help to keep open the channels of trade against Government regulation and private monopoly alike. We are interested in security; yes, but opportunity and not security is still the goal of American youth; yes, and even of the middle-aged and old folks of America today. America itself is still, thank God, a young country. If you need proof, look about you.



National Defense  
EXTENSION OF REMARKS  
OF  
HON. ROBERT R. REYNOLDS  
OF NORTH CAROLINA  
IN THE SENATE OF THE UNITED STATES  
Wednesday, February 7, 1940

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a copy of a radio address which I delivered several evenings ago entitled, "Actual National Defense."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, ladies and gentlemen, permit me in the outset, please, to thank the management of the National Broadcasting Co. for this opportunity to discuss the all-important subject of national defense, a subject in which we are all interested at this particular time, in view of the conditions which we find existing throughout Asia and Europe.

Everyone is talking about national defense. Well, what do we mean by national defense? Are those words to be taken literally, thus meaning to defend the Nation? If so, then we must defend the Nation from all enemies, not only from without but also from within.

I am of the opinion that the Nation is in more danger from its enemies within than it is at the present time from its enemies without.

In addition, so I may not be misunderstood, I desire to make a statement in the form of a question: In speaking of national defense, what is meant—defense or offense? There is a radical distinction between the two. Do we mean soldiers and equipment to defend this Nation on our own shores, or is it that we mean soldiers and equipment for the purpose of engaging in an offensive campaign on foreign shores? Our national-defense program should interest itself exclusively in preparing an adequate national defense for the purpose of protecting ourselves against the enemies from without—that is, for the purpose of keeping the troops of foreign nations from landing upon and invading our shores—and that being the case, we should take into consideration the amount of money to be spent and the sort of equipment for which we should spend that money.

For the present we may well assume that there will be no invasion of the United States from the north across the Canadian border. Certainly for the time being, at least, and for many years to come we need not fear an invasion of armed forces from the south across the Rio Grande.

We need not fear an invasion from either the north or the south because the nations engaged in war in Europe will be so thoroughly weakened at the end of this present struggle that it will take a quarter of a century for them to reconstruct their armies and rehabilitate their nations, and none of them would be in a position to attack us in the Western Hemisphere for many years to come.

At the present time we are building up our defense forces in the Panama Canal Zone and in addition to that we are making secure the Atlantic approach to the Panama Canal Zone by strengthening our outposts in the Caribbean. We have defenses in the South Atlantic but none in the North Atlantic. In reference to the latter, I wish to repeat the suggestion that at this time it would be well if we could peacefully acquire the British islands of Nassau and Bimini, which are just a stone's throw off the coast of Florida, and also Bermuda, which is only 500 miles due east off the coast of North Carolina, which would provide us with outposts in the North Atlantic. The acquisition of these properties would go far toward strengthening our national defense in the Atlantic.

As to defenses in the Pacific, at Honolulu we have one of the most powerful outpost defenses in the world, perhaps only second to the British fortifications in Singapore. In passing from the Panama Canal Zone northward, may I say that at this time when we are negotiating with the Republic of Mexico, in regard to settlement of certain claims, it would be well to attempt to acquire Lower California, which is Mexican territory. This would add greatly to our defense locations in that particular section of the Pacific.

As to defenses in the far north, we should establish air bases at Nome, Wainwright, and Fairbanks, Alaska. Also establish an outpost in the form of an air base on Little Diomed Island, in the Arctic, which is only about 5 miles from Russian territory. Then develop air bases in the Aleutian Islands, one of which is but a few hundred miles from Japanese territory, and with the development of this line of defenses from the Arctic to the Panama Canal Zone we would be able to defend ourselves adequately and safely from the aggressions of an enemy force arriving from Russia or Japan.

Now, I believe in an adequate national defense. I believe we should have a standing army sufficient to provide a nucleus of officers from its ranks in case of war and conscription of man power. This coupled with our development of the Reserve Officers Corps and the development of our National Guard, which units would likewise be in a position to provide us with sufficient men of military training to step into the ranks of commissioned officers.

I believe in an adequate national defense for defense purposes only and I do not think that at this time we should go hog wild in spending money for armaments—battleships particularly—when there is no possibility of our being attacked for many, many years to come, even if then. But as to airplanes, let us continue their development because if ever we are attacked they will be our first line of defense. Today with airplanes carrying mounted guns of 1½-inch caliber as well as a number of machine guns, and travelling at the rate of 400 miles an hour we need have no fear of the enemy in the Atlantic or the Pacific, or from across our two borders.

The English and the French are not able to land any troops in Germany, nor have the Germans been able to march into France, notwithstanding the fact that those nations are in immediate proximity of one another. How, therefore, can any reasonable person suspect that enemy forces thousands of miles away could be landed on our shores or marched across our borders. Let's be reasonable about this whole national-defense program, and let's have an adequate national defense for defense purposes only.

Now, as to the enemies within, they are innumerable, and there is more danger to be expected from the enemies within than there is from the enemies without. These enemies within our Nation are ignorance, disease, unemployment, subversive forces, such as communism, nazi-ism, and fascism, alien saboteurs, and spies. Ignorance, disease, and unemployment are the cause of all disloyalty. If we are going to defend the Nation we must defend it against these enemies as well as from foreign enemies.

Today, we are spending as much to quiet the unwarranted fear of a foreign enemy as we are spending on all the education in the United States. Our people would be happier and more content with our form of Government if their physical needs were given additional care and if our millions of unemployed were provided jobs.

The first defense of any nation is loyal citizens, and they must be backed up not only with education, health, and employment, but with all the resources of a nation developed to the highest stage of perfection.

Annually \$10,000,000 are being spent in the United States for Communist activities. The fact is, the auditors for the Dies committee, after auditing communistic accounts in New York City banks alone found that \$10,164,730 had actually been spent by the Communist Party. It has been conservatively estimated that 78,000,000 copies of newspapers, magazines, and bulletins are circulated in the United States annually in the form of subversive propaganda by the Communist Party, which seeks to overthrow the Government of the United States.

As to saboteurs and spies, Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, Department of Justice, recently revealed that his division of the Government is receiving daily 217 complaints of espionage and sabotage. These complaints are rolling in at the rate of 78,000 annually. Just think of it. Since the declaration of war in Europe more complaints are being received by the Federal Bureau of Investigation daily than were received yearly prior to the declaration of war in Europe on September 3, 1939. Yes, I believe in an adequate national defense, and that adequate national defense should be in the form of defending ourselves from the enemy from within as well as the preparation to defend ourselves from the enemy from without.

In connection with it all, may I say that I have a five-point all-American program, and that program is as follows:

Point No. 1. Keep America out of war. This may be accomplished by remaining neutral. Keeping ourselves from becoming involved in any entangling alliances. Preparing for ourselves an adequate national defense for defense purposes only. Stopping the tremendous amount of propaganda that is taking place in this country today by word of mouth, by foreign lecturers and alien socialites who are honeycombing this country, and by the distribution of propaganda literature.

Point No. 2. Register and fingerprint all aliens so that we may know the location of every alien within our midst and what he is doing. When I refer to aliens I mean those who have arrived here illegally and remained illegally, and those who arrived legally but have remained illegally, neither class of which have applied for American citizenship. By the registration of these aliens we could more easily place our finger upon saboteurs and spies.

Point No. 3. Stop all immigration into this country for the next 10 years, or until such time as our own 10,000,000 unemployed have been provided with employment. Poverty and unemployment breed discontent. There should be jobs for American citizens.

Point No. 4. Deport all alien criminals and undesirables. A former Commissioner of Immigration of the Department of Labor stated before a committee here at the capital that there are in this country today 20,000 habitual alien criminals. Why should we countenance them? Why should they be permitted to prey upon the American people since former Attorney General Homer S. Cummings stated that crime in America today costs the taxpayers of this Nation \$17,000,000,000 annually?

Point No. 5. Rid this Nation of all "isms," communism, fascism, and nazi-ism, and let's fight one as enthusiastically as we would another. This country is big enough only for Americanism.

If you favor my five-point program I should like to hear from you by letter. On the contrary, if you are opposed to any one of the five points which I have just enumerated, I should like very much for you to write, providing me with your suggestions as to how best to defend America from within, as well as from without. I thank you.

### National Automobile Dealers' Association Convention

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

ADDRESS BY DONALD R. RICHBERG

Mr. MALONEY. Mr. President, I ask unanimous consent that I may have inserted in the Appendix of the RECORD an address delivered by Donald R. Richberg at a convention meeting of the National Automobile Dealers' Association in the District of Columbia on January 23, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If the N. R. A. had been stricken down by the Supreme Court alone, it would be alive and flourishing today, although probably under some other name, and I am sure, under a different management. But the Supreme Court only destroyed an institution which was committing suicide.

Most of you remember what happened. We launched "a great cooperative movement throughout all industry." Its goal was (in the language of the President) "the assurance of a reasonable profit to industry and living wages for labor, with the elimination of the practical methods and practices which have not only harassed honest business but also contributed to the ills of labor."

The Recovery Act not only challenged management, labor, and government to play well their parts and to perform fully their share of a common task, it also offered to all an opportunity to spend more time working together and to waste less time fighting one another. But one of the saddest lessons taught by the N. R. A. was that it is much easier to induce men to fight for their special interests than to cooperate in advancing general interests.

In the early days of the N. R. A. a good many people "got religion," and actually devoted long hours to projects for the common good. But more and more it became evident that conflicting economic interests cannot be wholly reconciled, and that the eternal price of peace is compromise. This usually means that the big fellow agrees to take less than he could probably force the little fellow to give. A peacemaker may persuade the big fellow that this is both the noble and the smart thing to do. But somehow the little fellow who has peacefully lost his shirt, but saved his undershirt, is seldom satisfied.

So it happens that government is called upon, first as an ineffective conciliator, and then to fight the battles of the weak against the strong. And a democratic government is likely to leap into the fray because it is inevitable that the weak have more votes than the strong. You have noted that for many decades labor, unorganized and economically weak, sought first the conciliatory aid and then the militant support of government in its struggle with powerful employers. And with the growing strength of organized labor we now observe that each of these economic contestants is seeking to win by adding political power to its economic strength.

Likewise in economic struggles between big and little business, between sellers and buyers, between manufacturers and distributors, between producers and consumers—we find that large groups of weak, dependent individuals are calling more and more upon government to fight their battles with what is commonly described as "concentrated wealth."

The N. R. A., which was designed not to be an arbiter but to be a conciliator, failed to meet this demand. The little fellows in business, the farmers, even industrial workers to whom it rendered a great service, watched with suspicion which easily became hostility, and seldom cordially supported the N. R. A. But "big business"—the reputed parent of the N. R. A., although wholly innocent of such a conception—"big business" never accepted the basic principle that industry should be cooperatively organized and operated under a limited governmental supervision. Big business, along with little business, agriculture, and labor, had a lively fear that the prescription of "cooperation under governmental supervision" was just a sugar-coated poisonous dose of political, socialistic control of business.

It is far from my intention today to rehash many discussions of the unreasoning nature of this fear. Let me only reassert my

conviction that the choice we have been facing for many years is not between pioneer individualism and State socialism, but is a choice between self-government in industry, under a limited but necessary governmental supervision, and a complete political control of industry.

Since the end of the N. R. A. we have been moving steadily away from the principle of self-governing industry into more and more political control. The Robinson-Patman Act, the Wagner Act, and State and National price-maintenance laws may seem obvious examples of this trend; but there is even greater significance in increased judicial support for agriculture, industrial and financial control measures, and their administration.

It is also evident, particularly in the extensive investigations of the Temporary National Economic Committee, that every aggressive group of business interests, every organized geographical or industrial section, is promoting some sort of National or State regulation of business which it is hoped will advance the special interests of one group necessarily at the expense of many others.

It does not seem to be realized by any particular group—or else nobody cares—that the inevitable product of all these varied pressures will be an all-pervading political control of our economy—not the elimination of monopolies and unfair competition but the regulation of prices, wages, and business practices by a government charged with the impossible duty of protecting the business, the profits, the employment, and wages of a host of organized minorities, while, at the same time, obligated to protect all the people as consumers from exploitation by these legally protected special interests.

Inevitably most seekers for political favor are going to be disappointed, because legislation can seldom be so one-sided as to serve their interests alone. Public utilities had their day of extravagant favoritism and grants of monopolistic privilege; and now, from the staggering railroads to the weeping electric power companies, they are shouting and groaning over the hardships and injustice of political regulation and Government-supported competition.

Organized labor, with just cause, sought political aid in its struggle for economic power; and now it faces a rising demand that its increased power shall be balanced by legal obligations to fulfill the responsibilities that go with power.

Farmers sought Government aid, with just cause, to raise prices and to assure them of some reward for their labor; and now they find that such political assistance carries with it the obligation to accept political control of their uses of their own land.

Businessmen sought relief from price discriminations; and now find themselves enmeshed in a vast net of legal obligations to conduct their business according to vague and complicated rules, which even their political regulators cannot explain except through expensive litigations and volumes of judicial rulings.

It should be evident, even to the most ardent advocate of special legislation, that, while he may save his individual white shirt today, he is doing his part to put the Government into the business of making black shirts and brown shirts which he will have to wear tomorrow. He is doing his part to make inevitable a political control of all business in the not distant future.

Let me say in conclusion that I am not criticizing or opposing the effort of any economic group to protect and to promote its interests by seeking political aid in a struggle to survive against the competition of a more powerful group. It is idealistic to think in terms of the general welfare. It is far sighted to sacrifice an immediate gain for an ultimate greater gain. But everyone who is self-supporting has to meet the practical problem of how and where he is going to earn a living today; and in a general scramble to get help from the Government he will feel that he should not be left behind to enjoy the dubious satisfaction of independent bankruptcy.

But I would say to any industrial group: Do try your best to work out your problems within the industry before you invite political regulators to take the management of your business out of your hands. If you have the organized strength sufficient to have a law passed for your special aid, you must have a power which can be wielded effectively in self-protection of your interests. If that power cannot save you and in desperation you turn to political saviors, then I would say with no irreverence—God bless you and God help you!

### Neutrality

#### EXTENSION OF REMARKS

OF

HON. JOHN A. DANAHER

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

ADDRESS BY PROF. EDWIN M. BORCHARD

Mr. DANAHER. Mr. President, I respectfully ask unanimous consent to include in the Appendix of the RECORD a remarkable address by Prof. Edwin M. Borchard, who is



Hotchkiss professor of law at Yale University. At South Orange, N. J., on January 27, 1940, speaking before the Yale alumni, he delivered an address upon the question of United States neutrality. Since it bears so markedly on the problems confronting our Nation, and because of Professor Borchard's unquestioned status in the field of international law, I feel that it is a document of such public interest that it should be incorporated in the RECORD at this time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The subject that has been assigned to me, the Question of United States Neutrality, arouses a counterquestion, "Why should there be any question about it?" The answer lies in the fact that conflicting voices have arisen in the land to counsel, on the one hand, complete abstention from Europe's (and Asia's) wars, that is, neutrality; and, on the other hand, aid to one side to assure victory for the favored belligerent; that is, intervention. The administration seems to have adopted for the present an ambiguous course, politically precarious and legally doubtful, of hoped-for abstention but nonmilitary participation. It may not be without interest to trace the path by which the country reached its present state of divided counsels.

The historic beginnings in America were simple and clear. The fact that the colonists had been parties to practically every European war of the eighteenth century, of which they were sometimes the cause and practically always the unwilling victims, fortified the moral justification for their political emancipation from Europe. The Europe they saw was the Europe that we see—an interminable series of feuds which place now one country and now another in a position of temporary domination. While relief from these incessant struggles was not the primary motive for the American Revolution, the early statesmen found in such relief a decided and highly prized advantage. History, geography, and hard experience thus conditioned the origins of American foreign policy. Whatever the division of opinion on domestic policy, there was no division on detachment from European wars. Even those who favored the French Revolution, like Jefferson, did not dream of intervening, and when in 1793 the French invoked the alliance of 1778, the treaty was interpreted so as to justify American neutrality. In 1798 the Congress went so far as to denounce the treaty unilaterally. Washington's Farewell Address did not lay the foundation of American policy. It merely reaffirmed it. As far back as 1776, and, indeed, at the very time the French alliance was under discussion, John Adams expressed a common conviction when he opposed any agreement that would entangle the Republic in the future wars of Europe. He added: "We ought to lay it down as a first principle and a maxim never to be forgotten, to maintain an American neutrality in all future European wars."

Whatever the name that may be given this policy, it was a natural policy, the only one consistent with American self-preservation, and in fact a boon both to Europe and the United States. It was founded on common sense and had as its natural corollaries the doctrine of nonintervention in the internal affairs of other countries and of recognition of political facts as they evolved through internal revolution or external changes. As Secretary Hay once remarked, the foundations of American foreign policy were of "limpid simplicity."

Within these clear guiding lines the Nation flourished. No one seriously questioned the importance of abstention from Europe's wars. In the process the United States was enabled to make numerous contributions to international law, and especially to the law of neutrality, such as the proclamation of 1793, the acts of 1794 and 1818, the doctrines that "free ships make free goods" adopted by the Declaration of Paris of 1856, and the campaign for the freedom of enemy private property at sea, which has been advocated by Secretaries of State, congressional resolution, and by Theodore Roosevelt himself, who recommended it as a matter of "humanity and morals." The United States was in the forefront of every movement for strengthening the rights of neutrals, and the constructive character of the nineteenth century was hospitable to such a policy. It is a major calamity that the Wilson administration, even before entering the European war in 1917, found in the war's alleged moral aims a justification for not defending the most time-honored rights of neutrals and the freedom of the seas. No one can tell when, if ever, that lost ground may be recovered. One can only be certain that the violations of law then committed and tolerated have helped to increase naval armaments in every maritime country and made life more precarious for all neutrals, because it has become more dependent on force and less on law.

How has it come about that the sound doctrines on which the Nation achieved respect, greatness, and well-being became the subject of attack not merely from Europe but in intellectual circles in the United States? Before attempting to answer this question, something should be said concerning the philosophy and history of neutrality.

#### II

Neutrality as a principle and a practice was a concomitant of the maturity of the modern state system. It represented a triumph for reason and sanity in a world that had not yet overcome the habits of war. Sir Thomas Barclay, writing in the *Encyclopædia Britannica* in 1911, deemed it the highest achievement of international law. It was a matter of slow growth. It was not easy, from the thirteenth to the seventeenth centuries, to win the right to stay out of the wars of other peoples. States, especially small ones,

were almost compelled to join in the wars of larger neighbors, and often to risk their existence on their ability to pick the winning side. But when neutrality had acquired a fully accepted legal status in the sixteenth and seventeenth centuries, it was realized that a contribution toward the welfare of mankind had been made, for large areas of the world could now cultivate the arts of peace when others decided to go to war. From the eighteenth century onward the path of progress was deemed to lie in the firm abstention from other people's wars and in the development of that privilege into a legal system. Toward its perfection the United States made notable contributions.

Illusions concerning the state of the world were not then so common as they are now. It was not assumed that in a highly competitive world of hundreds of millions of people of varying outlook, wealth, territory, mores, with unfair competition a common practice, all conflicts could necessarily be avoided. The effort of constructive statesmanship was devoted to ameliorating tensions, to deflating the causes of conflict, to devising mediatory and arbitrary methods of conciliation and settlement, to keeping alive an atmosphere conducive to negotiation, to preventing fundamental, especially ideological, cleavages between peoples. The Treaty of Vienna kept major peace in Europe for a century, and modifications were facilitated by a comprehensive European outlook. No super-state was assumed. No panaceas were proposed, because statesmen respected their reputations. As the international structure was at best a delicate one, it had to be treated with a certain degree of discretion and caution. No undue demands were made upon it. Moral judgments on fellow members of the state community were generally withheld. Such policies, while they did not profess to afford a guaranteed cure for war, nevertheless did much to ameliorate its occurrence, kept a large part of the world at peace, narrowed the area of conflict, and were conducive to sensible treaties of peace.

From the fiery crucible of many a war there was gradually evolved a group of principles and rules by which belligerents and neutrals achieved reasonably definite guides for the conduct of their reciprocal relations on land and sea. The neutral refrained from military aid, the belligerent permitted nonmilitary trade. No nation was always a belligerent, and even the belligerents, while under temptation to overstep the bounds when under pressure, appreciated the necessity for rules of law as an alternative to anarchy and unregulated force. Treaty, custom, prize courts, claims commissions, diplomatic settlements, had over a period of four centuries developed a great body of rules founded on intelligent principles—not necessarily on logic—for regulating the relations between belligerents and neutrals. These were known to informed persons and afforded a compass by which to guide the ship of state through dangerous waters. Belligerents had an incentive to observe them in order to hold down claims and to avoid the risk of adding to the list of their enemies; neutrals, in order not to expose themselves to legitimate criticism, damages and attack, and risk plunging their people into war.

#### III

A system of independent states of varying size and power could not, however, develop a legal system such as prevails within each of the states. There a legislature or lawgiver in more or less continuous session relieves social strains by frequent changes in the law, and a balanced division of governmental powers helps to maintain, after a fashion, the social equilibrium. The system of independent states is far too primitive for so organic a legal system. Many of the political errors of recent years have been due to the easy but unfounded assumption that there is a close analogy between the law within a state, whereby the unruly are haled before the civil authorities, and the international system, in which no nation is authorized to assume the role of policeman or judge. Law is built on experience with human conduct and propensities. The moment even municipal law exacts too much it proves unenforceable. Witness the experiment with prohibition. International relations are much less susceptible of external control. Any attempt to impose a rule which does not grow out of previous experience is almost sure to fail. Thus mere hatred of war is not enough to justify extravagant hopes of a fundamental change in international relations.

Neutrality, as a legal status, grew out of this painful experience with war. It finds its source in candor, in the obligation to hold the scales even, to remain friendly to both belligerents, to lend support to neither, to avoid passing judgment on the merits of their war. It assures both belligerents that they are dealing with a friend, not a disguised enemy. The belligerents must know who is in the war and who is not. In return for obligations assumed by a neutral, the belligerents undertake to respect his rights as a neutral, including the right to stay out of the war. There are those who regard this life-preserving role as insufficiently heroic and who recommend joining in foreign wars on the "right" side as a "world service." But they seem unaware of the humiliations which the "servant of mankind" brings to his own people and the confusion which interference in foreign quarrels spreads to the rest of the world.

#### IV

This is not the place to examine how the United States slipped into the European war in 1917. In brief, however, the reason is to be found, I fear, in a departure from those fundamental precepts of candor, impartiality, and detachment which neutrality imposes on a neutral. You cannot help one side at the expense of the other and hope to remain neutral or escape the penalties of unneutrality. You can't have it both ways. If you wish to remain neutral you

must also respect the obligations of neutrality, know what is neutral and what is not, and display some capacity to handle yourself. You can't ask immunity for Americans on armed belligerent merchant ships. You can't write notes to one belligerent for the record only.

And now we come to the question how neutrality as a principle and a policy for the United States came to be disparaged. It was partly due to the war, pictured as a crusade for righteousness, and partly to the theory consecrated in the Covenant of the League of Nations that the way to insure peace was to enforce it by joint action against an aggressor. The impractical and dangerous character of the assumptions on which this theory is based were not perceived by its more trustful devotees. Apart from the fact that it was designed to hold down the status quo of 1919, it stands to reason that important nations cannot be threatened by their fellows with starvation and boycott and force as weapons without stirring emotions that are the very reverse of peaceful. And, as was predictable, the attempt to apply the system of sanctions in Manchuria and Ethiopia created new cleavages and provided new causes of conflict among the nations. It has necessarily stimulated the urge for self-sufficiency and conquest. It has encouraged the growth of armaments, for prospective coercion and coerced alike.

With such a system, neutrality is necessarily incompatible. Accordingly, neutrality, and especially American neutrality, was vigorously attacked as selfish, immoral, and cowardly. One of the leading spokesmen of the new theory of peace by force, Professor Fenwick, exclaimed: " \* \* \* Neutrality must go as a legal conception." It was asked, with the utmost sincerity, how could anyone conscientiously remain out of the posse comitatus when an aggressor was on the loose? The long-established rules of international law, which had been founded on practical experience, were now disparaged as inconsistent with the new theory which conceived the world as divided between peace-loving and warlike nations. We were to quarantine the aggressors, in the name of what was called collective security, international cooperation, and preventing war. Intervention, not neutrality, was to become the way of life for the United States.

But how the bad were to be made good, and especially democratic by starvation and hostile measures short of war was left unexplained. It looks as though the new methods oversimplified the problem of peace and war and neglected many elemental facts of international relations. For example, the new theory overlooks the manner in which wars arise; the complex causes of war, historical, psychological, and economic; the nature of nationhood in the modern world, including prestige and "face." The theory proceeds from the assumption that the distempers and discontent that move masses of men have a moral origin; it overlooks provocations to resentment but condemns the expression of resentment; it overlooks the fact that the term "aggressor" is a call to arms and at once raises the temperature; it overlooks the fact that historians after decades of investigation usually are unable to reach a unanimous judgment on how blame is to be distributed, assuming such a task to have any value. It overlooks the fact that the life of nations is not static but dynamic and that nations rise and fall; that no country can be guaranteed against the consequences of maladministration, against a falling birth rate, against deterioration of its resources, physical and spiritual; that the attempt to maintain an unhealthy status quo might be anything but constructive. The modern distempers, aggravated by 20 years of misunderstanding, have made peaceful change exceedingly difficult. Admitting that many current invasions of territory are or seem unjust, the remedy of general intervention and especially United States intervention might be worse than the disease.

The position of all neutral states has been physically and morally weakened by the neutral surrenders of 1914-17, by the political disrespect for neighboring neutrals manifested on the part of the belligerent states, and by the ideological attack on neutrality as immoral. It would be unfortunate for the European neutrals if the pillars sustaining neutrality were to be further undermined.

V

The United States policy toward Europe and Asia has been torn between nonintervention of the traditional kind, wrongly called isolation, and intervention on behalf of righteousness. The conflict of ideologies has troubled the country ever since 1917. It lay at the root of the struggle to enlist the United States in the League of Nations and of the effort to frame a neutrality statute. The non-interventionists, fortified by those who wished to take from the President the temptations to quarrel which led the United States into the last war, sought to provide for equal treatment of all belligerents, with as little Presidential discretion to favor one side as possible. The interventionists sought as much opportunity to discriminate against "aggressors" as they could get, with wide Presidential discretion in applying the statute and in adopting implementing regulations.

The expression of these conflicting views in legislative bills and statutes makes interesting history. After the ratification in 1923 of the Kellogg-Briand Pact, which was construed to enlist the United States in the enforcement of articles 10 and 16 of the Covenant of the League, numerous movements were initiated at Geneva and elsewhere to draw the United States into definitions of "aggression," into "consultative" pacts, into commitments to apply or tolerate sanctions, and other devices calculated to enable the United States with certain other powers to "enforce peace," as it was called.

Numerous resolutions were introduced in Congress to enable the President to cooperate with other countries in placing an arms

embargo on "aggressors." Some of these resolutions passed the House. One also had passed the Senate in 1934, when, on reconsideration, an amendment was adopted providing that all arms embargoes authorized by it were to be applied impartially to all parties to a foreign war. Although apparently approved by the administration before adoption, approval was later withdrawn, for when the bill was returned to the House it was allowed to die.

Then came the Nye investigation, with its somewhat extravagant finding that munition makers and bankers had caused our involvement in the last war. This view, combined with a growing belief that unneutrality had actuated American policy in 1914-17, led to the Neutrality Act of 1935 embodying the impartial arms embargo, loan embargo, prohibition of American travel on belligerent vessels, prohibition under Presidential discretion of the admission of submarines, and the Munitions Control Board. The act was applied in the Chaco war and also in the Italian-Ethiopian war of 1935-36. Nevertheless, after the League declared Italy to be the aggressor, efforts were made by the administration to place what was called a moral embargo on certain other commodities, such as copper, oil, trucks, tractors, scrap iron, and scrap steel. This was not authorized by the statute, and the injunction broke down when the League powers found themselves unable to agree on how to apply sanctions against Italy.

But the demand for commodity embargoes with Presidential discretion in their selection was reflected in the bill introduced in 1936. That particular demand was defeated; critics pointed out that it would have violated treaties and afforded wide opportunities for discrimination between belligerents. But in the act of 1937, such a discretionary embargo on secondary commodities was authorized with a cash-and-carry provision applicable for 2 years. This was designed to insure that no American vessels or American-owned cargo would be found in a war zone, yet that American trade might continue if cash were paid and if the foreign buyer carried the goods away in foreign vessels. The President was given the power to bring the act into operation when he found a state of war to exist.

On the first occasion for the application of the 1937 statute, namely, the Sino-Japanese war, the President declined to find that there was a state of war because it was said no war had been declared. Most wars are undeclared. It was said also that the reason for not bringing the act into force was that it would have operated to the advantage of Japan. However that may be, China was granted a large loan by the Export-Import Bank, and extra legal executive moral embargoes against Japan were enjoined upon American manufacturers. This injunction was at variance with article 5 of the Treaty with Japan of 1911 which prohibited discriminations in trade. It was said that Japan was violating the Nine Power Treaty and the Kellogg Pact—vague political documents hardly permitting of such easy, unilateral judgments. But possibly the country may have acquiesced in this departure from the Neutrality Act of 1937 and in the subsequent discriminations against Japan.

Impartiality and neutrality began further to weaken, as Germany invaded neighboring countries and the war clouds gathered in Europe. In January 1939 the President came out for "measures short of war" against aggressors. In the 1939 revision of the Neutrality Act the arms embargo was repealed. It was repealed to enable the United States to supply arms, ammunition, and airplanes to the Allied Governments, material which for physical reasons Germany could not get. The mere change of law by a neutral during war is not illegal, provided it strengthens his neutrality. But when made for the benefit of one side while weakening abstention and neutrality, it is not privileged. Nevertheless, it is probable that the majority of our people were willing to take the chances of reprisal by the disfavored belligerent, although they were not adequately informed, I believe, of the risks they were running and the precedent they were creating. The expired cash-and-carry provisions were revived, and in addition the President was authorized to establish combat areas where no American vessels could ply.

Finished bombing planes are now being supplied to Great Britain and France; cotton, which is but ought not to be contraband, is being sent to Britain by the United States Government; merchant ships armed with four 6-inch guns are admitted to our harbors as peaceful vessels, and other acts are being undertaken the legality of which on the part of a neutral not only a lawyer might question. In the case of the Russo-Finnish war, the Neutrality Act has been left unapplied, again on the alleged but irrelevant ground that no war has been declared. But here also the departure from the statute probably has popular support. It is understood that planes contracted for by the United States have been released to Finland, a \$10,000,000 loan has been granted by the Export-Import Bank, and further public loans are now under discussion. Again it is proper to observe that these acts are not consistent with United States neutrality.

This brief recital will have indicated that in spite of statutes and of the desire of the country to remain out of war, and presumably to remain neutral, the urge for discriminatory treatment of "aggressors" has powerful support. Yet it is well to know that, however the discrimination may satisfy emotionally, the risks involved cannot be overlooked. Admiral Stark, if correctly reported, recently asked for a fleet large enough to defeat four great powers in hypothetical combination. It is quite natural that hostile discriminatory policies would create the thought that such powers might become combined enemies of the United States. This invited danger is the only reason that I can see for this extraordinary expansion of the armed forces of the United States, for it would appear that the gradual weakening of Europe and Asia is relatively strengthening



the position of the United States. But if we are to embark as a nation upon the policy of influencing the outcome of foreign wars by discriminatory acts against disfavored belligerents, in whatever interest it may be done, it is well to recognize that neutrality has been departed from and that the risk of war is invited. And it is quite probable that if the aid rendered proves insufficient, more aid will be sought and given until the commitment proves irretrievable. And if, perchance, it should prove unavailing, humiliation would be the least of the consequences. A growing accumulation of resentful enemies would be very likely. Even Emerson's intelligent aphorism that it is the task of the wise to undo the harm done by the good will be academic. This is quite apart from the internal risks of dividing our own people, of bankrupting the country, of impairing the political and social order at home. Guizot, the great French historian, remarked in his reference to George Washington: "It is the property of great men, even when they share the prejudices of their time of their country, to know how to get free from them and how to rise superior to their natural habits of thought."

The very fact that emotionally we are so nearly unanimous in wanting one side to win should make us especially wary of the risks we are taking and of the responsibilities that we are incurring in giving assistance to that side and handicapping its enemy. Difficult problems often present such dilemmas, but it is well to be clear that we cannot under the guise of neutrality undertake unneutral action and expect indefinitely to escape the consequences. Whatever the policy desired by the country at large, there ought to be no misunderstanding as to what we are doing and the legal and political risks that are involved.

Considering the numerous unsolved domestic problems that now confront us, many of them legacies of the last intervention in Europe's wars, it would seem that a more effective service to humanity could be performed by solving our own problems and by saving the United States and this continent for constructive post-war contributions in healing the wounds of war than by participating in this latest of the series of conflicts in other continents.

**Home Defense Force Plan**  
**EXTENSION OF REMARKS**  
OF  
**HON. STYLES BRIDGES**  
OF NEW HAMPSHIRE  
IN THE SENATE OF THE UNITED STATES  
*Wednesday, February 7, 1940*  
ADDRESS BY E. G. B. RILEY

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by a gentleman of my state, Mr. E. G. B. Riley, on the subject of a home defense force plan. The address was delivered under the auspices of the Veterans of Foreign Wars. The subject is a timely one, and I think the address will be of general interest.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Every hour finds this country drawing nearer to a state of war. Every day finds us responding more and more to the most insidious campaign of propaganda that has ever been directed against any nation.

The keynotes of this propaganda are sympathy and hatred. Recognizing the futility of again being successful by a direct appeal to have us join them as allies on foreign soil, Great Britain and France are now fostering an indirect plan which is accomplishing the desired end.

The ravaging of Czechoslovakia and Poland by Germany and Russia did not result in any direct aid reaching them from Great Britain and France, even though such aid had been promised.

The shadow of Munich spread even to these shores. Then came the diabolical raid on Finland by Russia.

Having witnessed the desolation of Poland, brought about by means of control of the air, the Allies were aware of Finland's inability to permanently withstand the assaults of the Russians unless proper aviation equipment were provided.

This country, in order to keep free of foreign entanglements, passed our neutrality laws. These laws prohibit our vessels from entering into designated war zones, which zones are the waters contiguous to the combatant countries. These laws also restrict us from sending munitions of war to any of the combatant nations and, further, restrict our Government from making loans to any nations that are in default of indebtedness to the United States. These laws further restrain this country from delivering to any combatant nation munitions of war, including airplanes, unless same are paid for and title passed in this country before shipment.

Immediately after these laws were passed Great Britain and France set out to circumvent our neutrality legislation by inflam-

ing, through propaganda, public opinion against the nations whom they were fighting and against those whom they might be expected to list as their enemies in the future.

When Finland was invaded by the Soviet Republic the natural effect was to arouse our sympathies for that nation, although it must be stated that it was most undiplomatic to have our administrative heads give public expression to such sentiments. These expressions showed distinct prejudice and disqualified this Nation from acting in the capacity of peacemaker.

Great Britain and France are the two nations most vitally interested in having Finland successfully oppose Germany's ally, the Soviet Republic.

It would have been the most natural sequence to have these two nations, Great Britain and France, supply Finland with the necessary four or five hundred airplanes which were so urgently needed.

Instead of so doing, through their propaganda this country has been placed in the position of apparently denying most vital aid, in the form of airplanes, to Finland. British propaganda has succeeded to a point where we have relinquished title to airplanes manufactured for the United States Government, and we have delivered some of these planes to Finland. To make matters worse, these airplanes, or munitions of war, were delivered in American ships to Norway, where they were transshipped to Finland, one of the combatant nations.

Further responding to this campaign of propaganda, ably disseminated through the medium of one pro-Ally columnist, our Government has already made loans to Finland through the governmentally owned Export-Import Bank. This action can definitely be considered by the Soviet Republic to be a hostile act, thereby threatening our neutrality. The desired funds for Finland could be properly provided for by the issuance of Finnish governmental bonds subscribed to by individual citizens and corporations of the United States.

We Americans have not forgotten that during the early days of the last World War millions of dollars were spent on propaganda to force our country to join the Allies in making war on Germany and her allies.

History reveals that these millions were, from the Allies' standpoint, well spent.

We entered into the "war to end all war," and we won the war. As victors, what did we accomplish?

Did we succeed in freeing any oppressed nation?

Did we succeed in spreading Christianity throughout the world, or did we aid in the maintenance of the Christian church?

Did we make safe for democracy any nation or group of nations?

Did we for even one short generation insure the safety and security of our children?

Did we end all war?

No; we did not accomplish any one of these desired objectives.

The last war brought the deepest sorrow to millions of Americans who lost their husbands, sons, and relatives through sudden death.

Millions of other Americans witnessed the anguish and suffering of their relatives, who came back maimed and gassed, and who, after years of indescribable existence, passed on to join their more fortunate comrades, whose lives were snuffed out on the battlefields.

At this time thousands of those who only 23 years ago constituted "the flower of our American manhood" are lingering in veterans' hospitals suffering untold misery.

Other thousands of our brothers can be seen still carrying the scars of war which time cannot erase.

What a terrible price to pay even for a victory won over an enemy who was attempting to invade our homeland; but, alas, we have not even this consolation. The sacrifice of our blood was made on foreign soil thousands of miles from the United States.

Of lesser importance were the results inflicted on our economic life. The World War is directly responsible for the terrific unemployment conditions under which we have been and are now staggering. The war was further responsible for the incomprehensible debt burden of over \$42,000,000,000, which debt we evidently cannot reduce and which our children and their children will be unable to pay.

At the present rate of spending the United States will reach its debt limit of \$45,000,000,000 before May 1, 1940. Any nation which cannot live within its income and which cannot borrow additional funds is headed for bankruptcy.

Bankruptcy is the forerunner of revolution and revolution means communism.

Our request for repayment of the billions of dollars loaned to our Allies to finance them during the World War has for years brought the same response, viz, "It is impossible for us to pay."

American troops and American dollars saved the homelands of both England and France. These countries could not return all our troops, but they could have repaid the billions of dollars taken from you and your families by taxation to save their homes and industries.

A short time ago it was announced by a member of the British Cabinet that this war was costing England \$30,000,000 a day.

If that nation had paid \$30,000,000 daily to the United States for a period of less than 5 months, its full indebtedness to the Nation would have been paid in full and your tax burden would have been reduced.

This conclusively proves that it was not inability, but unwillingness, that caused England to default on her indebtedness to the United States.

This can likewise be said to be true of every other nation now in default of its debt.

It would be amusing were it not tragic to look over the record to see how numerous have been the occasions when our United States have been made the diplomatic and financial dupe of foreign nations.

During the World War our so-called diplomats, supervised by our national governmental heads, elected to keep us out of war, were placed on the international merry-go-round, and eventually we were dragged into the conflict.

We have not forgotten the many secret international conferences in which personal envoys of the then President participated.

We have not forgotten the powers delegated to individuals by Congress, which powers were so exercised as to result in placing our sons and brothers in the first-line trenches on foreign soil.

We could have maintained our neutrality had we not responded to the wiles of skilled foreign statesmen and the propaganda of the Allies.

Secret treaties or agreements, not ratified by the Senate, were other determining factors in making the United States one of the combatant nations.

We now, in spite of past costly errors, are again being asked to have Congress waive the power, vested in it by our Constitution, to ratify all treaties.

Congress is being asked to agree to a violation of our Constitution through the subversive method of calling a trade treaty a trade agreement.

A treaty must be ratified by the Senate, and the practice of eliminating this necessary ratification by our representatives in Congress by designating a treaty as an agreement must be most strongly condemned.

No matter what nomenclature is employed, any such action is a distinct violation of the Constitution of the United States.

It is now plainly evident, by the haste of the combatant nations to negotiate reciprocal-trade treaties, that such treaties are being used as instruments to defeat their enemies.

Such treaties or agreements have been proven to be more efficacious than battleships, armies, and other recognized war weapons.

We must insist that our unalterable rights, as set forth in our Constitution, be observed and that our destiny be not placed in the hands of one individual or a small group of individuals, none of which has been elected by the citizens of this Nation.

It is not necessary to be a trained economist to know that with our minimum wage and hour laws, we cannot compete with countries which pay wages of from 10 to 20 cents per day.

There are many industrial and agricultural products produced in other countries, which cannot be produced and profitably exported by our citizens.

Why, therefore, should our workers and farmers be encouraged to go after world markets when, after we have secured these markets, we find that we have to sell these products at a figure below our cost of production? In addition, in cases similar to cotton, we have to pay the producers an additional sum over and above that received by them to compensate for their loss.

This situation is certainly economically unsound, but when one finds that in order to sell these products at a figure below our cost of production, we are further compelled to reduce our tariff rates on other articles on which we have been making a profit, it is high time to call a halt.

There is not a single industry in the United States that can plan with any security for the future, as it may at any time find that under a new trade agreement this country is flooded with the same products that the said industry produces.

Americans can and have always been able to successfully compete with other nations when not handicapped by laws that raise the cost of production and which take away much needed protection that makes possible the payment of adequate wages. There can be no valid reason for refusing to have all trade treaties or agreements submitted to our Senate for ratification as provided for in our Constitution. We must insist that this constitutional course be followed.

Trade treaties have no more value than treaties of any other form, and the terms of treaties are only lived up to when it is expedient.

The Prime Minister of Great Britain, in an international broadcast on January 31, 1940, apologized for the fact that Great Britain was not living up to the terms of the trade treaty entered into between his country and the United States.

This action conclusively proves that all such treaties are of no value and often lead to disruption of domestic affairs.

You are now witnessing a demonstration as to how dangerous a trade treaty of any character can be if abrogation becomes necessary. On January 26, 1940, a trade treaty with Japan, entered into in 1911, was terminated by our Congress.

This was done to show our disapproval of the violation of the Chinese people by the Japanese.

What will be accomplished by this abrogation only the future will bring forth, but we do know that at this very hour we are nearer to a diplomatic break with Japan than ever before.

We at least, have, in this case, the consolation of knowing that our Congress is aware of existing conditions and will act accordingly.

Many believe that we are driving Japan into a position where she will be forced to agree to the partition of China with Soviet Russia.

Should this course be followed, you will find Japan allied with Russia and Germany, and then further international chaos will result.

A large army and navy has been, many times, as history shows, the deciding factor in bringing about war.

The terrific cost of maintaining and equipping large land and sea forces soon proves most burdensome to any nation. In order to justify this cost of maintaining a large armed force, administrative heads, responsible therefor, attempt to prove their value—hence wars of aggression and conquest.

Within the last 6 months two nations, Germany and Russia, intoxicated by the power of their armed forces, have drawn the European countries into the maelstrom of war.

Americans want, and will willingly take, no part in this war.

We must not be cajoled or coerced to enter into a war of ideologies.

We must curb our official sympathy for the oppressed, recognizing that we are not in a position to be of material aid to them.

No one can be blind to the fact that we are debt-ridden and have reached the limit of our national indebtedness. We are not in a financial condition that will permit us to finance the formation, transportation, and maintenance of an Army to fight on foreign soil, and, of greater importance, we are not willing to sacrifice American lives for the defense of foreign soil.

Any such course of action would, within a very short period of time, bring about national bankruptcy, which is the forerunner of revolution.

Now is the time to prevent our entry into this war!

With this objective, I respectfully submit for your approval a home defense force plan, which, if properly enforced, will insure the safety of this Nation against invasion, and will enable the United States to maintain its neutrality.

We must provide that a well equipped efficient home defense force is immediately formed on an economically sound basis.

We must also provide that the said home defense force cannot be sent out of the United States, and is to be utilized only for the defense of the United States.

Those serving in this defense force should not be subject to draft or conscription.

The training of this force should be under United States Army supervision and control.

Such a home defense force could be organized without any great loss of time at a small fraction of the cost of those military plans now being considered in Washington.

During the last 7 years, the United States has spent over two and one-half billion dollars training 2,000,000 Civilian Conservation Corps (C. C. C.) boys and many of these are now in camp in perfect physical condition. These boys, with the consent of their parents, should if they volunteer, be made the basis of the new home defense force.

Those volunteering would be transferred from the C. C. C. to the new home defense force at the same rate of pay as they now receive. Thus, there would be no increase in cost with resultant higher taxes.

On January 29 of this year it was officially announced by the acting director of the C. C. C. that after filling the 67,000 vacancies that existed in that organization, 105,000 additional applications for enrollment had to be rejected.

This fact conclusively proves that a numerically large home defense force could be immediately formed.

Should it become necessary to enlarge this force by reason of there being an insufficient number of volunteers from the C. C. C. camps, preference on the enlistment rolls should be given to the sons of those on relief.

No person engaged in gainful employment should be accepted in the home defense force.

Every religious creed would gladly work to sustain any home defense force formed to protect our churches and homes.

Every organized worker would welcome the formation of a home defense force which would not disrupt industrial or agricultural labor.

Every citizen would reap the benefits of security at a most economical cost.

I contend that this home defense force plan, if placed in immediate operation and if properly administered, would result in our country remaining at peace.

## Women's Patriotic Conference on National Defense

### EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

ADDRESS BY COL. OSWALD W. MCNEESE

Mr. OVERTON. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an address delivered by Col. Oswald W. McNeese, of the National Guard Bureau, before the Fifteenth Annual Women's Patriotic Conference on National Defense on February 1, 1940. Colonel



McNeese was formerly adjutant general of the State of Louisiana.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If I may say so, it is a mark of intelligence and insight into the problems of national defense for you ladies to desire to be brought up to date in your knowledge of the National Guard. The National Guard, as the volunteer citizen soldiery of the Nation is perhaps that part of our armed forces with which you, as a whole, are best acquainted, simply for the reason that it is so widespread. But even so, I may be able to enlighten you further, in this brief talk, by telling you just how the National Guard, today, fits into our scheme of national defense, and by describing for you the improvements and changes in the status of the Guard during recent years.

Doubtless many of you had among your forbears men who were not professional men at arms, but who nevertheless carried a saber or a musket when volunteers were called for in some of our early wars. George Washington's entire force was, at first, made up of such men.

For another example, most of Jackson's troops at New Orleans were nonprofessional volunteers. The idea of citizens, responding to a community or colony need, or even to a national need, for armed defense, goes many centuries back.

The realization of the weakness of our constitutional militia has led our country to develop, improve, and train its National Guard as well as its Regular Army. The National Guard of today, however, has no direct connection with the militia except as to background for legal purposes. Its members who are between 21 and 45 are exempt from militia enrollment. In substance, just as is true of the Regular Army, and the Organized Reserves, the members of the National Guard are peacetime volunteers.

These members of the National Guard are citizens of the United States whose interest in national defense is such that they are willing to devote much of their time to military study and training. They are not merely members of State or local military groups. They are, by choice and by oath, members of a national force, the Army of the United States.

When becoming a member of the federally recognized National Guard, a young man loses or surrenders none of the responsibilities or burdens of a citizen of his State or Nation but in addition he assumes new obligations and liabilities. He takes a dual oath to his State and the United States that obliges him to give his time freely to training and to instantly and without regard to damage to his civilian occupation report for State or Federal active military service. Thus the personnel of the National Guard without question is entitled to the foremost place among all practical patriots of our country.

For many years the law governing the armed land forces of our Nation has been known as the National Defense Act. The present National Defense Act dates from 1920, with several important amendments since that time. In fact, this law establishes for the first time our basic military policy. The existing National Defense Act, in its first paragraph, names the components of the Army of the United States. For simplicity, we can say that there are three main parts: The Regular Army, the National Guard, and the Organized Reserves. The Regular Army, of course, is our professional force. The Organized Reserves consist mainly of Reserve officers, many of whom are organized in skeleton units which have practically no enlisted men. The National Guard, on the other hand, is organized into military units like those of the Regular Army, containing both officers and enlisted men. There are 18 complete Infantry and 4 Cavalry divisions, 1 Coast Artillery brigade, and a number of separate regiments of all arms and services.

It so happens, however, that the origins of the National Guard were all State forces rather than national forces. And that is still true. The National Guard, as it exists today, consists of State forces. There are guard units in all 48 of the States, and in Puerto Rico, Hawaii, and Alaska—these are now being organized—and in the District of Columbia. In each State and Territory the commander in chief of the National Guard is the Governor, and in the District of Columbia there is a commanding general appointed by the President. The members of the guard take an oath to bear true faith and allegiance to the States and Territories to which they belong.

But you will remember that I said a little while ago that the National Guard is a component of the Army of the United States. That is perfectly true. It belongs both to the States and to the United States. Its members not only swear to bear true faith and allegiance to their own States but also to the United States. To become exact in describing this dual status, there are really two names for the same military force, and both names are used in the National Defense Act. These two names are the National Guard and the National Guard of the United States. To all intents and purposes these two names mean the same military force. The words "National Guard," however, are used in referring to the guard as a force of the States and Territories; and the words "National Guard of the United States" refer to the guard as a part of the Army of the United States.

There is a good reason for thus having two names for what amounts to the same thing. Under the Constitution, the National Guard can be called into the service of the United States by the President in order to repel invasion, put down rebellion, or enforce the laws of the Union, when the available Regular Army is

insufficient for the purpose. The President has power to do this when he deems it necessary, without any authorization by Congress. Thus he has the power, in certain circumstances to "call"—please keep that word in mind—to "call" the National Guard into the military service of the United States as forces from the States and Territories, without regard to the fact that these same forces are also a part of the Army of the United States. Such a call is transmitted to the Governors of the States by the Secretary of War for the President. Remember, please, ladies, that in what I have just told you about, I was referring to the "National Guard" of the States, Territories, and District of Columbia, and not the "National Guard of the United States" as part of the Army of the United States.

The National Guard of the United States, as a part of the Army of the United States, cannot be ordered into active military service by the President. The National Defense Act requires that Congress must first declare a national emergency, such as a state of war. Then, instead of calling the National Guard of the States and Territories the President issues a proclamation in which he orders the National Guard of the United States, which is already a part of the Army of the United States, into active military service.

Perhaps this somewhat complicated matter will stand out more clearly in your minds, if you will remember that under a Presidential call, the National Guard is, in a sense, borrowed from the Governors of the States and Territories, and used to repel invasion, put down rebellion, or enforce the laws of the Union. No action by Congress is necessary. The National Guard units thus borrowed do become a part of the Army of the United States while they are in the national service, but the State authorities still exercise control over such matters as promotion of officers and recruiting of enlisted men. But under a Presidential order the National Guard of the United States, already a part of the Army of the United States, comes instantaneously into active military service. There must be a war or equivalent national emergency declared by Congress. The Guard immediately loses its status as State troops under an order, although this status is simply in abeyance. When the war or other emergency is over, the units have to be returned to the States from which they came. They then resume their purely peacetime State status.

The authority to "call" the National Guard actually dates back to 1789, when the Constitution was adopted. It was last exercised in 1917, when practically all State troops were ordered to the Mexican border. The authority to order the National Guard of the United States as a component of the Army of the United States into the active military service dates from 1933, when Congress passed an important amendment to the National Defense Act of 1920. This authority, of course, has never been exercised.

I have tried to make it plain that the National Guard (from now on I shall use the shorter name to mean the guard, both as State and Federal troops) has by law an important dual place in our national defense. Perhaps this will be still plainer if I now go on to show you the place of the guard in our actual military plans.

It is the military policy of the United States to maintain in time of peace a small, well-equipped land force, consisting of the Regular Army and the National Guard—a force which can rapidly be expanded in any major emergency. This force is called the initial protective force and its purpose is to defend the Nation in conjunction with the Navy and other outlying defenses until the Army can be enlarged. The plan for doing this is called the protective mobilization plan. Under this plan as it now stands the National Guard would form about 70 percent of the initial protective force. Thus the National Guard as a component of the Army of the United States, composed of complete combat units, only, from divisions down, has become and is a front-line M-day force.

In order to keep prepared for its part in the Nation's defense, the National Guard carries on continual training. The National Guard receives money by annual appropriation from Congress for many of its needs. These funds provide arms and other equipment, uniforms, motor vehicles, horses, and airplanes, provide for the construction and repair of certain buildings at camps, and for sending officers to the service schools of the Regular Army for courses of training, and for many other needs. The guard receives money from the States for the building and upkeep of armories, camps, and rifle ranges, for the expenses of rifle practice, for extra field training pay, and extra pay in times of State emergency, and for numerous other things.

At their home stations the units of the National Guard assemble at least one night a week for active training. They meet in armories provided by their States not only as drill halls but as places where arms and equipment can be safely kept. Often, too, there are meetings of a social kind, for there is relaxation within the brotherhood of arms as well as hard work.

In the summer the National Guard goes to camps for field training. These may be purely State camps composed entirely of National Guard troops, or guard units may join with parts of the Regular Army in large maneuvers. This summer training usually lasts for 2 weeks. An important part of it is the actual travel to and from home station to camp by marching, by motors, or by train, which give practice in troop movement for field service.

Recently, as you have read in your papers, there has been a considerable amount of extra training for the initial protective force, which is both the National Guard and the Regular Army. The training of the guard, of course, follows the same lines as

that of the Regular Army. By this I mean that the guard uses the same training manuals and uses the same kinds of arms and equipment. It is also assisted in its training by about 500 officer instructors and a similar number of sergeant instructors assigned to full-time instructional duty from the Regular Army. The actual instruction is carried on by the officers of the guard itself and these professional instructors supervise their work.

Altogether there are some 4,500 units in the National Guard, and these are stationed in about 2,500 different towns and cities. Some of the units have long tradition behind them. Many date back to the Revolutionary War. All of you have doubtless heard of such regiments as the Richmond Light Infantry Blues, the Seventh Regiment of New York City, the Washington Artillery of New Orleans, the Boston First Corps, the First Maryland Infantry, and many other similar ancient units. Such regiments as these are permitted by law to keep their old names, although they are also designated by national regimental numbers and the names of their States.

The National Guard, as the trained volunteer citizen soldiery of the United States, carries on the old and sound tradition that a man can do his duty both as a citizen and, if the time comes when he is needed, as a soldier. The men who must spring to arms as part of our initial protective force must be trained men, men who are ready in military knowledge to take their places in the Army of the United States. Those millions who spring to arms untrained will undoubtedly serve their nation later after they have become soldiers through proper training. But it is the duty, the aim, and the purpose of the members of the National Guard and the National Guard of the United States to be prepared and ready at any moment they are needed.

From what I have told you of the National Guard, and its place in the life of our Nation, you can see that it is a representative force based on the highest patriotic ideals—those of the citizen soldier. At any time, and especially in such days of uncertainty in the world's history as those we are now living through, there should be no hesitancy on the part of any American mother if her son desires to become a member of the National Guard. Indeed, she should encourage such a step. In the guard a young man learns during peace to adjust himself to discipline and group living, lessons not unneeded by the youth of today, or for that matter, in any past day. In the guard, too, many young men develop to a high degree their capabilities for the understanding and efficient leadership of others which is typical of the Army of the United States. Discipline and leadership alike are of far more importance than ever in these days when nations must consider their preparedness as whole nations—when it is national morale and not merely the morale of armies and navies which must bear the strain of a national emergency.

Above all, however, a young man learns, as a member of the National Guard, a thorough understanding of the utter necessity for an adequate national defense. There he will gain no desire to see war come upon us, for he will more clearly realize, as a member of our armed forces, just what war can be. But he will unquestionably imbibe, from his training and his better understanding of national defense, a patriotic spirit which is clear and sound—a full determination that no dictator—no warlike conqueror—shall ever be permitted to isolate or enslave the people of the United States of America.

### Sane View of Defense

#### EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

EDITORIAL FROM THE ST. LOUIS GLOBE-DEMOCRAT OF  
FEBRUARY 4, 1940

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an editorial from the St. Louis Globe-Democrat of February 4, 1940, entitled "Sane View of Defense."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of February 4, 1940]

#### SANE VIEW OF DEFENSE

Oswald Garrison Villard, contributing editor of The Nation, offered a calm, rationalized argument last week in opposing heavy increase in military and naval spending. Speaking in a forum discussion, Mr. Villard asserted the United States is impregnable because of the geographical protection offered by the Atlantic and Pacific Oceans. He ridiculed as fantastic the assumption we could be successfully attacked by any great power.

He advised that if more defense expenditures are needed they ought to be decided on "wisely, rationally, after the most careful

study by a national commission composed of civilians as well as military men." The whole tenor of his observations was that the country eschew defense hysteria, for which there is no cause or excuse.

There is much in what he says. None can disregard sound considerations of national safety which demand an adequate defense. But it has seemed increasingly clear that the emphasis on vast Federal investment in naval and military arms, since the European conflict started, has been inspired more by emotion than reason.

Perhaps Mr. Villard goes too far in declaring this continent "impregnable," but the natural defenses of its two great oceans make foreign invasion a most remote sort of possibility. We can see nothing on the world horizon to make such a fear appear substantial. In recommending a commission to study defense needs, a commission composed of civilians as well as professional military men, Mr. Villard implies a natural aptitude on the part of Army and Navy authorities to stress defense expenditures out of proportion. The country obviously should depend on its military experts for specialized advice regarding defense. But it is not unreasonable to feel these authorities may in all sincerity be likely to scale needs higher than conditions warrant.

There is at present no proximate danger of the United States becoming embroiled abroad. We have already a strong Navy, almost a match in tonnage for Britain's. It seems belaboring the possibilities foolishly to conceive any foreign power would try to come over here on aggression bent. And we do not want to build ships or squander tax funds on arms to make our intervention abroad more easy of achievement by propagandists.

Adequate defense, yes. But proposals advocated now in Washington seem to go too far for the present. Tremendous Navy building now looks like a waste. When peace comes to Europe, a disarmament agreement seems inevitable. The United States was a party to the last such convention and would doubtless be to the next. Enormous outlays for new warships will probably mean building naval armament to scrap a few years hence.

### My Conception of Democracy

#### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

RADIO ADDRESS BY HON. LEON C. PHILLIPS GOVERNOR OF  
OKLAHOMA

Mr. BOREN. Mr. Speaker, I believe these words from the thought of a man of courage, ability, and great industry are worthy of careful and considerate attention:

The subject of democracy is one of perpetual interest and permanent importance, especially in the United States.

Many Americans are inclined to forget that the priceless heritage of democracy which they enjoy today had to be won in hard battle and that it took generations of effort to establish living democratic institutions on this continent.

Democracy is not a spontaneous gift of the gods.

If we are not wise and enlightened, we may not be a democracy in the future.

In the past the struggle for freedom was won by those who had the brain and the will to be free.

To be preserved, every right must be fought for.

Democracy is exemplified in its practical application. It reduces the art of living to workable practice. For the ideal democracy is the community, big or small, where all men are free to work out their own salvation, where the desire to work is realized in ready opportunity.

Freedom of life is the cherished goal of existence, because it, and it alone, gives liberty of action, choice of how and where the good things of life may be achieved and enjoyed.

Jefferson, in the immortal Declaration, called it "the pursuit of happiness."

Material existence, strange as it may seem, is inseparable from the spiritual as long as we live in this material world.

We live not by bread alone, but we cannot live without bread.

Democracy shall attain the ideal when opportunity is equal unto all men, according to their talents, and equal protection afforded to all.

That every man has an inalienable right to live, to own, possess, and enjoy the fruits of his own labor is a first principle of ideal democracy.

And thus to produce and enjoy is the strongest material incentive of life. There can therefore be no freedom, no liberty of democracy when the incentive of individual initiative is destroyed or does not exist.

Self-reliance is a necessary pillar to ideal democracy, and any policy that tends to destroy self-reliance in like degree destroys democratic ideals.



A grave tendency is manifest to forego self-reliance and rest in the sweet illusions of Government relief and paternalism.

If continued, this tendency may, as it has in Europe, lead to a state of mind, where this group of formerly independent and free American citizens will be willing to suffer abuses and economic slavery for a mere existence.

This policy not only tends to destroy democracy, but if current trends are permitted to continue, the burden of Government taxes will ever increase, thereby necessitating an ever-increasing governmental regimentation in all lines of private enterprise, until we may find ourselves as completely regimented as any dictatorship that ever existed—a democracy in name but a dictatorship in fact.

This must never, and shall not, happen in free America.

As we review the ghastly spectacle of blood and carnage being wrought upon the world by men given dictatorial powers, we are thankful to God that the tradition of liberty, justice, and equality still shines from the annals of our national life.

The heritage of our past is too great to sacrifice it willingly or thoughtlessly through our lack of effort to perpetuate it.

We who are the proud inheritors of a great nation and enjoy the privileges of its citizenship must carry also the obligations of its citizenship.

Today this Nation is faced with momentous decisions and national problems which are far more complex and formidable than those which occupied the labors of its founders.

The need for statesmanship and a rebirth of democracy was never greater than today, nor the call to patriotic service more pronounced. If our democracy is to live, it must be through the unselfish service of its citizens today, tomorrow, and every day.

Every reading, thinking, and observing American knows that right now within our own borders democracy is being attacked.

Yes I mean attacked by propaganda clever schemes and underhanded methods of destroying fundamental American principles by the Communists, the Nazis, Fascists, Workers Alliance, German Bund, and a dozen other kindred organizations, and by fanatical well-meaning zealots, who would federalize all activity for the sake of expediency.

And many of these have the effrontery to do this in the name of Americanism.

No occasion, no group, no movement, not even political expediency will justify the unfurling of the red flag of communism in America.

There is room in this democracy for but one flag, Old Glory. A serious mistake being made by some of our citizens is considering their citizenship a right rather than a duty.

We Americans are prone to lay great stress upon our rights and forget or shirk our duties.

The truth is that duties come first and they constitute the foundation for the enjoyment of our rights.

In a democracy, the rights of liberty and property depend upon the fulfillment of our obligations to our fellow men.

Organized society requires the individual to subordinate many of his personal desires to the good of the whole community and to assume duties for the public good.

Self-government—the democratic ideal toward which we are striving—is impossible unless the great majority of citizens honestly and wisely perform the duties of citizens.

I'm proud to be an American citizen and perform my duties as such.

I want my children and their children's children to be proud to be Americans.

I can only assure this to my offspring by doing my part to preserve this great country as a strong and virile democracy.

I consider that to be an American is the noblest circumstance of my life.

We need only to look at Europe to fully appreciate the paradise that America really is.

One glance abroad makes us adore our own country, its soil, its climate, its equality, liberty, laws, people, and manners.

The darkest hours in our history have never failed to bring forth the will, the courage, and the faith to overcome every obstacle.

The saga of America is the story of a people recruited from every corner of the world, united by an unswerving determination to make every sacrifice necessary to live in a new way in accordance with a fresh formula.

What is this thing that so powerfully influences man's thoughts and actions? What is democracy that it so alters the course of human history?

It is not merely a form of government. It is a way of life.

It is the way of life which the common man has sought the world over and one which we in America have dedicated our lives to attain and defend. It is, above all, a recognition of the inherent worth of the common man, the dignity of his labor, and his hopes and aspirations to freedom. Democracy on the political side may be described as that form of government which guarantees the necessary conditions to the full expression of that worth and dignity and the realization of those aspirations.

It seems fitting and proper that we should again remind ourselves of some of the beliefs that make our Nation not only different, but strong, virile, and unafraid.

We Americans believe in individual liberty, so far as it can be exercised without injury to the superior rights of the community.

We believe in complete religious tolerance.

We believe in freedom of speech and of the press subject to temporary restraint in times of popular excitement, by public authority only.

We believe in control of public policies and measures, by representative legislative bodies elected by universal suffrage.

We believe in the executive head of the Nation elected for a short term of universal suffrage and exercising large powers under specific constitutional limitations.

We believe in self-government, in universal education, in resistance to evil men and governments.

We believe in submission to the will of the majority after full discussion and a fair vote.

We believe in leading rather than driving men.

We believe in a universal sense of obligation to the community and the country, an obligation to be discharged by service, gratitude and love, in the dignity and strength of common human nature, and therefore in democracy and its ultimate triumph.

With all of the above ideals of liberty being attacked in many sections of the world, and with eternal vigilance as the price of liberty, it is well for us to be vigilant. The same conditions that caused all the unrest in other countries exists also here. In those other countries there was poverty, jealousy of the well-to-do and rich, racial hatred, religious prejudice, selfish ambitions, greed for power; all of these existed and were fanned into emotional flames by ambitious and unscrupulous leaders resulting in political upheaval.

Here in our own beloved country, we have the same conditions waiting to be fanned into flames. There exists here those same racial and religious prejudices, jealousies, selfishness, greed, and poverty. They caused great changes elsewhere; they could cause them here.

The cure and remedy is in the heart and mind of each individual. It is as individuals we enjoy our present freedom, it depends on our actions as individuals as to how long we will enjoy freedom. If each individual will become a self-appointed apostle to preserve an orderly and peaceful Government, all will be well, as under those conditions, the rabble rousers and agitators will be left without hearers or followers.

I would like to leave one final thought. I believe this Nation has gone as far as it should go in the centralization of Government.

I believe it has gone as far in that direction as it can safely go.

I believe that the people are awake to the importance of retaining freedom of action in the several States and that the trend is now in the right direction.

I applaud the awakened sense of the people because I believe that the doctrine of States' rights is fundamental and that the welfare of the Nation and of every individual citizen of these United States depends upon steadfast devotion to that creed.

I thank you.

## Defense of Human Rights

### EXTENSION OF REMARKS

OF

HON. RAYMOND S. McKEOUGH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

RESOLUTION OF CHICAGO ALL-AMERICAN COMMITTEE FOR THE DEFENSE OF HUMAN RIGHTS

Mr. McKEOUGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution, read and adopted at a mass protest meeting held under the auspices of the Chicago All-American Committee for the Defense of Human Rights, on Sunday, January 14, 1940, at the Chicago Coliseum:

We American citizens of Czechoslovakian, Polish, Jewish, and Finnish origin or descent, assembled in the Coliseum in the city of Chicago, Ill., stand united in our condemnation of the unparalleled acts of aggression which have resulted in the conquest of Czechoslovakia, the dismemberment of Poland, and the ruthless attack on Finland, and the barbarous oppression of all minorities in these countries.

During the past 7 years the world has seen civilization crumble, freedom become enchained, and the lust for power become dominant. The events of the past 5 months, since the conclusion of the Nazi-Soviet pact, have made the issue confronting mankind unmistakably clear. The ultimate conflict of our day is a struggle between democracy and dictatorship; between enlightenment, humanity, and civilization on the one hand and inhumanity, brutality, and darkness on the other. Nazi Germany and Communist Russia are one, a united menace to the civilized world.

The American people, neutral though they should be and are in political action, cannot and will not be neutral or silent in thought. They stand arrayed against aggression, eager to uphold the sacred obligations of saving humanity and preserving freedom by utilizing all of the many instruments of peace.

The Nazis have made of free and democratic Czechoslovakia a prison; of Poland they have made a charnel house; Christians and Jews of Germany, Austria, Czechoslovakia, and Poland have been

robbed of all their material possessions and of every right that makes human life precious. Catholic priests, Protestant ministers, and Jewish rabbis have been degraded, imprisoned, and executed. Christian and Jewish seats of learning, and their irreplaceable libraries and ancient manuscripts have been desecrated, burned, and destroyed. Students by the thousands have been beaten and murdered. Two and one-half million Jews of Poland, and millions of Christians are now vassals of Germany and subjected to a barbarism and terror unknown even in the days of the savage Huns. Millions of Jews and Christians are denied food, shelter, and medicine; they are perishing from hunger and epidemic; they are subjected to degradation and systematic wholesale extermination; they are being killed and forced to dig their own graves. Millions of laborers and labor leaders, business and professional men, women and children have been uprooted from their homes, sent to far removed places and forced to labor as slaves or exterminated.

The cynicism, the ruthlessness, the disregard of human rights and feelings that Soviet Russia has shown in its conquest of Poland, its subjugation of small Baltic nations, and its attempt—so far, happily, unsuccessfully—to conquer Finland, makes it a fit partner of its ally and friend, Nazi Germany, and equally subject to the scorn and condemnation of the moral sense of the world.

The American Government still maintains diplomatic relations with Germany and Russia. The nations of Germany and Russia pay little regard to our ambassadors, and give them no opportunity to protect the lives and property of American citizens in those countries. They have a prison wall around the territories they have conquered; they have made these territories one vast concentration camp and torture chamber; to maintain their aggressions they permit no communication with, or entrance to, these areas and deny opportunity to humanitarian and relief agencies to give aid and succor to the victims of their aggressions. The American Government accords to the representatives and citizens of Germany and Russia in this country all of the customary diplomatic courtesies and rights. Thus the maintenance of diplomatic relations has many advantages for the German and Russian Governments, and no corresponding advantages for the American Government: Now, therefore, be it

*Resolved*, That we, American citizens here assembled, representatives of many religions, creeds, and races, all deeply conscious of, and grateful for, living in and being part of this great country, do reaffirm our loyalty and adherence to the principles of democracy upon which this Nation was founded, and to the American way of life and government. We commend the President of the United States for his moral condemnation of the actions of Nazi Germany in conquering Czechoslovakia, Poland, and Austria, and of its bestial and barbarous treatment of Jews and other minorities; and for his moral condemnation of Russia for its conquest of Poland and invasion of Finland.

We urge the President and the people of the United States to continue their interest in and help to the oppressed Jews, Czechoslovakians, Poles, and Germans of Europe and to the valiant Finns, and to convey to the German and Russian Governments America's abhorrence and condemnation of their oppressions. We appeal to the President of the United States, who has led the world in his condemnation of aggression and brutality, to raise his voice and exercise his great power once again in behalf of the relentlessly oppressed people of Poland, Czechoslovakia, and Austria upon whom is practiced a perverted cruelty which violates every impulse of humanity and justice. We appeal to the President and Congress of the United States to urge such measures as are available to them, to enable legitimate relief agencies, of, and by, American citizens to bring aid and succor to the unfortunate victims of Nazi and Communist aggressions; and to keep open the mail channels and other means of communication between the people of the United States and the people of conquered areas. We appeal to the President, the Congress, and all people of the United States to preserve and maintain the noble tradition of this country as a haven and asylum of refuge for victims of religious and political oppression and persecution.

We condemn the attempt by agents of nazi-ism and communism and their American friends and allies, to undermine and destroy the principles, ideals, and institutions of this democratic Nation by stirring up religious and racial antagonisms and hatreds.

We call upon the President and the Congress of the United States to consider the facts set forth in these resolutions and to take such measures and action, in keeping with the fine traditions of the United States and the fundamental rights of humanity, which will best serve the oppressed peoples of Europe and the interests of this country.

## Unsound Growth in the Aircraft Industry

### EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

Mr. MARTIN of Iowa. Mr. Speaker, the Washington Evening Star for February 6 carries an article of considerable

interest to those of us who have been carefully watching the effect of the lifting of the arms embargo and the activities of Secretary of the Treasury Morgenthau in encouraging the rapid expansion of our aircraft industry to fill the large military orders of France and Britain for use in the present European war. The entire article appearing in the Evening Star is as follows:

[From the Washington Evening Star of February 6, 1940]

AIRCRAFT INDUSTRY GROWTH PRAISED BY MORGENTHAU

Secretary of the Treasury Morgenthau yesterday described the "orderly expansion of the aircraft industry" as a tribute to American business methods.

Returning from visits to the United Aircraft plant in Hartford, Conn., and the Wright Aeronautical Co. plant at Paterson, N. J., the Secretary told reporters:

"I was tremendously impressed that the domestic economy is on an even keel largely due to the leadership and initiative of President Roosevelt.

"While the rest of the world is upset I go into these factories and find them working at top speed."

He said the airplane industry was charging fair prices and paying fair wages and making complaints about nothing.

"It goes to show," he continued, "that when there is business, the American businessman does go ahead, does expand, and makes profits."

Secretary Morgenthau heads a committee appointed by President Roosevelt to coordinate foreign and domestic airplane purchasing.

Apparently Mr. Morgenthau overlooks entirely the real cause for this sudden wave of prosperity in this particular industry. In my speeches in the House of November 1 and 3, I predicted that the lifting of the arms embargo would have exactly the effect that is now so strongly manifest and I now contend that the domestic economy is not on an even keel and that the only leadership and initiative of President Roosevelt bearing upon this sudden wave of prosperity in the aircraft industry was the lifting of the arms embargo and the plunging of American industry headlong into the maelstrom of the present European war. As set out in my extension of remarks of January 24, this present expansion of the aircraft industry is wholly dependent upon a most volatile and unsound demand and is also robbing the American farmer of the British and French market for farm products. I repeat that our domestic economy is anything but on an even keel and that we are setting in motion factors which will prolong the war and which will cause a large industry in our own land to desire the prolongation of the war and which may even plunge us headlong into the war. Furthermore, the sudden termination of new orders and the cancelation of old orders at the close of hostilities may be the very factor that will precipitate recession and economic collapse.

I have just received a letter from a very outstanding constituent of mine on this general subject. The writer of this letter, Mr. Weaver, portrays very clearly and effectively the views that have been very generally expressed in many communications I have received from my district on this most important issue. Mr. Weaver's letter is a splendid Midwestern answer to Secretary of the Treasury Morgenthau's views, notwithstanding the fact that it was written the day before the above Associated Press article appeared in our papers. I am including Mr. Weaver's letter in full herewith:

WAPELLO, IOWA, February 5, 1940.

HON. THOMAS E. MARTIN,

House of Representatives, Washington, D. C.

MY DEAR TOM: Newspaper accounts keep coming out indicating an increase in the tempo in the export of arms, munitions, and other materials to the warring countries; also accompanied by loans and credit facilities by these nations in this country. I am not fully acquainted with the terms of the Johnson Act nor the exact wording of the late Neutrality Act, but it does appear to me that we are treading the same road that led to our entry in the last World War. Personally, I have not changed my opinion in any respect about the late repeal of the Neutrality Act, and, if anything, my conviction is strengthened that Congress did away with a good piece of legislation. If this thing keeps up the way it is going at present, all "Hell and high water" can't keep us out of this war. The reason I am writing you this letter is not in any way to criticize your position, because I know that it is exactly in accord with mine, but it does seem to me that certain observations can be made at the present time in regard to this situation which I am becoming somewhat apprehensive about.

I was reading an account the other day of the negotiations for sale of some of our speediest airplanes to France, which would be exclusive of armament and motors. This airplane has just very



recently been brought to the public view, and, of course, I do not know whether it has been superseded by some advance plans, but it does appear to me that such a practice is questionable in view of the fact that we are sadly lacking in such equipment for our own forces.

I think, in final analysis, this thing all boils itself down to the dollar sign again. Either the greed of certain individuals in this country is going to have to be curtailed, or we are going to become a party in this war. My apprehension about this matter is in part a selfish one because of the fact that I am a Reserve officer in the Army and do not want to get my head blown off any sooner than anyone else, but will do so if it need be. Be that as it may, the general public is beginning to wonder what in the Hell is going on, as we are definitely taking sides in this conflict by our actions, although we shout neutrality from the housetops.

I know that you are keeping a close watch on this matter due to your connection with the Military Affairs Committee, and further, I know that your convictions upon this subject are parallel with my own. Anything you can do to cool off the anxiety to continue this practice will be greatly appreciated by this district at least.

With kindest personal regards, I beg to remain,  
Sincerely yours,

W. O. WEAVER.

### Health Legislation

#### EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

LETTER FROM H. C. LOWRY

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

PARKSIDE HOTEL, D. C., February 5, 1940.

Re Health legislation.

Dear CONGRESSMAN: As you know, Congress under the leadership of both the Democratic and Republican Parties, has been most liberal in making appropriations for public health. Each succeeding administration has added increased public-health services in different administrative bureaus. To coordinate these functions the President signed Executive Order No. 7481 in October 1936, which set up the Interdepartmental Committee to Coordinate Health and Welfare Activities.

The committee thus created had two definite objectives to fulfill, both of which have been sidetracked, and the only report the committee has made to date is a report citing the need for a national health program. A trumped-up convention was called and much time and money has been spent to propagandize the so-called Wagner health bill. More recently this program has been thrown out the window and a hospital building program substituted therefor. Such is the end result of all the ballyhoo and expenditure of money. The health activities of the Federal Government are, as they were, still scattered in 43 branches of the Government.

In effect, the yearling professors have offered legislation to change about everything under the sun, and neglected the most prized jewel—public health. The mountain has truly labored and brought forth a mouse. But instead of a mouse trap we are offered "fire traps." The fact that this program was set in motion by trick propaganda and the inside influence of a mere handful of overly ambitious welfare workers who made the fatal mistake of attacking that monster—that small coterie of political doctors under the direct command of the medical dictator—is no reason why Congress should fail to give due consideration to the all-important problem of finding some solution to work out our national health problems.

In the hope that Congress will deal with this subject at this session, I offer you certain suggestions which I think you and the other Members of Congress would appreciate. I trust the Members of Congress are well acquainted with the report and recommendations of the interdepartmental committee and the counter-proposals of the American Medical Association House of Delegates. Judging from the remarks and opinions of the Members of Congress with whom I have discussed these matters, it is evident that Congress does not agree with the findings of the committee nor the American Medical Association.

To be specific, I respectfully submit that generally speaking competent physicians will not submit to regimentation by either the State or Federal Government, and this is true of the American people. Few individuals would tolerate any interference with the free choice of a physician. Any system of compulsory insurance, State or National, managed by bureaucracy, would quickly develop into a rotten stench and a political racket. When the Government begins to pay doctor bills, graft and corruption will run riot. If any form of State medicine were put in operation and the

Government selected the surgeons, undertaking parlors would soon pop up like mushrooms on every available street corner. Padded bills and kick-back commissions would be the rule instead of the exception. It is not the prerogative of government to dictate medical care or the type of therapy indicated in any given case. The reputation and good will of a physician or a surgeon would soon depend upon his politics and how much he kicked in to the ward boss.

From the standpoint of the long-haired professor who would compare the amount of a surgeon's fee with the price of a haircut, medical costs could be materially reduced. But from the standpoint of those who are willing to take into account comparable circumstances, there is little hope of ever substantially reducing the costs of health services and maintain and improve the standard of services we all hope to attain. Congressmen are for the most part practical, if not always of the intelligentia; therefore permit me to mention some known and proven facts in the abstract.

Namely, the average cost of maintaining and operating the public hospitals in this country of from 400 to 500 beds is equal to the entire administrative cost of any one of several States in this Union. That Allen County in Indiana (Fort Wayne, the county seat) and Allen County in Ohio (Lima, the county seat) found that they could pay private hospitals and doctor bills to private practitioners cheaper than to own and operate city and county hospitals. That eminent surgeons or physicians must have some incentive to improve the lot of medicine and surgery and will not work for the wages we pay bureaucrats. Who would patronize a doctor who collects 50 cents for an office call or \$25 surgical fees? How much respect does the public have for a \$2,200 per year health officer?

No doubt the Members of Congress know of the tremendous cost of medical care in this country, and thus have an idea what socialized medicine would cost the States and the Federal Government. If so, Congress will deliberately confine the scope of national health services to the control and eradication, so far as is possible, of communicable and so-called preventable diseases and a program of health education. Once Congress goes beyond these limits and employs private physicians and embarks upon a hospital-building program, both as a welfare service of the Government, this Nation is sunk. When the President says that a people cannot afford to build a hospital but can support and maintain it, he has been sadly misinformed. The annual cost of maintenance will equal the cost of production. In other words, if they can't find \$300,000 to build and refund in 20 years, how can they raise \$300,000 per year to maintain the project?

The individuals who would advocate government ownership of hospitals should first visit State and Federal hospitals. It will be found that about half of the worth-while equipment is stolen by the outgoing staff when there is a change in the administration. It will be found that graft and split commissions are common practices. The staff members are almost 100 percent political appointees, whose first concern is how much booty they can rake up for the next campaign fund. And, for the most part the surgical staff is composed of doctors who cannot get on the surgical staff of a regular standardized hospital, and who "is there" to operate on anybody for anything in order to qualify, in a manner, as a surgeon.

The individuals who would promote socialized medicine, or demand that the Government employ physicians and surgeons to attend the public generally, should first examine the W. P. A. reports and ascertain how much money has been squandered to date. For instance, an interne in Chicago was paid \$635 to operate on two W. P. A. relief clients. Another young doctor of Chicago Heights, Ill., was paid \$598.50 to operate on two similar W. P. A. cases. These are not exceptions, but rather the common rule—if you will only examine the record ("Astorbilt" fees for charity).

Until 1934, when the brain trust captured Washington, we thought the "good ole U. S. A." had stepped far beyond the ideologies of Europe. And, in fact, the rest of the world. But since '34 we have heard that what was new and worth while (?) was to be found in Europe in the totalitarian States. As, for example, State medicine. But little do they think. Should anyone imagine that Americans would stand in line, not unlike cattle, as they do in Europe, to wait their turn for CC pills and a daub of iodine? Nor do they tell us that State medicine costs have increased from 8 to 22 percent in Europe. From these figures you can well imagine what the cost in America would be with our truly democratic political set-up. Even today, right here in America, few Government health clinics, or health officers' offices, would pass a sanitary inspection.

For the most part, doctors in public-health work are of the class that graduated with little more than a prescription book, a tongue depressor, and a faint hope of ever developing into a physician or a surgeon. Before Congress is ready to institute a new health program, personnel must be trained. But, first, what we need most now is to stop guessing. Experiments in medicine and surgery, and drug and drugless therapy, are mandatory. Radium and X-ray therapy have proven overrated. The "horse and buggy" cautery technique is back in vogue for cancer work. Blood "banks" have been discredited and known to be dangerous after the blood is 5 days old. Every day we hear startling claims made for this and that treatment, only to learn in a few days that it is "out the window."

It has been said that 10 percent of the people can buy anything, that 20 percent cannot buy anything, and that 70 percent can buy and pay, if properly sold. And, while there is a lot of truth in this, at the same time we know that there are many exceptions to this rule when a major illness occurs. We also

know of many abuses that break this rule; such as "split fees," unnecessary consultation fees, unnecessary X-ray pictures and laboratory fees, the doctors who demand a "kick-back" from the pathological laboratories, surgical-supply agencies, opticians, anesthetists, and other allied agents. But, at best, we know that even after these abuses have been discredited, there remains a large percentage of the 70 percent who cannot pay for all advisable and necessary health costs.

Group hospitalization and insurance to cover medical and surgical costs have helped to solve these needs to a certain extent. Cooperative group-health clinics have been organized, but they are of short duration, and except for a few that are being heavily subsidized the idea has been a failure. Private group practitioners have organized clinics to work out a satisfactory solution. And while a good many such clinics are in operation, they, too, are short lived due to the fact that when the "moving spirit" (individuality and personality) expires, the patient turn-over, like the operating personnel, loses faith and confidence. The Mayo, Percy, Lahey, Crile, Gamble-Montgomery, and others are no exception to this rule. Johns Hopkins, the foremost clinic in America, always runs in the "red."

Therefore, the greatest health needs, no doubt, are for diagnostic clinics equipped for the use of the physician and the 20 and the 70 percent. If Congress confines the Government program to communicable and preventable diseases, and an educational program, then offers reasonable accommodations for diagnostic services, the insurance companies can and will write insurance within the reach of all employables. No doubt, private and local public hospitals and clinics will be glad to cooperate in such a program, and the professionals will offer no resistance so long as the program is kept free of politics and fair to all parties concerned.

Yes, Congress might well study the possibility of a medical West Point. The ground work must first be laid before any new health program can be made to operate economically. Personnel is mandatory, for there is a pitiful need for properly trained professionals and allied agents in the public-health field. We have only to visit our present-day health clinics and review the experiences of bungling and suffering and miserable treatment our soldiers underwent during the last war, and examine the staff of veterans' hospitals to realize the necessity of action by Congress, if improvement in our Army, Navy, and public-health officers' personnel is to be attained.

Congress might at least finish the job the interdepartmental committee set out to do, and coordinate all present Government health functions in one well-coordinated bureau. These functions might at least be placed in the hands of therapists and taken out of the hands of doctors of philosophy, old maids, and clerks. Any delay is penny-wise and pound-foolish, and will cost the Government millions of good taxpayers' dollars. The Government is now spending millions training personnel in certain subsidized hospitals and colleges where certain influences are at work to warp the minds of the professionals and allied agents. If the Members of Congress will begin on page 181 and read the Mayo-Fishbein-Rockefeller chapter in the volume *Medical Mussolini*, fifth edition, valuable information will be found available.

I know you are interested in the above subject matter, and I hope you can interest your colleagues to the point that some immediate action is taken.

Most respectfully,

H. C. (CARLYLE) LOWRY.

### The N. Y. A. in Action

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

LETTER FROM MALCOLM M. WILEY, DEAN OF THE UNIVERSITY OF MINNESOTA, AND TWO REPORTS SHOWING PRACTICAL OPERATION OF THE NATIONAL YOUTH ADMINISTRATION

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit herewith a letter from Dean Malcolm M. Wiley, of the University of Minnesota, together with two reports showing the practical working of the N. Y. A. and its timely assistance to promising men and women. I recall my own very difficult problems of finding money for tuition, clothing, board, and room rent, and other incidental details of getting through a great university, and it is with a sympathetic attitude that I submit this interesting and instructive report for the benefit of the Congress and general public:

UNIVERSITY OF MINNESOTA,

Minneapolis, February 2, 1940.

The Honorable JOHN G. ALEXANDER,

The House of Representatives, Washington, D. C.

MY DEAR MR. ALEXANDER: Enclosed you will find two reports: (1) Backgrounds of College N. Y. A. Students and (2) Student Attitudes Toward Government Aid in Education. Now that you will soon be considering appropriations for a continuation of the National Youth Administration program, I thought you might like to have at hand these materials, which give indication of the success with which the program has operated at the university and in the State of Minnesota.

May I especially call your attention to Backgrounds of College N. Y. A. Students. The material on page 4 shows the income of parents of students who are now serving as N. Y. A. students at the University of Minnesota. You will see that 44.5 percent of the students come from homes where the income is less than \$1,000, and almost 70 percent are from homes where the income is less than \$1,500. Couple this with the fact, also shown in the report, that one-half of the students are from homes with four or more dependents, and it becomes clear that the N. Y. A. assistance is meeting a need and that it unquestionably is permitting promising young men and women to attend college who could not otherwise do so because of meager home resources.

It is also interesting to notice, as shown on page 5, that almost one-fifth of the N. Y. A. students at the University of Minnesota are from homes in which the father follows an agricultural pursuit.

You will find a quick summary of the essential material on page 10.

I know, of course, that in the weeks immediately ahead you will give full and careful consideration to the needs of youth in general and to the appropriations for the N. Y. A. program in particular.

Very truly yours,

MALCOLM M. WILEY,

University Dean and Assistant to the President.

#### BACKGROUND OF COLLEGE N. Y. A. STUDENTS

A report on certain aspects of the National Youth Administration program at the University of Minnesota, covering the period January 1, 1934, to April 30, 1939

(By Dorothy G. Johnson, director of the employment bureau, and Malcolm M. Wiley, university dean and assistant to the president)

On November 17, 1933, the Federal Emergency Relief Administration authorized a special allotment of funds to the Minnesota emergency relief administration for an experimental work-relief program for college students. The project had been planned by a State-wide commission for the education of unemployed youth, appointed by the then Gov. Floyd B. Olson, with E. M. Phillips, State commissioner of education, as chairman. President Lotis D. Coffman, of the University of Minnesota, was chairman of the executive committee that formulated the program for which the Federal aid was given. Beginning in January 1934, 1,000 college and university students in the State of Minnesota were selected for assignment to work projects on the various campuses, and for the services performed they were paid an average of \$15 a month from Federal funds. (A special supplement provided by the executive council of the State added \$5 per student per month to the Federal earnings.)

The preceding details are given because they mark the beginning of what has developed into the college phases of the National Youth Administration program. (An account of the development of the student-aid program in Minnesota is contained in Biennial Report of the President of the University of Minnesota to the Board of Regents, 1932-34, pp. 305-323.) Within a few weeks the experimental program in Minnesota was obviously a success, and on February 2, 1934, the Federal Emergency Relief Administration announced an extension to include all the non-profit-making collegiate institutions of the country. In August 1935 the National Youth Administration was created to assume authority over the Federal-aid program for youth, including the college-aid program. In its essentials the student-aid program in the colleges has held to the original pattern as formulated by the Minnesota commission for the education of unemployed youth.

With the close of the academic year 1938-39 students at the University of Minnesota have been receiving the Federal aid for 17 academic quarters. (The program began at the outset of the winter quarter, 1933-34. No aid is given during the summer quarters.) From the data that follow, some significant and interesting observations may be made concerning the family and economic backgrounds of the entire group of National Youth Administration students. These data, likewise, are of value in any attempt to appraise the N. Y. A. program.

Sex distribution: From the beginning 4,681 individuals have been recipients of the Federal assistance at the University of Minnesota. (All data cover the period January 1, 1934, through April 30, 1939. These tabulations include collegiate students only, and exclude students at the University of Minnesota schools of agriculture, which are not of collegiate level yet are not strictly high schools.) Of these, 3,336 (71.3 percent) have been men and 1,345 (28.7 percent) have been women. The fact that women are represented in the N. Y. A. group in a smaller proportion than in the student body at large probably reflects a greater unwillingness on the part of girls to attempt a college education on meager resources, and an unwillingness of parents to allow them to do so. (In 1937-38, 43



percent of the total university registration was female.) Whatever the cause, the fact is that women students have profited relatively less by the N. Y. A. program than the men.

Family size: The N. Y. A. assistance is for youth from families whose resources are so limited that without the aid it would be impossible for the sons and daughters to attend college. Table 1 shows the number of dependents in the families from which the students were drawn. This should be read as follows: In 278 cases the student himself was the only dependent, which would mean that the family consisted of a father or a mother and the student; in 1,138 cases there was one dependent besides the student, which in most instances would mean a one-child family, with mother and father both alive, but might mean a widow or widower with two children, one of which is the student.

TABLE 1.—Number of dependents of parent or guardian in the families from which University of Minnesota National Youth Administration students have been drawn, Jan. 1, 1934–Apr. 30, 1939

Dependents	Cases	
	Number	Percent
1.....	278	5.9
2.....	1,138	24.3
3.....	1,030	22.0
4.....	796	17.0
5.....	463	9.9
6.....	193	4.1
7.....	108	2.3
8.....	47	1.0
9.....	22	.5
10.....	11	.2
11.....	12	.3
12.....	4	.1
Orphans.....	64	1.4
No family ties <sup>1</sup> .....	515	11.0
Grand total.....	4,681	100.0

<sup>1</sup> Includes all cases where the student is totally independent of any family for his economic support, that is, where he is entirely "on his own."

The largest single group of students is from families consisting of the parents and himself (24.3 percent) with the three-dependents family (parents and two children) a close second (22 percent). That the N. Y. A. program has assisted students from larger families to attend college is shown from the fact that 47.8 percent of the Minnesota N. Y. A. students are from homes with four or more dependents (typical: father, mother, and three children). When the data of table 1 are coupled with those on family income (table 2) the need for some supplementary assistance if the children are to attend college is evident.

Table 1 also reveals that 11 percent of the students are entirely on their own resources in attending college; for such students, the N. Y. A. assistance is clearly important, even though the earnings from this source must be further supplemented. (See Dorothy G. Johnson and Malcolm M. Willey, the Supplementary Needs of N. Y. A. College Students, School and Society, 48: 565–568 (October 29, 1938).) The group also contains 64 self-supporting orphans.

These data have implications in considering any theory of democratic education. It costs money to attend college, even a public institution. If the costs mount to a point that precludes attendance by students from families whose economic resources are limited by family size or by small earnings of parents or guardians, educational opportunities become associated with class, and the democratic tradition in some degree breaks down. This is why the data on family dependency are important, and become more so in conjunction with the data of table 2 on total annual income.

TABLE 2.—Total annual income of parent or guardian in families from which University of Minnesota National Youth Administration students have been drawn, Jan. 1, 1934–Apr. 30, 1939

Income group	Number	Percent
\$1,000 or less.....	2,085	44.5
\$1,000 to \$1,500.....	1,155	24.7
\$1,500 to \$2,000.....	756	16.2
\$2,000 and up.....	347	7.4
Not given <sup>1</sup> .....	338	7.2
Total.....	4,681	100.0

<sup>1</sup> In the first months of the program these data were not obtained with sufficient exactness to include in the tabulation; certification by relief workers, for example, was accepted instead of a specific income figure. This accounts for the "not given" cases.

Family income: Of the entire group of students, 44.5 percent came from homes in which the major breadwinner had an annual income of \$1,000 or less. (Some attempt has been made to include a cash-equivalent figure for farm families.) Almost 70 percent (69.2 percent) of the students are from homes with an income of less than \$1,500. More than 85 percent have parents earning less than \$2,000.

These data of table 2 are an effective answer, based on 5½ years of experience, to any criticism that numbers of students are receiving N. Y. A. help who do not need it. Families with incomes of less than \$2,000 and of the sizes indicated in table 1

can hardly maintain themselves and also have resources adequate to send their children to college. In normal times the problems of educating the children at the higher levels would be great; in periods of depression these problems are aggravated. Unless children from such families are to be deprived of higher education, aid for them in meeting their college expenses must come from some source, and it is to be remembered that when business conditions are bad, it is increasingly difficult for students to help themselves, by obtaining supplementary employment (see Malcolm M. Willey: Depression, Recovery and Higher Education, ch. 13, on "Student financial problems and the depression." New York: McGraw-Hill Book Co., 1937).

Further substantiation of these points is found in the occupational data on table 3. Almost one-fifth (18.2 percent) of the total of 3,262 cases for which data are available, are from families where the breadwinner is on relief, unemployed, or working for W. P. A. If petty pensioners are added, nearly a quarter of the group is involved (aggregate, 23.3 percent). Here is clear evidence that the N. Y. A. program is touching students who need assistance in obtaining an education. If public assistance is not available for these students, what is the alternative? Again the democratic theory of education intrudes itself.

TABLE 3.—Occupation or source of income of parent or guardian in families from which University of Minnesota National Youth Administration students have been drawn, Jan. 1, 1934–Apr. 30, 1939<sup>1</sup>

Source of income	Number	Percent
Agricultural pursuits.....	605	18.6
Small-business owners.....	379	11.6
Employees of business and industry.....	507	15.5
Professional.....	151	4.6
Public service.....	136	4.2
Education (teachers and administrative).....	17	.5
Skilled trades.....	293	8.9
Laborers.....	168	5.2
Relief.....	187	5.7
Works Progress Administration.....	241	7.4
Pensioners.....	165	5.1
Unemployed.....	166	5.1
Homemakers.....	71	2.2
Domestic service.....	36	1.1
Income from capital <sup>2</sup> .....	128	3.9
Alimony.....	12	.4
Total.....	3,262	100.0

<sup>1</sup> The base in this table is 3,262 cases; adequate data were not obtained in the early months of the program. There is less than 4 percent of overlapping in the categories.

<sup>2</sup> Includes annuities, rent from property, etc.

As might be expected in Minnesota, 18.6 percent of the students are from farm families, a percentage that exceeds that for owners of small business enterprises (groceries, oil stations, etc.) or for employees in business and industry. The categories of table 3 reveal again that the N. Y. A. aid is going into families at the lower end of the economic scale.

As a final check on the economic status of the students, data concerning the annual liabilities of the parent or guardian with respect to interest charges, life-insurance charges, etc., were compiled. (In the first months of the program these data were not requested, which explains the "not given" cases in table 4.) Table 4 shows that 43.4 percent of the parents or guardians had fixed charges of less than \$100, whereas 56.6 percent of them had fixed charges in excess of \$100, running, in 8.9 percent of the cases, to \$500 or more. These data must be read in connection with the income figures of table 2, and when this is done it is further confirmed that the students have been drawn from homes where resources are meager. It is failure to have knowledge of such facts as are shown in table 4 that leads to some criticism regarding eligibility for N. Y. A. appointment in the specific instances that are sometimes questioned by other students or outsiders. Income alone is not a sufficient criterion in making N. Y. A. appointments; as already shown, size of family and family debts and other liabilities must be considered in determining the needs of any single student. The amounts shown in table 4 are absolutely not large in most of the cases, but they are to be considered in relation to the annual incomes of table 2. A fixed charge of \$500 on an income of \$1,500 or \$2,000 does assume relative magnitude in the family budget; a charge of \$100 against an income of \$1,000 is likely to have an important bearing on whether or not children may go to college.

TABLE 4.—Total annual fixed liabilities of parent or guardian of Minnesota National Youth Administration students, Jan. 1, 1934–Apr. 30, 1939

Amount	Number	Percent
\$0 to \$100.....	2,029	43.4
\$100 to \$200.....	740	15.8
\$200 to \$300.....	397	8.5
\$300 to \$400.....	264	5.6
\$400 to \$500.....	196	4.2
\$500 and up.....	417	8.9
Not given.....	638	13.6
Total.....	4,681	100.0

Duration of N. Y. A. appointments: Attention thus far has focused primarily upon the economic background of the 4,681 students who have received Federal work-relief assistance at the University of Minnesota. It now shifts to the question of the duration of the aid. For what periods of time have the students been on the N. Y. A. rolls? Is there any indication that the students become dependent upon N. Y. A. and that a small group is carried along year after year? Or are the benefits spread?

Table 5 shows the duration of the appointments. Three academic quarters is the modal duration of appointment (27.1 percent). The table is somewhat overweighted in the one-, two-, and three-quarter categories because of the appointments made during 1938-39, yet, as the data indicate, the percentage figures drop sharply after the three-quarters group. (Students appointed at the beginning of the spring quarter, 1938-39, and who were still on the rolls when the tabulation was made, April 30, 1939, are included in the one-quarter group. The less-than-one-quarter category contains students who canceled their appointments before completing one academic quarter as N. Y. A. students.) After nine quarters are passed (2 academic years) the numbers are negligible. There is thus no evidence whatsoever that the N. Y. A. students as a group are favored by making them dependent on the program. Only one student has been on the list from the outset—a boy starting as a freshman and now going on with a medical education. Table 5 corroborates what has previously been stated: That N. Y. A. is supplementary aid; no student could depend upon it solely for support during his college course. As it has worked out over the period of nearly 6 years, three academic quarters of N. Y. A. assistance is the optimum supplement, which in money terms would be an average of \$135 per student.

TABLE 5.—Duration of appointments of University of Minnesota National Youth Administration students, Jan. 1, 1934-Apr. 30, 1939

Duration of appointment	Number	Percent
Less than 1 quarter.....	243	5.2
1 quarter.....	886	18.9
2 quarters.....	586	12.5
3 quarters.....	1,269	27.1
4 quarters.....	350	7.5
5 quarters.....	258	5.5
6 quarters.....	438	9.4
7 quarters.....	146	3.1
8 quarters.....	116	2.5
9 quarters.....	187	4.0
10 quarters.....	64	1.4
11 quarters.....	51	1.1
12 quarters.....	66	1.4
13 quarters.....	13	.3
14 quarters.....	5	.1
15 quarters.....	2	.0
16 quarters.....	0	.0
17 quarters.....	1	.0
Total.....	4,681	100.0

Reasons for cancellation: Except during the first months, a record has been kept of all cancellations of N. Y. A. appointments falling within the academic year. Students leaving school at the end of the academic year, for whatever causes—including graduation—are not counted in the tabulation. In table 6 it is seen that the largest single group of cancellations is for the purpose of taking another job. Presumably the new jobs either pay higher rates or permit greater monthly earnings than under N. Y. A. (The maximum earnings of a student under N. Y. A. are \$20 a month from the Federal funds, and the average earnings of the group must be, by N. Y. A. regulation, \$15 per month per student.) That students drop the N. Y. A. appointments to obtain other work is in itself evidence that no general bad habits of "dependency" develop under the program—as is sometimes charged by the critics.

TABLE 6.—Reasons for cancellation of National Youth Administration appointments, University of Minnesota, Jan. 1, 1934-Apr. 30, 1939

Reasons for cancellation	Number	Percent
Dropped.....	38	4.0
Financial.....	104	10.8
Another job.....	263	27.3
Illness.....	111	11.5
Graduation during school year.....	57	5.9
Too much time involved.....	86	8.9
Borrowing.....	32	3.3
Miscellaneous reasons.....	116	12.1
Not given.....	156	16.2
Total.....	963	100.0

Illness accounts for the next largest group of resignations (11.5 percent), and the third largest number are for financial reasons, which means that the students are not able to supplement the N. Y. A. income, and hence must cancel. It should be repeated that no student can maintain himself at the university on \$15 or even \$20 a month; hence whatever is earned through the Federal work relief must be supplemented by other earnings, by borrowing, or by funds from home. About 10 percent of the students are not able to find the supplement and drop out. In a few cases students

are able to borrow for their education and cancel the Federal aid. It should be recalled that under N. Y. A. the students must work for the money they earn; they are paid the prevailing student rates. In some curricula the academic schedules are so heavy that it is only with great difficulty that students can find the time for the academic requirements and the N. Y. A. work requirements as well. It is these students especially that seek borrowed funds as a means of conserving their time for academic work.

The miscellaneous group of cancellations contains widely divergent reasons, from marriage to death; removal from the city also falls here. The "dropped" category contains scholastic failures, unsatisfactory work history, and rare disciplinary cases.

All these data point to the conclusion that while students appreciate the N. Y. A. assistance, the program by no means should be regarded as assuring an easy and comfortable road to higher education. Any idea that N. Y. A. students are a pampered and privileged group, with all worries removed, is obviously false.

Summary observations: This brief survey of facts pertaining to the 4,681 students at the University of Minnesota who have in 17 quarters received assistance through Federal work-relief programs (F. E. R. A., N. Y. A.) leads to these general observations:

1. The N. Y. A. program, as it works out, is more helpful in meeting the needs of men students than of women students, judged by the relative number of appointments.

2. Nearly one-half of the N. Y. A. students are from homes with four or more dependents.

3. The economic need of the N. Y. A. students may be judged from the fact that 70 percent of the students are from homes where the breadwinner earns less than \$1,500 a year; in 44.5 percent of the homes, the annual earnings are less than \$1,000.

4. Study of the occupational groupings of parents substantiates further the fact that the students are from lower economic classes; nearly one-fifth of the students are from families where the breadwinner is unemployed, on W. P. A., or on relief.

5. Analysis of the fixed liabilities of the families (interest, insurance, etc.) further indicates the limited extent of the economic resources of the N. Y. A. students and the families from which they are drawn.

6. The N. Y. A. program is a supplementary program, in that students must have some resources in addition to the N. Y. A. earnings if they are to remain in college. The largest single group of students has the N. Y. A. assistance for a period of three academic quarters. No dependency on N. Y. A. appears to develop.

7. The data for the 4,681 students raise sharply questions relating to the theory of democratic education. With rising educational costs, it becomes progressively difficult as one descends the family earnings scale for youth to find the resources with which to enter and remain in college. All studies of scholastic accomplishment of N. Y. A. students, at Minnesota and elsewhere, show it to be high. There is every reason to believe that without the N. Y. A. assistance, large numbers of these successful students would be unable to complete their education. The alternative to some form of assistance for impoverished students of promise is education on the basis of ability to pay, which strikes at the very heart of democratic principles and tradition. The N. Y. A., while it does not assure a college course to every promising young man and woman, is one factor making it possible for large numbers of students to continue into higher education who would otherwise be unable to do so.

[From School and Society, October 21, 1939, vol. 50, No. 1295]

#### STUDENT ATTITUDES TOWARD GOVERNMENT AID IN EDUCATION

Newspapers throughout the United States during the last week in August carried news articles concerning a report on student attitudes with respect to financing educational costs prepared under the sponsorship of the Graduate School of Journalism of Columbia University. (See also School and Society, 50; 376-377, September 16, 1939.) The general conclusion of the study, which was made under the direction of Prof. Elmo Roper, of Columbia, is that student opinion is opposed to Government aid in the financing of the students' education. A secondary observation based on the report is that the data refute those who charge that some of the leading educational institutions have become centers of socialistic and communistic theories of government and economics. The conclusions, with data, were presented by Dean Carl W. Ackerman in a letter to President Butler.

The widespread circulation of the report and its conclusion, which in turn gave rise to numerous editorial comments in the newspapers, is alone sufficient justification for a more critical examination of the study. To the writer, after a careful study of the report as supplied by Dean Ackerman, there appears to be considerable basis for questioning the data as presented, as well as the conclusions which Dean Ackerman has drawn from them in his letter.

The report gives no indication of the exact methods employed by Professor Roper in conducting the study. It merely says, "By means of a questionnaire and personal interview, based on the technique which Professor Roper originated and has used with conspicuous success in making surveys of public opinion for Fortune magazine, we obtained information which will be of value to the Graduate School of Journalism." Further, "Professor Roper and his staff interviewed a representative cross-section of the economic groups among freshmen, sophomores, juniors, and seniors in the following universities: East—Harvard, Brown, Syracuse, and Columbia; South—Tulane, Alabama, and Vanderbilt; Middle West—Minnesota, Northwestern, Iowa, Oklahoma, Michigan, and Ohio State; West—California and Washington."



Two questions were asked bearing directly on the matter of financing an education: "Which of these do you think is the best way for capable but needy students now in colleges or universities to get financial assistance?" The alternatives, as shown in the tables accompanying the report, are these:

- (1) Private and/or university part-time employment.
- (2) Privately endowed and/or university scholarships.
- (3) Private and/or university loans.
- (4) United States and/or State government aid. (The second question put the first one in reverse form: "Are there any of these from which you think students should not receive financial assistance?" In reply 5.4 percent opposed part-time work, 24.2 percent opposed Government aid, 27.3 percent did not favor loans, 1 percent opposed scholarships. The category "None" contains 18.4 percent and "Don't know" 23.7 percent.)

Immediately an ambiguity intrudes upon the reader which may well have been present to influence the responses of the 1,507 students answering. Is the assistance of the National Youth Administration university part-time employment or is it Government aid? The fact is that under the program of the N. Y. A. the students work at tasks assigned by the institutions, but are paid from Federal funds. The students know that they work for their money; how many of them give thought to, or have precise knowledge of, the source of the funds with which they are paid is an unknown factor. But there is reason to believe that many students, confronted with the alternatives listed above, would not make the clear distinction between items 1 and 4, and there is no indication in the report that distinctions were drawn for them.

Professor Roper's data indicate student opinion to be as follows:

- (1) The largest group, 42.5 percent, prefers part-time employment. [It is not clear that students would not classify N. Y. A. jobs as part-time employment, as suggested above. In fact, in Dean Ackerman's own conclusions there is a basis for this very confusion. He writes: "As capable and needy students prefer part-time work to loans or scholarships, it may be necessary, in order to attract this type of student, for educational institutions to adjust their curricula and assist students to obtain part-time employment." Is N. Y. A. assistance part-time work? Obviously it is, and students so regard it. It would not appear that there is room for argument as to whether students do or do not like part-time work. They do. The issue really centers on whether or not part-time work can be made available, and by whom.]
- (2) The second major group, 32.3 percent, favors scholarships.
- (3) Only 14.5 percent consider university or private loans desirable.
- (4) The smallest group, 7.4 percent, would be receptive to Federal or State aid.

It is the last item that raises specific doubts, especially since approximately 10 percent of all college students, 16 to 24 years of age, inclusive, are now recipients of N. Y. A. assistance, which is, of course, a form of governmental aid. Furthermore, judged by the experience of at least one of the institutions sampled by Professor Roper (Minnesota), if N. Y. A. funds were available a considerably larger percentage of students would be willing to accept the Federal work assistance. It is difficult to account for the 7.4 percent shown by Professor Roper's results as receptive to Federal or State aid in the light of the known desires of students and their parents to obtain the N. Y. A. help. Only two explanations suggest themselves:

- (1) That numbers of students who are not "receptive" to Federal aid, as a matter of fact, are taking it.
- (2) That somewhere there is a flaw in Professor Roper's sampling of students or institutions or in the framing of his questions.

The writer believes the explanation falls under item (2). A possible ambiguity with respect to classification of N. Y. A. assistance has been noted. It is also possible that were the data classified by public and private institutions, further differences might be revealed, though the N. Y. A. assistance has been generally accepted by both private and public institutions.

In view of these difficulties, the writer is unwilling to accept the conclusion drawn by Dean Ackerman:

"The real significance, I think, of present student opinion toward the financing of education is the opposition to Government aid. Students do not favor a spending-lending policy to help them make their way in the world. Only 7.4 percent of the students interviewed considered aid by Federal or State governments as desirable."

Incidentally, insofar as the report itself shows, there is no reference to "spending-lending," and to the writer this jump from the data to an interpretation in terms of "spending-lending" policy is something of a non-sequitur.

Nor is the writer willing to take the additional step and accept this observation drawn from the study by Dean Ackerman:

"Those who have been charging that some of the leading universities in the United States have become centers of socialistic and communistic theories of government and economics should study these statistics. University students today are not applying the prevailing debt theory of political economy in their own lives, nor are they looking forward to the Government to provide them with jobs. . . . All of the international and national political and economic jargon which they have heard outside the classroom, and perhaps in a few classrooms, has not caused them to lose faith in opportunities for careers in existing American enterprises and professions, nor have they been attracted by the bonanza of Govern-

ment debt or private borrowing as an educational aid. Students prefer to work for their education, and what is perhaps more important, they are preparing to work for a living outside of governmental jobs after they are graduated." (Part of these observations relate to other questions in Professor Roper's study on career choices. A report on these is promised later, and comment must be withheld until the data are available for study.)

It is obvious from these generalizations that Professor Roper and Dean Ackerman believe their study provides a basis for concluding that students look with disfavor upon Government student aid; and, although it is not mentioned specifically, the report might easily be taken as an argument against Federal or State aid for students, which would include the aid provided by the National Youth Administration. One may also wonder if the report has implications, not only for Government student aid but also for public education as a whole. How and where does one draw the line between the assistance given individual students through such a program as the N. Y. A. and the assistance given students by the more general subsidy that is involved in State or municipal institutions? Is it implied that the enormous expenditures of the States and some municipalities for support of higher education involve socialistic and communistic tendencies? Obviously not; then why introduce the connotations that adhere to the argument that since only 7.4 percent of the sample favor Government student aid there is no cause for alarm on the part of those who may have thought that universities and colleges are centers of Communist and Socialist theories of government and economics? One cannot but sense that the argument, as drawn, involves both a considerable degree of antagonism to public support of education (or, at least direct aid to students) and a non sequitur with respect to conservative-radical attitudes.

A second ambiguity involves the point of whether the questions asked were interpreted by the students as calling for their opinions with respect to present practice or to an ideal situation. Ideally, private initiative in acquiring an education and full reliance upon private resources may be best. As an ideal, the fact could be accepted that over 40 percent of the individuals in the sample prefer part-time employment as a means of acquiring an education. In a world in which private part-time employment were readily available, it might follow that most students would prefer the private employment to Government aid. But what of students in a world in which part-time employment is not available to meet the needs of all the students who seek and can profit from higher education? It has already been suggested that the data of the study may indicate that appreciable numbers of students have swallowed their ideals and accepted Federal aid. But the conclusions of Dean Ackerman are not framed in terms of the distant future in which ideals will be achieved but in terms of the present. This leads directly to the question of how deserving students are to receive assistance in acquiring a higher education; and, specifically, it raises the question as to whether there is not an obligation upon the part of the Government—State, Federal, or municipal—to provide assistance to those needy students who show scholastic promise but who, through ill fortune, may not have the resources to meet the costs that are involved.

There is ample evidence that not all college students who want private employment can get it; there is ample evidence that these same students do not have private resources with which to finance their higher schooling. Not as an ideal but as a matter of present fact, what is to become of these students? Are they to be denied the opportunities of college? Is education to become a matter of class, available only to the economically successful? If so, what becomes of the democratic theory as it pertains to education? It is beside the point, it appears to the writer, to talk of "the bonanza of Government debt" or the prevailing "debt theory" if the need for helping deserving students exists. That it does exist has been shown by various studies. (See Alvin C. Eurich and James E. Wert, Applicants for Federal Aid at Minnesota Colleges, University of Minnesota, 1937; also Dorothy G. Johnson and Malcolm M. Willey, School and Society, 50: 252-256, Aug. 19, 1939; and Depression, Recovery, and Higher Education, a report of the American Association of University Professors, New York (McGraw-Hill Book Co., 1937), especially chapter XIII, Student Financial Problems and the Depression.)

The exact percentage of students looking with favor or disfavor upon governmental aid is of significance; but in the case of the present study it is not the percentage figures so much as the conclusions drawn from them that are most important. It is because the data are the stepping stone to far-reaching observations relating to the democratic theory of education that the writer is calling Dean Ackerman's report to special attention. The implications, as they pertain to the responsibility of Government in aiding deserving college students, cannot go unchallenged. The implications, as they pertain to present political and economic policy, are of such a nature that they may lead the reader to confuse current political policies associated with the present Government in Washington with the deeper and more fundamental question of where the responsibility ultimately rests for making it possible in a democracy for all young men and women who can profit by higher education to have opportunities for pursuing it.

MALCOLM M. WILLEY,  
University of Minnesota.

## Many Industries Moving Into Friendly Connecticut

## EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

ARTICLE FROM THE NEW YORK TIMES OF FEBRUARY 6, 1940

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Times of February 6, 1940:

[From the New York Times of February 6, 1940]

**MANY INDUSTRIES MOVING INTO FRIENDLY CONNECTICUT—STATE VIRTUALLY BACK TO 1929 LEVELS AS FLIGHT FROM NEW YORK CONTINUES—WAR BOOM A FACTOR IN UPTURN**

(By Russell B. Porter)

HARTFORD, CONN., February 5.—While there has been an exodus of industry from New York in recent years because of high costs, especially taxes and labor, according to the Chamber of Commerce of the State of New York, the adjoining State of Connecticut has been enjoying an influx of new industry, some of which has come from New York.

This movement was accentuated last year. Together with the current war boom, it is continuing in such a way as to be a definite factor in giving the old Nutmeg State a general industrial revival, with increased production, employment, retail sales, and other business activities. Shortages of skilled workers in certain trades, and of factory and housing space in some cities, are reported. W. P. A. rolls have been cut by nearly half since 1938. The State has nearly as many industrial plants operating as in 1929, and actually has more wage earners than it had then.

A definite effort for the industrial rehabilitation of New England by means of old-fashioned Yankee thrift and individual initiative is illustrated by the methods taken to stimulate new industry.

These tactics resulted in the location of 160 new companies in Connecticut during 1939, according to the Connecticut Development Commission, appointed by Gov. Raymond E. Baldwin after his election in 1938. Governor Baldwin, a Republican lawyer from Bridgeport, was elected on a platform pledge to establish a friendly government—friendly to business and industry and also to labor. He adopted the slogan, "There is no substitute for a good job in private industry."

As chairman of his Development Commission he selected a leading businessman, Charles E. Rolfe, of New Haven, general information manager of the Southern New England Telephone Co., and he appointed John J. Egan, secretary of the Connecticut Federation of Labor, as a member.

Smilingly referring to himself as "just a salesman" for prospects in new industry, and giving credit for the results to the State's businessmen, industrialists, and labor leaders, Governor Baldwin told this reporter he had started on the theory that the continuous struggle of the last few years between Government and business and between capital and labor should cease.

"We believe in the definite encouragement of confidence for industry and in the creation of conditions that will stimulate private business to create jobs," he said. "The interests of capital and labor are the same; what helps or hurts one helps or hurts the other."

"We balanced the budget without new taxes, only an increase in the liquor tax, and without sacrificing any essential State services; by eliminating waste, extravagance, and unnecessary expense in the costs of government."

## LABOR NOT MADE TO SUFFER

The Governor, a tall, heavily built man in his late forties, added that nothing had been done at the expense of labor.

"We have progressive labor laws and powerful antisweatshop legislation in this State," he continued. "Our business and industry pay good wages, and have fine relations with their labor. We definitely do not want sweatshops or anybody else running away to duck labor conditions in other States."

Asserting that Connecticut was not trying to steal industry from other States, the Governor said many of the industries that had been attracted by his friendly government were entirely new enterprises, while some others were branches of companies in other States that desired to decentralize production in regional distribution areas like New England.

Of the 160 new industries that came to the State last year, he continued, not more than 10 percent were war babies.

"Part of our upturn in business and employment has been due to the war boom," he added, "and we are prepared for any war business that comes our way, but we feel that a sound State economy is not built on war orders. We all recall how the boom days of the last war were followed by a tailspin for both manufacturers and workmen. War orders are only temporary, and we are looking ahead to the day when they will cease. We are building for a permanent solution of our economic problem and are taking precautions which should prevent another depression after the end of this war."

## ADVANTAGES THAT ARE STRESSED

Members of the development commission, when they invite new industries to settle here, emphasize the Governor's friendly government, the lack of a personal income tax, sales tax, or dividend tax in Connecticut, and the State's comparative freedom from serious labor disputes, as well as other factors.

The commission acts as a clearing house and coordinating agency for local chambers of commerce, manufacturers' associations, and other groups of businessmen and industrialists throughout the State to whom it gives credit for much success in persuading new industry to come to Connecticut even before the commission was appointed.

"Business, industry, and labor have all rallied behind our 'friendly government,'" members of the commission say, "and are cooperating to make it a success."

Robert Crosby, secretary of the chamber of commerce in Bridgeport, the city's principal industrial city, and Mr. Egan, secretary of the State Federation of Labor, both endorsed the work of the commission and agreed with the Governor that sweatshops were definitely discouraged by the administration and by the State's labor code.

According to Mr. Egan, wages paid in Connecticut industry compare favorably with the rest of the country and are not more than 10 percent less than in New York City, a differential, he said, which was offset by the cost of living.

Democratic and independent observers agreed with Mr. Egan that the Governor had not tried to break down the State's labor code or its social services in his economy program.

Mr. Crosby and Oscar Monrad, secretary of the New Haven Chamber of Commerce, said that no inducements, such as free rent or moving expenses, were made to new industries invited here. In New Haven, where 22 companies located during 1939—the high mark for the State—a shortage of first-class factory space has developed, and the chamber of commerce is taking the lead in a drive to raise a fund of \$1,000,000 with which to build modern factories, to be rented at the prevailing rate. The program, he added, was patterned after that of the Special Areas Reconstruction Act in England, Wales, and Scotland, with its outstanding project at Glasgow.

## ACTIVITY IN TEXTILE AREA

In Windham County, center of the eastern Connecticut textile industry which collapsed some years ago, Paul V. Hayden, power engineer for the Connecticut Light & Power Co., organized an unofficial county-development commission in 1938 and went to New York to look for new industry. At that time 5,000 persons were out of work in a county of 50,000 population, and the relief problem was acute. By last July Mr. Hayden had brought 27 new companies into the county, 13 being textile or related manufacturers and 14 being factories in new and diversified lines. They occupied the deserted textile factories and called 4,000 of the unemployed back to work to make such varied articles as radios, electrical appliances, steel pins, bathrobes, metal furniture, and macaroni.

The State Development Commission appointed a committee last year with Carl Gray, vice president of the Whitney Chain Co. of Hartford, as chairman, to make a reemployment survey to find out who was on relief and why, and how they could be got back into industry. The committee found that about one-third of the unemployed were youths between 16 and 25 years who had never been trained for any trade or job, and that another third were men past 40 who had once been skilled workers but had lost or become rusty in their skills during the depression.

This report coincided with a growing demand for skilled labor in various trades, and recently groups of businessmen and industrial leaders, stimulated by the State government and with the cooperation of labor, set up the first of a series of "job-training" schools in Hartford. The State supplies quarters in State trade schools, and business and industry supply instructors and equipment.

The 53 members of the first class to be graduated all got jobs in Hartford factories as their diplomas. The Hartford school is now turning out 20 to 25 graduates a week and six other schools are about to be opened in Bridgeport, New Haven, New London, and elsewhere. Youths and "over forties" are accepted by the schools after being passed on by personnel managers of factories.

## COMPARISON WITH NEW YORK

According to figures assembled by the State Chamber of Commerce in New York, which is much concerned about the exodus of industry from that State, from the official census of manufacturing reports issued biennially by the Federal Department of Commerce, Connecticut by 1937 had recovered 93 percent of her



1929 peak in the number of manufacturing establishments, whereas New York had recovered only 75.7 percent. The 1937 figures are the latest that have been issued. They follow:

	1929	1937
New York.....	39,273	29,746
Connecticut.....	3,122	2,893

Figures from the same source showed that in the same period Connecticut recovered 85.8 percent in the value of her manufactured products, against 73.9 percent for New York:

	1929	1937
New York.....	\$9,892,763,000	\$7,310,674,419
Connecticut.....	1,471,034,000	1,261,798,329

In number of wage earners, Connecticut in 1937 had 104.3 percent of her previous 1929 peak, whereas New York had only 90.2 percent:

	1929	1937
New York.....	1,104,335	995,659
Connecticut.....	251,839	262,621

Business slumped in Connecticut as elsewhere in 1938, but came back in 1939. In December 1939 only 81,230 were registered as unemployed with the State department of labor, compared to 83,286 in December 1937, indicating that more wage earners were employed last year than in 1937. Official employment and production figures for 1939 will not be available, however, until the Department of Commerce releases its 1939 report. The Connecticut State employment service placed 56,897 persons in jobs during 1938, more than in any year since 1933.

According to Vincent Sullivan, State W. P. A. administrator, about 18,000 persons are on W. P. A. in Connecticut now, compared with 30,000 a year ago and 33,000 at the peak in September 1938.

### Proposed Loan to Finland

#### EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1940

AMERICAN FORUM OF THE AIR

Mr. BROWN. Mr. President, on Sunday, January 28, the Senator from Utah [Mr. KING], the Senator from Iowa [Mr. GILLETTE], the Senator from Wisconsin [Mr. WILEY], and I engaged in a debate over the Forum of the Air on the Finnish loan question, a subject which very likely will be pending in the Senate in the next day or so. The debate has been written out, and I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Announcer McCORMICK. This is the American Forum of the Air! Listeners from coast to coast once more are invited to hear another Forum broadcast emanating from the broadcasting studios of the New Department of the Interior Building in Washington, D. C., presented by WOL in cooperation with WOR.

The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational radio programs which present national problems discussed by leaders of various schools of thought and conducted under nonpartisan and nonpolitical auspices.

Tonight's American Forum of the Air will be presented in two parts.

Under the direction of the chairman, Theodore Granik, pioneer in educational radio discussion and newspaper columnist, you will hear first the viewpoint of each of the speakers. Following the formal presentation of opinion the topic will be treated in extemporaneous discussion. And now your chairman, Theodore Granik:

Chairman GRANIK. Thank you, Mr. McCormick.

One of the most vital issues discussed by our Congress since it has convened on January 3 concerns possible United States aid to Finland. Various Finnish-aid bills have been introduced in both Houses. Some 12 days ago, President Roosevelt sent letters to the Senate and the House in which he said, "There is without doubt in

the United States a great desire for some action to assist Finland to finance the purchase of agricultural surpluses and manufactured products, not including implements of war. There is at the same time undoubted opposition to the creation of precedents which might lead to large credits to nations in Europe, either belligerents or neutrals. No one desires a return to such a status.

"The matter of credits to that Republic," said the President, "is wholly within the jurisdiction of the Congress."

"An extension of credit at this time does not in any way constitute or threaten any so-called involvement in European wars. That much can be taken for granted."

"It seems to me that the most reasonable approach would be action by the Congress authorizing an increase in the revolving credit fund of the Export-Import Bank and authorizing the Reconstruction Finance Corporation to purchase loans and securities from the Export-Import Bank to enable it to finance exportation of agricultural surpluses and manufactured products, not including implements of war.

"It is wholly within the discretion of the Congress to place a ceiling on the amount of such loans."

The President's proposals disappointed some of the friends of Finland because they would not permit the purchase of war materials here—Finland's greatest need. But many opposed them on the grounds that loans to belligerents were forbidden in the neutrality legislation and that such a loan would eventually involve the United States in the European conflict.

Senator PRENTISS M. BROWN, Democrat, of Michigan, had already introduced a bill which would authorize the Reconstruction Finance Corporation to loan \$60,000,000 to Finland without any restrictions as to its use. This week, the Banking and Currency Committee of the Senate, under the chairmanship of Senator WAGNER, of New York, continued hearings of representatives of the State Department and Jesse Jones, Federal Loan Administrator. It favorably reported compromise legislation by a committee vote of 18 to 2.

The bill as reported increased to \$200,000,000 the lending power of the Export-Import Bank.

A provision limits the amount the bank can loan to any one borrower to \$30,000,000, so the maximum loan which can be granted to Finland, in the discretion of the Export-Import Bank, is \$20,000,000 since Finland already has been allotted \$10,000,000 by the bank. Purchase of arms, ammunition, or implements of war is forbidden under the terms of the bill. And no loan may be granted which violates American neutrality under established principles of international law as determined by the State Department. Under an arrangement previously made, the bill in question now goes to the Senate Foreign Relations Committee. If favorably reported, it will go to the Senate floor for debate and vote.

As the Nation awaits further congressional action, we are pleased to present its discussion tonight by four distinguished Members of the United States Senate:

Senator PRENTISS M. BROWN, of Michigan; Senator ALEXANDER WILEY, of Wisconsin; Senator WILLIAM H. KING, of Utah; and Senator GUY M. GILLETTE, of Iowa.

The first half hour will be devoted to short presentations by each of the participants, the second half hour to an informal panel discussion among them. Now we present, as our opening speaker, Senator PRENTISS M. BROWN.

ADDRESS BY SENATOR PRENTISS M. BROWN

The question is often asked: Why should Congress aid Finland? A simple answer is because the American people want to aid Finland. I believe that the people want to give Finland direct financial aid. They want to do it quickly and they want it to be effective. The Senate Banking and Currency Committee approved a compromise bill which will enable our Government to loan Finland \$30,000,000 for general supplies. I favor my original bill for a \$60,000,000 loan. We can't always get all we want. The reasons for this overwhelming sentiment are simple. Our people see a brave little nation fighting against the most extensive nation in the world. We see a people outnumbered 50 to 1, unjustly attacked without a semblance of provocation. We see these brave people fighting for one purpose only and that is defense; defense of their homeland and their homes, of themselves and their loved ones. Finland asked nothing of huge Russia. Russia with more territory than it can possibly occupy and use asks that Finland turn over to her some of Finland's most valuable possessions. The American people are always aroused at a spectacle of this kind. Finland is the one European nation that has paid every installment of principal and interest due to date on her debt to us. The situation suggests a new credit. It is an evidence of integrity, honesty, and industry. Our people admire these qualities. When we compare Finland with that of her brutal assailant, not only our sympathy but our indignation is aroused.

Since the end of the World War, Finland has borrowed close on to one hundred million dollars in the United States and has paid back all but \$8,000,000 of that sum. It is not yet due. Since the beginning of the World War, Russia has borrowed almost two hundred million dollars from us. She now owes us \$395,000,000. She has not paid back 1 cent of that tremendous sum. She has a paltry credit of \$8,000,000 consisting of assets of the Russian Government that they could not get of this country. Little Finland owed our people and our Government combined over one hundred million and has reduced it to approximately eight million. She is absolutely up-to-date on her promises to pay. Russia owes us almost four hundred million and has not volun-

tarily paid us 1 cent. Does it not occur to you that if Finland had taken the Russian attitude and paid nothing, she would have had in excess of \$100,000,000 with which to buy the implements of war from Norway, Sweden, and the other countries of the world as well as from us? Yet today Finland cannot buy from us because she paid us her debt. Russia can buy and is buying from us with the money that she has withheld from the American Government. Should we correct this injustice? I sincerely hope that the Congress of the United States will provide a loan which will enable our Finnish friends to buy the implements and materials necessary to defend their homes and firesides, their women and children, and their Government.

The question is asked, What can America gain from this? What benefit will it be to the people of the United States to loan Finland money? Our people love justice. They appreciate honor and integrity and while we are unwilling to take any steps that will sacrifice our sons on the field of battle, I am confident that a satisfaction much higher than the material gain comes to those who yield a helping hand by the means proposed to an honored friend in his hour of trouble. Uncle Sam may be ridiculed by his own people for trying to be the good samaritan, but no one can say that the Finnish people ever gave any just reason for ridicule. They appreciate what we have done and fulfill their promises to pay.

Some complaint is made that we should retain our resources for our own people. I agree with this sentiment. But this money is to be loaned, not given. Finland's record indicates that it will be repaid and if it were not paid, the loss to the whole people of the United States would be about 25 cents to each of us. I think that the average man would be willing to risk the pay of a part of an hour's labor and would conclude that if it assisted in stopping the possible subjugation of the Baltic nations by communistic Russia, it would not only yield rich returns in satisfaction, but it would remove a possible danger of the spread of the nefarious doctrines of Stalin and his cohorts to the splendid peoples of all Scandinavia, and this is worth something to the United States in a moral and in a material way.

We live in a realistic world. We may stand aside and refuse the paltry aid suggested. That refusal might result in the spread of an unholy doctrine that will plague us, may possibly destroy us in the years to come. If in our judgment a loan now to this brave people will stop the spread, is it wiser in a material way to grant or to withhold? You may view the surge of ungodly Russia toward the fair states of democratic Scandinavia without a troubled heart. I cannot. I know the superb citizenship that Sweden, Norway, and Finland have given us. If I can without risk to my country stop this menace, I want to do so. We are not going to war about a few million. We can do this thing without serious risk. Not to do it may be much more dangerous to our democracy.

Chairman GRANIK. Thank you, Senator BROWN. We now present Senator ALEXANDER WILEY, of Wisconsin, in tonight's American Forum of the Air discussion Shall Congress Aid Finland? Senator WILEY.

#### ADDRESS BY SENATOR ALEXANDER WILEY

Mr. Granik, my colleagues, and ladies and gentlemen: In entering upon this debate we can agree on the following premises:

First. That the American people are practically unanimous in their sympathy and their desire to aid Finland.

Second. That the American people are desirous of doing nothing that will endanger the peace of America.

Third. That the American people are very anxious to find the correct legal way to help Finland.

The natural question that arises is, Why doesn't Congress vote a loan or a gift to Finland?

On January 8, I rose in the Senate and said, "Not in the spirit of controversy, but rather with a desire to get more light on the subject which apparently is becoming very significant, I am posing these questions:

First. Under international law, can the Congress of the United States loan or give money to Finland? International law shows that a neutral state is forbidden to grant loans or to open credit for a combatant nation for the duration of the war.

"Credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibition."

Second. Under our constitutional form of government, has the Congress any authority to make a loan of money or a gift to Finland?

The Constitution gives specific powers to the Congress. Besides these specific powers, there are certain implied powers. There is no such power in the Constitution that confers upon Congress this authority. Should we attempt to conform the Constitution to our sympathies and our emotions?

Third. Irrespective of international law or constitutional authority, would it be a wise course for the Congress to follow, when this Nation is at peace, to loan or make a gift of money to another nation that is at war? Would it not establish a new foreign policy? Would it not be pregnant with problems for the future if the Government of the United States were to loan money or make a gift of money to Finland at this time? Would not this act open the door for pressure-group demands, all down the highway of the future? Would not such action demand that we also make a gift or loan to Poland, to Czechoslovakia, to China? If Norway and Sweden, Belgium and Holland were invaded, then would not pressure groups demand that we loan money to these nations? Then the door would be wide open, would it not, for Government loans to Finland and France?

I asked a fourth question, "If no action on the part of this Government is taken to appropriate money for Finland, will that mean injury to the cause of the Finnish Nation?" The answer to this fourth question will have to be found in the hearts of the American people.

I want to impress upon my listeners that there is a great difference between action taken by individuals or groups of citizens and action taken by the Government. We here in Congress are trustees of the people's money—trustees with limited powers, because under our Constitution those powers not given to the Congress still belong to the people. It is up to Congress to guard not only the liberties of this people, but so guard our actions here in Washington that future generations will not find themselves hamstrung because of our acts. If with reason and judgment we pursue our course and do not let emotionalism and hysteria deflect us from our course, we will keep America safe, and we will still find a way through individuals and groups to aid those who need succor and assistance. Little Sweden found the way. The Swedish Government didn't give \$15,000,000 to Finland. The Swedish people did, and Sweden has less than 7,000,000 population.

Above everything else, it is for us to keep America safe. I repeat that through individuals and groups we can do that which will not involve America in a violation of international law, a violation of our Constitution and our well-settled foreign policy.

Once and for all, the people of this country should say to their representatives: "Do not open this door. Settle this problem now, so we'll not have pressure groups or perhaps even foreign elements engineering jobs on us in all the years that are to come."

I repeat, let us not open the door that will lead us into Europe again. Let us guard our neutrality. Let our sympathies, our judgment, and our reason also be the guide of our individual action. We, as individuals and as groups, ought to do as well as little Sweden has done; and if we do that, Finland would get at least \$100,000,000 in gifts from America. She wouldn't have to borrow.

Chairman GRANIK. Thank you, Senator WILEY.

You are listening to the American Forum of the Air, presenting four Members of the United States Senate in a discussion, "Shall Congress Aid Finland?" And now we present, as our third speaker, Senator WILLIAM H. KING, of Utah.

#### ADDRESS BY SENATOR WILLIAM H. KING

Bolshevik Russia and Nazi Germany are conspiring to destroy democratic nations. The ideology of both is similar—the destruction of democracy, of religion, and of spiritual values. The Nazi government destroyed Austria and made war upon the progressive and democratic Government of Czechoslovakia. Hitler waged a cruel and devastating war upon Poland, and, in cooperation with Stalin, a progressive and independent republic was brought under subjection to Nazi and Bolshevik rule. It is apparent that Hitler and Stalin seek the destruction of democratic nations. Estonia, Lithuania, and Latvia are under the shadow of the Bolshevik government, and Finland is now being assailed by the Bolshevik regime. Democracy is alien to the philosophy of Hitler and Stalin, who seek to impose upon peace-loving and independent nations an alien and oppressive rule. Their policies find parallel only in the dark ages and in periods when cruel oriental despots carried on wars of rapine and plunder. Not only are the rights of minorities being attacked by the Bolsheviks and the Nazi but liberal and progressive governments in which peace and progress were enjoyed by millions are being blurred by the records of oppression and cruelty, and attempts to not only destroy minorities but the rights and dignities of human beings and the integrity of independent and progressive democracies. The year 1939 witnessed the dismemberment of nations and the destruction of important small peoples. If the sweep of brute force is not halted, this year may bring the complete disappearance of many small nations from the face of the earth. With each blow struck against nations, small and great, such as Finland, Estonia, Lithuania, Latvia, Poland, Austria, Czechoslovakia, it becomes apparent that the rights of all peoples have been attacked and the principles of liberty and justice assailed. A world that is not safe for minorities and for small nations is a world not safe for democracy. The inhuman and barbarous attack upon Finland is part of an organized attempt at the assassination of the character and integrity not only of all minorities but of small democratic nations. The whole concept of self-determination for small groups and small nations is being completely undermined. This is a process with profound implications for all countries and all peoples. The way to the destruction of the rights of majorities begins in the footpaths of the annihilation of minorities. The rights and majorities are guaranteed only when the rights of minorities and small nations remain inviolate.

As I have indicated, the democratic and peace-loving peoples of Europe are menaced by Nazi-ism and bolshevism. The destruction of Finland may not appease the rapacity of the Bolshevik regime, and the Scandinavian states which have made important contributions to the highest form of civilization may be the next objects of assault by Hitler and Stalin. There are indications that the Soviet Government plans the destruction of some of the Balkan States, and in far off Asia millions of people are concerned as to their future in the face of Bolshevik activities. Switzerland, Belgium, Holland—countries in which liberty is enjoyed—may not escape the ambitions of the Nazi regime. The Bolshevik Government has never concealed its purpose to extend its authority throughout the world. It seeks the destruction of all democratic nations and the reign of communism throughout the world. Finland is now receiving the assaults of bolshevism; it is standing single-handed in the Thermopylae of western civilization in fighting, not only for its own life but for the principles and ideals,



the maintenance of which is essential to the preservation of liberty and democratic institutions.

Finland is writing one of the most sublime chapters in the history of the world, and so long as there are men and women who love liberty and justice, heroic and immortal Finland will command their admiration and indeed their love. This great democratic Nation cannot be indifferent to the cowardly and brutal assaults made by the Bolshevik regime upon a small nation which loves peace and justice and whose conduct has been consistent with the highest principles of international morality.

The contest is unequal between 3,000,000 of people and 180,000, and it is apparent that the destruction of Finland by the Communists would menace not only the democratic nations of northern Europe but make more ravenous the appetites of Stalin and Hitler. There are many persons who believe that Finland fights not alone for herself but for every democratic nation, great and small. One can read in the statements of Admiral Stark, as well as others familiar with naval and military problems, that our Republic, not remotely but directly, is concerned in the fate of Finland. Whatever strengthens bolshevism and nazi-ism, whatever jeopardizes democratic nations, is not beyond the pale of American concern.

But, as indicated, this contest is unequal, and peoples everywhere who love liberty should be aroused to the importance of lending aid and comfort to Finland in this great crisis of her existence. Sweden is extending financial aid, and we are advised that many of her sons are cooperating with the military forces of Finland.

The League of Nations, of which the Soviet Government was a member, expelled it because of its indefensible course in the violation of the covenants which it had made. Members of the League are, therefore, at liberty to aid in the defense of Finland. Indeed, there may be a moral obligation to do so. Though America is not a member of the League, she was influential in its formation, and the American people cannot view with unconcern any violation of treaties entered into for the promotion of world peace and the abolition of war.

It is my opinion that the majority of the people of this Republic view with deep concern the brutal and cowardly assaults upon democratic nations, and the wicked and unjustifiable attacks upon the Finnish people.

The unequal contest in which Finland is engaged calls, not alone for moral support, but for financial aid. I believe the great majority of the American people are willing to extend a loan to Finland to aid her in securing essential supplies for defense against the Bolshevik foe.

Finland is not asking for gifts. Her record for financial integrity gives assurance that her request is meritorious, and that payment will be made. More than 20 years ago Finland was struggling for independence against Russia; and the United States and other nations, extended credit to aid her in the contest. More than \$100,000,000 were loaned to the Finnish Government and all has been paid except a small amount which is not yet due.

In contrast, neither principal nor interest has been paid by Russia upon the \$400,000,000 loaned to her by the United States. In my opinion, a loan should be made to Finland, in order that she may obtain materials to aid her in repelling the Bolshevik attacks. Such a loan would not be in violation of the Neutrality Act, or of international law. Finland has not declared a state of war nor has Russia. We employ this pretext to support our continued trade in war materials with Japan, though we know they are being used to destroy millions of Chinese men, women, and children.

No neutrality has been invoked in the Chino-Japanese conflict. Can neutrality be invoked against Finland?

We should be more concerned in extending aid to Finland than we are in supplying Bolsheviks with gasoline and other materials used in her assaults upon Finland. Hundreds of airplanes are almost daily flown over parts of Finland, and deadly bombs are rained upon hospitals, churches, cities, and towns not within the sphere of military operations. The Bolsheviks are apparently endeavoring to destroy the morale of the Finnish people by slaughtering innocent men, women, and children, destroying their homes and resorting to fiendish and barbarous practices, which can find parallel only among uncivilized people.

As I have indicated, Russia is not denied supplies by our Government which are available to her in the prosecution of her unholy crusade. Japan, likewise, in her merciless and devastating assaults upon China has been free to obtain materials which have been indispensable to her in the prosecution of her military operations.

Suggestions are made that credit be extended to Finland only for the purchase of food supplies. Finland still has some resources available for the purchase of food but her imperative needs are airplanes and materials in order that she may repel the barbarous assaults of Stalinism.

But, as I have indicated, Finland needs a loan to enable her to obtain airplanes and other military supplies. Her appeal should not go unheeded.

Chairman GRANIK. Thank you, Senator KING.

And now as our concluding speaker, in the first half of tonight's program: "Shall Congress Aid Finland," we present Senator GUY M. GILLETTE, of Iowa.

ADDRESS BY SENATOR GUY M. GILLETTE

Thank you, Mr. Granik.

In determining our attitude as a Nation toward a loan to Finland in the present crisis, it is extremely important that we Americans have the problem before us in the proper form, and not be influenced by misleading angles of thought.

From the beginning of our national history—having in mind our own struggle of Revolutionary days—the American people have been definitely sympathetic with the underdog in international complications. The wars for South American independence, the Cuban struggle, the fight of the Boer Republic for existence, the destruction of Ethiopia, the rape of Czechoslovakia, the attacks on Poland, Austria, China, and many similar episodes, have found the American people so sympathetic with those whose rights were being invaded, that these sympathies found expression in attempts to aid the various nations and peoples.

Following this trend and record, it is perfectly natural that all of us should be intensely stirred by the inexcusable attack on little Finland, and have our admiration aroused by the superb fight she is putting up in her defense. But we must bear in mind that pity or sympathy as individuals, or willingness to make personal sacrifices as individuals is an entirely different and distinct thing, from taking a position that might commit our country in the way of national involvement.

The declaration of war by the United States in 1917 was not the result of a single incident or episode. As a matter of fact, we reelected President Wilson, on a platform and in a campaign whose principal slogan was, "he kept us out of war." Speaking personally, the invasion of Belgium in 1917 did more to arouse my wrath and determine my willingness to serve in that war, than any other particular incident. But our involvement in actual war in 1918, came as a result of series of events and occurrences, and because of this accumulation, aided cleverly by propaganda pressure.

Present-day wars are waged on a threefold front—military, economic, and political. Through pressure on all these fronts, belligerents hope to break down enemy resistance. We must not blind ourselves to the fact that assisting a nation at war to acquire either munitions or food and clothing is recognized by all participants as an unneutral act. Why should attempts be made to lead anyone to believe that a loan to Finland for purchase of munitions or for the purchase of necessities and materials, other than through such agencies as the Red Cross, would be considered other than a breach of neutrality by the nations concerned? England, France, Germany, all insist on this position; none of them recognize any distinction, and each lists almost every article of commerce as contraband and is bending every effort to make its blockade effective. Does anyone think that Great Britain would willingly permit a cargo of ore, cotton, wheat, or other material to proceed through her blockade to Germany?

Finland and Russia are at war. To maintain otherwise is a subterfuge which fools nobody. Now we are faced with a situation similar to the long list of national struggles that have enlisted our sympathies in the past. We resent the invasion of a peace-loving country by a communistic tyrant. As a peace-loving people ourselves we bitterly deplore the use of national brute force against the small and weak. There is no question whatsoever as to where our pity goes and our sympathies lie. And yet, we as a nation have recognized the Union of Soviet Republics. We knew full well the atheistic doctrines on which that Government was established. We knew thoroughly that communistic leaders advocated and justified any means or methods of spreading their doctrines and securing their aim of world-wide communism; we even tolerate to a large extent teachings of this philosophy within our own borders, and permit its advocates to present their candidates for national suffrage in our elections.

Is financial aid and assistance a first step toward involvement in European war? We have recognized the fact that it is by placing on the statute books during the past few years various neutrality statutes, which all expressed that conviction by prohibiting the flotation of securities of belligerents or the extension of credit and financial aid. Should the small nations of Europe—Belgium, Holland, Sweden, Norway, Greece, or the other Balkan states—be similarly invaded by the powerful communistic nation or by Nazi Germany, is there any reason or justification for not immediately proposing a similar translation of our sympathies into tangible aid and assistance? Should we not also come to their aid if we establish such a precedent? Should we allow ourselves to drift into a position where our sympathies can be inflamed to wrath by all the tricks of modern propaganda, where it will be necessary to engage in war as the only means of justifying our participation? The advocates of such a drifting policy must be ready to make this decision: Is the United States ready to defend by armed force as well as dollars and materials the rights and independence of European countries? My interest and purpose is to disregard my own individual sympathies and wishes, and by no vote, word, or action of mine let that sympathy influence any legislative step which might well become one of a series of incidents and actions which would bring us to the edge of the whirlpool of war which is now revolving over half the civilized world, with the real probability of being drawn nearer and nearer to its horrible vortex.

Chairman GRANIK. Thank you, Senator GILLETTE.

And this concludes part I of tonight's forum presentation.

Announcer MCCORMICK. Immediately following station identification we shall continue with the extemporaneous discussion.

This is the Mutual Broadcasting System.

This is the second half of the American Forum of the Air originating in the broadcasting studios of the new Department of the Interior Building in Washington, D. C.

These weekly forums are presented over the Mutual network by WOL in cooperation with WOR.

We return you to the chairman, Theodore Granik.

Chairman GRANIK. And now as part II of tonight's American Forum of the Air on "Shall Congress Aid Finland," we present our participants again in an informal panel discussion. They are: Senator PRENTISS M. BROWN, of Michigan; Senator ALEXANDER WILEY, of Wisconsin; Senator WILLIAM H. KING, of Utah; Senator GUY M. GILLETTE, of Iowa.

Senator BROWN will open the discussion.

Mr. BROWN. Mr. Chairman, I would like to ask a question of the Senator from Iowa, Mr. GILLETTE. Naturally after hearing all of these speeches tonight I think that something that I said in my speech is probably the best thing that has been said tonight.

Mr. WILEY. Charlie McCarthy? [Laughter.]

Mr. BROWN. That is this: What do you think, Senator GILLETTE, of the situation that arises out of our former financial relations with Russia and our financial relations with Finland? The situation now is that Russia is able to buy not only on cash but on credit from the people of the United States her munitions of war and she does so with money which she ought to have paid to us.

On the other hand, Finland which at one time owed us something like a hundred million dollars has paid us. They haven't the hundred million dollars because they have turned it over to us, they are unable to buy any of their munitions whatever from the United States on either cash or credit because of their honesty and their integrity, because they paid us. Russia is able to buy from us because they did not pay us. Should we attempt to do anything to correct that situation?

Mr. GILLETTE. Well, Senator BROWN, I am glad you asked that question because I had made a notation to ask you a question along the same line. First I want to answer by agreeing with you that the statement that you made in your speech was perhaps the best point that has been made here tonight. But beyond that I can't agree with you. There is no question that the meticulous care with which Finland has met her obligations to the United States is another factor that stirs our sympathies and our anxiety to be of assistance to her. But when you draw the comparison between the Soviet Republics and Finland with reference to their attitude toward the loans heretofore made by the United States, please bear in mind that the sympathies of the American people were strongly stirred during the recent neutrality debate in connection with a desire to aid England and France, and you have made a very superb statement on the floor, I believe, with reference to the matter, and yet that war is being prosecuted to a large extent through the same funds that England and France and Germany and the other nations borrowed from us and neglected with the same enthusiasm to repay, as Russia did.

So that, while it is an unfortunate situation, it is no justification in my opinion to participate in the war.

Mr. BROWN. I think your answer is good from the standpoint, perhaps, that Mr. Stalin might look at it. I agree to that with respect to debt payments, but I think you overlooked the viewpoint of the Finnish Government. They turned over the money to us, they haven't it now, they could have had it if they had acted like their enemies and refused to pay us.

That is the underlying situation that impels me toward doing something to do justice on the part of the United States because of that situation.

Mr. WILEY. Senator, can I just break in here?

Mr. BROWN. All right.

Mr. WILEY. I would like to read a statement given by Edwin M. Borchard, of Yale University. This is very apropos of what you gentlemen have been saying. He said, speaking of George Washington, and I think it is very apropos right now: "It is the property of great men, even when they share the prejudices of their time and of their country, to know how to get free from them and how to rise superior to their natural habits of thought."

I think everybody in this country feels a tug at their heart when they think of Finland, and everyone wants to help that feels that way, but let's get away from this idea again that has been so prevalent in the last 7 years that every time a job has got to be done in this country we can let George do it; that is, Uncle Sam.

Now we want Uncle Sam to do it again, when we, the people, ought to do it; as I suggested to Senator KING, that is the way they did it back in George Washington's time, and I want to particularly call attention and challenge him as soon as you are through with your question.

Mr. GILLETTE. There is a question, Mr. Granik, that I would like to address to my good friend, Senator KING. I was reminded by something that was said by Senator WILEY of the fact that Sweden and Norway, who have a stake in this situation that is more intense than even ours, have been very, very careful, as presented by Senator WILEY, to differentiate between any action by the governmental agencies of Sweden in the way of lending aid to Finland, and the contributions, the individual contributions, of the people. In fact, the King of Sweden, by a public statement, has warned them against taking any action that could be construed as a governmental action rather than as an individual action. Why do you think that we are justified as a Congress, as a legislative branch of the Nation, in taking steps to interfere or to aid Finland at this time?

Mr. KING. In the first place, let me make one comment about your statement respecting Sweden. The Swedish Government directly and indirectly is aiding. It has, as I am advised, encouraged a large number of its citizens to go to Finland and participate in the war. That, itself, would be construed by some as an overt act upon the part of the Swedish Government. It isn't an act merely of sympathy, it is an act of self-preservation.

Moreover, as you may have learned—I will not say that it is an order by the Government, but every civil official in Sweden contributes one day's pay out of every month's salary, so that directly and indirectly, by manpower, by money, my moral support, Sweden is aiding in the war upon the side of Finland.

Coming to another question, may I say that there is not war, in the legal sense of the word, between Russia and Finland any more than there is war—and that is the interpretation placed by our State Department—between Japan and China. We have been loaning directly and indirectly \$25,000,000 to China through the Bank of China, and we have in many ways evidenced our support of China, materially, morally, and spiritually.

As I stated, it is held that there is no war between Finland and Stalin because war has not been declared. Under our Neutrality Act there has been no state of war effectuated between Finland and Russia. We have not recognized that there is a state of war and therefore we are maintaining the same relations with Russia as we have maintained when there was no controversy between Russia and Finland.

There is no war in a technical sense of the word and we are therefore not aiding one belligerent as against another in violation of the laws and neutrality or international law. No international law is being violated by our contribution, if we shall make a contribution, to Finland in this great conflict in which she is engaged.

Mr. WILEY. Well, Senator KING, might I state that whether or not there is a war within the international-law sense, it is a question of fact, and I would like to call your attention specifically to what has been said on that.

"War," as defined by Oppenheimer in his Treatise on International Law, "is the contention between two or more States through their armed forces. War is the fact recognized by international law. For a war to be in existence, two or more States must actually have their armed forces fighting each other."

Now the fact that we have an embargo law that says that certain things come into existence if and when the Government or Congress declares a state of war has nothing to do with international law, which is the result of the law of nations which has existed now for centuries, and if you want to know whether there is a war in Finland, well, just compare the war there with what there is on the western front, and you will know there is a war in Finland.

And furthermore, as this distinguished professor in Yale said, and I would like to read just a—

Mr. BROWN. Why not quote from Harvard. It is the authority here.

Mr. WILEY. No; because I am quoting Yale. I am perfectly willing to refer to Harvard, too, but I would just like to read this statement of Borchard, if I may. He said: "American sympathies for Finland may legitimately be expressed in private contributions to the Hoover committee or any other private donation. A governmental loan to Finland, whether through the Export-Import Bank or the Reconstruction Finance Corporation, is an act of intervention and of war, exposing the United States to legitimate reprisals now or hereafter on the part of Soviet Russia."

"It therefore seems to me," he said, "illegal and dangerous, however tempting, to advance public funds to Finland."

Now I made a statement a few moments ago that I just want to call to your attention, stating that back in Washington's time—and the best authority we have in this country on international law is Moore, our own Moore who served over abroad, who served here as counselor to the State Department: Back in 1798—mind you, 1798—after France had helped us, France got in trouble and the question came up whether or not this Government of ours should loan money to France and with reference to the loan of money which was solicited from the United States by the French Government in 1798 to the American envoys in Paris, the United States took the ground that such a loan would be in violation of neutrality. This is cited and approved also by Chancellor Kent. And one of the other instances was later on in 1816 in South America, when there was a war between Spain and one of the South American colonies, and that thing happened again, and we had refused to give money.

Now Senator KING said that there were certain moneys that he voted for. I challenge him to show where this country was not at war at that time.

We were at war and it was within our war powers, but any time this country has been at peace we have never taken the position that the Congress of the United States has a right to dispose of the people's money in furthering another war overseas, no matter what our sympathies were.

Mr. KING. I think the Senator is in error in stating that no appropriation has been made except when we were in war. We were not in war with Russia when we made an appropriation of \$10,000,000 for relief; we were not at war with Japan when we made a very large appropriation by reason of the catastrophes that occurred there. Moreover, if the Congress of the United States desires to make an appropriation for peace or for war, there is nothing in the Constitution that inhibits it.

Mr. WILEY. Is there anything in the Constitution that permits it?

Mr. KING. Well, there are many things that our Government may do that are not specially authorized because there is no necessity for a statement with regard to the same. There are negative rights as well as affirmative rights, and negative inhibitions as well as positive inhibitions.

But coming back to one of the points that you just made, our Government has held, the State Department—and I take that in preference to Mr. Moore, although I have a very high regard for Mr. Moore, and his work on international law is standard. But



our State Department has taken the position that there is not war between Japan and China, and we have made a loan, through a bank which we set up, of \$25,000,000 to China, and we have in many other ways and through other channels given aid and comfort to China in the contest which she is waging with Japan.

In the Neutrality Act, when it was under discussion, it was clearly stated there that the President would have the right under the act to declare a state of war, if a state of war existed between Finland and Russia. He has not done so, and I draw the conclusion from his negative action that he does not believe that there is a state of war within the definition of international law, or certainly within our concepts of what our duties and responsibilities are.

There is no state of war so far as our State Department has declared, there is no state of war so far as the terms of the Neutrality Act would imply. Therefore, there being no state of war, there is no objection whatever; if Congress desires, it may make an appropriation of one million or sixty million dollars, as called for by the bill of the Senator from Michigan, to aid in this great conflict.

But there is one point that I want to emphasize, namely, the question of self-defense. We may sneer at that suggestion. Admiral Stark's view is one which will impress itself more and more and burn into the hearts of the American people. If Finland shall be destroyed, then Sweden and Norway and Denmark will be the next objects of assault, and if the democratic nations of Europe are destroyed, obviously Great Britain and France may not win the war, and with the English fleet destroyed or nullified, then we will have to increase our Army and our Navy, we will have to police both great oceans, our liberties and our rights will be jeopardized by the triumph of the Bolsheviks and the Nazis in this great world conflict.

Mr. Brown. Suppose, Mr. Chairman, we do loan the money to Finland. Does anyone seriously think that that is going to cause us to go to war? Suppose they don't pay it; France and Britain and other European nations owe us, on an agreed basis, something like \$11,000,000,000 plus interest. We haven't gone to war over that. We are not going to war with Finland to try to collect back 25 cents apiece for the American people. Is Russia going to attack us if we loan thirty or sixty million dollars to Finland? It is unthinkable. The Russians have their hands full at the present time. I can't see this terrific danger that the Senator from Wisconsin and the Senator from Iowa point out, that it is a step toward war.

That was the favorite weapon of those who bludgeoned us in the neutrality debate, that it was a step toward war. One Senator said that we were going to be in the war in January.

Mr. KING. Both sides argued that.

Mr. Brown. January is pretty nearly over and we are not in the war, and I confidently predict that we won't be before January is over.

Now, just how is a loan of thirty or sixty million dollars going to get the United States into war? And if it isn't going to get us into war, why not let the people of the country do what everybody knows they want us to do?

Mr. WILEY. Are you addressing that question to me, Senator?

Mr. BROWN. It is open to anybody that can answer it.

Mr. WILEY. I will be very glad to attempt the answer. I don't believe, in any remarks that I made, that I said this thing would bring us into war. I said it was an open door to new foreign policy that would be very dangerous, and it has become a habit.

Mr. BROWN. That is an involved way of saying the same thing.

Mr. WILEY. It may be, but it is so easy for us to get into the habit, we who are the trustees of the people's money and trustees of the people's rights, to get careless with that money and with those rights. And while it doesn't do any good for me to deny or to say my distinguished colleague, Senator KING, is wrong—and he says I am wrong—I think that can be very well settled by saying that this bill which you introduced, Senator BROWN, when it came before the committee, was apparently kicked out the window and a new bill put in that has in it the provision that no loan can be made even through the Export-Import Bank if it is in violation of the international law as interpreted by the State Department.

Mr. BROWN. We know how the State Department is going to interpret it.

Mr. WILEY. If the Senate has a string on the State Department, that is fine. I thought they were an independent body, and that the Chief Executive alone could tell them what to do.

Mr. BROWN. I specifically asked the Department how they would interpret that question before I wrote it into the statute.

Mr. KING. Permit me to make the observation that the committee are not impeccable. They make many mistakes, and kicked a good bill out of the window; probably they have regretted it and want to bring it back again. [Laughter.]

Mr. GILLETTE. Mr. Granik, may I just amplify the answer just made by my colleague, the Senator from Wisconsin?

In response to the inquiry of Senator BROWN, nobody expects and anticipates that a war would result from a proposed loan to Finland. There is no question about that. But here is the point. The argument that you have presented, and which was also presented forcibly by Senator KING, is strangely reminiscent of the argument that was presented 20 years ago that we must get into the European war in order to prevent the Central Powers from winning and then coming over here and involving us. I refuse to see the logic in taking a step toward war at the present time as a possibility against being drawn into a war some time in the

future; an inchoate thing to take it first and step—and wars don't result from one step, they result from a series of steps and public opinion fomented and whipped up by clever propaganda. And I refuse to be excited over the possibility of a war in the distant future and take a preliminary step at the present time.

Chairman GRANIK. Thank you, gentlemen. You have been listening to the American Forum of the Air, presenting the discussion on "Shall Congress Aid Finland?" Our participants were:

Senator PRENTISS M. BROWN, of Michigan; Senator ALEXANDER WILEY, of Wisconsin; Senator WILLIAM H. KING, of Utah; Senator GUY M. GILLETTE, of Iowa.

And now for a final word from Mr. McCormick.

Announcer MCCORMICK. Thank you, Mr. Granik.

Thus we conclude another broadcast in this season's series of "The American Forum of the Air."

These broadcasts emanate from the studios of the New Department of the Interior Building, in Washington, D. C. The facilities of these broadcasting studios are extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational broadcasts which present national problems discussed under non-partisan and nonpolitical auspices.

This program is arranged by Theodore Granik, who presided as chairman.

Next Sunday at this same hour Mutual will bring you another Forum. Address your comments to Mr. Granik, care of station WOL.

Stephen McCormick speaking.

This is the Mutual Broadcasting System.

## Keel-Laying of the Battleship "Alabama"

### EXTENSION OF REMARKS

OF

HON. COLGATE W. DARDEN, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA

Mr. DARDEN. Mr. Speaker, under unanimous consent to extend my own remarks in the RECORD I include therein the very able address delivered by the distinguished junior Senator from Virginia, the Honorable HARRY F. BYRD, at the keel laying of the battleship *Alabama* Norfolk Navy Yard, Portsmouth, Va., February 1, 1940.

The address is as follows:

I am very grateful for the privilege today of speaking at this notable ceremony. I thank Admiral Simons, the Commandant of the Norfolk Navy Yard, for the courtesy he has paid me.

As a member of the Naval Affairs Committee of the United States Senate, I take a deep interest in the United States Navy and in the operation of the Norfolk Navy Yard.

It has been my privilege to work in close cooperation with the Congressman from this district [COLGATE DARDEN], whose services as a member of the Naval Affairs Committee of the House of Representatives, and recently as chairman of a subcommittee on the Reorganization of the Navy Department, give him a position of great importance in the very front ranks of those able and patriotic men who are striving to make America's Navy the most efficient in the world—big enough and strong enough to meet any emergency that may arise in a future made uncertain by the chaotic conditions of the world today.

I am glad to speak at this great yard here in Portsmouth, whose well-trained and highly skilled workmen have made a long and enviable record of high and competent public service.

This is neither the time nor the place to mention any comparison of the work of the 21 shipbuilding yards. Yet, as a Senator from Virginia, I feel a just pride in the administration of this yard and in the general recognition that the Norfolk Navy Yard stands among the first of the great navy yards of our Government, as measured by the official records for efficiency and production.

In our national preparedness program the annual report of the United States Civil Service Commission, emphasizing the importance of trained civilian personnel, is of interest. This report says:

"No Nation faced with the necessity of engaging in a preparedness program can afford to give primary consideration to the construction of equipment and secondary consideration to the recruitment of the civilian personnel upon whose shoulders rests the responsibility for success or failure of many aspects of such a program."

And it is this civilian personnel at the Norfolk Navy Yard that measures up to such high standards as to give complete assurance that they will perform their full duty as Government employees and American citizens in any emergency our country may face.

Today we lay here the keel of the battleship *Alabama*, named after a great southern State. It is the fourth United States Navy

vessel named the *Alabama*. But another *Alabama*, which never sailed under the Stars and Stripes, was the most famous of all—that was the Confederate ship *Alabama*, built in England, whose heroic exploits in the War between the States will always remain a bright page in the history of the South's bravery. The Confederate *Alabama* succeeded in sinking 70 Federal ships in 2 years. Finally, when barricaded in a French harbor, her captain accepted the challenge; left the safety of the harbor, and came out to fight until sunk by the adversaries' gunfire, thus making an honorable and glorious chapter in the naval history of our people.

As we build the new United States *Alabama* and recall the heroism of the Confederate *Alabama*, we can feel the gratification that must come to all Americans that today loyalty to American ideals knows no line between the North and the South. As we observe the destruction of democracies in other lands, America stands united to preserve American ideals—to preserve American freedom and American institutions. Our Nation was conceived in liberty and dedicated to preserve the equality of all men. Our fathers won for us this liberty and it is for us, the living, to dedicate ourselves to preserve and carry on the work which they did.

So, on this notable day in the history of the Norfolk Navy Yard we can take proud satisfaction in the confident thought that we are building here a new *Alabama* which will ever be worthy and true to the high traditions of a great Nation, a great State, and to the example of her heroic predecessor.

It was under the administration of a very distinguished Virginian, the late Secretary of the Navy, Mr. Swanson, that the present naval program was formulated, including the construction of the *Alabama*. The cost of the *Alabama* will be \$69,000,000, and 52 months will be required for its building. She will carry 16-inch guns and have 35,000 tons displacement, one of our largest battleships. Fourteen hundred officers and men will be required to man her.

America, I pray, will never again enter a foreign war, yet we must not forget that in this day of ruthless dictators and uncurbed ambitions the best insurance for peace is national preparedness. Our Navy will ever remain our front-line of defense.

When our World War veterans put their uniforms in moth balls while the world waited to see if it had been made safe for democracy, America had the strongest Navy in the world—433 combat ships built and building. In 1921, as an assurance for future peace, the United States led the naval disarmament and actually scrapped 928,000 tons of fighting ships. We find now that the other nations did not carry out their agreements. Instead of scuttling ships, they tore up blueprints. Our country then tried naval disarmament by example. No other nation followed America's example. The result was that in 1934 the United States was no longer supreme on the seas, and many of her war vessels were over-age and badly in need of replacement.

The present naval building program in America is not for aggression or to conquer new territory but is to defend this Nation from any attack, no matter from whence it comes.

The American Navy has always been a defensive weapon. Its beginning can be traced back to Lake Champlain in 1775, the first American sea force that succeeded in delaying an invading British Army and allowed American land forces to gain a vital strategic victory.

After the Revolution the American Fleet went out of existence completely until 1794, when Congress provided for the construction of six new war vessels. Then came in 1793 the sea warfare with the French, later the Barbary wars, our naval war with Great Britain in 1812, our war with Spain, and the World War.

Our naval heroes and naval exploits have challenged the admiration of the world. The bravery, the efficiency, and the patriotism of the American Navy give great pride to every American. Our Navy has met every crisis in our history and has never failed in its responsibility. American traditions and American achievements are our most valuable national possessions. And to the immortality of these traditions the American Navy has notably contributed, standing as it does today, respected and feared, honored for the patriotism of its service and possessing the affection and admiration of all Americans.

We pay tribute to our Navy, to the skill and efficiency of the civilian personnel of such high order as to be found here at Portsmouth, to the unsurpassed morale and bravery of our enlisted men, to its able and fine officers; and we thank God, as American citizens, for the American Navy.

## Parity Prices, Tariffs, and Landed Costs

### EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

Mr. CASE of South Dakota. Mr. Speaker, today, as 7 years ago, the basic problem of this country is the problem of agriculture. Prosperity on the farm means national prosperity. We hear much about the need for "parity."

Under permission granted by the House, I offer the following definitions on the subject, written by O. L. Brownlee, in an editorial in the Sioux City (Iowa) Tribune:

[From the Sioux City (Iowa) Tribune]

#### EXPLANATION OF PARITY

A Tribune reader writes from Chadron, Nebr., asking that we give a definition of parity prices, parity tariffs, and just what they would mean in terms of money to the farmer for his products.

A good definition of parity prices would be as follows:

"Parity prices represent cost of production plus the share of the national profit accruing to the number of units involved in a particular transaction as determined by a general commodity index of a given period when equal exchange value prevailed as between goods and commodities."

The general commodity index, which is the slowest changing factor in our economy, establishes the price relationship of things to each other. It is variable as wages, taxes, and other cost factors change.

Currently, parity on wheat would be about \$1.19 per bushel; corn about 78 or 79 cents per bushel; hogs around \$9.40, and cattle around \$10.50. Sheep, poultry, butterfat, eggs, etc., would be in relative proportion to that price range.

A good definition for parity tariffs would run something like this:

"A parity tariff represents a customs duty equal to the difference between the actual landed cost of an imported item and the American parity price of the domestic item which it would displace by competition or substitution, as determined by the use of a general commodity index representing a period when equal exchange values existed between goods and commodities."

In our own opinion it would be more simple and practical to impose tariffs on the basis of a general index than on the difference in cost of foreign and domestic products.

It is difficult to determine cost of production of any imported item just as it is difficult to determine the costs of two or more farmers or manufacturers in the United States. Costs vary between individuals as between countries.

The production cost of a foreign item is not important to us, anyhow. It does not become competitive with American products until it has been actually landed on American shores and freight, insurance, lighterage, and other cost items have been included in the bill we have to pay.

A domestic parity price for our products would insure cost of production and a profit to the average producer. Some producers would make more than others, of course, due to the facts of better soil or management or better factory equipment and other factors which no law can control.

Parity tariffs are necessary to the establishment and maintenance of parity prices. Our national economy never will be put on a sound basis until that principle has been adopted.

The principle can be easily and clearly expressed in law and it can be operated with the present machinery of government. It involves no subsidies, no new taxes, no new burdens, no complicated measures of administration. And it will yield a constant and adequate price for the products of our land, factories, and labor on a basis of proper exchange relationship.

Mr. Speaker, parity for producers is the direct road to national prosperity.

## Live and Let Live

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

Mr. THORKELSON. Mr. Speaker, I note frantic efforts are made by the British propaganda machine to align us with Great Britain in the present European debacle. Mr. Churchill's plea in the Washington Post, January 21, 1940, displayed nothing so much as fear—fear of the untenable position in which Great Britain placed herself when she declared war on Germany in the expectation that the United States would fight and pay for such war. Mr. Churchill's plea to neutral nations also falls upon deaf ears, for they know the perfidious Albion too well.

I do not believe that Belgium, Holland, the Scandinavian countries, and Finland will be invaded by Germany unless she is compelled to do so by England. I rather prefer to believe that the German people will remain neutral, or give these countries which are in reality inhabited by their own kind of people as much aid as possible in the present communistic invasion.



The most inhumane government is that of Russia, and the most unjust war is that now conducted by Stalin in his invasion of Finland. The papers would have us believe that fascism and nazi-ism are world threats, when in reality they are a red herring employed by the Communist to obscure his own trail. Communism is the only "ism," and the Communists are the only individuals who are threatening not only world peace but particularly the peace of the United States. The leaders of these subversive philosophies—socialism and communism—are well entrenched in the Russian, the British, the French, and the American Governments. It is this group of hidden rulers in the invisible government who are responsible for the present international unrest, and it is this group which should pay the price for whatever may happen in the present conflict in Europe. It was this crowd of internationalists that instigated and prolonged the World War, and they are now attempting to stampede the world and us into another conflict so that they may build a world confederation of states. This confederation of states is in reality a substitute for the League of Nations. These money changers hope in this to set up a government to dominate the world, and at the expense of world powers.

Mr. Churchill's accusation of barbarism is ill-advised, as no nation has been more barbaric than England. In making this statement I do not refer to the English people, for they are O. K. I refer instead to the crossed nobility of Great Britain. This nobility is even losing caste with the British people themselves, for they are now very well aware of their origin.

What is Mr. Churchill hollering about? Practically all of the British Empire has been acquired by conquest, with little or no consideration for the native populations. England may, in her present generous mood, do something for India. Why not set India free? They want home rule, so why deny it to them?

Great Britain's history is that of a bully, not only to her foreign subjects but even to her own people. It was Great Britain that banished her own citizens to penal colonies aboard prison ships, where many of them died chained to the timbers of the ships. These same ships were well equipped with various forms of torture machines, in which the unfortunate prisoners were incarcerated to satisfy the hatreds of British rulers.

Let England investigate the lot of her own citizens in London, Liverpool, and Hull before she criticizes others for barbarism. It was the English merchant ships, owned by English Shylocks, who introduced opium in China to further exploit and subjugate the people of that great empire. This act alone broke the heart of China, and the introduction of opium is one of the blackest pages in the history of the British colonial policy. The criticism of barbarism by English statesmen is like the pot calling the kettle black.

Let us look back 160 years and see what Great Britain did for the United States. Much information can be had from Benjamin Franklin's letters. It was the English who agitated the Indians and brought about Indian uprisings and scalping of the American people. These scalps were dried and shipped to the rulers of England as trophies and evidence of British loyalty.

It was the English money changers that bribed Benedict Arnold. Here is part of a specimen of the poetry popular at that time:

#### ON GENERAL ARNOLD

At freedom's call, see Arnold take the field,  
With honor blazon'd on his patriot shield;  
His gallant feats a dazzling luster spread;  
And circling glories beam'd around his head.  
His well-earned praises were consign'd to fame;  
And fate decreed him an immortal name,  
But when, estrang'd from freedom's glorious cause,  
Neglecting honor and its sacred laws,  
Impell'd by motives of the basest kind,  
Which mark the vicious, mean, degenerate mind,  
To virtue lost, and callous to disgrace,  
The traitor hiding with the hero's face,  
His canker'd heart to sordid views a slave,  
To mammon yielding all that freedom gave,  
Enleagu'd with friends of that detested tribe,  
Whose god is gold, whose savior is a bribe,

Could basely join, his country to betray,  
And thus restore a ruthless tyrant's sway,  
On freedom's sons impose the galling yoke,  
And crush each foe to vice beneath the stroke;  
Not all his laurels in the field obtain'd,  
Not that which Phillip's son by conquest gain'd,  
Not all that once adorn'd great Caesar's brow,  
Nor all that Washington may challenge now,  
Could save a wretch, whom crimes like these debase,  
So far beneath the rank of human race.  
But stung with keen remorse, his guilty soul  
In vain shall seek repose from pole to pole;  
Perpetual anguish shall torment his breast,  
And hellish demons haunt his troubled rest;  
Not even death shall shield his hated name,  
For still the catiff shall survive to fame,  
By fate's decree, who thus pronounce his lot:  
"Too bad to die, too base to be forgot;  
Thy crimes succeeding ages shall proclaim,  
And Judas be forgot in Arnold's name."

This shows the feeling harbored by the people at that time, and it is evident that the international money changer was in no greater esteem then than he is now.

In a letter to the Marquis de Lafayette, Benjamin Franklin had this to say:

PASSY, May 14, 1781.

DEAR SIR: \* \* \* Your friends have heard of your being gone against the traitor Arnold and are anxious to hear of your success and that you have brought him to punishment. Enclosed is a copy of a letter from his agent in England, captured by one of our cruisers, and by which the price or reward he received for his treachery may be guessed at. Judas sold only one man; Arnold sold three millions. Judas got for his one man 30 pieces of silver; Arnold not a halfpenny a head. A miserable bargain; especially when one considers the quantity of infamy he has acquired to himself and entailed on his family.

The English are in a fair way of gaining still more enemies; they play a desperate game. Fortune may favor them, as it sometimes does a drunken dicer; but by their tyranny in the east, they have at length roused the powers there against them, and I do not know that they have in the west a single friend. If they lose their India commerce (which is one of their present great supports), and one battle at sea, their credit is gone, and their power follows. Thus empires, by pride, folly, and extravagance, ruin themselves like individuals.

This letter does not speak so well for the attitude of England toward the United States, and we had difficulty indeed even to exchange prisoners of war. As a matter of fact, England did everything that could possibly be done by intrigue and otherwise to destroy the United States. In this attitude she did not have the sympathy of other nations, which this letter I now quote from clearly shows:

PASSY, June 8, 1781.

TO MESSRS. D. WENDORP AND THOMAS HOPE HEYNGER.

GENTLEMEN: I received the letter you did me the honor of writing to me on the 31st past, relating to your ship, supposed to be retaken from the English by an American privateer, and carried into Morlaix. I apprehend that you have been misinformed, as I do not know of any American privateer at present in these seas. I have the same sentiments with you of the injustice of the English, in their treatment of your nation. They seem at present to have renounced all pretension to any other honor than that of being the first piratical state of the world. There are three employments which I wish the law of nations would protect, so that they should never be molested or interrupted by enemies even in time of war: I mean farmers, fishermen, and merchants; because their employments are not only innocent, but for the common subsistence and benefit of the human species in general. As men grow more enlightened, we may hope that this will in time be the case. Till then we must submit, as well as we can, to the evils we cannot remedy. I have the honor to be gentlemen, etc.,

B. FRANKLIN.

I am interested in Mr. Franklin's mention of farmers, fishermen, and merchants, for they evidently suffered then from enemy acts as they are suffering today. I, in no sense, condone attacks upon lightships, fishing vessels, and peaceful merchantmen. Lightships are placed in a position where they furnish protection for shipping, fishermen furnish food, and the merchantmen carry this food which sustains the lives of noncombatants, who are composed of old men, women, and children. Decency, it seems to me, would demand that they be left free to operate, free from attack and destruction.

England is, in reality, responsible for these attacks for her method of warfare has always been to lay down a starvation blockade. As a result of this inhumane attitude on her

part, nations so blockaded cannot help but retaliate. This finally ends in mutual destruction, starvation, and loss of life.

The question may be asked: Is this the will of the people? And the answer comes back clearly: No. For the people themselves have no desire to suffer from starvation or to enforce such suffering upon their brother men. It is, instead, the will of the rulers, of those who control the money, of those who place gold above principle. Gold under the control of an unprincipled few becomes an international power that buys weaklings and bribes those with unstable principles.

International financiers should be deprived of this ownership of gold, for it does not belong to them but is the common property of all the people in every nation. The international bankers should be placed exactly on the same basis as a private individual. When he borrows money he must furnish security. When the international bankers decide to avail themselves of the nations' monetary wealth, they should in such event be forced to furnish security for money which they require, no differently than a private citizen.

There is only one way to destroy this hold upon the world, and it is to place an embargo on all gold, repudiate gold certificates, and place the international Shylocks on the same platform as that of those who have earned this wealth and who alone are rightfully entitled to the security of it. It is time for all loyal citizens to demand that Congress take charge of this Government, in the manner in which the Constitution provides. For why should we allow a selfish group of international adventurers to operate on a plan like this:

From the moment when we shall have made ourselves sole possessors of all the gold in the world the real power will pass into our hands, and then shall be accomplished the promises made to Abraham.

Gold is the greatest power in the world—gold, which is force, reward, and the means of all pleasure, all that man fears and covets. There you have the great mystery, the deep knowledge of the spirit which rules the world. There you have the future.

If gold is the first power in this world, the second undoubtedly is the press. But what can the second be without the first? Since we cannot realize all that has been already said and planned without the help of the press, therefore our people must direct all the daily newspapers in each country. The possession of the gold, and the cleverness in using it to grease the palms of those open to bribery, will make us arbiters of public opinion, and will give us dominion over the masses.

Advancing thus, step by step in this path, and with the perseverance which is our great virtue, we shall push back the Christians and annihilate their influence.

We shall dictate to the world in what they should have faith, what they ought to honor, and what to curse. Perhaps some individuals will set themselves up against us and condemn and curse us, but the masses, docile and ignorant, will listen to us and take our side.

No doubt many of you will recognize this, particularly after you have given it serious study, for it is operating today in many nations. I am not, however, sure that our people are docile and ignorant. On the contrary, I believe the workers, farmers, professional, and businessmen, are intelligent and quite capable of doing their own thinking. I do not doubt for one moment but that the people in this country, as well as the British Empire, will set their own house in order. For it is only in such manner peace may again prevail. The dissension which reigns throughout the world today is not in any sense the wish of the people. It is, instead, to consummate a fanatical desire by a group who intend to rule and dominate the world.

Let us now discuss the conditions which existed during the World War. The British Government then, as now, did not respect our neutrality, for British warships invaded even our own 3-mile limit. This became such a serious matter that the State Department issued many protests to Great Britain, and were in reality on the verge of interrupting diplomatic relations with England.

England then, as now, furnished the United States with a list of firms with which we were not supposed to trade. And I may ask this question, What right has any belligerent to demand such acquiescence on our part? Are we incapable of running our own affairs within the United States, or must we submit to dictation from across the water? I do not think so. This advice by the British rulers should be rightfully re-

scinded by us, for it is, if nothing else, pure tommyrot and an affront to the United States.

Our ships are now intercepted by Great Britain. They are held at the British ports for examination while contraband cargo is confiscated. We even tolerate examination of our private mail, which in no sense can be considered contraband. This search of ships and seizure of cargo is so glaringly crude that one cannot but believe that deliberate collusion exists between interlocking American and British interests.

To correct this and to maintain national self-respect we should deny all shipments to England until she is willing to allow free delivery of American cargoes to neutral nations. One cannot help but admire the Japanese attitude in her demand that Great Britain release the 23 German passengers that were taken off a Japanese merchantman. It is such acts by Great Britain which arouse international ire against that nation.

It is because of this intrigue that no one should become unduly excited over the propaganda in pictures, in papers, or from the lecture platform by agents from the British Government who are now attempting to convince us that we should pull their chestnuts out of the fire, so that they may remain world rulers while we are nursing burnt fingers.

The attitude of Great Britain is clearly set forth in the Washington Post, February 4, 1940, in Mr. Oliver Stanley's first public speech, in which he makes this statement:

Great Britain was fighting for a peace wherein Germany would be allowed a place in the European family of nations, but stripped of power periodically to disturb peace for the world.

In other words, England is no different from Japan. The latter is killing Chinese to establish friendship with China, and England proposes to destroy a nation of 79,000,000 people, so they will love and defend England. A stupid policy indeed and one that can never establish peace any place. It would be much more sensible for England to ally herself with Germany to stop the Russian threat in communizing Europe. For such alliance will not only control Europe, but the Orient as well.

Mr. Stanley says:

This is no war of aggrandizement. We seek neither wealth nor territory. This is no clash of dynasties. It is a struggle for international decency. Let me try to express in one sentence what it is that is at stake—the rights of all people, small or great, to lead their own lives, to think as they will, to worship as they will, to cultivate the arts in freedom, at peace and free.

This paragraph is empty as we realize that England controls one-fourth of the earth's landed surface, and nearly all of it, as I have said, obtained by conquest without due consideration for the rights of the people in areas conquered. Why does not England bestow the right of self-determination upon India and other peoples in the British Empire that prefer to shape their own destinies? England should be the last to speak of the people's rights, because for years she did not even recognize the rights of free expression either in England or Ireland.

Mr. Stanley says:

The world cannot survive half slave and half free, and we are determined that we shall be free.

I wonder if Mr. Stanley refers to the freedom of the hidden rulers? Let those who have enslaved people in colonial possessions held by force set the slaves in those possessions free first before they appeal to the world for a freedom which they deny their own colonials.

I agree with Mr. Stanley when he says:

Make no mistake. We are not fighting only for our ideals and our ideas, but we are fighting for our lives.

In this he is right, for the invisible government today is fighting for its life and for its ideals, which are to dominate the world. The peoples of nations are very well informed and, I believe, will not involve themselves in the blunder of 1914, for that war was created to set up a world government, which, thanks to God, failed.

His reference to the Treaty of Versailles and his presumed comparison had the Central Powers won, is an expression of his own idea based upon that unjust treaty. England, herself, has provoked more wars than any other



nation in Europe, so little room is left for Mr. Stanley to sing a song of peace. I advise those who are interested in conditions that prevailed in Central Europe to read, *Why the Treaty of Trianon is Void*, by Louis Kossuth Birinyi, published by V. L. R. Simmons, 531 Cedar Street Northeast, Grand Rapids, Mich. It is indeed difficult to understand what impression Mr. Stanley intended to convey in the statement which I now quote:

For ourselves we want nothing from Germany or from the Germans. We do not desire their destruction; we do not grudge them their prosperity; we do not want to make them the helots they have made millions, or to make their land the desert they have made one-quarter of Europe. We want them to be peaceful, happy members of a peaceful, happy Europe.

I wonder what else Great Britain and France could take from Germany. After the World War, both of them grabbed all the colonies and dismembered Germany, Hungary, and other Central European states. The question may be asked: For what purpose? Will anyone have the temerity to say there was justice in the partition of Central Europe? I think not. The fact is England has never reached a point where she does not want more, and Mr. Stanley's statement is empty words comparable to the empty promises of England.

Mr. Stanley states that Germany has made a desert of one-quarter of Europe. What quarter does the gentleman refer to? The fact remains that not even one acre of land can be wasted in Central Europe, because all of it is required to sustain overpopulation.

It is not my intention to raise an argument or criticize any state in Europe, except for the fact that they are deliberately attempting to involve the United States in their own silly ventures. If England and France want to fight, their total population is well over 65,000,000 people, which should be sufficient to overcome a nation with a population of 79,000,000 people. The same powers also own gold mines and diamond mines in South Africa that may be utilized to defray the cost of their unnecessary wars. Great Britain may also draw on the markets of India to defray her warfare, as she has in the past, instead of looking to us for aid.

We paid for the World War, and do not let anyone kid you that we are not helping in this war as well, for plenty of equipment is leaving the United States for the British Empire to build up and complete the English war machine. We have been suckers for the English nobility for a long time, and I think it is high time that we forget this *hoi polloi* and turn our attention to our own reconstruction. There are too many people here who are willing to kiss the hand of the King and Queen, instead of kissing the Stars and Stripes.

In order that you may have a clearer understanding of Mr. Stanley's ideology, let me quote:

Britain came close to agreement with the French, who are determined, by one means or another, Germany be rendered powerless.

The distinguished English and French gentlemen do not speak here as angels of peace, but they speak instead as provocateurs of war. It was this attitude on the part of France—revenge—that plunged Europe into the World War, and it is the same attitude today—hatreds and revenge—that is now threatening world peace.

However, it is none of our business. We have nothing at stake to defend, and we have no bones to pick with any nations in the Occident. I do not believe that the medicine men of Europe can stampede Europe into another devastating war, for the British, French, German, and all European peoples are unwilling to sacrifice their lives in the defense of the international rulers. The world is sick of this horde of money changers, and their safety lies in becoming real nationals of such nations in which they live.

The paper further states as follows:

The Stanley speech was one of the regular week-end series by members of the war cabinet to rouse the fighting spirit of the people. In it he defended the Versailles Treaty as a generous peace, contrasting it with the kind Great Britain could expect if she called off the war now or suffered defeat at the hands of Nazi Germany.

This is nothing but deliberate deception and propaganda to build a sentiment for war in England. Why did England

and France declare war? Was it the usual English bluff and bullshiness to coerce other powers? A nation has reached a sad state indeed when the war cabinet attempts to promote the destruction of property and the lives of its own people by selling them on a war they do not want. That very statement shows that Mr. Stanley himself is apprehensive, and these meetings are for no other purpose than to instill self-confidence in the present British debacle. Mr. Stanley and others should know that if Great Britain disgorged the colonies taken from Germany in the World War peace would again prevail throughout the whole world, and such attitude on England's part would be only an act of justice.

There can be no brotherly love or friendly feeling among nations so long as we are required to travel on permits and passports, for such restrictions are evidence of suspicion. The people of the world should be able to travel unmolested and free to all nations, using gold and gold currency if necessary to facilitate such travel. This cannot be brought about by the promotion of boycotts and hatreds, for such attitude is not that of Christian civilization. It is, instead, a backlash of paganism and persecution.

We should, as a matter of fact, recall the 300-mile coastal patrol which is now plowing the waters in this zone looking for the proverbial Flying Dutchman. There is no excuse and there is no emergency and there is no rhyme or reason why our taxpayers should be charged with the cost of this 300-mile water policing force. In the first place, we cannot enforce neutrality outside of our own 3-mile limit unless we use the United States Navy, and that means war. So why, for the love of Heaven, should we allow the Government to engage in this wasteful, unnecessary spending of money?

England, herself, has said that if we attempt to enforce this it will mean war with England, so what is the big idea in having this mystic fleet churn up the waters of the Atlantic and Pacific? Is it not much more sensible to save the cost of this patrolling, since it is for no other purpose than as an aid to Great Britain, and even she objects to it.

### The Home Is the Foundation of This Republic

#### EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

Mr. BURDICK. Mr. Speaker, I am afraid we are fast drifting away from the very purpose of this Government. I do not know whether Congress represents the sentiment of the Nation on the subject of homes, but I am fearful that it does. If Congress did not represent the sentiment for the perpetuation of the home, we would have at least some hope left—the people could elect a new Congress. But, on the other hand, if this Congress does represent the wishes of the people of the Nation, then I say there is nothing within the power of man that can save this Republic from utter and final collapse. If the people themselves do not now, in this time of extreme financial involvement, stop long enough to recognize that homes must be preserved at all costs, we are well on the way to the destruction of the Government itself.

This situation presents one of the most unwarranted enigmas conceivable. The great majority of the people of this country have a well-formed fear against collectivism. They hope the day will never come in the United States when the liberty of the individual will be merged in collective activity. I share the same hope—I pray that day will never come in this Nation. But those who fear this condition most are themselves contributing most to the realization of collectivism. All the Communists in America cannot bring collectivism into being by their own power, but aided and abetted by those unthinking people who fear collectivism and yet at the same time are making that situation a distinct possibility, there is

every reason to believe that we are headed directly to that result. These people are so engrossed with the private operation of all lines of economic endeavor, so engrossed with profits and gain and greed, that the result they hope will not happen is unavoidably sure to happen.

The most charitable thing that can be said about them Christ once said:

Forgive them, for they know not what they do.

When home owners on the farms and in the cities are fighting desperately to hold on and preserve the home—the very foundation of the Government itself—these people who fear collectivism most turn a deaf ear to the entreaties of the distressed. With 2,000,000 farm homes destroyed since 1929 we can see the scope of this alarming condition. The enormity of the devastation makes no appeal to the representatives of the people who could save the situation if they would. These representatives are proud to say that they are conservatives—that they wish this Government to return to the good old days when business was unrestricted, farmers could pay their taxes and interest, people in urban homes could pay their rent and live, and business could divide up unconscionable profits at the end of the year. These conservatives do not think long enough to understand that the present financial debacle a majority of our people are in is due directly to the operation of this business system that they once knew and to which they are determined to return.

When the agricultural bill was before the House the Republicans, almost as a solid phalanx, supported the cuts that meant doing away with parity payments, finance of farm tenants, and every other aid asked by the Department of Agriculture. Enough conservative Democrats supported them to annihilate the appropriations for the farmers.

The significant thing about this stand of the Republicans is that, while the vote in the House was not made a record, the Republicans must know that the people will find out how they stood on this proposition, and with an election coming up they must feel that they either have the support of the Farm Belt or do not need it. Whatever their reason, the fact remains that the appeals made in the House to aid the farmers fell on deaf ears as far as the great majority of the Republicans in the House is concerned. They voted as conservatives. They rest their case on the false premise that they are saving the taxpayers' money in denying aid to agriculture. They knew all the appalling facts relating to foreclosed farms; they knew that loss of purchasing power by the farmers affected business and caused unemployment. Those facts have been poured into them constantly by the progressive Republicans and progressive Democrats to absolutely no avail. These conservatives have not stopped long enough to think; they are herded by the party organization. They evidently do not know that a dollar spent to help the farmer sustain himself saves \$10 in relief as soon as they drive the farmer out of his home. The slogan that they cannot overcome is, "Save the taxpayers' money, take away the restrictions against business, and let us have the old balmy days of business and profits."

I do not know how far this sentiment will go in the next election, but I for one do not subscribe to this doctrine and will not support such a doctrine no matter whom the Republicans nominate. I do not think the mass of the voters of North Dakota will support that doctrine.

On the farm-tenancy bill, for example, the Government has started a policy of finding homes for ousted farmers—ousted because they could not pay their debts. We asked for only \$25,000,000, or about enough to refinance and set up 7,000 homes. The money is not given to these farmers; the Government loans the money on long-time credit with easy interest, and the experience so far has been that all the money due has been paid back except about 2 percent. The only reason why this program has not reached more farmers is because we could not get more appropriations. We will now take these 7,000 farmers from these homes and drive them into the relief lines. What would happen? That would happen that is happening to thousands of other farmers. The relief load among farmers averages about

\$745 per family annually. Multiply that by 7,000 and the result is \$5,215,000 for 1 year alone; remember, too, that it may be the same amount the next year, and the next, and no end in sight. Now, which is the best plan, to loan these farmers \$25,000,000 annually and receive it all back except \$500,000—and a chance to get this, too—or drive them out into the public highways, where we must spend over \$5,000,000 annually? The Republicans and the conservative Democrats could not stop long enough to think about this in their mad stampede to "save the taxpayers' money."

How will any conservative explain to anybody this unwarranted, illogical, and asinine stand? The most favorable thing that can be said for the conservatives is that they are penny-wise and pound-foolish.

I actually heard Republicans in debate say that, because we cannot save all the farmers, let us not save any, because it would hurt the feelings of those we cannot save. Surely logic has taken wings. The right policy to follow is to increase the loan to the tenants and save twenty thousand annually instead of seven thousand. As long as the Government can make the record it has on repayments, it is the most profitable business in which this Government can engage when we have a deficit.

I wish I had the power of persuasion among my brother Republicans. I cannot break this Republican blindness in following party leaders. Many good Congressmen are so bound up with the "party" and are afraid to offend the party machine that they have lost the habit of thinking for themselves or, indeed, thinking at all. If these Members only knew it, the party could not punish them for their independence. I have never admitted that the moon was made of green cheese just because the Republican leader said so. I have said "no" and I have been summarily punished. I have been kept off important committees and demoted on the small ones I did have. But that has not stopped my thinking powers. This punishment was no punishment at all, for if I had to obtain positions on committees by having to follow some autocrat who happened to be in a situation where he could "demote me," I would soon be discredited by thinking men and women who sent me here. I would rather be right and stand alone than be wrong, though propped up by all the conservatives in the United States.

If we actually want to prevent collectivism from getting control of this country we had better change our line of reasoning and build a home every chance we get. It is a home that people will fight for, and history shows that without homes the people everywhere are a prey to any "ism." The Roman Empire has not become effaced from the map of the world by the power of any invader, but it went down to oblivion because the time arrived in its plutocratic government when only 2 percent of the people owned their homes. It decayed from within and did not fall because of any power from without; the Russian Government fell prey to collectivism because the time arrived in its plutocratic government when only 5 percent of the people owned their homes. If those conservatives actually want to maintain this great free Government, they will come forward and stop the movement now rampant in this country which is hourly losing more homes. For the Nation at large the tenant class now numbers 42 percent of the farm population; in many States the percentage is a great deal higher. I know of whole counties where the tenant class numbers 72 percent of all the farmers. As soon as this percentage increases a little more—and it will if we keep on denying aid for permanent stability—the time will be ripe in this country for collectivism. Then those who now ignore the pleas of the farmers will shout the loudest concerning their deplorable fate, but those voices will not be heard by an enraged people.

I can clearly see this situation because I have lived and now live as a farmer. I am a son of the pioneers who, because of loss of property through high interest rates, and poor farm prices, moved out across the whole area of the United States, settling new territory as they went. When they reached the valley of the Ohio, they found free land and made a new start, but in the appointed time, they lost again—they braved the wilderness and fought the Indians



and moved on to the prairies of Wisconsin and forgot their financial troubles by finding new land and making a new start. For 50 years more they prospered but in the allotted time they were overcome with debt and mortgages and were driven from their homes again. They took up the trail by covered wagon and moved on the plains of Dakota and found a new home and made a new start. For 50 years more they prospered, but in the same due time they were again overcome with debt, but this time the seriousness of the situation not only was presented to them, but to the entire country. They could not go farther on. They had reached the end of the trail, all lands by 1923 had been taken and there was no place to go. There was no new country anywhere that could again be exploited by the interest taker, and because of this abrupt ending of new territory, the whole Nation felt the shock. We cannot go anywhere, we must stay where we are, and the exploiting process that has been working on the farmers for 175 years must be stopped. Unless it is, the entire Nation must go down.

People must have homes. Of all the institutions of society the home comes first. The church, the school, the Government are all secondary to that great institution—the home. Unless our people are given an opportunity to make a home for themselves in this great land of plenty, then the whole scheme of Government is a mockery. It is through no fault of their own that farmers and city people are losing their homes at such an alarming rate, it is the fault of this Congress more than anything else. Just suppose we would make the funds and credit of this Government available to the people instead of to a few who get it free and in turn loan it out at unconscionable rates of interest, what would happen? Loans now averaging 6 percent could be reduced to 1 percent, and a farmer who owed \$5,000 would have to pay \$50 annually instead of \$300. Would that make any difference in 50 years?

The program of a better day is all before Congress at this very minute. The means by which collectivism can be avoided is before Congress in the following bills, and we cannot pass any of them because the conservatives want to save the taxpayers' money. These conservatives should be ready now to fight to the last ditch to restore homes in America and keep them safe; if not, then we are subject to collectivism and any other "ism" that will destroy all individual independence, that will destroy any freedom of religious worship, all freedom of speech, and place every man, woman, and child in this great, free America under bondage of autocratic and inhuman rulers.

Is that what the conservatives want? Is that what they will appeal for in the next election? In the words of Queen Elizabeth, I must say, "God save us from our friends."

I. H. Res. 217, restore to Congress the power to coin money and regulate the value thereof.

II. H. R. 7600, eliminate debt money and taxes.

III. H. R. 8264, Townsend bill.

IV. H. R. 7528, Frazier-Lemke moratorium.

V. H. R. 6151, labor-hour money.

VI. H. R. 1675, Peterson farm-tenant bill.

VII. Burdick farm-products bill (introduced today).

### Aid for Finland

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

LETTER FROM THOMAS ROBINS, OF NEW YORK CITY

Mr. EATON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. Thomas Robins, of New York City:

NEW YORK, N. Y., January 29, 1940.

HON. CHARLES A. EATON,  
House of Representatives, Washington, D. C.

DEAR SIR: As a pacifist I don't want to see this country get embroiled in another war. I feel, however, that the present war is moving in our direction, and that we should do our utmost to stop it before it arrives.

Anyone who doubts that we are facing the possibility of a war should be asked to answer the following questions:

1. Is Finland, with its 3,000,000 people, capable of ultimately withstanding Russia, with a population of 130,000,000?

2. If Finland falls, will it take long for the Russians and Germans to partition Scandinavia as they partitioned Poland, strengthening themselves with iron, nickel, and food supplies which are of vital necessity to Great Britain?

3. With their defender, Britain, thus weakened, would not the Low Countries—Holland and Belgium—fall into the hands of the Germans?

4. With England in easy bombing distance of an enemy just across the channel, instead of 275 miles away as at present, would not Britain and France be forced to capitulate to Hitler?

5. In that case would not Britain, France, Holland, and Belgium be forced to give up to Germany as indemnity their fleets and colonies, which Germany has envied for so long?

6. In that event would we not be obliged to purchase from Germany the tin, rubber, and other supplies in the sale of which there is now competition between the Dutch and English possessions?

7. With Britain and France out of the way, would not Japan have a free hand in the east, seize the Philippines, and forever close the open door in China?

8. Would not we lose our export business to South Africa, China, the Philippines, and Australia?

9. Being thus weakened and threatened, would we not be compelled to protect our own shores with a Navy far larger than anything that has been dreamed of up to the present time?

10. With all our millions impoverished who are now supported by our export trade, and burdened as we should be with the cost of huge defense forces, should we not face a depression which might result in revolution and chaos in the United States?

11. Can we not insure against this dire chain of possibilities by supplying the guns and planes which our defender, Finland, now requires to stand the Russian attack?

12. If so, is it not well for us to do so without further delay?

Yours respectfully,

THOMAS ROBINS.

### Trade Agreements and the Fresh-Fruit Industry

#### EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

LETTER FROM THE INTERNATIONAL APPLE ASSOCIATION

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the International Apple Association:

INTERNATIONAL APPLE ASSOCIATION,  
Rochester, N. Y., January 16, 1940.

HON. A. WILLIS ROBERTSON,  
House Office Building, Washington, D. C.

DEAR SIR: I am writing you as a member of the House Ways and Means Committee and as one who has long been familiar with the difficulties which confronted the United States apple and pear industries as related to our highly necessary exports, and which started to become serious during the latter part of the 1930-31 season.

As you know, the International Apple Association is a nonprofit trade association. Its membership, among other places, is located in the important and leading producing sections and distributing markets of the United States. It is composed, among others, of the leading apple- and pear-shipping organizations, individual shippers and firms, outstanding growers, apple and pear cooperative associations, wholesale distributors, and exporters.

The United States has been exporting apples for over three-quarters of a century, starting, of course, in a small way. During the 1914-15 crop season our exports to all destinations had reached 7,054,503 bushels, but naturally suffered a recession during part of the first World War and particularly during the 1917-18 season. By the time of the 1920-21 crop season we had regained lost ground, and exported 7,955,303 bushels. From that season on, with various fluctuations, we rapidly expanded our exports, until during the 1930-31 season we exported 20,361,472 bushels.

This development and expansion in our exports took place during the period when world trade channels were open.

The orchards were grown and developed through a long series of years to supply not only domestic but world markets.

It takes from 10 to 15 years to bring an apple orchard into real production and about 7 years for pear orchards, plus a heavy investment.

This production cannot be shifted like an annual crop. The manufacturing plant is built. It cannot be materially abandoned, either in whole or in part, without very great capital losses.

The United States produces more apples and pears than it can consume on the domestic markets, and foreign outlets are most essential for both apples and pears.

Following the 1930-31 crop and export season, foreign trade barriers began to be serious. These trade barriers eventually assumed about every type of barrier that could be imagined, including total or partial embargoes, prohibitive duties, exchange restrictions, import permits and licenses, drastic sanitary restrictions, etc. The result was a decline in our apple exports from 20,361,472 bushels for the 1930-31 season to as low as 8,061,966 bushels in 1934-35, which represented a loss of 60.4 percent from the 1930-31 season, and to 6,718,935 bushels in 1936, a loss of 67 percent from 1930-31. During the last two crop and export seasons, to wit, 1937-38 and 1938-39, we had restored our exports to 10,957,530 bushels and 12,102,880 bushels, respectively. If it had not been for the disruptions caused by the present war, we have every reason to believe that we would have continued to show a further increase in future seasons.

This association, which, by the way, is now in its forty-fifth year, recognized the handwriting on the wall during 1930-31 and, at its annual convention held at West Baden, Ind., in August 1931, unanimously deplored economic trade barriers and international economic warfare.

At our annual convention held in New York in August 1932 this association urged the calling of an international economic conference to the end that international trade channels be kept open.

At our annual convention held in Chicago, Ill., in August 1933 the association unanimously urged that international economic peace be restored, and called for the negotiation of reciprocal-trade agreements and that power be delegated to the President to that end.

The Reciprocal Trade Agreement Act became law on June 12, 1934, and at every annual convention since then down to and including our Cincinnati convention held in August 1939, the association unanimously reaffirmed its endorsement of reciprocal-trade agreements and the act.

Not only the above but we have participated in all of the important trade agreements negotiated to date, including the filing of sworn statements and appearances at all of the important oral hearings.

There is no question that the reciprocal-trade agreements negotiated to date and taken as a whole have been of distinct assistance to the apple and pear industries of the United States. They not only stopped the upward spiral of trade barriers, which was a highly important factor, but in addition obtained concessions which have been of distinct benefit. For example, the United States-British trade agreement became effective on January 1, 1939. For the crop and export season of 1938-39, our apple exports to the United Kingdom from July 1, 1938, to January 1, 1939, showed a decrease from the preceding crop season of approximately 11 percent. After the trade agreement went into effect on January 1 and from that date to the end of the season in June 1939 we increased our apple exports to the United Kingdom by a little over 25 percent.

It is true that in various instances we did not receive all that we hoped for by way of concessions, but at the same time we appreciated the fact that when trade barriers become well established and when international economic warfare has been practiced for several years it would be very difficult to at once restore the status existing prior to 1930-31. In other words, we appreciated the fact that when the eggs become scrambled it is difficult to put them back in the shells at once.

Under the Reciprocal Trade Agreement Act and trade agreements, substantial and highly important steps had been taken in the right direction. In other words, if trade barriers, which existed prior to the advent of reciprocal-trade agreements and until those agreements could become effective, had continued, apple and pear exports from the United States would have gone from bad to worse and with disastrous consequences to these industries.

We feel that the cancellation of existing trade agreements and failure to extend the existing Reciprocal Trade Agreements Act would be a severe blow to the United States apple and pear industries and, for that matter, would be a serious blow to the restoration of international world trade generally. Such a course would turn the clock backward.

The plain fact is that neither the United States nor any other country nor the apple and pear industries of the United States can afford another era of international economic warfare and trade barriers of every name and nature. The present war has greatly disrupted foreign trade and particularly as applied to apples and pears, but that was to be expected under war conditions. This war, however, will be over some day, and when it is over the United States not only should be but very much needs to be in position to restore its foreign trade. If we are not in that position, then we are likely to become involved in an international economic warfare which will be far more violent than the economic warfare which we have been gradually escaping from since the advent of reciprocal-trade agreements.

This whole situation is of profound importance to the United States apple and pear industries. We therefore strongly urge that the Reciprocal Trade Agreements Act be extended.

It will be impossible for me to appear personally at the hearings which are now going on. I am therefore writing you as a strong supporter of the apple and pear industries of the United States and as one who is thoroughly familiar with the whole situation. You are at liberty to file this statement with the committee or read it into the committee record.

Sincerely yours,

INTERNATIONAL, APPLE ASSOCIATION,  
R. G. PHILLIPS, Secretary.

## Mr. Hanes Gives More Sound Advice to the Administration

### EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

EDITORIAL BY PAUL BLOCK

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following short editorial on the subject of taxes:

#### MR. HANES GIVES MORE SOUND ADVICE TO THE ADMINISTRATION

In June and again in July of last year, John W. Hanes, at that time Under Secretary of the Treasury, made some suggestions on tax revision before the Ways and Means Committee of the House of Representatives. On both occasions we pointed out the eminent soundness of his remarks.

In December Mr. Hanes resigned his Government post. While we do not have any private information about the reasons for his resignation, we believe that, in addition to the fact that he wished to reenter private business, he had come to realize that he could get nowhere in his attempts at sensible revision of the present tax structure while Mr. Roosevelt and his left-wing advisers remained in power. This is the same conclusion eventually and in many cases reluctantly reached by other men of business experience in Government service during the last 7 years who have finally resigned after vain efforts to make plain common sense square with New Deal policies.

Having resigned, Mr. Hanes has not abandoned his insistence on a realistic view of our tax problem. Speaking recently at a dinner of the Yale Alumni University Fund Association, he reiterated his opinions, which we heartily share.

"It is my belief," Mr. Hanes declared, "that the highest rate of taxation upon the taxpayer does not always produce the maximum revenue. When equitable adjustments in Federal taxes are proposed there seems to arise a chorus of fears, or supposed fears, that to lessen the rate of taxes will have the effect of reducing the total amount of taxes collected. I do not subscribe to that theory.

"On the other hand, I am convinced that the Treasury of the United States will collect a larger total of tax dollars with a tax bill that takes into broad consideration the effect of the dollars it will leave the taxpayer for expansion and development."

This is a position which we have frequently advanced. We have often pointed out that the ruinous burden of New Deal taxation is perhaps the chief obstacle to sound recovery. Only when private enterprise is able to expand and reemploy can our stalled economy get in motion again. But as long as the New Deal imposes taxes without regard to their effect on business and its ability to expand or even survive, progress toward prosperity will remain impossible.

It is profoundly unfortunate for the welfare of our country that the New Deal refuses to listen to men of the caliber of Mr. Hanes. But if administration ears are deaf to intelligent counsel, the Nation is still able to recognize and to approve. The continued failure of the New Deal to solve the problems of unemployment and recovery can have only one result, and that is the repudiation of the administration in November.

PAUL BLOCK, Publisher.

## The Negro a Factor in the History of the World

### EXTENSION OF REMARKS

OF

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

Mr. MITCHELL. Mr. Speaker, ladies and gentlemen of the House, hardly a day passes that some person in high



authority, either in this House or in official capacity elsewhere, does not request of me information of some kind with reference to the achievement of the American Negro. Perhaps there is less actually known about the historical background of America's largest minority group—the Negro—than about any other minority group in this country. One searches our textbooks and literary records in vain for the real facts of Negro achievement, even in America. Little or no real facts concerning the Negro prior to the introduction of slavery in the American Colonies can be found in our books and periodicals used in our schools and colleges.

About a quarter of a century ago Dr. Carter G. Woodson, a scholar and historian of recognized ability, founded the Association for the Study of Negro Life and History. The beginning was modest, but through the years this has become the outstanding organization of the world for the discovery, preservation, teaching, and the diffusion of important historical data and facts giving the true picture of Negro life in the past. Among the outstanding things which this organization is now doing I wish to mention the following: Publishes magazines, researches in Negro history, directs studies in clubs and schools, promotes the home study of the Negro by mail, produces texts on the Negro for schools and colleges, collects and preserves the valuable documents of Negro history, supplies libraries with special collections of rare books on the Negro, educates promising and enterprising young men for service in historical research, and for the last 15 years has developed Negro History Week.

In answer to the following letter which I wrote to Dr. Woodson a few days ago he sets forth in his letter to me, in a rather definite manner, the fine work this organization is doing:

HOUSE OF REPRESENTATIVES,  
Washington, D. C., February 3, 1940.

DR. CARTER G. WOODSON,  
Director, The Association for the Study of Negro Life and History, Inc., 1538 Ninth Street NW., Washington, D. C.

MY DEAR DR. WOODSON: For more than a decade I have watched with great interest and pride the fine work your association is doing in the way of preserving records pertaining to the history and achievement of the Negro in America and other countries. Because of misstatements of facts, often designedly made reflecting on the Negro, grave injustice has been done the race. Your organization seeks to correct this, and is rendering a unique service not only to the Negro but to all lovers of truth and justice.

For 15 years the organization which you founded, and which you still direct, has, through schools, churches, and various institutions and organizations, celebrated Negro History Week. This celebration is fast becoming an established institution within itself. You will be interested to know that this year I have been invited to visit at least a dozen States, and to speak on more than 50 occasions during the celebration of Negro History Week, which I understand, begins February 11, ending February 18. It must be a source of gratification to you to note the growth of this splendid institution which you have founded, and to be able to see in your own day the tangible expressions of appreciation of peoples of all races and nationalities of the fine work you are doing.

I am asking you to please write me a letter, setting forth in succinct form the work which your organization seeks to do through Negro History Week. I am frank to tell you that I expect to use whatever statement you make on this subject in some of my talks during Negro History Week, and shall probably insert the same in the CONGRESSIONAL RECORD as a matter of history for the coming generations.

Permit me to congratulate you, and to say that it has been a genuine pleasure to me to make whatever financial contributions I could to your splendid work, and to help you in this unique job in all other possible ways.

With best wishes, I am,

Sincerely yours,

ARTHUR W. MITCHELL.

THE ASSOCIATION FOR THE STUDY OF  
NEGRO LIFE AND HISTORY, INC.,  
Washington, D. C., February 5, 1940.

HON. ARTHUR W. MITCHELL, M. C.,  
United States House of Representatives, Washington, D. C.

SIR: Replying to your inquiry, I desire to say that during Negro History Week we feature the work of the Association for the Study of Negro Life and History. The aim of the association is to collect the records of the Negro and treat them scientifically in order that the race may not become a negligible factor in the thought of the world. The past of the Negro race has been so obscured and belittled by propagandists that little is known of its creditable record. Today, as a rule, we take notice of only the undesirable Negroes and ignore those who are struggling to climb upward. Few persons in public

life today think of what the Negro has thought and felt and attempted and accomplished.

To direct the attention of the public to this long-neglected aspect of our history the Association for the Study of Negro Life and History was organized in Chicago September 9, 1915, by Carter G. Woodson. This learned society publishes two magazines, researches in Negro history, directs studies in clubs and schools, promotes the home study of the Negro by mail, produces texts on the Negro for schools and colleges, collects and preserves the valuable documents of Negro history, supplies libraries with special collections of rare books on the Negro, and educates promising and enterprising young men for service in historical research. The various monographs and reports produced by this scientific body, as well as its two magazines, the Negro History Bulletin and the Journal of Negro History, are used throughout the country by schools and libraries.

The Association for the Study of Negro Life and History finds by scientific investigation that the record of the Negro is not to be despised. Even in Africa the Negro race achieved much for which it has not been given credit. There are historians and anthropologists who say that the Africans first discovered the use of iron; first domesticated the sheep, goat, and cow; and first stimulated Europe toward fine art. Some have found among the Mossi in Africa what they consider the first evidence of trial by jury. It is generally conceded that when Europeans first began to penetrate Africa during the fifteenth and sixteenth centuries they found the natives as far advanced in their political and social organization as the Europeans themselves were in the ninth and tenth centuries. This the Africans had accomplished with little or no help from Asia or Europe. Evidences of this progress were found in the well-organized African kingdoms and empires like Ghana, Manding, Mossi, Songhay, Hausa, Bornu, Congo, Dahomey, Ashanti, Loango, Bechuana, Monomotapa, and Uganda.

Brought to Europe, the Negro even there demonstrated his capacity in spite of handicaps. Juan Latino excelled the scholars of Spain in Latin; Juan de Pareja won his way as a noted artist there, and so did Sebastian Gomez. Miguel Kapranizine became among the Portuguese such a theologian that they made him the vicar of the convent of Santa Barbara in Goa. Le Chevalier de Saint-Georges reached the high rank of a musician and soldier in France; Lislet Geoffroy distinguished himself there as a scientist; and General Dumas, the head of the great literary family of France, won laurels as a soldier in the defense of that land. Angelo Soliman stood out as a general in the service of the Holy Roman Empire. Abram Hannibal, the grandfather of Alexander Pushkin, became one of the builders of modern Russia. In Holland, J. E. J. Captein impressed scholars as a theologian and philosopher. A. W. Amo so moved the circle of scholars at Wittenberg that after taking his degree at that institution they made him a professor.

Later, when European explorers came to America, Negroes were with them to play a prominent part. In the discovery of the Pacific Ocean, Balboa carried with him 30 Negroes, including Nufio de Olanco. In the conquest of Mexico, Cortez was accompanied by a Negro, who, finding in his rations of rice some grains of wheat, planted them as an experiment and thus made himself the pioneer in wheat raising in the Western Hemisphere. Negroes assisted in the exploration of Guatemala and the conquest of Chile, Peru, and Venezuela. Negroes accompanied Ayllon in 1526 in his expedition from the Florida Peninsula northward and took a part in the establishment of the settlement of San Miguel, near what is now Jamestown, Va. Negroes accompanied Narvaez on his ill-fated adventure in 1526 and continued with Cabeza de Vaca, his successor, through what is now the southwestern part of the United States. There Estevanico, a Negro, discovered Cibola, the seven cities of the Zuni Indians. Matthew A. Henson, the last to appear in the role of explorer, was chosen by Commodore Peary to accompany him to the North Pole.

The first important contribution of the Negro to the development of America was toll. First as indentured servants and then after being debased to the status of slaves, Negroes supplied the demand for labor necessitated by the expansion of trade in the commercial revolution of the modern era. Negroes cleared the forests of our Southland, drained the swamps, prepared the soil for the production of its staples, and dug from the earth nuggets of precious metals. In that section, too, appeared Negro mechanics and artisans, using the skill which was natural to the African even in his native land. These Negro workers shod horses, cast farming implements, made vehicles, constructed boats, and built railroads, which provided the South with a network of transportation facilities.

While thus at toll the Negro showed inventive genius in producing labor-saving devices. Negroes assisted Eli Whitney in his experiments with the cotton gin and McCormick with his reaper. James Forten perfected a machine for handling sails; Henry Blair patented two corn harvesters; Granville T. Woods stimulated industry with his electrical patents; Elijah McCoy brought machinery nearer to perfection with his lubricating devices; Norbert Rillieux revolutionized the manufacture of sugar with his vacuum pan; and Jan E. Matzeliger revolutionized the shoe industry with the lasting device for making shoes with machinery.

While helping to develop the country, the Negro has done his part in defending it. As a soldier, the Negro has acquitted himself with honor in all American wars. Negroes served with the Colonial forces on land and sea and helped to shape the destiny of America. Brave men of African blood followed the British standard during the Seven Years War until Montcalm was vanquished by Wolfe on the Plains of Abraham, thereby making English institutions possible in

America. During the struggle of the Colonies with the mother country, more than 3,000 other soldiers of African blood lived up to the record of heroism of Crispus Attucks on the Boston Commons; Peter Salem at Bunker Hill; Salem Poor at Charlestown; Pompey at Stony Point; Austin Dabney in Georgia; the 700 Negroes at Monmouth; and the daring regiment in the Battle of Rhode Island. Negro soldiers stood out with equal valor in the War of 1812. They fought bravely under Perry and Macdonough on the sea. Men of color came to Andrew Jackson's rescue in the Battle of New Orleans in 1815, and by their bravery elicited from him highest praise for their defense of the land of their fathers.

In the Civil War 178,000 Negro soldiers convinced observers that they could not be excelled in maintaining the honor of the Nation, and therefore were entitled to the rights of citizens. Their fighting at Santiago in the Spanish-American War was all but wonderful. The Tenth Cavalry and the Twenty-fourth Infantry distinguished themselves at Carlisle as the heroes of the hour. In the World War Negro troops and officers acquitted themselves with honor.

The Negro is a natural artist. He has the gift of producing things useful and pleasing to the eye. He has, therefore, been accredited with achievement in both the industrial and fine arts. Numerous implements, utensils, weapons, musical instruments, and personal adornments made by the natives of Africa show expert workmanship and exceptional skill. In the fine arts the African has left such striking evidences of his aesthetic development in the Sherbro figures, the Megaliths of Gambia, the bronze sculptures of Benin, and the ornate productions of the Congo. In the tombs of their kings, on the ornamented vessels, and on stones of the highlands have been left other striking evidences of this art. The solutic rock painting on the cliffs of South Africa shows an ideal of beauty as expressed by a most fertile imagination. In America, Edward M. Bannister was painting with success before the Civil War; at the same time Edmonia Lewis was working toward renown as a sculptor; and since their day Henry O. Tanner has made a place for himself among the most distinguished of all American painters. With the promising efforts of William Edward Scott, William A. Harper, A. A. Motley, J. L. Wells, Lois M. Jones, J. L. Porter, and Aaron Douglass in painting, and with the advance of Meta Vaux Warrick Fuller, May Howard Jackson, and Augusta Savage in sculpture, we are assured that the American Negro is standing on the threshold of great things in fine arts.

This same productive imagination is evident in the striking poetry produced by Negroes even when in primitive condition in their native land. In the folklore, the charming tales handed down from sire to son, in Africa is found evidence of this same art in tender and gracious touches. Art is found also in the very telling of these stories with a wealth of descriptive detail in a sort of recitative chanting and crooning very much like a song. Taken abroad and taught the means of expression in modern languages the African exhibited this poetical power in a manner which Americans and Europeans can better understand in reading the productions of James Weldon Johnson and Paul Laurence Dunbar.

In dramatic art the Negro has also given a good account of himself. The Negro is naturally an actor. Inasmuch as he has never permitted his mind wholly to dominate his body, he finds expression much easier than in the case of other people. What other theatrical persons have to spend years in acquiring the Negro exhibits spontaneously. In the story telling and the folk drama of Africa the actors are most original in the imitation of things in their respective environments. There is that frequent imitation of the voice of the thing impersonated, admirable use of gestures, which sometimes show as many as three simultaneous motions of the body. Of the many persons who have undertaken to imitate the Negro on the stage none has as yet been able to manifest that art to take the place of the Negro in the histrionic sphere, although racial antagonism has often supplanted the Negro elsewhere. Ira Aldridge, Richard B. Harrison, and Paul Robeson are cases in evidence.

Of the value of Negro music, the testimony is almost universal. Even in his untutored condition, the slave sang his "canticles of love and woe," chanted wildly in that darkness which only a few rays of light brightened. This was a significant contribution, an art still lacking appreciation but getting a hearing now and then from persons who have sufficient penetration to enter the soul of an oppressed people. Clothed in their primitive dignity, these spirituals are now being understood as artists are beginning to focus their attention on this important background of the Negro. Marion Anderson, Roland Hayes, and Caterina Yarborough have demonstrated what the Negro can do in this art.

Attention to this spiritual side of the Negro has been productive of a keener appreciation of the art of the Negro. It has tended also to invite attention to the unexplored background of the race, to discover whether or not there may be other contributions of the Negro to civilization. The result has been first to force scientists to revise their estimate as to the Negro, who has long been regarded as an inferior. A few years ago investigators accordingly began to say that although the Negro did not reach a high stage of development in other respects, he did excel in art. Further investigation has convinced these same thinkers that they should revise this opinion again so as to say that the Negro not only reached a high level of culture in art but that he made valuable contributions in other spheres. This last effort has required a sweeping revision of the former estimate of the Negro to the extent of considering him as being equal to others belonging to the family of mankind.

Since the days of emancipation the Negro has measured up to the highest expectations. Toward this end the race was greatly stimulated by that matchless orator and sane statesman, Frederick Douglass. During the reconstruction the Negro gave a good account of himself as a citizen and as a statesman. The majority of the Negro leaders of that day advocated high ideals. The participation of the Negro in the affairs of the Government was denounced and opposed from the very beginning; but despite the mire of corruption into which the Negroes were drawn by the white men who profited thereby at the expense of the freedmen, the race decisively demonstrated its capacity for citizenship and its right to all of the honors within the gift of the Nation. The Negro has never imposed upon the Government such colossal evils as the "credit mobliler," the "whisky ring," the Tweed ring, and the "star-route frauds."

The achievements of the Negro in freedom have been all but wonderful. Under the leadership of one of the greatest educators of all time, Booker T. Washington, American Negroes have met the most rigid test of civilization in first acquiring material things and thus permanently attaching themselves to the communities in which they live. In proportion to their population Negroes constitute a larger percentage of those gainfully employed than any other element of the country. Negroes now own a million farms, 31 percent of those employed have gone into industry; and in spite of their low wages, lack of credit, and handicaps have built homes, churches, and schools worth more than \$2,000,000,000. In the effort to facilitate labor and to increase the comforts of life this race has given the world that universally known agricultural chemist, George Washington Carver.

In teaching the history of the Negro, however, we do not mean to dim the luster of any star in our firmament. We should not learn less of George Washington, "First in war, first in peace, and first in the hearts of his countrymen"; but we should learn something also of the 3,000 Negro soldiers of the American Revolution who helped to make this Father of his Country possible. We should not fail to appreciate the unusual contribution of Thomas Jefferson to freedom and democracy; but we should invite attention also to one of his outstanding contemporaries, Benjamin Bannaker, the mathematician, astronomer, and advocate of a world peace. We should in no way detract from the fame of Perry on Lake Erie or Jackson at New Orleans in the second struggle with England; but we should remember the black men who assisted in winning these victories on land and sea. We should not cease to pay tribute to Abraham Lincoln as the savior of the country; but we should ascribe praise also to the 178,000 Negroes who had to be mustered into the service of the Union before it could be preserved, and who by their heroism demonstrated that they were entitled to freedom and citizenship. We should in no way whatever withhold assistance from the effort to make the world safe for democracy, but we should teach our citizenry history rather than propaganda and thus make this country safe for all elements of the population at home.

Respectfully yours,

C. G. WOODSON, Director.

If we are to have genuine democracy in our country, our largest minority group must come in for its proper consideration, recognition, and credit, as well as for its responsibilities and contributions in the form of work, taxes, war burdens and risks. I observe with much interest and satisfaction that as we draw away from the bitter days following the close of the War and reconstruction in the South, the growing tendency among the people of the dominant race to be more tolerant and considerate toward this minority group. In many parts of the country Negro History Week is being celebrated not only by the colored school but by thousands of white schools, whose pupils are realizing more and more the necessity of a knowledge of all of our people.

There is no more striking evidence of this growth of racial interest on the part of the white citizens of this country than the rapidly changing attitude of the white press. The great metropolitan daily newspapers and hundreds of magazines published throughout the Nation have joined with Dr. Woodson and others in their effort to give the world the proper information with reference to the Negro. There was a time when the Negro had to commit some sort of heinous crime in order to have his name appear on the front page of a newspaper and in the editorial columns. Thank God, this is no longer true. It is no unusual thing now to find the Negro favorably mentioned in the headlines of our newspapers, and to find scores of magazines carrying creditable accounts of Negro endeavor and achievement. In this, democracy is taking a firm root and is growing as the time passes. This is our hope. It is the hope of the Nation, because it is true now as always that righteousness exalteth a nation; injustice is a reproach upon any people.



## Trade Agreements and the Woolen Industry

## EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

## LETTER FROM THE SECRETARY OF STATE

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Secretary of State:

JANUARY 16, 1940.

The Honorable A. WILLIS ROBERTSON,  
House of Representatives.

MY DEAR MR. ROBERTSON: I refer again to your letter of December 7, 1939, forwarding a letter and accompanying pamphlet which you received from Mr. F. Eugene Ackerman, of New York, N. Y., relative to the woolen industry. I appreciate the opportunity to present some facts which show that the apprehensions with regard to the effect of the trade agreement with the United Kingdom upon the American wool-textile industry are wholly unfounded.

Mr. Ackerman's letter and pamphlet give the impression that the American wool-textile industry is in a serious condition, and that this is the result of concessions made to the United Kingdom in the trade agreement which became effective on January 1, 1939. The facts would seem to bear out neither of these contentions. The wool-textile industry has been extremely active since the first of last year, and conditions in the industry throughout 1939, while the trade agreement with the United Kingdom has been in effect, have been vastly improved over conditions in 1938.

The developments in the wool-textile industry since the trade agreement with the United Kingdom has become operative provide one more significant illustration of the fact that carefully devised tariff reductions can be made which stimulate international trade without causing harm to the domestic industry. I am sure you will be interested in a few figures relative to the outstanding improvement in conditions in the wool-textile industry during the past year. The following index figures (relative to the woolen and worsted industries), which appear in the Federal Reserve Bulletin, speak for themselves:

## Indexes

	1938 (average)	1939 (January- October average)	Increase (percent)
Machinery activity.....	69.1	102.6	48.4
Consumption of raw material.....	82.8	125.4	51.4
Factory employment.....	63.1	84.4	33.7
Factory pay rolls.....	50.1	67.7	35.1

While it is true the wool-textile imports have increased, it is also true, as the foregoing factual data make clear, that conditions in the domestic industry have improved very substantially.

Imports of wool textiles during 1939 were equivalent to only a small percentage of the domestic production—not more than 4 percent according to reliable estimates. The statement in the pamphlet which you forwarded, that there would have been more employment in the United States if wool-textile imports had not been permitted, is based upon an oversimplification of the problem. It assumes that the domestic market, for wool manufactures and for everything else, is a purely static market, and that all that counts is having 100 percent of it. But that is a false conception. If all imports were prohibited, foreign countries, obviously, would not be able to import from us and the millions of dollars paid annually in wages to the many thousands of workers producing commodities exported from the United States could not be paid and the workers could not be so employed.

Furthermore, the increase in our export trade that results from the improved treatment our goods receive in foreign countries as the result of trade agreements increases employment here and consequently enlarges the domestic demand for American products such as domestic wool textiles. If we shut out imports, we shut off exports too, and the domestic market then becomes a poor market.

The point is driven home by inquiring whether it is better for our wool manufacturers to have 100 percent of a poor home market or 96 percent of a good one. How was the domestic industry faring in 1932, when Hawley-Smoot embargoes were giving it practically every shred of the home market, but of a ruined home market? Was not the income of the industry practically at rock bottom? Was not employment in the industry at a low ebb?

In connection with statistics relative to imports of such raw materials as wool noils, waste, and rags, it is apparent that in-

creases in these imports merely provide further evidence of improved conditions in the wool-textile industry during 1939. Imports of raw materials were naturally restricted in 1938, a period of stagnancy in the industry. The increased imports of noils, rags, and waste in 1939 reflected the expansion in demand for raw materials caused by the acceleration in manufacturing activity. Incidentally, it is noted that exports of wool rags from the United States during the first 10 months of 1939 in fact exceeded imports by more than 800,000 pounds.

Mr. Ackerman's letter to you implies that domestic wool growers would have a larger domestic market if it were not for imports of manufactures of wool. In reality, the United States is not able to produce economically sufficient apparel wool to meet the demands of the American manufacturing industry in times of normal activity. The domestic production of raw apparel wool annually totals about 435,000,000 pounds (on a greasy shorn basis), while the consumption of wool in the United States has exceeded this figure in every year during the last 10 years, with the exception of 1934 and 1938. For example, consumption of raw wool in the United States totaled 579.5 million pounds in 1937, 666.4 in 1936, and 748.4 in 1935. As regards carpet wool there is practically no production in the United States, and consequently it is necessary to import this type of wool to supply the raw material for our factories.

There is enclosed, for your further information, a copy of a letter I sent to the president of the Continental Mills on May 15, 1939, on the subject of the effect of the trade agreement with the United Kingdom on the wool-textile industry.

Sincerely yours,

CORDELL HULL.

## The American Aviation Industry of Today

## EXTENSION OF REMARKS

OF

HON. DOW W. HARTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

## RADIO ADDRESS BY COL. JOHN H. JOUETT

Mr. HARTER of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address upon the American Aviation Industry of Today by Col. John H. Jouett, president of the Aeronautical Chamber of Commerce of America, Inc., delivered January 27, 1940, over the Mutual Broadcasting System:

Much is being said and written about the aircraft industry of the United States. The romance of flying is still fresh in our minds and forever fascinating. We are interested in flying over our country and the seven seas in great transport planes. We have the keenest interest in watching the tens of thousands of young Americans learning to fly. In recent months the deadly destructive powers of an army in the air have consumed hours of radio time and countless pages of our newspapers. We Americans, looking at the war from across the broad Atlantic, have realized that a nation must have a strong air force to protect itself against an enemy. Thus we have before us the contrast between peaceful flying in our own country and the horrors of air raids abroad. That is why we in the aviation industry are besieged with inquiries from the public concerning the business of building airplanes in the United States.

For many years our industry has held an important place in the industrial and economic life of our Nation. Thirty years ago it was passing through a period of infancy marked by malnutrition because few people wanted anything to do with it. The World War gave the child a period of enforced growth. Here in the United States we started out with two or three airplane plants and a few hundred persons building airplanes. The industry expanded so rapidly that it soon was hiring 150,000 persons. At the time of the armistice we were turning out airplanes at the rate of thousands of planes a year. That was a production in excess of any possible need in a post-war era, and the result was disastrous deflation.

The industry continued to grow mentally, however. Courageous men continued to invest money in the development of the airplane, and it was improved from year to year, but the industry remained physically small. There was little or no commercial flying for many years. The military needs of our country were met by a small industry, and the tendrils of an export trade were nourished into strong and far-reaching branches. Throughout that period the troubles of the deflation days following the last war remained indelibly imprinted in the minds of those manufacturers who had faith enough in the future to carry on.

The building of new plants and the gradual expansion of existing factories were planned by wise and cautious management who understood our peacetime requirements for airplanes and who wanted to meet any increased production needs caused by an emergency.

That emergency has now reached us, and it finds the industry in the extremely healthy condition of being able to meet all domestic needs of our country, both military and commercial, all our normal export trade, and the sudden military demands from some of the countries in Europe now engaged in war.

Meeting the sudden procurement programs of those nations preparing for war in 1938 and the needs of those actually engaged in war in 1939 forced our aircraft industry to expand its facilities to an appreciable extent. I must repeat, however, that the expansion which already has taken place, as well as that which may be added later, must be gaged by poignant memory of the post-war deflation of 1919. As the burnt child fears the fire, so does the aircraft industry fear overexpansion. Mistakes of the World War period will not be repeated.

We now have a very large airplane manufacturing industry with plants throughout all the great industrial areas. We have 45 airplane plants and 13 engine factories, scores of companies making instruments and accessories, and others in 50 or more allied industries working on aviation equipment.

The industry has grown up. It has developed into an efficiently planned and well-managed business.

Our companies at present have a backlog of orders amounting to about \$625,000,000. That compares to \$125,000,000 a year ago. That is a gain of half a billion dollars in 12 months—in orders. Two months ago the manufacturers were turning out about \$18,000,000 worth of flying equipment every 30 days. It rose to \$20,000,000 last month, and now is \$25,000,000. During the next 4 months it will double. That ability to increase production at such a rapid rate is the result of the private enterprise which has put manpower, machines, and raw materials into motion for the mass production which can rise to any emergency.

Our industry has been ready for the urgent demands placed upon it thus far; and it is prepared for the future.

This month American manufacturers have a production capacity of 16,000 planes and 18,000 engines a year. Before the end of 1940, without adding any plant expansion other than that already under way, they will be able to turn out planes at the rate of 23,000 a year and aircraft engines at a rate of 35,000 a year. Of that potential number of engines, 25,000 would be of 1,000 horsepower or more. Whether such numbers of planes and engines are manufactured in any given period depends, of course, on whether anybody wants them.

We do not know what our own United States air forces will need in the future. They must come first. At present our manufacturers are making deliveries to our Army and Navy air services, either on time, as required in the orders, or well ahead of delivery schedule. We stand prepared to serve our national defense first.

After that we intend to take care of our commercial business. The American public has invested millions upon millions of dollars in the development of our plants and our ability to turn out superior planes that are the envy of others the world over. The people have invested other millions in the flying activities that make us potentially the greatest air power on earth. It is up to the manufacturer of aircraft to continue to develop and supply our own public with the best machines that our traditional inventive genius, backed by adequate private capital, can produce.

After our own needs come our export markets. For 20 years this industry has struggled to develop that export trade—under all kinds of handicaps and foreign competition. That trade beyond our shores has been built up year by year and nation by nation until today it covers 91 countries, dominions, and colonies out of a possible market of less than 100.

If plans for additional equipment among air lines, both in the United States and in more than 20 other countries, are carried out, our manufacturers should have a backlog of approximately \$40,000,000 in transport equipment alone within the next few months. Meanwhile, we have made very real progress in private flying. Our new models are improved in design and performance. The number of new planes produced for the private owner in 1940 was approximately 3,700, slightly more than 100 percent above 1938. Improved economic conditions and the pilot-training program of the Civil Aeronautics Authority, which is now being carried on in over 400 colleges throughout the United States to train 10,000 pilots every year, have contributed to a greater demand for private planes of all types. They range from the light plane to the 5-passenger executive models. We have also noted increased interest in this kind of equipment among the countries of Latin America, where we expect to develop large markets for private-owner planes. The life of the export trade of the United States, in the aeronautical field no less than any other, depends upon its peaceful and orderly continuation and expansion. No one knows this better than the manufacturers of airplanes, engines, propellers, and accessories.

The war in Europe will end, and when it does the feverish post-war activity for the domination of export markets will occur, as history shows it has always occurred in the past. We must let no impulsive action or policy at this time jeopardize the future of our export trade. Now, what does this increased activity in aircraft production mean to the average American? What does it mean to those who wish to work in aviation?

A year ago we employed 30,000 men in our manufacturing plants. Today that number has doubled. It is now 60,000. That 100-percent increase in employment was created by large orders for both military and commercial planes. It also has caused a rapid upswing in employment throughout the 50 or more allied industries which contribute to the finished flying machine.

Quantity orders for planes of the same model have brought about a modification of the industry's labor requirements and have per-

mitted adoption of straight-line production methods. This simplification of manufacturing technique has reduced the ratio between skilled and unskilled labor formerly required when the demand for aircraft limited production to comparatively few machines of the same model at one time.

Today the manufacturers find that they can use a much larger percentage of unskilled and semiskilled labor, which results in a great saving in time required for training personnel. For that reason we do not see any serious shortage in the future, although 1940 will be the greatest productive period in the history of the industry.

What will it be tomorrow? From what I know about the rapid growth of the industry, I should say that more places will be made for young Americans in our industry every year from now on.

Meanwhile our manufacturers are increasing their research and engineering development facilities wherever possible. Some are building their own wind tunnels and other laboratory equipment. Whole sections of their engineering departments are developing new planes, engines, propellers, and other accessories to make flying even faster, more reliable, and more economical. New manufacturing equipment is also contributing to American progress in producing better planes. As an average over many years, the manufacturers have devoted to development work approximately 10 percent of their total sales.

Reports received by the Aeronautical Chamber in recent weeks show that the industry is continuing to make improvements more rapidly than ever before, because with increased business it can afford greater expenditures for research and engineering.

In recent news items there has been some mention of the possibility that output of airplane engines will become a "bottle neck" in airplane production. I must ask by what yardstick the so-called bottle neck is measured. The principal constructors of engines are expanding their plants. Almost unlimited sources of subcontracting are available. We have the utmost confidence that the needs of our national defense, even under emergency requirements, can be met by the aircraft industry as it is now constituted. Any productive expansion far above national requirements must be gravely considered from the point of view of future economic health.

The entire industrial growth of the United States and its world leadership in mechanical quality and production methods have been the outcome of individual initiative and effort, coupled with dogged perseverance and ingenuity. A generous system of patent protection and an absence of governmental restriction have been the vehicles which have carried all American industry forward to its present recognized leadership. Aircraft manufacturing is no exception. It has been developed on the same American principles as our other leading industries. Its pathway is now beset with temptations which involve untimely expansion advocated by the unwise counsel of hysteria. These temptations are well recognized by those aeronautical leaders who, through years of bitter experience, have guided the growth of American aviation to its present state of well-balanced productivity. Such a development and its continuation can only occur in a nation such as ours, where industrial accomplishment is unhampered by the restrictions imposed on business by governments less democratic and less farseeing than that in the United States.

### The 1940 Census

#### EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

#### LETTER FROM THE SECRETARY OF COMMERCE

Mr. DUNN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter sent by Secretary of Commerce Harry L. Hopkins to Senator CHARLES W. TOBEY:

DEPARTMENT OF COMMERCE,  
Washington, February 3, 1940.

HON. CHARLES W. TOBEY,

United States Senate, Washington, D. C.

MY DEAR SENATOR TOBEY: This is in reply to your letter of January 31, in which you characterize certain questions to be asked in the approaching census as departures from precedent and invasion of the privacy of the individual.

Surely you know that the census is 150 years old this year—one of the oldest activities of the Federal Government; that it has been provided for in the United States Constitution; and that it has been taken every 10 years since 1790. Surely you know that, almost throughout this Nation's entire life, the census has provided the basic facts for democratic guidance not only of individuals and public officials at all levels, but also of agriculture and industry. The census has survived and grown stronger, through all sorts of political administrations, because it is so designed, and has been



so conducted, as to command the continuing respect and confidence of a free people. Any sincere public official should regret seeing this long and splendid record damaged for purely partisan political reasons, and that is why I am replying to you at such length.

Your entire discussion of the census is based upon misconception of it. First, you write as if census questions concerning home mortgages were new this year. The truth is that 50 years ago, in 1890, such questions were first included in the census during the Republican administration of President Benjamin Harrison, and that these questions were specifically ordered by Congress. I quote the exact language of the law:

"That it shall be the duty of the Superintendent of Census, in addition to the duties now required of him by law, to ascertain the number of persons who live on and cultivate their own farms, and who live in their own homes, and the number who hire their farms and homes, and the number of farms and homes which are under mortgage, the amount of mortgage debt, and the value of the property mortgaged. He shall also ascertain whether such farms and homes have been mortgaged for the whole or part of the purchase money for the same, or for other purposes, and the rates of interest paid upon mortgage loans."

Questions concerning this same subject—value of nonfarm homes, mortgage debt, and rate of interest—again were included in the census of 1920.

Indeed, this whole furore about personal questions in 1940 is absurd. I can well imagine how much more vivid your complaint would be if it were proposed that, in 1940, each person be asked to state the value of all the real estate he owns and the value of all other property he owns. We are not asking these questions. But the first of them was asked by the Whigs in the census of 1850 under President Zachary Taylor. Both of them were asked in 1860 and 1870 under Democratic President Buchanan and Republican President Grant.

As for asking people who rent their homes the amount of rent they pay, that question was first placed in the census list in 1930 under President Hoover.

Second, you express alarm over the fact that the answering of census questions is compulsory. The truth is that the laws have contained penalties for refusal to answer these questions ever since the first census in 1790, and that nobody has complained seriously and almost nobody has been penalized, because the American people, on the whole, recognize the basic value of this work.

Third, you create an impression that the 1940 census is something new and strange which shatters precedents and somehow carries a threat of dictatorship. The truth is that the law under which the 1940 census will be taken, with the single exception of the housing schedule, is the Fifteenth Census Act, sponsored and recommended to Congress by Herbert Hoover while he was Secretary of Commerce, and enacted while he was President. Except for the supplementary census of housing, no new decennial census legislation has been enacted since Mr. Hoover left the White House.

On this point let me quote Representative E. Hart Fenn, chairman of the House Census Committee, as he opened the hearings on the Fifteenth Census Act on January 11, 1928:

"Before I came to Washington I communicated with the Secretary of Commerce and the Census Bureau \* \* \* and this bill was referred to me by Mr. Hoover \* \* \* it is what I may characterize as the bill which the Department of Commerce and the Bureau of the Census consider advisable to be adopted for the taking of the Fifteenth Decennial Census."

Fourth, the method of selecting enumerators which is in force today is such an old and traditional method, having been concurred in by both political parties far longer than the memory of any living man, that it needs no comment from me.

I make these political references with the utmost reluctance, and only because your letter forces me to do so. The census, an established and valued American institution, should not be made the butt of partisan, political sniping. Its questions are not its own. They are the questions to which large and responsible groups of American citizens are demanding the answers.

Now where do the questions come from? The Census Bureau calls together, in conference after conference, representatives of business and industry and labor and all other large groups primarily interested. They sift down a multitude of questions, always seeking to reduce the number to a few of the most basic, most broadly significant inquiries. Literally thousands of questions have been rejected during the past year—many of them useful questions—so as not to burden the public.

Then these questions are further sifted by the Central Statistical Board of the Bureau of the Budget, and finally by the Census Advisory Committee, a group of widely known experts from outside Government circles. This committee includes Dr. Robert E. Chad-dock, of Columbia University; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Paul T. Cherington, market analyst; Dr. William F. Ogburn, of the University of Chicago; Dr. Willard L. Thorp, of Dun and Bradstreet and economic adviser to the Secretary of Commerce; and Dr. Murray R. Benedict, of the University of California.

Thus these questions represent, as far as the Census Bureau can ascertain by vast labor and pains, the wishes of the American people. In fact, the questions on the population schedule were tried out with nearly 200,000 persons in the Indiana test census. There the questions on earnings were answered with very little hesitancy.

What hesitancy was displayed came chiefly from the higher-income groups whose objections vanished when they learned that all they needed to state was "over \$5,000." If, however, there should be objectors among those of lower incomes, it must be said that the law prescribes severe penalties—\$1,000 fine or 2 years in prison, or both—for any census taker who reveals any of this personal information. Throughout the long history of the Bureau there have been very few cases of it.

Your views on the housing census apparently have been formed without knowledge of the facts, and are out of step with the wishes of the American people. Literally thousands of large business and industrial interests and associations, along with groups of many other types, want the picture of American housing. The builders cannot take the risk of large operations without knowing the facts. This is a situation which has been known for years to any person who cared to read about current affairs. The files of the Census Bureau are full of requests for this information.

Your fears about the invasion of people's privacy, and about the widespread misuse of this confidential information by the census takers, will hold up only so long as you labor under the delusion that this activity is something new. This, of course, is completely false.

There is almost unlimited experience to prove that the American people are willing to cooperate in providing the facts sought by the census, and to prove further that census enumerators, with very rare exceptions, respect the confidence entrusted to them. The census is not essentially different from decade to decade. A few new questions are added each time, out of the experience of the immediate past; but the same general method applied to your parents and your grandparents now applies to you. Yet can you recall any important outcry concerning misuse of census information in your entire lifetime?

The whole theory of democracy is based upon confidence in the individual and in his willingness to cooperate, in proper fields, for the common good. I have faith both in the people who will ask these questions and those who will answer them.

The one thing which might do serious violence to the 1940 census, and thus to the national welfare, would be the wide circulation of false charges that it is something new and fearsome.

I assure you that it represents no departure from precedent, either in the law under which it operates or the mechanics by which it is carried out. The 1940 census, as in the past, finds us taking our regular inventory of democracy in action.

Sincerely,

HARRY L. HOPKINS,  
Secretary of Commerce.

## Public Opinion Strongly in Favor of the Hull Program

### EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

Mr. KITCHENS. Mr. Speaker, the Gallup poll which appeared in the Washington Post of February 4 shows that a great majority of the informed public opinion supports Secretary Hull's trade-agreements program. This poll commented as follows:

Among those who have definite views on the question, even a majority of Republicans are in favor of the treaties.

Now, I am well aware that this does not represent the attitude of our friends on the other side of the aisle. I have a sort of long-shot hope, however, that a number of them will be converted during the next few weeks.

As indicated, the Gallup survey found no substantial differences in the attitude of Republicans and Democrats on the question; 71 percent of those answering the poll were favorable to this program.

During the recent hearings before the Committee on Ways and Means, a number of prominent Republicans appeared in favor of extending the Trade Agreements Act. The leading Republican editors and newspapers favor extension.

Incidentally, on the same page of the Post with the Gallup poll survey I was attracted by the following statement under the heading, "Hull's fan mail begins to pour in." After commenting on the popularity of the Secretary, we find this statement:

And, strange to say, the percentage of his mail protesting against the trade agreements has dropped sharply—down to about one letter in a hundred.

The above-indicated poll is somewhat in line with newspaper opinion as recently published by James S. Twohey Associates, Inc. According to their analysis, 82 percent of the newspaper opinion was favorable to the Hull program, 9 percent was unfavorable, and 9 percent noncommittal or mixed.

Such conservative Republican papers as the Boston Evening Transcript have come out strongly for the trade-agreements program in the following language:

We strongly favor many basic precepts of the Republican Party; we are firmly convinced that it will be ill advised if it goes before the American people in the coming election with the proposition that tariff control should be restored to Congress where it would be subjected to the logrolling and alliances of special interest sectional pressure.

Under congressional control there will be no guaranty that Congressmen, intent on serving powerful pressure groups, would not propel this Nation toward such excessive and calamitous protectionism as the Hawley-Smoot law. This law contributed its share to the building of high trade barriers which became one of the causes of the present war.

Mr. Speaker, the enlightened public opinion of America today knows that undue restriction, obstruction, and prevention of national and international trade through excessive high tariffs and other schemes, instigated by selfish and monopolistic seeking groups, cause universal suffering, friction, unemployment, discontent, and thereby create the real basis for most of our wars.

The Hull trade program on the contrary generates a spirit of international friendliness, peaceful relations with all nations, greater general exchange of products, a better, more general, and higher standard of living everywhere, and is a great enemy of war.

## Obligations of Soviet Russia to the United States

### EXTENSION OF REMARKS

OF

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

### LETTER FROM SECRETARY OF STATE

Mr. PITTMAN. Mr. President, I ask leave to publish in the RECORD a communication to the Foreign Relations Committee from the Secretary of State, responding to the request of the committee for comments upon Senate Resolution No. 219, submitted by the Senator from Michigan [Mr. VANDENBERG], in which the President was requested to report to the Senate whether the Government of the Union of Soviet Socialist Republics had fulfilled the obligations contained in the agreements entered into between that Government and this Government on November 16, 1933.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, January 30, 1940.

The Honorable KEY PITTMAN,  
Chairman, Committee on Foreign Relations,  
United States Senate.

MY DEAR SENATOR PITTMAN: I have received your letter of January 19, 1940, inviting such comment as I may feel disposed to make on Senate Resolution No. 219 of January 18, 1940, in which the President was requested to report to the Senate, if not incompatible with the public interest, whether the Government of the Union of Soviet Socialist Republics had fulfilled the obligations contained in the agreements entered into between that Government and this Government on November 16, 1933.

Although the agreements of November 16, 1933, between the two Governments were concluded simultaneously with the establishment of diplomatic relations between them, the maintenance of diplomatic relations has not been made "wholly contingent," as the wording of the resolution would appear to indicate, on the fulfillment by the Soviet Government of the obligations set forth in these agreements. Whenever this Government has cause to believe that another government has failed to live up to agreements with it, it is accustomed to make use of the very channels which exist by virtue of diplomatic relations, in order to bring this failure to

the attention of the other government, to endeavor to effect an adjustment of resultant divergencies of views, and to attempt to prevent similar differences from taking place in the future.

During the years which have elapsed since the establishment of diplomatic relations between the United States of America and the Union of Soviet Socialist Republics, this Government on several occasions has had ground to believe that the Soviet Government was not fully living up to the obligations undertaken at the time of the establishment of such relations. On such occasions this Government has made appropriate representations to the Soviet Government. In certain instances these representations have yielded constructive results; in others, they have disclosed divergencies in the interpretation of the agreements in question.

It was the opinion of this Government in August 1935 that the Soviet Government had violated its obligations not to interfere in the internal affairs of the United States when it permitted the Seventh All-World Congress of the Communist International to convene in Moscow.

Accordingly, on August 25, 1935, the American Ambassador to the Soviet Union addressed a note of protest to the Acting People's Commissar for Foreign Affairs. A copy of this note is attached hereto as enclosure 1.

On August 27, 1935, the Acting People's Commissar for Foreign Affairs presented a note in reply to the Ambassador in which it was denied that the Soviet Government had taken upon itself obligations of any kind with regard to the Communist International. A translation of this note is attached hereto as enclosure 2.

The Department of State on August 31, 1935, issued a statement in which it maintained that the language of the agreement between the two Governments "irrefutably covers activities of the Communist International." A copy of this statement is attached hereto as enclosure 3. There has been no further exchange of views or communications on this subject between the two Governments.

In connection with the work of the American Embassy in Moscow regarding the protection of American citizens and interests in the Soviet Union, a number of cases have come to the attention of this Government involving the arrest or detention of American citizens by the Soviet authorities. In the opinion of this Government, the Soviet Government in the handling of some of these cases was not living up strictly to its undertakings relative to the rights of citizens of the United States to legal protection. Following representations made by this Government the American citizens under arrest were eventually released, and at the present time, so far as this Government is aware, no American citizens are under detention in the Soviet Union, except a number whom the Soviet Government considers to be citizens of the Soviet Union rather than of the United States.

This Government has not had occasion to make representations to the Soviet Government for violations of any of the other obligations assumed by the Soviet Government in the agreements of November 16, 1933.

In addition to concluding certain agreements at the time of the establishment of diplomatic relations, the American and Soviet Governments exchanged views with regard to methods of settling all questions of indebtedness and claims outstanding between them. This exchange permitted the hope for a speedy and satisfactory solution of these questions. Subsequent negotiations, however, terminated unsuccessfully. On January 31, 1935, the Department of State issued to the press a statement, a copy of which is attached hereto as enclosure 4, pointing out that "there seems to be scarcely any reason to doubt that the negotiations which seemed so promising at the start must now be regarded as having come to an end."

There is attached hereto for your convenience as enclosure 5 a publication of the Department of State which sets forth the various agreements entered into between the Governments of the United States and of the Soviet Union on November 16, 1933.

Sincerely yours,

CORDELL HULL.

#### [Enclosures:

[1. Note, dated August 25, 1935, addressed by the American Ambassador at Moscow to the Acting People's Commissar for Foreign Affairs of the Soviet Union.

[2. Translation of a note, dated August 27, 1935, addressed by the Acting People's Commissar for Foreign Affairs of the Soviet Union to the American Ambassador at Moscow.

[3. Statement issued by the Department of State on August 31, 1935.

[4. Statement issued by the Department of State on January 31, 1935.

[5. A publication of the Department of State entitled "Establishment of Diplomatic Relations With the Union of Soviet Socialist Republics."]

[Enclosure 1]

[For the press]

DEPARTMENT OF STATE,  
August 25, 1935.

The following is the text of the note presented today to the Acting People's Commissar for Foreign Affairs at Moscow by Ambassador Bullitt and thereafter made available to the press at Moscow by Ambassador Bullitt:

"Under instructions from my Government, I have the honor to call attention to the activities, involving interference in the internal affairs of the United States, which have taken place on the territory of the Union of Soviet Socialist Republics in connection with the Seventh All-World Congress of the Communist International, and, on behalf of the Government of the United States, to lodge a most emphatic protest against this flagrant violation



of the pledge given by the Government of the Union of Soviet Socialist Republics on November 16, 1933, with respect to non-interference in the internal affairs of the United States.

"That pledge, which was given by the Government of the Union of Soviet Socialist Republics as a result of the discussions which took place prior to the establishment of diplomatic relations between the United States and the Union of Soviet Socialist Republics, reads in full as follows:

"WASHINGTON, November 16, 1933.

"MY DEAR MR. PRESIDENT: I have the honor to inform you that coincident with the establishment of diplomatic relations between our two Governments it will be the fixed policy of the Government of the Union of Soviet Socialist Republics:

"1. To respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its territories, or possessions.

"2. To refrain, and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquility, prosperity, order, or security of the whole or any part of the United States, its territories, or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim, the violation of the territorial integrity of the United States, its territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories, or possessions.

"3. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which makes claim to be the Government of, or makes attempt upon the territorial integrity of, the United States, its territories or possessions; not to form, subsidize, support, or permit on its territory military organizations or groups having the aim of armed struggle against the United States, its territories, or possessions, and to prevent any recruiting on behalf of such organizations and groups.

"4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories, or possessions.

"I am, my dear Mr. President,

"Very sincerely yours,

"MAXIM LITVINOFF,

"People's Commissar for Foreign Affairs, Union of Soviet Socialist Republics.

"MR. FRANKLIN D. ROOSEVELT,

"President of the United States of America,  
The White House."

"My Government invites particular attention to the obligations of the Government of the Union of Soviet Socialist Republics contained in the paragraph No. 4.

"In view of the fact that the aim and activity of an organization such as the Congress of the Communist International, functioning on the territory of the Union of Soviet Socialist Republics, cannot be unknown to the Government of the Union of Soviet Socialist Republics, it does not seem necessary to present material to show the aim of the Congress of the Communist International with respect to the political or social order of the United States or to quote from the published proceedings of the Congress to show its activity relative to the internal affairs of the United States, as evidenced in the discussion at the Congress of the policies and activities of the Communist organization in the United States and the determination and formulation by the Congress of policies to be carried out in the United States by the Communist organization in the United States. Nor does it appear necessary to list the names of representatives or officials of the Communist organization in the United States who were active at the above-mentioned Congress and whose admission into the territory of the Union of Soviet Socialist Republics was, of course, known to the Government of the Union of Soviet Socialist Republics.

"As I have pointed out to the People's Commissar for Foreign Affairs when discussing earlier violations of the undertaking of November 16, 1933, the American people resent most strongly interference by foreign countries in their internal affairs, regardless of the nature or probable result of such interference, and the Government of the United States considers the strict fulfillment of the pledge of noninterference an essential prerequisite to the maintenance of normal and friendly relations between the United States and the Union of Soviet Socialist Republics.

"The Government of the United States would be lacking in candor if it failed to state frankly that it anticipates the most serious consequences if the Government of the Union of Soviet Socialist Republics is unwilling, or unable, to take appropriate measures to prevent further acts in disregard of the solemn pledge given by it to the Government of the United States.

"I may add that it is a source of regret that in the present international situation the development of friendly relations between the Russian and American peoples will inevitably be precluded by the continuance on territory of the Union of Soviet Socialist Republics, in violation of the promise of the Government of the

Union of Soviet Socialist Republics, of activities involving interference in the internal affairs of the American people."

[Enclosure 2]

[Translation of note as received by the Department of State from Ambassador William C. Bullitt at Moscow. The note was handed to Mr. Bullitt today by the Acting People's Commissar for Foreign Affairs]

Moscow, August 27, 1935.

MR. AMBASSADOR: By note of August 25 of this year you invited my attention to the activity of the Congress of the Communist International, which took place at Moscow; and, referring to the note of the People's Commissar for Foreign Affairs Litvinov to the President of the United States of America, Mr. Roosevelt, under date of November 16, 1933, protested against this activity, considered by your Government as a violation of the obligations of the Government of the Union of Soviet Socialist Republics concerning noninterference in the internal affairs of the United States provided for in the note of November 16, 1933.

In connection therewith I consider it necessary to emphasize with all firmness that the Government of the Union of Soviet Socialist Republics has always regarded and still regards with the greatest respect all obligations which it has taken upon itself, including, naturally, the mutual obligation concerning noninterference in internal affairs, provided for in the exchange of notes of November 16, 1933, and discussed in detail in the conversations between the President of the United States of America, Mr. Roosevelt, and the People's Commissar Litvinov. There are contained no facts of any kind in your note of August 25 which could be considered as a violation on the part of the Soviet Government of its obligations.

On the other hand, it is certainly not new to the Government of the United States that the Government of the Union of Soviet Socialist Republics cannot take upon itself and has not taken upon itself obligations of any kind with regard to the Communist International.

Hence the assertion concerning the violation by the Government of the Union of Soviet Socialist Republics of the obligations contained in the note of November 16, 1933, does not emanate from obligations accepted by both sides, in consequence of which I cannot accept your protest and am obliged to decline it.

The Government of the Union of Soviet Socialist Republics, sincerely sharing the opinion of the Government of the United States of America that strict mutual noninterference in internal affairs is an essential prerequisite for the maintenance of friendly relations between our countries and steadfastly carrying out this policy in practice, declares that it has as its aim the further development of friendly collaboration between the Union of Soviet Socialist Republics and the United States of America, responding to the interests of the people of the Soviet Union and the United States of America and possessing such great importance for the cause of universal peace.

Taking advantage of the occasion, I invite you to accept the assurances of my high esteem.

N. KRESTINSKI.

[Enclosure 3]

[For the press]

DEPARTMENT OF STATE, August 31, 1935.

[Confidential release for publication in morning papers of Sunday, September 1, 1935—not to be previously published, quoted from, or used in any way]

In connection with the protest lodged by Ambassador Bullitt against the violation by the Soviet Government of its pledge of November 16, 1933, with regard to noninterference in the internal affairs of the United States, and the reply of the Soviet Government thereto, the Secretary of State today made the following statement:

"The recent note of this Government to the Government of the Soviet Union and the reply of that Government raises the issue whether that Government, in disregard of an express agreement entered into at the time of recognition in 1933, will permit organizations or groups operating on its territory to plan and direct movements contemplating the overthrow of the political or social order of the United States. For 16 years this Government withheld recognition—as did many other governments—mainly for the reason that the Soviet Government had failed to respect the right of this Nation to maintain its own political and social order without interference by organizations conducting in or from Soviet territory activities directed against our institutions.

"In 1933 this Government, observing the serious effects upon peace and prosperity of the many partial or dislocated international relationships throughout the world, took up anew the question whether the United States and the Soviet Union, two of the largest nations, could not find a way to establish more natural and normal relations which would afford a basis for genuine friendship and collaboration to promote peace and improve material conditions both at home and abroad. After various stipulations in writing had first been carefully drafted and agreed upon by representatives of the two Governments, recognition was accorded to the Government of the Soviet Union by this Government in November 1933. One of the most important provisions of the agreement thus reached was the pledge of the Soviet Government to respect the right of the United States 'to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its territories, or possessions.' The essence of this pledge was the obligation assumed by the Soviet Government not to permit persons or groups

on its territory to engage in efforts or movements directed toward the overthrow of our institutions. The representative of the Soviet Government declared in writing that 'coincident with the establishment of diplomatic relations between our two Governments it will be the fixed policy of the Government of the Union of Soviet Socialist Republics: \* \* \*'

"4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories, or possessions."

"The language of the above-quoted paragraph irrefutably covers activities of the Communist International, which was then, and still is, the outstanding world Communist organization, with headquarters at Moscow.

"In its reply of August 27, 1935, to this Government's note of August 25, 1935, the Soviet Government almost in so many words repudiates the pledge which it gave at the time of recognition that 'it will be the fixed policy of the Government of the Union of Soviet Socialist Republics \* \* \* not to permit \* \* \* and to prevent' the very activities against which this Government has complained and protested. Not for a moment denying or questioning the fact of Communist International activities on Soviet territory involving interference in the internal affairs of the United States, the Soviet Government denies having made any promise 'not to permit \* \* \* and to prevent' such activities of that organization on Soviet territory, asserting that it 'has not taken upon itself obligations of any kind with regard to the Communist International.' That the language of the pledge, as set out above, is absolutely clear and in no way ambiguous and that there has been a clean-cut disregard and disavowal of the pledge by the Soviet Government is obvious.

"The American Government, having previously made oral complaints of failure by the Soviet Government to carry out its pledge and being deeply concerned over the growing instability of international relations and the dangerous consequences thereof to peace and economic recovery, sought most earnestly in its note of August 25 to impress upon the Soviet Government the sanctity of its pledge to the end that there might be between the two nations continued development of friendly and official relations and valuable collaboration in many beneficial ways. When in its reply the Soviet Government indicated an intention entirely to disregard its promise 'to prevent' such activities as those complained of it struck a severe blow at the fabric of friendly relations between the two countries.

"To summarize, in view of the plain language of the pledge, it is not possible for the Soviet Government to disclaim its obligation to prevent activities on its territory directed toward overthrowing the political or social order in the United States. And that Government does not and cannot disclaim responsibility on the ground of inability to carry out the pledge, for its authority within its territorial limits is supreme and its power to control the acts and utterances of organizations and individuals within those limits is absolute.

"It remains to be seen to what extent the intention indicated by the Soviet Government's reply, which is directly contrary to 'the fixed policy' declared in its pledge, will be carried into effect. If the Soviet Government pursues a policy of permitting activities on its territory involving interference in the internal affairs of the United States, instead of 'preventing' such activities, as its written pledge provides, the friendly and official relations between the two countries cannot but be seriously impaired. Whether such relations between these two great countries are thus unfortunately to be impaired and cooperative opportunities for vast good to be destroyed, will depend upon the attitude and action of the Soviet Government."

[Enclosure 4]  
[For the press]

DEPARTMENT OF STATE,  
January 31, 1935.

[Confidential release for publication in morning newspapers of Friday, February 1, which do not appear on the streets before 9 p. m., eastern standard time, Thursday, January 31, 1935—not to be previously published, quoted from, or used in any way]

The Secretary of State had a conversation today with Ambassador Troyanovsky. Assistant Secretary Moore, Ambassador Bullitt, and Mr. Kelley, Chief of the Eastern European Division of the Department of State, were also present. This evening Secretary Hull made the following statement to the press:

"You will recall the fact that in an effort to arrive at an agreement with the Soviet Government with respect to debts, claims, and credits for trade, negotiations have begun more than a year ago in Moscow and continued in Washington, but that no understanding had been reached when Ambassador Troyanovsky left Washington in October to visit Moscow.

"In our last conversations with Ambassador Troyanovsky, prior to his departure, we submitted for the consideration of his Government a proposal representing the limit to which we believed we could go without complete sacrifice of the interests of American claimants and without unduly pledging the credit of our Government for the purpose of facilitating trade between the United States and the Soviet Union.

"The Government of the United States indicated its willingness to accept in settlement of all claims of the United States and its

nationals against the Soviet Government and its nationals (and of all claims of the Soviet Government and its nationals against the United States and its nationals) a greatly reduced sum to be paid over a long period of years. The Government of the United States indicated that it would accept payment through the application of a rate of interest beyond the ordinary rate of interest on credits extended to the Soviet Government with the financial assistance of the Government of the United States. To facilitate the placing of orders in the United States by the Soviet Government on a long-term credit basis, the Government of the United States was prepared to make, through the Export-Import Bank, to American manufacturers and producers requiring financial assistance in connection with the granting of credit on such orders, loans to a very large percentage of the credit granted. It was contemplated that the length of the credit extended would vary according to the different categories of goods, and the Soviet Government was advised that the Government of the United States was not averse to making special terms in exceptional cases at the President's discretion. It was intended that the loans extended to American manufacturers and producers should constitute a revolving fund for the continuous maintenance of Soviet purchases in the United States.

"We hoped confidently that this proposal would prove entirely acceptable to the Soviet Government and are deeply disappointed at its rejection. In view of the present attitude of the Soviet Government, I feel that we cannot encourage the hope that any agreement is now possible. I say this regretfully because I am in sympathy with the desire of American manufacturers and agricultural producers to find a market for their goods in the Soviet Union and with the American claimants whose property has been confiscated. There seems to be scarcely any reason to doubt that the negotiations which seemed so promising at the start must now be regarded as having come to an end.

"It will be for the Board of Trustees of the Export-Import Bank to determine whether or not there is any good reason for continuing the existence of the bank."

## Land and National Security

### EXTENSION OF REMARKS

OF

HON. PRETISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

RADIO ADDRESS BY HON. JOSH LEE, OF OKLAHOMA

Mr. BROWN. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address delivered by the distinguished Senator from Oklahoma [Mr. LEE] over the Columbia Broadcasting System on February 7, 1940. The subject of the address is Land and National Security.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the air, let me express my appreciation to the Columbia Broadcasting System for this opportunity to discuss with you the subject of land and national security.

Our Government has in the past turned to the land as a means of taking care of the unemployed who accumulate periodically. Every time there was a depression the Government would open a new frontier for settlement and drain off the disinherited, but today there are no new frontiers to open. Therefore, our Government must provide means of helping the family farmer to purchase and pay for a farm of his own.

At the present time, big-scale farming is sweeping the family farmer from the land and sending him to town to seek employment on the relief rolls. Big land owners are discharging their tenants and farming their land with power machinery, but the family farmer who farms only a small unit cannot do this. The size of his farm will not justify power machinery.

Therefore, he either goes broke and moves to town or else he buys power machinery and rents the farms of his neighbors and they go to town. In either case the present tendency is for the family farmer to be crowded off the land and start his trek down the highway with the sharecroppers.

This threatens the very security of our Nation. Today 42 percent of all of the farms in the United States are farmed by tenants. In Oklahoma, Arkansas, Texas, and the deep South the percentage is almost two-thirds; i. e., two-thirds of the land is farmed by tenants. But the most alarming fact about it is that tenantry in the United States is increasing.

I am convinced that the Government can solve this problem; first, by reducing the farm benefit payments to the big-scale operator and correspondingly increasing them to the small unit farmer;



second, by giving the tenant farmer a chance to own the land that he tills.

The Government can by insuring the mortgage give these tenant farmers an opportunity to buy farms of their own. This can be done without taking money out of the Treasury but by simply extending the Government's credit to the farmer in the same manner as it is now being extended to the city dweller through Federal housing. Give the farmer easy terms so he can make the farm purchase itself.

Such a measure has already passed the Senate and is now pending before the House Agriculture Committee. Such a program as this offers permanent relief from unemployment. Place a family on the farm with the hope of becoming the owner of that farm and you have started a self-sustaining program.

Such a program would increase our national security. Put people on pavement and they will starve, but put them on the land and they will live. The best way to help a man is to help him help himself. This program will do just that.

We must not only find jobs for unemployed men but we must rehabilitate the men themselves. We can do that only by giving them an incentive. There is nothing that will rekindle the fires of hope as will the opportunity to own land.

We have in the past been wasting the two greatest assets in America—men and soil. One is indispensable to the other. The erosion of the soil and the erosion of character are simultaneous processes. With the washing away of the fertile, virgin soil of America we have also suffered tremendous erosion in human character. You cannot maintain a great nation on eroded, unfertile land. Neither can you conserve the fertility of the soil when it does not belong to the man who runs the plow.

You cannot maintain a great nation when the majority of the people own no property. Many of our farm tenants and sharecroppers have already lost hope and are now in a fit mood to listen to the dangerous doctrine of "isms." There is no fall so dangerous as the fall of those invisible towers of faith. The answer is to make possible a farm for every farmer and a home for every family.

William C. Bullitt, former Ambassador to Russia, tells this story. He attended a dinner a few years back in Moscow with some of the old Bolsheviks who subsequently were purged. They were talking about the early days of bolshevism, when Communist Russia was struggling for its existence. They were conferring with Lenin about the menacing drive of the White Russian armies when he surprised them by saying that he believed the peasants ought to be allowed to own their farms just as in capitalistic countries. Several of the old Bolsheviks present replied: "Oh, no. We couldn't vote for that. It would be contrary to orthodox Marxism."

Whereupon Lenin retorted, "You fools, don't you understand? Let the peasants feel the land, hold it, run it through their hands. Then they will fight for it against the returning landlords, and win. Afterward we can take it away from them and communize it."

Which is just what Lenin did. The peasants, fighting for their own land, put up a magnificent battle. The Whites were stopped and Russia became a great power, whereupon the farms were collectivized.

Today the Finnish-Russian war presents a parallel. The Finns are fighting for their own land. But the Russians are fighting for their collectives, and, consequently, fighting with a remarkable lack of zeal.

The love of Americans for the land is one of our great national traits.

There is something inspiring and majestic about the feel of ownership. As a man walks on his own soil and gets the feeling that there is something firm and substantial under him, it makes a better man of him, willing to die if need be for that small plot of earth, but which is even more important, it makes him willing to live, work, suffer, and sacrifice in order that he may continue to own that land.

This desire to own land is one of the most powerful motivating influences inherent in humanity. Because of it, America was settled in an unbelievably short time. This urge to own land pushed our frontier farther and farther west in the face of the dangers and hardships of frontier life.

Fifty years ago teeming thousands of land-hungry people waited the signal on the Kansas-Oklahoma border. They waited the signal that would open new land to settlement in the Territory of Oklahoma. Every one of these new settlers had a dream of an empire, and that empire was 160 acres of land and the ruler of that empire was the settler himself.

As these settlers became homesteaders, the feeling of ownership was strong upon them. They became rooted to the soil. They became a part of the community. They lived on little and did without much. Their sacrifice was cheerfully made because of the hope of full and complete ownership of that tract of land. No matter whether the soil was rich, fertile bottom land, or whether it was thin, unproductive hill country, that pride of ownership, that feeling of possession, was the same.

But many of these farms have been deserted. The families have moved to town to get on W. P. A. and the farms have been taken over by big-scale operators, who farm them with power machinery. The trees in the small family orchards have died. The yard and garden fences have been moved to make way for the tractor. Only a few landmarks tell the story of a farmer who once made a home there for his family and farmed that land with the help of his family, but finally was forced to leave the land because of economic conditions over which he had no control.

We must make it possible for the real dirt farmers to own the land which they till. Then these deserted homesteads will be rehabilitated. Once more the small-family orchards will become snowy white in the springtime and hang low with a burden of fruit in the harvest time. Once more the farmer's children will sing and whistle as they go about their chores and we will have rekindled the fires of patriotism in the hearts of men.

The best answer America can give today to communism is home-ownership. We must launch a Nation-wide, back-to-the-land program. The family farmer is the bone and sinew of America. We must save him in order to save ourselves.

It is when the great mass of our people own no property that we are in danger. It is only in misery and distress that people turn to communism. Consider our tenant farmers who move from one place to another. Consider our sharecroppers who drift along the highways without food, raiment, or shelter. How much patriotism could you expect of them? They camp here tonight. They have no loyalty for the land on which they camp, because they move on tomorrow, but give them a chance to own a small plot of that land and see what a miracle it will work.

If you want our people to sing, "My country, 'tis of thee; I love thy rocks and rills," then let them own some of those rocks and rills. When a man tills his own soil he is twice fed by it. In addition to the fruit it produces, there is a spiritual manna that feeds his soul and inspires him to noble deeds. When a man leans up against the forks of his own apple tree you cannot persuade him to plan the destruction of his own country.

I thank you.

## Taxation in Nebraska

### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

EDITORIALS FROM THE MCCOOK (NEBR.) GAZETTE AND THE ALMA (NEBR.) JOURNAL

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two editorials on the subject of taxes, one appearing in the McCook (Nebr.) Gazette, and an answer thereto appearing in the Alma (Nebr.) Journal.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Alma (Nebr.) Journal]

Below the Journal reprints an editorial from the McCook Gazette and an answer thereto:

#### "HOW ALMA PAYS TAXES"

"The little city of Alma, according to the Omaha World-Herald, has been tax-free since 1934, because the city light has paid the expenses of city government.

"How did it do it?

"Turning to the report of the Federal Power Commission for January 1, 1939, we find that among cities of 1,000 or 2,500 population, Alma ranks thirty-fifth in its charge for 25 kilowatt-hours of electricity; that is, there are 34 cities in Nebraska in that class which charge less, Central City, for example, charging only \$1.13 for what Alma charges \$2 for; for 100 kilowatts Alma ranks forty-seventh, forty-six of the forty-seven cities of her class having a lower rate; for 250 kilowatts Alma ranks forty-ninth, only three cities of her class having a slightly higher rate.

"Alma, then, is not tax-free at all. The electric-light users are paying the taxes through an exorbitant power rate.

"And this means nonresident property owners go scott free of city taxes.

"The above analysis of municipal ownership as applied to the city of Alma, is not unlike a huge majority of municipally owned utilities, where taxes are low and rates are high. High enough to more than offset the difference as far as the local consumer and taxpayer is concerned."—McCook Gazette.

The above article appeared in a recent issue of the McCook Gazette, and after looking into the affairs of the city of McCook (which, of course, is really none of our business) we wish to make a few comparisons. Alma, population 1,235; McCook, 6,688. McCook, with more than five times our population—should have a much lower power rate than Alma—does have a lower rate. The Gazette is no doubt misled by thinking the published rates are actually the amounts collected from our power users.

During the year of 1939 discounts have been given to all users of electrical energy as follows: March, 50 percent; and 25 percent in each of the following months: May, July, September, and December, making the reductions for the year average 12½ percent.

Now let us make some comparisons on rates for 1939.

## RESIDENCE

Cost of 15 kilowatts—McCook, \$1.25; Alma, \$1.05.  
Cost of 100 kilowatts—McCook, \$4.20; Alma, \$4.375.

## COMMERCIAL

Cost of 50 kilowatts—McCook, \$2.50; Alma, \$3.50.

## POWER

Cost of 150 kilowatts—McCook, \$6; Alma, \$5.25. For large users, 6,000 kilowatts—McCook, \$144; Alma, \$115.95.

## WATER

For city water, Alma charges 15 cents per thousand gallons for the first 4,000 gallons, and 5 cents per thousand gallons for all in excess of that amount. McCook, after a discount of 10 percent, is allowed 9 cents per hundred cubic feet for the first 25,000 cubic feet, and 7.2 cents per hundred cubic feet for all in excess of that amount. They charge \$2.25 minimum for 3 months; Alma charges a minimum of 60 cents per month, or \$1.80 for 3 months. Changing cubic feet to gallons, they get 12 cents per thousand gallons for the first 18,750 gallons, and 9.6 cents for all in excess of that amount. For 100,000 gallons Alma collects \$5.40; McCook, \$10.05.

McCook levies 18 mills city tax; Alma, none. And in Alma a very large majority of homes are locally owned. We do not know about McCook.

One of our citizens, owning a modest \$2,000 home and using 100 kilowatts electrical energy per month, would pay the city for the year 1939, \$52.50, with no city tax; while if he lived in McCook and owned a \$2,000 home, he would pay the Power Trust \$50.40 for electrical energy, and in addition he would pay the city of McCook at the rate of 18 mills on \$2,000, or \$36, making \$86.40, compared to our \$52.50.

As to public improvements, we are sure we have a better street-lighting system and better parks than McCook. Our library may not be as large as theirs, but it is just as good. Even our alleys are floodlighted in the business district, and our stores are more free from back-door robberies than most cities that we know anything about. Thieves do not like light.

We like our system, and if you want to call it sales tax, O. K., for we collect 99.50 percent plus, and you do well to collect 70 percent on your 18 mills, but even then we hope you like your system. We have never criticized any other town in the State of Nebraska on the conduct of their local affairs, and the above is not a criticism but a comparison.

## Foreign Island Possessions Near American Coast

## EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

ARTICLE BY FREDERIC WILLIAM WILE

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an article entitled "Foreign Islands Near United States Feared—France and Britain Should Pay Debts With Them, Ex-Envoy Feels." This article was published in some American newspaper in 1932. It is by the pen of Mr. Frederic William Wile, and I thought it would be of interest to my colleagues and to the readers of the CONGRESSIONAL RECORD, due to the fact that much has been said upon this subject in recent months. It is interesting to note that our former colleague, Senator Gore, of Oklahoma, on July 8, 1932, presented a resolution which proposed then that the Secretary of State ascertain whether any of the European powers indebted to the United States would prefer to transfer to the United States, in lieu of cash payments, colonial possessions, and so forth.

There being no objection the article was ordered to be printed in the RECORD, as follows:

FOREIGN ISLANDS NEAR UNITED STATES FEARED—FRANCE AND BRITAIN SHOULD PAY DEBTS WITH THEM, EX-ENVOY FEELS

(By Frederic William Wile)

Charging that the British and French insular possessions in the Caribbean Sea "constitute potentially a battery of guns pointed at the heart of the American continent," Arthur H. Geisler, from 1922 to 1930 United States Minister to Guatemala, proposes the voluntary transfer of these islands to the United States "as an expression of good will."

Mr. Geisler, one of the country's recognized authorities on Central American affairs, holds that such an offer would be a

suitable gesture on the part of Great Britain and France in connection with their expectation—likely in 1933 to take the form of a demand—that their respective war debts be heavily revised downward. The former diplomat, a lawyer in Oklahoma City, was recently in Washington discussing his project at the Capitol. The junior Senator from Oklahoma, Thomas P. Gore, Democrat, now has a resolution pending, suggesting the transfer to the United States by our European debtors of the German colonial possessions acquired by them as the result of the World War.

## LEAVES MEMORANDUM

Mr. Geisler left with interested authorities in Washington a memorandum of his plan, which reads as follows:

"Extending from off the coast of South Carolina, past Florida and on down toward the coast of Venezuela, there are the following groups of islands held by Great Britain:

	Square miles	Population
The Bermudas.....	19	30,814
The Bahamas.....	4,396	60,367
Jamaica.....	4,450	974,742
Leeward Islands.....	715	124,518
Windward Islands.....	516	183,557
Barbados.....	166	168,299
Trinidad and Tobago.....	1,974	397,100

"France exercises sovereignty over Martinique (385 square miles, 235,000 inhabitants) and Guadeloupe (582 square miles, about 200,000 inhabitants) and several smaller isles.

"Into the same category of European possessions may be placed the colony of British Honduras (8,598 square miles, 50,286 inhabitants) or Belize, as the Central Americans call it, adjoining Guatemala on the east. That includes practically all of the European holdings in the region of the Gulf of Mexico and the Caribbean Sea, except a few small islands held by Holland which is not indebted to the Government of the United States.

"The present ownership of those colonies dates back more than 150 years, to the days when France and England had projects of empire involving Louisiana, Mexico, and Central America, when Great Britain was planning to control the Nicaraguan interoceanic route, and France intended to build the Panama Canal. It will have been observed that the aggregate area of the islands is relatively small. Those held by the British are only equal in extent to a square of 111 miles by 111 miles, or approximately the size of the State of Maryland. The area of the French holdings is about that of a small county. Some of these colonies have much of the time been economic burdens upon the public treasuries of Great Britain and France. But they were valued as naval and military bases from which to dominate the mainland.

## DECLARES NEED GONE

"During the last century and a half conditions have changed. The United States has come into existence. It purchased Louisiana from France. The Monroe Doctrine was promulgated against the further acquisition of territory in America by European governments. The United States with the acquiescence of England and of French interests for which recompense was given built and now owns the Panama Canal and has an exclusive option on the Nicaraguan Waterway. In consequence of these developments the European powers no longer have need of the Caribbean fortification sites for purposes of defense. Their lack of need in that respect may be compared to that of America in reference to islands in the channel between England and France or in the Mediterranean. It may be noted that the United States neither has nor seeks any territory in Europe.

"To say that those possessions in the Gulf of Mexico and the Caribbean Sea constitute potentially a battery of guns pointed at the heart of the American continent does not imply that France or Great Britain will ever make war upon the United States or on any of the other American countries in that region. However, it is conceivable that one day some country or other may attack America. It is quite possible that then Great Britain and France may find that their interests or necessities impose neutrality upon them, while those possessions, or some of them, will perhaps be needed as additional bases for America's defense. The security of the American continent requires that those potential military and naval bases in American waters be under American control.

"History records numerous cases of the transfer of colonies, prompted by good will or policy of state. There were, for instance, the conveyance of Louisiana by France to the United States in 1803 and the transfer of Helgoland in 1890 by Great Britain to Germany. The Helgoland transfer was part and parcel of a three-cornered deal whereby the British acquired supremacy in Zanzibar from the French and the Germans and the British waived all claims to the island of Madagascar in favor of France.

## UNITED STATES ACTION LEFT FOR LATER

"Whether upon the relinquishment of those colonies the United States will wish to extend its own sovereignty over all or any of them is a question to be considered when the occasion arises. It is possible that the Congress may prefer to accept only such of them as are best suited for the defense of the continent, leaving the others to form independent governments or to join existing republics, although perhaps the people of most of the lands under consideration would, for economic reasons and other causes, prefer to become part of the United States.

"During the past century several American statesmen have envisaged the desirability of Europe's relinquishing the possessions



under consideration. As recently as July 8, 1932, Senator Gore, of Oklahoma, presented a resolution which proposes that the Secretary of State ascertain whether any of the European powers indebted to the United States would prefer to transfer to the United States, in lieu of cash payments, colonial possessions received by such European governments from Germany as a result of the war, or whether they would prefer to assign to the United States islands they hold in American waters. As the erstwhile German colonies consist entirely of holdings in the regions of Africa, Asia, and Australia, there might eventually be voiced considerable opposition in the United States to their acquisition by the United States. Furthermore, it may not be quite opportune to press any part of that resolution. Possibly the fact that Mr. Gore has not yet urged its adoption indicates that the Senator himself believes that Great Britain and France may prefer to initiate the idea of such cessions rather than having America suggest them. At any rate, such an offer on the part of the British and the French would undoubtedly be deemed a pleasing act by American taxpayers to whose shoulders our European debtors would shift a part of their obligations to the United States Treasury."

### Tribute to the Late Senator Borah

#### EXTENSION OF REMARKS

OF

HON. JOHN A. DANAHER

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

POEM BY GUY H. LAGROE

Mr. DANAHER. Mr. President, I ask unanimous consent to be permitted to insert in the RECORD a poem written by Guy H. Lagroe in memory of the late Senator Borah, entitled "The Grand Old Statesman, Senator William E. Borah."

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE GRAND OLD STATESMAN, SENATOR WILLIAM E. BORAH

Each age has one great soul to offer men,  
And causes freed of swollen lust and greed,  
For thus a generation gilds its name,  
And makes nobility a living creed.

Sheer emptiness would crown a nation's days,  
And history would run a selfsame course,  
If it were not that lofty souls came oft  
To lift men's eyes to some immortal source.

Thus one day's race of men bequeathes to those  
Who follow next or come at later time  
Its link of thought, of work, of hope, of aim,  
The hard, enduring conquest made sublime.

Once happy is that man who measures true  
In youth or early manhood to that task,  
And while he rides to lead the mighty throng,  
Finds need of neither sword nor armoured mask.

In envy men may call his daring vain,  
May call him fool and lazy lag behind.  
Yet some far goal and star is strong enough  
To soothe the weary limbs and draw the mind.

Twice happy he through manhood's settled span,  
Who shirks not once his clear, allotted duty,  
And courses on, without the thought of self,  
To win for other men some part of heaven's beauty.

Though others dare not follow for the fear,  
But sit to whisper failure by the road,  
Because a jealous stain sits on their hearts,  
He strives to ease the coming morning's load.

In worship, science, art, or government,  
Whate'er he touches turns to men's esteem,  
And what could not have been for want of hope  
Is made both real and perfect by his dream.

Thrice happy he when silence creeps around,  
And in the evening's shade of age he stands,  
To meditate upon the trails he blazed and won,  
The hopes he stirred, the heights he now commands.

Ye noble warrior out of Idaho,  
True statesman, legal sage, and glorious name!  
God grant thee honor with the immortal few,  
Whose generations fan the historic flame!

—Guy H. Lagroe.

### The Census

#### EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

#### EXTRACTS FROM CENSUS BUREAU REPORT

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD certain extracts taken from a report of the Census Bureau.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From Census Bureau Report, Significant Facts and Trends Indicated by 150 Years of Census Taking]

BILLIONS IN VOLUME AND WAGES IN RETAIL AND WHOLESALE DISTRIBUTION AS SHOWN BY CENSUS—HOW THE CONSUMER'S DOLLAR, SPENT IN TRADE, MAINTAINS VALUES AND TAXES—AVERAGE DOLLAR VOLUME OF STORES—INDEPENDENTS AND CHAINS

##### GETTING GOODS TO CONSUMERS

The vastness of the organization necessary to get the products of farm and factory from the producer to the consumer is graphically illustrated by census records.

A history of the development of merchandising in this country—retail, wholesale, service, hotels, theaters, construction—would be as replete with romance, with interesting and revealing sidelights, as is the history of manufacturing. Unfortunately this fascinating story cannot be developed from census records as the business census was taken for the first time in 1929.

Prior to 1929 it was impossible to tell within 500,000 the actual number of retail stores in the United States.

##### EARLY DAYS IN MERCHANDISING

The early history of merchandising is largely tradition. We know that George Washington operated a grist mill and perhaps sold feed and flour to his neighbors. We know that Abraham Lincoln and a partner operated a grocery store. We have fragmentary pictures of the highly personalized businesses of our early years—importers in New Amsterdam; Yankee traders who covered the world as our first wholesalers and exporters; fur traders who set up trading posts in the West in advance even of the wave of civilization that was pushing relentlessly westward; showboats on the Ohio and Mississippi and barnstorming road shows which were the forerunner of our modern stage, motion picture, and organized commercial sports. We know something of the start of great department stores; of great chain-store organizations; of vast theater circuits; of great wholesale and mail-order houses. But the picture of the year-to-year developments in this vast machinery of trade and service during the transition from one-man enterprises to great aggregations of capital serving millions of customers with millions of employees, is missing.

##### CUSTOMER DEMANDS SERVICE

When the customer goes into a store and buys an article over the counter, he knows that he pays more than the manufacturer's or producer's cost of that article. In addition to this intrinsic cost he is paying something for service, for convenience, for risk, for invested capital, for management and perhaps for credit. As the standard of living increased, the customer demanded more and more service and convenience. The census records on the vast distribution machinery indicate not only the extent and cost of this service but how this additional payment of the customer flows back to the benefit of the customer through pay rolls supporting an army of clerks; through rents and taxes which maintain billions of investments in land and buildings, and through the maintenance of the large sector of population, all themselves customers of the goods that farmers, manufacturers, and others produce.

##### GREAT VOLUME OF TRADE

The census figures on the extent of the wholesale and the retail activities of the Nation are staggering. The First Census of Business in 1929 showed that there were 1,543,158 retail stores in the United States, with 1,510,607 proprietors and firm members not on the pay roll. These stores had 3,833,581 full-time employees, 676,559 part-time employees; and to the full-time employees they paid in wages \$5,189,667,960, and to part-time employees \$161,387,515. These retail stores had stocks on hand worth, at cost, \$7,262,582,920; and the total of their sales for the year was \$49,114,653,269—10 times as much as all the money in circulation at that time.

The 1933 survey of retail stores at the bottom of the depression showed 1,526,119 stores with 3,433,652 full-time and part-time employees (against 4,402,940 in 1929), who received wages of \$2,910,445,000 as their part of the sales amounting to \$25,037,225,000.

The Business Census of 1935 revealed 1,653,961 retail stores with 3,961,478 full-time and part-time employees who were paid \$3,623,289,000 in wages. Sales had advanced to \$33,161,276,000.

In addition to these retail stores, and providing them with merchandise, were 169,702 wholesale establishments with sales in 1929 of \$69,291,547,604. These wholesalers employed 1,605,042 people; they paid in salaries and wages \$3,010,129,535, and the value of their stocks on hand was \$5,246,739,657.

#### WHOLESALE VOLUME LARGER

The fact that wholesalers' gross business shows a volume 40 percent greater than the total sales volume of retailers is explained by the fact that, in addition to serving retailers, wholesalers sell industrial goods such as coal, oil, steel, machinery of all kinds, supplies to railroads, to mines and to factories, exports to all parts of the world, and make direct sales to institutions which do not have their counterpart in retail sales.

The census of 1933 showed the number of wholesale establishments at 163,583 with employees of 1,187,688, pay roll of \$1,659,487,000, and sales of \$30,009,590,000.

Two years later the census of 1935 showed that wholesale establishments numbered 176,756; that they employed 1,277,717 people; that they paid in wages \$2,049,483,000; and that their sales amounted to \$42,802,913,000.

How this vast organization of wholesalers and retailers served to cushion the shock of the depression is indicated from the fact that their volume of employment, and payments in wages and salaries did not decline as deeply as their sales.

#### CHAIN-STORES AND INDEPENDENTS

Of the 1,653,961 retail stores in 1935, 1,419,855 were single stores, 53,951 were two-store and three-store independents, and 343 were local branch systems. There were 127,432 chain stores of which 17,964 were local chains; 1,925 were manufacturer controlled.

The sales ratio of chain stores in 1929 was 20 percent of the total retail sales. This rose to 25.4 percent in 1933 and dropped to 22.8 percent in 1935. Chains increased their sales nearly 19 percent between 1933 and 1935 while they reduced their number of stores 10 percent, increasing their sales per store 31 percent. Independents increased their sales nearly 36 percent and the number of stores more than 9 percent, with a 24 percent increase per store between 1933 and 1935. Sales per store for independents in 1935 averaged about \$16,450, whereas chain units averaged about \$59,200.

#### THE COST OF OVERHEAD

It cost retailers, according to the 1935 retail census, 22.9 percent of their sales to cover pay roll, rent, advertising, supplies, heat, light, power, taxes, insurance, interest, etc. Compensation for proprietors of incorporated businesses is not included. All retailers required an average of 48 percent of their operating expense for pay roll. Rental costs averaged 3.91 percent of sales in leased premises and rent constituted more than 16 percent of operating costs.

The average annual wage for full-time employees was \$1,017 in 1935 and the pay roll (except proprietors) consumed \$10.93 out of each \$100 of sales. About \$12 more was required for all other expenses, and \$75 per \$100 of sales for replacing the goods sold.

#### SUMMARY OF TRADE VOLUME

Roughly, then, the 3 surveys of the great machine necessary for the retail distribution of goods from the producer to the consumer show a volume of business which averages \$40,000,000,000 per year. To do this retailers employ from 5 to 7 million wage earners, depending on the current state of business, and pay them in wages from 5 to 7 billions of dollars annually. Wholesalers employ an additional 1,500,000 workers and pay them more than \$2,000,000,000 annually. Much of the total volume of goods this machine handles has previously been processed or fabricated in American factories, themselves turning out \$60,000,000,000 worth of goods and employing over 10,000,000 people with wages of more than \$10,000,000,000. Part of the goods for which they find a market comes from the nearly 7,000,000 farms which employ more than 10,000,000 other workers. Production and distribution employment is further increased by nearly 2,000,000 employees of service businesses, theaters, hotels, and laundries, and by 1,000,000 workers in the offices of insurance, real estate, and financial institutions.

This whole picture of the operation of American business made possible by a study of census facts is impressive evidence of the cooperative character of the Nation as a whole and of the daily efforts of approximately 50,000,000 gainful workers to bring home on Saturday night the wages whose expenditure keeps the machine functioning.

#### LABOR GETS NEARLY HALF

The woman who goes into a store and spends \$100 may know that approximately \$25 of it goes to the maintenance of the retail distribution machinery. Nearly \$11 of this \$25 is used by the retailer to pay wages, and these wage earners probably consume the products, in turn, that give her husband a livelihood. These wages enable the worker to pay rent and taxes to help maintain the school system which she enjoys; to pave the streets and to maintain the benefits of communal living. Of that \$25, nearly \$4 goes to the landlord or to pay maintenance on owned premises. This contributes to the property values, adds to community tax revenues, and likewise helps to maintain the facilities of community convenience. Another part of it goes to the insurance agent and to the insurance company, another bit goes to the newspaper for advertising, to pay printers who are also consumers of goods.

Even that portion of the \$25 which goes to the profit of the retailer, if there is a profit, flows back into trade because the retailer probably has a family to support; he pays taxes, he buys gasoline and clothing and supplies, which in turn support other industries.

#### RETAIL STORE SALES AVERAGES

As to the profit the retailer earns, the census figures make interesting revelations. Even in 1929 when retail sales mounted to forty-nine billions the average store did an annual business of only about \$32,000. The fact was that only about 22 percent of the stores, however, did that much business. More than 75 percent of the stores in that good year sold less than \$30,000 and the combined sales of this 75 percent of stores was about 25 percent of the total. About 25 percent of the stores did 75 percent of the retail business.

In extreme contrast, 25 percent of the total business was done by 1 percent of the stores, each of which did more than \$300,000.

More than 43 percent of the stores did less than \$10,000 each and their aggregate sales were 5.69 percent of the total. One-half of all of the stores did only 8.6 percent of the total, an average per store of less than \$5,500. The average per store for the remaining 50 percent was \$58,000 and their aggregate sales were 91.4 percent of the total.

#### SMALL STORES JUSTIFY THEIR EXISTENCE

The census figures indicate that a \$12,000 retail business can make a modest living for the proprietor provided he works in the store in lieu of a paid employee, has merchandising ability, and has a sufficient amount of invested capital. The figures show that there is an insufficient margin in such a business to cover interest on borrowed money, and, to make a profit every cash discount must be taken. The thousands of small stores, therefore, which provide the means of livelihood for many thousands of families, and perform a useful service of convenience to the consumer in increasing the number of contact points, are insignificant in their total sales volume but are a necessary part of the distribution machinery of the country. They survive by providing service and convenience as well as merchandise.

### Disgracing an Industry

#### EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

#### EDITORIAL FROM JUSTICE

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial entitled "Disgracing an Industry" from Justice, published by the International Ladies' Garment Workers' Union, for February 1, 1940:

[From Justice]

#### DISGRACING AN INDUSTRY

We have been reading a lot these days about manufacturers, some of them "big shots" in their respective industries, being caught in the meshes of the wage and hour law and compelled to make restitution to their workers of wage and overtime underpayments.

Nearly all of these workers belong to the "forgotten" type of wage earners—shipping clerks, office help, floor girls, and home workers. These workers have no union to protect them. They are easy prey for any chiseler who stretches a long finger after their hard-earned dimes and pennies.

When the union insists on the right to investigate the books of suspected wage manipulators and agreement violators among employers, we hear no end of grumbling about its "unreasonable attitude," about "interference with business," and similar lamentations. Now the United States Government has set out to look into the books and records of violators of the wage and hour law—and what a crop of petty larceny, small-time cheating, and dime snatching it is discovering.

The other day the entire cloak and suit market was shocked when the firm of H. & J. Block, manufacturers of children's wear, was indicted by a Federal grand jury on a charge of having violated the provisions of the Fair Labor Standards Act on 17 counts. Government reports allege that the total filched from the firm's lowest-paid employees over an extended period runs in the neighborhood of \$10,000. Underpayment of the 25 cents minimum hourly wage and falsification of records are among the charges against the firm.

Last month 11 members of the Hand Knitcraft Institute were ordered by the Government to pay back to their home workers the stupendous sum of \$250,000. Last week the Commodore Knitting Mills was ordered to pay back to several hundred of their home workers from Maine to Pennsylvania \$27,000 and to keep "proper and accurate" home-work records. Many of these home workers were discovered to have been earning the munificent sums of 3 and 5 cents an hour.



The case of the William Bass Dress Co. falls in the same category but may be painted in kinder colors. This firm "forgot" to pay its office staff for overtime over an extended period to the tune of nearly \$3,000. When the Government investigation revealed the fact, the firm made full restitution.

Many of these employers play, or like to play, an important part in their industry and in the community. Some like to parade as public figures and occasionally give generously to many causes. Yet they would stoop to common cheating of their lowliest employees and would face violations of the law of the land and penalties running to many thousands of dollars. Whichever way you look at them, they are small potatoes, mean little human beings.

The papers are full of violations of the wage-hour law practiced in the South. Here we have a bushel of cases right in our own "back yard," in the East, in an organized industry where decent work conditions have been won after years of struggle for all union men and women.

They point a moral.

Shipping clerks, floor girls, office workers, home workers—all the unorganized with no union to protect them—may have their pockets picked at any time. Let them not be scared—if they are not getting what is coming to them, let them complain immediately to Uncle Sam. The union, on its side, we can promise these workers, will keep a vigilant eye on every possible and actual violator of the law and will help to bring them to book. It will, in addition, help to expose these cheats before the industry and the general public and will keep their records on its files for future reference.

### The Housing Census

#### EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. MILLER. Mr. Speaker and Members of the House, this morning I received a petition circulated in a small town in Connecticut by a woman who, for the past several years, has been active in various club work. This woman writes me that she had never seen so much interest in a petition; in fact, several people had called her on the telephone asking for the opportunity to put their names on the petition which they understood she was circulating. You have perhaps guessed by this time that this petition is in opposition to the "too intrusive census questions."

The last session of Congress provided for the taking of a housing census. This approval was granted in good faith on the assumption that it would be a housing census and nothing else. Now we find that a questionnaire has been prepared to carry out the provision of the housing census and, in the opinion of an overwhelming majority of citizens with whom I have talked, that questionnaire goes far beyond the required needs of a housing census. It is a well-known fact that this census will be taken by political appointees, most of whom will work in the communities in which they reside. Just why it is necessary for our citizens to make known to a census enumerator the amount of income; the amount of mortgage on their home; whether or not they are reducing that mortgage annually, semiannually, or quarterly, and so forth, is beyond my comprehension.

Many people feel that the Federal Government is doing far too much snooping into the private lives of its citizens. May I express the hope that those responsible for preparation of this questionnaire will take the time to read the excellent address made in this House by the gentleman from Texas, the Honorable HATTON SUMNERS, on the one hundred and fiftieth anniversary of the founding of the Supreme Court.

Yesterday an effort was made to strike the funds carried in the appropriation bill under consideration for the taking of this housing census, as it seemed to many of us that only in this way could we prevent the Federal Government from asking these too personal questions. Perhaps from the remarks

made on the floor during this debate, those responsible for these questions will learn that they do not meet with the approval of the Members of Congress.

### Great Lakes-St. Lawrence Seaway Canal

#### EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

EDITORIAL FROM THE UTICA (MICH.) SENTINEL

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include an editorial from the Utica Sentinel, of Utica, Mich., entitled "The Seaway," which is a strong argument for the construction of the Great Lakes-St. Lawrence seaway canal. The editorial follows:

[From the Utica (Mich.) Sentinel]

THE SEAWAY

Mr. C. H. Callaghan, manager of the Maritime Association of the Port of New York, lists seven reasons why the proposed St. Lawrence seaway would be a "flop." He claims:

1. The proposition is unsound.
2. It would impose tax burdens without corresponding benefits.
3. It would divert a lot of traffic from the railroads.
4. It would unbalance freight rates.
5. It would injure employment generally.
6. It would impair property values, reducing tax returns.
7. There would be serious dangers in navigating the seaway.

Now, the gentleman in question is no doubt a whole lot smarter than a mere country editor can ever hope to be, or he wouldn't be in his present job. Also—and this is important—he wouldn't be singled out to make a case against anything so logical as the seaway.

However, though he has done well, the reasons as cited don't stand up under thoughtful questioning:

1. Is it sound that the naturally navigable connection of the heart of the Nation with the seven seas be forever blocked? Has this gentleman been employed to oppose the opening of Washington's inland empire by a series of expensive Federal projects which will make the Columbia navigable?

2. Is not the proposal to connect two of the country's most populous cities and all their vast hinterland with the seaboard, as well as developing great waterpower, any less a probable tax load, for example, than T. V. A.? And has the gentleman yet been chosen by the big southern power companies to help them block that project?

3. Is not his effort in its last analysis an effort to serve the exclusive interests of certain railroads, which connect the great Middle West to the port of New York, and the interests of those interested in that port? And if such diversion is to be dreaded, why does New York want to sell the barge canal to Uncle Sam?

4. Have we not a governmental commission empowered to keep freight rates in balance?

5. Would not the seaway, encouraging a sea-going trade that already exists, build up the great Middle West commercially, industrially, and populously; and would not that help employment?

6. Can it be proved that New York property values would suffer? And even so, should Albany be shut off from her national water route to the sea simply because New York City is located at the Hudson's mouth, and by so doing Gotham's property values might be conserved?

7. And will it be any more dangerous navigating the Lakes and the St. Lawrence when we have the seaway than it is now?

Our conclusion is that the Port of New York Authority is being bluffed by those big eastern railroads into believing that something dreadful will happen to it and them. It won't. What they may lose of their stranglehold on us people out here they'll make up in more friendly gains.

Let the Middle West and the lake country grow and they'll take care of New York. New York grows only as we do.

Anyway, despite Gotham's ill-advised obstructionists, the enterprising race that dwells on both sides the Laurentian border are too numerous, too strong, and too determined to be denied their natural right. European peoples fight many wars to reach the sea, but all we ask is the right to bring the sea to us. We'll be paying the most of the taxes on this—as well as most of all the taxes that other great Federal projects entail. Inspired fallacies won't hold us back forever.

## Politics and the W. P. A.

## EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

RADIO ADDRESS BY HOWARD O. HUNTER, DEPUTY COMMISSIONER OF THE WORK PROJECTS ADMINISTRATION

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Howard O. Hunter, Deputy Commissioner of the Work Projects Administration, over the Columbia Broadcasting System, speaking from the studios of WJSV, in Washington, D. C., Saturday, February 3:

The W. P. A. will probably be in politics up to its neck from now until November. It has already been tossed into the political arena by sundry political candidates; and it no doubt will stay there as a convenient straw man for other candidates, large and small, throughout this election year. Among the early sharpshooters in the popular political pastime of sniping at the unemployed and the Federal work program are Governor Bricker, of Ohio, and Governor James, of Pennsylvania. More about these gentlemen later.

The public may expect all sorts of accusations, adding up to the major charge that W. P. A. employment is being manipulated for political purposes. The public may also expect a resurrection of old stories about politics and relief which have been so convenient in the past to those who either wish to dodge the issue of unemployment relief or who are intellectually sterile as to proposals to handle it.

Politics in the W. P. A. has been a honey of a smoke screen for many politicians and many newspaper stories. And it will continue to be such for the next 9 months. The American voting public may just as well look forward, either with eagerness or disgust as the case may be, to a rehash of all this business of politics in the W. P. A.

Frankly I am not only willing but anxious to have the question of the W. P. A.—or to put it another way, the question of the proper method of relief for the unemployed—become a main political issue. But I would require a good deal more to be said about this question than simply shop-worn generalities.

The political questions about the W. P. A. and unemployment that should be discussed are these: With unemployment still existing, should the Federal Government, in cooperation with the States and localities, provide a program of useful work for the needy unemployed; or should the Federal Government return this problem to the States and local communities? Should the unemployed have an opportunity to work on useful public projects at a security wage, or should they accept less than a subsistence dole in the form of a grocery order or direct relief?

Such political questions are worth the examination of the public and the debate of all political candidates.

However, if recent political blasts of the Governor of Ohio and the Governor of Pennsylvania are to be taken as examples of what we have to look forward to this year, then the political discussion of unemployment is simply going to degenerate into mud slinging and windmill fighting.

For instance, in order to divert the public's attention from ineptness in handling a State relief problem, the Governor of Ohio recently charged that the W. P. A. was punishing the State of Ohio because it had dared to elect a Republican Governor. This punishment was in the form of reduced W. P. A. employment quotas. He also charged that the W. P. A. had enormously increased its employment in Ohio in 1938 in order to keep him from being elected. Neither of these charges, nor any of the other charges made by Governor Bricker, was substantiated by one single fact, and Governor Bricker cannot substantiate them.

Let me tell you in just a few words what did happen in Ohio in 1938.

Cleveland, January 1938: A sudden and unprecedented rise in unemployment. Steel mills and automobile plants closing down overnight. Reports by Cleveland economists of an unemployment figure of 220,000. A problem of hungry and needy people far beyond the ability of the city to handle. Urgent requests from the city government (Republican) for increased W. P. A. aid.

Detroit: Thirty thousand people from one motor plant fired overnight. An increase of 100,000 unemployed in 2 months.

Chicago: Steel mills, railroads, packing houses, farm implement companies, discharging men by the thousands. A wave of recession and unemployment striking like a tornado through the industrial Middle West.

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February 1938: A conference of mayors of hard-hit middle western cities, all political parties represented. The cold but dramatic facts presented. A committee of five of these mayors sent to Washington to secure additional W. P. A. money and help. On the committee, the Democratic mayor of St. Louis, the Democratic mayor of Chicago, the Socialist mayor of Milwaukee, the Republican mayor of Detroit, and the Republican mayor of Cleveland. Congress acted and acted quickly in appropriating additional funds.

Half a million—a million—then a million and a half were given W. P. A. jobs. The recession was broken. Hundreds of thousands of families in the depressed areas were saved. The W. P. A. was credited by Republican and Democratic officials alike and by an enormous body of public opinion as an agency which not only prevented mass starvation but also provided useful work and cash wages to help revive a stricken region. If this was politics then it was an American way of politics for the preservation of democracy.

Now as to the Governor's absurd charge that the W. P. A. did all of this in Ohio, and particularly Cleveland, in order to beat him at the election. Certainly the 270,000 unemployed and needy men and women who were put on the W. P. A. in Ohio in that recession will dispute that charge. The charge has also been denied by public officials in Ohio, including the Republican mayor of Cleveland. And as a matter of fact, in the month just before the election the W. P. A. actually decreased its rolls in Ohio because of the beginning of a business upturn. For further illustration, let's examine this general charge in the light of what happened right across the lake in Michigan.

In Michigan the national administration was certainly desirous of having the Democratic candidate for Governor elected. My listeners will remember that there was a clear-cut New Deal campaign on in Michigan. And yet, in the important 2 months preceding the election, the W. P. A. made a sharper cut in its employment in Michigan than it did in any other State in the Union. In those 2 months immediately preceding the 1938 election we cut W. P. A. quotas in Michigan from 206,000 to 161,000. A cut of 45,000. Why? Because at that time industrial employment in Michigan began sharply to improve, and improved at a much faster rate than in most other States; and, accordingly, the W. P. A. reduced its quota, as it always has in periods of rising private employment.

The Governor of Ohio knows perfectly well that the W. P. A. today is operating on an appropriation one-third less than it had in 1938. The Governor of Ohio also knows, as does the Wall Street Journal and the Cleveland Manufacturers' Association, which are not New Deal agencies, that industry and business have recently picked up in Ohio at a sharper rate than the average for the country. The Governor of Ohio also knows that W. P. A. employment for these same reasons has been reduced in other parts of the country as well as in Ohio. He also knows that today, while Ohio has but 5.4 percent of the national population, it has 6.7 percent of W. P. A. employment. This is not discrimination.

Now Governor James, of Pennsylvania, was the next to take up the cudgels. The Pennsylvania Governor had no particular springboard to jump from, so he started his fire by writing a letter to the W. P. A. Commissioner for the purpose of getting some newspaper publicity. Governor James simply made the general statement that the W. P. A. was manipulating the Pennsylvania quota for political reasons. Aside from the fact that this is simply not true and that the Governor presented no evidence that it was true, the best answer that could be given to such a general charge is that the W. P. A. has offered Pennsylvania for the last 6 months a larger quota for employment than Pennsylvania has been willing to employ.

To indicate the absurdity of the Governor's charge and that of editorial writers on the Philadelphia Inquirer—they make the statement that the W. P. A. has consistently failed to fill its own quota of job allotments in Pennsylvania. That is very much like saying that if a charitable person furnished a well-cooked beefsteak to a hungry man, the charitable person is then open to criticism because the hungry man does not eat the whole steak. The W. P. A. has been and is today, even with its decreased appropriation, ready and willing to provide at least 20,000 more jobs in Pennsylvania if Pennsylvania will provide good projects on which to employ them.

Perhaps you may be interested to tie up Governor James' political blast with the fact that he, like the Governor of Ohio, is faced with the task of doing something about his own State-relief problems.

Now we are promised a "speech a day" attacking the W. P. A. for discriminating against Pennsylvania. And so it goes and so it will go until November. But these cases are cited chiefly as types of what we may expect—and not for the purpose of further advertising the good gentlemen in question.

I do not make any claim that the W. P. A. today is providing jobs for all of the needy unemployed. I will not dispute a claim from either Ohio or Pennsylvania that there are persons eligible for the W. P. A. who are not today being employed. I do, however, emphatically state that the W. P. A. employment in Ohio and Pennsylvania is thoroughly fair in proportion to the rest of the country based on the appropriation made available to us by Congress.

Now, I want to say something really important to the American people and in saying it I want to make a complete distinction between the question of relief in politics and the question of politics in relief. Political candidates—local, State, and National—are going



to keep the question of relief in politics open. That is their privilege in a democracy, and it should have free and wide discussion. But some will generalize, distort facts, and invent untruths, and that probably is also part of the political game.

However, when it comes to the question of politics in relief, insofar as it applies to the W. P. A., I give you the pledge of the Commissioner of the W. P. A. and all of his assistants that there will be no such thing. This is not only the desire of those of us who administer this program but it is also the specific intent of your Congress.

A year ago Congress put into the W. P. A. law drastic provisions against the use of W. P. A. funds for political purposes; against political activity on the part of any administrative employee of the W. P. A., and this act has since been reinforced by the Hatch Act which prohibits any political candidate, or for that matter anybody else, from making promises, for the purpose of securing votes, to any person receiving Federal relief benefits.

I assure you that these restrictions, so far as the W. P. A. is concerned, will be completely enforced. I assure you that charges of the improper use of W. P. A. funds for political purposes or the improper political activity on the part of any of our employees will be promptly investigated, and where found true will be punished to the limit of the law.

There will be thousands of candidates for political office this year in every community in all of the 3,000 counties in the country. No doubt some of them will attempt to make political capital out of unemployment and relief. Wherever they touch the W. P. A. they will be promptly checked.

Some of the ways in which people might try to use the W. P. A. politically include the promises of certification for jobs in return for votes, attempts to pad pay rolls, the coercion of workers on projects and threats against them if they don't vote right. Such actions are intolerable to all of us. I am not simple minded enough to say that attempts to follow such practices will not be made, but I am confident enough of the W. P. A. organization and its integrity to assure you that they will not be tolerated.

I want to emphasize that in the past, when charges of politics in the W. P. A. have been investigated, ninety-nine out of a hundred times such charges have involved people entirely outside of the W. P. A.

At the same time I want to say a word directly to our W. P. A. project workers—some two and a quarter million today and some five million others who have at one time or another worked for the W. P. A.—and that word is simply this: The fact that you are not employed in private industry, that you are in need and consequently are now working on useful public projects and receiving your pay from the Government, in no way diminishes your rights as an American citizen. You have every right and liberty to participate in an election for public office and to select and vote for any candidate of any party who may be your choice. The laws of the United States protect you in exercising that right. I know that a few people have publicly proposed that the right to vote be denied to people who receive relief or W. P. A. jobs. I also know, however, that the overwhelming majority of American people in every walk of life and every political party thoroughly resent such a proposal. I know, further, as do thousands and thousands of others, that instead of being recipients of charity you who work on the W. P. A. are, on the contrary, helping to build America and that you are entitled to and should exercise your personal rights as a citizen.

Finally to all my listeners in business, government, industry, relief, and what not, I will say that the W. P. A. may feel called upon occasionally to answer phoney and funny attacks on the W. P. A. as a political agency, but that regardless of such attacks we propose to run the W. P. A. as an agency for the benefit of the unemployed and the whole country without any consideration of politics. We feel that with the backing of the laws of Congress and with the cooperation of the mass of American citizens we are perfectly able to do just that very thing.

### The Slum-Clearance Program

#### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

EDITORIAL FROM THE JOURNAL OF COMMERCE

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Journal of Commerce of New York City for February 5, 1940:

[From the Journal of Commerce, New York City, February 5, 1940]

#### THE SLUM-CLEARANCE PROGRAM

While the present federally financed and subsidized slum-clearance and low-rent public-housing program is in full swing,

its extension continues to hang in the balance. An economy-minded Congress naturally dislikes to depart from the drive to scale down Federal expenditures, which it has had the courage and restraint to launch in the present session, despite the imminence of a national election. On the other hand, many Members of Congress recognize that the slum-clearance program constitutes one of the less objectionable and, socially, more necessary types of Federal expenditure.

The passage of the pending bill, already approved by the Senate, to expand the loan fund of the United States Housing Authority by an additional \$800,000,000, with a relative increase in the authorized subsidies, is not of immediate urgency. The public-housing projects under this program for which contracts have already been let or are to be let will not be completed, with few exceptions, until late this year or during 1941. However, if slum clearance is to be conducted on a reasonably continuous basis, an expansion of the authorization this year or, at the latest, early in 1941 is eminently desirable.

The United States Housing Authority Administrator reports that requests for \$1,000,000,000 of additional loans have already been filed with him in anticipation of the increases in the authorization. The funds available under the present law have all been allotted. A large proportion of the 180 further requests pending, covering projects in 32 States, emanate from rural and suburban communities rather than metropolitan centers. A broadening of the present public-housing program would thus occur, should the pending amendment be enacted into law, especially since 25 percent of the new authorization is reserved for rural rehousing.

Like all new ventures into a complicated field, the Federal low-rent public-housing program has suffered from practical defects. By and large, however, those concerned with its administration have shown a readiness to correct errors and to avoid as far as feasible competition with private enterprise in the building field. Hence a good case could be made for authorizing the expansion of the loan fund at this time to permit the United States Housing Authority to proceed at leisure with the approval of the additional projects already pending before it, despite the very urgent need for economy in Federal expenditures that now exists.

### Organizations Which Have Indicated Their Support of Mundt Antipollution Bill, H. R. 7971

#### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. MUNDT. Mr. Speaker, under leave granted me by the House I am attaching hereto a partial list of the patriotic and conservation organizations which are actively supporting H. R. 7971, which bill I introduced and which is known as the Navigable Waters Antipollution Act.

I would like to call the attention of my colleagues to the high quality of public service and unselfishness represented by this long list of constructive, Nation-building organizations. You will find there every Nation-wide conservation organization of any size or scope, and more important than that, even, you will not find in this list a single industry or group which is today polluting the public waters. H. R. 7971 not only outlaws any new forms of pollution in the navigable waters of America but it sets up a reasonable, orderly, and moderate program for correcting and controlling the destructive forms of pollution which are now making open sewers and poison pots out of some of the greatest rivers and streams in America. Since it is an honest step in correcting an obviously serious situation, H. R. 7971 has received the support of citizens of all walks of life and of all parties as well as the active endorsement of community serving organizations of many kinds.

H. R. 7971 HAS SOME OPPONENTS, TOO

Because H. R. 7971, variously referred to as the Mundt bill or the Navigable Waters Antipollution Act is the only legislation now before Congress which seriously challenges the practice of certain industries and cities whereby they thumb their noses at the public interest and contaminate with selfish indifference the public waters of America, it has some opposition of which, incidentally, friends of clean-streams legislation are very proud. We are proud, for example, that in lists of those opposing H. R. 7971 are found the major polluters of America. Realizing the unpopularity of putting

their selfish interests above the health and recreational interests of the public, most of these organizations have switched from outright opposition to antipollution legislation to enthusiastic, active, and open support of a bill bearing the misnomer of "antipollution legislation" but actually providing what is tantamount to a 10-year breathing spell for polluters. The bill for which polluters have had their support listed in previous issues of the RECORD is known as S. 685, was introduced by Senator BARKLEY, I believe, by request, and a rule for its consideration by this body now reposes on the Speaker's desk. It will be the first piece of legislation bearing the label of "pollution legislation" upon which this House will have an opportunity to vote. It must be defeated or recommitted to committee for further study before this body will be given an opportunity to vote on H. R. 7971 or any other genuine pollution-eliminating legislation for which the friends of clean streams throughout America are clamoring. Hearings on H. R. 7971 have not been held. They will not be held until and unless S. 685 is defeated or recommitted. Consequently, to vote for effective antipollution legislation Members must first dispose of S. 685 by defeat or recommitment, so the path will be cleared for consideration of a bill which sincere conservationists and sportsmen can support.

#### S. 685 SPENDS \$1,000,000 PER YEAR FOR "POLLUTION INSURANCE"

At first glance it must seem to Members who have not studied the legislation that the spectacle of the biggest polluters in America actively supporting S. 685 is a strange paradox indeed. Either the polluters are losing their sanity or they must see in S. 685 legislation to befriend them and protect them in their dirty business of poisoning the public waters with industrial and municipal wastes. A study of S. 685 reassures one and all about the continued sanity of America's polluters. At no place except in its title does S. 685 even mention the phrase "control of pollution." Its supporters among polluting industries proudly recommend it to their fellow travelers in public filth as a "study bill." It is precisely that and nothing more, and it would appropriate \$1,000,000 annually from an exhausted Federal Treasury for purposes of studying the problem of pollution and of establishing Federal control of State health departments by subsidizing them to the extent of \$700,000 per year. It criticizes pollution and appropriates a million dollars a year of the taxpayers' money for the purpose of scolding it, but it sets up no standards of purity and does positively nothing by way of controlling pollution practices. The opportunity to share in the \$700,000 annual "bureaucratic melon" is one reason why many State health departments have written Members in favor of S. 685, and the hope of preventing vigorous antipollution legislation by passing a vapid bill limited to critical adjectives indicates the reason why polluters are exerting organized pressure on Congress to pass S. 685 and give them a buffer against genuine clean-streams legislation. It is easily seen, therefore, why conservation organizations, Legion posts, women's clubs, individual sportsmen, outdoor magazines, and others who are unselfishly interested only in cleaning up the streams of America are saying, "No pollution legislation at all is better than S. 685. If we cannot make progress in pollution control, let us at least not take this backward step."

There follows a partial list of organizations which have indicated their support of the Mundt pure-streams bill, H. R. 7971, and which, by the same token, oppose the passage of S. 685:

#### ORGANIZATIONS WHICH HAVE INDICATED THEIR SUPPORT OF MUNDT PURE-STREAMS BILL

The Council of the American Association for the Advancement of Science.

American Nature Association.  
American Wildlife Institute.  
National Wildlife Federation.  
National Association of Audubon Societies.  
National Council of Garden Clubs.  
American Fisheries Society.  
International Association of Game, Fish, and Conservation Commissioners.

Izaak Walton League of America.  
Association of Midwest Fish and Game Commissioners (North Dakota, South Dakota, Nebraska, Minnesota, Wisconsin, Iowa, and Illinois).

Square Circle Club (Field and Stream magazine).  
National Sportsman magazine.  
Hunting and Fishing magazine.  
Outdoorsman magazine.  
Brotherhood of Locomotive Engineers.  
Bloomfield Fish and Game Club, Bloomfield, Conn.  
Calumet District Clean Streams Committee (a citizens' committee with headquarters in South Holland, Ill.).  
Chicago Conservation Council.  
Union Conservation Club, Wheeler, Ind.  
Glen Park Civic Club, Gary, Ind.  
Pittman Square Civic League, Gary, Ind.  
West 45th Civic Club, Gary, Ind.  
Woods, Waters, and Wildlife Association, Gary, Ind.  
Iowa Federation of Women's Clubs.  
Maryland State Game and Fish Protective Association.  
Maryland Outdoor Life Federation, Inc.  
Maryland State Game and Inland Fish Commission.  
Michigan United Conservation Clubs.  
Gasconade County Wildlife League (Missouri).  
New Jersey Federation of Sportsmen's Clubs.  
New Jersey Board of Fish and Game Commissioners.  
Forum of Politics, State Teachers College, Albany, N. Y.  
New York Association of Biology Chairmen (New York City).  
Green Mountain Club (New York Section).  
Sportsmen's Council of the Marine District of New York.  
League of Ohio Sportsmen.  
Stillwater (Okla.) Woman's Club.  
Western Pennsylvania Sportsmen's Club, Pittsburgh, Pa.  
Crafter-Ingram Sportsmen's Association, Crafton, Pa.  
Allegheny County Sportsmen's League, Pittsburgh, Pa.  
Arnold Sportsmen's Club, Arnold, Pa.  
Westmoreland County Sportsmen's Association (Pennsylvania).  
Gulf Coast Rod and Reel Club, Beaumont, Tex.  
Aviation Post, No. 651, American Legion, Chicago.  
Lafayette Post No. 51, American Legion, Uniontown, Pa.  
Columbus (Nebr.) Chamber of Commerce.  
Utah Wildlife Federation.  
McDermott Post, No. 144, American Legion, Albany, Wis.  
Guy Drews Post, No. 88, American Legion, Manitowoc, Wis.  
Francis B. Pritchard Post, Veterans of Foreign Wars, Oil City, Pa.  
Oil City (Pa.) Chamber of Commerce.  
Fraternal Order of Eagles 493, Connellsville, Pa.  
Associated Fishing Tackle Manufacturers.  
Johnson Motor Co., Waukegan, Ill.  
Evinrude Motor Co., Milwaukee, Wis.  
Century Boat Co., Manistee, Mich.  
Champion Motors Co., Minneapolis, Minn.  
Muncie Gear Works, Muncie, Ind.  
National Outboard Association.

### Antipollution

#### EXTENSION OF REMARKS

OF

#### HON. STEPHEN BOLLES

OF WISCONSIN

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

#### LETTER FROM THE NATIONAL ASSOCIATION OF AUDUBON SOCIETIES

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter from the National Association of Audubon Societies on the Barkley bill, S. 685. The letter follows:

The above bill is represented to be an antipollution bill. We are informed that it has been favorably reported on by the House Rivers and Harbors Committee and a rule issued by the Rules Committee; that it may be brought up shortly for a vote in the House; that it was passed by the Senate at the previous session of Congress.

In our opinion this bill should not be passed, as it does not appear to us to offer means of effectively and promptly reducing or eliminating pollution of navigable streams.

On the contrary, it provides for 10 years' further study of a situation so bad and so well known that immediate action, in our estimation, is called for. We see little if any point in spending a sizeable sum of money, as provided for in this bill, on further study of the situation. The bill, we understand has the support, in general, of those who are currently polluting our navigable streams.

May we, therefore, urge your favorable consideration of a policy which would involve a vote against the Barkley bill, S. 685, if brought up for a vote and in favor of its being recommitted to the House River and Harbors Committee for reconsideration.



# America's No. 1 Problem—Unemployment—Being Submerged in Wave of Political Balderdash and Bunk

## EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 8, 1940*

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE

Mr. OLIVER. Mr. Speaker, under permission granted to me by unanimous consent of the House to extend my remarks, I am pleased to incorporate herewith a statement which I broadcast over station WCSH, Portland, Maine, on Saturday, January 27, 1940:

Citizens of the First District, 2 weeks ago, when I discussed with you the national problems as they are focused into the limelight through congressional consideration, I dwelt at some length on current and continuing unemployment as America's problem No. 1. Because of my persistency in dwelling on this critical paradox, wherein millions of willing and able Americans are denied the opportunity to work in this great country of ours, I have felt that the constant reference to unemployment might be somewhat boring. But, in view of the many statements made during the past 10 days by leading statesmen and those who are seeking high public office, to this same effect, namely, that unnecessary and involuntary unemployment is public menace No. 1, I feel more justified in continuing my reference to this absurd situation wherein our youth, as well as our older and more experienced citizens, mill around daily looking in vain for work opportunities.

Ladies and gentlemen, it is not only tragic but it is downright criminal for us as an intelligent and aggressive people to endure and tolerate the continuance of unemployment in this Nation. The fiscal headache resulting from continued Budget deficits for the past decade stems from this absurd lack of jobs. The debt frankenstein becomes even more horrible because men and women are not working. Terrific burdens of taxation continue to add up to even more staggering totals simply as a result of idleness. Class tension and labor extremism are fostered by the host of unemployed who are daily in competition with those more fortunately employed. Those on the extreme right and the extreme left of our public opinion become more sharply antagonistic and unreconciled because of the problem which, acute today, grows even more acute as year follows year with no determined approach to the necessity of people going back to work. The Dies committee investigation of un-American activities, which I supported this very week in Congress, finds its reason for being in the fact that resentful men and women of this Nation develop because there are no work opportunities for the submerged 8 to 10 percent of our people. Our young people graduating from high schools and colleges are asking, as they have a right to ask, "What does this all add up to and what is this all about?" They know that there are enough natural resources and there are enough industrial plants in this Nation to provide jobs for all if the people of this country are eating, clothing themselves, and sheltering their families on decent standards. These inquiring younger members of our society know full well that there is something sadly out of balance, and they completely realize that there must be some way to put the razzle-dazzle parts of this economic puzzle back together so that they and all others who want to work can find the job opening through which each and every one of them can work out his own destiny. Friends, this is our problem, and this generation which is now running the show must find the answers.

It is true that for the past 10 years politicians have not been willing to find that answer, but it is also true that you, the people, have not demanded that public officials shall find the answer. We have had attempts made to palliate and salve over this cancer which is eating away at the very soul of this great Nation. Work relief has been provided, but work relief is not what our good men and women want. They want jobs at productive enterprise and they want decent wages for their work. This is nothing new that I am saying, but we must face the fact that we have tolerated this needless condition for 10 long years and we are still stalling and drifting so far as a solution is concerned. Unemployment is the challenge of 1940 to democracy, and we cannot afford to let Presidential appeals for national unity nor distracting issues of foreign wars conceal the problem.

It is a human problem, and no wide-awake and no thoughtful American is being misled by the current ballyhoo regarding the state of the Nation's prosperity. A truly prosperous nation contains no unemployed host of its citizens as does the America of today. You know that, and so do I. What's more, we know that a truly prosperous nation earns its way as it goes and finds no difficulty in balancing any sensible budget of normal expenditures for the pur-

poses of sound government. And we know that any truly prosperous nation, if wisely governed, at all times possesses defenses ample to protect that prosperity and its harvest, avoiding the necessity of frantic and wasteful efforts to erect such defenses in the face of threatening peril from without or from within. The very best and the most effective defense against such perils to our welfare and our prosperity is the continued employment at productive enterprise of our people and all of our people.

During the past 2 weeks in the House, the membership, under the leadership of an economy-minded Appropriations Committee, has made deductions in two supply bills of some \$125,000,000. But—and this is the significant fact—these two bills, even after the pruning, still carry the staggering sum of between two and two and a quarter billions of dollars. There are still a dozen or more bills appropriating money yet to come. Doubtlessly the total appropriations for 1941 fiscal year will add up to nearly nine billions. Our income may total six billions for the similar period. Where are we headed after 10 years of such a devastating and demoralizing deficit procedure? Mr. Morgenthau says we can safely increase the national debt to fifty billions, and I say to you that we cannot and should not increase the public debt by one thin dime. Our conscientious Secretary of the Treasury is a splendid man, but he is only a man, even as you and I, therefore his statements and his opinions are not in any sense of the word "infallible" or the last word. We have had enough of debt. Debt is the curse of this Nation. There is no more need for this Federal Government of ours to go into debt than there is for us to endure the unemployment of 10,000,000 citizens. Congress, which is the medium of expression and action of and for the people of this country, has the constitutional right to coin and regulate the value of our money, and Congress has the constitutional right to levy taxes in the interests of the general welfare of the people. With these two sovereign rights there is no need for deficits and debt, and there is no reason under the sun for unemployment. Today and for the past three-quarters of a century, we have been shackled and we have been strangled by a financial octopus which thrives on debt accumulations and deadening deficits, both public and private. The productive possibilities of this Nation are stalemated by the debt system of finance, which hangs around our collective neck like a millstone. Our present Secretary of the Treasury and his associates think completely in terms of debt. There are those of us, however, who are thinking in terms of work. But we cannot go to work until and unless you, the people, begin to question more insistently the present practice of relying on extension of debt as the sole stimulus of production. This past week, following up previous correspondence with Chairman Eccles of the Federal Reserve Board, I requested information officially as to the percentage of our money which comes into circulation and use as the result of the creation of debt. I expect that his answer will confirm me in my opinion that nearly 90 percent of our medium of circulation results from the issuance of evidences of debt either public or private. How can any person defend such monetary procedure when all must realize that a continuance of debt expansion through the extension of credit must eventually pyramid to a point where it collapses of its own weight, bringing in the wake of that collapse mass unemployment and misery. Neither this administration nor preceding ones have done anything about this all-important proposition. Nor have I heard any Presidential candidate touch upon the subject. President Roosevelt, in his inaugural speech, did promise to drive the money changers out of the temple, but this promise unfortunately has only resulted in giving the temple to the money changers.

The plight of our elderly citizens wherein thousands in this State and hundreds of thousands over the country are unable to secure even the pittance of that which is called old-age assistance, the unemployment of our youth and the consequent slamming in their faces of the door to opportunity, the misery of nearly half of our people, occasioned by starvation annual incomes, all of these un-American paradoxes are the direct result of financial strangulation of our productive machine caused by our blind adherence and obedience to a debt-money practice foisted upon us by the greedy international and national master minds of finance.

It is not only the misery of the unemployed and their families which disturb me but it is also the decreased amount of production resulting from the idleness of millions with its consequent lowering of the standards of living for all as it becomes a tremendous toll which America must pay. If we estimate during the past decade the cost of this man-made and man-caused depression, we find that potential production could have totaled at least \$1,000,000,000,000 while we actually have used not more than \$600,000,000,000 worth of goods and services. This entailed a net loss of \$400,000,000,000 which every man, woman, and child of this country suffered. It is also interesting to note that during the 1920's our production increased some 43 percent while our population was increasing 16 percent but in the 1930's our production decreased some 11 percent from the previous decade while our population continued to increase by 8 percent over the 1920's. In other words, with a larger population during the past 10 years we have had much less production to use thereby actually decreasing the standards of living. So do not think that you, just because you have a job at present, can safely ignore or be distracted from the unemployed status of your neighbor or friend. You not only pay the bill in decreased standards of living for yourself and family but you also pay the bill through taxation in keeping millions continuously unemployed in America. But in spite of the most important significance of this unemployment crisis I do not know of any congressional organization that has

been set up to wrestle with it. I do not know of any privately endowed foundation or institution which has taken unto itself the responsibility of doing anything about it. During the past 2 weeks, several Members of the House have discussed the advisability of organizing a bipartisan group to make it our business to study and review the monetary approach to this No. 1 problem constituted by the jobless. But we are limited by the lack of time and funds to do the job which must be done. We are also handicapped by the lack of a nationally known and trusted statesman who could and should be the keyman in such an effort. There is one such Member of the Seventy-sixth Congress and that is Senator NORRIS of Nebraska, who could lead such a fight against the common enemy of unemployment because of the universal confidence and respect which is accorded him by the whole country. Independent and fearless, he would be the figure around which would rally those of us who do believe that the people can be put back to work—those of us who believe that every Tom, Dick, and Harry of this Nation is entitled to the fullest opportunity for dignified, constructive work. It is my sincere hope that in the near future I may be able to report to you that such a group has been organized and that we are applying ourselves to the job of finding the real approach to the creation of jobs for all who are willing and able to work.

In closing let me agree with you that the balancing of the Budget is desirable and necessary, let me insist that constantly recurring deficits must be eliminated, let me state wholeheartedly that our traditional rights and principles of Government and our American freedom of individual initiative and enterprise must be safeguarded and preserved. But let me at the same time emphatically call to your attention in no hesitating terms that the one way to accomplish those results is to put people back to work. This brings me right back to where I started—America's No. 1 problem is unemployment.

And so, amid the ballyhoo and the bunk of a political Presidential year, let us not forget the simple truth involved in that assertion made by me 2 weeks ago and confirmed since then on several occasions by those who are considered to be in the top flight of Presidential politics on both sides of the political picture. In the next few months do not be blinded by the political eyewash and balderdash but rather be determined to require, as you estimate candidates for public office, that each and everyone who seeks your favor shall have some specific suggestions to offer in connection with a permanent solution of the unemployment problem.

Until 2 weeks from tonight, good wishes and good night.

### Tallulah Bankhead's Gift to Finland

#### EXTENSION OF REMARKS

OF

#### HON. LISTER HILL

OF ALABAMA

#### IN THE SENATE OF THE UNITED STATES

Thursday, February 8 (legislative day of Wednesday, February 7), 1940

POEM BY H. C. CARLISLE

Mr. HILL. Mr. President, inspired by Miss Tallulah Bankhead's generous gift of \$3,000 to the suffering people of Finland, Mr. H. C. Carlisle, of Alabama, has written a tribute to her which I ask unanimous consent to have printed in the Appendix of the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

#### TALLULAH BANKHEAD

T-here's a noted little lady,  
A-ll unspoiled by wealth and fame,  
L-iving to make life worth living,  
L-ifting high her family name,  
U-sing her unusual talents,  
L-ast of all for self alone,  
A-s she, true to early training,  
H-appily helps others on.

B-orn and bred in Alabama,  
A-labama's favored child—  
N-ationally and uniquely  
K-nown, for those on whom she's smiled—  
H-armonizing with her talents  
E-legance of heart and mind,  
A-lways with Tallulah Bankhead  
D-o her bit to aid mankind.

### Abraham Lincoln

#### EXTENSION OF REMARKS

OF

#### HON. GEORGE H. BENDER

OF OHIO

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. BENDER. Mr. Speaker, every nation in the world has its heroes. But some men are heroes to the entire world. Some element in the nature of human beings compels us to revere the memory of those great people who have left the tracings of their character upon the pages of history. We stand in tribute before them, because we see in their lives the patterns we seek to follow. Millions of American boys and girls in our country have thrilled to the story of Abraham Lincoln. They have sat in the comforts of their homes to read a tale more absorbing than any fiction. No one who reads can find in any language a record more fascinating than the life of Abraham Lincoln.

Here truly was a man who belongs to the ages. He was more than a great man. He was a man so simple, so humble, so human that those who lived about him did not realize his stature. During his lifetime his opponents poured ridicule and abuse upon his head. More than once he was deeply hurt. More than once he found himself tired and depressed. A dozen times he was tempted to give up. The tremendous burdens visited upon him during the years of the Civil War were crushing in their force. On every side he found suspicion and discouragement. The members of his Cabinet were skeptical of his judgment; in fact, President Lincoln's Secretary of State thought so little of his Chief that he once asked for authority to run the Government in place of the President. But Abraham Lincoln was not destined to surrender. Through bitter adversity he fought on. He did not give up, because it was not within him to give up a cause he thought right.

Truly this is the mark of his greatness. He championed causes which seemed to be lost. The preservation of our Union, the maintenance of a strong Federal Government, the doctrine of human freedom—no issues more magnificent have ever troubled the minds of Americans. Yet no causes have ever been so bitterly fought. Abraham Lincoln stood his ground on every one of these grave issues. He stood his ground in the conviction that he was right, in the certainty that no matter what his contemporaries said of him, his descendants would approve his works.

Here was a life which deserves the study it has received. Literally hundreds of books have treated the career of Abraham Lincoln from the moment of his birth on February 12, 1809, to the day of his death on April 15, 1865. It is a recital which deserves retelling again and again. For if ever a man's life has been an inspiration, that life was Abraham Lincoln's.

The people of a dozen nations, young and old, have followed the thrilling episodes of Lincoln's life from those early days in Kentucky, Indiana, and Illinois. No American can check his pride at the recollection of young Abe Lincoln clearing the forest, building the log cabin which was to be his home. Those early years bring the tang of pioneering days right into our modern era of city streets and flying planes. We can still see Lincoln sailing down the Mississippi to New Orleans, looking for a market to sell the produce of his neighbors' farms. We watch him ferrying passengers across the Ohio River from the Kentucky shores. We join him in the operation of his general store at New Salem, Ill.

The picture brings back nostalgic memories of America's early days, memories almost forgotten in the rush and excitement of our pressing problems. Most of us have almost forgotten that not so many years ago the people of our Nation faced periodic outbursts of Indian warfare. Abraham Lincoln brings back those memories to us. Like the hardy young backwoodsman he was, he served as an officer of Volunteers in the campaign against Chief Black Hawk's Indians. He did



not know much about military affairs, but he won the affection of his men. He acquired new ambition for the future.

By the time he was 24 years old Abraham Lincoln had run unsuccessfully for the Illinois State Legislature and had failed in business. Of course, he was discouraged. But he had read Blackstone's Commentaries; he had learned the value of hard physical labor. He had sharpened a keen mind for the great tasks before him.

If any man had come to Abe Lincoln in 1834, when he was just 25 years old, to prophesy that the young man would one day be the President of the United States, no one would have laughed harder than Lincoln. But in his twenty-fifth year the upward march began. He was elected to the legislature. Two years later he received his license to practice law, and went off to Springfield, the new capital of Illinois, to begin a new life. For 8 years he served continuously in the legislature. By 1846, when he was 37 years old, Lincoln was elected to Congress, where he earned the unpopular distinction of opposing the war against Mexico. His fortunes sank once more, for he knew that he could not be reelected to Congress. But he was content because he had voted as his conscience dictated. He did not consider his election as important as his vote.

All this time Lincoln was learning. He watched men around him who compromised with their convictions. He refused to join them. In Congress he voted 40 times for the famous Wilmot Proviso, excluding slavery from all lands acquired as a result of the War with Mexico. He introduced a bill to abolish slaveholding in the District of Columbia.

Freedom was a living thing in Lincoln's mind. It meant the opportunities he had enjoyed himself. It meant the right to fight one's way upward along the ladder. It meant hardships, rebuffs, determination. To Abraham Lincoln it meant the privilege of placing conscience above wealth. He turned down many a case in the days when he was practicing law because he could not bring himself to believe in his client's cause.

Lincoln returned to Illinois, following his term in Congress, to resume his old life. He was almost 40, virtually unknown outside the limits of his own State. Seemingly, he was content to remain at home with his wife, Mary Todd Lincoln, and his three boys. He declared himself "unfit" for political life, no longer interested in making a career for himself in politics. The pleasures of "traveling the circuit," practicing law through a score of counties in company with the circuit judge, telling good stories, making friends with the people he loved, occupied his time and his mind.

Peace and quiet were not written in Lincoln's destiny. It was an age when men's thoughts were torn by matters of grave importance. The slavery issue would not die. Not even the Missouri Compromise could kill the belief in men's hearts that slavery was wrong, immoral, unjust. By 1854, the battle was raging again. The Kansas-Nebraska bill made possible the extension of slavery into lands which the Missouri Compromise had declared forever free. It was too much for Abe Lincoln.

All his life he had believed that slavery was wrong, that no man had a right to own another. There were other men, too, in the United States who agreed with Lincoln. Their views were so imperative that they could not be satisfied with any existing political party. The Whigs were dying. The Democrats were afraid of the wrath of the Southland. It was a historic moment. It was a moment in American life of which every citizen can well be proud. It was the signal for the birth of the Republican Party, dedicated to the proposition that all men, black or white, must be equal in the eyes of the law. It does not matter how much the modern-day opponents of the Republican Party minimize its importance. The truth remains. Opposition to human slavery was the fundamental issue upon which the Republican Party was established. It will be forever to the glory of the partisans of the Grand Old Party that they stem from the greatest single cause in American history. It will be forever to our glory that the doctrine of those men who founded Republicanism was placed upon a plane so high that it captured Abraham Lincoln.

"Free men," the words were magic to Lincoln. He dropped his allegiance to the Whigs and joined the Republicans at Bloomington in 1856. He did more than join the new party. He inspired the convention. When the audience shouted for him to speak he answered their call. He plunged into his thoughts with passionate emotion. Those who have recorded the scene tell us that the men and women who heard him cheered and cried. When he spoke his final words, "We must highly resolve that Kansas must be free," the people who were present declared they had heard the greatest speech ever made in Illinois. Newspaper reporters who were present were spellbound. They had heard a man speaking out his soul.

Abraham Lincoln's fate was sealed on that afternoon in Bloomington. He could no longer escape the calls of public service. Within 2 years his nomination for the United States Senate on the Republican ticket was a certainty. When he addressed the nominating convention Lincoln made one of America's most famous speeches. He said to his followers:

A house divided against itself cannot stand. I believe this Government cannot endure permanently half slave and half free. I do not expect the Union to be dissolved—I do not expect the house to fall—but I do expect it will cease to be divided.

The words were challenging. They brought a torrent of criticism upon his head. But Lincoln knew his mind. He challenged his rival in the famous Lincoln-Douglas debates to answer the basic issue. His impressive words made him the idol of every citizen who cherished human freedom.

Is slavery wrong?

Lincoln demanded.

That is the real issue. That is the issue that will continue in this country when these poor tongues of Judge Douglas and myself shall be silent. It is the eternal struggle between these two principles—right and wrong—throughout the world.

Lincoln lost the race for the Senate, but that loss gave him the Presidency. By 1860 the Nation knew Abe Lincoln well. His friends from Illinois stood solidly behind him. The people who knew him best were all for him. It was a thrilling Republican convention. When Lincoln was nominated he made one of the most unusual campaigns in the history of our Nation. From the nomination in May to his election in November, he made only one speech, and in it he said—

The time comes upon every public man when it is best for him to keep his lips closed. That time has come upon me.

The Nation knew where Lincoln stood. The people of America knew that he would not waver. He never did. Through the long trying days of the Civil War to the day of his assassination 5 years later the policies he urged were the policies of the Nation. His personality dominated the affairs of our Government as few others have ever done. His courage gave strength to those who despaired.

On the anniversary of his birth every citizen of our Nation should remember him; every man and woman who values the ideals of human liberty should recall the famous words of his Gettysburg Address. Millions of American boys and girls who have learned them by heart should repeat them on this day:

Fourscore and seven years ago our fathers brought forth on this continent a new Nation conceived in liberty and dedicated to the proposition that all men are created equal. Now we are engaged in a great Civil War, testing whether that Nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that this Nation might live. It is altogether fitting and proper that we should do this. But in a larger sense we cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note, nor long remember, what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us, that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, and for the people shall not perish from the earth.

These are the immortal words of immortal Lincoln. I commend them to a Nation whose spirit too deserves immortality.

### A Voice From Across the Sea

### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

### LETTER FROM SINO-KOREAN PEOPLES LEAGUE

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following letter from the Sino-Korean Peoples League.

SINO-KOREAN PEOPLES LEAGUE,  
Washington, D. C.

#### A VOICE FROM ACROSS THE SEA

FELLOW CHRISTIANS: Bible institutes, girls and boys Bible clubs and seminaries have been closed in Korea.

Recently Australian Presbyterian Mission and Board have both decided that they cannot conscientiously allow their church members to go to the Japanese Shinto shrines to pay obeisance to the Shinto Kami or gods. Hence the Japanese Government closed all their schools.

A few weeks ago an American missionary sent word that the "Pyongyang Seminary, the Women's Bible Seminary, all Presbyterian Bible institutes, and even the Bible clubs in which we had 1,500 boys and girls, are all closed. Because of these conditions I went to see Mr. Grew, the American Ambassador \* \* \*; he is interested and anxious to help. He realizes that missionaries are being squeezed out just as American businessmen are being squeezed out \* \* \*."

#### EVEN PASTORS ARE COMPELLED

The Presbyterian Foreign Mission Board recently appealed to the Department of State:

"You will regret to learn that most recent advices indicate that a still more serious situation is developing. Attendance at the shrine is being required not only of educational institutions but pastors of churches and religious bodies are compelled to take part in the ceremonies. Severe punishment and long imprisonment are being inflicted upon any persons who on conscientious grounds refuse to conform to this requirement. Our entire work in Chosen (Korea) is being imperiled."

#### BACKGROUND

On December 14, 1935, the education ministry council suddenly drafted a religious bodies bill, making a drastic revision of educational system. The ministry declared:

"Today it is impossible to improve education without the aid of religion. The foundation of the new policy for improving the educational system is the worship of Amaterasu Omikami and the place of worshipping the Imperial Ancestor is to be established in each school."

NOTE.—It is significant to note this declaration and its very wording and its implications.

This declaration was a direct violation against the Christian religion and the so-called religious freedom granted under the Japanese Constitution. Hence many protests were made. Even the Japanese Christians in the beginning made joint protests with the missionaries and the Koreans. However, protests were of no use. The Shinto militarists were bent on performing an operation on the heart of Christianity. The design of the Japanese Government was to Japanize Christianity as they did to Buddhism, "Ryobu Shinto," half Christian and half Shinto.

Pressure was brought upon the Christians in Japan, and particularly in Korea, where an absolute military iron-rule governor general is now performing this operation.

Last May a Japanese Christian pastor in Tokyo went to the length of preaching the need and justification of changing the doctrine of "Trinity." He urged the addition of Shinto Kami and made it the doctrine of quadrinity.

#### "WE MUST LOOK AHEAD"

Last January 3, 1940, President Roosevelt, in his message to Congress, advised that:

"We must look ahead and see the kind of lives our children would have to lead if a large part of the rest of the world were compelled to worship the god imposed by a military ruler or were forbidden to worship God at all \* \* \*."

This is precisely what is happening in Korea. The Shinto militarists are forcing the Christians to violate their faith contrary to the Ten Commandments. They are forced to pay obeisance to

Shinto Kamis or deities. This, they say, is not a religious but a patriotic exercise.

What may now take place in Korea will soon affect Manchuria, north and south China. Eventually it will have a disintegrating effect on the spiritual quality of Christians in America. The results would be like an empty bag—it will never stand the test of a true Christian when a greater crisis comes.

"We must look ahead" to the future mission work in the Far East. To capitulate under the Japanese Shintoism in the name of missionary expediency will mean the signing of Christianity's death warrant. Christianity must be saved; it is the only hope for the world.

#### BISHOP WELCH FIRST PROTESTANT LEADER TO COMPLY

Regrettably, Bishop Herbert Welch, who was then the head of the Methodist mission, accepted the Japanese Government's decree, thus starting a train of horrible events to the present state of affairs. Bishop Welch's decision to go to the Shinto shrine gave the Japanese the much-needed weapon to plunge into the other Protestant denominations who stood pat on the principle of the Ten Commandments. It brought about the disintegration of Christian unity and harmony in the mission fields. Since then the Japanese have conveniently used the Methodists to force the Presbyterians to do that same.

Early in 1936, in Honolulu, Hawaii, Bishop Welch, in his interview, said that the Methodist decision was and is a "tentative" one. Today, after 4 years, there is no visible sign of any change of this so-called tentative decision. Frankly, his acceptance was largely a policy of expediency, not dreaming of the far-reaching repercussion it may cause upon Christianity in the Far East.

#### AMERICAN JOURNALIST CRITICIZES MISSIONARIES

Not long ago Mr. A. Morgan Young, a well-known journalist, who lived in Japan for more than a generation, made a searching and just criticism of the missionaries who are on the Japanese side indirectly aiding the Shinto militarists to carry on this diabolical scheme. He emphatically stressed and warned that the belief of in the "actual divinity of the Emperor and the omnipotence of the god-emperor combined with Shinto requirement of blind acceptance of it becomes a dangerous threat to world civilization."

#### ANCESTOR WORSHIP AND MISSIONARIES

Up to the end of 1935 missionaries in Korea strongly condemned and disapproved of the "ancestor worship" of the Koreans. The Korean Christians were urged and demanded that they refrain from participation of the ancestor-worship rituals. The burning of incense before the "Shinju"—meaning "spiritual tablet" of their ancestor—were said to be idolatrous, hence against the Ten Commandments.

Therefore, the outward manifestation of becoming a good Christian was to destroy, burn, or do away with this "Shinju," which has been handed down to them for centuries and generations. It often meant the breaking up of families—love between father and son, etc. Today these very same missionaries who only a few years ago were so strong as the Christians to go and bow—pay their obeisance to the Shinto deities. While they know the Shinto rituals are far more religious in every respect in comparison with the Korean ancestor worship, one wonders whether the Shinto militarists, who are non-Christians and anti-Christians, are more worthy and intelligent to define the true interpretations of the Ten Commandments than the bishops and other Christian leaders. Every American missionary who has accepted the Japanese version are trying to defend their "tentative" decision.

#### NATIONAL SHINTOISM

The Society of International Cultural Relations, an organization headed by the brother of the Japanese Emperor, former prime minister, counts, viscounts, religious, political leaders, minister of imperial household, and what nots, in 1937 published a book entitled "Guide to Japanese Studies."

Under the chapter of Shintoism, on page 140, it said:

"Nihonshoki and Kojiki is the essence of the Japanese spirit, which has been the basis of the religious life of ancient as well as modern Japan. \* \* \* The Japanese people regarded them as their Bibles which fostered their religious faith and racial spirit."

NOTE.—In these books "Bible" contains the accounts of the creation, hell, division of land and waters, and the divine ancestor of the Japanese Emperor, Amaterasu Omikami, a female supreme deity.

#### EMPEROR DESCENDANT OF GODS

On pages 148-149:

"The Emperor Meiji, a descendant of the gods, wrote a famous poem—

"Yomo no umi mina harakara to omo yo ni,  
Nado namikaze no tachisawaguran."

"which may be translated as: 'We regard all the countries outside the seas surrounding Japan as our brethren, but why must the seas be disturbed by heavy winds and waves?'"

"There is an expression, 'A god incarnate.' The Emperor Meiji was such a noble character that we all look upon him as a revelation of God in this world. This poem of his is an expression of the mind of his great divine ancestor, Amaterasu Omikami."

NOTE.—Amaterasu Omikami, the above-named Emperor, and other war deities are said to be enshrined in the national Shinto Shrines in Korea. These are the deities to which the Christians refuse to bow, pay obeisance, and worship. Are they wrong? Would you?



Last December 2 an American citizen of Japanese ancestry in Tokyo, correspondent for the Honolulu Star Bulletin, wrote to the paper:

"I had the good fortune to be sitting in the press section less than 20 feet away from the imperial balcony. It is probably the last time I shall ever be that close to the emperor, who is revered as a living god in this country." (Japan.)

#### FEAR PSYCHOLOGY AMONG MISSIONARIES

This peculiar fear psychology has been evidenced not only in Korea but prevalent in America. On occasion American missionaries who returned to America from Korea have shown marked evidence of this fear psychology. They fear to speak out loud concerning the true situation in Korea—they will always end their whispered conversation with a plea of warning not to tell their superiors. They fear that they might be reprimanded or the Japanese officials may retaliate against them on their return. They fear their mission schools may be closed because of their speech or behavior; they fear that their jobs may be jeopardized; they fear that other Christian denominations may take advantage over their stand—on the whole, they show signs of possessing a mortal fear psychology, unhealthy for any Christian leader, particularly a missionary living in a so-called heathen country.

As far as one can surmise, this fear psychology is to a large degree due to the lack of backing of their missionaries by the Christian leaders in America.

#### CHRISTIAN LEADERS IN AMERICA DIVIDED

Hundreds of Christian leaders in America are well aware of these conditions in Korea—Korea, the great mission field in the Far East. However, knowing this and its need of some concerted action by the Protestant denominations, the leaders stand divided.

As far as our experiences are concerned, the South and North Presbyterian Foreign Mission Boards are and have expressed their willingness to sit in a round-table conference and discuss ways and means to find a solution on the common ground for a positive and a constructive policy. We hope the Methodists, too, will take this step soon.

On several occasions I have heard American officials making this remark in Washington, D. C.:

"The missionaries themselves are divided on this issue."

No longer is this grave situation a denominational one; it is a searching and a challenging problem affecting each and every Christian leader of all Protestant denominations in America.

#### TIME FOR ACTION, NOW

We sincerely believe now is the opportune and the psychological time to take a positive united action. The Far Eastern conflict between China and Japan is coming nearer to some sort of peace. The United States-Japan Navigation and Commercial Treaty of 1911 has expired. There will be many events in the near future which will bring about definite political, social, and economic changes. This will give the Christian leaders a golden opportunity to prove their statesmanship in aiding the various Government leaders to bring about a just and humanitarian peace.

Here in America you have freedom of religion, freedom of speech, freedom to learn the truth, and the freedom to do a justice to fellow men on the principle of Christian brotherhood. Let us be frank, honest with conscience, and face the truth. Will the American Christian leaders here in America make compromises with the devil in the name of denominational expediency? In the name of denominational prestige and denominational security and power at the expense of Christianity?

Fellow Christians, we fervently and humbly pray that you make immediate inquiry as to the speediest means of taking a united Protestant action to solve this grave issue.

A positive cooperation and collaboration between all Protestant denominations now will not only solve the Shinto Shrine issue, it will also bring constructive aid to a true Christian understanding among the Christians within America.

May we make the following suggestions:

First. Call a joint Protestant foreign mission board conference in Washington, D. C., in March 1940.

Second. Make a joint Protestant representation to the American State Department making known the findings and recommendations of the conference with the ultimate view of getting diplomatic aid in the clarification of the Shinto Shrine issue.

Third. This joint Protestant representation be made before the resumption of or negotiations for a new United States-Japan Navigation and Commercial Treaty.

"O beautiful for patriot's dream that sees beyond the years  
Thine alabaster cities gleam undimmed by human tears  
America! America! God shed His grace on thee  
And crown thy good with brotherhood from sea to shining sea."

"Can we whose souls are lighted  
With wisdom from on high  
Can we to men benighted  
The Lamp of Life deny?  
Salvation! O Salvation!  
The joyful sound proclaim  
Till each remotest nation  
Has learnt our Saviour's name."

Humbly submitted with prayer.

KILSOO K. HAAN,  
Washington Representative, Sino-Korean Peoples League.

## As the British See Our Foreign Policies

### EXTENSION OF REMARKS

OF

### HON. HAMILTON FISH

OF NEW YORK

### IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

#### ARTICLES FROM THE CHICAGO TRIBUNE AND NEW YORK JOURNAL-AMERICAN

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include some newspaper articles quoting the British view of the administration's foreign policies:

[From the Chicago Tribune of January 10, 1940]

#### ENGLAND RENEWS DRIVE TO INDUCE UNITED STATES TO JOIN WAR—PRESS SEES ROOSEVELT AS EMPIRE'S CHAMPION

LONDON, January 9.—British public opinion appears to be getting the conviction that it is only a matter of time before the Roosevelt administration induces the American people to abandon their neutrality and enter the war on the side of Great Britain and France.

In the press and public utterances the point is stressed that its neutrality will not secure America from the menace of Adolf Hitler and that this war is a moral challenge to American ideals and freedom.

What seems to be a renewed propaganda onslaught to get the United States to join in open hostilities is under way. The war, which has not yet exploded except on the sea and in the air, is heralded not as an ordinary war but as something of a crusade, in which America cannot afford to stay out.

#### GIVE CREDIT TO ROOSEVELT

Articles in today's press indicate that the political circles here believe that good progress has been made in influencing public opinion in America to abandon its neutrality. Credit is given to President Roosevelt for this tendency which is alleged to be taking place.

The papers assert that the tenor of Mr. Roosevelt's last message to Congress, as compared with what he said last September, shows that America is moving slowly but steadily toward participation in the war under Mr. Roosevelt's guidance.

The Daily Telegraph declares:

"President Roosevelt promised America's fullest cooperation in reorganization of international trade. The promise is most welcome, but it still leaves a gaping void. Nevertheless, anyone who compares the President's last message to Congress with that of 10 weeks ago cannot fail to note a striking difference in tone. It is the difference between 'we are determined never to enter this war' and 'we will not enter this war unless.'"

"American public opinion often moves in what seems to us a mysterious way, but it moves and is moving, and with the American President for its guide and interpreter, one may be reasonably confident of its general direction."

#### BEAVERBROOK BEHIND DRIVE

The growing belief by some persons in England that the United States will, under Mr. Roosevelt, abandon its neutrality is linked with the campaign started last Saturday by Lord Beaverbrook, the press lord. He sought to show that the British in 1917 thought the money then advanced to them by Congress for prosecuting the war was an outright gift and not a loan, together with the idea that collection of war debts by the American Government was a cruel and mean afterthought.

The Daily Telegraph for the past 2 days has been developing the theme of American abandonment of neutrality, pointing out the parallel of the present moment with that of 1916 when Woodrow Wilson was elected President on a "He kept us out of war" program and shortly afterward moved in the direction of war.

The Telegraph tells the Americans that if the empire countries lose this war it will be bad commercially for America and the circle of customers for American business will be greatly restricted.

#### CALL IT "FREEDOM WAR"

It expresses the belief that England and France now are fighting the battle of freedom in behalf of America as well as of Europe and declares:

"If the United States had accepted a more reasonable role than that of an onlooker at the European conferences of 1919 until 1930 the results might have been different."

Declaring that no nation is so responsible as the American to an appeal to its sentiment, the Daily Telegraph stresses the special crusade nature of this war.

"Nations, like individuals, will not throw themselves into a crusade by some overpowering emotion, whether of faith or fear," it says. "Hence the sacred cause of the Allies needs a powerful and continuous presentation to the conscience of those who at present

do not see the danger near or are lukewarm in their support of privileges won and transmitted to them by their forefathers."

In seeking to get America in on this "sacred cause" of Great Britain and France and a crusade "not to make the world safe for democracy but safe for decent governments and decent nations to live," the Daily Telegraph quotes Dr. Nicholas Murray Butler, president of Columbia University, as saying that this tragic mess in Europe is the direct and overwhelming fault and responsibility of America for not having years ago taken a hand in European affairs.

[From the New York Journal-American of February 7, 1940]

**BRITAIN HINTS ROOSEVELT WILL SUPPORT ALLIES—OFFICIAL SAYS PRESIDENT WANTS TO JOIN "CRUSADE"; SEES UNITED STATES IN WAR**

OXFORD, ENGLAND, February 7.—Official British belief that President Roosevelt wishes a "change" in America's isolationist policy, and that the United States may be swept into the war was plainly intimated today in a speech by an executive of the British Information Ministry.

Lecturing at Oxford University, Sir Frederick Whyte, director of the American division of the ministry, declared:

"The neutrality act showed where America's sympathies lay. The instinct of isolation in America is still deep rooted. The change desired by President Roosevelt may be slow in coming."

"Considering the vehemence of the American temperament, it is not inconceivable that these sympathies may one day sweep America into the crusade which today she shuns."

Sir Frederick rebuked English critics who have been impatient with the neutrality policy of the United States, and urged them to reconsider their attitude for the sake of better Anglo-American understanding.

He made it plain he considers the American neutrality law as evidence that the sympathies of the United States are with the Allies, and that these sympathies may bring America into the "crusade."

It was Sir Frederick's second lecture on America's position in current world affairs. In an Oxford lecture last Monday he became the first British Government official to suggest that the Anglo-French cause is also the cause for which the United States might in the future choose to fight.

### Stream Pollution

#### EXTENSION OF REMARKS

OF

**HON. JOHN McDOWELL**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

ARTICLE BY GEORGE ROBEY

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by George Robey which appeared in the Citizen of Columbus, Ohio, on January 29, 1940:

[From the Columbus (Ohio) Citizen, January 29, 1940]

OUTDOORS—TWO BILLS

(By George Robey)

It was evident at the recent convention of the League of Ohio Sportsmen that advocates of clear, pure streams are tired of being put off with promises on the matter of municipal and industrial pollution. Action is being demanded.

Consequently, the Mundt bill is receiving the almost unanimous support of sportsmen throughout the United States.

Threatening to upset the equanimity of the convention which had been otherwise unstormy was the appearance on the floor of a lobbyist from Cincinnati from whence comes the strongest opposition to the Mundt bill. His opposition comes naturally from the fact that the bill no longer provides merely for the investigation of pollution without proposing to do anything about it. And so it is only to be expected that the opposing element would turn their support to the Barkley bill, which would create bureaus, or at least committees, to investigate pollution but which would give no one any power to act when the committees found pollution to exist.

Just why anyone should think it necessary to make further investigations to determine the fact that pollution exists when there is so much evidence of it all about us is a matter which the sponsors of the Barkley bill seem unable to answer. In their defense of that bill—and defense it is because almost everyone opposes it—the advocates say that we have had enough Government interference without State problems and that therefore the pollution problem should be a State problem.

That is exactly what it has been for a great many years. The trouble is, no headway has been made in solving the problem. However, granting that the Government interference angle might have some merit, there is nothing to be gained merely by tossing the problem right back into the lap of the State without providing some means by which they may and must enforce new antipollution laws or at least the ones they already have. So the Barkley bill accomplishes nothing, and the gentleman from Cincinnati found a veritable hornets' nest down on his head when he tried to sell the bill to delegates at the League of Ohio Sportsmen convention.

On the other hand, let's see what the Mundt bill provides. Quoting from section 3 (a) to show the relation of Federal authority to existing agencies:

"The Chief of Engineers shall, after careful investigation and in cooperation with the Surgeon General of the United States Public Health Service, the Chief of the United States Biological Survey, the Commissioner of Fisheries, which three shall constitute an advisory committee, perform the duties imposed upon it by this act and shall make rules and regulations as may be necessary for carrying out its provisions."

Section 5 establishes the position of the States with regard to pollution: "The consent of Congress is hereby given to two or more States to enter into agreements or compacts, not in conflict with any laws in the United States, for cooperative effort and mutual assistance for prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts."

### Flood Control in the Ohio Valley

#### EXTENSION OF REMARKS

OF

**HON. JAMES G. POLK**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

ADDRESS BY BRIG. GEN. THOMAS M. ROBINS

Mr. POLK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, "Flood Control in the Ohio Valley," delivered by Brig. Gen. Thomas M. Robins, Assistant to the Chief of Engineers, before the Ohio Valley Conservation and Flood Control Congress at Portsmouth, Ohio, on February 6, 1940:

Back in 1824, when this vast Ohio Valley was a sparsely settled wilderness, the Corps of Engineers made a survey of the Ohio River with a view to the improvement of navigation. In the report of the two officers who made the study we find the statement, "The Ohio has its banks so high as to be seldom overflowed." That statement was no doubt made because neither developments nor encroachments were at that time such as to warrant any concern over occasional floods. We have gone a long way since that 1824 survey and if there was any lack of foresight involved in the statement quoted, I am willing to look lightly upon it, for the growth of industry and population in the valley has exceeded any logical estimate which those early engineers might have made. However, this valley development progressed in a typical early American fashion, without serious regard of the hazards involved in encroaching on the flood plain, and slowly but surely it came to pass that the river which "seldom overflowed its banks" became a menace to life and property as well as an artery of commerce.

Having the problem of flood control in the Ohio Valley on our hands as a concrete fact, it seems fitting that we briefly orient ourselves as to the existing policy with respect to this work, what is being done, and what remains to be done.

For many years the Department has been aware of the problem of controlling floods on the Ohio River system, but no concrete action in the matter has been taken until recently because of the lack of legislative authority to undertake the necessary improvements. In 1852 Charles Ellet, a civil engineer of the Engineer Department, first proposed, as one step toward Mississippi Valley flood protection, the construction of reservoirs on the Ohio and its tributaries. He saw that such works would be of value not only for the reduction of Mississippi floods but even of greater value for diminution of Ohio River flood stages and improvement of navigation. The Tygart Reservoir, completed 2 years ago, is one such as Mr. Ellet advocated. During these early years flood data were gathered by the Department, but activities were limited by congressional mandate primarily to improvements for navigation. Proposed flood protective works were considered to be of Federal interest only to the extent of their direct benefit to the navigability of streams. Accordingly a report of a board of officers made in 1912 found that a series of storage reservoirs in the Allegheny and Monongahela Rivers would be of only limited value to navigation on the Ohio and consequently could not justify great Federal participation.



In March 1913 a devastating flood struck the valley. The Secretary of War directed a board of engineer officers to investigate and report upon flood conditions in the valley of the Ohio River and in the drainage area of Lake Erie. The board investigated in detail conditions at 66 localities within the next year and submitted its report recommending detailed surveys and setting forth a program. The board concluded that no one method of flood control could be recommended to the exclusion of others, and stated that "the subject of flood protection and flood prevention is one of great national import. . . . The interests of navigation and of interstate commerce demand that the Federal Government seek a remedy and join with the local interests in applying it."

As a result of the report of the board convened in 1913, further studies on several Ohio River tributaries were authorized, and another report on the flood-control situation was submitted to Congress by the Department in December 1916. This report was noteworthy for its conclusion that the undertaking of works for flood control "should preferably not be based on the uncertain and indefinite benefits that may accrue to navigation, but on the certain and positive benefits that will accrue in the protection of life and property from loss and in the prevention of the interruption by floods of general interstate commerce and the interference with the mails."

The report from which I have just quoted went to Congress at a time when the attention of the world, including the United States, was focused on war rather than the protection of mankind in its endeavor to achieve a higher civilization. The results of the first World War were far reaching, and for a decade progress in flood control, along with other measures for conservation of our water resources, was at a standstill.

In 1926, in cooperation with the Commonwealth of Pennsylvania, the Department made detailed studies of the Allegheny and Monongahela Rivers. Then, in 1927, Congress, realizing that it was high time something should be done toward water conservation, authorized the well-known 308 surveys of the major rivers of the country in the combined interest of navigation, flood control, power development, and irrigation. These studies included the Ohio River and 23 of its tributaries, and the first of the reports thereon was submitted to Congress in 1930.

The major flood in March 1936 demonstrated the need for a national policy with regard to flood control more conclusively than all the reports previously written. The Nation became conscious of a grave responsibility, and the 1936 Flood Control Act became law. This law sets forth an admirable national policy for flood control. I am sure that you gentlemen are familiar with the 1936 act, as well as the 1937 and 1938 Flood Control Acts which followed, and shall therefore not dwell further upon them.

Under existing law the flood-control projects adopted for the Ohio River Valley involve construction of some 74 storage reservoirs and local protective works for 130 communities. The total estimated cost of these projects is \$640,000,000. Toward the completion of all these projects Congress has authorized to date a total expenditure not to exceed \$190,000,000, leaving an additional expenditure of \$450,000,000 yet to be authorized before the comprehensive plan for protection against floods on the Ohio River system can be carried out.

Of the sum of \$190,000,000 now authorized to be spent on Ohio River Valley flood control, \$59,600,000 has thus far been allotted. With the funds so far allotted there have been completed or placed under construction 13 reservoirs and local protective works for 13 communities. Before the close of the present fiscal year it is expected that 16 more projects (1 reservoir and 15 local protective works) will be placed under way. The progress being made is a substantial step forward, but so much work remains to be done that accomplishments to date should be considered only as an incentive to speed completion of the program.

In his last annual report to Congress the Chief of Engineers states that during the fiscal year 1941 over \$63,000,000 can profitably be expended on flood-control work in the Ohio Valley. Plans are now complete, or near enough to completion, to enable the initiation without delay, after sufficient 1941 funds become available, of 5 additional reservoirs and 11 additional local protection projects. At the same time, if sufficient funds are made available during the next fiscal year, rapid progress can be made toward completion of those flood-control projects now under way or expected to be placed under way in the near future.

It is not for me to say how much money the Nation can afford to spend for flood control in any fiscal year, but I feel it is my duty to point out how important it is from both a social and economic standpoint that authorized flood control projects throughout the Nation, and particularly in the Ohio River Valley, should proceed to completion at a reasonably uniform rate. With irregular or intermittent progress, another catastrophe, such as we all remember too well, may overtake us, proper planning and orderly execution of the work become well nigh impossible, and in the last analysis the cost is bound to be more than the taxpayer should be called upon to pay.

From the standpoint of national defense, the Ohio River Valley is one of the bulwarks of the country and must be depended upon to produce a large proportion of our material needs in time of war. Until the existing flood hazard is removed there is always the danger of the flow of supplies and equipment from the Ohio River Valley being interrupted. The country cannot afford to have this happen during a war and the only way that such a

happening can be forestalled is by completing the comprehensive plan for flood control in the Ohio River system.

The Corps of Engineers has given its best effort with a view to protection of our people against destructive floods and has today a Nation-wide organization engaged in planning and constructing flood control works, which I believe is second to none in earnestness of purpose and efficiency in execution. I can assure you gentlemen that this organization will continue to serve to the best of its ability whether the times be good or bad, and that it appreciates the aid and support of the Ohio Valley Conservation and Flood Control Congress.

## National Resources Planning Board

### EXTENSION OF REMARKS

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. KELLER. Mr. Speaker, I wish to call attention to just two or three basic points in this whole matter, which touch on the broad aspects of what we are trying to do in the United States today. I think it can be safely said that no matter what side of a political question one stands on we can all agree that here in the United States we are demonstrating a system of government, a system of economics, and a way of life that can succeed without resort to the controls that characterize the heavily centralized governments abroad. Those governments have employed their peculiar kinds of planning, which have led to the regimentation of the lives of their citizens. They have claimed great accomplishments and some enthusiastic individuals in this country have been ready to praise that accomplishment and borrow the methods.

In this country where the need for planning is readily admitted, but where no one wants to trade loss of liberties for the kind of planning that means regimentation, we have tried a different method to accomplish the benefits without reaping the evils. We have tried planning for our democracy in a democratic way. An advisory planning agency which has no powers except to advise was established in 1933 to help formulate programs which might be used to adjust the national welfare to the disturbing economic conditions—not just for the period of the depression but for the long term.

By this method the final decision as to the value and wisdom of any plans remains in the hands of the Congress of the United States. Nothing can be imposed on our people unless the Congress imposes it. For example, when this planning agency considered all the results of research in the field of energy resources, it developed its findings and recommendations, which were transmitted by the President to the Congress. It then remains with the Congress to say whether or not the program for energy resources shall be carried out. Certainly no one here is going to assert that Congress does not want all the information and suggestions that experts can give it. An advisory agency of this kind is one part of that scientific administration, so highly developed in modern business, which is needed in the governing of our Nation.

I realize that the Congress can call on the various Government departments for their expert information and advice, but I realize also that there are a great many problems today whose solution demands information from many different Government departments. In such cases the National Resources Planning Board has acted in the past and can continue to act as the correlator of pertinent information and advice from authorities in different fields. I believe the Congress has an example of this in the case of its Concurrent Resolution 24, Seventy-fifth Congress, first session, calling on the National Resources Planning Board for its study of the Territory of Alaska. It has other examples in the reports that have been transmitted to the Congress by the President. I cite such reports as Energy Resources and National Policy; Report

on the Cut-Over Region of the Northern Lake States; the Report on Water Pollution in the United States, which was made House Document No. 155 in the last session of Congress; and the Report on Technological Developments, of which the House had printed 10,000 copies for the use of its Members and their constituents.

There is not much question of the value of this type of advisory planning unit. It may be that the full worth of this organization will be thankfully measured in terms of the welfare of our children, instead of in terms of how much it spends or saves within the limits of any one fiscal year.

A great deal has been said here and elsewhere about what this Board is and is not. It seems to me a brief statement of how it came into being and how it developed to its present position is extremely pertinent at this point.

In 1933 when it was realized that governmental expenditures for public works would have to take the place of money that was formerly spent by business, it became immediately clear that such expenditures should be in line with some sound program that would insure future benefits. The National Planning Board was appointed under P. W. A. to begin formulation of such a program. Members of this Board understood that a properly developed program could not be born, full-blown, overnight. It tackled a dual job of advising on immediate expenditures and developing a long-time program. Its first sound conclusion was that any such program would have to be based on comprehensive, integrated plans for natural resources. The National Resources Board was thereupon appointed in June 1934 to develop a land, water, and mineral-resources program and to encourage the States to develop similar programs through State planning boards. In January 1935, the President transmitted to the Congress the basis of these natural resources programs in the report of the Board, dated December 1934.

With its planning for the physical resources of the Nation well begun, the Board intensified its attentions to the use of these resources. Thus it began its studies in an effort to determine something about the population for whom our resources are being conserved. Thus the National Resources Committee appointed in June 1935 found it necessary to study such problems as the amount of production necessary to meet the needs of the population, to study how much income the population receives and can spend in purchasing the goods produced. Along with the attention given to such problems, the Board has continued its attention to the problems of land, water, and mineral resources, reorienting these in the light of problems of the day. Thus, because of the many complexities of the problem of power, it has seemed advisable to study all energy-producing resources so that no phase of the power problem is lost sight of through overemphasis on one or two manifestations of that problem.

From the very first day the National Planning Board was appointed, down through 1934, 1935, 1936, 1937, and right down to date, all of these problems have been studied with a view to their bearing on the problem of public-works planning. Advice from the States has been repeatedly sought in an effort to develop non-Federal programs of public works planned as much as 6 years in advance. Consultation has been held with all Federal agencies concerned with public-works programming so that plans for a program of Federal public works can be maintained 6 years ahead. For this reason, it was the most natural thing in the world for the functions of another unit of the Government with similar responsibilities to be transferred and merged with the National Resources Committee under the reorganization plan. In that manner the National Resources Planning Board was formed, having the functions of the old Employment Stabilization Act as well as the functions carried from the beginning by the National Resources Committee.

To conclude, I only want to point out that the Congress cannot afford to deprive itself of the billions of dollars of future value to come from the work of this organization, just because it is disinclined to spend three-quarters of a million dollars for this purpose during the next fiscal year.

## National Youth Administration

### EXTENSION OF REMARKS

OF

HON. WILBUR D. MILLS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. MILLS of Arkansas. Mr. Speaker, with the thought in mind that the greatest asset that we have in America is youth, and that youth is perhaps handicapped at the present time in its effort to adjust itself to a changing economy, I desire to make a few statements with reference to the National Youth Administration and its work in my State in assisting young men and women to become useful citizens. We are very proud of the record that is being made by the State administrator, Mr. J. W. Hull, and his assistants in Arkansas in teaching boys and girls how to make a living as well as how to live.

The public is familiar with the facts concerning the creation of the National Youth Administration by Executive order of President Roosevelt on June 26, 1935, at which time the President said that the young people of the Nation should "have their chance in school, their turn as apprentices, and their opportunity for jobs—a chance to work and earn for themselves."

In Arkansas the N. Y. A. is operating under two broad programs:

(1) Out-of-school work program: Part-time employment for out-of-school boys and girls on work projects designed not only to give these young people valuable work experience but to benefit youth generally and the community in which they live. These workers are selected from low-income families and must be between 18 and 25 years of age. Projects must be sponsored by some public agency and must be located on public property. Through a cooperative agreement with the State public-welfare commission, youth who work on N. Y. A. work projects are certified to the N. Y. A. by the various county public-welfare agencies.

(2) Student work program: The student work program in Arkansas sponsored by the National Youth Administration has provided and is still providing part-time employment for needy high-school and college students between the ages of 16 and 25 so that they can continue their desired educational life.

In 16 resident training projects located in various sections of the State many Arkansas young people are assembled in groups from 50 to 150 where they live. Being on the project location full time, these young people have a double opportunity to gain work experiences, receive valuable training in related training classes, as well as the wholesome experience of developing habits of social adjustment. The State department of education, through its various vocational-education divisions, has cooperated and is still cooperating with the N. Y. A. in providing supervision and vocational instructions to enrollees assigned to the various resident training projects.

Although the N. Y. A. has furnished and is still furnishing thousands of Arkansas young people with needy work experiences in order that they might find themselves vocationally and to learn the type of work they wish to follow as a vocation, this Federal agency is also leaving monuments in practically every county in Arkansas in the form of public buildings which will add to the well-being of the State's citizenship for years to come. It has been the desire of the N. Y. A. in Arkansas through its out-of-school work program to build those things by youth and for youth in order that the buildings might be of service to the present-day youth and the youth of future generations.

In order that a clearer picture of the out-of-school work program might be had, it is well to note that 16 vocational



and shop buildings are now under the process of construction, while 43 such buildings have been completed. Thirty-five home-economics buildings have been completed and 9 are now under construction. Sixty-one school buildings have been completed and 25 still are under construction. Fifty parks and playground projects have been completed, with four such projects still in operation. In order that the picture might be shown in outline form, you will find below a table giving the type of construction, the number active, and the number complete.

Type of project	Active	Complete
<b>A. CONSTRUCTION</b>		
Vocational and shop buildings.....	16	43
Home-economics buildings.....	9	35
Gymnasiums and auditoriums.....	22	13
Airport hangar.....	1	
Practice home.....	1	
Model farmhouse.....	1	
Teacherages.....	5	4
Bus garages and shelters.....	1	7
Other school buildings.....	25	61
City libraries.....	2	1
City halls.....	1	6
City fire stations.....	1	2
City garages.....		2
Courthouses.....	1	
Community buildings.....	1	6
Sidewalks.....	8	7
Amphitheaters.....	1	1
Forest-buildings units.....	3	
Park and ground improvement.....	4	53
Athletic fields.....	7	13
Brickmaking.....	1	
Office buildings.....	2	1
Drafting.....	2	2
Making marble markers.....	1	
Other construction and remodeling projects.....	2	33
Total construction projects.....	123	287

In Arkansas we have sponsored by various public agencies 17 woodworking shops. In these shops youths assigned have not only received experience in every phase of woodwork but have received training periods in which they secure instructions in the use of various tools and power equipment. Materials used in these workshops are furnished by some public agency desiring articles to be made. These workshops are located in the following cities, so planned to be of service in some way to practically all counties: Fayetteville, Fort Smith, Mansfield, Russellville, Atkins, Des Arc, Lonoke, Little Rock, Helena, Vick, Camden, Texarkana, Warren, Hope, Newport, Searcy, and Forrest City.

At the present time there are 16 resident training projects located in the various sections of the State. Some of the resident training projects are sponsored by State-supported institutions of higher learning. Institutions sponsoring a resident project are as follows: Arkansas Polytechnic College, Russellville; Arkansas State Teachers College, Conway; A. M. and N. College for Negroes, Pine Bluff; State A. and M. College, Magnolia; Arkansas State College, Jonesboro; and Junior Agricultural College, Beebe.

Resident projects located at the above-mentioned schools provide not only a well-rounded work-experience program but also affords the enrollees an opportunity for some college work as well as a well-rounded related training program supervised by the faculty of the above-mentioned institutions.

Other resident-training projects located at various points in the State provide a well rounded work experience program and related training activities to isolated youth who cannot be reached by what is known as the local out-of-school work project activities. These resident-training projects include, among many other work activities, auto mechanics, metal work, woodwork, experimental and practical farming, brick masonry and many types of construction work. The resident-training projects not sponsored by an institution of higher learning but by some other public agency are located as follows: Lake, Fort Smith, Ark.; Huntsville, Ark.; Clarks-ville, Ark.; Couchdale, Hot Springs, Ark.; Solgohachia, Ark.; Batesville, Ark.; Melbourne, Ark.; Porta Village, Magnolia, Ark.; Jerome, Ark.; Monticello, Ark.

I have mentioned above a number of times a well rounded work experience and related training program. To be more

specific, such a program includes work experiences of various types, training in subjects related to their work experiences, a program in recreation, a program of health under which are secured the services of the State and county health officials along with materials and literature available for health education and hygiene. The above-mentioned well-rounded program also includes education toward a well-rounded social life. In this respect there has been made available to us the assistance of local social organizations. This, of course, will include the outstanding citizens of the State and communities who give their free time in addresses and in personal and group conferences.

In order that the girls in Arkansas might have an opportunity to earn and learn, there are at present in Arkansas seven part-time resident projects. These projects are developed and operated on the theory that at some time these girls will be homemakers. The program developed is in the field of homemaking of a practical nature, taking into consideration cooking, sewing, home management, gardening, child care, as well as a well-rounded social life. Where facilities are available, the girls are given the privilege of taking high-school or college work relating to a homemaking activity. The part-time projects affording the above type work and training for the girls in the State are located in the following cities: Lonoke, Ark.; Hot Springs, Ark.; Helena, Ark.; Nashville, Ark.; Texarkana, Ark. (white girls); Texarkana, Ark. (Negro girls); Wynne, Ark.

In the above-mentioned part-time resident projects Mr. Hull has found the officials of the county departments of health, the home-demonstration agents, and the State home-economics departments most helpful in assisting in the development of the homemaking related training programs. The N. Y. A. has had the wholehearted cooperation and support of the above-mentioned organizations and officials.

In Arkansas there are in operation 38 projects known as clerical assistance and service projects. These projects offer through the cooperation of many public agencies work experiences of the "white collar" type. Work experiences and related training activities are in the fields of clerical activities such as typing, shorthand, mimeographing, office management, filing, and interviewing. These projects reach a high type of youth who have had sufficient educational background and work experiences to benefit by such projects.

In 487 schools in the State we have participating at the present time 4,857 high-school students. It is well to remember that the educational forces through the various superintendents and principals of our public schools are wholly responsible for the operation of the student work program. The above-mentioned school officials have accepted wholeheartedly the responsibility in the selection of the youth who shall participate in this program, the development of a constructive out-of-school work program for the youth, as well as the supervision of the work done by the participating youth.

The sincerity in which the school officials have accepted this responsibility is worthy of everyone's consideration.

In 24 colleges in the State there are at the present time 1,144 college students receiving N. Y. A. assistance through a part-time employment program. Here, again, we find the college officials accepting the responsibility of selection, the development of a works program, and providing supervision for the student work program. The cooperation of the various colleges with the N. Y. A. in relation to the college work program is of the very highest type. No better cooperation could be expected from any college or individual. Taking both the school work program and the college work program into consideration, at present there are 6,007 youth remaining in school due to this cooperative student work program.

To further explain the operation of the complete N. Y. A. program in Arkansas it might be wise to mention the part taken by the State advisory committee and the various local advisory committees in the State. One of the purposes of these committees is to work with the various N. Y. A. officials in studies of the needs of the youth of the State and youth of

particular localities. By this means it is possible to develop projects of such a nature that meet the needs of the youth as they exist in the various localities. The advisory committees also assist in developing related training programs, as well as soliciting the help and assistance of all public-spirited groups and individuals. By the use of the above-mentioned committees, the public is better advised of the program and its objectives.

The work of the National Youth Administration in Arkansas has proved successful, as is evidenced through the following quotations from Arkansas newspapers:

The National Youth Administration is a New Deal agency that has won commendation both for the ideals that impelled its organization and for its achievements.—Walnut Ridge Times-Dispatch.

We believe that the work being done by the N. Y. A. very important to the future of our State. The agency is playing a very important part in the betterment of the social and economic lives of our young people.—Forrest City Times-Herald.

The N. Y. A. program should be carried on as a part of our educational program, either as a separate unit or through consolidation with some other department.—Russellville Courier-Democrat.

Judging by the good that is being accomplished in this section as well as throughout the State, and realizing that only a beginning has been made in this work, this paper feels that no better money can be spent than that which is benefiting the youth of our country. The N. Y. A. should be enlarged and made an independent organization.—Batesville News-Review.

The N. Y. A. was created 4 years ago as a depression emergency program. It has proven practical and constructive and should remain part of our national educational program.—Marianna Courier Index.

There has been little or no criticism of the N. Y. A., one of the few governmental agencies which has escaped. Like the C. C. C., its purpose is above reproach. We trust the N. Y. A. will continue to do its job of providing opportunity for our youth to prepare for the future.—Blytheville Courier News.

Recently, we said editorially that one of the finest things to come out of the New Deal was the C. C. C., and we might add here that another of the finer efforts of the New Deal is the N. Y. A. \* \* \* There is no question about how much the National Youth Administration has helped the young people of Arkansas, is still helping them, and will continue to do so.—Lake City Sun Times.

The New Deal has produced a bumper crop of alphabetical agencies, some of which we consider excellent, some only fair, and some practically worthless. There is one, however, which we can endorse without any qualifications or reservation—the National Youth Administration.—Wynne Daily Star-Progress.

Wise economy in Government does not call for too drastic a reduction in the funds made available for an agency doing the task assigned to the National Youth Administration.

### Stream Pollution Control

#### EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

LETTER FROM P. G. PLATT

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. P. G. Platt, secretary of the Izaak Walton League of America:

IZAAK WALTON LEAGUE OF AMERICA,  
PENNSYLVANIA DIVISION,  
Wallingford, Pa., February 3, 1940.

To All Pennsylvania Congressmen:

We urge your unalterable opposition to S. 685, which is, in our opinion, a "pork barrel" subterfuge pollution-control bill, sponsored

by polluting industries and blessed by existing State and local control agencies because of the pleasing subsidy contained therein.

House Document No. 155, the basis for S. 685, makes grateful acknowledgment to a group of manufacturers who are naturally anxious to preserve the status quo of pollution; we believe the President to have been exposed to bad advice in accepting this document as the basis for his recommendation to Congress, and are definitely opposed to both the philosophy and the appropriations contained in S. 685. If we cannot have an honest pollution-control measure at this time, let us be content with things as they are for the present, rather than to enact into law a bill providing for appropriations with which to postpone action.

Most respectfully yours,

P. G. PLATT, Secretary.

### An English Viewpoint

#### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. THORKELSON. Mr. Speaker, our papers have expressed themselves freely upon their attitude toward Germany, and those who oppose them are labeled "Nazi," "Fascist," and "anti-Semitic." For the past 6 or 7 years it appears to have been a crime to state an opinion in regard to Germany, in spite of the fact that it may be entirely just. As a matter of fact, it is just, and to clarify this point I shall quote to you from an English paper so that you have the English people's viewpoint on the status of Germany—May 6, 1939:

TRICKED INTO ENCIRCLEMENT—REASONABLE GERMAN TERMS TO POLAND

Hitler's speech and his denunciation of his two pacts with Britain and Poland bring the Government face to face with the grave consequences of encirclement. It was inevitable that Germany should regard the Anglo-Polish military alliance as an unfriendly act destroying the basis upon which both the Anglo-German naval pact and the Polish-German agreement were made. So now we see the last bonds between axis and entente broken by the grave menace to European peace.

The loss of the Anglo-German naval agreement is particularly serious, as this pact was entirely to Britain's advantage, removing a nightmare of a naval race similar to that which culminated in 1914. Now this one sane achievement of our diplomatic relations with resurgent Germany is sacrificed for the sake of Polish intransigence. Hitler, checked in his eastern expansion of German interests, is showing signs of turning back to the west with the most ominous consequences. So does the Government blunder ever closer to catastrophe.

#### HITLER'S OFFER TO POLAND

For what have we sacrificed our naval security in the North Sea? The answer can now be given after all the scaremongering and panic in the press has done its worst. In his speech Hitler gave the terms of the proposal he made to Poland, which were eminently reasonable.

(1) Danzig to return to the Reich.

(2) Germany to have a road and railway through the Corridor with extraterritorial rights to connect East Prussia with the rest of Germany.

It is my desire to interrupt here to emphasize the fact that Germany requested two minor privileges, which the English people themselves agree were no more than right and just. If these had been granted, there would have been no war in Europe. As a matter of fact, Germany obligated herself to enter into a 25-year nonaggression pact, which would have benefited not only Poland and Czechoslovakia and other central European states, but would have been of the greatest benefit to the British Empire itself. Why did not England accept it? I shall let you read their own version of these negotiations:

(3) In return Germany—

(i) To recognize Polish economic rights in Danzig.

(ii) To guarantee Poland a free port in Danzig.

(iii) To accept the frontiers between Germany and Poland as final (despite the fact that many Germans would remain under Polish rule).

(iv) To conclude a new 25-year nonaggression pact.

(v) To have the independence of Slovakia guaranteed jointly by Germany, Poland, and Hungary, ending the provisional German protectorate.



Surely no reasonable man is going to argue that these proposals were not timely and in the best interests of European peace. The Corridor, dividing east Prussia from Germany, has been condemned by all progressive opinion, and yet Hitler asked not for its return to Germany but merely for a means of free communication. Danzig is obviously a German city and its return to Germany is already conceded by European diplomacy, and yet Hitler was prepared to guarantee Polish rights in the Danzig port. Most astonishing of all was the renunciation of German control of Slovakia, which is given in maps published by Left papers as already a part of Greater Germany.

Hitler for once had tried the method of negotiation so highly praised by the democratic governments and Mr. Roosevelt. What was the result?

#### MILITARY RESISTANCE

Poland promptly mobilized her army. The British Government [presumably properly informed as to the terms presented by Germany] hurriedly offered a guaranty to Poland and invited Beck to London. With all this encouragement, Poland sent a flat rejection of the German proposals and made quite footling countersuggestions, conceding nothing.

Now that the British people know the real cause of all the fuss about Polish independence, we may expect considerable indignation. It is quite disgraceful that our Government, apparently out of mere pique over Czechoslovakia, should have encouraged the Poles to refuse such reasonable terms for the settlement of long-standing grievances, especially when the release of Slovakia from German domination was to be gained in return. Even more reprehensible was the violent campaign in the press, accusing Germany of all sorts of designs upon Poland, which could have been ended in a moment by the Government publishing the real German proposals most acceptable to reasonable British opinion.

#### ENCIRCLEMENT BY STARVATION

In fact, the British people have been tricked into acceptance of encirclement by deliberate misrepresentation of the nature of German demands on Poland. Hitler's attempt to negotiate on outstanding and universally recognized grievances was met by armed resistance through mobilization and military alliance, without the British people being given an opportunity of considering the merits of the German case. Secret diplomacy has once more sabotaged European peace.

It is all very well for Chamberlain to claim that he does not wish to "encircle" Germany by promising a pact of nonaggression. Military alliances to deny Germany even the most reasonable revision of long-recognized grievances in eastern Europe arising out of the notorious Versailles Treaty are encirclement. Trade delegations to purchase raw materials and foodstuffs from eastern European states, which we have in abundance in our Empire, are an attempt at what has been called appeasement by suffocation, and are encirclement. As Senator PITTMAN said recently in relation to American moves against Germany:

"Why shoot a man when you can starve him to death?"

Encirclement need not involve military attack. It may operate more surely and more fatally by denying access to economic resources in a long process of virtual starvation. But will 80,000,000 Germans and their 70,000,000 central European allies and associates wait until they are starved out?

The Government is rapidly creating an explosive situation in which war becomes inevitable. When will the British people call a halt to this madness?

#### A BASIS OF NEGOTIATION

Hitler's speech was extremely sarcastic and even bitter, but he did not shut the door upon future negotiation. Both Anglo-German and Polish-German agreements can be renewed by mutual arrangement, and Hitler is obviously prepared to enter into a conference on outstanding difficulties. Now is the time for the British people to insist upon a real effort for peace. As it is obvious that we were tricked into encirclement over Poland, so now we can demand a review of this mistaken policy in the light of a general European settlement.

Mosley has already laid down the basis of such a settlement in four simple points. They are as follows:

- (1) Disinterest in the east of Europe.
- (2) Disarmament in the west of Europe.
- (3) Return of the mandated colonies we do not need.
- (4) Development of that quarter of the whole globe which belongs to us—the glorious heritage of British Empire.

#### REVISION OF VERSAILLES

The fact is that peace can only be assured by a complete and final revision of Versailles. What does this involve? Versailles had one fundamental basis—*vae victis*. Almost all its provisions were drafted with the object of keeping the German people down and preventing them ever attaining world influence. If Versailles is to go, and no progressive mind has thought otherwise, then the German people must return to world influence equivalent to their numbers and cultural attainments. They must have colonies like other European powers, and lacking the imperial domain of Britain or France some sphere of influence among the backward peoples of eastern Europe, who as agrarian states have such a fundamental need of close economic cooperation with a great industrial nation like Germany in order to develop their resources.

What objection is there to such a settlement, which would give an outlet to German energies in a direction least likely to conflict with our own? Russia and her red friends in western Europe are no doubt alarmed at Hitler's *Drang nach Osten*, but that is no

concern of Britain or the Empire, especially when communism has been the bitterest enemy of British Empire.

#### THE FEAR COMPLEX

The only valid objection is based upon fear, which is always the gravest cause of war. A stronger Germany would menace Britain. Considering the vast extent and resources of the Empire, why should 70,000,000 white Britons and 500,000,000 colored subjects fear Germany? This is an admission of democratic weakness under financial exploitation when faced by the unity and efficiency of national socialism in Germany.

Instead of seeking allies among the backward peoples of eastern Europe to hamper German growth and help defend Britain, we should set our own house in order. Growing German power can be easily offset by developing British power by modern methods. The democratic system must go. Financial power must be subordinated to the national will. Then we can take our stand on our own ground in western Europe as the strong man armed, and build a greater Britain more than able to hold its own with Hitler's greater Germany.

I have inserted in this RECORD three articles published in an English paper, which I am reasonably sure is not subsidized by the international financiers, but is instead a publication that represents the viewpoint of what I have often referred to as the middle class or common people. I prefer to listen to this group, for in the final decision it is they that set all nations right.

It is not my intention to discuss each of these articles, but I shall ask you to read them instead, for they are thought-provoking and very important at this particular time. The point I want to make is that these articles are not mine, and I am not responsible for them, but they are instead published by English people and in English papers. They are free from American interpretation. In other words, they are purely English.

### The Money Problem

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. ALEXANDER. Mr. Speaker, under permission to extend and revise my remarks in the RECORD, I submit the following letter from a constituent, Mr. O. M. Thomason, together with an accompanying memorandum regarding our economic distress and its relation to the Federal monetary system.

Due to the hundreds of letters and other messages I have received regarding this angle of our national problems, I submit the article, as I know there is great interest in the matter:

WILLERNIE, MINN., February 7, 1940.

HON. JOHN G. ALEXANDER,

House of Representatives, Washington, D. C.

MY DEAR SIR: Mr. T. O. Fredell's letter to you led me to set down a few figures which I pass on to you. I read very closely what so many Members have to say about economy, and am made to smile derisively at times.

The repetition that "we can't afford it" sent me to documents tending to show that we can afford it—can afford most anything. The difficulty lies not in inability to produce goods but the inability to distribute them. Our inability to distribute them arises out of our failure to provide the means by which distribution is effected.

Such means is purely technical—the same as production is technical. What is physically possible can be made monetarily possible. We regulate physical production, but permit monetary supply to seek its own level. The two should be made to synchronize at a regulated and controlled price level.

Why is Congress so strict in guarding the weights and measures, yet so negligent in regulating the value of money?

These are questions that keep coming up in my mind.

As a means of trying to stimulate a little different thinking, you have my permission to cause to be inserted in the RECORD the attached letter.

To note the fluctuation of prices see Senator ELMER THOMAS' chart. As money becomes dearer, through scarcity, prices go down. Dollars go up in value because they are scarce compared to goods. The dollar is now 1.326, while the price level is around 70. This is something Congress must regulate.

Yours sincerely,

O. M. THOMASON.

## MEMORANDUM REGARDING MONEY VALUES

FEBRUARY 7, 1940.

Hon. JOHN G. ALEXANDER,

House of Representatives.

My DEAR SIR: The daily rising, unlimbering, and blazing away at our "mounting debts" upon the part of many Congressmen indicates a misunderstanding of the "nature" of our economy. Ours is an economy of debt, not of credit. The only way we can have "prosperity" is by going in debt. All our money is "borrowed" into existence. If all our debts were paid, both public and private, there wouldn't be a dime in circulation.

I'm not going to drag out the bugaboo of inflation. The bankers keep that dangling before our frightened eyes all the time. But I will say that scarce money means dear money, hence low prices. The "founding fathers," of whom we hear much and do little, knew the difference in "fixed" weights and measures and "regulated" money value. Money value is determined by its circulating quantity relative to the quantity of goods. As industry expands circulating money volume (or credit), must increase pro rata or there will be a disparity in relative values.

## THE REGULATED DOLLAR

Due to unscientific monetary control (by private money makers), the commodity price level in 1914 was 68 and dollar value 1.46. Due to inflation, during the war, by 1920 commodities were up to 1.67, according to Government statistics, and dollars down to 64. Then the Federal Reserve Board called for payment of some \$18,000,000,000 in loans, and prices nose dived while dollars soared and the two met at approximately 100. By 1927 the deflation set in operation in 1920 began to "take" and dollars rose to 1.67 in 1933, while commodities were back to 64. All this fluctuation comes from one cause—unscientific "regulation" of the value (which is determined by circulating quantity) of money.

All this chaos and confusion helps to direct men's minds on our debts, hence on expenditures, and sets up the cry to economize. It releases tearful exhortations to save and pinch even while people are in need of food and clothing—of which we have a potential abundance. We do not have an actual abundance because we are frightened at debt. Frightened at debt under a debt economy.

## WHEN MEN WORE SILK SHIRTS

We drag out the \$50,000,000,000 the first World War cost us and dangle that before horrified eyes. But that did represent something. We did produce, even if to destroy. Men worked and got good wages, even if they paid some of the money for silk shirts (silk shirts are more comfortable than flour-sack shirts). The fifty billions the war cost us was not a total loss. No farms were foreclosed on. No doles were tossed out. Few idle men were deteriorating and being inoculated with "subversive" doctrines.

So let's dismiss that insignificant sum and take a look at another economic waste—a total loss—with compound interest. The National Resources Committee, authorized by Congress, in the introduction to its June 1939 report, page 2, column 2—turn and read it, you Congressmen—makes a sensational statement. Bluntly, it estimates—conservatively, too; perhaps short by \$50,000,000,000—that in the 6 years between 1929 and 1937, due to nonuse of manpower, machines, and resources, the Nation suffered an economic loss of \$200,000,000,000. That is four times as much as our loss in the war. It amounts to \$10,000 for each hour since the birth of Christ. It would have paid for four times all the automobiles and trucks made in the United States since 1900. It equals all the accumulated wealth of the Nation—seven times the value of all our farms, or five times the value of all our factories, or seven times the value of all our railroads.

## WE LOST \$200,000,000,000

I notice (H. Doc. No. 272), the report of the Committee on Roads (April 27, 1939), that to build six transnation two-way and four-way highways—three north and south and three east and west—across the country would cost \$2,899,800,000. Congress will debate long and loud about where the money is to come from. And yet the \$200,000,000,000 would build over 400,000 miles of such roads. But not one penny of that vast possible wealth ever saw the light of day. The goods were not produced because there was no market for them. There was no market because of empty pockets. We are no better off than we were in the hand-tool days. Then we were poor because we couldn't produce. Now we are poorer because we don't know how to distribute, hence do not produce.

Let's break down that vast sum some more. We could have wired for electricity 9,400,000 homes at a cost of \$2,933,000,000 and had \$7,050,000,000 left to apply on old-age pensions. We could have paid off the farm-mortgage debt of the Nation, aggregating \$7,645,000,000, and had \$22,933,000,000 left to apply on old-age pensions—not doles. We could have installed bathrooms in 5,750,000 homes at a cost of \$2,875,000,000 and had \$8,525,000,000 left to apply on old-age annuities.

## LOST OVER 5,000 SCHOOLHOUSES

We could have set up educational endowments of \$3,000,000,000—twice the amount of such present endowments—and had \$3,000,000,000 left to apply on annuities for the Nation's aged. We could have built four \$250,000 schoolhouses in every county in the Nation and had \$11,019,000,000 left to apply on security for the aged. We could have built a million-dollar airport in every county in the United States at a total cost of \$3,073,000,000 and had \$11,019,000,000 left to apply on old-age pensions.

We could have doubled the \$5,000,000,000 we spent for soil-erosion prevention, making it ten billions instead, and had another

\$10,000,000,000 to apply on old-age annuities. We could have created a trust fund paying \$200 a month to each deaf and blind person in the United States totaling \$9,000,000,000 and had another \$9,000,000,000 to apply on retirement annuities for the aged.

## COULD HAVE DOUBLED RELIEF

We could have built 20 New York Triborough Bridges and 2 Panama Canals at a cost of \$2,258,000,000, and had another \$2,258,000,000 to apply on old-age annuities. We could have doubled the relief and recovery program, making it \$37,374,708,000 (for the 6-year period) instead of half that, and had another \$37,374,708,000 to apply on old-age pensions. We could have set up an endowment fund of \$1,536,752,000 to maintain a League of Nations and a World Court combined and had another \$1,536,752,000 left to apply on old-age dividends.

In other words, after paying all the sums named above (out of what we lost by nonproduction in 6 years), we could have had left to apply on old-age pensions, retirement dividends, or whatever you want to call it, a grand total of \$117,707,460,000. Divide that by 6 years and we have \$19,519,576,666.66 per year, or \$1,626,388.88 a month, which would give each one of 8,000,000 elders \$203.33 monthly.

## NOT CRACKPOT OR UTOPIAN

There is nothing fantastic, crackpot, or Utopian about those figures. They are authoritative and reliable—furnished by conservative departments of the Government. The only amazing thing is that we do not blush with shame at the realization. That shame should arise out of the admitted fact that we could have produced that amount of wealth, in addition to what we did produce, yet did not do it.

The alibi that the volume of circulating money did not justify such production is childish. What is physically possible can be easily made financially possible. The physical problem, the possibility of producing abundance, has been solved, at least potentially. The line between necessary scarcity and possible plenty (physically), was crossed in 1909. At that time technology came to man's rescue and said, "Here, let me do that. You take a rest." But man's troglodyte mind refused to let his nimble hands (which had become electric hands, steel hands), do the work. As a result starving, naked, houseless man goes about the streets throwing ashes on his bowed head wailing to stop the machine, destroy the machine—dump fruits, plow under crops, kill pigs—give us back the hand tools of the caveman.

All this arises out of the fact that we do not believe that wise provision of the Constitution which says Congress shall regulate the value of money.

Yours sincerely,

O. M. THOMASON,  
Willernie, Minn.

I invite further advice and suggestions.

## The Pure-Streams Bill

## EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

## EDITORIAL FROM OUTDOOR AMERICA

Mr. ALLEN of Pennsylvania. Mr. Speaker, with the unanimous consent of the House of Representatives to extend my remarks in the RECORD, I include therewith an editorial on the pure-streams bill introduced by the gentleman from South Dakota, KARL MUNDT. This editorial was written by Kenneth A. Reid, conservation director of the Izaak Walton League, and it appeared in the February issue of Outdoor America. This editorial presents a strong case for Congressman MUNDT's bill, and I hope that all those Members who are interested in the elimination of stream pollution will read the following remarks:

[From Outdoor America]

On January 17, Congressman MUNDT reintroduced the league's pure-streams bill, which was referred to the House Rivers and Harbors Committee with the new number, H. R. 7971. Representing 6 years of legislative experience, it gives the utmost consideration both to State control agencies and polluters; yet it maintains in the background for use when existing agencies are unable or unwilling to function the Federal authority so essential to accomplishment.

Many loose charges have been made against the Mundt bill to the effect that it was "drastic," that it "ignored and supplanted State control agencies," "required complete elimination of all pollution immediately under threat of criminal prosecution," and similar



scare statements. We challenge all of the above and invite those who continue to make them to choose their own classification—ignorance of the facts or deliberate misrepresentation of them.

The issue has not changed since the league started the present Federal pure-streams movement in December 1934 with the Dern-Loneragan conference. On the one side representing this original movement for uniform and Nation-wide control of pollution we have the Mundt bill, supported by conservationists; opposing it under the excuse of more study and investigation, but with no control authority whatever, we have the Barkley bill, supported by the same industrial polluters who have always opposed every constructive attempt to abate their pollution.

Undoubtedly many well-meaning but uninformed people have honestly supported the Barkley bill under the erroneous belief that it afforded some control over pollution. But the real leaders of this opposition movement support it because they know full well that it has none, and, further, that its passage would constitute the best possible insurance against their fear of an effective bill.

Those who would block the public demand by passage of a subterfuge bill claim that no further control of pollution is desirable or necessary, and that polluters are willing and anxious to clean up with the friendly advice and assistance of the Federal Government. We can understand a child's belief in fairy tales, but to expect intelligent adults who know the history and status of pollution to subscribe to such doctrines is asking too much.

Polluters have always had the opportunity to act voluntarily. Most States have had antipollution laws on their books for years and some of them contain adequate authority if enforced. State and Federal bureaus have studied the subject intensively for more than 25 years and already have more factual data than could be used in an active abatement program during the next decade. And finally for more than 6 years, Federal grants and loans have been available to municipalities for sewage-treatment works. Yet pollution remains a major national problem.

What do the opposition forces propose to do about it? They propose as a remedy the Barkley bill which relies entirely on voluntary action and continuation of existing agencies and methods. They point to existing treatment plants as evidence that no additional authority is needed.

Polluters who have cleaned up and polluters who have not are two different birds. The former have proved that they are susceptible to existing control agencies, but unfortunately our present problem involves only the latter. These are largely the recalcitrants who by their continued pollution have proved their immunity to existing agencies and methods these many years, and who obviously have no intention of doing anything about their pollution unless forced to by some additional authority.

The Mundt bill contains that additional authority; the Barkley bill does not. The Mundt bill squarely faces realities with a practical remedy; the Barkley bill would merely preserve the status quo.

If every Member of Congress would take the time to compare the two bills we would have no doubt of a satisfactory outcome, but due to misunderstanding and bad advice, the Barkley bill is now on the House calendar and may be up for a vote any day while the Mundt bill is still in committee.

The cause of pure streams demands that the Barkley bill be stopped. That is necessary, preliminary to passage of the Mundt bill—and the time for action is now.

### Arkansas Friendly to Co-ops

### EXTENSION OF REMARKS

OF

### HON. FADJO CRAVENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

EDITORIAL FROM THE FORT SMITH (ARK.) TIMES-RECORD OF JANUARY 29, 1940

Mr. CRAVENS. Mr. Speaker, pursuant to the leave granted to extend my remarks in the RECORD, I include an editorial appearing in the Times-Record, of Fort Smith, Ark., under date of January 29, 1940, dealing with the question of the taxation of electric cooperative associations in Arkansas. The editorial is as follows:

[From the Fort Smith (Ark.) Times Record of January 29, 1940]

#### ARKANSAS FRIENDLY TO CO-OPS

Congressman RANKIN, of Mississippi, turned loose bitter criticism of Arkansas in a public statement the other day without knowing his facts.

The Mississippi Congressman is an ardent advocate of rural electrification. Someone told him that the cooperative rural electrification projects in Arkansas are being assessed for taxation by the State corporation commission, so he leaped to the conclusion that

an unfriendly State administration was trying to do his pet cooperatives wrong. He put a statement in the CONGRESSIONAL RECORD charging that Arkansas had made a move "calculated to cripple if not destroy rural electrification by placing a tax on rural power lines," built with Federal money.

The truth is Arkansas has been most hospitable to the idea of rural electric cooperatives. The 1937 legislature passed an act authorizing their organization which was suggested by the Federal authorities promoting this type of organization. The State utilities commission has been most friendly to the rural cooperatives and has given them every assistance in getting started. The private utilities in the State have not fought the rural cooperatives, at least not in any way which has come to our attention. On the contrary, they sell the rural cooperatives electric energy at low prices. The private utilities are glad to see the rural cooperatives get into business. They mean electric consumers. The private utilities cannot extend their lines into sparsely settled rural areas unless they can see sufficient business at sufficient price to pay operating costs, plus taxes, and retire the whole cost of the investment. The rural cooperatives are able to get generous Federal grants and loans, which materially reduce their first investment. They can provide electric service to areas too sparsely settled for the private utilities to serve, and at prices the private utilities cannot offer.

The rural electric cooperatives in Arkansas are subject to taxation under the Constitution. In fact, if the Constitution were strictly followed, they would be taxed on a basis fairly comparable with the privately owned utility, because the Constitution requires uniform taxation on the same classes of property. The assessments against the cooperatives are very low and so far none of the cooperative officials in this State have made a complaint about them.

### Pack Up This War

### EXTENSION OF REMARKS

OF

### HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. THORKELSON. Mr. Speaker, in order that we may understand that warfare in England is not unanimous, I shall quote from the December 7, 1939, issue of Action. This is generally known, but in no sense does information of this sort appear in our own daily papers. As a matter of fact, our daily press, for some reason or another, is a bigger and better booster of war in Europe than the press of England.

PACK UP THIS WAR—HYPOCRISY EXPOSED—WHAT ABOUT AGGRESSION NOW?

Russia has invaded Finland. She has no excuse for doing this. She cannot in the name of nationality claim that she rescues Russians from Finnish rule; she cannot claim that she needs living space.

When the Soviet give as a reason for their action the conditions in Finland, the same reason would enable them to invade any country whose government they disapproved, and to impose upon that country a Soviet Republic by force of arms. In fact, they take this action against Finland instead of a great power merely because she is small and weak.

Their reasons are nakedly imperialist and strategic.

The capital of Finland was immediately bombed and civilians were killed. An ultimatum was sent to Finland, according to the Daily Herald, demanding that—

"Finland must surrender to Russia before 3 o'clock tomorrow morning, otherwise Helsinki and all the bigger towns will be razed to the ground."

As a result even the Daily Herald is moved to say:

"This is as open and unashamed a piece of aggression by a great power against a small one as any in the sorry story of international anarchy."

What, then, is the attitude of government and parties? Mr. Chamberlain stated the attitude of the government:

"They deeply regret this fresh attack on a small independent nation, which must result in fresh suffering and loss of life to innocent people."

Not a voice in Parliament was raised demanding action against Russia. "They regret"; that is all that Finland got to help her. But Poland has the whole might of Britain and France placed at her command for a bloody war. Why the difference? Why in the eyes of financial democracy is the crime of Russia so much less than that of Germany? Is it because Germany desired to free the German city of Danzig and many other Germans from Polish rule, while Russia's reasons are merely strategic? Is that the difference which secured for Germany a war and for Russia a trade pact?

While this crime was being planned Russia received a bouquet as well as a trade pact from the Prime Minister of Britain. After the Soviet had forced their way into Poland, Latvia, Lithuania,

and Estonia, and only a month before they finally invaded Finland, Chamberlain was still deceiving himself that the Soviet meant to "prevent aggression," and this absurdity was dutifully cheered by his Conservative followers:

"I remember that in an earlier speech, on May 31, M. Molotov issued a warning that his Government would not be drawn into international conflicts. He said also on that occasion: 'We stand for the cause of peace and for the prevention of any sort of development of aggression.' That is also the position of His Majesty's Government, and I am not disposed to disturb myself over the flights of fancy in which M. Molotov indulged when describing the aims of the Allies." (Prime Minister—Hansard, February 10, 1939.)

At the same time Halifax was busy finding excuses for Russia's action in Poland. He stated in the House of Lords on October 27: "They would never have taken that action if the German Government had not started it." Will he now answer this question: Did Germany start the attack on Finland? If not, what fresh excuse will he find for his Soviet friends? But Halifax at his most fatuous cannot compare with his new colleague, Churchill, who as recently as April 3 last observed:

"No one can say that there is not a solid identity of interest between the western democracies and Soviet Russia, and we must do nothing to obstruct the natural play of that identity of interest. . . . Rumania, Poland, the Baltic States all feel easier because this great mass of Russia is friendly behind them and lies there in a broad support." (House of Commons, April 3, col. 2502, vol. 345.)

Can anyone pretend much longer that these men are fit to govern a great nation in a great age?

Will any supporters of financial democracy answer this further question if they can?

According to their own principles, have they any conceivable excuse for not fighting Russia now on behalf of a small nation, as they claim to have fought Germany for a small nation? They have no excuse—their attitude toward Russia makes their statements and action against Germany pure hypocrisy.

The German war is finally exposed for what it is—a financial and political vendetta. Every word that British Union uttered is proved true up to the hilt.

#### BRITISH UNION ATTITUDE

What then is our attitude toward the Russian-Finnish war? Again we pursue our long-declared policy with unswerving consistency. Britons fight for Britain only—we mind Britain's business. It is the principle of the parties in parliament to interfere in every quarrel that is going; it is not our principle. We only fight when the life and interest of Britain or British Empire is threatened. We are only interested in this case because it exposes the hypocrisy of the political conspiracy to sacrifice British life and Britain's safety in the quarrels of Jewish finance.

The interest of Britain in this matter is only very indirect. As was pointed out in a previous article, it is probable that Russia has committed four out of her five acts of aggression in the last 3 months (Latvia, Estonia, Lithuania, and Finland) in order to fortify her rear in the west against counterattack before she attacks British Empire in the east.

In fact, more reason exists for Britain to intervene in Finland than in Poland, but certainly not sufficient reason to warrant any departure from British Union's policy. Free from the western quarrel, with calm and confidence we would await any Russian attack on British Empire in the east. We cannot run around the world nipping in the bud possible preparations to attack us—we must be sufficiently strong and prepared to be able to crush any attack when it comes.

Therefore, British Union would intervene neither in Poland nor in Finland. We defend Britain and British Empire alone. But to those politicians who blatantly before the world now betray every principle for which they ever pretended to stand, we say:

"Your hypocrisy stinks to heaven—you are exposed for what you are. Make way for the British people and a British peace."

Mr. Speaker, I have taken the liberty to quote from this publication, *Action*, which is published in England. I shall neither take from it nor add to it, but let the article speak for itself.

Mr. Speaker, in the *Chicago Sunday Times*, January 28, an article appeared with the title "Keep Out of Peace, United States Told":

LONDON, January 27.—"Let America do what she will about the war, but for God's sake don't let her have anything to do with the peace," A. P. Herbert, humorist and novelist, pleaded today.

"Last time she left us with a large baby, calling it the League of Nations," said Herbert, a Member of Parliament, at a London Press Club luncheon. "Now she is, I understand, busily dressing up its poor little corpse and calling it a Federal Union."

"I have no doubt that once again after the war she will pop off home again the moment the child begins to yell. No, sirree!"

Such expression as this no doubt is intended to be humorous. However, the League of Nations was not our infant, and neither is the Federal Union, in spite of the fact that it is fathered by Clarence Streit. In view of this, and so that we may have a better understanding of this new attempt to involve the United States in a world league, I shall quote from an English paper *Action*:

LXXXVI—App—42

#### FEDERAL UNION EXAMINED

(By Oswald Mosley)

It is a dreary business to review the chickens which the ideologues are always counting before they are hatched. It is dreary because the whole process is so remote from reality at a moment when only reality counts. Why then do it? For one reason, and one reason alone. To have a look at these dream chickens gives us at least a reflection of what certain people desire and, therefore, affords us some idea of what other people are doing. The chickens which are being counted so carefully are the peace terms which they wish to impose on Europe after the easy and speedy defeat of Germany and the final "overthrow of Hitler." At present scores of busy little men are almost exclusively occupied with the new world they are going to create after the war. Most of them are still as much the prisoners of their idle wishes and feeble fantasies as they have been for the last half century or more. Through two or three generations they have chattered; and they will chatter to the end. The only strong feeling, let alone strong action, that they have ever experienced, is evoked by their fear of anyone, at any time, actually doing any of the things about which they have talked for so long. Most of them would be horrified if they were made to see what they were really doing now, or to realize the nature of the forces which their easy talk may really benefit. For some of the most sinister forces in the world may benefit from the cheap chatter of some of the silliest and most innocent types which even the decline of democracy has produced.

In analyzing federal union and its results, it must, therefore, be clear that I do not accuse all, or even most, of its devotees of any sinister motives. On the contrary, many of them have the very best intentions; with the ideologue the complaint is usually of the head rather than of the heart. Also it is quite conceivable that some "eminent statesmen" who, in varying degrees, pay tribute to this idea, do so in all innocence and with the best intention. The idea is being assiduously circulated and it is not surprising that politicians who are always at a loss for any idea, and particularly now are at a loss for any war aims, should eagerly seize any idea that might put a little uplift into their flat perorations. A conservative, for instance, may well feel the necessity for something a little more definite and inspiring at this grave hour than the clarion call of his leader, Mr. Chamberlain, in the last debate on November 27: "I say now that none of us knows how long this war will last, none of us knows in what direction it will develop, none of us knows when it is ended who will be standing by our side and who will be against us." Such a bright light of the mind, and such a clear call of the spirit, may be too acute for the average Conservative. They, as well as the Labor Party, show signs of seeking refuge in federal union. It is so much easier to dream about "after the war" than to get on with the job either of stopping the war or of winning it. The feeble paranoiac type seeks refuge from reality in the roseate illusion of what is misnamed a mind. This is the eternal refuge of the spirit.

#### AMERICAN ORIGIN?

What, then, is federal union? Like some other afflictions of the British, its first symptoms apparently came from America. By an extraordinary coincidence in fact it comes from the land that is blessed by the possession of Wall Street. How entirely unexpected this is the reader will observe from a description of the proposal.

In brief, we understand this is proposed: The nations of the world are to have a federal union on the lines of the original Federation of the separate American States. Each nation is to surrender much of its sovereign right to a central international authority. In particular, nations are to surrender to this international authority the right to defend themselves, and imperial nations such as ourselves are to surrender to the international authority all our colonial empire. The international authority will have an international force at its disposal resting mainly on air power. If any nation is recalcitrant or challenges in any way this international authority, it will be bombed into a submission, which, after the surrender of its own forces to the international authority, it would be powerless to resist. In the extremes of this proposal, we should all lose national citizenship. We should no longer be Britons, Frenchmen, or Germans; we would be citizens of federal union!

Such, as I understand it, is the full development of the proposal. How far the various parties go toward supporting all or part of this extreme the reader can study for himself in the various quotations which the editor has undertaken to supply. It is at least apparent that the old "new world record" of the last war has been touched up in some degree by all parties with the new federal polish.

Now, who benefit from this policy? (Let me again say that it is possible for either politicians, writers, or ordinary citizens generally to support it in entire ignorance of the results.) I say without hesitation that the interest which would benefit from "federal union" policy is the biggest racket which Jewish finance has yet attempted to swing across western civilization. They have done pretty well, these usurers, already; they hope to do better. They have tied Britain down to an international system a hundred years out of date. They have even entered British Empire to develop sweated labor of the Orient to undercut the standards of the west which gave them their power. With the propaganda of the money power they have persuaded the British to pursue their quarrels which had no earthly interest to the British people. Now they go further. They want our colonies that they may carry to a lucrative conclusion the job of sweating the black to the ruin of the white, who costs too much. They want our power for their international use in name as well as in fact, so that British force can never again be used for British ends but only for their ends.



## UPROOTING PATRIOTISM

They want above all to uproot even the sense of patriotism and nationality because the organized nation, expressing the will of a great people is not only the last remaining obstacle in their path to world dominion, but the last possibility of any challenge to their power when such a people decides to win freedom from the slavery of world finance. Without force of our own and confronted by overwhelming international force in their hands; without colonies of our own, but confronted by the competition of sweated black labor exploited by them in what were our colonies; without the right even to call ourselves British, let alone to organize what our fathers won by heroism, and transmitted to men with the manhood to hold and to develop the greatest heritage on earth; without strength, without Empire, without name, what should we be—slaves, branded before our fathers and before history as the slaves of Jewish finance.

"What proof have you of those beliefs?" I may be asked. I answer: When we see a crime let us seek the motive—who benefits from the death of nations as much as the force that knows no nation? I believe that any such international force would be controlled by international Jewish finance, because for centuries they have been organized internationally, while we in our days of greatness and happiness have always been organized as a nation; because the money power which they possess is the existing and established international force; because that force has ever ruled by the division and break-up of civilizations from within; and because the sense of nation and of patriotism is the last conscious entity which it has to destroy before assuming world dominion.

## Taxation of Electric Cooperatives in Arkansas

## EXTENSION OF REMARKS

OF

## HON. FADJO CRAVENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

Mr. CRAVENS. Mr. Speaker, in a recent address, which appears in the RECORD of January 25, 1940, my friend the distinguished and earnest gentleman from Mississippi [Mr. RANKIN] had occasion to criticize taxation by Arkansas taxing authorities of rural electric lines constructed and maintained by cooperative associations. It is not my plan to enter upon a discussion of the question of whether such associations should be taxed or not. My purpose is to clear up the unfair implication created, unintentionally, no doubt, by the assertions of the gentleman from Mississippi. The impression has been left that the taxing authorities of Arkansas are doing an illegal and unwarranted thing in taxing the property of electric cooperatives, and in doing so are motivated by a sinister influence wielded by the Power Trust. Such an inference is unfair to the taxing officials of the State of Arkansas. Under the constitution of that State, all property not expressly exempted by the constitution itself must be taxed. The property of the kind now under consideration is not in any of the exempted classes. The constitution of the State further expressly provides that property not exempt by the constitution itself must be taxed. The Supreme Court of Arkansas has consistently held that the legislature is powerless to relieve from taxation property not exempted by the constitution. To fail to tax such property would lay the taxing officials liable to a well-founded charge of gross neglect of official duty. I am confident that no one familiar with the situation as above disclosed would counsel such a course. Until the people of Arkansas themselves determine that additional property should be exempted and express that conclusion in an amendment to their constitution—not a difficult procedure—the taxing officials of the State will have no other alternative but to tax property of cooperative electric associations.

The officials of the cooperatives themselves fully appreciate the necessities of the situation. It is my information from reliable sources that they do not, under the constitution, demand or expect the pursuit of a different course. It is conceded that such cooperatives have, in taxing matters, been dealt with fairly and have been shown every possible consideration.

What I have said should not be construed as indicating opposition to cooperative electric associations. My attitude

is to the contrary. At the present time I am engaged in aiding the extension of cooperative electric facilities and in the enlargement of the scope of their activities. My sole purpose in presenting the above picture is to clear the taxing officials of Arkansas of the unwarranted inferential charge made against them, and to demonstrate that in taxing the properties of electric cooperatives the officials of Arkansas are only doing what a proper respect for their legal duties requires of them.

## Praise for National Youth Administration

## EXTENSION OF REMARKS

OF

## HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

ARTICLE BY RAYMOND CLAPPER

Mr. VOORHIS of California. Mr. Speaker, there is no greater duty before Congress than the conservation of the human resources of America. And there is nothing more essential in that regard than to see to it that our young people have opportunity for worth-while training and to help build their Nation.

Let us never be guilty of economizing at the expense of the character of the youth of America. In this regard I give you the following article by Raymond Clapper:

[From the Washington Daily News of January 31, 1940]

PRAISE FOR N. Y. A.

(By Raymond Clapper)

EL PASO, TEX., January 31.—Maybe the National Youth Administration is one of those extravagant New Deal spending agencies. Possibly it is one of those expenses we could get along without. Even Mr. Roosevelt himself seems tempted to give it the ax.

But I spent a little time on the receiving end of N. Y. A. out here in the great open spaces, and I know there are ambitious young fellows in Texas working out an education in ways that would be impossible without the assistance of N. Y. A. Some of our well-fed, well-heeled economizers in the East who were fortunate enough to be educated by wealthy parents no doubt subscribe to the theory that it is only pampering these youths to help finance a college education for them. Let them stay on the farm. Don't arouse ambitions in them that can never be fulfilled.

Well, I discover in going around that some of our leading citizens who are so violently opposed to institutions like the National Youth Administration are not so opposed to subsidizing college students for football teams. In one Middle Western city I happened to be in a business office. My host proudly pointed out a strapping young fellow working in the large office which we were passing through.

"He's a star back on our team," my host said. "They have given him a job here and he is a good worker. This office always provides a job for one man on the team."

At another stop I learned that several boys—six, I think—at the nearby college were carried on the police department pay roll as undercover men. Some question was raised about using college boys in that way. It developed that it was only a practical way of financing a few students who were needed on the football team. So the city taxpayers willingly accept the expense of that subsidy. The boys help make a good team, and the team brings thousands of dollars' worth of business into town during the football season. Those college-boy undercover men are considered a good civic investment.

At Amarillo, Tex., you can drive out a few miles from town to West Texas State Normal College and find something that will restore your confidence in post-depression youth. If anyone in the East thinks that the American spirit is dying out of the younger generation—that it has succumbed to defeatism—let him take a look at any college in the western country.

At West Texas College, N. Y. A. is helping 100 students, men and women, work their way through school. Part of my income tax, and some of yours, goes toward paying them \$15 a month. In exchange the students work 50 hours a month. Some I met were working as library assistants. Others were cataloging the rich Texas historical material which is being accumulated here in one of the most remarkable collections of frontier source material to be found anywhere. As they work they are learning. They are doing some of the most useful work at the institution. They are at the same time training themselves to become teachers of the next generation. In my time I have seen a good many billion dollars appropriated in Washington, and none of it could go to any more useful

or more constructive purpose than this \$15 a month that goes out to these young Texas men and women, who come mostly from hard-pressed ranch families.

N. Y. A. also is supporting a large squad of boys who are somewhat below college grade. About 70 of them are here, learning to be carpenters, airplane mechanics, sheet-metal workers, welders, stone- and brickmasons. They are building school dormitories and school buildings while learning their trades. They receive \$30 a month and work 4 hours a day for it.

I visited dormitories where students do their own housework on a cooperative basis. Thus they obtain their college education at a cost of \$15 a month. They may bring food from their ranches and sell it to the college commissary at market prices. In one dormitory the girls have managed to cut their expenses to \$13 a month. That takes hard work, planning, and sacrifice which the manicured dolls in eastern girls' schools would consider far beneath them.

Even if N. Y. A. is going to add a few million dollars to the national debt, I as a taxpayer consider it a good investment—insofar as the money goes to these students and not to padded overhead. For here you are giving a chance to the most ambitious young men and women, the ones with real stamina. They are willing to put themselves through work that would be disdained by eastern college boys who are being educated on dad's checkbook to grow up as smug reactionaries. This country will be better off for these young people who, in 2 or 3 years, will be out teaching the next generation.

I could write much more and give you more facts. But it isn't popular copy. Some people might think I was a "red"—those people who don't know Americanism when they see it.

### The Pacific Northwest Bulb Industry

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

EDITORIAL FROM THE OREGONIAN, PORTLAND, OREG.

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Oregonian of February 3, 1940:

[From the Oregonian, Portland, Oreg., of February 3, 1940]

#### TWILIGHT OF AN INDUSTRY

In 1926, the Bureau of Plant Quarantine of the Department of Agriculture put an embargo on iris and narcissus (primarily daffodil) bulbs from Holland because they were infected with eelworm (nematode). On the basis of this decision, bulb farmers of the States of Oregon and Washington made an investment of millions of dollars. They have built a branch of agriculture which during recent years has been supplying 90 percent of the American market. The bulbs they have been shipping annually to various parts of the country would fill several freight trains.

Now—arbitrarily and without opportunity for a hearing—the Pacific Northwest bulb industry has been sacrificed by Secretary of State Hull for the purposes of a trade treaty with Holland. And on August 15, last year the Bureau of Plant Quarantine cooperated with Hull and lifted its embargo.

Puff! goes our Oregon-Washington investment of several millions, our pay roll, and our new branch of agriculture.

Though the full force of Holland competition has not been felt yet in all the varieties of daffodil and iris bulbs, one item will tell the story. A year ago the variety known as No. 1 King Alfred could be sold by Oregon and Washington growers for \$42 a thousand, at the farm. Today the Holland agencies are offering to deliver to the dealers in the various parts of the country for an average of \$40. To meet this competition, considering freight and handling rates, Oregon and Washington growers have to come down to about \$20 at the farm.

And the worst of the whole mess is that both Mr. Hull, in his refusal to provide tariff protection, and Lee Strong, of the Bureau of Plant Quarantine, in his refusal to continue the embargo, appear to have been moved by theory rather than by new facts. Nematode is just as dangerous as it ever was. It is a disease peculiar to narcissus and iris in the bulb family, but transferable to other plants, and so permanently dangerous. It cannot be detected except by cutting a bulb open and examination in a laboratory. Holland bulbs are still infected. American growers have gone to great expense to use the hot-water treatment, so that they have the disease under control.

But Mr. Hull has a theory of tariff reductions, and under the reciprocal trade treaty law he is empowered to make treaties behind closed doors. He made a treaty with Holland which fixed a tariff of \$6—not enough to take care of the freight differential. And then Mr. Strong, of the Bureau of Plant Quarantine, fell in with Mr. Hull. He cast out the embargo.

After all, what do the bulb growers of the far Northwest amount to? It is a scant population out here at best, and the growers are a scant few in this scant population. Why worry? (Hadn't Mr. Hull even taken a chance on the destruction of lumber for the benefit of eastern manufacturers?)

What if western Oregon and western Washington do happen to be the only parts of the country with a climate comparable to Holland, where the long spring season, after flowering, allows the bulbs to fill out? What if the Department of Agriculture did deliberately create the daffodil and iris industry by its embargo action of 1926? What if the honor of the Government of the United States does happen to be involved? After all, that was a Republican phase of the Government which brought the Northwest bulb industry into existence, creating pay rolls and income. There is another Government now, with a short memory, and committed to the more abundant life—for Holland.

### American Aviation Goes Forward

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1940

ADDRESS BY ROBERT H. HINCKLEY

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include parts of the following able and informative address by Mr. Robert H. Hinckley, Chairman of the Civil Aeronautics Authority.

Every time I see a great air liner in port or in flight I think of it as the end product of thousands of hours of painstaking work in scientific laboratories. The curve of the wings, the N. A. C. A. cowling, the adjustable pitch propeller, the delicate yet dependable instruments filling the panel, the lightness and strength of the metal covering and internal structure. I think, too, of the marvelous efficiency of the motors and of the high octane fuels, of the quality of lubricants, of the radio system, and of the passenger comfort. But never do I forget that the place of origin of this modern miracle was Kitty Hawk, N. C., and that the original creators were two brothers who knew how to use the scientific method. Neither do I forget that you meet each year to report new discoveries and thus honor the men who closed an age-old debate on December 17, 36 years ago. They proved that men could fly. Their achievement was one of those revolutionary scientific demonstrations that smash centuries of so-called hard-headed logic.

One of your distinguished members suggested to me that I "express some basic ideas about aeronautical engineering, research, and applied aerodynamical science." I appreciate the compliment. However, I am not going to venture out beyond my own depth into the sea of science.

There are certain things about science which a sensible administrative official must understand. He must have a healthy respect for the problems which science has solved, and an eagerness to use these solutions wherever they will further his work.

#### RESEARCH IS VITAL

In public work, just as in private enterprise, a large proportion of your actions can be based upon precise scientific knowledge. And I hope you realize that every public official is extremely grateful for this, because each time he can turn to a formula he can act promptly and confidently, avoiding the turmoil of controversy and debate.

As you well know, we depend on formulas devised by you to solve problems of design, of airworthiness of airplanes, of reliability of communication systems and the like, and the list of scientific facts on which we can lean is growing all the time. But in a dynamic activity such as aviation, new problems are arising also.

I do not mean by this either to state or to imply any criticism of science for not always being able to see into the future. Rather, I want to take you away from your science and into those realms of government—and there are more of them than you might realize—where for various reasons there are no calipers for objective measurement, and decisions must be based upon opinion.

I want to talk to you as businessmen and as citizens, rather than as scientists. You are businessmen, in the sense that your own work depends, broadly, upon the welfare of the business of aviation. I have been a businessman much longer than I have been a Government official. But my brief public experience has been a revelation to me, showing me problems in public administration that I never dreamed of in my own business.

#### REGULATION IS NEEDED

And then you run into this no man's land of science where there are no objective yardsticks, where human opinions and human emotions color every judgment. For example, how far shall we carry Government assistance to aviation? How far centralized



control? At what point shall we abridge the rights of the individual flyer for the sake of the public? Shall we also abridge his flying freedom to protect him against himself? Shall we set up rigid standards both for airline pilots and airline equipment, or how far shall we trust private industry? What is our obligation toward operators who come running to us with minor problems and ask us to regulate, regulate, regulate? How far shall we go to eliminate competition? What is wasteful competition? What is the regulatory relationship between the Federal Government and the various States? Shall we promote airports and trust the planes to follow, or promote planes and trust the airports to follow, or both, and how much of each? Right now we have the problem of determining how much the larger airports of the country, where many scheduled airliners land, are to be restricted so far as their use by private owners and small commercial operators is concerned.

These are just a few of the questions that pop at us, and for which we have no scientific answers. Of one thing we are sure: We do not know all the answers. We want to sit down and hear everybody who wants to be heard, and determine a common-sense course of action.

I am going to talk about government in aviation. Of course, I mean democratic government. I am going to describe for you a number of our difficulties. It would not be necessary to endure these difficulties if this country was run like modern-day Germany or Russia. In those countries the all-high merely would issue a decree which said, "This is how it will be; let there be no further discussion."

Well, we all pay something for every blessing we enjoy, and we pay for democracy by wide-open discussion and wide-open handling of the public business. We have our own crystal-clear way of meeting our problems. If we want, for example, a continuing permanent policy in aviation, all we have to do is to demonstrate the public desirability of that policy. That may be a little trouble. It may entail explaining ourselves a great many times, and living somewhat in a goldfish bowl. That is what we pay, in a democracy, for individual freedom.

Take conservation. The American people believe it is wise, and are willing to spend public money for it. Any time they change their minds, they can stop.

#### AVIATION GOES FORWARD

Aviation is no different from conservation or any other public activity. You have to prove your case. But if you do prove it, your program is safe no matter how any election goes, or who is at the helm.

Those of us in this room are all wrapped up in aviation. But I am going to talk about government, because we must serve aviation in a way that will strengthen, instead of weaken, the bigger thing which is our form of government.

The Civil Aeronautics Authority is only 18 months only, so that everybody still can remember clearly how and why it was created. We all remember that aviation awoke one morning to the realization that it was in a desperate condition. "Chaotic" is the way a congressional committee described it. Unbridled, ruinous competition had frightened off investors and ruined many operators. Government services to the industry were scattered in small segments through numerous unrelated Federal agencies. And so aviation requested one central authority with which it could deal. The Civil Aeronautics Authority was that authority.

Since that time we have had to plot and travel a new course somewhere between the old-fashioned, dog-eat-dog, laissez faire competition and the other extreme of absolute monopoly. We have had to guide and service the fastest-growing public utility the country has ever known in a way that would maintain competition and private initiative.

I don't mean the industry should not criticize. Constructive criticism is good medicine for governmental bureaus. Bureaus have an inevitable tendency to grow smug. Their officials tend to lose their sense of responsibility to the public—to feel they know more than those with whom they deal—to resent being questioned.

Their values get distorted and they are sometimes short on humility. Sometimes the need for a regulation disappears, but the regulation does not. It is kept alive by the bureaucrats who seek to perpetuate themselves, or fall victim to the easy habit of inertia to any and all change. The best insurance against such dangers is for us to keep the door always open to recommendations and criticisms.

You have a habit of wanting to know a speaker's scientific background; and you might very properly say to yourselves, "What are his technical qualifications?" I imagine most lay speakers who appear before you feel the same hesitancy that I feel. But I can assure you that people in general, whether qualified or not, have no hesitancy about telling public officials exactly how to run the most complex public functions.

#### N. A. C. A. DOES GOOD WORK

Only a short time ago a well-known political figure without any knowledge of scientific matters advised the President of the United States that certain governmental agencies had only ornamental use. Among these governmental agencies he included the National Advisory Committee for Aeronautics. Yet, I am sure that an objective study of the evidence would show that, for every dollar expended by the Government through the National Advisory Committee for Aeronautics, many dollars were returned in cash dividends.

Another example of this tendency to make hasty judgments because of a particular bias and lack of knowledge was called to my attention recently. One of the greatest banking figures in America, in addressing the Congress on Education for Democracy, bitterly criticized the current "tendency toward overlegislation in the United States." On the same newspaper page was another statement by an ex-candidate for the Presidency of the United States, crying out with equal violence that there ought to be a law. Speaking as an independent oil operator, he charged that the oil crisis was due to "Ruthless and arrogant big business refusing to cooperate with conservation authorities." Believe it or not, he urged the President to call a special session of Congress to enact legislation for strict control of the oil industry. So we have two men of similar political convictions, one bitterly criticizing overlegislation in general, and the other demanding more Government regulation in his own behalf.

I do not know to what extent the Institute of Aeronautical Sciences will extend its field to include the problems which we might classify under the general heading of human behavior. I know that the solution of such problems is very difficult. I know that the units of measurement in these fields are few and that the methods for making such measurements are being developed. But that is no reason for ignoring them, and I note with commendation that you have on your program workers in the field of medicine. These workers play a very important part in aviation, although they may not have developed as many formulas or units of measurement or exact methods of measurement as are needed in that field. Every field you conquer means fewer headaches for administrators.

#### CRITICISM IS WELCOMED

By saying that we welcome criticism and want a great many people to express themselves I do not mean that we want to pass a lot of rules. We do not want to pass a single regulation that is not absolutely necessary. We recognize that a pioneering activity such as aviation needs especially to be left free from over-regulation. Daniel Boone would have had a hard time making his reputation under a modern bureaucracy, what with nonresident hunting and fishing licenses in each State, and knowing what game was in and out of season and having to pass examinations on marksmanship, swimming, and meteorology.

This may sound ridiculous; but if we take down our hair and talk facts, some of our own rules can produce at least a chuckle. We say with great solemnity, in print, that no private aircraft shall take off unless it has enough gas and oil (taking into account the wind and other factors) to reach its intended destination. We actually have that rule. We have another which declares that the wheels of a private plane must be blocked or roped, or its parking brakes fully on, before its motor is started. Now consider what happens to a fellow who has a plane with foot brakes and a self-starter but no parking brakes. He must block his wheels before starting his motor. But he isn't going anywhere unless he has somebody else there to take away the blocks, or unless he puts on power and jumps the blocks, because it's against the rules for him to leave his ship with the motor running. And if you are a woman flyer and become pregnant, you must stop flying immediately, because you are deemed to be in an abnormal physical condition.

I wish every man seriously interested in aviation could sit officially with us for a while and watch the steady procession of people coming to us and asking us to pass more regulations. Everybody is opposed, as a general principle, to much regulation. He is opposed, that is, until some particular thing comes along that goes his own way, and then he cries out that there ought to be a law.

The Census Bureau has refused to ask more than about 3 percent of the questions submitted, yet I will predict that nevertheless it will be criticized for too much snooping into people's personal affairs. So the governmental aspects of aviation aren't much different from the governmental aspects of other things. Our concept of this situation is that we should hear everybody concerned, and gather very complete evidence, but that the Civil Aeronautics Authority's working relationship with the industry—particularly since the whole field is new—should be kept as fluid as possible, with mandatory regulation at a minimum.

#### DANGER IS NOTED

We recognize clearly that an acquisitive tendency often is present in Government—that bureaus seek to gather unto themselves entirely complete facilities for a given function, so that they will be entirely self-sufficient, and not have to depend either on other bureaus or outside facilities. Thus they are in complete control.

We do not want this complete autonomy for the Civil Aeronautics Authority. And because the statement sounds very pious and a little too good to be true, I hasten to add that we are not motivated by piety, but by some common-sense observations.

Someone in the administration said recently that private enterprise is judged by its successes, while Government is judged by its failures. And that philosophy is behind this policy of ours.

If I might make so bold, the same is true about aircraft with nonstall and nonspin characteristics. We have them now, of course, but their arrival was exceedingly tardy and beset by all sorts of controversy which is far from ended even yet.

I am not complaining about these things. I am merely stating facts. Industry can make a thousand mistakes and be remembered only for the thousand-and-first success. Government cannot. This causes the constant temptation in Government to drift with the tide. On one extreme it may mean the piling up of restric-

tive rules just because people ask for them, and on the other extreme it may mean doing nothing. When in doubt, say "no." There is safety in doing nothing. I may make a mistake, and Government is judged by its mistakes. So I'll find a reason against this proposal and stop it. It may be that a one-eyed aviator can't fly. If I say he can, and 200 of them do it without accident, then I was right, but if one of them crashes, I did wrong. No, sir, one-eyed aviators must not be permitted to fly. I, as a Government official always open to criticism, can't take a chance.

Perhaps you can see, then, why we turn willingly to nongovernmental facilities whenever we can for much research, aircraft testing and servicing, pilot training, and the like. They then will share the responsibility with us, and help us to avoid the bureaucratic sickness.

#### SAFETY IS FACTOR

Of course, the Civil Aeronautics Authority has to take the lead. It has to create the set-up. One of our biggest problems right now is how much of our authority we can properly delegate, and it's another of those fields of pure opinion. We are working on it, along with numerous other problems such as, shall we subsidize feeder lines, shall we promote safe-type aircraft, and what is our relationship with aviation authorities of the various States?

I believe we all will agree that one of the basically important things to the industry is the number of people who own and fly aircraft. Several months ago I asked our people a few questions in this field, and I was startled to learn that nobody ever had compiled the answer. I merely wanted to know the statistical story of those who buy private planes—how long they keep them, whether their second planes are better; that sort of thing. The great achievements of the commercial carriers give us in general a pretty rosy picture over the last couple of years, and it is something of a jolt to make such a simple inquiry in the private field and draw a blank.

Well, our people have done some rather elementary research since that time, and I want to tell you about it. We made a cross-section study of the private ownership of airplanes in this country during the past 8 years. We found that the average life of a private airplane was 6 years. But we made the very unpleasant discovery that the life of an airplane owner, as an owner, was far shorter than the life of his first plane.

In short, four out of five of all those who bought their first planes during this period had got rid of them within a mean period of 2½ years, and had not bought others. Over half had disposed of them in 2 years, and one-third had got out of the ownership field in 1 year.

The "mortality" of ownerships is so great today that 2,900 new owners must be found each year to maintain the present total without increase.

What is the answer? We don't know. It may be, as some would say, too much bureaucracy; too many log books and inspectors, too much required practice. It may be too few airports, so that a flyer's destinations are limited. It may be any of a score of things, or, more likely, a combination of several.

At any rate, aviation as a whole must diagnose this trouble and cure it. We hope that all of you will go to work on it with us.

#### PILOTS ARE TRAINED

One thing we already have done, of course, is to arrange for the training of thousands of new civilian pilots. We feel certain that if you create a great many new flyers you are going to produce, inevitably, a considerable number of new owners.

America, traditionally, depends for its national defense largely on its civilian facilities. Instead of building military roads, we build great commercial highways, knowing full well that these highways can be used in case of a national emergency, including, of course, war. The same holds true for our steel mills, our textiles, our chemical plants, and even our airplane manufacturing plants.

Because of the development of totalitarian states with their aggressive policies, it may be that we have put too much dependence on civilian facilities. That I do not know, but I am sure that we must at least have those civilian facilities. This holds especially for the field of aviation, for I am quite sure you will admit that the airplane is changing the world as no other single instrument of our day. But it holds not only for the airplane as a machine; it holds for the human material that must control this machine. Moreover, it takes longer to train a pilot than it does to build an airplane.

It seemed, therefore, desirable to kill two birds with one stone—to develop civilian facilities, including pilots and civil aircraft factories, as a defense measure; and at the same time to advance use of the airplane and knowledge about the airplane through civilian activities. If by any happy chance we do not have to defend ourselves, there will be nothing but profit, because the expansion of our civilian facilities is long overdue.

How did we go about meeting these two problems? First, we prepared a plan of action within our own organization. Then we discussed it with State aviation officials, with officials of our educational systems, including the office of education, with the operators of private commercial schools and the builders of civil aircraft. We did not forget the Army and Navy, because our defense services have had years of experience with pilot training.

But in order to test it out, we obtained from the National Youth Administration \$100,000 to conduct a group of experimental courses

at 13 colleges in various parts of the country. Three hundred and thirty students were enrolled, of whom 97 percent finished their training and received certificates of a private pilot grade.

Following the completion of the experimental course, we called in the operators of the commercial schools who had been conducting the flight training, and the college officials who had been directing the ground schools. We obtained from both groups valuable suggestions for the improvement of our original plan.

#### COLLEGES PARTICIPATE

As the result of this careful preparation, we were able to go before congressional and senatorial committees and present objective evidence of the desirability and workability of a much larger program. This program is now being carried on in 437 colleges and universities throughout the country and the territorial possessions. That is the policy of using the nearest thing to a scientific approach that was immediately available.

Congress wisely provided that at least 5 percent of those we train in this larger program should come from noncollege young people. We have met this requirement by arranging for the training of 700 young people, or approximately 7 percent of the total to be trained, by commercial operators and to be supervised largely by local committees of interested citizens. Wherever a State has a director or commissioner of aviation, he has been asked to supervise this part of the program for his State. In other States the training has been turned over to chambers of commerce who, in turn, have called on their aviation committees to perform this public service. That is a policy of simple democracy, of not limiting this opportunity to college students alone.

Now what has been the response of students to this opportunity? There is enough money in this program to permit 10,000 young people to learn to fly this year. Each of those who qualifies for flight training has to put up a \$40 fee of his own money. Yet the 437 colleges and the 75 noncollege stations were literally swamped with applicants. We do not know what the total of applications was, but we are confident that if we had had the facilities, it would have been no trouble at all to enroll 50,000 young people. In one university, there were 1,200 applications for a quota of 30 places in the course.

The demand did not stop there. When we started ground schools for those who had qualified, 3,000 additional college students enrolled and started ground training, even when assured they cannot have flight instruction this year. These 3,000 are being carried by the universities and by their own funds, without cost to us.

The situation in the noncollege group is even more startling. Here, it now appears, at least 10,000 applicants between 18 and 25 years of age will pay \$10 each for the privilege of taking a ground course and competing for 700 places in the flying course. They are doing this with their eyes open to the fact that 93 percent of them will have to fail. Their enthusiasm is so inspiring that a number of chambers of commerce have raised private funds to increase the local quotas.

It should interest you to know also that every applicant for flight training must present the written consent of his parent before he is allowed to enroll in the flight-training course. This last provision alone is in dramatic contrast to totalitarian states, where parents are punished if they in any way interfere with the wishes of youth to follow the proposals of the government.

It seems to me, then, that our procedure in the flight training is in line with the best democratic philosophy. The Authority did not hesitate to tackle it; did not play safe in fear of failure. It obtained the advice of all the interested groups in the field of aviation and education instead of depending on the decision of a few agency officials. It reached out to educational and flight-training institutions where facilities were already set up instead of creating bureaucratic units of its own that it could supervise with an iron hand, without interference from anyone else. It showed confidence in these local units by leaving to them many details of administration and operation.

The same policies have been followed in our pilot-selection research program. This enterprise has been turned over to the National Research Council, an agency of the National Academy of Sciences. The National Research Council was originally set up by President Lincoln and reorganized under President Wilson to serve the Government in research whenever requested. A distinguished committee of scientific men has been appointed by the council to give direction and advice to workers in university laboratories who will conduct researches on problems of selection and training of pilots. Thus the existing facilities in many of our best universities have been made available to us.

I know that I have slighted much of the work being carried on by the Civil Aeronautics Authority by describing in some detail the organization and operation of the civilian pilot-training program, but it seemed to me that the newness and, to some extent, the novelty of this program offered an excellent illustration of the way a service agency can operate and avoid the pitfalls of bureaucracy.

#### CITIZENS TAKE INTEREST

I hope you will not feel that my detailed recital of some of the problems of public administration was intended to bring you a tale of woe. The clash of free opinion is tremendously stimulating. The wheels of Uncle Sam's big wagon may creak pretty loudly at times and it may break an axle now and then, but it does keep moving forward at the head of the entire human parade.



## Is Our's a People's Government?

## EXTENSION OF REMARKS

OF

HON. DONALD H. McLEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

ADDRESS BY HON. DONALD H. McLEAN, OF NEW JERSEY

Mr. McLEAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an address made by me before the Hamilton Club, of Paterson, N. J., on January 11, 1940, at the celebration of the birthday anniversary of Alexander Hamilton.

The address is as follows:

I want you all to know how very much I appreciate the distinction and honor conferred upon me by this invitation, and I thank you, Mr. President, for your generous introduction.

The privilege of being designated as the guest of honor on the occasion of the celebration of the birthday of Alexander Hamilton is one of which any American may be justly proud.

It is quite appropriate that such a celebration should be held here in the city of Paterson, founded by him, and by the club which was organized to perpetuate the memory of his life and works.

It flatters me to be here under such favorable auspices. As has been said, I am a son of Paterson. Many of you I have known. Others I have known about. Some of you had already attained positions of respect and importance when I was a youth about town, and I assure you of my appreciation of your presence.

We have come to commemorate the birthday of Alexander Hamilton, and incidental thereto, to celebrate the golden anniversary of the Hamilton Club, and I am sure that you, like myself, are especially happy to be here on the occasion of the elevation of Robert H. Cunningham to the presidency of the club. I claim a lifelong friendship with him, and it is altogether fitting that I should be here tonight to share the honor and distinction you have conferred upon him.

The best testimony to a man's worth is his recognition by elevation to a position of importance by those with whom he comes in daily contact. Bob's elevation to the presidency of the club is evidence of the esteem in which he is held by his associates. It should be to him a source of much satisfaction and ever remain one of his cherished memories. I am glad to be here to congratulate him on this occasion and to wish him every success.

The reference to my early life in the city serves to remind me of the editorials that Mr. Joe Crowell used to write for the Morning Call. It was Mr. Crowell's habit to go around on Market Street and sit on the front porch of the United States Hotel and see who there was to write about—anyone who had come back to town and was renewing old acquaintances. In that day Paterson was famous for the minstrel men, baseball players, circus performers, and the like who had gone into the world to seek their fortune. It was the habit of all such, sooner or later, to return—some came back blessed with good fortune, others down on their luck. The parable of the prodigal son was often reenacted. Mr. Crowell had gone forth to the Civil War and had himself wandered afar. He had experienced the thrill of coming back home and this qualified him to extend a sympathetic welcome. Naturally, everyone he met told him how glad they were to be back, and Mr. Crowell would return to his desk, his mental processes stimulated by his emotions, and prepare an editorial about the pull the city had for its own. He would prove beyond all doubt that once one was a Paterson boy he would always be a Paterson boy. I have never been quite able to give up calling Paterson home, or to forget all that it has been to me.

Tonight we celebrate the birthday of Alexander Hamilton. America has a great heritage in the example set by its patriots, and it is well for the country on important anniversaries that we remind ourselves how it came about that we made a success of free government, and that we refresh our memories of those who laid the foundation for it and whose example is so worthy of emulation.

We celebrate particularly because of Hamilton's part in the building of the city of Paterson. Important as that accomplishment was, the mention of his name must turn our thoughts to Hamilton, the great American, and his services to the Nation.

Of the judgments of Hamilton rendered by his countrymen, Washington's confidence in his ability and integrity is perhaps the most significant. Chief Justice Marshall ranked him second to Washington alone. In person, he was short and slender; in carriage, erect, dignified, and graceful. Friends he won easily and held in devoted attachment by a frank, generous, warm-hearted, and high-minded character. "The roll of his followers," writes Henry Cabot Lodge, "is enough of itself to establish his position in American history." He was not popular, nor did he strive after popularity; but his memory and achievements are imperishable. He lived for the public good. Eloquent and refined, able and brilliant, the

embodiment of devotion, integrity, and courage. A scholarly student, captain of artillery when but a boy, private secretary and confidant of General Washington, Member of Congress and the Constitutional Convention, Secretary of the Treasury, lawyer, and economist—American history presents no more striking character, no one who has left a deeper mark upon our political institutions. His public life began precociously and ended prematurely. Before he was of age his powers were acknowledged and his reputation was established. Before he was 50 all was over.

Hamilton was doubtful of the success of the Federal Government under the newly adopted Constitution, but he set about to make it work, and his contributions to the establishment of the permanent Government are rated highest among his accomplishments.

The establishment of the city of Paterson was not an isolated undertaking. It was part of Hamilton's plan in the purpose "to form a more perfect Union." After the surrender at Yorktown, and as a result of the successful outcome of the struggle for liberty, the Colonies had risen to the dignity and importance of sovereign States. The effort to exist as such, independent of each other, resulted in chaos and led to the adoption of the Constitution. Hamilton was convinced that the new Nation could not long survive unless it provided itself with the means of producing sufficient textiles and manufactured products, and Paterson is the result of his suggestion that there should be developed a manufacturing center of national importance.

It was no boom town that Hamilton determined should be built at the great falls of the Passaic. It was to be a prosperous, progressive, manufacturing city, making its contribution to the national welfare. The scheme adopted for its development had to surmount many vicissitudes, and laid itself open to severe criticism, but Paterson survived and has been an important spoke in the wheel of national progress. Financial disaster, even fire and flood, coming close upon each other, could not impede it, and it is today making its contribution in the development of the greater city envisioned by Hamilton that should extend along the Hudson from Perth Amboy northward. What brought this about? Was it the thrift and industry of its people, taking advantage of its natural resources, or was it because of the governmental scheme under which it was developed? Probably a combination of the two; and we who are concerned with the future welfare of our country can profit by a comparison of the purposes of the founders with the present-day conception of our Government.

Is ours a people's government?

Its founders intended and provided as definitely as they possibly could that it should be—that there should be no dictator or totalitarian state arise on the American Continent. The sacred rights of personal liberty and free enterprise were to be jealously guarded, and no one will deny the success of the plan.

What made the Government established under the Federal Constitution successful was the restraints that were embedded in it—its checks and its balances. All rights not delegated to the Federal Government were expressly reserved to the States and the people thereof. The jurisdiction of the Federal Government over such matters as had been delegated was divided into three separate and distinct parts—the legislative, the executive, and the judicial. The jurisdiction of the several branches was defined, and restraints were provided to prevent the encroachment of one branch of the Government on the other and the Federal Government from usurping the rights reserved to the States. By disregarding these restraints the power of the Federal Government is expanded, and the more that power is expanded and our everyday life directed from Washington, the further the Government becomes removed from popular control.

We are warned against subversive practices and propaganda. We are told that Communists and Fascists and other organized groups would overthrow our Government by force. Serious as we know that threat to be, there is a more serious challenge beyond it. The danger is that those who are charged with the responsibility of preserving our Government may themselves provide the machinery by which it can be destroyed.

We are today permitting and encouraging weakening practices. The purposes of constitutional restraints are lost sight of. They are either disregarded or there is resort to unique and subtle devices to circumvent them. The tendency of the time is toward a system which will destroy the sovereignty of the States and render them mere administrative agencies of the Federal Government.

For example—and these are only a few of the illustrations I might cite—under authority of present-day enactments which contain provisions giving him authority to make rules and regulations, the President may by Executive order alter or supplement the provisions of law and entirely change the purposes of Congress.

It is no longer an exaggeration to say that in many matters trial by jury has been abolished and that fines and penalties are imposed without due process of law. We are establishing boards and bureaus with full jurisdiction to promulgate rules and regulations which have the force and effect of law and to prosecute under them. This situation brought forth only yesterday, in a case wherein the National Labor Relations Board was respondent, this observation by the circuit court of appeals: "This case illustrates the danger of placing in a single agency the multiple duties of prosecutor, judge, and executioner."

The States and their essential agencies have enjoyed immunity from Federal taxation, the Federal agencies immunity from taxation by the States. The principle has been that the Federal Government and each of the States is a separate and distinct sovereignty, immune from taxation one by the other. This rule was declared by John Marshall in the very beginning of our national

existence as an attribute of sovereignty and necessary to prevent the destruction of our dual system of government, because, as Webster said, "the power to tax involves the power to destroy."

Today's thought would abolish that rule, and we have already opened the door through which the Federal Government may enter, armed with the bludgeon of taxation, and destroy the essential agencies of the States, and likewise the States may attack the essential agencies of the Federal Government, as was attempted by the State of Maryland against the Bank of the United States, and which was prevented only by the intervention of the Supreme Court in *McCulloch v. Maryland*.

Today Federal officers set up corporations under State laws for carrying on Federal activities. The invested capital is a contribution by the Federal Government. The corporation claims for itself all of the rights and privileges of an artificial person, and at the same time demands immunity from obligations imposed by State law, claiming to be an agency of the Government of the United States. These corporations are organized to borrow Government money from each other, to distribute relief funds, to increase patronage rolls, and to avoid the legal requirement of making appointments from the classified civil service. By this method statutory direction and limitation on the activities of public officials is avoided.

There is no justification for this unique procedure. Surely if Congress deems it necessary or wise to carry out a Federal function in corporate form, it can so provide, and has done so in many instances. It is but another illustration, to put it mildly, of the lack of understanding on the part of some of the functions of Congress, or it is an intentional purpose of evasion.

Again, the Constitution provides that treaties with foreign nations shall be made by and with the advice and consent of the Senate. There was sound reason for this Constitutional limitation on the powers of the Executive. Its purpose was to prevent the President from involving the country in entangling alliances with foreign countries.

Today our commercial relations with foreign nations are arranged by so-called reciprocal trade agreements. These so-called agreements with foreign nations are not submitted to the United States Senate for ratification. It is contended that in making them the advice and consent of the Senate is not required because they are agreements and not treaties. Such a distinction cannot be supported by anyone's definition of either the word treaty or agreement. A treaty is an agreement. A treaty differs from any other agreement only in that it is an agreement with a foreign nation; and Congress, in disregard of constitutional restraint, has delegated to the Executive the power to make trade treaties with foreign nations with the possibility of consequences it has always been our purpose to avoid.

Such agreements affect the revenue, and under the Constitution revenue measures should originate in the House of Representatives. It is no matter of chance that this is so. Its purpose is that by control of the purse strings the control and direction of governmental activities will remain with the people through their elected representatives.

Under this new program Congress no longer shapes our tariff policy. The so-called reciprocal trade program is admittedly a tariff-reducing program. If our tariff duties are too high, they should be altered, but altered in the proper way—by congressional action. "But," say its proponents, "it's too big a job for Congress. It is too complicated, it leads to scandalous practices, and should be done by experts, and adjustments made only pursuant to an agreement with some foreign nation that would bring concessions from such foreign nation for the exportation of our products." These are the words of a United States Senator. His admission that his job is too complicated for him and might tempt him into scandalous practices, and that in the discharge of his duties he should have the assistance of a foreign nation, is a serious self-indictment. He should allow his place to be filled by someone else who is capable of discharging the duties he was elected to perform.

The President finds it necessary to defend the charge that in this matter of trade agreements legislative powers are being transferred from Congress to the Executive and that the practice could lead to entangling foreign alliances. Does this not indicate that there is some basis for the charge?

It is not my purpose here to make a political argument against pending legislation; it is only to illustrate the disregard of constitutional limitations and restraints which accompany the program and the simple manner in which all legislative power may be delegated to the Executive, no matter to what political party he may belong.

There is another practice which weakens the resistance of the States and invites the domination of the Federal Government. The enactment of the income-tax amendment is responsible for the increase in the practice of granting subsidies to the States. The inadequate revenue systems of many States have made it difficult for them to finance the numerous activities of present-day demands. The Federal Government, taxing on a national basis with tremendous resources made available by the system of direct taxation, under the income-tax amendment is called upon to assist in various enterprises alleged to be for the welfare of the Nation as a whole, and there has developed a system whereby subsidies are granted to the States. The suggestions for Federal aid uniformly come from States less fortunate, hoping to benefit through the medium of Federal taxation out of the resources of others. By accepting these subsidies the States must conform to certain requirements laid down in the Federal statutes, admitting a degree of supervision and control which threatens State independence.

The practice of granting subsidies is not new, but the amount of these subsidies has increased from \$110,000,000 in 1925 to the billions that are now appropriated annually. These grants are frequently made on condition that similar appropriations be made by the respective States. Under this system a State is compelled to undertake work which it might not wish to undertake or lose its share of the Federal appropriations, in which case it is compelled to contribute in taxes to work of other States of which its people disapprove and from which they derive no benefit.

Our own State of New Jersey for the fiscal year ending June 30, 1938, contributed over \$210,000,000 in taxes to the Federal Government. These taxes were paid by the same people who paid taxes for the maintenance of the State and local governments. During that same year New Jersey received from the Federal Government for various relief purposes only a little over \$73,000,000—about 33½ percent of its contribution. Therefore, if a resident of New Jersey paid to the Federal Government an income tax of \$600, only about \$200 was returned to the State in Federal grants, the balance being spent in localities far removed from the State and for purposes about which the New Jersey taxpayer had little or nothing to say.

These grants are made on condition that working conditions dictated by the Federal Government should govern the operation for which the money was appropriated, and that specified materials should be used and hours of labor regulated and controlled by Federal mandate. There is pending in Congress a bill providing that the Federal Government shall make contributions to the States for the purpose of education, but, in order to obtain such contributions, the State must conduct its educational system according to the dictates of the Federal Bureau of Education. Large contributions of money have also been made to farmers, but to obtain these contributions the farmer must comply with the dictates of the Federal Government as to the kind and quantity of the crop he produces. It requires no stretch of the imagination to recognize here practices comparable to those of dictator nations.

The obvious political significance of these Federal grants makes it easy for those in control of the purse strings to comply with the demands. The political mind, in its desire for perpetuation in office, is ever ready to yield to those influences which will provide for a constituency benefits which otherwise might not be enjoyed. These influences are peculiarly active at present. They reach their zenith around election time, and they direct our thoughts to a day when the States will no longer be separate, independent entities, possessing their own sovereignty, but will exist merely as puppet States or administrative agents of a federalized Government.

In what I have had to say my purpose has been to bring you to a realization of the tendency of the present day to concentrate all power and authority of Government, both State and National, in a single Government at Washington, and that our disregard of constitutional limitations is gradually concentrating all legislative authority in the Executive, contrary to the fundamental principles upon which our Government was founded.

At the beginning the Constitution was but a skeleton. Hamilton, Marshall, and the others hung flesh upon it and made it a living thing. For some time we have been dissecting it and soon the sources of our constitutional law will be as indefinite and difficult to ascertain as the unwritten constitution of England.

It can be truthfully said that increase of population, the enlightenment of our people through broader means and opportunity for education, the development of transportation and communication have added to our governmental problems and have a tendency toward centralization, but it is equally true that our Government has proven itself capable of meeting every emergency incident to changing conditions, and that the safety valves which have served useful purposes must be preserved if we are to have a people's government.

My first introduction to politics came one night in June of 1896. It was a great night for Paterson. It was a great night for the State and for the Nation. A Patersonian had been nominated for Vice President of the United States. A vast concourse of people had assembled at the armory for a great reception on the return of Garret A. Hobart from the Republican National Convention. Others assembled on Market Street adjacent to the Erie Railroad station to form an escort. I went with my father to participate in the parade. There was a man by the name of Ludlum who was familiarly known around the town as "Punk." "Punk" was the local agent of an express company, and in the enthusiasm of the moment had contributed a horse and wagon to carry the fireworks that were to be set off along the line of march of the parade, and with the wagon loaded with all of the flowerpots, roman candles, skyrockets, and red fire, he took up his position in front of the Nelson-Morris beef houses, prepared to lead the way and keep the line of march illuminated.

While waiting for the train the fireworks became ignited and the entire load went up in almost one explosion. Skyrockets and roman candles flew into the crowd, through the windows of the beef houses, and onto the roofs of buildings. Some naturally struck the hind quarters of "Punk's" horse. There was a great commotion. According to the narrative as told by the late Tom Duggan in the *Daily Guardian*, the horse separated himself from the wagon at about Paterson Street, and did not stop running until he reached the Cottage on the Cliff, above the falls, where he was found the next day. As my father told the story afterward, someone standing near him said he hoped that "Punk's" misfortune was not an omen that the whole campaign would blow up, because if it should, the country would have Bryan with free silver, popular election of United States Senators, prohibition, woman suffrage, and what not. Well, it was not such an omen. The campaign did not blow up—McKinley and Hobart were elected—and the country entered upon



a period of progress and prosperity greater than it had ever known. Singularly enough the years following brought about the adoption of many of Bryan's ideas, but the changes that have been made were adopted by the orderly processes provided in the Constitution for its amendment, and prove the capacity of the American people for self-government and the statement of Sir James Bryce, an English critic, that our system is the most scientific yet devised for the government of a free people.

Recently there was held the one hundred and fiftieth anniversary of the commencement of the Congress of the United States under the Constitution. On that occasion the Chief Justice of the Supreme Court, Hon. Charles Evans Hughes, said:

"We shall do well on this anniversary if the thought of the people is directed to the essentials of our democracy. \* \* \* We have a national government equipped with vast powers which have proved to be adequate to the development of a great nation, and at the same time maintaining the balance between centralized authority and local autonomy. \* \* \* In our 48 States we have the separate sources of power necessary to protect local interests and thus also to preserve the central authority \* \* \* from breaking down under its own weight. \* \* \* If our checks and balances sometimes prevent the speedy action which is thought desirable, they also assure in the long run a more deliberate judgment. And what the people really want, they generally get. With the ultimate power of change through amendment in their hands they are always able to obtain whatever a preponderant and abiding sentiment strongly demands.

"We not only praise individual liberty but our constitutional system has the unique distinction of insuring it. \* \* \* We protect the fundamental rights of minorities, in order to save democratic government from destroying itself by the excesses of its own power. The firmest ground for confidence in the future is that more than ever we realize that, while democracy must have its organization and controls, its vital breath is individual liberty."

It's a great place, this America. The spirit and purpose of Alexander Hamilton and his associates created it, and the same spirit and purpose should be our inspiration to preserve it to ourselves and our posterity.

## The National Youth Administration

### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

LETTER FROM STATE ADMINISTRATOR OF THE N. Y. A.,  
TOPEKA, KANS.

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Miss Anne Laughlin, State administrator of the N. Y. A., Topeka, Kans:

FEDERAL SECURITY AGENCY,  
NATIONAL YOUTH ADMINISTRATION FOR KANSAS,  
Topeka, Kans., February 5, 1940.

Congressman JACK HOUSTON,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN HOUSTON: Quite naturally, you must have, in order to weigh the benefits of the National Youth Administration program, a statistical report of its accomplishments. It is impossible, however, through cold figures, to paint a picture of the results of any attempt to help young people, or of what needs to be done for them. Also, we know it is easy to let the pendulum swing too far and allow emotion to shunt out sound analysis. I want, however, to transmit to you as graphically as possible both the conditions necessitating a youth program, and the results of what we in Kansas have been doing on the N. Y. A., particularly during the past fiscal year.

It is unfortunate that the youth program, by some, has been viewed as a form of relief. This carries with it, either earned or not, the stigma of a hand-out. Until a youth reaches a job in private employment through one channel or another, he is the recipient of assistance through tax-supported institutions. Never have we thought of the schools in terms of relief, and now it is clear that we should similarly view any help on the part of the Federal Government, either through N. Y. A. or C. C. C., as an educational and training contribution, and not as an embryonic relief measure.

Possibly, in the minds of some, youth needs have been considered as results of the depression. However, I think recent reports of the American Youth Commission and data made public by the N. Y. A. reveal that some of the problems are entirely new on our social and economic front. In the first place, the machine age, which largely speaks for itself, has reduced the number of available jobs in our production system. Not only have adults been displaced as a result of mechanical inventions but also there has been

little need for a supply of young workers to be taken into the various enterprises. Obviously the depression has very strongly entered here, but it is not the sole factor.

The second important factor which must be kept in mind is the change in our population. The last two Federal census reports show that the percentage of middle-aged and old-aged is increasing, due to the contribution science and medicine have made to the health of man. Youth being in a minority, their needs are therefore quite naturally not given the same degree of emphasis as the needs of the older group. Although the assistance provided the aged is right—and we trust that more will be done in this direction—it is undoubtedly true that until the N. Y. A. and C. C. C. came into existence we were passive in our consideration of youth problems.

It is a well-known fact that our western frontier no longer offers itself as an opportunity for ambitious young people. In the past free lands offered an opening for idle youth. In fact, it is my understanding that the total area given by the Federal Government to individuals in the form of free land was equal to the territory east of the Mississippi and north of the Ohio River. Moreover, rather than farms offering a vent for the out-of-school youth, the young people from farms by necessity are having to turn to urban centers.

All of this presents an entire new youth front, and the net result is approximately 4,000,000 young people between the ages of 16 to 24 in the United States who are out of work and out of school. This figure represents more than one-third of the total unemployed in the country.

With a lessened demand and an increased supply of available workers, requirements for jobs are raised and youth are confronted with the dilemma that they can't be employed without experience, and they can't get experience without jobs. Bringing this picture down to our own doorstep, Kansas' share of the total youth who are unemployed is approximately 42,000, as determined by the Unemployment Compensation Commission. A recent survey of our own, made with the cooperation of schoolmen and welfare officers, indicates approximately 25,000 of this group to be definitely needy. We have been able to employ approximately 5,244 of them a month on N. Y. A. out-of-school projects. This leaves a balance of some nineteen to twenty thousand who are in need of employment but who cannot be aided under our present appropriation.

It is interesting to note that our appropriation for this year in the Nation as a whole of \$100,000,000 is only approximately the cost of one battleship and yet by means of it around 380,000 young people have been permitted to attend high school and college, and 50,000 who are out of school have been given project employment. These would be our youth derelicts without this assistance.

In our State, with a total allotment of \$1,528,896, we have been able to provide employment for approximately 7,000 high-school students and 3,000 college and graduate students, and slightly over 5,000 out-of-school youth. Not only has this money gone for wages, but also a small percentage of it has been put back into business channels through purchases of material and equipment. Also, part of it has gone for adult supervision.

The total amount spent solely for youth wages will be approximately 75 percent of our total allocation.

To provide a picture of the actual physical accomplishments on our out-of-school program, we have attached to this letter a report for the fiscal year ending June 30, 1939. In viewing these tangible results, I hope you will keep in mind that every completed item represents sound training under competent supervision for thousands of young people who never have had an opportunity for a work experience. Also, many of them as a result of their jobs, have been able to obtain work in private employment which otherwise would have been closed to them because of a lack of the required experience.

In order that you may have a somewhat clearer picture of our work projects, we are enclosing a few enlargements of typical construction work. The pictures were finished and enlarged on our photographic project in Topeka.

Of the money spent for student work, this represents actual work being performed by these students. Unless definite project employment is furnished by the school heads for those selected, no money will be advanced to an institution for the program. Consequently, many practical contributions have accrued to the participating institutions.

On our out-of-school program, youth wages are approximately \$14 a month, for 56 hours of work. High-school students receive from \$3 to \$6 a month, and college students from \$10 to \$20, with graduate students being permitted to earn as high as \$30 a month.

Although our report of physical accomplishments as appended to this letter indicates the nature of the projects on which our out-of-school youth are employed, you will no doubt be interested in a break-down of a few as they are actually operating.

We have found that girls need something more than part-time employment. In the first place, the majority of them who are out of school have never had an opportunity of receiving adequate instruction in homemaking, health hygiene, budgeting an income, etc. Therefore, after considerable experimenting, we worked out a semiresident-project plan to which girls would be assigned for 2 weeks a month, under trained home economists. At these centers they are not only given employment on a sewing project but also are given class instruction in various types of related training and also courses to meet their specific needs. There are 22 of these work centers for girls operating at the present time in Kansas, with an average enrollment of 40 girls. They are paid \$20 a month for their work, and out of this is deducted a sufficient amount to pay

their subsistence. After a year's training in one of these centers, we have found that the net results are girls whose morale has been strengthened, whose personality has been developed, and who have learned to care for a home properly and plan for the future.

We have also found it desirable to establish resident projects for some of our boys, and two projects of this type are operating in conjunction with educational institutions. The largest is at Fort Hays College and the other at Kansas Wesleyan College. At Fort Hays both girls and boys are assigned, and they are permitted to take part-time academic work in the college and are also given vocational courses consisting of scientific farming for the boys and clerical instruction for the girls. It is interesting to note that although these young people come from our certified needy group, they are accepted on the campus on the same plane as regularly enrolled students.

Our project at Salina Wesleyan is sponsored by the city of Salina, and it operates solely for boys. A large stadium is being constructed for the city and will be used by the college. It provides complete training in construction work for the 46 boys who are assigned. They, too, are given the opportunity of taking part-time academic work at the college. The courses given to the boys included applied electricity, engineering, drawing and design, mathematics of construction, and a construction seminar which offers practical related work through demonstrations and discussions of cements, paints, geological formations, rock dressing, and masonry.

Other resident-work projects for boys, although operated on a part-time basis, are at Eureka, Garnett, and in Sheridan County where a State lake is being developed.

Still another example of a successful resident project is our photographic unit in Topeka, where girls selected from the State as a whole are given training in photography. We found after last year's operation of this project that we were able to place in private employment the majority of the girls, in fact all of them who were able to absorb the training offered. This year we have reason to believe that we will place 100 percent of them in private employment.

Of course our resident program is only a phase of our total out-of-school plan of operation. We have many small projects throughout the State which not only are giving a worth-while work experience to the young people, but which also are netting the sponsoring agencies valuable physical improvements. On all of our projects we require related training courses which are offered either by our supervisor or by cooperating individuals, as local businessmen, school superintendents, etc.

Our ultimate goal is, of course, to find youth a place in private industry. We have realized that there are many young people not eligible for project assignment who still merit every consideration. In order to meet this need we have assigned a junior counselor in the State employment offices in Kansas City, Wichita, and Topeka. The sole responsibility of these men is to interview job applicants and attempt to place them in private employment. Their contact with businessmen has been most profitable and results in approximately 300 either part-time or full-time placements a month.

I know that you also will be interested in a brief report on some of the specific activities in your congressional district.

Our largest projects quite naturally are in Sedgwick County, where, localized in Wichita, 217 youths are now working. An old county welfare building has during the last few years been developed by youth labor into a successful youth center, in which is housed a diversified group of projects, including woodworking, weaving, book repair, arts and crafts, cooking, and sewing. You are, no doubt, familiar with this development, which has been of untold benefit to the unemployed youth in Wichita.

In each of the high schools in the Fifth Congressional District student work programs operate, where 757 students are employed. Four hundred and thirty-five college students are similarly assisted, with average earnings of \$15 a month.

Since the inception of the National Youth Administration in Kansas we have at all times attempted to administer the program with a view toward providing the maximum benefits to our share of the Nation's unemployed youth.

I cannot but hope that our adult citizenry will soon fully appreciate the danger which confronts us if we continue to allow 4,000,000 youth to remain outside of the school doors and without jobs. I also hope that it will recognize the distinct contribution which the National Youth Administration has made to this group, the while remembering that we have been able but to make a start on a problem which is terrifically large.

Sincerely yours,

ANNE LAUGHLIN,  
State Youth Administrator.

Kansas National Youth Administration—Report of physical accomplishments on N. Y. A. projects for fiscal year ending June 30, 1939

Type of activity	Work completed	
	New construction or additions	Repair or improvement
Building construction:		
Administrative building	2	4
Charitable, medical or mental buildings		
Schools	2	4

Kansas National Youth Administration—Report of physical accomplishments on N. Y. A. projects for fiscal year ending June 30, 1939—Continued

Type of activity	Work completed	
	New construction or additions	Repair or improvement
Building construction—Continued.		
Dormitories	1	
Libraries	1	1
Other educational buildings	1	1
Agricultural buildings	7	3
Auditoriums	1	1
Stadiums, grandstands, bleachers, etc.	9	8
Gymnasiums		1
Shower and dressing-room structures	7	
Bandstands, handshells, and outdoor theaters	5	1
Youth-center buildings	11	7
Other community buildings	2	4
Park and trailside shelters, etc.	19	5
Other social and recreational buildings	10	
Staff residence buildings at schools, institutions, etc.	1	
Bridges	28	21
Landing fields		1
Park entrance gates	10	
Rest rooms	9	
Water and utilities buildings	9	
Pit silos	6	
Other construction and conservation:		
Highways, roads, and streets	linear feet 119,110	137,540
Sidewalks	do 36,743	33,392
Bridge paths, bicycle paths, and hiking trails	do 358	
Curbs, gutters, and guardrails	do 6,479	1,760
Culverts	number 120	47
Parking areas and overlooks	square yards 3,280	300
Roadside landscaping	linear feet 109.5	15,840
Landscaping of grounds	acres 83,284	11,225
Fencing	linear feet 9,000	
Erection of snow fence	do 5,756	
Street signs	number 109	18
Other signs and markers	do 86	459
Parks	acres 86	26
Fair and rodeo grounds	do	
Playgrounds:		
School	number 3	14
Other	do 5	
Baseball and football fields	do 13	16
Athletic fields for track and field events	do 2	3
Swimming pools	do	2
Wading pools	do 8	
Tennis courts	do 20	45
Pistol and target ranges	do 1	1
Outdoor fireplaces, council rings, permanent tent floors	do	
Trash and garbage burners	do 82	
Municipal golf courses	do 10	
Herd surface croquet courts and play areas	do 28	
Picnic table units	do 84	
Storm and sanitary sewers	linear feet 76,700	85
Construction of sanitary privies	number 13	
Cesspools, septic tanks, etc.	do 3	
Storage dams, including dams for artificial lakes and ponds	number 3	5
Storage tanks, reservoirs, cisterns	do	2
River banks and stream-bed improvements	linear feet 8,843	
Levees and retaining walls	do 191,500	
Check dams	number 31	2
Soil-erosion control	acres treated 10,021	
Reforestation	number of trees planted 13,545	
Bird and game sanctuaries	number 3	
Stone riprapping	square yards 37,202	
Water lines	linear feet 5,294	
Contour surveying	acres 22,324	
Grasshopper poison mixed	pounds 106,000	
Lily ponds, rock gardens, constructed	number 5	

Type of activity	Unit	Amount
Nonconstruction:		
Clothing produced or renovated	Number articles	45,387
Household articles, bedding, etc., produced	Number articles	4,091
Home furniture constructed or repaired	Number articles	1,590
School furniture constructed or repaired	Number articles	1,108
Office furniture and equipment constructed or repaired	Number articles	274
Hospital supplies produced	Number articles	54
Toys made or renovated	Number	4,666
Recreational and playground equipment constructed or repaired	Number articles	558
Tools and mechanical equipment constructed or repaired	Number articles	127
Concrete articles, adobe brick, cinder block, etc., produced	Number	3,472
Stone, sand, and gravel produced	Cubic yards	5,533
Lumber produced	Board feet	296
Firewood cut	Cords	6,813
School lunches served	Number	660
Foodstuffs produced (resident projects only)	Pounds	206
Books renovated or repaired	Number books	24,658
Ceramic articles produced	Number articles	165
Project pictures enlarged	Number pictures	885
Mattresses made	Number	1,526
Blankets woven	Number	1,780



## Responsibility Apparent to Improve Health of Citizens Through Adequate Medical Facilities

### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

Mr. RANDOLPH. Mr. Speaker, the energy burned up by sickness requires just as much to sustain and replace it as does the energy burned up by productive labor. The protection of health is therefore not alone an individual service to the ill and afflicted. It is a national economy that turns waste into useful works.

Sickness and disease exact a costly toll of our economic system. That cost is not measured by the money we spend on hospitals and medical treatment. It is measured by the wasted effort that goes to fight illness where such service is inadequate or not available, to say nothing of the suffering, impoverishment, and hopelessness that sickness brings down on individual families.

#### ILLNESS TAKES BIG TOLL

More than 70,000,000 persons lose more than 1,000,000,000 days from work as the result of sickness, according to studies made by the United States Interdepartmental Committee to Coordinate Health and Welfare Activities. The estimated cost of illness and premature death in the Nation was put at approximately \$10,000,000,000 a year. The American Medical Association has asserted that during 1938 a patient was admitted to one of the country's registered hospitals every 3.3 seconds.

The preservation of health as an obligation of the community is as old as our Nation. Only as our Nation grew, however, did we come to appreciate the effect of individual health on the health of the entire country.

In our early days treating the sick was largely a local affair. The modern age, however, so tied our great urban masses together and at the same time left many of our rural sections so isolated from modern science that the prevention of disease and the treatment of the sick became a mandatory defense of our whole people.

Fortunately as our problems increased, medical science entered its greatest age of discovery and opened scientific avenues to physical well-being that promised one of the most humane and effective economies of our civilization.

The world had grown up about us so rapidly that we had a long way to go even to catch up to the common standards of health that we recognize as essential today. But a new conception of public health, medical care, and adequate hospitalization sprang up. During this century in the United States we saw a remarkable growth in these fields, in the development of public sanitation, in protection of our water and food supplies, in the safe disposal of our sewage, and in the broader medical and hospital services that we provided.

#### HOSPITALS ON INCREASE

Of the 6,852 registered hospitals in the United States in 1928, only 661 were established during or earlier than 1875. Only 2,070 had been established by 1900. During the present century we not only tripled our number of hospitals, but we replaced many old ones with modern institutions.

From 1923 to 1928 we were building hospitals at the rate of \$200,000,000 a year. Even that, however, was doing little more than to keep us from slipping backward, for it provided only a 1-percent increase over the 6-year period in the number of hospitals. As we built new ones older hospitals had to be replaced or abandoned.

We might, however, have steady progress in equipping the Nation for its constant fight for its life and physical welfare. The depression, however, struck, and on top of all the other

woes it brought we were forced virtually to stop our work for a healthier nation.

Compared to the \$200,000,000 we had been spending annually to hold our own against the care and cure of illness, our expenditures dropped to only \$36,000,000 in 1933. On the basis of the previous rate of replacement and expansion needs the Nation in that year was faced with an accumulated deficiency in hospital facilities of about \$550,000,000.

This was one of the pressing needs for which the Public Works Administration was created in 1933. While the grants and loans it made available States and local communities were able to resume their building for better health.

#### P. W. A. AIDS PROGRAM

During its 6½ years P. W. A. has allotted funds for the construction of nearly \$400,000,000 in hospitals and hospital facilities on 743 projects sponsored by State and local bodies.

This work has meant 107,849 additional beds in 2,056 hospital buildings in all the 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico. Approximately 45 percent of these projects have been in States that do not contain large metropolitan areas. Many of the hospitals were built in communities which heretofore had been without adequate hospital facilities.

Of the \$397,253,706 total estimated cost of these non-Federal hospital projects P. W. A. provided \$151,180,760 in grants and made \$25,747,796 in loans toward the sponsors' share of the cost.

In addition to non-Federal construction there have also been 152 Federal hospital and sanitarium projects built from P. W. A. funds, with a total estimated cost of \$37,002,852. These projects, for veterans, Indians, the military service, and at Federal prisons, have added 13,911 beds, making a total of 121,760 additional beds for all types of P. W. A. hospital projects.

The number of additional hospital beds provided under the P. W. A. program is not the whole story of this program, although it is an important part of it. A large number of hospital projects were not for wards alone, but provided necessary services and utilities for hospital operation. Hundreds of projects have been for installing or improving kitchens, boiler plants, power and light plants, nurses' homes, administration and staff quarters, garages, water-supply systems, and other service features. Still another field in which P. W. A. construction was done has been that of medical and dental schools, clinics, dispensaries, and research centers.

In addition to the many hospitals where accommodations are provided for both whites and Negroes, 5,838 additional beds have been furnished in 19 States for the insane, for general treatment, for tuberculars and other afflictions of the Negro race.

P. W. A. hospital construction was undertaken at a critical time. In 1934 and 1935 P. W. A. construction was accounting for 82 and 84 percent, respectively, of the year's hospital building. Over a period of 5½ years the P. W. A. program constituted 35 percent of all hospital construction.

Of the total P. W. A. non-Federal hospital expenditures, 64 percent has gone to State hospitals and institutions, 23.6 percent to city projects, 9.4 percent to counties, and the rest to combinations of these or to nonprofit private institutions.

#### HEALTH PROGRAM HELPED

This relieved a crisis in hospitalization, although it did not restore the predepression rate of progress. In most cases it no more than cared for the growth of normal needs or replacements, and sometimes fell below that. It could not provide for past deficiencies. The President's technical committee at the National Health Conference in 1938 estimated that the Nation needs a normal annual increase of 25,000 beds, and that 36,000 beds a year for a 10-year period should be added to the existing number to meet the demand. In addition, the committee recommended that some 500 health and diagnostic centers should be set up in areas now inaccessible to hospitals.

The continued demand for increased hospital facilities was indicated in the fact that when P. W. A. returned 5,043 applications to public bodies on September 6, 1939, because of lack of additional funds, these included 203 applications for hospitals and institutions with an estimated construction cost of \$105,486,892.

The President's proposal for a \$10,000,000 hospital construction program by the Federal Government is a recognition of the continued need for better health facilities, particularly in certain neglected areas of the country. It is in line with his message to Congress in 1939 when he said:

I have been concerned by the evidences of inequalities that exist among the States as to personnel and facilities for health services in different sections and among different economic groups. These inequalities create handicaps for the parts of our country and the groups of our people which most sorely need the benefits of modern medical science.

Under date of February 1, 1940, I wrote Dr. Thomas Parran, Surgeon General, United States Public Health Service, as follows:

I am very deeply interested in the message which the President sent to the Congress on January 30 in which he proposed that consideration be given to a program for the construction of small hospitals in needy areas of the country, especially in rural sections, not now provided with them.

I further assured him I was most sympathetic to the proposal of the President.

#### LABOR IS ASSISTED

A vital byproduct of this maintenance of our hospital system in the years just past has been the employment and industrial stimulation it has produced. Hospital construction has been an important field in the public works undertaken through P. W. A. whereby men have been given employment both at the site of construction and in the industrial fields that were activated by such work. The entire P. W. A. program, including hospital projects, has in 6½ years provided a total of more than 7,000,000,000 man-hours of labor in construction or in the fields of production, fabrication, and transportation. And it has, in addition, left us with needed works that will serve us for years to come.

P. W. A. non-Federal hospitals fall largely into four major classifications: General hospitals, institutions for the insane and feeble-minded, tubercular sanatoriums, and homes for the aged and indigent.

Insane asylums and those for the feeble-minded and for epileptics constitute more than 30 percent of the cost of those for which P. W. A. allotments have been made. In 1934 only 10 States in the United States even approached adequate facilities for these cases, and these States were slightly over their capacity. P. W. A. construction has added measurably to these accommodations, but the additions have often been virtually offset by the growing need.

General hospitals have constituted nearly 25 percent of the cost of P. W. A. hospital construction, tuberculosis sanatoriums 12.7 percent of the total, and homes for the aged and indigent not quite 4 percent.

Adequate hospitalization is a basic necessity for a healthy, productive nation, and to maintain it requires constant and continued effort and attention. It is a part of a national drive against disease that incorporates sanitation, protected food and water-supply systems, modern, safeguarded sewerage systems, and the broadening of medical attention to meet the needs of all sections and communities. It was a drive that was well launched when the depression struck at us, and that was resumed with the cooperation of Federal and local governments under the Public Works Administration and our national and local health services.

And P. W. A. has made a remarkable record. It is ready today to swing into action on a moment's notice. If we fail to carry on a hospital program at this time, it would be a national loss.

I am in favor of making use of this great organization to carry on the work of bringing the Nation's hospital facilities to the point where the normal demands of the population can be met.

## The Sandy Hook Pilots

### EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

ARTICLE FROM THE MARITIME EXCHANGE BULLETIN OF AUGUST 1939

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks, I include the following brief article from the Maritime Exchange Bulletin of August 1939 regarding the valuable service rendered to the shipping and commerce of our Nation by the harbor pilots stationed at Sandy Hook:

[From the Maritime Exchange Bulletin of August 1939]

#### THE SANDY HOOK PILOTS

The earliest authenticated record of pilots stationed at Sandy Hook is the year 1694, when the Assembly of the Colony of New York ordained "that there shall be four men appointed and commissioned \* \* \* who shall constantly attend at some convenient place near the Hook with a boat to give all aid and assistance to vessels bound for this port."

There have been Sandy Hook pilots in service continuously ever since, and while the early pilots evidently went off from the Hook in a small boat to meet vessels their successors of 170 years later were cruising 600 to 700 miles east of New York in able little schooners. There were in the middle of the nineteenth century 32 pilot boats out of the port of New York and about 150 pilots. Competition was fierce and casualties in men and boats heavy due to the hazards of the service. In 100 years 64 pilot boats and 165 lives were lost. Their losses were climaxed in 1895 by the loss of the *George H. Warren No. 5* with 12 men in a gale at sea. Shortly afterward the steam pilot boat *New York* was put in service and the extreme offshore cruising was ended. The pilots of the various competing boats decided to unite harmoniously, select their own officers, and work together for the greater benefit of commerce and themselves. With minor changes, that arrangement is in force today.

Through so many years of history, entwined as it is with the growth of the port of New York, as well as that of our country, the association has developed an esprit de corps with a background and history of which it is proud. Space allows the mention of only some of the highlights in this record.

In 1799 there were 21 pilots. In 1811 there were 10, manning 4 boats. When war was declared on Great Britain by our Government in the following year 1 of these boats was immediately dispatched to Gothenburg, Sweden, then a rendezvous for American merchantmen, to warn them of the approaching hostilities. This she did and passed from port to port repeating the warning. Weeks later, when the war news came to Europe through official channels, all American vessels in northern waters were either well on their way home or tied up in neutral ports safe from the enemy ships detailed to capture them.

Sandy Hook pilot boats were commissioned as privateers in this war. The *Teaser* captured 12 British vessels, mostly brigs and schooners, and recaptured the full rigged ship *Margaret* with a cargo valued at \$50,000.

In Greenwood Cemetery, Brooklyn, stands the pilot monument. This was erected by public subscription to Thomas Freeborne, Sandy Hook pilot of the bark *John Minturn*, wrecked on the Jersey coast in a terrific northeastern gale and snowstorm in February 1846.

In 1851 Sandy Hook pilot Dick Brown won the famous cup when he sailed the yacht *America* to victory at Cowes.

The Civil War was vividly brought home to the pilots when the Confederate cruiser *Tallahassee*, commanded by John Taylor Wood, captured and burned the pilot boats *James Funk* and *William Bell* off Fire Island. Wood later said that, "My object in capturing these vessels was to secure a pilot who could be paid or coerced to take the ship through Hell Gate into Long Island Sound. \* \* \* When abreast of the navy yard, to open fire, hoping some of our shells might set fire to the buildings and any vessels that might be at the dock. But no pilot could be found who was willing to undertake it."

Many feats of salvage, as well as the saving of lives, have been performed by the men of Sandy Hook. In the days of sail, pilot-boat schooners towed disabled vessels many miles to safety. The *Nettle No. 20*, the *Perkins No. 13*, and the *G. W. Blunt No. 11* made outstanding rescues of this type. In 1874 the latter boat took off the crew of the bark *Alfred*, dismasted and on her beam ends, and towed the hulk for 12 days, finally anchoring her in the North River. In March 1886 the liner *Oregon* collided with a coal schooner off Fire Island. There were 840 people aboard the *Oregon*, with lifeboats for less than half. Sighting the sinking vessel at



daylight, the pilot schooner *Phantom No. 1* proceeded to take her people aboard. Pilot Parker, in charge, saw readily his 75-foot schooner could not begin to accommodate them all. Sighting an eastern-bound schooner on the horizon, he sailed off, hailed, and directed her to the wreck, where she assisted the *Phantom* in taking all hands off in safety.

During the World War 22,000 vessels were piloted with only 3 serious accidents, and in 3½ hours one day 69 ships were handled without mishap. Throughout the war the *New York* and *Sandy Hook* were station ships for the United States naval guards, who, with the pilots, were put aboard and taken off all neutral vessels entering and leaving the port of New York.

One day during the existence of prohibition and "rum row" an obviously mishandled schooner was sighted by the *New York*. Upon investigation she was identified as the *Mary Beatrice*, of British registry. There being no answer to the pilot's hail, a yawl containing Pilot Hall was lowered, and he proceeded to board the little vessel, sailed her to quarantine, and signaled the authorities there.

This vessel was manned by 15 Chinese. They had boarded her in Habana, paying the white men in charge \$250 apiece to be smuggled into the United States; \$5,000 more was to be paid when they disembarked here. She had anchored off New Jersey awaiting the return of her skipper, who had ostensibly gone ashore to arrange for the transfer of his passengers. He did not return, and the crew of 2 whites and a Negro demanded the money they knew the Chinese retained. A fight ensued, in which the 3 sailors were killed and 2 Chinese wounded. The Chinese were not seamen. Only fair weather and good luck had enabled them to reach Sandy Hook, where the vigilance of the pilot boat prevented their landing.

Nineteen hundred and twenty-three saw a great rush of immigrants to our shores, as well as the adoption by the authorities of a most dangerous arrangement (as far as ships and lives were concerned) for deciding on the admittance or rejection of the newcomers. An imaginary line was drawn between Forts Lafayette and Wadsworth. Here, too, were stationed immigration inspectors to clock the ships as they crossed the "line." No vessel with the new month's quota of immigrants aboard could cross the line before midnight of the last day of the old month under penalty of returning her passengers whence they came. The same penalty held for those vessels unfortunate enough to lose the race into quarantine once 8 bells noted the passing of July into August.

July 31, 1923, found 11 liners with about 8,000 souls aboard awaiting the zero hour below the forts at the Narrows. It will suffice to say that all 11 were anchored safely in Quarantine in 9 minutes, a tribute to the expertness of the pilots handling them.

The regulations compelling ships to take such risks were, mainly through the insistence of the pilots, soon replaced by another and completely safe arrangement.

The steam pilot boats *New York* and *Sandy Hook* have emulated their predecessors of the old days in the work of saving life and property at sea.

When the outward bound *Fort Victoria* was rammed and sunk off Sandy Hook during dense fog 10 years ago, the *New York* and *Sandy Hook* rescued her 400 passengers and crew. The *Victoria's* pilot, who was at the ladder about to be taken off by the pilot boat when the collision occurred, returned to the bridge, where he and the master remained until the vessel sank under them, meanwhile directing the towing of the disabled vessel by the pilot boat *New York*, which attempted to haul her into shallow waters.

The wreck of the *Fort Victoria* lay for many months near Ambrose Channel, plainly marked at either end by gas buoys and awash at low water. The wreck was frequently steered for at night and in hazy weather by coastwise vessels, which did not employ pilots, and whose navigators mistook the wreck buoys for those designating the entrance to Ambrose Channel. It was due only to the good will and spirit of service of the pilots, who warned many of those vessels of their error, that millions of dollars were saved steamship companies and the underwriters.

When the *Morro Castle* was destroyed by fire a few years ago the *New York* acted as a rudder to the burning and unmanageable hulk, while it was towed by a Coast Guard cutter.

Sick or injured persons, as well as stowaways, are often removed from south-bound vessels and transported ashore, or in the latter case turned over to the proper authorities. It is needless to say how invaluable these gratuitous services are to shipping.

There are 100 pilots licensed by the States of New York and New Jersey, acting under the supervision of their respective boards of commissioners. The pilotage rates are statutory.

Applicants must be between the ages of 18 and 26, pass a stringent physical examination, and be high-school graduates or hold officers' certificates before admittance to service. Apprenticeship averages about 8 years and terminates after the apprentice has been master of the pilot boat. The last year is spent in company of pilots aboard vessels of the various types.

A pilot is first licensed for vessels of 18 feet draft. This draft is increased annually for 7 years, if warranted, when a license to pilot any vessel is granted by the board of commissioners.

The association buys and maintains its own boats, offices, etc., and cares for sick and retired members.

In addition to the main pilot service at New York, there are subsidiary branches to the various ports in the Kill van Kull, Newark, and on the Hudson River to Albany.

Stationed off Sandy Hook are the pilot boats *New York* and *Wanderer*. The *Sandy Hook* recently sunk, is about to be replaced by another boat.

## Patriotic Atheists

### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

ARTICLE BY WESTBROOK PEGLER

Mr. GEYER of California. Mr. Speaker, I do not always find myself in agreement with Mr. Westbrook Pegler, but the philosophy he displays in the accompanying article is so thoroughly American that I believe it should be read by every believer in American democracy.

I quote from his column in the Washington Post under date of February 8, 1940:

[From the Washington Post of February 8, 1940]

FAIR ENOUGH

(By Westbrook Pegler)

PATRIOTIC ATHEISTS

I have begun to doubt the wisdom of confronting every organization and all individuals with a disavowal of communism and fascism and saying, in a leering way, "Sign here." That practice encourages the loathsome patriot to drape the flag around him like a shawl and go around putting people on a spot who are better citizens than himself.

It contains an insinuation that the organization or person in question is a doubtful case and that compliance is a sign of cowardice or refusal a sign of sedition. Of course, every loyal American hates communism and fascism and, on proper occasions, takes the oath of allegiance with dignity and solemn feeling and is willing to take it again, as the officers of the Military Establishment and public officials do.

Once sworn the oath would seem to be binding unto death, but for some reason it is thought to have a term and, like vaccination, to require renewal, every now and again. Still, people don't object if the circumstances are such as to justify the ceremony, as in obtaining a passport, enlisting, or joining a patriotic organization.

But no man or woman should be required to stop dead in traffic and repeat the oath for anyone who takes it upon himself to go on the prowl of traitors, and the same resentment occurs when, in a public gathering, some loud-mouth fraud says, "We are now going to sing The Star-Spangled Banner, and any dirty traitor who doesn't get up will get such a going-over that he will never get up."

There is a time and place for everything; and, although patriotism is never really out of place, organizations and people have other business besides denouncing communism and fascism. Anyway, Americans have a right to believe in communism or fascism. We can forbid actions but not beliefs, and we have laws and police to take care of situations in which persons who so believe—for the two beliefs are practically identical—attempts to overthrow the Government by violence. To me belief in these "isms" seems inconsistent with Americanism, but the Constitution doesn't see it that way, and there is no profit in destroying the Constitution just to beat someone else to it.

Nobody enjoyed more than I did the embarrassment of the Youth Congress last summer and the more recent confusion of the Student's Union when they were confronted with resolutions against communism, but there are other ways of ascertaining where organizations and persons stand.

There is no law by which any group can be compelled to adopt any resolution, and none should be penalized for exercising its rights. If a group or individual is following a line—Communist or Fascist—that will become plain in time without our resorting to tricks.

Fortunately, in these cases, the resolutions were introduced by members and were pertinent business, but it can easily be foreseen that the application of such tests can become a terrible nuisance, if not a menace.

For here we have a violent organized propaganda to the effect that all citizens who are not Christians of the most conventional, church-going type—which also means, incidentally, the showering-down type or kosher-keeping Jews—are necessarily atheists, and, therefore, enemy aliens.

Now, a man has a right to be an atheist, and he may be atheist and a reactionary Republican at the same time; or a man may be a Christian in his own heart, according to his own interpretation of Christianity, but not a church Christian—and, in fact, an opponent of churches—and still be a loyal, law-abiding American; or a Jew may abandon his religion and be a capitalist and a loyal citizen.

But if we come to the point of admitting that unbelief in religion or nonattendance at any church is proof of communism and somehow punishable, we are on the way to an inquisition and the estab-

lishment of a religious racket under Government sanction. In that case a man could be challenged on the street by any hot-eyed fanatic to declare his belief in religion and show his church credentials, paid up like a union card and mauled around or jailed away as an enemy of the state for failure to affirm.

The right to be a Christian is established and respected everywhere in the United States, but the right to be an atheist is equally important. The assumption that an atheist is a Communist and, therefore, a conspirator against the American Nation is false; and it should be added that a patriotic atheist does a little more than his share as a citizen, in view of the fact that he pays taxes right along to carry the heavy load imposed on all the taxpayers, including infidels, by tax-exempt church properties.

## Extension of the Trade-Agreements Act

### EXTENSION OF REMARKS

OF

HON. THOMAS A. FLAHERTY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

EDITORIAL FROM THE BOSTON EVENING TRANSCRIPT OF  
JANUARY 29, 1940

Mr. FLAHERTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Evening Transcript of January 29, 1940:

[From the Boston Evening Transcript of January 29, 1940]

#### THE HULL TREATIES

This newspaper believes that the welfare of this Nation and of the world generally would be better served by the continuation of the Trade Agreements Act than by the adoption of tariff ratification by the United States Senate.

In assuming this position we are not unmindful of the many arguments against this program, nor are we unmindful or unappreciative of the position against the Trade Treaty Act taken by the six New England Governors and many other prominent Republicans in Congress.

While we strongly favor many basic precepts of the Republican Party, we are firmly convinced that it will be ill advised if it goes before the American people in the coming election with the proposition that tariff control should be restored to Congress, where it would be subjected to the logrolling and alliances of special interests and sectional pressures.

Under congressional control there would be no guaranty that Congressmen, intent on serving powerful pressure groups, would not propel this Nation toward such excessive and calamitous protectionism as the Hawley-Smoot law. This law contributed its share to the building of high trade barriers which became one of the causes of the present war.

Advocates of congressional tariff control may sincerely intend and expect to avoid a return to extreme protectionism. But tariff reductions are not consistent with the kind of reciprocity that goes on when Congress writes a tariff law. All the pressures make for increases, not decreases.

The United States does not have to export or die, but unless it can export, it must resign itself to growing governmental controls in order to protect the Nation from the depressive effects of unchecked surpluses. Hundreds of thousands of our workers depend upon a thriving foreign trade and many industries find their margin of profit determined by a foreign market for their products. Our cotton growers must sell one-half their crop abroad. Our growers of wheat, corn, and tobacco, must either sell their crops or be forced to plow them under. Our makers of automobiles, electrical and leather goods, and of many other products must discover markets opening up to them or they must adopt policies that restrict production and elevate prices. The opening of foreign markets will help to free private enterprise, on the one hand from socialistic government control and on the other from managerial policies that are in their essence monopolistic and restrictive.

But we cannot promote foreign trade—we cannot find outside markets for our own products unless we are willing to buy from abroad. This means that we must be willing to make gradual reductions in our tariff walls and that we must grant some concessions in order to create outlets for our industry and agriculture.

We believe at this time we should not abandon the leadership we have assumed against economic warfare by means of the trade program. This program with its most-favored-nation provision, permits us to generalize our concessions to all nations with whom we have negotiated most-favored-nation arrangements, and these nations do the same for us. This has enabled us to counteract the trend toward autarchy and economic isolation, with its threat to living standards and democratic government.

We believe that the reciprocal principle of accelerating normal trade between the nations must prove particularly useful after the present war, when the temptation will be great to repeat the post-Versailles mistakes of attempting to recuperate behind excessive trade barriers. It is fundamental that the United States should, for the good of the world and itself, cooperate with all peaceful efforts to find universal stability. The reciprocal-trade program reflects a willingness to assume this responsibility more than does high protectionism.

We are aware that special interests deem themselves to have been injured or likely to be injured by certain concessions in the 22 treaties already consummated. We believe all legitimate protests should be examined and steps taken, through customs quotas that reduce the amount of imports or through reopened negotiations, to remove real injuries. But we cannot forget that a similar concentration of protests from special interests was instrumental in putting over the Hawley-Smoot tariff. Nor can we forget that 1,000 economists signed a petition addressed to President Hoover predicting that this tariff bill would have disastrous effects upon the Nation as a whole. Today the economists are almost as unanimous in the view that the Trade Agreements Act has operated and will continue to operate in the best interest of the country as a whole. We are convinced that in this matter, as in all others, the general welfare must have prior claim over segments of our economy.

The present war, moreover, should offer an opportunity for the State Department to smooth out any inequities in the treaties, since, in the main, the war needs of the major nations are sharply curtailing the amount of goods they could send here in competition with our own.

We do not regard the trade agreements as a political or partisan question, but as a peculiarly national one that should be elevated above any temptation to make of it a political, sectional, or group football. Indeed, such conservative newspapers as the New York Herald Tribune and the Providence Journal have lined up with Secretary Hull behind the trade agreements. We want the trade program renewed because it has placed tariff making upon a scientific and flexible plane free from the political horsetrading, which, not only impairs our economy, but has been a powerful corrupter of government.

We do not deem this program to be undemocratic nor an unwarranted abandonment of congressional prerogatives. So long as Congress retains the power of reviewing its administration and of adjusting it at regular intervals, we see no reason for fearing a dangerous growth of executive authority.

In subsequent editorials we will discuss statistically and in greater detail the many phases of this program. But in the rightness of its theory and in the net effects of its practice, the trade-agreements program represents a progressive step which is designed to preserve rather than to jeopardize democratic free enterprise and enlightened social improvements.

## Red Apples and Red Scares

### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

LETTER FROM EXECUTIVE SECRETARY OF THE AMERICAN  
YOUTH CONGRESS

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I submit a letter from Joseph Cadden, executive secretary of the American Youth Congress, to John Hamilton, chairman of the Republican National Committee. It makes interesting reading. The letter follows:

DEAR MR. HAMILTON: We thank you for your letter of February 3, in which you tell us how to run the American Youth Congress and decline to send a representative of your party to the American Youth Congress Citizenship Institute on February 11.

My first reaction to your letter was to recall that a decade ago your party was handing out red apples to youth; now we find you handing out "red" scares. Neither procedure seems to cope with the very fundamental problems which are facing the young people of this country, and which we hoped a representative of your party would discuss with us. Shooting at Communists instead of shooting at the problems doesn't kill off the real enemies of American democracy and American youth—unemployment, lack of adequate educational, housing, and health facilities, and the threat of war.

The four and a half million young people cooperating through the American Youth Congress do not share your lack of faith in the Bill of Rights, which, if you recall, contains no "ifs" and "buts" to exclude Communists or any other minority group (such as your own) from the American scene.



No one can seriously contend that the expulsion of the fractional number of young Communists from the American Youth Congress can provide jobs for the 4,000,000 young Americans who are out of school and out of work. The experience of other countries leads us to believe it can only result in the elimination of every type of dissenter.

The American Youth Congress prefers to address itself to the real problems and to those who have the power to alleviate them, i. e., labor, business, and government. We are not tied to the political apron strings of any party. We have a program for jobs, civil rights, and peace, and we exercise our right to vote with that program in mind.

I repeat that I regret your refusal to send a representative of your party to discuss the problems that millions of young Americans cooperating in the organization believe to be the most pressing matters of our time. I need hardly add that if ever your party has a program which it feels can stand the test of full, free discussion, we shall be very happy indeed, in accordance with our principle of permitting all points of view, to have a representative of your party at any of our gatherings.

Very truly yours,

JOSEPH CADDEN,  
Executive Secretary.

### Good-Neighbor Policy

### EXTENSION OF REMARKS

OF

HON. FRANK CROWTHER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

ARTICLE FROM THE WASHINGTON SUNDAY STAR OF  
DECEMBER 17, 1939

Mr. CROWTHER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article from the Washington Sunday Star of December 17, 1939:

[From the Washington Sunday Star of December 17, 1939]

IS UNITED STATES GOOD-NEIGHBOR POLICY YIELDING RESULTS IN AMERICAS?—UNCLE SAM IS A SENTIMENTAL FELLOW WHO GIVES MUCH AND APPARENTLY IS GETTING LITTLE IN RETURN

(By Herbert M. Bratter)

A sentimental old fellow is Uncle Sam. Like Benjamin Franklin's spinster, he is grateful for small favors. A foreign nation has merely to pay him its debts to evoke his lasting friendship. Yet even if the foreigner defaults "Tio Sam" retains his amicable attitude.

In Latin America particularly is this the case. Uncle Sam not merely responds to the slightest friendly overture. Wearing his heart on his sleeve, this caballero of the north seeks out the senoritas of the south, paying impartial court to all.

His is a soothing serenade. Sometimes it charms. More often it goes unanswered, as in Argentina and Mexico. His songs are not all in Spanish. He sings in Portuguese, too, his golden tunes. In gracious response to a \$17,200,000 Export-Import Bank loan last spring the Brazilian Government tossed him a rosy promise to resume early payment on the defaulted debts; or so, at least, it was reported to us. But the rose has withered, and the old defaulted debts are still in the same condition.

Under the courting caballero policy Washington has this year received more visiting dignitaries than in any comparable period since the World War. From Cuba and Nicaragua, from Haiti and Brazil, high dignitaries have come to thank us in advance for Government credits.

#### MONUMENT TO A BORROWER

Someone has describe the period of reckless foreign loans of the 1920's as "frenzied finance." The present period may be characterized as "friendly finance."

The loans Washington is making are not large in our eyes. But to the borrowers in these hard times they are considerable. According to press reports they are planning a monument in Nicaragua to President Somoza for his success in borrowing \$2,000,000 in Washington.

Our Latin American overtures are not limited to mercenary methods. We are striving in scores of ways, official and unofficial, to make the Americas one happy family of nations. We call and attend pan-American conferences, committees, and meetings. We set up interdepartmental groups in Washington to rack their brains for ways to confer benefits on the countries to our south—benefits in agriculture, mining, trade, education, etc. We lend them our experts; we exchange professors and students with them; we seek new markets here for their goods; our Army bombers visit them

on good-will flights; we send them our best in broadcasting efforts, entirely free of charge; we subsidize shipping and airplane lines to knit them closer to ourselves and to each other; we foster a pan-American highway; we advertise their tourist attractions to our people.

#### WHERE ELSE?

Where else can you find a nation voluntarily propagandizing among its own people in favor of its neighbors? Yet that is precisely what we are doing, officially and unofficially. For a whole winter season the Department of Interior broadcast weekly in this country a series called "The Brave New World," designed to make Latin Americans better known and understood here.

The campaign to cultivate the United States of America for our Latin neighbors is proceeding on a much broader front than most people would imagine. A recent survey by the National Committee of the United States of America on International Intellectual Cooperation required 159 typewritten pages to describe inter-American cultural activities in the United States. The single-spaced list of organizations alone fills 6 double-column pages. In addition to the Pan American Union and United States Government organizations, intellectual relations with Latin America are being cultivated here by a long list of unofficial groups, universities, libraries, and business enterprises.

If "the Lord helps those who help themselves," our good neighbors to the south of the Rio Grande in the years to come should be in a position to benefit from the educational work we are doing here for them. In view of all we have been reading about foreign propaganda in the United States, it is worth reflecting that the Latin Americans are in the unique position of having us do it for them gratis.

#### SLOW WITH RECIPROCITY

Despite such widespread efforts, the good-neighbor policy seems slow in producing the reciprocity we desire. In various respects our investors, our businessmen, our tourist industry, and our broadcast business suffer from injurious Latin American policies.

In the matter of composing unpaid loans held by our investors, virtually no progress has been made. Many Latin American bonds are still selling at default prices. A few days ago in New York a block of Mexican Government railway bonds exchanged hands at a quotation of  $\frac{1}{4}$ ; that is, \$2.50 per \$1,000 face value. Speculators are hesitant to buy such bonds because it costs more to keep them in a safety-deposit box than the entire price of the securities. At present low quotations considerable amounts of Latin American bonds have been bought up by the defaulting governments themselves.

In the sphere of commerce, American exports are handicapped by exchange and import controls in many Latin American countries, some of which grant to European goods a preferred position over American merchandise seeking to enter the country. Efforts to procure trade agreements with Argentina and Uruguay have been conspicuously fruitless.

#### UNITED STATES INVESTMENTS SUFFER

Elsewhere American direct investments have been bodily taken over or threatened by some Latin government. Bolivia has nationalized American oil lands. Mexico for years has been taking American-owned farm lands, and in 1938 seized an estimated \$150,000,000 of American oil properties. Latin America would benefit by further American investments in mining and manufacturing, yet the trend toward economic nationalism in that area has badly frightened American capital.

Despite the discouraging failure, the United States goes ahead with its amicable aims in Latin America, and even the countries which have been least promising of results continue to receive our official good will, Mexico no less than the others.

Mexico continues to be our pampered "Peck's bad boy." One wonders how much it might obtain for us if only it reciprocated our pan-American impulse.

Of all the Latin lands, Mexico has been a very special beneficiary of American benevolence. For not only does it benefit from our good will toward Latin America in general but it is the chief foreign recipient of our foreign silver subsidy, being the leading silver-producing country of the world. Silver is one of Mexico's major exports and an important source of income for the nation and the Mexican Government.

#### MEXICO AND SILVER

No one can claim that the Silver Purchase Act of 1934 was passed for an unselfish motive. It is true that the Mexicans worked hard to get us to adopt the program, just as they are working now to get us to retain it. But, however unsound its economics, that silver program admittedly appealed to American export and agricultural interests in 1934, as well as to the silver bloc which fathered it.

Now, however, after more than 5 years of demonstrated economic folly, it is a matter of record that the foreign silver program depends for its continued existence only on the administration's desire to do something Mexico wants done. This is quite plainly set forth in the congressional debates for 1939. The Government is positively afraid of offending Mexico. This overcautious attitude is hard to understand.

Mexico's dependence on bullion and other business with the United States is indicated by such facts as these:

Of Mexico's total merchandise exports, amounting to \$186,000,000 in 1938, 67 percent went to the United States. Of its total imports, \$494,000,000, 58 percent were supplied by the United States.

Mexico in 1938 produced 924,000 ounces of gold, valued by Washington at \$32,240,000, and 81,000,000 ounces of silver, valued by Washington at \$34,830,000. For both of these metals the United States is virtually the only market at current prices, and for both of them it pays an artificially high price.

The American silver policy has enabled Mexico to get at least \$80,000,000 more for its silver production than would otherwise have been the case. Since the silver program started Mexico has received approximately \$220,000,000 for its output.

#### TOURISTS HELP, TOO

Nor are these the only items. In 1938 American tourists left \$44,000,000 in Mexico. This business with American tourists was almost one-fourth as large as Mexico's entire commodity exports that year. And the tourist trade is growing every year. The interference of the war with travel to Europe can only serve to increase Mexico's business with American pleasure travelers, whom Washington allows to bring home duty free \$100 of merchandise apiece. No such liberal policy is followed by Mexico.

Considering these facts, it is a matter for wonder that in the country's own self-interest Mexico's policies toward this country are not less unfriendly. It is like a case of the small boy kicking his big brother in apparent assurance that the big fellow won't dare to retaliate.

Mexico's seizure of the oil properties, for example, is admittedly within the country's recognized rights, but only, as our State Department has phrased it, if "prompt and just compensation" is made. Now the Mexican Supreme Court has ruled that these properties were legally seized; that no payment need be made for oil in the ground; and that payment for above-ground oil properties need not be made for 10 years. In view of Mexico's past record in meeting such claims, the outlook for the oil companies is very discouraging.

Mexico's broadcasting policy cannot be viewed as deliberately unfriendly to us, although the badly needed North American broadcasting agreement, designed to unscramble the confusion caused by conflicting transborder stations, has been ratified by all the other signatories. Our State Department has been unable to cajole Mexico into making the agreement effective. Not only do certain Mexican border stations fill our air with unwelcome advertising but, according to Broadcasting magazine, the Mexican Government plans now to assign to those stations wave lengths already in use by American stations, threatening even more serious interference with reception in the United States.

The good-neighbor policy has distinct merit where our initiative is reciprocated, but it needs to be modified where experience proves it ineffective. It needs to be individually tempered to the needs of each country.

To insist on Japanese respect for our rights in war-torn China and simultaneously to neglect our rights in next-door Mexico is sadly inconsistent. To Japan we have now talked "straight from the horse's mouth." In Mexico, then, we should not rely on "whispered prayers in a horse's ear."

### Farm Tenancy

#### EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

Mr. SPARKMAN. Mr. Speaker, I feel that the action of the House in refusing to include in the appropriations for the next fiscal year funds to provide for farm-tenant purchases under the Bankhead-Jones Farm Tenant Act was a great mistake. Such action is short-sighted and cannot be justified by the statement that no headway can be made against increasing farm tenancy. Only by a long-time program, carefully followed and patiently adhered to, can headway be made against this cancerous condition in American farm life. Such a program is contemplated by the Bankhead-Jones Farm Tenant Act, and to carry out that program funds should be provided each year.

An editorial in a recent issue of the Christian Science Monitor, I think, expresses well the proper attitude toward this problem. It is as follows:

[From the Christian Science Monitor]

#### TENANTS AND CONSUMERS

For several years the United States has been mildly stirred about the trend of farm tenancy. And well might it be. People have been losing their hold on the land at the rate of about 40,000 a

year and falling into the tenant and sharecropper relationship which too often means shiftlessness, discouragement, and drifting.

Under these conditions, while applauding the general sentiment in the House of Representatives which has blocked heavy proposed farm parity payments and made deep cuts in the Department of Agriculture appropriation bill, it may be asked whether the deletion of the \$25,000,000 for continuation of the farm-tenancy program is true economy. This is the provision under which loans for 40 years at 3 percent are made to selected tenants to help them establish themselves as small-farm owners.

Representative DIRKSEN, of Illinois, made the point against this program that it has reached only 13,328 borrowers in 3 years out of an enormous number of former landowners that have become dispossessed. The raising of farm prices, he implied, would enable the vastly larger number to hold their farms, and without a charge on the Treasury. But prices of the products grown in areas where ownership of farms has decreased—principally cotton, corn, and wheat—are determined ultimately by world markets, and if raising farm prices contemplates more tariffs, even an embargo would not aid them a nickel's worth.

There is a direction, however, in which tariff revision might help tenants and croppers to acquire or reacquire farms. This is the direction taken by the Hull reciprocal trade agreements program to reduce the costs of things that farmers and other people buy. This would benefit not only all farm tenants but all consumers. The point is well taken that it would be better to help all farm tenants than only a few, but it is better to do what can be done than to do nothing at all. And it may legitimately be asked what would be done about this serious national problem by those who proposed to repeal both the farm-ownership-aid program and the Trade Agreements Act.

### Continuance of Soil-Conservation Program

#### EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

#### RESOLUTION BY BOARD OF SUPERVISORS OF THE NORTH CROWLEY RIDGE SOIL CONSERVATION DISTRICT

Mr. GATHINGS. Mr. Speaker, in view of the all-important question of soil conservation, I ask unanimous consent of the House to include in the RECORD a resolution which I have received from the Board of Supervisors of the North Crowley Ridge Soil Conservation District, comprising 307,000 acres in Clay and Greene Counties, Ark.

The resolution is as follows:

Whereas the farm and grazing lands of the State of Arkansas are among the basic assets of the State and the preservation of these lands is necessary to protect and promote the health, safety, and general welfare of its people, and

Whereas improper land-use practices have caused and have contributed to a progressively more serious erosion of the farm and grazing land of the State, particularly in the Crowley's Ridge area of Clay and Greene Counties, and

Whereas the consequences of such soil erosion are the reduction in productivity and outright ruin of farm lands; the silting of reservoirs, streams, and drainage ditches; declining acre yields of crops; an increase in the frequency and intensity of floods; destruction of the tax base; and the impoverishment of families attempting to farm eroded and eroding lands, and

Whereas the work of the Soil Conservation Service has been of great and lasting benefit by assisting this soil conservation district and other such districts throughout the Nation to prevent the destruction of lands by soil erosion through the establishment of soil conserving practices such as terracing, strip cropping, planting of permanent pastures and meadows, rotation of crops, planting of forest trees, contour furrowing, construction of farm storage reservoirs, and the planting of badly gullied and highly erosive areas to soil-holding plants: Be it

Resolved, That the Board of Supervisors of the North Crowley Ridge Soil Conservation District, representing over 3,000 farmers, opposes any reduction in funds for the Soil Conservation Service, and that the appropriation of funds be not less than the appropriation for 1939; and be it further

Resolved, That this board emphatically supports the principle that the wealth of this Nation and the welfare of its people demand that soil conserving practices be installed on all eroding lands, and that it should be the policy of the National Congress to provide for the conservation of the soil and soil resources of this country.



## Should a President Run for a Third Term?

## EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

RADIO ADDRESS BY HON. THOMAS A. JENKINS, OF OHIO

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following, delivered yesterday over the radio by my colleague from Ohio, Hon. THOMAS A. JENKINS:

Ladies and gentlemen of the air, my subject is, Should a President run for a third term? While this has been a question of great interest from the days when the Constitution was being written, it never has been so much to the front as it is now. From the foundation of the Republic no President serving his second term ever considered contesting for a third consecutive term. That is the reason for the great interest manifested in the future actions of Franklin D. Roosevelt. The great Washington no doubt could have had a third consecutive term. Although Jefferson was popular, he could not have had a third term because he had on many previous occasions indicated his opposition to it and gave most convincing reasons for his position. Andrew Jackson also was popular, but he had recommended in each of his annual messages to Congress that the Constitution be amended to provide for "a single term of 4 or 6 years." I have seen it in print that Mr. Coolidge could have had a third term. I think this is doubtful. At any rate, Mr. Coolidge had not served two full consecutive terms. Theodore Roosevelt contested for what might be considered as a third term, although he had not served two full terms, but it was not for a third consecutive term. Grant reluctantly permitted himself to be considered for the nomination for a third full term, but it was not consecutive, and he was not nominated. The danger from a third term comes from its being consecutive. Three nonconsecutive terms would not be fraught with the danger from bureaucracy and dictatorship that would attend three consecutive terms. All our two-term Presidents have declined to consider three consecutive terms, and those who considered a third nonconsecutive term were emphatically denied it. What will Franklin D. Roosevelt do? Will he emulate his patron saint, Andrew Jackson? Will he follow the example of Jefferson, the founder of the Democratic Party? Will he laugh off the Democratic platform of 1912, which said: "No man should be eligible for a third term of the Presidential office"; and the platform upon which Woodrow Wilson was elected, which favored a constitutional amendment making a President ineligible for more than one term? Or will he order his New Deal forces to boldly assault the ramparts of custom and tradition and offer himself for election to a third consecutive term? This question engrosses the attention of more of our people at this time than any other public question. Should he decide to contest, his friends, no doubt, will argue that there is an emergency existing in national affairs and that the best interests of the Republic demand it.

Let's analyze this without any political partisanship:

- (1) Do his real friends favor his entrance into the contest?
- (2) Is there in reality an emergency?
- (3) Do the best interests of the Republic demand it?

I

Do his real friends favor his entrance into the contest? In a case of this kind one's real friends should mean not relatives or cabinet officers or persons one employs to boost his cause. The presidency is a political office. A candidate is elected because he has been chosen by his party to be its candidate and that candidate should at all times attempt to reflect the wishes and principles of his party. Under our system of government two parties are contemplated. Our Republic will not long endure if we find ourselves divided in our loyalty to cliques and blocs and a myriad of small political parties. Political parties are not economic parties. They are in fact political parties. It is not likely that the majority of the political leaders of the President's party favor him for a third term. Most of those who do are moved to that position by the fact that because of the President's popularity with certain groups by reason of his efforts along economic lines it is expedient to support him for his third term. A spontaneous ground swell that would carry one to a third term is a thing quite different than a highly geared publicity machine designed to move speedily and ruthlessly, if necessary, and to constantly manufacture and distribute favorable sentiment for the candidacy of some one individual. In spite of the popularity of the President, ostensibly for his efforts along economic lines, not one of the Gallup polls taken on the straight-out issue of electing the President for a third term has shown a majority for him.

These polls show the strength of the sentiment against a third term. There is a powerful sentiment in the Democratic Party against a third term for Presidents. In 1928 when it appeared that

Mr. Coolidge might aspire to a third term, the Senate of the United States adopted a resolution against a third term. This was supported by practically all of the Democrats in the Senate. The resolution is as follows:

"Resolved, That it is the sense of the Senate that the precedent established by Washington and other Presidents of the United States in retiring from the presidential office after their second term, has become, by a universal concurrence, a part of our republican system of government, and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions; and be it further

"Resolved, That the Senate commends observance of this precedent by the President."

This was only a few years ago. Many of the Democratic Senators who voted for this resolution then are yet Members of that great body. Among them are: Senators ASHBURST, (dear ALBEN) BARKLEY, GLASS, HARRISON, KING, MCKELLAR, NEELY, PITTMAN, SHEPPARD, SMITH, THOMAS of Oklahoma, TYDINGS, and WHEELER. No doubt each of these great men, all friends of the President, will find it difficult to square that vote with an open advocacy of his candidacy for a third term. Senator NORRIS also voted for that resolution, but somehow it seems he has changed his mind. I repeat, then, it is very doubtful that the President's real friends are encouraging him to seek a third term.

II

Now we come to our second proposition: Is there a real emergency such as would require the reelection of the present incumbent? That, of course, would depend upon the nature of the emergency and upon whether the Democratic Party has only one man in its membership that can meet the emergency. In 16 years as a Member of Congress I have met many highly qualified men who are now affiliated with the Democratic Party who could fill the office of the Presidency with credit and honor. To claim that there is only one man capable of leading does not do justice to the great Democratic Party.

As to the existence of a real emergency, I leave that with my audience. What one might think is an emergency is not such to another. If we are in the midst of an emergency, it most likely is the same emergency that has been offered as a reason for the passage of much legislation in the past 7 years; and it is no doubt the same emergency that has been used as a reason for the colossal governmental expenditures for the past 7 years. If this is the emergency that confronts us and makes the election of the present incumbent for a third term imperative, I might timidly suggest that this unsurmounted 7-year-old emergency might be a reason why the present incumbent should not offer himself for a third term. He should better let someone else try to remove this emergency.

III

Whether the best interests of the Republic demand the reelection of the present incumbent for his third consecutive term should not be decided upon the present-day economic conditions. This is a much larger question than personal interests or party success. It is beyond and outside of the personality or the personal welfare of the man. It is a matter that was given much consideration in the Constitutional Convention in 1787. Hamilton favored a strong national government with long tenure for the President. His position had practically no support. Jefferson, whose opposition to a monarchy was a passion with him, although he was in Europe when the Constitution was being written, through his followers was successful, early in the convention, in having the tenure fixed at one term of 7 years with no succession. This provision remained in the tentative draft of the Constitution until September 1, 2 days before the final agreement of the convention, when the term was reduced to 4 years with no mention of additional terms. Of this change Jefferson, years later, said:

"My wish therefore was that the President should be elected for 7 years and be ineligible afterward. This term I thought sufficient to enable him, with the concurrence of the legislature, to carry through and establish any system of improvement he should propose for the general good. But the practice adopted I think is better, allowing his continuance for 8 years, with a liability to be dropped at the halfway of the term, making a period of probation."

Jefferson further commenting on this question of whether the best interests of the Republic demand the retention of any one man in the Presidency for three terms, said:

"If some termination to the services of the Chief Magistrate be not fixed by the Constitution or supplied by practice, his office, nominally for 4 years, will, in fact, become for life; and history shows how easily that degenerates into an inheritance."

When Jefferson said, "His office, nominally for 4 years, will, in fact, become for life," he knew what we know, that if we ever break this third-term rule for a President he will be President for life if he desires it.

Some men may be strong enough to carry on the democratic processes of a government for life, but history does not name one. On the contrary, history shows where bureaucracy has throttled the strongest. When the executive usurps the other branches and the orderly processes of government fail, the Constitution is impotent. An impotent constitution in the hands of a senile, benevolent dictator is as impotent as in the hands of a despotic dictator. When a dictator, benevolent or despotic, comes in the Constitution goes out.

Philosophically Jefferson was sound, and practically he was sound when he said, "Should a President consent to be a candidate for a

third election, I trust he would be rejected on this demonstration of ambitious views."

My friends, the President's actions indicate that he might seek his third term but his words indicate the contrary. I know they say "actions speak louder than words," but let us see. On March 4, 1937, on the occasion of the President's victory dinner, and when he was starting on his second term, he said:

"I am by no means satisfied with having twice been elected President of the United States by very large majorities. I have an even greater ambition. My ambition relates to January 20, 1941. My great ambition on January 20, 1941, is to turn over this desk and chair in the White House to my successor."

It is hard to conceive that the President would fail to keep his promise. Although there is no constitutional provision prohibiting a third-term candidacy, yet there is no provision sanctioning it. We do know what a large majority of the members of the Constitutional Convention did not favor long tenure.

In view of the almost unanimous opposition to a third term of all classes of people from George Washington down to the present time, the President should not temporize further or keep the people agitated. With great unrest in the world we, of all nations, should not encourage internal unrest and discord. Dictatorships thrive on discord and unrest. They stalk across the world, recognizing neither right nor justice, disregarding all promises, however solemnly entered into, defying nature, and denying God. All this comes from a usurpation of executive power.

To break the time-honored custom of two terms for a President and to elect him for a third, a fourth, and a fifth term would launch us on a course that might irresistibly lead us to national destruction. Unlike the legislative and judicial branches of the Government, the executive branch is one man only. This one man is the Commander in Chief of the Army and the Navy. He names the Secretary of the Treasury, who might improperly take from the people the power to control the purse strings of the Nation. He names the Attorney General, who is the legal representative of the Government in all its activities. To give him the additional power that comes from the control of a million Federal employees, federated into bureaus, by controlling their action for a long and uncertain tenure is a danger which we should recognize before it is too late.

Totalitarianism inevitably displaces individual freedom of action in business, and chokes free speech, and stifles free worship. God forbid that the time may ever come in America when one man shall call himself "the state."

## Federal Employment Hits Peak

### EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

Mr. DWORSHAK. Mr. Speaker, there were 68,377 more civil employees in the executive branch of the Federal Government on December 31, 1939, than on December 31, 1938, according to the report just released by the United States Civil Service Commission.

At the end of 1938 the civil personnel totaled 919,161, while there were 987,538 employees listed at the end of 1939. Only during 2 months in that 12-month period was there any reduction in the number of employees, thus reflecting a persistent and definite upward trend in governmental employment.

The pay roll for the month of December 1938 was \$142,074,336, but for the same month 1 year later the amount was \$152,331,559, showing an increase of \$10,257,223. On the basis of 1 year this would amount to almost \$2,000,000,000 solely for salary payments in the executive departments.

The civil-service report also shows a steady upward trend in the District of Columbia, where 120,852 employees were listed on December 31, 1938, and 127,597 at the end of 1939. These figures for both the District and the entire country establish all-time peaks.

The Reorganization Act became effective July 1, 1939, when there were 925,982 civil employees, or 61,556 less than 6 months later. Therefore, it is obvious that despite the claims advanced in behalf of this program to effect efficiency and economy, and encourage consolidations in the executive departments, the results are in conflict with this trend. In reality, bureaucracy is still rampant, and the New Deal may soon be able to adopt the slogan: "One Million Employees by the End of 1940."

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The December report released by the United States Civil Service Commission contains the following:

TABLE 1.—Civil employment in the executive branch of the United States Government by funds and character of employment, November and December 1939

Item	December <sup>1</sup>	November	Net change	
			Increase or decrease	Percent
Entire service: All employees.....	987,538	932,641	54,897	5.9
Regular funds:				
Full-time permanent.....	728,339	746,725	18,386	2.5
Full-time temporary.....	81,655	92,439	10,784	13.2
Force account.....	93,174	36,003	57,171	61.4
Part time.....	26,452	36,003	9,551	36.1
Emergency Relief Administration funds:				
Full time.....	55,915	55,841	74	.1
Part time.....	2,003	1,633	370	18.5
In the District of Columbia: All employees.....	127,597	126,277	1,320	1.1
Regular funds:				
Full-time permanent.....	108,160	109,771	1,611	1.5
Full-time temporary.....	3,817	6,541	2,724	71.6
Force account.....	6,277	1,091	5,186	82.8
Part time.....	489	1,091	602	123.1
Emergency Relief Administration funds:				
Full time.....	8,842	8,858	16	.2
Part time.....	12	16	4	33.3
Outside the District of Columbia: All employees.....	850,941	806,364	53,577	6.3
Regular funds:				
Full-time permanent.....	620,170	636,954	16,784	2.7
Full-time temporary.....	77,838	85,898	8,060	10.3
Force account.....	86,897	34,912	51,985	60.0
Part time.....	25,963	34,912	8,949	34.5
Emergency Relief Administration funds:				
Full-time.....	47,073	46,983	90	.2
Part-time.....	1,991	1,617	374	18.8

<sup>1</sup> Preliminary.

<sup>2</sup> Data on full-time temporary employment is not available for November. The comparison, therefore, is made between the full-time employment in November and the combined permanent and temporary full-time employment in December.

## Americans of Polish Descent

### EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, February 9 (legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. PRENTISS M. BROWN, OF MICHIGAN

Mr. MINTON. Mr. President, on February 4, 1940, on the occasion of General Haller's visit, the distinguished junior Senator from Michigan [Mr. Brown] delivered a stirring address to Americans of Polish descent. I ask unanimous consent that it may be printed in the Appendix of the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

I am here to aid and support you in your effort to help your unfortunate brothers in Poland. God knows they need help. I am glad that our great President Roosevelt, speaking through his Secretary of State on October 9 last, announced that the United States would continue to maintain relations with the Polish Government and would ignore the claims of Germany and Russia that Poland no longer existed. I agree with the new President of Poland when he said, a few days ago, "Poland has not perished as long as we live. Let us hurl at the enemy those proud words of the national anthem, 'Poland is immortal.' We shall deliver her from captivity and restore her from ruin." As far as this country is concerned, Poland lives. Its Ambassador, Jerzy Potocki, is in Washington and Poland remains in the family of nations, temporarily overrun by two armies, but certain to be restored to Poland's people. May a just God hasten the coming of that day.

The visit of General Haller comes at a time when the civilized world is astounded at the persecution of Poland's people by Hitler and Stalin. Many reports have reached us, but not until the facts given the Pope by Cardinal Hlond became known did we realize the enormity of the crime against Poland. The persecution of



priests and the destruction of religion seems to be the main aim. They know that while Poland's great church lives they cannot exterminate the old homeland.

I read you a few short paragraphs from Cardinal Hlond's report to the Vatican:

"The new year, with its frail but refreshing promise of peace, brings us almost daily from Warsaw and Cracow, from Pomerania, Posen, and Silesia, a tale of destitution, destruction, and infamy of every description \* \* \*. These are not confined to the sections of the country under Russian occupation, heart rending as news from that quarter has been. Even more violent and persistent is the assault upon elementary justice and decency in that part of prostrate Poland that has fallen to German administration."

"The richest part of western Poland is being unceremoniously stolen from the Poles and deeded over to the Germans as the real proprietors are packed off in foul-smelling trains to the war-torn region of Warsaw. \* \* \*"

"A system of interior deportations and zonings is being organized in the depths of one of Europe's severest winters on principles and by methods that can be described only as brutal. And stark hunger stares 70 percent of Poland's population in the face as their reserves of foodstuffs and tools are shipped to Germany. \* \* \*"

"The most Catholic diocese of Poland, with more than 7,000,000 Catholics, will soon become a land of infidels. \* \* \*. This extermination is continuing without interruption and takes the shape of perverse sadism. \* \* \*. It is a real extermination, conceived with diabolic evil and executed with unequaled cruelty. \* \* \*. We cannot help but refer to this as one of the most serious enormities of all history."

I think that if you will search deeply you will find that mankind in general will suffer almost any kind of enslavement other than enslavement of the mind. I think you will find also that from the days of the holy wars of the crusades down to the present struggle in Europe, that intolerance, the desire to impose the thoughts and beliefs of a more powerful and numerous people upon the less powerful, the minority, is still the deep, underlying cause of war.

I said a moment ago that man would accept almost any yoke of service. He will willingly obey the laws which impose restrictions upon his right to do business, such, for example, as tariffs, trade limitation, and regulation; on his mode of living, such as the type of house he may build in a certain locality, the speed at which he will drive his automobile, and even the number of hours that he will work, and the minimum rates of his pay. He will assent to the public demand that his children obtain a minimum of schooling in schools of his own choice. In short, he will accept the restraints that civilization requires. All of these restrictions on personal liberty we generally recognize as being necessary to our peaceful living together.

But, Mr. Chairman, the most important thing in our lives is our individual theory of morality, our ideas of the future, our religion, our worship, particularly the course that we should take in life to assure, as nearly as we each think we can, what will happen to us after we leave it. In this realm the God of us all has placed in us an unquenchable determination that we shall think our own thoughts, live our own life of worship, and attach ourselves to the religions of our choice. When men interfere with this phase of our natures, no matter what the cause, we humans rebel at restriction. There is also a desire on the part of mankind to impose, persuade others to their favored viewpoint; and that desire, carried to extremity, is, in my judgment, the chief cause of world unrest, of world war. The converse of this is the denial of the right to worship, to the exercise of religion, of the right to believe according to the natural processes of thought of each individual.

If wars were carried on today in the twentieth century as they were carried on in the nineteenth century and preceding centuries, there would not be the suffering that we have today. Then armies fought as representatives of nations. Today the entire populace is involved. The only civilian contacts with war in the old days were in those places through which the armies passed, and in the few and usually remote places where battles took place. Now the whole population of a nation is in fear of air raids. Where once men looked upward to the skies for peace, now it is filled with the hellions of destruction. Peaceful travelers are the targets of undersea assassins. Neutral ships and the property of citizens of neutral nations are destroyed without hesitation and without discrimination. In the eyes of the rulers of certain powers every babe in the land is a combatant. The Chinese philosopher Confucius is generally credited with the idea of the Golden Rule. Five thousand years of bloody history has not taught the peoples of the world the truth of the Golden Rule. At least we do not apply it. The excesses of the savage barbarian of the past came from an uncivilized, uneducated, untaught mind. He justified his savagery upon the ground of some strange belief, but the cold-blooded barbarian of today has been taught the tenets of religion. He knows of pity, tolerance, humanity, but he rejects them all. The savage of the past knew no better; the savage of today can plead no such immunity when he faces his Maker.

I cannot understand intolerance. I do not believe that I have an ounce in me. You know that the great Catholic Church has been the object of intolerance on the part of many. You know that attempts have been made to prevent her from educating her own children. My earliest political effort was my resistance to the so-called parochial-school amendment. My first national political

convention was one in which I, a Methodist, voted constantly and continually for a great Catholic, Alfred E. Smith, of New York.

Mr. Chairman, we are now in a State which was carved out of a Territory whose basic organic law, the Ordinance of 1787, stated the great principle that it was founded for the purpose of "extending the fundamental principles of civil and religious liberty, which form the basis whereon these republics, their laws, and constitutions are erected, to fix and establish those principles as the basis of all laws, constitutions, and governments which forever hereafter shall be formed in said Territory."

The substance of that ideal is the fundamental law of Michigan today. And, Mr. Chairman, we live in a Nation whose Constitution provided in its first amendment, yea, in the first sentence of its first amendment, the following:

"Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof."

I am not among those who believe that the moral force of what I consider to be the prevailing public opinion of my country should not be expressed and used. I do not believe that neutrality implies that a citizen or a Member of Congress may not condemn aggression, cruelty, and modern barbarism when he finds it. And, Mr. Chairman, I have not hesitated to express my views concerning the actions of the present ruler of Germany. During the neutrality debate on the floor of the United States Senate, and subsequently over the radio, I said:

"American public sentiment is against Germany in this war because the ruler of the German people has seized and throttled democratic government in Germany and has reorganized a powerful nation apparently for the purpose of dominating Europe. Our sentiment has risen against him because he has cruelly persecuted a Jewish minority; because he has endeavored to break down religion, attempted to break down the great Christian Church in Germany, Catholic and Protestant alike; because he has mercilessly bombed Polish cities and slaughtered Polish citizens without just cause; because he has devoured the democratic countries to the south of Germany, such as Austria and Czechoslovakia, against their will. I think no military master or ruler in history has gone as far as he has. He aspires not only to one-man rule, but he names his successor. Even the absolute monarch claimed no such power; he was bound by the laws of legitimate inheritance and succession. But Hitler names his successor, his successor's successor. But we condemn him most because he has plunged an unwilling world into war, unleashed the most contagious passion known to man and menaced my sons and yours. This and much more is the reason for the dominant anti-Nazi sentiment today."

We view the nefarious doctrines of Russia in the same way. The present wave of sentiment for the heroic Finn in his defense of his homeland is due in part to our aversion for communistic Russia. My own bill, now pending in the Senate, proposes to give Finland such aid as we can within the bounds of neutrality in her battle for national life. Our Nation must be and will be neutral in act, but we cannot all be neutral in thought.

There still swells within our breasts the love of human freedom, sympathy for the oppressed. We cannot view the spectacle of a brutal foe, outnumbering his victim 50 to 1, in an unprovoked attack on a peaceful nation, without emotion. Those who love liberty need not be silent.

The views and the attitude of this mighty Nation of the western world are important to the peoples of Europe. No matter how much they may rail at us over our commercialism they know that in the last war we asked nothing and received nothing. That we expended tremendous amounts of money, of resources, or men. They know all this stands upon our ledgers in red as a great loss, that the prevalent opinion is that our effort was in vain; but the people of Germany, the people of Russia know that our great President, Woodrow Wilson, struggled for a just peace; that probably due to the suffering of the Belgians and the French, to the destruction caused by the German Army, vengeance rather than justice dictated the terms of the peace treaty, which was an unfortunate one for the world. The thinking people of the Central Powers know that the public opinion of this Nation, not only because of its morality but because of its tremendous power, can be, and is, a potent force in the world. I favor the use of that American public opinion in condemnation of the course that the German ruler has taken in his treatment of the civilian populations which he has subjugated and cruelly mistreated, and though that public opinion will not affect him nor the servile sycophants around him it will ultimately affect the people of Germany. And that public opinion will be a tremendous factor in shaping for the world a course which all men of good will hope will see the end of this half century of war.

In the task of the present hour—that of getting aid to the suffering of Poland—let me pledge you my complete support. Everything that can be done to support you will be done. I look for the complete and total defeat of Poland's foes. I foresee the rise of their own people against the cruel masters of the moment. As citizens we express our abhorrence of these atrocities against men, women, and children; against priest, church, and God. We urge the utmost we can in charity give, to aid them. But, Mr. Chairman, the greatest service we in America can give is to maintain this Nation, now and in the future as it has been in the past, an example to the world that a solid, substantial, and permanent government can exist with liberty of worship and individual freedom for all its people. This is our mission. To follow it is the hope of this war-weary world.

## Threats to America Become Realities

## EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, February 9 (legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an address that I delivered on January 18, 1940, at the University of North Carolina, which is located at Chapel Hill, N. C., under the auspices of the Carolina Political Union. The title of this address is "Threats to America Become Realities"; and I may add that it was broadcast over station WPTF from the capital of our State, Raleigh. As a result of this address, which was broadcast, I have received literally thousands of letters from North Carolina and adjoining States reached by the facilities of WPTF, all of which evidenced the interest of the authors thereof in my five-point all-American program which was discussed at that time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, ladies and gentlemen, I am indebted to the program committee of the Carolina Political Union of the University of North Carolina and its members for providing me this opportunity to speak tonight. I also wish to thank the management of WPTF Radio Station at Raleigh, N. C., and WDNC, of Durham, N. C., for the opportunity provided me to reach the ears of its thousands of patrons throughout the Commonwealth of North Carolina.

The greatest challenge confronting our people today is the need to defend American life and traditions against the inroads of communism, fascism, nazi-ism, and all other isms or dictator doctrines—as well as defending ourselves against propagandists of nations at war at the present time in Europe and Asia who would have us take sides with, or show some partiality to one side or the other.

I wish to state in the outset that it is my humble opinion that we, as a nation, should maintain absolute neutrality, and in this respect, may I, at this time, remind you of the patriotic warning once delivered by the Father of his Country, George Washington, in his farewell address, at which time he said: "Excessive partiality for one foreign nation and excessive dislike for another causes those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other."

Frankly, in reference to propagandists, I am constrained to believe that we are flunking our national test. I hope not. We all, of course, are depending on our Neutrality Act, a dike of words against a sea of need and blood. Each of us are asking our fellow man to consult the national interest first at a time when the interests of their children are ringing in their ears. We are asking that the little man be big. That, in a sense, is a measure of the smallness of our approach.

It has been said that the stage of war, the stage for our participation, is being set. It is a bare stage, and on it are a few kitchen chairs, an empty table, a congealed stove; in one of the chairs sits a man who fears the morning and who will accept any hope that comes. So far we have been afraid to look at him.

From many sources we are warned to watch out for propaganda. That is fine, but frankly, in the larger source perhaps this is a false steer. Some say that the propaganda fight has already been fought and won by the Allies. They assert that the United States now hates Hitler more than it hated the Kaiser in 1916, and that the toothiest of British lecturers can add only a drop to the brimming bucket of our hate.

We have arrived at an hour when it is of the utmost importance for us to protect our phases of American life and traditions. The history of every nation is marked by periods of unusual stress. At this hour, when the ominous clouds of strife hang heavy over distant lands, the thunder of their wars awakens us to the possibility of threats to our own America. It may be truly said that there has never before been the need that now exists to seek the truth and to recognize the facts as they are. While other peoples of the world are regimenting and assembling to hear the pronouncements of government, and while others have been mobilized and are now mobilized for war in Europe and Asia, we of

America gather to seek the truth without the crushing hand of any dictatorship or imperialistic democracy directing our deliberations or determining in advance what shall or shall not be said or done.

Upon the American people of our present time has evolved the serious work of defending the cherished fundamental principles of Americanism. We cannot value this too highly; in fact, there is no price or cost too great to incur in the defense of our American heritage. Such a heritage continued merely means the preservation of life and liberty itself. Our national integrity and our internal security is today at stake.

Many of the mightiest nations on the face of the earth are engaged in the settlement of all their differences by the annihilation of millions of human beings. In America we are at peace with the world, and I trust to the Almighty that we may remain so in order that we may daily be the recipients of the smiles and inspiration provided by the youth of our land.

Let us for the moment reflect upon the past, and in so doing let us recall to memory the vanishing democracies in Europe and the autocracies that have risen in their stead. This is partly a picture of social chaos and economic security, but above all, it is a picture of the failure of governments to keep their institutions and processes of democracy clean and efficient. It might be said that it is a picture of democratic governments that failed not only to keep their people physically secure but also to maintain the faith of the people with the integrity and efficiency of their government.

Such must not happen in America. For more than a century and a half we have been successful in maintaining a system of human living—despite its weakness and imperfections—representing the goal of thoughtful men, great and humble alike, since the beginning of the history of our land. Real Americans who respect liberty on the one hand and justice on the other are expecting that we keep that system alive for Americans in a world gripped by war, and our real duty and obligation is to show that we are worthy of that sacred trust.

It is our duty to unite tonight, tomorrow night, and every night for the purpose of defending ourselves against the insidious propaganda having as its objective the fomenting of unrest and the bringing about of the destruction of our own American ideals. In the days gone by the United States was proudly known as the melting pot of the world, into which peoples living within the confines of our shores were assimilated into genuine American citizens whose thoughts and whose hearts were entirely concentrated upon the welfare of this country, and at the same time these citizens were provided all of the benefits, the opportunities, and the securities that the Revolutionary patriots suffered for and died for in winning our highly prized independence from the British at Yorktown in our sister State of Virginia.

In the past several years that melting pot has been consumed by the flames that provided the heat for assimilation. Unfortunately, but nevertheless true, there has come into being a subsurface element, dishonest, malicious, and shifty, which with wanton effrontery has sought to turn that once great melting pot into a catch-all for the things that could never fuse with our ideals. Despite the depths of our depression, we of this generation have had more advantages provided than were advantages ever known by those whose alien ways of living, whose foreign "isms" have slowly but gradually filtered into our land, as a result of our own stupidity and bigheartedness in permitting millions from foreign lands to swarm upon our fertile shores. Regardless of the opportunities guaranteed to all within our midst, the liberty and opportunities provided, there are those who have betrayed America by eternally boring from within in an effort to destroy the very foundations of our great American edifice of freedom. Yes, the enemies within our midst, like termites, have sought by every scheming means to inculcate their alien ideas into our social order, fouling our cradle of liberty and justice.

This is no place for the pinkish fellow-traveler, for those who would regiment our people. This is the hour when all of us must think straight and not be misled by those whose allegiance is pledged abroad, by those within our midst, and by those who come from foreign shores, for the purpose of leading us astray by honeyed words and brilliantly painted pictures.

In selecting a title for my message to you there ran through my mind the fact that through the events of the hour we are facing realities which many saw as threats only a comparatively few years ago. Thus, I shall speak to you on Threats to America Which Have Become Realities.

I am happy to come home to North Carolina and be with you here at a great institutional center, which I was privileged to attend, and proud to have had the honor of attending. I have been vitally interested in the maudlin sympathy which we have shown for undesirable aliens who unlawfully came to the United States, or who came here lawfully and remained unlawfully. Likewise, I have been vitally interested in maintaining America's neutrality so that we would not become involved in another worldwide war, which would sweep from the mothers of America their own flesh and blood in the form of their sons. In other words, I am vitally interested in maintaining American traditions, in maintaining America's high position in the world of nations, and in maintaining America's neutrality in the midst of chaos, war, and in maintaining America for Americans.

Since entering the United States Senate, and before, I have been interested in maintaining America for Americans; I have contended that we should close our gates to the elements of the



world, and that we should deport all alien criminals and undesirable. Naturally, I have been singled out for censure and condemnation by "ism" groups, who have not the slightest regard for American traditions. I have been censured as intolerant, anti-this and anti-that. This condition exists and this censure and condemnation continues despite the fact that I have no quarrel with any race, creed, or color so long as those involved act in the way of true Americans.

My chief enemies are the Communists, against whom I am waging an unrelenting war, and certain minority elements who are insisting that we open the floodgates to the refugees of the world who are trying to come into our country to take jobs away from our own American workers. Yes, they have accused me of being either Fascist or Nazi simply because I believe in our citizens and our country first. They have accused me of being more sympathetic with this or that warring faction in Europe or Asia because I want to keep the United States out of war. But these wholesale accusations are just part of the vindictive, malicious campaign against me by some of the enemies of America for the sole purpose of discrediting me with all you real Americans here in North Carolina.

One malicious lie is that the American Vindicator, which is edited by me and published monthly at Washington, D. C., is financed by secret funds. This deliberate falsehood is being spread by the vicious minorities representing communism, nazi-ism, and fascism alike. However, the noisiest of all groups attempting to smear me are those advocating that we open wide the gates of America so that the flood of refugees from Europe can be dumped on our shores. I refer to some of those who are demanding the passage of the Wagner-Rogers resolution which would admit 20,000 alien refugee children from Germany. I have consistently opposed the passage of that resolution because I do not believe that these 20,000 refugee children should be permitted to come to the United States to compete with our own American boys and girls. In this connection, I might state that last year 750,000 boys and girls were graduated from our high schools and colleges, and only one out of every three will be able to secure a job within the next 5 years.

Now, here's the real truth about the revenue of the American Vindicator. Its only source of income is derived from the sale of subscriptions. Our books are open to the public. We will not accept a donation from anyone at any time, in any amount, or under any circumstances. We will not accept an advertisement of any sort from any individual, firm, or corporation, and I defy any individual to prove to the contrary. I challenge my enemies to submit proof of their charges. They cannot do it. I am working night and day as your representative in the United States Senate in an earnest, honest endeavor to preserve my country for its own American citizens. I am working night and day to safeguard our beloved State. For these efforts I get some praise from real Americans, and a lot of criticism and abuse from alien and radical camp followers around the country.

Regardless of these attacks on me, I am going to continue to do my duty to my constituents of North Carolina and to my Nation as I see it, subject to their wishes.

The American Vindicator is published by the Vindicators' Association, which is a nonprofit corporation, chartered under the strict laws of the District of Columbia. I am the national president and editor. Under the charter I am specifically prohibited from receiving any salary or remuneration of any sort either directly or indirectly for services rendered. At my insistence, the charter was so drafted. I am happy indeed to be provided the opportunity to contribute my services because the objectives are to crystallize sentiment throughout the entire United States in behalf of bills which I have introduced in Congress pertaining to restricted immigration, deportation of alien criminals, etc.; in other words, for the purpose of preserving America for Americans.

The American Vindicator was launched for the initial purpose of sponsoring my immigration bills, but, in addition, the American Vindicator is equally enthusiastic in its support of legislation sponsored by any Member of Congress designed to keep America out of war, restrict immigration, rid the country of alien criminals, and wipe out every radical "ism" intended to destroy our form of government, such as nazi-ism, fascism, and communism.

These objectives are of vital importance to we North Carolinians. Fortunately we in North Carolina have but few aliens and Communists. Fortunately we have less aliens than any State in the entire Union. I, for one, want to keep it that way. However, unless we stop at once the influx of thousands upon thousands of aliens and refugees into America, North Carolina is bound to absorb some of this alien horde, some of these radicals and Communists, many saboteurs and spies. That is why we, as North Carolinians, should be interested in my proposed legislation and that of my colleagues.

Many other States, particularly the New England and extreme Western States have already been filled with aliens and refugees, who are taking jobs which belong to Americans. These States are also overrun with alien enemies of our Government. It is our duty to keep our State as it is. It is our duty to prevent any influx into the United States to curb "ism" activities throughout the Republic and to remain absolutely neutral in order that we may keep out of the wars raging in Asia and Europe, which are no affairs of ours.

I realize that the alien problem has never been a serious one in North Carolina. This, therefore, may explain some of the antagonism to the things I have advocated. Only a small portion of our total population is foreign born, and the great bulk of these people

have followed peaceful pursuits and enjoy fine standing in the communities in which they live.

My program of trying to help make America a place for Americans is not an outgrowth of an effort to find an issue upon which to work as a Member of the United States Senate. Long before North Carolina honored me by first electing me as one of its Senators I had been intensely interested in the laxity of our national immigration laws and policies. I had spoken of these conditions in all parts of the State and in our sister States. I believed, and believe now, that I was rendering a patriotic service to my country. I shall continue to do this to the limit of my ability. The Americanization program of the American Legion is virtually the same as the one I am advocating. The program of the Junior Order, United American Mechanics, for whom I have made many speeches in North Carolina, is in perfect harmony with mine. We are in thorough accord in reference to keeping out of war, stopping the influx of great hordes of aliens into this country, deporting alien criminals and undesirables, and maintaining our form of government. I take this opportunity to salute and to praise the American Legion, the Juniors and the Patriotic Order, Sons of America, and every other all-American organization that is fighting to preserve America for Americans, such as the Veterans of Foreign Wars and the Daughters of the American Revolution.

Hon. MARTIN DIES, chairman of the committee for the purpose of investigating un-American activities, stated in an interview provided to a representative of the press at Chicago that there are, roughly speaking, 7,000,000 aliens in the United States, foreign-born citizens who have entered our country unlawfully, or those who have entered lawfully and have remained here unlawfully, many of whom have been here for years and have failed to take out naturalization papers since their arrival. They come legally and illegally. They enjoy the same privileges and opportunities immediately upon arrival as you do. These opportunities were provided them as the result of the sacrifices, toll, and blood of the pioneers of America. Thousands of them are with us only physically and for their own gain, as their hearts are still in the lands from which they came. They earn millions here annually, and statistics reveal that many millions of their earnings in America each year are sent back to their relatives who remain abroad.

We are told that there are at least a million Communists here who seek to instill the false ideas of socialism. They want to raise here the banner of Stalin. The Dies committee has also exposed the activities of the German-American Bund, the members of which would substitute Hitlerism for Americanism. Stalin and Hitler are now bedfellows—we Americans cannot distinguish between the two. We want no part of Hitlerism and no part of Stalinism. I condemn now, as I have time and time again condemned, Hitlerism, communism, fascism, and every other foreign "ism" opposed to our true American principles.

Surely, at a time when we are seeking to maintain peace, when all of the hate of the war dogs is loosed with maddening fury, we should give attention to fundamental things which are necessary to keep peace, and continue on in building the finest civilization ever attained by man. In this connection, I am sponsoring a five-point program which is being advocated by the American Vindicator.

May I say to you who do me the honor to listen in tonight that I would personally appreciate your getting a pad and pencil and jotting down these five objectives as I discuss each and every one briefly. If you, as a constituent of mine and as an American citizen, can unearth one iota of evidence that my program—these five objectives—are not 100-percent American I want you to let me know about it. I will welcome your comments or your criticisms. If you approve of my five-point all-American program I would appreciate your writing me. Just address your communication to ROBERT R. REYNOLDS, United States Senator, Washington, D. C., and if you disapprove of the whole program, or any part thereof, I should appreciate your writing me. I want to hear from you. I want to know where you stand upon my proposals, designed for the purpose of saving America for Americans.

This five-point program is as follows:

Point No. 1: Keep America out of war. To date our part in the last World War has cost the American taxpayers approximately \$68,000,000,000 and more than 100,000 lives. Even now, 21 years later, our hospitals are insufficient to provide beds for our World War veterans requiring hospital care. Our veterans certainly should come first. Regardless of our personal opinions or sentiments, the United States should remain absolutely neutral. The age-old quarrels of Europe are no concern of ours, and we must not get mixed up in the present conflict. After all, this is only one of the many hundreds of wars, revolutions, and revolts in Europe within the past several centuries. We should devote our time, attention, and energies to the many problems here at home. Why should we waste effort in endeavoring to solve the problems of Europe? We must not let our sentimental attachments to the Old World lead us astray. We cannot be American and at the same time be "pro" anything else.

Point No. 2: Fingerprint and register all aliens: At the present time no one knows how many aliens there are in the United States. The Department of Labor, basing its estimate on the 1930 census, says there are only 3,628,103 aliens here. But that estimate was made upon a census taken 10 years ago. You know, of course, that any alien who entered the country illegally would not disclose himself to the census enumerators. In addition to that, no one knows how many aliens have illegally entered our country since 1930. However, admitting by way of comparison that there are 3,628,103 aliens here, this total represents more people than the

total population of North Carolina. Others declare there are 7,000,000 aliens in the United States. Of these millions now in our midst, some arrived legally, while others came illegally.

We should know how many aliens there are within our borders. We should know where they came from and when. We should know why they came and whether they arrived legally or illegally. But, more important, we should know where they are now and what they are doing. This information can only be obtained by a law requiring the registration and fingerprinting of all aliens. Stop and think for a moment. If we were to become involved in a war today, we would have millions of potential enemies and spies within our midst. There are now—even while we are at peace—thousands upon thousands of aliens in the United States who are accused of espionage and who are charged with committing sabotage. I have repeatedly stated that if we ever became involved in war there would be countless acts of espionage and sabotage. It would be difficult to lay hands on these enemy alien criminals, because we have no registration and fingerprinting law in this country. We know virtually nothing about the whereabouts or the activities of our aliens. My prophecies have been borne out 100 percent by the records of the Bureau of Investigation, Department of Justice, which is under the able direction of the Honorable J. Edgar Hoover. The American people owe Mr. Hoover a vote of thanks for having built up the finest law-enforcement organization in the world. He deserves the undivided support of all true Americans.

Information provided by the Bureau of Investigation reveals that in protecting our national defense this Bureau is now receiving daily more than 200 complaints of espionage, sabotage, and violations of our national-defense laws, or at the rate of 78,000 annually. Mark this: Prior to 1923 the Bureau received on an average of only 35 cases of espionage and sabotage yearly. In the year 1938, 250 cases were investigated. That is bad enough, but look at the record for 1939. From July 1, 1939, to January 1, 1940, a total of 5,799 new cases were received by the Bureau of investigation, while today complaints of sabotage and espionage are pouring into the Bureau at the rate of 214 daily, or 78,000 annually. These figures, provided by the Bureau of Investigation, will give you a true picture of how some of our aliens are directly loyal to their home countries. If we had a law providing for the mandatory registration and fingerprinting of all aliens, the work of this Department would be materially lessened. Agents of the Bureau could locate these alien criminals now engaged in espionage and sabotage with much less trouble and expense to the taxpayers.

Point No. 3: Stop all immigration for the next 10 years. Our own American workmen should first be given an opportunity to get a job. With more than 10,000,000 Americans unemployed and additional millions working only part time, 3,000,000 on W. P. A. rolls, 300,000 young men in C. C. C. camps, and 750,000 boys and girls graduating annually from schools and colleges who cannot find work, here is a problem we all must face. So why should we permit the thousands upon thousands of refugees and foreigners from all sections of the world to enter the United States and take the jobs which rightfully belong to our own people? Yes; it is high time that we became pro-American and looked after our own before we shed any tears about the unfortunates of other lands. American jobs should go first to American citizens.

Point No. 4. Deport all alien criminals and undesirable aliens. Our jails and penitentiaries are filled with alien criminals at the expense of American taxpayers. There are thousands of these aliens in our insane asylums and in our institutions for the treatment of those who have become habitual narcotic addicts. They are cared for, housed, clothed, and fed, and provided medical treatment with money taken from the pockets of the American people. We have too many law violators of our own without harboring those of other nations.

Crime costs the taxpayers of the United States more than \$15,000,000,000 a year, according to the estimation of the Department of Justice. This includes not only the direct costs, such as the maintenance of penal institutions, the losses occasioned by criminal acts, racketeering, and other unlawful activities, but the indirect costs, such as losses occasioned by the death of individuals through criminal activities. This is appalling. When will the American people awaken to this deplorable condition? No doubt, the total cost will exceed fifteen billion in 1940 when the toll includes the destruction wrought by alien saboteurs. We should empty our prisons and asylums by sending these aliens, dope fiends, and dope peddlers back home. They should be the burden of their own nations instead of being a useless and costly burden on the American people.

Point No. 5. Abolish all "isms" except Americanism. Wipe out Nazi-ism, fascism, and communism with equal enthusiasm. America should know only Americanism. Sweep from our shores every alien "ism" that would destroy the foundation of our form of government. Why should we permit these false doctrines to be spread in our midst? We are the only people upon the face of the earth who submit to these false doctrines which are being daily spread by outspoken enemies of the American Government.

I believe that the Dies committee has actually done more to uncover the poisonous groups engaged in un-American activities than any other movement. That committee has revealed the activities of the Nazis, Fascists, and Communists alike. That committee has rendered a great service to the people of America; and the people owe a debt of gratitude to Congressman MARTIN DIES and his associates. The committee should be continued, and the Congress

should see that it continues its excellent work by providing the committee at least \$100,000 more to pursue its investigation.

Harry Bridges, the west coast labor leader, has been whitewashed of the charge that he is a Communist. He came into this country illegally and has remained here for many years illegally. He is still with us and, no doubt, will be permitted to remain here to carry on the same way he has for years past.

Earl Browder, the Communist leader, who stated before the Dies committee that if the United States and Soviet Russia should become involved in a war, that he would do everything he possibly could to stop such a war—even to turn such a war into a civil war. Think of it! This Communist leader declares, without reservation, that in case of a war between the United States and Soviet Russia he would try to stop it, even if he had to create a civil war or revolution in the United States. Communist Browder is now under indictment by the Federal Government for falsifying passports. He went on trial in New York City yesterday. It will be interesting to note the outcome. Press reports reveal that he is about to become a candidate for a seat in the Congress of the United States.

How much longer will the American people continue to remain the laughingstock of the world? How much longer will they allow minority, un-American organizations, possessed of unlimited funds from Moscow, Berlin, and elsewhere, to work night and day like a lot of termites with the avowed objective, the destruction of the American Government.

Let's have more pro-Americans fighting for Americanism.

Let's have action.

Let's clean house.

Let's put our own affairs in order, attend to our own business, and look after our own people first.

Our citizens, our country, first.

## Tribute to the Late Senator Borah

### EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, February 9 (legislative day of Wednesday, February 7), 1940

ARTICLE BY RAY MCKAIG

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the Appendix an article entitled "The Human Side of Idaho's World Respected Spokesman," by Ray McKaig, published in the Boise (Idaho) Capital News of Thursday, January 25, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boise (Idaho) Capital News of January 25, 1940]

THE HUMAN SIDE OF IDAHO'S WORLD-RESPECTED SPOKESMAN—CLOSE FRIEND WRITES REVEALING ARTICLE ON GREATNESS OF BORAH

(By Ray McKaig)

It was at a BORAH meeting in Emmett, Idaho, during the 1936 campaign. The trend at Washington had been away from constitutional safeguards. WILLIAM E. BORAH was staking his reelection on the plea for constitutional government. The meeting was tense. The Senator pled for the safeguards of free speech and free press, against the encroachments of bureaucracy. Up in the gallery rose a heckler, "Why are you for the Supreme Court, when that institution is a dictatorship, and would rob us of our political liberty?" The Senator's comeback was a classic, "My friend, that is where you and I part company immediately. The Supreme Court that you seem to hate so, makes it possible for you to now stand up there and criticize that same judicial body without fear of imprisonment. If Congress, under the lash of a dictator, should pass a law restricting the right of free speech, it would be that same Supreme Court which you so despise that would rule such a law unconstitutional, and preserve your present right of freedom to criticize in a free assembly." Nearly everybody cheered for the Senator.

Senator BORAH may be dead, but nevertheless he will live forever. The influences for good that one leaves behind, are necessarily a part of eternity, and Senator BORAH's heritage to America is the influences for good government so sorely needed. In Senator BORAH's political activities, and in all his political maneuvering, I never found a single unethical act.

Branded as a son of a wild jackass by Senator Moses of New Hampshire, WILLIAM E. BORAH's retort was, "Well—tame jackasses always wear collars." Whose collar Moses wore, Senator BORAH never said, but it silenced Moses, yet did not insult him.

Hailed as a radical, and out of step with the Republican Party, yet in one emergency the party leaders turned to Senator BORAH



for help, at last admitting that he was merely ahead of them a few years and had never advocated anything that was not good Republicanism.

The human side of Senator BORAH appealed to me. At a great dedicatory service of the Borah Peace Foundation in Moscow Senator BORAH was the guest of honor. In a reception at the university following the address the higher education tycoons were parading before each other in their Sunday best, regents, deans, professors, and matrons. In an unobtrusive suit of dark brown the Senator did not seem at all out of place in that well-dressed assembly.

Subdued and quiet, the conversation was being carried on in low tones. Suddenly heavy, harsh words boomed over and above the quiet of the room. Two big lumberjacks, heavily booted and in blue blouses and overalls, stood on a raised platform about 3 feet above the others, close to the doorway. Their unshaven faces and their woolly hair contrasted strangely with the polished appearance of the guests. "We have come 100 miles to hear BILL BORAH speak and a flat tire made us lose out. Now, by God, we are going to see him before he gets away." They pushed themselves past the embarrassed, pretty co-ed usher at the doorway, and looked over the astonished audience for their hero, Senator BORAH. Taking him to one side, they talked to him for fully 15 minutes, while the show went on without the guest of honor.

Dr. Hudson was the visiting professor from Harvard University. I happened to be standing near him when this scene took place. He was unable to keep his eyes from that large bay window where these three men were in a deep huddle. "Very unique," he commented to me. "Do you often have such experiences in this astounding West? Do you know, I rather like it."

We watched the Senator point out to the lumberjacks a small table covered with sandwiches. The taller of the two men, with a handful of rather thinly cut slices of bread, burst out again to the amused crowd, "Ladies and gentlemen, I hated to bust in on you. I like these sandwiches, even if they are a little skinny (he must have had a dozen in one hand!), but if you have any sense at all, you will vote for BILL BORAH for President." The lumberjacks went away happy. The Senator took his place back in the reception line; the professor from Harvard readjusted his glasses, and perhaps also his sense of values of political leadership; the co-ed usher smiled again to the newcomers. An educator from the East had learned that a lumberjack's welfare was just as dear to WILLIAM E. BORAH as the future of a so-called highbrow.

How did he react to young people? I watched him at the reception the school children gave him in Rexburg, Idaho. He was scheduled that evening to give an address in the Mormon tabernacle. As we drove into town, 2,000 clamorous children formed a line on each side of the road and cheered and cheered as we drove very slowly between them. Five hundred high-school students greeted us. At least 400 Ricks College young people joined the procession, all cheering or singing as we slowly followed the band into the heart of the town.

Time after time the youngsters would pile on the running board of my automobile as we crept along, eager to shake hands with their hero, Senator BORAH, calling to him personally and waving flags along the curb. Senator BORAH's face beamed as these children so warmly greeted him. That evening before we left for the tabernacle, a large crowd of women with torches came down to the hotel to escort the Senator. Even though that vast audience that night cheered him again and again, I know that Senator BORAH that day appreciated most the welcome he got from those children. At Buhl, Idaho, the granges combined to give him a large meeting. We went back to Twin Falls that evening, and as we left we could see two young girls walking along the country road. The Senator insisted that I stop and give them a ride. When we slowed down they recognized him immediately and the Senator said, "Aren't you young people rather far from home tonight?" "Oh, yes, Senator," replied one of them, "we walked in 2 1/2 miles tonight to hear you speak and now we are walking home, but your speech was well worth it."

They had no sooner got into the car when they brought up the subject of taxation. "Senator," said the same girl, "we certainly need help from you, and we need it badly." "What's wrong?" he asked. "The tax on lipstick is terribly high," she replied. Very seriously, this young lady plead for lower taxation on cosmetics. Without cracking a smile, Senator BORAH promised to investigate and help as much as he could.

As I started to chuckle, he gave me a punch, as he saw it was a serious matter with these two girls. He insisted on my driving them home, even though it took us a mile and a half off the highway.

I have seen old settlers, men and women, gather around Senator BORAH after a speech, all seeking just a moment's conversation with Idaho's great man. I have seen strong men cry after a thrilling outburst of oratory and denunciation of some wrong, and listened to them as they told the Senator how they had been his followers ever since he started in public life. Then how they would grab his hand and shake it as they thanked him for never failing them on a vote in Congress.

I have watched people go in and out of his office in a downtown building, where he always held open house. I have seen them come and go, the door of BORAH's office always open, and I knew the secret of BORAH's success. He lived with his people. It is because they knew him and he was in contact with them at all times.

Rich and poor, farmer and businessman, laborer, and of the profession—no one was barred from his door.

The Senator was not a wealthy man. He didn't seem to care for money. He liked folks and they liked him. I have been associated in four of his campaigns, and I know positively never did he spend as much as \$500 at any one time when he ran for the Senate, and he never accepted campaign contributions. His convictions were not for sale and he wouldn't buy the office either. "This has been the hardest summer I ever spent in Idaho," he told me on one trip several years ago. "Listening to the pitiful tales of many of my close friends who were once comfortably fixed, but are now in poverty, just about breaks my heart." No one will know until they have seen it with their eyes how much actual charity work Senator BORAH did.

Up in Blaine County he met an old friend one day who began to talk about his poverty. Senator BORAH took him off to one side away from me. I saw BORAH hand out some money. It slipped in the man's hands very quickly. The Senator got back in the car and he told me that man once owned considerable property. I protested about his giving away so much money. "You could not afford that \$25, Senator." "Yes, Ray, I could—he was an old friend of mine and he is going to California, where I will never see him again." That summer at every single place he spoke Senator BORAH personally handed out money to old friends, not that they asked for it but he knew they needed it.

Senator BORAH was so human that he could not be bitterly partisan. His political independence made him the idol of the independent voter of America. I have never heard him give a speech where he indulged in political personalities. He talked issues, and not partisanship. I think Luke Williams put it rightly when he said, "The reason Senator BORAH has such a grip on the independent vote of the State is they all think he votes and talks as they would if they were voting or making a speech."

One day in an automobile trip to the north I asked him a rather perplexing question. "Senator, again and again in the past years I have criticized you quite sharply in some of my letters because of some position you have taken on a public question. You have then very kindly answered my criticism and usually silenced me. Maybe it took a year, maybe it took longer, but with one exception subsequent events proved you were right and I was wrong. Your political foresight is so uncanny I have almost learned to accept your judgment even though it does seem wrong sometimes to me. Now, Senator, how do you get that prophetic vision? It is almost weird in its surety."

For a long time he didn't answer, and finally he said, "That may be so and may not be. You call it my straight thinking. Perhaps it dates back to my first term in the Senate. Near the house where Mary and I lived there dwelt an old man who was once a Cabinet officer under President Hayes. He knew Abraham Lincoln. He had worked as a clerk in the White House and had filed away the personal letters of the martyred President."

"One day I asked him how it happened that Lincoln, a country lawyer with no visible knowledge of statesmanship before he became President, was so wonderfully shrewd in judgment and right in his decisions and Executive orders. Sometimes Lincoln had to go against the judgment of his entire Cabinet, yet history has proved that Lincoln was invariably right."

"This brilliant old Cabinet officer of President Hayes told me Lincoln was right because Lincoln always insisted that the proper political move was to do the honorable, the ethical, and the right thing. Ray, that gave me my inspiration, and I have always earnestly tried to follow that plan of Lincoln."

Maybe that fact caused Senator BORAH to be considered irregular. I would like to remind people that Senator BORAH's irregularity of yesterday is regular doctrine of today.

Republican leaders occasionally would challenge the Senator's judgment and claim he was out of step. BORAH's party irregularity was simply thinking along ethical, honorable, and right ways ahead of his time. When the pressure was put a little too strong upon him and others thought that he ought to play ball with the party leaders more, he burst out, "I have never advocated anything in which I did not believe, and I never intend to do so. If the Republican Party does not think so, I am always prepared to make my campaign before the people upon my own responsibility and at my own expense. If I think my party is wrong, I have a perfect right to say so. Financially, I owe the party nothing. I have been in active politics for 27 years, and during that time I have never had one particle of support from the national committee, and I have never used one dollar of their money."

Senator BORAH opposed the League of Nations. President Harding favored it. He was out of step with his party leader, yet today America is with Senator BORAH on that question. Senator BORAH opposed the reciprocal tariff. President Hoover was friendly to it, and so was President Taft, yet today the farmers of the West and the businessmen believe that BORAH was right and these party leaders were wrong. He opposed the use of the marines in the collection of South American debts. If he believed he was right, no amount of pressure groups could get him to change his mind. He led the fight to clean up the Republican debacle of leadership in the President Harding administration. That political independence made Senator BORAH an Idaho institution.

He loved to talk at big Grange meetings where under the rules of the meeting, he naturally could not talk partisan politics but only principles. I really believe 90 percent of the Grangers of Idaho have always supported BORAH. His big majorities on election day, as for example in 1936, when he got more votes on the Republican ticket than President Roosevelt got on the Democratic ticket, shows that he had many friends among the Democrats.

Up in Lemhi County, a mountainous country near Salmon City, 15 years ago I was organizing the Progressive Party. Dressed in a sort of a khaki outfit, I was mistaken for a revenue officer, and a crowd of cattlemen and miners were quite excited. It looked a little bit squally for me for awhile. The leader wanted to know my business and know it quick.

I explained, and then he said, "Do you Progressives like BILL BORAH?" I said he was the apple of our eye, and then he stuck out his hand and said, "Put 'er there, pardner. I am a Democrat, but any friend of BILL BORAH's is a friend of mine." In spite of that assurance of friendship, I remained in Salmon City only long enough to buy some gasoline.

Everywhere I went men said they were for Senator BORAH, not because he was a Republican but because he was BILL BORAH, their spokesman. BORAH loved to draw up to the side of a road and quiz some farmer about economic conditions. It is almost startling how he could draw out a man's views. At first I thought it was a sort of morbid curiosity to get the other man's viewpoint, until I discovered it was done more to give courage to the Senator and make him stronger in his own fight, that he was voicing the views not only of himself but of his people. He was feeling around for reassurance to give him courage in his battles.

We were driving one day toward the town of St. Maries in the cut-over timber country of Benewah County. I naturally told him of an experience I had had in that city some years ago fighting for the right of free speech. A political gang controlled the town then, and when I was organizing the Progressive Party they had refused me the right of free speech in that town. I was arrested in a vain endeavor to break up the meeting. Even the hotel keeper refused me a room when he found out what I was doing.

We adjourned and held an indignation meeting in the open air just outside the city limits. Charley Leavett lost his job because he gave me room and shelter, and he said "Is Leavett still around town? I want to see him." We stopped at his place just outside the city limits. After a little preliminary conversation, the Senator said, "Leavett, I wanted to see you and your wife just to get a glimpse of people who are willing to die for their convictions. Ray has told me all about the fight you put up for him years ago when free speech was at stake. I wanted to breathe the same air you and your wife breathe here."

"Leavett, America has been built on just such folks as you are, and I wanted to see you, get in touch with you, to partake of that refreshing courage that you people must have."

Senator BORAH didn't have to spend that time with them. He had all the votes he needed in the State, but it gave him cheer to find people with enough political independence to stand by their own convictions.

Some time ago the Senator was campaigning for reelection. I was standing down in the hotel lobby about 7 o'clock waiting to take him down to Caldwell. Time was going by rapidly and I was getting nervous. Several men were detaining the Senator and holding him in earnest conversation. Knowing it was getting late, I gradually approached these men; they were in deep discussion. I overheard the Senator say, "No, no; so help me God, I will never do it." It seemed to me a declaration of war. Shaking his finger at the Senator, one of the men said, "Unless you come across with that statement endorsing our man, we will print an ad in Monday morning's paper denouncing you and demanding that all Republicans vote against you." The Senator seemed to grow 10 feet in 10 seconds.

"If you do, I will cancel my trip in north Idaho and I will hire a hall here in Boise and take your hide off by inches. I will tell the people my side and I will explain how promises have been made and not kept. I will tell the people exactly what happened. I'll never prostitute my intellect. You haven't the courage, you haven't the sand to put out any such advertisement. I challenge you to print that article."

He turned from them sharply and we left for the meeting. He had called their bluff, and bluff it was. I never heard him give a better speech in that campaign than he did that night in Caldwell.

When President Roosevelt attempted to pack the Supreme Court in one wholesale act, that was the move which aroused the ire of the Lion from Idaho. We all know the ultimate result, the hours of debate and preparation that must have had something to do with shortening the life of the Senator. He knew that he was burning up his energy, but nobody could persuade him to conserve his strength. Constitutional government, which gives us freedom in America, was at stake, and the champion of human rights would not spare himself in that fight. I had this story from one of the Senators who is a prominent Democrat from another State.

"We had been postponing the vote day after day and had kept the debate out of partisan lines. The Judiciary Committee met to vote on reporting out the bill. Should the bill be recommended out, or should it not? Before we went in the vote was 11 for recommendation and 5 against the President. Sixteen grim-faced men sat around that long table in the committee room. Popular government was at stake in the minds of some of them. To Senator BORAH the foundations of our Government were beginning to crumble. This was unspeakable. The peremptory invasion by the Chief Executive of the rights of the judiciary!"

"Senator BORAH never would consent. He gave the greatest speech in all his career. For 3 solid hours, without a single note, he poured out his soul to these Senators. He pleaded with them to place their political convictions above their party demands, and as he talked every man there was in tears. BORAH opened up his heart to those Senators. No stenographer was present; there was

no record of that appeal; but that was the most wonderful address that has ever been made in Congress."

The vote was taken. Senator BORAH had won. The committee decided against the President. Even though it might cost some of those Senators their jobs, they caught a vision of the America that BORAH had been preaching. In this dark age of fascism, nazism, of communism, one place in the world, America, must be kept sacred for democracy. It was this fight for constitutional government which actually cost BORAH his life.

I am human enough to state that, representing the Idaho Grange, of which BORAH was a member, we are proud to say to the world, we helped to do our bit in supporting this man who battled for our betterment. He was our friend and adviser. We would rather be a humble follower of this great humanitarian, Senator BORAH, and conscious today that we supported him, than to have belonged to any circle of unkind critics who took delight in throwing their poison barbs at this greatest American of this age.

## Revenue Collections and Grants to States

### EXTENSION OF REMARKS

OF

HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting a table which shows the revenue collections from each State for the fiscal year 1939 and also the total grants to and expenditures within these States by the Federal Government. It is especially interesting to note that the per capita contribution of the State of Delaware was \$275.34 and that the amount it received back from the Federal Government was approximately 9 cents on every dollar that it paid in. The other extreme is the State of North Dakota whose per capita contribution to the Federal Government was \$2.26 and whose per capita receipts from the Federal Government was \$64. For every dollar North Dakota paid into the Federal Treasury it received approximately \$32 in return.

	Population as of July 1, 1937	Total internal revenue collections	Total internal revenue collections per capita	Grants to and expenditures within States	Total grants and expenditures per capita	Amount received per dollar paid
Alabama.....	2,895,000	\$15,491,000	\$5.35	\$96,999,000	\$34	\$6.35
Alaska.....	62,000	950,000	15.61	2,450,000	39	2.60
Arizona.....	412,000	4,379,000	10.63	26,372,000	64	6.40
Arkansas.....	2,048,000	7,943,000	3.88	82,967,000	40	10.00
California.....	6,154,000	308,969,000	50.20	192,109,000	31	.60
Colorado.....	1,071,000	34,598,000	32.30	65,999,000	61	2.00
Connecticut.....	1,741,000	85,625,000	49.18	42,773,000	24	.50
Delaware.....	261,000	71,864,000	275.34	6,917,000	26	.69
Dist. Columbia.....	627,000	30,140,000	48.07	33,305,000	53	1.10
Florida.....	1,670,000	51,432,000	30.80	50,024,000	31	1.00
Georgia.....	3,085,000	33,837,000	10.97	94,335,000	30	3.00
Hawaii.....	426,000	11,894,000	27.92	19,771,000	46	1.70
Idaho.....	493,000	4,230,000	8.58	34,335,000	69	8.50
Illinois.....	7,878,000	436,320,000	55.38	268,140,000	34	.60
Indiana.....	3,474,000	114,874,000	33.07	119,477,000	34	1.00
Iowa.....	2,552,000	23,553,000	9.23	83,343,000	32	3.60
Kansas.....	1,864,000	21,191,000	11.37	70,062,000	37	3.40
Kentucky.....	2,920,000	132,147,000	45.26	73,441,000	25	.55
Louisiana.....	2,132,000	46,850,000	21.98	79,871,000	37	1.08
Maine.....	856,000	15,453,000	18.05	20,130,000	23	1.03
Maryland.....	1,679,000	106,518,000	63.44	31,668,000	19	.30
Massachusetts.....	4,426,000	160,905,000	36.35	144,614,000	32	.90
Michigan.....	4,830,000	258,163,000	53.44	181,551,000	37	.70
Minnesota.....	2,652,000	68,831,000	25.95	108,640,000	40	1.60
Mississippi.....	2,023,000	6,152,000	3.04	84,745,000	41	13.70
Missouri.....	3,989,000	137,716,000	34.52	128,926,000	32	.95
Montana.....	539,000	5,922,000	10.99	44,616,000	82	8.00
Nebraska.....	1,364,000	19,130,000	14.02	64,544,000	47	3.30
Nevada.....	101,000	4,046,000	40.05	10,158,000	100	2.50
New Hampshire.....	510,000	7,640,000	14.98	14,482,000	28	2.00
New Jersey.....	4,343,000	201,827,000	46.47	110,920,000	25	.54
New Mexico.....	422,000	2,884,000	6.83	25,243,000	62	15.00
New York.....	12,959,000	1,051,943,000	81.17	361,859,000	28	.34
North Carolina.....	3,492,000	310,608,000	88.95	81,802,000	23	.26
North Dakota.....	706,000	1,598,000	2.26	45,439,000	64	32.00
Ohio.....	6,733,000	288,246,000	42.81	281,232,000	41	.99
Oklahoma.....	2,548,000	59,338,000	23.29	100,847,000	39	1.70
Oregon.....	1,027,000	14,003,000	13.63	44,179,000	43	3.30
Pennsylvania.....	10,176,000	438,672,000	43.11	289,351,000	28	.65
Rhode Island.....	681,000	27,553,000	40.46	21,985,000	32	.80
South Carolina.....	1,875,000	10,533,000	5.62	73,094,000	39	7.80
South Dakota.....	692,000	1,972,000	2.85	45,954,000	66	22.00
Tennessee.....	2,893,000	82,758,000	11.32	67,975,000	23	2.00



	Popula- tion as of July 1, 1937	Total inter- nal revenue collections	Total inter- nal revenue collec- tions per capita	Grants to and ex- pendi- tures within States	Total grants and ex- pendi- tures per capita	Amount received per dol- lar paid
Texas.....	6,172,999	\$139,804,000	\$22.65	\$217,746,000	\$35	\$1.50
Utah.....	519,000	9,615,000	18.52	27,804,000	53	2.90
Vermont.....	383,000	4,327,000	11.30	12,828,000	33	3.00
Virginia.....	2,706,000	212,823,000	78.65	50,528,000	18	.22
Washington.....	1,658,000	32,655,000	19.70	74,420,000	44	2.10
West Virginia.....	1,865,000	22,299,000	11.96	50,907,000	27	2.25
Wisconsin.....	2,926,000	86,406,000	29.53	111,309,000	38	1.30
Wyoming.....	235,000	2,826,000	12.02	20,734,000	77	7.30

### Purchases of Foreign Silver

### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, February 9 (legislative day of Wednesday, February 7), 1940

### EDITORIALS FROM VARIOUS NEWSPAPERS

Mr. TOWNSEND. Mr. President, the Senate vote last June to repeal the provisions of the Silver Purchase Act of 1934, calling for the purchase of foreign silver by the Treasury, has recently been made the subject of editorial comment. I ask permission to have published in the RECORD the editorial on this subject, entitled "Congress and Mexico," which appeared in the Journal of Commerce, of New York, on January 27, 1940, and which I now send to the desk.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce of January 27, 1940]

### CONGRESS AND MEXICO

Last June, when the extension of existing monetary legislation was being debated in Congress, the Senate voted overwhelmingly to repeal the provisions of the Silver Purchase Act of 1934, calling for the purchase of foreign silver by the Treasury. It was indicated by administration spokesmen at the time, however, that conversations looking toward a settlement of the controversy over the confiscation of American oil properties in Mexico were then going on, and that the time was inopportune to halt the silver-buying program. Accordingly, the monetary legislation as finally passed left unchanged the provisions covering foreign silver purchases.

The negotiations for a settlement of the silver controversy have since failed completely, owing to the refusal of Mexico either to return the properties seized or to offer reasonable compensation. Donald R. Richberg, who represented the American oil companies in the conversations in Mexico City with the authorities there, has published a full account of his efforts, concluding that "it has been found impossible even to obtain an agreement upon the basic principles of a fair solution."

Accordingly, the situation is back where it was at the time that the Senate voted to halt foreign silver purchases. In addition, it is known now that the Mexican Government has no intention of doing anything but holding on to the seized petroleum properties, while ignoring the rights of the owners not only under international law but also under the Mexican Constitution as it has been interpreted by the Government there before the Cardenas regime took office.

There are added reasons now why Congress should halt, without delay, the folly of buying foreign silver. For one thing, sales of silver to this country by China have dwindled very sharply in recent months, so that it can no longer be asserted that silver buying represents a means of favoring that country. In the second place, it is no longer true that the Mexican Supreme Court might possibly void the expropriation of American-owned oil properties, for that court fully upheld the confiscation last month.

The action of the United States Government in giving Mexico a heavy subsidy, through the purchase from her of large amounts of silver for which this country has no earthly use, is giving Mexico the impression that she has a vested interest in the sale of the white metal to us. Mexico's Foreign Minister, at the recent Panama Inter-American Conference, seriously called upon the United States to commit itself to the purchase of silver on a fixed basis over a period of time. To cap the climax, Eduardo Suarez, the Mexican Finance Minister, on a recent visit to this country similarly called upon us to "adopt a definitive attitude" toward silver, including "maintenance of a reasonable price."

No possible excuse can now be advanced for continuing the purchase of foreign silver by the United States Treasury. On the other hand, as long as such purchases are continued, notice is in effect served upon Mexico and other countries that the confiscation of American property by a foreign government is not sufficient reason for us to cease granting a heavy subsidy to that government by buying from it, at a price far above what would prevail otherwise, a commodity for which we can never find a useful function.

Mr. TOWNSEND. Mr. President, in connection with my various efforts to bring to the attention of Congress the necessity of changing our present bullion policies, I ask consent that the editorial in the Washington Post of January 29, 1940, which I now send to the desk, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 29, 1940]

### A "SCREWY" POLICY

About all that can be done about our gold policy at the moment is to arouse public interest in the subject and, as Senator TOWNSEND said in a speech last week, to "indicate its dimensions."

The Senator touched upon some aspects of the policy which he accurately characterized as "definitely screwy." He points out, for instance, that there is a "queer inconsistency" between our expressed desire to help Finland and the very substantial aid actually given Russia by steady purchase of her gold at inflated prices. Similarly, the aid furnished Japan by taking her gold and silver is not in harmony with a foreign policy seemingly designed to strengthen Chinese resistance to Japanese aggression.

These incidental consequences of the gold-buying policy are, however, only one of the "many facets" of a most complicated problem. Senator TOWNSEND also tried to give his hearers an idea of the magnitude of our gold takings by indicating how much wealth could be obtained in exchange for the more than \$3,000,000,000 of gold and silver which we acquired last year. "In 1939 we sent abroad \$3,100,000,000 worth of merchandise," he said. "It required more than 32,000 vessels and 1,615,000 freight cars to carry it away. If all this mountain of merchandise had been used to pay for bullion imports, it would not have paid for all the bullion we bought from foreigners during the 12 months of 1939."

Of course there is danger of oversimplifying a very complicated situation by ignoring other factors involved in the movement of gold. Most of our exports, in fact, are paid for by imported goods. Only the excess of exports over imports can be said to be paid for in gold. Much the greater part of the gold that has come here represents a capital inflow and not all of it has affected our domestic economy. Unused deposits in our banks resulting from gold acquisitions are, as Dr. Goldenweiser says, "of no particular consequence" so long as they remain unused.

However, unused balances constitute a potential claim upon goods, while investment transactions paid for by gold imports involve a transfer of wealth to foreigners in exchange for more of a metal that we do not need. The danger of ultimate loss from this kind of exchange is obvious. And added thereto, as Senator TOWNSEND says, are various internal complications due to the piling up of excess bank reserves created by the gold inflow.

It is none too soon—in fact, it is decidedly late—to begin thinking about the possibility that other countries may eventually demonetize gold permanently, even to the point of refusing to accept it in payment of international debts. If so, as Senator TOWNSEND asks, what is to become of the "value of our colossal gold hoard." Like most other critics, he is not ready with an answer, but he properly suggests that Congress undertake a study of the subject at once.

Mr. TOWNSEND. Mr. President, Mr. John T. Flynn, in a recent article, calls this country's silver policy "goofy." I ask consent that this article, as published in the Washington Daily News of January 30, 1940, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of January 30, 1940]

### PLAIN ECONOMICS

(By John T. Flynn)

NEW YORK, January 30.—Sometimes it is necessary to pause, pinch oneself and wonder if one is dreaming as the facts of our squirming with our business problems dance before us.

Take this one, for instance. Something over 5 years ago the President decided to "do something for silver." He decided to buy silver until the Government's silver stocks or reserves were equal to one-fourth of gold reserves. That, of course, was in itself an unbelievably queer thing to do. But in the light of what has happened it becomes, to put it mildly, a trifle "goofy." Here is what has happened.

In the last 5½ years the Government has bought more than 2,000,000,000 ounces of silver. Yet we are further away from having a silver reserve one-fourth the size of the gold reserve than when we started.

Last year American silver mines produced roughly 70,000,000 ounces of silver. But our Government bought 341,000,000 ounces.

Whatever reasons may be offered for this policy, the real reason is to help American silver producers. But the Government bought at high prices not only all that American producers turned out, but five times as much besides.

The reason why, as things go now, we can literally never come to an end of our plan to have one-fourth as much silver as gold in our monetary reserves is quite interesting. We have been buying silver in huge quantities, but all the time we were also buying gold. We were buying gold faster than we were buying silver. It has been like pouring water into a gallon jug until the jug is one-fourth full, but all the time, by some magic, increasing the size of the jug, so that it never can be one-fourth full.

Of course that is the real objective—not to get silver up to one-fourth the amount of gold in the reserves, but to keep on forever trying. If we ever got it up to one-fourth, then some other excuse would have to be invented.

We actually have the United States paying for new silver—and plenty of old silver—around 35 cents more than you and I can buy it for in any silversmith's in the country. Why?

There are a number of persons who believed that some kind of international agreement should be reached by which the price of silver would be increased in the world markets to aid China's buying power. Even that was a sufficiently questionable policy. But no one in his senses advocated the United States buying silver at a highly inflated price, as it has been buying gold, and thus having the silver of the world dumped on our hands.

It is all a piece of the general policy of yielding to every pressure group. We have gotten up to our ears in the subsidy bog. There are a group of silver States and this is their cut in the general passing around of subsidies. But it would be much cheaper to give them an outright subsidy than to disguise it behind this fantastic program.

Mr. TOWNSEND. If any demonstration is needed to illustrate how Russia benefits from the sale of gold at \$35 an ounce, one is provided in a Baltimore Sun news report from Los Angeles dated February 8 and credited to the New York Times.

On the very day following the revelation that the Russian ship *Kim* had arrived in San Francisco carrying only a cargo of gold valued at \$5,600,000 this news report tells of the sailing of a Soviet motorship with a \$2,000,000 cargo of strategic metals and minerals consigned to Leningrad.

I ask to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of February 9, 1940]

MEXICO CLEARS UNITED STATES COPPER FOR RUSSIA—MANZANILLO BECOMES VITAL PORT FOR METALS SUSPECTED BOUND FOR GERMANY—REASON FOR TRANSHIPMENTS PUZZLES EXPERTS—LEAD ALSO SENT TO VLADIVOSTOK

(By Arnaldo Cortesi)

[Copyright by New York Times]

MEXICO CITY, February 8.—The port of Manzanillo, in the State of Colima, has become a clearing house in an important traffic of copper between New York and Vladivostok, whence it is suspected it will eventually go via the Trans-Siberian Railroad to Germany, which suffers a scarcity of this essential war material.

In the last 2 weeks three American freighters have unloaded notable quantities of copper at Manzanillo, where smaller quantities of lead produced in Mexico also arrived or are about to arrive.

#### FREIGHTER TAKES PART

The Russian freighter *Vladimir Mayakovsky* already has left for Vladivostok with part of this cargo, while the remainder will be put aboard the Russian vessels *Engels*, which is expected almost hourly, and *Kim*, which should have left San Francisco today for Manzanillo.

What puzzles experts is why copper from New York should be taken as far as Manzanillo in American bottoms and there transhipped to Russian vessels. Transshipment and storage charges in Manzanillo obviously increase the cost of the entire operation to an appreciable extent.

Perhaps the Russians cannot spare enough ships to go all the way to New York for their copper and prefer to content themselves with the shorter haul across the Pacific, leaving to American vessels the task of taking the metal from New York to Manzanillo.

#### FIRST LOAD JANUARY 24

The first load of copper from New York arrived at Manzanillo aboard the *Guayaquil*, belonging to the Stockard Line, on January 24. A further 2,000 tons of copper were unloaded at Manzanillo on January 27 by the *Buenaventura*, formerly belonging to the Panama Line, now under lease to an American firm.

Last Friday the Russian freighter *Vladimir Mayakovsky* left Manzanillo for Vladivostok with 5,200 tons of copper unloaded by two American vessels. The *Harpoon*, belonging to the Shepard Steamship Co., of Boston, arrived Tuesday and unloaded 8,000 tons of copper, while yesterday 22 carloads of lead arrived by rail, this being the first consignment of 2,000 tons ordered.

These metals will be taken to Vladivostok by the *Engels* and the *Kim*, along with any further quantities that may have reached Manzanillo in the meanwhile.

#### SOVIET SHIP TAKES LOAD OF MOLYBDENITE ON COAST

LOS ANGELES, February 8.—A \$2,000,000 cargo of strategic metals and minerals in her holds, the Soviet motorship *Vladimir Mayakovsky* cleared San Pedro today for Vladivostok, after loading here a much-discussed 200-ton consignment of molybdenite.

She called first at Manzanillo to take from a United States freighter some 5,000 tons of copper bullion and other prepared metals from the east coast.

This shipment was said to inaugurate a regular plan to so transship at Manzanillo and San Pedro other war materials bound for Russia.

#### SHIPMENT WATCHED CLOSELY

The British and French intelligence services have watched closely this particular shipment of molybdenite, used for hardening steel, apparently in the belief its ultimate destination may be Germany.

It is consigned to Leningrad and had been lying in a transit shed here for many weeks while the Russian interests made fruitless efforts to dispatch it to Vladivostok aboard neutral vessels running to the Orient.

These vessels apparently refused the shipment in the belief it might be adjudged contraband by the several British men-of-war known to be patrolling both the eastern Pacific and the coast of Asia. Experts in international law here at this naval base expressed the view, however, that Britain would hesitate to confiscate the cargo, even though its ultimate destination is Germany, because of the risk of further straining relations with the U. S. S. R.

#### W. P. A. in Pennsylvania

#### EXTENSION OF REMARKS

OF

#### HON. FRANCIS J. MYERS

OF PENNSYLVANIA

#### IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

#### LETTER TO THE MAYOR OF PHILADELPHIA

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me to the mayor of the city of Philadelphia, under date of February 8.

FEBRUARY 8, 1940.

HON. ROBERT E. LAMBERTON,  
Mayor of the City of Philadelphia,  
City Hall, Philadelphia, Pa.

DEAR MAYOR LAMBERTON: You undoubtedly are aware of the controversy which has recently taken place between the Governor of Pennsylvania and the officials of the Work Projects Administration, the Governor having made the charge that the people of Pennsylvania have been treated unfairly by the Work Projects Administration.

The controversy has extended to the floor of Congress, and today I am reliably informed that Representative John McDowell, of the Thirty-first Pennsylvania District, has recommended a conference on the subject, to be attended by the two United States Senators, the entire Pennsylvania congressional delegation, Governor Arthur James, and representatives from the office of the State administrator and the National Administrator of the Work Projects Administration.

It is my personal belief that Pennsylvania's failure to receive the full benefit from W. P. A. is due to the fact that Pennsylvania has not sponsored sufficient projects to fill the quota which has been allotted to it, and this in turn is primarily the fault of the administration of the city of Philadelphia, where W. P. A. is authorized to employ 39,000 persons. However, lack of projects in Philadelphia has made it possible to employ only slightly more than half of this number, or approximately 20,000. But even more surprising is the fact that only 4,500 of those currently employed are working on projects sponsored by the city, and the remaining 15,500 employed have been assigned to projects in Philadelphia sponsored by Federal and State agencies because of the failure of the city to furnish the sponsors contributions as required by law.

If Philadelphia had done its share, Governor James would have no occasion to make the charge of political persecution, now that the necessity of an extraordinary session of the Pennsylvania Legislature is at hand for further relief appropriations.

Therefore it seems to me that the conference can accomplish nothing unless you, Mr. Mayor, also attend and explain to those assembled the reasons for Philadelphia's failure to take full advantage of W. P. A.

The charge has been made on the floor of the House of Representatives that members of city council and other responsible city officials have publicly stated at various times that it would be



foolish for them to utilize W. P. A. to any extent because they might thereby make votes for the Democratic Party.

I do not believe that you desire such a challenge to go unanswered, and consequently I respectfully invite you to attend the conference so that the people of Philadelphia, and of the entire State, may at last understand the position of the city administration with respect to W. P. A. and whether it proposes to utilize the services of the full quota of 39,000 persons which has been allotted to it.

Very truly yours,

FRANCIS J. MYERS.

## President Roosevelt Defies Political Foes To Prove "the Country Is Going Bust"

### EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

ARTICLE FROM THE NEW YORK TIMES OF FEBRUARY 6, 1940

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Times of February 6, 1940:

[From the New York Times of February 6, 1940]

ROOSEVELT CITES GAINS IN NEW DEAL; UPHOLDS SPENDING—SAYS DEBT IS LESS—FEDERAL RISE IS OFFSET BY CUT IN STATE AND LOCAL OBLIGATIONS, HE SAYS—WAGES AND DIVIDENDS UP—BUDGET CAN BE BALANCED BY A YEAR OF NATIONAL INCOME OF \$80,000,000,000, HE ADDS

(By Felix Belair, Jr.)

HYDE PARK, N. Y., February 5.—In his first answer to pre-campaign criticism of his administration, President Roosevelt today recited substantial gains in various segments of the national economy since he entered the White House in 1933. He defied political foes to prove that "the country is going bust."

With his remarks on gains in the income of farm and factory workers since the low point in 1932, Mr. Roosevelt coupled substantial increases in employment, dividends paid by corporations, commodity exports, and a reduction in interest rates. He then asserted that the total indebtedness of the Federal, State, and local governments had not increased during the 7-year period and predicted that after a year of an \$80,000,000,000 national income the Federal Budget would be brought into balance.

Before producing his statistics on New Deal gains, gleaned from various Government departments, the President told his press conference that the country probably had become very tired of talk and speculation about the question of a third term. Efforts to draw him out on the subject were all very silly, he said, because the time of disposing of the issue would be of his own choosing rather than that of the curious.

After pointing out a 71-percent increase in the national income from \$40,089,000,000 in 1932 to \$68,500,000,000 last year, the President said it was still the administration's hope to bring national income to the \$90,000,000,000 level. He conceded, however, that for the present he was talking of \$80,000,000,000.

#### AS TO BALANCING BUDGET NOW

Implicit in Mr. Roosevelt's remarks was the idea that no attempt should be made to balance the Federal Budget through a horizontal reduction of expenditures, and that it would be time enough to think about balancing when the national income had been raised to the neighborhood of \$80,000,000,000.

Any sudden and drastic curtailment of Federal spending at this time would certainly be followed by unfortunate results, the President stated. He recalled the economic recession in the latter half of 1937, attributing it directly to a sharp and sudden reduction in Government spending a few months before.

Although the President told reporters that no particular implication was to be drawn from his long statistical review, it was the conclusion of all present that it was intended as a reply to recent criticism of his administration's policies by Thomas E. Dewey, Senator Robert A. Taft, and Frank E. Gannett, Republican Presidential aspirants.

In addition to the sharp increase in national income from the 1932 low, the following statistical gains in the 7 years were recited, with the conclusion that everybody in business had not been doing so badly as had been pictured:

An increase of 62 percent in salaries and wages paid, or from \$2,403,000,000 in December 1932 to \$3,888,000,000 in December 1939.

A gain of 145 percent in weekly pay rolls of factory workers, or from \$80,384,000 in December 1932 to \$197,089,000 in the corresponding month last year.

#### RISE IN FARM INCOME NOTED

An 82-percent increase in cash farm income, or from \$4,682,000,000 in 1932 to \$8,519,000,000 in 1939, including \$807,000,000 of benefit payments in the latter year that were not being paid to farmers during the earlier period.

A reduction in "interest received by individuals" from \$5,277,000,000 in 1932 to \$4,828,000,000 in 1939, a decrease of 9 percent.

A 55-percent increase in "dividends received by individuals," or from \$5,277,000,000 in 1932 to \$8,253,000,000 last year.

An increase of \$7,695,000, or 28 percent, in total nonagricultural employment during the 7 years. The President's figures were 27,245,000 employed in December 1932 and 34,940,000 in December 1939, not including 2,727,000 persons who had work on W. P. A., N. Y. A., and C. C. C. projects.

A 97-percent increase in commodity exports, or from \$1,611,000,000 in 1932 to \$3,179,000,000 in 1939.

A gain of 64 percent for the calendar year 1939 in the Federal Reserve System index of industrial production, to a total of 105 in December 1939.

These gains, the President said, have been attained during a period when the total governmental debt had remained substantially unchanged. Whereas the Federal debt had increased somewhat during his administration, he said, there had been a corresponding falling off of the debt of States, cities, and political subdivisions.

In this explanation Mr. Roosevelt called on his experience as Governor of New York. The State, he said, had to bear the entire relief burden during 1931, 1932, and 1933. Nothing was granted from Washington during that period, he stated with some emphasis. Since that time, however, a very large percentage of the relief burden had been borne by the Federal Government.

#### IN HIS "FIGHTING MOOD"

Although cordial throughout the press conference, the President was in his "fighting mood" when he received reporters in the little study of his Hyde Park home. It was with obvious relish that he read the record of New Deal gains during the 7 years of his stewardship. Occasionally he remarked that his critics would have a hard time getting around the statistical argument he has just presented.

Mr. Roosevelt chuckled frequently, and more than once remarked that various changes in the position of the national balance sheet since 1932 would come as quite a shock to some people. At one point he apologized for burdening his audience with so many figures.

This remark was followed up with the observation that while those present probably would chronicle all he had said, there was no such probability that their respective newspapers would publish all his remarks. He was confident, however, that editors would be startled by the revelation that corporation dividends were higher last year than 7 years before.

It was in answer to a question that the President said that only 1 year would be necessary to balance the Budget when the national income reached the \$80,000,000,000 mark. He hastened to state that there would be a lag of about a year, because taxes for any year were not collected in full until the fourth installment came due in December of the following year.

#### TAKES CURRENT YEAR AS EXAMPLE

By way of explanation the President chose the current year as that in which the Budget might be balanced. Even should the administration's goal of an \$80,000,000,000 national income be realized this year, he remarked, internal-revenue collections needed for balancing the Budget would not be in hand until the end of 1941. Once that income mark was reached, however, there would be no need for increasing tax rates to balance the Budget, Mr. Roosevelt added.

Present tax rates would be more than enough to balance the Budget in a single year, once the \$80,000,000,000 national-income goal was attained, according to the President. He agreed with a questioner who reminded him that a national income of \$90,000,000,000 had once been given as the administration's objective. It was necessary first, the President said, to reach \$80,000,000,000.

The reference to 1940 as a hypothetical year of Budget balancing prompted one reporter to inquire whether he had inspected forecasts of business and industrial activity and revenue collections for the coming 12 months. He replied that exigencies growing out of the complicated international picture were too many to permit a safe prediction, and added that in times like these it was hazardous to forecast when the \$80,000,000,000 national-income figure might be reached.

#### RECALLS DEPOSIT-INSURANCE RECORD

Leading up to his discussion of the statistical defense of his administration, the President called attention to a Washington dispatch to the New York Times on a report from the Federal Deposit Insurance Corporation.

After pointing out that \$294,000,000 had been saved to 877,000 depositors in insured banks through the operation of the Federal Deposit Insurance Corporation, Mr. Roosevelt let it be known that he had long been opposed to increasing from \$5,000 to \$10,000 the amount of individual deposits insurable through the Federal agency.

People having that much money deposited in banks should be able to look out for themselves, Mr. Roosevelt contended. He had laid stress on the fact that depositors in the 315 closed banks insured by the Federal Deposit Insurance Corporation had \$5,000 or less on deposit constituted 97.9 percent of the total number of depositors in such institutions.

Not only had these 877,000 depositors been reimbursed, Mr. Roosevelt reminded the press conference, but they had been paid off quickly, without having to wait for several years while the banks went through the usual process of liquidation.

#### REMARKS ON INTEREST PAYMENT

HYDE PARK, N. Y., February 5.—Interest received by individuals stood at \$5,277,000,000 in 1932, Mr. Roosevelt said at his press conference today, and in 1939 it was \$4,828,000,000, a drop of 9 percent. That decrease, he said, requires analysis.

Supplying the explanation himself, he asserted that two things were responsible—interest rates had gone down and so had the total debt burden of the country.

Debts owed by individuals and corporations are a great deal smaller, the President declared, and the total owed by government is no greater today than it was in 1932.

In other words, he said, local debt, State debt, county debt, and city debt had gone down the full extent that Federal debt had gone up. Since private debt has decreased, he said, the total debt, therefore, is lower.

### Agricultural Appropriation Bill

#### EXTENSION OF REMARKS

OF

HON. W. F. NORRELL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1940

Mr. NORRELL. Mr. Speaker, the bill under discussion, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, is most important, and directly affects approximately 32,000,000 people in the United States engaged in farming, and is important and indirectly affects all of the inhabitants of this great Nation.

The President of the United States realized these facts when, in his Budget message of January 3, he used the following language:

Under the broad head of agricultural programs I have included agricultural adjustment benefits, the surplus-removal program, and parity payments arising from 1940 appropriations. Despite a gratifying general increase in farm income, agriculture is still not receiving its proper share of the national income. I am therefore proposing to continue substantially undiminished the various agricultural programs. I have not, however, included estimates for new appropriations for parity payments in 1941. I am influenced by the hope that next year's crops can be sold by their producers for at least 75 percent of parity. I do not suggest in any way the abandonment of the policy of parity payments heretofore adopted, and further events may call for some appropriations to this end.

Also in the Budget message of the President we find that the total Budget of the United States Government for the fiscal year ending June 30, 1940, was estimated at \$8,424,000,000, which is down \$675,000,000 from the fiscal year 1940.

It cannot be said, therefore, that the President is responsible for the unfair cuts proposed in this bill. The House Appropriations Committee has cut the total appropriations for the benefit of the farmers of this Nation to the tune of \$404,190,796. This, indirectly at least, means that of the \$675,000,000 cut suggested by the President over last year's Budget, all but approximately \$270,000,000 has been taken from the pockets of the farmers of this Nation.

We have in this country some 6,812,000 farms, according to the agricultural census of 1935. In excess of 513,000,000 acres of such farms are devoted to various crops such as cotton, corn, wheat, and so forth. There are 32,000,000 people residing on or in some direct way identified with these farms and it is this portion of our population which is having to sustain this unfair and unreasonable loss in revenues, amounting to 51 percent over appropriations for them in 1939, on the theory that the Budget of the United States should be balanced.

It is unfortunate that when Congress thinks of balancing the Budget the ax falls first on those who are in need and to some extent prostrate and unable to protect themselves. The Agricultural Adjustment Act under which we are now

operating was passed by this Congress in 1938 and, among other things, it provided for the reduction of crops in order that the farmers would not continue to grow unsalable crops. Ten million acres have been taken out of cultivation. The farmers agreed to make these reductions upon the specific promise and contract, if you please, that they would receive certain monetary benefits from the United States Government. This Congress must provide those benefits and comply with that part of these solemn contracts which the Government assumed.

It is said by those who are not necessarily interested in the direct welfare of the farmers that the administration's farm program has been a failure. I do not agree with the program in its entirety, not that my opinion is correct or even important, but I do not believe that the program has operated fairly among all of the farmers. The small farmer has sustained such enormous reduction in acreage and production that it is impossible for such farmers to make a living. I have appeared before the Agricultural Committees of the House and the Senate in regard to this phase of the program but notwithstanding we may not entirely agree with the entire program, it must be admitted that it has been successful to some extent at least. The cash income of the farmers has increased, under this administration, from \$4,358,000,000 to approximately \$10,000,000,000 and so it must be admitted that the farmers are better off today, under the present farm program as a whole, than they were back in 1932.

It would serve no useful purpose to describe the plight of the American farmer. This has already been discussed too much, but no one has offered a solution. We hear magnificent addresses constantly by friend and foe alike of the farmers to the effect that something is wrong and that this plan and that plan has not worked. But none of these self-constituted wizards or philosophers offer any solution whatever of the problem. They have sympathized with the farmers, but sympathy is not all that the farmers want and need. They have offered them plenty of oratory, but they cannot live upon this, although they have been fed with a very liberal supply. They have offered promises; even back in the dark days of the Hoover administration something was said about "a chicken in every pot, two cars in every garage, and prosperity is just around the corner," but prices continued to go down. It is true that they have given crop reductions and this has not solved the problem. They have been told to destroy their crops and slaughter their pigs, and they willingly agreed to do this in the hope that their income would be increased. Suggestions of curtailment of acreage and production, and the withholding of agricultural products from the market, whether or not this has inured to the benefit of the farmers is at least debatable. Many other schemes have been suggested and in each instance the farmers have rallied to the cause and have done their part, but still their income is not up to parity.

We all admit that, if the people of the United States had sufficient purchasing power, the farmers could not produce sufficient agricultural commodities for their consumption. Under those circumstances we would need no acreage reduction and the farmers would be able to plant all of the crops they desired and as much as they desired and still there would not be a surplus. However, the critics of the present farm program have not offered anything that would bring about this paradise for the farmers and even last year, with parity and other agricultural benefits, their income was 26½ percent below parity.

The critics of the present agricultural program in action say that because the farmers' income has not reached parity through the various benefits received the Government should therefore withdraw all benefit payments and cut out every direct monetary relief to them. If this is the farm program suggested by the Republican Party and a minority of Democrats, I do not see how they may expect to receive any enthusiastic support from the farmers.

The present administration has said to the farmers, not only through the solemn acts of this Congress, but through



contractual obligations as well, that the farmers are entitled to parity, and that parity is defined as being a condition under which there is such a relationship between what the farmer has to spend and the price he must pay for the things he must buy, and the price which he receives for his products so that he will buy on the level which was attained in the base period from 1909 to 1914. Yet a large majority of the Republican Members of the House voted to reduce the total appropriations for the benefit of farmers to the tune of 51 percent over last year because the farm program has not yielded full parity. What substitute remedy do they suggest? Nothing except sympathy and oratory and that the Budget of the United States Government should be balanced. I am in favor of the balancing of the Budget of the United States Government, but not solely and exclusively at the expense of the American farmer. Their budget should be balanced also, and you cannot balance the farmers' budget by reducing their benefits to the tune of 51 percent and failing to provide a better substitute agricultural program.

I am for national defense, but if we must build battleships at the sole and exclusive cost of the American farmer, then I am inclined to believe that we should reduce the national-defense appropriation, eliminating the construction of a few battleships, and continuing appropriations for soil conservation and parity payments to the farmers until a better and more successful agricultural program can be inaugurated.

It is said that farm tenancy is increasing at the rate of about 50,000 per year and that there are now some 2,800,000 tenants, or approximately 40 percent of the farmers are tenants. If this Congress adjourns without keeping faith with the farmers by making the necessary appropriations, unless, of course, a better plan is inaugurated, farm tenancy will increase more through the years to come. We all realize that there is only one cure for tenancy or for the relief of the farmers in general, and that is to raise farm prices to such an extent that they will make enough to support themselves and their families and to purchase and maintain homes. In other words, to enjoy a wage for his labor and a fair price for his produce.

Industry has always been protected, agriculture has not been. Parity therefore is logical and reasonable so that agricultural commodities will be protected the same as industrial commodities. History records that both Hamilton and Jefferson agreed that this statement was true.

The gentleman from Mississippi, Congressman WHITTINGTON, has suggested an amendment to the Agricultural Act which will provide that the customs receipts of the United States Government be turned over to the Commodity Credit Corporation to be used to protect agricultural commodities and bring about parity insofar as the money will provide. I do not know whether this is a sound suggestion, but it is certainly worth serious consideration. It would certainly eliminate the wide spread between the income of industrial workers on the one hand and the income of agricultural workers on the other hand.

I have supported several amendments either to provide or increase appropriations to carry out the farm program as presently established in an effort to see that the appropriations for the benefit of the farmers are not decreased any more than other appropriations are decreased. The farmers are willing to sustain their proportionate cut. The House Appropriations Committee apparently has discovered that it has large, and probably excessive, authority because it has hold of the purse strings of the American Government. The power of the purse is deadly when improperly used. It is in this power of the purse that the House Committee on Appropriations, to some extent at least, holds a whip hand over the legislative and executive branches of the Government. This power is absolute. It was used by the House of Commons in the seventeenth century, but heretofore, owing to the fact that the power was so broad and so effective, its use by the Parliament or the Congress was seldom arbitrary.

In conclusion may I state that I trust the power of the Appropriations Committee will be exercised in a way that will

mete out justice to all of the citizens of the United States, and that before this Congress shall have adjourned, unless a better agricultural program can be inaugurated, the necessary funds will be provided to carry out the contractual relationships between the Government and the farmers to the extent of continuing the present percentage of parity and in providing for the disposition of surplus commodities, and to improve further the soil by continuing the splendid work of the Soil Conservation Service and various other benefits for farmers.

## Address of the Postmaster General

### EXTENSION OF REMARKS

OF

### HON. BUTLER B. HARE

OF SOUTH CAROLINA

### IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. HARE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at the dedication of the new Federal building, Clemson College, South Carolina, on Monday January, 22, 1940:

I am grateful for the opportunity of being here today to take part in the dedication of your new post office.

The occasion is one of special significance because the ground upon which we now stand has been hallowed by the finest American tradition. I doubt if there is anyone among us today who, in a measure, cannot sense the living presence of those hardy pioneers and patriots, the Clemsons and the immortal John C. Calhoun.

It is eminently fitting that we consecrate this new building to the public service. Those who are taking part in the ceremony include distinguished State and Federal officials, postmasters and postal employees, the faculty and students of Clemson Agricultural College, and representative citizens of the city and of this section.

The presence of such a representative assembly is a tribute to the American ideals of the founders of this community and of Clemson College. It is also an evidence of your interest in the maintenance of their principles and ideals as a part of the fabric of our national life.

The building erected here is in harmony with the type of architecture prevailing in this pleasant community. Those present may observe its attractive colonial design of one story with granite base, brick exterior walls, the stone and wood trim, and the wood cornices and windows. The ground area is more than 4,000 feet square and the content of the building, including the basement, is more than 115,000 cubic feet. It is of fireproof construction and is provided with every facility of a modern post office with well-lighted and well-ventilated workrooms for the postal employees.

The building was erected under the authority of the Federal emergency construction program of 1936 which was enacted by Congress for the purpose of stimulating economic recovery and to provide work for the needy unemployed.

An allotment of \$82,000 was made to include the cost of the site, the building, and the administration. In keeping with the patriotic spirit of its founders, however, Clemson College very generously donated the site to the Federal Government.

The records of the Department in Washington disclose that the post office at Clemson was established on August 11, 1893, under the name of Clemson College, with John F. Calhoun as the first postmaster. On March 1, 1935, the name of the office was changed to Clemson, under which it is operated at the present time.

The revenues from the office at the beginning, like the great majority of new offices, were comparatively modest. In 1910 they amounted to approximately \$5,000 and for the last fiscal year to more than \$20,000.

Since the middle of October 1931 the office has been conducted with splendid success by the present incumbent postmaster, Mrs. Carrie R. Goodman. In the 47 years of its existence there have been but five postmasters at Clemson—John F. Calhoun, Rebecca C., and Ida A. Calhoun and Lewis J. Goodman preceding Mrs. Goodman.

This post office is one of a network of more than 40,000 post offices established throughout the country, the combined receipts of which in the past fiscal year amounted to approximately \$750,000,000. The United States Postal Service is the largest individual business enterprise in the world. It is an outstanding example of the ability of a democracy to conduct its affairs upon a businesslike and successful basis.

The postal system has become such an accepted fact in the daily lives of most citizens that few pause to reflect upon the important part which it plays in the life of contemporary America. Yet without the postal system a vital link would be missing in the chain of communication which binds your community to other communities throughout the Nation and throughout the civilized world.

By means of the daily mail you are able to learn about the health and well-being of friends and kinsfolk in far-distant places. The magazines and newspapers left at your door by the postman give you a keener insight into the events and forces that are shaping the existence of your fellow human beings in less fortunate areas of the earth.

It has been well said that the history of civilization is bound up in the development of new and better means of communication. The Post Office Department, regardless of the political party in power, has always shown a deep interest in keeping abreast of the times in the matter of mail delivery and transit. Less than a century ago the establishment of the Pony Express excited the wonder and the admiration of the American people.

The daring riders who carried the mail pouch across desert and mountain to the far-off Pacific-coast regions became legendary heroes. People marveled at the fact that letters leaving St. Joseph, Mo., were carried more than half way across the continent and delivered at their destination in less than 8 days. Today, thanks to the air mail, a letter may be posted in New York City this evening and delivered tomorrow morning in Los Angeles. Or it may be borne across the ocean and left at its destination in a foreign land in less time than it formerly took to transmit a letter from Charleston to New York.

Down through the years, especially in smaller communities, the post office has become something more than a mere Government building where routine business is transacted. It has become a civic center where the townsfolk gather to greet and chat with friendly neighbors and to look with eager anticipation for the expected letter from someone far away. The pleasure of the daily visit to the post office is so keen that folks in rural areas very often protest to the Department against the introduction of the more efficient carrier service.

We all know people who say they hate to write letters, but I never yet found a person who could honestly say that he or she hated to receive letters.

The life span of Clemson College is short compared to that of some institutions of learning which date their founding back in colonial days. Yet in its period of existence of about half a century, Clemson has moved forward rapidly to take its place among those schools which are doing so much to provide a better and finer way of life for the people of America.

In coming here for this ceremony I took occasion to learn something more about the history and traditions of Clemson College. Without resorting to flattery, I can say that I was truly amazed to discover the depth and extent of Clemson's influence in molding the life and progress of South Carolina.

I was particularly interested in a paragraph in one of the annual reports, which summed up the facts in striking fashion. The report said:

"Nearly 3,500 men have graduated from Clemson College besides some 9,000 additional individuals who have received some training at the institution. The vast majority of these men are still in South Carolina, though Clemson graduates can be found in almost any part of the United States and in foreign countries.

"With such a number of technically trained individuals, the State of South Carolina does not have to go beyond its own borders to find men who can build or rebuild any of its railroads, who can bridge any of its rivers, who can handle any of its textile plants, who can erect any of its buildings, who can equal any in the growth of quality cotton, and who lead all the States in the 'live at home' policy on the farms."

There is reason for just pride in this record of accomplishment in promoting the fruitful ways of peace and progress, and I am happy to congratulate President Sikes, the members of the faculty, and all those past and present who have made their contribution to the solid worth of Clemson. You have given life and purpose to the vision of those who first conceived this splendid institution.

Every citizen is grateful for the fact that the United States is able to live in peace and domestic tranquillity in the midst of a world torn by strife and turmoil. There are many reasons for this fortunate circumstance, and one of them is the fact that education in the proper sense has come to play a large part in the upbringing of the Nation's youth. Every year hundreds of colleges and universities, like Clemson, are sending forth graduates who are trained to think, trained to make use of the arts and sciences, trained to distinguish between truth and error, and, above all, trained to have a decent respect for the opinions of their fellow men.

Education is not enough. But education founded upon the bedrock of American principles—founded upon a sincere belief in the rules of fair play and right social conduct—is a powerful weapon in the preservation of national ideals. This is the kind of education which Clemson gives to those who come here for knowledge and guidance, and in this fact lies the true measure of its greatness.

A postal system in some form exists in virtually every country on the globe and many of these systems have existed for several centuries. In fact, communication by mail is carried on almost universally and, except in time of war, the nations are glad to provide

safe and efficient transport for letters originating outside of their own boundaries. The international postal system is a symbol of what men may accomplish when they employ the peaceful methods of cooperation rather than the hateful methods of war and bloodshed. Unfortunately for the world, this has become an age of tragedy and despair because men and nations have rejected this simple truth.

The United States has not escaped entirely from the wave of political discontent, caused by economic dislocation, which has brought about havoc and destruction in other lands. Everyone realizes that vast changes have taken place here in the past few years—that the Nation has come face to face with political problems and issues which were unknown a generation ago.

As patriotic citizens, we naturally ask ourselves if the country is emerging from this crucial period in better or worse shape than when it entered. My own opinion is that the United States is definitely emerging from the ordeal a stronger and a better nation.

Despite the first controversies that raged over various enactments by the Federal Government, it is now almost generally accepted that most of them were needed and should be continued in force. A responsible person, who has an understanding of the conditions that exist in a highly industrialized country, would hardly contend that the Federal Government should give up the policy of providing aid for agriculture, or work for the needy unemployed, or the humane policy of providing a means of social security for the aged and dependent. These are now basic policies, the need for which is recognized by public leaders regardless of political party.

The Nation has taken important steps forward in solving fundamental problems. If conditions were ideal, of course, it would be far better to handle these problems with a minimum of legislation. But does any sane person think that the country would be better off if the Federal Government ignored realities and did nothing about them?

In his message to Congress on the state of the Union President Roosevelt made an eloquent plea for national unity founded on the age-old principles of mutual tolerance and good will. He warned against the dangers that arise from setting section against section, group against group, or class against class. The United States, he said, cannot afford to face the world as a disunited nation. To this wholesome truth every citizen who cares for the welfare of his country should be able to subscribe.

The deepest sympathy of the American people has gone out to those unhappy nations across the oceans who have become the unwilling victims of violent aggression and heartless persecution. The gloomiest prophet of a few years back could hardly foresee the extent of the horror which has been visited upon small nations whose only desire was to live in peace with their neighbors.

While deploring the consequences of this calamity, it is a consolation to know that the voice of President Roosevelt has been the mightiest voice for peace in all the world. Without sacrificing the national interest in any way he has pleaded the cause of justice and sanity with all the emphasis at his command.

Before hostilities actually got under way he did everything in his power to bring about a peaceful solution of the troubles that plagued Europe. When his plea fell upon unheeding ears he did not lose heart. Rather, he has persisted with rare courage to search for the path that will lead to the reestablishment of justice, honesty, and fair dealing between nations. In this great work he has lighted the way by practicing the doctrine of the good neighbor in dealing with our sister republics of the Western Hemisphere.

The foreign affairs of the United States have been conducted with wise insight and understanding in this perilous era. There has been no hint of threat or coercion against weaker countries and no disregard of the fundamental rights of others. An eager desire for peace and good will has been the underlying motive in every action taken by a great President and a far-seeing Secretary of State, Cordell Hull. In their handling of delicate international problems they have lived up to the finest traditions of American public life.

The one bright beam in the present state of world-wide chaos and disorder is the triumph of the democratic process here in our own native land. There were pessimists on every hand a few years ago when the country was staggering under the impact of harsh social and economic forces. These individuals had lost faith in the efficacy of popular government; they feared that rule by majority opinion was unable to bring either stability or security. In whispered tones they told of the progress being made in other lands where the sway of an all-powerful ruler had supplanted popular government.

The outlook is different today. The events abroad have disclosed with tragic consequences that a government which takes away the basic liberties of its own people is preparing the way for its own destruction. Here in the United States a vast program of reform has been instituted without impairing in the slightest degree the fundamental liberties without which life is not worth the living. We have set our own house in order without destroying freedom of the press, freedom of speech, freedom of conscience, or freedom of worship. Democracy has been vindicated as the finest form of government yet devised by man.

By holding fast to these ideals the United States will continue to move forward as it has in the past, seeking happiness and prosperity for its own citizens, and peace for all mankind.



## Parity Payments and Farm Tenantry

## EXTENSION OF REMARKS

OF

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

MR. HARE. Mr. Speaker, I regret that on account of illness I was not able to participate in the debate when the appropriation bill for the Department of Agriculture was up for consideration last week. I am fully aware that under our parliamentary procedure legislation cannot be enacted on an appropriation bill, but I had some suggestions to offer relative to the parity-payments program and the farm-tenantry problem with the hope that the appropriate committee may take appropriate action before the close of this session of Congress. I am sorry, of course, the Budget Bureau did not see fit to include an amount for parity payments in the Budget submitted to Congress, and I am sorry the item for farm tenantry was eliminated.

I have had quite a number of farmers to make inquiry as to the real purpose of parity payments, asking that it be explained to them. I am therefore taking time to repeat my explanation.

## PARITY PAYMENTS

The farmer pays his proportionate share of tariff duties when he buys and consumes imported goods. He also pays the increase in price of goods manufactured in the United States to the extent of the tariff, provided such duties are fully effective. That is, he pays the equivalent of the tariff duty whether he buys goods manufactured abroad or at home. There can be no effective tariff on raw materials produced by the farmer; parity payments therefore have been made with the idea that such payments will increase the price of his products as much in proportion as the tariff increases the price of goods he buys whether imported or manufactured in our domestic market, the idea being to place the price of what he sells on a parity with what he buys.

Heretofore, it is claimed that the money for parity payments had to be borrowed by the Government and paid out of the United States Treasury. We are now told that recommendation for parity payments was not included in the Budget submitted to Congress at the beginning of this session because there are not sufficient funds in the Treasury to make these payments and that the public debt has increased to such a point it was not considered wise or advisable to borrow more money for this purpose. It is not my purpose to deny or argue the reasons assigned for the failure to include parity payments in the Budget, but I would like to insist that parity payments could have been included if the Budget makers had not decided to spend all the available money for other purposes. There is only one conclusion to draw and that is the Budget makers thought less of parity payments to farmers than they did in spending the money in some other way.

What I have just said may seem to be critical of the Budget makers, but my statements are not in the spirit of criticism but only for the purpose of emphasizing some suggestions I have to make that will take care of parity payments in the future without having a wrangling logrolling time every year.

My suggestion is that provision be made by statute fixing a definite amount for parity payments annually or so much thereof as may be required, and that this amount be set aside as a special fund from tariff or custom duties as collected. Or such a fund may be provided by setting aside all custom duties so that parity payments may be made from this fund.

I am convinced that the soil-improvement benefit payments paid the farmer are doing more good to aid agriculture than all the other features of the farm program put together; and my further suggestion is that in order to get away from the idea of a Government subsidy for agriculture, the parity-payment fund be transferred to the soil-conservation benefit fund, which should, in effect, make no change in the relative amount paid the farmer. For example, if a farmer has heretofore been entitled to \$100 per annum under the soil-conservation benefit plan and \$50 from the parity-payment plan, the latter should be transferred to the former, whereby the same farmer might be able to obtain \$150 soil-conservation benefit and parity payments combined.

A number of reasons may be given for this suggestion, but it is sufficient to say in the first place that very large farmers, with their tenants, would then be more inclined to follow the soil-conservation plan, and smaller farmers would be inclined to enlarge or increase their farm-improvement activities, and the result would be increased fertility of the soil on the part of all and an increase in yield per acre, which would, in turn, mean a decrease in the cost of production per unit. With such a policy we can easily vision the time when the cost of production may be reduced to a minimum and there will be surplus enough over and above such cost whereby investments may be made by farmers in better education for their children, an increase in more modern home conveniences, as well as increased farm ownership. Such a policy will support and dovetail in with my next suggestion relative to farm tenantry.

## FARM TENANCY

There seems to be some controversy about the existing farm-tenantry program. I supported the amendment for a continuation of this appropriation but have to admit that I am not very enthusiastic over the program as it now exists, and I am taking a little time to suggest some changes in this program also. The evidence before the subcommittees will show that out of more than 140,000 applications only about 6,000 have been approved, the estimated number for South Carolina in 1940 being about 1 for each county. We cannot solve the tenant problem at this rate. In other words, the number of people benefited seems to be too limited to warrant the amount of money being expended. It was further shown that the average cost per tenant farm in the United States is something like \$6,000, and, unless I am badly mistaken, I am venturing the guess there is not one tenant farmer out of a hundred under existing conditions who can ever hope to pay for such a farm. It is unreasonable to expect the tenant farmer to make a living and clear enough money to pay for a farm when we all know that his next-door neighbor, who may be a farm owner, is unable to make ends meet, educate his children, or pay off a small mortgage, although he may have a good equity in such farm. In other words, simply putting a man on a farm does not increase his ability or efficiency to the extent that he will be able to make a greater success than his neighbor.

My idea is that better results can be obtained by taking the same amount of money heretofore appropriated and make small loans to the same type of tenants, because there are many of them, let them choose their farm and improve it in such a way as to meet their standard of living, so that they can reasonably expect to refund the money. There are hundreds, and possibly thousands of men, who can buy small farms for \$500, \$1,000, or in some instances as much as \$2,000, who can improve their buildings, not according to the way someone else might suggest, but in keeping with their own plans and in such a way and only to such an extent they can hope to refund the money furnished and eventually be a home owner. In this way you will be able to decrease the number of tenants, particularly if they avail themselves of the benefits provided by the soil-improvement plan I have just suggested. That is, the farm-tenancy plan should be modified, as I have indicated, so that it will dovetail into the soil-improvement and combined parity-payment plan as outlined.

## Lincoln—Living Legend

## EXTENSION OF REMARKS

OF

HON. T. V. SMITH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

ADDRESS BY HON. T. V. SMITH, OF ILLINOIS

Mr. SMITH of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the first annual Abraham Lincoln lecture instituted this year by Cooper Union. I gave this address last evening at Cooper Union in celebration of the eightieth anniversary of Lincoln's Cooper Union address there in 1860.

The address is as follows:

"Abraham Lincoln is so interfused with the idea of America that he may be said to have extended himself backward and forward in time and made himself a perfectly adequate expression of the idea in any year for any anniversary."—Topics of the Times.

## LINCOLN: LIVING LEGEND

Men and women of Cooper Union, fellow citizens everywhere, Abraham Lincoln, of Illinois, has been dead for, lo, these 75 years. The Lincoln of legend still lives today, lives an expanding life: the clarity of mind lives: the charity of purpose lives: the good humor lives and chuckles throughout the roominess of our national character. Lincoln, the human person, walked in boots that creaked and pinched; Lincoln, the personage, strides silently, yea, he stalks majestically through all the highways of our overburdened world. How and why that humble man of seasonal mirth and unseasonal sadness grew to be a national legend of light, the great white companion of every twilight through which the Nation gropes—that is our theme on this the eve of his birthday. It is not a theme which we shall exhaust. If the poet, surgeon as he is of the human soul, cannot pluck out the heart of the Lincoln mystery in six large volumes, we shall hardly estimate too modestly what the politician can do in a single speech. There is room here, however, for every honest analysis and pay in kind for each sincere gesture of deference. We honor ourselves in all aspiration to understand his character and in every endeavor to survey our scene in the light of his living legend.

## HOW AND WHY LINCOLN CAME TO COOPER INSTITUTE

We are met at this historic spot to renew acquaintance with both the man and the myth. It is altogether fitting that we are come to Cooper Union where he stood and spoke on a memorable occasion. Exactly fourscore years have passed since Lincoln journeyed from the pioneer West to New York City, then, as now, the Nation's financial center. With the mantle of his own integrity about him, he brought to the older East the homely wisdom and dogged convictions of the West, brought both at a time when the Nation, divided in counsel, was on the lookout for a leader.

From the prairies of Illinois, Abraham Lincoln came here in 1860 to discuss the Constitution, to reaffirm the conscience of the fathers as touching slavery, and to recommend a strategy, designed under the Constitution, to save the Union through the career line of its own growth. He came, a plain westerner, to be gaped at by men who admitted that they were more civilized than he. He was unsure of himself, so unsure, indeed, that he wore new boots, adding visible discomfort to a countenance already chronically sad. Of his cause, however, he was sure—so sure, indeed, as to mince no words to either North or South. He came; he spoke; he conquered.

Better to have galls on the foot than callouses on the conscience. Lincoln proved once more, from Cooper Union forward, that the niceties of life count for less than does stamina in the clinches of history.

Like another gawk named Saul—a gawk who went to look for asses and found a kingdom—Lincoln, of Illinois, came to New York to make a speech, and he made himself President of the United States. He and who else? Well, he and the fate which he trusted. Accident plays so large a part in all things human, especially in politics, that we must always stand ready to do deference to its overtures. It is not the part of man, however, to be overawed by this fact any more than Lincoln was overawed by his faith in Fate. We do well to discover, if possible, what Lincoln had discovered to fit himself rather than another to become our national emissary of Fate.

## LINCOLN DISCOVERS FOR HIMSELF A PRINCIPLE

Lincoln had discovered, along with deep reliance upon humor, a principle—a principle, indeed, which he came to New York to illustrate. The philosophers have a name for it, but we shall presently prefer a name more politic than erudite. It was a principle that not only gave him guidance on slavery but also constituted then,

as now, a proper directive for the political enterprise in general. It was a principle that explains to us, as it seems to have justified to Lincoln himself, his changing of parties—"parties," I say, not convictions—in midlife. He deserted the Whigs when they deserted his principle; he espoused the Republican cause when the Republicans espoused his principle.

What Lincoln discovered was, and is, the "federal principle," as we shall now call it. Born of his deepest social experience, this principle challenged Lincoln's loftiest intellectual loyalty. We shall look at this pole star of Lincoln's philosophy of life from as many angles as possible—preparing ourselves gradually for a full view of it eventually. We may begin by saying that Lincoln had discovered for himself that where two or three are gathered together in any name there a new power emerges as a presence not to be put by. He had found, too, that discovery holds of a nation no less than of simpler groups. In the cant of our time Lincoln had laid hold of the nation that "mass gains" must not be monopolized for "class privileges." In its moral aspect his discovery meant that union produces power in excess of the number united, and in its political aspect we may present the principle as belief that the surplus power resulting may be used, sometimes must be used, to succor any portion of the people.

The business of government, said Lincoln under the dominance of this insight, is "to do for the people what needs to be done, but which they cannot by individual effort do at all, or do so well, for themselves." That was, and is, the general principle popularly formulated. The practical problem was, and ever is, however, to know when and where to apply through instruments of power the surplus value created in union. Lincoln grew great through an opportune determination of this "when and where," this "how and why." Lessons of history always prevail, when prevail they do, by the offering of a principle to a case or by the generalizing of a crucial case into a principle. Lincoln dared the one; he offered a principle to the case of slavery. We must risk the other for ourselves, risk the generalization of his principle to our cases. This risk I shall ask you presently to assume with me, lessening our joint hazard, however, by appealing to the Lincoln legend which we know, rather than to the martyr whom nobody knows well enough to say what he would have done with our problems.

Lincoln of Illinois, for all his commerce with fate, was not wizard enough to "look into the seeds of time and say which grain would grow, and which would not." Not Lincoln, the humble man. But with a legend all things are possible. The natural history indeed of the legendary in general does, for a fact, illustrate the way in which logic weaves its pattern through the tangled web of a nation's life. The loftiest principle must have a carrier, and across the gap of the centuries the carrier must be somewhat more than merely human. Reason in society prospers under the guardianship of secular saints—folk-heroes, I mean, like the legendary Lincoln.

## THE FEDERAL PRINCIPLE APPLIED TO SLAVERY

Lincoln's Cooper Union address—if we may descend now to details—proposed a governmental policy with reference to a given problem in a limited area. The problem was slavery. The limited area was the then territories. The governmental policy was strategic intervention. In the historic words of Lincoln, here delivered 80 years ago, the policy was authorized by the fact that "no line dividing local from Federal authority, nor anything in the Constitution, forbade the Federal Government, to control as to slavery in Federal territory." The strategic intent of his policy was to intervene at the point of growth, saving the new for the right while tolerating the old with its evils. The speech itself consisted largely in showing that the fathers understood this policy of strategic intervention while Douglas misunderstood it. But the principle, the Federal principle, was assumed. This principle ran through Lincoln's speech, as it ran through his biography, buttressing every policy with the common sense, if radical, understanding that what needs to be done and is not rightly forbidden to be done, should be done by whatever power is competent to do it. Lincoln habitually followed the logic of events rather than succumb to the easier lure of dogma.

But there was a question in connection with slavery, as always there is with every evil, whether the power which alone could intervene should intervene. It was not a question for the States separately. The States that had slaves wouldn't abolish slavery, and the States that didn't have slaves couldn't abolish slavery. Where one group couldn't and the other group wouldn't, a new power had to be found that both could and would circumvent slavery, or the Nation would surrender to fate as to an agency of evil. It was not for the States separately. Was it for them collectively?

The Federal Government that is, and the Federal Government alone, physically could abolish slavery. Why wouldn't it? That was the simple and clear prod of the northern abolitionists, to Lincoln's left. Let it dare try. That was the ominous rejoinder of southern fanatics, to Lincoln's right. Reasonable men in the center—like Lincoln, like Douglas—debated whether the Federal Government should do all that it could even if it dared. And that's no simple quandary. "Should" for civilized men always comes between could and would. Morality, that is, must mediate politics.

The close of Lincoln's address at Cooper Union makes clear that his proposed public policy as touching slavery arose precisely as his compromise between what could be done (which alone dictators ask) and what should be done (which alone sentimentalists ask). The Federal Government could, perhaps, as a matter of fact, but



could not as a matter of right, abolish slavery in States already organized; but it could, both as of fact and of right, prevent slavery in the States-to-be, that is, in the territories. This was the wisdom of the fathers, to provide a way whereby their sons could improve upon their earlier compromise. Faith in the fathers involved belief that the fathers had faith in their sons. In that faith dared Lincoln ask others to facilitate the national accommodation which he recommended at Cooper Union as constitutional. This prescribed path of duty was a delicate union marked by forbearance of the dead past and of control for the growing future. So scrupulous was Lincoln's notion of how to combine might and right that he lost interest in the Constitution, and even in the fathers, when either were interpreted as being indifferent to the formula dictated to him by conscience.

#### THE POLITICAL BEST IS A PERSONAL SECOND BEST

On what his faith in this formula, this moral mixture, was founded we have adequate reason and every right to inquire. But let the inquiry proceed through certain honest admissions as touching Lincoln, the political moralist from Illinois. There is, after all, a slave morality, which creeps down the crevices of custom; and there is a creative morality, which breaks new paths for human growth.

Our first admission is that Lincoln was not a chronic perfectionist. Perfectionist he was indeed, as touching matrimony, for instance; and dearly did he part with his coin of happiness to pay in marriage for a temperament on his part that once declared: "I can never be satisfied with anyone who would be blockhead enough to have me." But he was not chronically perfectionistic. In things public he did not insist upon the perfect best. He couldn't find it. He admitted that he was not God. That slavery was wrong, wrong in principle and bad in practice, Lincoln knew. Thus far he went with the fanatical abolitionists. But that it was right forcibly to abolish that wrong, the peacetime Lincoln could not convince himself. Thus stood he as protector of southern slaveholders.

This ambivalence seemed to leave Lincoln, the moralist, in the curious predicament of being unwilling to right what he himself admitted to be wrong. Indeed, one of his present-day disparagers has given Lincoln's slavery position this invidious slant: "If the wind come my way, I have set my sail for it; and if it does not come my way, it is not much of a sail that I have flung forth, and not dangerously noticeable." And the abolitionists of his own time officially described him as a "middleman, between a very modest right and the most arrogant and exacting wrong." We ourselves must admit of Lincoln that the best right he could find as touching slavery, was to tolerate admitted wrong in the faith, whose foundation is yet to be examined, that the toleration might at last lead to termination.

The second admission is that the South was right in defending what Lincoln felt required to tolerate. He went so far as to indicate that if he were a southerner, he would probably do what the southerners were doing. They were but the honest victims of history. Lincoln saw how easily and often history becomes the enemy of aspiration. It fights against hope; for the course of events makes a vested interest of so many an evil that hope is subverted by what its own past has produced. The frequent influence of history, as Lincoln saw with Calhoun, "is but to make the error of yesterday the law of today."

The third admission is that Lincoln was prepared to risk a war to stop the spread of slavery, hoping thus to set the evil on the road to extinction. Of course, he did not wish war. Indeed, for long he did not expect war. For a fact, he, like Douglas, fought against war by proposing a compromise, by courting delay, by counseling forbearance. He well knew the moral inconclusiveness of war. "Suppose you go to war," as his first inaugural had it, "you cannot fight always; and when, after much loss on both sides and no gain on either, you cease fighting, the identical old questions as to terms of intercourse are again upon you." But he also knew the moral odium of inaction when action will help. He was not willing to call wrong right, and he did not fear to defend the right against the wrong. He wanted peace, but he was not for peace at any price. The price of peace at which he balked was what by the time of the Cooper Union address he feared the South would exact, the admission that slavery was right. That was to degrade the principle of the Union; it was to render irresponsible to the weakest the strength of the united. It was, therefore, martial as well as moral courage with which he here closed his famous address: "Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it."

In our day it is worth remarking that Lincoln joined the fathers in a view of war that was candidly realistic. They did not sentimentalize over what loss of life was necessary to preserve liberty. If peace can be kept, it will be kept not by fear of offending the morally offensive but by fearless use of whatever strength we have in behalf of what is clearly right.

The fourth admission is, to generalize the others, the admission that politics normally involves a choice between evils, tolerating the evil unchosen in the hope that the evil chosen will help to abolish the one tolerated. If not this, then that it will help produce might to enforce right, as Lincoln phrased it. Such realism constitutes a hard dose to take, a dose so hard, indeed, that only practical politicians like Lincoln can ordinarily stomach it. The trouble is that such an attitude involves a compromise, which compromises tender consciences, leaving them with an oppressive sense of guilt.

Such consciences as hate evil but are ignorant of the world argue that given a wrong and given the power to right it the

wrong must be righted forthwith. Thus reasoned insipient tyrants before Lincoln. Thus reason insipient tyrants after Lincoln. Not so Lincoln. This plainsman knew from experience that life is mostly endurance of wrongs that cannot be righted unless through strategy, patience, forbearance, ingenuity. At the time of the Cooper Union address Lincoln was bent on effecting a compromise between those who held that because slavery was wrong it ought to be abolished and those who believed that because it should not be outright abolished slavery was right. Lincoln believed with the North that slavery was wrong, but admitted with the South that it should not be abolished by Federal action.

#### HOW LINCOLN ACCEPTED THE INEVITABLE

"But that," says the moral philosopher, confusing what's possible to a mere man with what's possible for an ideal legend, "that means that he tolerated, indeed that he believed in tolerating, evil." "Yes," we reply sadly, "that's exactly what our living man did believe, did the sad Lincoln. He believed it because he had found that that's what life is mostly about." Lincoln, you see, Mr. Philosopher, was not one to shut life out of his philosophy of life. He had found it necessary to tolerate the evil of poverty in childhood. He had renewed his sad covenant with cosmic wrong at the grave of Ann Rutledge. Terror-stricken had he fled from evil in marriage only to return and accept the face of maladjustment at the altar of love. He had to learn to accept the death of beloved children. He had long accepted evil in successive failures of his own ambition.

Lincoln had learned to accept evil, I repeat, to tolerate it. This is the sum of our admissions. But beyond all admission shines this one affirmation: Lincoln had never learned to call evil good. Lincoln could never learn why he should make tolerable evil utterly intolerable by perpetrating the very greatest evil, the evil of calling it good. This was, in all conscience, the real reason he did not enroll himself with those who were formally religious. The technique whereby Lincoln saved both his modesty, in admitting moral ambiguity in the universe, and his integrity, in refusing to call either terrestrial or celestial evil good, constitutes a story all its own. It was the technique of detachment, mainly through humor, wherefrom hangs many a tale. But we must for this occasion concentrate upon the harder way of conscience. My best single guess as to why we have promoted Lincoln from life, through death, to secular sainthood was that he had this scrupulous mind as touching good and evil. Lincoln achieved the immortality of legend because he deserved it. Let us now broaden from politics to philosophy this suggested ground of his deserts.

#### HOW HE MADE THE BETTER OF THE ACCEPTED WORSE

It was right, argued Lincoln—argues it even in the Cooper Union address—right to protect slavery, but it was wrong to extend it. Human responsibility stops at the farther edge of human power, but human responsibility begins where human power begins, begins without vengeance wherever it can be exercised without remorse. Nobody at the time saw how to get rid of slavery in the South. Lincoln admitted freely that he did not see how. Voluntary emancipation was out of the question. Forcible abolition meant war, which was worse than slavery because it was impotent to free the slaves even if it should emancipate them. Compensated emancipation with or without colonization, both of which had Lincoln's sympathy, proved impossible to bring about politically. Clairvoyant of all this, Lincoln was for accepting existing slavery—as we have said—out of deference to history.

After all, slavery, too, was the legacy of ancestors from whom Lincoln had already inherited life and liberty; a legacy not only from southern slaveholders but of northern slave traders as well. Men must accept the issue of their ancestors' conduct, whether they like these issues or not. They must accept whatever cannot be disposed of at less social expense than is required to maintain it. Moralist though he was, Lincoln was no prude; he fully accepted the people's maxim that "no matter how strong the stomach, you should eat as few cockroaches as possible." And so the famous Cooper Union declaration: "Wrong as we think slavery is, we can yet afford to let it alone where it is, because that much is due to the necessity arising from its actual presence in the Nation \* \* \*." Impotent to cure slavery outright, the Nation had through the Federal principle collective power enough to arrest its spread. Lincoln was in favor of using this power energetically. His sensitiveness to wrongs that must be tolerated made him double quick to pick on wrongs like this which could be arrested even if not cured. He was not one to argue that because he could do so little, he'd do nothing—not Lincoln. He argued rather that because men could do so little, they must do all they could do, wisely and effectively.

The line here indicated is a nice one, a line between the effrontery of compulsive action and the efficacy of strategic effort. The line becomes fully clear only when we leave the open country of overt conduct and push further into the underbrush of reflective thought. Lincoln was for preventing the growth of evil while accepting the evil already grown, and doing both with a humor marked at the fringes by wonder as to the ways of the overworld. Where such wonder fertilizes, there philosophy sprouts.

Lincoln had a philosophy, a sort of metaphysical faith, if you will; but it was a philosophy that rested on, even though it transcended, the utmost possible through human perseverance. He could not join minds less scrupulous in asking men less fortunate than he to pay the freight for his faith. Such indeed had been the faith that produced the compromises at which he inveighed. Such would have been the fruits, thought he, of the faith of Calhoun, the faith of Clay, the faith of Webster, yea, of the faith of Lincoln's

friendly enemy, Douglas. They were at one in the faith that slavery would somehow be automatically arrested in the Federal Territories north of some artificial line. No laws were needed, according to this conviction, because climate and soil and God would keep slavery where it was. Local sovereignty could only propose; it was Providence that was to dispose. Well, Lincoln's Illinois is well above the proposed line, and it today is one of the great Negro States, without cotton.

Theirs was a common faith, however, we may repeat; and too easy a one. Let the southerners feel that they were free to expand slavery without let or hindrance and let the northerners rest assured that there was no need for them to use their freedom of action to counteract its spread. And if this faith should fail of fulfillment, who would pay for the failure? It would be paid for by the weak; and when paid for, would weaken the country by mingling with its wheat of growth the tares of decay. To have this option of creation offered by growth is a fearful responsibility, linking men with the gods. Not to take up that option to stop the spread of evil and to open the future to the better alone—that is to become a sluggard or a devil. Faith in lethargy is pernicious when action can budge a nation toward the ideal. Lincoln was not lacking, as we have seen, in natural piety to accept the covenants of the past, even when he did not like their complexion. He could not share with the morally easy going, however, the confidence that if we work with the forces of nature they will do all the work. Rather he had the courage to join the forces of his life to the forces of nature in a sterner union of effort and trust. Not a revolutionary, he still was a resourceful pioneer.

#### THE METAPHYSICS OF LINCOLN'S ATTITUDE

Such balance implies a philosophy of life that may in the pinches become a major force of history. The power of science is a function of motion controlled and of growth directed. The power of politics is no different. To make neutral or morally mediocre processes support the growing good—that is creative statesmanship. Lincoln had insight to locate the points of growth and stamina to stand advance ground chosen through this insight. He, too, had faith. It was the faith of a will rendered inflexible through clairvoyance of consequences.

His friends called him a fatalist. So Herndon. So his wife. "His wife, after his death," says Herndon, "told me what I already knew, that 'his only philosophy was, what is to be will be, and no prayers of ours can reverse the decree.'" Fatalist, indeed, Lincoln was in a way. But fatalism is usually conceived as a doctrine of pessimism. Personally pessimistic, Lincoln was not socially so. He allied personal fatalism with social optimism, and a new confidence arose, the trust in a credence not blind but informed of the future.

His good friend, Leonard Swett, says that Lincoln succeeded in politics "by ignoring men and \* \* \* all small causes, but by closely calculating the tendencies of events and the great forces which were producing logical results."

"The whole world to him," says Swett again, "was a question of cause and effect. He believed the results to which certain causes tended; he did not believe that those results could be materially hastened or impeded."

Those are weighty words from one close to Lincoln's habits of thought. They reveal an attitude of mind rare outside the field of technical science. This attitude and Lincoln's practice are finally summarized by Swett in a sentence that may pass as the veritable creed for constructive fatalism: "His tactics were to get himself in the right place and remain there still, until events would find him in that place." That creed reveals for Lincoln a metaphysics that saved his morality from sentimentalism, and guaranteed action under his leadership a career short of fanaticism.

Here was, indeed, a man in tune with the universe, or one who thought that he was. The universe seems to have agreed. Lincoln differed from most men in this feeling that he was attuned to fate, and he was distinguished from nearly all the rest in having fate not let him down in the feeling. The moral of Lincoln's fatalism is, however, that fruitful resignation begins only where human power ends. The morally blind will accept responsibility for the universe as such. Then they will prove their blindness by fanaticism when the hour of action calls their bluff. Wise men show their wisdom, first, by discovering what is within their power; and second, by discharging responsibility for that without aimless fury or useless repining.

Such accommodation of effort and trust as climaxed Lincoln's preparation for legendhood need be only slightly miscued to render men ridiculous. Popular fatalism is mostly the stuff of which exhibitionists manufacture bravado. To Lincoln, men who resigned themselves to either the preventable or the reparable were comic figures when events, alas, did not turn their negligence into tragedy. They were to him like the old lady of his famous runaway-horse story. She trusted Providence, he said, until the "britchin broke," and then didn't know what on "airth to do." To Lincoln, the seer, Providence spelled, first of all, the groundwork of prevention; second, all possibility of reparation; and, last of all, justification for hopeful resignation to the genuinely inevitable.

This clairvoyance of social motion and this sense of responsibility for its direction constituted Lincoln one of the natural aristocrats whom Jefferson had described as the saving salt of democracy. Though he was "Honest Abe" in popular parlance, it is remarked that only one man, and perhaps no woman, did he himself habitually call by the given name. He had the bearing of an aristocrat. He was, as the French diplomat phrased it, "one grand gentilhomme in disguise." Though loquacious of story and ready with fable, he is universally admitted to have been reserved to a fault, not to say secretive to a point almost justifying suspicion of his candor. As

humor gave him detachment, so story telling preserved his social distance even in crowds to which he was accustomed. Many a friend has corroborated Swett in the doubt whether "from the commencement of his life to its close \* \* \* he ever asked anybody's advice about anything." Men mostly ask advice who cannot take it, and those able to take it hardly ever need ask it; they discern in advance what sort it is to be.

This power of discernment appears usually to be the fruit of solitude, but of solitude only when one is properly seized in his inner life of the very essence of sociality. Rapport with both social and natural processes is best born of "the lonely debate." Out of the pregnant silences of reflection there arose in this son of the prairies a superior wisdom for life. "The truth about Mr. Lincoln is," observed Herndon, "that he read less and thought more than any man in his sphere in America." I have spoken already of the scrupulous mind as his badge of credit for immortality. And so it is. But he created of himself through habits of solitary reflection a proper person to mediate the principle of value which he discovered in the crowd. It is a high moment of history when the magnanimous person and the right principle meet and embrace. The person without the principle is pusillanimous, and the principle without the person is but a puff of breath.

Let us now return to the principle through which Lincoln fore-shortened time and put himself in the way of events. Then let us seek to discern how the person he was saved the principle he found from both oblivion and ignominy.

#### THE FEDERAL PRINCIPLE AS MYSTIC FAITH IN UNION

The principle in question is that to which we have referred as "the Federal principle." Lincoln's faith in the Union was indeed his faith in social increment created by human accord. To see this is to discover in his life the dynamics of value. And to appreciate this dynamics is to discern both why and how he consecrated power to the uses of perfection.

It is remembered with what reluctance Lincoln undertook to do anything about slavery in slave States. He early admitted that he did not know what to do about that, and to his latest hour he hesitated to let action bespeak a knowledge which he knew he lacked. Let us not promise what we ought not, as Lincoln put it, lest we be called upon to perform what we cannot. Make him sovereign of the growing future, however, and he would permit the dead past to bury its own dead. History had given slavery, let history take it away. That was God's responsibility—not Abraham Lincoln's. So from first to last the humane Lincoln was for having and for enforcing fugitive slave laws. He was not for emancipation save with compensation impossible to provide—not for it until the greater evils of war rendered lesser evils tolerable.

It is true that Lincoln believed a house divided against itself could not stand. It is true that he dimly hoped that the Nation, half slave, would become all free. But the faith against slavery that took up where his policy of regulating the growth of slavery left off—and there was much slack to be taken up—was faith in the dynamics created by and sustained in union. To his mind the Union preceded and created the Constitution, not otherwise. To his mind there was power in union to save the value of unity. In praising Lincoln, and appraising Lincoln's character, Alexander H. Stephens once truly said that "the Union with him in sentiment rose to the sublimity of a religious mysticism." Lincoln himself, in the depth of war wrote Greeley, "My paramount object in this struggle is to save the Union, and is not either to save or to destroy slavery. If I could save the Union without freeing any slave, I would do it; and if I could save it by freeing all the slaves, I would do it; and if I could save it by freeing some and leaving others alone; I would also do that. What I do, \* \* \* I do because I believe it helps to save the Union; and what I forbear, I forbear because I do not believe it would help to save the Union."

But whatever he did do, or did not do, he foresaw, or at least forefelt the salvation of the Union. He could not bring himself to believe that the sacred values that arise from human association on so great a scale can come to naught. Thus trusted he the universe. It was this trust, this profound metaphysical credence, which satisfied Lincoln that if he only did his part, the inevitable could be awaited with confidence. "I know not how," said he to a Christian Mission that waited upon him during the war, "but I have a firm, unshaken faith that in the end success will crown our arms, and the union of these States will be restored and maintained." "Stand still," Lincoln upon a crucial occasion echoed the Bible, "and see the salvation of the Lord."

This imagery of Biblical piety was accidental to the times and external to the issues of Lincoln's life. But deeply internal to him and of the essence of his preparation for immortality was Lincoln's reliance upon the future. He treasured the fruits that arose in America from our exemplification of the Federal principle of value. Had not he himself grown great upon the affluence of the crowd? Had he not himself lived social life richly where groups smaller than crowds sat alighting raptly to his stories? Had he not, conversely too, felt the frustrative effect of his own failures at and in mating? Hardly could Lincoln be fooled, then, affirmatively or negatively, about the nature and law of social value. He had witnessed from the most intimate of experiences the mystery of morale; namely, that where two or three are gathered together new power is produced out of the very process of association. Lincoln knew as leader of crowds what other men experience as followers.

Whatever we call this precious unearned increment of value that arises when men—be they leaders or led—pool their potencies while retaining their privacies, it is very clear that there are worse religions than Lincoln's profound faith that the increment which



fraternizing creates is itself creative of the power to keep it embodied in human institutions. "Let us have faith that right creates might . . ." As Whitman, who turned out to be an uncrowned laureate of Lincoln's immortality, said:

"We consider Bibles and religions divine—I do not say they are not divine—

I say they have all grown out of you, and may grow out of you still.

It is not they who give the life; it is you who give the life. Leaves are not more shed from trees, or trees from the earth, than they are shed out of you."

It was this dynamic value of unity which had created the Constitution, and to it the Constitution stood always subordinate in Lincoln's thought and action. "I felt," confessed he, on the unconstitutionality of the famous proclamation, "that measures otherwise unconstitutional might become lawful by becoming indispensable." Service of this principle was Lincoln's "higher law"—higher than institutional religions; higher than written constitutions; higher than all else save the integrity of spirit found in serving it.

Such faith in principle has point against more than the politicians of mere expedience, which Lincoln believed Douglas to represent. It needs constant assertion against the timorously religious; and Lincoln had braved askances directed at him for asserting it against them. It needs constant assertion against such moralists as declare, with Nicolai Hartmann in our day, that the higher the ideal the weaker, the lower the ideal the stronger. It needs constant assertion against the sophisticated who in one way or another amuse themselves with cynical nursery rhymes befitting the second childhood of their faith:

Might and Right are always fightin',  
When we're young it seems excitin',  
Right is always nearly winnin',  
Might can hardly keep from grinnin'."

Yes; there are few, professional idealists or otherwise, who do not have reason for standing in awe of Lincoln's faith in the Federal principle. For against all pessimism and short-circuiting all cynicism, Lincoln had discovered, or thought he had discovered, this dependable principle of value to be operative in the world of events through the instrumentality of honest effort. Such a principle could be added to most religions with profit, and could substitute for many religions without loss. Such a principle may be reaffirmed in Lincoln's already quoted words as the very creed of liberal government: "To do for the people what needs to be done, but which they cannot by individual effort do at all, or do so well, for themselves." This Federal principle we must now finally formulate in all its width and depth.

#### THE FEDERAL PRINCIPLE DIVERSELY FORMULATED

In ethics, the principle of which we have been speaking means that conscience can in the long run more than hold its own with coercion. In sociology, it means that the unearned increment of value can be furthered by taking thought. In politics, it means that the power of union should be used circumspectly to distribute the power created cooperatively. Constitutionally, the meaning of all this together was, and is, that no dead dogma about the nature of the Federal Union can be allowed to frustrate the Federal principle in action.

Lincoln's whole Cooper Union address was dedicated to clearing the Founding Fathers of the slander that collective inaction is or can be the right response to the growth of wrong. Against lethargy as touching the advance of slavery, Lincoln set the dynamic conviction that, while power must be patient in temper and strategic in application, might which is also right must be used in the pinch to purge national growth of the seeds of poison embodied in every institution at the prime. Thus do we advance in goodness despite the toleration of institutional badness.

#### THE FEDERAL PRINCIPLE IN OPERATION TODAY

As we work from the live Lincoln through his accommodating legend to the solution of our problems today, we pluck at the hem of biographical virtue. We shall not, however, tear Lincoln's mortal raiment in haste to commit the historic man to partisan ends. That sacrilege we leave to the Scribes and Pharisees of politics. On only two problems do we seek even legendary guidance tonight. Such virtue as we claim to derive from his gracious legend will not be detached, however, from Lincoln's own impressive words. He himself defined democracy so as to safeguard it against both presumption of spirit and condescension of spirit. "As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the difference is no democracy." This is the magnanimous attitude which makes principle safe for the world. Little wonder that the perceptive poet of our democracy, Walt Whitman, wrote of Lincoln, "I more and more rely upon his idiomatic western genius, careless of court dress or court decorum." Since our democratic way of life is defined by Lincoln as respect for persons as such, monopolistic excess of personality and deprecatory defect of personality come alike under the frown of Father Abraham, the legendary symbol of our national integrity.

Our Federal principle itself assumes an equality of persons as persons, and then capitalizes upon the value increment that arises, unearned, through free association of equals. The political increment of such national power Lincoln used to help the helpless, even at last to the freeing of those to whom all legal personality had been denied. The moral idiom of this western man, to which Whitman so happily referred, was to be safeguarded for future reference by appropriate constitutional changes, over which Lincoln's legend presides yet and ever with grace and pathos.

Yes, with pathos as well as grace. For these very amendments were intended to cure the black man's defect of personality, and to do it in the name of a democracy which abhors alike the presumption of excess and the condescension of defect. While haltingly at the long job of curing that lack of personality, the constitutional changes caused, or consecrated, a new surplage of power created by knightly soulless corporations as persons before the law. A new presumption then arose, the presumption of the profit motive, omniscient in its claims; and it has spread a new condescension to blacks and whites alike who cannot produce profits, whatever else they may be able to produce. The instinct of craftsmanship has become poisoned by injection of craftiness. "Getting by" substitutes for getting ahead, and the bitch-goddess success exacts adoration rightly reserved for the creators of a better culture.

In the din of such confusion the Lincoln legend hovers above us, like some holy ghost of the western way, to remind us of the Federal principle of value. It is a principle wider, as we have seen, than the issue of slavery. It is wide enough to settle once for all that first and longest-lasting fruit of slavery, the lynching barbarity. Lynching is a horrible symbol of the defect of personality which the thirteenth amendment meant to abolish and the fourteenth amendment to cure. It symbolizes the spread, indeed, of that original defect, for lynching may now overtake the impotent without regard to color or previous servitude. Apply to States resulting from Territories the principle that Lincoln applied to the Territories of his time and we have Lincoln's dictum at Cooper Union reading now like this: "No line dividing local from Federal authority, nor anything in the Constitution, forbids the Federal Government to control as to the fruits of slavery in the Federal domain." Let that be put down as the authentic prompting of the Lincoln legend on lynching, however the legend may have been of late misread in the Congress of the United States by living miniatures of Stephen A. Douglas, Henry Clay, and John C. Calhoun.

This Federal principle is wide enough not only to cure the severest defect of personality by setting the Federal Government to protect the weakest among us, but wide enough also to cancel the major excess of personality created by treating corporations as persons. The presumption which belonged to the plantation master of Lincoln's definition belongs to the financially masterful today. Their's is a corporate presumption which can kill all that the Lincoln legend seeks to save. Let us not be deceived through superficial changes of name and date, or through any fanatic invocation of constitutionalism. For nowhere will we find better put down the irony of the historic process—yea, of the judicial process—than just here; for these fictitious entities, more powerful than natural persons, have been given their presumptuous surplage of power by a judicial misreading of the very amendment meant to save the weakest among us from the curse of condescension.

I do not mean to suggest that this corporate problem, the converse of Lincoln's is easy of solution, or that the presence of the Lincoln legend can do more than illumine for us the way we ought to go. But it is a problem that we must continue to tackle, and to tackle in the light of the Lincoln legend, even in the spirit of Lincoln's own words that "labor is the superior of capital and deserves much the higher consideration."

That we do not outtalk our information about this corporate problem but do continue to work at the problem and to work at it in Lincoln's spirit, is imperative. For the corporation in modern life has become the major line of social growth. It is the great Northwest Territory of our industrial democracy, a state of mind which constitutes a sort of forty-ninth State. As such it is a logical competitor of the older federalism; it must be controlled by, or it will control, the Federal power. It is a true competitor, for it invokes the Federal principle itself, though it applies it abortively. It has created new social power through association for profit. With all its abuse and danger, it has, like slavery, brought tangible gains. How shall we deal with its evils so as to conserve its goods? As in the case of slavery, there is no way of dealing with it which itself is free from evil. Enthronement of the corporate spirit is fascism. Abolition of corporations is communism. Toleration of its existence with control of its influence upon the growing generations requires more knowledge and more power than we effectively possess. Modesty to admit this ignorance and impotence is a virtue so long as it does not substitute for efforts to become both wise and effective. We dare not fail to keep alive scientific efforts to determine which corporate monopolies are natural, which necessary, which democratically intolerable. Thus shall we turn our acknowledged ignorance to remedial account. But knowledge is not enough. Courage is required to utilize the Federal power for moral ends. Courage is required to have the Federal Government assume the power that is truly Federal. Courage is required to keep in private hands what poisons power in political hands. But we must have more wisdom in order to have more courage. If we can master for democracy this corporate power, but only so, shall we in our day have done what Lincoln did in his, "So saved the Union as to make and keep it forever worthy of saving."

As the Republican Party was organized by Lincoln's friends, and at last embraced by him, to cure the evil of slavery by applying the Federal power to save the Federal principle from death in the Territories, so now both great parties meet their present test of worth in applying the Federal principle to the cause and cure of that corporate mastery which does democracy to the death in the no man's land marked by State boundaries. Either party scores against itself in this present competition of merit when in the presence of pressing requirements for curative power, it flees for refuge to a State sovereignty that is fully impotent to save, impotent to save even itself. Sovereignty exists for citizens,

not citizens for sovereignty. Such is our final formulation of the Federal principle.

#### THE PRINCIPLE HAS POWER AS WELL AS SCOPE

Such formulation of our Federal principle shows it not only wide enough to cover problems of too much and too little, but powerful enough to motivate present solutions of them.

It was a principle powerful enough to budge Lincoln himself out of the Whig Party, which he loved, when it ceased itself to love the Federal principle.

It was a principle powerful enough to fulfill Lincoln's prayer at Cooper Union, that "right makes might"; it built a winning Army, broke the rebellion, unloosed the slaves, restored the Union.

It was a principle strong enough to cause the Constitution overtly to empower the Federal Government with the right to make effective the Federal principle throughout its domain. "No State," so runs the constitutional charter of the new federalism, "shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

"The Congress shall have power to enforce, by appropriate legislation, the provisions of this article."

It was a principle strong enough to change the meaning of property, excluding human beings from every possible interpretation, thus emancipating constitutionalism from mere legalism and setting it on its dynamic way for an expanding America.

It was a principle strong enough to raise Lincoln from the dead and to invest his living legend with the guardianship of his own principle, unto our day and beyond.

#### THE PRINCIPLES SAVED FROM HARSHNESS ONLY BY MAGNANIMITY

But the power of this principle, not to say also its scope, requires safeguarding from such magnanimity as the Lincoln legend symbolizes. "With malice toward none; with charity for all"—those are the words of a mortal man who prepared himself for legendhood. When he spoke them, he had bested his political enemies and was in sight of a military triumph such as conquerors have often gloated over. But he did not gloat, not the man Lincoln. "I shall do nothing through malice," said he; "what I deal with is too vast for malice." "I have not willingly planted a thorn in any man's bosom." That attitude it is which renders principles safe for mankind.

Any principle, be it even so great as the Federal principle of value, drips blood when held by fanatics.

In our time, for instance, Adolf Hitler has himself, in deference to a principle not wholly dissimilar, resorted to such a frenzy of folkiness as to choke friends and drown out the cries of all save sycophants. Unity is a foreboding ideal if a sadist invoke it. And sadism may be of the conscience as well as of the spleen. Nor is comradeship, any more than Germanic folk folly, a lure to the knowing when the spirit of it be brandished like a sword by a cruel peasant raised to all power. As increment of such inverted value, Stalin's Comrade Trotsky "slinks now in his tenets"; and "comrades" without number lie even more still in premature graves.

A union created by such men yields also, by our Federal principle, its increment of value and of power. But it is power malevolent; it is value mostly in reverse. Leaders who in private are not magnanimous create as they lead forth a social power for infinite ill. Find us a recipe for generosity, therefore, and you give us protection against the power of our own principle of value. It is not easy to find, for no principle is proof against perverse carriers. I would myself, in an oversocialized generation, set great stead upon Lincoln's love of solitude as one secret of his generosity. Jefferson's preaching against urban aggregation and Lincoln's practice of the lonely life unite to suggest to us that genuine individualism arises out of benign individuality. Individuality, as counterpart of sociality, is a function of replenishment. Little men descend to meet, and the sociality that arises from the meeting is of the value of mob meanness. Big men meet to ascend, and from such meeting arises the finest value of life.

Broadway—we might also apply it to Main Street—has been defined as a place "where people spend money they haven't earned to buy things they don't need to impress people they don't like." And nice as company is for those who need company to counterbalance previous solitude, unseasonal "neighboritis" can raise a raging temperature in the gentlest soul. As the Negro poet, Paul Laurence Dunbar, has it:

"There is a heaven, forever, day by day,  
The upward longing of my soul doth tell me so.  
There is a hell, I'm quite as sure; for pray,  
If there were not, where would my neighbors go?"

The aggressions of too much gregariousness are often purged away through strategic withdrawal; and then the soul, strong with the strength of hunger, rises to meet other souls and to make with them in gladness the mightiest value we know, mighty for weal or for woe. Solitude may or may not be a specific for generosity, but it is certainly essential in preparation for the lonely life of the legendary; but from it create Fate—

\* \* \* can  
Forms more real than living man,  
Nurslings of immortality.

#### THE LINCOLN LEGEND AS PERMANENT GUARDIAN OF THE FEDERAL PRINCIPLE

Majestic in its lonely grandeur, the Lincoln legend unites power enough and perfection enough to insure perpetuity of the years

for the American dream. We cannot wholly agree, therefore, with a recent reviewer of Sandburg's Lincoln in the remarks that what America most needs today is "Abe Lincoln as he was, not as a folk hero." Let us say rather that America needs both the Lincoln person and the Lincoln personage, but the personage the more. Wiser than our sophisticated critic were the grateful Negroes of Lincoln's own time who identified him with "de great Messiah," with "Uncle Sam." Product of our collective aspiration, the martyred Lincoln has indeed become our best "Uncle Sam." "Massa Linkum," as the glad Negroes conceived it, "he be ebrywhere. He knows ebrything. He walk de earf like de Lord."

That spiritual John Henry of our joint imagination is the Lincoln we most need. Every generation can, and in large measure does, produce its living Lincolns. So much is this so that no genuine Democrat has to wonder with Lincoln's law partner, Herndon, "that from such restricted and unpromising opportunities in early life, Mr. Lincoln grew into the great man he was." Lincolns continue to arise, like the Illinoisan, from the common people; and they are nurtured into power and perfected in wisdom by every maturing crisis. But it takes the sustained travail of the generations, of black and white, of rich and poor, of learned and unlearned—the sustained travail of the generations; to bring to birth a folk hero like this living legend of our historic Lincoln. Men hardly dare to disrespect the deities which their own creative imaginations have cooperated in calling from the vasty deeps of chacs.

Such supermortal heroes have been nurtured upon the pathos of a people. Grown great upon the vitamins of moral hope, they make great a people who have given to them their own greatness, leading the people bravely forward to each successive rendezvous with destiny. Such as these, and these such alone, harmonize democracy's insistence upon rude equality with its need for invidious but exemplary perfection. "Let us believe as in the days of our youth," said the early Lincoln, "that Washington was spotless; it makes human nature better to believe that \* \* \* human perfection is possible."

Human perfection is possible, indeed, but only through the purging discipline of death. Promoted to the purity of legend, with hardly a speck of mortality left to dull his radiance, Lincoln's life is now the embodiment of, and his career the irradiation of, pure principle. And of all social principles, the Federal is the highest and best, for it turns the unearned increment of our national unity back to enrich the lives of humblest citizens through the lowly means of politics. Such a principle adds so nearly up to enlightened religion at its best that it did not seem inappropriate, nor does it now, for the greatest preacher in Lincoln's America to preside while Lincoln, our martyred brother of common dust, put off this mortal veil to take upon himself the shining raiment of living legend.

Let the words of his investment come from Henry Ward Beecher. This is but poetic justice. It was Beecher's sermon that Lincoln heard that Sunday 80 years ago. It was Beecher's pulpit that was originally intended to be the forum for the Cooper Union lecture. It was Beecher's church that was actually the financial beneficiary of the address which we celebrate tonight. It was Beecher's sister, Harriet Beecher Stowe, who made Uncle Tom, the slave, immortal. Let her brother speak the sacred words that raise the Great Emancipator to the like immortality of all that's nobly imaginative.

"And now," rises Beecher's prophetic and priestly voice at the canonization of "Honest Abe" into Father Abraham of the ages, "and now the martyr is moving in triumphal march, mightier than when alive. The Nation rises up at every stage of his coming. Cities and States are his pallbearers, and the cannon speaks the hours with solemn progression. Dead, dead, dead, he yet speaketh. Is Washington dead? \* \* \* Is any man that was ever fit to live dead? Disenthralled of flesh, risen to the unobstructed sphere where passion never comes, he begins his illimitable work. His life is now grafted upon the infinite and will be fruitful as no earthly life can be."

Men and women of Cooper Union and of the Nation, shall we, too, not have faith that right makes might, and in that faith shall we, too, not dare to do our duty as we understand it?

That would be to relive in our lives the life of Lincoln and to pass on untarnished this Nation's most magnificent legend.

#### Veterans' Statistics

#### EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

STATISTICS COMPILED BY MILLARD W. RICE, NATIONAL LEGISLATIVE REPRESENTATIVE OF THE VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. VAN ZANDT. Mr. Speaker, for the information of the Members of this House, I wish to place in the CONGRESSIONAL RECORD some very interesting and illuminating statistics



which were taken from the records of the Veterans' Administration and compiled by Millard W. Rice, national legislative representative of the Veterans of Foreign Wars of the United States.

These cold figures, which show the cost of war in human lives and dollars and cents, constitute an eloquent argument for peace, as well as much valuable information on many phases of veterans' affairs.

I wish to call especial attention to the fact that veterans of the World War are dying at the rate of 88 per average day. That is an appalling death rate for men whose average age is now only 47 years. It also should be remembered that these veterans were pronounced physically perfect when they were inducted into the armed service in 1917-18.

The compilation by Mr. Rice follows:

VETERAN STATISTICS AS OF JUNE 30, 1939

4,791,172 served in United States armed forces during World War.  
4,185,220 served in Army, 2,059,629 overseas.  
531,258 served in Navy, 68,289 in United States Marine Corps, and 6,405 in Coast Guard, about 50 percent overseas.  
23,908,576 registered for the selective draft.  
2,810,296 were inducted after draft selection.  
250,240 were discharged from the draft after being called.  
10,250 Army men dishonorably discharged.  
130,103 total deaths.  
39,347 were killed: 37,541 Army, 1,450 Marines, and 356 Navy.  
13,999 died of wounds: 12,934 Army, 1,007 Marines, and 58 Navy.  
53,346 were combat deaths: 50,475 Army, 2,457 Marines, and 414 Navy.  
75,460 died of diseases: 62,670 Army, 304 Marines, and 12,486 Navy.  
1,297 died of other causes.  
116 deaths now occur each average day among war veterans: 88 World War, 22 Spanish American War, 5 Civil War veterans, and 1 Indian wars.  
201,325 wounded, not mortally: 193,611 Army, 7,714 Marines.  
342,072 World War veterans—less than 9 percent of all—receive compensation for service-connected disabilities: 44,213 on temporary partial ratings; 1,813 on temporary total ratings; 263,955 on permanent partial ratings; and 32,091 (or 9.38 percent of all) on permanent total ratings.  
25 percent of all service-connected disabled World War veterans receive less than \$20; 55 percent less than \$30; 65 percent less than \$40; 75 percent less than \$50; and 80 percent less than \$60 per month compensation; 90 percent less than total compensation; and only 9.91 percent receive compensation for total disabilities; an average as to all of \$40.24 per month.  
52,936 World War veterans receive pensions of \$6 or \$30 per month for permanent total non-service-connected disabilities.  
34,185 disabled Regulars receive pensions averaging \$21.91 per month.  
3,516 Civil War veterans were receiving pensions.  
2,525 Indian war veterans were receiving pensions.  
165,710 Spanish-American War, Philippine Insurrection, and Boxer Rebellion veterans were receiving pensions averaging \$52.48 per month.  
1,832 emergency World War officers were receiving retirement benefits.  
154,512 service-connected death claims have been allowed; 99,822 are now active.  
99,822 deceased World War veterans, who died by reason of service-connected disabilities, provide pensions for 29,070 widows, 35,521 children, and 82,398 parents.  
12,220 deceased service-connected World War veterans, who died by reason of some other disability, provide pensions for 10,356 widows and 19,500 children, at average monthly payment of \$29.21 per case.  
55,882 deceased Spanish-American War veterans provide pensions for 53,352 widows, 8,378 children, and 456 parents.  
4,251 deceased Indian war veterans provide pensions for 4,207 widows, 76 children, and 7 others.  
57,915 deceased Civil War veterans provide pensions for 55,665 widows and 2,449 children.  
166 widows of Mexican War (1848) veterans receiving pensions.  
1 deceased War of 1812 veteran provides pension for one daughter.  
218,621 veterans received hospital treatment last fiscal year; 53,861 on June 30, 1939.  
28,585 veterans were admitted for domiciliary care last fiscal year; 15,426 remaining on June 30, 1939, of whom 14,058 were World War veterans (13,195 non service connected).  
48,527 were World War veterans; 10,443 service connected and 37,016 nonservice connected and 1,068 others.  
2,848 were other war veterans; 12,486 disabled Regulars; 37 Allied veterans; 106 were C. C. C. and W. P. A. employees; and 113 miscellaneous.  
31,216 were N. P. patients, 17,922 general medical and surgical patients, and 4,979 were TB patients.  
71,124 beds: 54,779 hospital and 16,345 domiciliary, in 84 V. A. facilities.  
2,748 beds in other Government hospitals (Army, 1,100; Navy, 1,063; Public Health Service, 499; and Interior Department, 86).

38,169 veterans were under guardianship.

4,113,041 applications for adjusted compensation, involving \$3,764,118,824.96.

4,500,000 World War veterans applied for War Risk Insurance, involving \$39,000,000,000.

604,666 Government life-insurance policies in force with face value of \$2,567,173,628.

\$62,325,101.74 received in premiums during year.

\$8,391,682.64 paid out in dividends during year to 409,760 policy holders.

1,315,737 World War veterans are now less than 45 years of age; 1,823,976 between 45 and 50; 840,282 between 50 and 60; 2,725,283 more than 45; 901,307 more than 50; 61,025 more than 60; and 21,729 more than 65.

4,041,020 living World War veterans now constitute about 3.2 percent of the total population; about 5.54 percent of total adult population; about 43 percent of adult population between 40 and 50 years of age.

\$557,078,000 appropriation to Veterans' Administration for year ending June 30, 1940, is only about 6.05 percent of all Federal appropriations for year.

\$23,466,000,000 has been expended because of relief to veterans and their dependents since Nation was founded, which, however, is only about 13 percent of the grand total of all Federal expenditures of about \$176,000,000,000.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. ALBERT THOMAS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

LETTER FROM WILL CLAYTON, OF HOUSTON, TEX.

Mr. THOMAS of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter that I have this day received from Mr. Will Clayton, of Houston, advocating the continuance of the Reciprocal Trade Agreements Act.

Mr. Clayton's intimate knowledge of international trade, based upon many years of active experience, places him as one of the outstanding authorities on the subject. Therefore, it strikes me that his thoughts are worthy of our consideration.

The letter is as follows:

HOUSTON, TEX., February 9, 1940.

HON. ALBERT THOMAS,  
House Office Building, Washington, D. C.

DEAR ALBERT: Practically all our cotton exports go to the Eastern Hemisphere.

With three-fourths of that hemisphere at war and the other one-fourth preparing for war, the future of the American cotton export trade looks bad.

The first few months of war brought a great rush of buying of American cotton but for a month now such buying has practically ceased.

Does it not stand to reason that our export cotton trade will, to a considerable extent, go the way of our export tobacco business?

Every foreign country, whether at war or preparing for war, needs its precious dollars for the purchase of things more essential to them than our cotton. They can buy cotton from 50 other countries—countries that will take manufactured goods in payment, thus effecting an exchange of goods and at the same time furnishing cargo for ships both ways.

Most of the ships that come to our Gulf ports for cotton these days come in ballast—ships worth \$1,000 a day at charter.

Countries at war or preparing for war live on their capital.

They are sending us their gold and liquidating their balances and securities.

What will they do for dollars when these things are all gone? Is it not clear that we must take more of their goods if we expect them to buy our cotton, lard, tobacco, automobiles, and other surplus commodities?

This is not the time to throw the tariff back into politics. We have had over a century's experience with political tariff making and we know what it means.

May I ask that you ponder these matters carefully and vote and work for the extension of the Reciprocal Trade Agreements Act?

Sincerely yours,  
WILL CLAYTON.

WILL CLAYTON.

## Faith In America

## EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. STYLES BRIDGES, of New Hampshire, at Lincoln Day dinner under auspices of the Republicans of eastern Indiana, in the Masonic Temple at Muncie, Ind., Friday evening, February 9, 1940:

We are approaching a day dear to the hearts of Americans because the man whose birth it marks symbolizes so much of the American ideal. If there was one outstanding characteristic of Lincoln, it was his love of humanity and his faith in mankind, without which the democratic ideal loses its justification. If there was one source of his strength and courage in those dark days when the Nation, torn by civil war, threatened to be rent asunder, it was his faith in the American people and in the great Nation that, united as one, they would build. Today, when the democratic faith has faltered and its ideals have crumbled all about us, when Americans themselves are disheartened and divided, more than at any time since the Civil War do we in these United States need a reaffirmation of that faith, and the courage and unity it brings.

Lincoln loved man because he believed in him, in his fundamental goodness and in his untold possibilities. He believed in freedom not only as the right of man but as essential to his dignity. But what has become of that faith in recent years? Today we are told that man has reached the peak of achievement through individual initiative, energy, talent, and hard work, and that henceforth progress must be measured not by what the individual can attain under the Government but what the Government does for the individual. We are told that many millions of our citizens will never again be able to find gainful employment and rise through their own abilities. Where is the faith of Americans in themselves and in their possibilities? What has become of the undaunted courage that led those who have gone before us on to new conquests? Today vast groups of our citizens regard one another with suspicion and distrust; yes, even as enemies. What has become of the mutual respect and tolerance which made America the most classless country in the world and the unity without which there can be no progress?

One of the reasons for this lack of faith has been that it was lacking in men in high public office, for the doctrines they have preached have tended to destroy it in others. That is a terrible indictment. But what else can be said when a President of the United States brands entire classes of our citizens as "Tories" and "copperheads" when he boasts that they met their "match" in his first administration and warns that they will meet their "master" during his second term of office?

Thus we have an administration which apparently regards businessmen as a group as criminals unless they can prove themselves innocent. Thus the rigid restrictions and consistent discrimination against them by the countless agencies of the Government. Thus we heard the theory of a Presidential "mandate" under which the people in their blind faith were supposed to have surrendered to him the power to do as he wished.

Without this faith in the citizen, there can be no faith in our form of representative government as provided by our Constitution. Lincoln believed in democracy, as did the founders of our Government, because he believed that men were capable of self-government. He believed, as did they, in the system of checks and balances of our constitutional system as a healthy check to guard against the encroachment of government upon the lives of the people.

Lincoln once enumerated the various ways in which a Chief Executive might seek to influence legislation. But he declared himself against the "use of any of these means by the Executive to control the legislation of the country," adding that "Congress should originate as well as perfect its measures free from external bias."

Lincoln believed in "obedience and respect for the judicial department of government. Its decisions on constitutional questions, when fully settled, should control not only the particular case decided but the general policy of the country, subject to be disturbed only by amendments of the Constitution as provided in that instrument itself. More than this would be revolution."

Lincoln referred in his first inaugural address to "my rightful masters, the American people."

The present President of the United States is most eloquent in proclaiming his devotion to democracy. But when a Chief Executive seeks to bend the judiciary to his will by packing the Supreme Court and to ram "must" legislation down the throat of a sub-

servient Congress, who demands for himself in the name of emergency vast powers which he is never willing to surrender, what has become of the faith in the balance of powers upon which our constitutional system rests? When attempts are made to "purge" representatives of the people; when it is argued that Congress cannot be trusted to exercise its constitutional control over our currency because it will surrender this power to Wall Street; when it is charged that the Senate of the United States must not be permitted to ratify treaties since it would turn this constitutional duty into a logrolling contest; when a President talks of the possibility of the United States being "bought" by the telegrams of their constituents, what confidence is shown in either the representatives or the people by whom they were elected? Actions such as these speak louder than volumes of protestations.

With so little faith in the American citizen, with so little faith in our constitutional processes of government, no administration could be expected to demonstrate any great confidence in a system of private economy. A free economy, like representative government, is based on faith in men to rise through their own abilities and to cooperate with others for the welfare and advancement of all. The purpose of government under such a system is to prevent the abuse of the freedom which it affords. Lincoln believed in a system of private economy as the only system which, by permitting private property, afforded men a reward for their labors and the opportunity to rise. American progress during the less than 2 centuries of our life as a nation has demonstrated its success far beyond the expectations or dreams of men.

One of the manifestations of the present lack of faith in the ability of men to continue to go forward under a free economy, to conquer the problems of the vast industrial civilization they have created, is the argument that the very progress which men have in labor-saving devices has put them out of work. The President himself voiced this theory in his annual message on the state of the Union to the Congress when he declared, "We have not yet found a way to employ the surplus of our labor which the efficiency of our industrial processes have created." He added, "To face the task of finding jobs faster than invention can take them away is not defeatism."

It was the same belief that men by their creative genius throw themselves out of work that led a Member of Congress to introduce a joint resolution calling upon the Secretary of the Treasury to "investigate the desirability and practicability of taxing the use of labor-saving and labor-displacing machinery."

The theory is not new; indeed, it may be ancient. We know that in England, during the 1850's, irate British workers threw their wooden shoes into weaving machines which they believed had cost them their jobs. Yet within a few years this invention made possible not only the employment of a larger number of workers but actually the employment of a greater proportion of the growing population by the weaving industry than ever before.

The same story has been repeated in industry after industry. And still there are those who fail to see that labor-saving machinery, by lowering the cost of production, lowers the cost to the buyer, and that this, by resulting in greater consumption and thus greater demand, increases the number of men needed to produce and distribute these goods.

In the 50 years preceding 1930 our American population increased 218 percent, but the number of people gainfully employed rose 291 percent. In 1900 many people began to worry because of our rapid industrialization and mechanization. That year a little over 38 percent of our total population was gainfully employed. In 1930, 40.7 percent of our people were engaged in gainful employment. The United States census figures demonstrate that the number of those gainfully employed has steadily increased with the introduction of labor-saving machinery. During those 30 years our population increased 47,000,000, but 20,000,000 new jobs were created.

It might reasonably be supposed, for instance, that the introduction of electric refrigerators threw men out of work in the ice business. Yet 14 years ago there were some 200,000 electric refrigerators, selling at around \$400 apiece. Today there are over 2,000,000 in use, selling at an average of \$163. Today the new industry employs twice as many as the old, but—believe it or not—United States census figures show that, between 1920 and 1930, the number of ice dealers increased from 8,000 to over 19,000. And, moreover, the latest figures prove that more ice boxes are being manufactured today than before the electric refrigerator was introduced.

Another surprising example is the case of the dial telephone. In 1921, 2.7 percent of the phones of the Bell system were of the dial type. By 1930 this had risen to 30 percent. Yet the number of telephone calls doubled and the number of telephone operators increased from 190,000 to 249,000, according to the 1930 census. The number of telegraph and telephone linemen almost doubled. Bell Co. officials declare that the census this year will show that the number of employees has increased by the same ratio in the last 10 years.

I have gone into this matter at some length, not with any purpose of advocating labor-saving machinery but simply because the new dealers from the outset have used it to frighten the American people, to give them a sense of utter futility about life.

Fellow Republicans, labor-saving devices are not the cause of our unemployment. The basic cause is political.

Yet today reforms have been aimed not at the revival of our system of private economy but at the gradual substitution of an economy planned and directed from Washington. Today the Government supports millions of the unemployed and does nothing to make possible their return to private industry. Today Government spending takes the place of private spending, while vast stores of idle capital are discouraged rather than aided in investment in productive



enterprises which would reemploy those out of work and create a higher standard of living for all of our people. Today Government employment and Government credit—raised by oppressive taxation of the citizens of today and reckless borrowing from the citizens of tomorrow—are used in direct competition with the businesses and industries by which the vast majority of the American people live. As this competition has spread ever further, the Government has gained an ever-increasing control over banking, investment, and credit, either taking the place of private enterprise or forcing it out of business through competition in field after field.

This has not happened by accident, nor was it the inevitable consequence of Government aid to the needy in time of depression. Rather it was the deliberate plan of left-wing new dealers from the beginning. Years ago Mr. Rexford G. Tugwell, one of the guiding spirits of the first brain trust, declared:

"Business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant. \* \* \* National planning implies guidance of capital uses. \* \* \* New industries will not just happen as the automobile industry did; they will have to be foreseen, to be argued for, \* \* \* or seem probably desirable features of the whole economy before they can be entered upon. \* \* \* It would be comparatively easy to dynamite the industrial system."

Here is not only a repudiation of the American way of progress but a proposal of deliberate sabotage.

More recently the Assistant Secretary of State, A. A. Berle, Jr., testified last year before the Temporary National Economics Committee:

"Briefly the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitably that the Government ultimately will control and own these activities. \* \* \* Over a period of years the Government will gradually come to own most of the productive plants of the United States. \* \* \* The country will probably be deciding in the next few years whether the Government ought not to own, directly or indirectly, part of the national plants, such as railroads, electric-power and mineral resources; and the Temporary National Economics Committee may give us a final answer. \* \* \*"

In fairness to him, Mr. Berle was not advocating. He was simply giving a frank statement of what is going on.

The issue is clearly defined—whether America is to be transformed into some form of state capitalism or socialism, call it what you will, controlled and owned body and soul by the Federal Government, or whether our system of private economy is to be revived. It is a part of the technique of left-wing new dealers to use the Temporary National Economic Committee as a means of building up their case against business and in favor of Government ownership and control.

In the investigations made by the Committee, complete control of the hearings rest with one of the six departments and commissions represented on the Committee, among them the Securities and Exchange Commission. The selection of witnesses and the conduct of their examination rests with them. The witness may not submit any prepared statement of facts, except with the express permission of the agency conducting the hearing—which in many cases seems to regard itself as the prosecutor in the case—or of the Committee itself. He may not be examined or cross-examined by his own lawyer, but must confine himself to answering questions of the counsel of the Government agency in charge or of the Committee. The one-sidedness of such a procedure is clearly evident.

The Committee's chief aversion is the insurance business. During the hearings, no opportunity has been lost to cast aspersions upon the life-insurance business and to insinuate—as the New Deal has done in so many other instances—that it must be evil because of its size.

Now, I do not want to be understood as being opposed to a serious study of our economic structure or any major phase of it.

But I am convinced, and in view of what I have seen and experienced in Washington, I don't see how I could have any other attitude, that the purpose of the new dealers is to destroy confidence in our private insurance system, the ramifications of which affect practically every man, woman, and child in this country.

This is not the purpose, of course, of men like Senator O'MAHONEY, chairman of the Committee. In fact, I think it is due to his close supervision and to that of the splendid statesman, Senator Borah, who has just died, and of Congressman SUMNERS of Texas, that the New Deal influences on the Committee are not blasting our whole economic structure in the newspaper headlines from day to day. And their supervision has been sorely tested.

On one occasion, before these men had become aware of what was happening, the new dealers presented an array of C. I. O. members to testify that as insurance salesmen they had forged the names of policyholders in the annual election of insurance officials. Then C. I. O. affiliation was concealed.

With 42 lending agencies in Washington, the Federal Government is now doing a large part of the banking business.

First on the list of Karl Marx's 10 points of technique to bring about communism is the "centralization of credit in the hands of the state."

It is my conviction that this attack upon the insurance companies is in line with that technique.

The pseudo intellectuals of the New Deal school of philosophy have reason indeed to envy the insurance business and all that it has represented in American life. First of all, it represents the way in which millions of Americans have sought to make their

own future secure with the savings their toil and their talents have won for them independent of the Government; and this is contrary to the New Deal conception of security, which it believes should be provided by the Government. Then there is the indisputable fact that this private institution has contributed more to the welfare of the people as a whole than have grandiose schemes of the New Deal. From January 1, 1933, to December 31, 1938, the Federal Government spent nearly \$13,000,000,000 for various types of relief and aid to the needy. But during the same period private life-insurance companies distributed nearly fifteen and three-quarter billions of dollars to policyholders and their beneficiaries. Another \$5,000,000,000 was distributed to holders of other forms of insurance. Secondly, there is the amazing growth of the insurance business within the lifetime of our older citizens. For example, from 1890 to 1937 our population increased 100 percent, but the life insurance in force rose 2,500 percent, until today Americans own 65 percent of all the life insurance in the world. The vast sums poured into insurance policies have contributed incalculably to the development of industry and agriculture; indeed, to American progress as a whole.

But already the insurance companies have felt the pinch of Government domination of credit. Such is the control which the Federal Government exerts over the outlets for investment, so many are the fields in which Government spending has taken the place of private financing that insurance companies, obliged to keep their money working, have been forced to invest more and more heavily in Government bonds. In 1930, for example, 49 of the leading life-insurance companies had invested less than one and one-half billion dollars, or 7.7 percent, in Government securities, Federal, State, and local. In 1938 these same companies had invested over six and one-half billion, or almost 18 percent, was in United States Government bonds alone. Thus these billions have been diverted into nonproductive pump-priming projects of the Government.

The resulting effect of Government spending and financing is revealed in the fact that insurance interest rates dropped more than 25 percent from 1929 to 1938. This has spelled a loss of \$400,000,000 to some 60,000,000 policyholders.

Several plans have been evolved for putting the Government into the insurance business. Late last summer the Securities and Exchange Commission called upon Mr. D. C. Bronson, of the Social Security Board, who laid five possible plans for a so-called "burial insurance," which was to be compulsory, and would require contributions ranging from \$3.03 to \$7.55 from every man, woman, and child. However, Mr. Bronson did not include estimates of the cost of operating any one of these plans, but said that he guessed it would cost somewhere between 20 and 40 percent.

Last November Senator WAGNER of New York announced that he would propose a bill by which the social-security program would be extended to provide the establishment of a Federal annuity system under the direction of the Social Security Board, by which anyone could purchase a Government-guaranteed annuity through a bank or post office, just as he may now buy a baby bond. These annuities, the Senator claims, could be bought up to \$100 a month, at a reduction of 30 percent of the cost charged by private insurance companies.

As Mr. Raymond Moley declared in a recent editorial in his magazine *News Week*:

"The sponsors of the Federal annuity scheme speak of selling annuities 'at cost.' How is the Government going to find out what an annuity costs?"

"The claim is made that the Government can sell annuities 30 percent cheaper than private companies. It is true that the Government can eliminate costs of solicitation and taxes. But, at present, such items in the cost of an annuity and, in addition, all overhead, do not exceed 12 percent—an extreme figure—and are generally considerably lower. How, then can the elimination of such costs reduce the cost of an annuity by 30 percent?"

"The talk of annuities paying as high as \$100 a month, coupled with the further talk of annuities purchased by payments of \$1 a month, is a subtle way of suggesting to the gullible, the ignorant, and the uninformed that there is some magic by which small payments during the years of earning can be made to yield fat incomes later in life. A few figures are sufficient to blow that decoy to smithereens.

"It's a scheme misleading to the taxpayer, or the prospective annuitant, or the voter, or all three together."

Whatever the plan finally sponsored by the left-wing new dealers, the general outline of the steps to be followed is now clear. The first would be Federal supervision of insurance investments by the Securities and Exchange Commission. Second would be the substitution of Federal control over insurance for the system of State control which has worked so successfully. Meanwhile, voluntary insurance would be sold under the direction of the Social Security Board in competition with private life-insurance companies. To make this compulsory, to gain control over all life insurance, and finally to achieve full ownership of all types of insurance and their assets—these are the successive steps along which they would apparently take us.

My contention, of course, is that this attack upon insurance is but a piece of the pattern, the pattern that was so graphically outlined by Professor Tugwell early in the New Deal.

Lincoln foresaw that from time to time men would arise whose temperament "disdains a beaten path. It seeks regions heretofore unexplored. It sees no distinction in adding story to story upon the monuments of fame erected to the memory of others. It denies that it is glory enough to serve under any chief. It scorns to

tread in the footsteps of any predecessor however illustrious. It thirsts and burns for distinction and, if possible, it will have it whether at the expense of emancipating slaves or enslaving free men." "Such a time," he declared, "will require the people to be united with each other, attached to the Government and laws, and generally intelligent."

It will require a renewal of our faith in ourselves and in our fellow citizens, and in our ability to solve our problems by mutual tolerance, respect, and cooperation for the common good. It will require a united determination to surge forward together to the conquest of new frontiers and the building of a better world, not only for ourselves but for future generations.

The country has known many days before. In the midst of the depression of 1837, even so great a statesman as Daniel Webster declared, "It is inconceivable that conditions can ever right themselves. Trade and industry are disorganized. Securities have fallen to one-half and even one-fourth of their value. Unemployment has become general."

And yet we know what happened. Who shall dare to predict the heights which we shall achieve if we have but the courage, the will, and the vision to seek and pursue the path of progress, as our forefathers did before us?

Upon the Republicans of today there rests a tremendous responsibility. Our party was founded in a dark hour when the Nation was threatened with dissolution to preserve and to carry forward the ideals upon which it was founded. The faith by which and the ideals for which Lincoln held the Nation together must live as long as America is to remain America. We of today must make ourselves the instrument by which that faith is carried forward and those ideals are brought closer to realization. Humbly dedicated to a crusade for the right as we see it, seeking victory as the opportunity for service, we shall not fail in this mission.

Let us, in the words of Lincoln, "Rise up to the height of a generation of men worthy of a free government, and we will carry out the great work we have commenced."

### Russian Relations

#### EXTENSION OF REMARKS

OF

HON. THOMAS R. BALL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

EDITORIAL FROM THE NEW LONDON (CONN.) EVENING DAY  
OF FEBRUARY 10, 1940

Mr. BALL. Mr. Speaker, under leave to extend my remarks, I beg to include in the RECORD the following editorial from the New London Evening Day of February 10, 1940:

[From the New London (Conn.) Evening Day of February 10, 1940]  
RUSSIAN RELATIONS

The admission of Secretary of State Cordell Hull that Soviet Russia has, in several instances, failed to live up to the terms of the 1933 treaty through which the United States extended recognition to the nation, need occasion no surprise. In fact, it has been pointed out, repeatedly, that Russia has paid scant heed to the provisions of the treaty during the last few years. This fact has been stated in these columns on several occasions since the adoption of the treaty. Specifically, the Soviets have broken their promise not to engage in the spread of communistic propaganda in this country and have repeatedly ignored their promise to give our nationals arrested in Russia a fair and open trial and to supply information concerning any such arrest to American diplomatic representatives at their request.

The Secretary of State submitted these views to a Senate committee holding hearings on a resolution introduced by Senator ARTHUR H. VANDENBERG, which calls for the breaking off of diplomatic relations with Russia. Hull declared at this hearing that, despite the violations of the provisions of this treaty there are reasons why we should continue to be represented in Russia and why it would be unwise to end our diplomatic relations there. What the Secretary of State does not say is that, in such a situation, it is far more vital to continue diplomatic relations than to end them, and for very obvious reasons. Without diplomats in Russia to inform this Nation of what is going on—as well as they can, granted that they will be operating under a handicap—our sources of information in Russia would be very sketchy indeed.

There seems to be excellent reason, therefore, for holding with the Secretary of State in this issue. It is one thing, as a gesture of pique and indignation, to sever our relations with Russia; it is something else again to cut off our nose to spite our face in so doing. At the same time it is true enough that the opposition to the recognition of Russia, in the first place, was based for the most part upon the belief that recognition meant, in some roundabout way, approval of the Russian form of government and methods.

Now it appears that some, at least, who advocate the ending of relations believe that this gesture will, in some similar, mysterious way, indicate disapproval of the course taken by Russia in Finland. If either act imposed any real penalty upon Russia it might be justifiable; since it doesn't, however, we might as well be realistic rather than sentimental in coming to a decision.

### Sugar Problem in the United States

#### EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

ARTICLE BY HON. FRED L. CRAWFORD, OF MICHIGAN

Mr. CRAWFORD. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, as contained in an article by me in the National Republic magazine, current issue, I submit the following, which deals with our sugar problem:

[From the National Republic]

SUGAR PROBLEM IN THE UNITED STATES

(By Hon. Fred L. Crawford, Representative in Congress from Michigan)

Why so much controversy over sugar?

The United States public reads that a new sugar bill is to be considered. This naturally gives rise to the question, "Why should sugar legislation be constantly coming up for enactment?" The reasons for this continual occurrence of sugar legislation are: That the sugar acts are enacted for a short period of years and because the sugar program is still in the stage of experimentation, which necessarily calls for frequent adjustments in the program, therefore, sugar legislation is considered almost every 3 or 4 years by Congress in order to iron out difficulties that have appeared during the interim.

The domestic sugar industry, as such, has been in existence over 200 years, and for more than 100 years of its life has been the subject of controversy. It has constantly been the subject of tariff protection, and for this reason is referred to as a "political football." Under the various tariff acts enacted by the Congress of the United States, the domestic islands, namely, Puerto Rico, Hawaii, and the Philippines, were within the tariff wall, that is, they could send all of the sugars they produced into the United States market free of duty; therefore, their off-share production, stimulated by free entry into the United States, greatly increased to the detriment of continental producers, and to some extent nullified the tariff.

The present administration has adopted a method of controlling the sugar industry. It has abolished the old system of protection by tariffs and instituted the system of quotas. This system divides the sugar market of the United States among continental sugar producers, our insular sugar producers, and foreign producers, such as Cuba, Latin American countries, and others.

Under this new system quotas are established on the basis of varying records of past performance. Due to the fact that the continental American sugar producers have been handicapped by competition with foreign and insular sugar, which curtailed continental production and meant heavier production for insular areas, it is not difficult for anyone to understand why the American sugar producer continues restricted in his productive ability by Government regulation as long as quotas continue to be based on past performance.

The wording of the Philippine Independence Act has often been misconstrued in that it is often said the Philippine Independence Act established a marketing quota for the Philippine Islands. This is wrong because the Philippine Independence Act merely established a limit on the amount of sugar that can be imported by the Philippines free of duty. The language of the law reads as follows (subsection (d) of Public, 300, approved August 7, 1939):

"The United States duty shall be levied, collected, and paid, in the United States, upon all Philippine sugars, which are entered or withdrawn from warehouse, for consumption in any calendar year after 1939, in excess of 850,000 long tons, of which not more than 50,000 long tons may be refined sugars: *Provided, however*, That for the period January 1, 1946, through July 3, 1946, the quota of Philippine sugars, not subject to the United States duty, shall be 425,000 long tons, of which not more than 25,000 long tons may be refined sugars. Any export tax imposed and collected on Philippine sugars entered or withdrawn from warehouse for consumption in excess of the quotas established by this subsection shall be refunded by the Philippine Government."

As is shown by the language there is no sugar-marketing quota in the Philippine Independence Act but merely a limitation upon the amount of sugar that can be imported free of tariff. Members



of Congress and of the House Insular Affairs Committee made it very clear in the record, before the Committee on Insular Affairs, that the language in the Philippine Independence Act does not control the provisions of the Sugar Marketing Quota Act. Sugar is definitely a necessity to our national defense and without question is one of the most important foods to the normal American diet, if not the most important. This fact is substantiated by the conditions existing during the last World War. Numerous nations, those involved in the conflict as well as those not involved, suffered untold hardships because of their lack of sugar, and for this reason it has been their policy for the past 20 years to strive to become self-sufficient as far as sugar is concerned. Incidentally, some of the major countries of Europe have succeeded in this objective. This is confirmed by a recent announcement of the English and French Allies to the effect that there is a sufficient supply of sugar on hand to last for more than 1 year. Confirming this announcement is the fact that England and France have imported very little sugar since the declaration of war, and further substantiating this announcement is the truth that England did not begin rationing sugar until January of this year. It is pertinent to point out that England since the World War has protected and developed a great beet-sugar industry in the British Isles.

Perhaps the basic reason for this constant controversy over sugar is due to the foreign and insular policies of the United States. Ever since the Spanish-American War the United States Government has looked upon Cuba as being a protectorate, and our policy toward Cuba has been one of protection, for the most part to the Cuban sugar producer, and consequently a constant restraint upon the continental American sugar producer.

Let us investigate this pretended policy of assistance to the Cuban people. Are the native Cubans the beneficiaries of our sugar policy, or are the benefits largely passed on to American and other capitalists? A sufficient answer to these questions is the fact that in 1939 American capitalists had invested in the island of Cuba a total of \$1,500,000,000, of which \$750,000,000 was invested in Cuban sugar centrals.

It has often been stated by numerous authorities in the field of foreign trade that our policy toward Cuba is harmful not only to continental sugar producers but is also harmful to the Cubans.

At this time I would like to quote a few passages from some of these authorities.

The Commission on Cuban Affairs of the Foreign Policy Association of New York, reporting in 1934 on the economic conditions of Cuba, said:

"The major evil of this foreign investment has not been, as some of the more radical Cubans have stated, that the country is being drained of its wealth by foreign exploiters, but that excessive foreign investment, particularly in sugar, has stimulated an economic growth injurious to Cuban and foreigner alike."

Mr. Carleton Beals, recently writing on the Coming Struggle for Latin America, said:

"The crying need of Cuba right along has been, not artificial strengthening of its dominant one-crop system, but new industries, crop diversification, a bit of intensive economic nationalism to free it for economic slavery to American banks and sugar interests. With only 4,000,000 population, Cuba, one of the richest little lands in the world, is able to produce almost every supply of food needed, in abundance. Nevertheless a majority of its people live on a level close to the Chinese coolie level. Hull's treaty and the Jones-Costigan Act in their present forms promote in Cuba a system that tends to recurrent disaster. New economic collapse is even now impending."

Less than one-third of the consumptive requirements of the United States is produced on the continent, although it has been stated that continental sugar producers could supply, at the very least, one-half of the consumptive requirements of the United States.

This fact can be partly substantiated by examining certain statistics. In 1939 the Louisiana production of sugar was approximately 7 percent of the sugar requirements of the United States, even though in 1935 an independent survey was made by the Louisiana State University which reported that Louisiana could efficiently and economically increase its present production of sugar until it reaches a point at which it would be supplying at least 12 percent of the consumptive requirements of the United States. Likewise, an efficient and economical increase could be effected in the beet-sugar area of the United States as well as in Florida, the other cane-sugar-producing State.

These sugar growers receiving benefit payments from the Government, these funds flowing from a processing tax levied on the production of sugar. For example, in 1938 the tax on the production of sugar amounted to approximately \$68,000,000, while the expenditures to growers were only about \$50,000,000. Although the Government makes the payment, it merely acts as a clearing house, and does so at a profit which is clearly exemplified by the statistics for 1938, which show that the Government had an excess income from the sugar tax of about \$18,000,000. Therefore the industry is not, as is often stated, a burden to the Government. In fact, the figures for 1938—and they are representative—show that the in-

dustry is definitely an asset in that it contributes an excess to the general fund.

Perhaps the most important question for the American people is whether or not the domestic sugar industry can produce sugar at a retail price which is fair and reasonable to the consumer.

Here it would be appropriate to insert figures showing the retail prices of refined sugar in selected major countries as of May 1, 1938. (These figures are taken from a report of the Department of Commerce.)

Italy, 15.73 cents per pound; Yugoslavia, 14.23; Germany, 13.67; Venezuela, 10.67; Rumania, 10.62; Hungary, 9.47; Turkey, 9.44; France, 9.41; Australia, 8.49; Finland, 8.39; Japan, 7.52; Philippine Islands, 6.62; Peru, 6.00; Canada, 5.90; Argentina, 5.71; Sweden, 5.60; United States, 5.40; United Kingdom, 4.67.

The preliminary charts on display at the Department of Commerce show as of May 1, 1939, the retail price of sugar in all European countries, including Great Britain, was higher than the retail price in the United States, with the sole exception of Switzerland.

Naturally, since the war the prices have risen greatly in Europe, although the retail price of sugar in the United States has been restored to normal levels, after a temporary hysteria, for which there was no reason, in the market immediately following the declaration of war last September.

It is interesting to note that despite the tax of one-half cent per pound levied on the production of sugar, which in all other industries is passed on to the consumer, the price the consumer paid for sugar in 1938 (5.3 cents per pound) was less than the price paid by the consumer in the past 25 years, excepting the low depression year of 1932, at which time the price was 5 cents per pound, or only three-tenths of a cent less than the price paid in 1938.

In the past 12 years the retail price of sugar has averaged lower than the index of the average retail price of all foods. During the World War the price of sugar was very much higher than the price paid for all foods, but in 1931 this price had fallen below the all-foods average. Again in 1923 and 1924 the retail price of sugar went above the retail price of all foods temporarily, the reason for this being the fact that during this period the United States market was dominated by Cuban sugars, which furnished about 70 percent of our consumptive requirements. Since that period the domestic-sugar producers, including our island possessions, have improved their productive power and have been supplying an increasing amount of our sugar supplies, until now the domestic producers supply about 70 percent of our consumptive requirements and they have kept the price of sugar well below the average of all foods.

Comparing the retail price of sugar during the past 12 years with the retail price of important individual items of food on the American diet, it is revealed that, with the exception of bacon, lard, eggs, and butter, the retail price of sugar has been below that of all other important foods.

Under the reciprocal-trade program the sugar industry has become involved in certain trade agreements. For instance, sugar is the basis of the agreement with Cuba. All of the preferentials accorded the United States under this agreement are based upon preferentials granted to Cuba on sugar.

Before concluding this article it is necessary to make a few statements on the living conditions of labor in the sugar-producing area of the United States. Under the present Sugar Act the domestic-sugar industry has been the subject of wage determinations which are very thoroughly enforced through controls over a considerable proportion of the total price received by the producer. In addition, child labor is very properly banned under the program of the Department of Agriculture. Finally, domestic-sugar producers are required to provide houses for their laborers and to see that they receive medical attention when it is needed.

These restrictions are not applied in foreign areas like Cuba and other countries over which we have no control and that compete with our domestic sugar producers. Accordingly, the American producers must compete with the low-paid and poorly housed peon one finds in the Tropics. It has been the history of the domestic industry that when given a reasonable protection, and by this I mean the imposition of tariff duties sufficiently high to encourage an expansion of home production, there has been ample competition in the American market to provide sugar to the ultimate consumer at a price far below that which he would have to pay if entirely dependent upon foreign production for our sugar supply. In addition to a reasonable supply of sugar being produced under our own flag and control, we are greatly adding to the employed, and in that manner contributing to our own self-support, as sugar is a non-surplus crop. We have thoroughly demonstrated to ourselves that if our form of government is to survive we must have private industry in sufficient volume to engage our growing population, furnish the necessary tax revenue with which to finance the agencies of Government and the services they render to our people. With surplus crop acreage being retired on such a grand scale, we can well afford to encourage the production of any basic foodstuff of which there is no surplus, and especially so if its cost to the ultimate consumer ranges on a price level as low as that paid by any major consuming class in the world.

## Tribute to the Late Dr. John Clement Fitzpatrick

## EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tribute to the life and work of the late Dr. John Clement Fitzpatrick:

JOHN CLEMENT FITZPATRICK, 1876-1940

Dr. John Clement Fitzpatrick, archivist and historian, died on Saturday, February 3, in his 64th year, and in his passing our country has lost its greatest authority upon the life of its greatest character, George Washington. Born in Washington and educated in the schools here, Dr. Fitzpatrick looked at first to an artistic career, but instead entered the employ of the Library of Congress while it was being moved to the new building in 1897. His whole professional life was spent within its walls, and when soon after his connection with the Library began he entered the division of manuscripts, it was evident to his superiors as well as to himself that archival work was his real forte. He rose to the position of assistant director of the division, but in 1928 he resigned in order to devote his time to his specialty. He continued to keep his office within its rooms, where he was, day by day, accessible to the many who sought from him information concerning the Father of our Country and the period during which he glorified America. For Dr. Fitzpatrick was, perhaps more than any other man among those who have shed light upon the history of their own country, preeminently the authority upon a limited period of that history, the men who were responsible for it, and particularly the man who stood head and shoulders above all the rest in that influence and responsibility. Except for an editorial excursion which made available the autobiography of Martin Van Buren, Dr. Fitzpatrick devoted himself to the era of the American Revolution and to the career of George Washington, especially to the general's career down through the war.

This concentration had notable results not only in the intimate and penetrating knowledge which Dr. Fitzpatrick gained but also in the scholarly way in which he gave out the results of his research to other students. He mined his material chiefly from the great treasure of manuscripts in the Library of Congress, refined it in the glowing retort of his archival skill, and sent it forth stamped with accuracy. Those whose interests lie in the formative period of our national history have to thank him for several volumes of the complete journal of the Continental Congress, for the series of volumes in which he calendared the correspondence of General Washington with the Continental Congress and his officers during his years as Commander in Chief, and for a volume on Washington's movements during the colonial period. There was also a four-volume final edition of Washington's Diaries, in which were brought together and published under the authority of the Mount Vernon Ladies' Association of the Union all the remaining portions of the revealing daily record which Washington kept during most of his life. Occasionally Dr. Fitzpatrick wrote short articles on sidelights of his main theme, and he also published a short biography of Washington. This was, however, primarily a study of the character of the man rather than of the period which he adorned; for Dr. Fitzpatrick well knew that all secondary books lose their importance but that a man who devotes himself to making available the primary materials from which all such books must be written confers a lasting benefit upon all students in American history, and wisely chose the less spectacular but more enduring reputation that comes from such specialization. That reputation gained for this self-taught scholar honorary degrees from various colleges, which were proud to enroll his name among their alumni.

When the George Washington Bicentennial Commission decided that the great feature of the celebration should be a definitive edition of the writings of Washington, there was no question as to the editor. Dr. Fitzpatrick had no rival in knowledge of the literary remains of the general, or in ability to make these available. Accordingly, the last 10 years and more of his life were devoted to this great task. Originally it was thought that all of Washington's writings, except the diaries, could be printed within 25 volumes; but so much greater a mass was collected through Dr. Fitzpatrick's persistent delving and correspondence concerning both public and private collections in many places throughout the world, that, in spite of the relegation of much strictly minor material to casual mention in footnotes, it required 37 volumes of text to put before the public a complete set of Washington's writings. Throughout the monumental work the sterling quality of archival and editorial ability is thoroughly, though modestly, made evident; for Dr. Fitzpatrick's knowledge of the history of the material he used was as great as that of the value of it.

Twenty-six of the volumes had been issued at the time of his death, and his work on the other 11 was practically finished, as they are all in final page proof, merely awaiting the necessary further appropriation for their printing and binding. The ultimate issue of these volumes will not only complete the great task of giving to America such a wealth of information on the career and character of one of its greatest men as has not been made available concerning any other of the world's heroes but it will also be a fitting memorial to the illustrious editor who accomplished this task.

Thomas A. Edison

## EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

RADIO ADDRESS BY HON. ALBERT L. VREELAND, OF NEW JERSEY

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on February 10:

I consider it a singular honor to stand before this microphone and talk to the people of the Nation in tribute to one of the greatest Americans, benefactors, and humanitarians the world has ever seen. This man, of whom I am to talk, is rapidly taking his place beside Washington and Lincoln as the third great son of February. He is Thomas Alva Edison, inventive genius and immortal force for good and social advancement throughout the entire world.

Perhaps I can best get my message to you by asking you to employ your imaginations as the condition I am about to describe is, I am glad to say, an imaginary one.

Suppose, if you will, what the good men do dies with them, and that it is nearly half past three in the morning on October 18, 1931. Suddenly, as we lose the physical genius of Thomas Alva Edison, the entire world is robbed of its electric power. Whole cities are plunged into darkness. Transit lines are at a complete standstill. Radios, telephones, and the telegraph are unable to function. Communication has received a tremendous set-back.

The 18th of October dawns on a different world. Men in cities either walk to work or go by horse and buggy, for storage batteries have failed completely and countless thousands of automobiles, subways, and airplanes are electrical cripples. In the tall city buildings elevators are no longer running. Factories lack the power to operate. Electric appliances in the home are reduced to the status of ornaments. In the rural districts men on modern, electrically equipped farms are forced to return to the harvesting methods of their grandfathers. By nightfall panic has seized the world. Every division of industry has been victimized. The United States and all the world about us are paralyzed. People seeking solace in entertainment find the phonograph silent and motion pictures nothing but a memory. In hundreds of ways the progress of civilization has been robbed of the accomplishments of half a century.

I employed the story of a crippled, paralyzed world because that is exactly the way it would have been if, on that quiet October morning, 9 years ago, the things created and made possible by Thomas Edison had been taken from this world.

The story of Thomas Edison unfolds like a fairy tale and is amazing in its revelation of what one man can accomplish in the span of a single lifetime. Here today, time will permit me to mention only a few of the outstanding events in the life of America's greatest genius, but, perhaps, after hearing these we will all come to realize some of the greatness of Mr. Edison and the unpayable debt of gratitude which we, as Americans, owe to him. Ninety-three years ago, on the 11th of February 1847, Thomas Edison was born in the little town of Milan, Ohio.

At the age of 12 Edison had his own laboratory rigged up in the cellar of his home. While still 12 years of age the boy began to sell newspapers on a local train running between Port Huron and Detroit, Mich. Later he set up a second-hand printing press and printed his own Weekly Herald, the first newspaper ever printed on a moving train. The fame of his little journal spread to England, where it received the enthusiastic approval of the London Times.

Soon, the youthful Edison became interested in the telegraph, and before long he became an expert. While following this occupation, he perceived many difficulties in the crude telegraph equipment. Young Edison began to experiment with improvements for the telegraph systems, both sending and receiving. Even then, he was working under difficulties, when we consider it was not many years after his birth that Edison was left almost totally



deaf, due to an accident which occurred while he was editing his *Weekly Herald* on the Grand Trunk Railway.

He secured the patent for his first invention, the electrical vote recorder, when he was only 21 years of age. This, however, was only the beginning. After obtaining his first patent, Edison really went to work. The resulting inventions were amazing in their number and variety. All told, they reached the staggering sum of more than 1,150 products of Edison genius.

When we consider that it took the "Wizard of Menlo Park" 10 whole years and that he experienced some 50,000 disappointments before he completed his most difficult invention, the nickel-iron-alkaline storage battery; and when we consider that the scope of his inventions encompassed everything from gigantic electric dynamos to our simple, every-day waxpaper, we begin to get a faint idea of the greatness of the man.

It would take hours to mention those 1,150 inventions, so I will merely mention a few of them in order that we may get a small idea of the debt we owe to this great American genius.

He ushered in the era of electricity, inventing the first practical electric light, the dynamos to supply power on a commercial basis, and the first electric lighting system. He gave the world the duplex and quadruplex telegraph; the first thermionic tube, forerunner of our modern radio tube; the telephone carbon transmitter which contributed much to the development of both Bell's telephone and the radio; the phonograph and its modern descendant, the Ediphone business dictation machine now so indispensable in our great business concerns; the magnetic ore separator; the moving-picture camera; giant cement kilns for the mass production of portland cement; the electric pen, which led to our modern mimeograph machines; the safety lamp for miner's caps; the Universal stock ticker; a fluoroscope now used in modern X-ray machines; and even the gummed paper we find in nearly all our up-to-date stores and shops. If, by any chance, you begin to grow tired of this parade of inventions, please remember that there are more than 1,100 more, which I am not taking the time to mention.

The favorite inventions of the electrical wizard were the phonograph and the motion-picture camera. We do not know why, but I would like to venture the opinion that Mr. Edison preferred those two because they added so much to the gaiety and entertainment of the world, for Edison was always the humanitarian, thinking not of what he could do for Edison, but rather of what Edison could do to make life easier and bring more comfort and happiness to his fellowmen—and more prosperity and prestige to his country.

One invention alone, such as the electric light, would have given Thomas Edison a permanent place on the pages of history, but the tremendous Edison energy kept new ideas, new mental conquests tumbling forth from his inexhaustible imagination. Today, Edison's inventions mean employment. A recent survey has shown that 1 out of every 9 people gainfully employed in the United States in all the transportation, communication, and mechanical industries owes his employment directly to the inventions of Thomas Edison.

They mean higher standards of living. We can be sure that the fantastic situation I described in the beginning of this talk would not be at all fantastic if the multitude of Thomas A. Edison inventions was suddenly subtracted from our everyday lives.

The inventions of Edison means the development of industries. As far back as 1931 the industries arising directly from the inventions and discoveries of Thomas Alva Edison represented a total of over \$25,000,000,000. A conservative estimate today would be well over \$30,000,000,000. The inventions of this one man have made the United States the greatest industrial nation on the face of the earth.

When Edison erected his laboratories in New Jersey and surrounded himself with a group of master scientists, technicians, and students of physics and chemistry, he pioneered a system of organized research. This system, after steady development, is today responsible for the marvels of science and industry continually being born in our great scientific and industrial research laboratories. In this way and through his own research and manufacturing companies in New Jersey the great work of Thomas Edison is being carried on.

The inventions of Edison mean democracy. Take Mr. Edison's very first invention, the electrical vote recorder. There, right at the start, was an instrument of democracy. "The Wizard of Menlo Park" loved and labored for his country and the principles of stanch democracy for which it stands. During the World War he devoted all his time and his genius to the United States Government, making a complete, first-hand study of conditions and needs, and then suggesting 42 defense and life-saving measures, rather than instruments of war and death.

Finally, the inventions of Edison mean an inspiration to youth. With the advantages and inspirations supplied by Thomas A. Edison, the youth of America has an example of inventive accomplishment that the youth of no other land in the world can boast. Young America can look upon the life of Thomas Alva Edison as a life of conquest and achievement—a life of conquest over the things worth conquering and of achieving the things worth the work of achievement, a life that embodies all the finest ideals of America today and the America we hope for tomorrow, a life that

is the very essence of peace and progress, because it has made possible, and will continue to make possible, the peace and progress which we, as a nation, are enjoying today.

To forget a man like Edison is not characteristic of the American people. He merits exceedingly high ranking among the great men of our young and glorious history. His name should be honored and his birthday celebrated by America and by Americans everywhere. Thank you.

## The American Youth

### EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, there is about to convene in Washington a National Youth Congress. During the course of this meeting there will be much oratory and no doubt appeals in behalf of the youth of America. This being election year, there may be attempts at flattery and appeals to vanity—and undoubtedly there will be many rosy promises.

The youth of America has had a hard time these past few years. Opportunities have been scarce and the going has been pretty rough. In the emergency the National Youth Administration program and the Civilian Conservation Corps played an important part in meeting an acute situation. I heartily approve of this effort and have supported it. In Virginia we have been particularly fortunate in having both the N. Y. A. and the C. C. C. under splendid administration. I expect to support in this session of Congress adequate appropriations to carry these programs through the ensuing year. I do not agree, however, with those who advocate a vastly expanded N. Y. A. and that it be accepted as a permanent social and economic policy of our Government.

Mr. Speaker, I hope during these meetings that some of the speakers will be very frank with the assembled youths. There are some things that should be made very clear.

In the first place, there is no governmental short cut to the success that can only come through hard, patient, self-sacrificing toil.

In the second place, it would be unfortunate to hold out the promise that the legislative branch of the Government will at this time favor any greatly expanded program of Government assistance such as has been suggested in certain quarters.

It should not be forgotten that American youths have always had a hard time. The patriots who founded this Republic worked hard under adverse conditions. They walked through rain and plowed through mud to get to the one-room schoolhouse, and were thankful for the opportunity. After finishing school, then as now, only the most alert and the most industrious were able to get on. There are many who feel that the overcoming of such handicaps and obstacles is the crucible out of which has come the character, the stamina, and the great spirit which is America.

No land under God's shining sun offers to youth as much opportunity as does America. Youth only needs a four-point program:

First. A fair amount of intelligence.

Second. Fundamental honesty.

Third. A willingness to work hard.

Fourth. A determination to make a go of it alone.

Mr. Speaker, it is all well and good to lend a helping hand, but in the last analysis, real success comes only through one's own consecrated effort.

## Federal Legislation

## EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

ADDRESS BY HON. ROBERT RAMSPECK, OF GEORGIA

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me on January 23:

The first session of the Seventy-sixth Congress ended last August. Its sessions were carried on in an atmosphere of strife. There was discord within the Democratic Party and some bitter feeling between the President and the Congress.

The second or special session, devoted exclusively to a consideration of neutrality, was surprisingly harmonious.

This session has been marked by an unusually sober spirit on the part of the Members—no doubt due to the critical conditions existing throughout the world today.

It is my purpose today to briefly refer to some of the legislation pending in the Congress, devoting most of my time to those measures affecting the relations between employers and their employees.

You probably will not agree with some of the things I will say, but I am thankful for the fact that we, in the United States, still have freedom of speech. I hope that we can disagree without either of us questioning the motives of the other.

## APPROPRIATIONS

Definite indications exist in Washington today showing a desire for less spending. This is true of both the legislative and the executive departments. The House has passed the first two appropriation bills. The Budget estimates have been reduced by approximately \$100,000,000.

## TAXES

It appears now that no additional taxes will be levied during this session, although there is a bare possibility of a small special tax to cover national-defense expenditures.

## NATIONAL DEFENSE

The cost of national defense in the current and two prior fiscal years has totaled four and one-half billion dollars. Further expenditures for the fiscal year 1941 are contemplated. Most of us will gladly pay this cost if it will keep us out of war. We must face the possibility that the democracies of Europe might lose the present contest. If they do, we must be prepared to meet any eventuality.

## TRADE AGREEMENTS

What promises to be one of the bitter contests of this session arises from the resolution to extend the authority of the State Department to make trade agreements with other nations. Under this plan, which has been in operation for the past several years, our sales to other countries have gradually increased. In December 1939 our exports reached \$358,000,000, the highest since March 1930, which was prior to the enactment of the Hawley-Smoot Tariff Act, under which duties were hiked to the highest point in our history. Many people blame that act for the depression. It should be remembered that it was initiated early in 1929, although its consideration was not completed until about 18 months later.

Secretary of State Cordell Hull, who has steadily grown in the esteem of the people of our country, is effectively defending the trade-agreement program. He not only advocates its extension as a means of expanding our sales of industrial and agricultural products, but he sees in it the only means of restoring world-wide peace. He argues that nations not self-sufficient must trade with other nations, or they must go to war to satisfy their needs for resources not found within their borders.

## TRANSPORTATION ACT

The Transportation Act, passed by the House and Senate last year, is now in the hands of a conference committee. This bill is of great importance to the South. It contains an amendment to the Interstate Commerce Act making it unlawful to discriminate between "districts, regions, and territories" in rates charged for transporting freight. It also contains a section directing the Interstate Commerce Commission to investigate interterritorial freight rates and to adjust any found to be unlawful. Under the rule laid down in the southeastern Governors' case, I believe that this will result in many changes in rates from the South and the West on shipments into the North.

Those of us who have led the fight for an adjustment of these rates from the West and South to the North have no desire to hurt the railroads. For myself, I believe that the salvation of the railroad lies in selling more transportation at lower unit costs. That is the trend of modern business.

## ANTILYNCHING

The antilynching bill is nothing new. It was first proposed in 1922 by a Republican Congressman. A new version of it has recently passed the House. It has never passed the Senate and I hope it will not. Of course, it is a political move directed toward securing the Negro vote for its supporters. None of us condones lynching. Public sentiment is rapidly wiping it out. Last year only three such incidents occurred, yet the sponsors of this bill would apply the power of the Federal Government only to these three murders. They totally ignore the gang murders of the large eastern and middle western cities, the approximately 12,000 other murders committed each year, and the more than 35,000 deaths from automobile accidents annually.

## DIES COMMITTEE

The Dies committee will probably be given a new lease of power to continue its investigation of un-American activities. Its methods have at times been unwise, causing embarrassment to some innocent people, but it has centered the attention of our people upon the groups seeking to bring alien influences into our country.

## ALIENS

The House last year passed and sent to the Senate five bills dealing with the conduct of aliens within our borders. The Senate has just passed one permitting the deportation of aliens who engage in sabotage. I hope the others will be passed. We have delayed too long giving power to adequately deal with those who come here from other lands and fail to appreciate the liberties enjoyed in the United States. Many of them have taken advantage of the freedom of our form of government to preach doctrines destructive of freedom itself. They should be sent back from whence they came.

## CIVIL SERVICE

Legislation is pending, of which I am the author, designed to bring under the civil-service law the more than 250,000 Federal employees now selected upon a political basis. More than 900,000 persons are now engaged by the Federal Government in civil positions. The pay roll totals approximately one and a half billion dollars.

In my opinion, no greater problem of government exists today than how to properly select and direct this army of civil servants. They no longer perform merely routine duties. Many of them tell you how to run your business; they make administrative rulings having the force of law. The best law Congress can draft may be forged into shackles for the people unless these employees are expert, honest, and actuated by a sense of fairness. They should be selected only because of demonstrated ability and retained for faithful execution of the public trust placed in their hands.

What I have said of Federal employees is likewise true of the larger army of State, county, and local employees. The public service today—National, State, and local—numbers three and one-half million persons, and they cost the people about \$5,000,000,000 annually in pay rolls.

During the past 6 years the number of public employees in the United States has increased over 16 percent and the total pay roll by almost 25 percent. In State and local governments the appropriations for personnel services make up from 30 to 50 percent of the annual budgets. Yet only 16 of the 48 States operate under a civil-service law, while in some of these having civil-service laws on paper the merit system takes on more of form than of substance.

It is estimated by persons familiar with the results of selecting employees on a merit basis that the people of the United States could save a billion dollars per year by universal application of this system.

## SUGAR

The present law permitting the fixing of sugar quotas expires on March 1. It is expected that the legislation will be renewed, but a determined fight will be made to increase the quotas for domestic producers.

## LOGAN-WALTER BILL

There is pending legislation, known as the Logan-Walter bill, designed to provide uniform procedure for administrative bodies such as the Securities and Exchange Commission and the Federal Trade Commission. This is an important question due to the growth of the practice of delegating to such boards and commissions a measure of legislative as well as judicial power. The influence such agencies exercise upon business, commerce, industry, and labor is vast and directly or indirectly touches the everyday life of most of our citizens.

## LABOR MEDIATION

While no proposal has yet been made in definite form, discussion of plans is heard in Washington for an expansion of the conciliation service of the Department of Labor. It has even been suggested that compulsory mediation be required before a strike may be called, similar to the plan now existing in the transportation field.

## WAGES AND HOURS

In May 1937 the President sent a message to Congress suggesting legislation to put a floor under wages and a ceiling on hours, and the elimination of child labor. Bills were introduced in each branch of Congress to carry out this suggestion. Joint hearings were had, and the Senate soon passed a bill creating a board of five to fix minimum wages, not to exceed 40 cents per hour, and to limit hours, but not below 40 per week.



The Senate bill was drafted largely by southern Senators. It required that in fixing the wage the board must consider the value of the services rendered, transportation costs, the cost of living, and other factors.

When this bill came to the House it was amended by adding to the factors to be considered in fixing the wage, the unit cost of production. It was reported to the House and a rule applied for.

The Rules Committee refused to grant a rule, and the progress of the bill was ended for that session. The next year—1938—northern Congressmen joined with other forces opposed to any consideration of the conditions existing in the South, and a new bill was drafted, brought to the floor by a petition signed by a majority of the membership, and passed. It was a rigid bill. It proposed to start the wage at 25 cents per hour and increased it 5 cents each year until 40 cents was reached. The hours were to be 44 the first year, 42 the second, and 40 thereafter. No board was provided, and no consideration of varying conditions could vary the wage or the hours required.

The conference committee spent 2 weeks adjusting the varying provisions of the bill as it passed the two Houses of Congress. Some of the conferees, of which I was one, vainly tried to go back to the flexible form of bill as passed by the Senate. We had very little success, because to the other sections of the country the 40-cent minimum wage was not objectionable. Some of them saw in it a chance to stop the migration of industry to the South.

While I do not question the sincerity of those who prevented consideration of the bill as passed by the Senate in the House session of 1937, they must bear the responsibility for the more objectionable bill which finally became law.

I supported the Senate form of the bill. I felt, at the time, that it was the best we could get. It would have predicated the wage upon a finding of fact, upon facts in a given location, no matter whether that location was north or south, east, or west. It would have tested the proposed wage by the value of the service rendered.

The present law is too inflexible. It will have a tendency to speed up installation of labor-saving machinery and will work a hardship upon many. Its provisions as to hours should be amended so as to permit averaging hours over a monthly period. The Administrator should have power to make rulings, which, if complied with, would protect those affected until the courts say the ruling is not correct. At present the rulings of the Administrator do not afford protection even to those complying therewith.

Last year efforts to amend this act failed. A group largely composed of persons interested in processing farm produce sponsored one bill. It would grant exemption from the law to most processors of agricultural commodities. It may pass the House, but I doubt the possibility of such amendments being finally enacted into law.

I would suggest to those interested in amendments that a more moderate approach to the problem will have a better chance of achieving practical results.

The purpose of this proposal was to prevent what we generally call sweatshop conditions. With that purpose I am in hearty accord. However, I would like to see the act amended so as to make it more flexible and more practical.

The present law is not what the President asked for. In his message occurs the following passage:

"\* \* \* Even in the treatment of national problems there are geographical and industrial diversities which practical statesmanship cannot wholly ignore. Backward labor conditions and relatively progressive labor conditions cannot be completely assimilated and made uniform at one fell swoop without creating economic dislocations."

If the suggestion of the President had been followed by the Congress this law would not, in its application, have been so burdensome. It would have contained power to apply the changes more gradually and with due regard for existing diversities.

The South cannot win a sectional fight in Congress. Its membership in the House is less than 30 percent of the whole. It was a mistake of judgment when some of our people made this issue a sectional one. We should work for proper amendments, but we must approach them upon a factual basis.

#### NATIONAL LABOR RELATIONS ACT

The spotlight of the daily press has almost constantly played upon the National Labor Relations Act, often called the Wagner Act, from its inception in 1935.

It was denounced as not constitutional by 57 leading lawyers. It was bitterly opposed by many employers in every section of the country. Many untrue statements about it have been passed on to the public as facts.

I supported this proposal and helped in its passage in the House. My reason for that support was simple. I believed that working people should be protected in their fundamental right to join such organizations but no remedy existed for them if, because of such action, they were discriminated against.

In 1921 Chief Justice Taft in a Supreme Court decision had not only affirmed the right of workers to organize but he went further to say: "Union was essential to give laborers opportunity to deal on equality with their employers."

In 1930, in a case growing out of the Railway Labor Act of 1926, Chief Justice Hughes said:

"The legality of collective action on the part of employees in order to safeguard their proper interests is not to be disputed. It has long been recognized that employees are entitled to organize for the purpose of securing the redress of grievances and to promote agreements with employers concerning rates of pay and conditions of work."

Again in the Jones & Laughlin case, upholding the constitutionality of the act, Chief Justice Hughes restated the above quotations, referring to the right of workers to organize, as a fundamental right.

The purpose of Congress in passing the Wagner Act was a simple one. It proposed only to furnish a vehicle through which workers could have their remedy when their fundamental right of organization was violated.

Congress did not intend to force organization upon workers. It did not intend that the Board it created, or the staff of the Board, should assist labor organizers. It did not intend that the Board or its staff should be biased or prejudiced for or toward anyone.

It is not generally understood, I fear, that in drafting the Wagner Act, Congress provided a procedure similar to that contained in the Interstate Commerce Act, and one almost word for word like that of the Federal Trade Commission Act.

In the Jones & Laughlin case, Chief Justice Hughes, referring to the procedural parts of the act, said:

"But these provisions, as we construe them, do not offend against the constitutional requirements governing the creation and action of administrative bodies. \* \* \* We construe the procedural provisions as affording adequate opportunity to secure judicial protection against arbitrary action in accordance with the well-settled rules applicable to administrative agencies set up by Congress to aid in the enforcement of valid legislation."

In the same opinion, after having recited that the act did not compel the making of any agreement, Mr. Hughes said:

"The theory of the act is that free opportunity for negotiation with accredited representatives of employees is likely to promote industrial peace and may bring about the adjustments and agreements which the act itself does not attempt to compel. \* \* \* It would seem that when employers freely recognize the right of their employees to their own organizations and their unrestricted right of representation there will be much less occasion for controversy in respect to the free and appropriate exercise of the right of selection and discharge."

I have recited these statements from the judges of the Supreme Court, one of whom was a former Republican President, and the other a Republican who came very close to being President, to show that the Wagner Act simply provides a remedy to make effective a fundamental right long ago recognized by the highest court in the United States.

If this act had been impartially administered by the Board and its staff, keeping within the bounds of the purpose Congress intended, it is my opinion that little opposition to it would now remain.

Frankness compels the opinion, I believe, that the law has not been impartially applied, nor has its application been held within the purpose laid down by the Congress.

The evidence I have found leads me to believe that the majority members of the present Board, and the staff of the Board in many cases, have construed the act as a mandate to assist and induce the organization of workers, rather than to protect the legal right of workers to make their free choice in matters of organization.

It leads me to believe that they have unnecessarily contributed to the strife in the ranks of labor by many of their decisions as to the unit appropriate for collective bargaining.

It is my conviction that these officials have not given due consideration to the right of workers to freely choose the organization to which they would belong, including the right to have an independent union, provided it is not dominated or controlled by the employer. Under this act Congress intended to make the workers free to choose (a) whether or not they would join any union, (2) what union they preferred, and (3) the person or persons to represent them in collective bargaining. In some cases this free choice has not been possible due to decisions as to the unit.

It is therefore my opinion that the present Board should be removed and replaced with a board of five, regionally selected, so that confidence may be restored in the impartial administration of the act and to provide representation to the various sections of the country.

Employers should have the right to an election when there is doubt as to what union a majority of the employees belong. This right should be written into the law.

I would amend the section of the act dealing with the unit appropriate for collective bargaining so as to deprive the Board of any power to disestablish a bona fide existing union without the consent of a majority of its members, provided such union was not one dominated by the employer. Such an amendment would put a stop to many of the current disputes between contending labor factions.

No unit should be permitted which contains the employees of more than one employer. If a group of unions and a group of employers wish to bargain on a group basis, they could do so, but the employees of each employer would have to vote separately in choosing their union and their representative.

With the changes I have suggested, I believe that most of the controversy about this law would end and that peace could be largely achieved in industry. This all of us should devoutly desire.

No one profits from industrial strife. Strikes mean loss of wages for workers and loss of profits for owners. We must find a way to stop them. It can only be done by mutual desire and co-operation between management and labor. Public opinion will not sustain unfair tactics by either party. It stopped the sit-down strike, which was not only illegal but was very hurtful to the cause of the workers.

In conclusion, may I say to you that most Members of Congress want to do what is best for the country. They must take the con-

flicting opinions of various groups and try to reconcile them. It cannot always be done, but we are glad to have the views of all groups in the citizenship, and we do try to reach a common ground.

I realize fully that we cannot solve our problems without cooperation. Business must have reasonable profits or it will die. It can pay wages only from the production of its workers; therefore wages and hours must bear a proper relationship to the value of the articles produced.

In the present period we are faced with many difficult problems, made more acute by disturbed and dangerous conditions existing in other parts of the world. Commerce, trade, and industry are improving in all sections of the United States. We are at peace with other nations, and we should strive to retain that condition.

If we are to succeed, each of us must do our part toward the attainment of national unity. Today, as never before, people of all groups should strive to do what is best for the maintenance of the freedom and the liberties we enjoy as a result of the wisdom and foresight of the founders of this Nation. In unity there is strength. If we maintain domestic unity, I have no fears as to the future of our beloved country.

## California and the Trade Agreements Act

### EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1940

#### STATEMENTS AND RESOLUTIONS FROM VARIOUS AGRICULTURAL ORGANIZATIONS

Mr. GEARHART. Mr. Speaker, because no farm organizations could reflect more accurately the opinions and views of western agriculturalists in respect to the proposal to extend for an additional 3-year period the Trade Agreements Act of June 12 1940, than do the California Farm Bureau Federation, the California State Grange, the California Cattlemen's Association, the California Wool Growers' Association, the California Olive Growers' Protective League, and the California Fig Institute, I now present for inclusion in the CONGRESSIONAL RECORD a number of official statements and resolutions from each of these groups, as well as from their respective national affiliates.

##### CALIFORNIA FARM BUREAU FEDERATION

On the 9th day of January 1940 the board of directors of the California Farm Bureau Federation met in special session for the purpose of considering the issue which now pends before the Congress. At this meeting a resolution was adopted which will be, I am sure, of special interest to the whole membership in this legislative body.

In accordance with instructions received from his board, Mr. Alex Johnson, able secretary of this highly influential organization of western agriculturists, dispatched to the Members of the United States Congress from California a letter in which the conclusions of the California Farm Bureau Federation are most convincingly set forth. The letter follows:

January 24, 1940.

To the Members of the United States Congress from California.

GENTLEMEN: I wish to advise you that at the meeting of the board of directors of California Farm Bureau Federation on January 9, 1940, the following resolution was adopted:

"Resolved, That we believe the reciprocal trade agreement legislation should be permitted to die on June 30 next, and that we urge California Senators and Representatives to support this procedure."

This position of our organization has been consistent since March 31, 1934, when a resolution was adopted reading as follows:

"Resolved, That we oppose the proposed legislation now before Congress authorizing reciprocal-trade agreements."

During this period of almost 6 years, the matter of reciprocal-trade treaties has been under discussion in local and State-wide meetings and the position of our members has consistently been one of fear as to the effect on them of negotiations under this act, and I am sure that we represent the wishes of almost all of our members in asking you to oppose the continuation of the authority under the act.

As we view the agricultural situation today, we find nothing in which to encourage us in the hope that the reciprocal-trade treaties will be of benefit to agriculture. The following comparison may be of interest to you.

Taking the year 1935 as the first year when the effect of reciprocal-trade treaties might be felt, and comparing it with the last official figures for December 1939, we find the agricultural position has become much more serious during this period:

Index of prices received by farmers  
[August 1909, to July 1914, equals 100]

	1935	1939
Grains.....	103	87
Cotton and cottonseed.....	181	82
Fruits.....	91	65
Truck crops.....	125	96
Meat animals.....	118	101
Dairy products.....	108	118
Chicken and eggs.....	117	97
All groups.....	108	96

The country has been advised that if the Reciprocal Trade Treaty Act was passed its machinery would be used to reduce industrial tariffs so as to allow imports of industrial goods, with an implied reduction in the price of such goods, and thus create opportunity for greater export of agricultural products.

If we try to read the effect on prices of machinery we find that the prices paid by farmers for commodities used in production in 1935 was 126, while the latest official figure is for September 1939, 123. It appears then that under the operation of the Reciprocal Trade Treaty Act the prices received by farmers have not increased, but have materially declined, while the price paid by farmers for industrial goods has been reduced only 3 points, from 126 to 123. The same official figures show us that the ratio of prices received by farmers to prices paid was, in 1935, 86; in December 1939, 79.

While farmers looked with distrust upon the operations of the Reciprocal Trade Treaty Act from the beginning as being likely to be more detrimental than beneficial, this distrust amounted to nothing short of amazement when negotiations began to be undertaken with Latin American countries, most of whom were producers of agricultural products to the exclusion of almost everything else, and the proposals were made, as in the case of the proposed agreement with Chile, to consider reductions almost exclusively on agricultural products.

It would be eminently unfair to ascribe all the difficulties of agriculture to the operations under the Reciprocal Trade Treaty Act, and in quoting the figures given above I am not inferring that the distressed prices now being suffered by farmers are to be blamed in any great measure on these treaties, but am merely using the figures to show that after more than 5 years of operation under this act the position of agriculture has not improved, but, on the contrary, has in most cases steadily grown worse.

May we therefore ask that in accordance with the position of our organization you allow the Reciprocal Trade Treaty Act to die.

Yours very truly,

CALIFORNIA FARM BUREAU FEDERATION.  
By ALEX JOHNSON, Secretary.

##### AMERICAN FARM BUREAU

It is interesting to note that the American Farm Bureau, parent organization of the California Farm Bureau, while not disapproving the principle of reciprocal trading, in a long resolution adopted at the annual meeting of the American Farm Bureau at Chicago in December 1939 insisted that:

In giving our support to the continuance of reciprocal-trade agreements, we renew, with increased emphasis, our demand that no agreement be consummated the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.

And further demanded that the Reciprocal Trade Agreements Act be—

Amended so as to provide that no agreement be consummated unless unanimously approved by the Secretary of State, the Secretary of Commerce, and the Secretary of Agriculture.

##### CALIFORNIA STATE GRANGE

At the State convention of the California State Grange which was convened in October of 1939, two very important resolutions relating to the subject under discussion were adopted with the unanimous approval of the delegates then assembled. The first resolution was as follows:

Whereas the policy of the present administration of the United States Government, in negotiating reciprocal-trade agreements with other nations, is working such injustice and discrimination against the agricultural interests of the Nation; and

Whereas protests from affected groups of farmers, from time to time, as the policy is being developed, have had little or no effect in obtaining justice or consideration for agriculture; and

Whereas we believe that we could obtain, through the Congress of this Nation, some relief from the intolerable discrimination against agriculture, as practiced by the Department of State in negotiating these agreements, if the Grange organization, throughout the United States, would employ its resources and influence, actively to that end: Therefore be it



*Resolved*, That the Grange make it a major objective of the organization to check this practice of selling the farmer out, and instead of standing for the principle of "The American market for the American farmer" let us move for it, work for it, and use every resource and influence of the organization to make it a reality.

The second of these resolutions was as follows:

Whereas we believe that all agricultural products used by the American people should be raised here as far as possible, and a sufficient tariff placed on these products to make it profitable; and

Whereas the reciprocal-trade agreements negotiated with foreign countries by the President of the United States without the consent of Congress has reduced the tariff on many agricultural products, causing many to be imported which our own farmers should be raising, thus increasing employment; and

Whereas the favored-nation clause in these treaties has further aggravated the situation: Therefore be it

*Resolved*, That the California State Grange oppose any move by the President of the United States to reduce agricultural tariffs in his reciprocal-trade agreements even to the abolishment of the whole plan of reciprocal-trade agreements.

#### THE NATIONAL GRANGE

The National Grange, parent organization of the California State Grange, is the oldest and one of the most influential of all farm organizations. The National Grange met in national convention at Peoria, Ill., on November 15, 1939, at which convention the following emphatic resolution was adopted, in which the attitude of this great organization toward the reciprocal trade agreements program, as now administered, was made known:

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitation on June 12, 1940.

#### CALIFORNIA CATTLEMEN'S ASSOCIATION

During the fall of 1939 the California Cattlemen's Association met in a State-wide convention at the Palace Hotel in San Francisco, Calif., and after a 2-day discussion of the reciprocal trade agreements program adopted, unanimously, the following resolution:

*Resolved*, That we urge the amendment of the present Reciprocal Trade Agreements Act so that it will provide that all future agreements must be ratified by the United States Senate, to the end that the public may be informed and protected against secret negotiations and one-man power in the final determination.

In a separate resolution relating specifically to the trade agreement recently negotiated with Canada, the following declaration was made:

*Resolved*, That we thoroughly disapprove of the newly signed Canadian trade agreement.

#### AMERICAN NATIONAL LIVESTOCK ASSOCIATION

At the Forty-third Annual Convention of the American National Livestock Association, which convened at Denver, Colo., on January 13, 1940, the following resolution was adopted relative to the Reciprocal Trade Agreements Act:

Whereas a large majority of our people, and particularly of our agriculturists, are unalterably opposed to reciprocal-trade agreements: Therefore be it

*Resolved*, (a) That we are definitely opposed to the Reciprocal Trade Agreements Act; and

(b) That if said act is extended, it be only on the condition that all new agreements thereunder and extensions of existing agreements be ratified by the Senate in the manner provided by the Constitution.

#### CALIFORNIA WOOL GROWERS' ASSOCIATION

The Seventy-ninth Annual Convention of the California Wool Growers' Association met at the Palace Hotel in San Francisco, Calif., on September 21-22, 1938, at which convention several resolutions were adopted, which declared in no uncertain terms the attitude of this highly influential organization toward the reciprocal trade agreements program.

The first of these resolutions is as follows:

We are opposed to reciprocal-trade agreements:

(a) Because they are undemocratic in principle and practice, being negotiated in secret and decided by the power of one man;

(b) Because they sacrifice agriculture to a hoped-for industrial gain which has not materialized;

(c) Because they are not reciprocal but extend to all favored nations the benefit of their terms with no corresponding benefits to the United States: Therefore be it

*Resolved*, That we earnestly request our Senators and Representatives in Congress to see that the law authorizing them is repealed or at least not extended beyond June 12, 1940.

And it was further resolved at that State convention that in the event the so-called Reciprocal Trade Agreements Act was extended beyond June 12, 1940, that the act be amended so as "to bring back to the Senate its treaty-making powers" and that provision be made in such legislation that may be adopted extending the program, to make certain "that tariffs on wool are not directly or indirectly lowered."

A second resolution adopted by the California Wool Growers at their seventy-ninth annual convention of September 1939, was as follows:

*Resolved*, That we oppose all trade treaties or agreements which allow the admission of livestock or meat or meat products into our country at reduced tariff rates, and that all Government meat purchases be confined to the products produced by American producers of cattle, hogs, and lambs.

At the Seventy-eighth Annual Convention of the California Wool Growers' Association, which convened in San Francisco in the fall of 1938, the following most interesting resolution was adopted:

We insist that the American producer is entitled to the American market. \* \* \* Any tariff laws, treaties, trade agreements, or other devices, by whatsoever name, which deprive him of the market, will bring hardship, suffering, and national economic disaster to producers and consumers alike. \* \* \* And we further insist that all such agreements be ratified by the Senate of the United States.

#### NATIONAL WOOL GROWERS' ASSOCIATION

The parent organization of the California Wool Growers' Association, the National Wool Growers' Association, held its seventy-fifth annual convention at Casper, Wyo., on January 23, 24, 25, 1940, and adopted the following resolution:

Trade treaties: During the past year we have observed the detrimental effect on the wool-growing industry by reason of the trade agreements negotiated with Great Britain and Canada, and the proposed trade agreement with Argentina. They have deprived the citizens and taxpayers of this country of their own markets to the advantage of Great Britain, and the anticipated trade agreement with Argentina has adversely affected the demand for the coarser wools and mohair.

We again place ourselves on record as opposing the Reciprocal Trade Agreements Act and demand that it be permitted to lapse on June 12, 1940; that the terms of the Constitution of the United States be complied with wherein it is provided that all acts pertaining to revenue originate in the House of Representatives, and that all treaties be approved by the Senate of the United States before becoming effective.

#### CALIFORNIA FIG INSTITUTE

On the 5th day of January 1940 the executive and advisory committees of the California Fig Institute were called into special session for the purpose of considering and determining its attitude in respect to the legislation now pending in the Congress for the extension of the Reciprocal Trade Agreements Act of June 12, 1934. At this meeting the following resolution was adopted:

Whereas the Seventy-third Congress of the United States in 1934 enacted the Trade Agreements Act granting certain authority to the executive branch of the Government for the purpose of entering into reciprocal-trade agreements with foreign countries, which authority as reenacted in the Seventy-fifth Congress of 1937 expires on June 12, 1940; and

Whereas notwithstanding the California fig industry's protest against any reduction in the import duty on figs, fresh, dried, or in brine, the administration entered into a reciprocal-trade agreement with the Government of Turkey, effective May 5, 1939, which provides for a reduction in the duty from 5 cents to 3 cents per pound on such figs valued at 7 cents or more per pound; and

Whereas it has been declared to be the express desire of the administration to obtain from the Seventy-sixth Congress, now in session, an extension of the authority granted in the Trade Agreements Act; and

Whereas it is considered to be to the best interest of agriculture and industry that the powers granted in such act be modified: Now, therefore, be it

*Resolved*, That the executive and advisory committees of the California Fig Institute, acting jointly for and in behalf of all dried-fig growers in the State of California, do hereby request the Seventy-sixth Congress to grant no further extension of the trade-agreement authority, except upon the condition that such agreements shall become effective only upon approval of the same by the legislative branch of the Government; and be it further

*Resolved*, That a copy of this resolution be sent to every Member of the United States Senate and the House of Representatives.

EXECUTIVE AND ADVISORY COMMITTEES  
OF THE CALIFORNIA FIG INSTITUTE,  
Fresno, Calif.

#### CALIFORNIA OLIVE GROWERS PROTECTIVE LEAGUE

On the 15th day of March 1938 the California Olive Growers Protective League met in convention at Oroville, Calif., and adopted a resolution in condemnation of the trade-agreements program, a portion of which is as follows:

*Resolved*, To request every Member of Congress from California to introduce suitable legislation to repeal the Reciprocal Trade Treaty Act or to subject the terms of such treaties to congressional review.

#### FARMERS' UNION

Though the Farmers' Union, a farmers' organization with a widespread membership in the Middle West, is not extensively represented within the State of California as an important farm organization, its views in reference to the reciprocal trade agreements program will be of interest, I am sure. I am, therefore, setting forth a portion of the resolution which was adopted by this organization at its convention, which was held at St. Paul on December 15, 1939:

Therefore be it

*Resolved*, That we are in favor of the philosophy of the reciprocal-trade agreement as the most likely assurance to bring international cooperation and peace; and further

*Resolved*, That we are opposed to the consummation of any Federal trade agreements which have in their provision agreements admitting livestock or livestock products, grain or grain products, or poultry products, or dairy products, or any other agricultural products which can be efficiently produced in this country, and which may, directly or indirectly, have a bearing on the supply of said products, or which may have a tendency to depress farm prices; and further

*Resolved*, That we believe it against the public interest to repose in a single authority the responsibility for effectuating reciprocal-trade agreements, and that the public interest will be best served by a requirement that all proposed reciprocal-trade treaties be subject to the review and approval of the United States Senate.

#### THE REASONS WHY

To one familiar with farming conditions in the Rocky Mountain and Pacific Coast States it is obvious why the West is solidly against the trade-agreements program. According to figures furnished by the United States Tariff Commission, of the 13 most important items on which reductions of duty have been granted, 6 are agriculture products, 3 are mining products, 1 is northwestern lumber, 2 petroleum, and only 1 textile. In other words, 11 of the 13 important items on which concessions have been granted by way of reductions of duty are western products and only 1 of the 13 is an eastern industrial product and only 1 is an eastern and southern agriculture product.

Is it any wonder that the people of the Pacific Coast and Rocky Mountain States, the petroleum-producing States, and the tobacco growers are opposed to the proposed extension of the Trade Agreements Act?

Has agriculture in the West been singled out for sacrifice upon the altar of industrial greed?

### Reciprocal-Trade Treaties

### EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

ARTICLE BY ROGER W. BABSON

Mr. KEFAUVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by

Roger W. Babson which was published in today's edition of the Washington Post:

[From the Washington Post of February 12, 1940]

BABSON DECLARES TRADE PACTS THE BRIGHT SPOT OF NEW DEAL—THREATENED G. O. P. ATTACK ON AGREEMENTS CALLED POOR STRATEGY; CITES 60-PERCENT INCREASE IN UNITED STATES EXPORTS TO FAVORED NATIONS

(By Roger W. Babson)

A major offensive is being prepared here against the Hull trade pacts. For months the G. O. P. has been collecting its verbal ammunition, marshaling its oratorical supplies. The zero hour is approaching because Secretary Hull's power to make trade agreements must be renewed before June 12, 1940. If the attack on these trade pacts is not repulsed, it will be a sorry day, not only for the United States but for the world. The backwash of the defeat would be felt in industrial towns of the East, mining camps of the Rockies, farming communities of the Great Plains.

The Hull trade pacts were started in 1934. Realizing that Congress could never be expected to lower our tariff walls sanely, President Roosevelt asked and received authority from Congress for the State Department to make reciprocal-trade agreements without Senate ratification. The principle of the pacts was to lower our tariffs on certain foreign products gradually and slowly in exchange for corresponding concessions from other nations on our products. By short-circuiting Congress, the usual logrolling tactics for high protection on "home industry" were to be eliminated. The agreements, therefore, would be negotiated on a business rather than a political basis.

#### SHIP LANES DESERTED

When the New Deal first stumped for this policy world trade had dried up to a mere trickle. Commerce among nations had shrunk to 35 percent of the 1929 level. Depreciated currencies, high tariffs, stiff quotas, barter methods, big subsidies, and similar barriers were rapidly clearing the world trade routes of their picturesque tankers, freighters, and other cargo boats. Most able economists agreed that the choking off of foreign commerce was a prime cause of joblessness, hunger, and suffering in all nations.

The importance of world trade has never been fully realized by most people. Foreign commerce is the keystone of world prosperity and peace. Our overseas markets in good times absorbed only 10 percent of our total output; but that 10 percent was a vital 10 percent. Half of our cotton crop, for instance, was sold abroad. Think of the importance of cotton to United States prosperity. Southern banks, land values, jobs, wages, warehouses, railroads, and shippers are all tied up with the price of cotton. And the price of cotton depends on our foreign markets.

#### TOUGH ASSIGNMENT

It seems impossible, however, to get the importance of foreign trade across to the public. The high-tariff opposition has a far easier job. Inevitably, in any tariff-lowering program some localities or some producers feel they will be hurt. They protest violently to their Congressmen. Therefore it is almost impossible to wangle any real tariff reductions through Congress. Secretary Hull (a former Senator) knew that the only way to lower tariffs and increase employment as a whole would be a reduction program which excused constituent-conscious Congressmen from voting to ratify it. Hence the State Department's trade program came into being.

Over 20 reciprocal-trade agreements have been negotiated since 1934. Secretary Hull and his experts have done a painstaking, conscientious job. They have started to do the job which practical God-fearing people admit must be done—a slow and gradual, rather than a sharp and sudden, decrease of tariff walls. They have held hundreds of hearings, have listened patiently to thousands of protests. For every concession they have made to foreign nations they have wrung from them an equally good one for Uncle Sam. Moreover, due to the so-called most-favored-nation rule, these pacts have lowered tariffs, helped business, given jobs all over the world.

#### BRIGHT SPOT OF NEW DEAL

The reciprocal-trade program has been a truly bright spot of the New Deal. In his quiet but firm way Secretary Hull has fought harder for peace in this decade than any other man alive. He is a tower of strength, vision, and unselfishness. His program has increased our exports to countries with whom we have completed agreements by 60 percent, while our exports to those countries with which we have not bargained have expanded less than 40 percent. Moreover, our imports from treaty nations have not increased any faster than with nontreaty nations. This, in a nutshell, tells the effectiveness of the program, its aid to jobs and industry.

America, however, is a high-price, high-wage, high-tax Nation. Needless to say, high-tariff people do not like Secretary Hull's program. Buy American has plenty of political "oomph." The G. O. P. needs campaign ammunition and they will make the most of decrying these trade pacts. They claim, for instance, that the program permits an excessive influx of farm products—\$800,000,000 worth in 1939. But Secretary Hull points out that \$530,000,000 of this was coffee, rubber, silk, cocoa, bananas, which have always been admitted duty free.

#### IMPREGNABLE POSITION

The State Department is prepared to defend its policies at all costs. The Republican heavy artillery is laying down the battle's



opening barrage. What the outcome will be, no one knows. The New Deal's record is full of broken promises and failures. For this reason it seems like mighty poor strategy for the Republican shock troops to assault the one position on which the New Deal is economically impregnable—its foreign-trade policy. As a statistician, I believe that the Hull trade pacts should be backed to the limit by every straight-thinking, unselfish, and honest American.

## New England Waves a Yardstick

### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR OF  
FEBRUARY 3, 1940

Mr. SHANLEY. Mr. Speaker, under leave granted to extend my remarks in the Record, I include the following article from the Christian Science Monitor of February 3, 1940, entitled "New England Waves a Yardstick":

[From the Christian Science Monitor of February 3, 1940]

NEW ENGLAND WAVES A YARDSTICK—THE LAST STRONGHOLD OF RUGGED INDIVIDUALISM GIVES IN BY COOPERATING WITH THE FEDERAL GOVERNMENT TO GET CHEAP AND ABUNDANT ELECTRICITY ON ITS FARMS

(By Harlan Trott)

Folk in rural New England are thinking a good deal these days about having electricity on the farm to milk the cows, cut the ensilage, saw the firewood, turn the cream separator, work the horsefork, hatch the chickens, pump the water, run the radio, sewing machine, water heater, cook range, and do other chores in house and barn—cheap electricity such as the people themselves can have through the help of the Rural Electrification Administration.

Thanks to R. E. A., the miracle by which farm folk do their work merely by turning a switch is no new thing—except in New England. Every State but Massachusetts, Connecticut, and Rhode Island gets R. E. A. loans that help people in rural areas to help themselves to the natural abundance of low-cost electric power running to waste in their streams. And it is only within the last few months that Vermont and New Hampshire, two of the richest natural water-power States, have called on this Federal agency for help.

One may well wonder why New England should have to call on the Federal Government at all to get electric power when the source of all they need is foaming under their bridges and over their dams day and night—down the Connecticut, the Merrimac, the Androscoggin, the Saco, the Penobscot, the Kennebec, the Winoski, the Passumpsic, the Ammonoosuc and lesser tributaries to the sea. New Englanders are proud of their rugged individualism. Maine and Vermont made that plain in the 1936 Presidential election.

Today many believe that private power companies in New England have helped to keep this feeling alive by propaganda designed to egg the people into asserting their rugged individualism in order to resist Federal encroachments upon the resources of the States. At the time the Federal Government tried to start flood-control projects in Vermont, the State blocked the program because it meant yielding water-power rights on the streams to Federal control. The Vermont Legislature rallied around the slogan, "The State's resources belong to the people," and held up flood-control work.

Some think this slogan was planted by private-power interests who do not wish to have their monopoly threatened by competition from enterprises the farmers may be encouraged to undertake through the R. E. A. program. If so, the slogan became a boomerang, because New Englanders began to mull it over, and the more they thought about the State's water-power resources belonging to the people, the more they realized that they didn't belong to them at all. The water-power resources belonged to private companies who control practically all the electric output in New England.

Being rugged individuals at heart, the people in rural areas decided to do something about getting more of the benefits of their resources. The experience gained in buying grain and selling milk showed them the way to do it was through cooperatives.

Without electricity, farming is almost as primitive and laborious as it was when the first settlers burned the stumps and laid up the stone walls around the clearings. The State farm bureaus and the local granges showed the New Englanders what the rest of the United States was accomplishing through rural electrification. The farmers got busy. In 1937, farm-bureau members in western Massachusetts started the Tri-County Electric Co-operative. They got subscribers to pledge the amount of money which the Federal Government requires before it lends R. E. A. funds to carry out a project.

This must have made the private-power companies very angry, because soon men from the electric companies in the Tri-County area began to do mean things to stop the R. E. A. undertaking.

They told farmers the cooperative couldn't afford to do what it was trying to do, that it would go broke and then every subscriber might lose his farm to liquidate the enterprise. This scared the subscribers and many of them withdrew from the cooperative.

In one valley the cooperative had signed up many subscribers who sometime before had asked the electric company to install electricity. The company said it wouldn't pay them to serve this particular area. But as soon as the Tri-County cooperative signed up the people in the valley, the power company official came back and offered to string the wires. The terms were about \$100 a year per subscriber less than those under which the power company had installed service in a nearby community. This made it seem that the latter had been grossly overcharged for installation of their service, or else the line in the valley where the cooperative was working was being subsidized by the power company to keep the cooperative from going in there. These tactics caused bad feeling. This and many similar cases are on file in the R. E. A. office in Washington.

The Tri-County went right ahead, but just when the R. E. A. was all set to grant a construction loan, the Massachusetts Department of Public Utilities refused to permit the Tri-County to start the undertaking. This brought a letter from the R. E. A. Administrator taking exception to the ruling. This is the way he summed up the private utilities' stand in his letter to the department: "We haven't served this rural area; we do not propose to serve it, but we want the department to prevent the farmers from serving themselves."

That was the end of the R. E. A. in Massachusetts, where nearly 50 percent of the farmers are condemned to needless drudgery within the sound of rushing streams and the hum of high-tension lines. But it was really only the beginning of R. E. A. in New England.

In New Hampshire, Leon M. Huntress, project supervisor for the New Hampshire Electric Co-operative, Inc., tells of similar obstacles placed in his way by power companies determined to resist this threat to their system of restricted output and price control. But this R. E. A. sponsored group went ahead and outsmarted the opposition by an exciting display of strategy.

Word came to the project superintendent on a Sunday morning that workers for the private company were setting poles in the area where the cooperative had started to install service. Why Sunday? Mr. Huntress couldn't say exactly, unless it was because legal injunctions cannot be granted on that day. The power company's linemen had clear sailing—until the cooperative's agent arrived on the battlefield.

First off, he cited the law forbidding the setting of poles or the stringing of wires on a Sunday except in an emergency. But to a power company enjoying a monopoly in a State where 70 percent of the farmers have electricity—for which they are saddled with the second highest rate scale of any State in the country (nearly 100 percent higher than, for example, the composite rate average of Washington, D. C., Cincinnati, Montreal, and Tacoma)—this was a real emergency. The cooperative supervisor was quick on the answer. He retorted the law doesn't consider setting poles and stringing wires on a new project an emergency.

What really floored the emergency crew was that they had failed to comply with the State law requiring the petitioning of town officials for authority to carry an electric line across the highway. The board of selectmen (two of them are members of the cooperative) did not feel that they could grant the required permission on a Sunday. In fact, their attitude was that they were not disposed to grant it anyway. There was nothing for the power company to do but come down off the pole.

Today they are about ready to throw the switch on the Lempster line, the first R. E. A. project in New Hampshire. Farm folk united under a militantly led State grange and the more moderate State farm bureau are eager to see what the Lempster project can accomplish under the system whereby it buys power from the private utilities and supplies it to people who can't get electricity any other way—a system designed to pay for itself in 20 years and which promises at the end of that time to reduce its charges even more.

Those who wonder what R. E. A. agents in New Hampshire would have done had the private utilities refused to sell electricity to the R. E. A. will find in Vermont's first R. E. A. undertaking the answer to a refusal of this kind. The farmers in Vermont's Washington County did what the Tri-County cooperative failed to achieve. They formed a cooperative, and then when private companies refused to supply electricity at reasonable wholesale rates, the Washington cooperative installed two Diesel engines and is supplying farm subscribers with electricity they could not otherwise get—in a State where the resources belong to the people.

Generating electricity by an oil-burning engine must aggravate a good many farmers, because natural water power is so plentiful in Vermont that the private companies are exporting 80 percent of all hydroelectric energy produced in Vermont.

In pronouncing the benediction at the Washington County cooperative's switch-throwing, Gov. George D. Aiken said: "These lines have been built into territories which private corporations have consistently refused to serve at prices within reach of the people. It is probably true that extension of lines into these farming areas would not immediately pay substantial dividends on inflated valuations. But the cooperative, working under the R. E. A. program, does not inflate its capital structure, does not pay high official salaries, does not hire high-priced attorneys, does not maintain expensive legislative lobbies, does not pay tribute to holding companies, and does not employ high-pressure and expensive publicity methods to expound its virtues."

These views may help to explain why New England has held out so long against "Federal encroachments," and why rugged individualism has finally turned. These R. E. A. developments in Vermont and New Hampshire point to a reawakening that promises to bring the whole of New England benefits which the rest of rural America has gained in lighter labor and larger income.

### Who Is the Present Boss?

#### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1940

Mr. HOFFMAN. Mr. Speaker, even a "rubber stamp" Congress finds difficulty in following the boss, this for the reason that, picking up the paper in the morning, you discover that the President has expressed his views and given his orders. Turning the page, you learn that Mrs. Roosevelt, the President's wife, has been investigating something and decreed that a change must be made; and, over on the third page, from John L. Lewis you learn that both the President and his wife are wrong and that Lewis has a different plan, which, unless we want a revolution, we had better adopt, so he says.

Only last week the First Lady, as she so often does, went on one of her expeditions and discovered that matters in the District of Columbia were all wrong and that a reformation must take place. No doubt she has found many a place in this country of ours—for she has visited every State in the Union, it is said, except one of the Dakotas—where things are not as they should be, where conditions may be made better; and it is a praiseworthy thing to seek to make them better. But all too often she and the President, too, have suggestions for betterment but no money to carry them out, and the net result is the stirring up of discontent without the opportunity for an improvement.

One thing that it is difficult for the average citizen to understand is how any person who seems to feel so strongly for the now forgotten man has so highly developed what might be termed "the commercial instinct." On these missionary expeditions of hers the First Lady, at times at least, is not averse to charging and collecting a very handsome honorarium, which, in more simple language, means a price or fee.

No one in the history of our country has ever been more vociferous in depicting the needs and the suffering of the unfortunate than have the Roosevelts, and in no group which ever occupied the White House has the policy of acquiring material wealth been so highly developed and so consistently adhered to.

Some of the high-sounding and self-evident truths uttered by the President and his consort would be more widely received were the financial rewards for their utterance smaller in amount.

While the President preaches economy he is not averse to the spending of thousands of dollars on vacations for himself and cronies.

This week, to town came the American Youth Congress. That organization so far has refused to purge itself of the Communists within its ranks or of an organization dominated and controlled by Communists.

True, the President "scolded" it because of some of its more radical members and tendencies. For that rebuke he was booed. On the other hand, Mrs. Roosevelt attended its sessions, praised it, and seemed at least to give it her whole-hearted support.

Then along came John Lewis, speaking at the convention of the A. Y. C., and criticized the President because he had said that some of the demands of the Youth Congress were "twaddle." Patriotic Americans can well accept the President's view, but they are somewhat confused when they recall that he and his candidate, Frank Murphy, long accepted the support of Fellow Comrade Browder, one-time Communist candidate for President, and his cohorts.

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Not so long ago Mrs. Roosevelt was over before the Dies committee with some of those who had been listed by that committee as having Communist leanings. The Chief Executive's wife on that occasion sought, as the President has so often sought, by her mere companionship, to express her disapproval of the Dies committee. That did not go over so big. Then she expressed the opinion through the press that it was nobody's business if she entertained Communists at tea at Hyde Park.

Some people are happy to know of her associates and guests. The President seems to think the Communists within the American Youth Congress are not "so hot," but the First Lady appears to be all for them.

Note this article from the Washington Post of February 11, and then the one which follows it, taken from the Washington Times-Herald of today:

[From the Washington Post of February 11, 1940]

MRS. ROOSEVELT FINDS LODGINGS FOR DELEGATES—PERSUADES PRESIDENT TO OPEN FORT MYER TO YOUTH CONGRESS

Mrs. Franklin D. Roosevelt perched herself on a table in the Labor Department yesterday, took a telephone, and brought the full power of the Federal Government into play to provide shelter for 500 American Youth Congress delegates who had no place to spend the night.

Then she personally arranged with a film company to provide the movie *Grapes of Wrath* for two showings—free—to the Youth Congress delegates in the departmental auditorium. The film now is in its Broadway premiere.

Mrs. Roosevelt began her efforts to provide lodgings for the delegates when she called the White House and addressed the President as "Governor." She appealed to him as Commander in Chief of the Army to arrange for accommodations at Fort Myer, Va., barracks. Then she telephoned W. P. A. Administrator F. C. Harrington, the Army headquarters, and finally District Commissioner George E. Allen.

All of this took 2 hours, but she got everything she started out to get, which was:

Accommodations for 150 male delegates free of charge in the riding ring at Fort Myer.

Fifty girls to sleep free of charge at the Industrial Home.

Three hundred additional hotel rooms provided for \$1 a night, including 40 rooms at the Shoreham.

Army trucks to transport 150 delegates to and from Fort Myer.

It took a lot of calls, but Mrs. Roosevelt had a grand time, laughing and joking with delegates as she dialed the telephone. Commissioner Allen had a good time, too. He amazed those he called by telling them that the person who dialed their phones was not his secretary but the First Lady.

[From the Washington Times-Herald of February 12, 1940]

"YOUTH BETRAYED BY ROOSEVELTS," SAYS "RED" FOE—SUPPORT OF CONGRESS SCORED BY OFFICIAL

By their support of the American Youth Congress President and Mrs. Roosevelt have betrayed millions of American youth, it was charged last night by Alfred M. Lillenthal, who has fought the congress since it defeated his anti-Communist resolution last July.

Lillenthal declared the Youth Congress "is the greatest political hoax ever perpetrated in the name of American youth, and actually represents only a small handful of fellow travelers, 'pinks,' and 'reds.'"

#### "CLOAK" FOR COMMUNISTS

In his statement Lillenthal, vice chairman of the Provisional Committee for American Youth, charged the congress with using organizations such as the Y. W. C. A. and Y. W. H. A. to "serve as a cloak to hide the communistic elements which dominate the congress."

Lillenthal presented letters from these organizations, and from the Christian Endeavor, American Baptist Publication Society, Young Men's Hebrew Association, American Jewish Congress, Student Volunteer Movement, and the Church of Disciples of Christ disclaiming any connection with the Youth Congress.

Membership of all these organizations is claimed by the congress, Lillenthal said, and declared their organization has no connection with the congress.

#### GROUPS BRANDED AS "RED"

The Youth Congress in reality, Lillenthal charged, draws most of its membership from "groups branded as 'red' by the Dies committee, such as the American League for Peace and Democracy, Workers Alliance, and American Student Union."

Others included in the charge are "paper organizations with high-sounding names and letterheads and small memberships reputed to represent large numbers."

All of this leaves you, if you have not seen the youth congress in session or on the streets of Washington, somewhat confused. That confusion is quickly dispelled when you meet representatives of the Congress and listen to their talk and their demands. No one who comes from outside of a great city would, for one moment, be deceived or misled by their



resolutions or speeches. They are not representative of the youth of America. It is regrettable that many of them who come from the cities cannot live for 6 months or a year or more in some of the smaller towns or in the country districts.

It would be interesting to know if some of the delegates to the American Youth Congress had their transportation to Washington paid with the aid of Federal funds; also how many of them were entertained at Federal expense and who passed them into Mount Vernon. Will the same privilege be extended to others who come here, or is this group under the special protection of Mrs. Roosevelt?

Both Mrs. Roosevelt and her husband are extremely active and diligent in finding new ways to spend other people's money. They are, too, as canny in driving a good bargain, in a financial way, for the Roosevelts as any Yankee who ever made a horse trade.

In fact, John L. Lewis insists the President got the best of him when he contributed \$470,000 to the New Deal campaign fund.

Be that as it may, one thing is certain. If there is any Federal money around loose, or if Federal money can be borrowed, the New Deal administration and some of its supporters, if they run true to form, will see to it that it is so invested as to bring returns in votes at the coming election.

You may remember that CARTER GLASS said in the Senate on June 24, 1937, page 6284, of the CONGRESSIONAL RECORD, that:

The last election was carried by people who were getting favors from the Government; people who were subsidized by the Government; people who were on relief rolls, and people who were sanctioning the invasion of private property and its occupation, as is being done now.

Some of us are wondering whether the President and the Mrs. are out trying to buy another election.

### American Youth Congress

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

### ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address of the President of the United States delivered from the south portico of the White House to the delegates of the National Citizenship Institute of the American Youth Congress on February 10, 1940.

Mr. LEE. Mr. President, will the Senator yield to me to allow me to quote one sentence from that reassuring, patriotic address?

Mr. BARKLEY. I yield.

Mr. LEE. I desire to quote, for emphasis, part of one sentence in that speech:

Nor am I precluding the right of any Americans, old people or young people, to advocate improvements and change in the operations of the Government of the United States on one very simple condition: That all of you conform to the constitutional processes of change and improvement provided in the Constitution itself.

I thank the Senator.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, you who are attending this institute, whose primary aim is to obtain further knowledge of the democratic processes of American government, are very welcome at the White House today. The same welcome is open to all citizens, or prospective citizens, or junior citizens who believe in the form of government under which the United States has been living with reasonable success for more than a century and a half.

In saying this I am not denying to you in any way the rights of free assemblage, of free petition, and of free speech; nor am I

precluding the right of any Americans, old people or young people, to advocate improvements and change in the operations of the Government of the United States on one very simple condition: That all of you conform to the constitutional processes of change and improvement provided in the Constitution itself.

It is a good thing that you young people are interested enough in government to come to Washington for a Youth Citizenship Institute, because one of the hardest problems today is the indifference of so many people to the details and the facts of the functioning of their own government.

I have said on many occasions that the greatest achievement of the past 7 years in the United States has been, not the saving of the Nation from economic chaos, not the great series of laws to avert destitution and improve our social standards, but that it has been the awakening of many millions of American men and women to an understanding of the processes of their own governments—local, State, and Federal. It is a fact that in every community, large and small, people are taking a greater interest in decent government, in forward-looking government, than ever before, and that the words of Lincoln in regard to fooling people are infinitely more true today than they were in the sixties.

The past 10 years have proved certain obvious facts—some negative, some positive.

We know that the prosperity of the twenties can properly be compared to the prosperity of the Mississippi Bubble days before the bubble burst—when everybody was money-mad, when the money changers owned the temple, when the Nation as a whole forgot the restraint of decent ethics and simple morals, and when the Government in Washington gave completely free reign to what they called individual liberty and the virtual ownership of government itself by the so-called best minds, which wholly controlled our finances and our economics. During those 10 years you cannot find a single statute enacted for the restraint of excesses nor for the betterment of the permanent security of the individual. That is a straight-from-the-shoulder fact which the American public fortunately has not forgotten.

It is also a simple straight fact that 1930, 1931, and 1932 saw the collapse and disintegration of the philosophy of the twenties, followed in February and the first 3 days of March 1933 by an acknowledgment on the part of those who had been the leaders that they could no longer carry on.

Last Monday at a press conference I repeated certain comparisons between 1932 and 1939. These facts were misstated and twisted by many newspapers and by some politicians seeking office. Because of this, and because I am on a national hook-up, I repeat the figures.

The national income has increased from \$40,000,000,000 in 1932 to sixty-eight and one-half billion dollars in 1939—plus 71 percent.

Wages and salaries have increased from \$2,400,000,000 in December 1932 to \$3,888,000,000 in December 1939—plus 62 percent.

Weekly pay rolls increased from \$80,000,000 in December 1932 to \$197,000,000 in 1939—plus 145 percent.

Cash farm income increased from \$4,700,000,000 in the year 1932 to \$7,700,000,000 in the year 1939; and with the addition of farm-benefit payments of over \$800,000,000 to a total of eight and a half billion dollars—plus 82 percent.

Dividends of corporations that were received by individuals increased from \$2,750,000,000 to \$4,250,000,000—plus 55 percent.

It is true that our population has gone up 6 or 7 percent since 1932; but where 27,000,000 people were employed in nonagricultural pursuits in December 1932, 35,000,000 people were similarly employed in 1939—a gain of 28 percent.

You have heard of certain local or special opposition to our foreign-trade policy. Listen to this: Our exports for the calendar year 1932 were worth a billion six hundred million. In 1939 they were worth nearly three billion two hundred million—an increase of 97 percent.

I am repeating these figures on the air because not one citizen in a hundred read them in the papers last Tuesday morning.

Furthermore, I remarked last Monday that interest received by individuals in 1939 was 9 percent less than it had been in 1932. I am proud of that, because it means that the exorbitant interest rates on mortgages and on loans of all kinds in 1932 have, because of Federal action, been reduced to a lower and more humane rate to people who had to borrow money for themselves individually or for themselves as participants in many varieties of business.

Finally, I said last Monday—and this was the part that was most seriously mangled and garbled by certain types of papers and certain types of politicians—that the total debt of all of the people of the United States, private debt, State and local government debts, and the debt of the Federal Government was less in 1939 than it was in 1932. That is a simple fact—somewhere around \$2,000,000,000 less—in a nation which has six or seven million people more in it than 8 years ago.

Why am I giving you all these figures? First, to remove fears, fears which are subtly instilled in your minds by a propaganda of which you are well aware. The other day I saw an old friend, born, if you like, with a silver spoon in his mouth; moving, if you like, in so-called social circles; a decent citizen who, while he has never held public office, has tried to understand the tendencies of the times. He said to me, "I have come to the conclusion that there is no use in my trying to argue with certain types of the older generation, because all they do is to hope that some miracle will restore the period of 30 years ago when they did not have to think about social problems; when taxes on the rich were comparatively low; when nobody was worrying about social security, or organized labor, or wages and hours, or the supervision of security offerings,

or the regulation of the management of banks." He said, "I am past 50, but I recognize full well that those days, thank God, will never come again; and, furthermore, that a great majority of the people today who want to see a liberal administration of government turned out and replaced by a conservative administration of government are really wishing down in their hearts for a return of the social and economic philosophy of 1910."

And now a word of warning to you who are voters and you who will soon be voters—several words of warning.

Don't seek or expect utopia overnight. Don't seek or expect a panacea, a grand new law that will give you a hand-out, a guaranty of permanent remunerative occupation of your own choosing. I told one of your members a couple of weeks ago, somewhat to his surprise, that ever since I became Governor of New York in 1929 I have been receiving in every mail a sincere, honest proposal of some panacea, one of them, two of them, three of them every day. These plans have not been put in the wastebasket; they have been subjected to the closest scrutiny by honest liberals who have hoped that somebody would hit on something that would save us all a lot of time and a lot of worry. It is clear that no such plan exists.

Take, for example, the question of the employment of old people and the employment of young people. You young people must remember that the problem of the older workers is just as difficult as yours—that when people slow up, when they have reached the age when one can reasonably expect no great improvement or imagination in their work, they find it very difficult to get a job. We have not solved the problem of older people and the solution of that problem is evolutionary. We have made beginnings with the Old Age Pension Act, but we know that it is only a beginning and that through the next 10 or 20 years the system must be extended and improved. Ham and eggs, and other plans will not do it because they are all open to the simple objection that they either print so much paper money that the money would soon be worthless or that the whole burden would be placed on the shoulders of the younger workers.

In the case of jobs for you young people, let me make it very clear in the beginning that it is not at all certain that your opportunities for employment are any worse today than they were for young people 10 years or 20 years or 30 years ago. The problem of jobs for young people is vastly more difficult than it was 100 years ago because in 1840 the great open spaces of the West were crying aloud for willing hands—but today the physical frontiers are gone.

Yes, you and I have a very distinct problem. You and I know that industrial production calls for fewer hands per unit because of the improvement of machinery. I have given you the figure showing that weekly pay rolls are 145 percent bigger than in December 1932. That does not mean that 145 percent more people are employed. Obviously not. Fewer people are needed to produce the same volume of goods. And one of the things that disturbs me greatly is that in the present pick-up of industry, it is cheaper for most factory managers to work people overtime, even at double pay, than it is to put on an extra shift.

This means, in effect, that we have not yet found the method of spreading employment to more people when good times come.

It means, too, that we have not yet eliminated the terrific peaks and valleys of production and consumption. We have made definite gains. We hope and believe that we have found the way to prevent a recurrence of the collapse from the high point of 1929 to the low point of February 1933. We have not stopped the swing of the pendulum but we believe we have greatly circumscribed the width of that swing from one extreme to the other.

Therefore I suggest again that on social and economic matters you and I are substantially in agreement as to the objective but that there are some of you who think that objective can be gained overnight. I don't. I do believe, however, that all of us can make definite strides toward that objective if we retain a government which believes in the objectives wholeheartedly and which is bent on working toward it as fast as the people of this country as a whole will let us. That, in the long run, is a reaffirmation of our faith in democracy.

One final word of warning: Do not as a group pass resolutions on subjects which you have not thought through and on which you cannot possibly have complete knowledge. This business of passing resolutions at conventions of patriotic societies, of chambers of commerce, of manufacturers' associations, of peace societies, of youth congresses, is a perfectly legitimate American habit, just as it is a fact that there are many thousands of organizations for almost every conceivable objective which are kept going, unwittingly, in order that executive secretaries, legislative agents, and other officers may find so-called useful employment. Hence the flood of lobbyists in Washington, of special counsel, of hired writers, which literally infests the halls of the Congress and the anterooms of all the agencies of the executive branch of the Government today. And I am not forgetting some of the visitors who come to see the President himself.

I have in mind the type of organization which passes resolutions on some matter of the utmost complexity—in the field, for example, of national defense or international economics—some situation on which there may be not two opinions but a dozen, some situation on which the policy of the moment must be formed by those who have given deep study to every phase of the problem. Such a decision ought not to be influenced by any gathering of old or young, local or national, which gets a smattering of the subject from two or three speakers who themselves have but a smattering of the necessary knowledge.

One of the big local American Youth Congress Councils, I am told, took a decisive stand against the granting of American loans to Finland—not on the ground that we ought to spend the money here among our own needy unemployed, but on the ground that such action was "an attempt to force America into the imperialistic war." That reasoning was unadulterated twaddle, based perhaps on sincerity, but at the same time on 90-percent ignorance of what they were talking about.

I can say this to you with a smile because many of you will recognize the inherent wisdom and truth of what I am saying. Here is a small republic in northern Europe which, without any question whatsoever, wishes solely to maintain its own territorial and governmental integrity. Nobody with any pretense at common sense believes that Finland had any ulterior designs on the integrity of the Soviet Union.

That American sympathy is 98 percent with the Finns in their effort to stave off invasion of their own soil is by now axiomatic. That America wants to help them by lending or giving money to them to save their own lives is also axiomatic by now. That the Soviet Union would, because of this, declare war on the United States is about the most absurd thought that I have ever heard advanced in the 58 years of my life. That we are going to war with the Soviet Union is an equally silly thought; and, therefore, while I have not the slightest objection in the world to the passing of futile resolutions by conventions, I do think that there is room for improvement in common-sense thinking, and definite room for improvement in the art of not passing resolutions concerning things one knows very little about.

And so I suggest that all of you smile and don't do it again.

More than 20 years ago, while most of you were very young children, I had the utmost sympathy for the Russian people. In the early days of communism I recognized that many leaders in Russia were bringing education and better health and better opportunity to millions who had been kept in ignorance and serfdom under the imperial regime. I disliked the regimentation under communism. I abhorred the indiscriminate killings of thousands of innocent victims. I heartily deprecated the banishment of religion, though I knew that before long Russia would return to religion for the simple reason that four or five thousand years of recorded history have proved that mankind has always believed in God, in spite of dozens of abortive attempts to exile God.

I hoped that Russia would work out its own problems and that their government would eventually become a peace-loving, popular government which would not interfere with the integrity of its neighbors.

That hope is today either shattered or put away in storage against a better day. The Soviet Union, as a matter of practical fact, known to you and known to all the world, is a dictatorship as absolute as any other dictatorship in the world. It has allied itself with another dictatorship and it has invaded a neighbor so infinitesimally small that it could do no injury to the Soviet Union, and seeks only to live at peace as a democracy; and a liberal, forward-looking democracy at that.

It has been said that some of you are Communists. That is an unpopular term these days. As Americans you have a right to call yourselves Communists. You have a right peacefully and openly to advocate certain ideals of theoretical communism; but as Americans you have not only a right but a sacred duty to confine your advocacy of changes in law to the methods prescribed by the Constitution of the United States—and you have no American right, by act or deed of any kind, to subvert the Government and the Constitution of this Nation.

That, I am confident, receives the overwhelming support of the great majority of your organization and of every other large organization of American youth. The things you and I represent are essentially the same and it will be your task, when I am gone from the scene, to carry on the fight for a continuance of liberal government, an improvement of its methods, the effectiveness of its work. Above all, we must help those who have proved that they will try everlastingly to make things a little better with each succeeding year. Keep your ideals high, keep both feet on the ground, and keep everlastingly at it.

## Government Expenditures and the Budget

### EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

RADIO ADDRESS BY HON. JAMES F. BYRNES, OF SOUTH CAROLINA

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered



over the radio by the junior Senator from South Carolina [Mr. BYRNES] on February 11, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A few weeks ago Senator TAFT undertook to qualify for a prize by specifying how he would balance the Budget. He stated he was opposed to increasing taxes and would balance the Budget by reducing expenditures. He was boldly specific on a few small items and magnificently vague on the larger items.

Starting to reduce the Budget from \$9,000,000,000 to \$7,000,000,000, he marked for destruction a number of highly useful agencies. The list sounded as if it would save big money. It included agencies like the Disaster Loan Corporation, which made relief loans to the flood sufferers in the Ohio Valley and the tornado sufferers in New England. It is maintained as a part of the R. F. C. to collect the money due on those loans. I have examined the Budget submitted by the President for the next year. If you eliminate the amounts asked for all of the agencies marked for abolishment by Senator TAFT, you would save out of next year's Budget \$5,328,000. That would make it necessary for the Senator to cut out of the Budget an additional \$1,995,000,000.

He suggested that public works be ended. Well, there is no request for P. W. A. for the next fiscal year. He said he would make some cuts in agricultural appropriations, but he did not say what appropriations. He would take it out of the hides of the farmers, but he would not specify what part of the hide. He came out flat-footedly in favor of eliminating waste. We are all in favor of eliminating waste, just as we are all in favor of "America for Americans," and in favor of "the women, God bless them!"

As to national defense, constituting almost one-fourth of the total Budget, Senator TAFT said it should be "subjected to critical analysis." Of course, it should. And so should every request for any purpose. But you cannot balance the Budget merely by analyzing requests. The only other specific suggestion the Senator made was as to the appropriation for work relief. The President asked for \$1,000,000,000 for next year. Senator TAFT said he would cut it to \$750,000,000. That means a saving of \$250,000,000. It leaves the Senator's budget unbalanced by the sum of \$1,745,000,000.

Now, let us subject to "critical analysis" his suggested cut in relief appropriations. For this fiscal year ending June 30 the Federal Government will spend \$1,400,000,000 for work relief. Senator TAFT would cut this in half for the next fiscal year beginning July 1. That means he would dismiss from the rolls one-half of the people who are now working.

The day after Senator TAFT made his proposal, the Republican Governor James, of Pennsylvania, complained about the cutting of the W. P. A. staff and work in Pennsylvania. Then Mr. Thomas Dewey, another Republican who has talked a great deal about balancing the Budget, became envious of Mr. TAFT talking about economy. He declared he believed in reducing expenditures in the "hard way," and cited figures to show that as district attorney he spent a couple of hundred thousand dollars less a year of the taxpayers' money than his predecessor. But he forgot to tell us that in order to bring about that reduction of expenses in his office he had gotten \$90,000 from W. P. A. He forgot to tell us that he had complained to W. P. A. that the discontinuance of this W. P. A. project in his office would be "nothing short of a calamity in the administration of criminal justice in New York County." That certainly was one W. P. A. project that the Republicans will not call "boondoggling."

Harry Hopkins could not cause a calamity in the administration of justice in New York, so he let Dewey keep the W. P. A. workers—and Jimmy Hines was convicted. If because Hines goes to jail Dewey goes to the White House, Harry Hopkins should be Vice President.

Now, I do not know when Senator TAFT reached the conclusion that the unemployment situation was such that we could safely cut to \$750,000,000 the appropriation for work relief. On June 28, 1939, just 7 months ago, there was introduced in the Senate a bill, S. 2721, which provides that for relief and work relief "there is hereby authorized to be appropriated for the fiscal year ending June 30, 1941, the sum of \$1,250,000,000." That is the same year for which the Senator now says the appropriation should be \$750,000,000. That bill was introduced by three Senators. One was Senator BARBOUR, of New Jersey, who, I understand, is a supporter of District Attorney Dewey. The second Senator was the Senator from Michigan, Mr. VANDENBERG. The third was the distinguished Senator from Ohio, Mr. TAFT. That bill is pending before the committee of which I am chairman. Because it represented, as I thought, the collective wisdom of the Republican Presidential candidates, I studied it. I looked forward to the day when they would ask for a hearing. They have not asked, and now Brother TAFT has run out on them.

When this bill was introduced last June, the amount appropriated for work relief for the current year was \$1,500,000,000. Some suspicious persons might think that these candidates fixed their figure at \$1,250,000,000 just to show they were more economy-minded than the President. And they might suspect that when the President in his Budget estimate for the year beginning next July 1 asked only \$1,000,000,000 for relief work, Candidate TAFT had to have an issue, and therefore quit Candidate VANDENBERG and fixed the relief figure at \$750,000,000.

But I do not believe that. I believe Candidate TAFT was sincere. He is a wonderful fellow. He just changed his mind. I believe that Candidate VANDENBERG was sincere. He, too, is a wonderful fellow. I am confident that when the relief bill is considered he will move to increase the amount from \$1,000,000,000 to \$1,250,000,000. I am

going to rely upon Senator TAFT to help me defeat the Vandenberg amendment. But I warn him now that if Dewey still has those W. P. A. workers in his office he will be found working against us.

The Budget should be balanced. It requires, however, the services of a surgeon and not a blacksmith. We cannot balance the Budget in 1 year. We can profit by experience. In 1937 we made a too drastic reduction of Government expenditures in a short period, and by doing so delayed recovery. There must be a gradual reduction. Republican businessmen now realize that until private industry furnishes more employment there must be some public works. They would be the first to cry for aid if we followed the advice of Senator TAFT and overnight reduced the Budget from \$9,000,000,000 to \$7,000,000,000.

We cannot balance the Budget by indulging in generalities about lack of confidence. If there is lack of confidence, how did we during last December produce more goods than ever before? Lack of confidence exists principally among the Republican politicians. The figures published by the Federal Reserve Board last week show that for the last quarter of 1939 industry produced more than it did in the last quarter of 1929, the boom year of all times. We produced more than ever before with 1,000,000 fewer persons employed. That was due to machines displacing workers. You will appreciate the unemployment problem when you consider that we had 1,000,000 less people at work than in 1929, and at the same time we had 5,750,000 more people of working age. Should we cut \$2,000,000,000 out of the Government's Budget today we would increase unemployment. We would impair the purchasing power of the people, retard recovery, and reduce the amount of taxes to be collected next year. But with business daily improving and the national income increasing we will have increased revenues and can balance the Budget without destroying activities of the Government that are demanded by the people and are essential to the welfare of the people.

Under the Democratic administration remarkable progress has been made in increasing the national income. In the fiscal year 1939 the national income was up 71 percent compared with the last Republican fiscal year of 1932. Cash farm income was up 82 percent. You will find on the business page of your newspaper a statement of increased sales and increased net profits by every well-managed corporation in America reporting.

If the newspapers would publish on the first page the reports of the net earnings of the industries of the Nation instead of the pessimistic prophecies of politicians, there would be a further increase in confidence and a further increase in employment.

The Government has spent money, but this money has gone to build up our national resources, to conserve the health and the morale of our citizens. It has made possible the reduction of the debts of local governments. It has built courthouses, hospitals, roads, airports, sewerage systems, and paving projects which were formerly constructed by local governments with taxes levied upon the homes of the people.

If you ask Senator TAFT about the part of the national debt represented by loans to business enterprises, he would have little complaint. He would object to that part of the debt which was incurred by the appropriation of \$5,000,000,000 for public works in March 1935. Well, just remember that when that bill was voted upon in the Senate, had every Democrat left the Chamber, the bill would have been passed, 13 Republicans having voted for it and only 10 against it. On the \$3,000,000,000 public-works bill of June 1938, 7 Republican Senators voted for and 7 against it. I think it was justified. You may think differently. But even if you do, I think you will agree with me that it comes with poor grace for the Republican Party to complain of a debt they themselves helped to create.

The President in his Budget message recommended a reduction of expenditures for the next fiscal year of \$675,000,000. This is a conservative Budget. He wisely gave warning that the Budget was based upon the assumption that current levels of business would be maintained and that, if conditions changed, the appropriations for work relief and agriculture might have to be modified. The Democratic Congress has reduced some appropriations below the estimate of the President. I am confident the total of all appropriations will not exceed the estimate of the President. We are going to balance the Budget. Balance it by the increased revenue resulting from economic improvement. Balance it by reducing expenditures. But we are not going to make the entire reduction at the expense of the farmers and the unfortunate unemployed of the Nation.

### Lincoln's Birthday Address

### EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (Legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an impressive address delivered by the senior Senator from Michigan [Mr.

VANDENBERG] at St. Paul, Minn., on February 10, 1940, before a Republican rally celebrating the anniversary of Lincoln's birth.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am happy to be in Minnesota to present my warmest compliments to your brilliant young Governor Stassen who spectacularly captured his home State 1 year ago and who subsequently captured Washington with his irresistible Gridiron Club address last December. He seems to have a capturing capacity. It is a good thing for divers and sundry Republican Presidential candidates that there is a constitutional age limit at 35.

I am glad to be here on this particular occasion—to join with you in celebrating this annual Lincoln anniversary. So long as memory survives, this man of God, this son of destiny, will be enshrined in the American heart—not only as the savior of the Union, not only as the emancipator of a race, not only as the highest embodiment of self-made genius, but always and forever as the supreme personification of the spirit of democracy in its finest faith and truest form.

One cannot speak of Lincoln without thinking of Gettysburg, and the speech that still stands as the greatest utterance in the English language. But one cannot speak of Lincoln and Gettysburg without thinking of that regiment of patriotic youth—the First Minnesota—the first to answer Lincoln's call for volunteers in 1861—the first in the annals of modern warfare in the percentage of its casualty loss—600 youthful martyrs ordered into the valley of the shadow to stop 15,000 troops in Pickett's charge, 600 Minnesota high-school lads who laid their lives upon the altars of their patriotism and made it possible for Union reserves to reach this vital spot and stem the tide—600, of whom but 57 lived to see their country's flag again. It was the turning point of Civil War. On Lincoln's night—and it would be with his benediction—I bring to you the Nation's respect and love for the rich memory of the loyal sons of Minnesota.

Lincoln was the first Republican President of the United States. Put his character and his tradition long since burst these bounds. He belongs to every American who loves his native land and kneels to the Constitution of this imperishably reunited country.

Yet the fact remains that he was the first Republican President of the United States. Four years later, still running as a Republican, he was the first coalition President, uniting behind him all like thinkers, regardless of party affiliations, who put the welfare of their Nation ahead of every other hope.

And there, my fellow citizens, is the pattern for us in 1940. It is our Lincoln heritage. It is our Lincoln admonition. Once more America is at the crossroads. Once more a critical hour of tremendous decision impends. It is the responsibility of Lincoln's party to save the American system of free enterprise and free men under the renewed spirit of constitutional democracy and to recapture prosperity for our whole people under a Government restored to sanity and solvency. In my view it must strive to create common ground upon which all like thinkers may unite to produce an administration for all Americans in which a prepledged, one-term President is manifestly free of all incentive but the one and single job of saving America.

The founding fathers constitutionally decreed that the Federal Government should have strictly limited powers so that hard-won personal liberty might endure. They knew the dangers of concentrated autocracy. That is what they fought against. They knew the vital importance of State sovereignty and home rule so that control of government might remain close to the governed. They wanted no overlords.

The New Deal, on the other hand, decrees that the Federal Government shall have unlimited powers; that it shall reach for every possible control and dictation over the citizen's life and livelihood; and that when this unholy authority is dragged into Washington it shall be centered in an all-powerful Chief Executive who can do no wrong.

There lies the fundamental issue; and from it, in one form or another, flow most of our accumulated problems. When Roosevelt and the New Deal collide with Jefferson and the Constitution we stand with Jefferson, and so will a majority of the American people next November.

We are on the side of decentralized government, except where there is clearly no escape from centralized controls. We think this country is too big and too complex to be run under standardized discipline and compulsion from any one central point. We are on the side of "checks and balances," the greatest American contribution to the theory of democratic government, so that government shall be required to keep itself within freedom's bounds.

The New Deal is on the side of consolidated Federal authority, and then when it takes this pilfered power to Washington it is on the side of further dictatorial consolidation in the Chief Executive. It is on the side of subservient legislatures which shall be "purged" of any souls who resist the imperial will. It is on the side of subservient courts, which shall be "packed" if they resist the imperial goose-step. It is on the side of government by Executive decree. Its more fervid zealots are entirely logical when they speak up for a third Presidential term. It fits their dynastic picture perfectly. So would a fourth or fifth. Elections are but an annoying and needless interlude.

Next November the American people will umpire this dispute—this fundamental difference between two philosophies of government and life. There is no doubt in my mind what they will say.

They are tired of life on a flying trapeze. They are tired of experiments that never end and patent medicines that never cure. They are tired of bureaucrats, boondogglers, barnacles, "brain trusts," ballyhoo, and bankruptcy. An eloquent and decisive majority—composed of Republicans and brave Jeffersonian Democrats alike—will repudiate the repudiators of the American system. They will restore the spirit of the Constitution, the spirit of free enterprise, the spirit of free men; and in this congenial atmosphere of new independence and new confidence, they will launch America upon an era of unprecedented prosperity and joy.

Is there a realistic chance for this happy transition? Let us see. We have a frustrated economic impulse held back by a decade of depression and by the deadening hand of arbitrary New Deal interference and restraint. It strains at its needless leash and will leap to action at the first dependable sign of friendly interest and encouragement.

Since 1932 we have all but abandoned new investments, which spell new enterprise; and a vast accumulation of sterile bank accounts itch for profitable assignments which would spell new jobs, new wealth, new prosperity, and new opportunities for youth and age alike.

We have suffered 10 years of veritable stagnation in plant expansion and plant replacement until obsolescence is a well-nigh universal blight. A call for not less than twenty billions of capital goods awaits release to even bring us back to par.

Our vital consumer buying power is cruelly damaged by the poverty of 12,000,000 citizens who are still unemployed and who deserve real jobs at living wages, and by the shattered buying power of agriculture, which flounders in the morass of subsidized paternalism and deserves release to a living income. It is damaged, on the other hand, by the nonproductive diversion of national income to the heavy taxes that pay these bills and all the others incurred by a vampire bureaucracy which is the biggest and the costliest in history.

These corrections alone would turn the trick. We still have untouched frontiers.

Are these and kindred obstacles, which stand in the way of sound recovery, American style, insurmountable?

With all the emphasis and conviction at my command I answer "No." And I also answer that a majority of the American electorate, fed up with 8 years of synthetic socialism, will commission the party of Lincoln to this healing task.

In a word—and mind you, it is the word of the administration's own National Economic Council—"The American machine is stalled on dead center."

No one ought to know the reason any better than the New Deal President of the United States himself. From March to July of 1933 he saw the industrial production index of his country move from 59 to 100—the greatest volume of recovery ever recorded in a like space of time in human history. Why? Because for 100 days he was living up to his campaign promises to put the Federal Government on firm foundation; to protect the public credit; to balance the Budget; to encourage business. He was still remembering his own words—words which subsequently became his own epitaph—"Most liberal governments are wrecked on the rocks of loose fiscal policy." At the end of 100 days, he completely reversed himself. He went off on a pell-mell spending spree and in pursuit of economic dictatorship. The result was a bankrupt utopia which never arrived. He built confidence and then he destroyed it.

But that's not all. The President has another reason for knowing what it's all about. From May to December 1939, the industrial production index rose from 92 to 128. It probably will keep on rising. Why? Because of a war abroad? No; except in incidental degree. Chiefly because the war has so intrigued the Presidential imagination that he has temporarily quit his domestic vivisection (and he hopes that the country will forget them, too). Chiefly because he has once more turned economist. His eighth annual promise of "sound fiscal policy" bears more evidences of reality than any of its six sterile predecessors. Ordinarily election years scare business. But 1940 is a phenomenon. This election year scares the President. And the country benefits as a result.

I fervently hope and pray that the present timid recovery trends—born of the first hope in 7 years that the Corcorans and the Cohens and all the other Jupiter-minded bureaucrats who think the American people ought to be herded into kindergartens—will preserve. But that is beside the point. The point is that the experience of the New Deal itself shows the basic answer to our national problem. When it "lays off," we swim. When it "lays on," we sink.

The trouble is that "purges" and "appeasements" rotate in such breathless fashion that no sustained confidence is possible. The famous "off again, on again, gone again Finnegan" was positively static compared with Uncle Sam on his New Deal merry-go-round.

The same President who deliberately divided the country into bitter factions, calling some "economic royalists" and "Tories" if they happened to be able to continue to meet their own pay rolls, and inviting class to war on class, now blandly says that "bitterness and vituperation" are "hurtful in the domestic scene." Right; but how long will the conversion last?

The same President who machine-gunned our constitutional "checks and balances," who ruthlessly sought to bind an independent Supreme Court on his imperial chariot wheel, and who has gathered unto himself more executive authority than exists outside of completely totalitarian states; this same President now decries the destruction of "all the . . . political standards which mankind, after centuries of struggle, has come to cherish most." Nice; but how long will the conversion last? By the way,



it was followed significantly within 2 weeks by a typical proposal to let the Chief Executive nationalize our industries whenever he might proclaim a peacetime emergency. And yet they wonder why we can't sleep nights!

The same President who promised to reduce Federal expenditures 25 percent—and, instead, increased them 300 percent—now says he “marvels at the glib generalities” of our would-be Budget-balancers. Well that can mean but one thing: we must have elected a “glib generality” President of the United States in 1932.

The same President who angrily told all dissident Democrats in his speech at the Jackson Day dinner in 1939 to go join the Republican “tweedledees,” now gently beckons them all back again in his coy Jackson Day speech for 1940. He wants a “united party” this election year—but for what purpose is still a gleeful mystery in his own undisclosed ambitions.

All these contradictions—and many more—are utterly baffling and wholly destructive of the popular confidence which must precede general recovery. Partisan critics may sneer at this basic plea for confidence all they please. But the cold, hard fact remains that until the country knows that it is headed in one direction and the right direction for keeps, its economic recovery will be as spasmodic and as discouraging as the course of its haphazard, joy-riding Government.

Well, you ask me, what's the answer? Is it to scrap the New Deal, lock, stock, and barrel?

Let's be frank about that. Despite all that I have said and shall still say, the answer to that all-embracing question is “No”; and you couldn't, even if you would, because there is no way to retrieve the eggs after you have made an omelette—and heaven knows we confront an omelette, to put it mildly. Furthermore, whether you like it or not, some of these social-minded objectives are here to stay. New times produce new problems and new problems often present new needs. No; the answer is that we must wisely balance yesterday against tomorrow—experience against necessity. We do not weaken our indictment against the New Deal by finding spots of good in it. On the contrary, we strengthen our indictment by displaying a sense of discrimination and good faith. That is what the people are doing and it is what they expect of us. The answer is that we must scrap the bad; improve the good; live by the spirit of the Constitution; quit reckless innovation; make government solvent; give legitimate American free enterprise a sustained chance; restore a maximum of home rule in States and local communities; say what we mean; mean what we say; and go forward in one consistent and dependable direction all the time.

The President once correctly said that if we could raise the national income from sixty billions a year to eighty billions a year most of our problems would automatically disappear. But his trouble is that the New Deal tries to make an \$80,000,000,000 country out of a \$60,000,000,000 country by spending the difference. It has put appropriations higher and peacetime taxes higher and national debts higher than any administration in American history. Its own brilliant, sound-headed ex-Under Secretary of the Treasury, John Hanes (who like other brilliant, sound-headed Treasury assistants is no longer connected with the Treasury), put it this way: “We have developed a \$10,000,000,000 appetite with a \$5,000,000,000 pocket-book.” These gentlemen who rode into power in 1932 on a promise of retrenchment have stopped at no bonanza in attempting to fertilize prosperity with other people's money—and they have completely failed to answer anything. At their last Jackson Day dinner, after celebrating their affinity for common folk with terrapin and champagne at \$100 a plate, they toasted debt-paying “Old Hickory” in \$42,000,000,000 worth of red ink. What a cruel travesty. And what a grim imposition upon the hopes and needs of those who are still victimized by depression, on the one hand, and by the New Deal on the other. You cannot make a silk purse out of a sow's ear, and you cannot build a solvent prosperity around an insolvent public treasury. Balanced books, unfortunately, are more important than fraside chats.

We have tried spending and borrowing and pump priming. We have tried clamping down on private business with punitive taxes and with “planned economy”—usually planned by despotic bureaucrats who never met a pay roll in their lives. It hasn't worked. It never will. The way to make an \$80,000,000,000 country—yes, a \$100,000,000,000 country—is to let American business earn the difference and put it into new wealth. Wealth has to be created before it can be shared.

What to do? Do everything to legitimately encourage free enterprise and the honest profit motive in private business. Undo everything which needlessly discourages business and aggravates the uncertainties and the timidities which hamper success and prosperity. Do everything that puts Government itself on dependable foundations. Undo everything that makes Government wobble and needlessly puts it in the way of recovery and reemployment.

Here are a few specifications. Stop the hymns of hate which dynamite us into devastating factions. Quit Government competition with private business and reduce regulation to whatever real necessity requires in the obvious public interest. Demobilize the bureaucrats; scrape off the pay-roll barnacles. Repeal the floating Presidential money powers so that our currency is tied to something more substantial than the Presidential whim. Stop buying all the gold and silver in the world at swollen prices, when we already have twice as much as we can use. Yes; stop buying gold from Russia at \$35 an ounce which Russia produces for \$11 an ounce—and puts the profit into execrable war upon Scandinavia. Put our tariffs on a dependable cost-of-production basis, so industry and labor and agriculture may know what to expect. Remove all “tax deterrents,” as identified by the present Treasury itself, and substi-

tute “tax incentives” to the profits system. Amend the Securities and Exchange Act to remove needless obstacles to new financing while retaining all protections against piracy. Amend the Wagner Act to remove needless and costly and discouraging frictions in labor relationships, and separate the functions of the National Labor Relations Board so that judge and prosecutor are not in one tyrant, yet zealously protect every essential element of free collective bargaining. Quit all new social schemes and all new subsidies, no matter how worthy or persuasive, until we have found a way to pay for those already in existence. Eliminate costly overlapping duplications in Federal, State, and local service, and give home rule the preference wherever possible. Another brilliant, sound-headed ex-Under Secretary of the Treasury, T. Jefferson Coolidge, who, like a long line of other brilliant, sound-headed Treasury assistants, is no longer connected with the Treasury, put this latter thing this way: “We see today consolidated Federal powers destroying the foundation, while, under the spell of unsound reasoning, the people are surrendering their rights and liberties; only by a return to the principles of State sovereignty over its citizens can our democracy endure.”

But to continue the specifications. Pay as much attention to the man from whom we take a dollar as to the man to whom we give it. Stop the Houdini business of deliberate deficit spending and admit once more that thrift is more prudent than debt. Maintain reasonable relief for all deserving citizens who are still victimized by this needlessly prolonged depression, but unify it under State responsibility, with necessary lump-sum appropriations from the Federal Treasury, thus reducing costly overhead and waste and indefensible experiments and the political exploitation which plays politics with human misery. Balance the Budget as rapidly as sound business judgment will permit. Restore the spirit of the Constitution to complete authority so we may be sure this is going to continue to be a government of laws and not of men. Stay out of war. Quarantine the third termites. And then watch the country boom.

With just one question I would deal in greater detail. It is the question of agriculture, in which I know this heart of the farm belt is deeply concerned. But in reality you are no more concerned than the rest of us, because there can be no stabilized prosperity for America as a whole until stabilized prosperity for agriculture gives the American farmer his fair share of the national income. The family-sized farm, run by its solvent owner, is still the core of American institutions.

Let the country be warned that it finally hurts itself if agriculture is subordinated or ignored, or if it is not given its full share of the American prosperity. But equally let agriculture be warned that it finally hurts itself if it seeks any undue special favors which tend to defeat general recovery, because general prosperity for all consumers of farm commodities is the surest, natural guaranty of farm success.

The fact remains that agriculture requires particular attention because of its particular status. In seeking to serve it, it is all very well to look beyond the seas for export customers. We certainly need all the export trade, for both agriculture and industry, we can profitably get. But the richest market in all this earth is right here among our own 130,000,000 people. When their mass buying power is restored and expanded, when they all, including the farmer, can buy not only subsistence but reasonable comfort, the farm problem in most instances, like many other problems, will have solved itself. So, while the first agricultural necessity is the restoration of general economic health throughout this stupendous home market, its ultimate indispensable necessity is that this rich domestic prize should be dedicated exclusively to the American farmer and the products of his American farm. There should be no competitive agricultural imports when domestic farm prices are below domestic parity. Here is one monopoly that is indispensably good—the monopoly of the domestic market, against all destructive alien competitors, in behalf of the whole family of American agriculture.

Except as we start from this base, there will never be a successfully sustained farm formula. You can try all the patent schemes you please. They will all collapse unless they start from this text: American markets belong to American farmers. Not even Secretary of State Hull can produce compensatory alternatives in alien lands, no matter how plausible he makes his free-trade theme and no matter how persuasively he pleads his low-tariff cause. I may add, parenthetically, that Secretary Hull's reciprocal trade treaty law represents a wholly unconstitutional delegation of tremendous legislative power to the President, indeed, greatly more power than was contained in the “elastic tariff” which Mr. Hull himself once condemned, under different political auspices, as “too much power for a bad man to have or a good man to want.”

But back to the immediate farm problem. These farms, even after they are nourished with the blessings of the American market, will need practical conservation of their soil. Soil is their capital account. Its depletion is creeping bankruptcy. Therefore, soil-conservation payments are a logical national investment. But they should go to voluntary cooperators. I emphasize the word “voluntary.” There should be no compulsory regimentation of our farmers as though they were peasants. Farmers today are often plagued quite as much by swarms of dictatorial bureaucrats as by grasshoppers or any other pest. Soil-conservation payments should go to voluntary cooperators under general congressional formula to assure equitable division and under guidance and administration of State land-grant colleges or State agricultural departments, and not under the whip and spur of Washington. They should go to voluntary cooperators, not merely in five specially privileged crops

but in all crops. It is prejudicial discrimination to call cotton, wheat, corn, tobacco, and rice our only basic crops, when milk, eggs, cattle, hogs, fruit, and truck produce and others are often greater or as great. When any of them voluntarily join soil-conserving programs they should have reasonable Treasury rewards.

There is another type of Treasury reward which interests me quite as much, "incentive payments" for growing products of which the Nation has not enough, and there are many such. The incentive-payment idea, the exact opposite of the unpopular, unhealthy scarcity restrictions, may be applied to expanding the production of crops now imported and to developing the production of crops for industrial uses. This latter field of action is one of the most promising and fruitful. On a vastly expanding scale the farm is becoming the source of industrial raw materials. But the surface of these possibilities is only scratched. Our genius should be urged to this attack on every front. "Farm chemistry" is the vital phrase. It is a slow process, but it holds more promise than all the balance of the alphabet which bureaucratic "jitter-bugs" at Washington are still juggling in their anxiety to catch up with their own mistakes.

In principle, crop loans are sound—so long as they are within limits which make Uncle Sam the lender and not the owner of the pledged commodity. But in the final analysis the farmer wants more markets, more direct access to them, and better prices rather than more loans. He does not need more debts. He needs a chance to secure his cost of production and a fair profit so he can pay his debts. In the long run he needs the same "two-price" system which has permitted closely organized industry to thrive on an American price in the domestic market and a competitive price in the world market. He will get it one day under the original self-supporting theory of the old McNary-Haugen bill, modeled down to date. He will get it when he is protected in an American price for that portion of a surplus crop which is domestically consumed and when the export portion of the surplus crop is taken off the domestic market and diverted to the world market at the best price that can be secured through negotiation with foreign countries or otherwise.

There are other things that ought to be said upon this subject but time forbids. Practical and efficient farm cooperatives should be encouraged and cooperative marketing agreements should be sympathetically extended. Careful experiments in crop insurance, despite contemporary losses, should continue.

Speaking generally, no man who is honest with the American farmer can say: "I know this is the way." But no man who is honest with the facts can deny that the haphazard and often contradictory experiments of the last seven guinea-pig years have not created vastly more problems than they have solved, and—despite some landmarks of progress that must be preserved—have often done agriculture more harm than good. We must start anew upon the trail of this age-old problem; and we must find the program—what to do and, equally important, what not to do—which produces an American farmer who once again is both prosperous and free—an American farmer who once again is his own happy and successful master.

I would briefly touch one other, final point. This distraught world is riddled with bitter, horrifying wars which wrench our hearts, ravish our ideals, and consume us with hatreds for sanguinary despots who extinguish the very lamps of civilization. Deep and impulsive emotions might easily drive us once more to these battle lines 3,000 miles away. But we must ever take counsel of reality. Reality says we cannot hope to control the destiny of power politics in the Old World. We tried it 20 years ago and failed. Reality says we must avoid entangling contracts. One such is our recognition of bloody Moscow which, as a result, is able, with our official benediction, to attack us from within just as treacherously as it attacks others from without. We have no business in any kind of partnership with such an outlaw. Reality tells us that our own stupendous obligation to democracy is to keep its torch alight in this New World. Reality warns us that if we enter this appalling conflict we shall come from it in bankruptcy and with our liberties in chains. Reality demands that we must avoid these wars by every effort consistent with national security and honor. We can stay out if we will—and stay out we must. When we are attacked, we shall respond with every man and every dollar beneath the flag. Until we are attacked, we shall hold our peace. America must be our exclusive, dominating dedication. America must be our passion. And none but devoted, single-purposed Americans must be put on guard.

Our battles, my fellow countrymen, are here at home. Distant horizons must not blind our eyes nor dull our senses to the nearer fact we, too, are in crisis—though it be of different sort. Our immediate enemies are not without; they are within. I would not temporize one instant with internal nazism at the right or internal communism at the left. I would clear this track for keeps. But neither would I compromise with any other ideology, however sweetly named, which—in the President's own language, describing the New Deal—might "provide shackles for the liberties of our people."

We are entirely surrounded by desperately vital problems. They affect not only the material well-being of 130,000,000 people. They threaten the very character of American life and institutions. They often menace individual freedom. They often hazard representative democracy. We cannot meet them in a spirit of numb reaction—as though the world was finished yesterday. But we dare not meet them in a spirit of contempt for history, tradition, and experience—as if there were no wisdom prior to 1932. We must put human rights ahead of property rights. Yet we must not forget that property rights are among the most precious and the most significant of human rights. Our call is to the high

middle ground of realistic common sense where liberalism and conservatism shall strike a happy balance for the common good.

It is our assignment, in the national destiny, to restore the spirit of constitutional liberty to American institutions; to restore the genius of free enterprise to American commerce; to restore real jobs to American men and women and protect their maintenance; to restore hope and confidence to the American people who shall move forward in the American way of life.

It is a desperately vital assignment. It must be accepted in the consciousness, to borrow Emerson's vivid phrase, that America is God's last chance to make a world.

## Legislative Program of American Legion

### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by me on February 10, 1940, on the subject of the legislative program of the American Legion and the American Legion Auxiliary.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a deep pleasure for me to discuss with you in general terms the legislative program of the American Legion and of the American Legion Auxiliary.

In discussing these legislative proposals, I should like to make it clear at the outset that these measures are still in the process of refinement and consideration by the Congress and by committees of the Congress.

The five-point legislative program of the American Legion and its auxiliary includes measures calling for a universal service law, a strong program of national defense, protection for widows and children of deceased World War veterans, preference for veterans in Federal employment, and a refinement of immigration, naturalization, and deportation laws.

While these are the specific planks of the Legion's legislative program, of even greater importance are the basic fundamentals which govern and motivate this patriotic organization.

With shells again plowing the soil of Europe—with men again being maimed and killed—the men who served in the last war, and the women of their families naturally are thinking and are working to keep this war from reaching American shores.

Members of the American Legion know all about war. They know from intimate experience the horror of armed conflict. Their wives—and their children—and the widows of those men who sacrificed their lives in service to their country, know first hand the futility and the brutality of that legalized mass murder to which nations unfortunately still take recourse.

The American Legion is asking that the President and the Congress pursue a policy that, while preserving the sovereignty and dignity of this Nation, will help guarantee our noninvolvement in today's European conflagration.

Its membership insists, also, that the American armed forces be expanded at the earliest possible moment so that they may be adequate for any emergency which today's world conditions may produce.

Specifically, the Legion asks that our Navy be second to none and that it be organized to defend our interests in both the Atlantic and Pacific oceans against any possible grouping of aggressors.

It urges that the Regular Army reach a peacetime strength of 280,000, with a National Guard of 426,000. It urges that military and naval aviation forces be fully and competently developed. It urges that reserve supplies be maintained sufficient for a force of 1,000,000 men for 1 year. In short, it urges that we pursue an adequate program of national defense.

Such a program would assist in insuring our Nation against any possible attack, even though that may appear to many of us to be a remote possibility at this time.

Such a program would be another effective method of insulating ourselves against quarrels and wars abroad.

There is thoughtfulness and logic in the contention that if America is strongly prepared for defense it will be able to go through the present period of war in peace.

Insofar as legislation to provide for the widows and children of men who served in the defense of this Nation is concerned, this Government has always taken the position that such protection and such provision is an obligation incumbent upon it.



However, it should be pointed out that such a policy has been carried out for the veterans of all wars in which this country has been engaged, with the exception of the World War.

That this is an injustice will appeal to many. Particularly does it become a burden to those unfortunate widows and children of deceased World War veterans.

The American Legion is requesting that this session of Congress remove this discrimination against the families of deceased World War veterans, and that it extend to them the same protection given to the families of deceased veterans of other wars.

This legislation, embodied in the bill H. R. 7593, is now under active consideration by the House Committee on World War Veterans' Legislation. A great deal of interest is manifested in the measure and an effort is being made to present the proposal to the Congress at this session.

Another long-established policy of the Federal Government has been to give those who served the country in time of war, preference in Government employment in time of peace. The American Legion has taken the position that, while we have some laws at the present time which provide such preference for veterans, those laws are, in some instances, ineffective and inoperative.

H. R. 7313, now before the House Committee on the Civil Service, contains the provisions advocated by the Legion.

Having in mind the serious unemployment conditions which prevail among many veterans, there seems to be a justification for liberalizing statutes which would give a preferential status to those who are badly in need of employment and who, by virtue of their service in the cause of the Nation, commend themselves as meriting special attention.

The question of Universal Service has been discussed during many sessions of Congress. In fact, practically every Congress since the World War has heard the appeal of the American Legion for a law which would provide equal service for all, with special profit to none in the time of war.

This is an important item in the Legion program, and one which has already received intensive study by committees of Congress. There is, however, no specific bill on the subject pending before Congress at this time.

While the principle of Universal Service has steadily gained more and more sympathetic support, the difficulty of writing into specific law provisions of this nature present a perplexing problem to any legislator.

The question of revising our immigration and naturalization laws, along the lines suggested by the American Legion, present controversial problems. The fundamental idea, however, of providing employment for American citizens, and of discouraging the migration to this country of undesirable aliens, will receive the endorsement of the mass of our people.

I do not believe that we are ready to close our doors to the friendless, the oppressed, and the unfortunate of other lands, but we are prepared to make this country an unwelcome breeding place for the cultivation and dissemination of any "isms" alien to free and representative government.

At a time like this, there must be in this country a strong, united, intelligent, program for peace. There must be a regeneration of moral and spiritual forces. There must be a unanimity of thought and action. There must be confidence and trust in leadership dedicated to our military noninvolvement in war. There must be no room in this country for the war monger, the jingoist, or the advocate of the un-American institutions.

There must remain here, however, an unlimited space for the statesmen and the patriots who will constructively, and intelligently prepare for the tomorrows which lie ahead.

Let noninvolvement in war be our supreme effort. Let peace be our constant endeavor and objective. Let a sound program of national defense and of progressive planning be our realistic undertaking.

The American Legion and the American Legion Auxiliary have exerted themselves for over a long period of years as forces militantly defending and advocating the institutions of free government and the perpetuation of American ideals. No organization is better equipped to understand the necessity for united endeavor—for mutual cooperation—and for a far-sighted leadership during this time of national and international distress.

Therefore, it marshals its forces to promote the cause of better government—of economic stability—and of human security in our Nation.

The current legislative program of the Legion has been arrived at after careful study of the needs of the veterans and their families generally.

I do not presume, however, that anyone will insist that this program is the ultimate in perfection, or that it provides against all possible circumstances in the future. Nevertheless, it is a decisive, concrete, and thoroughly practical program. It deserves the attention and serious consideration of every Member of Congress, and I think that it will receive much sympathetic treatment.

I have been happy to make these few observations and to add my voice in general endorsement of the principles laid down by the Legion leadership.

Most important, I believe, is the necessity for formulating and progressing a program which will strike at the vitals of our economic woes. That is a war which we must wage in peace at home.

The great forces of veterans' organizations will join, I am sure in allying themselves in the strengthening of American institu-

tions through an active and unrelenting warfare against economic instability, and social maladjustment, which find themselves thriving within our shores.

A crusade for an improved, domestic economy and an unceasing determination to remain at peace are the greatest contributions that can be made at this period in our Nation's history.

That is the broad, basic program which all of us must advocate, and to which all of us must subscribe.

## Youth and Government

### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. ROBERT H. JACKSON BEFORE AMERICAN YOUTH CONGRESS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address delivered by our able Attorney General, Hon. Robert H. Jackson, at the Lincoln Memorial meeting of the American Youth Congress in Washington, D. C., February 9, 1940.

There being no objection, the address was ordered to be printed in the Record, as follows:

Perhaps it is hard for you to imagine how flattering it is to such a well-worn youth as I to be invited to share the platform at a youth congress. For more reasons than one it is appropriate that you open your institute tonight with a memorial meeting for Abraham Lincoln. He was one Republican who would not have been afraid of you. Speaking of his long fight for human freedom, Carl Sandburg says of Lincoln:

"He knew that his best hopes for listeners to such an appeal were the young people. The 15- and 16-year-old boys who had read Uncle Tom's Cabin when it was published 6 years before Lincoln's 'house divided' speech had grown into 21- and 22-year-old voters. In what he was doing and saying Lincoln kept in mind the young men. He knew that the challenging radical tone of what he was saying about the Declaration of Independence would interest not only the foreign-born voters but also the young people of all classes, those to whom the American Revolution still had a breath of smoke and a banner of sacred flame."

And, as Sandburg adds:

"Perhaps after all only the young people with dreams and wishes in their eyes would understand his language. When his talk was ended and his language had failed to measure off all he wanted to say, it might be the young who would best understand the desperation of his dreams, the unmeasured lengths of the adventure he was for."

I do not know what your dreams are, and it probably will not be for me to experience the unmeasured lengths of your adventures. In any case, I am quite certain that I believe in your right to have your dreams and your adventures.

Of course, to some people this spirit of social and political unconventionality is terrifying, and to some people such an assembly of young people is a symbol of dark and nightmarish plottings against government. Lincoln, too, experienced that. A book written at the time of Lincoln's campaigns so exaggerated his real aims as to anger him. It said:

"Men once fairly committed to Negro slavery agitation—once committed to the sweeping principle that 'man, being a moral agent, accountable to God for his actions, should not have those actions controlled and directed by the will of another' are in effect committed to socialism and communism and to the most ultra doctrines—to no private property, no church, no government—to free love, free lands, free women, and free churches."

Thus it was sought to blast the dreams and ideals of the early Republican Party by labeling its antislavery sentiment as dangerous radicalism. Seems a little far-fetched today, doesn't it? But what seems more surprising is that the political party which has been trying to wear Lincoln's garments now refuses to associate with any of you youths because some among you are now labeled radicals and Communists. Of course, I do not know how dangerous you really are, but I do hope you are not so bad as to warrant the suggestion that you must clean up and purify yourselves in order to be worthy of a message even from the party of Warren Harding, Albert Fall, and Joe Pew.

I may be wrong about it, but it always seemed to me that a parent or a citizen who thought a youth in danger of great error was under an equally great duty to give patient and understanding counsel. That was the spirit and practice of Abraham Lincoln.

Convinced that he was right and that it was a duty and a privilege to set others right, he went out and sought to present his views to those who differed with him. He set before us the classic example of revealing his own thoughts in debate, in the generous confidence that out of the free competition of ideas the American people can be trusted to choose the best ones.

My embarrassment in speaking to you tonight is not from a sense of being holier than thou but from a confused sense of inferiority. While I try to be unconscious of the passing years, I am still vaguely aware of the mortality tables. They tell men of my age that, on average, you will be here long after we are gone. That means that our work, our capital, our institutions, and even our reputations will be left in your hands. Some men like Lincoln have grown in fame with posterity; others shrivel. The best we of today can do is at the mercy of time, and more time remains to you than to us.

Then, too, I am not so cocksure that my own generation has done such a good job in its time that I feel qualified to tell you what you should do with your lives in your allotted time. It would be too devastating if you should, as you probably would, reply, "Well, if you are so wise, why are you leaving us such a mess of wars and rumors of wars, of social strife, economic stagnation, and political reaction, which has overwhelmed much of the world and bedevils all of it?" I freely acknowledge that the world of today lives in a glass house and is not privileged to throw stones at those who are to follow.

It is, I admit, a little difficult for one of my generation to talk to you in terms of your own dreams and visions, for we cannot share them fully. After all, we are a different generation, and we are a trifle afraid of you. That because, while you are tossed about by the same storms as we, you are riding free, while we older ones are mostly anchored. Some of us are anchored to a little accumulation of property; some anchored to a prospect of accumulating. Some are anchored to jobs, or to social position or political affiliations, or to some of those things which are tangible assurances that we will "stay put." No matter how free we try to be, we are all tangled up in the existing order of things, and it is woven into us. We are part of the status quo.

And, too, no honest man can expect a free and hopeful youth to accept a status quo in which involuntary unemployment, foreclosed opportunities for independence, dependent old age, and so many injustices play so large and disastrous a part. We know we are leaving you an indefensible legacy. We know you are going to do something to it, and we don't know what. We know that you don't know what. We only know that the pattern of the future is in your minds, not in ours.

Although you do inherit a good deal of difficulty and confusion, you here in America are also the inheritors of things which have cost blood and sacrifice to win, and which you will find still worth preserving. We have a system—an imperfect one, it is true—but one which aims to give us government by consent of the governed. And in order that such popular will may be enlightened and freely known, there was established the right of free speech, and of the press, and of petition, as well as other liberties from restraint. These limitations are to protect your freedom against the persons you elect to office.

Of course, they are not the only persons from whom you will need to guard your liberties. Under our economic system grave injustices and inequalities may be perpetuated by men never elected to office, but who through economic advantage control jobs, or credit, or monopolize commodities, or who can otherwise strike at your means to live or your standard of living. From these sources come the greatest modern threats to your pursuit of happiness.

This democratic Government of ours was so fashioned as to be a power for your protection against such private injustice and exploitation and, at the same time, not to become an oppressor itself. It was placed in the hands of the people that they might stop wrongdoing by irresponsible private power, without becoming subject to irresponsible public power.

Time will not permit me to trace the steps by which this virile and strong Government envisioned by John Marshall was stealthily deprived of its power to curb private exploitations and injustices of an economic nature. The slave power feared a government strong enough to check it, and its penetrating influence was long dedicated to the task of restricting, through judicial decision, the power of the National Government. After Lincoln struck down that menace there arose the great combinations of finance and industry which found strong government an obstacle to their imperial designs for exploitation. By 1936 the National Government was reduced by judicial decision to its lowest efficiency.

It has seemed to me that the biggest task of the New Deal was to restore to this people's Government its original powers, lost through judicial interpretation. That is the task in which I have been chiefly engaged, and we are prepared to hand on to you a more effective Government than the one Franklin D. Roosevelt has had to work with. Consider with me a list of the things that he was told he could never, never do, but which we now are told the Government always really had a right to do:

When President Roosevelt took office the people were powerless to enact, either through State or Nation, a minimum-wage law to protect women. Both the States and the Federal Government now have that power.

President Roosevelt took over a Nation without power to enact a law dealing with child labor. We now have such a law.

President Roosevelt found a Nation with its power to protect the right of labor collectively to bargain condemned as unconstitu-

tional by a junta of 52 of the lawyers of America. The Nation has now won recognition of that power.

It was only about a year ago that we won the final decision of the Supreme Court confirming the power of this Nation to enact a valid farm-adjustment program.

It was only about 3 years ago that I sat before the Supreme Court on decision day to learn for the first time that our argument had prevailed and that a system of unemployment compensation could legally be undertaken.

Less than 3 years ago I was standing before the Supreme Court as a representative of this administration, pleading for the power to deal with the urgent problem of decent care for our growing population of aged and infirm. We were opposed by the conservative argument that the Nation could not take any step whatever to deal with old-age pensions. Now we have that power.

President Roosevelt found this Nation without power to aid a distressed industry like the bituminous-coal industry. The Guffey Coal Act was thrown out as wholly illegal in 1936. This year the Coal Commission won its first contest in the Supreme Court.

President Roosevelt found the power of the Nation to enact a public utilities holding company act challenged. Its power to impose common honesty upon great interstate utility combinations which had always been the purse of reactionary politics was doubted. We have won the power to do that.

He found the country without power to enact a municipal bankruptcy act to permit its cities and villages to restore financial order and credit where there had been overobligation from years of political looting or improvidence. We have won the power to do that.

He found it without power to tax the public officeholder's salary as it did other citizens' salaries. We have won the power to do that.

He found it without power to tax the salary of a Federal judge, as it did other citizens' salaries. Today the Nation has the power to do that.

In short, Roosevelt has won for the Nation that which he found it without adequate power to do—either to govern the powerful or to protect the weak.

The reason I call your attention in such detail to this change of constitutional interpretation is that I think it may answer in your mind, as it has in mine, grave doubts as to whether our Government could be made equal to solving its problems. Four years ago, as measure after measure of recovery and of reform were crushed as unconstitutional, I, too, was pretty despondent about the future. I did not and do not feel that the New Deal measures were the perfect nor even the best solution of our problems. The loss of these particular measures was not so serious as the loss of the power to enact any measures dealing with those admitted evils.

Before you look wistfully at any other form of government, let's see what we can do with this American Government with its powers thus restored. Here are old frontiers reopened to statesmanship. Here are new possibilities for the redress of grievances, restoration of lost opportunities and equalities. Of course, it will not move as fast as some would like, but our Government can move as fast as our underlying society and economy will assimilate changes, and efforts to move faster always produce countermovements that undo much of what has been accomplished. If the people are really determined they can now utilize our Federal Government to knock out old privileges and unfair advantages, to open the closed doors to individual opportunity, and to turn out unprecedented national wealth to a source of individual security.

I know full well that many people who talk of preserving this American system really mean only that they want to preserve the status quo and their advantageous position in it. But I would urge you to preserve our American system for an exactly opposite reason. Our system is really a great system for the changing of the status quo by peaceful and orderly means. Except in nations that have the device of popular elections, there is no way to repudiate and change a governmental policy except by force. Elections are the civilized substitute for force to keep a government abreast of public opinion.

I know that in many places abroad and in a few at home it is the custom to scoff at free government, to call democracy the "cult of incompetence," to complain of it as slow and compromising and outmoded. But if we were to grant all of those charges—which we need not—it is still democracy alone which preserves that priceless thing for which youth in all ages has searched—the dignity and worth of the individual.

With all our groupings and uncertainties we have in America held to that ideal. If our practice does not measure up to the ideal, then that discredits not the ideal but only the weakness of our efforts. You live in a country where the individual may listen to his radio even if what he hears does him no good. The individual here may have grievances against his system, but he does not disappear unaccountably if he unites with others in denouncing them. The individual may read anything he can get hold of, write as he pleases, and speak his mind, even if what he says is distasteful to the rest of the country.

Among the great nations of the earth this is one of the few where plain, ordinary citizens are preparing to go to the polls and settle our national policy by a choice of leaders for the next 4 years. You are almost alone of the peoples in which the individual in humble station may register his influence on questions that settle the fate of the nation. You may truthfully say that we have not the complete democracy and the perfect justice that we dream of,



but you cannot deny that we are among the few who have in our own hands the possibilities of approaching those hopes. Is it any wonder that among us are people passionately attached to this system, in spite of its shortcomings, and intensely resentful of any movement which they think would overturn it?

You will soon take over from your elders unsolved problems as vexing as have fallen to any generation. But there is also handed to you a Government more responsive, more effective, and more useful than we have had. Your great opportunity is to make it work. Let that be your crusade. Drive out of power the incompetent, the corrupt, and the indifferent. Walk into this democratic process and master it. Make it serve your dreams and realize your visions. I, for one, welcome your active, unbossed, and unpurchasable enthusiasms in public affairs.

If your enthusiasms and visions at times conflict with the lessons of experience and our cautions, that is only what happens under every roof that is blessed by housing two generations. For my part, I am glad it is so.

### A Creed for Republicans

#### EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

ADDRESS BY THE HONORABLE HENRY CABOT LODGE, JR., OF MASSACHUSETTS

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a profound address delivered by the Senator from Massachusetts [Mr. LODGE] before the Associated Republican Clubs of Kings County at the Hotel St. George, Brooklyn, N. Y., February 12, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The times call for a nonpartisan and constructive attitude toward government. It was Lincoln himself who said: "Teach hope to all; despair to none." This counsel is both virtuous and wise. You as practical citizens know the strength of the independent vote today. If we are to win elections, we, as Republicans, must appeal to the independents. In fact, the times are too serious, even for us as Republican workers to be narrowly partisan, or to go in for petty fault finding. We are not perfect either, and let us not be ashamed to admit it. Of course, it is only factual to say that the party that is in power has the greater opportunity to make mistakes—and you may forgive me for saying that they have taken full advantage of it.

In meeting on Lincoln's birthday we remind ourselves that the Republican Party—the party of Lincoln—was originally a party of new ideas. It was a party of the down-trodden, of revulsion against slavery, of America first. There is no use in blinking the fact that in the minds of many people we have strayed from these goals. We have acquired the reputation with some people of being the party of predatory wealth—which emphatically we are not. Unless we make it clear through our candidates and platform that we have indeed returned to Lincoln's philosophy, we cannot hope for popular endorsement.

It should not be hard for us to make that clear. In my State, for example, the structure of social legislation, touching hours, wages, working conditions, and industrial accidents—all of which is being rather gropingly imitated by the New Deal—was built by Republican Governors and legislatures. Nor is it any mere coincidence that those States which are most notorious for permitting the existence of sweatshop conditions today are those which struggle along under the perpetual domination of the Democratic Party. This is a real record based on fact. For some strange reason we never advertise it. With such a record, however, we should not—we must not—make it possible for anyone to say that we are not always eager for true social reform. You as active party workers will know what I mean when I say that we must keep men and women and ideas to the front at all times who are representative of this Republican attitude. I do not ask a change of soul, comparable to the renunciation of the League of Nations by Mr. Roosevelt when he was a candidate for President in the winter of 1932. I simply ask that we do not sail under false colors. We are a kind-hearted, generous party. We are both practical and progressive. Let us appear so.

Having looked at ourselves, let us now look at the New Deal, as tolerantly and as fairly as we can, recognizing that they, like us, are human and subject to error. In this charitable spirit I shall not cruelly discuss the promise of economy and the record of fiscal

disaster which has followed that promise. I shall not rehearse all of the pledges of prosperity—"We planned it that way"—and compare these promises with existing unemployment; nor shall I hark back to the speeches made in 1937 which told us that the Supreme Court of that year was the one obstacle standing in the way of flood control, assistance to agriculture, and improvement of the lot of the laboring man, and point out that we have an entirely different Supreme Court today and that these problems are still just as far from solution, if not farther, than they were then. In other words, I shall not tonight attempt to prove that the new dealers are breakers of their promises and men who do not keep their word.

I do submit that there exists a confusion of thought, or a lack of sustained intelligent thought, and that they are trying to do what no one can do: go in several diametrically different directions at once. Of course, they are not the only ones who want to eat their cake and have it, too. This is a common thing in politics, where so many people are trying to have it both ways. I remember when I was running for election to the Senate in 1936 hearing many direful warnings about the danger of having men in public office who were too young. I then came to Washington at the time that they were trying to "pack" the Supreme Court, and on every hand I heard nothing but direful warnings about the dangers of having men in public office who were too old. This reassured me and gave me a first taste of the contradictions which meet one at every turn in Washington today. I cite a few examples:

There is the contradiction which has puzzled us in Boston, as I suppose it must have puzzled you in Brooklyn, which springs from the policy of paying the farmers huge sums not to grow crops, and at the same time expending huge sums for irrigating new territory so that new crops can be grown. We can understand either of those two policies. It is a little hard to see how they can both be right at once.

There is the connected contradiction which springs from attempting to restrict the growth of American crops and American goods, and at the same time allowing the United States to be flooded with the produce of foreign countries; nor shall I try to explain the economic reasoning of importing vast quantities of agricultural products from abroad at the same time that we set up a Surplus Commodities Corporation to buy our own surplus agricultural products.

There is the contradiction or confusion of thought which arises from the fact that in 1937 we passed, almost unanimously, a so-called neutrality law, and last November moved heaven and earth to repeal it.

There is the contrast between the recognition of Russia by the administration, and the fervent wish today that they had not done so.

There is the tragic and repulsive consequence of this contradiction which confronts us when we read of the Russians using American materials against the Finns—a shocking development which would not have been possible if we had only extended our arms embargo to all the world—even if this had involved a loss of business to the munition maker.

We have the contradiction which springs from the fact that huge sums are spent for the relief of unemployment and yet so few jobs are created. This is a situation which I believe we could remedy by a reform of the whole Federal relief structure which would allocate funds to the States according to a formula based on need, and no longer permit huge sums to be allocated here and withdrawn there in accordance with political preference, or the personal whims of would-be king makers in Washington.

We have the contradiction which arises out of the fact that those in control pay lip service to economic recovery, although executive and administrative actions are constantly being taken which prevent recovery and prevent the creation of new jobs and new wealth.

I do not try to tell you that there is anything criminal in all this, although it is dreadfully clear that none of these policies have been successful, and that all the problems which confronted us 5 years ago are still with us, and a few new ones besides. I just say that there is something shallow and capricious and ineffective about this domestic record.

Yet, what a challenge confronts the Government today.

Take as one example the challenge which is presented to us by American youth, by our young boys and girls coming out of school, bright-eyed, eager, ambitious, desiring nothing but a chance to make an effort and make their contribution to the life of the time. You and I know many of these young men and women. Some of them, to be sure, will find a career in some form of governmental work. Some have been benefited by the C. C. C. Others will be attracted by the Army and Navy. But, my friends, year in and year out the career which will hold the greatest attraction for the average American boy and girl—which offers the greatest hope of security, stability, and reward—is some kind of career in some form of private business or profession. And without posing as soothsayers or magicians, we can honestly contend that whereas a Republican administration would not entirely eliminate unemployment; and while under a Republican administration we would continue Federal relief under a tremendously improved and reformed system; that under a Republican administration, there would be a big, real growth of business activity, with a real, big increase in jobs.

Yes, the challenge afforded by American youth is a stirring one. Contrast this challenge, I ask you, with the record of achieve-

ment—a record of headlines, sensations, 9-day wonders—of everything except real big results.

How can one explain this depressing failure? It is not due to any deficiency in the land. We have a combination of natural resources and of human resources which is not equaled by any country in the world. As I have said, I do not explain this failure on political grounds. I am not accusing those in power of not wanting to solve these problems. I do not accuse them of bad faith, and of simply wanting to play to the gallery and win elections, regardless of the consequences. No; I think the trouble is deeper. I believe the trouble reflects a weakness which, for want of a better word, I would call a lack of faith.

We need not only the ritual of patriotism; we require also that instinctive thing which makes us always think first of America. Instead of faith in aims and ends which are larger than ourselves—faith in our country, and faith in divine Providence—there is a tendency in Washington to worship the human intellect as such and to pin our faith on brain trusters and "bright boys." This pride of intellect is one of the things which has brought our Government to its current state in which it devotes all of its energies in the domestic field to devising governmental schemes for guaranteeing to everybody a more abundant life.

My friends, I humbly submit that if the phrase "abundant life" means anything, it means something which must come from the heart. Government can provide food and clothes and shelter. It cannot provide a more abundant life. This is something which can come only through the soul.

When I survey the failure to solve our present domestic problems, I am reminded of a bitter and cynical statement made by the English author Aldous Huxley, who said: "Without faith you shall know the truth, and the truth shall make you mad." With faith in these greater things, with belief in the true mission of America, which as the poet Whitman said was "to plow up in earnest the interminable average fallows of humanity," we can solve our problems and develop a stronger and more self-reliant America. Otherwise, this record of contradiction, of insincerity, of floundering, of intellectual bankruptcy and spiritual insecurity must continue.

This brings me to the last example which I shall give you of contradictory policies being followed by our Government. It is, in my view, the major contradiction, the most tragic and the most dangerous inconsistency of them all. It is the contradiction which springs from attempting to follow a policy of raising wages and lowering hours and improving working conditions on the one hand and of lowering tariff barriers on the other. I agree that both of these theories are respectable theories. I happen to belong to the school of thought which enthusiastically supports the great American trend of raising wages and lowering hours and improving working conditions. To me this is one of the most inspiring trends in our history. I want it to continue. I admit, however, that those who believe in international free trade and who want to keep American costs down low enough so that we can compete with foreign labor have a philosophy which is shared by many. It seems that no one can disagree with me, however, when I say that these two theories cannot go on together, and that if it is attempted to serve both theories at once, one of the two is going to suffer. I am much afraid that at the present time the free-trade theory, through so-called reciprocal-trade agreements with foreign countries, has the upper hand in Washington.

It is a vastly important matter. It touches the wages which you get for your labor. It affects the prices which you pay for everything that you buy in the stores. It is so important that for your own protection Congress should have something to say about the raising or the lowering of tariffs on these things which you make and these things which you buy. Then if Congress through its negligence permits foreign goods to enter so that you lose your job—or if Congress through its negligence shuts down all foreign importations so that the cost of your living goes up—you can hold Congress responsible. Congress is answerable to you. Under the present system, however, with these tariff arrangements made by appointed officers who never have to submit to the discipline of the ballot box, you have virtually no control.

I am not objecting primarily to the reciprocal-trade scheme on constitutional grounds, although there are plenty of reasons for thinking that in the language made famous by the late Justice Benjamin N. Cardozo, of New York, it is a case of "delegation run riot." I also believe a strong argument can be made that these trade agreements with foreign countries are really treaties, and, under the Constitution, all treaties should be ratified by the Senate. Without going into this constitutional question deeply, we can recall these words which were uttered by an eminent authority when a similar proposal was pending in Congress. I quote:

"The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astonishing, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion, 'This is too much power for a bad man to have, or for a good man to want.' We have recently witnessed the astounding spectacle of Congress in session engaged in the work of enacting tariff legislation, while the President, assuming equal and coordinate authority, has undertaken to anticipate Congress by legislating himself while the session of the legislative body is in progress.

"To give such additional authority to the President is," according to this same authority, "contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of Government to another since the British House of Commons wrenched the taxing power from the autocratic King."

The eminent authority whose words I have been quoting is none other than Congressman Cordell Hull, of Tennessee, speaking in 1929 on the flexible-tariff provisions. Contradictions again! We now have Secretary of State Cordell Hull taking the opposite attitude.

As a matter of fact, I am not objecting tonight primarily on economic grounds. There appear to be no conclusive figures or statistics on either side of the case. Common sense indicates that if a man in Brooklyn buys a car from Michigan that it is better than if a man in Europe buys a car from Michigan. The Brooklyn man will be a customer for parts, for gasoline, for tires. He will patronize American wayside lunch rooms. The European car buyer will not.

Let me say, too, that those of us who resist the reciprocal-trade theory have no more love for logrolling than they have. We are not going to defend the Smoot-Hawley bill which, by the way, the administration has never repealed, although they have talked about it all the time, and have the votes to repeal it. I was not in politics when the Smoot-Hawley bill was alive. We can all agree that as a dead horse it has taken a terrific beating and has been an extremely convenient topic of conversation for those in control whenever their own policies were being too severely scrutinized.

No; we don't want to go back to the old logrolling methods. Our goal is the goal of William McKinley, who said in 1897: "The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend rather to increase their employment."

There is no question of our moving to complete self-containment. We favor a healthy foreign trade—which will not depress our own domestic standards, and which will not embroil us in friction and war. We know that under the Smoot-Hawley bill two-thirds of the goods coming into this country were on the free list. There is no question of complete isolation. There is a question of keeping our sense of proportion.

There is a legitimate wonder as to whether we, a vast continental nation with virtually limitless resources, should frame our trade policy as though we were a small island country which literally could not live without foreign trade. There is a question of the trend which we are following. What is that trend today?

It is a trend towards increasing our trade relations with the armed camps of the world.

It is a trend which regards international trade as an end in itself—as something for which risk should be taken—for which men may even be called upon to die—instead of merely viewing it for what it is—a useful economic tool.

It is a trend which assumes that nationalism is bad, which is a polite way of saying that patriotism is bad.

It is a trend which assumes that international trade promotes peace—an entirely unsupported and unsupportable assertion, against which every counsel of experience and history stands in contradiction. Indeed, wherever we turn we find that international trade is the cause of war rather than the preventer of it. It is certainly at the bottom of the friction between Japan and China; it was certainly a major factor in the rivalry between Germany and Great Britain in 1914; it is certainly at the bottom of much of the trouble in Europe today.

I therefore submit that this trend, embodied in the various policies which are now being followed at Washington, whatever its advantages toward maintaining peace in western Europe or the Balkans or the Far East may be—and these are not very apparent—is not conducive to peace for the United States. And that is the only kind of peace that matters to those Americans who stand to lose if war comes.

We are told that the logical consequences of a self-maintaining America is dictatorship. This is indeed far-fetched. Insofar as dictatorship springs from any one cause, it springs from a lack of the good things in life. In our country we have a surplus and not a lack. If logical consequences are to be discussed, is it not clear that the logical consequences of the internationalist theory is war?

We are told that there is no "peace party" in America. Maybe so. There are those, however, whose motto is, "Stay at peace by staying out of it," and those whose motto is, "Stay at peace by getting into it"; and I leave it to you which has the best chance of preserving peace. We may as well face the fact that while world peace is good, that peace for the United States is essential and is something which does lie measurably within our own control. There are some, however, to whom the ideal of a peaceful America is not sufficient. Their idealism can only be satisfied by the vision of an entire world at peace, in which American influence is brought to bear to maintain good relations from the Balkans to the Himalayas and from the Arctic Circle to the Equator. To them the picture of an America rising serene and peaceful above the stormy waters of international conflict is not enough.

I have spoken of faith. A real faith in America will support our conviction that we can keep our country at peace even if all the world is in flames. It is a military truth that no foreign country or combination of foreign countries can invade and occupy the



United States, and that however much our sentiments are affected by what is going on abroad our national safety is not involved. It was young Abraham Lincoln who said:

"All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years."

"At what point, then," Lincoln inquired, "is the approach of danger to be expected? I answer, If it ever reach us it must spring up amongst us; it cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. As a nation of free men we must live through all time or die by suicide."

Of course, our sentiments are engaged. We detest Hitlerism. We abhor communism. We like the British and the French and the people of other countries. We admire the Finns. Many of us in this country have their flesh and blood in Europe—I know that I have—living within sound of their guns. Our sentiments are engaged. But unless our national safety is at stake, have we a right to risk our country's whole future in the struggle? If you and I always determine American policy with reference to the situation confronting the land where our ancestors came from, we will have no country here. We have our likes and dislikes in this European war. Above all, we love America.

I say to you in conclusion, therefore, that if they want to make a political issue of peace for America, we will accept the challenge, secure in the knowledge that no amount of international trade is worth the sacrifice of a single American life. Let us remember our own people. Before we rescue the child across the street, let us feed our own sons and daughters who look at us with imploring eyes. In the domestic field, let us reform our relief system; let us bring expenditure and income together; let us encourage risk taking and the creation of new jobs; let us keep the American market for the American producer, and thereby keep the peace. Let us rededicate ourselves and our party to Abraham Lincoln. As he was prepared to make every sacrifice to maintain the Union, let us be prepared to make every effort to keep this Union out of another war.

This is you country, a land of racial tolerance, a land of religious freedom, a land where men and women can be recognized on their merits. It is humanity's best hope. Let us never fight for any cause that is not an American cause, and thus preserve and improve and develop and enrich our land—our Union—for ourselves, our children, and for future generations.

### Should the New Deal Policies Be Continued?

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. ROBERT H. JACKSON

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the able Attorney General of the United States, Robert H. Jackson, at Buffalo, N. Y., on February 10, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In establishing the town hall of Buffalo you are founding one of the basic institutions of democratic government, and I count it a privilege to help. The price of free government is that citizens must keep themselves informed and alert and critical of those in office. Our people need uncensored facts and undistorted information. But also they need the diversity of interpretation of events and the clash of opinion which helps to form individual judgments, the sum of which constitutes public opinion.

I am glad that Buffalo yields the platform tonight to one of her neighbors from the east and to one who lives somewhat to the west. Perhaps I ought to say to one from the right and one from the left. Regardless of party, we in western New York respect the forthright character of JAMES W. WADSWORTH, and we like him because we don't have to wait for a Gallup poll to find out where he stands. As one of the most consistent opponents of new dealism in both parties, he is an appropriate, as well as an altogether worthy, adversary.

If we were to use our short time in taking up detailed measures of the New Deal, I could select a half dozen that I think he would find little fault with, and he could select some that I would not care fully to endorse. In that way we might keep strictly to the topic but never really meet. It is necessary to deal, therefore, with the more general philosophy of the New Deal, which, I believe, should continue to guide our national policy.

The New Deal is the outgrowth of the economic collapse which hit this Nation with unprecedented severity in 1929. It came in the midst of a highly conservative administration which enjoyed the full confidence of business. It was not foreseen by those in power and was long and often denied to be really a depression. And remember this—the depression came after several years of the kind of administration, the kind of legislation, and the kind of business confidence that they now tell us we should go back to. And, moreover, they are unable to this day to tell us why it came when it did or what caused it, and the party under whose administration it occurred did not then produce, and has not since proposed, even a partial remedy.

In the midst of this collapse, so complete that it threatened the social order and the Nation's domestic tranquillity, the New Deal was born. Problems met with action that was often frankly experimental, because there was no previous American experience to guide it. Such was the securities and exchange regulation, the Social Security Act, the National Recovery Administration, the Labor Relations Act, and many others. Other problems were left over from experiments of the previous administration which had either failed or been too timidly tried to be helpful. Such were the Agricultural Adjustment Act, the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, the Farm Credit Administration, and many others. Still others were urgent in the relief of distress which exhausted local taxing resources were no longer able to handle. These include the extensive Works Progress Administration program, the large Public Works Administration, the National Youth Administration, and the Civilian Conservation Corps camps.

I do not for one moment claim that so novel, so swift, and so extensive a program of action was free from error or conflict of policy, or faulty execution. Certainly it is our duty to reexamine these several policies and in the light of the lessons of experience reshape them in more permanent alignment with what we hope for the long future of America.

In this process, however, we must remember that today the New Deal, whatever its defects, represents the only body of political philosophy and the only coherent program of action to adjust our life to the new problems of this decade. No other political body has offered a constructive or affirmative alternative. Mr. WADSWORTH disagrees with the basic philosophy of the New Deal. But his party will not follow him in repudiating it. His party cannot make up its mind whether to be right or left of Roosevelt, so it will just straddle. One wing will tell you the New Deal must be ended, root and branch, while another wing poses as being bigger and better new dealers than Roosevelt. They tell you he is a "defeatist" and want you to think they will begin fighting where he left off. The Republican Party will wobble around between these two extremes, while the country comes to the conclusion that it prefers the authentic and original Roosevelt to the counterfeit Roosevelts.

In his last annual message the President put into a single sentence the problem he has faced and the cost if he had failed. He said:

"The social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship, and war are the same as those which we here are struggling to adjust peacefully at home."

It has been a basic doctrine of the New Deal that our economic system needed to be reformed in order to save it. Those whose privileges and profits were threatened by such a program have attempted to make it appear that the New Deal and this administration are antiprivate enterprise. Nothing is further from the truth. To try to rid American business of its parasites and speculators is no more hostile to private enterprise than it is hostile to a dog to try to rid him of his fleas. Every time an American workingman has followed the counsels of thrift and industry and temperance in order to save for his old age, and has then seen his savings swept away by a bank failure, or a foreclosure on his home, or by the fraud of a glib stock salesman, or by a period of unemployment, a blow has been dealt at our system of private enterprise.

The plain fact is that this system of private enterprise is not going to be safe for anybody if it isn't safe for small investors, for willing workmen, for thrifty home owners, and for small independent businessmen. An able historian, with the perspective of scholarship, has come close to my philosophy in saying:

"The real danger from the liberal point of view is not that Nazis and Communists will destroy liberal democracy by free speaking, but that liberal democracy, through its own failure to cure social ills, will destroy itself by breeding Nazis and Communists."

If I were to name today the most significant trend toward socialism in the United States, I would point to the growing concentration of the control of wealth and business in a few hands. I would point to the disappearance of the local utility, the independent merchant, and the small industry. It is this concentration of wealth which has produced a necessary concentration and centralization of government in order to deal with it. I am confident that over the years the greatest problem which this country faces is this growing control of the chance to work at productive machinery for a living, the growing control of the opportunities of youth, and the growing control of our economic resources by a few men who are free of effective social responsibility. That subject is now being studied by the Temporary National Economic Committee, and if you have followed its results day by day, you have been astonished at its story of the throttling of private enterprise by other private enterprise, of the big-business fish eating the small fish. One of the great services which the New Deal has performed

has been to hold this clinic over the sick body of business, and one of the tasks of the next administration will be to formulate its findings into a program. I favor following through on it. It will, of course, die a-borning if our Republican friends have their way.

Another point of doctrine in which the advocates of the New Deal generally are in disagreement with its predecessors is that the New Deal has believed in an efficient and effective government for the promotion of the general welfare and the protection of the people from exploitation and the solution of its economic problems. That is the kind of government that our forefathers thought they were founding. Our Constitution was organized in the midst and as the result of the serious economic collapse of the country which followed the American Revolution. Ships were rotting in the harbors, workmen were idle in the cities, property values had faded away, and the Government's promises were not, to use the expression of that day, "worth a continental." To bring order into our economic life and to establish a public credit with which to encourage the resumption of industry, the Constitution was established, and under John Marshall its powers were given a vigorous and broad interpretation to the end that the Government should be equal to the problems of its people. Then arose the slave power, fearfully jealous of the national power, from which it rightfully thought danger might come to it, and the energies of a generation of able judges were directed toward limiting and restricting Federal power through judicial interpretation. After Abraham Lincoln waged his fight against the court and the slave power and removed that menace, another interest arose. The great financial and industrial combinations were able to play one State against another and render State regulations pretty ineffective, but they rightly saw in Federal power a menace to their exploitations. So they, too, for further generations bent their efforts to restrictive judicial interpretation. This movement reached its climax and its end in 1936, when it had almost come to be held that the Government had no power except a shadow, and the restrictive interpretations were used to wreck substantially the whole of the first 4 years' work of the New Deal.

There is one part of the New Deal which will be continued. It has been my privilege to have a part in writing into the fundamental law of this Nation the conception of a government more widely useful to its citizens, better able to govern the powerful, and more competent to protect the weak. It is possible for a succeeding administration to sabotage particular measures for the exercise of these powers, to choke them off with inadequate appropriations, or to staff their agencies with unsympathetic personnel, but the people of the United States will not readily allow any administration to shed itself of the responsibilities in the future as they have in the past. I wonder if you have taken time to review the extent and importance of the restoration of the powers of popular government under the administration of President Roosevelt. The very first power given by the Constitution is to raise revenues and appropriate funds for the common defense and the general welfare. Almost every clause of the Constitution had been the subject of interpretations in the 150 years of our Government, but it was not until the administration of Franklin D. Roosevelt that the power of the Federal Government to serve the general welfare was sufficiently exercised to be challenged and sustained in the Social Security cases. The way is now open to our country, as it has always been open to most others, to relieve some of the individual cruelties and hardships of our system by resort to unemployment insurance, health insurance, and old-age benefits.

The power has been won to enact wage and hour laws, child-labor laws in interstate commerce, labor relations acts, an agricultural-adjustment program, to regulate a distressed industry—like the bituminous-coal industry, to regulate utility holding companies, to give municipalities the benefit of bankruptcy powers that private corporations have long enjoyed, to tax the salaries of public officers the same as other citizens, and even to tax the salaries of Federal judges.

Of course, to those persons who believe in the doctrine of *laissez faire*, who think that government has no function except to keep the domestic peace and conduct foreign affairs, these changes are unwelcome. Those of us, however, who believe that the people may use their greatest social organization to advance their welfare, just as private organizations advance private welfare, see this change as opening up new frontiers for statesmanship.

I am willing to grant that our system is so complex that its total operation is not yet fully understood and is influenced by forces and factors that are neither known nor measured. But certainly a country of such natural wealth as is our boast can, if our society is rightly organized and guided, insist on a decent subsistence income for its families, on adequate protection and security for the aged and unemployed, and on rewards for labor that will increase as its own productivity increases. I cannot believe that American ingenuity is unequal to the task of so utilizing our boundless resources that they will produce an income in goods and services that will sustain a general standard of living that we think of as American. I am not ready to accept long and disastrous depressions as a necessary evil, for I believe Government spending could be so planned and timed as certainly to shorten the duration and to lessen the depth of depressions, and that Government collections can be so increased in time of prosperity as to balance the budget, reduce debt, and offset the dangers of booms.

Governor Eccles has well said: "The cardinal principle of our national economic policy, I believe, must be to direct the flow of our national income so as to maintain an equilibrium between the

goods and services that we are able to produce and the purchasing power wherewith our people can command them." It is, of course, true that such an object requires adjustment of policy to meet such changes in conditions as the passing of the frontiers with their free lands, the retarding of the rate of growth of our population, the change from a debtor Nation to a creditor Nation, the collapse of foreign markets, and other economic shifts that characterize a changing world.

The major measures of the Roosevelt regime have been directed to strengthening the economic foundations of our democracy, by salvaging agriculture, by giving employment to the idle and security to the home owner, by protecting the collective-bargaining power of industrial workers, by establishing minimum wages, unemployment insurance, and old-age pensions, by recapitalizing impaired banking structures, railroads, and industrial corporations, by guaranteeing bank deposits, and by introducing a minimum of reform necessary to a decent business life.

And the administration, having made sure of the economic foundation of our democracy, has made equally sure of its political foundations. You, almost alone among the great nations of the earth, are preparing for a national election in which every citizen may freely vote to turn out of power those who govern him. You have only to pick up your Buffalo papers to know that your Government is not restraining freedom of the press. You may talk about Roosevelt with even aristocratic bitterness without disappearing or being prosecuted. These things attest the soundness of our freedom in a world where freedom abroad has all but disappeared.

The New Deal has been merely a shaking off of old traditions, a defiance of old lethargies, and a setting about with new energy to reshape our economic and social system to stand the shock of financial collapse, social confusion, and international brutality. These years of the New Deal have been rightly called by one of our most respected historians the "decade of a great rally." You can no more rip the philosophy of the New Deal out of future American life than you can rip out the philosophy of the Emancipation Proclamation or the strong doctrine of the Declaration of Independence. It is our best insurance against a return of grim and tragic years under those who would destroy it.

## National Automobile Dealers' Association

### EXTENSION OF REMARKS

OF

## HON. FREDERICK VAN NUYS

OF INDIANA

### IN THE SENATE OF THE UNITED STATES

Tuesday February 13 (legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. PAUL V. McNUTT

Mr. VAN NUYS. Mr. President, I ask unanimous consent to have incorporated in the Appendix of the RECORD an address delivered by Hon. Paul V. McNutt, Federal Security Administrator, before the annual banquet of the National Automobile Dealers' Association, at Washington, D. C., on January 24, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### I. BUSINESS' STAKE IN SECURITY

Today, businessmen everywhere find themselves engaged in a struggle which threatens the very foundations of civilized living. We in America have learned from cruel experience during the past quarter century that we are inescapably a part of the stream of world forces. We may, by constant vigilance, escape the maelstrom of political hatred and international distrust, but we cannot altogether avoid the undercurrents which emanate from the whirlpools of world disturbance.

Our problem is one of security. In all aspects of security business has a vital stake. Indeed, business security cuts horizontally across every phase of security—political, economic, individual, collective. Social security, in its broadest sense, encompasses each of these, with the security of business inextricably bound up in all.

#### II. THE FUNCTION OF BUSINESS

In considering the problem of security from the point of view of the businessman, I should like to point out briefly the function which I think business performs in a democratic society. Only in relation to that function can the question of business security be intelligently considered.

As I see it, the purpose of business in our society is the production of consumers' goods and the distribution of those goods among our 130,000,000 people. It is a tremendous enterprise—running upward now \$70,000,000,000 a year.



In a capitalistic society, this process must be carried on in such a way as to show a profit to the enterpriser, and afford employment to the potential consumers of the products of industry. In a capitalistic democracy, such as ours, the process must occur in such a manner as to extend as far as possible the advantages of production to the entire community. If business fails in any of these particulars—to make a profit, to afford employment, to extend its benefits widely—there results a serious disruption of our political and economic balance.

### III. RECORD OF AUTOMOBILE INDUSTRY

In the light of these criteria, the industry which you represent makes a showing that probably cannot be equaled in the entire history of capitalism. Born in the early years of the century, your industry has grown until it constitutes one-seventh of the Nation's business. In 1939 you dealers sold to the citizens of the United States almost 4,000,000 new motor vehicles. If we include used cars the total will run approximately to 10,000,000. You have supplied the people of the United States with almost 30,000,000 of the world's 43,000,000 automobiles. This is a magnificent achievement in democracy.

The Federal Trade Commission in its exhaustive study of your industry has paid high tribute to your accomplishment. "Consumer benefits from competition," said the Commission, "have probably been more substantial than in any other large industry studied by the Commission." Not often does an industry receive praise of this character from a Government investigating agency.

On the profit and employment side, the record is correspondingly high. More men are kept at work in the various parts of the automobile business than in any other industry in the world. Moreover, the wage record has been good. Throughout the checkered history of the struggle between labor and capital, there has been less trouble over wages here than in most fields of production.

Profits, too, there have been in abundance. One company alone has made a billion dollars in profits in the past 25 years. Another group, under single management, earned a billion dollars during the 7 worst years of the depression. One large concern, producing hundreds of thousands of vehicles annually, has shown a substantial profit for every single year of the depression. Nor are the profits confined to the production end of the industry. Dealers and distributors in 1937 showed an average return of 15 percent on investment, after deducting executive salaries.

It is not too much to say that the automobile industry provides the greatest demonstration in all times of what business can do in a democracy. You have furnished to 75 percent of the people in the land one of the greatest miracles of modern science for the improvement and enjoyment of life. You have done this at a consistent profit to all engaged in the production and distribution, and at a wage level which has made possible widespread consumption of the product. Your progress not only is phenomenal, but steady. Each year you offer a better product at lower cost to the consumer with the maintenance of a reasonable level of profit. This achievement deserves more than a headline; it deserves a banner head.

I would like to see this amazing record blazoned across the front pages of the world—in Europe, in the east, and wherever democracy is under attack. I would like to see it hammered into the minds and consciousness of hopeless and despairing peoples everywhere. It should be dinned in the ears of all whose faith in popular government is weakened. If they could come to know and appreciate these things, uneasy would lie the heads that wear the crowns in those unhappy lands.

So too should this performance be recalled by all those prophets of fear in America who talk of the end of the era of expanding industry and business. The old frontiers are gone, it is true, but the ingenuity and courage of American businessmen can discover—as you have discovered—new frontiers, the conquering of which will make possible a life on this continent never dreamed of in any era. For those Americans of little faith, the monument to economic democracy which you have erected during our own generation should be a source of renewed strength and courage.

### IV. CONDITIONS FOR SUCCESSFUL BUSINESS

But it is not by accident that you have attained this phenomenal success. Nor will your future successes be the result of chance. The security of American business rests upon certain thoroughly established principles and it is these principles that I now wish to discuss.

To insure continuous economic progress, there must be a constant flow of goods to a population capable of absorbing industry's production. The problems associated with this process will vary as the Nation develops. Once the heavy industries of the Nation have been built up, once the basic communication and transportation systems have been developed, and a series of mass-consumption-goods industries created, there are but two avenues of expansion. First, there may be an extension of existing basic industries. Second, we may discover and erect new and hitherto unknown industries.

The first source of progress requires a larger consumption by the entire population. There comes a time in the development of any country when the stimulation of greater consumption becomes the major source of business advance. In the long run, capital-goods industries can experience enduring prosperity only on the basis of enlarged consumer-goods industries. The larger the industrial structure becomes, of less relative importance is new industry for the prosperity of the country. Thus, as civilization matures, the development of new industries becomes a diminishing source of economic progress. I do not suggest that there

are not still, or that there will not always be, large opportunities for new products. Public economy can and must stimulate the development of new industries at all times. In the main, however, such progress cannot afford adequate security for business for several reasons.

In the first place, inventions and scientific development cannot be controlled precisely. They come at different times and at different rates, and the commercialization of these inventions always lags. The extent of this lag can never be accurately predicted. For example, for some years we have stood on the threshold of commercial utilization of television. Yet we are not able to predict exactly when television will be feasible on a large commercial scale. Always a considerable period elapses between the first beginnings and large-scale mass production. This was true with the automobile, the telephone, the radio, and other major innovations.

If the rate of technology remains substantially what it has been in the past, a large industrial economy such as ours must depend for progress upon the balanced expansion of all of its parts. The motive power, and the driving force in this process must necessarily be a constantly rising standard of living. Economists estimate that, during the period when we were constructing our industrial machine, the rate of increase of industrial wealth averaged about 1½ percent annually. In the absence of the introduction of new industries, substantial in number, such a rate of progress can be maintained only if the total of mass consumers' goods is increased year after year at a rate which approximates 1½ percent.

To those prophets of despair who think that this is impossible, I call attention again to the amazing record of the automobile industry. During the first 25 years of the present century, consumption of the products of this industry increased at an average annual rate of 37 percent. To those who might suggest that this is an example primarily of the progress of a new industry, let me cite the decade 1921-30, during which the average increase in consumption was 11 percent. And to those who are still unconvinced, we can offer the record of the past 5 years in which the rate of increase has averaged 4½ percent. These figures indicate how far above the necessary 1½-percent increase in consumption it is possible for an established American industry to go.

### V. GOVERNMENT'S FUNCTION—MONOPOLY

In the realization of this expansion of consumers' industry there are certain definite functions which the Government can and must perform to make possible the effective exercise of the powers of business. To one such aspect of the Government's role in our economy you will be keenly sensitive. It is the part which Government must play to prevent the fettering of business by monopoly.

By monopoly, I mean the use of combined economic power by one segment of business against another. It may take the form of the stifling of competition by combinations to control the consumer market, or it may take the form of coercion by manufacturers of those engaged in distribution. In either event the public suffers and the great mass of businessmen suffer. It must not be forgotten that government is not the only agency which deals with the lives and activities of our people. Government is not the only force which can regulate free enterprise. If inequalities exist between retailers, dealers, and other distributors on the one hand, and manufacturers on the other; if there is a lack of mutuality in their rights and obligations, then business, consumers, and, indeed, the entire country suffer quite as much as when the production of goods becomes the prerogative of any single combination of moneyed interests. Without a fair division both of profits and risk between producers and distributors, free enterprise to that extent is an illusion. Moreover, in direct proportion to these inequalities, there will be a mortality rate among retail distributors which will add to the restrictions upon private initiative in the business.

Monopoly in any form is abhorrent to a democratic society. Only in a few unique situations where a natural monopoly is inescapable is it compatible with the basic philosophy of our Government. Competition is the lifeblood of a capitalistic system. Free enterprise in commerce and industry is the essence of an economic democracy. Should entrenched financial power succeed in monopolizing the industrial output and distribution in this country, America will already be well along the road toward some form of totalitarian government.

One of two things would be inevitable. Either the concentrated moneyed powers would seize control of the machinery of government or a governmental oligarchy would seize control of the financial structure. In either case there would be the unnatural and corrupting union of big business and government. If government took over business and production, we would have something approaching communism; if business took over government, we should have fascism. In either case it would be totalitarianism. Freedom for business and the citizen would disappear. Every precept of democracy would be repudiated; every canon of decency denied. Our best insurance against either possibility is to wage ceaseless and bitter war against monopoly in any and every form.

### VI. OTHER GOVERNMENT FUNCTIONS

Government also has a positive function to perform in enabling the industrial workers of the country to protect the wage structure. The techniques which labor has developed during the past half century to insure its share of the profits of industry constitute a vital factor in securing the consumer power necessary to absorb the products of industry. Collective bargaining by labor is a logical

institution in our capitalistic system. Happily, we are coming to recognize it as such and to accept it, properly regulated and protected, as an integral part of our industrial economy.

Government must also follow a fiscal policy, particularly a tax policy, which will appropriately distribute the burden of supporting the government and which will encourage the investment of idle funds rather than impose an undue hardship upon consumer income, active capital, and invested income. The total weight of taxation is of less importance than the distribution of that burden. The power of taxation is capable of serving a much wider purpose than merely to raise sufficient revenues to maintain public services.

There are also important functions of assembling and distributing economic information which enable businessmen to act intelligently in seeking new outlets for the investment of their capital.

Finally, I should point out that in my judgment government must, as a permanent policy, make it possible for citizens generally to weather the worst risks of the modern economic system. If the Nation has adequate social insurance, covering the hazards of unemployment and the helplessness of old age, individual initiative and enterprise will be strengthened at every point. The morale of the citizen himself will be bolstered up in the knowledge that he has protection against the gravest of economic hardships. The steady flow of money to maintain a decent minimum standard of living insures a minimum of consumption power which will go far toward keeping our economy on an even keel.

#### VII. CONCLUSION—GOVERNMENT AND BUSINESS

This program is not regimentation. Government is and should be responsible for maintaining the fundamental conditions of economic progress and business security. It does not and should not attempt to take over and run business. The Government's functions are enlarged in this process because somebody has to prevent economic transition from becoming economic collapse. Centuries ago our people developed a body of law under which private business as it then existed could function effectively. The task today is similar—to develop a set of "rules of the game" under which private business as it now exists can function effectively. The modern rules of the game are somewhat different from the old ones. They may seem somewhat disturbing at first. But they will be perfected. Already they are recognized as necessary for the survival of our system of business and government.

The recovery we have already achieved has taken hard work—8 years of it. We must not jeopardize the gains we have won because the domestic battle is too tiring or too long in yielding complete victory. Democracy and free enterprise will perish not only from Europe but from the whole world unless at least one country shows that these institutions can deliver the goods and are worth working and fighting for. If we can unitedly carry forward this work, we will preserve a priceless heritage for others as well as for ourselves. It will be a historic achievement of a historic epoch.

### The Farmer's Contribution to the Nation's Welfare

#### EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

ADDRESS BY EDWARD A. O'NEAL

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD an address delivered by Hon. Edward A. O'Neal, president of the American Farm Bureau Federation, on the Farmer's Contribution to the Nation's Welfare.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is fitting indeed that today I should be talking to you from the greatest population center of this country. There are in the metropolitan area of New York City nearly 11,000,000 people, more people than there are in all of Canada.

I say it is fitting that I should be talking today from this swarming beehive of population, because I am going to discuss the service that farmers render to city people and to the Nation and the basic importance of agriculture to the national economy. I also will discuss the penalties that have been placed upon agriculture by the tremendous development of industry in this country and by the industrial philosophy that naturally began to dominate our national policies as we expanded our industrial economy. I'm so anxious for you to understand fully the place that agriculture fills in our Nation and that this position simply must be maintained in the interest of the country as a whole. I know of no more fitting place to do this than in the throbbing heart of consuming America, where the people are dependent for their very life on trainloads of

food coming nightly into the city—food produced by 32,000,000 farm people, some of them 3,000 miles away.

You naturally would expect me, a farmer, to believe in the fundamental importance of agriculture; therefore I am going to base my case on the statement of authorities in another field, that of business. I am going to quote from an article in the February issue of *Fortune* magazine, the outstanding magazine of business in this country:

"No nation, whether agricultural, mercantile, or industrial, has yet emancipated itself from the soil. Humanity belongs to the land and has not evolved—and may never evolve—to the point where it can live abundantly and virtuously in stone and macadam, clustered around elevator shafts, in the midst of a synthetic flora and fauna created by the captains of industry. Humanity cannot leave the land, and for this reason the men of the soil limit the level to which a civilization may rise.

"But while the man of the soil is thus the father of nations, the relationship of the United States farmer to his Nation is peculiar and unique. The entire course of American history has been influenced by the struggle between farm and city; yet this has not been a struggle, as in many countries, between two types of civilization. Uniquely in the United States the farmer is a part of the industrial system. Uniquely in the United States the farmer regards his soil, his house, and his barns as a business, from which he derives a cash profit. And uniquely in the United States there is a thing called a 'farm market'—the largest single market in the land, or, for that matter, in the world. In all other western countries the men of the soil have refused to accept the industrial civilization and look upon the money economy as hostile. But in the United States the farmer plays a dynamic role in the industrial civilization as both producer and consumer. With his tractors, gang plows, pumps, saws, and stationary engines; with his automobiles, refrigerators, canned shrimps, and silk stockings, the farmer has contributed to the one indispensable factor in mass production, a domestic volume of sales. He feels that actually in this country he has subsidized industry; whereas the tariff duties on farm products protect the American farmer only against foreign dumping, no major farm commodity except sugar sold higher on the domestic than on the world market before 1929; he has paid protected prices for his farm implements and fertilizers. Even today the farmer is not heavily subsidized; in terms of national income, total farm subsidies are probably not more than a third as big as those of other industrialized nations.

"Thus in the United States when we speak of an industrial nation we do not mean merely the cities. We mean the men in dirty jeans and the women wrapping men's overcoats around them in the rain, who tinker and toil through long, complicated days in a Herculean effort to make order out of the chaos of the elements. We think of young men and girls in high school, and of knotty agricultural reports avidly studied in the evening. This is an extraordinary way to think about the land. But it is in this sense that the stability of the economic system rests ultimately upon the farm.

"Now, the American farmer has fallen on bad times. The farm population has fallen from more than 33 percent of the total population in 1910 to less than 25 percent today. The farmer's share in the national income has declined even more rapidly than his share in the population—from 25 percent in 1910 to 22 percent in 1920, to a mere 15 percent today. His purchasing power relative to the city dweller's therefore has shrunk drastically. \* \* \* Since 1930 about 27 percent of all farms have been subject to foreclosure and forced sale. \* \* \*

"The depression has not been the sole cause of the farmer's plight but it has greatly intensified it. \* \* \* Only twice during the last 8 years has the farmer received more than the \$1 per bushel (for wheat) traditionally claimed to be the break-even point. Yet unsalable surpluses have piled up over the farmer's head. \* \* \*

"Thus the achievement of the farmer is precisely the achievement of the industrialist: he has succeeded in producing more with less. Whereas in 1787, when the Constitution was framed, the surplus food produced by 19 farm people went to feed 1 city person, today 19 people on farms produce enough food for 56 nonfarm people in the United States, plus 10 people abroad. Nothing like this has ever been achieved before. It is an achievement that enabled the United States to obtain and service the huge drafts of foreign capital necessary for the rapid building of railroads and industries during the second half of the nineteenth century. Indeed it is clear that the farmer historically has subsidized the manufacturer and the railroad builder, quite aside from any additional subsidy in the tariff. But the farmer's achievement, since it formed a part of the industrial system, has generated the typical industrial problems. The farmer has too much of everything: too much capacity, too much product, too much labor. Like the industrialist, he appears to have done his job too well. \* \* \*

"However much the American farmer changes under the impact of the forces of modern society, the never-changing soil continues to hold him in its grip. The machine and the radio, the automobile, and the scientific farming have not dethroned and will not dethrone the seasons, which in their measured rhythm rule the farmer's life. Good years or bad, drought or flood, the farmer tills his land. Under the burning midsummer sun of Kansas, in the vineyards of California, behind the levees of the Mississippi, and in the stony glades of Maine the harvest is brought in, and though combine and tractor have replaced the horse-drawn wagons of our



forefathers, harvest time is still a time of fulfillment and thanksgiving. The American farmer proudly claims his rights as an equal citizen in a free society; he can point out with equal pride that he never lost his roots in the soil. Servant of the soil, free member of a money economy; in this antithesis, pregnant with conflicts and victories, lie the achievements, the problems, and the promise of the American farmer."

There you have the farm problem as viewed by a magazine of business. No truer picture of American agriculture was ever drawn. It is encouraging indeed that a great magazine of business recognizes the fact that farming is a great industry, not just a mode of life. As it so well points out, agriculture's efficiency has kept pace, step by step, with the great increase in industrial efficiency.

In this country we have only 2 percent of the world's farm population, and 4 or 5 percent of the world's good farm land, yet, as *Fortune* magazine says, "this relative handful of people working a relatively small island of land, have made the United States the greatest agricultural Nation. It leads the entire world in three staples: corn (52 percent), cotton (42 percent), and dairy products. In some of the other major staples, such as meat, wheat, sugar, and tobacco the United States ranks either second or third. And these major products tell only part of the story; the gargantuan production of foodstuffs in the United States is unparalleled on earth."

Agriculture is, in fact, part and parcel of the United States industrial system; and, more important, the farm economy must be maintained in financial health if our industrial economy is to be supported, for, as *Fortune* says, the largest single market in the land is the farm market.

It is clearly shown that the tariff system offers very little protection to the farm commodity price structure, while it protects the industrialist and forces farmers to pay protected prices for his supplies and equipment. These facts show that the farmer's demand of a tariff equivalent is a just one, one that in all fairness should be granted by this Nation to the people who so efficiently and so abundantly supply the materials wherewith the entire population is fed and clothed.

The tariff amounts simply to a sales tax on every individual who buys manufactured goods. We pay it without thinking, and for generations most people have paid it ungrudgingly in the belief that it was protecting the American standard of living. Now it appears that it has been one of the main factors in putting agriculture out of balance with the rest of the country. Food prices are now 26 percent lower than they were in 1929. If food were as high, relatively, as nonfood items in the cost of living, the American people would be paying about \$2,000,000,000 more for their sustenance than they are paying now. Who can say that the farmers' demand for a tariff equivalent is not just?

The industrialization of this country, together with the growth of the large cities, has widened the spread between what the farmer receives and what the consumer pays. In 1913, when agriculture was in fair balance with other segments of our national economy, the farm value of 58 typical food products was 53 percent of the retail value. In other words, the farmer received 53 cents out of the consumer's food dollar. In 1929, it was 47 percent; and in 1919 it was only 40.5 percent. There are many reasons for this condition. Wages and other costs have tended to become static in the cities; they don't fluctuate with the rise and fall of farm prices, and therefore when all people who handle the food after it leaves the farm have taken their toll, there is little left for the farmer. Another great factor, and perhaps the most important one, is that whenever additional services are rendered to consumers in the process of distribution, there is a tendency to take the added cost out of the price the farmer receives. There have been tremendous increases in services rendered to consumers in the past 20 years because the people demanded them; and because the farmer was the most helpless of all the group who produced, processed, transported, and handled the product, much of the cost of the added services has been taken out of his share.

There are those who say, unkindly, that if the farmer were smart enough, he would see to it that he gets his proper share. It is not so simple as that. It is utterly impossible for nearly 32,000,000 farm people who produce under an infinite variety of conditions, to work together on such a fundamental problem. If the total food production of this country were under the control of half a dozen huge corporations, doubtless those corporations would be able to exact from consumers prices high enough to pay for the cost of production. But farmers cannot operate in that way. They believe in abundance, and they have practiced the philosophy of abundance from the beginning, in strong contrast to industry and labor, who adhere to the principle of producing only at a price. The farmer thus finds himself in an impossible position. He produces under the principles of a free and competitive economy, but he must buy supplies and equipment that are produced under the principles of a protected domestic economy.

And so arises the farmer's logical and just demand that the Government, which has created a protective economy for other groups, create for him some tariff-equivalent device which will raise him to an economic level which will permit him to trade on fair terms with other groups. As I see it, such a plan is of even greater importance to industry and labor than it is to farmers, for the simple reason that unless the farmer is restored to a fair-exchange position with other groups, which is parity, there will be no hope of this country achieving permanent prosperity, which can only mean abundant production and use of goods and services by all of our

population groups. And the farm market constitutes the base of the pyramid of prosperity. That market must be strong and vigorous, otherwise the entire superstructure will be endangered.

You have heard much in recent weeks about Congress reducing the farm appropriation. As all of you know, the present administration gave us a farm program in answer to our plea for a tariff equivalent. That program is all right. It is capable of doing the job of conserving the soil, stabilizing prices, guaranteeing abundant supplies to consumers at fair prices, getting our surpluses out of the country, restoring agriculture to parity. But the Congress has never, so far, appropriated enough money to make that mechanism fully effective. I have a firm conviction that if that had been done, our Federal Government would not now be confronted with the fiscal difficulties that beset it at the moment.

I firmly believe that if we had had our present farm program in action, powered by enough money to make it fully effective in 1938 and 1939, the increased farm buying power would have given a stimulus to business that would have required the return of millions of workers to productive jobs in order to supply the demand for goods; and the national income now would be so large that the Federal Budget would be in approximate balance.

Why should any consumer expect to buy his food at a 26-percent discount, a discount which must be borne by the farmer? I believe people are naturally fair in their judgments, once they have the facts. Surely the folks who produce the trainloads of food that come into this great city every night are as much entitled to an American standard of living as are the people who consume that food.

As I said a moment ago, we have a farm program designed to eliminate the disparity under which agriculture is struggling. Results of that program, considering the limited amount of money available to make it effective, have been good. A wise Congress would be considering not how to cut down on the farm appropriation but how to increase it to make it fully effective. Speaking for the vast majority of farm people, the American Farm Bureau Federation is demanding that Congress do this. It is my appeal to the city man as well as to the farmer to join with us in insisting that Congress make an adequate appropriation for this purpose which is of such tremendous consequence to both city and country and to our entire national economy. Sooner or later the people of this country are going to learn that there is no other way in which national prosperity can be restored. World history should teach us that the nations which have permitted their agriculture to be undermined have ended in disaster.

Our own Nation, richest and most powerful in the world, cannot afford to neglect its agriculture, because, as *Fortune* magazine points out, the stability of our entire economic system ultimately rests upon the farm. In view of the chaotic international situation that exists abroad, it is imperative that our own Nation put its domestic affairs in order without delay. The key to the domestic situation is, beyond doubt, the Nation's agriculture, and if Congress in this extremity, fails to redeem its pledge of parity for the farmer, it must take the responsibility for the weakening of the entire national economic structure which is certain to follow.

## The Heritage of a Free People

### EXTENSION OF REMARKS

OF

### HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13, (legislative day of Wednesday, February 7), 1940

ADDRESS BY HON. PAUL V. McNUTT

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address delivered by Hon. Paul V. McNutt on February 5 last.

There being no objection, the address was ordered to be printed in the Record, as follows:

#### I. PERSECUTION OF THE JEWS

Mr. President and members of B'nai B'rith, it is with mingled pride and humility that I stand here this evening. Pride that we live in a land where a Christian is free to extend the hand of friendship and a Jew feels free to grasp it, humility in recognizing the inability of so much of the world to maintain a society in which such things come to pass as an accepted incident of its civilization.

There is, in the dim east, a city to which we may this evening point with pride; a city to which for centuries thousands of pilgrims have turned for spiritual strength and inspiration. In that city tonight there is no longer the fear and bitterness that once prevailed. Men of many tongues and many faiths pass there in the streets. But eyes no longer betray the dread that once lurked in their souls. The power of an ideal has once again prevailed in Jerusalem. The Jew lives there now at peace with his neighbor—

Greek, Syrian, Armenian, and Arab. There is no hatred nor distrust among them and a great and lofty experiment gives every promise of successful fruition.

But there are cities in unhappy Europe where hatred reigns supreme; where men stoop to deeds of foulness unequaled by beasts; where man's inhumanity to man is unsurpassed by fiends.

The Jewish people are oppressed today as they have been oppressed throughout the centuries. Long have they borne the badge of suffering. But never once has suffering stifled idealism. Israel is a dreamer. The greatest of their people are seers and the best believe in their vision. Jacob lay down at night with a stone for a pillow. "And he dreamed; and behold a ladder set up from the earth, and the top of it reached heaven; and behold the angels of God ascending and descending on it." When Jacob awoke the stone under his head was less real than that ladder.

Nor has suffering banished hope from the heart. Never once throughout your bitter history have you bowed your heads in despair. Yours has been a race of deathless hope, hope burning brightly throughout timeless wanderings in many lands. Across the centuries from an unnamed and homeless Jew standing by the waters of ancient Babylon comes that ceaseless cry of ecstatic hope that still rings throughout the world, "Comfort ye, comfort ye my people." And that cry tonight rings in the ears of Jew and Gentile, of Protestant and Catholic—in Warsaw, in Berlin—wherever fear holds sway and injustice reigns.

From America today is the voice of Israel's nameless prophet echoed. At every stage of the monstrous tragedy of our times the voice of America has been raised in stern protest.

As the cup of your people's suffering has overflowed, the voice of the American people has cried out in sympathy and encouragement. There was no despair in that cry from Babylon and there is none in the answering echo here. Nor will there be despair in the hearts of the victims of tyranny anywhere so long as one nation keeps alive the flame of hope to the oppressed of all lands.

## II. THE STRUGGLE FOR FREEDOM

For thousands of years have men sought the light of reason. Repeatedly, it has seemed, have they almost succeeded in constructing a scale of human values that held fair promise of a world of decency and sanity. Suddenly, then, as though some evil power possessed them, would the fires of hatred consume men's souls and savage furies be unleashed upon some hapless victim. At such times, the fragile flame of civilization fails. Darkness descends upon the earth and men return to the ways of unreasoning passion. Freedom, then, is gone. Men are put in chains and whole peoples live in a bondage as cruel as that suffered by the sons of Israel in ancient Egypt. Again and again as these cycles unfold are the tragedies of history repeated and the gains of centuries of struggle poised delicately in the balance.

Amidst the agony of what once more is a war-torn world, let me read the words of a great prophet of democracy. "In Europe," he said, "it is assumed by the stronger countries that the full development of one people necessarily involved its domination over another, and that only by such domination could civilization advance. Strong nationalities, assuming their own superiority came to believe that they possessed the divine right to subject other peoples to their sway; and the belief in the existence of such a right ripened into a conviction that there was a duty to exercise it. The Russianizing of Finland, the Prussianizing of Poland . . . the Magyarizing of Croatia, the persecution of the Jews in Russia and Rumania, are the fruits of this arrogant claim of superiority; and that claim is also the underlying cause of the present war."

These are the words of a noble apostle of the rights of man. They are the words of Louis D. Brandeis, uttered a quarter of a century ago. How pertinent they are today as a portrayal of the intolerance and arrogance from which gushes the bloodshed now besmearing Europe. How pertinent are they to the succession of similar tragedies running backward to the dawn of history.

It was in such an era that our own Nation was conceived as an asylum for those who loved freedom more than anything in life; who preferred death to lives of political and spiritual bondage. These were men devoted to a faith, the essence of which is the inviolability of the individual, his inherent worth and dignity. Men determined to establish a government, pledged to defend those rights which distinguish men from brutes, the right of conscience, of free expression, and of participation in the process of government.

These were the things for which my ancestors and your ancestors struggled valiantly; the principles which they wrote into the law of the land. These were the issues for which Washington led his ragged and shoeless patriots through the merciless winter at Valley Forge. These were principles which Jefferson reiterated again and again in the matchless philosophy of his pen; the rights which Jackson so nobly defended; which Lincoln, caricatured and reviled, gave his life to perpetuate. Throughout the history of this Nation runs the scarlet thread of sacrifice for the eternal ideals of truth, justice, and humanity.

## III. THE WASHINGTON CORRESPONDENCE

The plight of so many peoples today serves as a fearful reminder of the genesis of our America and its destiny in a troubled world. We are brought closer to the fathers of our country and the ideals which inspired them.

Those who laid the foundations of this Nation wrought well. Have you ever examined the reverse side of the great seal of the United States which now appears on the back of every one-dollar

bill? In the center of the seal is a pyramid with the capstone removed. This is said to be emblematic of the unfinished Republic.

In the zenith above the pyramid is the all-seeing eye, set in a triangle and surrounded by light. Over the eye are the Latin words "Annuit Cœptis"—"Heaven approves our undertaking"—and at the base of the pyramid are the prophetic words "Novus Ordo Seclorum"—"A new order of ages." The pyramid and the gleaming eye are old, old symbols, extending far back into those ancient days when the child Moses sat at the feet of his Egyptian teachers along the banks of the Nile. The triangle, symbol of Pythagoras and Euclid, rests in the very heart of King Solomon's Temple, and the blazing light—"God said, 'Let there be light,' and there was light."

Yes; the founding fathers built securely on the solid foundation of historic wisdom the democracy which the heavens approved—the democracy which was to usher in a new order of ages.

And let us remember how thoroughly were they fired by an idealism of which the world today stands in such great need—an idealism which stirred strong men and drove them on to heroic achievements against overwhelming odds.

Among the little-known papers of the first President of the United States is a letter addressed to Washington by the Hebrew Congregation of Newport, R. I. It was sent on August 17, 1790—a hundred and fifty years ago. It is a beautiful and moving letter and it brought forth from Washington a beautiful and moving reply. These letters deal with things which Americans have for 150 years regarded as indisputable first principles. They deal with matters that were vital to mankind in that century and with matters that are equally vital today. I am going to take the liberty of reading these letters to you because I am sure they will impress you as much as they have stirred me:

TO THE PRESIDENT OF THE UNITED STATES OF AMERICA.

SIR: Permit the children of the stock of Abraham to approach you with the most cordial affection and esteem for your person and merits, and to join with our fellow citizens in welcoming you to Newport.

With pleasure we reflect on those days—those days of difficulty and danger—when the God of Israel, who delivered David from the peril of the sword, shielded your head in the day of battle; and we rejoice to think that the same spirit who rested in the bosom of the greatly beloved Daniel, enabling him to preside over the Provinces of the Babylonish Empire, rests, and ever will rest, upon you, enabling you to discharge the arduous duties of Chief Magistrate in these States.

Deprived as we heretofore have been of the invaluable rights of free citizens, we now, with a deep sense of gratitude to the Almighty Dispenser of all events, behold a Government erected by the majesty of the people, a Government which gives to bigotry no sanction, to persecution no assistance; but generously affording to all liberty of conscience and immunities of citizenship, deeming everyone, of whatever nation, tongue, or language, equal parts of the great Government machine. This so ample and extensive and public virtue, we cannot but acknowledge to be the work of the great God who ruleth in the armies of heaven and among the inhabitants of the earth, doing whatever seemeth Him good.

For all these blessings of civil and religious liberty, which we enjoy under an equal benign administration, we desire to send up our thanks to the ancient of days, the great preserver of man, beseeching Him that the angel who conducted our forefathers through the wilderness into the promised land, may graciously conduct you through all the difficulties and dangers of this mortal life, and when, like Joshua, full of days and full of honor, you are gathered to your fathers may you be admitted into the heavenly paradise to partake of the water of life and the tree of immortality.

Done and signed by the order of the Hebrew congregation in Newport, R. I., August 17, 1790.

MOSES SEIXAS, Warden.

The President's response to these greetings is equally impressive: *To the Hebrew Congregation in Newport, R. I.*

GENTLEMEN: While I receive, with much satisfaction, your address replete with expressions of affection and esteem, I rejoice in the opportunity of assuring you that I shall always retain a grateful remembrance of the cordial welcome I experienced in my visit to Newport from all classes of citizens.

The reflection on the days of difficulty and danger which are past is rendered the more sweet from a consciousness that they are succeeded by days of uncommon prosperity and security.

If we have wisdom to make the best use of the advantages with which we are now favored, we cannot fail, under the just administration of a good government, to become a great and happy people.

The citizens of the United States of America have a right to applaud themselves for having given to mankind examples of an enlarged and liberal policy, a policy worthy of imitation. All possess alike liberty of conscience and immunities of citizenship. It is no more than toleration is spoken of as if it was by the indulgence of one class of people that another enjoy the exercise of their inherent natural rights. For happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection should demean themselves as good citizens in giving it on all occasions their effectual support.

It would be inconsistent with the frankness of my character not to avow that I am pleased with your favorable opinion of my administration, and fervent wishes for my felicity. May the children of the stock of Abraham who dwell in this land continue to



merit and enjoy the good will of the other inhabitants, while every one shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid. May the Father of all mercies scatter light and not darkness in our paths, and make us all in our vocations useful here, and in His own due time and way everlastingly happy.

GEORGE WASHINGTON.

#### IV. NEED FOR SPIRITUAL INSPIRATION

How strangely sweet and peaceful do these words fall in the jangle and din of the chaos about us. They were the words of men who had repudiated the bigotry and intolerance of the Old World; who believed above all else in the ultimate triumph of reason. For more than a century and a half this Nation has remained true to the teachings of its founders and has faltered not once in holding out to a bewildered world a living example of the power of political liberalism. True to that magnificent tradition, America will not fail in this present crisis.

Strength we must have to hold fast to the faith of our fathers and the ideals of our origin. Confidence we must have to maintain clearly before our vision the moral values which are the very fiber of our national character.

Spiritual guidance we must seek from the prophets of all the peoples whose cultures have been blended into the matchless synthesis of American civilization.

Throughout our heritage there has been always the liberal contribution of the mighty prophets of Israel. Upon them we have drawn freely and will draw more generously still. From Amos, the prophet of justice. From Hosea, the prophet of mercy. And from Isaiah, singing of glorious and heavenly majesty as the destiny of those who live uprightly with the love of humanity in their hearts. From the wisdom of all these, epitomized in the matchless poetry of Micah:

"What doth Jehovah require of thee  
Save to do justice, to love mercy, and to walk humbly with thy God."

#### V. THE HERITAGE OF A FREE PEOPLE

Let us in America, whatever our race, creed, or faith, dwell together in peace and maintain always the liberty of thought, action, and worship which has made us a great people. Let us strengthen our defenses in behalf of tolerance and freedom; protect and safeguard the covenant of democracy that has become the birthright of every American. One land there must be where freedom prevails; one government which gives to bigotry no sanction; to persecution no assistance. One nation in all this distraught and bitter world where "everyone shall sit in safety" \* \* \* and there shall be none to make him afraid." The heritage of a free people.

### Regulation of Transportation

#### EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday  
February 7), 1940

#### RESOLUTIONS REGARDING WHEELER-LEA BILL

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record excerpts from recent resolutions passed by various agricultural and other groups, State and National, who are concerned about the Wheeler-Lea transportation-regulation bill.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

[Twenty-first annual meeting, Kansas Farm Bureau, November 8-10, 1939, Manhattan, Kans.]

We are opposed to any legislation, State or National, that would have a tendency to increase transportation costs either directly or indirectly. We believe the best interests of agriculture will be served by a continuation of private ownership and operation of our railroads.

We believe that each form of transportation should stand on its own merit and that the rules, rates, and regulations for the various types of transportation should not be made arbitrarily uniform. The competitive features of the different forms of transportation should be preserved rather than destroyed. Rules and regulations that are not necessary for the safety of the public and the protection of property should be greatly modified or eliminated.

[Kansas Farmers' Union State meeting, October 24-27, 1939]

We condemn the determination of our railroads to monopolize our transportation facilities and their efforts to drive trucks and busses from our highways through the imposition of higher licenses and restrictions and the imposition of a dual control of contract carriers by State and Federal Governments, imposing prohibitive regulations by the I. C. C.

Our present-day needs require the unimpaired use of our highways by trucks as a farmers' convenience and the retention of our present water-travel systems by barge and steamboats as a means of rate-adjustment bases in the determination of through rates on grain and heavy-tonnage farm products to seaboard and export markets.

[National Cooperative Elevator Association (Iowa, Kansas, Nebraska, Oklahoma)]

Whereas the flow of commerce between producing and consuming areas of all products is essential to economic public interest; and Whereas transportation costs are a vital factor in the commercial exchange of products: Therefore be it

Resolved, That the National Cooperative Elevator Association representing the States of Iowa, Nebraska, Kansas, and Oklahoma in convention assembled, respectfully request that the Congress of the United States preserve for the Midwest agricultural area competitive low-cost systems of transportation and to that end urge that inland-waterways transportation be not placed under any governmental rate-regulatory body.

[Annual meeting of the Farmers Grain Dealers Association of Iowa, January 25, 1940]

We believe that each form of transportation should stand on its own merit and that the rules, rates, and regulations for the various types of transportation should not be made arbitrarily uniform. The competitive features of the different forms of transportation should be preserved rather than destroyed. Rules and regulations that are not necessary for the safety of the public and the protection of property should be greatly modified or eliminated.

In each House Congress has passed a transportation bill, both of which are now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a period of 30 days or more be permitted for the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

We are opposed to those provisions of the national legislation now pending before Congress, which place the control of rates on water-borne commerce under the control of a governmental rate-regulatory body.

[Iowa Farm Bureau Federation, January 19, 1940]

IX. Transportation: We believe there is a real need for the continued existence of each of the several major types of transportation. Each can, we believe, competitively render certain types of transportation services better than any of the others.

Under no circumstances should the wheels of progress be stopped by attempts to unduly restrict the competition through over-regulation of any particular mode of transportation.

[Missouri Farm Bureau Federation, November 13-15, 1939]

Whereas low-cost transportation is essential to the farmer, and Whereas the economical development of and operation on the rivers and canals affords the farmers of the mid-Continent area a primary low-cost method for movement of bulk commodities, and

Whereas the rate-making for transportation charges on the inland waterways is based on costs of operation and the services are competitive: Therefore be it

Resolved, That the Missouri Farm Bureau Federation does respectfully request of the Congress of the United States that the inland-waterways transportation be allowed to be continued on the present competitive basis and that no legislation be enacted by which this form of transportation will be allocated to or placed under any Government regulatory body.

[Nebraska Farm Bureau Federation, December 11-12, 1939]

We are unalterably opposed to those provisions of the Wheeler-Lea bills now pending before Congress which place the control of rates on water-borne commerce under the control of a governmental rate-regulatory body because we believe such a provision of law will be used to deprive the Mississippi and Missouri Valley agricultural interests of a competitive low-cost system of transportation so vital to the economic recovery of business and agricultural interests of the mid-West agricultural States.

[Texas Sheep and Goat Raisers' Association, December 8, 1939]

There is now pending in the United States Congress, Senate Resolution 146, bill S. 2009, which would affect very material changes in the Interstate Commerce Act. While some changes in the act may be advisable, this association is opposed to this bill,

which contemplates a rewriting of the entire act. We unqualifiedly oppose the enactment of this bill, particularly that portion of the bill which would place all water carriers under the jurisdiction of the Interstate Commerce Commission.

[Minnesota State Federation of Labor, September 13, 1939]

Whereas in the seventy-sixth session of Congress, 1939, bills were introduced into both the United States Senate and the United States House of Representatives, known as the Wheeler and Lea bills, which proposed many changes in the Interstate Commerce Act, to save the railroads, and prominent among the changes were proposals to put the inland water carriers under the jurisdiction of the Interstate Commerce Commission; and

Whereas if such a law was enacted forcing water carriers under the I. C. C. jurisdiction, it would cause the loss of thousands of tons of freight, which is now carried by boat, by diverting it to the all-rail route on one side and to the Canadian water route on the other, thereby causing the unnecessary loss of jobs to hundreds of longshoremen engaged in this large industry, and who are organized under the A. F. of L.

*Resolved*, That the Minnesota State Federation of Labor hereby go on record as opposed to all types of legislation which proposes to put inland water transportation under the I. C. C.; and be it further

*Resolved*, That the officers of the federation stand instructed to do all in their power to combat similar proposals which may arise in the future.

[Minnesota Farm Bureau Federation, January 17, 1940]

Congress has passed a transportation bill, which is now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a reasonable time be permitted the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

In the formulation of such bill we urge that the Interstate Commerce Commission be directed to give more attention to the rightful interests of shippers in the regulation of transportation systems, to investigate and remove any unjust discriminations against regions or commodities within any particular type of transportation, and we especially insist that no provision of law or regulation permitted thereunder, restrict any natural or inherent advantages of any type of transportation where such advantages in rates and services are reflected to the public.

[Illinois Agricultural Association, twenty-fifth annual convention, February 1, 1940]

Farmers believe that the interests of the general public and of agriculture in matters of transportation can best be served through the private ownership and operation of public carriers; such control, however, places upon management definite responsibilities to modernize facilities, improve services, and effect efficient operation under reasonable supervision, with rates that are equitable as between areas and among all users. This can be obtained through fairly administered regulation and through cooperation and coordination of all types of transportation. The natural advantages of rail, water, motor, and air in the respective fields of transportation must be served.

[At a meeting of citizens called by Governor Bailey, of Arkansas, November 2, 1939]

Whereas the omnibus transportation measure (Wheeler-Lea bill) is now in a conference committee of the National Congress; and

Whereas no such highly technical and complicated subject should be legislated on without every member of the legislative body having had an opportunity to study the proposals and their probable effect upon his constituents, as well as upon the Nation as a whole, \* \* \* : Therefore be it

*Resolved*, That this meeting of representative citizens, representing a true cross-section of sentiment from over the State of Arkansas, assembled in Little Rock, this November 2, 1939, upon invitation of his excellency, the Honorable Carl E. Bailey, Governor of Arkansas, hereby respectfully and earnestly urge our Senators and Representatives in Congress to exert their every influence and effort to the end that the said transportation bill, when reported out by the conference committee, shall lie on the table for a period of not less than 60 days.

[Louisiana State-wide conference, Baton Rouge, La., October 6, 1939]

Whereas under the provisions of Senate bill 2009 and the House Lea bill, both of which were passed at the last session of Congress and are now in conference, the Great Lakes carriers and all contract carriers on the high seas in coast-wide trade are relieved from regulation; and

Whereas only the common and contract carriers on the rivers, bays, sounds, and canals are held to the full regulation \* \* \* : Now, therefore, be it

*Resolved*, by this Louisiana State-wide conference assembled in Baton Rouge, La., on this 6th day of October 1939, That the economic welfare of the Mississippi Valley requires that the inland

waterways be left free of handicapping regulations and controls in order that competing boat lines may serve valley commerce, port to port, as an adjunct to the rail lines, to best advantage and at the lowest cost, and we oppose any legislation which does not contain an ironclad mandate to the regulating body which will insure to the shipping public the full economies of low-cost water services.

[Houma-Terrebonne Chamber of Commerce, Julius Dupont, president, October 18, 1939]

Whereas under the provisions of Senate bill 2009 and the House Lea bill, both of which were passed at the last session of Congress and are now in conference, the Great Lakes carriers and all contract carriers on the high seas in coast-wide trade are relieved from regulation \* \* \* : Now, therefore, be it

*Resolved*, by this Houma-Terrebonne Chamber of Commerce, assembled in Houma, La., on this 18th day of October 1939, That the economic welfare of the Mississippi Valley requires that the inland waterways be left free of handicapping regulation and controls in order that competing boat lines may serve valley commerce, port to port, as an adjunct to the rail lines, to best advantage and at the lowest cost, and we oppose any legislation which does not contain an ironclad mandate to the regulating body which will insure to the shipping public the full economies of low-cost water services \* \* \* ; and be it further

*Resolved*, That the Louisiana Senators and Congressmen, in the public interest, should vote against any bill which would place the inland waterways in a strait jacket of regulations, and especially against any bill which relieves the Great Lakes east and west routes of regulation while regulating the north and south inland waterway route.

[Tuscaloosa Chamber of Commerce, October 24, 1939]

Whereas a general transportation bill, known as the Wheeler-Lea bill, S. 2009, has passed both Houses of Congress and is now pending before a conference committee; and

Whereas this bill in its present form provides for the regulation of both common and contract water carriers by the Interstate Commerce Commission, and gives that body the power to fix their port-to-port rates; and

Whereas the passage of this act in its present form will cause an increase in all transportation costs and endanger the whole water-carrier industry: Therefore be it

*Resolved by the directors of the Tuscaloosa Chamber of Commerce*, That they go on record as opposing this legislation.

[Mobile Chamber of Commerce, January 24, 1940]

*To the Alabama Congressional Delegation:*

At a special meeting on January 23, 1940, of the board of directors of the Mobile Chamber of Commerce a resolution was adopted calling attention to the fact that the adoption of the regulatory measures of the Wheeler-Lea bill, now being considered by the joint congressional committee, would not be constructive and would do the commercial interests of the port of Mobile and the contiguous territory serious hurt without compensating advantages.

This organization, having seen the destructive effects of similar regulations tending to regulate and control labor, commerce, and transportation by the Federal Government, feels that the Wheeler-Lea bill should be opposed.

R. D. HAYS, General Manager.

[Mississippi Farm Bureau Federation, November 16-17, 1939]

Transportation: We recommend that all forms of transportation assisting the farmer in the marketing of his produce be developed and encouraged to preserve the inherent benefits of each, and we are unalterably opposed to any legislation attempting to eliminate competition by discriminating against any one form of transportation to the advantage of another.

We further recommend that transportation legislation, if and when adopted, specifically provide for the movement of agricultural commodities for domestic consumption and for export at rates comparable to those for industrial products for domestic consumption and for export, and that it also provide specifically that all transportation operations shall be allowed to reduce rates as long as those rates are compensatory with the cost of such service.

[Twenty-first annual convention, Indiana Farm Bureau, Inc., November 17, 1939]

Transportation: Reasonable freedom and flexibility should be left to railroad management in fixing rates, effecting economies, consolidating and elimination, improvement in service, and advancement in methods for the maintenance of an efficient and economical railroad system.

To accomplish this, a readjustment of governmental policies should be made providing for relative treatment of different types of transportation without limiting any natural advantages where these would be favorable to the public interest.

[American National Live Stock Association in national convention, Denver, Colo., January 15, 1940]

*Resolved*, That we are unalterably opposed to Senate bill 2009, and companion House bill of the same number, commonly known



as Wheeler-Lea bills, respectively, in the following particulars, to wit:

1. Senate bill in all respects.
2. Declaration of policy and the rate-making rule of the House bill.
3. Regulation of water carriers under either bill.

[International Longshoremen's Association]

Whereas the Congress of the United States, sitting in Washington, D. C., have under consideration the Wheeler and Lea bills, which make many changes in the Interstate Commerce Act intended to aid the railroads; and

Whereas the passage of the Wheeler and Lea bills would tend to divert from inland water routes millions of tons of cargo now carried on lighters, barges, and ships to the railroads; and

Whereas such diversion would cause thousands of longshoremen now organized and other thousands yet to be organized to become totally unemployed and would cause a very few, if any, members of the railroad brotherhoods to be given employment \* \* \* : Now, therefore, be it

Resolved, That the I. L. A., in convention assembled, go on record as being unalterably opposed to both the Wheeler and Lea bills; \* \* \* be it further

Resolved, That the international officers of the I. L. A. stand instructed to immediately notify proper committees in Congress of the action taken by this convention.

F. H. MASTERSON,

A. F. of L. Organizer, New Orleans, Local 1586.

R. A. WALTON,

International Vice President and General Organizer, Great Lakes, Chicago Local 1240.

SIMON P. O'BRIEN,

Great Lakes District President, Buffalo, N. Y.

L. LONG,

1556, St. Louis, Mo.

E. L. SLAUGHTER,

International Vice President, Duluth, Minn., Locals 1279, 1328, 1343, 1565.

[Seventy-third Annual Session of the National Grange Peoria, Ill., November 15-23, 1939]

8. Recognize that preservation of adequate transportation facilities is indispensable to the welfare of the Nation. Railroad regulation should be liberalized, but uniform regulation of all types of carriers would destroy competition and the economies afforded by each type.

[Annual meeting, National Farmers Union, Omaha, Nebr., November 20-22, 1939]

We also affirm our position relative to the following:

Opposition to regulation of truck and water transportation rates that tends to increase transportation costs. We also oppose repeal of section 4 of the Interstate Commerce Act, commonly known as the long- and short-haul clause.

[National Wool Growers Association, seventy-fifth annual convention, Casper, Wyo., January 23-25, 1940]

8. There has been introduced into the Congress of the United States a general transportation bill known as Senate bill 2009. The bill has passed the Senate and an entirely different bill carrying the same number has passed the House. These two bills are now in the conference committee.

We cannot endorse either of these bills, but livestock should have a hearing before any bill resulting from this conference is passed, and we make the following definite suggestions for enactment in a general transportation bill:

We favor the elimination of inhibitions in section 15 (4) of part I against the Interstate Commerce Commission's establishing through routes.

We do not favor the regulation of water carriers under the provisions of either the Senate or House bill.

We do favor the clause "inherent advantages of each medium of transportation based on the cost of each group" and ask that it be retained under the section defining rate-making purposes.

[Annual meeting, American Farm Bureau Federation, Chicago, Ill., December 4-7, 1939]

Each House of Congress has passed a transportation bill, both of which are now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a reasonable time be permitted the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

In the formulation of such bill we urge that the Interstate Commerce Commission be directed to give more attention to the rightful interests of shippers in the regulation of transportation systems, to investigate and remove any unjust discriminations against regions or commodities within any particular type of transportation, and we especially insist that no provision of law or regulation permitted thereunder restrict any natural or inherent advantages of any type of transportation where such advantages in rates and service are reflected to the shipping public.

## Lucky Comrade Browder!

### EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

EDITORIAL FROM THE PALISADIAN FOR FEBRUARY 2, 1940

MR. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Palisadian for February 2, 1940:

[From the Palisadian of February 2, 1940]

LUCKY COMRADE BROWDER!

Last week a couple of Communists got into trouble. One of them, Comrade Earl Browder, native-born American citizen, was convicted of passport fraud. At his trial, where he was permitted to harangue the jury for an hour, he said: "I am a Communist. I am secretary of the American Communist Party. I am proud of it." And he told of secret trips to Russia for revolutionary conferences. Browder was given a 4-year sentence, and turned loose on bail to address his fellow Communists as a martyr to the "cause."

The other comrade, Maxim Litvinov, a citizen of Soviet Russia, came under distrust of the Kremlin because, according to a cable dispatch from Copenhagen, he was "a friend of the western democracies and, therefore, dangerous." And, according to that dispatch, which has a strong ring of truth from reliable precedents, Comrade Litvinov had no public trial, addressed no jury, was not released on bail to speak to any crowds, got out with no light prison sentence. He was backed against a wall and shot.

Lucky Comrade Browder—to be under the laws of the American democracy he yearns to destroy. Unfortunate Comrade Litvinov—to be in Utopian Russia. Comrade Browder will have time for quiet reflection in a Federal prison cell. It might pay him, and many who embrace his views, to ponder that American tolerance for alien-dictated treachery is growing strained in these times. Such luck may not last forever.

## A Rural Editor Opines

### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1940

EDITORIAL BY DAN MCGOVERN

MR. COFFEE of Washington. Mr. Speaker, I include herewith an editorial comment by Hon. Dan McGovern, publisher and editor of the Renton Chronicle, of Renton, Wash., on subjects of current moment, which, I think, shows a soundly progressive attitude, the reading of which will contribute to the enlightenment of those who study the columns of the CONGRESSIONAL RECORD. Mr. McGovern is an unusually gifted editor and commentator whose newspaper enjoys a wide circulation in rural King County, Wash. Mr. McGovern is a versatile writer, a poet, a thinker, a speaker, and a lifelong Democrat.

The editorial is as follows:

The McClure newspaper syndicate last week sent me a large envelope stuffed with notices favoring Frank Gannett, New York State publisher, for President of the United States. As principal owner of the McClure outfit Mr. Gannett naturally would not allow the syndicate to publish anything in which he himself did not have complete faith \* \* \* which proves that Gannett is wholeheartedly in favor of Gannett.

The president of the Pacific States Telephone Co. gets \$50,000 per year, or \$1,000 every Saturday night. After taking a couple of beers, buying a package of fine-cut, and assembling a shopping bag loaded with hamburger, rutabagas, canned milk, salt pork and beans, he would have, figuring roughly, in the neighborhood of \$998.40 to pay rent, fuel, clothing, etc., and to take in a show once in a while. You can't tell me a fellow like that can't get ahead if he really wants to.

"Do most of us realize what a magnificent job has been done by America?" thunders B. C. Forbes, the great economist. He then

goes right ahead and demands to know if "we feel the slightest sense of gratitude to those who have made this country envied by the people of all other nations?" Questions like these make us excessively red in the face. After all, what have we done to show our appreciation? I don't blame Mr. Forbes for being indignant.

What did we ever do to show Jay Gould how we appreciated his wrecking of the Erie Railroad or the masterful chicanery of himself, Dan Drew, and Jim Fisk for precipitating the country into the black Friday panic of 1873? What have we ever done in the way of applauding the lumber barons who left us all these nice stumps?

What homage did we ever do the shipping magnates who retired with several billions and left the country's commerce wrecked and desolate? How have we repaid the sacrifices of the noble Carnegie, who paid the hunkies a dollar a day in his steel mills while piling up a billion dollars to take back to Scotland?

What appreciation do we show to J. P. Morgan for his father's swindle of the Government with a sale of defective guns during the Civil War? Or the present head of the house for the nice foreign bonds he sold us during the war—bonds which aren't worth the ink that went into them? Where will you find gratitude to the great philanthropist, Andy Mellon, for keeping the price of aluminum at a dollar a pound for 20 years and making himself a billion? What manner of people are we that we don't applaud the Ford outfit for accumulating a billion through its speed-up processes? Why haven't we in America the decency to praise Rockefeller and his partners for keeping the price of gas up to 21 cents a gallon; and why do we hang back with our paeans of praise for the great public benefactors of Wall Street who sold us those \$300-a-share stocks back in 1928?

A nation of ingrates, that's what we are, B. C.—I can call you "B. C.," can't I, B. C.? Yes, sir. I see you mention iron and steel. I don't wonder that you shudder at our utter lack of reverence for the great benefactors of the Nation who stripped the iron ore out of the Minnesota iron range and left that region a second edition of hell. \* \* \* Those boys should be canonized.

And what have we done to perpetuate the memories of those giants who built our early railroads (and later ones) and looted the Government Treasury and the pockets of investors at one fell swoop? Why can't we vocalize our loving recollection of the meat packers who sold our Spanish-American War soldiers embalmed beef? Why are we silent when the names of the illustrious robbers of our oil lands are mentioned?

What's the matter with the emotions of a people who can't cheer for the accomplishments of the daring and generous pioneers who stole our water power? Why don't we cheer and clap when we hear mention of the food profiteers of the late war—the heroes who charged us 25 cents for a pound of sugar, \$25 a pair of shoes, \$15 for a barrel of flour, and 20 cents for a yard of calico?

Listen to the Forbes person—listen and break down:

"Credit for the greatness attained by the United States must, therefore, be generously accorded those wise, far-seeing, democratic patriots. (Until recent years no President, no administration seriously sought to tear down what they so carefully, so farsightedly created.)

"Following the noble work of American foundation-layers, what?

"Time revealed that this vast continent possessed an abundance of the essentials for national and international greatness: Iron, coal, fertile lands, oils, forests, copper, water power, varied and healthful climate, unique waterways, a whole string of et ceteras."

Mr. Forbes goes on, rather haltingly, it is true, to prove by inference that the patriotic masters of industry and finance in this country went out and developed these industries for the country's good and for the benefit of the country's people. Bull, Mr. Forbes, bull.

If America is still great it's because we had so much that we still have some left in spite of every conceivable sort of piracy upon our resources. Piracy, waste, exploitation, ravishment—these were the four horsemen of America's youth and adolescence; these the plagues that your great developers let loose upon the land.

And that's the kind of stuff your great public journal, your "family" newspaper dishes up to its presumably intelligent readers. The American today who can't recognize bull when he sees it ought to have his nose examined.

## Address of the Postmaster General

### EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, Postmaster General of the United

States, at the first-day sale of the Washington Irving stamp at Tarrytown, N. Y., Monday, January 24:

It is very pleasing to me that I have the opportunity of returning today to your attractive city. As you know, I spent the early years of my life in Grassy Point, just across the river. I recall many pleasant memories of my boyhood, and played baseball here in Tarrytown many times.

If for no other reason the Legend of Sleepy Hollow would make this community famous to every American. This region, of course, is full of fantasies beautifully woven into realities by the facile pen of Washington Irving. I recall that I saw as many hobgoblins as the average young man of my age, and I have crossed many bridges, at times near midnight; but I have yet to actually meet the Headless Horseman. Fortunately for me, insofar as I know, he confined his activities to the east side of the river.

It is especially fitting that during the present period of international struggle our Nation should pay tribute to American heroes of peace. Other countries have recognized their prominent figures in literature, art, and science, but the United States has been somewhat tardy in this respect.

Today, however, we honor the first of 35 representative men and women whose lives have made our own more enjoyable. From American literature, art, and science a number of notable personalities are being given a place on our stamps. They will thus parallel the appearance in other issues of our statesmen and national leaders.

The selections have been made after many suggestions and polls for which the Post Office Department extends its thanks. These authors, artists, composers, educators, inventors, poets, and scientists represent America's finest product. National figures, such as Mark Twain, Stephen Foster, Booker T. Washington, and Walt Whitman may be characterized as symbols in opportunity of American democracy. Their achievements have influenced the present. Their example will build for the future.

It is especially fitting that the first name we honor in the authors' group of the issues of famous Americans should be that of Washington Irving, a native of your peaceful, enchanting region. A man who was at home here upon the Tappan Sea; an author whose characters and art came from his love for the Hudson, for the Catskill Mountains, and for the old town of Knickerbocker. Certainly this charming old village of Tarrytown is today a place of pilgrimage. Your Sunnyside, Christ Church, and Sleepy Hollow are all monuments to this man.

"I thank God I was born on the banks of the Hudson," said Washington Irving, and he pictured for us the unsurpassed beauties of the Hudson Valley. At this time our Nation, which he made aware of its own grandeur, joins his portrait to an already notable list. I am sure that this community where Washington Irving lived and was buried will enjoy keeping this stamp as a lasting memento of its illustrious citizen.

Washington Irving was the first distinctive voice of American spirit and legend. He was born in 1783, the year we gained our independence from England. New York then was not much larger than Tarrytown is now. Brooklyn at that time was a collection of Dutch farms. With Irving's maturity, America came of age. Irving served as spokesman for its ruggedness and good humor. As George Washington was the father of our Republic, so Washington Irving, the general's namesake, was the father of our republic of letters.

More than that, Irving was America's most needed envoy of friendship. He made Europe pause to realize the existence and importance of this thriving new land across the Atlantic. In 1842, when his name was already established, he became America's envoy to Spain. But our reason for remembering him is that in the troubled era of the previous quarter century, he was our ambassador of good will to an unfriendly and skeptical world. He was, I might say, a kind of post-war Ben Franklin. It is an interesting coincidence that, as with Franklin, his picture is engraved on the green 1-cent stamp.

Here was a writer who expressed healthy, vigorous American feeling. He was an artist who created living people out of folklore. Everyone has read and remembers Rip Van Winkle, Ichabod Crane, Katrina Van Tassel, and that mysterious gentleman, Diedrich Knickerbocker. These people live. Imbued with Washington Irving's genial spirit, his wit and humor, and his clear and forceful style, these stories will live on in the speech of man.

The subtle wit and satire of Knickerbocker's History of New York will always be of interest to the student of history. I was intrigued by the stories of the old Dutch burgomaster, the chief magistrate of the thriving little city then called New Amsterdam. In appearance he was about as wide as he was tall, had fully six meals a day, and smoked his pipe incessantly. In fact, both time and distance were measured then by the smoking of pipes—one pipeful representing 30 minutes of time or the equivalent distance that could be traveled within that period. It is further said that the old burgomaster was supplied with a very bounteous repast at midday, whereupon he enjoyed a siesta for a considerable period; that the attending bailiff warned all who came near that "His Excellency was thinking deeply for the good of the community." I wonder if some of these traits of the good old Dutch father could not well be emulated by many of us. Then nothing was done in a hurried manner and decisions were reached only after calm and deliberate, if somewhat lengthy, meditation.

There was a story that Irving loved to tell about a ragged little urchin who one day came to him at Sunnyside and whispered "Mister, do you love apples?" "Ay, that I do," said Irving. "Well,



come along," said the youngster, "but don't let the old man see us." So Irving went on tiptoe to steal his own apples.

Another tale reveals that some time after writing *Rip Van Winkle*, Irving for the first time visited the scene of his story. He listened with great patience to a guide retelling his own legend and was amazed to find his own imagination had stuck so close to physical fact. Finally, Irving left quietly. The guide had just claimed direct descent from the venerable *Rip* himself.

These are but bits out of a life that was full of experience. Irving was a prankish youth. In the introduction to *Salmagundi*, his first book, he wrote: "Our intention is simply to instruct the young, reform the old, correct the town, and castigate the age; this is an arduous task and, therefore, we undertake it with confidence."

"Irving," said Longfellow, "is one of those men who put you at ease with them in a moment." His stories are friendly. They read as though Irving had put his arm around your shoulder. Looking now at his portrait on this new stamp we can glimpse some of this friendly sincerity and ease. We can understand this man who, the year of his death, wished for 20 years more so that he could write his books over again.

There are critics who toss aside Washington Irving's work as lacking in solidity and depth. That's like blaming a collector of United States issues of stamps for not specializing in European issues. Irving himself would be the first to admit that he was a romantic. He wanted to present not actual life but a picture of life as we should like to have it.

Let me quote Mr. Irving: "If I can by a lucky chance, in these days of evil, rub out one wrinkle from the brow of care, or beguile the heavy heart of one moment of sadness; if I can, now and then, penetrate the gathering film of misanthropy, prompt a benevolent view of human nature, and make my reader more in good humor with his fellow beings and himself, surely I shall not then have written in vain."

That the first stamp of this series is being issued today is proof that Washington Irving did not write in vain.

We have, from the nature of things, grown overly tense. Too often we have little time or inclination to relax beside our albums. Too often we forget to turn to those who write, as did Irving, for some assurance that there is permanence and rest in this world. Those who use force will always have trouble in banishing truth and beauty from the world, and we should be glad to know that the words of Irving which delighted our grandfathers and have delighted us will be read and reread with equal enjoyment by those who come after us.

It is a real pleasure for me to dedicate this stamp today to those who love American literature in its truest form—the writings of Washington Irving. Wherever the mails of the United States may go, there the spirit of *Rip Van Winkle* will be heard, forever playing at his game of ninepins.

## Annual Banquet of the Washington College of Law

### EXTENSION OF REMARKS

OF

HON. ROBERT T. SECREST

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

ADDRESS BY HON. GUY M. GILLETTE, OF IOWA

Mr. SECREST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. GUY M. GILLETTE, Senator from Iowa, delivered at the annual banquet of the Washington College of Law, Washington, D. C., on February 10, 1940:

It is a real privilege to have even a small part in these proceedings tonight, dedicated to the commemoration of the work of the Washington School of Law, which, I believe, is now within a few years of a full half-century of service in its field of legal instruction. But I wish, if possible, to make this small contribution of mine a helpful one.

I am here tonight on recruiting service. Your country and mine is at war—not a war waged with lethal instruments for destroying human life, but a war destructive of human happiness and which, unless won, is fraught with greater danger to America than one which we might wage against another world power or combination of powers.

I am bringing this appeal for enlistments here tonight because this is one of the most promising fields for securing the type of effective recruits that I have in mind. At this gathering there are men and women, young and old, who have adopted the law as a profession. It is needless to say that your profession is not only a proud and an honorable one, but one that is exceedingly essential. We know that law is a rule of human conduct. We know that all human laws, whether emanating from a high or a low agency, are

definite restrictions on the freedom of action of the individual, in the assumed interest of the general community. It is very necessary for the individual to know his rights, his duties, and his obligations under these rules. Because of the complexity of modern communities and the multiplicity of social, financial, and individual interests, and because of the great number of governmental agencies from which these various rules emanate, it is obviously impossible for the average individual to familiarize himself with the laws or to learn the machinery of administration and of legal procedure. But schools such as yours teach these things thoroughly to those desirous of engaging in the profession of law, and are continuously employed in especially fitting hundreds of thousands of young men and women to know the rules of statute law and to know the recognized principles both of law and procedure as developed by experience and established by the courts, and to apply these laws, these principles, and this procedure to the myriads of factual situations which arise in everyday life. And to do this well, of course, constitutes the practice in which you will engage as attorneys at law.

But deeper than these statutes and rules, much deeper even than the legal principles underlying both statutory and common law, there are certain basic or foundational systems of governmental philosophy from which we, as Americans, have chosen, and on which we have builded our Nation. This choice of ours is threatened today—not seriously from without, but seriously enough from within, to challenge our attention and our best endeavors. Bear with me, please, while I review as briefly and succinctly as possible four basic governmental systems:

1. The representative democracy: Its basic philosophy is voluntary participation in the government by the individual, freedom of speech, of the press, of worship, of petition, of assembly. It insists on equality of opportunity and equal voice in government. It assumes to develop wisdom of collective action by individuals through agencies of free expression, debate, and interchange of opinion. Its agencies of government, however they may be named, must justify themselves by serving the general happiness and welfare. It works through these agencies freely chosen by groups organized for political action, and all types of minorities have recognized rights. It upholds private ownership of property under social decisions in the interest of the general community welfare.

2. Communism: Basically, this system is not only atheistic but rejects every pattern of religious thinking and considers social events and developments as the rigid results of materialistic cause and effect. It seeks to set up a classless society, with social ownership and control of all instruments of wealth production. And because it starts with the premise that all working classes are linked in interest throughout the world, it fosters and believes in the destruction or liquidation of all other classes by parallel violent revolutionary action throughout the world. Hence, it definitely rejects nationalism and rules by a one-party system, and all other parties are viciously attacked as being counterrevolutionary.

3. Socialism: Socialism in its various manifestations may be anti-religious or not. It also sets up the goal of a classless society, with communal ownership of all instruments of wealth production, advocates solidarity of the working classes with a larger voice for them in politics and industry, but it advocates attaining these goals not by violent political action but by convincing the masses of its desirability and by adapting itself at least temporarily, to the political forms under which it now conducts its activities. It also is not nationalistic, but has for its eventual goal internationalism.

4. Nazi-ism or fascism: These philosophies start with two foundational premises. First, that the national state is the best possible organization of men and must have their complete loyalty as individuals. Individuals have rights and meaning only as they are parts of and contribute to the state itself. As the second premise, they believe that there is a natural hierarchy among men, races, and nations, giving to certain ones a superior quality that must be acknowledged and obeyed. One race is superior to all others, one nation to all others, and one man to all others. This, then, is the fuhrer or leader principle. This system recognizes private ownership of property and private rights only if they are maintained completely subservient to the state, its welfare, and that of the superior racial groups. It is necessarily nationalistic and rejects entirely all international community of interest.

These four governmental systems are forced into strife and physical warfare in Europe and Asia today, not because of their political antagonisms alone, but because of the fact that the tremendous pressure of commercial, industrial, financial, racial, territorial, and population antagonisms brings on the conflict, and with it the opportunity to appeal for the support of the people for their respective political systems, and to excite and incite the citizens to bitter warfare.

Many efforts have been made and will continue to be made to establish in our minds the community of interest of our Nation with other nations now at war because of the similarity, real or assumed, of our basic political system with that of some of the contestants, and to read into a triumph in the present warfare of some of the contestants a definite threat to our national political philosophy and even our national existence. I do not care to discuss that question. Whether or not the triumph of any political system in a European or Asiatic war carries a potential future threat to America and Americans, a threat to our security through war involvement, should not, and must not drive from our minds the fact that the greatest contribution the United States can make today to world peace and security, as well as to our own, is to prove to the wide world that representative democ-

racy is the best governmental system yet devised by man, that it brings a further measure of individual welfare and security for all classes, all citizens and sections, than any other. We must prove this, not at the point of cannon or bayonets. We must prove it by definitely winning the terrific war in which we are now engaged and in which we have been engaged for several years, the war we are waging against unemployment, against national debt, against unjust and unhealthful working conditions, against inequality of opportunity, against maldistribution of our wealth production, against dishonesty in public office, against hunger, disease, and suffering, wherever found within our Nation. If we win this war through our democratic agencies, there will be no need to attempt to impose our governmental system on any other nation anywhere on earth. There is nothing that will stop other nations in the fullness of time from applying within their borders the lessons of our success.

We are prone to quote from the immortal Declaration of Independence these words:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by the Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

We seldom quote the statement which follows:

"That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute a new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness."

So I come to you young people tonight trying to emphasize the tremendous need that our Nation has today for men and women schooled in legal principles and affairs, carrying the deepest convictions of the value of our governmental institutions and philosophy, and enlisted with every other upright American citizen to build on this philosophy a structure which the people of our Nation will behold with amazement and envy, and be imbued with the desire to emulate through change in their political system, such as we assert is their inalienable right.

It is for this war that I am seeking soldiers. We need the unselfish aid of every citizen. We need the hearty cooperation, suggestion, and aid of every political party and group. We need courage to acknowledge, face, and solve the problems. To fail to win would leave our democratic system prone and helpless before the plausible sophistry of the arguments presented by the proponents of fascism, Nazi-ism, communism, and other philosophies that we hold subversive of the things we love and live for in the United States of America.

### Lincoln Day Address

#### EXTENSION OF REMARKS

OF

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

ADDRESS BY HON. JOHN McDOWELL, OF PENNSYLVANIA

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered last night at Parkersburg, W. Va.:

My friends of West Virginia, you have assembled here and I have journeyed many, many miles over the mountains to tonight add your humble tribute and pay our devotion to the memory of a man who has received more attention than any other figure in history—Abraham Lincoln.

This night, 131 years ago, in a miserable one-roomed cabin not so very far west of here, in an atmosphere that was similar in many respects in its humbleness and poverty to the birth of the Christ, the babe that was Abraham Lincoln was delivered and those humans of the earth who crave liberty more than any other thing had received their greatest gift.

To us in America now the birth, life, career, accomplishments and death of Lincoln is our most familiar story but, like the prayer of the Lord, it grows more sweet by its repetition and generations yet unaccomplished will retell the story with the same warm enthusiasm in which I do it again tonight.

Lincoln's noble simplicity has been constantly mistaken for mysticism and oddness. Those who have termed him a strange, mystical, ununderstandable man viewed him with such fierce observation that they missed the thing which has made him immortal—they could not see the forest for the trees.

We know Lincoln was the gentlest of men, yet with a firm and unyielding hand he launched his armies to the bloody conflict that was necessary to preserve the Union to which he was devoted. He was termed melancholy and sad, yet his entire life was replete with fun and humor and laughter and, aside from his other qual-

ities, Lincoln takes his place as one of the greatest humorists of all time.

The mark of Lincoln is not only upon us but upon all of the nations of the world. With the passing years his massive stature towers higher and higher amongst his fellow men and, although there are countless images of Abraham Lincoln graven in steel and bronze and marble and stone, the true image of this great character is impressed upon the heart of every American as his birthright.

The mark of Lincoln is upon Washington, the capital, the city in which his triumphs, and his heartaches, his victories, and defeats and death occurred.

To one who holds a seat in the body he once graced, his daily presence is inescapable. Many, many times, in my chores as a Member of the Congress of the United States, I walk down the twisting stairs from the Chamber to the ground, ignoring the modern innovations, because the very atmosphere whispers, "Before you was Lincoln, who loved his fellow men."

My bed in Washington is a stone's throw from where he lay in his.

It is impossible to walk across the Capitol plaza without the shade of the lumbering, towering, gaunt young lawyer striding along under the ancient trees, bent on the destiny that was Lincoln's.

At the west end of the long, green Mall he sits enthroned in marble magnificence, and day after day the worshipers and the curious walk up the steps and stand in silent contemplation before Lincoln.

The artist has caught him completely. The strong, sympathetic face that is America's hope; the simple garb; the strong, beautiful hands that wrought so well for the common man. I have been countless times to the shrine to drink in the inspiration Lincoln gives to those who desire it.

Lincoln was a child of the people, and his destiny carried him to those heights that can only mount from the people. Someone once said, "There is no accounting for genius; it has neither ancestors nor descendants; genius is the child of destiny, of necessity." Lincoln was such; he was the product of a crisis. Reared in the environment of abject ignorance, he rose to the utterances of such simple yet noble declarations that they have become classics, both because of their literary loveliness and their human truths.

Lincoln was a politician; of that there cannot be any doubt. He accepted the American system of government, furthered it, administered it, and left it immeasurably better than he had found it.

He learned, early in life, that those who captured the imagination of the citizenry would rule, for good or bad. It was his deathless fame to capture that imagination and administer for good, and Abraham Lincoln proved beyond any peradventure of a doubt that an honest politician, with clear convictions, with his eyes on the horizon can bequeath to posterity a wealth that can be estimated only in history.

Abe Lincoln was the product of a crisis, and the crisis gave birth to its own savior. There have been other critical periods since those dark days of the late fifties when Lincoln was forming and shaping for the task that confronted him. They were met and won by the American people in various ways and by various methods up until the melancholy gloom of the world-wide panic swept over the Nation at the beginning of the last decade.

The crisis that confronted America then was similar in many respects to the one which gave Lincoln to the world. There is slight difference between physical slavery and economic slavery. Misery, regardless of its origin, is much the same. The lash of a cruel proprietor hurts no more than the pinchings of a deprived stomach. The angry temper of a divided people is just as destructive, whether it be caused by the controversy of the question of men owning other men or between labor and industry. The political ideals that Abraham Lincoln gave the Nation through his party, the Republican, were not maintained as Lincoln would have maintained them, and we Republicans should be the first to admit that.

After the panic struck the Nation it was facing a serious situation, and every citizen in the Nation knew it. As always, a politician caught the fancy of a worried people, and once again the American people entrusted their fate and gave almost absolute authority to a President to deal with a desperate situation that was equally as dangerous as that which confronted Lincoln.

The long years have passed, but a comparison of the achievements that began in 1860 and those that began in 1932 reveal a dismal difference.

I have no desire to address you tonight in innuendo or by phrases that might leave the door open for political escape. My convictions in the matter are firm and sincere; I am fresh from the national scene and anxious that you should know and realize and appreciate what I believe to be the complete failure of the present administration to meet and solve the problems that confront the people of America.

Eight years ago the Nation was going through its armageddon. Industry was stilled, labor was suffering, finance was frozen, banks were crashing to the ruination of both stockholders and depositors from coast to coast—even the mighty hand of God seemed to have been raised against the people of the stricken Nation, and unusual floods, droughts, duststorms, and other catastrophes added their quota to the Nation's distress.

Out of the blackness of national concern came the clarion call of loud voice, soothing in its timbre, sincere in its tones, hopeful in its premises and once again the people of America were captivated by what it hoped was a strong, sincere man with a vision.



There the parallel of Lincoln and the New Deal ends. Seven long years have passed and the nostrums the Nation eagerly accepted have been fruitless. Seven long years have passed and America has not only the bitter taste of the medicine but the cure has not yet been effected.

With ruinous and ruthless force the academic theories were inflicted upon a trusting population and there was shackled upon the people the most cruel and misrepresentative and expensive political machine the children of the United States have been forced to maintain since they revolted in political nausea from the maladministration of King George III.

Seven long years after all power, funds, and authority had been vested in those who ask for it more than 10,000,000 American breadwinners are still haunting the relief lines; the wheels of industry, clogged by partisan and unfair legislation are gathering rust and cobwebs, the public debt daily mounts in staggering sums; the youth of the Nation view their future with forebodings and little hope; the aged cry for comfort and security from the only source left from which it may be derived—the Government.

Seven years after the triumphant ride to power of those who were going to protect the poor, advance labor, stop injustices, and decrease the national expenditures we have only one sure matter ahead of us—an increase in the national debt and a subsequent increase in the national taxes.

What is the profit to labor if their advances and gains are in Washington-made laws but not to their tables and their bank accounts? What a shallow, hollow victory and what despicable trickery to make the man who works with his hands believe that an unworkable law, passed with a fanfare of trumpets, will give him the things free that he can only hope to earn by the sweat of his brow.

Can I bring out to you in sharp relief what I believe is the epitome of the New Deal by informing you that Uncle Sam now owns more than 80,000 homes of American citizens who have been sold out of them in the same harsh and cruel manner the prophets of the New Deal were railing against when they were coming into power?

Can you appreciate that in Washington we have great and expensive departments devoted exclusively to the scientific study of increasing the crop yields of all of the farmers, and other departments studying the science of reclaiming wasted and non-profitable lands and in the same city are other great and expensive departments from which comes the theories of overproduction and of paying farmers to let their land fallow?

The United States Department of Agriculture has asked the Congress for gigantic appropriations to teach more people how to become farmers and, in the same breath, asks us to appropriate even more money to furnish food and seed and stock to the thousands of farmers who fail every year.

Do you people who mine coal appreciate that through the ruinous and illegal reciprocal trade agreements soft coal may be purchased on our eastern coast that was imported from another country cheaper than can be bought good, black coal from the hills of West Virginia?

Almost a million persons are now full-time employees of the Government of the United States—the record-breaking number in its history—and this only 7 years after the firm declarations of both the Democratic Party and its candidate, in the city of Chicago, gave a solemn pledge to abandon useless and expensive bureaus and eliminate the thousands of deadwood that are sucking away the lifeblood of the people of the country.

The New Deal has been zealous over the radio and in the public press in expressing indignation and making laws to maintain a proper wage level for the workers in private industry, yet the self-same New Deal has blocked every effort to grant a proper increase to thousands of Government workers who receive shamefully low salaries and who do not know the meaning of an 8-hour day. Indeed, I have personal knowledge of high governmental officials who have been most vociferous about the rights of the downtrodden and who have in their offices heads of families working for a pittance that is a disgrace to America.

The New Deal is a two-faced Janus that smiles on the voter and frowns on the taxpayer and, believe me when I tell you in all earnestness that the United States of America will never stand another 4 years of this sort of government and still remain the United States.

However, cursing an evil will never cure it.

We are Republicans gathered here tonight to honor the greatest of our party. Our tribute can assume no greater proportions to Abraham Lincoln than attempting to carry out on the course he charted for the Nation fourscore years ago.

With belief in the right as God gives us to see the right is a shining beacon of light that will forever guide our ship safely through the dangerous reefs.

The charge has been made that the Republican Party has no objectives, can only criticize and not suggest, remains to scoff but not to lead. This a canard and we all know it.

The charge has been made that the Republican Party has not yet produced a man who can measure up to the standards the Nation will demand of the Presidency. Let me refute by simply stating that we have many Republican patriots who can and will save the Nation from itself if given the opportunity. To be more specific, I feel I would be remiss in my duties if I did not inform Republicans everywhere that the man whom I believe measures

nearest the political standards of Abraham Lincoln is one who is daily laboring in behalf of his country and his party and has probably saved the Nation more millions of dollars than any other man now alive; and I am referring to the Honorable JOSEPH MARTIN, Jr., of Massachusetts, minority leader of the House of Representatives. There is no poverty of material in the Republican ranks, as will be proven in the short months to come.

The charge that the Republican Party has no constructive platform is mere political pap that will be entirely refuted next inauguration day. Is the advocating of economy in government a minor matter with a government rushing headlong into financial bankruptcy? Is the conviction that the owners of a business have a right to operate it without hindrance from the Government so long as they obey the laws and treat their employees in the manner in which the American people demand for labor? Is the denouncing of ruinous trade treaties, never ratified by the Senate and inflicted upon a helpless nation, a thing of no consequence? Is the belief that a tariff wall to protect agriculture from the products of the peon labor of the world a minor matter to be lightly disregarded? Is the firm belief and announcement that Europe's troubles are her own and that their wars are not our wars nor will they become our wars and that our frontiers are the oceans that bound us and not the Rhine River nor the Yellow Sea?

The Republican Party, when it takes over the administration of the affairs of the people of the United States, is prepared to carry out Abe Lincoln's political theories of the most good for the most people, and to believe that not all of the old things that made America great were wrong and must be twisted into queer shapes that look like they were patterned in Moscow.

The administration of the United States in the last few days has risked a new international situation by openly berating the Russian Government. If you will recall, it was the Republican Party that considered the Russian Bolshevik Government a gang of bomb-throwing murderers from the very beginning of their bloody regime, and the cruel killers of the Kremlin were never recognized by an exchange of ambassadors until the parlor pinks of the New Deal brought that circumstance about.

The people of the Nation might well consider the constant efforts of the high officials of the Nation to sabotage and stop the Dies committee which is daily bucketing up filth that has been collecting about the roots of our country since the influx of spies, saboteurs, agitators, and dangerous enemies that followed the Roosevelt accord with the Soviets.

The people of the Nation might well ponder the fact that the dangerous and powerful "red" enemy of the United States, Harry Bridges, has been kept and protected in America through the almost obvious efforts of the pinkish Department of Labor and its bizarre head, Madam Frances Perkins.

Labor, which has been the stoutest champion of the New Deal, is slowly beginning to make obvious the fact that it has been taken for a very expensive buggy ride by a soothing radio voice and a Harvard accent.

May I point to the fact that many of my colleagues, both in the House and the Senate, have stepped down from the New Deal bandwagon, and that the music emanating from that gorgeously painted vehicle is rapidly dwindling down to the thin and rather hysterical pipings and scrapings played by what remains of that great American intellectual blight—the "brain trust."

We have strayed far from the path that Lincoln trod in America. Last week I was invited to attend the sessions of the American Youth Congress and declined because of the fact that many of them would take equal rank with Benedict Arnold in their faithlessness to the United States—yet they were the welcome guests in the first American home.

The Republican Party wants to give the people of America a chance to redeem themselves—to get their breath—to go back to work. It wants to bring genuine hope once more to American youth—it wants to offer something more than a military camp or a Government job to the millions of idle youngsters whose wealth of talents are being cruelly wasted for lack of opportunity. The Republican Party wants to remove the choking hand of governmental bureaucracy from the throat of the small storekeeper and the little farmer and the middle-income employees of the Nation. We want to remove from the Government pay rolls the thousand admitted Communists who are now being paid the people's money that they may live to destroy the very people who maintain them. We want to build an adequate Navy and Army but we will not build a ship for every Congressman and erect a new fort for every Senator.

We want to remove several dozen of these accursed taxes that have settled down upon America's prosperity like a swarm of locusts and which accomplish nothing but provide more jobs for more bureaucrats.

You are Americans here tonight and you have a duty to perform. Whether you belong to my party or not you accepted citizenship and you are betraying that citizenship unless you perform your full share of your task and that is to rescue America from the hands of triflers, incompetents, experimenters, and reckless opportunists and turn it back in the channel that Abraham Lincoln dug and through which it rose to the highest pinnacle of success that has been recorded in the history of nations.

My seat in the Congress is important to no one but me, but the control of that great body must be vested in the Republican Party in 1941 lest these political adventurers squander completely America's heritage.

I am very fortunate and deeply honored that it is my great privilege tonight to express my deep devotion to the ideals of Abraham Lincoln in the State of West Virginia, that should have, I deem, a special affection for this great man. West Virginia is the only State of the Nation that, of its own intense desire, underwent a rebirth of freedom and wrote a new chapter in defense of the liberties of mankind, arm in arm with Lincoln himself. Lincoln and West Virginia entered the Union together, and the great honor was sufficient for each to partake of it in full measure.

Over and above our political affections must always be that great golden frame of America that he penned and spoke in a rolling Pennsylvania valley—"a government of the people, by the people, and for the people."

Our strife in America between our people daily grows more bitter, more destructive, more dangerous. With the world on fire around us to quarrel over the riches that we possess and which are ample for all of us but which is being denied to most of us, must be a diabolical contrivance organized in hell itself. We must cease and go to work.

May I close with repeating the kindly words of Abraham Lincoln, spoken the day he swore to defend and protect his country. When he said this he must have lifted his eyes far above the throng around him and looked out over the hills and the valleys and the fields and the mountains that are America.

Abraham Lincoln said, "We are not enemies but friends. We must not be enemies. Though passion may have strained it must not break our bonds of affection. The mystic chords of memory, stretching from every battlefield and patriotic grave to every loving heart and hearthstone all over this broad land, will swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature."

## Tariff Classification of Products of American Fisheries

### EXTENSION OF REMARKS

OF

HON. ROBERT L. DOUGHTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

LETTER FROM HON. D. W. BELL, ACTING SECRETARY OF THE TREASURY

Mr. DOUGHTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. D. W. Bell, Acting Secretary of the Treasury:

TREASURY DEPARTMENT,  
Washington, February 12, 1940.

Hon. ROBERT L. DOUGHTON,  
Chairman, Committee on Ways and Means,  
House of Representatives.

MY DEAR MR. CHAIRMAN: In view of certain statements by Representative Brewster on the floor of the House of Representatives on February 6, 1940 (CONGRESSIONAL RECORD, pp. 1096 to 1111), with respect to the issuance of Treasury Decision 49682, dated August 12, 1938, defining the term "products of American fisheries" so as to include fish taken by or under the supervision of American vessels operating in conjunction with their shore plant for the preparation and preservation of such fish, the Treasury Department deems it appropriate to make the following comments.

All the circumstances surrounding the issuance of this Treasury Decision were fully set out in the Department's letter of January 26, 1940, to you, which was incorporated in your committee's adverse report on House Resolution 361 (H. Rept. 1558, 76th Cong.) and printed in the CONGRESSIONAL RECORD of February 1, 1940 (pp. 917-918). Further information on the subject was furnished in Secretary of State Hull's letter to you dated February 8, 1940, which you inserted in the RECORD of February 9, 1940 (pp. 1991-1992).

This Department would like to add, however, that it has long been the practice of the Bureau of Customs to furnish American businessmen and others, upon their request, with advisory advance rulings as to the tariff classification of imported merchandise. The present Secretary of the Treasury has continued this practice of his predecessors, believing it to be a sound one, since it affords businessmen an opportunity to obtain tentative assurances before they make commitments as to what their customs liabilities will be. Naturally, these advisory rulings of the Department are subject to the scrutiny of the courts. In the present situation a legal study made by this Department, as a result of such a request for an advisory ruling, indicated that a provision in the Department's customs regulations was not a proper interpretation of existing law. In accordance with its customary practice in such matters, therefore, the Department issued Treasury Decision 49682 appropriately

amending the regulation involved. In view of Mr. BREWSTER's observations, I believe it is pertinent to make a brief statement about the legal aspects of the ruling incorporated in Treasury Decision 49682.

Paragraph 1730 of the Tariff Act of 1930 provides for the free entry of products of American fisheries. Included in paragraph 1730 of the Tariff Act is a specific proviso to the effect that products of American fisheries, prepared and preserved by an American fishery, on the treaty coasts of Newfoundland, Magdalen Islands, and Labrador shall be exempt from duty.

For many years it has been the practice of American fishing vessels to proceed to the treaty coast of Newfoundland and there employ residents of Newfoundland to assist them in their fishing operations; that is, both in the taking of the fish and in their preservation on shore to enable the catch to be brought back to this country without being spoiled. The fish caught and prepared on the treaty coast of Newfoundland, with the assistance of Newfoundland residents, have for many years been regarded as products of American fisheries entitled to free entry. As early as 1886, in a published ruling of the Treasury Department, it was stated that fish caught by the crew of an American vessel with the assistance of men and nets hired in Newfoundland would be regarded as having been taken by the American vessel and entitled to free entry. That the employment of foreign fishermen would not destroy the free-entry privileges of fish caught by such fishermen under the supervision of an American fishing vessel is a principle which has had judicial sanction for a considerable period of time.

In 1910 the Board of General Appraisers (now the United States Customs Court) had before it a case involving fish caught by citizens of Newfoundland supposedly under the supervision of an American vessel. The importer in that case protested to the Board of General Appraisers the Treasury Department's imposition of duty on the fish. The Board sustained the importer's protest, stating, in part:

"While none of these fish were actually caught by the manual labor of Americans, still the opportunity, funds, place, and appliances necessary for the operation to be carried on were furnished by an American with American money. The whole enterprise was conducted and carried on by an American, who was responsible for the operations. The law was intended, in our judgment, to favor operations carried on by Americans in this way and to encourage the taking of fish in the treaty waters" ((1910) T. D. 31028).

The case was reversed on appeal by the Court of Customs Appeals in 1911 in a decision referred to by Congressman Brewster. However, the apparent reason for the reversal was that the American vessel, which was claimed to be in control of the fishing operations of the foreign fishing boats, did not participate in the actual operations involved in the taking of the fish, and was, in fact, some 30 miles away from such boats. The appellate court did not appear to disagree with the above-quoted principles stated by the Board of General Appraisers ((1911) T. D. 31534).

In 1914 a case arose before the Board of General Appraisers involving fish caught by citizens of Newfoundland employed by an American fishery and taken to the Newfoundland shores for preparation and preservation for shipment to the United States. The importer in this case protested to the Board of General Appraisers the imposition of duty by the Treasury Department and in sustaining the importer's protest the Board held that the fish were entitled to free entry as products of the American fisheries, stating, in part:

"The evident intent of the statute, however, is that Americans engaged in fishing in foreign waters by means of a fishery maintained and supplied by American money and enterprise shall be placed upon the same footing as Americans engaged in the same occupation in domestic waters, so far as the duties upon the fish are concerned.

"It was not, in our judgment, the intention of Congress to limit a fishery in its operation to the deck or hull of a vessel. It is conceivable that the operations might be so extensive as to make it impossible either to take, cure, or prepare the fish on board the vessel. We are therefore of the opinion that a fishery includes the operation of taking, preparing, curing, and packing fish, and making them ready for market, whether conducted by means of a large boat and small boats independent of the land, or by means of the same connected with the land, where the fish are cleaned, dried, prepared, and packed for market." ((1914) T. D. 34440, abs. 35520.)

In issuing Treasury Decision 49682, therefore, the Treasury Department followed the above cases and other cases decided by the customs courts in holding that fish taken by or under the supervision of American vessels, operated in conjunction with their shore plant for the preparation and preservation of such fish, are entitled to free entry as products of American fisheries. The Treasury Department, of course, is bound by those judicial decisions to the extent that the statutes under which they were rendered are substantially the same as those now in operation. The term "products of American fisheries" appears in both the present statute, paragraph 1730 of the Tariff Act of 1930, and the statutes in effect at the time of the judicial decisions. Furthermore, as already pointed out, the present statute contains a specific proviso to the effect that products of American fisheries prepared or preserved by an American fishery on the treaty coasts of Newfoundland, Magdalen Islands, and Labrador shall be exempt from duty.

Very truly yours,

D. W. BELL,  
Acting Secretary of the Treasury.



Cassius C. Dowell

## EXTENSION OF REMARKS

OF

HON. WILLIAM S. JACOBSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

Mr. JACOBSEN. Mr. Speaker, under leave to extend my remarks, I should like on this occasion to pay tribute to my colleague and friend the late Honorable CASSIUS C. DOWELL, of Iowa.

The passing of Congressman DOWELL represents an almost irreparable loss to the Sixth Congressional District of Iowa, and to that State, and to our Nation. His death marks the end of a career of faithful public service ennobled by 12 years in the State legislature and 23 fruitful years in the Congress of the United States.

His work was marked by a quiet, unassuming, but penetrating and intelligent attitude toward all questions affecting his constituency and the welfare of his country. Thorough and painstaking in his study of legislation, he carved out a career notable among the many great figures Iowa has given in service to the Nation. He ranked high among them.

It was my privilege to serve with him. I knew him as a friend and counselor who gave unstinted service and a helping hand to everyone, regardless of political affiliation. He was concerned always with the best public interest and welfare of our Nation. While chairman of the Roads Committee in the House of Representatives he secured enactment of legislation providing Federal aid for the building of roads. This accomplishment will serve as a lasting monument to his career as a legislator. To him as an individual, more than to any other, the thanks of the Nation are due for the progressive program he sponsored in providing the present network of highways throughout the country.

Any tribute to this illustrious public servant would be incomplete if it failed in reference to the faithful service of an affectionate wife and devoted helpmate, who by her encouragement and inspiration contributed in no small way to her husband's successful career. To Mrs. Dowell, I, too, pay tribute.

In Congressman DOWELL's death I have lost a friend whom I admired and in whose judgment I had faith and confidence.

## Shield of Liberty

## EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

EDITORIAL FROM THE WASHINGTON POST

Mr. HAVENNER. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD I include the following editorial from the Washington Post entitled "Shield of Liberty."

The editorial is as follows:

[From the Washington Post]

## SHIELD OF LIBERTY

During recent years the Supreme Court has tended to modify and, in some notable instances, even to reverse positions it had previously taken with regard to great constitutional issues which have come before it.

In one vital particular, however, the highest tribunal has remained steadfast and unchanging. It is today, as it has been for so long, a jealous and uncompromising guardian of the Bill of Rights. In a series of notable opinions it has struck out with

unfailing vigor against attempts to restrict or deny freedom of speech and freedom of the press, the right of assemblage, and the right of habeas corpus. As the late Senator Borah pointed out 3 years ago:

"When war passion, or mob passion, or political zeal, or selfish schemes have carried men beyond reason or justice, the Court, when called upon, has interposed to avert great wrongs."

It has done so again in yesterday's unanimous opinion reversing the decision of the Supreme Court of Florida in the case of four Negroes who had been sentenced to death after they had confessed to the murder of an elderly white man. The Supreme Court has ruled that the third-degree methods employed by the Florida authorities to secure these confessions made them invalid.

"We are not impressed," said Justice Black, in expressing the unanimous opinion of the Court, "by the argument that law-enforcement methods such as those under review are necessary to uphold our laws. The Constitution proscribes such lawless means irrespective of the end." And in an eloquent aside, which has particular pertinence in the present age of dictators and arbitrary rule, Justice Black reaffirmed the Court's solemn determination to act as guardian of civil liberties.

"Under our constitutional system," he said, "courts stand against any winds that blow as havens of refuge for those who might otherwise suffer because they are helpless, weak, outnumbered, or because they are nonconforming victims of prejudice and public excitement. \* \* \* No higher duty, no more solemn responsibility, rests upon this Court than that of translating into living law and maintaining this constitutional shield deliberately planned and inscribed for the benefit of every human being subject to our Constitution—of whatever race, creed, or persuasion."

## Decision of Supreme Court in Case of Isiah Chambers et al.

## EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

## OPINION OF SUPREME COURT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very notable opinion delivered by Mr. Justice Black and concurred in by all the other members of the Supreme Court of the United States, which again demonstrates that the Supreme Court is the outstanding, uncompromising guardian of the Bill of Rights.

Mr. NORRIS. Mr. President, it seems to me it is very appropriate that the opinion of the Court in this case should have been handed down by Associate Justice Black, formerly a Member of this body. It seems appropriate in view of the criticism made against his record in a certain particular.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[From the New York Times of February 13, 1940]

[Supreme Court of the United States. No. 195. October term, 1939. Isiah (Izell) Chambers, Jack Williamson, Charlie Davis, and Walter Woodward (Woodard), petitioners, v. The State of Florida. On writ of certiorari to the Supreme Court of the State of Florida February 12, 1940]

Mr. Justice Black delivered the opinion of the Court.

The grave question presented by the petition for certiorari, granted in forma pauperis,<sup>1</sup> is whether proceedings in which confessions were utilized, and which culminated in sentences of death upon four young Negro men in the State of Florida, failed to afford the safeguard of that due process of law guaranteed by the fourteenth amendment.<sup>2</sup>

<sup>1</sup>—U. S. —.

<sup>2</sup>Petitioners Williamson, Woodward, and Davis pleaded guilty of murder and Petitioner Chambers was found guilty by a jury; all were sentenced to death, and the Supreme Court of Florida affirmed (111 Fla. 707, 151 So. 499). Upon the allegation that, unknown to the trial judge, the confessions on which the judgments and sentences of death were based were not voluntary and had been obtained by coercion and duress, the State supreme court granted leave to present a petition for writ of error coram nobis to the Broward County Circuit Court (111 Fla. 786, 152 So. 437).

The circuit court denied the petition without trial of the issues raised by it and the State supreme court reversed and ordered the issues submitted to a jury (117 Fla. 642, 158 So. 153).

First. The State of Florida challenges our jurisdiction to look behind the judgments below claiming that the issues of fact upon which petitioners base their claim that due process was denied them have been finally determined because passed upon by a jury. However, use by a State of an improperly obtained confession may constitute a denial of due process of law as guaranteed in the fourteenth amendment.<sup>3</sup>

Since petitioners have seasonably asserted the right under the Federal Constitution to have their guilt or innocence of a capital crime determined without reliance upon confessions obtained by means prescribed by the due process clause of the fourteenth amendment, we must determine independently whether petitioners' confessions were so obtained, by review of the facts upon which that issue necessarily turns.<sup>4</sup>

Second. The record shows:

About 9 o'clock on the night of Saturday, May 13, 1933, Robert Darcy, an elderly white man, was robbed and murdered in Pompano, Fla., a small town in Broward County, about 12 miles from Fort Lauderdale, the county seat. The opinion of the Supreme Court of Florida, affirming petitioners' conviction for this crime, stated that "it was one of those crimes that induced an enraged community."<sup>5</sup>

And, as the dissenting judge pointed out, "the murder and robbery of the elderly Mr. Darcy was a most dastardly and atrocious crime. It naturally aroused great and well-deserved indignation."<sup>6</sup>

Between 9:30 and 10 o'clock after the murder, petitioner Charles Davis was arrested, and within the next 24 hours from 25 to 40 Negroes living in the community, including petitioners Williamson, Chambers, and Woodward, were arrested without warrants and confined in the Broward County jail at Fort Lauderdale.

On the night of the crime attempts to trail the murderers by bloodhounds brought J. T. Williams, a convict guard, into the proceedings. From then until confessions were obtained and petitioners were sentenced, he took a prominent part.

About 11 p. m. on the following Monday, May 15, the sheriff and Williams took several of the imprisoned Negroes, including Williamson and Chambers, to the Dade County jail at Miami.

The sheriff testified that they were taken there because he felt a possibility of mob violence and "wanted to give protection to every prisoner \* \* \* in jail."

Evidence of petitioners was that on the way to Miami a motorcycle patrolman drew up to the car in which the men were riding, and the sheriff "told the cop that he had some Negroes that he was taking down to Miami to escape a mob."

This statement was not denied by the sheriff in his testimony, and Williams did not testify at all; Williams apparently has now disappeared.

Upon order of Williams, petitioner Williamson was kept in the death cell of the Dade County jail. The prisoners thus spirited to Miami were returned to the Fort Lauderdale jail the next day, Tuesday.

It is clear from the evidence of both the State and petitioners that from Sunday, May 14, to Saturday, May 20, the 30 to 40 Negro suspects were subjected to questioning and cross-questioning (with the exception that several of the suspects were in Dade County jail over 1 night).

From the afternoon of Saturday, May 20, until sunrise of the 21st, petitioners and possibly one or two others underwent persistent and repeated questioning. The Supreme Court of Florida said the questioning "was in progress several days and all night before the confessions were secured," and referred to the last night as an "all-night vigil."

The sheriff who supervised the procedure of continued interrogation testified that he questioned the prisoners "in the daytime all the week," but did not question them during any night before the all-night vigil of Saturday, May 20, because after having "questioned them all day (he) was tired." Other evidence of the State was "that the officers of Broward County were in that jail almost continually during the whole week questioning these boys and other boys in connection with this" case.

The process of repeated questioning took place in the jailer's quarters on the fourth floor of the jail. During the week following

Upon a verdict adverse to petitioners, the circuit court reaffirmed the original judgments and sentences.

Again the State supreme court reversed, holding that the issue of force, fear of personal violence, and duress, had been properly submitted to the jury, but the issue raised by the assignment of error alleging that the confessions and pleas "were not in fact freely and voluntarily made" had not been clearly submitted to the jury (123 Fla. 734, 737, 167 So. 697).

A change of venue to Palm Beach County was granted, a jury again found against petitioners, and the Broward Circuit Court once more reaffirmed the judgments and sentences of death.

The Supreme Court of Florida, one judge dissenting, affirmed (— Fla. —, — So. —).

While the petition thus seeks review of the judgments and sentences of death rendered in the Broward Circuit Court and reaffirmed in the Palm Beach Circuit Court, the evidence before us consists solely of the transcript of proceedings (on writ of error coram nobis) in Palm Beach County Court, wherein the circumstances surrounding the obtaining of petitioners' alleged confessions were passed on by a jury.

<sup>3</sup> *Brown v. Mississippi* (297 U. S. 278).

<sup>4</sup> *Pierre v. Louisiana* (306 U. S. 354, 358); *Norris v. Alabama*, (294 U. S. 587, 590).

<sup>5</sup> — Fla. —, —

<sup>6</sup> Id., —.

their arrests and until their confessions were finally acceptable to the State's attorney in the early dawn of Sunday, May 21, petitioners and their fellow prisoners were led one at a time from their cells to the questioning room, quizzed, and returned to their cells to await another turn.

So far as appears, the prisoners at no time during the week were permitted to see or confer with counsel or a single friend or relative.

When carried singly from his cell and subjected to questioning, each found himself, a single prisoner, surrounded in a fourth-floor jail room by 4 to 10 men—the county sheriff, his deputies, a convict guard, and other white officers and citizens of the community.

The testimony is in conflict as to whether all four petitioners were continually threatened and physically mistreated until they finally, in hopeless desperation and fear of their lives, agreed to confess on Sunday morning just after daylight.

Be that as it may, it is certain that by Saturday, May 20, 5 days of continued questioning had elicited no confession. Admittedly a concentration of effort—directed against a small number of prisoners, including petitioners—on the part of the questioners, principally the sheriff and Williams, the convict guard, began about 3:30 that Saturday afternoon.

From that hour on, with only short intervals for food and rest for the questioners, "they all stayed up all night."

"They bring one of them at a time backwards and forwards—until they confessed."

And Williams was present and participating that night, during the whole of which the jail cook served coffee and sandwiches to the men who "grilled" the prisoners.

Sometime in the early hours of Sunday, the 21st, probably about 2:30 a. m., Woodward apparently "broke"—as one of the State's witnesses put it—after a 15- or 20-minute period of questioning by Williams, the sheriff, and the constable, "one right after the other."

The State's attorney was awakened at his home and called to the jail. He came, but was dissatisfied with the confession of Woodward, which he took down in writing at that time, and said something like "tear this paper up; that isn't what I want; when you get something worth while call me."

A constable of the community, testifying about this particular incident, said in part:

"Q. Were you there when Mr. Maire [State's attorney] talked to Walter Woodward the first time he came over there?—A. Yes, sir.

"Q. Take his confession down in writing?—A. Yes.

"Q. If he made a confession, why did you all keep on questioning him about it? As a matter of fact, what he said that time wasn't what you wanted him to say, was it?—A. It wasn't what he said the last time.

"Q. It wasn't what you wanted him to say, was it?—A. We didn't think it was all correct.

"Q. What part of it did you think wasn't correct? Would you say what he told you there at that time was freely and voluntarily made?—A. Yes, sir.

"Q. What he freely and voluntarily told you in the way of a confession at that time, it wasn't what you wanted?—A. It didn't make up like it should.

"Q. What matter didn't make up?—A. There was some things he told us that couldn't possibly be true.

"Q. What did Mr. Maire say about it that time; did you hear Mr. Maire say at this time, 'Tear this paper up; that isn't what I want; when you get something worth while, call me,' or words to that effect?—A. Something similar to that.

"Q. That did happen that night?—A. Yes, sir.

"Q. That was in the presence of Walter Woodward?—A. Yes, sir."

And petitioner Woodward testified on this subject as follows:

"A. I was taken out several times on the night of the 20th.

\* \* \* So I still denied it. \* \* \*

"A. He said I had told lies and kept him sitting up all the week, and he was tired, and if I didn't come across I would never see the sun rise.

"A. \* \* \* then I was taken back to the private cell \* \* \* and shortly after that they come back, shortly after that, 20 or 25 minutes, and bring me out. \* \* \* I [told Williams] if he would send for the State attorney he could take down what I said; I said, 'Send for him and I will tell you what I know.' So he sent for Mr. Maire sometime during Saturday night, must have been around 1 or 2 o'clock in the night, it was after midnight, and so he sent for Mr. Maire; I didn't know Mr. Maire then, but I know his now by his face.

"A. Well, he come in and said, 'This boy got something to tell me?' and Captain Williams says, 'Yes; he is ready to tell you.'

"\* \* \* Mr. Maire had a pen and a book to take down what I told him, which he said had to be on the typewriter, but I didn't see any typewriter; I saw him with a pen and book, so whether it was shorthand or regular writing I don't know, but he took it down with pen. After I told him my story, he said it was no good, and he tore it up.

"Q. What was it Mr. Maire said?—A. He told them it wasn't no good; when they got something out of me he would be back. It was late; he had to go back and go to bed.

"A. \* \* \* I wasn't in the cell long before they come back.

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This same State's attorney conducted the State's case in the circuit court below and also made himself a witness, but did not testify as to why Woodward's first alleged confession was unsatisfactory to him. The sheriff did, however:

"A. No; it wasn't false; part of it was true and part of it wasn't; Mr. Maire (the State's attorney) said there wasn't enough. It wasn't clear enough.

"Q. Was that voluntarily made at that time?—A. Yes, sir.

"Q. It was voluntarily made that time?—A. Yes, sir.

"Q. You didn't consider it sufficient?—A. Mr. Maire.

"Q. Mr. Maire told you that it wasn't sufficient, so you kept on questioning him until the time you got him to make a free and voluntary confession of other matters that he hadn't included in the first?—A. No, sir; we questioned him there and we caught him in lies.

"Q. Caught all of them telling lies?—A. Caught everyone of them lying to us that night; yes, sir.

"Q. Did you tell them they were lying?—A. Yes, sir.

"Q. Just how would you tell them that?—A. Just like I am talking to you.

"Q. You said, 'Jack, you told me a lie'?—A. Yes, sir."

After 1 week's constant denial of all guilt petitioners "broke." Just before sunrise the State officials got something "worth while" from petitioners which the State's attorney would "want"; again he was called; he came; in the presence of those who had carried on and witnessed the all-night questioning, he caused his questions and petitioners' answers to be stenographically reported.

These are the confessions utilized by the State to obtain the judgments upon which petitioners were sentenced to death. No formal charges had been brought before the confessions. Two days thereafter petitioners were indicted, were arraigned, and Williamson and Woodward pleaded guilty; Chambers and Davis pleaded not guilty.

Later the sheriff, accompanied by Williams, informed an attorney who presumably had been appointed to defend Davis that Davis wanted his plea of not guilty withdrawn. This was done and Davis then pleaded guilty. When Chambers was tried his conviction rested upon his confession and testimony of the other three confessors.

The convict guard and the sheriff "were in the courtroom sitting down in a seat"; and from arrest until sentence to death petitioners were never, either in jail or in court, wholly removed from the constant observation, influence, custody, and control of those whose persistent pressure brought about the sunrise confessions.

Third. The scope and operation of the fourteenth amendment have been fruitful sources of controversy in our constitutional history.<sup>8</sup>

However, in view of its historical setting and the wrongs which called it into being, the due-process provision of the fourteenth amendment, just as that in the fifth, has led few to doubt that it was intended to guarantee procedural standards adequate and appropriate, then and thereafter.<sup>9</sup>

To protect, at all times, people charged with or suspected of crime by those holding positions of power and authority. Tyrannical governments had immemorially utilized dictatorial criminal procedure and punishment to make scapegoats of the weak or of helpless political, religious, or racial minorities, and those who differed, who would not conform, and who resisted tyranny.

The instruments of such governments were in the main two. Conduct, innocent when engaged in, was subsequently made by fiat criminally punishable without legislation; and a liberty-loving people won the principle that criminal punishments could not be inflicted save for that which proper legislative action had already by "the law of the land" forbidden when done. But even more was needed.

"Q. How long was that from the time you was brought into that room until Mr. Maire left there?—A. Something like 2 or 3 hours, I guess, because it was around sunrise when I went into the room.

"Q. Had you slept any that night, Walter?—A. No, sir. I was walked all night; not continually, but I didn't have no time to sleep except in short spaces of the night.

"Q. When Mr. Maire got there it was after daylight?—A. Yes, sir.

"Q. Why did you say to them that morning anything after you were brought into the room? A. Because I was scared."

<sup>8</sup> There have been long-continued and constantly recurring differences of opinion as to whether general legislative acts regulating the use of property could be invalidated as violating the due-process clause of the fourteenth amendment. *Munn v. Illinois* (94 U. S. 113, 125), dissent 136-154; *Chicago, Milwaukee & St. Paul Railroad Company v. Minnesota* (134 U. S. 418), dissent 461-466. And there has been a current of opinion—which this court has declined to adopt in many previous cases—that the fourteenth amendment was intended to make secure against State invasion all the rights, privileges, and immunities protected from Federal violation by the Bill of Rights (amendments 1 to 8). See, e. g., *Twining v. New Jersey* (211 U. S. 78, 98-99), Mr. Justice Harlan dissenting, 114; *Maxwell v. Dow* (176 U. S. 581), dissent, 606; *O'Neill v. Vermont* (144 U. S. 323), dissent, 361; *Palko v. Conn* (302 U. S. 319, 325, 326); *Hague v. C. I. O.* (307 U. S. 496).

<sup>9</sup> Cf. *Weems v. United States* (217 U. S. 349, 372, 373), and dissent setting out (p. 396) argument of Patrick Henry, 3 Elliot Debates, 447.

From the popular hatred and abhorrence of illegal confinement, torture, and extortion of confessions of violations of "the law of the land" evolved the fundamental idea that no man's life, liberty, or property could be forfeited as criminal punishment for violation of that law until there had been a charge fairly made and fairly tried in a public tribunal free of prejudice, passion, excitement, and tyrannical power.

Thus, as assurance against ancient evils, our country, in order to preserve "the blessings of liberty," wrote into its basic law the requirement, among others, that the forfeiture of the lives, liberties, or property of people accused of crime can only follow if procedural safeguards of due process have been obeyed.<sup>10</sup>

The determination to preserve an accused's right to procedural due process sprang in large part from knowledge of the historical truth that the rights and liberties of people accused of crime could not be safely entrusted to secret inquisitorial processes.

The testimony of centuries, in governments of varying kinds over populations of different races and beliefs, stood as proof that physical and mental torture and coercion had brought about the tragically unjust sacrifices of some who were the noblest and most useful of their generations.

The rack, the thumbscrew, the wheel, solitary confinement, protracted questioning and cross-questioning, and other ingenious forms of entrapment of the helpless or unpopular had left their wake of mutilated bodies and shattered minds along the way to the cross, the guillotine, the stake, and the hangman's noose.

And they who have suffered most from secret and dictatorial proceedings have almost always been the poor, the ignorant, the numerically weak, the friendless, and the powerless.<sup>11</sup>

This requirement of conforming to fundamental standards of procedure in criminal trials was made operative against the States by the fourteenth amendment. Where one of several accused had limped into the trial court as a result of admitted physical mistreatment inflicted to obtain confessions upon which a jury had returned a verdict of guilty of murder, this court recently declared, *Brown v. Mississippi*, that "it would be difficult to conceive of methods more revolting to the sense of justice than those taken to procure the confessions of these petitioners, and the use of the confessions thus obtained as the basis for conviction and sentence was a clear denial of due process."<sup>12</sup>

Here the record develops a sharp conflict upon the issue of physical violence and mistreatment, but shows, without conflict, the dragged methods of arrest on suspicion without warrant, and the protracted questioning and cross-questioning of these ignorant young colored tenant farmers by State officers and other white citizens, in a fourth-floor jail room, where as prisoners they were without friends, advisers, or counselors, and under circumstances calculated to break the strongest nerves and the stoutest resistance.

Just as our decision in *Brown v. Mississippi* was based upon the fact that the confessions were the result of compulsion, so in the present case the admitted practices were such as to justify the statement that "the undisputed facts showed that compulsion was applied."<sup>13</sup>

<sup>10</sup> As adopted, the Constitution provided, "The privilege of the writ of habeas corpus shall not be suspended, unless when in cases of rebellion or invasion the public safety may require it." (Art. I, sec. 9). "No bill of attainder or ex post facto law shall be passed" (id.). "No State shall . . . pass any bill of attainder, or ex post facto law . . ." (id., sec. 10), and "No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court" (art. III, sec. 3). The Bill of Rights (amendments 1 to 8). Cf. *Magna Carta*, 1297 (25 Edw. 1); The Petition of Rights, 1627 (3 Car. 1, ch. 1); the Habeas Corpus Act, 1640 (16 Car. 1, ch. 10), an act for (the regulating) the private counsel and for taking away the court, commonly called the Star Chamber; Stat. (1661), 13 Car. 2, Stat. 1, ch. 1 (treason); The Bill of Rights (1688) (1 Will. and Mar. Sess. 2, ch. 2); all collected in "Halsbury's Stat. of Eng." (1929), vol. 3.

<sup>11</sup> "In all third-degree cases, it is remarkable to note that the confessions were taken from men of humble station in life and of a comparatively low degree of intelligence, and most of them apparently too poor to employ counsel and too friendless to have anyone advise them of their rights." Filamor, Third Degree Confession, 13 Bombay, L. J., 339, 346. "That the third degree is especially used against the poor and uninfuential is asserted by several writers, and confirmed by official informants and judicial decisions," Fourth National Commission on Law Observance and Enforcement, Reports (1931), ch. 3, p. 159. Cf. *Morrison v. Calif.* (291 U. S. 82, 95).

<sup>12</sup> 297 U. S. 278, 286.

<sup>13</sup> See *Ziang Sung Wan v. United States* (266 U. S. 1, 16). The dissenting judge below noted (— Fla. —) that in a prior appeal of this same case the Supreme Court of Florida had said: "Even if the jury totally disbelieved the testimony of the petitioners, the testimony of Sheriff Walter Clark and one or two of the other witnesses introduced by the State was sufficient to show that these confessions were only made after such constantly repeated and persistent questioning and cross-questioning on the part of the officers and one J. T. Williams, a convict guard, at frequent intervals . . . (while) they were in jail, over a period of about a week, and culminating in an all-night questioning of the petitioners separately in succession throughout practically all of Saturday night, until confessions had been obtained from all of them, when they were all brought into a room in the jailer's quarters at 6:30 on Sunday morning and made their

For 5 days petitioners were subjected to interrogation culminating in Saturday's (May 20) all-night examination. Over a period of 5 days they steadily refused to confess and disclaimed any guilt.

The very circumstances surrounding their confinement and their questioning without any formal charges having been brought, were such as to fill petitioners with terror and frightful misgivings.<sup>14</sup>

Some were practical strangers in the community; three were arrested in a one-room farm tenant house which was their home; the haunting fear of mob violence was around them in an atmosphere charged with excitement and public indignation.

From virtually the moment of their arrest until their eventual confessions, they never knew just when any one would be called back to the fourth floor room, and there, surrounded by his accusers and others interrogated by men who held their very lives—so far as these ignorant petitioners could know—in the balance.

The rejection of Petitioner Woodward's first "confession," given in the early hours of Sunday morning, because it was found wanting, demonstrates the relentless tenacity which "broke" petitioners' will and rendered them helpless to resist their accusers further. To permit human lives to be forfeited upon confessions thus obtained would make of the constitutional requirement of due process of law a meaningless symbol.

We are not impressed by the argument that law enforcement methods such as those under review are necessary to uphold our laws.<sup>15</sup>

The Constitution proscribes such lawless means irrespective of the end. And this argument flouts the basic principle that all people must stand on an equality before the bar of justice in every American court.

Today, as in ages past, we are not without tragic proof that the exalted power of some governments to punish manufactured crime dictatorially is the handmaid of tyranny. Under our constitutional system, courts stand against any winds that blow as havens of refuge for those who might otherwise suffer because they are helpless, weak, outnumbered, or because they are nonconforming victims of prejudice and public excitement. Due process of law, preserved for all by our Constitution, commands that no such practice as that disclosed by this record shall send any accused to his death.

No higher duty, no more solemn responsibility, rests upon this court than of translating into living law and maintaining this constitutional shield deliberately planned and inscribed for the benefit of every human being subject to our Constitution of whatever race, creed, or persuasion.

The Supreme Court of Florida was in error and its judgment is reversed.

confessions before the State attorney, the officers, and J. T. Williams, and several disinterested outsiders, the confessions, in the form of questions and answers, being taken down by the court reporter and then typewritten.

"Under the principles laid down in *Nickles v. State* (90 Fla. 659, 106 So. 497), *Davis v. State* (90 Fla. 317, 105 So. 843), *Deiterie v. State* (98 Fla. 739, 124 So. 47), *Mathieu v. State* (101 Fla. 94, 133 So. 550), these confessions were not legally obtained."

<sup>14</sup> Cf. The statement of the Supreme Court of Arkansas (*Bell v. State*, 180 Ark. 79, 89): "This Negro boy was taken on the day after the discovery of the homicide while he was at his usual work and placed in jail. He had heard them whipping Swain in the jail; he was taken from the jail to the penitentiary at Little Rock and turned over to the warden, Captain Todhunter, who was requested by the sheriff to question him. This Todhunter proceeded to do day after day, an hour at a time. There Bell was an ignorant country boy surrounded by all of those things that strike terror to the Negro heart; \* \* \*." (See Munsterberg, on the witness stand (1927), 137 et seq.)

<sup>15</sup> The police practices here examined are to some degree widespread throughout our country. See report of Commission on Lawless Enforcement of the Law (American Bar Association), 1 Amer. Journ. of Pol. Sci., 575; note 43 H. L. R. 617; IV, National Commission on Law Observance and Enforcement, supra, ch. 2, sec. 4. Yet our national record for crime detection and criminal law enforcement compares poorly with that of Great Britain, where secret interrogation of an accused or suspect is not tolerated. (See report of Commission on Lawless Enforcement of the Law, supra, 588; 43 H. L. R., supra, 618.)

It has even been suggested that the use of the "third degree" has lowered the esteem in which administration of justice is had by the public and has engendered an attitude of hostility to and unwillingness to cooperate with the police on the part of many people. (See IV, National Commission, etc., supra, p. 190.) And, after scholarly investigation, the conclusion has been reached "that such methods, aside from their brutality, tend in the long run to defeat their own purpose; they encourage inefficiency on the part of police." (Glueck, Crime and Justice (1936), 76. See IV National Commission, etc., supra, 5; cf. v. Wigmore, Evidence (2d ed.), sec. 2251.)

The requirement that an accused be brought promptly before a magistrate has been sought by some as a solution to the problem of fostering law enforcement without sacrificing the liberties and procedural rights of the individual. (2 Wigmore, supra, sec. 851; IV, National Commission, etc., supra, 5.)

## Trade Agreements and the Northwest, As Stated by Dr. Coulter

### EXTENSION OF REMARKS

OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

LETTER FROM JOHN LEE COULTER

Mr. CASE of South Dakota. Mr. Speaker, in the opinion of many Members and others, the testimony given by Dr. John Lee Coulter before the Ways and Means Committee on the reciprocal-trade agreements was outstanding for its clarity, its mastery of the subject, and its importance to northwestern agriculture.

I have wanted to get at this question from the standpoint of facts and not prejudices or partisanship. The problem of farm prices and national prosperity is too important to approach in any other way. Dr. Coulter's testimony was so factual and his reputation as an economist so well recognized that I asked him for a summary of it, which he has given, which I here offer for the RECORD, under permission given by the House:

WASHINGTON, D. C., February 7, 1940.

Mr. FRANCIS CASE,

New House Office Building, Washington, D. C.

DEAR CONGRESSMAN CASE: I am glad to pass on to you an analysis made by myself and staff, regarding some of the aspects of the present Reciprocal Trade Agreements Program, as it affects the Northwest States.

#### AGRICULTURAL EXPORTS, 1934 AND 1939

Preliminary figures from the Department of Commerce indicate that agricultural exports from the United States in 1939 totaled \$655,583,000, a figure even lower than that of the very low year, 1932, or those of any intervening year. This is in spite of the fact that our price levels, in terms of our present depreciated currency, have increased materially on most farm products since 1932, and in spite of the fact that export subsidies helped swell 1939 shipments from our shores.

United States exports of farm products in 1934, the year the Trade Agreements Act was launched, were \$733,400,000, so that exports have fallen off during the trade-agreements period.

This must come as a shock to many of our Northwest growers of wheat, flax, sugar beets, livestock, and wool, who expected that the trade agreements would help to restore our exports and that a world at war would usher in an abnormal demand for our farm products, and have a strengthening effect upon our price structure.

#### AGRICULTURAL IMPORTS, SAME YEARS

On the other hand, agricultural imports during 1939 were \$450,000,000 greater than in 1932, and about \$300,000,000 more than in 1934. Much of the increases have come about in those products which the American farmer is fully equipped to produce, such as cattle, beef, and other meats, cheese, and other dairy products, sugar, wool, hides, vegetables, oils, etc.

The Department of Agriculture, through acreage restrictions, export subsidies, and surplus commodity purchases, assures us they are attempting to restore price levels on farm commodities. They even make loans on corn, wheat, and cotton, based on 1909 to 1914 prices, an assumed parity, irrespective of present cash market quotations.

This would seem an honest (if not the best) approach, and while the propriety of using Federal funds for such purposes might be open to question, it would appear to be a genuine attempt to aid agriculture. But in the midst of this demonstration, along comes the State Department and reduces tariffs on many farm commodities, and at a time when the domestic prices on those products are far below parity. Hogs, poultry, eggs, barley, oats, rye, hay, potatoes, and other crops were as much as 62 percent below parity (as was the case with rye) when the tariffs on these items were reduced through the medium of trade agreements.

Secretary Wallace characterizes his program as "supplementary to that of the State Department," but I cannot see anything but a fatal conflict in these two approaches.

#### CERTAIN NEGOTIATIONS INTERRUPTED

It is true that the proposed trade agreements with Argentina and Uruguay were not successfully negotiated. Had they been, we would have witnessed reductions in our duties on flax, wool, beef,



casein, etc. Congress is now being urged to extend the authorization for these trade treaties for another 3 years, because of a "continuing emergency."

It is my belief that no industrial nations, other than some of those now at war, remain with whom we might negotiate treaties, hoping to exchange our farm products for their manufactured articles, and thus providing an outlet for our surpluses. About the only nations to whom we might look for trade-agreement relations are those whose principal exports are agricultural commodities, such as Latin America, Australia, New Zealand, etc.

I feel quite confident that the renewal of this authorization which expires June 12, 1940, will make possible a resumption of our negotiations with numerous South American nations, such as Argentina and Uruguay. This would be almost a death blow to our northwest agriculture.

The United States is the greatest market in the world, doing almost half of the world's total business. Proponents of the trade-agreements program argue that so long as we can retain the great bulk of our market for domestic producers, we should be willing to surrender a small slice of this market to foreign nations, who "must sell to us, if, in turn, they are to buy." There are two serious fallacies to this reasoning:

#### LOW BIDDER SETS THE MARKET

1. Many of our domestic markets are so sensitive that the arrival of one shipload of farm produce at one of the Nation's ports can easily force down the price. In fact, the National Cooperative Milk Producers' Association, consisting of 350,000 members of co-operative-owned and operated plants in 41 States, frequently finds that by purchasing 100 tubs of butter in the New York market of a morning, they can strengthen the market for that day. The reverse is bound to obtain.

2. When other nations sell to us, they do not necessarily purchase our goods in return. Their dollar balances with us are never fully utilized, and through the medium of bilateral agreements among themselves, war embargoes, empire preferences, quotas and barter, they can almost entirely eliminate higher priced American produce from their purchases.

George Peek, as the first president of the Export-Import Bank, shows how this can work out. He shows how, during the final 7 months of 1934, following our original tariff cut and the subsequent trade agreement with Cuba, during which we reduced our tariffs on numerous items, including sugar, that country was enabled to ship to our shores an increasing volume of goods. Through minor concessions granted us in return, we sold Cuba a total of \$45,323,374 in goods during the remainder of that year. While this might appear to be a fancy bill of goods, careful bookkeeping, including the item for reduced revenues from duties, he shows that it cost the United States \$47,000,000 in cold cash to do \$45,000,000 worth of business.

Incidentally, after our agreement with Cuba, during which our two countries were to have entered upon a new high plane of business transactions, Cuba was charging us 1.97 cents per pound, f. o. b. Cuba, whereas she was selling the same sugar to the world at large for 0.80 cent simultaneously.

#### EFFECT OF FOREIGN WAGES

The farmer of the Northwest, with his high taxes, his high costs of transporting his goods to market, increasing labor costs, can never hope to compete with foreign farm labor, which is paid as little as 10 percent of the prevailing United States wage. We have set up strict immigration quotas to protect American labor and American farmers, but when we lower our protection on United States products, we import the labor of foreign workmen. This is more ruinous than to permit them to enter our borders for at least they would then remain as consumers, if they emigrated here.

Prior to the last World War import duties for revenue practically maintained the Federal Government. Now, through increased Federal expenditures, and through an average reduction of 38 percent on more than 1,100 items through the trade-agreement program, this shrank to 6 percent of the Federal income in 1938.

#### WHEN SOLDIERS RETURN TO FARMS

Secretary Hull told the Ways and Means Committee that there are now 25,000,000 men under arms, and that possibly as many as sixty to one hundred millions are engaged either in warfare or supplying needs of the warring forces. He maintains that the United States needs a continuance of the trade-treaty authorization in order for America to take the lead in a restoration of normalcy when present warfare ceases.

Personally, I fear the day when sixty to one hundred million men, of even 25,000,000 men, will be returned to their normal peacetime pursuits, and, when rather than starve, will be forced to work for a pittance in the production of farm and industrial products. With our tariff walls now lower than in 1922, our markets will be glutted with foreign merchandise which will completely demoralize our entire domestic economy. The post World War depression will be repeated, in fact, surpassed.

#### DUTIES CUT ON WOOL PRODUCTS

The State Department tried to pacify the wool growers by pointing out that they had not reduced the tariff on wool. But they did lower duties on wool fabrics, rags, and products. And for the first 11 months of 1939, imports of woolen and worsted fabrics alone increased 110 percent over a like period in 1938, accounting for a total of \$8,093,044. It is estimated that this displaces \$15,000,000 in United States manufactured wool products, involving over 9,000,000 man-hours. How can it possibly be said that this does not harm the wool growers of this country?

#### DISPLACEMENT OF DOMESTIC ACRES

The Raw Materials National Council estimates that imported agricultural products in 1939 displaced \$1,954,974,927 of American producers' dollars, and displaced a total of 43,982,410 acres of United States farm produce. It is generally conceded that our United States agriculture now has about 35,000,000 acres devoted to the production of surplus farm crops, destined for export. It would appear that our imports might easily account for this distressed acreage. Rather should some plan like that of Wheeler McMillan of the Farm Journal, which is being espoused by Governor Stassen, of Minnesota, and others, be invoked, whereby instead of parity loans, benefit payments, etc., the United States would make an inducement payment for the production of each import basis.

Imports of numerous farm products, duties of which were reduced under the trade-agreement program, show an increase of more than 500 percent between 1934 and 1938. This was true with such items as cattle (700 pounds or more each), alfalfa, alsike and sweet-clover, timothy, bluegrass seeds, red-clover seed, live poultry except baby chicks, various leather and cotton products, etc.

Acreage allotments in our Northwest States were reduced under the Agricultural Adjustment Administration program for 1939 as follows: South Dakota, 1,015,000 acres; North Dakota, 2,862,000 acres; Minnesota, 489,000 acres; and Montana, 1,177,000 acres. Is this consistent with our present import pattern?

Our Northwest States grow hard spring wheat and durum. Frequently the United States is on an import basis on these grains, not raising enough to satisfy national requirements. And yet the spring-wheat section has been unable to secure classification of wheats under the A. A. as is done with tobacco and peanuts, for instance. Meanwhile we were forced to curtail our wheat acreage by about 26 percent last year.

Preliminary figures for 1939 show decided drop in exports of numerous crops which the Northwest produces. Among these are barley, which dropped from 18,130,000 bushels in 1938 to 5,410,000 bushels last year. Corn declined from 147,505,000 to 32,117,000, and oats from 8,517,000 to the astonishingly low figure of 226,000 bushels. Wheat sank from 86,902,000 bushels in 1938 to 63,214,000 last year.

The Trade Agreements Act is, in all probability, unconstitutional, but it has been drawn in such form as to prevent a test of its constitutionality in the courts. The Constitution provides that treaties must be ratified by the Senate and that all revenue acts must originate in the House of Representatives; trade agreements partake of both, and yet are now negotiated by the State Department, with Congress given no power to review, extend, or terminate.

#### IMPORTS OF LIVESTOCK

Imports of live cattle and beef amounted to almost 10 percent of our inspected slaughter last year. Our hog surplus has disappeared with the growth in population, and exports have fallen to a nominal figure. Imports of raw wool during the past 5 years have been almost one-third of our total supplies. Much of our cheese is imported. We must gradually divert much land in the northern Great Plains area from wheat, which we cannot sell abroad, and put it back into grass for livestock which we might sell at home. But if tariffs on livestock, and continued heavy imports, should perpetuate our present unsettled conditions, we might soon find again that we were still unable to adapt our northwest agriculture to national needs. Of course we could grow more flaxseed and sugar under favorable circumstances, thereby producing for native consumption. This would seem to be far more American than to make our farmers compete with the world for our own domestic market.

#### UNCLE SAM, GOOD FELLOW

One hundred years ago only 5 percent of our imports in the United States were on the free list. Ninety years ago there were 15 percent; 65 years ago, 25 percent; and in 1900, 50 percent. Now, between 60 and 70 percent of all our imports are on the free list. This is by far the greatest free market in the world for all export nations. And to make good fellows of ourselves, Uncle Sam has reduced tariffs on 42 percent of all our dutiable list through the medium of these trade agreements, effecting an average reduction of 38 percent in the tariff which obtained in 1934. Through the minimum wage and hour law, social-security legislation, and through mounting taxes, we are raising our own production costs on every item produced within the United States, and simultaneously removing sorely needed protection for our producers, both farmer and laborer. It doesn't make sense.

A careful analysis of the United States tariff structure, as compared with those of other principal nations, reveals the fact that foreign powers employ largely specific duties, such as so much a bushel, or pound, or ton. This duty applies irrespective of price fluctuation, and affords increased protection proportionately when domestic prices sink. Of the entire list of 4,000 items on the dutiable list in the United States, 52 percent are based on ad valorem values. Here again we provide inadequate protection to our producers.

Advocates of a continuation of the trade-agreement program overlook a number of very pertinent factors. They point to the satisfactory level which our exports of automobiles maintain. Presumably, a million dollars' worth of automobiles exported would balance a million dollars' worth of imports of some farm crop. But this is not true. Say, for instance, that the United States imports \$1,000,000 worth of woolen goods. There would be a theoretical balance of trade on our side of the ledger. But that \$1,000,000 represents the foreign valuation of imports, and the goods would carry on a 40 to 70 percent duty. So their actual value in this country, upon arrival, is \$1,400,000 to \$1,700,000. Obviously, the domestic

product, with which they compete, is worth more than this figure, or the foreign product would not move into consumption.

So the imports actually displace perhaps \$1,500,000 to \$2,000,000 worth of our products. And they take the place of \$1,000,000 worth of automobiles, manufactured by one of the industries in the United States, which is so highly developed that it can successfully vie with all competition in the world markets, regardless of whether we make exchange purchases of foreign goods or not.

YES; WE HAVE NO BANANAS

Those who uphold the present trade-agreement program, which is obviously just a ruse under which our entire tariff structure is being skillfully and rapidly riddled, point to many imports on our free list, such as bananas, and announce that these items are not in any sense competitive, since we do not grow bananas. True, we do not grow bananas, or numerous other fruits. But if the housewife goes down to buy fruit and is unable to buy bananas, or other foreign-grown fruit, she obviously would buy domestically grown fruit. There is no single food item which is not somehow competitive. If we are to import these items, we should insist upon exports of an equal value of our surpluses, without sacrificing our other farm products.

I could go on indefinitely, Congressman CASE, reciting innumerable other weaknesses in this present program. I fear that, unless corrected, this trend is heading us toward the most dangerous collapse in trade which our Nation has ever experienced in its history. That is the reason we must be on the alert. We must examine all the evidence carefully, rather than just taking a casual look at the picture.

#### ORGANIZATIONS INTERESTED

Numerous northwest organizations in Minnesota, the Dakotas, and Montana have joined in engaging me and my staff as consultant, during the present session of Congress, during which these trade agreements are being studied with a view to renewing them, or circumscribing the present autonomous procedure by the State Department. Rest assured, therefore, that my services are at the command of all Members of Congress from Northwest States mentioned.

Those groups which have joined in engaging me are:

South Dakota: Greater South Dakota Association, South Dakota Bankers Association, Chamber of Commerce of Watertown, Chamber of Commerce of Huron, Chamber of Commerce of Rapid City.

Minnesota: St. Paul Association of Commerce, Chamber of Commerce of Duluth, Chamber of Commerce of Moorhead, Flax Institute of the United States.

North Dakota: Greater North Dakota Association, North Dakota Motor Trades Association, Fargo-Moorhead Fuel Exchange, North Dakota Highway Contractors' Association, North Dakota Retail Hardware Association, North Dakota Bottlers' Association, Civic and Commerce Association of Valley City, Civic and Commerce Association of Harvey, Tri-State Farm Owners' Association, North Dakota Cooperative Wool Marketing Association, North Dakota Dairymen's Association, North Dakota Implement Dealers' Association, North Dakota Livestock Breeders Association.

Montana: Chamber of Commerce of Miles City, Chamber of Commerce of Glendive, Chamber of Commerce of Great Falls, Chamber of Commerce of Helena, Chamber of Commerce of Butte, Chamber of Commerce of Billings, Montanans, Inc., Southeastern Montana Counties Association.

Yours very truly,

JOHN LEE COULTER, *Consulting Economist.*

**We Are Coming, Father Abraham!**

#### EXTENSION OF REMARKS

OF

**HON. EDWARD H. REES**

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 13, 1940*

ADDRESS BY WILLIAM ALLEN WHITE, OF EMPORIA, KANS.

Mr. REES of Kansas. Mr. Speaker, having been given unanimous consent to extend my remarks in the RECORD, I include an address delivered by my friend and fellow townsman, the nationally known and respected editor and author, William Allen White, of Emporia, Kans. The address was delivered before the Abraham Lincoln Association, of Springfield, Ill., last evening:

It is one of the proofs of the genius of Abraham Lincoln that he turned a thousand sides to his fellows, each one reflecting some vital phase of human life. Today it may be well to think of Lincoln on Washington's birthday, just a few days before his inauguration. He was standing for the first time in Philadelphia, before Independence Hall. Amid those sacred precincts Lincoln's mind went back to the days when the Declaration of Independence was written. He thought of the long years of war followed by strife among the

Colonies. He thought of the jealousies and divergent opinions of the 13 embryonic commonwealths, and then obviously he remembered the Constitution, the American Constitution, the compromise of intercolonial interests, the harmonizer and pacifier of many conflicting desires. Standing there before Independence Hall, he said:

"I have often inquired of myself what great principle or idea it was that kept this confederacy so long together. It was not the mere matter of separation of the Colonies from the motherland but that sentiment in the Declaration which gave liberty, not alone to the people of this country but hope to all the world for future time."

We were united then by the spirit of liberty and it bound us together before we found the formula to make our liberty secure. Today, across those 80 years, we are facing something like the same tension that strained us 150 years ago. We shall answer today's riddle of the Sphinx only by cherishing the spirit of liberty, only by keeping in the paths of law. The love of liberty and the fundamental law that guarantees our liberties, the Declaration and the Constitution—these form the footing stones upon which is erected our national strength.

Nothing more aptly illustrates Lincoln's breadth of vision than this expression of his understanding that we have two great human documents as the bases of our Republic, that declaration of human rights, sometimes called the Declaration of Independence, and the Constitution of the United States. That day when Lincoln stood before Independence Hall, his mind must have been occupied by fundamentals—the day's constitutional problems, the rights of States, the rights of property under Federal and State jurisdiction, the newly challenged right of the Federal Government to maintain the Federal Union at any cost. These constitutional questions were crowding upon him with tragic insistence. Yet, even under the pressure and stress of those times, he knew that the Constitution could not survive if human rights were ignored—human rights fostering and guaranteeing the liberty and the dignity of men. This old balance between the Constitution, representing the basic structure of law and order, on the one hand, and on the other hand the declaration of human rights stemming back to the Declaration of Independence and written in the Bill of Rights amending the Constitution—this old balance has been threatened in every crisis in our history. When the Constitution was adopted, we dodged the issue of slavery. So as Lincoln faced his problems in 1861, that balance between our two charters was again threatened. He knew that the South had its legal right to property in slaves. He knew that the slaves also had their rights as human beings. He knew that under the Constitution as it was interpreted by the Supreme Court, the irrepressible conflict between those rights, the one legal, the other moral, might rend this country and wreck it forever.

At bottom, the struggle was economic. Slavery and the plantation system had thrived in the South. But slavery and the plantation system could not survive the sturdier individual agricultural pattern necessary to settle the great West and Northwest, the Louisiana Purchase. We were a rural Nation then. The interests of industrial New England and the middle States were minority interests, but they controlled a political majority. The vast economic waste that would come if we tried to populate the Missouri Valley, for instance, on the slave economy—quite apart from the moral issues involved—seemed to the powerfully entrenched North and to New England, tragically unnecessary and ultimately impossible.

Yet there was the Constitution upholding the right of property, defending the right of States. Also there, ever in Lincoln's heart, was the right of the Negro to his liberty and the right of the free worker of the North to his daily wage upon the scale higher than the living standard of the slave. Coming out of Independence Hall that day in '61, after paying that wise tribute to all the aspirations which are written into our great declaration, how baffled Lincoln must have been. This is one of the major tragedies of modern civilization that Lincoln was forced to solve his problems in the bitterness of war hatreds and war's essential injustices. That which might have been arbitrated without war in the decade of the sixties has left us problems that two generations have not solved. The Civil War established firmly the constitutional stability of the union of the States.

But the war left elements of disunion that have disturbed our whole Nation, elements of injustice that have mocked our ideals of human brotherhood, and have developed wrongs that still menace our national solidarity. I mean the political, social, educational, and economic injustices to the slave and his children and his children's children. These wrongs that Lincoln tried to redress in war are presenting new problems as grave as those that Lincoln had to meet.

How startling is the parallel of our crisis today: Two million slaves in 1860. Ten million idle men today. Ten million men who are dependent upon the whim of government for their food and shelter. These 10,000,000 men are chained to public work which they must take or starve, as the slaves were in bondage to their masters. The unemployed today find their political rights menaced by party machines. Their freedom is lariat to economic circumstances out of their control, no less terribly because they are cushioned by our national kindness, our love of mercy, our yearning for justice. The unemployed worker on made work has little free will as a man socially, as a man politically, as an economic individual. His initiative is gone. I feel that 10,000,000 jobless men in our land today present a problem no less menacing than was the problem of 2,000,000 slaves. For 10 long years that tragic situation has stood before us challenging our best thought and appealing to our deepest sympathies, calling for our highest



patriotism. The decade of the 1850's, with its slave politics and the decade of the 1930's with its problem of unemployment, present similar, almost parallel, issues in our history.

How curiously alike politically are these two tragic periods. Lincoln at Independence Hall, deeply moved in his sympathies by the Declaration of Independence and its aspiration for liberty, yet holding fast to the unswerving principles of our Constitution, saw life in his country as we must see it now. For our sympathies are shaken, as his were, by those in distress. We are moved by the tragedy of those for whom freedom is almost an empty word. We are stirred by the profound conviction that only under the Constitution, only under the banner of its evolutionary process shall we answer the terrible challenge to our national stability.

Here again we must turn to Lincoln with his many-sided wisdom. He was forced by war to make an arbitrary settlement of his problem and with all his kindness, all his courage, and all his deep desire to preserve the Union, he left the problem only half solved, for the slave was denied at least half his freedom. The renewed Union's guarantee of his political rights to the Negro was a hollow promise. The warrant for social equality could not be served. So it will be with us if we try to go too fast toward the solution of this problem of the unemployed. Haste will make waste. Yet these 10,000,000 needy idle men soon may coalesce socially and politically as now they are united in economic misery. It is as true today as when Lincoln said it, that this Nation cannot long survive half slave and half free. Patience is, of course, the first virtue of democracy. It may seem cruel at times, but in the end it is deeply wise and kind. Yet no one must go hungry; no one must be cold and homeless. That is our immediate job. The great masses of our population, from 65 to 75 percent, are prosperous. They are reasonably happy. They are blessed with all their social, political, and economic rights. But the others, maybe a third, we may hope only a fourth, standing in places of danger, restricted in their opportunities as American citizens, cannot be blamed if they cry to us, "Hurry; be up and doing." And remember this: When these idle workers get steady jobs that will make them middle-class consumers, then most of the ills of our social and economic body will be cured.

It's all very well to say that if we unchain business the problem of unemployment will be solved. Today in certain industries that are unchained, technical improvements have reduced, not increased the number of men employed, compared with that of 1929. In other industries production is at its peak; but fewer men are employed than were hired in those industries 10 years ago. Free enterprise will help a little but not much more than the dole and public works. We may have to try both at first. Planned economy requires omniscience. But, alas, democracy has only plain common sense. Maybe that is not enough. These unemployed are not looking for work because of the depression. They are looking for work because unemployment is the product of our enterprise, our business, our economic organization. If we put these idle men to work, we must go deeper than merely to swing open the gates of our factories, to release our frozen capital. There is much truth in the theory that made work and relief should be shifted in its administrative details more closely to the people, to the taxpayer. But when we shift it, we shall still face the same old injustice. We must not forget that individually every middle-class citizen who has enjoyed through the devastating decade of the thirties, his full privileges, economic and social, as an American citizen, has some individual duty to help in this crisis. He must help as an employer by keeping up his pay roll and finding business to justify it. He must help as a householder in considering how he spends his income. He should spend it so that it will have some relation to the idle men, his neighbors in his town and county. Most of us in the middle class spend our incomes without thought of our less-privileged neighbors and then when the Government does publicly what we should do privately, how easy it is to raise the cry of socialism to hide our personal individual neglect.

We, who are on the right side of the economic dead line, would do well to take Lincoln's attitude. It was an attitude of boundless sympathy stemming back to the Declaration of Independence and a righteous wisdom holding fast for the solution of this problem under our Constitution. Yet we cannot be too rigid in our constitutionalism nor too mushy in our sympathies if this economic riddle is solved. The mystifying enigma of unemployment, of seasonal unemployment, of regional unemployment, of technological unemployment, and of the unemployment problems that rise out of economic maladjustment—all these heartbreaking questions set up a menacing red light before our perpetuity as a free people. Other nations, modern nations, have stumbled at this crossroads and have been bombed into fleeing to one of the totalitarian horrors, to Stalin or Hitler. Those lands have tried the hasty way. They have put men to work universally making munitions. But these workers are chained to a war economy. They have no freedom but the right to a lower political status and a meaner standard of living that even our unemployed have endured. That is not the way. God only knows the way. But in the end it must be Lincoln's vision there in Independence Hall, a balance between the aspiration of our immortal declaration of human rights and an unshaken loyalty to our Constitution. And always we must hold fast the truth; as a nation we can only enjoy our rights under the Constitution if we do our duty under it also.

America's special gifts of initiative, ingenuity, and courage have settled a continent and kept democracy and justice alive for a century and a half. Surely those gifts will lead us into some way along the trail of our national tradition to put these 10,000,000 men back into their rightful place in our social order. Surely our

schools, our universal education, our institutions of higher learning and of free research have given men the powers that are needed now. Surely trial and error will bring us to the truth. But trial and error is different from trial and retrial bolstered by the vanity of failure ever trying the same old futilities. It must be trial and error and then change of trial. This is no time to placate any man's vanity, no place to consider any party's triumph. Above all, let us not pamper class consciousness either of the little man, the middlemen, or their big brothers. America is standing in the need of prayer. We demand a leader who will not be ashamed to try in some solemn and humble way to reach the forces outside ourselves which make for righteous judgment.

We live in a dark day in the world's history. Here in our country we are baffled and bewildered by the prospect ahead of us. Debt and pending disaster are shaking our courage, beclouding our vision. We are a milling herd in the storm. We listen for a voice. Instead we hear the babble of strange tongues. Yet if we read our history well, we shall find prophecy there. Out of this turmoil and danger reason shall come. Some way, the Good God only knows how, democracy will work its miracle. A free people may be trusted to grow wise. Free men learn in time to separate the false from the true. Give democracy time, and it will reject the charlatan. Thus freedom breeds wisdom, and Lincoln's dictum is true that "you can't fool all the people all the time." This principle that freedom and time beget wisdom in democracy is the basis of our hope. Democracy cannot pick an expert. But democracy eventually will put its finger unerringly upon the plain, honest, brave man of common sense. That man will be ready for power when it comes. His talents will crystallize under pressure into heroic qualities. That crystallizing process was well under way when Lincoln stood in Independence Hall in 1861.

In this crisis of 1940, we should choose as our leader, a humble man and kindly, purged of all vanity. We do not see him even now. Who saw Washington 6 months before Bunker Hill? Who saw Lincoln on his fifty-first birthday in 1860? I do not feel that democracy is impotent in this hour. We still have the democratic privilege of choice. Democracy is not so dead at heart that it needs any man to make it function. The democratic will is not broken. The voice of the people is not strangled. The old flag still waves and America still marches.

So I feel that we may be of good cheer. Washington came in crisis, through the democratic process, bravely yet meekly, to his task. So stood Lincoln there before Independence Hall, fearful in his gentle courage, unshaken in his deep faith in the destiny of our democratic Republic. Thus, though they wore no plumes, and without the pomp of heralds to point them out, we have followed our heroes. The water of Lincoln's hope and love and judgment gushed from the rock. The miracle of democracy is merely the impact of tremendous power and grave responsibility upon a wise, brave, kindly man giving him judgment.

Today we wait and watch and pray for the voice of the new dispensation which shall rise upon the strength and justice of the old. Free men always have found their statesmen, their envisioned champions armed only with the strength of the humble. Democracy's ancient miracle is due which fits the leader to his hour and brings wisdom to his followers.

I believe with all my heart that the democratic process, with its slow progress but sure, is the one hope of this hate-riddled world. But we need more than one leader. We need an army to follow him, an army of brave, wise, self-respecting followers. I am sure that under the stress of these times that deeply kind and soundly wise leader shall rise. Some gentle, brave, and honest man, wise with the love of the people. Him we shall choose, and having chosen, we shall trust his leadership. Then shall we cry out again: "We are coming, Father Abraham, ten hundred thousand strong!"

## Farm-Ownership Program

### EXTENSION OF REMARKS OF

HON. LUTHER PATRICK  
OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

EDITORIAL FROM THE BIRMINGHAM (ALA.) AGE-HERALD OF  
FEBRUARY 7, 1940

Mr. PATRICK. Mr. Speaker and fellow Members of Congress, on the 7th day of February of this year the Birmingham (Ala.) Age-Herald published a short editorial called "On With It." I believe that there is enough in the editorial and believe it is stated well enough to entitle it to a place in the CONGRESSIONAL RECORD. So here it is, and I thank you:

[From the Birmingham (Ala.) Age-Herald of February 7, 1940]  
ON WITH IT!

In weighing the opposing demands of need and economy in relation to the cuts which the National House has made in the farm

appropriations measure, each item of reduction should be separately considered and judged on its own merits. There can be no sound appraisal of these cuts which sweepingly lumps them all into one group and accepts or rejects them.

This paper is deeply conscious of the need for Federal financial retrenchment. We realize that unless definite progress in that direction soon is made, calamities may result that would quite overbalance the good achieved by particular expenditures.

Nevertheless, it does not follow that every proposed reduction of activity and expenditure is sound. Obviously, the most conservative would not shut off these outlays entirely. The question is one of degree and of particular situations.

The general test to be applied at this stage in the country's battle with human need and economic maladjustment probably should concern itself with the question of immediate human need. Everyone agrees that no one should starve or be without shelter or clothing. But it is also generally agreed now that our financial position is such that we cannot afford expenditures that primarily constitute uncertain economic experimentation. Even on such a test, however, we strongly believe that an appropriation sufficient to maintain the program to assist farm tenants in becoming farm owners should be restored to the bill.

This tenant program is not a mere experiment. It has now been in operation for more than 2 years. Behind that experience are many years of successful operation of such programs in Scandinavia.

The program in this country is working. Families being put into possession of farmsteads are making good. Delinquents are rare.

This great project is not something that has been suddenly necessitated by acute depression. The conditions which it combats have been developing for many years. They should not be regarded as representing a temporary emergency. Nor can they be overcome in any great degree in a few years. It will take 10, 20, or even more years to get far in reversing the alarming trend toward ever-increasing tenancy in this country. Nevertheless action in this direction is immediately urgent to provide that courage, that momentum, that experience that are essential to reverse this trend before it is too late.

A good start now has been made on a reconstructive and creative program of fundamental and urgent importance to the entire country.

This undertaking aims not at a sudden transformation of our entire rural economy but at a gradual, essentially conservative effort to check forces that have been progressively working toward national disintegration.

This farm-ownership campaign is an essential part of the general national endeavor to meet pressing human needs in our rural areas. It represents, aside from its contribution to the general strengthening of our economy, an incentive, a great objective, for tenants who have been struggling along—and, for the most part, successfully—with subsistence and crop loans.

Courage and hope are basic essentials in finally overcoming the acute disruptions of severe depression. This tenant home-loan program is an immensely inspiring influence in the rebuilding of human faith, in the acceleration of individual efforts to overcome handicap and disaster.

Moreover, these loans are not sheer expense to the Government. They are loans, a large percentage of which will be repaid and which are secured by the land, our source of material wealth.

Conscious as it is of the necessity for strict economy, the Age-Herald believes it would be a tremendous calamity now to cut short the heartening start that has been made in dealing with one of the Nation's major problems. A reasonable appropriation for continuing this great enterprise should be restored.

## American Youth Unemployment Problem

### EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

RADIO ADDRESS BY HON. VITO MARCANTONIO, OF NEW YORK

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered yesterday over the radio:

I have introduced the American Youth Act in the House of Representatives. The American Youth Act sets up a National Youth Administration in the Federal Security Agency directed by an Administrator who shall carry out the policy decided by a board of directors, on which shall be represented youth groups, labor, civic, and other welfare agencies appointed by the President. The National Youth Administration set up under the American Youth Act shall provide:

(1) Work projects for unemployed young people at prevailing rates of pay and prevailing conditions at a minimum of \$12.50 per week and a maximum of 30 hours per week.

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(2) Academic work projects for college students at a rate of 50 cents per hour, with the proviso he shall work only so long as to bring his total income to at least \$30 per month.

(3) Employment of vocational-guidance advisers to provide free service to all young people in cooperation with other agencies in the locality.

(4) Stimulation of apprenticeship-training programs set according to local trade-union standards for such apprentice work.

(5) Federal scholarships for needy high-school students at a maximum of \$5 per week, save those young people obliged to live away from home due to lack of adequate educational facilities. In such cases the Administrator may make the necessary adjustments.

(6) Federal scholarships for needy students up to the amount required for them to continue their education at law, medicine, and other graduate and professional schools.

To put all this into effect Congress is authorized to appropriate \$500,000,000.

The American Youth Act is not only an augmenting of the present National Youth Administration but it is fundamentally different. The present set-up is grossly inadequate and temporary, dealing with the problem of the American youth on a year-to-year basis. The American Youth Act authorizes an adequate appropriation and sets forth a permanent program for a permanent problem. It is not stopgap legislation; it is directed toward a solution. The American Youth Act is basically democratic. By virtue of representation given to youth, labor, civic, and welfare organizations in the making of policy, those who are directly affected by the program will have a voice in its administering. Under the present N. Y. A., wages are low, giving to the young people a bare existence. It does nothing to maintain prevailing rates of pay and has not in any manner caused any rise of substandard conditions in certain parts of the country. The American Youth Act guarantees a decent wage and thereby reinforces the benefits won by American workers by the strength of organized labor.

The present N. Y. A. has never had more than \$95,000,000 and has never assisted more than 700,000 youths. The American Youth Act provides for \$500,000,000 annually to assist in a democratic way 4,000,000 young Americans to obtain a decent American living and an education and training in keeping with the best of American traditions.

The question now arises, Why an American Youth Act? The answer, my friends, is that 4,700,000 of our young Americans find themselves out of school and unemployed through no fault of their own.

The American Youth Commission, composed of business leaders such as Owen D. Young, chairman of the board of the General Electric Co., and Robert E. Wood, chairman of the board of Sears, Roebuck & Co., in a recent report informs the country that 30 percent of our young people between the ages of 16 and 25 are without jobs. Despite the alleged increase in employment, the New York N. Y. A. director has pointed out that since 1937 there has been an increase in the number of unemployed youth.

Thus we see that even with an alleged decrease in unemployment there has been an increase in youth unemployment. Nor can American young people derive any comfort from any war boom. The American Youth Commission, on page 6 of its report, states:

"While it seems probable that business will be stimulated by war purchases, the most optimistic estimates indicate only two or three million new jobs for the many millions of unemployed workers. The Commission believes that the remaining unemployment will be concentrated heavily in the lower age groups. The continued pressure of unemployment on youth, in the midst of a war boom, will add to the danger of drifting into active participation in the war."

There is, therefore, only one alternative, and that is that our Government provide economic opportunity for young America.

The enactment of the American Youth Act will be no innovation on the part of our Government in dealing with our youth problem. Opportunity for young people is a traditional American ideal. In the past, new fields were opened by the Federal Government to provide an outlet for the initiative of generations of American youth, through such legislation as the Homestead Act of 1862. With the closing of the physical frontier this was ended. The principle of Federal responsibility was reasserted in the establishment of the present N. Y. A., and the Civilian Conservation Corps. Only the most violent and subversive reactionaries now refuse to accept these agencies as vital necessities of our system. However, only 700,000 are touched by the N. Y. A. Four million are deprived of any means of help.

Everyone admits the serious inadequacy of the Government's present youth program. In the face of this country-wide admission what are we doing about it in view of the failure of private industry to even remotely touch the problem? We have been given a Budget and we have a Congress. The people should know that both the Budget and Congress propose drastic reduction for N. Y. A., W. P. A., and other social-welfare appropriations and tremendous increases for war appropriations. Instead of ameliorating we aggravate the youth unemployment situation. We now make an about-face. Instead of schools, we build battleships; instead of hospitals, we build submarines; instead of providing jobs, we prepare for war. We substitute for the American ideal of economic security and education the dictator doctrine of guns, not butter.

I believe in reasonable appropriations for national defense, for the defense of our country against invasion and for the protection of our national interests. I, however, do oppose the proposed extravagance of militarism, this war program which proposes to solve



the youth problem by giving American youths the jobs of stopping bullets and shrapnel at the front.

The young people of America do not want war. They ask for peace, jobs and education, and civil liberties. They have assembled in Washington, over Lincoln's birthday week end and through the Citizenship Institute of the American Youth Congress they have brought to Congress their program. They ask us for an opportunity to live as decent Americans, to keep them out of war, and to preserve the Bill of Rights. They want to live for America, and history will give us in Congress a notorious black page if we force them to die for America.

During these 3 days while these young people have in a democratic and American way organized to bring their problems before the Nation, Tories and Bourbons have heaped vituperations upon them in order to conceal the real issues that these young Americans have raised before the people.

They have been vilified because they have refused to scrap the Bill of Rights and have refused to put "ifs" and "buts" in it. On this anniversary of the birth of the Great Emancipator, I cannot help but pause and think of what Lincoln would have said to those who are taking his name in vain tonight, to those self-constituted paragons of Americanism; the same brand of Americanism which gave American youth red apples to sell in 1930 is now offering American youth a "red" scare to execute. To the convenient flag wavers who are throwing stones at young Americans, he would say today as he said in his day:

"I have tried to inquire: What great principle or ideal is it that has kept this Union so long together? And I believe that it was not the mere matter of separation of the colonies from the motherland, but that sentiment in the Declaration of Independence which gave liberty to the people of this country and hope to all the world. This sentiment was the fulfillment of an ancient dream, which men have held through all time, that they might one day shake off their chains and find freedom in the brotherhood of life. We gained democracy, and now there is a question whether it is fit to survive. Perhaps we have come to the dreadful day of awakening, and the dream is ended. \* \* \* And yet—let us believe that it is not true. Let us live to prove that we can cultivate the natural world that is about us, and the intellectual and moral world that is within us, so that we may secure an individual, social, and political prosperity, whose course shall be forward, and which, while the earth endures, shall not pass away."

### Waterman Steamship Corporation Case

#### EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, February 13 (legislative day of Wednesday, February 7), 1940

#### OPINION OF THE SUPREME COURT

Mr. WAGNER. Mr. President, the unanimous decision handed down yesterday by the Supreme Court, sustaining in full the order of the Labor Board against the Waterman Steamship Corporation, marks the twenty-third decision of our highest Court in cases concerning the National Labor Relations Act. The position of the Board in these cases, decided over the past 3 years, has been fully upheld in 19 cases, partly upheld and partly reversed in 2 cases, and wholly reversed in 2 cases. This is by far the best record of any major administrative agency before the Supreme Court in the history of our jurisprudence. In 3 years of unrelenting legal attack by able counsel, not a line, not a single provision, of the Labor Act has been held to infringe the constitutional rights of employers or employees.

The Supreme Court's decisions have ranged over a variety of issues—constitutionality, procedure, jurisdiction, propriety of remedial orders, and interpretation of the statute. The case just decided turns on the facts. It emphasizes that the scope of judicial review under the labor act is in line with a general congressional policy, "to apply an orderly, informed and specialized procedure to the complex administrative problems arising in the solution of industrial disputes." After an exhaustive review of the evidence, the Court found that all of the Board's findings, far from resting on "mere suspicion," as had been decided by the lower court, "are supported by evidence which is substantial." Accordingly, under the statutory division of authority between the administrative agency and the courts, the Board's order was affirmed,

and 43 men who had been discharged because of their union affiliation were returned to their jobs with back pay.

Because of the general interest in the subject at this time, I ask unanimous consent that the text of the Court's opinion, delivered by Mr. Justice Black, be printed in the RECORD as a part of my remarks.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States. No. 193. October term, 1939. *National Labor Relations Board, Petitioner, v. Waterman Steamship Corporation*. On writ of certiorari to the United States Circuit Court of Appeals for the Fifth Circuit. February 12, 1940]

Mr. Justice Black delivered the opinion of the Court.

The court below, upon petition of respondent to set aside an order of the Labor Board, decided that the Board's order was not supported by substantial evidence, said the order was based on mere suspicion, and declined to enforce it. Whether the court properly reached that conclusion is the single question here.

We do not ordinarily grant certiorari to review judgments based solely on questions of fact. In its petition, however, the Board earnestly contended that the record before the court of appeals had presented "clear and overwhelming proof" that the Waterman Steamship Co. had been guilty of a most flagrant mass discrimination against its employees in violation of the National Labor Relations Act, and that the court had unwarrantedly interfered with the exclusive jurisdiction granted the Board by Congress. The Board's petition also charged that the present was one of a series of decisions in which the court below had failed "to give effect to the provisions of the act that the findings of the Board as to facts, if supported by evidence, shall be conclusive."<sup>1</sup>

In that act Congress provided, "The findings of the Board as to the facts, if supported by evidence, shall \* \* \* be conclusive."<sup>2</sup> It is of paramount importance that courts not encroach upon this exclusive power of the Board if effect is to be given the intention of Congress to apply an orderly, informed, and specialized procedure to the complex administrative problems arising in the solution of industrial disputes. As it did in setting up other administrative bodies, Congress has left questions of law which arise before the Board, but not more, ultimately to the traditional review of the judiciary. Not by accident, but in line with a general policy, Congress has deemed it wise to entrust the finding of facts to these specialized agencies. It is essential that courts regard this division of responsibility which Congress as a matter of policy has embodied in the very statute from which the court of appeals derived its jurisdiction to act; and, therefore, charges by public agencies constitutionally created, such as the Board, that their duly conferred jurisdiction has been invaded so that their statutory duties cannot be effectively fulfilled raise questions of high importance. For this reason we granted certiorari.<sup>3</sup>

Respondent, Waterman Steamship Co., of Mobile, Ala., is engaged in maritime transportation between this country, Europe, and the West Indies. Upon complaint made by the National Maritime Union, a labor organization affiliated with the Congress of Industrial Organizations, the Board held hearings and found that respondent had, at Mobile, laid up the ships *Bienville* (27 days) and *Fairland* (7 days) for drydocking and repairs, and had, in violation of the National Labor Relations Act:

(a) Discharged and refused to reinstate, because of membership in the N. M. U., the entire unlicensed crew and the chief steward, Edmund J. Pelletier, of the steamship *Bienville*, and all but three of the crew of the steamship *Fairland*;

(b) Discharged and refused to reinstate C. J. O'Conner, second assistant engineer of the *Azalea City* because of his activities in representing aggrieved members of the Marine Engineers Beneficial Association, a labor organization of licensed ship personnel affiliated with the C. I. O.; and

(c) Pending an election directed by the Board to permit the ship's crews to select their bargaining agencies, had interfered with its employees' free right to select a union of their own choosing under section 7 of the act by refusing to grant the ships' passes to representatives of the C. I. O. affiliate, while at the same time issuing passes to representatives of the International Seaman's Union affiliated with the American Federation of Labor.<sup>4</sup>

The Board's order in question was based on the foregoing findings.

<sup>1</sup> The Board specifically referred to *National Labor Relations Board v. Bell Oil & Gas Co.*, 98 F. (2d) 406, rehearing denied, 98 F. (2d) 870 (also, 91 F. (2d) 509; 98 F. (2d) 405; 99 F. (2d) 56); *Peninsular & Occidental S. S. Co. v. National Labor Relations Board*, 98 F. (2d) 411, certiorari denied, 305 U. S. 652; *Globe Cotton Mills v. National Labor Relations Board*, 103 F. (2d) 91.

<sup>2</sup> 49 Stat. 449, sec. 10 (e).

<sup>3</sup> — U. S. —. Cf. *Federal Communications Commission v. Pottsville Broadcasting Co.*, decided January 29, 1940.

<sup>4</sup> In outline, the Board ordered the Waterman Co. to cease and desist from issuing ships' passes to the A. F. of L. on a favored basis as compared to the C. I. O.; from discouraging membership in C. I. O. affiliates by discriminating against its members; and from interfering with its employees' rights of self-organization and free collective bargaining. It affirmatively ordered the company to grant equal passes to the C. I. O. and the A. F. of L., if granted to either; to make whole and offer full reinstatement to those employees found to have suffered discrimination; and to post appropriate notices on the Waterman vessels.

A clear understanding of the issues presented by the mass discharge of the crews of the *Bienville* and the *Fairland* necessitates initial reference to the Federal laws governing engagement of seamen for foreign voyages. There is provision (46 U. S. C. 564) that a master of any vessel bound from the United States to foreign ports (with exceptions not pertinent) "shall, before he proceeds on such voyage, make an agreement, in writing or in print, with every seaman whom he carries to sea as one of the crew \* \* \*." This written agreement, commonly referred to in maritime circles as articles, must specify the nature and duration of the intended voyage or engagement; the port or country at which the voyage will terminate; the number and description of the crew and their employments; the time each seaman must be on board to begin work and the capacity in which he is to serve; wages; provisions to be furnished each seaman; regulations to which the seaman will be subjected on board, such as fines, short allowance of provisions, or other lawful punishments for misconduct; and stipulations of any advance and allotment of the seaman's wages. And the provisions of 46 United States Code 567, 568 impose penalties for carrying seamen in ships' crews on foreign voyages without entering into the required articles. All seamen "discharged in the United States from merchant vessels engaged in voyages \* \* \* to any foreign port \* \* \* shall be discharged and receive their wages in the presence of a duly authorized shipping commissioner \* \* \* (Id., 641). The master and each seaman shall, 'in the presence of the shipping commissioner, \* \* \* sign a mutual release of all claims for wages in respect of the past voyage or engagement'; the release must be recorded in a book which shall be kept by the commissioner, and such release 'shall operate as a mutual discharge and settlement of all demands for wages between the parties \* \* \* on account of wages, in respect of the past voyage or engagement' (Id., 644).

Respondent, the Waterman Co., has taken the position that when the crews of the *Bienville* and *Fairland* received their wages and signed off statutory articles in Mobile, all tenure of employment and employment relationship of these men were at an end. From this premise the company insists that vacancies were created as the men signed off and, under an outstanding contract with the I. S. U., preference in filling these vacancies had to be given to members of the I. S. U. unless contractual obligations were to be violated.<sup>5</sup> However, the Board contends that the signing off of articles when the ship's voyage ended at Mobile served only to end employment "in respect of the past voyage or engagement" and, therefore, it proceeded to examine the evidence to determine whether there was, after completion of the voyages in question of the *Bienville* and *Fairland*, a continuing relationship, tenure, term, or condition of employment between the company and its men. The act provides<sup>6</sup> that—

"It shall be an unfair labor practice for an employer—to interfere with \* \* \* [the employees' right of self-organization]. \* \* \*

"By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: \* \* \*

The protection to seamen embodied in the Federal statutes which have been referred to has existed in some form since the earliest days of the Nation.<sup>7</sup> This statutory plan was never intended to forbid the parties from mutually undertaking to assure a crew the right to continue as employees and to re-sign if it desires after signing off articles at a voyage's end. The design was to protect seamen from being carried to sea against their will, to prevent mistreatment as to wages, and to assure against harsh application of the iron law of the sea during voyages.<sup>8</sup> The Board, therefore, properly heard evidence as to whether the crews of the *Bienville* and *Fairland* had, unless discharged for cause, a continuing tenure or relationship entitling them to re-sign when the temporary lay-ups of their ships ended. If, as the Board found, there were such continuing tenure and customary term or condition of employment, of course no vacancies occurred when the men of the *Bienville* and the *Fairland* signed off articles in Mobile. And respondent's contract with the I. S. U., which only provided preferential treatment of the I. S. U. (A. F. of L.) in filling vacancies, did not require the company to discharge the N. M. U. (C. I. O.) men from these ships.

If therefore there was substantial support in the evidence for the findings that these crews had a continuing right to and customary tenure, term, or condition of employment within the purview of the act even though their ships were temporarily laid up, and that this relationship was terminated by the company because

<sup>5</sup> In part, that contract reads: "Section 1. It is understood and agreed that as vacancies occur, members of the International Seamen's Union of America, who are citizens of the United States, shall be given preference of employment, if they can satisfactorily qualify to fill the respective positions; provided, however, that this section shall not be construed to require the discharge of any employee who may not desire to join the union, or to apply to prompt reshipment, or absence due to illness or accident." Only the discharge of Pelletier is claimed by the company to have been due to incompetency. The court below held that O'Connor had taken a vacation and was not discharged, and was thus entitled to vacation pay and reinstatement; the Board had ordered that O'Connor be made whole "for any loss of pay" suffered as a result of the company's acts which the Board found had been discriminatory.

<sup>6</sup> 49 Stat. 449, 452, secs. 7, 8.

<sup>7</sup> See 1 Stat. 131.

<sup>8</sup> See *Lent Traffic Co. v. Gould* (2 F. (2d) 554, 556); *United States v. Westwood* (266 Fed. 696, 697); *The Occidental* (D. C., 101 Fed. 997). As to the history of this legislation, see *United States v. The Brig "Grace Lathrop,"* (95 U. S. 527).

of the crews' C. I. O. affiliation, the court below was required to enforce the Board's order.

Evidence as to the continuing tenure, and conditions and relation of employment: On the basis of 9 to 10 years at sea, one witness testified that a ship's crew is customarily kept on when she goes into drydock and is laid up for temporary repairs, and that both the Waterman Co. and the unions had observed that custom. Another, with a background of 10 years' experience at sea, in visiting some 50 ships in drydock at Mobile during the preceding few months had learned of 49 which had not laid off their entire crews but had kept a substantial number of their crews working aboard ship; the fiftieth had laid off its entire crew after going into drydock, but "the company kept the jobs open." He knew of one vessel that had remained "in drydock for a period of 45 days and maintained its crew during that period"; several which had done so recently for 30-day periods; and many for periods "from 5 to 10 days, 15 days." He had himself been a member of a crew maintained in its entirety while his ship was in drydock for 22 days.

An oiler and deck engineer, with 8 years in the service, had been on a Waterman ship which, as recently as 1936, spent 6 days in repairs, keeping its crew on, and had "known them to stay on 15 or 20 days and continue working that long." Asked what obligation an employer owes a sailor after the latter returns from a foreign voyage, completes his contract under the ship's articles, is paid off, and discharged before a shipping commissioner, he answered, "If my services are satisfactory and my work efficient, I have the right to stay on that ship, if I have not done anything to be discharged for. Why shouldn't I make another trip? \* \* \* Q. Is it true to state that a seaman's job is still existent, although he may not be drawing pay while the boat is tied up for repairs?—A. Yes, sir. Q. There is no vacancy in his job?—A. No; there is no vacancy."

The chief steward of the *Bienville*, employed by Waterman since 1934 and a seaman since 1918, testified that crews of ships in drydock—tied up for repairs for a few days—"have to do their work and get paid for it by the Waterman Steamship Corporation," and unless they quit or are fired "for cause" there is no vacancy. The giving of a discharge according to the ship's articles, he understood "to be a termination of the voyage, but not a termination of the employment."

Although at sea but 3 years, a fireman and oiler testified that he had been re-signed, upon the termination of articles, after each of 14 trips on a single ship, from southern ports, including Mobile, had been kept as a member of a crew on a ship in for repairs 9 days, and had "known of one ship that was laid up [for lack of cargo] for 5 weeks and the crew went back."

A marine fireman, oiler, and watertender, at sea since 1922, had been on a Waterman ship in for repairs 10 or 12 days, the crew of which was retained only in part, but those laid off "were notified when the ship went into commission they can go out again." He "was on one [ship] that stayed 2 months in drydock \* \* \* just part of the crew \* \* \* [were kept on, but] the whole crew was there for their jobs when she was commissioned again." He had never heard of a mass discharge of an entire crew such as occurred on the *Bienville* and *Fairland*. In part, the testimony of this former I. S. U. member was: "Q. Do the unions consider that there is no vacancy until a man resigns? A. Yes; they do not figure it is any vacancy until they call the [union] hall for another man."

A seaman in the employ of the Waterman Co. intermittently since 1924, had been on a Waterman boat which kept its whole crew during 6 or 7 days in drydock. It had been his experience that a crew was kept on ships in drydock or being repaired, unless a ship was to be laid up indefinitely, i. e., for 2 or 3 months, in which event only a skeleton crew would be maintained. But, he added, the Waterman Co. itself follows the custom of "calling back to the ship" men who have been laid off indefinitely and "are still around," and men standing idly by without pay at the end of a voyage still regard themselves in the employ of the shipowner.

One witness had served as a fireman on a Waterman ship that spent the period between the first of November and Thanksgiving of 1932 in dry dock and undergoing repairs; she kept "approximately all of" her crew aboard ship working during this period; a few were permitted to go home in the interim, but returned when she started her voyage. On another occasion, he testified, the same Waterman boat stayed in dry dock about 60 days, retaining approximately the entire crew; although after 5 days in dry dock he was called out of town to appear as a witness, he later got his job back. In his capacity as a shipyard worker in which he was employed at Mobile at the time of this hearing, this same witness observed "we have boats coming in from 25 up to 30 days \* \* \* and the crew works in there, and they may want to lay off part of the crew, or work a major part, or maybe they will be discharged, but those that want to go back, their jobs is open if they wish them." Of some 600 ships he had seen or worked on in dry dock or being repaired, he had seen but one complete discharge of an entire crew, but even that crew were told they could come back "if they wanted their jobs." According to his understanding and that of seamen as he knew it, articles "were protection to the seamen by the United States Government for a certain voyage, and to a certain port, or your final port of discharge or first loading port. That is a termination of the articles to the seaman, but not the end of the employment."

A witness who had worked for the Waterman Co. since 1929, who had been a marine engineer for 14 years, and at sea 20 years, testified that a crew which is laid off is customarily reemployed when a



ship emerges from dry dock, unless laid off "for cause." A Waterman ship, on which he had been at the time serving, laid up in Mobile from December 1936 to about January 25, 1937, "and the engineers were kept on her, and to the best of my knowledge the firemen and water tenders and ollers were kept on there."

The executive vice president of the Waterman Co. recalled that recently the crew of only one other vessel going in for repairs had been discharged, and that this particular crew also had been affiliated with the N. M. U. (C. I. O.). Of the several Waterman vessels which he mentioned as having been put up in Mobile for drydocking or repairs during the previous year, he could note only the one that had not kept its entire crew (other than the *Bienville* and *Fairland*); the one other crew that was discharged en masse, he admitted, was the one other also affiliated with the C. I. O.

The witness who had been captain of the *Fairland* when she went into drydock, had served the Waterman Co. continuously since 1924, with the exception of 1 year, in capacities ranging from ordinary seaman to ship's master. Yet, in all his experience with the company, he had never heard of a ship in drydock that had laid off her entire crew. And Waterman's port captain, a veteran of 24 years, had taken perhaps a half dozen of Waterman ships into drydock, never staying more than 24 hours in drydock but with a total of 8 to 10 days in port, and his crews were never laid off; he preferred to retain a crew for a succeeding voyage.

In the very contract which the Waterman Co. made with the I. S. U. there are terms providing that "in home port, all men may be required to work 8 hours daily \* \* \* [with provision for overtime]." And the section of the contract covering preference for I. S. U. men "shall not be construed to require the discharge of any employee who may not desire to join the [I. S. U.] \* \* \*." That the contract contemplated an employment independent of the articles and subject to termination in a manner other than by the mere expiration of articles is apparent from the provision that "Nothing in this agreement shall prevent \* \* \* [the company] from discharging any member of the crew who is not satisfactory to the company."

All the evidence on this issue which the Board had before it has, of course, not been set out. In summary, it is glaringly apparent that men who had in various capacities followed the sea in the aggregate for roughly a hundred years, offered testimony that a seaman's tenure and relationship to his ship and employer are not terminated by the mere expiration of articles when his ship lays up in drydock or for repairs, and that the Waterman Co.—and maritime people generally—have recognized and followed this custom. Even the Waterman Co.'s executive vice president could cite only one instance in the company's recent past in which this custom had been departed from, but that particular mass firing of the crew of a ship headed for a temporary lay-up was directed against the only C. I. O. crew, other than those of the *Bienville* and *Fairland*, with which the Waterman Co. apparently had been asked to deal. And the master of the *Fairland*, with personal knowledge of the company's practice reaching back to 1924, had never heard of "another case where the entire crew was laid off."

In the words of the act, an employer cannot terminate his employees' "tenure of employment or any term or condition of employment" because of union activity or affiliation. These words are not limited so as to outlaw discrimination only where there is in existence a formal contract or relation of employment between employer and employee. They embrace, as well, all elements of the employment relationship which in fact customarily attend employment and with respect to which an employer's discrimination may as readily be the means of interfering with employees' right of self-organization as if these elements were precise terms of a written contract of employment. The act, as has been said, recognizes the employer's right to terminate employment for normal reasons.<sup>10</sup> No obstacle of legal principle barred the Board from finding that there was, even after the ships were temporarily laid up, a relationship of employment or tenure between the Waterman Co. and its men. That there may be a tenure or term of employment determinable at will is a recognized principle of law.<sup>11</sup> For the purpose of the act, it is immaterial that employment is at will and terminable at any time by either party.<sup>12</sup> A large part of all industrial employment is of this nature. For illustration, factory workers are customarily employed at will, without obligation of employer or employee to continue the relationship when the day's work is done; or, if there is an agreement fixing salary or wages per unit of service, at so much per day, week, or month, there may be an indefinite employment terminable by either party at the end of any unit period. But when such employees are customarily continued in their employment with recognition of their preferential claims to their jobs, it cannot be doubted that their wholesale discharge at the end of the day or other unit period, in order to favor one union over another, would be discrimination in regard to the "tenure" or "condition" of their employment in violation of the

act. And employees under such tenure of employment as these seamen were have a right guaranteed by the act that they will not be dismissed because of affiliation with a particular union.

Since the Board justifiably found that an employment relationship protected by the act continued after the *Bienville* and *Fairland* were temporarily laid up, it becomes unnecessary to consider the additional finding of the Board that the "dates and durations of the particular lay-ups were arranged for the purpose of making it possible to discharge the crews because they had joined the N. M. U."

The sole question remaining is whether the evidence supported the findings of the Board that the employment or tenure of the crews and of O'Conner and Pelletier were terminated because they had joined or engaged in the activities of the C. I. O.

Evidence of discrimination because of C. I. O. affiliation: About July 1, 1937, the entire crew of the *Bienville* and all but three of the *Fairland*, previously I. S. U. (A. F. of L.), joined the N. M. U. (C. I. O.) in Tampa, Fla. Such action had been decided on in June by the crew of the *Bienville* while she was in Le Havre, France. After the crew of the *Bienville* changed to the C. I. O. at Tampa and before she reached Mobile, the A. F. of L. representative at Tampa informed the A. F. of L. representative at Mobile, by telephone, that the change had taken place. And the Mobile A. F. of L. representative at that time notified the Waterman Co. of the change. Intervening scheduled stops of the *Bienville* were canceled by a memorandum purporting to have been written on July 1 and ordering her to Mobile to "go on inactive status for a period of about 20 days." The port captain of the Waterman Co., who signed this memorandum, stated that it was written on July 1, "to the best of \* \* \* [his] knowledge." He added that it had not been written until after the *Bienville* was on her return voyage from Le Havre. That was after the ship's crew had, in assembly, determined to turn C. I. O. No such cancellation was directed to the *Fairland*. The *Fairland*, he testified, was laid up because periodic repairs were due. On the other hand, her master had no knowledge of any contemplated lay-up until she reached Mobile, and understood, according to advice given him, that she was laid up because "she was behind schedule \* \* \* and they put her back to the next sailing." The Waterman port captain thought she was laid up because repairs were due; he had no knowledge that it was because she was behind schedule. Her master's testimony showed:

"Q. The laying-up plan, then, had been something that was contemplated in Tampa?—A. No, sir.

"Q. It was something that came into existence after you sailed from Tampa and before you came to Mobile, is that right?—A. Yes."

The *Fairland* is equipped with radio. The ships were in Mobile by July 6. There was testimony that a member of the crew of the *Bienville*, on the 6th, was asked by the executive vice president of the company why the change of unions was made and was told by that official "a man has to use his own head." This same witness testified that several of the discharged crew were given some work ashore and that "on a Saturday afternoon we collected 3 days' pay—they held back 2 days in the week—and about 3 o'clock in the afternoon the first assistant came around there and I was working on some safety valves on the boilers, and \* \* \* [the assistant port engineer of Waterman Co.] said, 'Well, I got a chance to fire you at last.' And I said, 'What is that?' And he said, 'Well, you can get the rest of your money when you are finished.' And I said, 'What's the matter; aren't we going to sail the ship?' And he said, 'No; not unless you go back to the other place.' And I said, 'What other place?' And he said, 'The I. S. U.'"

Pelletier, the steward on the *Bienville*, worked for Waterman from 1934 until discharge after joining the N. M. U. (C. I. O.). When the *Bienville* arrived at Mobile Waterman's port steward went to the boat and talked with the mate, who informed him that some of the men had joined the N. M. U. According to the port steward's testimony, he then asked the mate, "How is the steward's department?" and the mate replied, "Well, some of them joined the N. M. U." \* \* \* "and later on I [the port steward] found the steward in his room. \* \* \* I asked Pelletier did he join the N. M. U. And he said, 'Yes.' And I said, 'What about the rest of your crew?' and he said, 'Well, they all did.' I asked him did they have any reason for it. And he said, 'Yes; everybody did,' so I said, 'All right.' And I left the ship." He returned to the company's office. Two hours later he came back to the ship, charged Pelletier with incompetency, and discharged him. Pelletier testified that the port steward, when told that the crew and Pelletier had turned N. M. U., said, "Well, I have got orders to lay you all off." Pelletier had been promoted just prior to the voyage in question. A new I. S. U. man was put on to finish up his work and remained on as watchman practically the full time the *Bienville* was laid up.

Although her captain had, prior to the coming aboard of a company official, expressed a desire to keep the *Fairland's* crew, as one of her crew testified, the crew was informed by this official that they could not sail, "but if you take your books and give them to \* \* \* the I. S. U. you can keep your jobs;" another Waterman official "told me I could not sail on any Waterman steamship as long as I was an N. M. U. man." According to this witness, he had left his clothes on the *Fairland* and slept aboard ship when she was in drydock with the understanding he would re-sign; he was, however, ordered off the ship.

An engineer on the Waterman vessel *Azalea City*, 8 years with the company, O'Conner, a member of the M. E. B. A. (also affiliated with the C. I. O.), testified that he acted as spokesman for other engineers on his ship in complaining about working conditions, hours of employment, and rates of pay; when he discussed the complaint with the company's representative during July, he was told to take a vacation and left the ship on a promise of a more desirable job;

<sup>10</sup> Sec. 8 (1), (3).

<sup>11</sup> *Labor Board v. Jones & Laughlin* (301 U. S. 1, 45).

<sup>12</sup> See, e. g., *Alabama Mills v. Smith* (237 Ala. 296); *Peacock v. Virginia-Carolina Chemical Co.* (221 Ala. 680); *Great Atlantic & Pacific Tea Co. v. Summers* (25 Ala. App. 404, cert. den., 226 Ala. 635). Cf. *U. S. F. & G. Co. v. Milonas* (206 Ala. 147, 29 A. L. R. 520).

<sup>13</sup> Cf. *Morgan v. Comm. of Int. Rev.*, decided January 29, 1940, p. 2; *Lyeth v. Hoey* (305 U. S. 188, 193).

neither the vacation, the promised job, nor reemployment of any kind was ever given him. Waterman's executive vice president had never had an engineer act in such a representative capacity relative to asserted violations of a union contract. And the assistant port engineer stated that it was the custom to call a man of O'Conner's rank when not on vacation; that O'Conner had been promised and then denied a vacation, but had not been called although work had been available; and, in addition that O'Conner had, in conversation with him, asked, "Would Waterman give me employment?"

The executive vice president of the company would not "until the actual time came" answer the query whether he would reinstate the N. M. U. men even if there were no contract with the I. S. U. He stated that he had received a wire from the Board's regional director at New Orleans on July 7, recommending and insisting on reinstatement of N. M. U. men dismissed at Mobile, and did not deny that he had first told the director that his reason for not working N. M. U. men was the existence of the I. S. U. contract. He admitted, however, that later on the same day his decision that the men were removed because the vessels were laying up was attributable to an apparent change of his own mind.

Additional evidence that the discharged N. M. U. men were again treated with discrimination in the allotment of repair work on the *Bienville* and *Fairland*; and were laid off in a block even from this work—all tended to buttress and illuminate the Board's finding that the tenure of employment of these men of the *Bienville* and *Fairland* was cut short because they had exercised their lawful right to join the C. I. O. One of the men who was given temporary repair work—subsequent to the Board's telegram of the seventh—testified:

"Q. While you were a member of the N. M. U., did you ever wear your N. M. U. badge or button?—A. Yes, sir; I used to wear it on my cap, on the dock while I was working down there.

"Q. Was there anything ever said to you at the Waterman Steamship about wearing it?—A. Mr. Ingram told me I would have to take that Maritime Union button off if I wanted to stay around there, and I took it off, and put it in my pocket"

From all this evidence, there can be no doubt of the substantial support for the Board's finding that the crews, O'Conner and Pelletier all lost their jobs because of C. I. O. affiliation and activities.

Evidence of discrimination as to ships' passes: The Board found "that the respondent, by issuing passes to representatives of the I. S. U. and refusing to grant such passes to representatives of the N. M. U. for the same purpose and under the same conditions, had interfered with, restrained, and coerced its employees in the exercise of their rights guaranteed in section 7 of the act."<sup>13</sup> An election to permit a choice of bargaining agency by the crews has been directed but has not been held pending termination of the present proceeding.<sup>14</sup>

Upon this issue of discrimination concerning passes, N. M. U.'s representative testified that the company's executive vice president, about September 24 or 25, 1937, refused his request "for passes for the election of the N. L. R. B." because of the I. S. U. contract. But no provision of the I. S. U. contract referred to ships' passes for representatives of other unions. The respondent's attorney took the position that N. M. U. representatives would not be permitted on board under any conditions. Testifying that I. S. U. representatives were permitted aboard the *Bienville* at all times to contact the men, Pelletier "did not recollect seeing anyone with them." Waterman's executive vice president who pointed out that I. S. U. delegates were given passes on certain conditions, such as taking out insurance for delegates going aboard, did not know whether in fact there had been compliance by the I. S. U. with the conditions. He testified that he had issued instructions, July 13, to permit I. S. U. representatives aboard ship only to collect dues. But he also testified that they were still permitted to contact members. The master of the *Fairland* stated that he did not receive the instructions of July 13 until August; and that even after the instructions were put in effect, he permitted I. S. U. representatives to board ship unaccompanied; he did not know what they said to the men, whether they brought literature aboard or whether they restricted themselves to the collection of dues. Although always present at the paying off and signing off of articles, when the I. S. U. representatives collected dues, the company's port captain "did not pay any strict attention whatever to what they were doing." Asked whether he knew what these representatives did at such times, he replied, "I did not follow them around to see what they were doing."

Enough has been shown to establish the reasons for the Board's decision that if the company was to permit any opportunity for contact with the men a fair election required that equal opportunities be given to both the C. I. O. and the A. F. of L. The control of the election proceeding, and the determination of the steps necessary to conduct that election fairly, were matters which Congress entrusted to the Board alone.<sup>15</sup> Interference in those matters constituted error on the part of the court below.

<sup>13</sup> The Board ordered, as to ships' passes, that the company—  
"Cease and desist:

"From refusing to issue passes to authorized representatives of the National Maritime Union of America in equal numbers and under the same conditions as it grants passes to representatives of the International Seamen's Union of America or its successors; \* \* \*

<sup>14</sup> See 12 N. L. R. B., 766, 767, 769.

<sup>15</sup> *American Federation of Labor et al. v. Labor Board* (— U. S. —); *Labor Board v. The Falk Corporation* (— U. S. —).

All of this is not to say that much of what has been related was uncontradicted and undeniable by evidence offered by the company and by the testimony of its officers. We have only delineated from this record of more than 500 pages the basis of our conclusion that all of the Board's findings, far from resting on mere suspicion, are supported by evidence which is substantial. The court of appeals' failure to enforce the Board's order resulted from the substitution of its judgment on disputed facts for the Board's judgment—and power to do that has been denied the courts by Congress. Whether the court would reach the same conclusion as the Board from the conflicting evidence is immaterial, and the court's disagreement with the Board could not warrant the disregard of the statutory division of authority set up by Congress.

The cause is reversed and remanded to the court of appeals with directions to enforce the Board's order in its entirety.

It is so ordered.

## Importance of Reciprocal-Trade Treaties

### EXTENSION OF REMARKS

OF

HON. ORVILLE ZIMMERMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

LETTER FROM OSCAR JOHNSTON, PRESIDENT OF THE NATIONAL COTTON COUNCIL OF AMERICA, AND STATEMENT FROM NATIONAL COTTON COUNCIL OF AMERICA

Mr. ZIMMERMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Hon. Oscar Johnston, president of the National Cotton Council of America, dated February 12, 1940, and a statement from the National Cotton Council of America relative to benefits flowing to the Cotton Belt of America from reciprocal-trade treaties:

NATIONAL COTTON COUNCIL OF AMERICA,  
Memphis, Tenn., February 12, 1940.

Hon. ORVILLE ZIMMERMAN,

House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: The National Cotton Council, representing 15,000,000 producers and handlers of raw cotton and raw cottonseed in the 19 cotton-producing States of the American Cotton Belt, earnestly solicit your full support for House Joint Resolution 407, which will extend for a period of 3 years the authority now vested in the executive branch of the Federal Government to negotiate reciprocal-trade agreements with the nations of the world.

It is not necessary for us to emphasize to you the importance of foreign trade to the Cotton Belt. The reciprocal trade agreements program has already been of inestimable value to cotton. Its continuance is our greatest immediate hope for solving our all-important foreign-trade problem. If foreign markets are to be denied our cotton industry, it necessarily follows that production must be placed upon a purely domestic basis, which would mean a further curtailment of cotton acreage, a disastrous displacement of labor, and a serious disturbance of our national agricultural economy.

We sincerely trust that you will devote your untiring efforts to the support of House Joint Resolution 407, which is so vitally essential to the welfare of the people of the Cotton Belt.

Yours very truly,

OSCAR JOHNSTON, President.

### NATIONAL COTTON COUNCIL OF AMERICA

WHAT THE RECIPROCAL TRADE AGREEMENTS PROGRAM MEANS TO THE COTTON BELT AND TO THE NATION

The National Cotton Council, in requesting support for House Joint Resolution 407, which provides for the continuance of the reciprocal trade agreements program, submits the following in support of its position:

#### 1. Population and area of Cotton Belt

Approximately one-third of the farm population of the United States—2,500,000 farm families aggregating more than 10,000,000 persons—are engaged in the production of cotton and cottonseed. More than 20,000,000 people of the Cotton Belt are directly dependent upon the cotton industry for a livelihood.

The Cotton Belt embraces more than one-third of the total area of the continental United States, extending from Virginia on the east to California on the west, and from southern Illinois and southern Kansas on the north to the Gulf of Mexico and the Rio Grande River on the south.

#### 2. Large percentage of American cotton must be exported

Normally 40,000,000 acres were planted to cotton. Loss of export markets for cotton resulted in the accumulation of a tremendous cotton surplus which depressed the price of the commodity to a level that threatened the economy of the Cotton Belt and seriously



affected the economy of the entire Nation. In an effort to remedy this situation the 40,000,000 acres normally planted to cotton have been reduced to approximately 24,000,000 acres—a reduction of 16,000,000 acres. This curtailment of acreage and production has seriously adversely affected the economy of this section and could not have been achieved without the expenditure of hundreds of millions of dollars supplied from the Treasury of the United States and made as soil-conservation payments, cotton price adjustment payments, and cotton loans.

Notwithstanding this drastic curtailment in acreage, our annual production is still much in excess of domestic consumption. The figures for the past 3 years speak for themselves:

Crop year	Production	Domestic consumption
1937-38	18,252,075	5,747,978
1938-39	11,623,221	6,858,423
1939-40	11,500,000	8,000,000

<sup>1</sup> Estimated.

<sup>2</sup> Estimated—a high level rarely reached in the history of the industry.

At the beginning of the current crop year, namely, August 1, 1939, the carry-over in America amounted to 13,032,513 bales. If export markets are not recovered and maintained for from 6 to 8 million bales of cotton annually, there will of necessity have to be a further curtailment of acreage with consequent economic disturbance, labor displacement and serious geographical shifts in the production of agricultural commodities.

### 3. What reciprocal-trade agreements mean to cotton

The continuance of the reciprocal trade agreements program is our greatest immediate hope for solving cotton's all-important foreign-trade problem. We believe that, through the instrumentality of reciprocal-trade agreements, it is possible to develop and maintain export markets for our surplus cotton and cottonseed products without serious domestic economic disturbance.

### 4. What reciprocal-trade agreements mean to the United States

Normally the United States can and does produce more of a great number of farm and nonfarm products than the American public can use. Surpluses of such production must (1) be sold in other countries, (2) pile up in unmarketable carry-overs in this country, or (3) be sold by producers at ruinously low prices. Unless exported, such surpluses force down prices, employment, and income of American producers. Sound expansion of United States trade with foreign countries accomplishes the following:

- (a) Directly benefits American producers whose goods are exported.
- (b) Improves domestic markets. Any American producer, farmer or nonfarmer, whose goods find a foreign market, becomes a better customer for the goods of other American producers.
- (c) Increases the supplies available to American consumers at reasonable prices of goods produced to better advantage in other countries or not produced at all in the United States.

Foreign trade must of necessity mean two-way trade. This country cannot have the benefit of foreign trade without, in return, importing. There is no sound and enduring way for maintaining export markets for our surplus commodities except by buying in foreign markets those commodities, the purchase of which will not seriously disturb our domestic economy.

To increase foreign markets for products of the United States is the primary purpose of the trade-agreements program. This purpose is sought through the reciprocal adjustment of excessive trade barriers.

### 5. What reciprocal-trade agreements mean to general world trade

The abandonment of the reciprocal trade agreement program would, in our judgment, be the equivalent of saying to the nations of the world that the United States is unwilling to negotiate with them further for the restoration of normal international trade. Such an act on our part will—justifiably, we think—be construed by the other nations of the world as a declaration of purpose by the United States to develop to the highest possible degree nationalism, to become self-contained, and to withdraw behind our excessively high tariff wall from the commerce of the world. Such action on our part would, in our judgment, constitute an open invitation to all the other nations of the world to do likewise. The effect would be a further disastrous decrease and paralysis of all trade between nations.

### 6. What reciprocal-trade agreements mean to world peace

We believe that there must come an end to the wars which now affect both Europe and Asia. Following these wars and in connection with their termination there will be discussions between the belligerent nations looking to the restoration of peace and of commerce. These negotiations and conversations will involve the economic and social structure of every nation in the world. Results obtained from these negotiations will determine the future security or insecurity industrially, socially, and economically of the peoples of every nation in the civilized world.

It is essential that our Government have a part in these negotiations and discussions in order that our governmental structure and our domestic and national economy may be safeguarded. Regardless of the outcome of the war in Europe, there is serious danger that international trade, as it has heretofore been conducted by democracies, will be greatly imperiled, and that prob-

ably its only salvation will depend upon the attitude and influence of the United States in connection with the negotiation of peace. Our sphere of influence, as well as our possible opportunity of protecting and preserving the principles of true democracy, will be seriously jeopardized if we abandon our reciprocal trade agreements program and thus, in effect, serve notice on the rest of the world that the United States is withdrawing from international commerce. To pursue such a policy would be to renounce our interest in, and right to, participate in, the negotiations which are to come for an economically sound and lasting world peace.

## Additional United States District Judges

### EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. WALTER. Mr. Speaker, the judicial conference, composed of the senior circuit judge of the 10 circuits, in session at Washington in September 1939, recommended additional United States judges as follows: Two for New York, and one additional for each of the seven judicial districts of New Jersey, Pennsylvania, Georgia, Ohio, Missouri, California, and Oklahoma.

These recommendations were based upon a study of the dockets and the cases brought and tried, the report being printed in the November American Bar Association Journal on pages 930 to 933.

How does this recommendation strike the average citizen? In America, we are accustomed to everyone expressing his opinion, whether he has adequate, or inadequate, facts.

A comparative study can be made by anyone, and this writer assembled a base table showing, 1, each State; 2, the judicial districts therein; 3, population of the district; 4, State population; 5, lawyers in district; 6, lawyers in State; 7, United States district judges in each district; 8, aggregate for State; 9, ratio of population to lawyers in each district; 10, ratio of population to lawyers in each State; 11, ratio of population to each United States district judge; 12, same for the State; 13, ratio of lawyers in each State to the United States district judge; and 14, ratio of lawyers in State.

The population was taken from the 1930 United States Census, the number of lawyers by counting the names in the 1937 Martindale-Hubbell Law Directory, the number of district judges from a mimeographed list of the United States Department of Justice—omitting retired justices—and on those the ratios were computed.

This table is set out as table I and speaks for itself.

This table shows that there are 178 United States district judges in the United States, which works out 1 for each 693,644 of population, or, on a count of 159,479 lawyers—United States census gave 160,605—1 for each 901 lawyers. Naturally a Federal court has more business in a larger city than in the smaller places. The congestion of population requires the need of lawyers, and that is a factor to be reckoned. The population of 93 cities with 100,000 inhabitants or more aggregates 36,325,836, which is 30 percent of the population.

Any discussion of the need for United States district judges, or there being a sufficiency, can be contrasted by taking the ratios of the several States.

Table II arranges the States in numerical rank according to the ratio of population to each United States district judge, which varies from 1 for 40,572 in the District of Columbia and 1 for 91,055 in Nevada to 1,880,999 in Kansas. The average is 693,644.

Table III is a table of the ratio of lawyers to each United States district judge, by States, varying from 220 lawyers in Delaware and 231 in Nevada to 1,940 lawyers in Kansas and 2,083 in Indiana to each United States district judge.

As the larger cities are usually in States where there are two or more Federal districts, a comparison can be made by

taking the 18 larger cities, in order of their population, next the number of lawyers to each United States district judge, and then take the same facts for 15 other well-known cities in as many different States and rank them in numerological rank, as shown by the ratio of lawyers in that judicial district to each United States district judge. This is table IV.

The count of lawyers being less than the United States Census of 1930 can be explained, as numerous attorneys are general counsel of large corporations, active in their profes-

sion, solely for a single client, and are not listed in a law directory, but were counted in the United States census.

As showing that litigation is dependent upon lawyers, as well as the business involved in a community, it is striking that in the eight judicial districts in which recommendations were made for an additional judge, with the single exception of California—ratio of 857 lawyers—all have a higher ratio of United States district judges to lawyers than the average of 901.

I.—United States of America, 49 States, United States judicial districts; population, lawyers, and judges; ratio of population to each lawyer and judge; ratio of lawyers to each judge, Nov. 1, 1939

State and district	Population		Lawyers		Judges		Ratio of population to—				Ratio of lawyers to judge	
	District	State	District	State	District	State	Lawyers		Judges		District	State
							District	State	District	State		
Alabama		2,648,248		1,688		3		1,567		815,416		563
Northern	1,449,245		1,008		1		1,437		1,449,245		1,008	
Middle	734,745		405		1		1,814		734,745		405	
Southern	462,058		275		1		1,680		462,058		275	
Arizona		435,573		542		2		786		212,787		271
Arkansas		1,854,482		1,576		3		1,176		618,161		525
Eastern	1,207,285		1,025		1		1,177		1,207,285		1,025	
Western	647,197		551		1		1,120		647,285		551	
California		5,677,251		9,429		11		602		576,114		857
Northern	2,321,477		3,494		4		664		580,369		873	
Southern	3,355,774		5,935		7		565		479,396		848	
Colorado		1,035,791		1,527		1		679		1,035,791		1,327
Connecticut		1,606,903		1,888		2		851		803,451		944
Delaware		238,380		220		1		1,083		238,380		220
District of Columbia		486,869		3,140		12		155		40,572		262
Florida		1,468,211		2,418		4		607		367,053		605
Northern	330,070		238		1		1,386		330,070		238	
Southern	1,138,141		2,180		3		522		379,380		726	
Georgia		2,908,506		3,128		3		933		969,502		1,043
Northern	1,061,540		1,601		1		663		1,061,540		1,601	
Middle	1,082,684		850		1		1,273		1,082,684		850	
Southern	741,389		677		1		1,095		741,389		677	
Idaho		445,032		483		1		926		445,032		483
Illinois		7,630,654		14,840		10		514		763,065		1,484
Northern	4,919,867		12,355		6		398		818,644		2,058	
Eastern	1,233,497		1,003		2		1,229		616,749		502	
Southern	1,476,420		1,482		2		996		738,210		741	
Indiana		3,238,503		4,166		2		777		1,619,251		2,083
Northern	1,264,489		1,555		1		813		1,264,489		1,555	
Southern	1,974,014		2,611		1		756		1,974,014		2,611	
Iowa		2,470,939		3,037		2		815		1,235,470		1,519
Northern	1,198,607		1,351		1		887		1,198,607		1,351	
Southern	1,272,332		1,686		1		754		1,272,332		1,686	
Kansas		1,880,999		1,940		1		969		1,880,999		1,940
Kentucky		2,614,589		2,570		13		1,017		871,530		857
Eastern	1,372,283		1,200		1		1,089		1,372,283		1,200	
Western	1,242,194		1,310		1		948		1,242,194		1,310	
Louisiana		2,101,593		1,837		4		1,144		525,398		459
Eastern	986,393		1,125		2		876		493,197		563	
Western	1,115,200		712		2		1,566		557,600		306	
Maine		797,423		842		1		947		797,423		842
Maryland		1,631,526		2,594		2		628		815,763		1,297
Massachusetts		4,249,614		7,179		4		562		1,062,403		1,795
Michigan		4,842,325		4,742		6		1,021		968,065		948
Eastern	3,531,779		3,925		5		900		882,950		1,185	
Western	1,308,546		817		1		1,602		1,308,546		817	
Minnesota		2,563,953		3,125		4		820		640,988		781
Mississippi		2,009,821		1,322		2		1,502		1,004,911		661
Northern	873,770		426		1		2,051		873,770		426	
Southern	1,136,051		896		1		1,279		1,136,051		896	
Missouri		3,629,367		5,393		15		671		725,873		1,079
Eastern	1,861,443		2,649		2		703		930,722		1,325	
Western	1,768,324		2,744		2		644		884,162		1,372	
Montana		537,606		640		2		840		268,803		320
Nebraska		1,877,963		1,875		2		627		688,982		938
Nevada		91,058		231		1		384		91,058		231
New Hampshire		465,293		392		1		1,187		465,293		392
New Jersey		4,041,334		6,034		4		609		1,010,444		1,509
New Mexico		423,317		316		1		1,339		423,317		316
New York		12,588,066		29,480		21		427		594,669		1,404
Northern	2,177,196		3,449		2		631		1,088,598		1,725	
Southern	2,880,292		19,372		11		104		281,844		1,852	
Eastern	4,261,984		3,704		6		1,150		710,330		617	
Western	2,043,302		2,955		2		691		1,021,651		1,477	
North Carolina		3,170,276		2,715		3		1,171		1,056,759		905
Eastern	1,307,414		1,100		1		1,189		1,307,414		1,100	
Middle	989,703		803		1		1,232		989,703		803	
Western	873,159		812		1		1,075		873,159		812	
North Dakota		680,845		564		1		1,207		680,845		564
Ohio		6,646,697		9,953		6		668		1,107,783		1,659
Northern	3,796,553		6,014		3		631		1,265,518		2,005	
Southern	2,850,144		3,930		3		725		950,048		3,310	
Oklahoma		2,396,040		3,637		14		650		599,010		909
Northern	468,996		1,088		1		431		468,996		1,088	
Eastern	885,206		930		1		951		885,206		930	
Western	1,041,739		1,619		1		643		1,041,739		1,619	
Oregon		953,786		1,431		2		666		476,893		716
Pennsylvania		9,631,350		9,106		9		1,057		1,070,150		1,011
Eastern	3,626,686		4,277		4		847		906,671		1,069	
Middle	2,138,264		1,454		2		1,470		1,099,134		727	
Western	3,766,400		3,375		3		1,115		1,255,466		1,125	
Rhode Island		687,497		767		1		895		687,497		767
South Carolina		1,738,765		1,117		13		1,556		579,588		372
Eastern	977,677		697		1		1,402		977,670		697	
Western	766,088		420		1		1,824		766,088		420	

\* Additional United States district judge for 2 districts.



## APPENDIX TO THE CONGRESSIONAL RECORD

I.—United States of America, 49 States, United States judicial districts; population, lawyers, and judges; ratio of population to each lawyer and judge; ratio of lawyers to each judge, Nov. 1, 1939—Continued

State and district	Population		Lawyers		Judges		Ratio of population to—				Ratio of lawyers to judge	
	District	State	District	State	District	State	Lawyers		Judges		District	State
							District	State	District	State		
South Dakota		692,849		754		1		918		692,849		754
Tennessee		2,616,556		2,703		14		963		654,139		676
Eastern	948,693		1,064		1		891		948,693		1,064	
Middle	872,719		864		1		1,010		872,719		864	
Western	795,144		775		1		1,025		795,144		775	
Texas		5,824,715		6,825		8		853		728,089		853
Northern	1,907,348		2,526		3		755		635,449		842	
Southern	1,231,348		1,689		2		729		615,974		845	
Eastern	1,198,982		1,018		1		1,177		1,198,982		1,018	
Western	1,486,947		1,592		2		934		743,474		796	
Utah		507,847		634		1		801		507,847		634
Vermont		359,611		338		1		1,063		359,611		338
Virginia		2,421,851		2,617		4		962		605,462		629
Eastern	1,107,673		1,525		2		726		553,836		762	
Western	1,114,541		992		2		1,123		557,270		496	
Washington		1,563,396		2,451		3		637		521,132		817
Eastern	459,558		665		1		813		459,558		595	
Western	1,103,838		1,886		2		585		551,919		943	
West Virginia		1,729,205		1,485		3		1,164		576,402		495
Northern	769,418		688		1		1,118		769,418		688	
Southern	965,166		797		1		1,136		965,166		797	
Wisconsin		2,939,006		3,157		2		931		1,469,003		1,579
Eastern	1,663,796		2,044		1		829		1,663,796		2,044	
Western	1,247,840		1,113		1		1,121		1,247,840		1,113	
Wyoming		228,565		271		1		832		228,565		271
United States	1,444,412	122,775,046	1,878	159,479	178	178	769		693,644		901	
85 districts, 177 judges (inclusive of District of Columbia).												

## TERRITORIAL JUDGES

Alaska		59,278		70		4		841		14,819		18
First	19,304		30		1		642		19,304		30	
Second	10,127		8		1		1,268		10,127		8	
Third	16,309		20		1		815		16,309		20	
Fourth	13,538		12		1		1,128		13,538		12	
Puerto Rico		1,543,913				1				1,543,913		
Virgin Islands		22,012		15		1		1,467		22,012		15
Canal Zone		39,467				1						
China						1						
Hawaii		368,336		146		2		2,533		184,268		73
Circuit judges of general jurisdiction						9		2,533		40,928		18
First	202,887		113		5		1,795		40,577		23	
Second	56,146		8		1		7,019		56,146		8	
Third	35,806		16		1		2,238		35,806		16	
Fourth					1							
Fifth	35,942		9		1		3,094		35,942		9	

## II.—United States judges—ratio of population to each judge, by States

1. District of Columbia	40,572
2. Nevada	91,055
3. Arizona	212,787
4. Wyoming	225,565
5. Delaware	238,380
6. Montana	268,803
7. Vermont	359,611
8. Florida	367,053
9. New Mexico	423,317
10. Idaho	445,032
11. New Hampshire	465,293
12. Oregon	476,893
13. Utah	507,847
14. Washington	521,132
15. Louisiana	525,398
16. California	576,114
17. West Virginia	576,402
18. South Carolina	579,588
19. New York	594,669
20. Oklahoma	599,010
21. Virginia	605,462
22. Arkansas	618,161
23. Minnesota	640,988
24. Tennessee	654,139
25. North Dakota	680,845
26. Rhode Island	687,497
27. Nebraska	688,982
28. South Dakota	692,849
29. Missouri	725,873
30. Texas	728,089
31. Illinois	763,065
32. Maine	797,423
33. Connecticut	803,451
34. Alabama	815,416
35. Maryland	815,763
36. Kentucky	871,530
37. Michigan	968,065
38. Georgia	969,502
39. Mississippi	1,004,911

## II.—United States judges—ratio of population to each judge, by States—Continued

40. New Jersey	1,010,444
41. Colorado	1,035,791
42. North Carolina	1,056,759
43. Massachusetts	1,062,403
44. Pennsylvania	1,070,150
45. Ohio	1,107,783
46. Iowa	1,235,470
47. Wisconsin	1,469,003
48. Indiana	1,619,251
49. Kansas	1,880,999

United States 693,644

## III.—United States judges—ratio of lawyers to each judge, by States

1. Delaware	220
2. Nevada	231
3. District of Columbia	262
4. Arizona	271
5. Wyoming	271
6. New Mexico	316
7. Montana	320
8. Vermont	338
9. South Carolina	372
10. New Hampshire	392
11. Louisiana	459
12. Idaho	483
13. West Virginia	495
14. Arkansas	525
15. Alabama	563
16. North Dakota	564
17. Florida	605
18. Virginia	629
19. Utah	634
20. Mississippi	661
21. Tennessee	676
22. Oregon	716
23. South Dakota	754
24. Rhode Island	767
26. Washington	817

### III.—United States judges—ratio of lawyers to each judge, by States—Continued

27. Maine.....	842
28. Texas.....	853
29. California.....	857
30. Kentucky.....	857
31. North Carolina.....	905
32. Oklahoma.....	909
33. Nebraska.....	938
34. Connecticut.....	944
35. Michigan.....	948
36. Pennsylvania.....	1,011
37. Georgia.....	1,043
38. Missouri.....	1,079
39. Maryland.....	1,297
40. New York.....	1,404
41. Illinois.....	1,484
42. New Jersey.....	1,509
43. Iowa.....	1,519
44. Colorado.....	1,529
45. Wisconsin.....	1,579
46. Ohio.....	1,639
47. Massachusetts.....	1,795
48. Kansas.....	1,940
49. Indiana.....	2,083

United States..... 901

It is interesting to contrast the ratio of lawyers to United States district judges in the 18 largest cities with the ratio of lawyers to United States district judges in some other well-known cities, where the bar is much smaller and also the population, which tabulation is as follows:

#### 18 largest cities

1. New York.....	1,852
2. Chicago (northern).....	2,058
3. Philadelphia.....	1,069
4. Detroit.....	1,185
5. Los Angeles.....	848
6. Cleveland.....	2,005
7. St. Louis.....	1,328
8. Baltimore.....	1,297
9. Boston.....	1,795
10. Pittsburgh.....	1,125
11. Milwaukee.....	2,004
12. Buffalo.....	1,477
13. Washington.....	262
14. Minneapolis.....	781
15. New Orleans.....	563
16. Cincinnati.....	1,310
17. Newark.....	1,509
18. Kansas City.....	1,372

#### 15 other well-known cities

1. Wilmington, Del.....	220
2. Reno, Nev.....	231
3. Jacksonville, Fla. (northern).....	238
4. Washington, D. C.....	262
5. Cheyenne, Wyo.....	271
6. Mobile, Ala. (southern).....	275
7. Shreveport, La.....	306
8. Santa Fe, N. Mex.....	316
9. Helena, Mont.....	320
10. Salt Lake City, Utah.....	338
11. Concord, N. H.....	392
12. Montgomery, Ala. (middle).....	405
13. Spartanburg, S. C. (western).....	420
14. Aberdeen, Miss. (northern).....	426
15. East St. Louis, Ill. (eastern).....	502

### Butler University Confers LL. D. Degree on Representative Ludlow

#### EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. RANDOLPH. Mr. Speaker, a high honor came to one of our colleagues on February 7 when Butler University with colorful ceremonies conferred upon the gentleman from Indiana, Representative Louis Ludlow, the honorary degree of doctor of laws.

The citation which was the basis of the university's award to the gentleman from Indiana [Mr. LUDLOW] was read to the throng assembled in the field-house gymnasium at Indianapolis by Dr. Roy M. Robbins, head of the department of his-

tory, who presented Mr. LUDLOW for the degree. The Members of our legislative body, in which the gentleman from Indiana [Mr. LUDLOW] has grown constantly in esteem and affection during his six terms of service, will be impressed with the accuracy of the citation, which describes him as "a product of the valley of democracy," as "representing most clearly the Hoosier prototype," as an idealist whose philosophy is "fundamentally American," whose writings "represent the generous liberalism of a vigorous age," who "in modes of life and manner is a man of the people," and whose interest in the common people has caused him to assume leadership in the cause of peace. The citation in full follows:

Mr. President, I have the honor of bringing to your attention a distinguished citizen—a product of the valley of democracy—a man who represents most clearly the Hoosier prototype. At an early age this gentleman came to Indianapolis and became employed on the staff of the Indianapolis Sun. In 1901 he was chosen Washington correspondent for all the Indianapolis newspapers and later became president of the National Press Club. While serving in this distinguished position he had the distinct honor of making the address of welcome to Col. Charles A. Lindbergh on the latter's return from his epochal flight to Paris. Elected to Congress in 1928, he was the first newspaper correspondent to go directly from the Press Gallery to a seat in Congress.

During his journalistic and congressional career he has managed to find the time to write five books—all representing the generous liberalism of a vigorous age. His philosophy is not unique; it is fundamentally American. A free soul, he loves freedom enough to deny it to none; an idealist, he believes that the welfare of the whole, and not the prosperity of any group, is the single end of government. In modes of life and manner this Congressman is a man of the people; in fact, his constant and pervading thought has been for the people. It is his interest in the common people that has caused him in recent years to assume leadership in behalf of the peace movement.

Mr. President, this gentleman is a man of Christian ideals. He is a man of genuine excellence, honorable, benevolent, and of uncorrupted disposition. His life has been the very edification of the teachings of the Sermon on the Mount. Mr. President, I have the honor to present for the degree of doctor of laws the Honorable LOUIS LEON LUDLOW, our Indianapolis Congressman.

The conferring of this degree upon the gentleman from Indiana [Mr. LUDLOW] was an incident of the celebration of founders' day at that ancient institution of learning. On February 7 Butler University was 90 years old. Twenty-seven educational institutions and civic organizations sent representatives to witness the installation of Butler's sixteenth president, Dr. Daniel Sommer Robinson. These joined Butler faculty members in the impressive grand march which opened the program. The presence of such a large and brilliant array of college and university presidents was a striking tribute to the personal popularity of the incoming president. The processional and recessional presented an array of academic dress such as rarely occurs at any educational institution. Each gowned member of the faculty wore the academic hood of his alma mater. Its colors indicated the degree earned by the bearer as well as the school from which he had earned the degree. Official representatives of numerous other universities wore similar insignia. As a result, there were scores of color combinations which brightened an otherwise austere occasion. They ranged from Butler University's own blue to the rich crimson of the University of London worn by Dr. Allegra Stewart. Dr. Raphael Harwood Miller, pastor of the National City Christian Church, of Washington, D. C., delivered the principal address, in which he stressed the importance of Christian education to democratic government and free society.

Mr. Hilton U. Brown, of the Indianapolis News, president of the Butler University Board of Directors, presided and introduced the new president in a very felicitous manner. The inaugural address delivered by President Robinson will have imperishable value as a model of educational literature.

Special guests of the university attended an invitational luncheon at the Marott Hotel following the services at the gymnasium, and the closing event of the historic celebration was a banquet in the James Whitcomb Riley room of the Claypool Hotel at night, when Dr. Miller again spoke.

At the luncheon, levity was mingled with serious sentiments apropos of the occasion in a flood of speeches of a more or less informal nature. John W. Atherton, secretary-treasurer of the university, was toastmaster. The gentleman from



Indiana [Mr. LUDLOW] was one of those called upon, and he spoke as follows:

Dr. Wildman, president of DePauw University, has just told you with some evidence of surprise and concern that he had not expected to be called upon today to make any remarks. I will say to the good doctor with considerable more evidence of surprise and concern on my own part that he has not got anything on me in that respect.

I, nevertheless, thank you for calling me to my feet, and I will say in all frankness that I think it is meet and proper that you should require the latest additions to your alumni to stand up and show themselves for your inspection.

In complying with this requirement, I am reminded of a hectic campaign years ago when we candidates were running around over Marion County wooing the electorate, and there was one bright young candidate for the legislature who received more applause wherever we went than all the rest of us combined. His speech consisted of just one sentence. Everywhere he went he would draw himself up to his full magnificent height, expand his bulging chest, and say:

"Ladies and gentlemen, I thought I would come out here today and show myself to you, and I hope it won't ruin me."

That, ladies and gentlemen, is what I am doing here and now. I am showing myself to you, and I fervently hope and pray that it won't ruin me.

I understand that a person who is fortunate enough to receive a university degree is thereby vested with all of the rights, privileges, immunities, and prerogatives—mind you, prerogatives—of an alumnus. I asked my son-in-law, who is a dean of George Washington University, whether that includes the privilege that is so sacred to the alumni—the privilege of abusing the faculty—and he said that privilege goes with the degree.

When I arose to my feet my wife, sitting here by my side, whispered, "Don't you dare to speak more than a minute." She is an old Butler girl, and she is trying to protect you. I recognize that as very salutary advice from the standpoint of the audience, but I wonder if that woman understands the standard length of a Congressman's speech. Over in the Halls of Congress we think a speech anything less than 2 hours in duration is a mere whisper. At times there are exceptions, but that is always when the gag is applied, for no Member of Congress ever makes a short speech of his own volition. Last week a Member managed to wangle a minute out of the hard-boiled bosses in which to deliver a 4-hour speech that had long been ranking in his system. He liked to speak, but he also had a kind, generous heart, and he then yielded 30 seconds from his allotment to a Member who couldn't get any time.

If I were to undertake within the limitation of 1 minute to give voice to the emotions that surge through my mind after witnessing that great ceremonial today, I would find myself in the predicament that confronted a certain noted divine and educator a few years ago when the moderator of the Presbyterian General Assembly arose and said:

"The next number will be an address by Rev. James McCosh, chancellor of Princeton University; subject, The Immortality of the Soul; time allotted, 1 minute."

The eminent clergyman consumed his 60 seconds very creditably but without exhausting his subject, and I have a very distinct consciousness that if I were to speak for hours about Butler University, its splendid history and fine traditions, I would not begin to exhaust the subject, so I shall leave that task to others.

Out there today we saw a great man take the helm as the head of a great university, and I know I express the sentiments of all when I fervently pray that success will crown all of his efforts and that Butler University, the university of high educational and cultural achievements and broad humanitarian service, which we all love, will go on and on and on and on doing good in the world forever.

And now just one more word, a little more personal to myself. When I was first informed that Butler was to give me this degree, I said to my helpmate: "It must be a case of mistaken identity. I don't know what I ever have done to deserve this." There are times when the tongue cannot speak the language of the heart, and that is the fix I am in now. My faltering tongue cannot begin to express the appreciation in my heart for the distinguished honor you have conferred upon me. I can only say simply, sincerely, and truly, "I thank you."

**Shall We Aid Finland and China, or Millions of Americans?**

#### EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. LARRABEE. Mr. Speaker, the Congress has before it a bill which, among other things, is intended to provide

loans to the Governments of the nations of Finland and probably China.

Finland is now threatened with extinction by the invasion of Russian troops; and Russia in this conquest appears to have, or is expecting, the aid of Germany. China has been invaded by Japan, which aggressor seems at this time intent upon continuing the conquest on Chinese soil at any cost.

We are asked by the proponents of this bill to take from the Treasury of the United States, through the Export-Import Bank, a Federal agency, a sum not to exceed \$20,000,000 as a loan to Finland. A like sum is proposed, from the same source, as a possible loan to China.

Little has been said, however, by proponents of the bill concerning the proposed loan to China.

The principal discussion and debate has been limited almost entirely to the question of a loan to Finland, and that is the question which the public in general believes is involved. Perhaps there has been no serious thought given the proposed loan to China. Perhaps the intention is to await developments, but to have the authority granted in advance in the event the loan is sought later.

Since the proponents of the bill have limited their case, generally, to pleading for aid for Finland, my remarks, generally, in opposition to the loan will be directed toward the question of the desirability of making a loan of the people's money to Finland.

Advocates of the bill base their case on the premise that it is the moral and Christianlike duty of our Nation to go to the aid of an oppressed people—a people who have in the past refrained from violating their former financial obligations to the United States.

Considered alone from the moral issue point of view, it is exceedingly difficult to find any strong arguments against the proposed loan.

Considered in the light of cold reason from other points of view, I find it exceedingly difficult to advance any strong arguments in favor of supporting the loan.

First, we must consider that the loan we propose to make to Finland is merely a gesture of good will from one nation to another in the family of friendly nations and in the family of democracies. The loan in itself will not do much toward preventing the aggressor nation from completing its objective of overrunning Finland, and of taking over all the lands and resources of the Finnish people. That has been admitted in many instances.

Admitting that it is our moral obligation to aid the Finnish people we are obligated to ourselves, to the people of the United States, to consider other phases of the proposal, also.

It appears, and this has also been admitted frequently even by the strongest and most ardent proponents of the proposed loan, that there is grave doubt that Finland will ever be able to repay the loan. The overwhelming force of the numbers of men involved in the conflict points to a very serious probability that Finland, ultimately, will fall to the aggressor. Certainly if Finland loses its national identity, and if Russia succeeds in its military drive, Finland will cease to exist as a nation, and we will have no hope of obtaining repayment of the money we propose to take from the Treasury—from the pockets of the taxpayers, if you please—and loan to Finland. The transfer of funds of the United States to Finland, then, should be considered as a probable gift, or grant, and not as a loan.

Second, the question of whether or not the Government of the United States can afford to make the loan, or grant, must be considered. It is our constitutional duty as the elected representatives of the taxpayers, to consider this question carefully.

The Government, through both its Executive and through action of the Congress thus far in this session, has said that we have reached the point where we must retrench—must cut Federal expenditures, in order that we shall not exceed the statutory limitations on the national debt.

Congress has, thus far, made commendable progress in reduction of appropriations for the operation of the Federal Government, on the theory that reductions are necessary.

If that be the case, and I believe that we should make all economies that are possible without incurring hardships among our own people, there is a very serious doubt in my mind that our Government can afford to make the proposed grant to Finland.

We have in this Nation today, according to all available statistics, thousands of men and women, heads of families with little children, who are unable to find any gainful occupation or employment. These people, just as much as the people of Finland, are in need of help, and it seems to me that they have the first call on our sympathies and on the resources of our Government.

From the best figures available, there are now approximately 9,000,000 jobless people in America.

Finland's entire population, according to 1938 figures, was only 3,667,000 persons.

At the present time, in my State and in my district alone, there are thousands of persons who have recently been laid off of W. P. A. employment, with no hope of finding other work, because of a shortage both in funds and in the number of projects in operation.

These conditions apparently exist in all sections, or at least in most all sections, of our Nation.

In the light of conditions at home—conditions general throughout the entire Nation—I find it very difficult to place myself in the position of voting the money of our own people to assist the less than 4,000,000 people of Finland until such time at least as I feel certain that we have made adequate provision for the care of our own unfortunates.

It would be using a trite expression to say that charity should begin at home, but I feel that I, the elected Representative of the people of the Eleventh Congressional District of Indiana, would be derelict in my duty to my people if I did not insist on relief for our own people first.

I have no objection to those people who feel strongly that the people of Finland should have such help as we may extend them contributing just as liberally as they wish and feel they can contribute. But I do object to the Congress of the United States taking the people's money from the Nation's Treasury—the people's Treasury—and lending it to the people of Finland at this time.

If we had no serious economic problems of our own, if we did not face the necessity of reducing our national expenditure, and if our 9,000,000 jobless citizens were employed or had reasonable assurance of employment, then I could, and probably would, feel otherwise.

For my part, I choose to devote such money as is available to saving the 9,000,000 unemployed of the United States and their dependents first.

### An Appraisal of the New Deal by Labor

#### EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

ARTICLE BY PROMINENT LABOR OFFICIALS

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following recent appraisal of the results of the New Deal by prominent labor officials, under the challenge, A Call for United Action.

#### A CALL FOR UNITED ACTION

For 7 years a great experiment has been undertaken by the Federal Government upon the industrial and social economy of the United States.

However high the motives which prompted that experiment, the time has come to analyze the experiment, to survey its operation, and to assay its results.

It has been an experiment on the lives of 125,000,000 Americans. It has profoundly affected the conditions and the relations of the

worker and the employer. It has affected trade and finance, industry and agriculture, government and business.

Innovation after innovation have followed upon each other so fast and furiously that only a trained few could keep abreast of changes. If, after 7 years, the situations of labor, industry, and agriculture had materially improved, if happiness and progress, hope and confidence had resulted, we could conclude that the experiment had been worth while.

Instead we find labor torn into warring camps. We find industry depressed and capital on a strike. We find 10,000,000 of America's workers unemployed. We find youth discontented and age discouraged. We find not only widespread material suffering, but in every walk of life we find fear for the great intangibles of America; fear for the liberties that Americans have cherished for more than a century and a half. It has therefore seemed a necessary duty to survey the facts of the experiment, to measure impartially the results that have ensued, and to state the conclusions that necessarily follow.

Through the strains and stresses of many years, organized labor has developed a philosophy of industry and of industrial relations. It is an American philosophy, and one under which American labor has prospered and America has flourished.

In 1923 at an annual convention of the American Federation of Labor presided over by Samuel Gompers, a prophetic declaration was adopted. Under the title of "Industry's Manifest Duty" it said:

"The largest freedom of action, the freest play for individual initiative and genius in industry cannot be had under the shadow of constant, incompetent political interference, meddlesomeness and restriction.

"The threat of state invasion of industrial life is real. The continuing clamor for extension of state regulatory powers under the guise of reform and deliverance from evil can but lead into greater confusion and more hopeless entanglements."

That conviction was reaffirmed in 1938 when the executive council of the American Federation of Labor stated that—

"Unemployment can only be overcome through the creation of work opportunities for working men and women in private industry. This is the real remedy for unemployment."

It therefore becomes pertinent to inquire into what the experiments of the past 7 years have done, or not done, to free industry and labor from political interference; what it has done and not done to encourage private industry; what it has done and not done to provide opportunities for employment.

#### INDUSTRY

To succeed, industry needs ample and continuing financing, satisfactory supplies of raw materials, satisfied labor, adequate transportation, public confidence, reasonable taxation and profits.

All these factors have been latent in the American economy for the past 7 years, and yet, for reasons that are known to all who deal with industry, they have not been permitted to function.

#### FINANCE

Instead of providing industry and business with ample and continuing private capital, the banks have been compelled to invest and finance the Federal Government. How severe that competition was may be seen from the fact that from 1926 to 1938 the percentage of Government securities held by the banks of the country compared to the commercial loans outstanding rose from 15 percent in 1926 to 75 percent in December 1937. In 1926 the total loans and discounts of America's banks totaled \$26,200,000,000. In that year the banks held \$4,000,000,000 of Government securities. In December 1937 the total loans and discounts were \$22,100,000,000. But the Government securities held by our banks reached a total of \$16,600,000,000.

#### LABOR

Industry and labor alike have been disturbed, the production of useful goods has been hampered by the introduction into the industrial scheme of boards and bureaus which assumed ill-advised authority over the relations between labor and management.

So far as it strengthened and upheld labor's traditional right of collective bargaining, the National Labor Relations Act received the unstinted support of labor and of far-seeing management. Yet in the administration of that act, in the distrust and disappointment created by those set up with authority to command both labor and industry, business confidence was impaired.

With the setting up of the National Labor Relations Board, staffed with men who neither knew nor cared for the traditions of organized labor, a bad situation became rapidly worse. Labor itself was split. Management was disregarded. Labor strife was the inevitable result, and the orderly processes of industrial relations were shattered. New uncertainties were introduced into the industrial field. Strike followed strike, as labor found itself adrift on an uncharted sea. Production suffered. Unemployment increased.

As long ago as 1932, Andrew Furuseth, respected and revered for his many years of service to labor, declared:

"There is nothing to prevent the United States, if it wants to, having a 4-day week and a 4-hour day. There is nothing in our Constitution that would prevent it. But, lodged in the exclusive power of the Federal Government, may God help you and your children's children! Do you know what it would mean to give this power to the Government to rule the hours of labor? How do you know that you will not get 12 hours instead of 4 hours?"

Labor has long recognized that the worker cannot be secure in employment unless industry is prosperous. And no better summary of this belief, and no severer indictment of the 7 years of



experiment, can be found than the declaration of the annual convention of the American Federation of Labor on October 2, 1939. This declaration stated:

"The American Federation of Labor is not willing to tolerate permanent unemployment. We know that idle plants can be brought into operation, idle capital can find investment in productive enterprise, and idle men be put to work producing the goods they need for a decent living. Our Nation has all the elements necessary to provide an adequate living for every family; we lack only the proper coordination of effort.

"Today the picture is entirely changed. Now there is no longer opportunity for highly profitable investment in great expansion of the Nation's producing plant and equipment, for our industries cannot sell enough goods to keep their present plant in operation. The high profits and huge fortunes of the past cannot be made in industry today. The Cleveland Trust Co. estimates that the chance of even succeeding in business today is only about half as great as in the past, and the profits rewarding those who do succeed are at least 20 percent less. The risks are greater, the reward less. Consequently, private capital is not seeking investment in productive enterprise, but instead seeks security in tax-free Government bonds. During the depression private investment in industrial plants and in housing shrank to 3,500 million or less in contrast to the 12,000 million invested annually before depression."

Every idle plant means unemployment. Every contraction in business means loss and privation for the worker. Capital unemployed in productive enterprise means men and women unemployed. This is the basic reason behind the long and cruel roll of those who seek employment and cannot find it.

When the 7 years of experiment upon the lives and hopes of those who labor have resulted in the gloomy picture painted by the economist of the Cleveland Trust Co., it is high time that, before it is too late, this Nation should return to the tried and tested procedures under which trade prospered and employment spread.

#### TAXATION

Experiments are costly luxuries. For the upkeep of innumerable boards, bureaus, and authorities, for the maintenance of persistent relief rolls, and the building of new and imposing Government enterprises, the cost has been met by increased taxes and increased public debt.

One of the great drags upon industry during the past 7 years has been the burden of taxation that has been imposed upon big and little business. There are literally thousands of industrial and commercial concerns which have been forced into red figures by the taxes which have been imposed on flagging business.

How heavy these taxes have been may be seen from reference to some of the Nation's largest and strongest industries. The total amount of ascertainable tax bill for a leading automobile concern for 1935 was \$63,150,000. This represented \$1.37 per share of common stock, and \$334 per employee. In 1936 total taxes were \$91,150,000, representing \$2.13 per share of common stock and \$440 per employee. In 1937 total taxes were \$104,959,000, or \$2.45 per share of stock and \$444 per employee. In 1938 the total taxes were \$73,812,000 (including excise tax), or \$1.72 per share of common stock and \$450 per employee.

In 1929, steel taxes represented 14 cents per dollar of wages paid. In 1938, taxes equalled 21 cents per wage dollar. In 1929, steel taxes represented \$2.91 per ton of finished steel produced. In 1938, steel taxes represented \$5.18 per ton.

In an examination of 163 typical corporations, the American Federation of Investors reported that in 1938 taxes consumed 61.6 percent of the net earnings of these 163 corporations before taxes were paid. Nineteen of these companies reported a deficit before taxes, while the earnings of 15 others were wiped out by taxes, leaving deficits for the year.

The effect of this tremendous drain on industry is doubly disastrous to labor and employment. Every dollar paid in taxes by industry is a dollar that cannot be used for pay rolls, for development, or for expansion. Yet industry at least has a possibility of passing on to the consumer, in increased prices, a substantial part of the taxes that it pays.

The one person who cannot pass on taxes is the ultimate consumer, and the worker and the worker's family must, and do, pay a large part of industry's taxes in everything they consume. In their necessities and their pleasures, consumers are bearing a lion's share of the staggering tax bills imposed to cover the cost of Federal spending.

At least \$185 a year is required to cover the indirect or invisible taxes involved, in the production and distribution of the merchandise and services purchased by a worker's family spending \$30 a week or \$1,500 a year.

#### PUBLIC CONFIDENCE

Of all the factors upon which the prosperity of industry and labor depend, none is more important than confidence. Confidence in the stability of business and of jobs. Confidence in the permanence of the rules and regulations under which business must operate. Confidence in the Nation's currency. Confidence in the fairness and goodwill of those who are clothed with official authority over management and labor. The most tragic result of the 7 years of experiment has been the destruction of confidence, by incessant tinkering with established forms and procedures.

Tinkering with the hours and wages of labor under the N. R. A. Tinkering with the cost of labor's food under the A. A. A. Tinkering with property rights in the confiscation of private gold savings. Tinkering with the foundations of American Government in the

attack on the Supreme Court. Scarcely a month has passed without action or rumors of action, which would alter the plans and the outlook of labor and industry. And overhanging all has been general awareness of a national debt of \$40,000,000,000 as a mortgage on the future of America.

These material factors affecting labor and industry are in themselves sufficient to paralyze confidence. Yet to men, whether they be workers or employers, who know and love their country there is still another phase, emerging from the experiments which they view with patriotic alarm.

So fearful were the founders of our Government of the concentration of powers in the Federal Government that in the Bill of Rights, article X, they expressly limited the Federal power in these words:

"The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people."

With money taxed or borrowed from the people the Federal Government has set up a multitude of public and semipublic corporations, which have gone into the States to weaken the authority and the financial soundness of the States.

Counties and municipalities have been placed in debt to the Federal Government. The States have seen, set up within their own borders, Federal agencies and corporations to create undertakings which directly competed with private enterprise. Federal lending corporations have competed with their financial institutions. Federal building corporations have competed with their private builders. Federal utility authorities have competed with State-regulated utilities. Federal farm corporations have competed with and superseded the public and private agencies within each State.

In many of these instances the Federal corporations and agencies have gone far beyond the intentions of the authority which was granted to them by the Congress. But steadily and surely they have undermined the sharp line between State and Federal authority to increase the concentration of power in Washington.

As labor and industry survey what has happened to labor and industry in those lands where all powers have been concentrated in the central authority, they fear and oppose the steps which thus far have been taken here, to enlarge the dominion of the Federal Government over the lives and fortunes of the American people.

It is not a problem for labor alone, or industry and agriculture alone. It is a problem which must be solved by an awakened citizenship. It is a problem to be discussed at every fireside, to be dealt with by every publicist, to be prayerfully considered by those Americans who this year will be called upon to draft the platforms of both political parties.

The hour has come for Americans to recognize the dangers that confront them, and to join in an united effort to halt the drift toward national insolvency, industrial collapse, and the extension of opportunity for the Americans of today and tomorrow.

William L. Hutcheson, general president, United Brotherhood of Carpenters and Joiners of America, member, executive council, American Federation of Labor; John Possehl, general president, International Union of Operating Engineers; John P. Coyne, president, Building and Construction Trades Department of the American Federation of Labor; Robert Byron, general president, International Association of Sheet Metal Workers; Charles J. MacGowan, vice president, International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers of America; Joseph W. O'Neill, representative, Distillery Workers' International Union; James J. Ryan, first vice president, International Association of Sheet Metal Workers; Roland Adams, member, general executive board, United Brotherhood of Carpenters and Joiners of America; J. R. Weyler, general representative, United Brotherhood of Carpenters and Joiners of America; Matthew Woll, vice president, member executive council, American Federation of Labor; and others.

### The American Youth Congress

#### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

#### ADDRESS OF THE ATTORNEY GENERAL

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I submit the speech given by Attorney General Robert H. Jackson.

The quotations from Carl Sandburg's Abraham Lincoln is interesting. The speech was given before the American

Youth Congress now assembled in the Nation's Capital, and is as follows:

Perhaps it is hard for you to imagine how flattering it is to such a well-worn youth as I to be invited to share the platform at a Youth Congress. For more reasons than one it is appropriate that you open your institute tonight with a memorial meeting for Abraham Lincoln. He was one Republican who would not have been afraid of you. Speaking of his long fight for human freedom, Carl Sandburg says of Lincoln:

"He knew that his best hopes for listeners to such an appeal were the young people. The 15- and 16-year-old boys who had read Uncle Tom's Cabin when it was published 6 years before Lincoln's house divided speech had grown into 21- and 22-year-old voters. In what he was doing and saying Lincoln kept in mind the young men; he knew that the challenging radical tone of what he was saying about the Declaration of Independence would interest not only the foreign-born voters but also the young people of all classes, those to whom the American Revolution still had a breath of smoke and a banner of sacred flame."

And, as Sandburg adds:

"Perhaps, after all, only the young people with dreams and wishes in their eyes would understand his language. When his talk was ended and his language had failed to measure off all he wanted to say, it might be the young who would best understand the desperation of his dreams, the unmeasured lengths of the adventure he was for."

#### LINCOLN'S AIMS EXAGGERATED

I do not know what your dreams are, and it probably will not be for me to experience the unmeasured length of your adventures. In any case, I am quite certain that I believe in your right to have your dream and your adventures.

Of course, to some people this spirit of social and political unconventionality is terrifying, and to some people such an assembly of young people is a symbol of dark and nightmarish plottings against government. Lincoln, too, experienced that. A book written at the time of Lincoln's campaigns so exaggerated his real aims as to anger him. It said:

"Men once fairly committed to Negro slavery agitation—once committed to the sweeping principle that 'man, being a moral agent, accountable to God for his actions, should not have those actions controlled and directed by the will of another' are in effect committed to socialism and communism and to the most ultra doctrines—to no private property, no church, no government—to free love, free lands, free women, and free churches."

#### DANGEROUS?

Thus, it was sought to blast the dreams and ideals of the early Republican Party by labeling its antislavery sentiment as dangerous radicalism. Seems a little far-fetched today, doesn't it? But what seems more surprising is that the political party which has been trying to wear Lincoln's political garments now refuses to associate with any of you youths because you are now labeled radicals and Communists.

Of course, I do not know how dangerous you really are, but I do hope you are not so bad as to warrant the suggestion that you must clean up and purify yourselves in order to be worthy of a message, even from the party of Warren Harding, Albert Fall, and Joe Pew.

I may be wrong about it, but it always seemed to me that a parent or a citizen who thought a youth in danger of great error was under an equally great duty to give patient and understanding counsel. That was the spirit and the practice of Abraham Lincoln. Convinced that he was right and that it was a duty and a privilege to set others right, he went out and sought to present his views to those who differed with him. He set before us the classic example of revealing his own thoughts in debate—in the generous confidence that out of the free competition of ideas the American people can be trusted to choose the best one.

My embarrassment in speaking to you tonight is not from a sense of being hollower than thou but from a confused sense of inferiority. While I try to be unconscious of the passing years, I am still vaguely aware of the mortality tables. They tell men of my age that, on average, you will be here long after we are gone. That means that our work, our capital, our institutions, and even our reputations will be left in your hands. Some men, like Lincoln, have grown in fame with posterity—others shrivel. The best we of today can do is at the mercy of time, and more time remains to you than to us.

Then, too, I am not so cocksure that my own generation has done such a good job in its time that I feel qualified to tell you what you should do with your lives in your allotted time. It would be too devastating if you should, as you probably would, reply:

"Well, if you are so wise, why are you leaving us such a mess of wars, and rumors of wars, of social strife, economic stagnation, and political reaction, which has overwhelmed much of the world and bedevils all of it?"

I freely acknowledge that the world of today lives in a glass house and is not privileged to throw stones at those who are to follow.

#### PART OF STATUS QUO

It is, I admit, a little difficult for one of my generation to talk to you in terms of your own dreams and visions, for we cannot share them fully. After all, we are a different generation, and we are a trifle afraid of you. That because, while you are tossed about by the same storms as we, you are riding free, while we older ones

are mostly anchored. Some of us are anchored to a little accumulation of property; some, anchored to a prospect of accumulating. Some are anchored to jobs, or to social position, or political affiliations, or to some of those things which are tangible assurances that we will "stay put."

No matter how free we try to be, we are all tangled up in the existing order of things, and it is woven into us. We are part of the status quo.

And, too, no honest man can expect a free and hopeful youth to accept a status quo in which involuntary unemployment, foreclosed opportunities for independence, dependent old age, and so many injustices play so large and disastrous a part. We know we are leaving you an indefensible legacy. We know you are going to do something to it, and we don't know what. We know that you don't know what. We only know that the pattern of the future is in your minds, not in ours.

#### NOT ONLY ONES

Although you do inherit a good deal of difficulty and confusion, you here in America are also the inheritors of things which have cost blood and sacrifice to win and which you will find still worth preserving. We have a system—an imperfect one, it is true—but one which aims to give us government by consent of the governed. And in order that such popular will may be enlightened and freely known, there was established the right of free speech, and of the press, and of petition, as well as other liberties from restraint. These limitations are to protect your freedom against the persons you elect to office.

Of course, they are not the only persons from whom you will need to guard your liberties. Under our economic system grave injustices and inequalities may be perpetuated by men never elected to office, but who through economic advantage control jobs, or credit, or monopolize commodities, or who can otherwise strike at your means to live or your standard of living. From these sources come the greatest modern threats to your pursuit of happiness.

This democratic Government of ours was so fashioned as to be a power for your protection against such private injustice and exploitation and, at the same time, not to become an oppressor itself. It was placed in the hands of the people that they might stop wrongdoing by irresponsible private power, without becoming subject to irresponsible public power.

Time will not permit me to trace the steps by which this virile and strong Government envisioned by John Marshall was stealthily deprived of its power to curb private exploitations and injustices of an economic nature. The slave power feared a government strong enough to check it, and its penetrating influence was long dedicated to the task of restricting, through judicial decision, the power of the National Government. After Lincoln struck down that menace there arose the great combinations of finance and industry which found strong government an obstacle to their imperial designs for exploitation. By 1936 the National Government was reduced by judicial decision to its lowest efficiency.

It has seemed to me that the biggest task of the New Deal was to restore to this people's Government its original powers, lost through judicial interpretation. That is the task in which I have been chiefly engaged, and we are prepared to hand on to you a more effective government than the one Franklin D. Roosevelt has had to work with. Consider with me a list of the things that he was told he could never, never do, but which we now are told the Government always really had a right to do.

When President Roosevelt took office the people were powerless to enact, either through State or Nation, a minimum-wage law to protect women. Both the States and the Federal Government now have that power.

#### FARM PROGRAM UPHOLD

President Roosevelt took over a Nation without power to enact a law dealing with child labor. We now have such a law.

President Roosevelt found a Nation with its power to protect the right of labor collectively to bargain condemned as unconstitutional by a junta of 52 of the lawyers of America. The Nation has now won recognition of that power.

It was only about a year ago that we won the final decision of the Supreme Court confirming the power of this Nation to enact a valid farm-adjustment program.

It was only about 3 years ago that I sat before the Supreme Court on decision day to learn for the first time that our argument had prevailed and that a system of unemployment compensation could be legally undertaken.

Less than 3 years ago I was standing before the Supreme Court as a representative of this administration pleading for the power to deal with the urgent problem of decent care for our growing population of aged and infirm. We were opposed by the conservative argument that the Nation could not take any step whatever to deal with old-age pensions. Now we have that power.

#### UTILITY HONESTLY WON

President Roosevelt found this Nation without power to aid a distressed industry, like the bituminous-coal industry. The Guffey Coal Act was thrown out as wholly illegal in 1936. This year the Coal Commission won its first contest in the Supreme Court.

President Roosevelt found the power of the Nation to enact a public utilities holding company act challenged. Its power to impose common honesty upon great interstate utility combinations, which had always been the purse of reactionary politics, was doubted. We have won the power to do that.



He found the country without power to enact a municipal bankruptcy act to permit its cities and villages to restore financial order and credit where there had been overobligation from years of political looting or improvidence. We have won the power to do that.

He found it without power to tax the public officeholder's salary as it did other citizens' salaries. We have won the power to do that.

He found it without power to tax the salary of a Federal judge, as it did other citizens' salaries. Today the Nation has the power to do that.

In short, Roosevelt has won for the Nation that which he found it without adequate power to do—either to govern the powerful or to protect the weak.

The reason I call your attention in such detail to this change of constitutional interpretation is that I think it may answer in your mind, as it has in mine, grave doubts as to whether our Government could be made equal to solving its problems.

Four years ago, as measure after measure of recovery and of reform were crushed as unconstitutional, I too was pretty despondent about the future. I did not, and do not, feel that the New Deal measures were the perfect nor even the best solution of our problems. The loss of these particular measures was not so serious as the loss of the power to enact any measures dealing with those admitted evils.

Before you look wistfully at any other form of government, let's see what we can do with this American Government with its powers thus restored. Here are old frontiers reopened to statesmanship. Here are new possibilities for the redress of grievances, restoration of lost opportunities and equalities.

#### AMERICAN SYSTEM

Of course, it will not move as fast as some would like, but our Government can move as fast as our underlying society and economy will assimilate changes, and efforts to move faster always produce countermovements that undo much of what has been accomplished. If the people are really determined, they can now utilize our Federal Government to knock out old privileges and unfair advantages, to open the closed doors to individual opportunity, and to turn out unprecedented national wealth to a source of individual security.

I know full well that many people who talk of preserving this American system really mean only that they want to preserve the status quo and their advantageous position in it. But I would urge you to preserve our American system for an exactly opposite reason. Our system is really a great system for the changing of the status quo by peaceful and orderly means. Except in nations that have the device of popular elections, there is no way to repudiate and change a governmental policy except by force. Elections are the civilized substitute for force to keep a government abreast of public opinion.

I know that in many places abroad and in a few at home it is the custom to scoff at free government, to call democracy the "cult of incompetence," to complain of it as slow and compromising and outmoded. But if we were to grant all of those charges—which we need not—it is still democracy alone which preserves that priceless thing for which youth in all ages has searched—the dignity and worth of the individual.

#### ALMOST ALONE IN INFLUENCE

With all our gropings and uncertainties we have in America held to that ideal. If our practice does not measure up to the ideal then, that discredits not the ideal but only the weakness of our efforts. You live in a country where the individual may listen to his radio even if what he hears does him no good. The individual here may have grievances against his system, but he does not disappear unaccountably if he unites with others in denouncing them. The individual may read anything he can get hold of, write as he pleases, and speak his mind, even if what he says is distasteful to the rest of the country.

Among the great nations of the earth this is one of the few where plain ordinary citizens are preparing to go to the polls and settle our national policy by a choice of leaders for the next 4 years. You are almost alone of the peoples in which the individual in humble station may register his influence on questions that settle the fate of the Nation.

You may truthfully say that we have not the complete democracy and the perfect justice that we dream of, but you cannot deny that we are among the few who have in our own hands the possibilities of approaching those hopes. Is it any wonder that among us are people passionately attached to this system, in spite of its shortcomings, and intensely resentful of any movement which they think would overturn it?

You will soon take over from your elders unsolved problems as vexing as have fallen to any generation. But there is also handed to you a government more responsive, more effective, and more useful than we have had. Your great opportunity is to make it work. Let that be your crusade. Drive out of power the incompetent, the corrupt and the indifferent. Walk into this democratic process and master it. Make it serve your dreams and realize your visions. I, for one, welcome your active, unbossed, and unpurchasable enthusiasms in public affairs.

If your enthusiasms and visions at times conflict with the lessons of experience and our cautions, that is only what happens under every roof that is blessed by housing two generations. For my part, I am glad it is so.

## Questions and Answers on Pure Streams Legislation

### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

ANALYSIS OF PENDING LEGISLATION PREPARED BY THE IZAAK WALTON LEAGUE OF AMERICA

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following analysis of pending legislation on pollution prepared by National Headquarters, Izaak Walton League of America:

Question. Who started the present Federal legislative movement?

Answer. The Izaak Walton League of America with the Dern-Loneragan conference in Washington, D. C., December 1934, followed by Senate Document No. 16, of January 30, 1935, "Stream pollution and stream purification," and introduction of the first Loneragan bill, S. 3958, in the Seventy-fourth Congress, second session, January 16, 1936.

Question. Does the present Mundt bill have any connection with the former Loneragan bill?

Answer. The Mundt bill is a continuation of the original movement started by the first Loneragan bill. It has been amended, revised, and rewritten from experience gained in many hearings to provide close cooperation with all existing agencies and to eliminate all valid objections of those who were interested in pure streams, but who felt that the original Loneragan bill was drastic.

Question. Who would administer the Mundt bill?

Answer. The Chief of Engineers of the United States Army.

Question. Is the Army Engineer Corps equipped to administer such a bill effectively?

Answer. Yes; the Army Engineer Corps now has district offices and stations located at strategic points along the navigable waters of the United States. For many years it has collected data on pollution of these waters. It is now in charge of navigation and flood control on these same waters. By reason of its present facilities it is in an excellent position to administer a pollution-control bill.

Question. Would not the United States Public Health Service be a more logical and appropriate agency to administer the Mundt bill?

Answer. No; because this bureau is traditionally an investigating agency without any police powers; because it has consistently objected to police powers and refused to accept any; and because its responsibility and interest in the pollution problem is confined to human health alone.

Question. Why do most State health departments support the Barkley bill (S. 685) and often oppose the Mundt bill (H. R. 7971)?

Answer. Because the Barkley bill is a typical bureau aggrandizement bill; because it holds out to them a \$700,000 annual bait; because the United States Public Health has urged their support and they fear being placed on the blacklist if they fail to give their support.

Question. Is not pollution a public-health matter?

Answer. Yes; it is a public-health matter, but it is very much more. Public health, while admittedly the most important consideration, is by no means the only consideration. There are many cases of industrial pollution which are not considered objectionable by health authorities, even though such pollution may render the streams absolutely dead biologically. The narrow viewpoint of public health concerns itself only with human health as it is affected by the ultimate product which comes through the water faucet. When this water is given sufficiently elaborate treatment to render it bacteriologically safe for human consumption, the responsibility to public health is considered to have been met and the concern of health authorities does not extend to the condition of the source of this supply—the public streams.

Question. Does the Mundt bill extend the authority of the Federal Government to every little tributary in the country?

Answer. The jurisdiction of the Mundt bill is limited to navigable waters.

Question. Is the Mundt bill constitutional?

Answer. Its constitutionality has been passed on favorably by many competent attorneys.

Question. Does the Mundt bill supersede and supplant existing State agencies with a completely Federal control?

Answer. No; it provides for fullest cooperation with existing State agencies and specifically states that "action by the Federal authority will be taken only after such existing authorities have been given an opportunity to act, and 6 months after receipt of written notice from the Chief of Engineers, have failed to do so." In other words, the passage of the bill would in no way interfere with those existing agencies that are trying to do a good job in correction of pollution, but, on the contrary, would give them

valuable moral support. It would, however, prevent a stalemate of the program in those cases where existing agencies are stalling on the job.

Question. Would the Mundt bill require pollution to be eliminated immediately upon passage of the bill?

Answer. No; it outlaws the spread of future pollution immediately, but gives a 2-year period of grace for existing pollution before anything need be done, and states that "A reasonable time shall be allowed for completion of treatment works" which are started within this period. It further provides that when necessity can be shown to the satisfaction of the Chief of Engineers after a public hearing, that a 5-year extension of time may be granted; and at the expiration of that time, following the same procedure, "such further extension of time as may reasonably be necessary."

Question. Does passage of the bill summarily require complete elimination of all pollution?

Answer. No; the bill defines pollution and authorizes the Chief of Engineers to set up standards of purity in each watershed with minimum requirements for treatment of polluting wastes.

Question. Does the bill provide for criminal action with fines and imprisonment?

Answer. No; the bill provides no fines or imprisonment or criminal action. It authorizes an action in equity in the name of the United States by any United States attorney when requested to do so by the Chief of Engineers or the district board of a sanitary water district, to prevent or abate pollution as defined by the bill.

Question. Would the Mundt bill be unfair to or disrupt American industry?

Answer. No; it gives every consideration to both industrial and municipal polluters as above outlined, and in fact, by providing uniform Nation-wide regulations, would put all industries on a level competitive basis and eliminate such inequalities as now exist by reason of one State having or enforcing adequate pollution-control laws while another State either had none or did not enforce them.

Question. Does the Mundt bill provide any assistance to polluters for installation of treatment plants?

Answer. Yes; it provides loans and grants to municipalities and loans to industries.

Question. Does the Mundt bill supersede or abrogate the powers of interstate compacts or ones that may be formed in the future?

Answer. No; it authorizes the formation of interstate compacts and says that where they exist, or may be set up in the future, with authority to enforce the provisions of the act, that the interstate compact shall be the district board.

Question. Would the Mundt bill be administered by arbitrary ruling from a central office in Washington?

Answer. No; the bill provides for district boards in each sanitary water district, which shall be truly representative of all interests with all members bona fide residents of the watershed district.

Question. Why is Federal control of pollution necessary?

Answer. Water flows by gravity from one State to another and the effect of pollution cannot be confined to the political division or subdivision of its origin. Voluntary action, attempted control through State laws or interstate compacts, and similar methods have been tried for 50 years. For 6 years Federal funds were available to municipalities for correction of municipal sewage. The polluted condition of the Nation's waters stands as mute testimony that existing agencies and methods are unable to cope with it, and the very worst pollution is interstate in character. In view of these long-time efforts by existing agencies it is evident that the remaining polluters are immune to persuasion or control by existing agencies and that they have no intention of doing anything about correcting their pollution unless they are obliged to do so. The Mundt bill affords them the opportunity to do so voluntarily which they have had for many years; affords existing agencies the opportunity to enforce correction of pollution if they can and will; affords them financial aid, and finally as a last resort, provides the authority for forcing the hard-boiled recalcitrants into line.

Question. What is the present status of the Mundt bill?

Answer. It was introduced in the last Congress and held in the Rivers and Harbors Committee. In order to accord the same courtesies in time extensions to municipalities for the installation of treatment plants accorded to industry, it was reintroduced by Mr. Mundt in this revised form at the regular session of Congress in January. It will bear the same name, "Mundt bill," but will be given a new number. It now bears the number H. R. 7971, and is not to be confused with the so-called Barkley bill which is S. 685, which has the support of polluters but is definitely opposed by national conservation organizations.

Question. Is there any other bill before the Seventy-sixth Congress which affords any control over any pollution to any agency?

Answer. No; five other bills were introduced in the first session of the Seventy-sixth Congress under the titles of "antipollution bills" or "pollution-control bills," but not a single one of them afforded any control over any pollution to any agency. They were all essentially alike and proposed to spend a million dollars a year for further investigation and research without doing a single thing about correcting pollution.

Question. What can you, as a Member of Congress, do to help pass H. R. 7971 and to exert your influence on the side of real antipollution legislation? How can you cooperate with the friends of clean streams and pure waters in promoting a program which will protect the health and recreational opportunities of your friends and neighbors?

Answer. You can first of all vote to recommit S. 685 (the so-called Barkley bill) and thus send it back to committee where

open hearings can be held on it together with H. R. 7971 in order that an effective antipollution bill may be reported out. Failing in that, you can vote against S. 685, because only by its defeat will the way be open for legislation to correct America's pollution problem. To vote for the Mundt bill it is first necessary to vote against the Barkley bill.

## A Refutation of Certain Dies Committee Findings

### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

#### STATEMENT BY OFFICERS OF THE SPANISH REFUGEE RELIEF CAMPAIGN

Mr. COFFEE of Washington. Mr. Speaker, at the request of eminent intellectuals identified with the Spanish refugee relief campaign, I am incorporating in the CONGRESSIONAL RECORD a statement by the officers of that organization in reply to observations in the recent report of the Dies committee reflecting upon that enterprise as a "front organization of the Communist Party."

Mr. Speaker, I resent, as do many other liberals, promiscuous commentaries made by witnesses before the Dies committee upon progressive men and organizations. Opinion evidence is inadmissible in any court of record in America unless the witness has been properly qualified and has demonstrated beyond peradventure his intimate knowledge of the thing or person about whom he purports to have a carefully arrived-at opinion. It is an outrageous miscarriage of justice that many splendid citizens of national reputation have been impugned and maligned before this committee, without the opportunity being accorded them to be present so that they may confront their accusers and confute the charges, if necessary.

Let the statement speak for itself.

#### STATEMENT BY THE OFFICERS OF THE SPANISH REFUGEE RELIEF CAMPAIGN

[Bishop Francis J. McConnell, chairman; Philip Merivale, vice chairman; Mrs. Caspar Whitney, vice chairman; Dr. Guy Emery Shipley, treasurer]

In its recent report to Congress the special House Committee on Un-American Activities describes the Spanish refugee relief campaign as a "front organization of the Communist Party."

The national officers and the members of the executive board of this organization are under obligation to the men and women in every part of the country who support the organization to answer this accusation. And they do so, not by offering general statements in rebuttal, but by a simple recitation of the concrete and verifiable facts concerning the organization.

First. The sole purpose of the Spanish refugee relief campaign is to aid in relieving the suffering and in solving the problem of a hundred and fifty thousand Spanish refugees now living in France and north Africa. It does not concern itself, directly or indirectly, with any aspect of domestic or international politics. Its character and purposes are parallel with those of many other refugee relief organizations. Any attempt by anyone to commit the organization, in word or act, to the support of any government or political philosophy would be instantly repudiated as an improper use of a humanitarian enterprise. We assume that such a statement will not, to any American, seem incompatible with giving aid to people who are homeless because they defended their republic against aggression.

Second. The Spanish refugee relief campaign grew out of the Medical Bureau and North American Committee to Aid Spanish Democracy. The latter organization was established during the war in Spain for the purpose of interpreting to the American people the meaning of the war and of giving aid to the loyalists in the form of food, clothing, and medical supplies. Paralleling the popular front character of the Spanish Government, the American organization was composed of representatives of various political bodies, fraternal and progressive organizations.

At the end of the Spanish War the structure of the organization underwent radical changes. Its representative character ceased. Its direction was placed in the hands of a board of 25 people, most of whom had no connection with the medical bureau and North American Committee and who act in a personal capacity only. The name of the original organization was retained for a time but on October 1, 1939, the Medical Bureau and North American Committee ceased to exist both in name and in fact.

The citation in the Dies committee report of the North American Committee to Aid Spanish Democracy is eloquent evidence of



the completely casual character of the investigation and its consequent unreliability. There has been no North American Committee to Aid Spanish Democracy since January 1, 1938, and the organization known as the Medical Bureau and North American Committee to Aid Spanish Democracy had not been in existence for 3 months when the report was submitted.

Third. The relief funds of the organization are administered by representatives of the American Friends Service Committee, whose record of efficient, nonpolitical administration of relief is well-known to all Americans.

Fourth. None of the responsible and active heads of the organization—the chairman, the vice chairman, the treasurer, and the executive secretary—are in their official positions or in their personal opinions either Communists or so-called fellow travelers. This is a fact which has never been and cannot be successfully challenged. The honorary chairman is Mr. Harold L. Ickes, Secretary of the Interior.

Fifth. The Spanish refugee relief campaign has no organizational affiliates, political or otherwise. It asks and receives contributions from the public without regard to political beliefs and depends on no political party or other organization for any part of its income. Its work is directed by an executive board of 24 men and women who, as members of the board represent nothing save their own and the public's interest in the Spanish refugees. These men and women are well-known, and their integrity is unimpeachable. They assume full and sole responsibility for the policies and work of the organization. The following constitute the board:

Jay Allen; Mrs. Eleanor Copenhaver Anderson; Roger N. Baldwin; Edward K. Barsky, M. D.; Prof. Lyman R. Bradley; Tom Davin; Clark M. Eichelberger; Miguel Garriga; Dr. Samuel Guy Inman; Paul Kellogg; D. William Leider; Louis Miller, M. D.; Michael Niselson; W. W. Norton; Miss Josephine Schain; Prof. T. C. Schneirla; Mrs. Vincent Sheean; Dr. Guy Emery Shippler; Maxwell S. Stewart; Leland Stowe; Miss Katharine Terrill; Jesse A. Tolmach, M. D.; Mrs. Caspar Whitney; and Roy Wilkins.

Sixth. The files in the organization's national office constitute a complete record of all financial transactions, publications, appeals, and statements; and these files, which are open to inspection by any responsible person, contain not a single fact or syllable which provides any ground for the conclusion reached by the Dies committee. An official report on the income and expenditures of the organization for the period of its existence will shortly be made public.

It should be noted that the records of the organization were not examined by the Dies committee; that no representative of the organization was permitted to testify before the committee concerning the organization's character and work; that no one at any time officially associated with the organization gave any adverse testimony concerning it; that not a single concrete fact was ever adduced before the committee on which any estimate whatever of the organization could be based.

In view of these facts, we believe the public will agree with us that the House Committee on Un-American Activities has been guilty of a most flagrant disregard of all rules of evidence and of the most elementary considerations of justice. But, more than that, the committee has attempted, for no cause save its own unsubstantiated prejudice, to undermine the public's confidence in an organization to which 150,000 suffering and homeless people look for help.

We appeal from such an unworthy act to a fair-minded American public, not because of concern for ourselves or the organization we represent but because of our profound concern for men, women, and children who need American sympathy and aid.

FRANCIS J. MCCONNELL,  
Chairman.  
FLORENCE C. WHITNEY,  
Vice Chairman.  
PHILIP MERIVALE,  
Vice Chairman.  
GUY EMERY SHIPPLER,  
Treasurer.

### Migratory Waterfowl Refuge, Muleshoe, Tex.

#### EXTENSION OF REMARKS

OF

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. MAHON. Mr. Speaker, the Nineteenth Congressional District of Texas, which I represent, has a small part in the national program for the conservation of wildlife. I refer to what is known as the Muleshoe Migratory Waterfowl Refuge. This national wildlife refuge of 5,809 acres is located in Bailey County, Tex., about 16 miles south of Muleshoe. The refuge was established by an Executive order of October 24, 1935, to protect ducks, geese, coots, sandhill cranes, plovers, and other wildlife.

It is reported that prior to acquisition few, if any, of the lakes held water throughout the entire year. By using a

very satisfactory W. P. A. program the normal lake areas were reduced to about one-third their previous size with a result that this winter water was maintained on a year-around basis.

Through the courtesy of Dr. Ira Gabrielson, Chief of the Bureau of Biological Survey in the Interior Department, who has supervision over the wildlife conservation program, I received a photograph of the ducks on the Muleshoe Migratory Refuge taken on December 6, 1939. The scene is on White Lake, which 1 year ago was entirely dry. It was estimated by Mr. James K. Walton, refuge manager, and Mr. George Barclay, regional refuge supervisor, that at least 200,000 ducks were present on December 6, with 75 percent being mallards, 15 percent being pintails, and the remaining 10 percent baldpate or widgeon and scaup.

Because of the normal concentration of migratory waterfowl into this part of Texas, and with the continued development of the Muleshoe refuge, it is thought that this refuge is destined to become one of the important units in the national system of wildlife refuges.

I was interested in a radio program sponsored by the American Wildlife Institute over the mutual network on February 11. As a part of this program Mr. Philip A. DuMont, of the Division of Wildlife Refuges in the Bureau of Biological Survey, made some very interesting remarks regarding wildlife refuges. Having received unanimous consent to do so, I quote the following from his remarks:

These 266 national wildlife refuges are located in nearly every State of the Union; Alaska has 13—one is the extensive Aleutian Islands chain of nearly 3,000,000 acres. In all, three and a half million acres are primarily suited for waterfowl. They include nesting grounds in the North, such as are found in Montana, Minnesota, and the Dakotas. They include resting areas along the 4 principal migration routes—1 route down the Atlantic coast, 1 down the Pacific, and 2 through the Mississippi River Valley. They also include extensive wintering grounds in the South. To be selected as a refuge, an area must have water sufficient for the production of needed food and protective cover. Certain of the 178 waterfowl refuges were chosen because they offered natural protection to rare birds. For instance, when the 40,000-acre Red Rocks Refuge was established in Montana 5 years ago, only 46 of the once plentiful trumpeter swan were known to exist. All were in that immediate vicinity. Today there are 200 birds on or near the refuge. The very rare whooping crane is now protected on the 50,000-acre Aransas Refuge, near Corpus Christi, Tex. The sage grouse of the western ranges, the Florida sandhill crane, and the roseate spoon-bill, reddish egret, and great white heron, all of the Gulf coast, now have refuges on which they are unmolested. The use made of these areas by waterfowl is astounding. Out on the Bear River Refuge, near Salt Lake City, over 2,000,000 ducks stop on their way south from Canada en route to California, New Mexico, and Texas.

The Sacramento Refuge in north-central California and the Tule Lake Refuge near the Oregon-California line provide food and protection for thousands of ducks and geese each fall and spring. Over a million pintails have been present on the Sacramento Refuge at one time.

Probably the most intensely used refuge in proportion to its size is the 5,000-acre Chataqua Refuge on the Illinois River. Last fall over 500,000 ducks and 2,500 geese fed there at one time.

The White River Refuge, in the center of the huge mallard wintering grounds in Arkansas, protects an adequate seed stock of birds to send back north.

The Sand Lake Refuge in northeastern South Dakota offers another example of the immediate use made of these new areas. In 1937, the first year the refuge was established, the Franklin's gull, not previously known to have nested there, established a nesting colony with nearly 6,000 nests. Next year the number of nests increased to 6,100, and last summer there were over 20,000 nests.

### America at the Crossroads—Beating the Depression—Our Way Out

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

ADDRESS BY HON. HOMER D. ANGELL, OF OREGON

Mr. ANGELL. Mr. Speaker, on December 2, 1939, at Spokane, Wash., I delivered an address at the Northwest Con-

ference of Republicans, from Montana, Wyoming, Idaho, Washington, and Oregon, which I ask leave to include in the extension of my remarks, as follows:

#### AMERICA AT THE CROSSROADS

It is a happy omen for the future that representatives of our party from the several States in this great northwestern country are meeting here, in this beautiful city of Spokane, to consider mutual problems, outline a program of cooperation, and turn our eyes toward the future, that we may give the full measure of our devotion to our country in this critical hour. Many believe that America is at the crossroads. If our course which lies ahead is properly charted at this time, our Nation may again come out onto the broad plains of prosperity, and may again find our citizens happy, employed in free enterprise, proving to the world that democracy will and does work.

#### PARTY GOVERNMENT

Under our system of representative government political parties are a necessary function. By assembling, coordinating, and systematizing the social, economic, and political issues confronting our country, a political party may enunciate a program which will place before the country a plan of action for governmental activity. Such a program, if it offers a solution to the perplexing problems confronting us as a nation, will attract to its banner the right-thinking citizens of America. No political party can hope for success nor deserve success unless it is motivated by an impelling desire to accomplish those things which will bring prosperity and happiness to our people. Down through the years the Republican Party has seen our Nation in the throes of depression, rocked to its foundation by perplexing problems, threatening to rend it asunder, and yet it has, through its leaders and supporters, laid down courses of action for our country which have led it safely through the difficulties besetting it and brought about security and contentment. It can do so again. One of the purposes of this meeting is to bring together some of the leaders of the political thought of our party in this western territory that they may reappraise the unwholesome conditions in which we find ourselves as a nation and study these problems anew, to the end that a solution may be found.

I believe it is worth while also that we should, while assembled here, particularly give attention to the fundamental, political, social, and economic issues which are of special interest to us in the Northwest, so that our representatives in the Republican convention, as well as our representatives in the Congress of the United States, may have the considered views of the people of the Northwest on these issues so vital to our own welfare.

#### POTENTIALITIES OF COLUMBIA RIVER BASIN

In considering our particular problems, it may be worth our while to refer briefly to some of the underlying resources and activities of this region which give rise to legislative consideration, and which, in turn, may be of importance in formulating a program upon which our party shall stand in the coming elections.

From the early days when our pioneer forebears first forged ahead across this great continent, fording streams, wending their way by ox team across great expanses of deserts and prairies, over mountain ranges, finally reaching this great borderland of the Pacific, to fell the forests, hew homes out of the wilderness, and build these great Pacific Northwest States, this land indeed was the land of promise. It has been said that there are no more frontiers to conquer, but we have only begun to explore the possibilities of the great Columbia River watershed, embracing within its territory the several States you represent here tonight.

These sturdy pioneers for years dreamed of the development to full use of the great Columbia River artery of commerce, and its tributaries, and of harnessing the vast potential energy which through the centuries has been locked up and wasted in this immense volume of water going unhampered on its way through the Columbia River gorge to the Pacific Ocean. We are just now beginning to make headway in this immense development. The channel improvements made, and in the making, of the Columbia River and its tributaries, the removal of the barriers crossing its course, have at last opened this great waterway to commercial water-borne commerce, originating in the broad hinterland embraced in this vast watershed.

This work has only begun; much remains to be done. The complete cooperation of the representatives of this entire area is necessary in order to bring to final fruition the plans for the full development and utilization of this great gift from nature. Today, as we pass up and down the Columbia River gorge we observe the ever-increasing use of this mighty river by barges and other watercraft plying upon its bosom, moving quantities of grain, lumber, petroleum products, minerals, and other merchandise going to and from this vast trade territory.

On behalf of myself and other Members of the Congress, I bespeak your continued, vigorous, unselfish cooperation in presenting to the Congress the needs of this thriving, growing community. Only by the fullest cooperative effort can we, who at most are but a small delegation in the Halls of Congress, hope to achieve our ends and secure adequate and necessary appropriations to carry on these public works, making possible the full development of our natural resources. Our party has always been a leader in sponsoring and bringing to consummation public improvements and public works. It should take the leadership in bringing about the full development of the natural resources of our Northwest.

#### SURFACE WATERS

The Columbia River, the second largest in the United States and greatest in potential power, is the great water artery of the

region's drainage system. It embraces a watershed of 259,000 square miles, 39,000 of which are in Canada. Coastal streams west of the Cascades embrace an additional 39,772 square miles, of which 390 are in Canada. The river itself rises in British Columbia; traverses the length of 1,210 miles. Tidewater extends 110 miles inland which, together with the channel improvements giving facilities for ocean-borne traffic to The Dalles and barge traffic to the interior, gives to these Columbia River ports a commanding position in world maritime traffic. Portland and the Columbia River exported 26,422,764 bushels of grain during the cereal year ending June 30, 1939.

The Columbia River at The Dalles, Oreg., has a mean annual run-off of 146,000,000 acre-feet, and the mean annual run-off of the entire Columbia River Basin is estimated at 155,000,000 acre-feet, and the Pacific slope, exclusive of the Columbia River, 145,000,000 acre-feet. Although the Pacific slope basin represents 14 percent of the river basin area, it yields approximately 50 percent of the run-off. The region has 10,000,000 acres of irrigable land and when it shall have been fully reclaimed will require 50,000,000 acre-feet annually.

One of the problems with which we are confronted and in which we may join hands in cooperative effort is the conservation and proper utilization of these great water resources, perhaps unsurpassed in any place in the world. Industries, agriculture, and fisheries are primarily dependent upon these water resources. To accomplish this flood control, uniform flow, conservation by storage of seasonal rainfall are necessary. These all involve public action and depend for their success upon the cooperative support of all of us.

#### HYDROELECTRIC POWER

The third great natural resource embraced within these waterways is hydroelectric power. The earliest settlers made use of the natural facilities of these waters for transportation and also for domestic and agricultural use in a limited way, but it remained for the present generation to reach out and capture this immense energy which, through the ages, we have allowed to waste itself in a ceaseless flow to the sea.

Bonneville is now a reality. The huge transmission lines radiating from the turbines at the Cascades are reaching out like the spokes of a wheel into distant parts of this far-flung agricultural and industrial territory. Districts are being formed for utilization of this energy; municipalities are entering into contracts, and private utilities are acquiring power from Bonneville.

The other great hydroelectric and reclamation project, one of the boldest and most stupendous ever conceived by the engineering skill and ingenuity of man, is Grand Coulee, lying here at your very doorstep. Our Government, with its eyes on the future, is building this great public work. It will not only provide 1,980,000 kilowatt-hours of electrical energy but the water and power for reclaiming 1,200,000 acres of land.

I envisage the day when not only prosperous farms far removed from the roaring turbines at Bonneville and Grand Coulee will take this energy for lights, domestic use, and power for farm activities, but when great industrial plants and reduction works will be located within the field of this low-priced electric energy. Those of us who have had a part to play in the initiation or in the continued development of these outstanding power, reclamation, and navigation projects, I am sure are of one mind in our desire that the electric energy may be put to the widest possible use, at the lowest possible cost to the ultimate consumer, not only bringing cheap power to every farming and residential community but also making possible industrial development in this Northwest Territory, thereby affording much needed pay rolls and purchasing power. Such a development will provide a market for the products of our farms in this garden spot of America, and will also make possible the utilization of the great deposits of minerals and natural resources buried away in our hills and uplands, as well as the forest products carpeting much of the area.

#### IMMIGRATION AND RECLAMATION

During the last several years, when nature has been so cruel in visiting disaster upon so many of our citizens in our prairie States, the so-called Dust Bowl, we have had a great influx of immigration in the Northwest Territory. Thousands of American families, like the pioneers of almost 100 years ago, have packed their few belongings into motor cars, many of ancient vintage, and trekked their way across the prairies and mountain ranges to find a home with us here. While they followed the ox teams of yesterday, they found, instead of mountain trails, broad, hard-surfaced roads leading into this land of promise. They are on our doorstep; they need your assistance; they need mine. They will be absorbed in the body of our citizenry and make useful citizens, lending their efforts to the upbuilding of our great Northwest.

The reclamation and irrigation of these immense upland areas will afford homes for these new citizens and others who will follow in their footsteps. This area contains 13 percent of the total land area of the United States but only 6 percent of the tillable lands, 10 percent of the grazing lands, and 16 percent of the forest lands. Forest lands cover one-half of the area. This region alone contains over one-half of the remaining timber supply of the United States, and furnishes over one-third of the lumber produced.

The population in this region in 1930 was 2.8 percent of that in the United States, while the land area of the region is 13 percent of the national total and produces 2.13 percent of the Nation's manufactured goods, 1.7 percent, however, is lumber products. It uses 6 percent of the national total electric energy, whereas its population is only 2.8 percent, or almost 2,000 kilowatt-hours per capita as compared with the national average of less than 900



kilowatt-hours. Electrification of farms in the State of Washington is over 50 percent, in Oregon and Idaho over 30 percent, whereas the national average of farm electrification is but 13 percent.

#### WATER-POWER RESOURCES

Potential and developed water-power resources in this area are about 15,500,000 kilowatt-hours of power available 90 percent of the time. Of this total about 11,500,000 kilowatt-hours are located in the Columbia River and its tributaries. These water-power potentialities represent over 40 percent of the total potential water power of the entire United States, and the potentialities of the Columbia River watershed alone represent about 30 percent of the total potential water power of the entire United States.

#### MINERALS AND STRATEGIC MATERIALS

The Seventy-sixth Congress, at its regular session, passed an act approved June 7, 1939, which directs the Secretaries of War, Navy, and Interior, after consultation with the Secretaries of State, Treasury, and Commerce, to determine the quantity and quality of the strategic materials needed to supply the Nation's industrial, naval, and military needs for common defense. The act authorizes the purchase of these materials through the Procurement Division. Such materials are to be stored at certain places the Secretaries may designate and may be rotated in order to prevent deterioration. It further authorizes an appropriation to be spent under direction of the Secretaries of War and Navy of \$100,000,000 to be available from June 30, 1939, through June 30, 1943, and authorizes an appropriation of \$350,000 for the Bureau of Mines and \$150,000 for the Geological Survey, of the Interior Department, for use in determining the utilization of ores in the United States in relation to the common defense.

With new, abundant, assured low-cost hydroelectric power, more economical transportation, and improved market conditions, the mineral resources of the four Pacific Northwest States will be susceptible of much development. Of particular importance among nonmetallics are the great phosphate deposits of Idaho and Montana and the considerable reserves of coal located principally in Washington and Montana. Among other nonmetallics of probably much greater future importance are lime, diatomite, clays, sulfur, oil, and gas. Deposits of variety of metallic ores (among them those of a number of the so-called strategic metals), including aluminum, magnesium, manganese, chromium, vanadium, molybdenum, cadmium, tungsten, antimony, and others may also become of great economic value in the future.

Our Representatives in this great Northwest region should embrace this opportunity not only to cooperate with our Federal Government in providing an assured source of strategic materials but also of developing the great body of ores, minerals, and nonmetallics which abound within the confines of our several States. By so doing we will serve our Government well and we will also put to use our immense stores of hydroelectric power and also develop industry, reduction plants, and other public works, bringing pay rolls, purchasing power, and prosperity to our several communities.

I believe I am not releasing prematurely possible industrial development, having for its purpose the utilization of cheap power from Bonneville and Grand Coulee, in saying that before I left Washington it came to my attention that there were at that time outstanding national industrial organizations negotiating for the erection of such plants in the vicinity of these great hydroelectric projects in order to avail themselves of the cheap energy.

#### RECIPROCAL-TRADE AGREEMENTS

The Congress of the United States, at the last regular session, appropriated \$1,194,498,633 to aid farmers and promote the farming industry. For several years the Government has been paying the farmers for soil conservation the sum of \$500,000,000 a year to reduce acreage and production. At the last regular session of the Congress the sum of \$225,000,000 was provided for parity payments. Notwithstanding this and earlier appropriations for farm relief, our great agricultural industry is tottering. Farmers today do not get back the cost of production. Farm prices for many commodities are the lowest for decades. Farm income is so low that farmers not only secure no return on their investment but receive the lowest wage for their own efforts of any of our major activities. Notwithstanding these huge appropriations of Federal funds, the Congress of the United States thus far has given no answer to the question, What will restore agriculture to a profitable basis?

Foreign markets have dwindled and in many cases disappeared. Our local market often has been traded off to foreign countries for industrial concessions by letting down the bars to competitive agricultural products without equalizing productive costs. The so-called reciprocal-trade agreements have proven to be the undoing of the lumber industry and agriculture, and many of our northwestern farmers and timber dealers have suffered immensely from this misguided policy.

Tariff making is a legislative function and cannot be delegated. Trade agreements are treaties. The Constitution provides that treaties must be made by and with the advice and consent of the Senate. The reciprocal-trade legislation expires next year; it should not be renewed. The Congress should restore these constitutional rights to the Congress and lift from the backs of our farmers and lumbermen this burden which has traded for a mess of pottage our valuable home markets for agricultural, mining, and forest products.

#### BEEF IMPORTS

We should not, it is true, erect trade barriers to keep out all foreign trade. We should, however, insist on the application of the policy long adhered to in maintaining equality of competition by equalizing the cost of production of competitive commodities.

We should protect our home markets by preventing their use as dumping grounds for cheap competitive foreign products. One of my colleagues, on the floor of the House of Representatives, exhibited a can of Argentine beef which he purchased at the commissary in the Agricultural Building in Washington, at which time he was advised that no American product could be obtained there. I recently received a letter from a gentleman in Arizona stating that the tax rolls in his State showed that there was about one-tenth of the livestock in that State now as formerly, and he enclosed a wrapper from a can of Paraguay beef sold there, stating that he was unable to obtain any American product in his community. We will recall that our own President stated that Argentine beef was preferable to American beef, and our Government is contracting to import such product for governmental use, while the States from which you, my listeners, come are endeavoring to maintain their herds. Stock raisers are in dire distress. They are unable to market their products at a profit, and many of them are discontinuing business. In my own State of Oregon great herds formerly roamed the hills of the eastern and southeastern part of the State, where now in many places there are none at all.

In the first 9 months of 1939 we imported foreign products for consumption in the amount of \$794,700,000, while in the same period in 1938 we imported \$711,600,000. During the same period our agricultural exports declined from \$602,700,000 to \$418,400,000. In discussing this subject before the Committee for Reciprocity Information in Washington, D. C., Senator TOM CONNALLY said:

"We don't feel so kindly toward Argentina that we want to hurt our own farmers to help the pampas cowboys. We don't want to build up industry which is already bloated and overextended. Congress appropriated \$700,000,000 to help the farmers last year, and we don't want to do something now to harm them."

#### IMPORTATION OF FOREST PRODUCTS

We all realize the serious inroads importation of forest products from Canada and elsewhere has made on our lumber industry, particularly shingles, pulp, and certain types of finished lumber. Within 5 years the United States wood-pulp importations have risen almost two-thirds in tonnage and more than doubled in value. For a number of years past there has been a steady increase in pulp imports to America. The year 1937 witnessed the greatest importation of wood pulp, paper, and paper products on record, setting a new record for the third consecutive year.

We formerly supplied 75 percent of the north Pacific coast lumber used by the British Nation. Our trade was reduced to 6 percent in 1936 and under 10 percent in 1937. The Canadian agreement of 1935 lowered the American tariff wall one-half, but left the British Empire tariffs intact. American duties on Canadian lumber were cut 50 percent—all the law allowed. It is true in the case of Douglas fir and west-coast hemlock importation at the lower duty was restricted to 250,000,000 feet annually. Under the favored-nation clause, this reduced lumber duty was automatically extended to every other country in the world shipping lumber to the United States, including Soviet Russia. Lumber imports to the United States increased at once. Douglas fir and west-coast hemlock from British Columbia were practically doubled. In the first 11 months of 1938 Canada shipped 135,000,000 feet of Douglas fir and west-coast lumber into the United States, while west-coast shipments to the entire British Empire, Canada included, totaled only 59,000,000 board-feet—a ratio of 3 to 1. In other words, American lumber exporters have been cut off from the British market, but the home market has been opened to Canadian shipments.

In 1932 Canada exported 40 percent of all lumber which was exported from the combined trade territory of Washington, Oregon, and British Columbia, whereas in 1938 she exported 78 percent. The reasons for this unfavorable export trade to Oregon and Washington are the Empire preferential tariff, higher wages in Oregon and Washington, and better and cheaper transportation facilities from Canada than from Oregon and Washington. Wages alone in British Columbia averaged lower cost production of more than \$3 per thousand board-feet, as compared with Oregon and Washington. The minimum of 48 hours per week prevails in British Columbia, whereas only 40 hours in the American industry. The average wage in 1938 in the Douglas fir logging camps and sawmills in Oregon and Washington was 76.7 cents per hour, whereas the comparable wage in British Columbia was 57 cents per hour, as shown by production costs submitted to the Department of State.

#### WOOL INDUSTRY

We in Oregon are especially interested in the wool industry. Many of you have a like interest. The reciprocal-trade agreement with Great Britain became operative on the 1st day of January 1939. Approximately 90 percent of American products on which tariff concessions are made by Great Britain are on the prohibitive list, and export license must be obtained for any of the products to be shipped. In other words, anything Britain shall ship may come to us free from quota restrictions and currency regulations. France, Belgium, and Italy benefit equally with Great Britain by this treaty, which is further enhanced by the rate of exchange. During the first 8 months of 1939, representing the period during which the reciprocal-trade agreement with Great Britain has been in effect, our imports of woolen rags totaled 5,461,292 pounds, an increase of 4,969,167 pounds, or more than 1,000 percent, compared with the corresponding months in 1938. Imports of manufactured woolen goods also showed tremendous increases, amounting to 8,749,587 square yards, during the first 8 months of 1939, or more than 100 percent over the imports for the corresponding period of 1938. The imports of these materials amounted in the 8-month period to over 12,000,000 pounds, which would equal approximately

25,000,000 to 30,000,000 pounds of raw material. The combined raw materials and finished products is the equivalent of 35,000,000 pounds of raw wool. It is estimated that it amounts to twice the annual wool clip of such States as Oregon, Idaho, South Dakota, Ohio, and many other wool-producing States, and more than half of the total annual raw wool production in the great sheep-raising State of Texas.

#### FARM RELIEF

America has never been prosperous unless our farmers were prosperous. Our party has always championed the cause of agriculture. We should now, at this critical time, take the lead in a constructive program of farm relief, the first plank of which should be insistence that the reciprocal trade agreement law shall not be renewed and that the nefarious trade agreements negotiated under it should be repealed or modified so as to prevent the dumping of competitive agricultural products on the American market, thus depriving our farmers of a market for their produce.

Under our labor relations and social security acts and standards of living for our laborers, we have established a cost of production which cannot meet competition on an equal basis with products coming from South America, Canada, European and Asiatic countries. In these countries no such wages or standards prevail. Cheap peon and coolie labor and abominable working conditions exist. Agricultural and other products produced under such conditions may be dumped on the American markets, if no restrictions prevail, and undermine our price structure. As an example, when we were considering the Argentine trade agreement before the Committee for Reciprocal Information it was disclosed that turkeys could be shipped from Argentina to New York for 10 cents per pound and sold there for 16 or 17 cents per pound, whereas the shipping costs of turkeys from Oregon to New York were greater, and western birds could not compete with this cheap Argentine product. Under living conditions and wage scales in this area, turkeys cannot be produced for less than 20 cents per pound.

Another striking effect of the operation of these agreements was brought to my attention recently. State Senator C. H. Zurcher, of Oregon, recently reported that in our territory he found 6,300 Canadian calves, weighing about 250 or 300 pounds each. These calves were being fattened for the American baby-beef market and were being fed, according to State Senator Zurcher, Argentine corn and East Indies molasses. A small duty had been paid on the calves, but the Argentine corn was delivered cheaper here than Iowa corn could be procured, and ships from the Orient brought molasses from the East Indies cheaper than our own sugar wastes could be obtained. This is a striking example of the operation of the reciprocal-trade agreements and the havoc they are working upon agriculture. It shows the impossibility of American agriculture competing with the cheap labor and living conditions of South America and the Orient as long as we maintain the American wage scale both as to agricultural employees and maritime workers. The importation of these Canadian calves and the food products for fattening them, of course, deprive the American farmer of a market for a like amount of his products. It brings forcibly to our attention the fact that the American market is the best market we have for our agricultural products. If we trade it away to foreign countries in order to build up the manufacturing industry in America, we are undoing the very thing that the Congress has been attempting to do in solving the farm problem. The Congress appropriated \$700,000,000 for the assistance of farmers this year, and immediately thereafter the executive department, through the so-called reciprocal-trade agreements, which are in reality treaties, is now letting down the bars so that importation of competitive agricultural products may flood the American market.

In addition to legislation correcting the evils of the reciprocal-trade agreements, we should adopt a farm program that will assure to our farmers an equal opportunity with industry, and such assistance and protection as will insure a reasonable profit from farming operations. It cannot be hoped that the farmer can continue indefinitely to operate at a loss. When the farmers fail, America fails.

#### SUGAR-BEET INDUSTRY

Many of our people in the Northwest have large investments in the sugar-beet industry. It has come to be one of major importance in our communities, and particularly is this true in my own State of Oregon. Our refinery at Nyssa has a 112-day record of producing 750,000 bags of sugar and the refinery company has fed 8,000 head of cattle from beet pulp as a pulp-feeding demonstration. Growers in the Owyhee reclamation project produced 16.2 tons per acre on 17,000 acres last year, the highest production in the United States, save one area in northern California. The fly in the ointment, however, is that under the A. A. A. crop-control program Oregon growers, as well as those in the other districts of our sugar-beet producing States, are not permitted to place this fertile land in production. The regulations even threaten to reduce our own acreage in Owyhee from 17,000 acres to 12,000. This plant alone has added \$1,000,000 to the assessed value of Oregon and is a most striking instance of the manner in which we may, by proper Government legislation, bring capital out of hiding to seek investment in free enterprise, giving the unemployed jobs and merchants markets for their products. Notwithstanding our favored situation with reference to the production of this important domestic crop, under existing laws and regulations and trade treaties we freeze this thriving industry and refuse to permit expansion and import the most of our sugar demands from Cuba, the Philippines, and elsewhere.

#### TAX STRUCTURE

The whole tax structure needs revamping. In 1931 the Government received in taxes and fees \$3,189,638,632, and in 1940 these receipts are estimated to be \$5,669,300,000. A comparison of the

receipts and disbursements of our Government discloses that the enormous and abnormal deficits are due not to the impoverished condition of the country by reason of the depression through which we have been passing, and therefore a dearth of tax revenues, but to an inordinate orgy of spending. Thus in each of the years 1932 and 1933 our tax receipts were little in excess of \$2,000,000,000, whereas for 1937, 1938, 1939, and 1940 they will average approximately five and one-half billion dollars per year, between two and three times the amount collected during earlier years. In 1938 the total tax bill of America—National, State, and local—amounted to nearly 25 percent of the income produced during the year, and the American people will have paid during the period from February 28, 1933, to June 30, 1940, approximately \$34,000,000,000 in Federal taxes alone. Our President, when a candidate for the high office he now holds in October 1932, said:

"Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital."

Mr. Roosevelt said in Sioux City, September 29, 1932:

"And on my part I ask you very simply to assign to me the task of reducing the annual operating expenses of your National Government."

The March American Federationists' preliminary figures show that in January 1939 there were 11,523,031 unemployed. After taxing, borrowing, and appropriating more than \$65,000,000,000 and going in debt over \$24,000,000,000 since March 4, 1933, we have approximately the same number of unemployed and a great many more people on relief than we had when we started this program. Colonel Harrington, Administrator of W. P. A., said on his recent visit to this region that there are still nine and a half million unemployed. In considering these startling statistics, is there any reason why industry should not be discouraged and has lost faith in this program, and that fear dominates the businessman and the investor today? Sensible folks can only see one answer to this whole social, political, and economic muddle which threatens to wipe out the American system of free enterprise. If the incomes of all who receive \$150,000 or more were divided equally among the American citizens, each would get only 15 cents, and the incomes above \$5,000, if equally divided, would only furnish \$2.32 per capita. Million-dollar incomes are now taxed 84 percent, and hundred-thousand-dollar incomes 40 percent. No; the answer is not a socialistic division of wealth but the restoration of American industry to a normal basis, permitting a fair profit to industrial enterprise, and thus restoring to private pay rolls the great army of unemployed.

#### THE AGED MUST BE CARED FOR

The old folks of America, 60 years of age or over, who have been cast off by industry, must be cared for. Industry, which has put them aside, must assume the responsibility for their keep, and in so doing contribute materially toward industrial recovery.

#### SEVEN YEARS OF DEFICITS

For over 7 years now we, in America, have been laboring in the throes of this crushing depression. As shown by the report of the League of Nations, of the 17 leading nations of the world, we are at the bottom in recovery. Our Nation is the only one of the great family of nations of the world that has not been able to throw off the depression. Our Nation is the only one that has piled up an immense public debt in an endeavor to beat the depression. We alone have attempted to borrow and spend ourselves into prosperity. We alone have attempted, by the doctrine of scarcity, to supply the needs of a hungry nation. The per capita public debt has increased from \$131 in 1931 to \$305 in 1939. The interest on this public debt is \$1,100,000,000 a year—more than the total cost of government a few years ago. In 1913 only 6.4 percent of the total national income was required for Federal, State, and local taxes; in 1930, 14.2 percent was required for such taxes; and, in 1938, 23.6 percent of the total income of the American people was handed over to the tax collectors. Approximately one-fourth of the time of everyone who labors in the United States is spent in working for the tax collectors. In 1913, 1.9 percent of the national income went for Federal taxes; in 1930, 4.8 percent was required; but in 1938 it had increased to 10.9 percent. State and local taxes in 1938 had increased to 12.7 percent. Notwithstanding these staggering tax levies, we have created an average deficit each year of over \$3,000,000,000.

#### TAXING AND BORROWING FOR PROSPERITY HAS FAILED

It is obvious that the policy we have been pursuing for 7 years of attempting to borrow and spend ourselves into prosperity has failed miserably. It has only succeeded in piling up an immense Federal debt and in doubling the tax burden and keeping some 10,000,000 of our people still unemployed. Is it not time that those in charge of the Government put into operation some plan which will solve these problems and save our country? Are we American citizens speaking out of turn when we suggest that the plan which has brought us to such a predicament be abandoned? Well may we ask, "Why is it that America, with the greatest resources of any nation, with two-thirds of the world's monetary gold and one-half of the world's wealth, is on its knees and starving, with 10,000,000 of its workers unemployed, apparently resigned to idleness, poverty, misery, and a government pittance for bare existence? Must the millions of young Americans released from our colleges and schools face idleness and uncertainty, with only the hope of a W. P. A. job?"



Surveys recently made disclose that the underprivileged group numbering 12,500,000 families, which include nearly 50,000,000 people, or almost half the population, exists on incomes of less than \$605 per year. The next group of 10,938,000 families, of about 40,000,000 souls, receive an average of \$1,411.

Our President has said that one-third of our people are underfed, poorly clad, and poorly housed. It is true that a million new homes are needed in America every year, and only 300,000 were built last year. These, however, should be constructed with private capital. Uncle Sam has too many irons in the fires. He should liquidate some of his activities and give free enterprise an opportunity to function and thereby give an outlet for stagnant capital now locked up in savings banks, and lift from the relief ranks the unemployed. This building program alone should absorb 2,000,000 men. Over 30 percent of our railroads are insolvent, and the whole railroad system needs rehabilitation. A million men or more would be profitably employed in restoring our railroad system to full efficiency. Public utilities are in need of modernization and expansion. One billion dollars could be expended profitably in this endeavor alone, giving employment to another million men. The durable-goods industry has been allowed to deteriorate with practically no plant betterments, extensions, or repairs. A million men could profitably be employed in this industrial activity. The National Bureau of Economic Research shows that expenditures for durable goods and for private construction dropped from \$14,500,000,000 in 1929 to \$3,500,000,000 in 1933, and has increased to only \$6,000,000,000 in 1935 with 2 years of heavy Government spending. To provide the necessity of life, clothing, food, and shelter for the lower one-third of which the President spoke would require the services of several millions of laborers in the factories, the fields, the shops, the mines, the forests, and the transportation systems.

#### INDUSTRIAL MACHINE STALLED

The industrial machine of America, the finest and best on earth, manned with the most efficient and intelligent workmen, is idle. It is ready to start production; it only needs the green light to go ahead. Our whole economic and social structure is bogged down and is not functioning. Our national house is out of order. Our emergency measures, adopted to meet the situation, have apparently become permanent and the crisis chronic. Spending has depleted the Treasury and has frozen unemployment into our industrial structure. All we are given in answer to the cries of distress is more borrowing and spending. The only result of the whole miserable vicious circle is the ever-increasing tax burden, greater public debts, mounting deficits, increased unemployment, stagnation of business, and loss of confidence in our Government and its ability to bring order and normal industrial activity out of the whole sordid mess in which we are wallowing.

In the campaign, on July 30, 1932, Mr. Roosevelt gave this ominous warning:

"Any government, like any family, can, for a year, spend a little more than it earns, but you and I know that a continuation of that habit means the poorhouse."

We have continued in this wild, uncontrolled spree of spending now for 7 years, throughout the entire present administration, and have accumulated the largest debt in our history, and if we are to avoid the poorhouse, as suggested by Mr. Roosevelt, we must mend our ways. Mr. Roosevelt again said, on March 10, 1933:

"Most liberal governments are wrecked on the rocks of loose fiscal policy, and we must avoid this danger."

I most heartily agree that we are heading direct for the poorhouse, and if we are to avoid the danger of being wrecked on the rocks of loose fiscal policy we must immediately change our existing policy of reckless spending and take steps to put our house in order.

In the same address, Mr. Roosevelt said:

"For 3 years the Federal Government has been on the road toward bankruptcy."

And on July 30, 1932, said Mr. Roosevelt:

"Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits."

If these admonitions were true when they were pronounced by Mr. Roosevelt in 1932 and 1933, how much more ominous are they today, with the huge public debt and deficits piled up in the meantime, the total public debt now nearing forty-five billions, the amount fixed by law.

#### CRACKPOT SPENDING A FAILURE

Uncle Sam should right-about-face in this whole crackpot effort to bring recovery by regimented scarcity and to borrow and spend himself into prosperity. He should return to a pay-as-you-go program, reduce the back-breaking tax burden now killing industry, and substitute in its place a good-neighbor policy of friendly cooperation with industrial enterprise. Our 10,000,000 unemployed can only be restored to pay rolls by private industry. Free enterprise under proper supervision and regulation by Government has made American business what it was at the beginning of this depression, and private industry alone can restore it. The Brookings Institution in a recent study said:

"The vital problem is to secure a great increase in national production and income. The central issue, with respect to public finance, is whether such an expansion of production can best be stimulated by extravagant Federal expenditures, increasing deficits, and heavier taxes or by some modifications of taxes and a reduction of Federal expenditures—within the limits set by essential requirements."

"Unless we can promptly secure a substantial increase in the national income it will be necessary to conclude that the United

States has already reached the danger point in the growth of public indebtedness."

#### IDLE CAPITAL FOR PRIVATE ENTERPRISE

Some have contended that our economic collapse is due to the lack of capital. It is significant to note in considering this condition that in 1929, before the depression, the excess reserves in the member banks of the Federal Reserve averaged about \$43,000,000. On April 26 of this year these excess reserves reached the staggering total of \$4,120,000,000. In other words, there was lying idle in the banks of our Nation more than \$4,000,000,000 available as the basis for credit expansion, which was almost 100 times above the average of idle funds lying in the banks in 1929. We may well ask, Why is this? As I have shown, it is not because the funds are not needed in industrial enterprise. The utilities, the railroads, the durable-goods industry, manufacturers of consumer goods, the housing and building industry—all are in need of immense sums of capital; but all of these great fundamental American enterprises are stagnant, and yet these immense sums of idle private funds are lying without call in the coffers of American banks. Our job is to shape our program so as to bring these stagnant funds into private investment. The Government must step out of the investment field and let free enterprise step in.

The Brookings Institution estimated that in 1936 between \$25,000,000,000 and \$30,000,000,000 would be needed for the durable-goods industry alone to make up the deficiency that had accumulated during the depression. Idle money means idle factories and unemployment. Lack of faith in our Government, mistrust of the policies it has been following, fear of the borrowing and spending program and the mounting Federal debt and the unbalanced Budget and the inordinate taxes placed upon business have dried up at its sources the call of private enterprise upon bank funds. A normal condition, it is believed, will not return until this fear is removed and an assurance given to the investing public that the profit motive in private enterprise is to be acknowledged and protected, that Government itself will extend a helping hand and encouragement to industry to put back to work the unemployed.

As pointed out by John W. Hanes, then Under Secretary of the Treasury, before the House Ways and Means Committee, the removal of irritants and deterrents to business recovery is essential, and social security and other reforms approved by the American people can only be maintained through the recovery of private enterprise, which always has been and must continue to be the backbone of Federal revenue. The Government must recognize the psychological blockade it has raised by the program it has been following for the past 7 years. A note of encouragement was sounded by the pronouncements of Secretary Morgenthau and Under Secretary Hanes that the administration at last recognizes that the path of recovery lies in the field of a definite assurance by our Government that private initiative will have encouragement from the Government rather than deterrents heaped upon it.

There must be also some assurance to business that the Government will gradually relinquish the functions of private enterprise which it has taken on in the last 7 years. Restoration of business confidence and faith in our Government cannot be accomplished until industry is assured that the Government itself will not enter into private competition with the great industrial enterprises of our country which have always been carried on by private investors.

I agree with the statement of Senator JOSIAH W. BAILEY, who said:

"But what I want and what the country demands is a united Congress, not a group of Republicans seeking advantage, not a group of New Dealers defending and apologizing, not a group of Socialists scheming to gain power, not a group of Democrats trying to see how they will win the next election, but a group of American Senators and Members of the House of Representatives who have a sense of responsibility to their circumstances and who are willing to unite in the common task of putting employment and business and industry in this country upon a firm foundation."

We cannot escape our responsibility to the unemployed, unemployable, the handicapped, and the aged. We must make proper and suitable provision for them, regardless of consequences. We must, however, place as our goal the restoration of the great body of unemployed, able-bodied citizens to pay rolls in free enterprise. We have an opportunity if we will only embrace it. We should make clear to the country that our Government stands ready to give a helping hand and an assurance of friendly cooperation with industrial enterprise. I believe we should lay down a clear, well-defined program which will restore confidence to the Nation and to employers and employees alike. It should include a comprehensive and adequate legislative enactment for the care of our old people, the underprivileged, handicapped, and the youth of our country.

#### STEPS TO PROSPERITY

Ladies and gentlemen, I commend for your persual and consideration a program of action in order to beat the depression and put America back to work, some suggestions made by my colleague the Honorable JOSEPH W. MARTIN, Jr., effective minority leader in the House:

"1. Keep the United States out of war.

"2. Move immediately to curb unnecessary, wasteful, and reckless spending.

"3. Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.

"4. Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.

"(5) Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.

"(6) Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end present paralyzing discord.

"(7) Define specifically the area of Government competition with private enterprise so that business may be able to create jobs with some certainty as to the future.

"(8) Restore American markets to the American farmer and wage earner and develop new markets for agricultural products.

"(9) Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.

"(10) Create a special committee of Congress to inquire into the effect of the reciprocal trade agreement policy on American industry and agriculture.

"(11) Clarify Federal rules and regulations so industry and business may know what to expect.

"(12) Reject all experimental legislation not clearly helpful in promoting recovery, or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy."

#### CONCLUSION

Our objective as a party should be how can we as a party help save America. Our democracy is being challenged. Our liberties, purchased through a hundred and fifty years of ceaseless effort and sacrifice, are in jeopardy. Free enterprise is at stake. The cooperative efforts, high resolve, and patriotic devotion of all of us can and will save America's free institutions and ideals—all that we hold dear in America. May we all as Americans rededicate ourselves to this great task and by our resolves and deeds square our lives with the American creed adopted by the Congress of the United States April 3, 1918:

"I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

"I therefore believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies."

### Lincoln Versus Roosevelt

#### EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

ADDRESS BY HON. JOHN M. VORYS, OF OHIO

Mr. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. JOHN M. VORYS, of Ohio, at the annual Lincoln Day dinner in Utica, N. Y., on February 10, 1940:

Lincoln belongs to the ages, to all Americans, to all people—but let us not forget that he belongs uniquely and particularly to the Republican Party. In principle and tradition we belong to him. He shaped us in our formative years. He believed in the party and it believed in him. He brought to it his lifelong principles.

In 1848, 8 years before the founding of our party, he was saying in Congress, "We hold the true Republican position. In leaving the people's business in their own hands, we cannot be wrong." In principle Lincoln was a lifelong Republican.

We are prone to think only of Lincoln's war years, of the fight he made in the Civil War for union and freedom. We forget that these twin needs of democracy, union and liberty, existed long before the Civil War and are still the twin goals of free men. We must have both union and liberty to make either worth while. Long before the Civil War Lincoln understood this everlasting problem of good government. Lincoln's matchless expressions of these principles didn't spring to his lips like magic in wartime. He had thought out and fought out these principles alone with his books, around the stove in the country store, in the Illinois Legislature, in Congress, in backwoods courtrooms through the years. He knew we must have both order and liberty. He saw the slavery problem in this light, and by his mere clear statement of the problem became the man of his party, then the man of his country to lead to the solution of the problem.

We must never forget, however, that before the war and during the war and aside from the war he gave his State and his Nation wise and sensible administration of its peacetime affairs.

What were some of the principles that guided him? Can we find in them help in solving the problems of our day?

First, on freedom: Lincoln freed the slaves, not only for humanitarian reasons, not only as a military act, but because he understood

the vital importance of freedom in a democracy. In 1850 he said: "As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the difference is no democracy."

In 1860: "I like the system which lets a man quit when he wants to and wish it might prevail everywhere. One of the reasons why I am opposed to slavery is just here. What is the true condition of the laborer? I take it that it is best for all to leave each man free to acquire property as far as he can. Some will get wealthy. I don't believe in law to prevent a man from getting rich. It would do more harm than good. So, while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else." Lincoln was an economic realist.

In 1862 he said: "In giving freedom to the slaves we assure freedom to the free."

What would Lincoln have said of a system that makes a laborer pay \$500 to a union to keep on working at a job he already has; that leaves him with hours and pay, his right to work at all, controlled by Government bureaucrats in Washington, dominated by a rival union? What would he say as to the freedom left to an employer forced to give back pay to men he had never hired? I think Lincoln would say that a laborer whose right to work or quit is controlled by his employer, his union, or his government is a slave.

Lincoln saved the Union because he believed in the Union. He believed in a strong central government, but he understood the limits of such a government if liberty was to be preserved. He was able to preserve our Union in wartime without wrecking our democracy. He never would have thought of using the mere threat of war as an excuse to crush democracy with a dictatorship under the label of an industrial mobilization plan headed by a hand-picked superagency called a War Resources Board.

As a Congressman in 1848 he was for internal improvements—the building up of our country by the Federal Government—even when the Democrats were shying away from this responsibility; but he understood the right and wrong way to go about internal improvements. On June 28, 1848, he paid his respects to the Democratic self-liquidating scheme of his day, which was proposed then, as now, to avoid the difficulties involved in sound finance. It was a scheme to use the duties collected from a harbor to build that particular harbor. Lincoln said that this idea "involves the same absurdity of the Irish bull about the new boots: 'I shall never get 'em on,' says Patrick, 'till I wear 'em a day or two and stretch 'em a little.' We shall never make a canal by tonnage duties until it shall already have been made awhile so the tonnage can get into it."

Lincoln then told how he would carry on internal improvements. His language sounds strange in these days of frenzied Federal finance: "I would not borrow money. I am against an overwhelming, crushing system. Suppose that at each session Congress shall first determine how much money can, for that year, be spared for improvements, then apportion that sum to the most important objects. So far all is easy; but how shall we determine which are the most important? On this question comes the collision of interests. \* \* \* To clear this difficulty, let us have \* \* \* in statistical information \* \* \* a stern, unbending basis of facts—a basis in nowise subject to whim, caprice, or local interest. The preliminary amount of means will save us from doing too much, and the statistics will save us from doing what we do in wrong places." Shades of Passamaquoddy and the Florida ship canal!

On July 27, 1848, he again came back to the question of internal improvements, and said: "Particularly—expending the money of the whole people for an object which will benefit only a portion of them—is the greatest real objection to improvements."

What would Lincoln have thought of building private dwellings for individuals with Federal money on tax-free land?

Lincoln not only understood the limitation upon the Central Government but the limitations of all government on men that would be free. In 1854 he said: "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do, for themselves, in their separate and individual capacities. In all that the people can individually do as well for themselves government ought not to interfere."

In 1858 he said: "I believe each individual is naturally entitled to do as he pleases with himself and the fruit of his labor so far as it in no wise interferes with any other man's rights."

Lincoln approved of the principles of Thomas Jefferson, who said: "Were we directed from Washington when to sow and when to reap we should soon want bread. \* \* \* When all government, in little as in great things, shall be drawn to Washington as the center of all power, it will become venal and oppressive."

Lincoln said: "I think a definition of genuine popular sovereignty in the abstract would be about this: That each man shall do precisely as he pleases with himself and with all those things which exclusively concern him. Applied to government, this principle would be that a general government shall do all those things which pertain to it and all the local governments shall do precisely as they please in respect to those matters which exclusively concern them."

Doubtless Lincoln never dreamed of a day when State relief, State pensions, State roads, and city streets would be controlled from Washington through the mechanism of Federal aid. What would Lincoln say of the particularity whereby the New Deal pours out borrowed billions to stop the use of farm land in one State and pours out other borrowed billions to create new farm land in another State? What would Lincoln say of a President who fined the State of Ohio \$1,300,000 of its own pension money, first, because he didn't



like a Democratic Governor of the State, and second, because he didn't like their new Republican Governor?

We love Lincoln for his humility, which was not only a personal quality but a fundamental part of his creed. Democracy, founded on the essentially Christian belief in the infinite worth and possibilities of a free man, has as its inevitable corollary the belief that no one is indispensable. The belief in the infinite worth of the individual meant the downfall of kings. If each of us has infinite possibilities, not one of us is all-important. Lincoln said, "The Lord must have loved the common people because He made so many of them." In his first political campaign, Lincoln introduced himself as "humble Abraham Lincoln." He bore insults from Cabinet officers and generals because he was humble. In his Gettysburg Address his humility obscured his prophetic vision when he said, "The world will little note nor long remember what we say here." Afterward he said of the address, "It wouldn't scour." As we celebrate his birthday we cherish and revere his humility. What would Lincoln think of a President who, like Augustus Caesar during the period he was plotting his dictatorship, promoted the celebration of his own birthday and tied it up with a pet personal charity in order to silence criticism?

Here is what Lincoln said about men of ambition who seek the gratification of their ruling passion. He said that many men could be found whose "ambition would aspire to nothing beyond a seat in Congress, a gubernatorial or a Presidential chair; \* \* \* think you these places would satisfy an Alexander, a Caesar, or a Napoleon? Never! Towering genius disdains a beaten path. It seeks regions hitherto unexplored. \* \* \* It scorns to tread in the footsteps of any predecessor, however illustrious. It thirsts and burns for distinction; \* \* \* Is it unreasonable, then, to expect that some man possessed of the loftiest genius, coupled with ambition sufficient to push it to its utmost stretch, will at some time spring up among us? And when such an one does, it will require the people to be united with each other, attached to the Government and laws, and generally intelligent, to successfully frustrate his designs."

Let us ponder well over these words of Lincoln when these designs take the form of creating a war-emergency third-term build-up.

President Roosevelt, in his Jackson Day nonpartisan speech, attempted to kidnap Lincoln. He said, "I do not know which party Lincoln would belong to if he were alive in 1940—and I am not even concerned to speculate on it."

I can tell the President which party Lincoln would belong to in 1940. He would belong to the Republican Party, and President Roosevelt should speculate on it.

The President said of Lincoln, "I am more interested in the fact that he did the big job which then had to be done." That is precisely where President Roosevelt has failed, in the big job then to be done when he took office—to bring about recovery of the richest Nation on earth.

The big job now to be done is the job that faced Lincoln—to preserve our form of government and maintain freedom. In his Cooper Union speech, Lincoln said, "At what point, then, is the danger to be expected? I answer, if it ever reaches us, it must spring up among us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time or die by suicide."

Republicans, let us, in the name and memory of Lincoln hereby "highly resolve that this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people shall not perish from the earth."

## New England and National Defense

### EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

ADDRESS BY HON. LOUIS JOHNSON, THE ASSISTANT SECRETARY OF WAR

Mr. CLASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable Louis Johnson, The Assistant Secretary of War, before the Boston City Club, Boston, Mass., on the evening of January 25, 1940:

Members of the Boston City Club, I speak to you tonight in my role as director of munitions for the United States Army. Within the appropriations made by Congress, it is my job to arm and equip America's fighting men for combat. Within the specifications laid down by the War Department General Staff, it is my duty to get weapons and materiel in the quality and quantity prescribed.

Quite naturally, I walk in the path of my predecessors. As they did, so do I, too, turn to New England, and especially to Boston, as

one of the principal sources of munitions; and I find, just as they did, that I have come to the proper place to shop. I am tempted to call you the "American cradle of munitions," for though others may challenge your claim to the birthplace of an American arms industry, no one will deny your contributions toward nurturing and sustaining it in its infancy.

In the field of cannon manufacture in America, Massachusetts was the pioneer. The first positive evidence of the casting of cannon in colonial North America may be traced to the year 1647, when Henry Leonard established his foundry in Lynn. Other enterprising munitions ventures followed. Orr's Foundry in Bridgewater and the Hope Furnace in Rhode Island were casting pieces of bronze, iron, and brass and training artisans in the art of making munitions long before the Revolutionary War.

In April 1775 there was only one gunpowder factory in the Colonies. It was located in Philadelphia. Thanks to Boston's illustrious and versatile Paul Revere, New England entered the field before the end of the year. On one of his spectacular, but perhaps less-known, rides he went down to Philadelphia and inspected its powder factory. The proprietor, Oswald Eve, it is said, revealed as little as possible, but the ubiquitous Paul heard and saw enough. He galloped back to Boston, got a factory built with public funds, and gunpowder began to roll out in kegs, every one of which made American history. Later he branched out into the manufacture of guns and howitzers.

From 1776 to the present the Army and the Navy, too, have depended on New England for munitions. If war should ever come we shall look to you for most of our rifles, our pistols, and our machine guns. Here we expect to get fire-control instruments, guns and carriages for our artillery, engines and propellers for our planes, searchlights for our seacoast and antiaircraft defenses, surgical instruments for our medical men, gas masks for our individual soldiers, and superchargers and turbines for our Navy. To assure ourselves that our munitions, especially in the field of ordnance, have come up to specifications we shall need inspection gages of all sorts, and practically 80 percent of them will have to come from this area. I shall not attempt to list all the items in the munitions field that New England is expected to furnish in an emergency, for the effort would take me well into the night.

The munitions problem in America is unlike that of any other great power. With the exception of airplanes and accessories, of fire-control instruments, and possibly of small arms, we have no munitions industry in this country. By a munitions industry I mean one that is engaged at all times, in peace as well as in war, in turning out a product of direct military use. Since we have no munitions industry except in the three fields mentioned, we must depend almost wholly on civilian plants, ordinarily engaged in other fields, to produce the bulk of our arms and equipment in time of war.

Our program for the solution of our military supply problem runs parallel to our plans for the procurement and training of manpower. Our first line of munitions preparedness is the Army arsenal. Like the Regular Army soldier, it must always be ready. It is the first source of military supply. It is the laboratory where arms and equipment must be developed. It is the primary proving ground for new inventions. It is the training school for highly skilled artisans in the art of munitions manufacture. In time of emergency and until industry is ready to carry the load the arsenal must be able to take care of the Army's needs. It follows, therefore, that these peacetime production facilities that are so vital a part of the Army should be fully equipped with modern machines, fully staffed with expert workmen, and fully organized under competent management.

From the close of the World War until quite recently our arsenals had been moving slowly downhill. Machinery was growing obsolescent. Few replacements were being made. Experienced skilled workers were growing old or turning to other and more lucrative fields, and relatively few were being trained to take their place. A shortage of Regular Army officers limited the numbers assigned to this important duty. There was grave danger that our arsenals, our first line of defense on the munitions front, would be irreparably damaged.

Thanks to the leadership of the President and to the support of Congress, some of these defects are now being corrected. Much remains to be done before our arsenals are geared to capacity and before their full potentialities are realized. I am confident, however, that with the revived national-defense spirit that now permeates our body politic we shall overcome most of our military weaknesses, including those affecting our arsenals. We should not be satisfied until we make our Army production facilities M-day machines, ready at all times to turn out arms and equipment for the needs of our fighting men.

Before dismissing the role of the arsenal in supply preparedness, I want to remind you that here in New England you have two of the Army's finest plants, the Springfield Armory and the Watertown Arsenal.

The Springfield Armory is the oldest Government munitions plant. In 1778 it was established as a laboratory. In 1794 it became a national armory for the manufacture of small arms.

The contribution of the Springfield Armory to the Connecticut Valley, to New England, and to the Nation is worthy of a speech in itself. Suffice it to say that Springfield was the pioneer in the development and manufacture of interchangeable parts in connection with rifle production, that industry later adopted this feature as essential for all mass production of fabricated articles, and that

this development more than any other single factor made possible the industrial supremacy of America.

Springfield manufactures complete rifles and makes parts for pistols, machine guns, and other small arms. Its name has been synonymous with high quality in gun manufacture. During the World War military authorities were generally agreed that the Springfield 1903 model rifle was the best in the world. Unfortunately, we could not produce it in time and had to arm most of our soldiers with the Enfield. This British rifle was inferior to the Springfield. If ever again we are called upon to issue rifles for combat, I trust that we shall be able to put into the hands of every soldier the best weapon that is available anywhere. It is toward that objective that our efforts are now directed.

In the Springfield Armory we are manufacturing today the new semiautomatic rifle popularly known as the Garand. This rifle has two and one-half times the fire power of the old Springfield, and with the Garand the wartime soldier can be trained in half the time. We are just now reaching the stage where we are producing this rifle in quantity. We shall not be satisfied until we have one for every soldier who may be called upon to shoulder a gun in an emergency.

While the Springfield Armory leads in the small-arms field, the Watertown Arsenal is the Army stand-by for casting larger guns and for fabricating large gun carriages. Here seacoast, railway, and antiaircraft gun carriages are built. Here many contributions in welding and in the development of alloy steels have been made, not only for military purposes but for general civilian adaptation.

Our arsenals have proved their usefulness in many ways, but at best they are but a relatively small factor in the mass production that a major war may demand. In the wars of today our Regular Army of men and our arsenals of munitions are not enough. They must be reinforced by the National Guard for manpower and a prepared private industry for munitions.

Comparable to the National Guard, whose members are, first, civilians, and, second, soldiers, are the private commercial plants of America engaged primarily in the manufacture of nonmilitary items but producing some munitions under peacetime contracts. There are many of them in Boston and New England. In the last 6 months the War Department gave New England plants production orders amounting to almost \$20,000,000.

Factories in Boston received more than \$1,000,000 worth of orders, while Cambridge got more than one-half million. Contracts totaling more than \$100,000 were awarded in Watertown and more than \$50,000 in Chelsea, while Somerville got \$5,000 and Malden about \$1,000.

To give you an idea of the variety of our military requirements, let me merely cite the principal jobs given from July 1 to December 31, 1939, to some of the industries of this metropolitan area:

The Hood Rubber Co., of Watertown, was awarded a contract for \$99,630 for winter flying caps, shoes, gloves, and overshoes;

The Simplex Wire & Cable Co., of Cambridge, \$473,518 for Signal Corps wire; and the

Austin-Hastings Co., of Cambridge, \$21,259 for drill presses and grinders.

In Boston itself—

Stedfast & Roulston got \$55,548 for boring mills.

Joseph M. Herrmann Shoe Co., \$58,817 for boots.

The Rivett Lathe & Grinder, Inc., \$28,015 for lathes.

William Whitman, Inc., \$583,000, and Premier Worsted Mills, \$79,040, both for cloth.

Remember, I am discussing the contracts of the last 6 months only. If I were to give you the full picture, I would point out among others the \$17,000,000 backlog of Army orders in Hartford for engines, propellers, and accessories. Nor would I overlook the fact that a contract let to the Pratt & Whitney Aircraft Division and Hamilton Standard Propeller Division carries in its wake subcontracts to factories scattered throughout New England, such as Wyman Gordon, of Worcester, for forgings, and Boston Auto Gage, of Pittsfield, for gages.

Massachusetts, and every one of the six New England States, has reaped direct benefits from the War Department contracts of the past 6 months—from the Brown Co. in Portland, Maine, which got \$1,200 for filter material, to the Winchester Repeating Arms Co. in New Haven, which was awarded \$3,710,000 to produce Garand rifles.

From the standpoint of supply preparedness these production orders are invaluable. The best way to learn how to make munitions is actually to produce them. Not every factory that may be called upon in a grave emergency can possibly be given a production order in time of peace. There must therefore be other ways devised to prepare them for service in time of war.

This consideration brings us to the third component of our munitions team—the civilian reserves. In our program for the mobilization of manpower we have considered the great body of civilians who must be converted into soldiers with a minimum of time and effort. So, too, we must provide for the industrial mobilization of our civilian resources, the private commercial plants that must be shifted from beating plowshares into casting swords. Just as the Army has provided for the training of Reserve officers, Enlisted Reserves, R. O. T. C. units, and C. M. T. C. men for a possible emergency, so the War Department has added educational orders and production plans for the munitions preparedness of our civilian factories.

First, what is an educational order as understood by the War Department? It is a contract between the Government and a civilian manufacturer calling upon him to produce a limited number of a military item not in ordinary production but indispensable to the equipment of a modern army. Examples would be the

Garand rifle, a gas mask, or a searchlight. Such articles are not in ordinary production. To manufacture them we must have the tools, skill, and experience.

Under the educational orders system the Army buys the tools and retains title to them. It selects plants with a record for achievement, whose personnel is competent to perform the delicate operations necessary in the production of these military articles. It gives them the experience in making weapons. The Army and the plant managers keep in constant touch with each other and try to eliminate all the barriers to mass production. The whole object of the educational orders program is to train industry to produce in the volume necessary for any grave emergency.

This program of education was inaugurated during the fiscal year 1938-39. The results attained already justify the experiment. Here in New England we achieved most satisfactory results. We gave the Winchester Repeating Arms Co. an educational order to manufacture a limited number of the new Garand rifle. As a result of the experience and production facilities accruing from this educational order the Government at a later date was able to place a large scale production order for 65,000 rifles with this company at a saving of \$1,000,000 in money and 1 year's time in delivery of the rifles. Time, I need hardly add, is the controlling factor in the success of any program of industrial mobilization. Time to mobilize industry is the very thing that an enemy bent on aggression will make every effort to deny us.

We have given educational orders in New England on two other items; on machinings for our 75-millimeter shells to the S. A. Wood Machinery Co., of Boston, and on aircraft parachute flares to the National Fireworks, Inc., of West Hanover. You know the reputation and the standards of these organizations yourselves. You can readily understand why we in the War Department feel that they will lick our production problems on these two vital items.

The educational orders have brought to light a number of production difficulties, the solution of which should help both the War Department and industry in meeting future problems. For example, when we prescribed the tolerances for 75-millimeter shell forgings there was grave doubt about the ability of civilian plants to meet them. As a result of this particular educational order the Army's tolerance requirements have been adapted to commercial production methods.

Educational orders are not only training industry but are teaching the War Department itself many lessons. The information gained regarding costs, I assure you, will expedite future negotiation of contracts.

One educational order which is directly responsible for a contract of \$328,329 to New England industry, I believe will interest you especially. We had called upon the Goodyear Rubber Co., in Akron, Ohio, to make us a limited number of gas masks. We asked, among other things, for a plant to produce them in quantity by May 1940. The plant is ready now. Production proceeded so successfully that the War Department became convinced that American industry had learned the art of producing gas masks en masse. The next step was to find additional industrial plants for such work. We called upon the Firestone Tire & Rubber Co. of Akron, and upon Johnson & Johnson, of New Brunswick, N. J. Firestone turned over the work to its plant in Fall River and we anticipate another job well done.

In addition to our educational orders we are purchasing production studies and other technical data to assist us in preparing industry for any emergency.

I have devoted this talk largely to munitions rather than to men. It is not that I am unmindful of the human role in modern combat. I realize that the free citizen is the very foundation of our national defense program. Because New England is the core of our supply system, I have emphasized munitions to you tonight.

In the question period that follows, I am ready to face your barrage on men as well as munitions.

## The American Way

### EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

EDITORIAL BY JAMES E. WEST

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial by James E. West, chief executive of the Boy Scouts of America, and also the twelfth Scout law.

February 8 to 14 of this year has been set aside as Boy Scout Week, and I know of no organization that is striving harder or more successfully to instill in the youth of America a patriotic spirit which we need to overcome the subversive activities of those whose aim it is to overthrow our form of



government. The youth of today are the citizens of tomorrow, and it is for us to keep them in a proper environment if this country is to endure.

#### SCOUTING THE AMERICAN WAY

You as Scouts can have a definite share in preserving, yes, advancing, what are recognized the world over as the best things in American life. You have come into scouting, not as in some countries where boys have no choice as to what they will or will not do, but of your own free will, voluntarily, eagerly, the American way. In your personal lives and your activities you are not regimented; more than that, you are encouraged to think things through for yourself, to make decisions, to develop initiative, to stand on your own feet.

Opportunity in America today is limitless. There are more opportunities than there are young people willing to prepare for them. Never before has our country offered so many new frontiers as a challenge to youth.

This month we observe the thirtieth anniversary of the Boy Scouts of America. Since it was first organized nearly 9,000,000 boys and men have had the benefits of Scout training. Today scouting is recognized on the basis of its achievements as one of the institutions in American life. Again and again Scouts have proved the value of organized boyhood in service to the community. Again and again they have proved that scouting definitely does help build character and train for citizenship.

But it is not of our past that I wish to speak, gratifying as the record is. I would much rather look toward the future, represented by you as members of patrols and troops, trained in the American way. You as Scouts, by your special training, can be a force right now in the community. You need not wait until you reach voting age to make your influence felt as sturdy, loyal citizens. All about you every day are opportunities to serve and take hold as citizens, not alone through scouting and its civic-service program but through church, school, grange, neighborhood, and other groups. By your training as Scouts you have acquired a definite and distinctive citizenship standing in the scheme of things as they are today, which involves, not only many pleasures and privileges but definite responsibilities. You have accepted the personal responsibility to plan your daily life and actions so as to keep yourself physically strong, mentally awake, and morally straight.

Be constantly alert for opportunities to cooperate and render service. Cultivate your capacity to understand and care about other people. Be tolerant and respect the rights of others. Develop courage, self-reliance. Be vigilant in showing by your speech and action your faith in America, your faith in God. As Scout citizens, accept your responsibility for extending among those with whom you come in contact their understanding and appreciation of the ideals of Scouting and the principles that have made us, and in my judgment will always keep us, a great democracy.

The aim of the Scout movement has been to give you personal help in the building of your character and in training yourself for citizenship, and you are called upon to serve, in the American way, as "participating citizens."

Keep the fine spirit of American reverence, tolerance, and loyalty burning in your lives as participating citizens. That spirit is the lifeblood of America, guard it and live it.

JAMES E. WEST,  
Chief Scout Executive.

#### TWELFTH SCOUT LAW

"A Scout is reverent. He is reverent toward God. He is faithful in his religious duties, and respects the conviction of others in matters of custom and religion."

### Keep a State From Going "Haywire"

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address I made at Naperville, Ill., on the evening of February 12, at the "two-bit dinner" to which the President was invited and for which he bought two tickets—viz, two 25-cent stamps bearing the picture of William McKinley.

I did not see him there, and did not expect to, in view of his statement with respect to the impossibility of his being present, but there were between five and six thousand Illinois Republicans present, and quite a few Democrats, if reports are to be relied upon.

This is what I said to them:

Mr. Chairman, we have met here tonight to honor ourselves as we observe the anniversary of the birth of Abraham Lincoln, that uncommon commoner, great emancipator, and savior of the Nation.

"Some opulent force of genius, soul, and race,  
Some deep life current from far centuries  
Flowed to his mind and lighted his sad eyes,  
And gave his name, among great names, high place.

"Unschool'd scholar! How did you learn  
The wisdom a lifetime may not earn?  
Unsainted martyr. Higher than a saint  
You were a man's constraint,  
In the world, of the world was your lot;  
With it and for it the fight you fought  
And never 'til time is itself forgot and the heart of man is a  
pulseless clot  
Shall the blood flow slow, when we think the thought of Lincoln."

Illinois may be justly proud of the no small contribution it made and of the glory it finds in the fact that it helped to mold and to make this great American. "A type that nature wills to plan but once in all a people's years."

Abraham Lincoln, "Shepherd of the people," that name the world's best rulers ever crave. He fed us with counsel when we were in doubt, with inspiration when we faltered, with caution when we would be rash, and with calm, clear, trustful cheerfulness through many of the darkest hours in this Nation's history.

His rugged, honest, steadfast perseverance and staunch Americanism still stand as examples and as objectives which the Nation collectively and all of us as individuals do well to try to emulate.

Unwavering in his loyalty to the fundamentals of the American Government, his genuine respect for the Constitution, and his great concern for the common people as well as for the destiny of the Republic itself ended only with his death.

As Edwin Markham has well said:

"He held his place—  
Held the long purpose like a growing tree—  
Held on through blame and faltered not at praise—  
Towering in calm, rough-hewn sublimity.  
And when he fell in whirlwind, he went down  
As when a lordly cedar, green with boughs,  
Goes down with a great shout upon the hills  
And leaves a lonesome place against the sky.

"So they buried Lincoln! Strange and vain.  
Hast any creature thought of Lincoln hid  
In any vault 'neath coffin lid?  
In all the years since that wild spring of pain?  
It is false—he never in grave hath lain.  
You could not bury him, although you slid  
Upon his clay the Cheops pyramid,  
Or heaped it with the Rocky Mountain chain.  
If so, man's memories not a monument be,  
None shalt thou have."

A redeemed and reunited Republic is his monument.

#### THE ROOSEVELT GAMBLE

In the year 1932 that extraordinarily shrewd, wise, and unerring, that experienced judge and observer of men and events, Vermont's most distinguished son, the late Calvin Coolidge, read the mind of Franklin D. Roosevelt as if it were an open and a printed page. Anticipating Roosevelt's election, he said to Henry L. Stoddard: "We will be taking in America the biggest gamble in government that any people ever took. I do not believe," said ex-President Coolidge, "that the American people realize all that is in the mind of this man Roosevelt, as to his policies. There is something about his speeches that makes me think he is going to try to overturn things. You cannot safely do that with a government in one President's term. Government is growth—slow growth—you cannot gamble with it. That, however, is what I see ahead if Roosevelt is elected."

#### CALVIN COOLIDGE'S VISION

What prophetic vision, what wisdom; but, even so, he could not have seen and would not have believed that third-term candidate Roosevelt would have attempted the destruction of the judiciary's independence—a program typical of Charles I; or that he would have tried to destroy the independence of the legislative branch—which smacks of George III—a scheme involving centralization of government, invading the independence of local government, which is one of Mr. Hitler's successful ideas.

#### THE ABSENT GUEST

Your absent "guest" calls himself a "liberal" and defines "liberal" as one who is 100 percent in favor of the New Deal, its policy and its program. That necessarily makes me a conservative, for I am against it. The New Deal program, in parts, is as old as history. The devaluation of the currency is a trick of Roman emperors. Certainly no one can successfully maintain they were liberal.

Your President's financings are as old as the French kings, and may even date back to Babylon. If the New Deal program is liberal then so was George III, and Hitler and Stalin are also.

The truth is, real liberals have fought since the beginning of time, as the Republicans have been fighting, against these same destructive and un-American things for which the New Deal stands.

The New Deal program in its entirety contains the paving stones for the dangerous road which has wrecked liberal democracies all over the world.

Mr. Roosevelt denounces and accuses all of us who do not believe in these methods and these actions as conservatives. If being hesitant and opposed to dragging America into the morass of political immorality or into the dead sea of reaction is conservatism, then I cheerfully join that party. And that party will again become the hope of American life.

At this point you may have an inkling of my attitude toward some of the public questions which have been and continue to be perplexing to the body politic.

The topic assigned me and alluded to quite widely in the public press carries the broad implication and compels an inference that because Vermont has always kept its feet on the ground in Presidential election years, you presume me to be qualified, as its Representative, to make crystal clear (as the President hopes I shall, and as I shall attempt to do) the procedure to follow "to keep a State from going 'haywire' in an election year."

As a prelude, may I say that lured by the prophets of "a more abundant life" and seduced by the New Deal sophistry, all the States of the Union, except Vermont and Maine, lost their heads and about everything else they ever owned, in the Presidential campaign of 1936.

A preponderant majority of Vermonters holding onto the rope and keeping the old ship of state from floating too far out into the sea of bubbles and hot air of the "new delirium" have gradually succeeded in pulling it back to its moorings, and how you folks are climbing aboard.

The way to keep a State from going "haywire" is for the people in that State to follow the example of Vermont and Maine and DuPage County.

At one famous battle in our country's history General Sedgwick, in charge, gave the order: "Put the Vermonters ahead and keep the column well closed up."

Modestly, may I say, that always should be done in an emergency, for in so doing is found "the way, the truth, and the light."

#### STRAIGHT AND UNDILUTED REPUBLICANISM

We Vermonters take our Republicanism straight and undiluted. If that makes us isolated and old-fashioned and rugged individualists, we thank God for it! We are Republicans, and we are proud of it. We work too hard and too long for every dollar we earn and try to save not to know that if by common consent we allow ourselves to be hypnotized by the spending of money as if there never were to be a day of reckoning; we "sell our birthright for a mess of pottage" if by lack of appreciation and because of a disinclination to face facts or to advise ourselves of what concerns us we keep silent and suffer the Constitution to be nullified, our prerogatives as citizens to be preempted, and our rights to be taken away from us; just so certainly as the sun rises and sets, what we know as liberty will surely and steadily be undermined and destroyed.

Despotism, which by any other name will smell just as sweet, will crown itself with power and it will then be too late to recover the freedom at whose loss we have connived.

As Vermonters and as Republicans we still believe in the Constitution of the United States, the Declaration of Independence, and the Bill of Rights. We still insist, among other things, that Congress shall make no law abridging freedom of speech; that no person shall be deprived of life, liberty, or property without due process of law; and that powers not delegated to the Federal Government by the Constitution itself are reserved to the States respectively or to the people. We believe neither Congress nor the President on any plea of emergency may ever suspend its provisions in any particular at any time, at any place, or anywhere.

To us the Bill of Rights is the legal embodiment of the spirit of liberty which our Declaration of Independence proclaims to be God given and inalienable. Every part of the Constitution is a Bill of Rights, said Alexander Hamilton. The supreme emphasis is on individual liberty. The citizen, not the Government, is to be sovereign. Free to direct his own life. He and not the Government is to plan it. Such is the only "more abundant life."

#### FREE GOVERNMENT, FREE MEN, FREE ENTERPRISE

Free government, free men, and free enterprise, the outward expression of the liberal ideas of democratic institutions, a scheme of life, is more than a framework of government. Every American the sovereign citizen of a free republic, master of his own destiny, the most successful scheme of government and of life that man ever devised.

When President Roosevelt talks about "horse and buggy" days, and the establishment of a new order, he means that the free government, free man, and free enterprise system is to be disrupted, discontinued; that America is to abandon its free institutions and its voluntary economic system in favor of a totalitarian state and an economic system based on bureaucracy or coercion, or on the obedience of the many to the few. "We planned it that way." That's telling them, not asking—that's the story. There is no middle ground. There is no other way to turn. You are for the maintenance of the ancient and honorable landmarks or for their destruction, which is now in progress. Under the establishment of a centralized bureaucracy in Washington; the abolition of state rights; the expansion of Executive power through unwise and unlawful delegation to a power-greedy Executive; a centrally planned and controlled economy in which there is no economy; the beginning of the end of free enterprise; and the subordination of individual rights and of the sovereignty of the citizen to the supremacy of the State.

#### CONDESCENDING BENEVOLENCE

We free-born Americans do not take kindly to condescending benevolence on the part of our elected and appointed officials of government, nor do we subscribe to the belief that a huge vote in our Republic, no matter how large, constitutes such a "mandate" to those elected thereby that they may carry into practice the attitude so long ago expressed by the long-reigning Louis XIV, "L'etat c'est moi." No; nor do we allow ourselves to be misled by dire words uttered by Presidential linkboys now so blatantly engaged in fostering a third-term movement who would seek to impregnate the minds of the people with the Pompadourish idea that "Apres F. D. R. le deluge."

In the first place we know that our State is one of 130,000,000 people rather than that of a palace guard; in the second place, the only deluge we can visualize is the refreshing, revitalizing, life-imparting rain of a return to government sanity, one which would give us surcease from a myriad of restraints, from a top-heavy bureaucracy, and would allow free enterprise once again to function with a minimum of interference and with the knowledge that some degree of stability had been attained.

We believe that our liberties and our form of government can only be preserved by strict adherence to the principles laid down in the Constitution.

We know that a representative, democratic form of government under Republican administration has in a long period of years made greater material progress, produced higher standards of living, inspired superior love of peace, tolerance, and good will than ever has existed in any other place, at any other period, in any nation on earth.

#### PROFLIGATE SPENDING

We are opposed to the profligate spending of our hard-earned money, and we know that the Republican Party stands now, and ever has stood, for economy in government, for sound currency, full value money, and against any repudiation of government pledges to the people, in whatever guise such repudiation may be offered.

No complicated scheme of relief, no plan of Government price fixing, no resort to the Public Treasury will be of any permanent value in reestablishing industry, assisting agriculture, or bringing back genuine and permanent prosperity.

The America which Washington, Jefferson, and their compatriots founded and Lincoln saved does not mean we shall have everything done for us by the Government, but, on the contrary, that it guarantees to each and every one of us an opportunity to do everything for ourselves.

All governments derive their just powers from the consent of the governed. Plato declared the chief object in the construction of a state is the greatest happiness of the whole, and not that of any part. The greatest happiness of the whole is best achieved when every man who is a part of the whole is secure in the possession of his rights, and those liberties which a capricious, temporary majority cannot take away. That is what Calvin Coolidge meant when he talked about individualism.

The Republican Party recognizes the fact that the government exists for men, and not men for it, and that to every man and woman in America should be given and secured the freedom and the opportunity to achieve to the full measure of their capacity.

That form of established government is best which seeks in the development of the individual character the fulfillment of its highest purpose.

Such were the announced and fundamental doctrines on which the political philosophy of that great President, Calvin Coolidge, were based.

They are good enough for me. I think they are good enough for anybody.

So much for the general proposition. Now, let's get down to brass tacks.

By reason of the skill and industry of our forefathers we are the inheritors of a rich estate, which it is our duty to hand down, not only unimpaired, but improved.

#### BURDEN OF FEDERAL DEBT

Today the outward, visible manifestation right here in the United States of the hazard to free enterprise is the excessive and constantly mounting burden of Federal debt; of Federal, State, and local taxation. History teaches that in every country where taxation has reached the point where it absorbed in excess of from 35 percent to 45 percent of the national income, either anarchy or regimentation followed. It can happen here. You have only to look at the history of Egypt and Greece and France; the assertion could be substantiated by many another illustration were it necessary.

Back in 1913 our national income in this country was \$32,000,000,000 in round figures; Federal, State, and local taxes were \$2,000,000,000, some 7 percent of the national income. In 1938, however, the national income was sixty-two and a half billion dollars, approximately double that of 1913, but our expenditures had risen to over seventeen billion, some 27 percent of the national income; of this latter amount over \$13,000,000,000 was raised by taxes, the balance by borrowing. Right now governmental expenses are over 10 times what they were 25 years ago. It is happening here.

A long time ago a very distinguished Speaker of the House of Representatives in answer to the criticism of there then being a Budget of \$960,000,000, said on the floor of the House that this was a billion-dollar country. We are now a billion-dollar country insofar as our interest charges are concerned. Just interest on the public debt.



According to a statement issued by the Treasury Department last week, if all the money in circulation as of January 1 of this year were to be equally divided among every man, woman, and child in this country, each one would receive \$57.71. Before you spend that \$57.71, it might be fair enough for me to call your attention to the fact that if the obligations evidenced by the admitted New Deal national debt of \$45,000,000,000, as of the end of the current fiscal year, were to be assumed, share and share alike, by every man, woman, and child of the 130,000,000 people of this country, each one of us would owe \$346. Think that over before you spend your \$57.71.

#### BRINGING IT HOME TO NAPERVILLE

Illinois' share per capita of the national debt on that basis is \$2,725,788,000. The citizens of DuPage County would owe \$39,800,000. The citizens of Naperville would owe \$2,076,000.

#### EIGHT DEFICIT BUDGETS

Those of us who serve on the Appropriations Committee are confronted by this administration's eighth successive deficit Budget—a Budget which calls for the expenditure of \$9,027,000,000 as against anticipated receipts of \$6,151,000,000, leaving a cool, stark deficit of \$2,876,000,000, which places the New Deal in the unenviable position of running true to form as it exceeds the debt limit.

Those of you who have earned and scrimped and saved and who live within your income, or intend to pay your debts, very well know that no person, no business, no State, no government can continue forever, or for any long period to spend more than is earned or received without being overwhelmed in bankruptcy.

Now comes the Secretary of the Treasury admitting that the \$45,000,000,000 debt limit has been reached, and suggesting that it be increased to \$50,000,000,000. The people are entitled to know all about this financial jugglery that has been going on; but they cannot know it all, for nobody in this administration knows where it actually stands. God only knows, and I do not say that sacrilegiously.

We are confronting a situation such as no Congress ever was asked to meet before.

#### A \$75,000,000,000 DEBT

The administration talks about the \$45,000,000,000 debt in which, however, is not included many contingent, but nevertheless positive, debts of the Federal Government, such as the \$1,600,000,000 debt of the United States Housing Administration; the \$6,000,000,000 of guaranteed bonds of that agency, and the millions tied up in contracts of local housing authorities; the \$10,000,000,000 obligation growing out of the administration of the Social Security Act, and the like. So when you hear talk of the \$45,000,000,000 debt, make a mental addition of such sums as would bring this up to the \$75,000,000,000 mark and you will have included actual and contingent liabilities to which you and your fellow citizens are to chip away at during your natural lives.

The maze which is the Federal Government's book of account is past understanding; administrators charged with carrying out specified programs when confronted with the huge sums spent, or loaned, speak of "recoverable assets." In most cases these so-called assets, against which Government bonds have been issued, consist of mortgages upon the homes of people held by the H. O. L. C., advances by the Commodity Credit Corporation, P. W. A. bonds, and the like—recoverable assets—the Government foreclosed on over 175,000 homes last year out of 1,017,000 loans made, with an average loss to the Government of \$920 a house.

Of the bonds held by the R. F. C. and the P. W. A., there are over 350 issues in default; about 10 percent of the whole number of issues are represented by waterworks systems, and one of the reasons for the default is illustrated by the situations which existed right here in Illinois at Grafton and at Shawneetown, a matter which one of your sterling Republican Congressmen from Illinois alluded to in the House not so long ago. At the latter, as a consequence of flood damage, the town was moved away from the W. P. A.-constructed waterworks and the bonds issued are in default.

That very briefly is where your hard-earned dollars are going and have gone—to carry out the wanton, wasteful, wicked, reckless spending policy of this New Deal.

It is high time that the taxpayers of this country were given a break instead of a gold brick.

I am for economy, and then more economy, said Calvin Coolidge, and to which we should shout a fervent amen.

#### BANKRUPTCY THREATENS

From July 1, 1939, to January 16, 1940, we spent \$5,165,434,493.22. We received \$2,902,832,615.58. The excess of our spending over and beyond what we received for the 6 months' period reached the startling total of \$2,262,601,877.64.

Per capita governmental expenditures rose from \$95.54 in 1929 to \$129.02 in 1938. The per capita tax burden rose from \$80.30 in 1929 to \$107.51 in 1938.

#### INTO THE RED \$15,000,000 A DAY

Just think of it—we spend \$25,956,957.25 a day. We spend \$1,081,539.88 each hour, or \$18,025.66 every minute. We are running into the red \$14,587,098.57 every day, or \$607,795.77 every hour.

Before leaving this little discussion concerning the financial condition confronting you and me as citizens of our country, let me give you an illustration of the magnitude of the debt which has been incurred under and by virtue of the New Deal administration.

Forty-five billion dollars in debt. Why, do you know that if you were to take 45,000,000,000 dollar bills and lay them end to end and

side to side you could construct a roadway 25 feet wide that would run around the earth and 10,432.44 miles out into space?

#### A \$42,000,000-MILE DEBT

And do you realize that since these dollars come out of the Treasury from the pockets of the taxpayer that, in order to discharge the obligations they evidence, somebody will have to pick up and put back into the Treasury to relieve the taxpayers' burden the \$45,000,000,000 plus the interest that is accruing? Do you know that these 45,000,000,000 dollar bills, if laid ribbonlike end to end, would make a band of bills 42,613,636 miles long? Somebody will have to pick them up. And it is going to be back-breaking picking.

#### THINK THIS OVER AND SWEAT

There are 525,600 minutes in a year. In 1,940 years there are 1,019,664,000 minutes.

If 50 men were to start today and work continuously for the next 1,940 years to pick up these bills, and each picked up one every minute every day every year, they would have only put back into the Treasury \$40,677,200,000, but that is only part of the job.

Let's look at another angle of the situation. What kind of a deal has the farmer had under this administration and under the reciprocal-trade program? His complaint is not, or should not be, political. The farmer rests his case on the fact that under the trade treaties he is getting the short end of the deal. He wants, is entitled to, and must have, a better deal.

He knows that not only have our cotton exports been cut in half and our exports of wheat just about disappeared, but there have been some 1,100 tariff-rate reductions—no increases—of which over 20 have been of agricultural products.

#### THE NEW DEAL PROGRAM FOR AGRICULTURE

The new dealers are squirming with the "mess" they have made of their agricultural program. Under the New Deal, farm values have shrunk every year. The assessed valuation of the United States is declining rapidly and farm tenancy is increasing by leaps and bounds, and the New Deal is directly responsible for this condition.

Thousands of farmers are living on farms that cannot be sold for the mortgage on them. You say, "How did the New Deal do this?"

First, by giving the farmer's market away and putting him in competition with the peasants of Europe, the peons of South America, and the slave labor of foreign lands.

For example, in 1937 over \$868,000,000 worth of competitive agricultural products were imported. By competitive, I mean crops that could have been grown right here in the United States. In addition we imported \$711,000,000 worth of noncompetitive agricultural products, which makes a total of \$1,577,000,000 worth of agricultural products imported, and we exported only \$797,000,000 worth of agricultural products.

During the past 7 New Deal years we have exported only \$5,000,000,000 worth of agricultural products and have imported over \$7,400,000,000 worth.

In other words, we have an unfavorable trade balance of over 47 percent, as our agricultural imports are 47 percent above our exports.

About half of our imports are agricultural products, whereas only 30 percent of our exports are agricultural products. Our total world trade in nonagricultural products shows a favorable trade balance of 70 percent, or, in other words, we export about 70 percent more agricultural commodities than we import. This is conclusive evidence that the farmer is not only "sold down the river" but is washed right out into the ocean.

#### UNFAVORABLE TRADE BALANCE

The fact that the farmer has an unfavorable trade balance of 47 percent, while the big monopolies have a favorable trade balance of 73 percent, shows the price paid by the farmers of the country for the so-called reciprocal-trade treaties.

For the first 8 months of 1939 our agricultural imports increased \$203,000,000, or 29 percent over the same period of 1934, or at the rate of \$300,000,000 a year. Seventy-five percent of these commodities are competitive with our own production; they represent the production of 11,000,000 acres of good farm land figured at \$20 per acre.

It is surely a reflection on this great agricultural country of ours when we import, as we do, some years up to 20 percent of our total agricultural income. When we import more competitive agricultural products than our whole total agricultural exports amount to, it is time to call to the attention of people of this country the great injustice that is being meted out to the farmers of America.

Since the trade treaties we have had a 75 percent unfavorable balance in our foreign trade and a 70 percent favorable trade balance in our nonagricultural foreign trade.

We have had an unfavorable trade balance every year of the New Deal. New dealers should rightly have their hearts bled for the "grapes of wrath" people, because their program, if carried out, will make tenants out of all farmers. Remember that these programs that are to solve these problems of the farmer apparently must include a set-up that makes for regimentation and gives the Secretary of Agriculture direct political control over farm loans and farm practices of every farmer that comes under his political agricultural machine. Is this Russia or is it the great United States of America?

#### THE INVISIBLE FARM MORTGAGE

The New Deal has put an invisible mortgage on every acre of cropland in America. The farmer may think his farm is paid for and the records in the register of deed's office may show that there isn't any mortgage on record, but the invisible mortgage must be paid by the production of crops off this farm just as much as if it were in the county recorder's office.

The public debt has increased by over \$20,000,000,000 the past 6 years, to say nothing about the millions of losses it will take on its business and agricultural loans now being carried on its books at full value. Of this \$20,000,000,000 increase in the public debt the farmers, who represent 25 percent of the people, will have to repay over \$5,000,000,000 through their farm operations. In other words, Mr. Wallace may have made farmers believe that he has been a Santa Claus and doled out two and one-half billion dollars during the past 6 years, but the facts are that the farmers have over \$5,000,000,000 to be paid back for the two and one-half to three billion dollars that the Secretary has distributed to them.

A \$1,000,000,000 increase in the public debt represents \$2.90 in mortgage on every acre of cropland, if agriculture were to carry the whole load.

#### THE AGRICULTURAL PICTURE OF THE AVERAGE FARMER

The average farm price of milk in the United States was \$2.21 per 100 in 1930, and it has never been \$2 a hundred since, and has only averaged \$1.68 a hundred the 6 years of the New Deal. The average price of butter on farms was 36.8 cents in 1930, and 6 years since the New Deal it has averaged only 27 cents, and in 1939 it went down to 25.8 cents per pound, about one-third less.

American cheese averaged 17 cents plus for the 6 years pre-New Deal and only 13 cents plus the first 6 years of New Deal, and after 7 years of "the more abundant life" averaged only 12.8 cents in 1939.

#### THE FARMER AND THE NEW DEAL

The destitute condition of the farmers of this country is due, in large measure, to the unfair procedure of the agricultural policy of the New Deal.

First, the New Deal went out and loaded farmers up with all the loans the farmers would carry and assured the farmer that better prices would prevail.

Second, the ink had hardly had time to dry on his mortgage before the new dealers lowered the tariff through the reciprocal-trade treaties. This was done right in face of the fact that Candidate Roosevelt in 1932 had assured the rural people of America that he contemplated no reduction of tariff on farm products.

Third, the new dealers then instituted the program of starting up new farmers. Thousands of new farmers were set up in business with a 100-percent subsidy from the United States Treasury to compete with farmers already on their farms. Many of these people were taken from the relief rolls and set up in business against the regular farmer.

Fourth, The new dealers then started a program of controlling surpluses by buying surplus food to hold up agricultural prices. They spent \$66,000,000 in 1 year to hold up agricultural prices—at least they claim that this helped materially in holding up prices—and then they turned around and imported as high as \$868,000,000 worth of competitive agricultural products that could just as well have been raised on the farms of our country. That's the story.

The criticism leveled at the manner in which the present administration has concentrated on production control as a cure-all for the farmer is well warranted; the suggestion made by these critics appears to me to be well founded that more attention be paid to, and that the emphasis be shifted to, marketing of the commodities produced.

#### MR. PEEK SAYS

I agree wholeheartedly with the remark made by your own George Peek when he said, in this connection: "We must replace theorists with realists, inconsistency with consistency, incompetency with ability, fiction with truth; and the time is now."

#### ILLEGAL TRADE TREATIES

Under our standard we do not expect the Government to support trade; we expect trade to support the Government, so I am opposed to the reciprocal trade treaties program as now constituted.

They are not in law worth the paper on which they are written, because they were negotiated on the basis of an alleged law in itself in direct contravention of the fundamental law of this land. Trade agreements, they call them; under whatever name, they are nevertheless treaties, the negotiation of which by the State Department's agents, functioning wholly outside the Constitution, under a delegated power that is not susceptible of being delegated, even though allegedly authorized by an act of Congress. I believe such activity to be contrary to the provisions of the Constitution, where it states that: "He (the President) shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

#### MR. O'NEAL AGAINST JUSTICE PINCKNEY AND SENATOR BORAH

Even Mr. O'Neal, of the National Farm Bureau, cannot sweep aside that provision, for "the Constitution has declared that whatever amounts to a treaty, made under the authority of the United States, shall immediately be supreme law. It embraces all the varieties which it could be supposed this Government could find it necessary or proper to make or it embraces none. It covers the whole treaty-making ground which this Government could be expected to occupy or not an inch of it." So said Mr. Justice Pinckney, one of the greatest statesmen and jurists this country ever knew, in discussing the making of a commercial treaty with Great Britain.

The late Senator Borah said: "These so-called trade agreements are treaties. They ought to come here for ratification; and if the Senate had any regard whatever for its constitutional rights and duties, they would come here."

So much for the proposition with respect to the illegality and unconstitutionality of the trade agreements as they have been ne-

gotiated and as it is proposed still further to continue their negotiation. They are not reciprocal. They are not legal. They are provocative of and not a panacea for war.

Our primary obligation is to put our own national house in order and by restoring our own balance to reestablish our great social groups. By so doing we shall make our best contribution to a sane and realistic internationalism.

#### EUROPE'S MADMEN

Europe today is a seething, boiling pot of war; a maelstrom of diplomatic intrigue and connivance; a center of secret treaties and negotiations; the home of the maddest men of all the ages. Why should we undertake to make contracts with them? Why should we dare to enter into alliances with these maniacs?

#### A NATIONAL SELL-OUT

As a national sell-out "down the river," the trade treaties heretofore negotiated take the gold medal offered for idealistic, impractical, governmental, theoretical economic effort. Carried away by their enthusiasm for what is right and good, too many people in these United States have been hypnotized by the words and the voices which have proclaimed the potentialities for recovery and relief and international good will supposedly inherent in these trade treaties.

#### GREED, GOLD, AND GLORY

Every attempt which has ever been made for territorial acquisition and expansion has had its origin principally or in part in the greedy grasping for trade that was to "follow the flag" and the profits to ensue.

Greed for territory, for gold, for gain, and for glory is at the bottom of this war-worn world's troubles.

In trade agreements heretofore negotiated since the beginning of time and in trade agreements hereafter to be negotiated with their concomitant ramifications will always be involved man's irrepressible greed and the cause for most of the ills which the world has suffered and will have to endure.

#### TABER, OF THE GRANGE

As Mr. Taber, of the Grange, told the Ways and Means Committee the other day, it just doesn't make sense to pay hundreds of millions of dollars annually to American farmers to reduce acreage and production and then enter into trade agreements with other nations to make it easier for them to swamp and glut our markets with competitive commodities.

No; it does not make sense, but it makes about as much sense as much of the New Deal program has made. It will not be difficult to winnow the good of the New Deal from the bad, though the job will be like the historic story of the farmer who undertook to sift three good kernels of wheat out of the bushel in which the rats had nested for 6 years.

#### CUT A MAN'S THROAT TO STOP THE NOSEBLEED

As a panacea for and preventive of war, trade treaties work out just as efficaciously as between nations as does the idealism and good intent as between individuals, when it is deemed best to cut a man's throat in order to stop his nosebleed.

#### WOMAN'S PART AND RESPONSIBILITY

The pages of history record repeatedly the large and important place that woman has occupied in the concerns of states and nations. Not only has she played a most conspicuous role in shaping the judgments and opinions of those in authority; not only has she been a dominant force in giving poise and direction to kings and rulers, but now and again she has occupied a more conspicuous place in governing and controlling directly the aims and actions of great nations.

In America, under popular government, women have risen to the highest plane they have ever occupied in human history. This is not an accident. It didn't just happen. It is a byproduct of American civilization. America has given you opportunity—has given you the same freedom as men. It gives you the same rights; it gives you the same voice in public affairs; and I tell you women this struggle against un-American doctrines and programs is your fight, and you will have to carry your share of the burden if the battle of the century is to be won. We have just commenced to fight.

The plain people of this country; the real women and men of this country; the great body of decent, hard-working Americans, who have no hope of being either famous or rich, but who love their homes, are proud of their families, and are anxious, above all things, that their children should make more of the opportunities our free competitive system affords, must all wake up to a realizing sense of the situation which still confronts them.

I do not want any grandson or granddaughter of mine to grow up in a United States of America in which he or she has traded his or her self-determination and individual initiative for the comfort and guaranty of a full stomach—for that every convict enjoys in a modern jail.

As someone has said, you haven't kept your nose to the grindstone and laid awake nights figuring how to save another few dollars and put it where it would do your children and grandchildren the most good, so that demagogues could put it all in jeopardy by buying the banks, the railroads, the corporations, the farms, the slums, the unemployed, and the unemployable into dependence upon their fancy, and into fealty to their tinfoil crowns.

Millions—yes; billions—of dollars, representing wealth dug from the earth and wrested from the sea, brought to public treasuries by the tax gatherers, was, and still is being, and, if the President carries out his announced intention, will continue to be, wasted



in an unprofitable expenditure—in an attempt to create a prosperity as unreal and as unsubstantial as the dreams of an opium eater.

The gigantic debts so already created will bear down and burden generation after generation yet to come.

Now the women of this country should be interested, disturbed, and aroused, for they have the first claim on most of the wealth of this country. They own 40 percent of all residential and farm real estate, 65 percent of all savings accounts in banks and elsewhere, and are the beneficiaries of 80 percent of all the outstanding life-insurance policies in this country.

They are faced with the fear, and should be impressed with the fact, that the value of their property and income will be largely destroyed, as it is being, through the heavy taxation now and which has been recommended, and by the theories, crazy as they are, of redistribution of wealth and income which characterize the New Deal.

#### WHAT DO THE MOTHERS THINK?

The mothers of the country know that spending just does not make prosperity. It only creates a greater necessity for more relief. They know that ridiculing our traditions teaches their children disrespect; teaches their sons and daughters to be lazy and spend-thrifts, and disrespectful of lawfully constituted authority. They do not like it—why should they?

#### A REAL REPUBLICAN PROGRAM

It has been said, and truly, that the American people over the years have enjoyed a greater and progressive diffusion of wealth, greater comfort, greater security, greater educational opportunities, and a higher standard of living than average men and women at any time, anywhere. These accomplishments are due, not to the wisdom of princes and rulers, but to the virtues, character, and energies of the people themselves, living under Republican administrations for the most part; and therefore a system of government that brought unlimited opportunity to all men. Because this is true, the Republican Party now opposes all changes in the form of our government which would, or will, or can retard continued progress and advancement. It stands for a return of a constitutional form of government. It is unalterably opposed to the continuance of or the creation and concentration of bureaucratic despotism and further experimentation in government at the taxpayers' expense.

In its 12-point program formulated and enunciated last session, the Republican Party developed a national program for economic recovery, an American platform, which shall confine the Government to its proper functions under the Constitution and insure preservation of the American system of free, private enterprise.

Such a plan and such a program the Republican Party, through its representatives in Congress, has over and over again outlined in detail, involving the balancing of the National Budget; the revision or the repeal of the capital-gains tax and the undistributed-profits tax; the establishment of just relations between capital and labor, insisting upon constitutional guaranties of the rights of person and property, the right of the worker to work, of the owner to possession of his property, and of every man to enjoy in peace the fruits of his labor; opposition to New Deal's Government policy of competition with private business and private savings; favoring a competitive system as against either private or governmental monopoly.

It has stood for State and local control, home rule, and local self-government; for a reduction of the amount of taxes, Federal, State, and local, which are responsible for the notorious spread between the prices paid farmers and the prices paid by consumers for their products.

The Republican Party has insisted that food, fuel, clothing, and shelter shall be provided, as shall useful work; that it shall be done economically to encourage individual self-reliance and the return to self-dependence.

The Republican Party proposes to continue to undertake to preserve and to rely upon the American system of private enterprises and initiative which carry the priceless condition of liberty and the dignity of action.

It has been well said—and it may be said again—that this Republic is founded on inalienable liberties. It is dedicated to the dignity and personality of individual men and women. It is consecrated to truth, justice, tolerance, and mercy. These liberties and obligations are inseparable. If political freedom, intellectual freedom, or economic freedom are any one of them undermined, all the others will fall.

These high purposes of this Nation are being undermined by the policies now pursued at home and by alien theories from abroad. Our first great mission is the preservation of these principles.

Today economic progress is being paralyzed. That destruction is the destruction of social progress. The imperious necessity of America is to restore economic productivity and thereby jobs for men. That alone can support our humanitarian aspirations. For social progress in care of the aged, the young, the ill-fed, the ill-clad, the ill-housed there must be parallel economic strength. Economic restoration is our second great mission.

We are the living custodians of the torch which fell from the hand of Abraham Lincoln. We may again rekindle the heart and mind of America with the glow of hope and promise for the future. Never since Lincoln has a political party faced such an opportunity for a service to a great people as now confronts the Republican Party.

## The President Admits the Way Has Not Been Found To Spread Employment

### EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1940

LETTER FROM HON. FRED L. CRAWFORD, OF MICHIGAN, TO PHILLIP S. ROSE, EDITOR OF COUNTRY GENTLEMAN

Mr. CRAWFORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I herewith submit a letter which I have mailed to Mr. Phillip S. Rose, editor of Country Gentleman, in which I offered comments on the articles by Mr. Allan W. Rucker, a reprint of which, under the caption "What is essential to prosperity" Mr. Rose recently mailed to the Members of Congress.

The fluctuating but more or less chronic disparity between farm and industrial prices with all of the consequent damage to our economy and particularly to our farm people has seemed to me to be very largely, if not almost entirely, traceable to monetary difficulties and to be related as cause rather than as effect to the development in industry of rigid administered prices and arbitrary hours and wage rates arranged by collective bargaining. It is worth while to have brought to the attention of the chronically clashing land-holding and labor-organizing groups the fact that security of income and standards of living goes not with short hours, reduced production, and high wage rates but with high rates of production and security of farm income through fair farm price levels. Only last Saturday the President, in addressing the National Citizenship Institute of the American Youth Congress, pointed out that in his opinion it is cheaper for most factory managers to work people overtime and pay the increased wage incident thereto than it is to put on a double shift. The President also observed that we have not yet found the method of spreading employment to more people when good times come. From this I can only come to the conclusion that the President now admits that his Wages and Hours Act and the Wagner Act have not attained their objectives and never will. The fact the acts have not accomplished what was claimed they would is no surprise to me.

The purport, as I see it, of Mr. Rucker's discussion is to stimulate thought along the line of greater production and more security of farm income. I trust that my criticism of his way out as being inadequate will prove to be of some constructive value toward attainment of that economic balance and prosperity which is the claimed objective of even the mistaken measures which he shows to be actually inimical to prosperity.

WASHINGTON, D. C., February 6, 1940.

PHILIP S. ROSE,

Editor, Country Gentleman, The Curtis Publishing Co., Independence Square, Philadelphia, Pa.

DEAR MR. ROSE: This will acknowledge receipt of the circular letter of January 24, together with your booklet containing an article in two parts written by Allen W. Rucker.

Let me thank you for the pamphlet dealing with what Hansen, of Harvard, and other economists are calling "dispersion" of price levels. It is heartening to a legislator, I assure you, to see the people of the world behind him making an earnest effort to aid in answering this as yet unanswered question which Mr. Rucker poses. I say poses, because it seems to me that he has shown, not what is essential, but what is inimical, to prosperity. I would like to suggest that you write Professor Hansen for a copy of the paper he read at the holiday meetings in your town of Philadelphia on this question, in which he argued cogently the need, not for flexibility in factory prices, but for inflexibility in farm prices. He may not have the answer, but his argument is worth considering.

There seem to be two sides to all prices and price problems, with few people capable of thinking at the same time in terms of both sides; that is, in terms of two variables. As a member of the Banking and Currency Committee, I have had to think of the other

side of prices, namely, the multifarious effects of money. I am enclosing a chart, prepared at my instance by the Bureau of Agricultural Economics, which suggests that the relation between money supply and grain prices is far closer than that between grain supply and grain prices. My discussion of this chart appeared in the Record for May 4 and is extended in debate on June 8. This farm-price problem is discussed in its more technical aspects in correspondence with the Bureau of Agricultural Economics, which I published in the Appendix of the Record, volume 84, page 2891, and which I hope you and your author can find time to read.

I do not wish to be understood as arguing that this chart proves what should or can be done to money supply to control farm-price parities. It strongly suggests the validity of some such development, however, and definitely refutes the theory upon which domestic production controls are based, namely, that "surpluses" determine farm prices in the final as well as the superficial analysis. Mr. Rucker's statistics also disprove the validity of the New Deal, especially in its labor laws. I have voted against all of the acts listed.

But however useful in refutation of fallacies, no soundly trained statistician ever claims that economic statistics can prove anything. They are necessarily very superficial and deal only with sequences which, as Marshall and many other thinkers have pointed out, are seldom causally significant. They are characterized by hindsight rather than foresight, and cannot be "extrapolated," i. e., made the basis of sound analysis upon which predictions can be made or legislation based. Disraeli's trenchant retort in parliamentary debate always recurs to me where statistics are overindulged in:

"There are three kinds of lies—white lies, damned lies, and statistics."

Let me ask your writer, through you, has it not occurred to him that the econostrums of new dealing—the "four horsemen"—were not in existence when the real trouble started? Is it not obvious that a do-nothing policy was not only illogical but also politically impossible? And wasn't doing the wrong thing simply the result of failure to do the right thing in the prevention of or in the solution of the problem?

Has not Mr. Rucker adopted as fallacious an argument as have the labor leaders—an argument which he especially assumes is proven by his statistics, namely, that parity prices will develop under a complete laissez faire and would automatically restore prosperity regardless of what is done to attain them? He argues only that they have not been attained. But, as I see it, the specious "trickle theory" of prosperity is as bad when the farmer presents it as it is when the labor leader or capitalist does so. The reader of your article is presented with a dilemma—a choice of evils—for all the alternatives suggested seem spurious, including the author's "way out."

He seems to argue that this wage-fund theory must be right merely because some other theories are wrong. His figures prove to me only that methods adopted have made matters worse, not that this "way out" will correct them. It appears to me he uses the world-market argument inconsistently to suit his convenience. He first contends that world markets determine our prices and yet later avers that our controls of supply or marketing determine world-market conditions. Verily this world market can be made to cover a multitude of statistical sins.

I'm afraid the way out is not a mere matter of statistics or of laissez faire. Not merely an undoing of new dealing but a doing of something which Rome failed to do, will have to be discovered if we are to justify democracy by its works and avoid the fate of Rome and the doom that now hangs over European civilization. These very same schemes, indirect as opposed to purely monetary controls, have repeatedly cropped up in human affairs. To charge them to themselves seems a strange mental aberration—a circular reasoning as to causation. So far as I know it has never yet, here or anywhere else, been possible to get rid of the "new" deals of history and avoid the fate which they held for liberty and freedom of enterprise in the face of lip service to democracy and the forms of the franchise. Why?

And why is it so utterly impossible, it seems, to get students and investigators (like the T. N. E. C.) to appraise this whole situation from the standpoint of monetary influence and control? Is it not a fact that our present dilemma in public debt and the avalanche of gold, is part and parcel of this same problem in price dispersion?

With respect to the relation of money to the problems of an industrial society, there is a peculiar schism of opinion due on the one hand to the universality of money as a factor in all prices and as a consequent universal economic influence, and on the other hand to the essential unreality of money as distinct from the other elements in commerce which we speak of as real wealth. It seems a paradox to hold that an economic factor which has reality only in a numerical sense (money), should have so pervasive an influence as to affect every important social and economic problem of civilization. But if it affects anything at all in our economy, money necessarily affects everything. At this point the skeptic may formally admit this inescapable logic, but will set up the reservation that it must affect everything alike—so what?

But that is precisely what monetary changes do not do. They do not affect everything alike. Students of the subject universally recognize this to be true. Of course, a mere uniform numerical difference would seem to be no effect at all. So the naive idea has taken hold among statisticians that when farm prices change all other prices should change, too, so as to remove the disparity. But

imagine, if you can, what a state of affairs that would bring. The whole platoon should change step because, forsooth, the rookie does.

Obviously, money cannot be made neutral to prices, as it should be, by any such naive scheme as enforced or (hypothetically) laissez faire flexibility. As long as labor is permitted to organize for collective bargaining (and who in a democracy will say them nay?) that will be a factor for inflexibility for the simple reason that unless organized completely and vertically as per C. I. O. theory they cannot absorb shifts in monetary value (price level) by the necessary simultaneous action. Labor groups cannot bring about flexible prices and employment by separate action. Any one of them alone would have to compensate for the whole of any monetary (general price level) shift in order to affect prices materially. In a serious deflation such as frequently characterizes our economy based on a thoroughly unsound bank "credit" system, that would mean, in some cases, an actually negative wage.

The implications of the idea of complete organization, however, of necessity entail an attempt at regimentation and a death blow to free enterprise. No one person or organization can be capable of taking the place of free enterprise in competition to make adjustments which will keep costs down. The failure of the existing order arises, not because of competitive profits but for the lack of them. Our existing system of "lending" fiat "credit" at bank "rates" is ineluctably noncompetitive in the final analysis. In the not distant future, if we continue to import gold, we may be forced to the conclusion that fiat money should be the Government's exclusive business. I here refer to 100 percent reserves. At present, I think you will agree with me that instead of this being exclusively the affair of Government we are operating as if it could be a private enterprise in lending.

An understanding of these reasons for virtually continuous price disparities is, however, no reason for a counsel of despair which holds to the idea that depressions are visitations from on high that must be endured with fortitude rather than met with prophylactic measures. When we realize that most other problems cannot be approached with a proper perspective until the *sine qua non* of neutral money has been attained, we will not have such difficulty in approaching the problems of prices and their control. Even in war, in my opinion, no such totalitarian schemes as are planned for us are requisite. It is not true that democratic ends cannot be defended without the paradox of regimentation. If we cannot, to quote Herbert Hoover's recent article in the Saturday Evening Post, "increase, control, and direct the economic activities of a people without compulsion" in war, that is because we have failed to do so, quite as grievously, in peace.

Sincerely yours,

FRED L. CRAWFORD.

## American Youth Congress

### EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. SPRINGER. Mr. Speaker, much has been said on the subject of the American Youth Congress, which has been in session in Washington during the last few days. The majority of our people believed this organization was properly organized and that their motives were praiseworthy. It is the laudable and commendable task of our people who are unemployed to seek jobs, in order that they may enjoy the fruits of their labor. This plan of this organization is to be commended.

However, when this organization joined with one group, which is notoriously communistic, and after that knowledge became public, it should have taken immediate steps to withdraw from such an unholy alliance. That it did not do. When a very few of the members of this organization sought to introduce a resolution before the convention condemning Soviet Russia because of her unwarranted attack on Finland, these members were forcibly ejected from the convention hall. When a large group of this organization visited the session of the House of Representatives, as the guests of the House, they hissed and otherwise indicated their contempt for the orderly procedure of that great lawmaking body. All of these acts give the real character which this organization bears.

The vast majority of the people in our Nation are unhesitatingly opposed to any organization which in any respect will countenance any policy or group which would either



advocate or stand by supinely and hear discussed the overthrow of our form of government by force or violence. If the American Youth Congress, or any other organization, proceeds upon any such unholy policy as it has indicated by its own conduct, then the time has come for governmental action to stop such groups from further progress in our Nation.

Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a very brief but interesting editorial which appeared in the Indianapolis Star, of date February 12, 1940, which I hope each Member of the House will read; the editorial is as follows:

CONDEMNED BY OWN ACTS

A majority of the American Youth Congress once more has given evidence that it is not hostile to communism. That attitude is so outspoken it should make little difference whether the organization is a Communist "front" or actively allied with the subversive agents of alien heresies. A number of apologists may attempt to persuade the public that the Youth Congress is composed of "nice boys." So far as normal citizens of this land are concerned, the congress reflects a malevolent influence in our national life.

The congress previously had declined to accept criticism of Soviet tyranny and had devoted much of its energy to denunciation of the Dies committee, which has been doing such a good job in exposing radicalism throughout the United States. The latest evidence of its attitude was the forcible expulsion from a Washington session of two delegates who protested against the Soviet invasion of Finland. The two members sought to introduce a resolution "condemning the rape of Finland by Soviet Russia." They were unceremoniously ejected from the hall.

A critic of the organization pointed out that at previous sessions it had denounced the invasion of China, Spain, Ethiopia, Czechoslovakia, and Austria. The aggressors in those wanton acts were Fascist nations. When Finland was attacked by the Soviet dictatorship the Youth Congress had no word of protest against the barbarous assault launched by Communists under Comrade Stalin.

## An Appreciation of the Late Dr. Herman Oliphant

### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

LETTER FROM EUGENE KELLY

Mr. COFFEE of Washington. Mr. Speaker, the late Dr. Herman Oliphant was one of those public officials who kept his light under a bushel and who was content to labor in the vineyard substantially in the category of one who is unwept, unhonored, and unsung. Too late credit has been given to this great man, who truly was a veteran in the New Deal's struggles to bring America out of the chaos of hard times. In the Washington Star recently there appeared a beautifully written appreciation of Herman Oliphant by Mr. Eugene Kelly, a former newspaperman. Because there are many Members of this body who knew Mr. Oliphant well and were very fond of him, and because the readers of the CONGRESSIONAL RECORD throughout the country may not be aware of the great work he performed, by permission of the House I append the article hereto:

[From the Washington Star]

REVIEWS WORK OF HERMAN OLIPHANT

To the EDITOR OF THE STAR:

This month marks the first anniversary of the death of Herman Oliphant, who laid down his life for the New Deal January 11, 1939. The Indiana farmer boy, born 54 years ago, struggled for an education and rose finally to the position of General Counsel of the Treasury Department, in which capacity he served his country and his fellow man with enthusiasm and success.

Oliphant was no ordinary man, and when the history of this era is written, his achievements, now little known to the general public, will receive their due credit. There was very little of the early New Deal fiscal program, drawn up quickly to avert a national crisis, in which he did not play a part. Some of his proposals met with success and today are an integral part of our national laws. Others met with defeat, notably the undistributed-profits tax, which was scuttled soon after his death.

It is no figure of speech to assert that he gave his life for the New Deal. That is virtually a medical fact, which can be attested by physicians who cared for him during his last days. The type of cardiac ailment which brought about his death is clearly traceable to overwork, exhaustion, and worry. He personalized, unfortunately, the entire New Deal program. He was warned repeatedly by friends and physicians to call a halt to his unreasonable labors.

We ourselves can report the many sleepless nights he experienced following long days at the Treasury, of the trials and tribulations besetting his efforts to make this a better country, and of the persecutions launched against him personally in an effort to discredit his proposals. Despite the cries of his enemies, and they were many, he never advocated wrecking our national economy.

On the contrary, Herman Oliphant made superhuman efforts to protect the major props of capitalism. Like thousands of intellectuals, he could not understand people starving in the midst of plenty, men walking the streets looking for work and the undeniable maldistribution of national income. These were economic mysteries which he attempted to solve as General Counsel of the Treasury Department.

An incredibly shy man, reticent, mystic, and ascetic in habits, Oliphant was little understood and therefore grossly maligned, even by the well-meaning. He was reputed to be variously a new dealer, a Communist, a Socialist, a radical, a conservative, a sort of economic ogre awaiting the opportunity to gobble up Wall Street. He was believed to be the New Deal Machiavelli, his crafty hand guiding the destinies of the country to certain collapse.

He was none of these things. He was merely attempting to avert a calamity, and his whole thought was predicated on a program which would fit in with the pattern of American democracy. He was the most unselfish man in public life this former reporter has ever met. He spurned riches. We have seen contracts running into thousands of dollars annually which he could have had with the nod of his head. He preferred to carry on his work at the Treasury where he believed he had a better opportunity for public service.

He was literally frightened by newspapermen, and his name in the paper or references to his work worried him for days. With the exception of Bob Allen, he never got to know reporters.

With his death the New Deal lost one of its best soldiers. Liberals of every tinge may well pause in tribute to Herman Oliphant, who dropped from their ranks 1 year ago. Even in the contemplation of his death there is one consolation: The machinery he set in motion is still going forward. Or is it?

EUGENE KELLY.

## Lincoln Day Address

### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. LUCAS. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address by the Honorable James A. Farley at the public exercises of the Mid Day Luncheon Club of Springfield, Ill., commemorating the one hundred and thirty-first anniversary of the birth of Abraham Lincoln, held in the auditorium of the high school, Springfield, Ill., on February 11, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is an honor to talk about Lincoln at any time, and it is doubly an honor to speak of him here, in the section from which he came. I am not going to presume on the opportunity. Many men have spent their whole lives studying and writing about Lincoln. I know very well that I could not add to their efforts. So I hope, instead, you will let me talk for a few minutes about a very great man, who for years has been a guiding star in many of the problems with which I have been confronted.

One of the proofs of Lincoln's greatness is that he does have something to say to everyone, high and low, rich and poor, no matter what his occupation. Most of us who have briefly emerged in national affairs will swiftly pass. Great men do not pass, and Lincoln is one of these.

I myself am very glad that his old associate and friend, William Henry Herndon, who was angry at seeing Lincoln made into a legend, decided to try to collect the material which would paint a picture of the man. Herndon, you remember, had known him as a country lawyer, a neighbor, a politician, a district worker, a job seeker, and a friend. It was his simple faith that the more people knew about the real Lincoln, the greater he would be.

For this reason, Herndon spent the latter years of his life in bringing together everything he could find about Lincoln, good or

bad, big or little. As a result we have, not a picture of an angel in a church window, but a knowledge of the man, great enough to give inspiration to every American; a Lincoln so human that every one of us feels he has had him for a friend. Not many men in history could pass that test.

A famous New York newspaperman, Don Seitz, used to spend much of his time outside his job in studying Lincoln. At the close of many years' work of this kind, he made this statement: "I would have Lincoln freed from all the sentimentality that has enmeshed him, from the embraces of the sob sisters of fiction and those who try to tie him to romance and religion, to stand forth coldly and clearly in his highest form as an American politician of the first rank."

I do not know that Lincoln's principal significance is as a politician, but that was certainly one of his great contributions, and it is worth thinking about a little in these times.

There is a striking contrast between the view which was held about Lincoln while he was alive, and the personality which has emerged since his death. It is not easy for us today to believe that Lincoln was pictured in his lifetime as a weak man. It was said that he did not follow a clear line of policy; that he wavered; and that he was dominated by stronger men around him. It has taken a good many years for the history books to make us realize that none of these judgments, which were freely passed by his contemporaries, was even remotely true.

Being a first-class political leader, Lincoln had the wisdom to call in and consult all sorts and kinds of men. Again with fine political instinct, he frequently allowed his visitors to believe that they were really initiating the policy of the country. More than one man of the period published his diary or papers, and showed that he was laboring under the delusion that he, and not Mr. Lincoln, carried off many of Mr. Lincoln's best strokes. Only later, as the whole truth comes out, have we discovered that it was Lincoln who made the policy, though he was humble enough and adroit enough to allow lesser men to believe that they were running the Government.

Somewhat the same thing was true of his alleged indecision. We know today that he was constantly calculating the political support needed to bring the Union together. He was constantly trying to bridge the wide gaps between all sorts of groups. Each one of these groups thought they had the only method of saving the country, yet Mr. Lincoln knew that if the country was to be saved he needed to get them all working together.

This, I think, explains a good deal of the misunderstanding of the time. What seemed like hesitation then, we now know was really a long and carefully thought out campaign to bring group after group nearer to common ground, and on that common ground to build the political structure which enables a democratic government to function. It was politics, if you please. It was cruel to the President, but it saved the country.

And today, 75 years after his death, we honor the man who was great enough to think out that political structure, humble enough to permit other men to take the credit for it, and brave enough to stand, without complaint, the endless amount of criticism and abuse which it aroused.

This is a model worth following; and it is worth remembering when loose tongues are raised against the people on whom falls the burden of carrying the country through difficult times.

Mr. Lincoln is frequently thought of as a war President. Yet the policy which has made him great in American history was his persistent use of political methods. He was convinced that wherever political measures could be used, force might be avoided. He stuck to this both before, and in the middle, and at the end of the Civil War.

Politics, as he practiced it, was a means by which people are brought to agree on a line of action; brought to agree in numbers great enough so that the policy can be carried out. He was no stranger to all of the means that were used at the time. They were, in fact, much the same means as those which are used today. Politics has not changed in the past 80 years except that, I really believe, it is cleaner and less devious today than it was then.

So we find Lincoln endeavoring to make political compromises, rather than to force the issue which led to the Civil War. He differed on the point from many of his colleagues and rivals. Seward, capable New York politician, had taken a position which represented the opinion of New York, but did not give enough common ground on which the entire country could stand.

Lincoln's anti-slavery sympathies were certainly as strong as Seward's. But when he made his famous campaign in 1860, he was careful to emphasize those elements which would hold the country together, rather than those which would split it in two. Let me be bold enough to risk a theory of my own as to the history of that period.

It seems to me at least possible that if Lincoln had taken office immediately upon his election in November 1860, instead of having to wait until March of 1861, Civil War might possibly have been avoided. The reason I think so is this.

Passions were running high in 1860, and the only chance of avoiding the Civil War lay in bringing together, by political methods, the moderates both of the North and of the South.

But during the months between election and inauguration, a President-elect cannot do very much to guide political movements. He is obliged to leave the hold-over President as free as he can; and President Buchanan seemed obviously unable to handle the situation.

Lincoln was doing his best to see that the extremists in the North did not force matters to an impossible point; and he was trying, so far as he could, to establish contact with the more thoughtful

southerners, who realized the dangers which would come from forcible uprising. Actually, the moderates in both the North and the South probably were a majority.

Yet the people who were making the most noise were the extremists. On both sides of the Mason and Dixon line they were building up hatred, at a time when Lincoln's policy was to build up understanding. Until he actually reached the White House there was not a great deal he could do; and during that fatal period emotions were being aroused all along the line. If ever we needed Lincoln the politician, it was then.

No one can prove a historical "might have been"; but having had some contact with politics, I really wonder whether Lincoln's very great gifts in handling politics and politicians might not have been able to bring about a solution by political methods instead of by war.

There is a lesson to be learned from this. Today we can go over the history of that period and we can see that the extremists on both sides were probably wrong. We know that Lincoln was not the uncouth and brutal figure which some southern hotheads made him out. The southern group who felt so bitterly obviously were sincere and thought they knew what they were talking about; and yet they were dead wrong, and history proves it.

Those northern extremists who thought Lincoln was a floundering weakling were equally mistaken. Because he did not press for immediate reform, they believed him a failure. On one occasion the New York Times actually proposed to replace him with a dictator. Today history has shown that they were as wrong as their southern counterparts.

Perhaps we—all of us—will be a little more humble and a little better advised if we take the lesson to ourselves. Bitter feelings are not unknown in politics today. We do not have to go back to the Civil War to find people who feel strongly about national affairs, indulge in personalities, and very sincerely believe evil of men without reason.

Intolerance, as a political weapon, has been used in connection with issues other than that of slavery. If we remember the lesson of the Civil War—a lesson which is better taught by the life of Lincoln than in any other way—all of us may be protected a little against our natural inclination to feel violently and talk violently.

All of us may realize that we do not always know the whole truth, and that sometimes it is wise to suspend judgment. All of us in time may even learn to feel that the men who are trying for a common agreement are usually safer guides than the men who are trying to make divisions or stir up hostility.

As a man, I think the use of hatred, and of intolerance, and of evil stories, is plain wrong. As a man in active politics, I have an added dislike of that kind of tactics. The reason is simple. These weapons make it impossible for men ultimately to agree; while it is my job in politics to try to find ways by which they can agree.

Lincoln's doctrine was that democracy would be impossible if nobody ever agreed, and particularly if a minority felt that it could break ranks and go its own way when political decisions had been reached. This is as true now as it was in his time.

Consequently, I know, as one active in politics, that if issues are not discussed on their merits but on personality, if any political group tries to stir up hatred, and, of course, thereby provokes hatred on the other side, or if resort is had to the tactics of abuse, it becomes extremely difficult for these groups ever to agree again.

Men tend to repay hatred with hatred, or insult with insult; and if that process is allowed to go on, it becomes impossible for them finally to cooperate in carrying out any course of action. And yet, in a democracy like our own, our entire national life is a vast cooperative scheme. To the technical politician, extremism is not only a crime, it is a blunder.

I think Lincoln taught us this, and though from time to time some may forget, the country as a whole has learned its lesson. It cost us the life of our ablest and noblest statesman. But I think that if he were to come back today he would say that the sacrifice was not in vain.

Elsewhere we see a world tearing itself to pieces as group fights group, doctrine clashes with doctrine, and nations war upon nations. Nevertheless, the United States has steadily preserved the ideal of good will, of moderation, of justice. Even in our wildest political conflicts today we do usually remember that there is something to be said for the other fellow's point of view. We do have the tradition of justice to opponents and of generosity to men of opposite political views.

We are able to attack social problems which are often bitter in the extreme, and still find the way of moderate common sense toward an ultimate goal of progress.

Without trying to usurp the place of the historian, I think I may say that we owe this in great measure to Abraham Lincoln. Indeed, I think it is not impossible that Lincoln himself hoped that this might be one result of his life's work. His second inaugural address, which contains, as you remember, the famous words, "With malice toward none; with charity for all," was itself a plea for greater understanding.

Thurlow Weed, a politician of the time, wrote him a note of praise. Mr. Lincoln's answer is not as well known as is the second inaugural address; but what he said was this:

"Thank you for yours on the notification speech and on the recent inaugural address. I expect the latter to wear as well as—perhaps better—than anything I have produced; but I believe it is not immediately popular. Men are not flattered by being shown that there has been a difference of purpose between the Almighty and them. To deny it, however, in this case is to deny that there



is a God governing the world. It is a truth which I thought needed to be told, and, as whatever of humiliation there is in it falls most directly on myself I thought others might afford me to tell it."

This was Lincoln anticipating the coming peace, and trying to bring back the state of mind and the political attitude which would make real peace possible.

He was engaged in his last and greatest attempt to bring this about, and to reunite the country, almost to the hour of his death.

Time after time, since then, this country has had its problems and its troubles. Time after time, wild tongues have again been loosed. Yet the lesson of a great spirit and a great man has remained with us to make of this country a union so firm that even the forces of today which are tearing the rest of the world apart find little echo here.

The Union was saved, with God's help, for all time. But the real authors of its salvation were the great spirits, North and South, who followed Lincoln's plan, who cast hatreds aside, and in Lincoln's sympathetic spirit attempted to make the Government a means by which this republic binds all Americans in common brotherhood.

### A New Weapon for Peace Insurance

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ARTICLE BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the RECORD an article by my pen entitled "A New Weapon for Peace Insurance," recently published in Liberty magazine, since our citizens now are particularly interested in the subject of national defense.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW WEAPON FOR PEACE INSURANCE—HOW THE UNITED STATES OF AMERICA CAN HAVE A TRAINED ARMY RESERVE OF 1,000,000 VOLUNTEERS

(By Senator ROBERT R. REYNOLDS)

"\* \* \* We are in an armed world and without ascribing to or suspecting any nation of aggressive designs upon us, we live in a world which is at the mercy of incident."—Newton D. Baker, former United States Secretary of War.

America wants safety and security above everything else.

In a world racked with chaos we look about us for the best means of preserving safety from foreign aggression, safety from treason within as well as from foes without.

We demand security within our own borders in order that we may hold our place among the nations of the world.

Europe bristles with bayonets. Rapid advance in science makes slaughter more efficient. International tribunals are rendered ineffective as peace treaties and international agreements are scrapped with impunity.

We have found that cooperation in pacific efforts to prevent wars is not enough. We have seen the expensive lessons of the lack of preparedness. Our answer to the multifold threats to our security will be made when the concerted will of the American people demands that we have an adequate national defense, with the necessary personnel and matériel to cope with sudden emergency and demand the uninterrupted respect of the rest of the world.

We must, of course, keep abreast of the times in mechanization and motorization. Man, not machines, makes war. The United States Senate munitions investigation revealed racketeering in armaments. We must curb the racketeer in armaments. A decent defense without capitulating to war makers or arms racketeers can be achieved through intensive study and intelligent action.

I should like to make a suggestion for forging a new and invaluable weapon of national defense. This weapon would be the best peace insurance in the world, a weapon which represents the sum total of effectiveness in manpower—a great enlisted reserve augmenting the Regular Army and other constituent Reserve units.

Adequate protection depends upon the ability of trained manpower to utilize effectively the engines of defense. By a properly organized and administered building up of our Reserve units, we can avoid what might otherwise lead to extravagant expenditures for armament and onerous burdens on the taxpayers.

I should like to suggest that an enlisted reserve of 1,000,000 men can be built up out of the Civilian Conservation Corps enrollees, their enlistment to be voluntary.

Throughout our history we have depended on voluntary efforts to man our National Army and to furnish personnel for the reserve units. I am firmly against involuntary militarization of units like the C. C. C. But here is an amazing source of reserve manpower which can be utilized with little effort.

Designed as a relief project, it has been assiduously kept free from any characteristic smacking of militarization. Enrollment, organizing, feeding, and clothing the men are the chief tasks of the Army. Some measure of discipline, by no means burdensome, is necessarily administered.

An educational program under competent advisers gives an opportunity for study and self-improvement which tens of thousands of these lads would never have enjoyed; and after 6 months of work and C. C. C. routine, they are literally as "hard as nails." In military parlance, they are "processed" and would make admirable material for an enlisted reserve.

After the regular enrollment period of 6 months, I would suggest that those who volunteer should undergo an extra period of training for the length of time the War Department deems most practicable. The Army could organize the training time in such a way that various periods are held throughout the year at stipulated camps, and necessary equipment is utilized to the greatest advantage. Such a rotating system of training for the enlisted reserve would also give an additional opportunity for practical periods for the Officers' Reserve Corps which is not now afforded.

We are occupied in a great program of domestic recovery. We are not going to allow munitions racketeers or internationalists to get us involved directly or indirectly with the troubles of Europe or Asia. And the only way to guarantee our safety is to have the personnel in the Regular Army and an active reserve standing ready to back up our words of neutrality. This adequate personnel through reserve units is our new weapon which we should forge in behalf of peace.

### The American Heritage of Religious Liberty

#### EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask to have printed in the Appendix of the RECORD a speech delivered by me on August 20, 1939, on the occasion of the unveiling of a monument presented by the Jewish people of Newport, R. I., to the city of Newport, and dedicated to "The American Heritage of Religious Liberty."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are standing on sacred soil. Two hundred and eighty-one years ago a small band of Jewish families, after a long and hazardous sail from Brazil and the West Indies, entered this seaport and became part of the community which the followers of Roger Williams had founded.

They were poor, weary, discouraged, and disheartened. They brought with them, however, the spiritual values of the religion of their fathers. It was the one influence that sustained them, that gave them hope and courage. Realizing the priceless value of the ancient religion of their forebears, they immediately turned their thoughts to God. And recognizing the great fundamental duty that man owes to the Almighty, namely, worship, gratitude, praise, and prayer, they built on this spot the first synagogue erected in America. From that day to this, persecuted and exiled Jews have continued to find an asylum in every seaport that encircles the territory of the United States of America. Today, in gratitude, those who have succeeded them and their fellow citizens of varying religious creeds are assembled to dedicate a monument to these courageous founders, to the spirit of religious and civil liberty which these early Jewish settlers established here and which has been preserved and cherished to this day.

The message which you have invited me to bring you today cannot be more appropriately introduced than by directing your attention to the quotation from the charter of King Charles in 1663, and inscribed on this monument. There is another inscription, however, that is on one of the public buildings in the city of Washington that I desire to use for my text today. It contains a sentiment that applies both to nations and to men: "God made us neighbors; let justice make us friends."

If every American Protestant, American Catholic, and American Jew could live this sentiment they would not only give public manifestation of the sincerity of their religious belief but we would indeed all really live in the sunlight of American liberty.

The progress of mankind through the centuries has given to us many priceless heritages. Outstanding among them all is what we call religious liberty. Religious liberty in America means that the State guarantees to every individual freedom of conscience; that intermeddling by the civil authority with religious institutions, doctrines, disciplines, or exercises is absolutely forbidden.

It is conceded by all classes of citizens who understand American political ideals that the civil power has wholly distinct functions and must not hamper nor restrain nor interfere with religion. One covers the temporal sphere; the other the spiritual. The state is concerned about the citizen's civic rights; religions make their appeal to God and to the moral instincts of mankind. Whether a man enters a house of worship of one of the religious bodies of the older tradition or the house of worship of a newer faith that is founded but yesterday or whether in his own private house he engages in prayer, all are agreed that the state—the civil authority—may not cross that threshold.

Each man naturally feels strongly about the rightfulness of his own faith, and in proportion as he feels, so he must think that other men with other faiths are wrong. This was one of the defects in the Puritan's philosophy, for, though deeply religious, yet they were unwilling to recognize the religious rights of others.

To a degree we are witnessing today the spirit of 300 years ago, which was a persecuting spirit. It was then abroad in almost the whole world. Today it is abroad in many parts of the world, with even greater intensity than 300 years ago. Today it is called by a different name, but racial discrimination is just as foreign to the spirit of religious liberty as is religious persecution.

Religious liberty is the outgrowth of the long struggle of mankind with religious persecutions. It is the outstanding victory for human dignity and human liberty won by the common man after the centuries he and his children had groaned under a contrary concept of states' right and duty. And no group of human beings has borne the yoke longer and with more cruelty than the Jew.

It is the same spirit of tolerance that achieved religious freedom that alone can preserve religious freedom in the world. Tolerance is one of the last and finest fruits of man's long struggle upward from barbarism to grasp the torch of liberty. Tolerance is a word of healing, the great enlarger of the sympathies and the understanding. When that departs everything departs, and religious liberty and most else besides that we should cherish will be things of the past.

May we not in this day of ease, luxury, and self-complacency take it altogether too much for granted that we shall continue to be fortunate, that ours is a land of destiny, that religious and civil liberty are secure, that our natural resources never will be exhausted, and our genius never dimmed? Yet there are many developments of our time that may well give us concern and cause us to give heed to the need of eternal vigilance.

Who would have dreamed a dozen years ago that in this so-called age of enlightenment we should be witnessing in Germany today a persecution of religion as cruel and terrorizing as in the Dark Ages of bygone centuries?

More and more challenging are the threats of those who will have no king but Caesar. And the thought of what they have accomplished may well give us pause. In this very hour there are millions of people whose only choice is the will of a despot or imprisonment and death. Wherever in the world religion lies crushed today and races are being persecuted, tyranny is enthroned.

Happily we are not threatened with the loss of religious freedom in America, but candor compels us to admit that we are suffering from a substantial loss of religion.

The record of decline in religious beliefs in young men and women in our schools and colleges is but one of many symptoms of religious decline in our Nation at large. We see it in the decline in church attendance and in the decline of religious instructions and training of the children in the home.

The late President Coolidge stated a great truism when he said "the government of a country never gets ahead of the religion of the country." "There is no way by which we can substitute the authority of the law for the virtue of man. The real reforms which society in these days is seeking will come as a result of our religious convictions or they will not come at all."

Some years ago in an address to the people of the Philippine Islands, the late Governor General Wood remarked: "One fact is made plain by the study of history. The first sign of decadence in a people is the neglect of religion." Justice and charity, which are so essential to the peace and orderly existence of a people, cannot survive without it.

The service to society, to stable government, and to democratic institutions that religion can give—aye, must give—by stimulating the spiritual nature of man and nourishing spiritual ideals natural to the human heart is a task ample and absorbing enough for all without nourishing the spirit of intolerance. Let Americans of every faith stop blasting at the rock of each other's religion and approach, rather, the struggle against those forces whose philosophy of life is purely secular or a compound of materialism and greed, of tangible advantage or cynical mistrust of human nature, with a united front. It is in the light of the noble moral forces of justice and charity that religion fosters that our inheritance will be secured, and public order, international law, world peace, civilization rest secure.

Between those assembled here there are differences of doctrine, but here is one point on which all may well agree: That the religious-minded people of this country should be as one in opposing the efforts of those who would make this Nation a godless nation, promote intolerance, or array class or religious or racial groups against each other. Let not our petty jealousies, distractions, backbiting, angry words, enmities, long-continued feuds, unceasing and jarring discords—some of it of Old World origin—longer permit men to look askance at the believer in the Almighty and to look upon the teachings of Christ as unpractical and out of date.

I conclude with the words, appropriate for both Jews and Christians to emulate, of the Apostle John, whom the Holy Scripture states Jesus loved exceedingly, and who was one of the four evangelists. He lived to a very old age, and, indeed, until so feeble that he could scarcely be carried to worship with his fellow disciples. Not being able to make a long discourse, he said at each meeting of the brethren, "Love one another." At last the disciples and brethren grew weary of hearing the same words and said, "Master, why do you always say the same thing?" The answer John gave was worthy of him, "Because it is the commandment of the Lord; do this alone and it is enough." In these words of John we have the solution of all those problems of life which breathe hatred and strife among men and religions and divide nation against nation.

## Canadian Bar Association

### EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. PRENTISS M. BROWN, OF MICHIGAN

Mr. BROWN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech which I delivered before the Canadian Bar Association on January 27, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am indeed happy to come again to Ontario. I pride myself on knowing your beautiful country. I have traveled from the Lake of the Woods on your west to the Lake of Two Mountains on the east. I have seen the blue waters of the St. Lawrence on an early June morning where it borders northern New York and have crossed the St. Marys at Sault Ste. Marie before the end of the same day. I journeyed up the Ottawa, one of the most beautiful valleys in the world, a highway of commerce for 300 years, connecting ancient Mackinac, from whence I come, with Montreal and Quebec in the days of the fur trade. I have seen the rock cairn near Mattawa that marks the course Champlain took when he portaged from the Ottawa to Lake Nipissing and became the first white man to view Lake Huron, in 1615, a country now famous because Papa Dionne sired five babes at one time. I have not been able to do that well, but as the descendant of a French grand pere born on the banks of the lower St. Lawrence at Baie St. Paul, I have been true to the French Canadian tradition and have sired seven sons and daughters, but only one at a time.

I have visited the fair country at the south end of Georgian Bay where Father Brebeuf (he who stood undaunted while savages burned him at the stake and then in their barbarous custom ate his heart to gain his courage), where Father Brebeuf and his Jesuit colleagues founded the ancient missions of St. Joseph, St. Marie, and St. Ignace in the 1630's, predecessor missions to those of the same names a generation later founded in my Michigan, one of which is the city of my birth. All my life I have lived on or near the border line between the United States and Canada. It is the longest boundary line between two nations in the world. It extends approximately 3,000 miles, from Passamaquaddy Bay on the east to Puget Sound on the west. It again extends from the southern limits of Alaska approximately 1,500 miles to the Arctic Ocean. It is a little over a century and a quarter since the tramp of the feet of enemy soldiers was heard on the border between Canada and the United States.

Of course, as I visited your beautiful capital of Ottawa and read the inscriptions there, at Sault Ste. Marie, and elsewhere, which tell what you did to us in 1812, a flush of the ancient schoolboy feeling engendered by the anti-British textbooks of my youth comes to me, but a little contemplation cools me off. I recall a few of our heroics commemorating 1812 and conclude that they about match yours. So I salute your General Brock as he stands so proudly, high above the surrounding trees in Victoria Park, and gazes over the turbulent Niagara, apparently expecting to see an enemy Yankee or two.

When we recall that, with one or two possible exceptions, the boundaries of every country in Europe have changed in the last century and a quarter, some of them many times, an idea of the respect that Canada and the United States have for each other can be gleaned. The simple fact that we have dwelt in peace together is our greatest mutual achievement. We have, of course, a common language and a common ancestry. We have a common literature and our ideals are much the same. To be fair, our accomplishment in peaceful living was easier than that of the suffering nations of continental Europe. However, there was much that tended to make us enemies in the early days of our Republic. Upper Canada was settled in part by those who differed with the colonists who fought Britain in 1776, and that bitterness had much to do with the War



of 1812. It is probable that more American lives have been lost in battle on Canadian soil than on any other foreign soil. But since the Treaty of Ghent our mutual relations have been unmarked by violence; they have been friendly and cordial. No ships of war patrol the blue waters that divide us for considerably over a thousand miles and the only cannon on our borders are the sterile relics of a long-dead past. May the God that rules our common fate ever keep it so.

I am a lawyer speaking to lawyers. I come from a profession which in the United States has played a tremendous part in the Government of our country. Sixty percent of the Members of the Congress of the United States were educated as lawyers. They were practicing lawyers before they became Members of the Congress. To an extent the lawyer in the States has taken the place of the landed gentry in England in government. But 15 percent of the House of Commons of England as constituted a short time ago, and I think is now constituted, are members of the legal profession. While the percentage of lawyers in the Canadian Parliament is not as great as in the United States, yet almost a third of the members of the senate are lawyers and considerably over a quarter of the members of the House of Commons belong to the legal profession. This places a great responsibility upon the members of our profession here. The masters of Europe have often been military men. They have in the large been drawn from classes who have not been trained in compromise, adjustment, and determination of controversies without the use of force, by peaceable means. The western world from Tierra del Fuego to Baffin Bay has seen far less bloodshed, strife, and war than have the sorely tried nations of Europe.

The record across the seas has indeed been a bloody one. I will not even attempt to mention the wars that have disturbed the Eastern Hemisphere in the past century. I make my point by saying that a compilation given to the United States Senate last October showed that there have been 107 wars engaged in by two of the principal European nations in the past 150 years. The sad part of the record is that the first half of the twentieth century indicates that it will be far worse than the nineteenth. We citizens of the Western Hemisphere cannot contemplate this history of slaughter without having the most dismal view of the future of civilization.

It does seem that 2,000 years of the Christian era should have taught mankind the truth of the Golden Rule, but it has not. At least, mankind has not applied it.

Perhaps what I am about to say will not be well received in a country now at war with a powerful and unscrupulous foe, whom the neutral nations of the world quite generally condemn as the aggressor in the present conflict. I know it is most difficult for a people situated as are you to contemplate anything but an imposed peace. In my own country on the floor of its highest legislative body, I have condemned your foe. I have heard many Senators do the same. I have heard a few condemn England but I have never heard one praise Hitler. I believe the overwhelming majority of the American people feel as do I. Why is this so? Much of this sentiment has to do with Canada. Much of it is because we love justice, because we entertain those feelings that are common to right-thinking men and women the world over. The sentiments I express are my own as an individual though I firmly believe they are shared by the great majority of my fellow countrymen. We Americans see no probability of a result that could bring a Hitler dominated government as close to us as are you. Because we have lived for 125 years in peace with you, regardless of any promises that have been or might be made, any treaties that might be entered, our selfish interests dictate that we should continue to have you as our neighbor to the north. The simple fact that we have dwelt in peace and security together swings our sentiment to you. I say these things preliminary to the point I hope to make tonight, to assure you of my own complete friendship for you which I know is the sentiment of the vast majority of the American people. I would also point out that there are other potent reasons why the predominant sentiment of our people is against your enemy in this struggle.

We do not like the present German Government because the ruler of the German people has seized and throttled democratic government in Germany and reorganized a powerful people with the purpose of dominating Europe. Our sentiment is against him because he has cruelly persecuted a Jewish minority. Because he has endeavored to break down religion, to drive out the leaders of the Christian church, Catholic and Protestant alike. Because he has mercilessly bombed Polish cities and slaughtered Polish citizens without cause. Because he has devoured the democratic countries to the south—Austria and Czechoslovakia—against their will. We condemn him because he has plunged an unwilling world into war, unleashed the most contagious passion known to man, and menaced my sons and yours. In short, America is neutral, but is pro-ally in sentiment. This is known to every government in the world but let me again turn to my theme. We are lawyers. We have eliminated trial by ordeal and trial by battle. We have, through the application of our common heritage of the principles of the English common law, substituted justice for brute strength.

I confidently believe that when the next peace conference is held the British Empire and the French Republic will be in a position to dictate the peace. Let us recall a little recent history. I think President Wilson's phrase used before our entrance into the World War—"peace without victory"—was an unfortunate one. I do not want the next peace in the interest of all mankind to be a peace without victory. Justice, right, and morality are on your side. Not only do I think you will be victors—I think you should

be victors. But President Wilson used another phrase which I think among the grandest that have ever been uttered by man. He asked for "peace with justice."

I do not look forward to that peace conference with confidence that such a result can be achieved. A government that has plunged a world into bloodshed, that destroys billions in wealth cannot look after its defeat for justice. Lay aside the human losses for the moment. I saw, a few days ago, a picture in our splendid illustrated weekly magazine *Life* of a great ship with its prow pointed toward the sky rising out of the sea, its stern deep under the surface, just before it slipped back to an untimely death, utterly destroyed, utterly lost forever. I thought of the marine architect who had spent days and months drafting the blueprints, by which the construction was guided. I thought of the toiling hundreds in the shipyard who laid her steel keel, fashioned the giant ribs, and attached the plates. I thought of the inventive genius and skill that brought into being the giant engines that drive her. Of the workman who with pride in his skill gave that extra effort which put into the craft all the beauty that men build into ships that they love. I thought of the sacrifices that men make to supply the capital with which these great ships are built. The picture of that dying ship made an unusual impression on me. The futility of saving, the uselessness of effort were all exemplified in this photograph of this great gleaming ship of steel, mortally wounded by an undersea assassin, slipping beneath the waters. Paltry indeed, however, are losses of that kind compared with the human losses. I shall not take the time to describe them because in the near future they will be brought home vividly to the fathers and mothers, the brothers and sisters of your khaki-clad boys who are now crossing the seas. War indeed is destroying civilization. Your enemies destroyed that ship. Your enemies sadden those homes. Your enemies started the war that might destroy civilization.

So it is with little hope that I can look to a peace conference that will contemplate, after your victory, the cold-blooded destruction which has been brought about because the rulers of Germany demanded this war. I say I cannot look forward with confidence for a fair treatment if such a foe, nor for a just peace. But, Mr. Toastmaster, if such could be the result of that peace conference, it would be the greatest victory civilization has won. If some great character can come out of the vortex of struggle and can lay aside passion in victory, can resist the urge for revenge, can apply the words of Holy Writ: "Vengeance is mine saith the Lord," and can arouse among victorious people a compelling demand for a just peace, he will earn the plaudits of a war-weary world.

I do not exalt my profession above others—the architect, the builder, the engineer, the scientist, or the physician who devotes himself to the alleviation of human suffering and to the saving of human lives. I do not exalt the lawyer above his fellowmen, but I do know that the leadership in this task—this almost impossible task of which I speak, the task of assuaging human passions, of holding back the spirit of vengeance, can best come from the men who have long been trained in the repression of the spirit of vengeance and who have been trained in the task of establishing justice among men. The general public has asked much of the legal trained mind and it has been most generous to legal trained men. We could perform no greater service—and it will have to be a service performed not by one, not by some, but by all of the men in our profession—than to bring about a sentiment for a just peace because that is the only peace that can endure. Unless that kind of a peace is established, your children and my children will come into a world that will run red with their blood. To prevent it is the great task of all men, but the leadership is in those who have established the rule of reason in our domestic relationships. We must banish the rule of vengeance among nations.

### Importation of Russian Gold

### EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a statement by the Senator from Delaware [Mr. Townsend], entitled "Ten Reasons Why I Want to Keep Out Russian Gold."

There being no objection, the statement was ordered to be printed in the Record, as follows:

#### TEN REASONS WHY I WANT TO KEEP OUT RUSSIAN GOLD

(1) Russia is the world's second largest gold-producing country. According to the last annual report of the Director of the Mint,

Russia, in 1933, produced 5,235,909 ounces of gold, which at our buying price of \$35 an ounce is worth \$183,256,815.

(2) The United States gold-buying policy is the chief support of the world's gold market. Without this support, Secretary of the Treasury Morgenthau recently testified before the House Appropriations Committee, the price would decline.

(3) It follows that our gold policy is of major interest and advantage to Russia.

(4) Helping Russia in this way is equivalent to bringing economic pressure on Finland.

(5) Even if there were no Russian aggression against Finland, Russia's unfriendly acts in counterfeiting American currency, in carrying on her propaganda here, in the treatment of our Ambassador when the steamship *City of Flint* was at Murmansk, etc., would warrant our withdrawing from Russia, insofar as possible, the large financial support it constantly obtains as a result of our gold-buying policy.

(6) In any case, we have absolutely no need for more gold. Every ounce of foreign gold purchased swells the excess reserves of the Federal Reserve System, which already stand at the tremendous total of some \$5,500,000,000. The Board of Governors and the Chairman of the Federal Reserve System have repeatedly cautioned Congress about the dangers inherent in that situation.

(7) The Soviet Union is prepared to sell us every last ounce of gold it produces, but it will never accept from us a single ounce of gold. It would be impossible for this country to use any gold at all in buying goods from Russia, because Russia regards gold simply as a commodity which gives it access to our real wealth.

(8) Our gold dealings with the Union of Soviet Socialist Republics are on the lines of a one-way street. The gold we buy from Russia at \$35 an ounce, directly or by way of third countries, cannot be resold by us at that price elsewhere. If we tried to sell even a small fraction of our now colossal hoard of gold (\$18,016,000,000 in all), we could never realize from it the value we have given it.

(9) How our gold policy benefits Russia and Germany was evidenced last week by the reports of the arrival in San Francisco of the Russian steamer *Kim*, carrying only a cargo of gold bars for sale to us, and the almost simultaneous departure from San Pedro for Vladivostok of another Russian vessel carrying strategic minerals.

(10) In 1939 Russia sold us \$25,000,000 of merchandise and purchased from us \$56,600,000 worth. Thus Russia bought here more than twice as much goods as it sold here. The difference of \$31,600,000 was made possible by our policy of buying any and all gold offered here. The Secretary of the Treasury last month told the press that gold marked with a hammer and sickle is just as welcome here as any other gold. He also told the press that he has the power to exclude Russian gold, but does not plan to do so.

### Tolerance

#### EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. W. WARREN BARBOUR, OF NEW JERSEY

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from New Jersey [Mr. BARBOUR] at the dinner of the American Jewish Congress, held at the Mayflower Hotel in Washington, on Sunday night, February 11, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There can be no peace until human beings everywhere recognize the rights of others less fortunate than they or who possess different religions or philosophies to live and work under comparable conditions of comfort and freedom. Tolerance lies at the bottom of the whole problem. Enduring peace will be found only in the doctrine of "live and let live."

While tolerance is in flight, Europe by her recurrent wars piles stone on stone in building the most shocking monument to intolerance the world has ever seen.

Without Hitler, the product and personification of intolerance, the present European war would never have started.

If Stalin and his associates of the Russian Soviet had shown anything less than complete intolerance of religion and the rights of small nations, the Soviet armies would not now be on the march, threatening the absorption of one of the bravest and most tolerant peoples the modern world has known.

Now that war has again engulfed the world, I see no hope of a return of peace without a return of tolerance based on the American pattern. We have in our own population representatives of all of the nations and races now at war, living peacefully side by side. As its latest contribution to peace and tolerance, the West-

ern World has again shown the way for the Old World in the signing of the Dominican agreement for settlement of European refugees there. We are told that ultimately large numbers of persecuted Jewish families will be settled on Dominican soil. They will in time contribute, as elsewhere, to the cultural and material progress of mankind.

The American people and the Western World in general have found the formula for peace. It is built on the sure foundation of tolerance. There can be no peace without it.

### American Jewish Congress

#### EXTENSION OF REMARKS

OF

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. BARBOUR. Mr. President, earlier in the day the Senator from New Hampshire [Mr. TOBEY] inserted in the Appendix of the RECORD the speech I delivered at the dinner meeting of the American Jewish Congress held at the Willard Hotel in this city last week. In the light of the fact that my colleague the Senator from New York [Mr. MEAD] also delivered an address to this Congress at their lunch meeting last Monday, I ask unanimous consent that his speech on that occasion be inserted in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a real pleasure to me that I am able to meet with you today and to join in this symposium on good-neighbor relations in the United States.

This is a fitting occasion, I believe, for all of us to take stock of the liberties we unconsciously enjoy as American citizens.

We believe in democracy, but sometimes we blind ourselves to its full significance. We believe in defending the right of man to follow the dictates of his conscience, but sometimes we are led astray by false and misleading dogmas. We subscribe to a philosophy which permits and encourages freedom in personal and public life, but sometimes we find ourselves applauding the glittering but deceptive doctrines of the demagog who seeks personal power rather than the public good.

If we will keep firmly in mind that our liberties under this Government embody freedom of speech, assembly, press, radio, and religious expression; freedom in government, in home life, and in the everyday pursuits of happiness, we will never be misguided into alien or antidemocratic ideologies.

American citizenship stands for the enthronement of law and equity, for the preservation of representative government, for the right to individual freedom, for the redemption of the oppressed, for the education of the poor and the unfortunate, for the establishment of free institutions, and for the protection of life and property. That is our heritage as citizens of this Republic. It is our sacred responsibility to preserve that heritage for future generations.

Let us not make the fatal error, however, through a sense of smug satisfaction, of closing our eyes to the fate of less fortunate peoples elsewhere in the world. Due to the modern means of swift communication, we live today in a shrunken world, and we cannot isolate ourselves from our neighbors across the seas. We can insulate ourselves against pagan and oppressive practices of government which prevail in other lands, but we cannot blind ourselves to the existence of those practices.

Today in Europe, as war rages, the ugly clouds of prejudice and bigotry have once more gathered, and into this unhappy vortex helpless minorities have again been cast. Chief among these defenseless minorities are people of the Jewish faith. Stripped of their earthly belongings and denied their personal liberties, they are faced with persecution from within and with closed doors from without.

As American citizens we cannot look upon this tragedy with callous indifference. To do so would be repugnant to our ideals of equality and liberty. To ignore the seriousness and implications of this problem would be to deny the lofty sense of justice inherent in our democracy.

Bigotry, prejudice, and persecution are repulsive to us. Since the beginning of this Nation this has been a haven of refuge for the oppressed of other lands. Here we live in peace and in fraternalism with our neighbors. All races, creeds, and colors can find advantage and opportunity, equality and independence, dignity and happiness within our shores. The preservation of those rights and privileges has been made possible under our free system of government. Political, social, and religious difficulties abroad should



make us even more deeply appreciate and cherish the liberties that are ours to enjoy.

Speaking of good-neighbor relations in this country, I call to mind the words of Rev. Father Maurice Sheehy, of the Catholic University of America, some months ago. Father Sheehy dwelt upon the statement of the recently deceased pontiff, Pope Pius XI, who, speaking for the membership of the Catholic Church, declared "We are Semites spiritually." Father Sheehy voiced the sentiment of the tolerant Christian when he said: "As a Catholic, I salute the Jew as my spiritual ancestor, who preserved belief in one God in hard cruel times—who worshiped and who still worships the true God. We Catholics must then be both spiritually Semites and spiritually Christian, and no heart is Christian that harbors any hatred or ill will toward anyone. That explains why from time immemorial the Popes have so frequently and fiercely condemned anti-Semitism. In America we all, Catholic, Protestant, and Jewish, have learned to live side by side in peace and understanding." "But," he warned in conclusion, "there are forces operating in our day to arouse racial and religious animosities. We must strive diligently to get at the causes of this intolerance and to eradicate them, since they have no place in the American way of life."

Father Sheehy was right. Whether it be the Episcopalian in New England, the Catholic in Louisiana, the Latter Day Saint in Utah, or the Jew in Manhattan, their common hope and objective must be the preservation of brotherhood among men, of personal liberty, and of the guaranties of religious freedom.

While we dine here today under a circumstance of happy accord, there is a heaviness in our hearts because today in Europe another tragic chapter in Jewish history is being written. Again the Jew takes up his weary pack and he searches once more for the peace and contentment he loves. His heart is the sorest and his way is the hardest in a world gone mad with lust for war.

The Jews in America are honorable, self-respecting citizens. They have contributed vastly to America's free institutions and to the privileges we now all enjoy. I think that today we should dedicate ourselves to the principle of increased brotherhood and neighborliness, and that we should extend to our European brothers the sympathetic hope that the cruelties of persecution and intolerance may be of brief duration.

When the codes of religious, social, and political morality are violated by any system of government that constantly shows its disrespect for human liberties, we must vigorously oppose that system, and we must deny its infiltration into American soil. We feel that such violation to human rights has taken place under the totalitarian regimes which have prostituted decent government, raped weaker neighbors, and staggered the civilized world with its campaigns against all religions and its premeditated programs in arbitrary abuse of human rights.

We cannot too strongly condemn the antidemocratic, anti-religious concepts which have motivated the rise to power of dictatorships abroad. Our best insulation against the breeding of such alien philosophies here is the spread and practice of just such a program as you are advocating here today. I heartily subscribe to the efforts being made by the American Jewish Congress to advance the cause of good-neighbor relations between all races and creeds in this country. It is a cause that should be advocated and advanced in all nations of the world. You have my sincerest good wishes and my pledge of cooperation in your endeavors.

### Dedication of the Post Office at Lincoln's New Salem, Ill.

#### EXTENSION OF REMARKS

OF

#### HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS

Mr. LUCAS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me at the dedication of the post office at Lincoln's New Salem, Ill., on February 12 last.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

We meet here today in a ceremony that has no parallel in American history. The dedication of a new post office on the very spot made sacred by the activities of Abraham Lincoln is a drama that will thrill liberty-loving citizens throughout the world. On this occasion we live in the pioneer days of a century ago. All around us are the resurrected homes of an extinct village of a former day.

Credit for this restoration is given to our great and illustrious Governor, the Honorable Henry Horner, as well as the National Park Service of Washington, D. C.

Lincoln knew every citizen of the village. He was a welcome guest in every home. His voice as a friend and counselor kindled the fire of liberty within the walls of these primitive homes which, pray God, shall burn forever in this Republic. It was a small voice, unknowingly crying out in the wilderness for larger worlds to conquer. It was a voice that Shakespeare and the Bible understood, as he lingered by the old cabin fireplace—always the dreamer's paradise.

It was a voice pleading for the oppressed in the Hill-McNamara store. It was a voice filled with emotion and pathos as he won and lost in his first romantic touch with life. It was a voice of patriotism as he commanded his company to fight the Indians in the Black Hawk War. Certainly, it was here that Destiny laid her immovable hand upon the sad and dramatic life of the homely Lincoln.

And now the shadows move. The voice of Lincoln leaves these ancient hills and fertile valleys at New Salem forever, but his spirit remains. The eventful and tragic days to follow make Lincoln's New Salem, once destroyed and forgotten, a greater shrine of liberty than Faneuil Hall in Boston.

We next hear his voice in the courtroom, and after that in the halls of the legislature, and then again in every section of Illinois as he debated with Stephen A. Douglas that no nation can remain half slave and half free.

Lincoln became the idol of Illinois primarily because of his sound position upon the great question of human rights, and also because he was a genius at public persuasion.

Next we find his voice of sincerity and conviction not only conquering this State but also penetrating the Nation.

Once again the shadows move, and next we find Lincoln reaching the coveted goal of the mighty as he became President of these United States. In the city of Washington he lived out a terrible destiny during the War between the States. It was then that the world heard the voice of tolerance, the voice of unity, and the voice of equality. No one will ever forget that inspired utterance, "With malice towards none and charity for all, let us bind up the Nation's wounds."

His was a successful but tragic life. His assassination was a shock to the civilized world. He died the idol of all mankind; and today, wherever liberty lives with an outstretched hand, the name of Lincoln is immortal.

### Address by Governor Sprague at Seattle, Wash.

#### EXTENSION OF REMARKS

OF

#### HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. CHARLES A. SPRAGUE, GOVERNOR OF OREGON

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Governor Sprague, of Oregon, on February 10, 1940, at Seattle, Wash., before the King County Young Men's Republican Club.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, nations possess the paraphernalia of religions. National heroes, generals, presidents are their saints; places of historical significance their shrines; utterances of great men their sacred writings; noted birthdays their "holydays." In this regard the United States has been singularly blessed. Plymouth Rock, Faneuil Hall, Independence Hall, Valley Forge, Mount Vernon are altars keeping fires of patriotism aglow. Washington, Adams, Hamilton, Jefferson are men whose names command veneration and whose papers are the veritable bible of American politics. But among the names of our immortals, our national saints, if you please, there is none more greatly beloved than that of Abraham Lincoln. His birthday is a national "holyday," an occasion for renewed tributes to his memory and consecration to his conceptions of liberty and government.

Tonight you citizens of this great State, organized as a territory in Lincoln's time, assemble to do him honor. You met as Republicans, members of a political party he helped to organize and led to victory. To honor Lincoln as a party founder is not to shrink his stature as a national hero. It is to recognize that he used the medium of a political party to achieve his objectives.

We Republicans can point to Lincoln as a party member without apology or explanation. He was of the true Republican tradition, stemming through the Whig Party from the Federalist. I have noticed recently in high circles an attempt to kidnap Lincoln for political purposes, but if there is one thing which a study of his

life reveals, it is that from the time he first entered politics, Lincoln was never a Democrat. His first declarations were in favor of a national bank, a high protective tariff, and internal improvements. Hostility to all these was the very cornerstone of the Democratic policy of that time.

Why Lincoln became a Whig is one of the unsolved mysteries. Consider that he came of age in the very heyday of democracy, when Andrew Jackson was President, the popular hero of the middle border. Consider that Lincoln attained his majority in staunchly democratic Indiana and fixed his political opinions in staunchly democratic Illinois. Yet this self-taught youth, admirer of General Jackson though he was, worked out his own political philosophy along the conservative lines of the Whig Party. The glamour of Henry Clay may have caught his fancy; the arguments of Denton Offut, Whig, on the long flatboat trip to New Orleans in 1831 may have had an effect. But Lincoln was so original a thinker, so little impressed by casual influences, it seems safe to conclude that he came to his convictions through the same reasoning processes which later distinguished him as one of the most logical minds in American political history.

It is a safe assertion that Lincoln would not be a Democrat today, least of all a new dealer. Herndon, his law partner and close friend for about a quarter of a century, described him as "a very conservative man and a cautious one." He was not a radical in any sense of the word. He was never an abolitionist or a free soiler; he stayed with the Whig Party until it went down. While he opposed slavery on moral grounds his program of political action was based on the policy of the founding fathers who, he demonstrated, had sought to put slavery "in the way of its ultimate extinction." He regarded the Dred Scott decision as bad law, but expected the error to be corrected in orderly manner.

In this connection a significant incident from Lincoln's legislative record is worthy of mention. It seems that in 1841, when the Whigs were taking over the national administration under Taylor, that Stephen A. Douglas, then register of the land office in Illinois, prepared a bill which he forced through the legislature for the "reorganization of the judiciary." This bill provided for abolishing four circuit judgeships, creating five new supreme justiceships, and authorizing the legislature to appoint nine new members of the supreme court, who would conduct both the supreme and circuit courts of the State. Lincoln and other Whig legislators joined in the following petition entitled "An Appeal to the People of Illinois":

"The undersigned cannot assent to the passage of the bill or permit it to become a law without this evidence of their disapprobation; and they now protest against the reorganization of the judiciary because: (1) It violates the great principles of free government by subjecting the judiciary to the legislature; (2) it is a fatal blow at the independence of the judges and the constitutional term of their office; (3) it is a measure not asked for, nor wished for, by the people; (4) it will greatly increase the expense of our courts or else greatly diminish their utility; (5) it will give our courts a political and partisan character, thereby impairing public confidence in their decisions; (6) it will impair our standing with other States and the world; (7) it is a party measure for party purposes from which no practical good to the people can possibly arise but which may be the source of immeasurable evils."

The bill, however, passed, and Stephen Douglas received his reward, being made chief justice of the reorganized supreme court. But Lincoln took a stand for an independent judiciary which 96 years later a worthy band of Senators, on the national stage, with the whole people for observers, were to maintain successfully.

Tonight in discussing the subject, Lincoln in Politics, I want to review Lincoln's activity in politics before he became President, as party member and public-office holder, as stump speaker, and to show something of his development in his environment which prepared him for the tasks of Presidency. Then I shall turn to a discussion of the political problems of our own day.

Lincoln became one of our greatest statesmen, but he attained his high rank only after a lifetime of experience as a practical politician, and I mean "practical," though in no unwholesome sense. He scarcely had cast his ballot before he became a candidate for office, that of representative in the legislature, in 1832. Defeated then, he later served as postmaster, as deputy surveyor, was five times elected to the legislature, and twice was a candidate for speaker of the house. He was a member of the "long nine" who manipulated the shift of the State capital from Vandalia to Springfield. He was a Whig elector in 1840, Congressman for a term, candidate for the Federal appointment of Commissioner of Public Lands, candidate for United States Senator in 1855 and in 1858, balloted on for Vice President in 1856, elected President in 1860 and reelected in 1864.

Not only was Lincoln active in politics as candidate and officeholder, he was diligent as a party member. He was a "regular"; when defeated in his party convention for Congress he declared his support of the nominee. He served as party committeeman, signing calls for conventions. He was a delegate to local conventions and to the Whig National Convention in 1848. He took the stump on behalf of Harrison in 1840; of Clay in 1844; of Taylor in 1848; and of Winfield Scott in 1852. He gave the principal speech at the convention organizing the Republican Party in 1856. He handled patronage. He encouraged formation of political clubs, especially among young people. He cultivated the newspapers. He was sensitive to the foreign vote, and owned a German-language newspaper in 1859-60.

Had Lincoln not served as President he would be remembered, if at all, as an Illinois politician. Yet it was his political activity

which brought him the Presidency and his practical political experience which equipped him to handle the people and meet the problems in Civil War days. His example should encourage you as party workers and leaders, and is a standing reproach to those who regard politics as a sordid occupation.

Activity in politics did not make Lincoln a compromising politician. Instead he had the courage of his convictions. Along in 1834 when Lincoln was struggling under debts incurred in his merchandising adventure at New Salem, a friend solicited and obtained for him an appointment as deputy surveyor. Lincoln first asked him: "Do I have to give up any of my principles for this job? If I have to \* \* \* I wouldn't touch it with a 10-foot pole." That policy governed him in all essential matters thereafter.

He often espoused new or unpopular causes. As early as 1836 he declared himself in favor of "admitting all whites to the right of suffrage who pay taxes or bear arms (by no means excluding females)." He appeared as an orator in favor of temperance before the newly formed Washington Temperance Society in Springfield in 1842. He opposed the Mexican War. He favored a liberal immigration policy at a time when the "know-nothings" were sweeping the country with antislavery propaganda. To aging Jefferson, the controversy over the adoption of the Missouri compromise in 1820 rang out like a firebell in the night. To mature Abraham Lincoln in 1854, the Kansas-Nebraska bill with its repeal of the compromise was another alarm bell, summoning him back to the political arena for his famous forensic battles with its sponsor, Stephen A. Douglas. The battle was fought on principle, the debates at Freeport and Galesburg standing as highwater marks of the senatorial campaign of 1858. Lincoln the politician was also Lincoln the man of intellectual integrity and moral courage.

As a speechmaker Lincoln was not only competent in formal address or debate, but he knew how to take care of himself in the rough-and-tumble stump speaking of that period. One instance of his ability at rejoinder has come down to us from the campaign of 1836. A man named George Forquer made a speech attacking Lincoln at a big mass meeting. This Forquer had been a Whig, but just at the time he became a Democrat he was given the fat office of Register of the Land Office. He had also recently put a lightning rod on his house, about the first to be put up in Springfield and the subject of a lot of town talk. After Forquer got through with his speech, Lincoln, who had heard him, rose to reply and concluded as follows:

"The gentleman commenced his speech by saying that this young man would have to be taken down, and he was sorry the task devolved upon him. I am not so young in years as I am in the tricks and trade of a politician; but live long or die young, I would rather die now than, like the gentleman, change my politics and simultaneous with the change receive an office worth \$3,000 a year, and then have to erect a lightning rod over my house to protect a guilty conscience from an offended God."

Another time when he was running for Congress his Democratic opponent was the Rev. Peter Cartwright, a pioneer Methodist preacher, who had defeated Lincoln in his first race for the legislature. Cartwright was preaching one night and Lincoln dropped in to hear the service. Cartwright gave a rousing evangelistic sermon and wound up by asking all who expected to go to heaven to rise. All rose but Lincoln. Then he asked who expected to go to hell. None arose. So Cartwright leaned over the pulpit and said: "I have asked all who expect to go to heaven or to hell to rise; and now I should like to inquire where does Mr. Lincoln expect to go?" Lincoln got up and replied, "I am going to Congress, Brother Cartwright."

Yet all the while the yeast of thought was stirring in his brain, the rhythm of prose poetry was forming in his speech, until Abraham Lincoln who out-orated his early opponents, who floored Forquer and Cartwright, became the orator of the "House Divided" speech, of the debates with Douglas, of the Gettysburg dedication, and of the second inaugural.

A great deal is made, I know, of Lincoln's lowly origin. He was born in a log cabin and lived in crude shelters until he was man grown. But many have risen to eminence from humble birth. William Henry Harrison, Andrew Jackson, Millard Fillmore, James A. Garfield, were all Presidents who were born in similar cabins. In fact I tremble for the future of this country when I realize that biographers and photographers of future Presidents will have to report that they were born in great lying-in-hospitals. We'll miss the log cabins then.

But the picture of Lincoln as an uncouth fellow, socially inferior, is badly distorted. His political enemies called him an ape and a baboon. Even Wendell Phillips referred to him as "a huckster in politics," "a third-rate country lawyer." And Edward Everett whose own oration at Gettysburg was to be completely cast in shadow by Lincoln's brief address, wrote in 1861, "He is evidently a person of very inferior cast of character, wholly unequal to the crisis."

They did not know Lincoln.

It is true that he was ungainly, tall and angular; that he lacked some of the parlor graces. But Lincoln was a product of the border where thousands of people lived in log cabins until they could conquer the wilderness. When Lincoln came to Springfield in 1837 it was a town of only about 2,000 inhabitants. He was already favorably known there as a member of the legislature. His friends were the leaders of the young capital city, and he never lacked their aid. Joshua Speed, merchant, gave him his first room. William Butler, State treasurer, later took him to room and board. He was invited to social affairs, attended parties and balls regularly,



though he danced rarely and not very gracefully. We find his name as one of the managers for a cotillion at the American House in 1839. Among other names on the printed invitation, still preserved, are Speed, Stephen A. Douglas, a young lawyer come out from Vermont, and Ninian W. Edwards, whose father had been United States Senator and Governor, and who was one of the wealthiest men of the town.

As soon as he could afford it, Lincoln wore broadcloth suits, tall silk hats, white shirts, and black cravats, and his linen was always clean. He was careless of his day-by-day appearance; but contrast him with his one-time partner, Judge Logan, who sat on the bench in an unbleached colored shirt without tie or stock.

Finally his marriage could only be rated as a great social success; for Mary Todd, well-educated, keen-witted, of good Kentucky birth, related to the elite of Springfield, was certainly the belle of the capital. Yet among her numerous suitors she chose Abraham Lincoln.

The simple truth is that, product of the frontier as he was, Lincoln had capacity for growth. As the West emerged through the influx of settlers, and as railroads, newspapers, magazines, and the telegraph linked the raw Midwest with the more cultured East, Lincoln developed. In speech and actions there remained traces of the roots from which he sprang, but he also absorbed the customs and the culture of his fast-unfolding environment.

To the equipment of broad practical experience and steady intellectual and cultural growth, Lincoln added the benefit of rather wide travel and acquaintanceship as preparation for the Presidency. He had lived in three States, had made two trips down river by flatboat to New Orleans and up river by steamboat. He had made occasional trips to Kentucky, to Louisville and Lexington, and to St. Louis. He had gone to Washington, D. C., for Congress; had made political or professional trips all over Illinois and to Indiana, Ohio, and Kansas; had made a business trip to Iowa, as far west as Council Bluffs, where General Dodge showed him the terminus of the Pacific Railroad. He had made a speaking trip to New York and two extended speaking trips through New England.

He knew the public men of his time. When he went to Congress John Quincy Adams was still a Member. There he met Alexander Stephens, destined to be his enemy as Vice President of the Confederacy and yet remain his personal friend. In the Senate were Webster and Calhoun and Thomas H. Benton and Jefferson Davis. Lincoln had met Van Buren, Governor Seward, Thurlow Reed, and Henry Clay. He had heard Emerson lecture. At Cooper Union, Horace Greeley had escorted him to the platform and William Cullen Bryant had served as presiding officer.

The newspaper critics, the cartoonists at home and in England, who lampooned him without mercy, the disappointed highbrows of the East, all had Lincoln sized up wrong. Lincoln was a man of power. Henry Villard, interviewing Lincoln after his election, reported to the unfriendly New York Herald:

"No one can see Mr. Lincoln without recognizing in him a man of immense power and force of character and natural talent."

In December 1862, when things were going badly and the Senate was almost in revolt, his old Illinois friend, Senator Browning, went to the White House and discussed matters with Lincoln. When Browning went home he wrote in his diary:

"He said with a great deal of emphasis that he was the master." It must have been that Lincoln had the awareness of his power and capacity which Lord Chatham possessed in England's dark days of the eighteenth century wars when he said:

"I know that I can save England and that no one else can." Such was the stuff of which Abraham Lincoln was made. On his intellectual strength and tough moral sinews hung the fate of the Nation in 1861 and 1865. Thanks to him the Union was preserved and the curse of slavery wiped out. One hundred and thirty-one years have passed since his birth and near three-quarters of a century since his death, but his memory lives, for it is part of the very soul of America.

#### PART II

Ladies and gentlemen, I am reluctant to turn aside from the Lincoln story which I have only half told. But this is 1940, and we Republicans have pressing business ahead. In 1860 the Republican Party offered Abraham Lincoln as a leader fit for a crisis. Now, 80 years later, fresh and grave problems trouble the Nation, and a disturbed people look to Republicans for leadership and for constructive policies. I wish now to speak for a while on the political issues of our own day.

We are in the eighth year of the New Deal. What is the New Deal? We know what the New Deal was, but who offers any definition of it today? The country was dazzled by the legendariness of Franklin D. Roosevelt in the early years of his administration, but what has become of the white rabbits of those years? Who hears anything now of N. R. A., and what has become of Hugh Johnson's blue eagle? What happened to the 25-percent cut in expenses and the balanced Budget promised in 1932? Where are Rex Tugwell and the "abundant life"? What became of the price level of 1926 which Professor Pearson's devalued dollar was to restore? What struck the 1936 boomlet of prosperity ("we planned it that way, and don't let anyone tell you differently")? Who hears anything now about planned economy?

All these were the war cries of the first New Deal. For Roosevelt's second term the legislative record is almost a perfect blank—perhaps that's what makes it "perfect." He was soundly defeated on the court-packing bill and the blanket reorganization bill, and the drastic tax legislation of 1937 has been virtually repealed. So what is the New Deal, the saving of which, according to Secretaries Ickes and Jackson, calls for a third term for Roosevelt?

Well, my friends, there is a New Deal—a New Deal which is alien to the whole American tradition, alien to the fundamental principles of the great Democratic Party, and alien to the principles of the Republican Party. That New Deal is the one which is in the saddle, with its strange ideology, its ardent apostles, and its "party line." That New Deal is one which seeks to impose upon this country a centralized, socialized bureaucracy. By steadily absorbing power through frightening and repopulating the Supreme Court, and by steadily absorbing economic power through oppressive legislation and decrees, it has virtually destroyed the unique Federal-State relationship which existed here; is progressively reducing the States to the role of provinces and invading the historic rights of individuals.

The distressing thing is that all this is done with a Messianic fervor, with the holy-war complex which is always the mark of the bigot. Oddly enough, the label applied to this process is "liberal." In truth it is intolerance. The palace guard of the New Deal are implacable in their hatreds. For slight deviation from the "party line," marked out by them, they have sought to purge loyal members of their own Democratic Party, while a conservative or a Republican was fit game only for a witch burning. Not since Lincoln's time have the social tensions been so taut in this country, stirred up as they have been by these heresy hunters of the New Deal and responded to in kind by the objects of their lashings.

Let me review something of this concentration of power in Washington.

The Government now exercises rigid control of credit, and has so strangled normal business operations that the major channels for credit are now the Federal agencies.

The Federal Government has taken over regulation of labor relations, wages, and hours of work in all but a restricted field of enterprise.

The Federal Government has become a dictator in agriculture, until we face the time of which Thomas Jefferson warned:

"If we are instructed from Washington what to sow and when to reap, we shall soon want for bread."

Through the power of the purse, States and communities are made dependent on Washington bureaus. The worst of it is that this Federal money is phoney money, the proceeds of borrowing that will stand as a debt against our children.

We are witnessing in the Northwest a sample of the progressive invasion of the field of local self-government. The Bonneville administration has sought the authority to control rates and budgets and restrict uses of plant profits even for publicly owned power systems. This means that rate authority rests not with local management but with a distant commission, and a political commission at that.

Western States have had to go into court to protect their original rights for control of western waters against the claims of the Reclamation Bureau, claims which if allowed will put our western irrigationists at the mercy of a distant bureau.

I could go on adding to this bill of particulars, but they are familiar data to the informed citizen. Now, I am not, as a governor, clinging to an old shibboleth of States' rights. I am, as a student of history and politics, adhering to the sound principle that a democracy cannot be converted into a centralized bureaucracy and remain a democracy. If bureaucrats in Washington, 3,000 miles away, are the ones to decide what the farmers of Washington may plant and the water your irrigators may use, what your utility districts and cities may charge for electricity, how many case workers you may hire in your welfare offices, what wages your shop must pay and what union it must recognize, then our Government will meet the fate of all bureaucracies. When you deprive individuals and communities of power and responsibility you condemn them to political atrophy and economic paralysis. The lotus flower of convenience and security is but the opiate of ultimate narcosis.

I give Mr. Roosevelt and most of his appointees credit for sincere good purpose, a genuine desire to do something for the people. But let me remind you of Lincoln's great phrase: Government of the people, by the people, and for the people. We shall not long have government for the people unless it is likewise of the people and by the people. Here, then, my Republican friends, is a rock to stand on in this campaign year: The preservation of democracy in this country through recognition of the rights and obligations of local self-government.

I charge that the very philosophy of the New Deal is collectivist; that it will result inevitably in the submergence of the individual to the State and erect here a structure with a ruling political oligarchy on one hand and a servile, mendicant people on the other. The issue today is not just the accountant's passion, a neatly balanced budget, important as that is. The issue is the preservation of a free political atmosphere and a free economy.

I turn now to a discussion of the labor problem. I realize that the present administration has gone far to meet the demands of organized labor, although lately we see through the glass windows of the New Deal, John L. Lewis commencing to throw furniture at the chef and the head waitress. Deliberate effort has been made to poison the minds of laboring men against the Republican Party.

I ask you, however, to review the industrial history of this country since 1860. In what States did labor make its greatest strides? Where have unions long been recognized, both in law and practice? Where have wages and working conditions been the best? Has it not been in the States where the Republican Party was in power?

What party has been most friendly to the development of this country which has provided employment and produced goods of amazing variety for mass consumption? In this very city, at a Lincoln Day gathering some 20 years ago, I heard Leslie M. Shaw, former Governor of Iowa, proclaim that the mission of the Republican Party was to foster industry and agriculture, and he meant that in the broadest sense—for the sharing of prosperity among all classes of people.

I am in private life an employer of labor—of union labor, if you please. I believe I can speak as a sincere friend of labor when I raise a warning against labor's dependence on government. Labor has made its way by independent fighting. If now it enters into alliance with government, it takes grave risks. If government is to fix wages and hours of labor, what need remains for labor organizations? When labor organizations become the favorites of government, sooner or later they become its prisoners. A slight shift in the wheel of political fortune and labor finds itself out of influence. Labor needs only to look at Europe to see what dangers it runs in letting government become the regulator in the field of labor relations. In Russia, once hailed as a promised land for workers, after 22 years of revolution, the people eat black bread, if they can get it, and have to buy their vodka at \$14 the fifth.

It seems to me that labor must make up its mind in 1940 whether it wants to go farther along the road toward collectivism, with its inevitable retarding of economic progress and its leveling of special skills and ability into dull mediocrity, or whether it is going to support the system of private enterprise, which, despite shortcomings and inequalities, has done a better job of producing and distributing wealth than any other system yet devised.

Private industry will not function successfully if it is hampered by government interference and excessive taxation, and if it is harassed by unstable labor relations or victimized labor bosses. I believe the Wagner Act is a one-sided act, and that at times its administration has been painfully biased. But the changes needed are not just of legislation and administration but of attitude.

The Republicans of 1940 should offer labor not the dole but jobs—not more laws but more employment. Above all, Republicans are needed to put out the fires of class conflict and encourage among workers, managers, and owners the attitude of cooperation in the common task of maintaining economic functions.

In my own State I have exerted my principal efforts for the revival of industry and the launching of new enterprise and for the keeping of industrial peace—all this primarily to provide workers with jobs and regular pay checks. Through cooperation, we have made real progress in the relief of the prime problem of our time—unemployment. I believe, through a similar joint attack, steady progress can be made on a Nation-wide scale.

By the same token, we are moving in Oregon to solve our farm problem. Through the intelligent guidance of our State college and agricultural agents, farmers are being directed to shift production from surplus crops to those for which there is a ready market at a good price. We produced \$6,000,000 worth of seeds last year in the Willamette Valley. In Multnomah County dairy products used to be the chief output of the farms; now, believe it or not, nursery stock is at or close to the top. Turkeys, filberts, fox and mink pelts, flax are some of the specialty crops which are making our farmers once more independent.

The present agricultural program embraces one grave error: It ignores the technological changes which have come to agriculture. Power machinery has come to the farm. Such equipment as the new tractors, large and small, combines, feed grinders, milking equipment for dairies, trucks for flexible transportation, are working a revolution on the farms. Unit costs of production have been reduced until the term "pre-war parity" is obsolete.

The entire policy of the Federal Government toward agriculture needs to be revised. Farming programs must be redirected so that agriculture will be self-supporting and not kept on a Government dole, offensive to farmers and costly to the Treasury.

At this point I wish to raise a warning: Republicans in 1940 should not seek to outbribe the Democrats. It is foreign to our philosophy; and besides it just can't be done. We can't make good on promises to balance the Budget and at the same time out-promise the opposition with more liberal farm benefits, bigger doles, and pensions. That way lies political grief and financial disaster. Let's be honest and tell the people, that while the destitute and aged will still be assisted, the spending orgy is over, that income and outgo must be brought into balance, that it is time for America to throw away the crutches and start walking again on its own stout legs.

This country still faces the task of economic readjustment. The boy scouts of the Roosevelt menage, in spite of their zeal to do a good turn every day, have not accomplished the task, merely postponed the day of reckoning. Ahead of us during the next 4 years are extremely critical questions. Leaving out of account the complications arising from the prevailing wars, we still must develop dependable fiscal policies.

First, there is the matter of deficit financing, which assuredly cannot go on forever. Sound public finance is the very basis of sound private finance. We cannot continue to emit Government bonds in huge volumes without impairing the structure of the national credit.

Secondly, the administration's gold policy may bring us to another financial Niagara. When gold was devalued in 1933 our gold stock amounted to \$4,000,000,000. Devaluation brought it to six billions. But the mark-up of price of gold from \$20.67 an ounce

to \$35 an ounce has made this country the dumping ground of the yellow metal. While only a billion dollars has come from our own mines, our gold stock has increased from \$6,000,000,000 in 1933 to \$17,620,000,000, plus another \$1,120,000,000, earmarked for foreign account. This amounts to 70 percent of the world's monetary gold, and the flow of metal still continues.

We get the gold out of sight, but we also get it out of use both as circulating medium and as base for the currencies of the world. This maldistribution of gold upsets world economy and contributes to trade stagnation. We run the risk of taking tremendous losses of value on this gold supply for which we have exchanged real goods. There must be, therefore, economic statesmanship of the very highest order to protect our own vital interests, and if possible to restore some measure of economic sanity in world affairs.

Thirdly, closely integrated with this fiscal problem is that of the tariff. Our Republican Party has consistently stood for a protective tariff which would hold the substantial home markets for our own farmers and manufacturers and laborers. The depreciations of foreign currencies and the interference with normal trade routes caused by the war make it imperative that dumping of foreign products to the demoralization of our own producers be prevented.

At the same time we must study the tariff problem realistically. Our creditor status, our excess of gold reserves are changed factors in the equation of foreign trade. New tariff policies should give them proper weight, recognizing that exports which we still require, for our surplus production, can be paid for only by imports. Republicans have never favored a policy of economic isolation—of autarchy, another catchword now "gone with the wind." Here in this great seaport city you know and appreciate the value of foreign commerce.

The reciprocal trade treaty plan of Secretary Hull has been an unjustifiable stretching of the treaty-making power, and as far as the West is concerned, distinctly unsatisfactory in its results. Our lumber industry in particular has paid a heavy price for the reciprocal-treaty policy.

I favor a return to President Taft's idea of a Tariff Commission, with broad powers to determine schedules, and with full opportunity provided for hearings before rates are fixed or altered. Flexibility must be preserved because foreign wars and subsequent peace may bring swift changes in trade relations.

These are key problems for the years ahead, problems which will test the intelligence of leaders and the loyalty of the people. The solutions may prove hard medicine; but the price of indifference, or of wrong decisions, may easily be disaster.

The Republican call of 1940 is not to lead the country backward to an era when labor was exploited and the poor oppressed. We have made mistakes in our periods of power, which we must not repeat; and we must be alert to keep step with progress. The call of 1940 is to lead the country forward into a time of restored economic health with prosperity widely diffused. We deny the New Deal assertion that our economic system has entered a period of decline because frontiers are closed and no free land is available. Why, the supply of arable lands was exhausted back in 1890, yet the next 50 years saw amazing progress and living standards sharply elevated.

Our resources are still plentiful; the American people are still industrious and inventive. We need only to set the channel lights of safe public policies, to lift the anchors of fear and hesitation and sail boldly into the current to reach ports even richer than those touched in the past—and the country looks to the Republican Party to furnish the captain and to chart the course for the next 4 years. A few miles south of Hodgenville, Ky., stands an old log cabin, with a single door and window, an earthen floor, and a fireplace chimney of sticks and clay. It was the birthplace of Abraham Lincoln.

At Washington, D. C., stands the beautiful Lincoln memorial, the tribute of a grateful people, with its chaste walls of Colorado yule and its rows of stately Grecian columns behind which is the heroic statue of Abraham Lincoln. The figure seated seems to gaze across the lagoon and the Mall, past the tall shaft of the Washington Monument to the dome of the Capitol, as though in perpetual watchfulness over the deliberations of the Government Lincoln labored to preserve.

Yet neither the cabin of his birth, nor the magnificent memorial at the Capital, is the true home of Abraham Lincoln. In the heart of the Midwest, in the deep, black soil of central Illinois, there Lincoln's brooding presence seems nearest. Springfield, where he lived, worked, was married, and lies buried; the county seats with their courthouses, where he pleaded his cases, and their hotels, where he told his stories; Bloomington, where he delivered his "lost speech"; Galesburg, home of Knox College, in front of whose main hall he gave one of his greatest addresses in the series of debates with Douglas—that is the real Lincoln country, where his spirit blends into the very life of the people. There the once common words, "He knew Lincoln," have become precious family heirlooms.

A man of strange contrasts, this man Lincoln—a giant in physical strength, yet stoop-shouldered, thin-chested, homely of face. A man of tremendous intellectual power and penetrating insight, but a man of moods, of deep melancholies, of racy humor, of premonitory dreams. This Lincoln stands as the epic figure of nineteenth-century America; his feet firm-rooted in the earth of the midcontinent, his mind towering to great heights, as it were "voyaging through strange seas of thought, alone."

Well does he epitomize the emerging Nation of that period, awkward, contradictory, unsure of itself; the raw life of the border in sharp contrast with the full-blossomed culture of New England;



the social and economic systems of the sections heading for collision; a Nation groping for self-realization; a Nation learning by the application of inventions the extent of its amazing resources and fighting its way to political unity and moral integrity.

Now the United States stands in the full strength of its maturity. Four decades of bitter controversy and 4 years of intense war settled this issue; that ours should not be a "house divided." The question now is, shall we let the horizontal sectionalism of class cleavage fracture the union which Lincoln saved?

A Lincoln is a miracle never repeated. It is for our generation to resolve the problems of our time. I am confident under the inspiration of his great mind and heart, borrowing a measure of his patience and the full mantle of his charity, we of today shall preserve in this country social unity, economic well-being, and political freedom.

### The Farm Problem

#### EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. EDWARD CORNEABY

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted in the Appendix to the RECORD a copy of an address made before a farm group by Hon. Edward Corneaby, of Minnesota. Mr. Corneaby is the former Assistant Commissioner of Agriculture of the State of Minnesota under the able administration of the late, great Governor, Floyd B. Olson. He has an intimate knowledge of farm and labor problems, particularly in the great Midwest where these matters are acute. I am sure that his address will be of interest to many students of the farm problem and to practical farmers as well.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The two major unsolved problems of today are unemployment and an increase in farm income. Unemployment is out in the open because it cannot be concealed. The farm problem is buried in obscurity by long strings of figures for "cash income," atomic injections of "soil conservation" and a breakfast dole of "parity payments."

Farm "cash income" is a misnomer. It is the "income" inflated by the "outgo." For instance, farmers' "cash income" as published for 1938 was \$7,625,000,000. But when we get the actual produced income of the farmers, with the production expenses taken out but with every onion and every potato raised and used on the farm figured in, and with all the soil conservation and parity payments included, the "income" fell to \$5,432,000,000. Subtract this from the so-called "cash income" and we find \$2,193,000,000 of income which the farmer really did not receive.

Note, too, the Department of Agriculture's statement of "gross farm income," which is even more erroneous. For instance, the "cash income" for 1935 was \$7,090,000,000, the "gross income" was \$8,508,000,000, but the honest produced income was only \$5,276,000,000.

Now, let us look at the farm problem in 1938, the last year for which we have complete data. On June 12, 1939, the Department of Commerce released figures for 1938. They showed a national income of \$64,000,000,000, equivalent to \$500 for every man, woman, and child in the United States. Now, let us see how much of this \$500 the farmer received. In his statement to the House Agricultural Committee, Secretary Wallace showed there were 31,819,000 farm people in 1938. These people received \$5,432,000,000 of actual income. It is clear, then, that the average income per farm person was only \$170. Since the farm people only got \$170 per capita the nonfarm population of 97,881,000 got \$600 per capita. An honest parity would have increased the per capita farm income to \$500 and reduced the nonfarm income to the same amount upon the 1938 total.

These figures show the deplorable condition of agriculture after 6 years of attempts to improve the farmers' lot. The farm problem is not solved. It is scarcely dented. Twenty-two percent of our adult population are dirt farmers. Thirty percent of our children are on the farms. Fourteen percent of all capital investment is in farms and equipment. The labor is harder and the hours longer, but in 1938 they received only 8.5 percent of the national income. The preliminary reports for 1939 are but slightly better and, if any prosperity comes in 1940, it can come only from a war boom. It is a sad commentary if farmers must depend on droughts and grasshoppers and boll weevil and war and acreage reduction for prosperity.

What is the cause of this economic slavery for agriculture? Simply put, it is two different systems of price fixing—one for farm

products and the other for industrial products. Taking the industrial system first, how are its prices fixed? The first thing the law does is to permit creation of a corporation. It is permitted to operate in interstate and foreign commerce with 85 or 90 percent of its business. Its legal structure permits it to combine large volumes of capital under one management, giving it a commanding advantage over private individuals. It is a collective institution. The law also exempts its stockholders from personal liability for corporate debts. It permits renewals and therefore gives it perpetual life. In addition to all this, the Supreme Court has made it a live, living person by a legal caesarian operation unknown in judicial history. This, incidentally, was the old Supreme Court and not the present one which may outlaw the practice as soon as it gets the chance. All of these legal advantages added together give the corporation the economic power to figure its cost of production, add the profits it will charge the consumer of its product, and fix the prices of its commodity accordingly. It has no competition except from other corporations with the same set-up and figuring the same way. Thus the law enables the corporation to fix its own price. The buyer has no choice but to pay these prices. He may go from one corporation to another, and whichever he buys from he faces the identical situation.

The farmer has no such legal set-up to enable him to fix his own prices. Instead, industry and finance have gone outside the law to set up a speculative market, controlled by the buyer, to fix the prices of farm products. The farmers, who are the sellers, have no voice in its control. In addition to the general evil of speculation there is a special evil affecting the American farmer. This speculation is guided largely by the sale of his surpluses in foreign markets. His big cotton surplus or little surplus in other products is shipped to Manchester or Liverpool and sold in competition with all the world. The price is cabled immediately and the speculators bet accordingly in all the American exchanges. With special exceptions this price runs with the foreign price, less the freight and expenses of reaching the foreign market. The most outrageous item in this system is that even when the farmer sells to his neighbor at the market price freight and expenses are deducted all the way to Liverpool even though his crop was never loaded on a train. This puts him at the mercy of the free-trade markets of the world when he sells his own products; but he must buy what he needs at the corporation-computed cost of production, plus profit, all protected by a tariff wall.

Since the speculative markets are manipulated by the buyers of farm products the enormous expense of speculation must also come from the farmer's prices. Total speculative sales in 1937 were \$25,000,000,000, while the whole farm income was only six and one-fourth billion. I said "sales," but there were almost no sales. In fact, less than one-fourth of 1 percent of all the speculative gambling was actual sales. The economic slant to all this is that it takes from the farmers what is rightfully theirs. The actual prices for farm products year after year prove beyond doubt that this is the case. The farmers never did get a square deal in our time, even in the most prosperous years.

What is the remedy? The McAdoo-Elcher bill, introduced in the last Congress, is probably the best answer. It got 40 votes to 46 as a substitute for the administration's bill in the Senate. In the House it failed by a similar narrow margin. It had this support upon its merits alone and without the help of any farm pressure. It had the endorsement of labor and is the ideal farmer-labor bill.

Here are its simple provisions: An administrator is set up who estimates the total production of each crop as it comes to maturity. He estimates the percentage available for export. He then computes the 5-year average cost of producing each crop, using the same formula that industry follows. This becomes the fixed price for the percentage consumed at home and each dealer is required to pay it. The dealer gives the farmer a receipt from the administrator for the export percentage, stating the quantity and grade. The dealer must turn the export percentage over to the Government Export Corporation, and in that way the entire exportable surplus is collected by the Government. It is then sold in the best foreign market to be found, all expense taken out, and the postmasters notified to redeem the receipts at the net amount realized. The money to cover is already in the Treasury. This is the only farm bill ever offered which is not a tax on the Treasury. Soil depletion is estimated in the prices, and soil-conservation appropriations can be discontinued. The projected prices are far above the parity level that is now in the law. Whole farm income is expected to be increased by seven or eight billion dollars instead of the \$1,250,000,000 of benefits paid last year.

Under this plan the farmer would get something approaching the \$500 per capita to which he was entitled in 1938, instead of the shocking \$170 which he did get. Under this bill we propose to do for the farmer what the Government has always done for the corporation.

Would the farmer lose money upon the exportable surplus? No, he would get the world price for it, and that is all that farmers are now receiving for the entire crop. Besides, these surpluses are so small upon everything but cotton that farmers could well afford to give them all to the Government in exchange for fixing the price on the percentage consumed at home.

What will be the economic effect of such a vast increase in the farm income? First, it will increase the national income by the full amount, because farm products are the basic property of life and their value an integral part of the national income. Second, the farmer would spend most of this increased income in industry and that would put many of the unemployed to work at an adequate annual wage. The third effect would be to vastly reduce

relief expenses and go a long way toward balancing the Budget. And fourth, the reemployment of labor would produce further property values, further increase the national income, further increase tax receipts, and further reduce the Budget deficit.

This bill may permanently solve the farm problem and indirectly a large part of the unemployment problem. However, there will still be a large army of unemployed which industry itself must take care of. How shall it be done?

The \$64,000,000,000 national income of 1938 is ample to relieve agriculture and give every worker a job at a living wage and permit a balance of the National Budget, providing it is properly distributed. America's 29,000,000 families would have an annual income of \$2,000 each. Most of these families never had an income of \$1,000 annually. Such a distribution, inadequate as it is, would eliminate entirely the relief problem. The farm bill would give the farmers their share and would also increase the national income. Increased farm income means reemployment for a vast part of our unemployed.

Charts of American business activity show that there have been 25 major depressions, 24 of them lasting more than a year. Every period of prosperity has been followed by a major depression, which destroyed all the benefits of the preceding prosperity period. During the Coolidge prosperity from 1921 to 1929, farm properties declined \$13,500,000,000 in value. But during the same period the values of other properties advanced \$58,000,000,000, and then the bubble burst.

There can be no stability in American economics until these major problems of farm income and unemployment are solved. Once farm prices are fixed by law, the speculative element is removed. Our national wealth will increase materially.

Prosperity, real prosperity with a balance between farm income and workers' wages would be here as a permanent part of the national economy. These are aims that all of us can strive for, because once achieved, we not only insure a living democracy here, but make idle the fear of foreign "isms" finding any resting place in our land.

Julien N. Friant

## EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

TRIBUTE BY ALPHONSE C. LA FORGE

Mr. CLARK of Missouri. Mr. President, many Members of this body on both sides of the Chamber entertained deep affection for the late Julien N. Friant, special assistant to the Secretary of Agriculture, as a man, and great respect for his career and services as a public servant. I ask unanimous consent that there be inserted in the Appendix of the RECORD a very brief tribute to Mr. Friant by Mr. Alphonse C. La Forge.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HE WAS MY FRIEND

MY HEADS

"For many and many a time, in grief,  
My weary fingers wandered round  
Thy circled chain, and always found  
In some Hall Mary sweet relief."

—Father Ryan.

Julien N. Friant, an established and beloved boyhood friend, has with a patient little sigh closed his eyes and drifted out to shores beyond our view. The hands that bled at Calvary carried that gallant soul through starland to his trysting place with the Divine, where God will bestow His reward as he kneels before His throne.

There is nothing more precious than an old friend—nothing more difficult to replace when we are in the youth of our old age and our thatches have thinned and been grayed by the years.

A mantle of gloom has been cast over his family and his friends, as bruised and broken hearts mingle their tears and mourn their loss, and our happiness is eclipsed by sorrow as we stand in the shadow of sadness.

To his wife, Bertha, the memory of his tender love and happy relationship will shine forever in the horizons of her heart—nor lose a single ray. Until death do us part—a sacred pledge fulfilled.

His children, Katherine and John, are like two faintly glowing sanctuary lamps shedding their rays in the home whence a loving, an understanding father has departed. 'Tis fame enough to bear his name. To them he left a legacy of loving acts done tenderly, unselfish gestures performed graciously, dreary tasks done cheerfully, the privilege and pleasure of having enjoyed his love, companionship, and guidance, lo, these many years; it gladdens them, their mother, and his sisters, and it is solace for their grief.

To his friends and associates the building in which his office was located will for a time become a big shell, a mausoleum to remind them that therein once worked a noble and gentle soul, a faithful and priceless friend. Our pot of gold is buried deep in the heart of friends like him. His friendship was a golden gift to share.

Better than riches are a peaceful home, fireside friends, sane living, and lofty thoughts—all these and heaven, too, for Julien.

Ever in the strife of his own thoughts he obeyed the nobler instinct.

His bright and cheery home held a welcome, opening wide its door of greeting to the many—not the few—and we who were privileged to call him friend and enjoy his hospitality will cherish his memory—always.

He taught me that kindness is the best key to unlock the door to happiness.

I voice the thoughts of all those who loved him when I dedicate with tears the burning lamp of memory for him out somewhere over the rainbow.

Though he sleeps peacefully back there amidst the birds and the flowers, where songs and silences unite, I sense him at my side. I breathe this blessing; I pray this prayer:

Out where he rests may the sun shine kindly, stars gleam brightly, breezes blow softly, rain fall gently; someone keep it orderly and angels guard the lovely scene. And please, dear God, help me live so that I may be with him again.

Good-bye, Julien.

ALPHONSE C. LA FORGE.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

CORRESPONDENCE BETWEEN SECRETARY OF STATE AND RHODE ISLAND TEXTILE ASSOCIATION AND EDITORIAL COMMENT THEREON

Mr. GREEN. Mr. President, recently the Rhode Island Textile Association made a protest to the Secretary of State against the trade-agreements program. The Secretary of State wrote a long letter to the Rhode Island Textile Association setting forth his views. The treasurer of the association replied. I ask unanimous consent to have this correspondence printed in the Appendix of the RECORD, together with some editorial comments thereon appearing in the Providence Evening Bulletin.

There being no objection, the correspondence and editorial were ordered to be printed in the RECORD, as follows:

SECRETARY HULL AND RHODE ISLAND TEXTILE ASSOCIATION OFFICIAL DEBATE THE VALUE OF RECIPROCAL TRADE PACTS

[From the Providence Evening Bulletin of February 13, 1940]

We publish herewith the text of Secretary of State Hull's answer to the recent protest of the Rhode Island Textile Association against reciprocal trade agreements, together with the reply of Secretary Walker of the association to Mr. Hull.

JANUARY 20, 1940.

Mr. E. F. WALKER,

Secretary-Treasurer, Rhode Island Textile Association,  
49 Westminster Street, Providence, R. I.

MY DEAR MR. WALKER: I have received your letter of January 10, 1940, expressing your opposition to the continuance of the Trade Agreements Act and commenting on various considerations which you believe are of importance in this connection.

The various points raised in your communication were, in general, discussed fully in my statement and that of my associate, Mr. Grady, before the Committee on Ways and Means of the House of Representatives. For your information I enclose copies of these statements. I believe you will also find highly pertinent to some of the questions raised in your letter the statement on trade agreements procedure submitted to the committee as a part of his testimony, by Commissioner Fox, of the United States Tariff Commission. I am enclosing a copy.

There are some aspects of your letter, however, on which I should like to comment specifically.

You state that no attention is paid to the briefs and testimony of those industries which oppose rate reductions. That is entirely incorrect.

As everyone who is familiar with the procedure which has been applied in the negotiation of trade agreements must know, we have gone scrupulously on the theory that the data and views of all interested parties—the producers, the consumers, and the merchandisers of any particular commodity, as well as any person who feels that he or she has an interest in the matter—should be carefully



FEBRUARY 10, 1940.

considered in the determination of a possible duty adjustment with respect to that commodity. Such data and views are welcomed by the agencies of the government charged with carrying out the trade agreements program. Ample facilities for the presentation of such data and views exist. All such data and views are given fullest consideration. Your letter offers no proof to the contrary, unless one is to regard as "evidence" the concern which you manifest over the fact that those in charge of the program have not shown a disposition to accept unquestioningly and without full consideration the recommendations of some industries which oppose any and all tariff adjustments on their products.

Of course, you must know that no responsible democratic government could subscribe to any theory or formula which says, in effect, that any one industry or group shall have the right to dictate the precise extent to which the government shall extend tariff favors, without any regard to the interests of the rest of the people.

In this connection I must frankly say that I find little short of amazing the implications contained in your statement to the effect that persons engaged in particular industries are far better equipped to determine the tariff needs of their industries than are Government officials. The thought that matters of governmental policy should be determined entirely in accordance with the wishes of one group of interested persons, to the complete exclusion of all others who have an interest and of the general public welfare, is, to say the least, a strange notion—for our country, at any rate. I must confess that it does not conform to my idea of democratic government.

You state: "That the great body of industry and agriculture is harmed is not to be questioned." I not only question this but I am thoroughly satisfied that the contrary is true—namely, that both our industries and our agriculture have been greatly benefited by the operation of the trade-agreements program. A vast body of evidence exists in support of this statement. It is available to anyone who desires to secure it. A great deal of it has been incorporated in the testimony at the hearings now in progress before the Ways and Means Committee.

You state that through the operation of the trade agreements, export trade is being built up "at the expense of American agriculture and industry." Who are the exporters? Surely you know that the surplus-producing branches of our economic activity are of crucial importance to our entire national economy. In my statement before the Ways and Means Committee I discussed this question as follows:

"Contrary to all theories of autarchy and economic self-containment, the fact is that the domestic prosperity of every country is tied in with the condition of its foreign trade. A collapse of foreign markets inevitably brings with it disorganization and disruption of the domestic economy, as we discovered to our sorrow in the period following the enactment of the Hawley-Smoot tariff. In this country the ill effects of the collapse of export outlets for the great surplus-producing branches of both agriculture and industry rapidly permeated all branches of our economic life. Even those very industries which thought they were saving themselves by means of embargo tariffs soon discovered that instead they merely helped to ruin their own markets right here in the United States. \* \* \*

"The size of the American market depends upon the Nation's purchasing power, which in turn depends upon the volume of business activity—that is to say, farm production, factory production, employment, and all the other factors which create the Nation's purchasing power. There is a direct and unmistakable connection between business activity and the volume of exports. Our Cotton Belt, our Tobacco Belt, our Wheat Belt, our corn-hog industry, our fruit and vegetable growers, our lumber producers, our machine manufacturers, and many other branches of our production cannot prosper unless they have adequate foreign markets for their surplus output. Deprive them of such markets and their purchasing power shrinks, and with it the whole Nation's purchasing power declines.

"Let me cite again the cases of dairy products and of cattle. The dairy industry supplies over 99 percent of the domestic market. The cattle industry supplies from 95 percent to 98 percent of the domestic market. Under a system of complete embargoes, these two industries would have 100 percent of the home market, but it would be a vastly reduced market, disorganized and shrunken as a result of the destruction of purchasing power in the hands of the exporting industries and the consequent curtailment of the Nation's purchasing power."

This applies to all branches of production, whether in industry or in agriculture.

Nearly 2 years ago I had occasion to discuss in some detail the implications of this situation for New England industry and in a letter addressed to 15 Republican Congressmen from New England, in response to a joint letter from them expressing opposition to the trade agreements program. I enclose herewith a copy of my letter.

In your letter you characterize as a "wrongful delegation of power" the authorization granted by the Congress to the Executive to modify our customs duties in reciprocal trade agreements, within specific and well-defined limits provided for in the empowering legislation. As a matter of fact, the Trade Agreements Act is essentially no different in this respect from many other enactments by Congress over a long period of years, in which basic policies and standards of administration have been laid down, the detailed execution of which has been vested in the Executive.

I note that two leading newspapers of your own city, the Journal and the Evening Bulletin, have in recent editorials forcefully refuted the views contained in your letter. I refer to editorials appearing in the issues of each of these papers for January 11, 1940.

Sincerely yours,

CORDELL HULL.

Hon. CORDELL HULL,  
Secretary of State,  
Washington, D. C.

MY DEAR MR. SECRETARY: We assume that you desire a reply to your letter of January 20, since it carries the notation, "In reply refer to T. A. 611.0031/4620." Although this reference indicates that the file of complaints has reached voluminous proportions, we accept your invitation.

You are correct in disputing our statement that no attention was paid to the testimony of those opposing rate reductions. We apologize for our error as we find that you apparently did listen, and with a most attentive ear, to the protests of the cattle men, copper interests, and wool growers. Is it not true that these groups are represented in the Congress by a large number of Senators whose votes are essential if the Trade Agreements Act is to be renewed? Could it be that it was Senate votes and not authenticated economic facts that stimulated your interest? Does your treatment of all justifiable complaints indicate that relief may be expected only where Senate threats of sabotage to the trade-agreement program are voiced? And if this be true, could it be that in spite of your stated abhorrence of "logrolling," "logrolling" becomes necessary not only in negotiating the treaties but in securing continuance of the right to do so?

We begin to understand why you refuse to agree with our statement that industry is better equipped to determine its tariff needs than is the State Department. You refer in your letter to "the precise extent to which Government shall extend tariff favors" as if you believed that the need for protection is not a proper basis for a protective tariff. Can it be possible that you believe that tariff favors should be extended by the Government to deserving groups with the State Department as the sole arbiter to determine which are deserving and to what extent? If this is the case, as your letter would indicate, do you not think it is high time that the whole country be informed that you regard the tariff as a means of distributing favors to chosen recipients and not as a protection to American labor and industry from labor operating under much lower standards of living?

You are apparently unable to understand the meaning of our statement that export trade, if built up by the trade agreements, is at the expense of industry and agriculture. You speak of the surplus-producing branches of our economic activity in a way that appears to ignore the fact that practically every industry in the United States, as well as farming, is so organized as to produce a surplus. Some industries are better integrated than others and refrain from actual overproduction, but their potential excess capacity is just as serious a problem as idle farm acreage.

The trade-agreement program envisages the exchange of a certain amount of our surplus products (selected presumably on the basis of the State Department's distribution of favors) in return for an equal amount of foreign products. If the resulting volume of increased exports is great enough to do anyone any good, the imports which are of an equal amount must result in an equivalent amount of injury to certain domestic products, must they not? We cannot get something for nothing, even in trade agreements, can we?

You refer to "economic self-containment." So far as we know the discussion of this theory has its origin in the State Department. Your testimony before the Ways and Means Committee in this connection could be interpreted as misleading. Let us hope it was not intentionally so.

We believe that even the most active of the opponents of the trade-agreement program realize that we must give as well as take. None of those who oppose the trade-agreement program as at present conducted wish for "economic self-containment." We now admit 61 percent of all our imports without any payment of duty and no one can truthfully accuse those persons who do not think it wise to remove the protection from the products which comprise the remaining 39 percent of being either "economic isolationists" or guilty of "economic provincialism."

While we cannot agree with you that the Hawley-Smoot tariff was the cause of the depression since that calamity was well under way when the act became law, we do know that that tariff act, the tariff of 1922, the emergency tariff and most of the other tariff enactments were brought about because of the fact that competitive imports were excessive and were damaging our producers. Do you deny that your program of reducing tariff rates and encouraging imports as a means of expanding our export trade will, sooner or later result in a demand for higher rates which no President or Congress can possibly resist?

In the years to come people will probably debate whether the next tariff act did or did not cause the next depression. Is it not at least possible that the present program may well be responsible for the next protective tariff?

Sincerely yours,

RHODE ISLAND TEXTILE ASSOCIATION,  
E. F. WALKER, Secretary-Treasurer.

[Editorial from the Providence (R. I.) Evening Bulletin of February 13, 1940]

## TRADE PACT DEBATE

We publish elsewhere on this page an exchange of correspondence between the Honorable Cordell Hull, Secretary of State, and Mr. E. F. Walker, secretary-treasurer of the Rhode Island Textile Association.

Although this newspaper is committed to the principle of reciprocal-trade agreements as a means of freeing international trade

from restrictions by quotas, excessive tariffs, and exchange controls, we have said plainly enough that we believe any industrial interest of New England should present factual material whenever it is considered that a particular trade treaty threatens it or is unfair to it. But we cannot believe that Rhode Island textile interests are much benefited by Mr. Walker's method of approach.

The tone of his communication speaks for itself. His implication that a mere file number attached to a letter from the Department of State is a record of the number of complaints received is absurd.

Such an exchange of correspondence is in reality addressed to public opinion. We doubt if Mr. Walker serves the Rhode Island textile industry well in representing to public opinion that the Secretary of State in his trade agreements is only engaged in log-rolling, that he is incapable of understanding Mr. Walker's arguments in economics, and that he has intentionally made misleading statements to Congress.

The textile industry has too good a case to deserve such brash argument. The issue of tariff protection is becoming an increasingly difficult one for this State in the present condition of foreign trade relations. We are a State of diversified industry. Some of our industries have a far greater interest in export trade than others. All of them are vitally concerned with tariff policy now and for the future. How they present their case to Washington and to public opinion is a matter of grave importance.

### Emancipators—True and False

#### EXTENSION OF REMARKS

OF

#### HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ADDRESS BY HON. ALFRED M. LANDON

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on February 11, 1940, by Hon. Alfred M. Landon, of Kansas, at the Lincoln Day memorial exercises sponsored by the Mid-Day Luncheon Club, at Springfield, Ill., on the subject Emancipators—True and False.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As we look forward to the enormous decisions that all the world must make in this crucial year of 1940, we are vividly reminded of a single great contrast, the contrast between Lincoln and the two men who, out of the welter and confusion of the last war, have risen to the leadership of Germany and Russia. For both of these men claim that they, too, are "emancipators"; that they, too, have "freed the slaves" and given a set of ideals to the nations over which they rule. Two men whose political philosophies have spread, not only across the Old World but have even attempted to undermine the democracy of the new.

And because both Hitler, of Germany, and Stalin, of Russia, have found followers and admirers in this country, surely this is the moment to contrast their ideals with the ideals of Lincoln; their characters and political philosophies with the character and philosophy of the man whom we eulogize tonight.

Many books have been written about Lincoln, and by many kinds of men. Some have admired him intensely and passionately. Some have attempted to belittle his greatness and his wisdom. But I believe I am right in saying that not one of them, not even those who have attempted to debunk the Lincoln legend, have denied his innate kindness and generosity and his gentle yet salty humor. They may have questioned his wisdom but never his warm, down-to-earth humanity or his infinite patience with and understanding of the democratic mind.

What a different place the world would be today, if the followers of Stalin and Hitler could boast of their generosity, their gentle kindness, and their humor, and their understanding of democracy. How different it would be for all of us if the German Nation and the Russian Nation could, in very truth, look up to a Lincoln.

For what do Stalin and Hitler symbolize to the vast majority of this country? They symbolize the cruel, intolerant, lawless, treacherous state. They are contemptuous of man's right to worship God. They disregard and ridicule the morality of individual freedom. The ideas represented by them have meant, and mean now, to many millions, death by starvation—death by sword—death in concentration camps. Hitler and Stalin force the state to live and die for them. Lincoln lived and died for the State.

Living here in the safety of America, we can only realize dimly, the magnitude of the misery and suffering Stalin and Hitler have caused. It's not so much that our sympathy and our feelings are blunted—are dulled by repetition of shocking scenes of cruelty

and suffering, but rather, their very enormity blocks the "gates of perception." A man can carry a hundred pounds, but not a ton. There is a limit to our imaginations. Our minds cannot grasp these huge massed brutalities, that make the Dark Ages a living present. Our thoughts cannot turn so quickly back to the distant and terrible age of Genghis Khan, and grasp the fact that once again it is actually here.

I thank God that tonight this Nation turns, in annual pilgrimage, to the memory of a man far, far different from these; to the memory of a man who symbolizes—not dictatorship, but democracy; to the memory of a man whose life gave proof of his absolute devotion to the theory of the Republic; to the memory of a man who is remembered, not only for victories won, but for humanity served.

In Lincoln's life we can read one of the greatest pages of human development. That page is proof of the force of exalted, passionate, enthusiastic conviction. Centuries of tyranny ended at the hands of this practical idealist, who could write poetry in prose. He succeeded in his mission because he combined the practical politician with the vision of a poet—the vision of a poet with the wisdom of a statesman.

Lincoln's appeals to the people were never based on their material needs, but on their spiritual needs. There was no stirring-up of enthusiastic hate to achieve his leadership, as is the mode today, both at home and abroad. No president has been so misrepresented, lied about, and maligned, as was Lincoln. But he met the hatred of others with personal magnanimity. He was the object of hate, but not the instrument through which hatred of others might grow. Always the people heard the voice of common sense, stirring as a bugle call, in his beautiful prose. He tried always to get people to behave like rational human beings, and to calm their passions, even while stirring them to fight a terrible war.

Lincoln's humor played over the serious problem of the most serious 4 years of the Republic's life, but not in a light, puckish, adolescent way. It was an asset, not only to himself and his colleagues, but even to the whole Nation. We may laugh to frustrate criticism. We may ridicule others to silence them. Or, as with Lincoln, we may join with others in laughing, to gain the strength and sanity that we all need to make rational decisions, unaffected by haste or bitterness. Lincoln's humor loosened the minds and helped the understanding of men. And, because it came from the mind as well as the heart, his homely philosophy not only offered an escape from the tension of trying problems, but it helped men to comprehend those problems.

Lincoln's humor was always meaty, if salty. It cleared up the real point at issue, preventing confusion and perplexity of thought. It was always apt, and to the point, and—more important still—there was always something solid in it, that you could put your teeth into, while you enjoyed a good belly laugh.

Lincoln was the rare combination of a first-rate evangelist and an able administrator. He was the one exception that I know of, in all the history of the world, to the rule that wars must be fought by extremism. He fought a successful one, on the basis of reasonable toleration.

It is clear from reading Sandburg's great life of Lincoln, that at no time in the 4 bloody years of war was Lincoln unwilling to make a just peace. It is true that with the passage of time a just peace became less and less possible. Again and again, some sort of peace negotiation was attempted, always with the sympathy of Lincoln. He hoped and prayed that the war might be ended by the breaking of the light of reason, before that light should be extinguished in suffering and total exhaustion. He saw what few statesmen see—that the best peace is not always made on the basis of utter and decisive victory.

To say that patience governed the whole attitude of Lincoln, the war President, is to say only the truth. Unlike Stalin and Hitler, Lincoln did not disregard human suffering. He pursued the war with the highest degree of energy and foresight. But even so, his forbearance was an irresistible force and an inexhaustible treasury.

But perhaps the greatest difference between Lincoln and Stalin and Hitler is in their backgrounds—in the backgrounds that formed their natures and crystallized their philosophies. Lincoln had a wide experience in politics and government. He had contacts with the courts, with county and local governments. He had participated in many political campaigns. He was, in fact, a practical politician as well as a statesman. Stalin and Hitler's ideas of government are based mostly on street-corner pamphlets. Their practical political experience has been only as conspirators, based on the technique of revolutions, bloody and bloodless. They learned their political ideas in the dark atmosphere of beer halls and cellars. A very different background—a much more varied experience—is needed for holding power and using power wisely. A far truer wisdom is needed to make the state serve the welfare of the people.

And with wisdom, and experience, and background, there must be understanding. Understanding of people as individuals—understanding of everything that makes for development of individual responsibility—understanding, in fact, of the principles on which popular government is based. And Lincoln had a real appreciation of individuals as individuals. He was not afraid, as Hitler and Stalin are afraid—of the free individual, either singly or in the mass.

Stalin and Hitler kill off merit when it fails to "yes" them. Lincoln tolerated a Secretary of War and a Secretary of State whose differences with him amounted almost to contempt, and in the end won their allegiance and their respect. He knew that a government of a free people must be composed at the top, as



well as at the bottom, of free men. A free people is not governed by a single leader surrounded by a group of servile followers. A government of a free people must be led by a leader great enough to tolerate the suggestions and criticisms of those close to him. Big men will not serve a leader who insists upon blind obedience, and free government needs the best serving of the biggest men.

It was this accurate understanding and handling of men that enabled Lincoln to shape the fate of the Nation he served. Lincoln had few books—which he read and reread. He learned chiefly from his daily contacts on the muddy roads of Illinois. His talk was the talk of the courthouse and tavern crowd. He relished their stories and comments. His was the lusty life of an outdoor people. Yet, Lincoln did not study them with the inhuman detachment Hitler reveals in his *Mein Kampf*. Lincoln's thinking developed out of his associations and his attachment for the common people. His insight and his impulses were of them and with them.

Many a politician has started with this insight and background but lost it as he moved on to the State capital and to the National Capital. But Lincoln continued to grow for he never lost the flavor of his early surroundings. He is an outstanding example of what is needed in man to make him great, and to enable him to be of real usefulness to his day and generation. This is because he was born small and grew great. He exemplifies the capacity of man for growth of character and intellect during the entirety of a lifetime. Almost without exception, it is unfortunate for a man, when he is "born" into a place of great responsibility. He has missed the opportunity for growth, so vital to understanding and true greatness. Perhaps that is why so many of the really great and worthwhile rise from a humble beginning.

It is much better to have the opportunity for change, for shift of focus and purpose, for growth in the nature and character of ambition. You find this in Douglas, as well as in Lincoln. To me the most stimulating incident of our political history is Douglas stepping forward to hold Lincoln's hat at his first inaugural. "It was a trifling act, but a symbolic one." Party leaders must serve as well as he served.

Lincoln's vision embraced more than the immediate problems and dangers of his day. He was concerned about the danger of new powers created in government, in the desire to curb old tyrannies. On one occasion he said: "Is there in all republics this inherent and fatal weakness? Must a government be too strong for the liberties of its own people or too weak to maintain its own existence?"

That is indeed the menacing question of today. How far dare we go in creating new powers for the so-called protection of the weak, and what are those new powers doing to the future life of the Republic in which Lincoln so fervently believed? The answer depends on just one thing: Do we have a whole-hearted belief in democracy or are we merely paying democracy a casual lip service?

One of our troubles today is that too many people in positions of influence and power do not believe that the man on the street—the average man and woman—has the qualities on which we can build. And, strangely, many of the Marxist academic liberals have the same contempt as the so-called special-privilege group has for the average man.

Take the terrible history of collective bargaining. The appalling resistance, the awful needless strife, the social waste, of this conflict between employers and employees. All because many employers said we could not deal with labor unions until they showed a sense of responsibility. For many years this excuse was used to deny women the vote. "We must wait," it was said, "until they show a sense of responsibility."

Industry must realize that if labor is compelled to fight for its life every step of the way it can and will only mean guerrilla warfare. And such warfare means creation of new government bureaus and endowing government with new powers. It must accept the fact that the average man and woman develops under responsibility.

Converts cannot be made by force to a sense of responsibility. People cannot be taught by force the successful workings of popular government.

The two dictators Stalin and Hitler do not trust the average man and woman. Lincoln did. So must we. Government is stirring up bitterness. Industry is stirring up bitterness. Labor unions are stirring up bitterness. If this country is to have a real and lasting prosperity all bitterness and distrust between government and industry and labor must be dispelled. Only if government stands for strict and impartial justice, as well as peace, can prosperity be accomplished. A partisan government can only accentuate conflict. If the Government is to have the confidence of all interests, it must stand for no one interest. It must, with true justice and true impartiality, represent all. And, if we are to remain a Republic, we must never lose confidence in the inherent political capacity of each other. Unless that be true—I mean, unless the mass is capable of exercising responsibility, there is no breath in popular government. Our perceptions may be imperfect, but there must be, and is, more good than bad in our combined intelligence. I repeat again, unless this be true there is no breath left in the Republic.

It is no accident that the autocratic Hohenzollerns and Romanoffs produced a Hitler and a Stalin, while popular government produced a Lincoln.

The principal message the two great bloody dictators bring to all men is: That no nation can succeed where there is hatred instead of tolerance; distrust and contempt for the common people, instead of confidence and trust. But the message of Mr. Lincoln still radiates good will. The Lincoln legends are enriching the lives of many peoples. The Lincoln language still retains its vitality for all men. The Lincoln spirit still catches the imagination of new generations.

The methods of popular government are still superior to the methods of dictators.

Instead of this Nation, and other nations, drifting away from the memory of Lincoln, many movements gather around the prestige of his name. The principles of Lincoln are the essence of the common faith of all free men. The principles of Lincoln were born of peace and of war. They represent tolerance in war, fortitude in defeat, forbearance in victory, optimism in peace, mutual helpfulness in the restoration of broad and enduring prosperity.

And so tonight let us who have gathered here in Lincoln's memory pledge ourselves, as he pledged himself, to these principles, in the firm belief that they are lessons for the year 1940 and for every year that follows.

The prophets of old, sitting out on the hillsides of Chaldea, when civilized nations were forming, saw there were certain things you could not write into a lawbook. They knew that if civilization was to survive, mankind must develop consideration for one another, and a certain thoughtfulness for one another's problems; that without consideration, and pity, and warm humanity, our lives would be filled always with the bitterness and rancor of war.

Lincoln proved to us that the good thread which runs through the lives of just ordinary persons is the thread, the true principle, which binds and ever will bind this Republic into a sound and healthy and peaceful union.

He knew that we must have a genuine confidence in the average man; that we must trust his intellectual integrity; that we cannot lose faith in those qualities in man which we think of as spiritual. For it is these qualities that make nations, that make civilizations, that make all greatness of the human race.

Popular government was born of that faith, and still rests upon that faith.

## Finland

### EXTENSION OF REMARKS

OF

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

#### EDITORIAL FROM THE NAUTICAL GAZETTE

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial which appeared in the Nautical Gazette of January 1940, with reference to the attitude of the United States toward Finland.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the January 1940 issue of the Nautical Gazette]

#### SUPPORTING FINLAND IN RESISTING SOVIET INROADS

Americans have a canny manner of avoiding commitments which laud another foreign country. They may admire a nation for many reasons but some qualification is usually injected. The present exception is Finland. Since the Soviet hordes were first lunged against the Finnish defense lines, the sympathies of the New World have been solidly for the brave republic. The promptitude in payment of interest on its debt could have some bearing but the monetary angle is not the motivating cause. The beauties of that country's scenery with its thousands of lakes and waterfalls may have a certain appeal but the esthetic approach would not bring such conviction. The romance of the historic ports and the stalwart ships operated under sail or by modern propulsion are compelling to those who are nautically minded. The real basis for our admiration lies not in the realm of materialism but in Finnish ideals and accomplishments. We see a counterpart of our own form of democracy and we like it. We behold a people of fortitude who resist imposition of communism and fight to retain their liberties. Though the odds are against them in numbers we don't pity the Finns—pity, indeed, for old people and children but straight, undiluted esteem for the women and men defenders.

Finland is a frontier of our very existence and the battleground for preservation of numerous benefits of individualism; freedom of worship, sanctity of the home, and maintenance of progress. That isn't being too emotional—it is factual. The collapse of Finland under the tenets of sovietism would bring the menacing border closer to us and threaten everything we hold dear from family life to our savings accounts and life-insurance policies.

Since the establishment of Russia's Bolshevik regime, Americans have been regarding the set-up as experimental and with the view that they are entitled to a form of government of their own choosing. We have sent over experts to aid in technical developments. We have permitted a Soviet bond flotation in this country. We have traded with them and granted rights to their agency, Amtorg, under the corporate laws of a State. In the meantime, communistic propaganda has been poured in sundry places in our 48 States as well as our Territories. We have been too tolerant and too damned good to Moscow.

It may be wise for the United States to sustain a neutral position in the conflict between the German and the British-French forces. But how can we assume any conciliatory attitude toward the Stalin incursions? It is doubtful whether our old friends in Hamburg and Bremen relish the idea of the absorption of their sister Hansa cities under Soviet rule. There is a question whether the German people who have long been exponents of private enterprise find anything gratifying in this Soviet effort of expansion. The day may come when Great Britain, France, and Germany evolve solutions to their difficulties. The continuation of the Finnish successes in keeping Russia out of Scandinavia may be the precise turning point. If we are to foster peace and defend our own institutions, aid to the Finns in their struggle against the dictators of pagan and tribal collectivism is our implement. Esteem is not enough—it must be specific. The efficient means is to contribute to the campaign for relief funds headed by ex-President Hoover.

### Silver-Purchase Program

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

EDITORIALS FROM THE NEW YORK JOURNAL OF COMMERCE  
AND THE NEW YORK TIMES

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the New York Journal of Commerce of today, February 15, entitled "Delay on Foreign Silver," and an editorial appearing in the New York Times of today entitled "The Silver Folly."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of February 15, 1940]

#### DELAY ON FOREIGN SILVER

The Senate Banking Committee has decided to delay reporting out the Townsend bill to repeal the provisions of the Silver Purchase Act of 1934 under which the Treasury has been buying vast quantities of silver abroad. Despite the favorable vote on this bill by a subcommittee headed by Senator CARTER GLASS, the full committee decided to hear from the Treasury and State Departments first, before acting.

Since Mr. Morgenthau has opposed silver purchases abroad, it is to be presumed that he will not encourage a continuation of this monetary folly. Originally, the Silver Purchase Act of 1934 was enacted to stimulate a rise in commodity prices in this country and to give financial relief to China. Actually, the buying of large amounts of silver has had no perceptible effect upon commodity prices either way, while, instead of helping China, that country was forced off her age-old silver standard and compelled to adopt a managed currency by our purchases of the white metal.

More recently, however, the continuation of silver purchases abroad has been favored for reasons of foreign policy. In 1937 and 1938 our purchases of large amounts of silver from China, which had no need for the metal after she was forced off the silver standard, doubtless aided that country to finance the war with Japan. However, China's silver exports last year dwindled sharply, and a considerable part of it was received from the portions of the country occupied by Japan. As a result Mexico has become the one major beneficiary of our foreign silver buying.

When Senator BARKLEY, the majority leader in the Senate, asserted earlier this week that American trade with Mexico, Central and South America might be seriously jeopardized by the cessation of foreign silver purchases, he was far from accurate. Our purchases of silver from countries in Central and South America, outside of Mexico, are comparatively negligible.

It is true that we bought upward of \$25,000,000 of silver from Mexico last year. However, it profits this country little to export goods in exchange for silver for which we have no earthly use, and of which we already possess some 3,000,000,000 ounces. Furthermore, it is quite doubtful that we can maintain our exports to Mexico, owing to the foreign exchange difficulties in that country, regardless of silver purchases.

The proper course of procedure for this country would be to halt silver purchases abroad, as futile and wasteful, regardless of other considerations. If, however, considerations of foreign policy are to affect the decision with regard to foreign silver buying, then there is all the more reason to halt silver purchases abroad, in view of Mexico's flagrant disregard of the property rights of American citizens and corporations, whose holdings there have been expropriated in cynical disregard of the elementary tenets of international law.

[From the New York Times of February 15, 1940]

#### THE SILVER FOLLY

The Senate Banking Committee has delayed action on a proposal recommended by a subcommittee to discontinue Treasury purchases of foreign silver. Senator BARKLEY declares that "this matter involves our foreign policy as well as purchases here by nations who have been sending us silver. Most committee members thought it best for us to consult the State and Treasury Departments before acting."

It will do no harm to consult the State and Treasury Departments, but no weight ought to be given to bad arguments from any source. Last spring some officials of the State Department were represented, perhaps unfairly, as believing that we must continue to buy Mexican silver that we do not need, and continue to pay a wholly artificial price for it, to prevent Mexico from expropriating American mines. If we bought Mexican silver for this reason, then our purchases would be in effect a form of political blackmail paid to keep more American property in Mexico from being seized.

It would be difficult to think of a worse argument than that for continuing our purchases of foreign silver—unless it is the argument, sometimes attributed to Treasury officials, that we must continue to buy silver that we do not need at wholly artificial prices in order to supply the countries from which we buy it with the purchasing power to take our goods in return. Such an argument is fantastic. We could accomplish the same result by buying sand from Mexico or Canada or elsewhere at \$10 an ounce. If a jeweler stood outside of his store and handed \$20 bills to passers-by in the hope that they would use them to buy his watches he would hardly be doing anything more ridiculous in principle.

There is not the slightest rational excuse for our continuing longer to subsidize foreign countries out of our Treasury so that they can make us the world's dumping ground at fancy prices for a metal that we do not need.

### Lincoln on His Last Birthday

#### EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ARTICLE BY EMANUEL HERTZ

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a learned and poignant essay entitled "Lincoln on His Last Birthday," written by Emanuel Hertz, an outstanding authority on Abraham Lincoln. The article appeared in the New York Times Magazine on February 11, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine of February 11, 1940]

LINCOLN ON HIS LAST BIRTHDAY—ON THE LAST FEBRUARY 12 OF HIS LIFE THE WAR PRESIDENT WAS PLANNING THAT MORAL REUNION OF NORTH AND SOUTH WHICH THE BULLET OF AN ASSASSIN WAS TO POSTPONE FOR A GENERATION

(By Emanuel Hertz)

Abraham Lincoln's last birthday on earth fell on a Sunday. No record survives to show that any notice of it was taken in the White House, or anywhere else. We know from the diary of Attorney General Edward Bates that "beautiful, moderate weather" prevailed, but Bates made no further entry and his fellow Cabinet members, Welles and Chase, found nothing to set down in their journals.

Lincoln himself left no written comment. We do find among his papers an order issued on that day which shows how little nearly 4 years of war had done to turn the Illinois lawyer into a military dictator. It went to Maj. Gen. John Pope in St. Louis, and it directed him to stop the practice of permitting military provost marshals in Missouri to seize the property of rebel sympathizers who had given bond for good behavior. "The courts and not provost marshals," Lincoln wrote, "are to decide such questions unless when military necessity makes an exception."

Probably Lincoln did not feel the lack of a birthday party, for despite continuing worries and some disappointments he had reason



to believe that the war was coming to a victorious close. What hurt him most was the thought that lives must continue to be sacrificed after the military outcome was all but certain. In the past his generals had often made it hard for him to show mercy. Now in a few months, if all went well, there would no longer be a cruel "military necessity" to destroy.

Mercy was in Lincoln's mind on this last birthday. On that day he, who was to die on April 15 by the hand of a demented fanatic, pardoned a physician who had been held for some breach of war-time regulations. The man, he thought, was "partially insane." On that account "he should be discharged."

His deepest thoughts, the broodings of these final days and nights, we cannot fully know. We do know that they were not darkened by dread of approaching assassination. He sorrowed with North and South alike over the lives that had been spent and were to be spent, but he had no fear for himself. If risk had to be taken he, above all men, was ready to take it. The Commander in Chief, he must have reasoned, could not send other men to their deaths and take too much thought for his own safety.

To Ward H. Lamont he once said, "I long ago made up my mind that if anybody wants to kill me he will do it; if I wore a shirt of mail and kept myself surrounded by a bodyguard it would be all the same." To Col. Charles G. Halpine he spoke in the same vein: "It would never do for a President to have guards with drawn sabers at his door, as if he fancied he were, or were assuming to be, an emperor." He figured shrewdly, too, that the South would prefer a man known to be kindly in his feelings toward his enemies rather than the more belligerent Johnson, who would succeed him if he were killed.

So he faced this birthday saddened and wearied by the frightful ordeal he had been through, yet beginning to see light ahead. The dawn was coming, just as he had seen it years ago breaking over the Illinois prairies—coming with the splendor of victory, but also, for him, with something far more important—peace, forgiveness, the beginning of a new friendship between the sections.

Lincoln wanted reconciliation with all his heart. It is true that he would not accept a compromise which left any vestige of slavery intact, or which weakened the Union. He had made that plain and may have been reflecting on the sad necessity as he sat in the White House on this last February 12 he was to know.

First, he had urged his generals to an early victory. When Sheridan wrote him, "If the thing is pressed I think Lee will surrender," he had replied, "Let the thing be pressed." But he did not want to press into the mud the people of the South, whom he never ceased to look on as fellow Americans.

He had left no stone unturned. Nine days earlier he had gone to Hampton Roads, with Secretary Seward, to confer with three Confederate representatives on a possible truce. The three men were Vice President Alexander H. Stephens of the Confederate States, Senator R. M. T. Hunter, and Assistant Secretary of War John A. Campbell.

He must have chuckled a little, and sighed, as he thought of that conference. There was little Aleck Stephens, who had come wrapped up in two big overcoats. Lincoln remarked aside to Seward that Stephens was "the smallest nubbins that ever came out of so much hulk." Good old Aleck, anyhow. He and Lincoln had been together in Congress years before. Lincoln had been moved, even to tears, by the Georgian's eloquence in those days. Aleck was the kind of man Lincoln might appeal to to help rebuild the South when the war was ended.

There had been informal and friendly talk, for in the midst of a frightful Civil War these old friends could not hate each other. Lincoln would have been thinking of what he had said to Stephens as they parted. "Well, Aleck, there has been nothing we could do for our country; is there anything I could do for you personally?"

Stephens had thought a while. "Nothing," he had said finally, "unless you can send me my nephew, who has been for 20 months your prisoner on Johnson's Island."

Lincoln wrote the name down—Lt. John A. Stephens. A moment later the two friends parted forever—though this could not be known to either of them. The big overcoats went on again and the little Georgian went back to Richmond and his lost cause. But Lincoln did not forget the imprisoned lieutenant. He had taken steps to get him out of prison, bring him to Washington, and send him home. He would see him, speak kindly to him, use him to prove to Stephens and the others that the northern government had something besides gall in its heart.

The conference had failed. Lincoln had to admit that. Lincoln had gone farther to make it a success than the public was to know for many years afterward. He had taken a sheet of paper and said to Stephens: "Aleck, you let me write the word 'Union' on top of this sheet and you may write whatever you wish below." Stephens verified this incident 17 years later at a dinner given when he was inaugurated Governor of Georgia—his last political honor. Both Col. Henry Watterson and the younger Clark Howell, present at the dinner, later confirmed what Stephens had to say.

But Stephens had his own word to write at the top of the sheet. That word was "independence." The slaughter of brother by brother had to go on until one or the other of these words was erased in blood.

Still Lincoln thought there might be a way out. He came back to Washington, and on February 5, just a week before his last birthday, he had made a proposal to his Cabinet. The thirteenth amendment, abolishing slavery forever, had gone to the States on January 31 and had been ratified by Illinois on the following day.

The Northern Commonwealths were hurrying to get it into the Constitution.

Lincoln would not compromise with the principle of abolition. Yet he would soften the blow, for North and South alike. He had told Stephens his hog story, and must have smiled at the recollection. It was about the man who had a large herd of hogs, and to save the trouble of feeding them had planted a field of potatoes in which they could root. A neighbor pointed out that butchering time for hogs came in December or January, whereas the ground in Illinois froze a foot deep after the early frosts. "He scratched his head," said Lincoln, "and at length stammered, 'Well, it may come pretty hard on their snouts, but I don't see but that it will be root, hog, or die.'"

The South would have to root or die if its labor system were suddenly abolished, and the old system of property rights turned topsy-turvy. But the Lincoln who could tell this robust story longed to ease the transition. So, a week before his birthday, he had pointed out that the war was costing \$2,000,000 a day and would, therefore, cost \$400,000,000 if it dragged out for 200 days longer. Why not pay this sum to the South to compensate it for the loss of its slaves?

The Cabinet unanimously said no. Lincoln sadly entered an endorsement on the back of his proposal: "Today these papers, which explain themselves, were drawn up and submitted to the Cabinet and unanimously disapproved by them. A. Lincoln." Perhaps on this last birthday he took the packet out and looked at it. He longed so terribly for this shedding of blood to cease, this agony to pass.

But he would shake off the mood of despondency. He had work to do. He was looking ahead. Sooner or later—probably this year, 1865—the war must end. He had plans for reconstruction and was quietly building an organization which would help him to carry them out. He had been growing steadily toward the magnitude of that task. If he had sometimes been a hesitating, cautious Executive in 1862 and 1863 he was such no longer. He was sure of his powers and of his resources. He was using the gifts of a supreme politician to carry out statesmanlike projects. He knew that mountains had to be climbed by slow and laborious steps.

He had built up a political "machine" for the safety of the Union and the reconciliation of its people. Patiently, through endless days and nights, he had conciliated the political leaders of the North, giving them patronage where it would do the least harm in return for their support. He knew the best angle of approach to almost every man in public life, knew his whims, his special interests, his soft spots.

He was looking toward the men of the South, too: Stephens, of course, who might have been president of the Confederacy had he not originally opposed the attack on Sumter; Robert Toombs, the eloquent Confederate secretary of state, who had also left the Union with regret; Governor Brown, of Georgia; Governor Vance of North Carolina, another early opponent of secession. These men were not rebels and traitors. They were Americans caught in a fix. They wanted peace and justice as much as he did. He could use them when the fighting was over.

The times were in flux. The swift current of destiny was sweeping the Nation along. Lincoln, perhaps sitting with his feet cocked on his desk, a slouching, ungainly figure of a man who was nonetheless majestic, could imagine the ship of state coming into calmer seas and more favorable winds. He could not know that a little later Walt Whitman would be writing, O Captain! My Captain!

A year earlier Lincoln had been doubtful of his reelection. Now there was even talk of a third term. The people of the North were less and less willing to let him go, even after another 4 years. Four years of peace, perhaps—4 years to "bind up the Nation's wounds."

A committee of Congress had been to call on the President 3 days earlier. They had news for him, though he had heard it before. They announced to him with profound solemnity that the electoral votes had been duly canvassed and that he had been the chosen candidate. He was moved, saying to them:

"With deep gratitude to my countrymen for this mark of their confidence; with a distrust of my own ability to perform the duty required under the most favorable circumstances, and now rendered doubly difficult by existing national perils; yet with a firm reliance on the strength of our free Government, and with eventual loyalty of the people to the just principles upon which it is founded, and above all with an unshakable faith in the Supreme Ruler of Nations, I accept this trust."

The "trust" had 2 months to run, but this fact was mercifully unknown to Lincoln—except as it may have been foreshadowed in troubled dreams.

He meditated his plans. He could straighten out a number of things, big and little. He would send Secretary of State Seward to London as Ambassador and make that fiery enemy of slavery, Senator Charles Sumner, his successor. He could tame Sumner and teach him mercy and forgiveness. He had overcome Secretary of War Stanton's earlier hostility and changed it into idolatry. He could use Stanton: "It is not for you to decide when your duty to your country ceases," he had told the Secretary. Salmon P. Chase had been more of a problem as head of the Treasury, but Chase was safely removed from politics into the Chief Justiceship.

Lincoln had taken pains to conciliate the radical leaders in Congress who might ruin his plans for reconstruction—Colfax of Indiana, the hotheaded and bungling Ben Butler of Massachusetts, and especially Thaddeus Stevens of Pennsylvania, the most powerful Member of the House. He had made allies of them. If

Stevens wanted a constituent appointed consul to St. Helena, Stevens could have his way—provided there wasn't another deserving Republican already sitting on the lonely rock.

Lincoln looked far ahead. He was already restoring order in the conquered parts of the South. He would go ahead. He foresaw little opposition. He thought patience, kindness, magnanimity armed with political sagacity would do wonders. Was he not a Kentuckian by birth? Hadn't he had southern friends? Didn't he know the South and couldn't he teach it to trust him?

He could not have heard the inaudible sigh, could not have seen the flutter of invisible wings, that went up and down those corridors of the White House and into that room where he was soon to lie in state—dead, the great brain unconscious forever, mercy and love for the time being silenced by an assassin's bullet.

The Nation would recover—that he was certain. He thought of the discharged and disabled soldiers, of the enormous debts that had been piled up. Then he looked westward, toward the rich prairies and the fabulous resources of the mines. "I am going to attract them," he wrote, "to the hidden wealth of our mountain ranges, where there is room for them all. Tell the miners for me that I shall protect their interests to the utmost of my ability, because their prosperity is the prosperity of the Nation."

He prophesied well, for it was the West that did in fact absorb the discharged soldiers in great numbers, and out of the West came the wealth that would repair the shattered physical resources of the Nation. But neither from the West, nor from the North, nor from the East came the mercy that was in Lincoln and that glowed so tenderly during these last days.

The President must have been forming in his mind, even then, on his birthday, the majestic phrases of the second inaugural. He was taking pains with his message, just as he had done with the brief address at Gettysburg. He wanted to speak to the whole Nation—to cross the firing lines and bring reassurance to the suffering people of the South.

A victor he had to be. In that role fate had cast him. A conqueror he was not—no Napoleon, no emperor drunk on the heady wine of blood-won success. The plain man of the people, the teller of homely anecdotes, the lanky Kentuckian who liked to lounge with his feet higher than his head, this man still existed; but the other Lincoln, the great humanitarian, the statesman, the commander, the mystic, was more and more in evidence during these final days and weeks. It was this man who sat at his desk in the White House on February 12, 1865, or wandered through the halls—thinking, thinking, planning, planning, hoping, hoping.

The noble words were rising out of the depths of his being. He would confess the common guilt of North and South, he would renew his fervent avowal of faith in a living and just God, he would profess with the utter sincerity of a man who has suffered each wound, died each death during a long civil war, "malice toward none, charity for all."

Lincoln was striding toward martyrdom and immortality, but what he certainly saw on his last birthday was the dawn of peace on earth, good will among men. He could not know that the bullet of a southern fanatic was to shatter his beneficent hopes for the South, postpone for a generation the moral reunion of the two sections, and cause suffering only second to the agony of war itself.

### Workers Profit!

#### EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, February 15, 1940

ARTICLE BY DR. JOSEPH F. THORNING

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Dr. Joseph F. Thorning, entitled "Workers Profit!" which appears in the magazine *The Sign* for January 1940. It explains very briefly a profit-sharing plan for workers in industry. I have long been an advocate of profit sharing in industry as a means of bringing about stable labor conditions, and common fairness to the workers themselves.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From *The Sign*, Union City, N. J., January 1940]

WORKERS PROFIT!—THROUGH VARIOUS PROFIT-SHARING ARRANGEMENTS MILLIONS OF WORKERS HAVE FINALLY ACHIEVED THE STATE OF PARTIAL PARTNERS

(By Dr. Joseph F. Thorning)

One of the most explicit recommendations in the Papal encyclical, *Quadragesimo Anno*, is that the workers "become sharers in some way of the ownership, or management, or profits" of indus-

try. Unlike Lenin, Pius XI considered that society would benefit from a much wider distribution of wealth and income. Collectivization, in the eyes of the Sovereign Pontiff, meant concentration of political and financial control. Sharing, on the other hand, meant social security for the worker and his family. "Working" and "ownership," it was suggested, should be almost synonymous terms.

Distribution of income sounded like a lovely theory and nothing more as long as red ink splashed all over the pages of annual corporation reports. "How can you divide a melon that has withered on the vine?" This was the plaint of businessmen and manufacturers who were struggling to meet pay rolls and keep their plants open in the hope that conditions would improve.

Quickly scoring another point, the industrialists added: "What we would like now are worker-investors who would be willing to share our losses. Gross revenue doesn't begin to cover operating expenses. Before we can have a sharing of profits we must declare a few dividends. You can't cut up the skin of the bear until you've caught the bear."

At the threshold of a new fiscal year it is fair to weigh the merits of this challenge. What is the profit-and-loss position of industry? Are the directors and owners of industry operating at a loss or are they sitting at the receipt of custom? Is the current trend toward concentration or distribution of wealth?

Year-end statements of more than one thousand representative corporations show the astounding increase of 300 percent in dividend payments to stockholders. Since substantial sums were voted for surplus and reserves, the amount of profit exceeded this percentage.

Shareholders were voted \$662,922,108 by 1,163 corporations. The total compared with \$210,884,738 for 819 corporations in the preceding report. In five cases only were dividends omitted, while in 40 instances dividends were resumed. Increases were more numerous than reductions. Financial journals reported that the dividend picture reflected "the sharp improvement in business since midyear."

In other words, it is important to realize that industrial America is once more in an ascending spiral of production and profits. Nowhere was this fact more dramatically portrayed than in the transportation manufacturing field. A survey of 80 companies revealed that the net gain in profits was five and one-half times greater this year than in 1938, representing a percentage increase of 448. Sales in the domestic market accounted for practically all this improvement, thus minimizing the effect of a world-war economy.

Spectacular as are these results, they are scarcely unique. Once before in this generation we were treated to the spectacle of rich plums on the dividend tree. The 3 years which immediately preceded the stock-market crash of 1929 were notable for soaring prices and a blizzard of dividend declarations. Some corporations, such as General Motors, prospered to such an extent that they were not only able to enrich stockholders by a 5-to-1 share split-up but also piled up the enormous surplus of \$212,000,000.

As a result, the company rode out the economic storm with a minimum of inconvenience for the directors and owners, although the same optimistic statement cannot be made about the thousands of automotive employees who were thrown on the county, State, and Nation for relief. If we learn anything from the 1920-29 experience, we should have decided that a surplus is just as important for the worker as for the corporation. And surplus is only drawn from income.

Pope Pius XI knew this, and that is why the late Pontiff recommended that more, not less, property be lodged in the hands of the laborers. His Holiness, Pius XII, shows his zeal for the same ideal when he speaks in the *Summi Pontificatus* of the harmony between "the laws that govern the life of faithful Christians and the postulates of a genuine humane humanitarianism." In the next clause, the Supreme Shepherd stresses the need for "unity and mutual support." Unless humanitarianism is to remain merely a name, it is obvious that respect must be paid to the claims of the worker for a family wage that will tide him and his children over periods of depression and unemployment. To what avail is it to the automobile worker in Detroit, who gains \$15 a day from Chrysler, or General Motors, or Ford, as long as the rush season is at its height, but who, in counting up his income on a yearly basis, finds he has received between twelve and fourteen hundred dollars, a sum which leaves no margin for life insurance, vacation projects, or cultural pursuits?

Social scientists who have charted the cost of housing, food and taxes in the Detroit area, estimate that \$1,600 dollars will barely suffice to cover the requirements of a family health-and-decency wage. The same students of the social scene marvel over the fact that the Chrysler Corporation can report a profit jump from \$1.53 a share for the first 9 months in 1938 to \$7.22 a share for the same period in 1939, while the employees of the company are expected to display the carnival spirit in view of the recent wage increases which are reckoned in pennies, not quarters or dollars. Speaking of the latter change, President K. T. Keller of Chrysler Corporation complacently remarked:

"We are pleased to be able to give the wage increase, which we expect will amount to about \$5,000,000 a year."

This one-big-happy-family statement was released to the press on November 29, 1939. On December 1 of the same year the financial pages of the great metropolitan dailies reported that net profit for 9 months only had aggregated \$31,403,118. In other words, a \$5,000,000 melon was split up among thousands of employees, whereas hundreds of stockholders (some of them owners of thousands of shares) divided up a melon six times as large



To be sure, the latter take the risk of business losses, but the workers run the much more serious risk of accident, illness, or protracted lay-offs. President Keller would accomplish a service if he would publish a break-down of the above figures, indicating clearly the number of people benefiting from dividend and wage increases.

A brighter, more heartening feature of the present situation is the practice of the two leading companies which produce electrical equipment. The General Electric Corporation just sliced up a \$4,750,000 holiday melon. The money was distributed among 67,000 employees. The latter had 5 or more years of service to their credit, sharing on the basis of 12½ percent of earnings available for common-stock dividends. Rises in the cost of living, computed upon the United States Department of Labor index, are taken into account to provide another \$2,350,000 bonus to the workers of this company. This profit-sharing plan has been working successfully for 5 years.

Talking with several General Electric employees, I found widespread satisfaction with their participation in the prosperity of the corporation. One of the foremen remarked: "Since the inauguration of the new plan we don't have to bother about any speed-up schemes. The men themselves know that increased productivity is to their own advantage. Moreover, they watch quality in the equipment we produce. The work of inspectors has been rendered almost superfluous. Every employee is a manager under this arrangement."

Directors of the corporation are equally enthusiastic. One of the high executives told me that "employer-employee partnership doesn't seem the impossible ideal that it appeared to be 20 years ago. All our men look forward to the day when they will be able to show 5 years' service and share in the rewards. It is a premium on steady, reliable workmanship. The incentive to share in the corporation's gains is tremendous. Waste is practically unknown in our shops and factories. Suggestions from the rank and file are constantly adding to the efficiency of our methods. Incidentally, the increased money pouring in at stated intervals enables the workers to buy more of the labor-saving devices of our corporation for the benefit of their wives and children. Every wage dividend is reflected in the home."

In Pittsburgh, Westinghouse Electric & Manufacturing Co. announced that it was stepping up the wage bonus from 4 to 6 percent for 45,000 employees. The Westinghouse plan has been in operation for 3 years. The fortunes of employees go up or down with the company's output and profit. According to this system, wages are boosted 1 percent for every \$60,000 earned above six hundred thousand; they are cut by 1 percent for every \$60,000 unit below this average. The year 1939 was a good one, inasmuch as more than \$3,000,000 were devoted to wage dividends. Incidentally, both General Electric and Westinghouse are in a stronger financial position than they were before the inauguration of the plan. Obviously, the two companies would enormously benefit by the application of the profit-sharing principle to all industries.

A much more elaborate system has been worked out by the Carrier Air Conditioning Corporation, of Syracuse, N. Y. This is a graduated profit and loss-sharing plan developed by Mr. James A. Bentley, vice president in charge of finance, after a study of the best features of 60 different systems.

The key to the administration of this project is a classification of each job, regardless of the individual incumbents. This means that for each niche in the productive phase of the company there is a standard of qualifications, with a minimum and maximum salary or wage base. The actual base rate paid to an employee in a particular job is in accord with his qualifications.

Each month the company computes average net income or loss for the preceding 12 months without reserve or reduction for income or profit taxes. Wages then are adjusted on a percentage basis, determined by dividing 20 percent of the previous 12 months' average monthly net income or loss by the total base salaries of all employees for the current month. The money disbursed to each employee for the current month includes his base wage plus the addition or minus the deduction of this percentage.

Some critics may quibble over the loss-sharing feature of this arrangement. They would do well to remember two facts: (1) The Nation is now entering upon a period of expansion, renewed productivity, and larger profits, at least for those companies which have a lion's share of the market; (2) experience shows that profit-sharing may easily transform an ailing concern into a prosperous industry.

On June 15, 1939, for example the Hanna Co. ceased to operate a famous old anthracite colliery at Minersville, Pa. Under the leadership of the Reverend Frederick Trafford, rector of St. Paul's Episcopal Church, the miners organized a cooperative company to take over the mine. The workers agreed to donate their labor for 2 weeks and sell the coal they produced in that period to obtain capital. White-collar executives expressed a willingness to join in the enterprise at greatly reduced salaries. Sales agencies in Boston and New York were persuaded to help in marketing the coal. The outbreak of war, of course, gave a fillip to the industry. But the bulk of orders came from the East, Middle West, and Canada. Production jumped to more than 1,200 tons a day.

Since September 1, 500 miners have received union-scale wages at the rate of 1 day's pay in stock and 4 days in cash. Profits will be divided as they occur. The whole effort is an example of what courage, intelligence, and cooperation can accomplish. And it justifies the recommendation of Pope Pius XI in the *Quadragesimo Anno*: "In the present state of human society, however, we deem it advisable that the wage contract should, when possible, be modified by a contract of partnership."

In the letter, *Sertum Laetitiae*, celebrating the one hundred and fiftieth anniversary of the Catholic hierarchy in the United States, Pope Pius XII speaks of the rich as "God's dispensers and providers of this world's goods." This passage refers to the obligation of the wealthy to administer their trust or stewardship in the light of supernatural charity. In other words, "sharing" is inculcated, even where the workers or the underprivileged make no contribution to the productive system. How much graver is the duty of those who enjoy large incomes to "share" with those who assist them to amass wealth?

In the same encyclical, the Holy Father insists on the obligation of the rich to practice justice with respect to the workers and their families. His Holiness declares in the most explicit terms that "the salaries of the workers \* \* \* are to be such that they are sufficient to maintain them and their families." Since the most cursory examination of the wage scale will demonstrate that millions of workers are each year forced into debt in order to pay health or maternity bills, it is certain that the wage deficiencies will be overcome only by the practice of profit sharing. Are not children a normal incident in family life? And are not employers bound to take this contingency into account when they reckon up the year's gains or losses? An extra wage dividend may constitute the difference between a happy and an unhappy family existence.

In *Quadragesimo Anno*, Pope Pius XI observed that cooperation was already being tried "to the no small gain both of the wage earners and of the employers." A similar judgment is rendered by 100 clergymen of the Protestant, Jewish, and Catholic faiths, who, in a recent joint statement, declared:

"A new spirit is coming over employers' associations. The labor movement, on its part, is exercising more responsibility for the efficient operation of industry than is generally known, and is aiming at cooperation with the owners for the purpose of guiding incomes and prices in a new and better way."

The same statement recommends that the people be "democratically organized around their own work and ownership." Would not the wider use of profit-sharing plans be an application of the principle of democratic economic organization? Employers' associations working in harmony with labor unions and farmers' marketing associations, as well as with professional groups, could easily evolve into a modern version of the guild system. Representatives of each group, meeting in council, could take practical steps to regulate production, prices, income, and standards of work. Eight hundred and fifty corporations now practice profit sharing. They could serve as the nucleus for national occupational groups.

The germ of the guild ideal is discoverable in the recent settlement of the workers' strike in the Chrysler factories. In establishing rates of production, provision is made for voicing claims on the part of employees who feel that the job is too fast and that the foreman is unable to adjust the matter. In that case, it is agreed that "there will be an examination with a union representative from the district in attendance, and all of the facts shall be made available for the parties dealing with the grievance."

In short—the worker through his collective-bargaining agency is given an opportunity, adequate and equitable, to safeguard his personality and his health from the encroachments of the machine and the mechanics of mass production. It means that millions of workers have finally achieved the status of a partial partner. Extension of the principle to the realm of profits will do much more to eliminate the status of the employee as a "hired hand." Profit sharing, shares for labor, means the end of wage slavery. Workers profit!

## Lincoln Day Address

### EXTENSION OF REMARKS

OF

HON. ANDREW EDMISTON

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

ADDRESS BY HON. ANDREW EDMISTON, OF WEST VIRGINIA

Mr. EDMISTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by me at the Twentieth Annual Lincoln Day Dinner of the Meuse-Argonne Post, Veterans of Foreign Wars, at Clarksburg, W. Va.:

To my comrades of Meuse-Argonne Post, No. 573, and members of the Lucinda Rose Auxillary, I am very glad to be able to be here to join with you in your twentieth annual Lincoln Day dinner. For the past 7 years I have been unable to be with you due to the fact that this time of the year is also a very busy one for Congress. My Committee on Military Affairs is holding daily meetings, gathering information so that we may intelligently formulate a reasonable program of National Defense for the Army.

I was glad to note in the February issue of Foreign Service that West Virginia stands sixth in all of the 48 States for paid up mem-

bership for 1940. This certainly shows that some of you fellows have been working, as I know from experience it takes personal contact to collect dues in advance.

I also wish to report to you that the so-called Rankin-McCormack bill, sponsored by our organization, I am informed, is receiving serious consideration by the committee in charge of legislation for World War Veterans in the House of Representatives. This bill does what President Lincoln said after the Civil War must be done for veterans. President Lincoln said, "It is certainly the Government's obligation to care for him who shall have borne the battle, and for his widow and orphan."

The V. F. W. sponsored Rankin-McCormack bill, in most of our opinions, would put into effect this patriotic and sound principle stated by President Lincoln during his term of office.

Today we are observing the one hundred and thirty-first anniversary of the birth of Abraham Lincoln. This anniversary of the birth of this great American finds our Country in a very precarious condition as we observe conditions in the world around us. One-half the world is at war; dictators are threatening democracy everywhere, except in North and South America. There are many things in this great American's life and teachings that if we would but follow today would be a great help to our country. There are so many of these that I cannot give them all to you, but I do wish to call a few of them to your attention. Abraham Lincoln, in my opinion, had the greatest conception of loyalty to his country of any of our great Americans. If his philosophy of patriotism were reduced to three words, I believe it would be "Live for America." In this day and age, we Americans are very prone to feel that our country owes us a great deal, and that we do not owe much in return.

In Lincoln's early youth he had a profound appreciation of his country, as is shown when he confided to a close personal friend the following quotation: "How hard, oh, how hard it is to die and leave one's country no better than if one had never lived for it." With these simple words Lincoln certainly left a yardstick for all Americans to measure their own loyalty and devotion to the finest Government on the face of the earth. Too many Americans are merely living in America and not for America.

I now want to quote to you certain excerpts from a speech made by President Lincoln at the meeting of the Young Men's Lyceum, at Springfield, Ill., in 1835, 105 years ago, at which time Lincoln was 26 years of age, and I want you to know how these quotations from that 105-year-old speech of Abraham Lincoln's are so applicable to conditions that threaten America and her institutions today, as well as they did at that time. The following is a quotation from the above-cited speech:

"In the great journal of things happening under the sun, we, the American people, find our account running under date of the nineteenth century of the great Christian era. We find ourselves in the peaceful possession of the fairest portion of the earth as regards extent of territory, fertility of soil, and salubrity of climate. We find ourselves under the government of a system of political institutions conducting more essentially to the ends of civil and religious liberty than any of which the history of former time tells us."

We certainly find ourselves in this same condition today.

But let us listen again to Lincoln in 1835:

"We, when mounting to the state of existence, found ourselves the legal inheritors of these fundamental blessings. We toiled not in the acquirement or establishment of them; they are a legacy bequeathed us by a once hardy, brave, and patriotic, but now lamented and departed, race of ancestors. Theirs was the task, and nobly they performed it, to possess themselves, and through themselves us, of this goodly land, and to uprear upon its hills and its valleys a political edifice of liberty and equal rights; 'tis ours only to transmit these—the former unprofaned by the foot of an invader, the latter undecayed by the lapse of time and untorn by usurpation—to the latest generation that fate shall permit the world to know. Gratitude to our fathers, justice to ourselves, duty to posterity, and love for our species in general, all imperatively require us faithfully to perform this task."

We would do well to remember the above today.

But let us return again to Lincoln:

"How then shall we perform this task? At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some trans-Atlantic military giant to step the ocean and crush us at a blow? Never!"

#### COMMENT ON AIR

"All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth, our own excepted, in their military chest, with a Napoleon Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years.

"At what point, then, is the approach of danger to be expected? I answer: If it ever reach us, it must spring up amongst us; it cannot come from abroad. If destruction be our lot we must ourselves be its author and finisher. As a nation of free men we must live through all time or die by suicide!"

How especially true today—with the Dies committee investigating internal foes such as the German-American Bund, communism, Nazi-ism, fascism, and numerous other "isms" that exist only to breed hatreds and class wars.

In this same speech at Springfield, Lincoln calls attention of the young men and women of that day to the danger in the increasing disregard for the law which pervaded the country. I

fear Mr. Lincoln, during the prohibition era in this country, would have been profoundly shocked with the disregard for law in America, and I believe that, while conditions are now better in this regard in America, there is still room for great improvement.

"Live for America" is just as vital a slogan for good citizenship today as it was 105 years ago. It is the creed which the Veterans of Foreign Wars are pledged to support. Loyalty to God and the country is the highest citizenship virtue. Abraham Lincoln pledged himself to that kind of loyalty when he uttered the following immortal words:

"Here without contemplating consequences, before high heaven and in the face of all the world, I swear eternal fidelity to the just cause, as I deem it, of the land of my life, my liberty, and my love, America."

If we will but swear, as Lincoln did, "Eternal fidelity to our country" and make it evident in our every act, we would all be better citizens.

### The Food-Stamp Plan and the Farmer

#### EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

STATEMENT BY MILO PERKINS, PRESIDENT OF THE FEDERAL SURPLUS COMMODITIES CORPORATION, BEFORE THE FRUIT AND VEGETABLE COMMITTEE OF THE AMERICAN FARM BUREAU FEDERATION AT CHICAGO, ILL.

Mr. GEARHART. Mr. Speaker, on the 4th day of December 1939, Milo Perkins, President of the Federal Surplus Commodities Corporation, delivered a most important and, at the same time, a tremendously interesting address to the Fruit and Vegetable Committee of the American Farm Bureau Federation, an address which he very aptly entitled "The Food-Stamp Plan and the Farmer."

Though some 2 months have elapsed since Mr. Perkins so ably advocated his cause the passage of time has not in any wise lessened the force of his arguments nor deprived anything that he then said in defense of the program it is his responsibility to administer of its persuasiveness.

I am sure that all who have had the opportunity of carefully studying his pronouncements will reach the conclusion that he was not in those early days of December unduly extravagant in his predictions. In the light of developments, his speech, I am sure, might well be regarded as prophetic. The favorable results that have been achieved in the further unfolding of the program amply justify all of the good things which he then predicted.

Because I believe that he is entitled to, and should have had, a much wider audience, I was constrained to ask the unanimous consent of the membership of this body for permission to include the text of his highly informative speech in the CONGRESSIONAL RECORD as a part of my instant remarks.

No objection having been expressed, I am happy indeed to hand the text of his remarks to the Public Printer.

In a recent Gallup poll, it was indicated that 88 percent of the people in the country had formed an opinion about the food-stamp plan as a method for moving price-depressing farm surpluses. That, probably, is more important than the fact that the program was endorsed by a big majority. It not only shows that our city folks are aware of the problems facing farmers with surpluses to sell, but it indicates that they want to do something about it. That ought to mean a lot later on in terms of improved farm income.

The poll indicated that 70 percent of the people in the Nation approved the stamp plan. Let's hope we're moving away from the day when farmers, who make up 25 percent of our population, get only 11 percent of our national income. Let's hope they're on the road toward getting a decent share of it, so that they can buy the things the unemployed men in our cities would like to be at work making for them.

Most of you, I take it, are familiar with the details of the food-stamp plan. Briefly, this is the way it works:

1. Studies indicate that persons getting public assistance spend an average of about \$1.00 per week per person for food. That's about 15 cents a day; 5 cents a meal.

2. On a voluntary basis, such persons may buy a minimum of \$1 worth of orange stamps a week for each member of the family. These are good for any food at any grocery store.



## APPENDIX TO THE CONGRESSIONAL RECORD

3. Persons buying orange stamps receive half again as many blue stamps free. They receive these in place of the commodities they formerly got at food depots. These blue stamps also are good at any grocery store but only for foods found to be "in surplus" by the Secretary of Agriculture. The list has been changed from time to time in accordance with changes in the season and the economic factors affecting the commodities. The first commodities on the list were butter, eggs, white and graham flour, corn meal, dried prunes, oranges, grapefruit, and dry beans. On July 16, a number of new commodities were added. These included rice, fresh peaches, fresh pears, cabbage, peas, tomatoes, and onions. The commodity list was unchanged until September 30. At that time peaches, cabbage, peas, tomatoes, and rice were dropped from the list and raisins, apples, snap beans (for October), and pork lard were added. In December, oranges and grapefruit, rice, hominy grits, and pork meats will be added to the list. On December 15, therefore, there will be 16 surplus commodities which can be purchased with blue stamps.

4. Grocers paste the stamps, each worth 25 cents, on \$5 cards and redeem them largely through their banks. The Government pays the banks for both colored stamps; the blue stamps are redeemed from the same funds that are now used to purchase surplus commodities directly.

5. Under the stamp plan, therefore, persons receiving public aid can get surplus foods at the corner grocery store. They have 7½ cents to spend for each meal rather than the 5 cents a meal they formerly spent. That improves farm income as well as the public health. The idea is to "eat the surpluses"; that is, the part that can be consumed in this country.

That is the essence of it, although, of course, there are variations which give us the necessary flexibility to meet different local conditions.

The program is now or very soon will be in effect in 23 cities or county areas. These are as follows: Rochester, N. Y.; Dayton, Ohio; Seattle and King County, Wash.; Birmingham and Jefferson County, Ala.; Des Moines, Iowa; Shawnee and Pottawatomie County, Okla.; Springfield, Ill.; Allentown, Pa.; Bethlehem, Pa.; Salt Lake City, Utah; Madison, Wis.; Minneapolis, Minn.; St. Paul and Ramsey County, Minn.; Providence, R. I.; Bismarck and Burleigh County, N. Dak.; Mandan and Morton County, N. Dak.; Denver, Colo.; Sioux Falls and Minnehaha County, S. Dak.; Wichita Falls and Wichita County, Tex.; Little Rock and Pulaski County, Ark.; Sioux City, Iowa; Memphis, Tenn.; Richmond, Va.

We anticipate that from 30 to 35 areas will be designated by January 1, 1940. By the end of the fiscal year, June 30, 1940, we hope to have the program going in from 125 to 150 places.

As a part of current operating procedure, careful attention is being given to the economic and marketing aspects of the program. It is not yet possible to draw final conclusions on the significance of this approach to agricultural problems. The information obtained is being analyzed in order to determine such matters as the commodities selected by consumers under the program, the volume being moved, changes in sales, price trends, and the probable agri-

cultural effects of the program on individual commodities. The preliminary figures now available are of great interest to every farmer in America. First of all, we can see how persons getting public aid are using their blue stamps on a wholly voluntary basis. We can tell which agricultural products are most popular and what percentage of the blue surplus stamps is going for each one on the list.

For the period from May 16 to July 15, when the program was in operation in only three cities, we had information for periods of from less than a month up to 2 months in each of the cities. Obviously, it was too early to attach a great deal of significance to the preliminary figures. Possibly the most interesting facts were the evident popularity of butter, eggs, citrus fruit, and flour.

From July 16 to September 30, when we had 6 to 12 weeks of experience in 6 cities, about one-quarter of the stamps were being used for butter and another one-quarter for eggs, two products which are produced very widely on our farms. About 13 percent of the added purchasing power was being used for flour. Corn meal and rice were each receiving about 2 percent of the blue-stamp expenditure.

It is extremely interesting to note that during this period about 14.5 percent of the total expenditure was being divided among fruits and 20 percent among vegetables, according to the consumer's selection and the commodities on the list at the time. In other words, slightly more than one-third of the additional purchasing power was being divided among fresh fruit and vegetables, dried prunes, and dry beans.

Of the fruit and vegetable commodities on the list during this period, fresh peaches were most popular, with 10 percent of the total. Tomatoes took nearly 8 percent, dry beans about 4 percent, cabbage and onions about 3 percent each, peas, prunes, and pears about 2 percent each.

By October 1 many of the fruits and vegetables were no longer in season, and changes in the list became necessary. For the first 4 weeks in October, the most recent period for which information is available, butter and eggs continued to secure about one-quarter of the stamps each. The demand for wheat products was about 13 percent of the total. Lard, placed on the list for the first time, took about 10 percent of the expenditure, and corn meal continued to take about 2 percent.

The fruits on the list included dried prunes, fresh pears, raisins, and apples. These four commodities took slightly over 14 percent of the additional purchasing power. Apples were first, with 8 percent; raisins, slightly over 2 percent; prunes, nearly 2 percent; and pears, about 1.8 percent. During October the three vegetables on the list accounted for about 9 percent of the total. Dry beans accounted for 4 percent, onions about 3 percent, and snap beans about 2 percent. All fruits and vegetables accounted for nearly one-quarter of the expenditure during the last month. The following table brings out these figures in greater detail and shows the variation in different parts of the country:

Percentage distribution of commodities secured with blue stamps in 6 areas (July 16 to Oct. 28)

Commodity	July 16 to Sept. 30—							Oct. 2-28						
	Rochester <sup>1</sup>	Dayton <sup>2</sup>	Seattle <sup>3</sup>	Birmingham <sup>4</sup>	Pottawatomie County <sup>5</sup>	Des Moines <sup>6</sup>	National average <sup>7</sup>	Rochester	Dayton	Seattle	Birmingham	Pottawatomie County	Des Moines	National average <sup>7</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Butter	30.4	20.9	31.7	14.6	12.4	22.1	24.0	36.2	21.5	35.2	12.8	9.1	25.7	26.4
Eggs	27.8	23.5	26.5	20.4	13.1	19.4	23.6	29.5	26.2	25.6	20.1	10.2	23.5	24.9
Lard								6.3	10.6	3.9	14.3	26.9	9.0	10.1
Flour	9.3	8.9	11.8	22.6	28.9	16.1	13.3	9.9	11.3	12.6	23.0	23.2	12.0	13.2
Corn meal	.4	1.8	.9	7.5	5.7	1.4	2.1	.6	2.1	1.2	7.5	4.0	1.3	2.1
Rice	1.3	2.4	2.0	3.2	3.6	2.1	2.1							
Dried prunes	1.1	2.1	2.0	2.4	5.3	2.3	2.1	1.2	2.4	2.4	1.5	1.9	1.9	1.8
Peaches	9.3	11.7	10.8	6.1	7.3	13.6	10.0							
Pears	.9	3.5	1.2	3.1	1.1	6.1	2.4	.7	3.5	.6	1.7	.8	2.5	1.8
Raisins								2.2	2.0	2.9	1.6	3.6	2.5	2.3
Apples								6.3	8.5	9.9	6.0	11.4	13.7	8.4
Total, fruits	11.3	17.3	14.0	11.6	13.7	22.0	14.5	10.4	16.4	15.8	10.8	17.7	20.6	14.3
Dry beans	1.4	4.4	2.5	6.6	11.0	5.6	4.1							
Cabbage	3.5	3.7	1.0	2.5	4.5	3.1	3.2	2.4	4.7	2.9	6.8	6.8	4.3	4.1
Peas	1.7	3.2	.7	3.3	.4	1.0	2.0							
Tomatoes	9.4	9.6	6.7	5.6	4.2	2.7	7.7							
Onions	3.5	4.3	2.2	2.1	2.5	4.5	3.4	3.1	4.4	2.3	1.6	1.7	3.4	3.2
Snap beans								1.6	2.8	.5	3.1	.4	.2	1.7
Total, vegetables	19.5	25.2	13.1	20.1	22.6	16.9	20.4	7.1	11.9	5.7	11.5	8.9	7.9	9.0
Total, fruits and vegetables	30.8	42.5	27.1	31.7	36.3	38.9	34.9	17.5	28.3	21.5	22.3	26.6	28.5	23.3

<sup>1</sup> Rochester program began May 16.

<sup>2</sup> Dayton program began June 5.

<sup>3</sup> Seattle program began July 5.

<sup>4</sup> Birmingham program began Aug. 1.

<sup>5</sup> Pottawatomie County program began Aug. 16.

<sup>6</sup> Des Moines program began Aug. 23.

<sup>7</sup> In computing national averages, the percentage distributions of the number of persons receiving public assistance in the States around each city designated during July 1939 have been used as weights.

Source of data: Economic Analysis Section, Food Stamp Division, Federal Surplus Commodities Corporation, U. S. Department of Agriculture, Nov. 18, 1939.

This is interesting evidence, crop by crop, of the untapped market for American farm products here at home among our underfed families. Every farm leader in the country will want to watch these figures as they change from time to time. He will want to watch the demand for different products as they are added to the surplus list. It may be another year, however, before we can say with certainty, as far as any particular commodity is concerned, that a new market exists on anything like a permanent basis. The plan has not been in operation long enough to measure seasonal changes accurately; nor is it widespread enough to be sure that the food preferences of some 150,000 persons as shown for a few months are a true index to what the national appetite of this group might be over a longer period of time. There must be a continuing running analysis in order to get more current and reliable measures of the effects of the stamp plan upon our agricultural economy.

With that warning, we can speculate on the possible agricultural significance of the stamp plan if it were operating upon a national basis. In other words, let us project the increased market for surplus commodities which might exist if the program were in operation throughout the country, if every eligible family bought the same percentage of surplus foods as those which were purchased in six areas for a few months, and if participation of eligible families throughout the Nation were upon the same basis as that in a few experimental cities. The term "eligible families," as used here, refers to those now receiving some form of public assistance and does not include low-income, privately employed persons such as those in Shawnee, Okla., who now are participating in the stamp plan in that one city upon a wholly experimental basis.

Nearly 20,000,000 people are included in the total number of families which are now receiving some form of public aid. If the same percentage of persons took part in a national program as has been the case in the experimental cities, the group of participating eligibles would include about 15,000,000 individuals. This does not necessarily mean that we are currently planning to have the stamp plan extended to that many people, however. Many factors will influence the extent to which the plan can be expanded. As an illustration, we do not believe that it is wise administratively to think in terms of reaching the entire relief load in anything short of 2 or 3 years, even if other circumstances made it desirable to do so. By that time, of course, the size of the relief load may have changed considerably.

On the basis of the foregoing assumptions, it is interesting to note that with current prices the stamp plan offers a potential annual market for about 294,000,000 pounds of butter, over 300,000,000 dozen eggs, about 30,000,000 bushels of wheat in the form of flour, over 6,000,000 bushels of corn in the form of corn meal, about 120,000,000 pounds of rice, approximately 78,000,000 pounds of prunes, 88,000,000 pounds of raisins, and about 213,000,000 pounds of dry beans.

For fresh fruits and vegetables there is a tremendous potential market. Given purchasing power, poor people will buy trainload after trainload of citrus, tomatoes, cabbage, peaches, and other fruits and vegetables.

The knowledge we have obtained of consumer takings of dry beans and dried prunes has been sufficiently wide and consistent, even with changes in the list, to make a preliminary estimate of the demand stimulated by the stamp program. The demand for raisins is apparently about the same as the demand for prunes. Our early figures in both cases offer a great deal of hope for farmers producing these crops. For other fruits and vegetables, however, we feel that it is too early to make even rough estimates for individual commodities. It does look as if low-income consumers, when given purchasing power, will, on a voluntary choice basis, become extremely heavy purchasers of fruits and vegetables. It is beginning to be relatively certain that, depending upon the commodities on the list, these people will spend 25 to 35 percent of their additional food-purchasing power for these commodities. This kind of stimulus to sales of fruits and vegetables can become a major force in better marketing of fruits and vegetables. Since the demand for commodities among low-income families is the largest undeveloped market in the United States, farmers, through their marketing organizations, will want to make use of this knowledge and take all of the steps necessary to benefit as much as possible.

We are interested in the stamp plan as a means of helping local producers in the area around which the program is in effect. We expect to work with grower committees and extension leaders in each region in developing suggestions on locally produced fruits and vegetables that should be placed on the list for various periods of time. We feel that this program promises to strengthen tremendously the approaches to improved returns to growers through broader markets. It supplements, though it does not supersede, all the existing approaches to this problem that the Department now has available. For example, we plan to continue the direct purchase of farm surpluses including some fruits and vegetables. By combining this method with the stamp plan we hope to get the maximum returns to growers that are feasible under our legislation. An increasing amount of foods bought directly is being used in our school-lunch program.

From an agricultural point of view, these figures have great significance. The stamp plan makes possible a much broader market for farmers producing those commodities for which there is elastic consumption, such as dairy products, poultry products, fruits, and vegetables. The early figures indicating sharp increases in the consumption of rice and beans give a more hopeful picture than we anticipated. This wider distribution will do more than provide

a new market for surpluses; ultimately it can bring about a better price level for an entire crop, especially in the case of those commodities which happen to be selling very much below parity.

I should like to call your particular attention, however, to the situation with respect to sales of flour and corn meal. Important as the indicated increases are from the consumers' and the millers' points of view, they hold relatively little promise for farmers growing wheat and corn. In both cases the increases in the number of bushels which might be consumed as flour and corn meal would represent only a fraction of the total crops now being produced. Lard is already on the surplus list, and pork has just been added. The outlet for corn may therefore be increased substantially. This will be one of the most interesting figures to watch in coming months. Were the stamp plan operating on a national basis, with livestock products on the surplus list, a very significant market might be opened for our farmers in the Corn Belt. We shall wait and see.

The figures upon which the estimates of new markets are based appear in more detail in the table which follows:

*Rough estimates of possible purchases of certain surplus commodities under a national stamp plan and 1928-37 average domestic consumption of those commodities*

Commodity	Percent of total expenditure for each commodity or commodity group (1)	Unit	Approximate blue-stamp purchases on a national basis (2)	1928-37 average domestic consumption <sup>1</sup> (3)	Blue-stamp purchases as percent of 1928-37 average consumption (4)
	Percent		Million units	Million units	Percent
Butter.....	25.2	Pound..	294.0	2,191	13.4
Eggs.....	24.2	Dozen..	313.0	2,602	12.0
White and graham flour, wheat equivalent (in bushels).....	13.3	Bushel..	30.0	484	6.2
Corn meal, corn equivalent (in bushels).....	2.1	Bushel..	6.6	49	13.4
Rice.....	2.1	Pound..	120.0	709	16.9
Dry beans.....	4.0	Pound..	213.0	900	23.7
Dried prunes.....	1.9	Pound..	78.0	228	34.2
Raisins.....	2.3	Pound..	88.0	285	30.9
Other fruits and vegetables <sup>2</sup> .....	20-25.0				

<sup>1</sup> Estimates supplied by Program Coordination and Development Division, Bureau of Agricultural Economics; allowance is made for farm to retail market waste.

<sup>2</sup> Merchant mill consumption.

<sup>3</sup> Not including canned bean consumption; partially estimated.

<sup>4</sup> The distribution among these obviously depends on the number of commodities on the list and the season of the year. When oranges and grapefruit alone were on the list in 3 cities, they accounted for 24 percent of the total blue-stamp expenditures. As indicated in table 1, when more commodities were added, up to Sept. 30, peaches accounted for 10 percent of the total, tomatoes 7.7 percent, cabbage, onions, peas, and pears from 2 to 3.6 percent each.

Source of data: Economic Analysis Section, Stamp Division, Federal Surplus Commodities Corporation, U. S. Department of Agriculture.

There are a number of other qualifications we must keep in mind with regard to this table:

1. The calculations are based on experience to date. Subsequent experience will require modifications, particularly if there is a considerable change in the variety of commodities on the surplus list.

2. They are based on prices existing up to October 28. Radical price changes would alter the consumer purchases.

3. It may not be true that all of these purchases will be additional purchases. For some commodities and in some regions among some families, a part of these purchases, at least, probably would be made in the absence of a program. The extent to which these potential purchases represent a net increase in the demand for agricultural commodities is of primary significance. Although no final conclusions on this subject can be reached from the data now available, considerable study is being and will continue to be directed toward this phase of the subject. The preliminary figures are very encouraging.

4. On the other hand, these calculations are limited to the potential effect of purchases by relief families only and do not take into account any possible increase of purchases by other families. As a result of special food drives and lower distribution charges made possible by an increased volume of business, a still greater consumption of surplus foods by the entire population can be brought about. Reemployment, of course, will bring about this result even more quickly.

After nearly 6 months' experience with the stamp plan we have ample proof of the splendid job that can be done in pushing sales for farmers with surpluses to sell. Farmers, businessmen, and those of us who work for our Government have learned that we can get better results by tackling a tough job together. We know, for example, that the stamp plan is bringing increased understanding of agricultural problems by urban families and business groups throughout the country.

The prices of many surplus agricultural commodities are still too low, of course, to bring about a situation where the returns to farmers will have a fair exchange value with city goods which



farmers must buy. As long as this condition exists, and as long as there are millions of our own citizens with inadequate diets, we feel that the food-stamp plan should be extended gradually to sections of the country where it has not yet been placed in operation.

Within each city, however, there is a possibility that the number of families eligible to participate will decline if the current trend toward fuller employment continues. That will please no one more than it will please us. A man with a job at good wages provides the farmer with a broader market than we can afford to make possible through our food stamps, and he provides the grocer with a greater volume of business than he is now getting even in cities where the stamp plan is in operation.

From the very beginning of the food-stamp plan we have tried to build its administrative machinery upon an accordion basis. In times of great agricultural surpluses, which usually are accompanied by great unemployment, it will be there to do a minimum job in terms of minimum diets below which the public health would be endangered. The broader market thus made possible for our farmers in times of stress will help to stabilize our whole economy. In times of fuller employment, however, it can and should be restricted to the fewer families who would still be eligible for such assistance.

I should like to repeat that farmers can sell more food to men with good jobs than they can to men buying a mere 7½ cents worth of food a meal with stamps—at least 50 percent more. Every one of us in this room lives in a family where the food expenditures are at least three or four times the amount being spent by families getting public aid. Good times are likely to be followed by bad times, however, and a mechanism like the stamp plan can serve the general welfare if it is contracted to a mere skeleton in times of great prosperity, but kept alive so that it can be expanded in times of depression to help cushion the shock. These are the policy terms in which we are thinking during these difficult days, when no one can see very far ahead.

Most important of all from the farmer's point of view is the probable effect of the stamp plan upon farm income, once it is operating on a national scale. All of you know what happens if in any season there is even 5 percent more of a given crop than people are able to buy—the price breaks for the whole production. And you know what happens when people want to buy even 5 percent more of any crop than is available—a good price can be gotten for the whole production. It looks now, so far as a great many agricultural commodities are concerned, as though the stamp plan could help move surpluses and raise farm income in a good many cases.

If the farm price goes too high, however, as recently happened in the case of rice for a short period, the commodity can and should be taken from our surplus list. This is not only a fair protection to consumers, but it will prevent artificial inducements to unwise acreage expansions. The stamp plan can provide a new and a broader market for farmers with surpluses to sell; our early figures indicate that it should be possible by this means to increase the returns on many an entire crop. Wherever and whenever that takes place, farmers will be just that much nearer to their rightful share of the national income.

Wallace E. Pierce

### EXTENSION OF REMARKS

OF

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

#### RESOLUTION BY THE JUDICIARY COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the Judiciary Committee of the House of Representatives with reference to the late Representative WALLACE E. PIERCE, of New York:

The Committee on the Judiciary hereby records its profound sorrow and deep grief in the loss of its distinguished and beloved member, Hon. WALLACE E. PIERCE, of New York.

Mr. PIERCE became a Member of the Seventy-sixth Congress on January 3, 1939, and soon after became a member of the Committee on the Judiciary. While Mr. PIERCE was only a Member of Congress 1 year, having died on the first anniversary of his taking the oath of office, he endeared himself to his fellow Members by his engaging personality and the generosity and warmth of his friendship. He was sincere, honest, and learned in the law, and was one of the ablest members of the committee, and his death will cause a great loss to the public service: Wherefore be it

Resolved, That the Committee on the Judiciary record with profound sorrow and deep regret the passing of our colleague, Hon. WALLACE E. PIERCE; and

Resolved further, That these resolutions be spread at large on the minutes of the committee, and that a copy thereof be transmitted to the bereaved family.

### Freight Rates to the Canal Zone

#### EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

#### RESOLUTION BY THE CALIFORNIA STATE LEGISLATURE

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a copy of Assembly Joint Resolution No. 9, relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone. This Assembly Joint Resolution No. 9 was adopted by the Assembly and Senate of the California State Legislature, now in special session, and the resolution was received by the Governor on the 8th day of February 1940, at 10 a. m., and filed in the office of the secretary of state of the State of California February 8, 1940, at 3:30 p. m.:

#### Assembly Joint Resolution 9

Relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone

Whereas Congress has authorized the construction of additional locks at the Panama Canal at an eventual total cost of approximately \$277,000,000, as well as an additional expenditure of approximately \$35,000,000 for the construction of barracks, airports, etc.; and

Whereas large quantities of foodstuffs, materials, and supplies are imported annually into the Republic of Panama amounting in the year 1937 to \$21,828,000, of which imports from the United States amounted to \$11,377,000 principally from the Atlantic seaboard; and

Whereas materials and supplies will be imported into the Panama Canal Zone in large quantities as additional protection for national defense by the United States Government and for the Republic of Panama, including alfalfa, groceries, cold-storage products, drygoods, dairy products, raw materials, housewares, candies, and tobacco, milk and cream, shoes, cattle and hogs, soaps, meats, lard, vegetables, lumber, petroleum products, cement, iron and steel, automobiles, chemicals, medicines, reinforced concrete frames and floor slabs, hollow tile filler walls, stucco exterior, tile and composition roofing, miscellaneous iron and steel, hollow metal work, metal lath and plaster, steel shelving, automatic refrigeration systems, waterproofing, cold-storage rooms, slate toilet partitions, glazed tile wainscoting, ceramic, cement and other quarry products, tile floors, paint, plumbing, electric fixtures, and various other types of materials and supplies grown, produced, and manufactured on the Pacific coast; and

Whereas the United States Government owns and operates the Panama Railroad Steamship Co., which is operated under the direction of the President of the United States and the War Department, which operates steamship service between New York and the Panama Canal Zone, and railway service between Atlantic and Pacific ports of the Canal Zone; and

Whereas freight rates upon said Government-owned line between the Atlantic seaboard and the Panama Canal Zone are materially less than freight rates on private lines operated between Pacific coast ports and the Canal Zone, in some cases being as much as 50 percent less; and

Whereas, if similar service and the same freight rate basis were provided by the United States Government between Pacific coast ports and the Panama Canal Zone, California growers, producers, and manufacturers of supplies and materials to be used in said construction work, including the necessities of life, to be imported into the Republic of Panama as hereinabove set forth, would be in a position to compete with growers, producers, and manufacturers on the Atlantic seaboard; and

Whereas, due to the withdrawal of ships under the jurisdiction of the United States Maritime Commission from export trade due to the war, there are now numerous vessels available for this service; and

Whereas private steamship lines operating between the Pacific coast ports and the Panama Canal Zone will not meet the New York-Panama rates of the Government-owned Panama Railroad Steamship Co., resulting in a practical monopoly in favor of shippers from the Atlantic seaboard to said Panama Canal Zone: Now, therefore, be it

*Resolved by the Assembly and Senate of the State of California jointly, That the President of the United States, the Congress, and the Secretary of War are hereby respectfully requested to take such action as will be necessary to provide similar steamship service between Pacific coast ports and the Panama Canal Zone and at the same freight rate basis in order that Pacific coast growers, producers, and manufacturers may be enabled to compete with growers, producers, and manufacturers on the Atlantic seaboard in supplying agricultural and manufactured materials and supplies to the Panama Canal Zone; and be it further*

*Resolved, That copies of this resolution be transmitted by the Governor of the State of California to the President and Vice President of the United States, to the Speaker of the House, to the Secretary of War, and to each Senator and Representative from California in the Congress of the United States.*

## Needed! A Passion for Accuracy Rather Than "A Passion for Anonymity"

### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

ARTICLE BY GEORGE ROTHWELL BROWN

Mr. MUNDT. Mr. Speaker, under leave extended to me by the House, I submit herewith an article from the learned pen of George Rothwell Brown, which I have taken from the Chicago Herald-American. In view of the very serious status of our National Treasury and the fact that our Government is now hovering perilously in the danger zone of \$45,000,000,000 national debt limit, it occurs to me that this analysis of President Roosevelt's surprising statement on Federal finances will be instructive.

In his Hyde Park statement the President undoubtedly had no intention of distorting figures or confusing the public mind, but was apparently simply placing too much reliance upon inaccurate figures and conclusions carelessly prepared for him by one of his six secretaries. If such unreliable advice continues to come to the Executive from his six new secretarial assistants, it will be easy to understand why they might have a "passion for anonymity," but from the taxpayers' viewpoint it is devoutly to be wished that they would develop a "passion for accuracy" as an alternative.

[From the Chicago Herald-American]

F. D. R.'S FIGURES ON DEBTS ARE WILDLY INACCURATE  
(By George Rothwell Brown)

WASHINGTON, February 10.—Mr. Roosevelt, launching into his defense of the New Deal as though already upon the stump in the 1940 campaign, has presented at Hyde Park a picture so vulnerable in its errors that he will now have to defend the defense.

Mr. Roosevelt says that local debt, State, county, and city debt, "had gone down the full extent that Federal debt had gone up." Since private debt has decreased, he said, the total debt therefore is lower.

According to the Twentieth Century Fund's Debts and Recovery, the total debt of all State and local governments in 1932 was \$15,977,000,000. The latest Census Bureau figures, for 1937, give the amount as \$13,909,000,000, a decrease of only \$2,000,000,000.

United States Government debt is up \$25,000,000,000 since 1932, when it stood at around \$18,000,000,000. If the figures supplied to Mr. Roosevelt by his anonymous "bulgingbrows" were accurate, the States would now have a surplus of about \$9,000,000,000. Instead they are mostly in the red.

The reason the State and local debts haven't increased more is that under 7 years of New Deal borrowing and squandering they have reached their debt limits and can no longer borrow.

The total of dividends and interest of the whole country, which mounted to \$11,396,000,000 in 1930, had fallen in the New Deal peak year, 1937, to \$9,563,000,000.

Cash farm income for 5 years from 1926 to 1929 averaged around \$11,000,000,000. In 1929 it was \$11,221,000,000.

In 1939—not counting Government subsidies—it was \$7,711,000,000. These are the latest official figures of the United States Department of Agriculture, Bureau of Economics, issued January 30, 1940.

Mr. Roosevelt in his rosy Hyde Park statistics supplied by the anonymous genius who very cannily hides his own light under a White House bushel, includes in his figures of cash farm income \$807,000,000 in Government benefit payments, as part of cash farm

income. What kind of bookkeeping is that to palm off on the gullible public? The Bureau of Economics doesn't do it. Can Government subsidy—which is debt—be called cash income?

Mr. Roosevelt says that there was an increase of 62 percent in salaries and wages paid, from \$2,403,000,000 in December 1932 to \$3,886,000,000 in December 1939.

This is smart and clever—too smart and clever. December 1932 was the bottom month of the world-wide depression. December 1939 witnessed the peak of the war boom, great activity in making airplanes and munitions for France and England.

The true basis of comparison, if Mr. Roosevelt's anonymous genius wanted some figures, was the total of all employee wages and salaries of \$51,509,000,000 in 1929 with \$46,720,000,000 in the New Deal peak year, 1937.

If 10,000,000 unemployed is the measure of New Deal prosperity, we have it.

If a \$45,000,000,000 Federal debt is the New Deal measure of prosperity, we have that, too.

If the American farmers getting 76 percent of parity prices—as according to December figures of the Department of Agriculture they are—is prosperity, then the New Deal prosperity wave has reached the farms.

Professor Hightower, the new White House anonymous lightning calculator, has compiled a strong campaign document—for the Republicans.

## Farm Tenancy—A Problem That Can't Be Dropped or Forgotten

### EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

EDITORIAL FROM THE NEW YORK EVENING POST OF FEBRUARY 5, 1940

Mr. VOORHIS of California. Mr. Speaker, in refusing to provide funds for loans to enable farm tenants to become farm owners, the House made a grave mistake. The following editorial from the New York Evening Post for February 5 will speak for itself, and is of particular interest to a Californian, since it shows the intimate relationship between the problem of migrant families in that State and the conditions of farm life in other portions of the country:

[From the New York Evening Post of February 5, 1940]

#### THE SHARECROPPER WAS FORGOTTEN

In voting to abandon the tenant-farm-purchase program the House of Representatives has demonstrated a callous lack of interest in one of the major social problems in the United States. Tenant farming is the polite term for the sharecropper system.

The sharecropper system, born out of the depressed reconstruction period after the Civil War, has grown to enormous proportions. In 1930 one-quarter of all the farms in the United States were worked for absentee landowners. By 1935 the percentage had risen to 42 percent, and it is still growing. Actually the statistics are a little more pleasant than the facts, for a new factor has entered the picture—the migrant agricultural day laborer, whose plight has been so ably dramatized in John Steinbeck's *Grapes of Wrath*. The migratory farmer belongs in an economic bracket even lower than the sharecropper, but his plight stems from the same disintegrating evolution of farm economics.

In 1935 the administration began to deal with the problem. The Jones-Bankhead Act was passed, providing loans to worthy tenants to purchase their farms, and Congress appropriated \$10,000,000 for the experiment. Applications for the loans have flooded the Farm Security Administration. In the first 2 years there was money enough for 6,181 loans, but 146,090 tenant farmers asked for help.

For 3 years the Government has been lending money at an average annual rate of about \$25,000,000. The sharecropper gets enough to buy his farm, put it in fair repair, and make essential improvements. He has 40 years to pay it back, and over the period the interest rate comes to about 4.3 percent. The amount of his payment in any one year is allowed to vary according to the value of the crop.

On Friday the House of Representatives, as if it had no concern for the matter, voted to leave the \$25,000,000 appropriation for farm-tenancy loans out of next year's Budget. It voted to bring the Government's efforts to help the sharecropper to a complete standstill.

The total amount of money loaned has been small compared to the size of the problem. Nevertheless it has been a positive attempt, and the first one, to correct a frightful social evil. The money loaned will be returned; it is an investment in citizenship.

It is up to the Senate, which surely cannot be so careless, to restore the money.



## Benefits to Missouri From Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

#### REPORT BY THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Mr. CANNON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report on the benefits to Missouri from reciprocal-trade agreements released today from the office of the Bureau of Foreign and Domestic Commerce:

##### THE SIGNIFICANCE OF FOREIGN TRADE TO MISSOURI

The drastic shrinkage of our foreign trade during the depression year made necessary the trade-agreements program, which was authorized on June 12, 1934, by means of an amendment to the Tariff Act of 1930. Between 1929 and 1933, the year before the Trade Agreements Act was passed, our total exports declined from \$5,241,000,000 to only \$1,675,000,000. More disturbing, our trade had fallen off proportionately more than had the international trade of the world as a whole.

Missouri is both directly and indirectly dependent upon foreign trade for continued economic development and sustained prosperity. It needs foreign markets for the surplus products of its factories, its farms, and its forests. It shares in the improved domestic market created when, by selling their surplus commodities abroad, other sections of this country increase their purchasing power.

Total exports reported as originating in Missouri fell from \$49,-296,300 in 1929 to \$9,451,200 in 1932. As the volume of exports from Missouri, and the United States as a whole, dropped, purchasing power throughout the State was reduced, large surpluses accumulated, and prices fell. The total accountable income of Missouri fell from \$2,104,000,000 in 1929 to \$1,277,000,000 in 1932, and cash farm income declined from \$354,000,000 to \$149,000,000 between the same 2 years.

However, according to a survey which has just been completed by the Foreign Trade Bureau of the St. Louis Chamber of Commerce, St. Louis alone during the year 1938 exported \$24,600,000 of manufactured goods to 97 foreign countries.

##### BENEFITS TO MISSOURI FROM THE TRADE-AGREEMENTS PROGRAM

Since the Trade Agreements Act was approved, agreements have been negotiated with 21 countries. With so many variables in the economic situation here and abroad affecting the movement of trade it is difficult to determine precisely the extent to which trade agreements have helped in the restoration of foreign markets for American farm and factory products. It is significant, however, that United States exports to the countries with which trade agreements were in force showed an average annual increase of 42 percent in 1936-37 over 1934-35, while exports to all other countries showed an increase of only 26 percent. Annual average exports to trade-agreement countries in 1937-38 were 61 percent above the 1934-35 average; exports to non-trade-agreement countries increased only 38 percent during the same period. Missouri undoubtedly shared in these increased exports.

##### SPECIFIC CONCESSIONS OBTAINED WHICH BENEFIT MISSOURI

Grains and flour, meat and meat products, boots and shoes, electrical machinery, chemicals, and allied products are examples of important products of Missouri for which expanded and more stable foreign market outlets have been obtained in trade agreements.

Wheat growers and flour millers of Missouri are benefited by concessions obtained for wheat and wheat flour contained in 11 agreements. The United Kingdom removed the duty on wheat, two countries bound the rate of duty, Canada reduced the duty, and two countries granted annual quotas. On wheat flour, seven countries either reduced the duty or gave assurances that existing duties would not be increased. The United Kingdom agreement removed the margin of Empire preference in five colonies.

Missouri producers of corn and oats are particularly interested in concessions obtained in eight agreements on corn and corn products, and in 10 agreements on oats and oat products.

The livestock farmers and meat packers in Missouri benefit directly from concessions obtained in 17 agreements on various kinds of meat and meat products. Reductions in the tariff rates on lard have been obtained from eight countries, the duty was removed by one country, and the duty was bound against increase, or increased annual quotas were obtained from four countries. The United Kingdom increased the annual quota for American hams and bound them on its free list. Twelve other countries granted

some form of tariff concession on American hams, bacon, fresh, frozen, or cured pork, beef, and veal.

Of particular interest to the Missouri manufacturers of leather goods are the concessions obtained on leather and leather manufactures in 19 agreements. Four countries reduced their duties on leather footwear and selected leather manufactures; one country bound its duty on leather footwear; two countries bound their duties on selected leather manufactures; one country gave assurance that the quota would not be decreased on leather footwear; and many other concessions were received on raw hides and skins, upper leather, patent upper leather, and other selected leathers.

Provisions facilitating the restoration and expansion of America's export trade in electrical machinery are contained in 16 agreements. These provisions include reductions in duty, assurance against any increase being made in the existing rates of duty, and removal of the rates of duty on such electrical machinery and apparatus as electrical household refrigerators, telephone and telegraph apparatus, vacuum cleaners, electric heating and cooking apparatus, incandescent light bulbs, power-plant equipment, radios, and on a great variety of other electrical appliances.

Missouri's manufacturers of chemicals and related products benefit directly from the concessions which have been obtained for such articles in 17 trade agreements. Ten countries granted reductions on various medicinal and pharmaceutical preparations; three countries reduced and two countries bound the duties on biologics. Nine countries reduced or bound the tariff rates on various industrial chemicals. On paints and pigments, 10 countries reduced the duties, 1 country bound its duties against increase, and 1 bound its duties and increased the quota.

In addition to the direct concessions obtained, there is a most-favored-nation provision in each trade agreement which automatically extends to American products reductions or limitations on tariff rates granted by the agreement country to countries other than the United States. For example, lower tariff rates on some 600 items formerly extended by Canada to France but not to the United States, now apply to American commodities. Among these Missouri is interested in reductions on meat products, on wheat and flour, on certain leather goods, on electrical apparatus and supplies.

##### BENEFITS TO MISSOURI LABOR FROM TRADE AGREEMENTS

Many thousands of the persons employed in Missouri owe their jobs to the export trade of the State. The trade-agreements program, by reopening and expanding foreign markets, increases the demand for labor. When foreign countries increase their demand for American products, industry must employ greater numbers of wage earners to produce these commodities. Increased employment in industries manufacturing for export provides enhanced domestic consumer purchasing power and creates greater employment opportunities for those engaged in supplying the domestic market.

##### MISSOURI BENEFITS AS THE UNITED STATES BENEFITS

There is a direct interrelationship between prosperity of any section of the country and prosperity of the country as a whole. Thus, the concessions obtained on American products not produced in Missouri indirectly benefit the citizens of the State by creating increased domestic demand for meat, shoes, wheat, machinery, tools, automotive parts, cotton goods, paints, and drugs, and the many other products of Missouri.

Expanding foreign and domestic trade means greater tonnage to be handled by railroad, steamship, and truck transportation industries. This, in turn, means more and steadier employment in these lines as well as in such service industries as banking, brokerage, advertising, insurance, and warehousing.

## A United America

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. THORKELSON. Mr. Speaker, in this my third address on a united America, may I again call attention to the fact that our Government differs from others and is unique in that the Constitution of the United States is an instrument by which the people delegate certain administrative powers to the Federal Government.

The powers delegated are so clear that little or no disagreement should arise in interpretation, yet evasion and misinterpretation of the Constitution are the actual cause for the condition in which we find ourselves today.

In our Republic the people are the supreme power, and the Constitution is the body upon which our Nation depends for life. The people should elect Members to Congress who will "preserve, protect, and defend the Constitution" with the

same care that a skillful surgeon employs in protecting the life of his patient. For an incompetent Congress will, by ignoring the Constitution, destroy our Nation as effectively as an incompetent surgeon destroys the life of his patient when he ignores the principles of surgery.

I shall now, in my own words, discuss the significance of the preamble and its relation to the Constitution, for observation leads me to believe that little or no consideration is given to this part of the document, either by Congress or the Supreme Court:

We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Suppose we arrange the preamble in the following manner:

We the people of the United States ordain and establish this Constitution:

1. In order to form a more perfect Union,
2. Which will establish justice,
3. Insure domestic tranquillity,
4. Provide for the common defense,
5. Promote the general welfare, and
6. Secure the blessings of liberty to ourselves and our posterity.

I have placed this interpretation upon the preamble, and I believe it was this the founders had in mind when the Constitution was drafted.

This should now be plain, and as questions arise before the legislative, the executive, and the judiciary branches of the Government, or before any Government department or employee, it is only necessary to ask these questions: Will this act on my part perpetuate a perfect Union? Will it establish justice? Will it insure domestic tranquillity? Will it provide for the common defense? Will it promote the general welfare and will it secure the blessings of liberty to ourselves and our posterity? If you are in doubt, or if the answer is "no" to one or more of these six questions, the matter under consideration is unconstitutional, and, therefore, not allowable except by special permission of the people as set forth in article V.

It would be interesting to know how much of the legislation now written into the law is unconstitutional. There is much of it, I am sure, and for that Congress alone is responsible. I shall now quote article I, section 1:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

This paragraph is plain, and states without quibbling that all legislative powers granted in the Constitution shall be vested in Congress and no one else. This is only just and proper, for there is no provision in the Constitution which gives Congress the right to transfer any part of its own powers to any person or department. In spite of the fact that "all legislative powers herein granted shall be vested in Congress," transfer of powers to the executive and other departments is a common occurrence, and will, if continued, make Congress obsolete.

Members of Congress elected to office subscribe to an obligation "to preserve, protect, and defend the Constitution of the United States." In view of this, is it unreasonable to assume that such Members understand the document they have obligated themselves to support? I think not, for all Members surely know their oath is a solemn obligation to the people of this Nation.

These questions may now be asked: What mental quirk impels a Member of Congress to vote for unconstitutional legislation and transfer of power when he knows that he is not only violating his obligation but is, in addition to that, betraying public trust? What unseen force is employed to induce Members of Congress to support legislation which deprives the people of rights and liberty and to which the Member himself becomes a victim when he returns to private life? It is such acts upon the part of Congress which are responsible for the condition in which we find our Nation

today, and it is the duty of Congress to set this right before it is too late.

The people of our Nation should understand that Congress is responsible for the unwarrantable and unconstitutional transfer of power from Congress to the executive department. This transfer of power and regulation is the underlying evil in our Government, for it has brought about fraud and corruption which have increased Federal operative cost until it is nearly unbearable. The rules which Congress employs to force passage of unconstitutional legislation are most contemptible, and should not be tolerated by any intelligent parliamentary body.

The Constitution provides that: "Each House may determine the rules of its proceedings," which, of course, no one disputes. It is, however, my opinion that such rules should conform with ideologies as expressed in the preamble to the Constitution. When rules are brought in from the committee similar to those which circumscribed debate on the reorganization bill, and which were so aptly described by one of the members as being "pig tight, bull strong, and horse high," I fear the outcome. Such rules are not only unintelligent, but they are actually detrimental to the general welfare of this Republic.

When a political party takes advantage of its majority in Congress and employs such majority power to force unconstitutional legislation through the House, the end of intelligent government is near. It was under such rules the Reorganization Act was passed, and I still maintain, as I did then, that the Reorganization Act is clearly unconstitutional.

It is my firm conviction that when a Member of the House raises the question of unconstitutionality the debate should be centered on this point, and this is particularly true with a Supreme Court that ignores the Constitution of the United States. The party sponsoring such legislation should be called upon to prove that it will not involve any of the six provisions in the preamble, for if it does it should not pass. Surely nothing but good can come from such discussion.

The people share the responsibility of unsound legislation and wasteful appropriations when they elect Members to Congress under promise to follow political leaders and support party policies. It is evident nothing can be expected from such Members except what the administration policies may be. We have had many examples of this during the past 10 years.

Beware of the bearer of gifts and he who freely sheds tears for your plight. For the ill-clothed, ill-housed, and ill-fed are, in spite of this silly lachrymation, in a much more deplorable condition today than ever before in the history of this Republic. Let me add, this statement does not only apply to the "have nots" but is applicable and important to business and industry, which are now operating with inflated currency devoid of standard international recognized values.

The greatest gifts any administration can give to this Nation are active industries, sound business, and full employment. To bring these about, industry and business must be released from Federal restrictions so they may operate on a sound basis. This is no more than just, for the people reserve such rights to the State and to themselves—articles 9 and 10. The fundamental principles under which all may enjoy the rights of a free people are written into the Constitution, and we enjoy the greatest measure of protection when Congress adheres to it. It is therefore important that the people elect men to Congress who will not allow sabotage of the document or grant extralegal rights to minorities which may undermine our Nation from within.

Much of the legislation which was enacted during the first session of the Seventy-sixth Congress did not receive my support or approval, for the simple reason that it was unconstitutional. It seems to me that there is no end to legislation, and that laws, like an evil disease, will eventually, if continued, lead our Nation into a dictatorship. It is high time that Members of Congress recognize that nothing is accomplished by enactment of legislation. It will not create prosperity or peace, but will instead bring about public disgust, which is all it deserves.



We have now an overabundance of laws and a legal machinery which our Nation's industries cannot support. The wiser plan would be to repeal many of the laws now on the books, so that our Nation's business and industries may be released from unwarrantable restrictions. There is absolutely no excuse for the condition we are in, and it is high time that business becomes articulate and renders aid to those who are stating facts and taking a national beating in the communistic press because they tell the truth to the people.

### Abraham Lincoln

#### EXTENSION OF REMARKS

OF

### HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

EDITORIAL FROM THE WASHINGTON EVENING STAR OF  
FEBRUARY 12, 1940

Mr. SPRINGER. Mr. Speaker, we have commemorated the anniversary of the birth of the Great Emancipator, Abraham Lincoln, and we are not unmindful that his life and his achievements far outshine any eulogy which may be pronounced. Born in the great State of Kentucky, living during the formative period of his life in my own State of Indiana, and residing in the State of Illinois during the more active years of his life, he endeared himself to the people of every generation of every nation.

I ask unanimous consent to extend my own remarks in the RECORD and to include therein a splendid editorial on Lincoln, which appeared in the Washington Evening Star on Monday evening, February 12, 1940, which follows:

[From the Washington Evening Star of February 12, 1940]

#### LINCOLN

Each successive anniversary of the birth of Abraham Lincoln serves to educate his countrymen to a more comprehensive appreciation of his character and personality, yet it may be wondered if he ever will be perfectly understood. His biographers are unanimous in their belief that he could not fathom himself; his contemporaries were puzzled by him; the heirs of his sacrifice, therefore, need not apologize for failure to read a riddle which grows in complexity with the passing years.

The most obvious paradox involved in the problem is that of Lincoln's disappointments. He is a tragedy from the start. Obscurely born, early deprived of his mother, neglected by his father, reared in poverty, unschooled, abandoned to his own devices, he knew little in childhood and youth save struggle and suffering. His first sweetheart died unaware of his pathetic love; he married unwisely; business and professional frustration was his experience through a period when he sorely needed encouragement to try again. Election to Congress brought him only disillusionment, his earnings at the bar were meager, his domestic responsibilities increased from day to day, he toyed with the idea of suicide. But he could not surrender. Some power which he could not name kept him alive for his ultimate destiny. In agony of spirit he appealed to God for a sign of His intention. What answer was received remains a mystery. The savior of the Union was chosen to the presidency on a compromise platform—a minority victor. He came to Washington warned that he would be assassinated. Submitting to a fate which he was persuaded was inevitable, he took no precaution to protect his life.

Looking back to the events of three-quarters of a century ago, the story appears to have been finished before it began. Lincoln, it seems, was selected for the performance of one single service. His immolation was part of the price he paid for his patriotism. Other men lived and died in the conflict he vainly sought to avoid, but he felt the Nation's anguish as though it were exclusively his own. His melancholy grew upon him. Even victory brought him no satisfaction. He was conscious, of course, that he had prevented secession, but the price staggered him. His faith in Providence was not shaken; it could not be so late—it survived with a desperate intensity in the second inaugural. Then the blow which he had anticipated so long fell upon him, and he was gone—with his work unfinished.

Yet he did not labor in vain. The world, however dimly, sees that without Lincoln America might have become what Europe is today. His success may be found in the fact that "government of the people, by the people, for the people" has not perished altogether from the earth. For the rest, nothing can be said without tears.

### The American Sugar Industry

#### EXTENSION OF REMARKS

OF

### HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

Mr. GILLIE. Mr. Speaker, I wish to call attention of the Congress to an interesting and revealing discussion of the effect of the New Deal farm program on the American sugar industry which appeared in the Chicago Tribune of February 11, 1940, under the byline of Charles Leavelle.

The headline on the article is, Sugar Growers Term Federal Schemes Blight.

I was interested in the facts brought out by Mr. Leavelle, because I have in my district, in Decatur, the only sugar-beet plant in Indiana. One thousand six hundred growers produce sugar beets for this plant on approximately 14,000 acres of the finest land in the State. Why should there be a quota on sugar beets when American farmers are producing less than 30 percent of the sugar used in this country?

I think this is a fair question, and I do not think it has ever been satisfactorily answered by the New Deal "brain trusters" in the Department of Agriculture.

Mr. Leavelle, in the Tribune article, tells about a survey conducted by the American Sugarcane League to determine the beet and sugarcane areas of the United States. He then states:

The league knew, of course, that the cane area extends from east Texas to the Atlantic Ocean, taking in roughly the old South below Tennessee and North Carolina. But even the sugar experts were amazed at the vast beet area disclosed by the survey.

This area extends through the old West in great blocks, from Nebraska to the Pacific and from Canada to Mexico. Beets are raised also in Wisconsin, Minnesota, Iowa, Illinois, Indiana, Michigan, and Ohio.

One of the principal purposes of the survey was to establish whether or not the United States, with her possessions, Hawaii and Puerto Rico, could grow all the sugar required by this Nation—thus shutting out Cuba and the Philippines, whose output, the league charges, is strangling the domestic industry with the aid of preferential treatment and the Hull reciprocal trade treaties.

The survey, augmented by a symposium of the domestic industry's leaders, indicates that this not only is possible, but feasible, according to Charles A. Farwell, chairman of the Sugar Cane League's educational committee.

"The consensus is," he said, "that if we include Hawaii and Puerto Rico with the mainland beet and cane areas, we can within 2 or 3 years produce the entire consumption requirements of the United States."

It was explained that the domestic industry first would have to expand to its normal production, which is forbidden now by the Secretary of Agriculture under the quota system. With normal production reattained, further expansion to its potential capacity would follow.

The sugar producers then were asked if, in their opinion, the mainland alone could supply the need if Hawaii and Puerto Rico should be granted their independence. They replied they believe that in 5 or 6 years the domestic industry can develop production equal to three-fourths of the Nation's requirements.

Mr. Speaker, in my section of Indiana there are some 14,000 acres of good land devoted to sugar beets—land which has been taken out of corn and wheat and other surplus commodities. And there are thousands of other acres that could be converted to this crop if the New Deal would call a halt to its foolish policy of discouraging and hamstringing the American sugar industry.

Why permit Cuba and the Philippines to continue to flood the American market with sugar that might better be produced in the United States? Why pay American farmers to limit their sugar-beet acreage and at the same time buy 70 percent of our sugar from foreign nations?

Why not give this struggling American industry a chance? Why not extend our good-neighbor policy to the American farmer and laborer who, heaven knows, deserves a break? Why not turn the rich American market back to our own farmers—where it rightfully belongs—and stop this foolishness of limiting American production for the benefit of cheap foreign competitors?

I repeat, Mr. Speaker, Why not?

## Wise Talk to Youth

## EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

EDITORIAL FROM THE PHILADELPHIA EVENING PUBLIC LEDGER OF FEBRUARY 12, 1940

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Public Ledger of February 12, 1940:

[From the Philadelphia Evening Public Ledger of February 12, 1940]

## WISE TALK TO YOUTH

One of President Roosevelt's most remarkable speeches was made on Saturday to the American Youth Congress. Perhaps it should be regretted that the President does not always talk so simply, directly, and sincerely to the whole American people. For on this occasion there was small hint of politics in what he said and an admirable skill in meeting the mood and spirit of those he was addressing.

These were important people. Not because of their political and personal standing, but because the Youth Congress does, in some degree, represent the energetic uncertainties and restlessness of this Nation's younger generation. And a wise and worried father, perhaps, would see to it that his perplexed and impatient son reads the President's message, which has much more in it of parental advice than political pleading.

It was partly politics, perhaps, that the President addressed his advice to those "who believe in the form of government under which the United States has been living with reasonable success for more than a century and a half." This was fair warning that a youth movement under Communist leadership has no place in this country. If the American Youth Congress has that sort of leadership, it is likely soon to disown it. For the young people of the United States, for almost the first time, have been taken into the confidence of the President of the United States and told plainly that the Nation's problems cannot be simply solved by protests, resolutions, and mass meetings, but by the spirit of service and dedication and willingness to face hard facts.

## This Trash Must Go!

## EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

ARTICLE FROM THE READER'S DIGEST

Mr. GILLIE. Mr. Speaker, early last year I introduced a bill (H. R. 5757) to discourage the publication of obscene literature by requiring all magazines to print in a prominent position the names of their owners, editors, and other responsible executives.

This bill passed the House of Representatives by unanimous vote on January 15, 1940, and is now awaiting action before the Senate Committee on Post Offices and Post Roads.

The other day I read a magazine article which explains most vividly the reason why this legislation is needed. I think every Member of the Senate should read it—particularly the members of the Committee on Post Offices and Post Roads, who will be called to act upon this bill in the near future.

The article entitled "This Trash Must Go!" appeared originally in the Forum magazine but has been reprinted in the February issue of the Reader's Digest. To conserve space I am including only the portions of the article describing the wide extent of this evil, which H. R. 5757 would help to eliminate:

[From the Reader's Digest]

"THIS TRASH MUST GO!"

(Condensed from The Forum)

(By Courtney Ryley Cooper, author of Ten Thousand Public Enemies, Here's to Crime, etc.)

A torrent of "smutty magazines" is flowing across the newsstands of the Nation. Last month 8,000,000 people—most of them under 21—bought copies of 150 nationally distributed periodicals reeking with frankly objectionable material; in some localities these magazines constitute from one-fourth to one-half of all newsstand sales. These are publications that possess no literary or artistic merit; any intelligent adult would instantly recognize them as deliberate commercial exploitations of filth and as patent violations of existing laws against obscenity.

The filthy magazine is not a chimera of prudish minds. Its menace is real, its influence potentially crime-inciting. Law-enforcement agencies recognize that the sex criminal is a reader of such literature and that the imaginations of most juvenile delinquents are inflamed by pornographic publications. Lewis E. Lawes, warden of Sing Sing Prison, declares: "Salacious magazines are definitely connected with the criminal activity of individuals predisposed toward sex crimes. They have had a definite effect in many cases with which I have come directly in contact." J. Edgar Hoover testifies: "The publication and distribution of salacious material is a peculiarly vicious evil; the destruction of moral character caused by it among young people cannot be overestimated. The circulation of periodicals containing such material plays an important part in the development of crime among the youth of our country."

In the past decade the growth of salacious literature has been the most rapid in history. During this period sex crimes have more than doubled, with one out of every four committed by youths under 20. The latest National Uniform Crime Reports Bulletin indicates that while crime in general waned in the United States during 1939, sex offenses increased 7 percent. Rape cases have shot up 50 percent in the past 6 years. Sanford Bates, formerly Director of Federal Prisons, attributes this increase largely "to the lurid accounts of sex crimes which appear in public print, sex stories in magazines, movies, etc.," and K. P. Aldrich, Chief Inspector of the Post Office Department, asserts: "The present flood of filthy publications is greatly responsible for the increase in sex crimes, and furnishes an important motivation to youthful offenders."

But overt crime is not the only important part of the problem. Wherever obscene magazines circulate, cultural values decline, inferior standards of taste and morals prevail. The pernicious effect of such magazines upon high school children is keenly realized by principals and teachers. Frederick Houk Law, New York director of the National Education Association, voices the attitude of the teaching profession when he says: "For the young, especially, such publications cultivate vulgarity, lower taste, awaken lack of respect for womanhood, and lead directly toward an increase of social evils."

Distinctions must be made, of course, among various types of magazines. There are some that handle risqué material with wit and intelligent humor, with verve and urbanity; to brand them as obscene would run counter to the generally accepted attitudes of society today. The filthy magazines that have lately provoked clean-up campaigns in many communities are easily recognizable by their cheap vulgarity; they specialize in portraying a degraded concept of sex, or in glorifying the activities of criminals and perverts.

Few persons realize how widespread the pox of smutty magazines has become. They can be bought by the bale by any 13-year-old child in almost any city or town. They filter into the corner candy store; they can be purchased at filling stations, soda fountains, railroad and bus waiting rooms. They flaunt suggestively posed near nudes on their covers; their contents are revolting slime, nauseating to the normal adult but dangerously appealing to weak or impressionable mentalities.

These publications are beyond the pale of decency, not only in their text and illustrations, but also in their advertising columns, which offer everything from sexual stimulants, fake dice and abortifacients to the vilest of privately printed obscenities. Among the latter are the revolting cartoon books—a set of six or eight drawings purporting to reveal perversions in the lives of stage and screen stars. That cartoon books thus advertised find their way into the hands of high-school youths and incite similar practices has been established by postal inspectors and local law-enforcement officers.

In New York City, a council for decency in magazines, non-sectarian, was formed in 1938 to check the sale of border line periodicals that offend against reasonable canons of good taste. It is in no sense a prosecuting organization; its aims are to arouse public opinion and to secure the cooperation of publishers, distributors, and news dealers. The council advocates legislation requiring the name and address of the publisher to be printed in the masthead of the magazine. Such legislation would put an end to the fly-by-night publisher who brings out a single issue of an offensive magazine, cashes in on its quick sale to news dealers, then disappears from view. Three months later he bobs up again at a different address with another publication more objectionable than the first.

In all these local drives, no censorship of the press is involved; no legitimate literary or artistic liberty is curtailed. Bluenose



zealotry is frowned upon by the campaigners themselves, as un-American and contrary to contemporary reform methods. Communities all over the United States are discovering that the moment they organize and invoke local indecency ordinances against smutty magazines, publishers and distributors seize a broom and clean their own house. This simple technique has swept filthy magazines off the newsstands, not only in the communities mentioned, but also in Albany, N. Y., in Boston, Lowell, Lynn, and 10 other smaller cities in Massachusetts; in Grand Rapids, Mich., Des Moines, Iowa, Birmingham, Ala., Los Angeles, Calif., and elsewhere.

No city or town need be plagued by the sex purveyor, pervert maker, or morals wrecker any longer than it takes to organize against him. His malodorous product, and all that it represents in human and economic waste, can be obliterated by taking a community stand against it. J. Edgar Hoover speaks for every decent-minded citizen when he says: "There is no place in America for the filthy magazine. This trash must go!"

### Plain Enough

#### EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

EDITORIAL FROM THE PHILADELPHIA EVENING BULLETIN OF  
FEBRUARY 12, 1940

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Bulletin of February 12, 1940:

[From the Philadelphia Evening Bulletin of February 12, 1940]

#### PLAIN ENOUGH

Under the circumstances, including the occasion of delivery, President Roosevelt's condemnation of the Soviet Government was excellently timed. Sympathy for brutally invaded Finland, as he says, is felt by the overwhelming majority of the American people. That majority includes the former fellow travelers and those who, although revolted by Bolshevik brutality, had hoped that Russia would yet develop a real democracy.

No rupture of relations could bring home to Moscow more forcefully knowledge of what America really thinks of it than this declaration by the head of a state still in diplomatic relations with the Soviet.

Mr. Roosevelt gave good advice to the youthful Communists whom the American Youth Congress tolerates in its membership when he bade them confine their agitation to legal and constitutional lines. But Moscow, both in practice and propaganda, tells them exactly the contrary. Bolshevism came to power not by overthrowing Czarism but by ousting a democratic regime that had already destroyed the old imperial tyranny—a government of veteran fighters for liberty—men and women—in the persecution of whom Bolshevism outdid Czaristic terrorism. Bolshevism relies on purges, police terrorism, and the denial of every individual liberty.

For young "reds" the President had plain words about twaddle over Finland. The Youth Congress seems to think it is being asked to deny the right of young Americans to advocate communism. Conceding an atheist freedom of opinion and speech doesn't entitle him to barge into membership and influence in the Christian Endeavor Union. The Youth Congress had better travel alone.

### The Federal Judiciary

#### EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, January 29, 1940

ADDRESS BY HON. KENNETH McKELLAR, OF TENNESSEE

Mr. McKELLAR. Mr. President, some time ago I delivered an address at Nashville, Tenn., in honor of one of the new district judges. In my address I outlined something concerning the judicial office. The address was printed in part in the newspapers. I ask unanimous consent that it may be printed in the Appendix of the RECORD, as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, I am happy to be here tonight. You gentlemen of the Nashville bar and lawyers of this district are very gracious to honor your new Federal judge and are most courteous to invite me to take part in the ceremony. I begin by saying I know it is much more interesting for any speaker on any occasion of this kind to speak without notes, and as the most of you know, I usually follow that course. However, for reasons that seem to require it, I have concluded to confine myself largely tonight to my written discussion.

I first wish to state the situation leading up to Senator STEWART's and my recommendation and to the appointment of Judge Davies as Federal judge. As you all know, there were a number of applicants for this very important position—lawyers all of high standing, fine ability, excellent qualifications, and of outstanding honesty and integrity. Several from Nashville and several from the middle district outside of Nashville. Senator STEWART and I had a difficult task in making a selection.

In talking the matter over with the Attorney General, he informed us that his office would not recommend to the President anyone whose age was over 60. This rule did not meet my approval then and does not meet my approval now. I never agreed with the Dr. Osler theory that a man should be chloroformed after reaching 60 years of age. I am past that age and I think I am still able to do good work. I know many lawyers over 60 who would make better judges than others under that age. The Attorney General was officially and legally charged with the duty of making recommendations of judges to the President and we did not have the power to overrule him. This ruling eliminated a number of excellent applicants, as fine men as could be found in this or any other State. Senator STEWART and I went over the endorsements of the other applicants and there were many fine endorsements of each and they were all well qualified men. We submitted a number of names to the Department of Justice, but complications arose, which were not the fault of anybody, and we then submitted the name of Judge Davies, who was not an applicant for the place.

Senator STEWART and I submitted his name to the Department of Justice so that the Attorney General could make the examination that he always makes in such cases before joining in our recommendations. The Attorney General made his usual examination and soon reported favorably and submitted his name to the President and he was appointed. In submitting his name, we considered his standing at the bar, his education, his fitness, qualifications generally, his character, and his standing in the community.

Then came a wholly unexpected protest. I need not go into that except to say that I believe that the protestants were thoroughly sincere and honest in their protests, but they had simply been misinformed. Their testimony before the Judiciary Committee making the investigation amply showed this. The overwhelming testimony given by leading judges and lawyers showed that Mr. Davies was entirely worthy and qualified. The testimony of the protestants indicated that they were not fully informed as to the facts, and the committee unanimously recommended Judge Davies and the Senate unanimously confirmed him.

So far as I have been able to determine, the appointment of Judge Davies has met well-nigh unanimous approval of the Nashville bar and of the several bars of the entire district.

#### SOME SUGGESTIONS CONCERNING FEDERAL JUDGES

As all of you know, I am a lawyer by profession and practice quite actively in all the courts, State and Federal, where I gained considerable experience. I have been a member of the two branches of Congress for about 28 years. Not long after I entered the House we had the case of an impeachment of a Federal judge before that body, and Judge Robert W. Archbold was removed from office. Later United States district judge George W. English was impeached by the House and he resigned. Still later Harold Louderback, district judge, was impeached, but was not convicted, in 1933. In 1936 Halsted L. Ritter, district judge, was removed from office. I was exceedingly familiar with all these cases. In addition to that, as a Senator I have taken part in the appointment of all five of our Tennessee Federal judges. I am a devout believer in the Constitution of the United States and regard it as the greatest document for the government of people ever created by man.

For these reasons the observations I am now going to make concerning Federal judges would seem to be permissible, and I hope the five judges and all of you will consider them appropriate and proper.

Aristotle, the great Greek philosopher who lived long before the Christian era, said that there were four requisites of a good judge: One was to hear cautiously; the second to answer wisely; the third to consider soberly; and the fourth to decide impartially. I think Judge Davies and the other Federal judges of the State have these four qualifications.

However, in this modern age there are, as it seems to me, additional requirements of a Federal judge.

He should be learned in the law, familiar with Federal practice, quick at making accurate deductions from established precedents, courteous to lawyers appearing before him, just to all litigants, and he should so conduct himself as to earn and merit the approval of the people of the district over which he has jurisdiction.

The Federal judiciary has its origin solely in the Constitution of the United States. Its like has not been found in any other country. The Constitution provides for the Supreme Court, but leaves to Congress the power to create such inferior courts as the Congress may from time to time ordain and establish. So that

because of my actual experience at the bar in the trial of cases before judges and juries, I formed a very definite idea of the duty of judges under our Constitution. I want to set some of these out:

A judge should permit no one to discuss with him in chambers, privately, or anywhere else except in open court any case or official matter pending before him. There should be no exception whatever made by the judge to this inflexible, self-imposed rule of conduct.

A judge should listen with patience to all matters presented to him in open court, either by litigants or by lawyers. The more ignorant or lowly the litigant, or the more ill-advised the lawyer, the more carefully and politely the judge should treat them.

One of our chancellors, Judge F. H. Heiskell, used to say that a lawyer who was not of the first grade but who had many, many cases before him, caused him to do more work than any other for the reason that the lawyer sometimes overlooked the best points in his case, and he had to try the case on its merits.

A judge should permit full, open court hearings to all who desire to address him in behalf of leniency for criminal defendants who have pleaded guilty and stand before him for sentence where the term of such sentence is in his sound discretion within the limits of the penal statutes.

In dealing with sentences and punishments for crimes, he should bear in mind the fundamental philosophy of criminal law that the primary purpose of punishment is to prevent crime, and that certainty of punishment is the greatest restraining influence upon the criminal mind. He should bear in mind at all times that the judicial duty to uphold and influence the criminal laws of our country without fear or favor is a nondelegable judicial duty. Of course, I do not mean that every person charged with crime should be given the limit of the law for cases constantly arise in every court where the punishment should be tempered with mercy and kindness, but in all such cases the judge should be exceedingly careful.

Court business should be transacted with dispatch, cases should be set for trial and tried at the earliest practicable time under the rules of civil procedure. Criminal cases, especially, should be speedily heard. Courtesy continuances should not be granted and no case should be put off except for good cause.

No case should be held under advisement longer than is absolutely necessary for its proper consideration and determination. Next to correct decision, prompt decision is the most important consideration in the administration of justice. I once had a case before a Federal judge in which the jury gave me a verdict, as I recall, of \$80,000 against a perfectly solvent defendant. A motion for a new trial was made. The Federal judge took it under advisement and kept it under advisement for 5 years and then overruled it. However, in the meantime, the solvent defendant had become insolvent and the judgment was worthless.

#### JURY TRIALS

I desire to call attention to jury trials. The original Constitution, article III, provides:

"The trial of all crimes, except in cases of impeachment, shall be by a jury."

This was considered inadequate, and the sixth and seventh amendments were speedily adopted, which so specifically provided for jury trials in criminal and civil cases that it has always been difficult for me to understand why many of the Federal courts have been able so successfully virtually to do away with jury trials in civil cases. The sixth amendment, as to criminal cases, is as follows:

"In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense."

The seventh amendment is as follows:

"In suits at common law, where the value in controversy shall exceed \$20, the right of trial by jury shall be preserved, and no fact tried by jury shall be otherwise reexamined in any court of the United States than according to the rules of the common law."

In some way the doctrine that the Federal trial judge is the thirteenth juror has prevailed in many districts. There is no such provision in the Constitution. Judges should constantly bear in mind the sixth and seventh amendments, and should follow the spirit as well as the letter of constitutional guarantees of trial by jury, making no comment on the evidence which might influence the jury as triers of the facts.

I have known Federal judges in their charge to the jury to sum up the facts and thereby virtually instruct the jury to bring in such verdict as he desires. I knew of a criminal case before a Federal court in which the trial judge told the jury that whether they considered the Government's testimony or the defendant's testimony the result was the same; that they would be compelled to find the defendant guilty; and when one of the jurors asked the judge if he directed the jury to bring in a verdict convicting the defendant, he said no; that he was not allowed to do that, but that no reasonable man could hold otherwise on the facts adduced in that case. It is needless for me to say that this was a very extreme case of the judge's invasion of the province of the jury. The judge should in no case express to the jury his opinion on the facts.

In addition, a Federal judge should never set aside the verdict of a jury upon a question of fact, except upon a showing of passion, prejudice, corruption, or caprice on the part of the jury, and I may say that such a showing is a rare occurrence. In this connection, I might add that I know a Federal judge who has been on the bench for several years and has never set aside the verdict of a jury.

I believe in jury trials. Our Federal Constitution in three separate provisions guarantees the right of trial by jury, in the most explicit and unmistakable terms, and these mandates of the Constitution should be carried out. I am frank to say that P. I.'s have never been popular with me, though I do not recall ever having had one used on me. They seem established in our system, but should be granted only when there cannot be a difference of opinion. I have known many cases where the trial judge said there was no evidence to sustain a verdict, but the appellate court held that there was.

#### INSOLVENCY CASES

In receivership, reorganization, and bankruptcy cases, the judge should be careful to keep down the cost and not to allow excessive fees or compensation. In recent years, a number of cases have come before the Senate bringing the Federal judicial system in disrepute because of failure of judges to protect the assets of an estate and by allowing excessive fees. The purpose of all insolvency laws is to conserve assets for the creditors and to aid the debtor toward rehabilitation.

To the appointment of receivers, the most careful attention of the judge is called. In recent years not only excessive fees to receivers, but partiality and favoritism in the appointment of receivers has caused criticism of the Federal judiciary all over the country.

#### NOT AN AUTOCRAT—NO POWER OF VETO

As a rule, a Federal judgeship has been considered an easy place for one for life with all of the worries of the judge behind him. This is a very mistaken notion as to the situation of a judge. I believe a Federal judge should be unswervingly democratic in his attitude toward everybody, and courteous and considerate of the rights and feelings of others. His place is "during good behavior," and the judge should remember that as long as his behavior is good, his appointment is beyond recall by the people. For this reason, he should be more careful, both in his public and private conduct, and he should not place himself in such a position that it may be thought that any lawyer or other person is too close to the court. He should even be careful with whom he plays golf or bridge, or any other action which might make other lawyers or people believe that he would favor them in a lawsuit. In other words, it makes the judge's life somewhat lonely, but no Federal judge can be a "good fellow." He must pay the price for the respect and confidence of the people.

By his appointment for life, a Federal judge is not made an autocrat. He is not given power to alter or amend the Constitution of the United States. He is not given power to veto acts of the Congress. His duty is to uphold and enforce the several provisions of the Constitution where their infraction is charged, and to interpret and enforce acts of the Congress, and to do justice to all who come before him for a determination of their rights under the Federal Constitution and laws.

A judge should ever be mindful that the Constitution of the United States vests in Congress and not in the courts the law-making power and the determination of our national public policy. Where the constitutionality of an act of Congress is challenged, the appropriate function of the court where the test is made, should be to construe the statute in a liberal spirit of interpretation to the end that the broad power of Congress to legislate for the general welfare should be upheld, rather than thwarted in a narrowly restrained construction which defeats the will of the people as expressed by their congressional representatives.

In recent years some district judges have been prone to hold unconstitutional and set aside acts of Congress. Think of it a moment! A district judge is appointed by the President and confirmed by the Senate for life, and under the practice that has grown up he may in 10 days grant an injunction restraining the enforcement of an act of Congress deliberately passed by a majority of 435 Congressmen and 96 Senators, and approved by the President of the United States. A district court being created by Congress, and a district judge being appointed by the President and the Senate was never intended to have such power, and the all too frequent abuse of that power has led to the establishment of three judge courts. I hope no district judge in Tennessee will ever assert such unwarranted action in the granting of injunctions.

#### PRIVATE AND SEPARATE LIFE OF A JUDGE

Finally, may I add that the private life, the personal habits, and the rectitude of the judge should be above reproach. He should never forget that he is a Federal judge either on the bench or on the street. His private life should be an example to all those among whom he dispenses justice. This view of a judgeship undoubtedly deprives a man of some of his old associates and friends, but it is one of the penalties that a judge has to pay for judicial preferment.

The title of "judge" you receive from the President and the Senate representing your Government, but the name of "just judge" you earn for yourself. It is the greatest honor that can come to you. You are one of the servants of the people to do even and exact justice to those who come or are brought before you.



and to do justice as between them or as between them and their Government, evenly, exactly, and impartially.

I had all these things in mind when I made recommendations of the three judges whom I have recommended to be put on the bench in Tennessee, and when I voted for the confirmation of the other two judges now on the bench. I believed that all five would fulfill their obligations as herein set out. We had this view when we recommended Judge Martin, of Memphis, Judge Darr, of Jasper, and Judge Davies, of Nashville. I also had this in view when I agreed to the confirmation of Judge Hicks and Judge Taylor. I have never a doubt that they will all act in such a manner as will justify the exalted opinion we had of them.

Gentlemen of the bar of middle Tennessee, I believe in the selection of Judge Elmer D. Davies as a Federal judge. We have given you a splendid judge, a judge who will fully measure up to the requirements of the position.

Judge Davies has a delightful personality and engaging manners, is well educated, is gracious and courteous, and I predict for him a most successful career on the bench.

### The Motion-Picture Industry

#### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

Mr. BOREN. Mr. Speaker, where there is any issue involved that touches the rights, the liberty and freedom, or the welfare of an individual or group, I feel that courage and honesty will stand ever ready to examine all evidence, though some evidence might conflict with prejudice or opinion. I believe the intellectual advancement of man depends upon an attitude of thorough and intense investigation and upon a fearless and ready acceptance of every fact, truth, and reality that investigation can produce. It is my keen desire that every conclusion that I may reach, which will govern my actions here, come always as the result of unbiased inquiry, investigation, and thought. At any time that my advocacy on one side of an issue reaches the point of presentation of the evidence in support of my viewpoint, I would feel it an injustice to my own comprehension and reason if there was not a full and free presentation of such evidence as might be opposed to the conclusion I had reached.

Mr. Speaker, I have on a few occasions discussed some aspects of the motion-picture industry and have referred to individuals representative of the executive powers in that industry. I have indicated among other things the personal incomes of these executives. Since these discussions, it has been frequently pointed out that a great amount of the individual incomes are absorbed by Government taxation, and by other means. This is undoubtedly true with reference to such salaries as that of Louis B. Mayer and certain stars and executives of the motion-picture industry whom I mentioned on October 18 and November 3, 1939.

I have in my hand a letter which bears on this subject, and I wish to incorporate it as a part of these remarks:

NEW YORK, February 12, 1940.

HON. LYLE H. BOREN,

House of Representatives, Washington, D. C.

MY DEAR MR. BOREN: I have seen in the CONGRESSIONAL RECORD of October 18 and November 3, last, certain references by you to the incomes of a number of persons engaged in the motion-picture business. I noticed that very fairly you pointed out that the earnings of actors and actresses are usually restricted to a shorter period of years than most other people because of the changes in the public esteem or favor.

Your fairness in that respect encouraged me to believe that you would also give fair consideration to my request that you would read, consider, and put into the RECORD the opinion of Justice Valente, of the Supreme Court of New York State, which opinion was given after his first full consideration of all the facts laid before him by interested stockholders in a suit against the executives of Loew's, Inc., mentioned by you in the CONGRESSIONAL RECORD.

It seemed to me that if you were advised that a justice of the New York Supreme Court, after careful and thorough inquiry in a truly conducted trial of issues, had ruled that these compensations were not only fair but profitable to the stockholders of the corpo-

ration, you would not hesitate to add to the RECORD by the inclusion of such an opinion from such a source.

It seemed to me also that you might fairly add to the RECORD the fact that with respect, for instance, to Mr. Louis B. Mayer, Mr. Schenck, and Mr. Rubin, on the amounts of compensations mentioned by you, each of them necessarily paid to the United States upward of 60 percent on those amounts in Federal income tax alone.

With respect to the justification of the compensations paid by Loew's, Inc., to these officials, may I quote to you these excerpts from the opinion of Justice Valente:

"This brief summary of the history of the company (in itself tending to refute any claim of fraud or of payments so large as to constitute a gift or waste of corporate assets) is supplemented by the undisputed evidence as to the scale of wages in the industry generally, the scarcity of talent to fill positions of producers and executives, and the intense competition among the companies for their services.

"The evidence is replete with instances of lucrative offers received by these executives in an effort to lure them away from Loew's, Inc., and I am convinced of the sincerity of Schenck's testimony that the only way he kept his unique organization intact was by the payment of generous compensation. That this policy has been successful is indicated not only by the standing of the company and the profits which it has earned over the years, but by the testimony of every single witness, including that of the president of one of its chief competitors, who frankly stated that he would like to get this executive group for his own company and that their loss would be disastrous to Loew's, Inc.

"The question before me, however, is not whether these payments were large—that is conceded—but whether they are so completely out of relation to the services rendered as to be characterized as a gift of corporate assets within *Rogers v. Hill* (289 U. S. 582). The evidence, however, justifies the conclusion that the contracts and payments were not a gift or waste of corporate assets, and that they were approved by successive and competent boards of directors, the majority of which was disinterested. Under such circumstances the court should not substitute its judgment for the judgment of the duly constituted corporate management. \* \* \*

"It is to be remembered that the 20 percent to the Mayer partners was virtually a compensation to the group for the production organization which they brought into the company. That percentage which began as a compensation to the Mayer organization when it was a corporation continued after it was changed into a copartnership. In addition to this percentage the individual members of the organization received a salary. When the arrangement was made with the copartnership, salaries continued in accordance with increased figures warranted by the additional responsibilities, and percentage compensation was also allowed to the organization as before. The contention that the percentage payments to the partnership were intended to be inclusive of salaries theretofore paid is untenable. In any event, the three members of the Mayer group represented the higher-water mark of the production end of the business of the corporation. \* \* \*

"The results, no matter how much one may attribute a part of the success to the Mayer group and the producing genius of Irving Thalberg, are in large part due to Nicholas M. Schenck. With the rapid growth of the company and with his diplomatic skill in holding the organization intact, it would seem that no ground for dissatisfaction at the salary allowed him by the directors or with adding to the salary the annual provision for a small percentage of the profits exists. To a comparable extent, similar justification may be found for the allowance of percentage compensation to David Bernstein, the treasurer. \* \* \*

"The action against the directors will be dismissed, and the prayer for injunction to restrain the operation of the new contracts effective January 1, 1939, denied. Findings and final judgment may be settled with affidavits of services by the respective attorneys for plaintiffs.

"LOUIS A. VALENTE, J. S. C.

"JANUARY 20, 1939."

I am enclosing a printed copy of the opinion referred to, and, for the sake of the record, I would greatly appreciate inclusion of that opinion, or, if that is impossible, of the excerpts quoted in my letter in whatever extension of your remarks upon this subject you would feel it fair to make.

Thanking you, I remain,

Very truly yours,

MANNY STRAUSS.

Mr. Speaker, I have carefully examined the decision of the Supreme Court of New York in the case of Bernard Epstein et al. against Nicholas M. Schenck et al. I find the references in the letter from Mr. Strauss as referred to herein both substantiated and elaborated on by the opinion handed down by Justice Louis A. Valente. In the sense of fairness, I would also add a few pertinent excerpts from this decision not referred to in the letter aforementioned:

Nor does any information seem to have been improperly withheld from stockholders. \* \* \*

Indeed, at the 1932 stockholders' meeting, after the disclosure of the amounts paid for the preceding 2 years, the stockholders by resolution formally approved the action of the board of directors in making such payments. Moreover, the court may take judicial

notice that since 1934 an agency of the Federal Government caused to be published the salaries of leading executives, and that these were widely publicized. Finally, extensions of the original contracts were submitted to and approved by stockholders in 1932 and 1936 after notice, and the new contracts, which take effect beginning January 1, 1939, were overwhelmingly approved by the stockholders after their proxies had been solicited by a notice which fully and fairly stated not only the terms of the proposed contracts but the terms of their existing contracts and the method by which their percentage compensation is to be computed.

Mr. Speaker, I regret that the length of the opinion written by Justice Valente is such that I cannot place it here in the RECORD in its entirety, but I feel that the references to that opinion are sufficient for the purposes, and I do not want ever to be in the position of withholding evidence or dodging the facts. I stand always ready to accept evidence, and am as anxious to correct any error of thought or action on my part as I am to maintain tenaciously the position of right. I hope throughout my life, and particularly my service here, that I will be at all times as quick to discard error as I am to accept the truth. Close examination of this material presented to me leads me to the opinion that my remarks of October 18 and November 3, 1939, would be, without this additional information, not sufficiently comprehensive to present all the facts. I am glad to submit this information by the way of addenda to my remarks in order that the full facts, taking into account all sides of this question, may be a matter of record.

### Youth and Government

#### EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

ADDRESS BY HON. ROBERT H. JACKSON

Mr. FRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Robert H. Jackson, Attorney General of the United States, at the Lincoln memorial meeting of the American Youth Congress, February 9, 1940:

Perhaps it is hard for you to imagine how flattering it is to such a well-worn youth as I to be invited to share the platform at a Youth Congress. For more reasons than one it is appropriate that you open your institute tonight with a memorial meeting for Abraham Lincoln. He was one Republican who would not have been afraid of you. Speaking of his long fight for human freedom, Carl Sandburg says of Lincoln:

"He knew that his best hopes for listeners to such an appeal were the young people. The 15- and 16-year-old boys who had read Uncle Tom's Cabin, when it was published 6 years before Lincoln's 'house divided' speech, had grown into 21- and 22-year-old voters. In what he was doing and saying Lincoln kept in mind the young men. He knew that the challenging radical tone of what he was saying about the Declaration of Independence would interest not only the foreign-born voters, but also the young people of all classes, those to whom the American Revolution still had a breath of smoke and a banner of sacred flame."

And, as Sandburg adds:

"Perhaps, after all, only the young people with dreams and wishes in their eyes would understand his language. When his talk was ended and his language had failed to measure off all he wanted to say, it might be the young who would best understand the desperation of his dreams, the unmeasured lengths of the adventure he was for."

I do not know what your dreams are, and it probably will not be for me to experience the unmeasured lengths of your adventures. In any case, I am quite certain that I believe in your right to have your dreams and your adventures.

Of course, to some people this spirit of social and political unconventionality is terrifying, and to some people such an assembly of young people is a symbol of dark and nightmarish plottings against government. Lincoln, too, experienced that. A book written at the time of Lincoln's campaigns so exaggerated his real aims as to anger him. It said:

"Men once fairly committed to Negro slavery agitation, once committed to the sweeping principle that 'man being a moral agent accountable to God for his actions, should not have those

actions controlled and directed by the will of another,' are in effect committed to socialism and communism and to the most ultra doctrines; to no private property, no church, no government; to free love, free lands, free woman, and free churches."

Thus it was sought to blast the dreams and ideals of the early Republican Party by labeling its antislavery sentiment as dangerous radicalism. Seems a little far-fetched today, doesn't it? But what seems more surprising is that the political party which has been trying to wear Lincoln's garments now refuses to associate with any of you youths because some among you are now labeled radicals and Communists. Of course, I do not know how dangerous you really are, but I do hope you are not so bad as to warrant the suggestion that you must clean up and purify yourselves in order to be worthy of a message even from the party of Warren Harding, Albert Fall, and Joe Pew.

I may be wrong about it, but it always seemed to me that a parent or a citizen who thought a youth in danger of great error was under an equally great duty to give patient and understanding counsel. That was the spirit and the practice of Abraham Lincoln. Convinced that he was right and that it was a duty and a privilege to set others right he went out and sought to present his views to those who differed with him. He set before us the classic example of revealing his own thoughts in debate, in the generous confidence that out of the free competition of ideas the American people can be trusted to choose the best ones.

My embarrassment in speaking to you tonight is not from a sense of being hollower than thou but from a confused sense of inferiority. While I try to be unconscious of the passing years, I am still vaguely aware of the mortality tables. They tell men of my age that, on average, you will be here long after we are gone. That means that our work, our capital, our institutions, and even our reputations will be left in your hands. Some men like Lincoln have grown in fame with posterity; others shrivel. The best we of today can do is at the mercy of time, and more time remains to you than to us.

Then, too, I am not so cocksure that my own generation has done such a good job in its time that I feel qualified to tell you what you should do with your lives in your allotted time. It would be too devastating if you should, as you probably would, reply: "Well, if you are so wise, why are you leaving us such a mess of wars, and rumors of wars, of social strife, economic stagnation, and political reaction, which has overwhelmed much of the world and bedevils all of it?" I freely acknowledge that the world of today lives in a glass house and is not privileged to throw stones at those who are to follow.

It is, I admit, a little difficult for one of my generation to talk to you in terms of your own dreams and visions, for we cannot share them fully. After all, we are a different generation, and we are a trifle afraid of you. That because, while you are tossed about by the same storms as we, you are riding free, while we older ones are mostly anchored. Some of us are anchored to a little accumulation of property; some anchored to a prospect of accumulating. Some are anchored to jobs or to social position or political affiliations or to some of those things which are tangible assurances that we will "stay put." No matter how free we try to be, we are all tangled up in the existing order of things and it is woven into us. We are part of the status quo.

And, too, no honest man can expect a free and hopeful youth to accept a status quo in which involuntary unemployment, foreclosed opportunities for independence, dependent old age, and so many injustices play so large and disastrous a part. We know we are leaving you an indefensible legacy. We know you are going to do something to it, and we don't know what. We know that you don't know what. We only know that the pattern of the future is in your minds, not in ours.

Although you do inherit a good deal of difficulty and confusion, you here in America are also the inheritors of things which have cost blood and sacrifice to win and which you will find still worth preserving. We have a system—an imperfect one, it is true—but one which aims to give us government by consent of the governed. And in order that such popular will may be enlightened and freely known, there was established the right of free speech, and of the press, and of petition, as well as other liberties from restraint. These limitations are to protect your freedom against the persons you elect to office.

Of course they are not the only persons from whom you will need to guard your liberties. Under our economic system grave injustices and inequalities may be perpetuated by men never elected to office, but who through economic advantage control jobs, or credit, or monopolize commodities, or who can otherwise strike at your means to live or your standard of living. From these sources come the greatest modern threats to your pursuit of happiness.

This democratic Government of ours was so fashioned as to be a power for your protection against such private injustice and exploitation and, at the same time, not to become an oppressor itself. It was placed in the hands of the people that they might stop wrongdoing by irresponsible private power without becoming subject to irresponsible public power.

Time will not permit me to trace the steps by which this virile and strong Government envisioned by John Marshall was stealthily deprived of its power to curb private exploitations and injustices of an economic nature. The slave power feared a government strong enough to check it, and its penetrating influence was long dedicated to the task of restricting through judicial decision, the power of the National Government. After Lincoln struck down that menace there arose the great combinations of finance and



industry which found strong government an obstacle to their imperial designs for exploitation. By 1936 the National Government was reduced by judicial decision to its lowest efficiency.

It has seemed to me that the biggest task of the New Deal was to restore to this people's Government its original powers, lost through judicial interpretation. That is the task in which I have been chiefly engaged, and we are prepared to hand on to you a more effective Government than the one Franklin D. Roosevelt has had to work with. Consider with me a list of the things that he was told he could never, never do, but which we now are told the Government always really had a right to do.

When President Roosevelt took office the people were powerless to enact, either through State or Nation, a minimum-wage law to protect women. Both the States and the Federal Government now have that power.

President Roosevelt took over a nation without power to enact a law dealing with child labor. We now have such a law.

President Roosevelt found a nation with its power to protect the right of labor collectively to bargain condemned as unconstitutional by a junta of 52 of the lawyers of America. The Nation has now won recognition of that power.

It was only about a year ago that we won the final decision of the Supreme Court confirming the power of this Nation to enact a valid farm-adjustment program.

It was only about 3 years ago that I sat before the Supreme Court on decision day to learn for the first time that our argument had prevailed and that a system of unemployment compensation could legally be undertaken.

Less than 3 years ago I was standing before the Supreme Court as a representative of this administration pleading for the power to deal with the urgent problem of decent care for our growing population of aged and infirm. We were opposed by the conservative argument that the Nation could not take any step whatever to deal with old-age pensions. Now we have that power.

President Roosevelt found this Nation without power to aid a distressed industry like the bituminous-coal industry. The Guffey Coal Act was thrown out as wholly illegal in 1936. This year the Coal Commission won its first contest in the Supreme Court.

President Roosevelt found the power of the Nation to enact a public-utilities holding-company act challenged. Its power to impose common honesty upon great interstate utility combinations which had always been the purse of reactionary politics was doubted. We have won the power to do that.

He found the country without power to enact a municipal bankruptcy act to permit its cities and villages to restore financial order and credit where there had been overobligation from years of political looting or improvidence. We have won the power to do that.

He found it without power to tax the public officeholder's salary as it did other citizens' salaries. We have won the power to do that.

He found it without power to tax the salary of a Federal judge as it did other citizens' salaries. Today the Nation has the power to do that.

In short, Roosevelt has won for the Nation that which he found it without adequate power to do—either to govern the powerful or to protect the weak.

The reason I call your attention in such detail to this change of constitutional interpretation is that I think it may answer in your mind, as it has in mine, grave doubts as to whether our Government could be made equal to solving its problems. Four years ago, as measure after measure of recovery and of reform were crushed as unconstitutional, I, too, was pretty despondent about the future. I did not, and do not, feel that the New Deal measures were the perfect nor even the best solution of our problems. The loss of these particular measures was not so serious as the loss of the power to enact any measures dealing with those admitted evils.

Before you look wistfully at any other form of government, let's see what we can do with this American Government with its powers thus restored. Here are old frontiers reopened to statesmanship. Here are new possibilities for the redress of grievances, restoration of lost opportunities and equalities. Of course, it will not move as fast as some would like, but our Government can move as fast as our underlying society and economy will assimilate changes, and efforts to move faster always produce countermovements that undo much of what has been accomplished. If the people are really determined, they can now utilize our Federal Government to knock out old privileges and unfair advantages, to open the closed doors to individual opportunity and to turn out unprecedented national wealth to a source of individual security.

I know full well that many people who talk of preserving this "American system" really mean only that they want to preserve the status quo and their advantageous position in it. But I would urge you to preserve our American system for an exactly opposite reason. Our system is really a great system for the changing of the status quo by peaceful and orderly means. Except in nations that have the device of popular elections, there is no way to repudiate and change a governmental policy except by force. Elections are the civilized substitute for force to keep a government abreast of public opinion.

I know that in many places abroad and in a few at home, it is the custom to scoff at free government, to call democracy the "cult of incompetence," to complain of it as slow and compromising and outmoded. But if we were to grant all of those charges—which we need not—it is still democracy alone which preserves that priceless thing for which youth in all ages has searched—the dignity and worth of the individual.

With all our gropings and uncertainties we have in America held to that ideal. If our practice does not measure up to the ideal then, that discredits not the ideal but only the weakness of our efforts. You live in a country where the individual may listen to his radio even if what he hears does him no good. The individual here may have grievances against his system, but he does not disappear unaccountably if he unites with others in denouncing them. The individual may read anything he can get hold of, write as he pleases, and speak his mind, even if what he says is distasteful to the rest of the country.

Among the great nations of the earth this is one of the few where plain, ordinary citizens are preparing to go to the polls and settle our national policy by a choice of leaders for the next 4 years. You are almost alone of the peoples in which the individual in humble station may register his influence on questions that settle the fate of the Nation. You may truthfully say that we have not the complete democracy and the perfect justice that we dream of, but you cannot deny that we are among the few who have in our own hands the possibilities of approaching those hopes. Is it any wonder that among us are people passionately attached to this system, in spite of its shortcomings, and intensely resentful of any movement which they think would overturn it?

You will soon take over from your elders unsolved problems as vexing as have fallen to any generation. But there is also handed to you a government more responsive, more effective, and more useful than we have had. Your great opportunity is to make it work. Let that be your crusade. Drive out of power the incompetent, the corrupt, and the indifferent. Walk into this democratic process and master it. Make it serve your dreams and realize your visions. I, for one, welcome your active, unbossed, and unpurchasable enthusiasms in public affairs.

If your enthusiasms and visions at times conflict with the lessons of experience and our cautions, that is only what happens under every roof that is blessed by housing two generations. For my part, I am glad it is so.

## America Must Be On Guard

### EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

RADIO ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. DITTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. JOSEPH W. MARTIN, JR., of Massachusetts, made over a National Broadcasting Co. network during the National Radio Forum, arranged by the Washington Star, on Monday evening, February 12:

Tonight in every section of our land tributes to the immortal Abraham Lincoln are being voiced.

It is a great privilege to be able to address you from the Capital of the Nation on this one hundred and thirty-first anniversary of Lincoln's birth.

It is no mere figure of speech to say that the spirit of Lincoln is close to America tonight. The studio from which I speak is little more than a mile from the imposing Lincoln Memorial, which overlooks the historic Potomac, which Lincoln himself so often watched with anxious and prayerful eyes from the windows of the White House as he guided the Republic through the soul-testing ordeal of internal division and bitter civil war.

Less than a city square from this studio stands the church in which Abraham Lincoln often prayed; and in that church there is still preserved, as an abiding landmark of national history, the very pew in which Abraham Lincoln is known to have knelt in prayer during the crushing hours of the Battle of Antietam. It was then that the fortunes of the Union were perhaps at the lowest point of the war.

A living link between the Washington of today and that of Abraham Lincoln exists in the Washington Star. It is altogether proper that the army of steadfast friends of this fine radio program of public service should recall tonight that the Washington Star was established here in 1852. In its files from that year forward to tonight's final edition is to be traced the whole effect of Abraham Lincoln's public service.

In this Star forum we have a direct institutional link, unbroken since 1852, with the life and times and spirit of Lincoln. We are reminded that, after all, life is not a rope of sand. There is more to our national life than hectic change and restless experiment.

Lincoln's life and works hold for us some lessons which, it seems to me, we need to review.

Lincoln was a great man because he was a simple, sincere, just, and honest man. Lincoln was eloquent because his was the elo-

quence of simple phrasing, plain speaking, the language of the people and for the people.

Faced by grave domestic problems which we know must be solved, it is not enough merely to preach unity. We must practice unity. It is the most important goal for us in America—unity in the American spirit; unity in a resolution to pursue the American way; unity in a will to solve our domestic problems, and to make constitutional government work and work well in this country; unity in the will to stay aloof from foreign entanglements and conflicts; unity in the determination that we will never extinguish constitutional government, individual privilege, and liberty under the Bill of Rights in this country, that we will never suffocate our freedom under a military dictatorship in order to go to war on the mistaken mission of saving the rest of the world for democracy.

Lincoln knew well the vital necessity of real unity in this Nation, because he understood clearly the dangerous trick of ambitious men to divide and rule.

For several years now we have watched the rise and the encouragement of sectional jealousies, of class prejudices, and suspicions and strifes. Communism, fascism, and other foreign "isms" have been at their work seeking every opening in America's armor to creep in and break down the whole institution of free government on this continent.

We can defeat these destructive forces only if we solve our domestic problems. We must put our unemployed back to work. We must check the rise of the national debt. We must put an end to these recurring deficits. We must have better understanding and responsibility between employers and employees. We must have a permanent resumption of business. We must have lower taxes. We must have an end to this practice of inciting some sections of our country against other sections, of inciting some classes of our people against other classes.

For 7 years this country has been made a proving ground for reckless experiments, and those experiments have failed. For 7 years there has been rampant propaganda designed to lead the workingman to believe that his interests are separate and apart from those of the employers', and thus to convince the employers that their interests are separate and apart from the interests of labor; to lead the farmer to believe that his interests are separate and apart from those of industry and of labor. There is not an atom of truth in that propaganda. All have a common interest and a common welfare.

Just as Lincoln said this Nation cannot permanently endure half slave and half free, so I say to you this Nation cannot endure with the Federal Government running half the business in competition with the other half. Lincoln knew what he was talking about when he said:

"\* \* \* In all that the people can individually do as well for themselves, government ought not to interfere."

Lincoln said something else that bears on our conditions of today with a peculiar significance. In the statement that I am going to quote he laid down a doctrine to which we must return if we are again to know that prosperity which this Nation so richly deserves and for which its people have such a great capacity. Said Lincoln:

"I take it that it is best for all to leave each man free to acquire property as far as he can. Some will get wealthy. I don't believe in law to prevent a man from getting rich. It would do more harm than good. So while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else."

In those few words, my fellow Americans, Abraham Lincoln defined the doctrine which we call the American way. Tied up with that doctrine is the Constitution with its Bill of Rights. Linked with that doctrine is the right of the individual citizen to go about his business unmolested, unregulated, unregulated by his Government so long as he does not interfere with the rights of his fellow men.

"I believe each individual," said Lincoln on another occasion, "is naturally entitled to do as he pleases with himself and the fruit of his labor so far as it in nowise interferes with any other man's rights."

It was that doctrine that in 150 years made of this the richest, greatest, most enlightened, most cultured, and most capable nation that has ever existed since history began. It is that doctrine which will enable this Nation to endure as the richest, the most prosperous, the most enlightened, and the freest nation on the globe. It is only by being faithful to that doctrine that we can hope to pass on to coming generations the great heritage of freedom, security, prosperity, the great riches of spiritual and cultural and material possessions which our fathers have left to us.

Abraham Lincoln saw the dangers that could threaten this rich Nation if we ever allowed our energy, our self-reliance, our courage, our determination to cling fast to the Constitution and to the Bill of Rights to become weakened.

We have been hearing much in the last several months of the dangers which face us from abroad unless we do this or that or the other thing about it; in other words, unless we become entangled in foreign quarrels and foreign intrigues.

Lincoln put his finger on the danger which we face in this Nation today. He said:

"At what point, then, is the danger to be expected? I answer, if it ever reaches us, it must spring up among us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher."

These words mean that if the hardships and the suffering of unemployment too long continue, if the condition of the farmers become desperate; if our youth are denied a chance for honest

labor at decent wages; if we continue recklessly to pile up a national debt, to accumulate more deficits, to increase taxes, and to discourage business; if we do not stick to the American way, then, indeed, as Lincoln said, will our danger spring up among us, and we ourselves will be the authors and finishers of the destruction of this Nation.

Lincoln said something else that was very significant that I wish to point out tonight. You will recall that he feared the effects of power. He was afraid of the strange influence that power has on most men if they too long possess it. That was why he made haste after the Civil War was over to proclaim the strife ended, and thereby return to the Congress those emergency powers which had been granted to him as Commander in Chief.

Foreseeing the danger that power held too long might create, Abraham Lincoln uttered a warning that came from the very depths of his soul when he said:

"It is to deny what the history of the world tells us is true, to suppose that men of ambition and talents will not continue to spring up amongst us. And when they do, they will as naturally seek the gratification of their ruling passions as others have done before them. The question then is, Can that gratification be found in supporting and maintaining an edifice that has been erected by others? Most certainly it cannot. \* \* \* Towering genius disdains a beaten path. It seeks regions hitherto unexplored. It sees no distinction in adding story to story upon the monuments of fame erected to the memory of others. It denies that it is glory enough to serve under any chief. It scorns to tread in the footsteps of any predecessor, however illustrious. It thirsts and burns for distinction; and if possible, it will have it, whether at the expense of emancipating slaves or enslaving free men. Is it unreasonable, then, to expect that some man possessed of the loftiest genius, coupled with ambition sufficient to push it to its utmost stretch, will at some time spring up among us? And when such a one does, it will require the people to be united with each other, attached to the Government and laws, and generally intelligent, to successfully frustrate his designs."

The philosophy of Lincoln has continued to this day to be the philosophy of his party. It still embraces the deepest instincts and aspirations of all the American people. Therefore, tonight I want again to pledge allegiance to Lincoln's philosophy of government and of life. At one time he gave a special message to his party. He said:

"A few words now to Republicans. It is exceedingly desirable that all parts of this great Confederacy shall be at peace, and in harmony with one another. Let us Republicans do our part to have it so. Even though much provoked, let us do nothing through passion and ill temper."

That, my fellow citizens, is the philosophy of Lincoln's party today.

We can well believe that were he here at this hour, the Great Emancipator would speak out in tones that would echo throughout the world against communism, fascism, against all of these new and poisonous doctrines which would exchange free government for dictatorship; which would supplant constitutional government with autocracy; which would renounce individual independence, individual honesty, individual effort and self-government, and set up political monopoly, autocratic control, and bureaucratic administration down to the last detail of the citizen's life.

There are many kinds of slavery known to the human family. There is the physical bondage of man to man, now unknown in most of the civilized world. There is economic slavery—of which all too much still exists in the civilized world. There is political slavery, which in these later years has been creeping like some strange, new, and insidious malady through the world. Flowing out of the social and economic disruptions of war, it has in two decades engulfed nation after nation. This tide must not engulf America.

We have been told of new instruments of public power which have been built up. We have been told that these new devices might provide shackles for the liberties of the people.

America must be on guard.

It may or it may not be significant that we have reached a point for the first time in our history where a great political party has become so submissive to one-man rule that it cannot decide when to hold its next convention. However that may be, no group in this Nation can long maintain these new instruments of public power with which to shackle the liberties of the people so long as America remains true to the philosophy and ideals of Lincoln. As Lincoln said:

"While the people retain their virtue and vigilance, no administration, by any extreme of wickedness or folly, can very seriously injure the Government in the short space of 4 years."

This is a time, my fellow citizens, for some of Lincoln's plain speaking. This is a time when you have a right to demand and when you ought to demand that your public servants, your public administrators, your public executives, say what they mean and mean what they say.

You have a right to ask what is going to be done to solve these domestic problems which have gone unsolved so long that today they are threatening constitutional government and individual freedom. How are we to restore prosperity in this country? How are we to restore the jobless to jobs? How are we to reduce our stupendous public debt, our continuing deficits, our mounting taxes? How are we to give the youth of America their fair chance? These are questions you have a right to ask, and you are entitled to the answers.



Prosperity can be restored in this country, financial security can be brought back only by the sound and time-tested American methods by which prosperity and security were first achieved. When it becomes clear the Government is being operated for the welfare of all the people, then American self-reliance, courage, initiative, thrift, and love of liberty will be revived.

Our problems of today must be worked out in the spirit of Lincoln, "With malice toward none, with charity for all, with firmness in the right, as God gives us to see the right \* \* \*."

Just as Lincoln and our forefathers in their day faced and conquered conditions which threatened the existence of the Union, and just as they saved this Nation in its hour of peril through their unwavering devotion to the principles of freedom and constitutional government, so, too, we of this day will face the problems which endanger us, and with that firmness and gentleness and, I hope, with that wisdom of Lincoln solve these problems and restore to our people the peace and prosperity for which Lincoln lived and fought and prayed and died, "That this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people shall not perish from the earth."

Let us, then, leave that noble, gentle soul where he is—enshrined in the ages to which he belongs, one of earth's great ones. My own humble tribute to him is:

"He loved his fellow men."

But no words of mine can frame for Abraham Lincoln a tribute so perfect as his own tribute to Washington:

"To add brightness to the sun or glory to the name is alike impossible. Let none attempt it. In solemn awe pronounce the name and in its naked, deathless splendor leave it shining on."

I thank you.

### Wheeler-Lea Transportation Bill

#### EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

Mr. ANDERSON of Missouri. Mr. Speaker, this Hall has seen many pieces of legislation debated and passed without Congress being aware of one-half the "bugs" in the legislation. Later we come to realize the existence of the vermin that is eating the substance of the law and then public sentiment demands that either we kill the "bugs" by amendment or kill the whole legislation by repeal.

The Wheeler-Lea transportation bill was debated very briefly in the body at the other end of the Capitol, passed, and came to the House. We gave it more attention. We took out some of the "bugs" that the Senate in the quick and brief examination failed to discover. We amended the bill in several particulars and passed it. Now the bill as passed by the Senate and the Senate bill as amended in the House are before the conferees.

The House passed the amendments in good faith with the intent of making a better bill out of a very bad one. It is bad even with the House amendments. It will be terrible if those amendments are not retained.

The bill is purely and simply a catering to monopoly without regard to the shipper, the public who pays the freight, or the employees who have made the American railroads what they are today. The advocates of this bill will tell you that it will reduce freight rates. I want them to tell me when freight rates have ever been reduced as a result of State or National legislation. Freight rates have continued to mount. The more legislation we pass the more powerful the equipment the railroads have; the longer the trains the higher the freight rates are. This is not theory. This is a fact, as any shipper can tell you.

Up until a few years ago 50 cars was a long train, and those 50 cars were manned by 5 men. Today there are more 100-car trains than 50-car trains. Many trains are 150 cars in length. They are still manned by only 5 men. The cars have increased in carrying capacity until they carry almost twice as much in each car as was carried when they were operating the smaller trains. In other words, today the railroads are carrying approximately 6 times the freight that they formerly carried with one-half the employees they formerly used. Did the great public, either shipper or consumer, receive any reduction in freight rates because of this

increase in the carrying capacity with less labor cost? No. They received the opposite—an increase in freight rates.

I was one of those who at the very beginning opposed the Wheeler-Lea bill because it failed to take into consideration the more important group to be considered in the transportation problem—the public. I favor all forms of transportation that will give to the public better and cheaper facilities for commerce. The effect of the Wheeler-Lea bill will be to destroy some forms of transportation that are now serving the public for the benefit of this railroad monopoly operated from Wall Street in the interest of the money tycoons, forgetful of all interests except the money interest, for the benefit of the select few financial operators. I am interested in the benefit to be derived from all forms of transportation, which includes waterways and trucks as well as railroads. I am also interested in security for the worker and his continued employment. The Wheeler bill as it passed the Senate throws thousands of rail employees out of work. This will not benefit the people of the Nation.

We have been spending our time here for 6 years trying to promulgate laws that will eventuate in taking people off the relief rolls and place them on jobs. We have spent billions of the taxpayers' money in the effort and now the Wheeler bill as passed by the Senate would place 400,000 more men out of employment. Men who are in the highest class, best paid ranks of labor. My authority for this statement is figures given in the Wall Street Journal. Congress passed a Railroad Retirement Act. The intent of this act was to provide security for the railroad worker. By it Congress said that a railroad worker must be employed 30 years before he would be eligible for retirement benefits. Congress made a further provision that he must not only have 30 years before he would be eligible for the benefits but in addition thereto he must have reached the age of 65 years. If he is put out of employment except for total and permanent physical disability before he reaches the age of 65 he must wait out the remaining years before he can draw his retirement even though the employee has paid all his assessments from his earned wages and the employer the pay-roll tax.

By the bill as it passed the Senate we would take away with our left hand all that we have given almost a million railroad employees with our right hand. We take it away without their consent and destroy by implication a vested right that we have led these rail workers to believe they possessed. We abrogate what was done in good faith. We take away from them that which they have paid for with their own earnings. Congress by the law forced all of the employees to contribute a percentage from every pay check to pay for the retirement.

Yet under the consolidation provisions of the Senate bill each and every man could be deprived of these benefits for which he has labored throughout the years, for which he has paid from his earnings in compliance with the laws of his Government. Under the provisions of the Wheeler bill a large majority of the 400,000 men displaced from employment would be men with 30 years' service who had not yet reached the age of 65 or men with 20 years' service or less. I submit that such treatment of railroad employees is unjustified, inexplicable, and inexcusable.

When the Railroad Retirement Act was before the House committee, that committee, to a large extent, used a personnel basis of 1,200,000 workers as an example of what the income from the act would be in future years. The Secretary of the Treasury was doubtful of the financial stability of the act and that testimony was used in the argument to convince him. The argument was also used that as soon as business picked up the pay roll would pick up. The business pick-up arrived. The railroads handled the greatest increase in volume of business in the last quarter of 1939 in a 10-year period. But now with this increase other means are being sought out to refute the argument that was formerly advanced in favor of the Retirement Act. Without the Harrington amendment nearly 50 percent of existing railroad employment could be eliminated. You cannot destroy even 1 percent of these jobs without vitally affecting the financial stability of the Railroad Retirement Act.

This Wheeler-Lea bill as passed by the Senate had in view, in my opinion, the destruction of the Railroad Retirement Act so that the railroads could save approximately \$20,000,000 a year in pay-roll tax, reducing by that figure the income derived by the board from its collections.

If we of the Congress even suggested doing to the Social Security Act and the beneficiaries under that act what is being done to the railroad worker by the omnibus transportation bill the whole Nation would be up in arms. These railroad workers are deprived of the benefits of the Social Security Act. We cannot take away from them or invalidate by making ineffectual the only social legislation they have. There can be no compromise on this matter.

The House passed the Harrington amendment. Under the Harrington amendment these employees would not be subject to the whim of a financial dictator sitting in the back room of a bank. Under the Harrington amendment these employees would retain what Congress has, by law, given them. Under the Harrington amendment one of the "bugs" would be taken out of the bill as passed by the Senate. The conferees of the House should be instructed to stand by the Harrington amendment, and the House should vote to reject the conference report if it does not do so.

The executive council of the American Federation of Labor went on record as favoring the amendment on October 2, 1939, after it had passed the House, and George M. Harrison, president of the Railway Labor Executives Association, signed that report. These two organizations, one representing labor without regard to railway employment, and the other confining its membership to those in railway service only, have both endorsed the Harrington amendment. The Brotherhood of Railway Trainmen, which represents by far the largest membership of any of the so-called train-service brotherhoods, has been most active in support of the amendment.

Of course, the argument is advanced that the motives of these laboring men are selfish in wanting to hold their employment. Certainly it is selfish if wanting to maintain the employment that they have striven a lifetime to keep and secure for themselves the equity which we gave them under the Railroad Retirement Act can be called selfish. Yet I know of no group that has been as unselfish as railroad labor. They have certainly contributed their share to economies in railroading. The number of employees on American railroads has been reduced almost 50 percent, or from more than a million and a half employees to less than a million employees. There is a great hue and cry raised by the proponents of this bill that we must protect the bondholders and the investment of the bankers. The Washington Star of February 2, this year, on its financial page, carried the headline "Net railway income shows big increase during 1939," and the article stated that the net income of the railroads in the year 1939 was \$215,290,253 more than the net income in the year 1938.

This would indicate to any fair-thinking person that the railroads of the Nation are doing pretty well under existing law and without this Wheeler-Lea monstrosity which would throw 400,000 workers with their families on the industrial scrap heap and relief. The record of one railroad does not indicate the condition of all of them any more than one robin indicates the spring. But if you want to pick out specific instances let us take the C. & O. Railroad, which is a great system, and realize the fact that in the year 1936 the Chesapeake & Ohio paid more money in dividends than it did in wages to its labor. Or take the Bessemer & Lake Erie that in the same year paid 1,100 percent in dividends. Is this showing on the part of these railroads such as would indicate that all the systems need consolidations that will result in monopoly to destroy all other systems of transportation in the Nation? I think not. But such a showing would indicate that if other railroads would study the system of operation of the C. & O. and the Bessemer & Lake Erie that big dividends would be paid on those roads, too, without coming to Congress for consolidations based on a system the primary purpose of which is to enable the monopoly to so fix rates that the cheaper forms of transportation will be destroyed.

The wise thing is to write this legislation as it should be written now. To protect all concerned now. When the need

for amendment to the original bill is so glaringly obvious, let us see that the will of the House is observed and that if the bill reaches final passage, it either contains the amendments as adopted by the House or does not become law.

**Naval Appropriation Bill**  
**EXTENSION OF REMARKS**  
**OF**  
**HON. CARL VINSON**  
**OF GEORGIA**

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

Mr. VINSON of Georgia. Mr. Speaker, there have been many articles in the press and much discussion generally relative to the so-called top-heaviness of recent destroyers. Much of such information has been misleading, to say the least, and many of the statements have had no foundation in fact. I desire therefore to apprise the Members of the Congress of the facts in the case, as otherwise the country may be completely misled as to the true conditions.

First of all, I desire to assure the Congress that at no time were the destroyers in question in danger either of sinking or capsizing. The changes which were adopted to improve them were made to provide a margin of stability which the Department felt necessary to assure satisfactory and safe operation under the worst possible conditions.

The destroyers in question are Nos. DD 409-444, a total of 36 vessels, of which approximately 30 are still under construction. In accordance with customary practice, the design, consisting of written specifications and a comparatively few drawings, showing the size, shape, arrangements, and so forth, of the general structure of the vessel and its machinery and armament were prepared by the Bureau of Construction and Repair and Engineering in collaboration with other bureaus of the Navy Department after the military characteristics had been approved by the General Board of the Navy. These plans and specifications also included the stability calculations composed of weight, centers of gravity, and other data. These plans and specifications comprise the data furnished the prospective bidders to enable them to submit intelligent bids and form the basis of the contract with the successful bidder. Many hundreds of plans, called "working plans" are then prepared by the contractor or his "design agent," which are used in the actual construction of the vessels, both in private and Government yards.

The contract with the Bath Iron Works, Bath, Maine, for two destroyers Nos. 409 and 410, included a provision for the development of the design and preparation of the detail working plans, using the Navy Department's contract plans and detail specifications, including stability calculations, as a basis. That company employed as their design agents the firm of Gibbs & Cox, of New York City, which firm developed the design and prepared the detail working plans for this class of destroyers, Nos. 409-420. The firm of Gibbs & Cox, as design agents for the contractors is also preparing the working plans for destroyers Nos. 423 and 424, 429 to 436, and 437 to 444, inclusive. The detail plans for destroyers Nos. 421, 422, and 425 to 428, inclusive, are being prepared by the Bethlehem Steel Corporation, Quincy, Mass.

The inclining experiments to determine stability and the trials of the first vessel of this group to be completed, the U. S. S. *Anderson* (DD 411), took place during April 1939. These tests and trials revealed that this vessel was approximately 10 percent over the original estimated weight and was short of the desired reserve stability characteristics in naval vessels. This does not mean that it was unseaworthy or was likely to capsize or could not maneuver at high speed. It did mean that these qualities of displacement, stability, and uprightness under certain conditions were not of the high standard for naval vessels and that therefore they should be improved. It also meant that appropriate steps should be taken to insure the excellence of these qualities in the other



destroyers of identical or similar designs in the group DD 409-444, most of which are not yet completed and some of which are still in the design stage.

These conditions were due to the weight and the heights of the center of gravity of structural hull material and engineering material exceeding the design calculations which apparently were figured too close in the first instance. Ordinance material was also overweight to some extent.

These original designs, although similar, are not identical for the several groups of sister vessels comprised in the 36 destroyers Nos. 409-444. The design for each group was based upon the preceding group with such improvements as experience with previous designs showed to be desirable. Since it takes almost 3 years to build a destroyer and determine its actual performance, the designs for the DD 409 class and succeeding classes were issued before the results of the preceding class were known. This procedure is unavoidable when building vessels on an annual basis. The design estimates as to weights were based on the best and latest information available, and all calculations indicated an entirely satisfactory design. The actual or finished weights when completed, however, were materially in excess of the design weights and were so located as to have unfavorable effect on the reserve stability. Overweight in the completed vessel does not necessarily mean poor design. It may mean—and sometimes has meant—insufficient consideration given to weight in preparing the original design, the working drawings, and in the fabrication and assembling of the vessel. While there were some changes or authorized departures from the contract plans and specifications, the defect in these vessels was due only in small part to such changes and is principally attributable to the finished weights being greater and the centers of gravity higher than allowed for in the basic design.

Subsequent to the adoption of the design of DD 409 the treaty limitations were removed, and the inclination was to stress reliability and ruggedness rather than lightness in weight. Undoubtedly zealotry to thus obtain the optimum in the new design, the DD 409 class, contributed materially to the resultant increase in weight. Improvements were embodied to accomplish more effectively the design requirements. This procedure, producing a design and thereafter incorporating in it the lessons learned from vessels not completed when the design was produced, is entirely normal and is the customary and logical method of improving each type of naval vessel.

Press reports have magnified the defect in these vessels to a very material extent. Although these vessels are satisfactory for normal service without change, nevertheless, having in mind an emergency condition such as might exist after a prolonged engagement followed by high speed maneuvering in a rough sea or for the vessel in a badly damaged condition due to battle or other causes, it was deemed advisable to provide an additional margin of reserve stability. The steps necessary to accomplish this are now under way. They consist of the removal and relocation of weight, particularly that which is high above the base line, such as rearranging the torpedo battery to provide centerline mounting of tubes instead of broadside mounting—without change in broadside fire; lowering of boat stowages, and omission of duplicate boat-handling means; reduction of heavy plating on the bridges and fire control stations; relocation of spare parts carried on board; lowering of the loading machine; and a number of other minor nonmilitary items involving a reduction or a lowering of weights.

Pending completion of this work and the results of an inclining experiment to follow such completion, it is also proposed to install fixed ballast as may be required to obtain the desired reserve stability and to allow a margin for new or future alterations. The estimated amount of such ballast is from 25 to 60 tons which will have no material effect upon any other characteristic of these vessels. The installation of ballast is a normal and usual procedure in ship construction and has been since time immemorial.

Some of the 36 destroyers are completed or nearly completed, some are well along in construction, while the later

ones have comparatively little construction work done. The cost of this remedial work, therefore, varies from a maximum on the completed vessels to a mere change in drawings—at a reduction in cost to the Government—for the later destroyers.

The total estimated net cost of all work on the 36 destroyers is \$230,884. The average cost of the changes per destroyer is \$6,413. The approximate percentage of the cost of change to the total hull and machinery cost is one-seventh of 1 percent. The above figure does not take account of the value of any salvaged materials nor reimbursement to the Government by contractors for that part of the overweight for which the contractor is considered responsible, nor especially of the reduced cost due to changes in the torpedo-tube mounting. If these changes are taken into consideration there would be an actual saving of cost on these vessels. The cost of the work is a good indication of the relatively minor nature of the deficiency in these vessels.

The work contemplated in connection with weight removal and relocation to provide an additional margin of reserve stability has recently been completed on the first one of the vessels of the group. This vessel has been subjected to thorough and extensive trials at sea by the regularly established Board of Inspection and Survey and found entirely satisfactory.

In conclusion, I would like to say to the Congress that, notwithstanding the minor troubles encountered on these particular destroyers, it should be proud of the record of the Navy Department on this new shipbuilding program. Prior to the adoption of the current building program we had had a long naval holiday, many of the types of ships had either never been built or had not been built for many years, particularly destroyers. Nevertheless we have very fine, modern ships, equal or superior to any in the world. The destroyers in question will be efficient additions to the fleet, and there is no reason for anxiety on this score by the Congress or by the citizens of this country.

### Some Impressive Witnesses

#### EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

ARTICLE BY MARK SULLIVAN

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mark Sullivan:

#### CAUSES OF DISTRUST—SOME IMPRESSIVE WITNESSES (By Mark Sullivan)

The executive committee of the American Federation of Labor, meeting at Miami, Fla., passed a resolution that goes deep. In part, it reads:

"At this time there are not enough jobs in private industry to go around. This is largely due, in our opinion, to the fact that lack of confidence has stunted business growth and expansion. \* \* \* We urge that all Government actions that tend unnecessarily to discourage business expansion cease \* \* \*."

Just what is it in the present administration that makes business recovery difficult or impossible? In the judgment of this column, a large part of the answer is to be found in the following comments, expressed over some 2 years past, by several observers and news sources having various points of view. If the reader will follow the thread that runs through these quotations, he will have got a clue to a condition that is extremely important, and ominous.

The first group of comments has to do with a so-called blue-card incident. Early in 1939 Secretary of the Treasury Morgenthau was eager for business recovery. He had a way of saying, in answer to suggestions made to him, "Will it contribute to recovery?" This impressed Under Secretary John W. Hanes, also eager for business recovery. He thought the phrase would make a good slogan. He had it printed on blue cards, which were distributed to Government officials.

This, as reported by columnists Joseph Alsop and Robert Kintner, "irritated the \* \* \* new dealers to a near frenzy." As reported by Mr. Arthur Krock, of the New York Times, some new dealers "represented the blue cards to Mr. Roosevelt as disloyalty to him." The result was reported in News-Week, April 3, 1939: "The cards are now being gracefully forgotten."

On another occasion, an episode at the White House is reported by Mr. Krock: "It is heartening to report that at a recent White House council, adherence was duly sworn to the capitalistic system when its future usefulness was called into question. This correspondent has reliably heard that when two conferees expressed doubt capitalism was worth giving another chance, or could be saved thereby, Harry L. Hopkins warmly denounced the viewpoint, and the President showed the firmest sort of agreement (with Mr. Hopkins)."

On yet another occasion Mr. Krock reported another battle in the running war between two groups of President Roosevelt's advisers—one group working for recovery of the American industrial system, the other believing in what Mr. Krock describes as "an undefined but different system." It was after Mr. Harry Hopkins had been appointed Secretary of Commerce and seemed to wish to bring about business revival. This wish appeared to anger some of Mr. Hopkins' former associates in the inner circle, who apparently regarded him as a deserter. Mr. Krock reported, March 11, 1939: "The White House hearth-rug battle has grown extremely bitter in the past week, with Mr. Hopkins getting the brunt of the attack from his former brethren, and Mr. Morgenthau and Under Secretary Hanes coming in for the second volleys."

The situation is commonly described as a war between two groups of the President's inner circle, with the President acting as arbiter, yet himself favoring retention of the system of private enterprise. A carefully stated picture of the President's attitude is in the words of Mr. Walter Lippmann. Mr. Lippmann, May 19, 1938, was describing the controversy between Mr. Roosevelt and the business world:

"Though it is a fact that very few businessmen really like any of the major reforms; though it is a fact, I believe, that the President and his favorite advisers dislike the system of private enterprise and distrust most of the individuals who operate it, it does not seem to me that doctrinal differences are the determining factor."

Possibly the phrase, "dislike the system of private enterprise," was too strong (as applied to the President, though not too strong as applied to the President's advisers). Mr. Lippmann put it in milder words on another occasion, January 20, 1938: "I rather think that the President, insofar as he considers these matters, is of the opinion that the capitalist order has reached a phase where it can be kept going only by Government assistance; and that it is not worth while to try for a true revival of private enterprise if the price is the modification of his social reforms."

Yet another observer, Gen. Hugh Johnson, said, February 27, 1938: "I have seen the gradual growth of the bunch of advisers in the administration who do not believe in the capitalist system."

When so many observers, with differing points of view, agree so completely, the sum of their judgments is convincing. How ominous this is hardly needs saying.

Yet the hopeful fact is that during recent months we have increased business recovery. Necessarily this must be based on the expectation that the condition pictured above will cease to exist. It is the expectation that as a result of the political events of the present year there will be in Washington an administration with a changed point of view, an administration loyal to the American system of free enterprise. Such an administration could be either conservative Democratic or Republican. If this expectation has stimulated the degree of business recovery we have already had, the reality, after next January, should bring about a recovery which will absorb all our unemployment. For such a recovery, the conditions exist, excepting that lack of confidence which the A. F. of L. mentions.

### The Road to War

#### EXTENSION OF REMARKS

OF

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

EDITORIAL FROM THE WILMINGTON (DEL.) MORNING NEWS  
OF FEBRUARY 15, 1940

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wilmington Morning News, of Wilmington, Del., for February 15, 1940:

[From the Wilmington (Del.) Morning News of February 15, 1940]

#### THE ROAD TO WAR

It is our sincere conviction that the Senate of the United States has made a grave mistake in approving legislation which makes possible additional loans of \$20,000,000 each to Finland and China.

The deep sympathy which we feel for both the Finns and the Chinese, and our knowledge that both peoples are the victims of outrageous aggression, must not blind us to the fact that this action amounts to taking sides as a government in wars which are none of our affair.

Our present neutrality laws, with their ban on loans to belligerent nations, were adopted because the American people had learned from experience that this is a step leading toward active military participation in foreign wars. The proposed loans to Finland and China are in direct violation of the spirit if not the letter of those laws. They threaten our future peace and security, not merely of themselves, but because they set our foreign policy in a new groove. For any intervention on one side of a foreign conflict is like starting a snowball down a steep hill. It gathers force and mass and speed as it goes, and before long it is apt to be completely out of our control.

In this case it is easy to foresee that a governmental loan to Finland now may prove the entering wedge for more substantial aid to that country, and eventually to loans to Britain and France. This is what we were calling only a few brief months ago the road to war. Once we have taken a step along that road, once we translate our sympathies into action, once we are definitely committed to one side, it is no easy matter to stop or turn aside.

That is why we hope that the House will reverse the verdict of the Senate on these two loans. The first duty of Congress is not toward China or Finland but toward the people of the United States. It will become increasingly more difficult to safeguard our peace, security, and neutrality once we start letting our sympathies lead us, against our own best interests, to intervention on behalf of other nations now at war.

### Postmaster Abraham Lincoln

#### EXTENSION OF REMARKS

OF

HON. JAMES M. BARNES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. BARNES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at the dedication of the post office, Lincoln's New Salem, Ill., February 12, 1940:

It was more than a century ago that a young frontiersman, eager to get ahead in the world, decided to cast his lot in the enterprising village of New Salem. A tide of migration was sweeping the prairies and people looked forward hopefully to the time when New Salem would be a thriving business and commercial center in a thickly populated region.

When Abraham Lincoln arrived here to settle, he came on foot, toting his meager possessions. He was a stripling of 22 years, a piece of floating driftwood, as he described himself, unknown to the villagers, without money, and without family connections or influential friends who might be ready to ease his path in life. His only financial asset was the promise of a job tending store for a man who had befriended him.

There was a flood tide of settlers at New Salem for the brief span of a few years. The village grew and then ebbed away as the restless pilgrims of that era found a richer promise of reward in other settlements.

Abraham Lincoln stayed on here for 6 years during the formative period of young manhood. The raw-boned stranger, who arrived here with nothing to recommend him save his own sturdy character and talent for human friendships, developed into one of the upstanding citizens of the community. Life for him was serious and real and a gnawing ambition drove him to make the best of his surroundings. The limits of opportunity in a rural town could not dishearten him.

He took advantage of leisure hours to improve his knowledge of the English language; he learned the rudiments of surveying and the fundamentals of law; he took an interest in public life and was elected a member of the State legislature. But above all else, by giving free bent to the genius of a keen and penetrating mind, it was here that he learned the essential lessons of how to direct the activities of other men.



Without distortion or exaggerating, it may be said honestly that Lincoln derived as much from his associations in the humble life of New Salem as other men get from a comparable period in one of the great universities of the world. It is this fact that brings us here today to the reconstructed village of New Salem—this fact that has made this site an object of devoted interest and a shrine for millions of patriotic Americans who find fresh inspiration and deep meaning in the life of Abraham Lincoln.

Those individuals who had the happy vision to bring about the restoration of this tiny village deserve the gracious thanks of their fellow citizens. While the project was carried out in large measure by residents of the State of Illinois, others made notable contributions and the work that has been accomplished here is deeply appreciated by the people of every State in the Union. All those who aided should be proud and happy in the result.

For many decades now a grateful Nation has rendered tribute and devotion to the memory of the martyred President who guided the storm-tossed ship of state through one of its most crucial periods. Lincoln's name has been placed high up on the honor roll of great American statesmen. Scholars, historians, and poets, regardless of party or section, have united in proclaiming the heroic labors he performed in preserving the Union and protecting the integrity of free institutions.

Yet, perhaps, this is the first time that citizens have gathered to observe the memory of humble Postmaster Lincoln. In the bright flame of his later achievements, many people forget that the Great Emancipator had his first experience in public office while serving as postmaster in New Salem. A musty volume in the Department files at Washington, its pages tattered and yellowed with age, gives a brief summary of this somewhat neglected period in Lincoln's early career.

He was appointed postmaster on May 7, 1833, by President Andrew Jackson. Although Jackson has been spoken of many times as the originator of the "spoils system" in politics, it is worth noting that Lincoln was identified with the Whig Party at the time of his appointment. A few historians have taken the view, in a humorous vein, I trust, that a Whig got the office because the pay was so small no good Democrat aspired to it. In any event, we may be sure that when he signed the commission Andrew Jackson had no idea that he was launching the public career of a man who would one day win eternal fame by his superb conduct of the Presidential office.

Lincoln continued to act as postmaster until the office was abolished in 1836 because New Salem was already suffering from a steady decline in population. The Department records were crisp and to the point in those early days and there is nothing in the files to indicate how Lincoln fared in his career as postmaster. A fairly accurate account, however, was later pieced together from the recollections of old friends and acquaintances who were proud of their early associations with Lincoln during his New Salem days.

The wartime President, who was never too busy to hear the plea of a grief-stricken mother, was foreshadowed in the sympathetic attitude of the young man who occupied the role of postmaster and voluntary letter carrier for the citizens of New Salem. The neighbors liked the informal, kindly habits of Postmaster Lincoln. He helped the illiterate to decipher their incoming mail; he walked long miles to deliver letters which he knew had been anxiously awaited; he was courteous and accommodating in explaining postal regulations to rural folks who had slight experience in matters of that kind.

Upon the firm foundation of good will which he established while acting as postmaster, Lincoln fashioned the ground work of his long and useful public career. Without the respect and confidence of those who knew him best, it would have been impossible for the struggling young lawyer to win election to the legislature and thus to satisfy his burning ambition to play a worthwhile part in the public events of his time. From early manhood the desire to take an active part in government was stirring within him. It was an honest ambition, and to those of us who have the privilege of looking back upon the life of the young frontiersman it was something more. Perhaps without realizing it Lincoln was obeying the urge of destiny which had prepared for him such a noble and tragic part in the great human drama.

Throughout his life Lincoln never overlooked an opportunity to learn from other men. With a detachment of viewpoint that seems well-nigh incredible, he was able to observe the motives that impel men to act. He understood why it was that an individual may be brave, loyal, and steadfast in some of his relations and petty, mean, and spiteful in others. He knew the best in men and the worst in them, and he had an uncanny accuracy in gauging the ability and the limitations of his associates in government.

The qualities which gave eminence and distinction to the statesmanship of Lincoln have been analyzed in skillful fashion by students worthy of the task. As a result of their long research and careful labor, it has been shown with abundant proof that the very qualities which his hasty and short-sighted contemporaries misjudged for weakness, really constituted the key to Lincoln's strength and greatness. He never drove men into action; rather he led them around slowly and patiently to his way of thinking, letting them believe that they were leading him and not he leading them. He was a politician in the finest sense because he understood the art of dealing with human beings.

There are many lessons in Lincoln's career for those who aspire to public office, but none is more important than the simple truth that character is the true foundation of statesmanship. Lincoln was sincere and honest in all his efforts. He taught the country to

cherish the idea of union because he believed in it so passionately himself. To those who opposed the appointment of generals and commanders who were not of his party, Lincoln replied that he was interested in patriotism and ability, not partisanship. In the midst of brutal and destructive war, from which his sensitive nature recoiled, he never lost an opportunity to do an act of kindness touched with mercy. He wanted justice done in small things as well as great, and he followed that rule himself without deviation.

Lincoln bore the Old Testament name of Abraham, and there was almost a scriptural touch in the simplicity of his writings. No man in recent times has been able to express such exalted truths in simple language. His thoughts were clothed in the homely garment of words which had been familiar to him since childhood and, against the urgings of others, he made no effort to effect a change in style. The wisdom of this course is shown by the fact that throughout his career as President, Lincoln grew steadily in the affections of the common people. Because they understood his words and purposes, the people gave him their full trust and confidence.

Lincoln at all times looked above the immediate, everyday problems to the great purpose he had in mind. When other men hardened amidst the savagery of internal war, the kindly man in the White House never let his fellow countrymen forget that the final object was national unity, untouched by hate or vindictiveness. As the end of the awful carnage appeared in sight, he had no time for gloating or rejoicing. The great task, he said, was to "bind up the Nation's wounds." There is no finer phrase in the whole range of American State papers.

In this age of dictatorship and government by cruel violence, it is heartening to recall that Abraham Lincoln was a product of democratic government. His rise to eminence and immortality in the annals of statecraft would have been impossible under any other system. He came from humble beginnings and was compelled to make his own way without benefit of social distinctions or family fortune. Even after he entered the White House, he still felt ill at ease in the pomp and glitter of dazzling social functions. He was not a military man who could seize public power by force and violence. The only power Lincoln had came from within, from the sublime qualities of a lofty spiritual nature. Throughout his life he was a man of the prairies who was accustomed to think in terms of man's eternal struggle against the elements for the simple comforts of decent food and adequate shelter.

In pondering over the full meaning of his career, we come to understand why Abraham Lincoln belongs to the ages. By the sheer force of his intellectual and moral powers, he lifted himself high above the errors and pitfalls that beset the lives of lesser men. The memory of his name is the heritage, not of one party or group or section, but of freemen everywhere who cherish the priceless qualities of liberty and justice, without which life is not worth the living.

And so I am happy to be here today to join in these ceremonies rededicating the post office of New Salem after a lapse of 104 years. It is my honest belief that the young man who takes over the duties of the office will prove a worthy successor to his illustrious predecessor. The primary purpose in replacing New Salem on the postal map is not commercial. The idea is not to enhance the revenues of Uncle Sam. Rather it is a loftier motive. It is a wish to aid in rekindling the interest of the Nation in New Salem.

In the years that lie ahead, I hope that millions of Americans will obey the impulse to visit this hallowed shrine, to walk the by-paths that Lincoln trod, to view for themselves the frontier village in which a great human being lived and loved and labored. The restoration of the village has been carried out in masterly fashion. Those who performed the task with loving care did something more than rebuild the physical aspects of New Salem. They have recaptured the spirit of the place and made it live again.

The fortunate people who come here will carry away more than a sense of historical association. They will realize again the sublime truth that human greatness is not born in success or material wealth, but in the hidden recesses of the soul of man.

### Wheeler-Lea Bill

#### EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

PREFACE TO THE PUBLICATION, DEEP WATER, COMPILED BY S. WILLSON RICHARDS, EDITOR OF THE MARINE NEWS

Mr. CULKIN. Mr. Speaker, the Members of the House who believe that waterways are to stop-gap and safeguard against exorbitant transportation rates in these United States are closely watching the outcome of the conference between the House and Senate on the Wheeler-Lea bill, S. 2009.

One of the most illuminating publications on the question is a factual, well-documented publication entitled "Deep Water." Most of the Members will not have an opportunity to see this publication, as it is only given limited distribution.

Pursuant to the permission of the House, I am inserting the preface to this valuable volume in the RECORD. This discussion is so sane and sound that I trust every Member of the House who is interested in the vital question of national transportation will read and ponder it. It follows:

#### PREFACE TO DEEP WATER

Congressional committees are soon to give careful consideration to the Wheeler-Lea bills, the purposes of which are to improve, strengthen, and regulate transportation facilities in the Nation. Owing to the controversies certain to arise during the discussion of these bills, we believe that we are performing a public service in making available in concise form some of the more important and salient facts with respect to waterway development and water-borne transportation.

We believe that all types of transportation should be developed and improved for the benefit of the country as a whole. We do not believe that any one form of transportation should be helped so as to obstruct some other form. Honest competition should continue to be the American way. When performing its proper function each type of transportation service should be able to earn a fair return on its investment.

As the Nation has grown its transportation facilities have naturally expanded. There has been tremendous evolution from the days of the covered wagon and the mule-drawn canal boats to our high-speed trains, fast steamers, self-propelled canal boats, trucks, motorcars, and airplanes. Each form of transportation supplements the others; each has its proper place. Certain tonnage is naturally the business of railroads. Other tonnage is naturally the business of trucks. It is an indisputable fact that certain bulk freight is naturally the business of waterways and can be transported over them at a cost which no other system can even approach.

It is a safe statement that every purchaser of an automobile or truck buys it for less owing to the economies effected through the transportation of iron ore by water, resulting in cheaper steel; countless home owners are benefited through savings in water-borne lumber; bread and fuel is cheaper for millions through water-borne grain and coal. The cost of gasoline, upon which the farmer, industry, and the public are absolutely dependent, would be a remote luxury to millions if its water-transportation cost was raised to railroad levels.

Our first inland waterways were local or State affairs with the Federal Government taking care of all harbor improvements. The Federal jurisdiction over waterways, however, has been gradually extended, until today almost all waterways are under Federal control. From 1822 to 1938—116 years—a total of only \$2,432,526,000 has been expended by the Government in improving and maintaining the Nation's waterways. This expenditure has been from the Federal Treasury, which, as everyone knows, is maintained by taxes from the entire country. Waterway improvements have always been based upon their benefits to the entire country. Every ton of freight—steel, gasoline, lumber, coal, grain, and countless other necessities—transported by water effects a saving to every citizen in the Nation. These savings exceed again and again the taxes which find their way into waterway improvements, giving a credit balance to every taxpayer in the land. We know that investigation will prove that cheap transportation over inland waterways has enabled manufacturers to widen the areas in which they operate, and has opened up new markets for farmers. Available statistics show that the annual saving to consumers through water transportation is more than 10 percent of the total amount expended during the past 116 years by the Federal Government in waterway improvement and maintenance. Has the Nation any other investment equally good?

We do not believe that any persons, genuinely interested in the public welfare, believe that waterway improvement and water transportation should now be throttled for the benefit of other and more expensive means of transportation. On the contrary, we believe that railroad officials, must publicly, and do privately, recognize the value to them of the great volume of traffic reaching their lines from water carriers. They must recognize, too, that much of the volume of traffic is carried by them because of the fact that it is prehandled or rehandled over waterways at rates sufficiently low to make the whole movement cheap enough to become part of the national economy. A tremendous tonnage is delivered by railroads to water carriers and by water carriers to railroads. This tonnage is a vital part of the total tonnage handled by many railroads.

Except for the low cost of water transportation, it would be impossible for the railroads to obtain the volume of traffic that they do on through water and rail, or rail and water transportation. If this tonnage were handled solely by the railroads the increased cost to the consumers would be tremendous or prohibitive. Instances of this kind are the millions of tons of coal carried annually from the West Virginia and Kentucky fields to Toledo and other Lake Erie ports for reshipment by water to ports on Lakes Michigan, Huron, and Superior, with tremendous savings to consumers. The millions of tons of coal delivered by rail to water carriers at such ports as Norfolk and Newport News are striking evidence of the mutual indispensability of rail and water transportation. Whence comes most of the vast tonnage carried by the railroads from coastal points into the near and far interior of the Nation? It comes from

vessels using the splendid system of harbors and waterways—Great Lakes, inland and intracoastal—prepared by the Federal Government. Water-rail transportation is the keystone of our national economy.

One of the marvels of America is its amazing rate of growth. What is one of the greatest contributors to this growth? Steel. Why? Because of the unparalleled Great Lakes transportation system, making for the economical movement of ore. How much more would steel cost if the vast quantity of iron ore from Minnesota mines—1,600,000,000 tons since 1855—had to be delivered by rail to Illinois, Indiana, Ohio, New York, and Pennsylvania steel mills rather than by boat down the lakes at a rate of less than one mill per ton-mile. This cheaper cost of transportation saves money for every taxpayer in America.

What made Houston one of the important ports of the world and the largest city in the Southwest—a Federal waterway connecting it with the Gulf of Mexico. As at all other water terminals, railroads handle much of the tonnage of this port, either before or after it is water-borne. Such examples can be multiplied many times by other equally striking instances of the value of Government waterway promotion and construction.

When the Federal Barge Line was established on the Mississippi River system, former President Markham, of the Illinois Central Railroad, stated that "The Illinois Central, of course, recognizes that the barge line offers competition paralleling it on the Mississippi River, but our interests are clearly identified with the interests of the people of the Mississippi Valley—if it is a good thing for the people of the Mississippi Valley, it in some way will probably operate as a good thing for the Illinois Central system. If it supplies additional transportation that is needed and may be needed in the future that we cannot supply or if it supplies a cheaper transportation than we can supply and makes for the prosperity of the people in that section of the country where our own interests are bound up, in some way may work back to our own selfish interests. Perhaps it will increase the population, increase the amount of business everybody does down in that territory. If it does operate in that way we are going to reap some benefit too."

Today, we find that, except for the loss of traffic directly attributable to the depression or to truck competition, both the Illinois Central and the Federal Barge Line are carrying more tonnage than before. There has been built up between them, and other barge lines and railroads, an extensive water-rail or rail-water exchange of traffic. It is unfortunate that there are not more railway executives with the far-sightedness and genuine public interest of ex-President Markham.

When the different railroads now composing the New York Central system between New York and Chicago were formed, their organizers knew that they would have to face the competition of water transportation. In fact, in many cases, the railroads were formed to offer shippers faster service than the water carriers then in business could give. Today, the volume of water-borne freight on the Hudson River, the New York State Barge Canal system, and the Great Lakes is vastly greater than ever before; this despite the fact that the New York Central system paralleling these waterways maintains one of the most highly competitive, efficient, and busy railroads of the Nation—to the great advantage of the public. There is no valid argument to support raising water-transportation rates above their present low average, to, or near to, rail rates. We know that if such rates are established the economic result to the country, as a whole, will be disastrous.

We deny that the development and maintenance of our waterways by the Government for the free use of the public is socialization, subsidy, or a handicap to other methods of transportation. On the contrary, we believe it has served to develop our Nation far more than any other Federal expenditure. We believe that waterways directly and indirectly are the means of developing a vast amount of tonnage for other forms of transportation which they could not otherwise obtain.

We believe that the Senators and Representatives in Washington are already aware of the great economic advantages to the country as a whole which will result from a vigorous and extensive expansion of our natural waterways and harbors, which are unequalled in the world and which through development may be made one of our greatest national assets. We believe, too, that no body of men is in a better position to determine when and where our waterway improvements should be made than our Army engineers.

We decry the attitude of those hostile to waterway development and to water-borne commerce, as well as reflections on the knowledge, integrity, and judgment of the Members of the Congress or the Army engineers. No other governmental agency has performed its duties with greater integrity and efficiency than the Corps of Engineers. With its unparalleled experience and familiarity with national waterway development the corps is preeminently fitted to forecast and execute such waterway development as will be needed for the future in order to meet the requirements of an ever-expanding commerce, and also to facilitate the movements of a Navy that, owing to a changing world, must inevitably expand and be able to maneuver safely and rapidly. Without improved waterways this great defense arm would be made less effective in case of war. Intracoastal canals, interconnecting harbor channels, and river estuaries, all with sufficient depths, are vital to the Nation's defense.

Finally, we assert that every citizen in the land now receives and will continually and increasingly receive generous dividends in the form of lower living costs through a wider and greatly extended system of commercial waterways.



**Hunters Point Drydocks**  
**EXTENSION OF REMARKS**  
 OF  
**HON. FRANCK R. HAVENNER**  
 OF CALIFORNIA  
 IN THE HOUSE OF REPRESENTATIVES  
*Friday, February 16, 1940*

Mr. HAVENNER. Mr. Speaker, the recommendation that the Navy should acquire the Hunters Point drydocks as an essential part of its program for national defense originated in the Navy Department.

The Chief of Naval Operations, in a report submitted to the Committee on Naval Affairs on March 9, 1939, made the following statement:

The situation confronting the Navy with respect to adequate dry-docking facilities is of serious concern to the national defense. Docking facilities on the west coast and in Hawaii are now inadequate to meet the needs of the existing fleet in time of peace. Even with the completion of the drydocks now under construction at the navy yards, Mare Island and Puget Sound, the peacetime situation will become steadily worse unless further relief is afforded as vessels now under construction or authorized are added to the fleet.

The question of docking facilities has been the subject of exhaustive study and analysis in the Navy Department over a great many years. Shortages exist in all sizes of docks to meet peacetime and wartime requirements. As a result of these studies, the Department has outlined a program of additional docking facilities considered essential for the proper support of the fleet in the Pacific.

In my opinion, the Navy should acquire the Hunters Point drydocks and should provide weight-handling facilities, power connections, galley, latrines, storehouse, and an assembly plant to permit the overhaul of our largest vessels in conjunction with the Mare Island Navy Yard.

The Committee on Naval Affairs, after an extensive examination of ranking officials of the Navy Department concerning the necessity for acquiring the Hunters Point drydocks, incorporated a provision in the 1939 Navy public works bill reading as follows:

The Secretary of the Navy is hereby authorized and directed to appoint a board consisting of not less than five officers to investigate and report upon the need for purposes of national defense for acquisition by the Secretary of the Navy of two graving drydocks situated on San Francisco Bay and known as the Hunters Point drydocks, such report to include a statement of costs and fair values and to be made prior to April 18, 1939.

After a very lengthy and thorough study of the property and its proposed uses, the special board appointed by the Secretary of the Navy unequivocally recommended that the Government acquire the Hunters Point drydocks, including all present equipment, at a cost not to exceed \$4,000,000, and that an additional \$2,000,000 be expended on the property to permit its utilization as an annex to the United States navy yard at Mare Island.

In pursuance of this report the Congress last year enacted a law authorizing the Secretary of the Navy to negotiate with the Bethlehem Shipbuilding Co. for the purchase of the Hunters Point drydocks property at a price not to exceed \$4,000,000, and further provided that if these negotiations failed to result in satisfactory agreement of purchase the Secretary of the Navy would be authorized to construct new drydocks adjacent to the existing site at Hunters Point.

As a result of these negotiations the Secretary of the Navy has recently signed a contract with the Bethlehem Shipbuilding Co. for the purchase of the Hunters Point drydock properties at a price of \$3,993,572. Under the terms of this contract the Bethlehem Shipbuilding Co. will continue to operate the drydocks for a period of 3 years, during which time the company will pay all costs of operation and maintenance, including taxes. At the expiration of that period the Government will assume complete control of the property. The title to the property will pass to the Government if the appropriation herein asked for is made by Congress and the purchase price is paid to the company.

While the property remains under the management of the Bethlehem Shipbuilding Co. the Government will proceed

with the construction of extensive improvements, which will be carried out under the terms of this proposed appropriation.

The property to be acquired consists of two graving drydocks, with necessary appurtenances and equipment, owned by the Bethlehem Shipbuilding Co. and located in the city and county of San Francisco at Hunters Point. One of the drydocks is about 700 feet long, capable of docking heavy cruisers. The other is 1,000 feet long, capable of docking 45,000-ton battleships and aircraft carriers.

The Secretary of the Navy reports that the land at Hunters Point is composed of a serpentine rock formation, impervious to water, easily excavated, and particularly favorable for the construction of graving drydocks.

His report states that the site also has the following advantages of location:

It adjoins permanent deep water, affording adequate approaches to the drydocks by large vessels. It adjoins the largest and best anchorage ground in San Francisco Bay. It is conveniently situated with reference to San Francisco and to water- and motor-transportation facilities.

The report points out that the Bethlehem Shipbuilding Corporation has not used this property as a shipbuilding plant but only for drydocking vessels. It lacks essential facilities for repair work, even of a minor character, on a shipping dock.

The essential facilities which are lacking, and which are proposed to be provided if this appropriation is approved by Congress, are as follows: (a) Adequate power supply, so that the ship's generating equipment can be shut down while in the dock—also service connections, including air, salt water, fresh water, and steam; (b) weight-handling equipment, so that heavy parts can be removed from and reinstalled in the ship; (c) a galley ashore, so that the ship's galley can be shut down for repairs; (d) suitable latrine facilities for the crew while the ship is in dock; (e) a small storehouse, so that routine repair materials may be immediately available; (f) an assembly building, to permit the assembly of parts fabricated and manufactured elsewhere for installation in the vessel in dock, and to provide space in which to keep tools and equipment necessary to accomplish drydock work and other necessary repairs; and (g) an adequate quay wall at which ships can be berthed prior to and after docking.

The drydock at Hunters Point is the only dock on the west coast except that at the Bremerton Navy Yard, 1,815 miles to the north, which can accommodate a man-of-war or other large naval or merchant ships. In the past the Navy has paid the Bethlehem Shipbuilding Co. approximately \$45,000 a year, and frequently more, for a preferential use of the Hunters Point drydocks. As the report of the special naval board clearly emphasizes, a permanent continuation of this arrangement is not considered to be in accord with the best interests of national defense.

**Freedom of Expression in Radio Communication**

**EXTENSION OF REMARKS**  
 OF  
**HON. J. WILLIAM DITTER**  
 OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES  
*Friday, February 16, 1940*

Mr. DITTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement in explanation of a bill which I have introduced today to amend the Communications Act of 1934 in order to preserve and protect liberty of expression in radio communication.

EXPLANATION OF BILL TO AMEND THE COMMUNICATIONS ACT OF 1934 IN ORDER TO PRESERVE AND PROTECT FREEDOM OF EXPRESSION IN RADIO COMMUNICATION

This bill consists of a series of amendments designed, so far as possible, to protect broadcasting against any encroachment on liberty of expression, including freedom of speech and of the press guaranteed by the first amendment to our Constitu-

tion and freedom from censorship generally. It is unnecessary that I point out how vitally important it is that the public be afforded this protection. Broadcasting rivals the press as an agency of mass communication. Freedom of expression is the cornerstone of democracy. Government control of what is printed or said is the antithesis of democracy and is a characteristic of autocracy and totalitarianism.

When Congress first enacted comprehensive radio legislation, back in 1927, it thought it had done all that was necessary to secure protection of this liberty. Section 326 of the Communications Act of 1934, reproducing a similar section in the Radio Act of 1927, reads:

SEC. 326. Nothing in this act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication. No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication (Sec. 326 of the Communications Act of 1934, formerly sec. 29 of the Radio Act of 1927).

The debates in both Houses leave no possible doubt as to the intention of Congress. In the House, it was even thought that such a section was not necessary because, to quote Mr. WHITE—now Senator from Maine—the principal sponsor of the bill, it gave the licensing authority “no power at all” to interfere with freedom of speech in any degree in considering a license or the revocation of a license (67 CONGRESSIONAL RECORD, March 12, 1926, p. 5430).

The Senate, however, was not satisfied and, to leave no doubt, inserted the present section. Senator Dill, the sponsor of the bill in the Senate, described this provision as prohibiting the Commission “from censoring programs in any way” (67 CONGRESSIONAL RECORD, July 2, 1926, p. 12615). The situation furnishes an interesting parallel to the two schools of thought that existed back in 1787 as to whether any specific guaranty of freedom of speech was necessary in the Constitution. Fortunately, the cautious view prevailed.

Notwithstanding the express intent of Congress, the Commission has found an Achilles’ heel in the law. The vulnerable spot is the broad statutory standard of “public interest, convenience, or necessity” which is the criterion applied to the granting or denying of applications. The Commission has construed this formula as giving it power to censor programs by the back-door method. Taking advantage of the procedural provisions in the act, they have limited licenses to the short period of 6 months, recently increased to 1 year, although the law permits a period of 3 years, and have regulated programs through actions on renewal applications. The theory is that this Commission has power to deny a renewal application and put a station out of existence if the station has been broadcasting programs which do not meet the standard of “public interest, convenience, or necessity,” whatever that means, depending on a whim of the majority of the Commission at any particular moment. I say the Commission. Fortunately, there is a minority which still understands fundamental American principle. Obviously, this is a far more dangerous form of censorship than if the Commission would promulgate standards in advance, which it concedes it does not have power to do. The present method is just plain *ex post facto* censorship and is too powerful a weapon to be entrusted to any such agency.

Everyone recognizes, of course, that there are legitimate limitations on freedom of speech. These are for Congress to decide, however, and not for a bureaucratic board in Washington. In the Communications Act as it now stands we have expressly forbidden several kinds of utterances, such as obscene, indecent, or profane language in section 326 and lottery information in section 317. Violation of either of these provisions is subject to heavy criminal penalties by way of fine and imprisonment after appropriate proceedings in the courts. This is the way such matters should be handled. There may be other types of utterances which ought to be, and can constitutionally, be forbidden. If this be the case, let us learn about them and enact legislation accordingly. But we certainly never intended to delegate to this Commission the power to impose their judgment as to what are good

programs and what are bad programs on the American people. The Commission was established primarily to deal with a technical problem in order to prevent interference, assure an orderly and efficient use of the ether, and effect a fair, efficient, and equitable distribution of broadcast facilities over the country. From all I can find out, it is to these primary duties they pay the least attention, while they fritter away their time on forbidden and, I believe, unconstitutional fields of activity.

Time after time during recent years, an effort has been made to bring about an investigation of this Commission. For one reason or another, these attempts have failed. Pending the time when a successful attempt is made, I urge that this, the most precious of our liberties, be made absolutely secure. No useful purpose would be served by attempting to recite at length the usurpations of power by this Commission in this field during recent years. Congress has been made thoroughly familiar with them. I can do no better in summing them up than to give you a picture of the process actually and currently followed by the Commission as described by a report of the Attorney General’s Committee on Administrative Procedure just made public. This report states that licensees of broadcast stations:

Would rather discontinue objectionable programs than risk the possibility of losing their privileges. This is borne out by the fact that, to quote one of the leading critics of the Commission, “The sanction really employed in many instances is not refusal to renew a license but the threat of initiating proceedings leading to hearing on a renewal application and the attendant publicity” (p. 76).

When the investigation of a complaint is undertaken, the law department invariably advises the licensee that a complaint has been made, usually sends a copy of the complaint without disclosing the identity of the complainant, and ordinarily requests, where investigation has developed that such action is necessary, that a copy of the continuity of the objectionable program be sent to the Commission. This often acts as an effective sanction for securing the discontinuance of the program. Desirous of preventing the submission to the Commission of a recommendation that may result in the institution of revocation proceedings or the designation of its renewal application for hearing, the licensee frequently either discontinues the broadcast of the entire program or alters it so as to eliminate the objectionable portions (p. 77).

During the course of his investigation, the Commission attorney is likely to engage in extensive correspondence with the licensee and frequently discusses the matter with the licensee’s counsel. If the first notice that a complaint has been filed does not suffice to move the broadcaster to discontinue the objectionable program, these later conferences with his attorney are likely to achieve that result (pp. 78–79).

Under most circumstances the complaint is also dropped if the station has voluntarily discontinued the program; the program would have to be exceedingly objectionable to justify the discontinuance of the licensee’s privileges in the face of his proved willingness to acquiesce in the Commission’s determination that his activities are contrary to the public interest (p. 79).

I will now proceed to explain the explicit provisions of the bill.

#### PROHIBITION AGAINST TAKING ADVERSE ACTION FOR ALLEGED PROGRAM OFFENSES

The basic provision of this bill is section 6, which would amend section 326 of the Communications Act by making it clear that the Commission is not to take alleged program offenses into account in any way in any of its actions on applications or otherwise. The only leeway left to the Commission is in the case where a licensee has been finally adjudged guilty by a Federal court of one or more violations of specific provisions of the act, such as the prohibitions against obscenity and lottery information, and then only where the offense is of so serious or repeated a nature as to show clearly that the licensee or applicant is not qualified in character to operate a station. We do not put newspapers out of business because of occasional infractions of laws against lotteries, obscenity, defamation, or any other improper utterances. We punish the persons responsible by fines, imprisonments, or damages. Why should any other principle apply to radio station licensees? We all know that, no matter how careful a station owner may be, there will be occasions when, in broadcasting plays, speeches, athletic events or whatnot, there will be occasional lapses into what is technically profanity, under court decisions ranging over the past hundred years or more. A bureau in Washington should not have the arbitrary power



to try such matters or to appraise their seriousness. This can best be done in the district and the court where the licensee lives. To give the power to a board in Washington means simply that it has an additional weapon with which to persecute those whom it dislikes while not molesting those who have its favor.

#### MINIMUM AND MAXIMUM LICENSE PERIODS

In view of the practices and tendencies exhibited by the Commission, it is not enough merely to forbid adverse actions because of alleged program offenses. Other safeguards must be set up because, without procedural safeguards, any right, constitutional or otherwise, can be easily nullified. The most important item in this respect is the license period.

Under section 307 (a) of the law as it now stands, the Commission may grant a license for any period up to 3 years, in the case of broadcast stations, and for any period up to 5 years for other classes of radio stations. For some reason, best known to itself, it limits broadcast licenses to 1 year. The only real reason I can think of is to use the renewal procedure as a constant threat. I therefore propose, in section 3 of this bill, that there be a minimum license period for broadcast stations of 3 years and a maximum of 5 years. I think we might well make the maximum for a longer period, but we can do this in the future if we find it advisable.

This takes nothing from the legitimate powers of the Commission. Section 312 (a) gives the Commission power to revoke a license for a wide variety of causes, including any violation of the act or any violation of the Commission's regulations. Section 312 (b) gives the Commission power to modify any license when such modification will serve public interest, convenience, or necessity. Section 303 (f) gives the Commission power to change the frequency, power, or hours of operation of any station if required by public interest, convenience, or necessity. What more power could a governmental agency legitimately ask? The only obstacle to using these three forms of procedure is, of course, that the Commission has to state a basis for its action and have a hearing, and it would much prefer to keep a sword of Damocles suspended over licensees and make them have the burden of proof on their applications for renewal of licenses.

There is another change which I propose to make in this same section in the interest of closing the door to any excuse for circumventing the intention of Congress. Section 307 (d) of the act now contains the following clause at the close of the section:

Action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and practice which affect the granting of original applications.

This clause was first introduced into the law in the Communications Act of 1934, not having been in the Radio Act of 1927. I do not know what the reason for introducing it was. It does not make sense and, I am informed, has never been used by the Commission. Under the former law, the Commission's power to take one station off the air and put another on in its place was upheld in the broadest terms by the United States Supreme Court in *Federal Radio Commission v. Nelson Bros. Bond & Mortgage Co.* (289 U. S. 266), where a real public interest is involved.

Obviously, a mere newcomer should not have the right to replace an established broadcast station unless there is some consideration of public interest involved, and there should not be this opening to punish the existing station for programs which the Commission does not like. Furthermore, an application for renewal of license cannot possibly involve the same considerations as arise in connection with an application for a new station when, presumably, such questions are raised and decided as whether there will be undue interference, whether the city will support an additional station, and similar matters. Licensees should not have the obligation of proving these same items over and over again in connection with each renewal application.

#### HEARING PROCEDURE

The Commission, under the influence of a deluge of authoritarian jurisprudence, is taking the position that it may grant any application for a new station or for the increase in

power or change of frequency for an existing station without hearing, no matter how disastrously its action may affect any existing station or the public served by that station. It is not necessary to put a station off the air in order to ruin it. If you put another station on the same wave length so close that interference is caused over most of the area served by it, you very effectively destroy it. This was never intended by Congress, and, in fact, until this last year, the Commission itself did not entertain any such notion of its powers. It is altogether too tempting a manner in which to visit disfavor on licensees to permit it to remain at the Commission's disposal.

In section 4 of the bill, therefore, I propose that section 309 (a) of the act be amended so as to require hearing where the Commission's action would aggrieve or adversely affect the interests of any holder of a license or any applicant therefor.

#### REVOCATION PROCEEDINGS

In section 5 of the bill I have proposed to amend section 312 (a) of the act, covering revocations, so as to correct an unjust and, I believe, unintended construction that has been placed upon it. It now seems to permit the Commission to enter an order of revocation first and then later to hold a hearing to see whether its action should be upheld. The amendment turns this around and requires a hearing prior to any order of revocation.

#### POWERS OF THE PRESIDENT

Very broad and, I believe, excessive powers are reposed in the President of the United States, in time both of peace and war, to take actions adversely affecting radio stations and even putting them out of existence.

In time of peace he may accomplish this by proceeding under section 305 (a) of the act to grant a station's frequency to some Government station without cause or hearing. Section 2 of this bill proposes to correct this by requiring either that the privately owned station be given an equally desirable assignment or that there be a hearing.

Section 606 (c) of the present law confers unlimited powers on the President to close stations, to remove their equipment, or to authorize the use or control of stations, by any department of the Government upon a bare proclamation not only that there exists war or a threat of war, but even—

A state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States.

We have now become familiar with the broad meaning of which the word "emergency" is susceptible. Even in time of war, it seems to me it should be for Congress and not the President to determine whether we are to sacrifice one of our two principal agencies for mass communication. Nevertheless, yielding somewhat to those whose judgment may be better than mine as to possible sudden military needs, I have confined my proposed amendment to this section to a situation short of war or insurrection which is the equivalent of war. Otherwise, I propose that it be made perfectly clear that the section is not to be used as an excuse for exercising censorship or for closing or taking over broadcast stations. Even in time of war or insurrection, my bill limits the closing down or taking over to imperative military need.

### King Coal or Court Fool

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

ARTICLE BY HON. ROBERT G. ALLEN, OF PENNSYLVANIA

Mr. EATON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by our colleague the gentleman from Pennsylvania [Mr. ALLEN],

which was published in the Black Diamond of February 10, 1940:

[From the Black Diamond of February 10, 1940]

KING COAL OR COURT FOOL

(By Congressman ROBERT G. ALLEN)

The present experiment in Government control of the bituminous-coal industry is not an isolated problem which should be considered in a restricted sense. Other great American industries are confronted with similar threats to their independence; the woes which beset them are similar to those which have troubled coal. From other angles sharp-shooting Federal bureaucrats are sniping at free institutions in our commercial system. If Government control of coal—which must result in eventual ownership—is to obtain, other natural resources will be similarly regimented, and the disease will eventually spread throughout all private industry. Around the hoary head of old King Coal rages the battle between free enterprise and regimentation, between industrial freedom and bureaucratic dictatorship. If coal surrenders, the path has been cleared for encroachments in other fields. In the fight now being waged against the Guffey Coal Act the time-tested American system of free business enterprise is at stake. One has only to read the speeches of Secretary of the Interior, Mr. Ickes, to verify the truth of this statement.

I am not a coal expert but I do know something about economics and government. It is not my purpose here to emphasize the obvious importance of coal in our national economy or to weigh in detail the merits and demerits of the Guffey Coal Act. I am more interested in the philosophy behind that act, its implications and its future effect not only on the coal industry but upon our entire economic system. The temptation to sidestep heavy responsibilities is a congenital weakness of human nature. When the problems of self-government grow too onerous people tend to surrender personal freedom for material security. They end by losing both. Dictatorship is the result. The same principle is applicable to business and businessmen. The moment businessmen grow weary of wrestling with their own problems and rush to the Government for help, they take the first false step on a downhill road. And there may be no turning back. For every ounce of security it may give, the Government will take 10 pounds of freedom in return. Students of history know this, but somehow the rank and file of human beings never learn from the experiences of the past.

#### INDUSTRY SHOULD TURN BACK

Nature in her immutable code gives us the choice between profiting by the experience of others and learning from our own experiences. History is replete with examples of the disastrous results of government interference with private enterprise. The path which the bituminous-coal industry is following under the Guffey Act is well marked with warning signs erected by other victims who once traveled the same road. If these signs are heeded now it will be a happy day for a great industry, but if they are ignored penitent operators soon will be placing their own admonitions for innocents who may be tempted to follow. The bituminous-coal industry must turn back before it is too late.

I do not mean to mitigate the sore and perplexing problems which have confronted bituminous-coal operators for many years. Because this industry is vested with a tremendous public responsibility there may be justification for a mild degree of Federal regulation in the interest of operators, miners, and the consuming public alike. The Guffey Act in effect is drastic. It violates fundamental economic principles. Most unfortunate of all, however, is the fact that under the Guffey Act one abuse is bound to develop others, which will be more devastating in effect. Instead of ameliorating the problems of the soft-coal industry, the Guffey Act will aggravate them in geometrical progression. One look at the record clearly indicates that no one has benefited from this ill-starred legislation except the swarm of political appointees who vainly try to administer its impossible provisions. If it were sound, the Guffey Act would be producing beneficial results by now. For nearly 5 years two Commissions, and more recently the Department of the Interior, have wrestled with the legislation and have failed to establish one single permanent price schedule. In fact, the only benefit resulting from countless hearings and the waste of countless dollars has been the knowledge that legislation has been enacted which cannot be properly administered and that the dangers of governmental intrusion in the field of private enterprise are too great.

#### PRICE FIXING IMPOSSIBLE

Under the Guffey Act the Government is charged with the responsibility of eliminating corrupt trade practices, preventing wasteful competition, and virtually guaranteeing a profit to the industry itself. Government can successfully handle the first two charges but the third, price fixing, never. In the history of human experience there has never been a case where profits have been successfully assured to a privately operated industry by government edict. Those who profess faith in the price-fixing provisions of the Guffey Act arrogate to the legislation and to its administrators a degree of perfection never achieved before by man. Temporary benefits may derive from arbitrary price fixing but as inexorable economic laws begin to react the futility of such an experiment becomes obvious. At this point two courses of action are open. The first suggests an entire change of procedure, and the second more experimentation and more control. It is perfectly obvious which course Mr. Ickes' bureaucrats will follow. Having failed in their first attempts to regulate, they will establish an excuse for their derelictions. That excuse will be insufficient authority and too

little control. To buttress their price-fixing powers, they will demand control of production. A drive for tonnage allocation will begin—in fact, it has begun already—and in the visible future Mr. Ickes or his successor will be absolute czar of the coal industry. That is the stuff of which bureaucrats are made. Once established, their primary objective is self-perpetuation; they grasp constantly for more power. They succeed for a time or until the object of their intentions withers from overdoses of pink pills and strangles from too much red tape. The most vicious lobbying in Washington today is conducted not by business interests but by Government agencies seeking to perpetuate themselves. So, having failed to regulate the bituminous coal industry, these same people will essay to operate it. This vicious trend would be ludicrous were it not so tragic.

#### MUST ASSUME FULL CONTROL

It is obvious that the Government cannot regulate the bituminous coal industry without assuming full control. It cannot assume this control until it owns the mines outright. The soft-coal industry is therefore faced with two alternatives: Outright Government ownership or the return of administrative control to private operators with the Government acting as referee. If men who have spent their lives in the bituminous-coal industry cannot regulate their affairs in orderly fashion, how can one expect theorists, green lawyers, and economic quacks to do better? It is apparent that if local and regional problems are too burdensome for skilled operators, the accumulated problems of an entire industry automatically exceed the administrative capacity of any Government agency.

One has but to consider the 500,000 different prices already proposed in the Appalachian area alone to realize the magnitude of the administrative task entrusted to the Bituminous Coal Division, or attend for 1 week hearings conducted before this Division, and you will be thoughtfully impressed with the complexities of the problem. Imagine, if you will, this Government bureau attempting to coordinate prices in one district with those in competing districts, and coordinating into this scheme different freight schedules and the differences between rail coal, water-borne coal, and coal transported by motortrucks. Then, on top of that, imagine the enormity of the task of coordinating coal prices with prices of competing fuels, realizing at once that competing fuels themselves are not regulated. Once this apparently endless task has been completed, does anyone believe that the price schedule of today will be applicable tomorrow? This is obviously impossible when we consider the dynamic condition of the factors which enter into the establishment of price schedules. Wage scales, for example, may be in a state of flux. Insurance rates and taxes may change at a moment's notice. Transportation costs will vary because the Interstate Commerce Commission will not bow to the sacrosanct edicts of honest Harold Ickes.

#### AN AID TO OIL AND GAS

The troubled circumstances surrounding soft coal have opened the door for competing fuels to step in. Unquestionably producers of fuel oil and gas have profited by coal distress. In many instances large consumers have refused to be annoyed by the 30-day restrictive contract clause in the Guffey Coal Act. They have accepted the greater stability offered by competitive fuels. Soft coal has suffered vast tonnage losses from this factor alone, not to mention concomitant losses from dislocated production schedules. Consumers of coal who depend on uninterrupted stability in their own production will be forced to contract for other fuels as coal continues to be disjoined by constantly changing administrative osteopathy. It is perfectly apparent to students of this problem that gas and fuel oil must eventually be subjected to the same degree of Government control as coal if this experiment is to continue, and justly so. Why should coal be fettered when its competitors go scot free? If gas and oil producers are wise, they will assist in repealing or amending the Guffey Act, because if Mr. Ickes has his way he will soon be squatting like a mother hen on the entire fuel industry.

#### GOVERNMENT A REFEREE

The Government has criticized the bituminous coal industry for disunity and lack of cooperation among its members. The Government itself is more responsible for this condition than anyone else. If the Government will clarify the antitrust laws now on the statute books, the coal industry can be brought into harmony by the operators themselves. We all agree that industrial combinations in restraint of trade should be curbed. We will not agree, however, that combinations to increase consumption, lower costs, maintain fair wages, and earn a fair profit should be punished. Indeed they are economically sound and should be fostered. In such cases the Government should act as a referee to insure against abuses. This is far more compatible with democratic processes than the role of policeman which Uncle Sam is now playing in the bituminous coal industry. If our Government wishes to aid the coal operators in a substantial way, it must first yield back the arbitrary control which it now wields, and it must permit reasonable cooperation within the industry itself. I am convinced that if anyone can stabilize the bituminous industry, it is the operators. They must be permitted to proceed without fear of persecution.

Coal operators will do well to heed the following words of Justice Brandeis:

"Experience should teach us to be more on our guard to protect our liberties when the Government's purposes are beneficent. The greatest dangers to liberty lurk in insidious encroachments by men of zeal, well-meaning but without understanding."

The Guffey Act must be amended or the bituminous coal industry as a free institution will disappear. In recent years we in



America have fed too much private enterprise into the maw of bureaucracy. Government functionaries have tasted blood and they like it. They are already roaring for more. The deadline has been reached and we cannot yield another inch with impunity. King Coal has wandered into the wilderness a little farther than his royal conferees. If he vigorously turns back, he can regain his throne but if he continues his peregrinations, it is safe to predict that he will soon be reduced to Court Jester at the throne of Mr. Ickes.

## The Upper Harbor Development for Minneapolis

### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

ARTICLE BY RUDOLPH LEE

Mr. ALEXANDER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article prepared by Mr. Rudolph Lee, of the Minneapolis Civic Council, for the Upper Harbor Completion Committee, November 1939:

#### MINNEAPOLIS AND ITS RESOURCES—THE UPPER HARBOR DEVELOPMENT

This is a proposal to extend the Mississippi 9-foot channel above St. Anthony Falls.

##### NECESSITY FOR THE IMPROVEMENT

The canalization of the river on the 9-foot channel basis will be completed from St. Louis to the Washington Avenue Bridge in Minneapolis during 1940. The work has been progressing for years, and there is no question about the final completion next year. The Government has spent upward of \$140,000,000 on the project.

The topography of the land in the neighborhood of the Washington Avenue Bridge in Minneapolis is such that dockage facilities there will be forever limited. In other words, the present terminus of the waterway in Minneapolis is located so that there cannot be adequate dockage facilities. The river banks at that spot are high and steep, so that there is no way to provide adequate docks adjoining the river. Neither is it possible to use escalators or other means of getting to the top of the bluffs on either side of the river in order to use the land there, because the areas are occupied by the University of Minnesota campus on the east side and by several hospitals on the west side.

The situation thus exists that the transportation opportunities provided by the waterway will be substantially lost to Minneapolis unless better dockage facilities are available.

St. Paul has good dockage facilities because the land adjacent to the river is level. This same condition prevails at Hastings, Red Wing, Winona, La Crosse, Dubuque, Clinton, and other cities on the river. Minneapolis is the only city on the river in which the topographical conditions where the waterway is constructed make dockage facilities largely impossible.

Hence, if Minneapolis is to have the transportation advantages that the waterway provides, there must be the opportunity for docks.

##### IDEAL DOCKAGE CONDITIONS ARE FOUND ABOVE ST. ANTHONY FALLS

There are 6 miles of river frontage above the Falls and within the city limits (3 miles on each side of the river). This frontage extends from the Falls to the Soo Line bridge.

The land slopes easily and gradually to the river, making it ideal for dockage and shipping facilities. There is no danger of floods that low-bank territory usually suffers, because the falls take care of excess waters. This is an important advantage that Minneapolis possesses. Other cities with low, sloping river banks are subject to floods at times of high water.

There are upward of 800 acres of this river frontage upon which there are at present no structures. There is a large additional frontage, the structures upon which could be easily removed.

The lands in question are not expensive. Much of the area is now tax-delinquent.

In the early days this river-bank land was used as the site for sawmills and for great lumber yards. After the abandonment of the mills the property was not used, and so it lies there awaiting the chance to render the city its greatest service—easy and cheap availability for expansive docks.

Thus it is that if the waterway is extended above the falls, Minneapolis will possess a barge harbor which, from the standpoint of convenience and accessibility, would not be excelled on any inland waterway.

Result: The completion of the upper harbor river development will put Minneapolis in splendid position to induce industries seeking a location that would give them easy access to water, rail, and truck transportation.

The facts to be faced: The Government has built one of the greatest of all inland waterways right up to Minneapolis. The city cannot make full use of the waterways, because peculiar topographical conditions limit dockage facilities. However, if the water-

way can be extended above St. Anthony Falls, the city will have the best dockage facilities on the entire waterway. The proposal for the upper harbor development is, therefore, that Minneapolis secure for itself the benefit of the waterway.

##### HISTORY AND BACKGROUND

As early as 1878 there was a movement to canalize the Mississippi River from the mouth of the Ohio River to Minneapolis. At first the proposal was to provide only a 4½-foot channel. Succeeding projects provided for various depths from 6 to 8 feet. However, in 1927 the 9-foot channel depth was agreed upon as a definite project from St. Louis to Minneapolis, a distance of 673 miles. Since 1930 the Government has pushed the project. It has spent upward of \$140,000,000, and the waterway will be completed during 1940. As a matter of fact, it is now complete except for some finishing work on the dam at Clarksville, Mo. Barges now regularly travel the entire river and unload at the small dock adjoining the Washington Avenue Bridge in Minneapolis.

On July 17, 1939, the river steamer *MacKenzie* brought up the river to Minneapolis a tow of barges that carried 17,000 tons of coal, oil, and steel. If this tonnage had been loaded on railroad freight cars, the cars would have made a train 2 miles in length. On the return trip the *MacKenzie* took a tow of barges loaded with scrap iron and grain.

Until the Government made possible a dependable water highway, the principal carrier on the river was the Federal Barge Line. However, as the canalization has been completed private carriers are entering the field in such numbers as to indicate that the waterway will be extensively used.

##### IS THE EXTENSION OF THE 9-FOOT CHANNEL ABOVE THE FALLS PRACTICAL?

Yes. Army engineers, after exhaustive investigation and study, have unqualifiedly recommended the project as practical. Congress, acting on this recommendation, has approved the project. However, as yet no funds have been definitely allocated toward the improvement but assurance has been given by Government officials that an allocation for preliminary work may be made without delay as soon as they are advised officially that Minneapolis will cooperate with the Federal Government to complete the project.

##### WHAT IS THE ESTIMATED COST TO MINNEAPOLIS?

The expense that the Federal Government wants Minneapolis to take care of is the cost of remodeling the bridges that now do not have sufficient clearance for barges to pass under. Also certain other minor work in connection with the development. The total estimated cost of remodeling these bridges and these other necessary expenses to meet the Government requirements is \$1,774,000. Of this amount, between \$600,000 and \$700,000 is the estimated cost of remodeling city bridges and between \$800,000 and \$1,000,000 is the cost of remodeling railroad bridges.

The balance of the cost of the upper harbor development, estimated to be \$7,779,000 is then to be paid entirely by the Federal Government.

The session of Congress which recently adjourned (August 1939), passed a bill to authorize the Government to pay the cost of remodeling the railroad bridges. This bill was vetoed by the President but it is believed that at the next session of Congress, the matter can be worked out in some way to meet the Presidential objections. However, at the present time "cooperation with the Federal Government to complete the project" means that the city, through action of the city council, must assure the Federal officials that Minneapolis will take care of the bridge remodeling cost.

Conferences of city officials with Army engineers have revealed that it will not be necessary for the city to provide in advance the entire expense of remodeling the bridges that must be changed, but that the expense can be divided over a period of years. It will require from 3 to 5 years to complete the project so there is no need of raising all the funds at once.

The city bridges, which in particular will have to be raised, are the Plymouth Avenue Bridge, the Broadway Avenue Bridge, and the Lowry Avenue Bridge.

As a matter of fact, these bridges are old and sooner or later they will have to be remodeled to take care of increasing truck and other traffic. Hence, remodeling them now to meet the Government requirements for barge clearance is not altogether an extra expense.

##### WHAT WOULD BE THE PROJECT PROGRAM?

According to the plans of the Army engineers, the project would be divided into five parts—

1. Dredging the river from the present municipal dock to a new dam that would be built below the falls.
2. Building this lower dam and one lock.
3. Dredging the river from this lower dam to the falls.
4. Building the lock over the falls.
5. Dredging and widening the river a width of 150 feet from the falls north to Forty-first Avenue, a distance of about 3 miles.

This 3-mile area would be the upper harbor and would enable dockage on each side of the river. The engineers plan to provide at least one turning basin and that at the north end of the river. At a hearing on the project, General Markham, Chief of the Army Engineers, said that "the proposed upper river harbor at Minneapolis will be the finest harbor of its kind in the world."

##### WOULD THE USE OF THE LOCKS TAKE MUCH WATER?

No. According to the Army engineers there would be plenty of water even at normal low-water stage. The capacity of the upper lock would be about 1,120,000 cubic feet of water and the capacity of the lower lock would be about 450,000 cubic feet. When a barge passes through either lock, about half the water is used so that

it would take approximately the water capacity of the locks (1,570,000 cubic feet) to enable a barge to go up the harbor and return.

The estimate of the Army engineers is that in normal water stage (not high-water stage) about eight or nine thousand cubic feet of water passes over the falls per second, which indicates that under normal conditions enough water to take care of a barge going up the harbor and returning passes over the falls every 3 or 4 minutes. Engineers for the Northern States Power Co. have stated that the water for the locks would have no material effect upon the present generation of power.

#### WHERE WOULD THE LOCKS BE BUILT?

They would be located just west of the center of the river at the falls.

It would take two locks to provide the facilities necessary to lift loaded barges over the falls. Each lock would be 56 feet wide and 400 feet long. One of these locks would be through the lower rapids and would lift barges about 25 feet. The second lock would be over the falls and would lift the barges about 50 feet.

These locks would be merely the last step in the system and offer neither engineering nor mechanical difficulties. As a matter of fact, the locks and dams now constructed between St. Louis and Minneapolis raise barges a total height of 325 feet, or substantially the height of the Foshay Tower. The elevation of Minneapolis is 733 feet above sea level and the elevation at St. Louis is about 408 feet, so that the present barges that ply the river are lifted 325 feet in traveling from St. Louis to Minneapolis. This lifting is done by 26 locks and dams, which in practical effect make the 673 miles of river into 26 long lakes or pools. The last lift of 75 feet over St. Anthony Falls is merely the last lift of the journey.

#### HOW MUCH LABOR WOULD BE USED ON THE PROJECT?

Figuring the amount of direct and indirect labor, the estimates are that 92 percent of the total cost of the project would be for wages and that between 45 and 50 percent of the cost (\$4,000,000 to \$4,500,000) will be paid to local labor engaged directly on the job. It is estimated that it will take 2 or 3 years to finish the job after it starts.

A large amount of labor would also be required to take care of the industrial development, private dock building, etc., certain to follow the project.

#### HOW WOULD THE FACILITIES BE USED?

Private industries would buy the land and build their own docks. The present municipal docks adjoining the Washington Avenue Bridge south of the falls can take care of package freight and serve the common carriers. Hence, there will be no need for additional municipal docks. The Government proposes to finance the project itself, and industry seeking location is to finance the dock facilities in the upper harbor. There is no reason why the city should be put to any more than normal expense in the matter.

#### WOULD THE PROJECT STIMULATE INDUSTRIAL DEVELOPMENT?

It is the one thing now needed to help Minneapolis secure and encourage the development of industry.

In addition to its rail and truck advantages, Minneapolis would be able to offer dependable water navigation to a prospective industry. During the navigation season barges would be able to travel from Minneapolis over 4,000 miles of a 9-foot waterway. Barges could travel to the Gulf of Mexico and to Chicago and Pittsburgh. By way of illustration:

Recently the Du Pont people, after a survey of the Midwest, bought land and are now building a \$7,000,000 plant at Clinton, Iowa. They chose Clinton in preference to other locations largely because of good harbor facilities. Recently the Continental Grain Co. located terminals at Clinton, Iowa.

The Allis-Chalmers Co. is increasing the size of its plant on the river at La Crosse.

The J. I. Case Co. has developed a large manufacturing plant at Rock Island, Ill.

The Mississippi Valley Grain Co. is establishing terminals at Muscatine, Iowa, and other river towns.

The Shell Oil Co. and the Socony Vacuum Co. have built large storage tanks at St. Paul, Davenport, La Crosse, and other river towns in preference to building them at Minneapolis because these towns have better harbor facilities than Minneapolis now has. In other words, Minneapolis is losing valuable industries because it does not have the dock and harbor facilities the industries are looking for.

The Erickson Oil Co. has built a refinery at St. Paul Park on the river.

All these concerns have located on the river because of the advantage of river transportation and have located in the cities named because of the available river frontage that may be served by railroad trackage and trucking facilities.

The decision of these firms to locate not only on the river but in cities where river frontage is available accents what Minneapolis is going to be up against in its search for industries if it is unable to offer adequate river harbor facilities.

The upper harbor, as proposed, will put Minneapolis beyond effective competition in dockage facilities because the 3-mile harbor above the falls, with its gradually sloping banks and cheap and easily accessible sites having excellent railroad connections, will give the city a better harbor than any of the other towns along the entire length of the river.

#### WHAT ARE THE PRODUCTS LIKELY TO BE SHIPPED ON THE RIVER?

Dairy products, coal, fertilizer, cement, sand, gravel, petroleum, sugar, salt, farm and other machinery, iron and steel products, lumber, grain, cereal products, scrap iron.

#### WHAT IS THE BASIS FOR BELIEVING THAT THE COMPLETED PROJECT WOULD SAVE MONEY TO THE PEOPLE?

Minneapolis uses about 1,000,000 tons of coal annually, of which approximately 970,000 tons are soft coal of various grades and 30,000 tons are hard coal. The big bulk of these coal shipments now come from the West Virginia mine area via the Great Lakes to Duluth and then by rail to Minneapolis. The average transportation cost of a ton of this coal delivered at Minneapolis via this route is from \$4.75 to \$4.93 a ton.

Since the completion of the 9-foot channel to Minneapolis comparable quality soft coal is being shipped to the city from the southern Illinois mines. In 1933, 72,380 tons of this coal were delivered in Minneapolis by river barge. The extension of the 9-foot channel above the falls, with the additional dockage facilities that would be available, will encourage more shipments of this coal. There would be approximately the following savings in transportation costs:

Average freight cost from West Virginia mine area via Great Lakes and Duluth.....	per ton.....	\$4.75-\$4.93
Average rail rate from southern Illinois mines to Minneapolis, comparable grade of coal (lump).....	per ton.....	3.90
Same for fine coal.....	do.....	3.31

#### Rate by river

From southern Illinois mines up river to Minneapolis, comparable grade (lump), average.....	per ton.....	\$2.96
Same for fine coal.....	do.....	2.51

#### Savings

Saving by river from southern Illinois over shipments from West Virginia via Duluth (lump).....	per ton.....	\$1.97
Same for fine coal.....	do.....	2.25
Saving by river from southern Illinois over shipments from same mines by rail (lump).....	per ton.....	.94
Same for fine coal.....	do.....	.80

It thus appears that if it was possible to ship by river all the soft coal Minneapolis uses there would be a saving of about \$2,000,000 annually over shipping the same tonnage via Duluth, and a saving of between \$800,000 and \$900,000 if the tonnage was to be shipped from the southern Illinois mines by water instead of by rail.

The extension of the 9-foot channel over the falls, thereby making practically unlimited river frontage available, will be an important factor in encouraging the shipment of the city's coal supply by river, and thus save large sums every year in transportation expense, a saving that is certain to be reflected in reduced cost to Minneapolis consumers.

Coal shipments are used as an illustration to show the reduced cost of river transportation. The same savings apply in approximate degree to shipments of other commodities.

#### WILL THE COMPLETED PROJECT STIMULATE THE GROWTH OF MINNEAPOLIS?

Availability of dependable and cheap water transportation is a recognized factor in promoting industrial development. From this time on, the city that does not have such facilities available will be handicapped in the expansion of its industry and business.

Illustration: Since the 9-foot channel project was completed sufficiently from Minneapolis to St. Louis this summer to insure the dependability of barge transportation, 34,000 tons of scrap iron have been shipped from the city to points south on the river. This is a comparatively new industry, and firms in the business say that within a short time these shipments will increase to more than 100,000 tons annually because of the availability of cheap water transportation.

New firms in this business now employ between 200 and 250 men and report that the employment of between 600 and 800 men within the near future is altogether probable.

The development of this industry is credited by those engaged in it to the availability now of water transportation and as evidence they refer to the following freight savings, since it has become possible to ship their product by river barge—

Rail rate on scrap iron, Minneapolis to Federal, Ill., gross ton.....	\$3.00
Water rate.....	1.25
Rail rate to Weirton, W. Va.....	9.35
Water rate.....	3.50 to 4.00

#### SHIPMENTS ON THE RIVER

During the shipping season of 1939 up to November 1, a period of 6 months, the total shipment of commodities in and out of the Minneapolis port totaled 263,400 tons.

Of these shipments, 223,882 tons were into the city and 39,568 tons were out-bound.

In the same period the total shipments in and out of the St. Paul port were 312,612 tons, of which 303,157 tons were in-bound and 9,455 tons out-bound. The gain of approximately 50,000 tons by St. Paul over Minneapolis was due in large part to the fact that St. Paul has better dockage facilities than Minneapolis now has. The only way that Minneapolis can compete with St. Paul in river transportation is to extend the channel above St. Anthony Falls. There is no other way to give Minneapolis a harbor that will enable it to compete with St. Paul for industries needing river transportation.

As indicating what Minneapolis is going to be up against, not only in securing new industries but in retaining the industries we now have, Minneapolis has already lost the Shell Petroleum Co., which moved to St. Paul because Minneapolis does not have sufficient harbor facilities on the river; and the General Iron & Metal



Co., a Minneapolis concern shipping large quantities of scrap iron, has just leased dockage facilities in St. Paul because there is not available in the small Minneapolis harbor the dock facilities it must have to operate its business.

#### VARIETY OF COMMODITIES NOW SHIPPED IN AND OUT OF MINNEAPOLIS BY RIVER

The following is the tonnage of commodities on the river to and from Minneapolis during the year 1938 carried by one line—the Federal Barge Line. It shows the variety of commodities that are being now transported on the river. It should be remembered that in 1938 the 9-foot channel was not entirely completed, which was a handicap to regular transportation. Nevertheless, and in spite of the handicap, over 135,000 tons of commodities were shipped by this line in and out of Minneapolis. The totals give an idea of the freight that is now being carried on the river and are an indication of how river traffic will increase to help business and industry in Minneapolis as soon as the channel, including the upper harbor, is completed.

Commodity	Freight received 1938	Freight forwarded 1938
	Tons	Tons
Agricultural implements and tractors.....	3,580	55
Ammunition, small arms.....	123	28
Bags and bagging, cotton.....	880	
Bags and bagging, burlap.....	3,000	
Beet pulp.....		3,271
Beverages.....	433	
Bottles, jars, glass.....	739	
Canned goods.....	1,033	110
Coal, bulk.....	72,890	
Coke, bulk.....	23,114	
Coffee.....	1,119	
Cotton, linters.....	1,257	
Cotton piece goods.....	286	
Feed, middlings.....		570
Flour.....		6,095
Glass, window.....	247	
Grain, oats.....		4,501
Grain products.....		1,746
Grain, barley.....		1,543
Iron and steel articles.....	1,507	
Iron and steel.....	256	
Juices, fruit.....	228	
Liquors, alcoholic.....	64	
Oil, lubricating.....	103	
Peanuts.....	300	
Phosphate.....	100	
Rags.....	1,370	
Shells, crushed oyster.....	1,611	
Sisal.....	524	
Sugar.....	286	
Twine, binder.....	706	
Miscellaneous.....	1,132	266

#### WHAT THE RIVER CAN DO TO BUILD A CITY THAT HAS HARBOR FRONTAGE

The value of river transportation in building the business and industry of a city is illustrated in what has happened at Memphis, Tenn., since the completion of the canalization of the Ohio River. Here is how tonnage has increased at Memphis since the Ohio project was completed:

Year	Tons	Value
1929.....	977,111	\$62,846,785
1930.....	1,590,981	82,261,894
1931.....	1,239,197	83,027,699
1932.....	1,238,254	81,979,745
1933.....	1,090,615	57,486,062
1934.....	1,420,200	78,401,814
1935.....	1,538,311	100,229,008
1936.....	1,862,321	130,371,177
1937.....	1,875,177	122,414,421
1938.....	1,917,835	112,033,614

Although Memphis is hundreds of miles from deep water, inaccessible to oceangoing or lake craft, nevertheless, the circumstances that it now has access to river transportation and the necessary harbor facilities, has made it one of the largest inland ports of America with all that that means in building the prosperity of the city. The following show the tonnage in and out of the port of Memphis as compared with important lake and ocean ports:

Port	Tons	Value
Memphis.....	1,875,177	\$122,414,421
Manitowoc, Wis.....	1,361,544	104,581,600
Wilmington, N. C.....	1,962,374	70,736,533
Miami, Fla.....	1,211,091	66,728,301
Tampa, Fla.....	648,694	53,003,464
Muskegon, Mich.....	1,245,872	46,138,350
Bridgeport.....	1,927,844	37,621,057
San Diego, Cal.....	662,557	32,261,859
Wilmington, Del.....	1,170,559	27,980,212
Pensacola, Fla.....	633,103	20,353,509
Vancouver, Wash.....	511,890	10,753,338
Gulfport, Miss.....	302,763	10,550,982

#### HOW RIVER TRANSPORTATION WITH ADEQUATE HARBOR FACILITIES HAS BROUGHT INDUSTRIES TO MEMPHIS

Under date of November 29, 1939, O. F. Soderstrom, secretary of the Memphis Chamber of Commerce, writes that the following industries have located in Memphis in recent years "largely because of the availability of water transportation":

Manufacturers: Indiana Flour Co., Globe Union Manufacturing Co., Linde Air Products Co., Marquette Cement Manufacturing Co., Southern Shellac Manufacturing Co., Procter & Gamble, Memphis Glass Manufacturing Co., Continental Can Co., Southern Central Co., Memphis Veneer, Inc., Tennison Bros., Firestone Tire & Rubber Co., the Lehon Co., Lloyd A. Fry Roofing Co., Trumbull Asphalt Co., Allied Mills, Inc., Rotary Lift Co., Southern States Iron Roofing Co., Tennessee Metal Culvert Co., Ford Motor Co., National Pressed Steel Roofing Co.

Distribution: Lion Oil Co., Joseph Schlitz Brewing Co., Cummins Diesel Engine Co., Ruberoid Co., Bird & Son, Continental Steel Sales Corporation, Youngstown Sheet & Tube Co., Standard Oil Co. of Louisiana, Jones & Laughlin Steel Corporation, Spang, Chalfant & Co., Wheeling Steel Corporation, National Tube Co., Pan-American Petroleum Corporation, Gulf Refining Co., the Texas Co., Southland Paper Co.

#### WHAT THE RIVER AS NOW CANALIZED CAN DO FOR A CITY IF IT HAS ADEQUATE HARBOR FACILITIES

Under date of November 21, 1939, A. W. Kleinschnitz, manager of the traffic department of the Minnesota State Prison, advises:

"Since river navigation was inaugurated north of St. Louis the actual saving to us as against the all-rail rates on fiber and other commodities the prison uses has been \$141,454.

"In addition to the sisal tonnage, this institution is receiving its coal via the water route. This fall approximately 10,000 tons of coal was unloaded at the Stillwater river terminal, which coal was loaded into rail cars at the terminal and switched to us as required. These shipments by river have meant a saving to the prison of about \$8,200 on only 10,000 tons of coal."

"I have lived in Muscatine for about 30 years and have been in the grain business here for about 25 years. I own and operate an elevator at this point on the river. Last year several million bushels of corn were shipped south and the farmers in the vicinity of Muscatine were paid from 3 to 6 cents per bushel more for their corn than they possibly could have received if shipped by rail."—Statement by L. R. McKee, grain dealer at Muscatine, Iowa, July 15, 1939.

#### RIVER TRANSPORTATION EFFECT

##### Rail coal price cut 39 cents per ton

Does river transportation mean anything to Red Wing?

In addition to the savings made by barge shipments of coal unloaded at the municipal terminal here, there apparently is another advantage, as revealed in a letter received today by the Red Wing Fuel Co. from a Minnesota wholesale concern.

The local concern asked quotation on a 50-ton car from a Minnesota point and was at first quoted \$5.77 a ton f. o. b. that point, shipped by rail.

A few days later another letter was received from the wholesalers quoting a price of \$5.38 a ton, and stating the reason for the cut as follows:

"After discussing this matter with our representative, Mr. ———, we feel the competitive situation at Red Wing resulting from the river transportation warrants a price of \$5.38, which we are in position to quote you at this time."

The difference in quotation meant \$20 to the local dealer on the 50-ton car.—Red Wing Daily Eagle.

"During 1938, our organization, a farmers' cooperative grain elevator, located 32 miles directly west of Muscatine, Iowa, moved a total of 550,000 bushels of corn to Muscatine, which was loaded on barges and shipped to various southern points along the Mississippi River for export. Due to this grain moving by river, we were in a position to, and did, pay from 3 cents to 5 cents per bushel more for grain than we could have paid had we been limited entirely to movement of the grain out of our town by rail."—Statement by manager of the Lone Tree Farmers' Exchange, of Lone Tree, Iowa, June 24, 1939.

The national center for the manufacture of commercial fertilizer is in the Tennessee Valley. Northwest farmers are using more and more commercial fertilizer. It is a heavy, bulky product and does not require speedy transportation. River barge service to Minneapolis for northwest distribution will provide much saving in freight expense.

While the development of pipe lines is taking care of much transportation of oil and petroleum products, the opportunities for cheap river transportation is prompting river shipments of gasoline, oil, and other such products. (During the period from May 1 to November 1, 1939, there were 35,050 tons of gasoline shipped by river to Minneapolis.) The recent installation in St. Paul by the Shell Oil Co. of large storage tanks emphasizes the value of river transportation.

It is also claimed not to be outside the range of possibilities that river transportation from Minneapolis and up the Ohio River will enable a vast cereal and flour market to become available to Minneapolis mills. That area uses approximately 12,000,000 tons of cereal products annually and most of it is shipped into the area by rail from Buffalo at a cost in excess of the river barge rate from Minneapolis.

Large quantities of Minnesota and Northwest dairy products are now shipped to Duluth and down the Great Lakes to the eastern and mid-eastern markets. Much of this area could be served by

river transportation at reduced cost. Coolers are being perfected for barge use that will insure a high grade of service.

## SUMMARY

The extension of the 9-foot channel above St. Anthony Falls is necessary if Minneapolis is to have its share of the advantages accruing from the Government's \$140,000,000 canalization of the Mississippi River.

The extension of the channel is practical, and the plan feasible, because the Army engineers, after extensive investigations, have so reported to Congress.

The completion of the project will give Minneapolis a powerful argument in its campaign to secure new industries for the city.

The completed project will give Minneapolis one of the finest, if not the finest, harbors between the city and New Orleans. The harbor would have plenty of water. It would be wide enough for barges to be turned around easily, which is a great convenience and saving. The harbor itself would be over 3 miles long, or 6 miles of frontage on both banks of the river. It would provide opportunity for industrial development.

The building of the project would give continuous employment to a large number of Minneapolis workers for a period of from 3 to 5 years. There would be a large amount of labor required also to take care of the industrial development, private dock building, etc., certain to follow the project.

The completion of the project, including its extension above the falls in Minneapolis, therefore means that river barges from New Orleans and St. Louis and Pittsburgh would be able to make regular trips to Minneapolis and thus give the city a dependable transportation outlet to the Gulf, to the East, and to the markets of the world.

## Interstate Chain Store Tax Bill

## EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

RADIO ADDRESS BY HON. W. R. POAGE, OF TEXAS

Mr. PATMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. W. R. POAGE, of Texas, delivered Thursday, February 15, 1940, over the Mutual Broadcasting Co.'s network, originating at Station WOL, Washington, D. C.:

Ladies and gentlemen of the radio audience, I desire to express my appreciation to the Mutual Broadcasting Co. for this opportunity to discuss with you a very important bill now pending in Congress, which will likely receive consideration at an early date. I regret, and I know you regret, that my friend, the Honorable WRIGHT PATMAN, of Texas, the author of the interstate chain-store-tax bill, is unable to address you at this time on account of illness. Mr. PATMAN is recognized as the outstanding authority on this subject. I did not know until today that I would be called upon to discuss this subject. I shall not presume to take Mr. PATMAN's place, but in view of my intense interest in the problem, I shall undertake to pinch-hit for him.

In considering the business system as well as the governmental system under which our people want to live, we should always keep in mind the greatest good for the greatest number. I believe that we have the best form of government on earth, and I hope the time will never come in America that fascism, nazi-ism, or communism will have any influence in the affairs of our country. A democracy admittedly is more cumbersome than a dictatorship, but no American would be willing to give up his liberty and freedom for what is held out as a more efficient form of government. So it is in regard to methods of business. Of late years we have heard a great deal of efficiency in business. Has it ever occurred to you that that boasted efficiency in business might, in the case of chain or monopolistic operation, be secured at the same loss of liberty on the part of our people that accompanies the monopolization of governmental powers in the hands of a dictator? That monopoly in business, although undoubtedly assuring certain economies, is in the long run sure to run counter to both the social and economic welfare of the people.

In determining the best thing to do for all the people we should consistently keep in mind the abolition of the four greatest evils, which are: Poverty, ignorance, disease, and crime; and at the same time we should keep in mind encouraging, assisting, and promoting the interest of the three greatest institutions on earth, around which all civilization is built—the home, the church, and the school.

How does the principle of chain-store operation—the principle of monopoly in distribution—meet these tests? In other words, should we encourage an expansion of those great interstate monopolies by our present policy of partial tax exemption to chain stores,

or should we turn to the principle of House Resolution No. 1, more generally known as the Patman chain store tax bill. I am one of the coauthors of this bill. I am not here to discuss the mechanics or the details of this bill. I am here to discuss the principles involved. You may feel that the particular rates of taxation proposed in the original bill should be revised. There is nothing sacred about the rates of taxation. My own idea is that these rates should be fixed high enough to equalize the tax burden carried by the locally owned independent merchants, when compared with the taxes of the chain stores. These matters can and will be worked out with more scientific exactness when the bill comes before the Ways and Means Committee of the House.

Even though there were no question of public welfare involved, we would be both justified and obligated to place a special tax on chain-store operation in order to equalize the incident of taxation. I think most of you will readily recognize that your local home-owned independent store pays far more both in direct taxes and also in voluntary contributions to community enterprises like the Community Chest, the Salvation Army, and so forth, than does its chain-owned competitors who do the same volume of business. Several years ago, while I was a member of the senate in my own State, I had occasion to compare the total taxes paid by a number of retail establishments in my home city, Waco, Tex. I found that in every instance the locally owned institution paid from 25 to 300 percent more taxes than did the chain-owned establishment of approximately the same size. This is largely due to the fact that our tax system, not only in Texas but in most parts of this country, was established long before the system of chain merchandising was devised. As methods of merchandising change our tax system must change if the cost of government is to be fairly and honestly apportioned. Without regard to social implications, we must reach this new method of producing wealth by the establishment of a new tax base.

This bill, H. R. 1, not only rectifies a grievous injustice, but it also uses the taxing power of Congress as a vehicle to reach an absolutely worthy objective—that is, to discourage monopoly in retail distribution; to distribute privileges and opportunities; and to protect consumers, farmers, and wage earners from the toll that monopoly always levies. The attainment of this goal will discourage concentration of money and credit and prevent the destruction of local communities. The Patman chain store tax bill does not provide any kind of tax for the first nine of a chain of stores, and the tax on a large number of stores within one State will not be prohibitive under this bill. But if the concern tries to spread all over the Nation and operate a large number of stores in more than one State, then the tax will become more burdensome. It will curb the commercial conquest of the absentee-owned chains and will give independent business a chance.

The United States Chamber of Commerce has a widely advertised slogan. It is: "What helps business helps you." This great organization could very appropriately have amended that slogan so that it would read: "What helps local business helps you most."

I believe you will be amazed to learn that there are more than 7,000 chain store concerns in the United States. And you will be equally surprised to learn that a majority of such chain store concerns will pay no tax at all under this bill. The average chain store concern will pay a very small tax. But there are about 20 large interstate concerns, which are trying to run roughshod over independent locally owned business in this country. They will be seriously affected by this bill. They are the ones that are making all of the noise about H. R. 1 being a death-sentence bill. It will not affect voluntary or cooperative groups or any individually owned store, but it will be a death sentence to monopoly.

Practically every city in the United States has a heavy tax on the big tent circus. In many places the tax is as much as \$1,000 a performance. Such taxes are levied because the people realize that a circus carries a lot of money out of town and they want to discourage any business coming to their town that takes so much money away and dries up the local reservoir of credit. They want to be sure that any business that takes so much from the community puts something back in the way of taxes.

There are 3,070 counties in these United States. In every county there is at least one good town. A few so-called wise men in the East have conspired to get control of the retail business in these 3,070 local trade centers that they can control the retail business of this Nation. They know that when they get this control that they can dictate to the people from whom they buy, including the farmer, the price that they must accept; and at the same time they will dictate to the consumers the price that they must pay. The interstate chain-store system is absolutely destroying local community life in our Nation. As it becomes more firmly entrenched it is bound to destroy any number of local crafts, trades, and professions, thus still further centralizing the control of all industry and plunging our people into a more hopeless economic slavery. As an illustration: the general acceptance of the chain store idea of merchandising will not only wipe out the thousands of local merchants to whom every community has so long turned in every case of public need. As they close their doors, salesmen, clerks, traveling men, wholesalers all lose their jobs, and join the army of the unemployed. Nor can they be absorbed by the growing octopus, for it is one of the axioms of chain-store operation that it must be conducted with a reduced overhead. That means less men employed.

It also means less buildings occupied. Just now most of those who are asking me to deal lightly with the chain stores are interested either directly or indirectly in renting some building to some chain store at a fancy price. Should the chains gain complete control in



their localities I wonder just what these owners of real estate would do. There are probably five locally owned buildings vacated for each one that can be rented by a chain store—and after the local stores are all put out of business how much rent is that surviving chain store going to pay? Nor will the consequences end with those directly employed by or renting to chain stores. With the substitution of foreign-owned chain stores for locally owned places of business, what will happen to the local insurance agent? How much of the chain-store insurance will be written locally? What will happen to the local banks? How much business will the chains do with them? Today they use local banks only as places of collection. Their business is financed on Wall Street. Their intake is daily siphoned off to distant offices. What will happen to local printing shops and even local newspapers? We already see the great chains doing their advertising by handbills printed at the home office.

What will happen to the price of farm produce? I find that the chain stores make much of the volume of produce that they purchase. Is there a farmer who believes that the chain stores increase the consumption of farm produce? Does not an increase in consumption of butter, eggs, fruits, vegetables, etc., depend on an increase of employment, and don't the chain stores destroy employment and reduce the number of people able to buy these farm products? The chain stores certainly don't increase the population of the communities where the farmers sell their produce. They don't increase the income of the people. If there were no chain stores, would not the local merchants supply these same people with produce, and would not the farmers sell just as much? The chain stores say they pay highest prices for produce. Has anyone ever heard of the chain store that paid more for produce, labor, or anything else than it had to—any more than it was forced to by competition? Remove all local competition—imagine nothing but chains—and what prices do you suppose the farmer would get?

And certainly the consumer should pause and give thought to his situation if monopoly is allowed to run unchecked and to spread its chains into all parts of the country. During the squeezing-out process, while the absentee-owned chains are destroying their locally owned competitors, it is true that the chains will often sell goods at prices so low that no independent merchant can meet them. These prices often mislead the thrifty housewife, but they are in the long run but another case of "Greeks bearing gifts." The savings do not last long. As soon as independent competition has been destroyed the chain stores are able to and do advance their prices to a level sufficiently high to make up for their previous losses and to return a handsome profit in addition. Monopoly always exacts its toll. Competition always has been the most powerful agency on the side of reasonable prices. Both reasonable prices to the producer and reasonable prices to the consumer. The interstate chain stores are fast destroying all competition. They are striving for complete monopoly, and our present tax laws are helping them to obtain such a monopoly. The Constitution of the State of Texas well declares that "monopoly is contrary to the genius of a free people."

Let us awake, my friends, before it is too late. Let us require these great monopolies to at least pay their share of the support of the Government; they are not doing it now. Let us encourage an economic system as well as a governmental system that recognizes the rights of the individual, that preserves freedom of individual effort, that protects local enterprise, that keeps people at work and communities prosperous. Let this Nation avoid all dictators, economic as well as political.

### Work of Tennessee Valley Authority

#### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

LETTER BY DAVID E. LILIENTHAL

Mr. NORRIS. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter written to me by Mr. David E. Lilienthal, a member of the Tennessee Valley Authority Board, relative to the accomplishments of the Tennessee Valley Authority and giving a short history of power facilities provided by the Tennessee Valley Authority.

I also ask unanimous consent to have inserted in the RECORD the article referred to in the letter of Mr. Lilienthal on the activities of the opposition to the T. V. A., particularly by E. Hofer & Sons, Portland, Oreg., a firm well known to many people of the country, which has been given considerable publicity, and a full understanding of the nature of whose business has been made by the recent investigation of the Federal Trade Commission.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,  
Knoxville, Tenn., February 14, 1940.

HON. GEORGE W. NORRIS,

Senate Office Building, Washington, D. C.

DEAR SENATOR NORRIS: I have just been looking over the records of T. V. A. power operations for the last 6 months of 1939. They are so encouraging from several standpoints that I thought you might be interested in some of the highlights. Not only have revenues been increasing, but power has been going in greater measure to the municipalities and cooperative associations as primarily intended. The T. V. A. system met successfully the challenge of a prolonged season of drought, providing electric power not only to serve the Authority's customers but to aid neighboring electric systems, and at the same time maintaining the flow for navigation on the Tennessee, and aiding materially on the Lower Ohio and Mississippi Rivers. The reduction of rates by the Birmingham Electric Co. provided another example of the "yardstick" in action.

Revenues of the Authority from power operations in the last 6 months of 1939 amounted to \$7,115,000, compared to \$5,507,000 for the entire fiscal year 1939. The Authority sold 1,658,000,000 kilowatt-hours of power in this period, excluding its interdepartmental sales, as compared to 1,422,000,000 kilowatt-hours for the entire 1939 fiscal year.

Of even greater significance is the increase in the power sold to municipalities and cooperative associations. Where these agencies used 301,000,000 kilowatt-hours, or 21 percent of the power sold during the 1939 fiscal year, they used more than 759,000,000 kilowatt-hours or 45 percent during the last 6 months. This means that in the fiscal year 1940 these agencies will use more than five times as much power as in 1939. Considering primary power alone, well over half of the T. V. A. output of the past 6 months went to municipalities and cooperatives. After the long period of struggle and litigation, T. V. A. is definitely on its way to the successful distribution of power for the benefit of the people of the region as a whole.

As you know, the Authority's system, together with the acquired steam and hydro-generating plants, underwent a major test last fall in supplying electric power under extremely unfavorable water conditions. The T. V. A. system, although incomplete, has met this test successfully. In fact, during the extreme dry period which created a critical power situation on other power systems in the Southeast, the Authority was able, not only to meet all of its commitments under long-term contracts with its regular customers, but also to supply large amounts of power to private systems which otherwise might have had to curtail service to some of their customers or operate obsolete and costly generating plants. We also supplied emergency power to the Aluminum Co., thereby preventing the curtailment of operations at its Alcoa plant.

The multipurpose system did an excellent job of controlling the flow of the Tennessee for both navigation and power production. In fact, during several months last fall one-half the flow of the Tennessee at Chattanooga, about one-quarter of the flow of the Ohio below Paducah, and about a tenth of the Mississippi flow below Cairo, Ill., came from the Norris Reservoir. In addition to maintaining the flow for navigation in the Tennessee, the Authority's system is credited with adding about six-tenths of a foot to the depths on the Mississippi River, a margin of real value to barge operators during a low-flow season.

The importance of even a slight increase in depths during periods of low flow is illustrated by a statement by one barge operator that "We usually move a four-barge tow north and the reduction of 1 foot in this draft curtails our north-bound tonnage in the amount of some thousand or two on the four barges." In other words, 1 foot means the equivalent of from 20 to 40 large freight cars so far as tonnage is concerned.

In power production the Norris Dam releases not only generated 170,000,000 kilowatt-hours at the Norris powerhouse during September, October, and November but increased the output at the downstream plants—Guntersville, Wheeler, Wilson, and Pickwick Landing—by 200,000,000 kilowatt-hours. Precipitation during January has provided a sufficient flow of water in the main stream, and Norris Dam has ceased operation. The reservoir has commenced to fill.

The power situation in the Southeast this fall was especially interesting in the light of the dire predictions of utility officials, publications, and organizations only a few years ago that the construction of the T. V. A. dams would create a vast and unsalable surplus of power in the area. The fact is that the power situation on private systems in the Southeast became critical during the drought and T. V. A. was called upon heavily to help meet their requirements. The Commonwealth & Southern companies in this area purchased 234,000,000 kilowatt-hours from T. V. A. during the 6 months, including 93,000,000 kilowatt-hours of steam power for which it paid a special rate. In addition, steam stand-by plants of the companies were operated to capacity. It is significant that both the Alabama Power Co. and the Georgia Power Co. during the last year, even before the drought, announced plans for new 40,000-kilowatt steam plants at Mobile, Ala., and Macon, Ga. The Aluminum Co. of America, faced with a shortage of power on its own hydro system, purchased about 130,500,000 kilowatt-hours of steam power from the Authority.

The fact is that the tremendous surplus of power foreseen by utility leaders has melted away before remarkable increases in the use of power in this area. Power has been made available for the commercial processing of phosphates in middle Tennessee and for

expansion of the manufacturing operations of the Aluminum Co. of America. And there has been a great increase in the amount of power consumed as a result of the low-rate policies started by the Authority and followed by privately owned utilities.

This is shown strikingly by Federal Power Commission figures revealing that in the 12 months ending with November, electricity generated for public use in Tennessee, Alabama, Mississippi, and Georgia showed an increase of more than 87 percent over production for the similar period of 1929, the predepression peak year. In contrast, production in the Nation as a whole was only about 32 percent above 1929. In other words, the relative increase in this area has been two and a half times as great as that for the Nation as a whole. The demand for power has called for extensive operation of steam plants, and about 833,000 tons of coal, or nearly two and one-half times the 344,000 tons used in 1929, has been used in the 12-month period ended in November in these four States. Use of coal in utility plants in the Nation has not yet regained the 1929 level.

As the latest example of the "yardstick in action," I am enclosing a full-page advertisement of the Birmingham Electric Co. in the Birmingham News, in which it announced its latest rate reduction, bringing its prices down, especially for monthly consumptions up to about 100 kilowatt-hours, close to the standard Tennessee Valley Authority residential rate.

You will note that the company proclaims, with considerable pride, that "this rate slash is the seventh reduction made by this company since 1933." Curiously enough, the advertisement makes no mention of any unusual event in the utility field which might make the year 1933 significant.

I am also enclosing a clipping of a news story from the Knoxville, Tenn., News-Sentinel of January 28, in which I think you will be interested. The story is on the present activities of an old utility propaganda acquaintance, E. Hofer & Sons, which figured in the investigation of the utility industry by the Federal Trade Commission a few years ago.

Best personal regards.

Sincerely yours,

DAVID E. LILIENTHAL,  
Director.

[From the Knoxville (Tenn.) News-Sentinel of January 28, 1940]  
PAPERS USING "CANNED STUFF" OPPOSING T. V. A.—EDITORIALS PREPARED BY PRIVATE UTILITIES PROPAGANDIST GET INTO PRINT—WRITER INVESTIGATED—FEDERAL TRADE COMMISSION FOUND CONCERN WAS PAID \$85,000 YEARLY

(By Edward B. Smith)

A publicity concern that, according to revelations by the Federal Trade Commission back in 1928, was paid \$85,000 a year by the electric utility monopoly for writing "canned" editorials against public ownership of utilities and distributing this propaganda free to the Nation's newspapers for use, is still on the job.

Recently the concern has stepped up production of anti-T. V. A. editorials while the T. V. A. appropriation for the coming fiscal year is before Congress for approval.

The company is known as E. Hofer & Sons, of Portland, Oreg. It puts out a weekly mimeographed release called Industrial News Review.

T. V. A.'s clipping service here recently discovered a Hofer editorial entitled "Socialism Begins to Hurt," reproduced in newspapers in such widely scattered places as Waterbury, Conn., Johnstown, Pa., and Ashland, Ky.—and all of them appeared within a day or two of one another.

The "master" editorial was sent out by the Hofer agency in its release for the week ending January 8. The editorial attacks T. V. A., says that "T. V. A. pays next to nothing in taxes," and concludes that "the Southeast is learning that it can't have its cake and eat it too."

Amusingly enough, apparently the Johnstown, Pa., editor objected to the use of the word "socialism" and changed his editorial heading from "Socialism Begins to Hurt" to "The Shoe Begins to Pinch," and in the editorial itself "socialism" was changed to "New Deal."

#### WHO HOFER IS

Who is this Hofer? Page 1 of his bulletin says he has been editing and publishing Industrial News Review since 1913.

More about Hofer, however, can be learned from the Federal Trade Commission's records.

Mr. Hofer first gained notoriety in 1928, when he was subpoenaed before the Commission to tell about his activities as a hired propagandist.

Mr. Hofer's testimony covers several pages in the printed transcript of the testimony, and is summarized in part as follows in the Commission's report to the Senate:

"About 1924 a conference in C. A. Coffin's apartment in New York, attended by R. M. Hofer and representatives of the utilities including E. A. Coffin, retired chairman of the board of directors of the General Electric Co., Randall Morgan of the United Gas Improvement Co., C. E. Groesbeck, S. Z. Mitchell, W. E. Breed, and E. K. Hall of the Electric Bond & Share Co., resulted in expanding the Hofer service to the entire country, reaching from 14,500 to 15,000 newspapers."

"Following this conference the utilities supported the service to the extent of \$84,820 a year to have the Hofer aims disseminated through the press of America."

#### OF ESPECIAL VALUE

"Although the Hofer service was also supported by contributions from other industries in an amount about equal to that from the

utilities, a letter from E. Hofer & Sons to A. R. Gwinn, manager of the industrial department of Central Illinois Public Service Co., stated "the leading utilities of the country have made it possible for us to conduct this work."

"Robert M. Hofer testified that the policy pursued by the Hofer service was persistently to oppose municipal operation of utility plants and Government participation in business."

"Referring to the value of this service Mr. Coffin (of General Electric Co.) said: 'The Hofer service has been of especial value to public utilities. Hofer has pointed out in the clearest way and over again the dangers of municipal ownership; he has fought to a finish the Bone bill in the State of Washington and largely contributed to the defeat of the California power bill \* \* \*'

"The Manufacturer (at that time the name of the weekly service to newspapers) from September 1926 to May 1928 contained editorials relating to disparagement of the Ontario hydroelectric situation, Government ownership, the Swing-Johnson bill, sale of municipal plants, Muscle Shoals, views of Martin J. Insull on holding companies, views of Samuel Insull on private initiative, and articles in disparagement of municipally owned street railways. \* \* \*

"A large part of the weekly service sent out is editorial in form and has been reproduced as editorials in great numbers of papers throughout the country, without indicating the Hofer source. The following quotation from his testimony shows Mr. Hofer's claim relative to this editorial achievement: 'Reproduction of our articles appears almost invariably as an original editorial, as we ask no credit.'"

#### KEPT DOWN RADICALISM

In addition to this editorial service, Hofer has carried on correspondence with editors, giving at length his arguments against municipal ownership of utilities. Nor was he discouraged when his editorials were not printed. He testified that he once said:

"There is one effect of our service, the importance of which cannot be estimated, namely, its influence in causing the editors who read it, but never use our articles, to consider questions from a more conservative viewpoint, and refrain from running such radical matter which would otherwise appear in the papers."

The Federal Trade Commission reported to the Senate further:

"The utility source of some of this 'independent' matter appears in a letter which A. W. Flor, publicity man for Electric Bond & Share, wrote C. E. Groesbeck, vice president of the same company (this was in 1925). In this letter Mr. Flor stated that he had gotten in touch with Mr. Hofer and spent an afternoon with him preparing a story for use in his service. This story was published in the weekly bulletin and bore the caption, 'Inevitable Rate Raise Occurs in Cleveland,' referring to Cleveland's municipal electric plant \* \* \*"

#### HE'S STILL GOING STRONG

Is the Hofer service effective? Has the utility monopoly got its money's worth for the \$85,000 a year it has paid him? Here's what Hofer himself says about it, according to a letter signed by him to a utility company official and which was read into the Federal Trade Commission's record:

"The results surpass anything I expected or promised when I first discussed this matter with Mr. Coffin, Mr. Hall, Mr. Groesbeck, and Mr. Mitchell \* \* \*"

Hofer kept careful records of the space his "canned" editorials and "news articles" were able to grab in the Nation's newspapers. Reported the Federal Trade Commission:

"Mr. Hofer stated the quantity of material reproduced in the rural press \* \* \* for 17 months was estimated at 27,000,000 lines, or about 25,000 full pages."

And, as the exhibits shown here show, Mr. Hofer is still going strong.

#### Aid to Finland

#### EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO ADDRESS BY HON. MILLARD E. TYDINGS OF MARYLAND

Mr. BROWN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an excellent address delivered by the senior Senator from Maryland [Mr. Tydings] over the National Broadcasting Co. network on Friday, February 16, 1940, on the subject of aid to Finland.

There being no objection, the address was ordered to be printed in the Record, as follows:

Ladies and gentlemen, I am speaking not as a United States Senator or as a Member of Congress but as a private citizen to the American people.



I shall be deeply grateful if those who are listening tonight will give me their closest attention.

The matter which I shall discuss is of grave international consequence. It is the Russo-Finnish War. I speak with the strong conviction that the cause of Finland appeals to those deep human instincts of justice, morality, humanity, and mercy which have firm lodgment in the heart and soul of the people of the United States.

The Russo-Finnish War is a war between two nations unequally matched, one of which, Russia, has a population of 170,000,000 people, the other nation, little Finland, has a population of only 3,600,000. In manpower Russia outnumbers Finland 50 to 1.

Soviet Russia today contains nearly one-sixth of all the land on the face of the earth. Finland is a small country, being but one-fiftieth the size in land area of mighty Russia.

Yet tonight, in the deep snows along the battle lines in Finland, this gallant little country is heroically standing against these terrific odds trying to hold the invader in check, fighting to save the religion of Almighty God, the homes, the lives of the women and children, the free speech, the free press, the liberty, the humanity, the decency, the democracy, which is a part of the life of the people of Finland.

Does not this command your admiration? Do not the valiant deeds of this little Finnish Army of a few hundred thousand against the military might of the millions of Russian soldiers appeal to the great heart of America in sympathy for Finland in this uneven contest?

We know that Finland did not attack Russia. She gave Russia no cause for war. The giant communistic Russian military machine took advantage of a period of international difficulty to destroy this land of God-fearing, liberty-loving people.

Thirteen years ago I went to Russia to study the Russian system. I have kept in touch with Russian history and events ever since the revolution of 1917. What a dark period the last 25 years of Russian history has been. Russia today is the most barbarous, cruel, relentless, remorseless, and villainous government in modern times. During the Russian revolution of 1917 millions of men, women, and even little children were murdered by the mobs which roamed everywhere, torturing their victims, burning their homes, and shooting women and children with the abandon that the gunner uses in shooting at clay targets.

What is this Russian system which is fighting to destroy Finland? It is the avowed enemy of all branches of religion. It is exterminating religious worship and destroying churches throughout the entire nation. Thousands of Catholic, Greek Orthodox, and Protestant churches are no more. Tonight as I speak I know only 2 Catholic churches in all of Russia where once there were 2,000,000 Catholic churchgoers. Of the thousands of Greek Orthodox priests and churches of old Russia only a mere handful remains. One must look far and wide to find the few Protestant churches yet remaining.

All this extermination of religion, of the worship of God, is a part of the present governmental plan of Russia. Those of you who have read the writings of Lenin, the leader of the Russian Revolution of 1917, and of Stalin, the present dictator of Russia, can clearly recall that both of these men constantly advise the people of Russia not to believe in God. Religion, said Lenin, is the enemy of communism. If communism is to succeed, religion must be destroyed. Stalin says that communism will succeed only as religion is defeated—the two cannot win together.

The young have been taught not to go to church, for in 23 years they have heard preached daily that God and religion are the enemies of communism and they must shun God and religion as an enemy.

This is the sinister picture of modern Russia—a picture of a goddess nation, a nation that since its inception has wallowed in blood and murder, practiced terror and torture, destroyed all liberty and freedom; a nation which has systematically assassinated Catholic and Protestant, priest and parson, and has successfully weaned the young away from God and the teachings of the Bible.

Some years ago, practicing its innate cruelty, the Russian Government took all the grain from the farmers of Russia and left some five or six million to starve to death in the famine which ensued—all of this to punish those who resisted collectivism.

Frequently, in recent months, the papers have been full of the trials and wholesale executions of one leader after another, the highest men in the government, the heads of the army, the heads of the various departments of the state.

That is the Russia which tonight is attacking little Finland, waging upon her an unprovoked war, seeking to destroy the sturdy little democracy whose honesty, rectitude, and democratic way of life stands out in striking contrast to the creed of communism.

One hundred and seventy million Russians fight three and a half million Finns. The Finns have not the natural resources of Russia, few airplanes, no abundance of equipment of any kind. They have only a free manhood and womanhood, a belief in their Creator, a love for democracy, for their homes and their families, and they are standing out in the snows this very night dying one after another in defense of all these things all civilized men love.

Finland is a land of middle-class people, hard workers who pay their debts and wrest their living from a country nearly half of which lies north of the Arctic Circle.

While they fight, hundreds of Russian bombing planes daily fly over Finland, not attacking the men at war but dropping countless bombs on defenseless and open towns, maiming and killing old men and women and children, reveling in the blood of innocent and defenseless people spilled in this barbarous undertaking.

And if the Finns lose this war what of its aftermath? They know the past history of Communist Russia. They know that the Russian political police will join with the Army in killing off the men, women, and children of Finland, once Russia is a victor. They know that civilians in Finland will be slaughtered wholesale, as they have been slaughtered in Russia through the years.

That is the situation that exists tonight. The enormous, dictator-ridden, communistic, murdering, godless nation of Russia, fighting the small, democratic, God-fearing, free little country of Finland—and what a fight the defenders of that stout-hearted little country are putting up.

Now, fellow Americans, if you love God and democracy and your fellow man, can you look on these things save with sorrow and condemnation? Is there a minister of the gospel, a priest, or a rabbi in this land who, realizing what is involved in that war, does not look with sad eyes upon it and brood over the further spread of the vicious and evil doctrine of communism and all that it implies, should Russia win this fight?

Is there a congregation of any denomination in America that is not stirred at what is taking place and what will take place if Finland is no more? Will Sweden, will Norway be next? The long chapter of Russian mass murders over the last 25 years makes one wonder if the struggle through all the centuries for justice and humanity and liberty has been in vain—if those things are to be wiped from the earth?

Well, there are brave men still making that struggle tonight in the bitter gloom and unbearable cold of a Finnish winter, against such tremendous odds as were never before met upon the field of battle.

Ladies and gentlemen, we must help this brave nation now. I ask the members of the clergy of all denominations to call their flocks together at once and ask of them financial aid in Finland's hour of trial. If you are a businessman, if you are a workingman, don't stay that generous impulse which I know is in your heart to help. The families of Finland are like the families of America—help save some mother, or wife, or small children from the curse and the murder and the slavery which a Russian victory over Finland will bring to her inhabitants.

This is the crucial hour. Time is very precious. Finland comes into the society of nations with clean hands; Russia comes dripping with blood. Finland has given no offense; Russia has fomented world revolution everywhere. Russian bombs are daily falling on open Finnish towns, on hospitals and homes alike. Old men, women, and children lie mangled in the wreckage. Remember that if Russia wins communism will surely spread its evil influence.

If you are a poor man, give a nickel, a dime, a quarter, a dollar. If you can possibly do it, spare a day's wages. If you are well to do, give, and give generously, for this is a cause deserving in every way of your most generous humanity. While you sit in the comfort of your American homes, Finnish families are huddled together in cold cellars, in tents in the open country, in forests, in the bitter, freezing cold, while Russian planes roar overhead dropping death and destruction.

Generous Americans, I make this appeal to you as individuals, to aid your brothers who are fighting and dying on the frontiers of civilization tonight.

For your God, for your home, for your fellow man here and for the women and children of Finland, terrorized and menaced—won't you send your contribution tonight? Send it to the Fighting Funds for Finland, at 120 Broadway, New York City. This is headed by Gen. John F. O'Ryan. Let me repeat: send it to the Fighting Funds for Finland, 120 Broadway, New York. Do it now—don't wait until tomorrow.

Then you may go to your bed, confident that you have aided humanity, which all religions preach, that you have upheld the justice which we all seek, that you have not passed by on the other side the men, women, and children who are dying in this tremendously uneven struggle. Your contributions will give them the help they must have and the encouragement that will assure them they are not suffering, fighting, and dying in a vain cause.

Send in all you can afford tonight, before you go to bed, to the Fighting Funds for Finland, 120 Broadway, New York City.

Thank you, my friends. I know you will not fail. Thank you again, and good night.

## Associated Gas & Electric Case

### EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

LETTER AND STATEMENT BY HON. GEORGE W. NORRIS, OF NEBRASKA

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record copy of a letter written by the senior Senator from Nebraska [Mr.

NORRIS], together with a statement concerning the Associated Gas & Electric case.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

FEBRUARY 14, 1940.

HON. JEROME FRANK,

Chairman, Securities and Exchange Commission,  
Washington, D. C.

MY DEAR MR. CHAIRMAN: As a member of the Senate Judiciary Committee, I should like to call your attention to the inclosed article of Mr. Arthur Krock on the Associated Gas and Electric case, appearing in the New York Times of February 13.

The article has particular significance since Mr. Krock is not only a newspaper writer of high repute, but is known to be a close friend of Mr. John W. Hanes and would not be likely to state facts bearing upon Mr. Hanes' position without acquainting himself with Mr. Hanes' version of them. Certain statements in this article cannot help but create an atmosphere of concern about a possible attempt by powerful financial interests to overreach both the judicial and statutory processes in the appointment of a trustee. I quote from the article:

"The utility has assets roughly estimated to be \$1,000,000,000. \* \* \* The holders of these assets and liabilities, in a series of informal meetings, decided that their choice for trustee was Mr. Hanes \* \* \* (who) was a member of the S. E. C. following a successful career as an investment banker in New York. \* \* \* All private parties in interest, save the Government Mr. Hanes recently served, united to ask the court to appoint him."

Several implications of this story give me great concern.

In the first place, it would appear that an undisclosed group of parties decided upon Mr. Hanes as their choice for trustee, and with Mr. Hanes' consent communicated their choice to the court, without waiting for any consultation with the Securities and Exchange Commission. As I read the language of the Holding Company Act, the Securities and Exchange Commission has the right to be consulted before any trustee other than itself is named by the court. Efforts to commit the court to a particular trustee without consultation with the Commission seem to me to be contrary to both the letter and the spirit of the Holding Company Act.

In the second place, this article places the "series of informal meetings" of these unknown and mysterious parties in interest prior to an inquiry which Mr. Krock states Mr. Hanes made to Secretary Morgenthau, the date of which inquiry is known to be prior to the filing of the petition in bankruptcy. This means that these unnamed parties had their meetings and had already decided on their choice of trustee before the case was even assigned to the southern district of New York.

In the third place, who were these parties who assumed to choose a trustee for the court without consultation with the Commission and before bankruptcy proceedings were even commenced?

The article says "the holders of these assets and liabilities." But since the security holders of Associated Gas & Electric, several hundred thousands in number, are widely scattered and could not possibly meet and are not known to have been solicited for proxies, it seems clear that the meetings to choose Mr. Hanes were not held by representatives of the security holders themselves. The inescapable conclusion is that the meetings must have been held by representatives of banking or management groups who had some previous connection or some hope for future connection in the affairs of Associated. As everybody especially interested in the utility field knows, and as your studies have undoubtedly informed you, these affairs have been so badly managed that I understand the Attorney General of the United States has ordered a grand jury inquiry in the southern district of New York to ascertain whether in the financing and management of the Associated Gas & Electric system there has been violation of Federal criminal law.

Of course, experience has abundantly demonstrated there is always the distinct danger that the interests of banking and management groups may be adverse to those of other groups and the general body of creditors and security holders. Indeed, it was to prevent such special groups with special interests from dominating a trusteeship to the detriment of the general body of small creditors and security holders that the Congress provided in the Chandler Act for the appointment of one or more disinterested trustees.

The Associated Gas & Electric receivership is one of the largest and most important receiverships which has come into the Federal courts in recent years. The receivership will come into contact with the Securities and Exchange Commission under the Holding Company Act in relation to nearly all important problems of reorganization. It is important, therefore, that the trustee have a sympathetic understanding of the Holding Company Act and be able to work in harmony with the Commission. I am frank to say that the Commission can be trusted to safeguard the interests of investors much better than the self-constituted banking groups which have not heretofore been noted for their solicitude in protecting the interests of small and inarticulate investors. The financial structure of the company is exceedingly complicated and the ramifications of its management and banking connections and affiliations are known to be far reaching. Creditors and security holders have already suffered losses running into the hundreds of millions.

It will be the duty of the trustee or trustees to make a diligent investigation of the affairs of the company, and of those responsible for its management and its financial and security operations, and to prosecute the claims of the estate against any banking or management groups whose transactions with the company may reasonably be thought to subject them to liability.

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It seems to me perfectly obvious that the general body of creditors and security holders can never be convinced of the complete independence and disinterestedness of a trustee whose name has been, according to Mr. Krock, agreed upon by private groups in advance of the filing of the petition in bankruptcy and urged by them upon the court in advance of a public hearing, without even consultation with the Securities and Exchange Commission.

I regret that a man of Mr. Hanes' standing has been made the victim of such an unfortunate chain of events. But under the circumstances I think that both the court and the commission have been put on notice by Mr. Krock's article to probe to the bottom the situation revealed in that article. I do not see how, on the basis of the situation revealed in Mr. Krock's article, Mr. Hanes can, in accepting the trusteeship, be regarded as free from entangling alliances. I do not mean to impute any wrongdoing to Mr. Hanes, but it would be embarrassing, to say the least, for Mr. Hanes to accept a position where he might be called upon to prosecute men with whom as an investment banker he has been closely and intimately associated, particularly if he owed his position to them.

This associated failure is so large and so dangerous that the trustee must not only be free from technical disqualification for interest but—like Caesar's wife—be above suspicion. Certainly, the administration of so important a test of the ability of the courts and the commission to work in harmony should not be embarrassed by starting out under a cloud created by an appointment of a trustee selected in advance by undisclosed private interests whose freedom from conflict with the general interests of the estate cannot be established without searching inquiry into the tangled affairs of the company.

This trusteeship is a magnificent opportunity to reestablish public confidence in Federal court administration of receiverships and bankruptcies which has recently concerned some members of the Judiciary Committee.

I am sending a copy of this letter to the Secretary of the Treasury and the Attorney General, by way of expressing my feeling that the article of Mr. Krock has put them, too, upon notice to apprise themselves of the true situation. I hope you will also be able to present the point of view expressed in this letter to the court before an appointment of a trustee is named.

Sincerely yours,

G. W. NORRIS.

P.S.—In view of Mr. Krock's reference to Senator WHEELER, I inclose a copy of Senator WHEELER's release to the press on February 13, and also my statement of February 11. G. W. N.

[From the New York Times of February 13, 1940]

IN THE NATION—ISSUES AND IMPLICATIONS IN ASSOCIATED GAS CO. CASE  
(By Arthur Krock)

WASHINGTON, February 12.—A Federal court in New York City, Judge Leibell presiding, has been the center of an interesting and important struggle between a Government group and a business group over the reorganization of the Associated Gas & Electric Company and Corporation, petitioning bankruptcy. The Government group wants the judge to appoint a trustee or trustees selected by Washington. The business interests hold that the court should heed, in naming trustees, the wishes of the overwhelming ownership of the companies affected.

In the background of the struggle is a pattern of conflicting personalities and political philosophies, typical of the divisions in present-day Washington. Through this pattern runs the thread of Government ownership of all utilities, favored by many New Dealers; and the outline of that New Deal tendency to have Government take control of the details of private corporate management which lately found expression in the S. E. C.'s 3-to-2 decision on the Consumers Power Co. financing application.

In the foreground are to be found such persons as John W. Hanes, the famous Federal "firm" of Corcoran and Cohen, Secretary Morgenthau, Attorney General Jackson, former Attorney General Cummings, Senators Wheeler and Norris, Majority Leader Rayburn, and a once-again divided S. E. C. If the drama's outcome is of great economic and political significance, at least it is being played by a star cast.

#### BEGINNING OF THE CONTEST

The Associated Gas & Electric interests, refused a loan by Administrator Jones because of noncompliance with his conditions and for other actions, some time ago took the only course remaining to it and applied for bankruptcy reorganization in the Federal courts. The venue was transferred from Utica to New York City, whereupon the contest began between the two groups and the two ideas.

The utility has assets roughly estimated to be worth \$1,000,000,000, and the scattered nature of its operating properties is such that it provides excellent material for that physical and financial integration which the S. E. C., by direction of the Wheeler-Rayburn Act, is about to undertake in the field of utility-holding companies. The holders of these assets and liabilities, in a series of informal meetings, decided that their choice for trustee was Mr. Hanes. He lately retired as Under Secretary of the Treasury with the warm compliments of the President and Mr. Morgenthau. Prior to that he was a member of the S. E. C., following a successful career as an investment banker in New York. All private parties in interest, save the Government Mr. Hanes recently served, united to ask the court to appoint him. The Government's financial interest is confined to a tax claim of \$5,000,000 in the billion-dollar set-up.

When Mr. Hanes was advised of his selection he asked his recent chief, Mr. Morgenthau, if he saw any objection and to ascertain if the President opposed the plan for any reason. The Secretary,



having been advised by the draftsmen of the Holding Company Act (Messrs. Corcoran and Cohen, probably through the Treasury's general counsel, Edward Foley, their protégé) that the law permitted the S. E. C. to serve as trustee in such cases, had previously approved this idea. But he offered no objection to Mr. Hanes, if appointed by the court, and Mr. Hanes was not advised of any disapproval by the President. Consequently, he sent word that, if chosen as trustee, he would serve.

#### EFFORTS TO BLOCK HANES

At this point began New Deal resistance to the choice of Mr. Hanes. The Attorney General, closely associated with Mr. Corcoran and Mr. Cohen, asked the Federal court to designate the S. E. C. as trustee, and in this request he was surprisingly joined against Mr. Hanes by the latter's very recent chief, Mr. Morgenthau. When their action came to the attention of Messrs. WHEELER and RAYBURN, whose names the holding-company legislation bears and who drove it through Congress, they publicly opposed the plan. They objected to making the S. E. C. trustee, as well as judge, jury, prosecutor, and unscrambler of the bankrupt company. And Senator WHEELER wrote to the S. E. C. a strong endorsement of Mr. Hanes.

These moves seem to have made the S. E. C. plan too hot for the administration to hold. By a vote of 4 to 1 the agency decided to inform the court of its unwillingness to serve. The action was hastened, it is understood, by notice of two Commissioners, Mr. Healy and Mr. Mathews, that they would make public their emphatic objections.

Since it became evident that the S. E. C. trusteeship must be abandoned, the effort of its authors has been to find ways to persuade the court to appoint a trustee or trustees suggested by the administration and not by the holders of the large majority of the company's assets. It is said that serious consideration was given to the nomination of Mr. Corcoran, but this interesting alternative was abandoned. Senator NORRIS seemed to have something like it in mind, however, when he criticized any plan that might exist to appoint "an investment banker and a utilities magnate," a reference to Mr. Hanes and Henry I. Harriman, who, with W. M. Myers, former head of Farm Credit, had been most mentioned as cotrustees.

When the court resolves the contest by naming the receivers the winning group can easily be identified.

[For morning papers, Tuesday, February 13, 1940]

Senator BURTON K. WHEELER made public the following statement:

"I hope the statement that I made last Friday regarding the Associated Gas trusteeship will not be misunderstood. The so-called Wheeler-Rayburn Holding Company Act empowers the S. E. C. to act as trustee. But I expressed the opinion that it should not be necessary or desirable for the Commission to accept at this time, when the Commission is overworked in a determined drive to initiate general enforcement of section 11 of the act, the added and onerous burden of the Associated Gas trusteeship, which might involve extensive supervision of the company's operating subsidiaries. Of course, this is provided that the Commission is satisfied that a trusteeship acceptable to it would be appointed whose disinterestedness, independence, and sympathetic understanding of the requirements of the Holding Company Act are beyond dispute.

"The creditors and investors of Associated Gas have suffered terrible losses, not through operating deficiencies but through financial manipulations. They have a right to be protected against exorbitant fees and charges for supernumerary trustees and counsel. They have also a right to be assured that their claims will be fearlessly pressed against management or other interests with which Associated Gas has dealt not at arm's length. That assurance the creditors and investors cannot have if a trustee has any interlocking relations with the people he might have to prosecute. For that reason the creditors and investors, as well as the general public, have a right to expect the appointment of a trustee whose fearlessness and independence and disinterested judgment cannot be subject to question because of past intimate associations with the management of a utility operating or holding company."

#### STATEMENT OF UNITED STATES SENATOR GEORGE W. NORRIS, FEBRUARY 11, 1940

The appointment of a receiver for the Associated Gas & Electric Co. represents the end of a long trail of financial chicanery and duplicity. This company is large and far-reaching. Its corporate structure and affiliations are extraordinarily complicated, and its contacts with problems under the Holding Company Act are numerous, intricate, and exceedingly important. Tremendous losses have been incurred by thousands of investors under circumstances which make imperative the diligent investigation and prosecution of claims against the officers of this company, its directors, and all affiliated interests.

In the Holding Company Act, Congress provided that the Securities and Exchange Commission may be appointed by the court in cases of this kind and given power to act as trustee. The conditions surrounding this receivership are so vast and far-reaching that it seems to me to be perfectly apparent that in such an intricate case the S. E. C. should be appointed and should act as such receiver. Investors' losses should be protected, and, if possible, recovered, and should not be aggravated by juicy fees for multiple trustees and lawyers. But if the S. E. C. declines to accept the trusteeship,

public opinion demands a single trusteeship which is completely independent of private utility or banking influence, which is sympathetic with and understands the congressional policies embodied in the Holding Company Act.

I was dumfounded to read in the newspapers that an investment banker and a utility magnate were about to be named as trustees in this case. I can hardly believe these reports. It seems to me to be incredible that the S. E. C., familiar with the provisions of the Holding Company Act and having the right to be consulted on the appointments, should ever consent to the appointment of trustees having sympathies with the kind of people they will undoubtedly have to prosecute. It would constitute a shocking precedent. I have heretofore criticized the Commission for not having enforced the Holding Company Act more vigorously, and I believe it would be inexcusably lax in its duty if it were to consent to the creation of such a precedent. However faithfully a banker or a utility magnate might try to perform his duty as trustee, neither the investors nor the public would have confidence that they would diligently prosecute claims against fellow bankers or fellow utility magnates.

#### Allotment of Federal Funds Among Three Regions of the United States

#### EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ANALYSIS BY VOIT GILMORE

Mr. BAILEY. Mr. President, 1 week ago I received from the proper authorities here a statement of the expenditures of our Government for the period beginning April 1935 and ending December 31, 1939, for relief and work relief. The statement shows that the sum of \$11,776,501,569.77 has been spent in that period. I had it analyzed by a young man in my office, Mr. Voit Gilmore, and he shows in this analysis that of this sum \$58 per capita was spent in 13 Southern States; \$94 per capita was spent in 12 Central States; and \$100 per capita was spent in 7 Eastern States. I ask unanimous consent to have the full table of data printed in the Appendix of the RECORD for the information of the Senate.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### ALLOTMENT OF FEDERAL FUNDS AMONG THREE REGIONS OF THE UNITED STATES

##### EXPENDITURES BY REGIONS: 1935-39 RELIEF

Since April 1935, the Congress has made available for relief and work relief the sum of \$12,930,201,033.10.

Of this amount \$11,776,501,569.77 was expended as of December 31, 1939.

Those funds were administered by 80 governmental agencies.

A table on the accompanying page shows that of these emergency relief funds, between April 8, 1935, and December 31, 1939, a total of \$58 per person was spent in 13 Southern States; a total of \$94 per person was spent in 12 Central States; a total of \$100 per person was spent in 7 Eastern States.

##### EXPENDITURES BY REGIONS: 1939 RELIEF

Emergency relief expenditures, by years, have been:

Fiscal years 1935-36	\$3,434,564,516
Fiscal year 1937	2,860,508,932
Fiscal year 1938	2,001,240,379
Fiscal year 1939	2,617,974,768
Fiscal year 1940 to Dec. 31, 1939	872,212,975

Total expenditures..... 11,776,501,570

During the fiscal year 1939, a total of \$10 per person was spent in the same 13 Southern States; a total of \$24 per person in the 12 Central States; a total of \$21 per person in the 7 Eastern States.

Following is a table of three general regions of the United States, showing:

(1) Populations by State and region, based on Bureau of the Census 1937 statistics.

(2) Total emergency relief expenditures from April 8, 1935, to December 31, 1939, by State and region, based on the President's report to Congress of January 15, 1940.

(3) Emergency relief expenditures for the fiscal year 1939, by State and region, based on the President's report to Congress of January 15, 1940.

(4) Total Federal expenditures for the fiscal year 1939, by State and region, based on the Consolidated State Report of the Office of Government Reports.

Region and State	Population	Emergency relief expenditures, Apr. 8, 1935-Dec. 31, 1939	Emergency relief expenditures, fiscal year 1939
<b>SOUTHERN</b>			
1. Maryland.....	1,679,000	\$99,804,596	\$16,900,948
2. Virginia.....	2,706,000	121,635,512	20,704,014
3. North Carolina.....	3,492,000	141,252,596	31,719,727
4. South Carolina.....	1,875,000	127,006,778	33,061,462
5. Georgia.....	3,085,000	170,361,798	44,237,188
6. Florida.....	1,670,000	142,682,384	33,515,101
7. Alabama.....	2,895,000	165,020,039	41,171,608
8. Mississippi.....	2,023,000	140,554,352	31,370,380
9. Louisiana.....	2,132,000	147,402,312	34,870,596
10. Texas.....	6,172,000	345,747,922	73,530,209
11. Arkansas.....	2,048,000	147,724,313	36,452,557
12. Tennessee.....	2,893,000	146,818,656	28,771,917
13. Kentucky.....	2,920,000	175,010,087	43,538,639
Total.....	35,590,000	2,071,021,345	469,853,346
Amount per person.....		58	10
<b>CENTRAL</b>			
1. Ohio.....	6,733,000	737,865,053	214,062,354
2. Indiana.....	3,474,000	294,188,756	73,113,953
3. Illinois.....	7,878,000	741,207,950	191,047,158
4. Michigan.....	4,830,000	435,555,451	131,014,257
5. Wisconsin.....	2,926,000	294,647,751	67,291,625
6. Minnesota.....	2,652,000	270,465,632	60,643,479
7. Iowa.....	2,552,000	123,870,332	26,930,184
8. Missouri.....	3,989,000	320,566,129	83,870,993
9. North Dakota.....	706,000	104,222,701	21,159,577
10. South Dakota.....	692,000	114,529,610	22,130,755
11. Nebraska.....	1,364,000	133,077,346	28,803,224
12. Kansas.....	1,864,000	156,857,481	29,812,740
Total.....	39,660,000	3,728,054,222	949,280,599
Amount per person.....		94	24
<b>EASTERN</b>			
1. Massachusetts.....	4,426,000	473,313,971	109,077,397
2. Connecticut.....	1,741,000	111,343,245	26,728,389
3. Rhode Island.....	681,000	55,641,830	15,304,582
4. New York.....	12,959,000	1,434,999,528	257,211,985
5. New Jersey.....	4,343,000	381,645,359	89,026,228
6. Pennsylvania.....	10,176,000	993,095,833	221,288,712
7. Delaware.....	261,000	13,793,028	3,069,142
Total.....	34,587,000	3,463,832,824	721,706,436
Amount per person.....		100	21

### Rural Electrification

#### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ARTICLE BY HARLAN TROTT

Mr. NORRIS. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an article from the Christian Science Monitor of February 3, 1940, written by Harlan Trott, on the question of rural electrification.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of February 3, 1940]

NEW ENGLAND WAVES A YARDSTICK—THE LAST STRONGHOLD OF RUGGED INDIVIDUALISM GIVES IN BY COOPERATING WITH THE FEDERAL GOVERNMENT TO GET CHEAP AND ABUNDANT ELECTRICITY ON ITS FARMS

(By Harlan Trott)

Folk in rural New England are thinking a good deal these days about having electricity on the farm to milk the cows, cut the ensilage, saw the firewood, turn the cream separator, work the horse fork, hatch the chickens, pump the water, run the radio, sewing machine, water heater, cook range, and do other chores in house and barn—cheap electricity such as the people themselves can have through the help of the Rural Electrification Administration.

Thanks to R. E. A., the miracle by which farm folk do their work merely by turning a switch is no new thing—except in New England. Every State but Massachusetts, Connecticut, and Rhode Island gets R. E. A. loans that help people in rural areas to help themselves to the natural abundance of low-cost electric power running to waste in their streams. And it is only within the last few months

that Vermont and New Hampshire, two of the richest natural water-power States, have called on this Federal agency for help.

One may well wonder why New England should have to call on the Federal Government at all to get electric power when the source of all they need is foaming under their bridges and over their dams day and night—down the Connecticut, the Merrimack, the Androscoggin, the Saco, the Penobscot, the Kennebec, the Winooski, the Passumpsic, the Ammonoosuc, and lesser tributaries to the sea. New Englanders are proud of their rugged individualism. Maine and Vermont made that plain in the 1936 Presidential election.

Today many believe that private power companies in New England have helped to keep this feeling alive by propaganda designed to egg the people into asserting their rugged individualism in order to resist "Federal encroachments" upon the resources of the States. At the time the Federal Government tried to start flood-control projects in Vermont, the State blocked the program because it meant yielding water-power rights on the streams to Federal control. The Vermont Legislature rallied around the slogan, "The State's resources belong to the people," and held up flood-control work.

Some think this slogan was planted by private-power interests who do not wish to have their monopoly threatened by competition from enterprises the farmers may be encouraged to undertake through the R. E. A. program. If so, the slogan became a boomerang, because New Englanders began to mull it over, and the more they thought about the State's water-power resources belonging to the people, the more they realized that they didn't belong to them at all. The water-power resources belonged to private companies who control practically all the electric output in New England.

Being rugged individuals at heart, the people in rural areas decided to do something about getting more of the benefits of their resources. The experience gained in buying grain and selling milk showed them the way to do it was through cooperatives.

Without electricity, farming is almost as primitive and laborious as it was when the first settlers burned the stumps and laid up the stone walls around the clearings. The State farm bureaus and the local granges showed New Englanders what the rest of the United States was accomplishing through rural electrification. The farmers got busy. In 1937 farm-bureau members in western Massachusetts started the Tri-County Electric Cooperative. They got subscribers to pledge the amount of money which the Federal Government requires before it lends R. E. A. funds to carry out a project.

This must have made the private power companies very angry, because soon men from the electric companies in the Tri-County area began to do mean things to stop the R. E. A. undertaking. They told farmers the cooperative couldn't afford to do what it was trying to do; that it would go broke, and then every subscriber might lose his farm to liquidate the enterprise. This scared the subscribers, and many of them withdrew from the cooperative.

In one valley the cooperative had signed up many subscribers who sometime before had asked the electric company to install electricity. The company said it wouldn't pay them to serve this particular area. But as soon as the Tri-County Cooperative signed up the people in the valley the power company official came back and offered to string the wires. The terms were about \$100 a year per subscriber less than those under which the power company had installed service in a near-by community. This made it seem that the latter had been grossly overcharged for installation of their service, or else the line in the valley where the cooperative was working was being subsidized by the power company to keep the cooperative from going in there. These tactics caused bad feeling. This and many similar cases are on file in the R. E. A. office in Washington.

The Tri-County went right ahead, but just when the R. E. A. was all set to grant a construction loan the Massachusetts Department of Public Utilities refused to permit the Tri-County to start the undertaking. This brought a letter from the R. E. A. Administrator taking exception to the ruling. This is the way he summed up the private utilities' stand in his letter to the department: "We haven't served this rural area; we do not propose to serve it; but we want the department to prevent the farmers from serving themselves."

That was the end of the R. E. A. in Massachusetts, where nearly 50 percent of the farmers are condemned to needless tedium within the sound of rushing streams and the hum of high-tension lines. But it was really only the beginning of R. E. A. in New England.

In New Hampshire, Leon M. Huntress, project supervisor for the New Hampshire Electric Cooperative, Inc., tells of similar obstacles placed in his way by power companies determined to resist this threat to their system of restricted output and price control. But this R. E. A.-sponsored group went ahead and outsmarted the opposition by an exciting display of strategy.

Word came to the project superintendent on a Sunday morning that workers for the private company were setting poles in the area where the cooperative had started to install service. Why Sunday? Mr. Huntress couldn't say exactly, unless it was because legal injunctions cannot be granted on that day. The power company's linemen had clear sailing—until the cooperative's agent arrived on the battlefield.

First off, he cited the law forbidding the setting of poles or the stringing of wires on a Sunday except in an emergency. But to a power company enjoying a monopoly in a State where 70 percent of the farmers have electricity—for which they are saddled with the second highest rate scale of any State in the country (nearly 100 percent higher than, for example, the composite rate average of Washington, D. C., Cincinnati, Montreal, and Tacoma)—this



was a real emergency. The cooperative supervisor was quick on the answer. He retorted the law doesn't consider setting poles and stringing wires on a new project an emergency.

What really floored the emergency crew was that they had failed to comply with the State law requiring the petitioning of town officials for authority to carry an electric line across the highway. The board of selectmen (two of them are members of the cooperative) did not feel that they could grant the required permission on a Sunday. In fact, their attitude was that they were not disposed to grant it anyway. There was nothing for the power company to do but come down off the pole.

Today they are about ready to throw the switch on the Lempster line, the first R. E. A. project in New Hampshire. Farm folk, united under a militantly led State grange and the more moderate State farm bureau, are eager to see what the Lempster project can accomplish under the system whereby it buys power from the private utilities and supplies it to people who can't get electricity any other way—a system designed to pay for itself in 20 years and which promises at the end of that time to reduce its charges even more.

Those who wonder what R. E. A. agents in New Hampshire would have done had the private utilities refused to sell electricity to the R. E. A. will find in Vermont's first R. E. A. undertaking the answer to a refusal of this kind. The farmers in Vermont's Washington County did what the Tri-County Cooperative failed to achieve. They formed a cooperative and then when private companies refused to supply electricity at reasonable wholesale rates the Washington cooperative installed two Diesel engines and is supplying farm subscribers with electricity they could not otherwise get—in a State where the resources belong to the people.

Generating electricity by an oil-burning engine must aggravate a good many farmers, because natural water power is so plentiful in Vermont that the private companies are exporting 80 percent of all hydroelectric energy produced in Vermont.

In pronouncing the benediction at the Washington County cooperative's switch-throwing, Gov. George D. Aiken said: "These lines have been built into territories which private corporations have consistently refused to serve at prices within reach of the people. It is probably true that extension of lines into these farming areas would not immediately pay substantial dividends on inflated valuations. But the cooperative, working under the R. E. A. program, does not inflate its capital structure, does not pay high official salaries, does not hire high-priced attorneys, does not maintain expensive legislative lobbies, does not pay tribute to holding companies, and does not employ high-pressure and expensive publicity methods to expound its virtues."

These views may help to explain why New England has held out so long against "Federal encroachments" and why "rugged individualism" has finally turned. These R. E. A. developments in Vermont and New Hampshire point to a reawakening that promises to bring the whole of New England benefits which the rest of rural America has gained in lighter labor and larger income.

### Admission of Refugee Children

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ARTICLE BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an article by my pen entitled "Keep the Bars Up," which was published in the current (February) issue of the Rotarian Magazine. The subject relates to the proposal that we admit to the United States 20,000 refugee children from Germany.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Rotarian magazine for February 1940]

#### KEEP THE BARS UP!

(By ROBERT R. REYNOLDS, United States Senator for North Carolina)

The time has come for changing the tradition that the United States is an asylum for the oppressed of the world. Our house is full. We must now give first thought to our own citizens, both naturalized and native-born. We must find jobs for those who have a rightful claim to the benefits and blessings of American citizenship.

I am opposed to any measure that will provide more competition for the sons and daughters of Americans. If 20,000 boys and girls from abroad are permitted to enter the United States, it will simply mean that in a few years there will be 20,000 more boys and girls here looking for work.

We have in this country today approximately 12,000,000 persons without employment—one-third of whom are under 25 years of age. I think every unemployed man and woman in the United States should be put to work before we allow another foreigner to enter this country.

Since 1820 some 38,000,000 immigrants have entered our gates. Most of these people have made glorious contributions to America. They deserve honor and credit. But times have changed. Our lands no longer need farmers; our mills have too many workers. This appeal to our sympathies in behalf of children might be the entering wedge to break open the immigration floodgates. If we permit special exception to the immigration laws, we will find that within a few years the fathers and mothers of these children will be seeking admission because they wish to reunite their families here on our shores.

It is said that bonds will be made to guarantee that these children will not become public charges. But who will guarantee the bondsmen? They may go bankrupt and become public charges themselves. If we have in this country people who are financially able to take care of children other than their own, then why don't they make financial contributions to unfortunate children here in the United States?

The proponents also say that these refugee children are to be placed in American homes which have already been provided for them. If homes are available for the adoption of alien children, I contend that American children should be adopted into these American homes.

Every State in the Union, as the records will reveal, has a tremendous number of children in want of proper food, clothing, medical attention, and better school facilities. Let us turn our eyes southward to the children of the sharecroppers. Millions are ill nourished; their clothes are tattered and filthy. They live in hovels. They sleep on rags. They fall an easy prey to disease because they have no medical care. They are unschooled. They constitute an army of misery. I think no false idea of humanitarianism should divert our attention from their needs.

Let us turn to the children of the cities. Millions of American children are growing up in squalor, huddled together in cramped quarters. Every creed and kind and race and extraction, already in America, they cry out for the right to breathe fresh air, to eat good food, and to play and live the American way. Shall we sentence these slum children to poverty and hopelessness while we import children from another country to whom we promise to give good care?

We must give more attention than we have to the youthful element of our population. It is upon the boys and girls of today that the future of America depends. We should provide employment for these youngsters when they are old enough for it—gainful employment beneficial to them and to the communities in which they reside. We should also give more attention to the educational facilities and opportunities to which they are entitled. Thousands of American children are able to go to school only part time because in many sections of the country our public schools are overcrowded. Why should we add a further burden to taxpayers by asking them to provide additional school facilities for these 20,000 children from another country?

Shall we first take care of our own children, or shall we bestow our charity upon children imported from abroad?

What is our citizenship worth if it allows our own children to go hungry and unschooled, without proper medical attention, and without the opportunity for jobs, while we reach out for more children from another country? Let the sympathies and charities of American people begin at home. Our country, our citizens, first.

### The American Youth Act

#### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA

Mr. MEAD. Mr. President, I ask unanimous consent to insert in the RECORD a radio address recently delivered by our colleague the Senator from Montana [Mr. MURRAY].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I speak tonight on what I deem to be one of the Nation's most serious problems; a problem presented by our failure to adequately provide a place in our American system of economy for the millions of youth growing into manhood and womanhood without an opportunity for a start in life.

For a decade we have been experiencing a struggle to overcome the chaos and bankruptcy which threatened our country following

the economic collapse of 1929. Burdened as we have been by a multitude of confusing problems which we have faced, we failed to fully appreciate the magnitude of the catastrophe which has engulfed our young people. Our minds have been focused on other more manifest, if not more dangerous and pressing, national questions which seemed to demand prompt solution.

During this period, also, our Government has been confronted with threatening international problems due to racial, political, and economic upheavals in other sections of the world, more recently followed by open brutal warfare and wanton, widespread destruction of life and property. These world disturbances have demanded grave attention to our national security.

As a consequence of all these serious and pressing problems we have failed to grasp the extent to which the future of the Nation, our traditional way of life, in short, our entire philosophy of democratic government, is today threatened by the problem of unemployed, frustrated American youth. The minds of thoughtful citizens in this country are beset with anxiety over this problem. Unquestionably, we must seek a solution. We cannot permit millions of youth to feel that there is no place under our democratic system for them, and thus undermine the very foundations of the Nation.

In 1935 the American Council on Education, a nongovernmental organization composed of major national educational associations, pointed out that "without some provision for basic planning to meet this situation, there is serious danger that present conditions may constitute a fundamental threat to the national welfare." Subsequently that council formed what is known as the American Youth Commission, to consider the needs of youth and appraise the facilities and resources for serving those needs, and provide some plan or program of action. That commission was composed of a number of the country's distinguished citizens. Among them were Henry I. Harriman, of the United States Chamber of Commerce; George Johnson, director of education of the National Catholic Welfare Conference; Matthew Woll, of the American Federation of Labor; Owen D. Young, of the General Electric Co.; and a number of others, equally conspicuous in public life, together with Dr. Floyd W. Reeves, who served as director of the commission.

Recently a report was filed by Owen D. Young on behalf of that commission summarizing conditions and making specific recommendations with reference to the youth problem. That conservative commission, made up of the Nation's most conservative citizens, tells us that 30 percent of the young people of our country between the ages of 16 and 25 are without jobs. In fact, it makes clear that the problem of unemployment in this country has become predominantly a youth problem, for as the slack of unemployment is taken up it is the experienced workers who get jobs. The untrained youth of the land are left without work. Today more than 4,000,000 of these young people are unemployed. What is our country going to do about them? That question should be haunting every legislator and every patriotic citizen who asserts devotion to our American democratic system.

Mr. Young in his startling report says: "The Commission feels obliged to emphasize the fact that, whether in war or at peace, any nation interested in self-preservation must see to it that the young have a proper chance to grow into useful citizens. \* \* \* The obligation to provide opportunity for youth has become imperative today because it is not being met by the conditions of private and public employment as they exist. No good purpose can be served by blaming the young person who has not found a job for himself. The facts of arithmetic cannot be wished away. \* \* \* The fact that the older people own the property and control practically all the jobs lays upon them the major responsibility for making the opportunities match the number of youth they have brought into the world."

It is true that this youth problem is part of the general unemployment question, but it has certain aspects peculiar to itself which make it imperative that we take specific action to find useful and productive work for nearly one-third of our Nation's youth. It is bad enough when citizens who have been employed in industry for years are thrown out of work, but it can easily be seen that an irreparable injury is done those young people who may reach the age of 30 without ever having held a job for which they were paid. The years in which learning is easily assimilated pass all too quickly. It constitutes a sort of national perversion for our country to permit those years to pass without giving youth a chance of learning something, of having some useful occupation, and establishing themselves as respectable citizens. If we fail in this, they will have acquired, as they grow to manhood in idleness, nothing but resignation or bitterness. At present, whatever their talents, they are denied the American chance of developing skill of hand or brain. However ambitious they may be, however much they may wish to acquire habits of industry and conscientious work, they are forced to adapt themselves to the habit of doing nothing, doomed to spend their time hunting for jobs never to be found.

This is a tragedy for the young people themselves. It is an even greater tragedy for the Nation as a whole. Where will America find the skilled workers, the mechanics, the chemists, the doctors, and the engineers to build the world of tomorrow? It has been stated by the committee that if private industry should now pick up sufficiently to need more workers, it would be impossible to find employment for any substantial number of the millions of young people who have failed to receive proper education, training, and work experience. Employers naturally demand workers who have had some training and experience. The present generation

of youth would be left on the slag heap of derelict human beings, burned out and yet unused—human wastage on a gigantic scale.

We shall have created a national human "dust bowl" unless we now undertake a program for these young people and see that they somehow receive vocational training, guidance, and schooling, and, above all, a chance to learn to work—now. We all must agree that every American youth should have the right to learn a trade or develop some skill of hand or mind and work at it, and yet today, as I have said, this right is being denied to approximately 4,000,000 young people.

And now, at a time when the American people recognize the importance of the youth problem more clearly than ever before, at a time when the inadequacy of what is being done is glaringly apparent, at a time when everyone is calling for action on the youth problem, for an expansion of what little youth program we have, what do we find? The present N. Y. A. and C. C. C. appropriations have been cut. What little there was to help the Nation's youth is further lessened. To cut N. Y. A. and C. C. C. funds at a time like the present seems to me a dangerous and indefensible course.

Side by side with the reduction of the budget for youth our military and naval budgets are increased enormously. More guns, more planes, more battleships. Necessary, some will say, but surely the needs of the people and the youth of this country should be first. Most of these armaments will become obsolete before any attack will ever be made on this country. Can we sacrifice the vital needs of our youth now and delude ourselves with the notion that such a policy is compatible with the real defense of America? Assuredly we will defend our country more effectively by making it sound and strong internally as well as externally.

Because I earnestly believe that something must be done immediately about these threatening conditions, I have introduced the American Youth Act (S. 3170) as a means of at least attempting to solve the most pressing problems of American youth. I cannot take the time here to go into the details of the provisions of this act. It will, of course, be fully studied in the Senate committee to which it has been referred.

The American Youth Act sets up a National Youth Administration in the Federal Security Agency, directed by an administrator who shall carry out the policy decided by a board of directors, on which shall be represented the national labor, youth, education, civic, and other welfare agencies, appointed by the President. Under this administration a series of public-works projects is to be established, as follows:

- (1) Works projects for unemployed young people at prevailing rates of pay and prevailing conditions, at a minimum of \$12 a week and a maximum of 30 hours per week.
- (2) Academic works projects for college students at a rate of 50 cents per hour with the proviso that the student shall work only so long as to bring him income from N. Y. A. and all other sources to at least \$30 a month.
- (3) Employment of vocational-guidance advisers to furnish free service to all young people in cooperation with other agencies in the locality.
- (4) Stimulation of apprenticeship-training programs set according to local trade-union standards for such apprentice work.
- (5) Federal scholarships for needy high-school students at a maximum of \$5 per week, save those young people obliged to live away from home due to lack of adequate educational facilities. In such cases the Administrator may make the necessary adjustments.
- (6) Federal scholarships for needy students up to the amount required for them to continue their education at law, medicine, and other graduate and professional schools.

N. Y. A., as it is, deals with youth only on a temporary basis. The proposed act deals with the whole problem on a broader and more effective basis. This measure proposes to make a real effort to reach millions of youth now wholly ignored.

In discussing this youth problem, I am thinking tonight of the 4,000,000 youth scattered all over our country. I am not now interested in any factions, quarrels, recriminations, or misconceptions of this problem growing out of conflicting youth groups. Personally, I have supreme confidence in the ultimate deep loyalty of our American young people to our country's sacred institutions. They are our greatest asset for the future of our country and deserve a fair deal and intelligent guidance from a just and beneficent Government. They have proved their loyalty to our flag before in a majestic manner, and I am willing to trust them now and present their right to a hearing and a fair deal on this vital issue. I am thinking solely of the problem as stated in the report of the Youth Commission submitted by Mr. Young. It proposes a program necessary to meet the vital needs of a vast army of helpless, floundering youth. Let us stick to that issue. Let us not confuse it.

Nothing is more sacred to the people of this country than the defense of our Nation. I would not ask one cent to be diverted from national defense if it endangered the country, but I am sure that this problem of youth is an equally vital element in our national security. The Nation and the people, including the vast army of youth, are one. To adequately defend this Nation, we must not let these young people degenerate in idleness, or sink into a morass of despair.

We cannot afford to withhold this investment or to divert it wholly to cannon and to guns. What we invest in our youth today is, in the truest sense, an investment in security, in peace, and in genuine national defense.



## National Defense

## EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO ADDRESS OF HON. FRANCIS T. MALONEY, OF CONNECTICUT

Mr. MALONEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a statement which I made over station WTIC, Hartford, Conn., on February 11, 1940, in connection with national defense week.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Because the subject is of such tremendous importance, and because it is sponsored by the Reserve Officers Association of the United States—including the fine members of that association in Connecticut—I am pleased to participate in the program of National Defense Week.

The principal purpose of this national undertaking is to promote the welfare of the United States by way of increasing our national military and naval strength. The idea is not alone to be prepared for war, but rather to insure peace in our country, and in our hemisphere, by giving notice to any and every war-mad nation in the world, that we not only want peace, but that we are strong enough to have it.

In our country we get our powers from the people—our ideals and patriotism by way of education—and our strength by way of those ideals and that patriotism. We grow stronger through the increasing love of liberty that we have enjoyed for more than a century and a half and which with God's help we will maintain.

In days gone by there were many conscientious Americans who sincerely believed that the way to maintain peace was through disarmament. Those people felt that the expenditure of money for a large Navy and air force was wasteful and dangerous, and that we should lay down our arms. Now, however, as the result of recent happenings throughout the world, that feeling has changed, and powerful and dictatorial leaders in other countries have compelled us to suspend that idealistic approach to peace. It is now unfortunately true that we must be prepared to pay for peace by being so strong that none will dare impose war upon us.

Modern inventions have brought the peoples of the world geographically close to each other, while at the same time some of the peoples were being separated from each other insofar as good feeling and international fellowship is concerned. This latter situation will not last forever, because all peoples are fundamentally good, and those of them now in political servitude will one day throw off the shackles with which they are bound, and come to the way of life set forth in teachings 2,000 years old. How soon the world returns to peace and quiet may to a considerable extent be dependent upon what we do here in America.

We are saddened by happenings in the Orient and in Europe, and there is not one of us who is able to remain entirely neutral in thought, although the outstanding desire of the people of our country is that we avoid war. We are hateful of the godless philosophies which would destroy those who are weak, and we are sufficiently enlightened to understand that ours is the most powerful and important country of the world, and that in the slow march back to the dwelling place of understanding and peace we are morally obliged to help light the way.

A short time ago, in discussing the important neutrality resolution, I said on the floor of the United States Senate that "America cannot fail to do right because of a fear of an audacious leadership elsewhere." I said that "our leadership is here," and gave it as my opinion that "Europe's need is for spiritual rearmament." I pointed out that while there were some people or countries throughout the world who might not like what we were doing we were charged with the responsibility of doing what was right, and that we made no contribution to the cause of peace by evading that responsibility.

I should like to say again that the United States can contribute to the restoration and maintenance of peace only by doing just what is right. We all pray the wars of Europe and the Orient will soon come to an end, and it is possible that we may hasten the conclusion of conflict by serving notice to the world that we are concerned with the rights of peace-loving people, and free government, and that much as we dislike to do it, we will pay for peace by such sacrifices as are necessary to build our national defense and keep it strong.

More than a century and a half ago George Washington admonished his countrymen in the following language: "There is a rank due to the United States among the nations, which will be withheld, if not absolutely lost, by a reputation for weakness. If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the most powerful instruments of our

rising prosperity, it must be known that we are at all times ready for war."

Washington had a clear appreciation of the need for a strong national defense. During the Revolutionary War the total enrollment of the American Army was 395,858 men, while the British Army "destined for the American campaign" numbered only 55,000 men. History reminds us that in the summer of 1776 there were on duty in America only 36,000 British soldiers.

It might at first seem strange that with such overwhelming numbers America was compelled to go through such a horrible experience as Washington and his soldiers suffered at Valley Forge, but it is easy to understand when we realize that our army was made up largely of farmers who were untrained in the ways of war, while the British soldiers were well equipped and properly trained. We won the war principally through Washington's leadership, and the fact that the American soldiers were fighting for freedom.

In the War of 1812, the American Army, including Regulars, militia, volunteers, and rangers, comprised more than 500,000 men, while England had but 7,000 regular troops in America at the outbreak of that war. This latter number was increased, but there were only 20,000 British soldiers and sailors in the British fleet that attempted to capture New Orleans. Insofar as numbers are concerned, the comparative figures are amazing. We had the men—but they were neither trained nor equipped.

Historians writing of that period and that war tell us that "the armies of 1812 were little short of mobs."

And all of this in spite of the lessons of the Revolution. Down through the years, certain of our security, we did very little to prepare for war, or against war. In the War between the States neither side was properly equipped, and thousands of lives were needlessly lost.

During the Spanish-American War—again because we were not prepared—we lost many men within the borders of our own country because we were not in a position to give them the protection they needed and deserved. And still, once more, in spite of these experiences of the other years, we found ourselves unprepared in 1917. Our lack of vision concerning the need for modern military equipment, and a sufficient number of well-trained men again contributed to delay, and to suffering, and to loss of life. I do not want to long dwell upon these military experiences and shortcomings, because it is not pleasant to refer to them or to think of them. It is important, however, that in preparing for the future we profit from the lessons of the past—and that in a world temporarily gone mad, we realize that we are not entirely free from the dangers of insult or aggression. If we are strong and courageous, others will be reluctant to insult us, and we may be free from the compulsion of war because we will be respected, and none will dare trespass upon our national honor or domain.

There are many ways in which we must be prepared. One is a strong national defense from a military and naval and air standpoint. None among us wants a big and expensive navy for the Navy's sake, and all of us shudder at the tremendous and terrifying cost of making our forces strong in the air. As we see what goes on about us, however, we realize that these are necessary, and that if we are to guarantee the security of American homes and the lives of American young men, we must make other nations respectful of our might.

One day, when the world has rearmed spiritually and morally, we can cast aside our arms and armament as will the other nations of the world. Perhaps by that time most of us who are now here will be gone, but what we now do may be a great contribution to the happiness of our children and those who come after them.

No one is really hateful of the Russian people or the German people or the people of Japan. They are God's children, as we are, and as good as we are, and want peace as badly as we do but they are shackled by leaderships which they cannot yet throw off. I personally feel that we strengthen our national defense if we are tolerant of the people of those countries—even though hateful of the practices of their governmental leadership.

While talking of national defense I cannot resist the desire to remind my neighbors that there are other ways—and most compelling ways—to strengthen our national defense. Those people among us who are suffering a distress as the result of a world-wide depression need to be cared for and protected. They must be kept strong of body and mind, and for so long as our economic structure is out of gear the Government must guard them properly. Their patriotism must be strengthened by a confidence in their elected public servants, for if we neglect the individual we are terribly careless of our national defense. We cannot expect that neglected men and women will have the same intense love of country that stimulates their more fortunate fellows. When willing and able-bodied and good men are denied the chance to work for the things they need, the Nation has failed unless it affords them some protection.

Right now we are dealing with the question of whether or not we shall make a loan to clothe and feed and sustain people who are fighting for their lives and for their liberty. As I see it there is moral obligation involved. We have always made contributions to the people of other lands in times of disaster—and I am among those anxious to do it again. For myself I cannot be neutral between right and wrong. For myself I have no hesitancy about making loans for the aforementioned purposes, because I can visualize myself—through accident of birth—in the position of those who live in these far-away stricken countries.

But at the same time I am unwilling to afford help by way of loans at the expense of any of our own suffering people. It may be difficult to help in both instances, but I have an abiding faith in God's goodness, and I want to give some help to suffering and saddened people elsewhere as we continue to protect our own.

Help in each instance is a contribution to our national defense. Our Government must have the confidence and intense love of its own people. We must also have the respect and confidence of the world. We cannot under any circumstances violate the traditions of 150 years, and be placed in a cowardly position. America need not be afraid, excepting of itself. We will never suffer attack if we exercise the intelligence with which we are endowed, and take advantage of the available opportunities to protect ourselves. Always there will be some among our people who will decry whatever we do. Always among us we will find some conscientious men and women who regard the building of armaments as a national error. Always among us we will hear careless thinking people insist that it is a mistake to help those who for the moment cannot help themselves.

Tomorrow we celebrate the birthday of a great American. He had the courage of his convictions—and in the face of criticism and bitterness he never faltered. He kept the United States together, even though it entailed sacrifices to all of the people. Sometimes there are things worth fighting for.

I pray that the United States shall never again be at war. I am personally confident that we need not again be at war, and I am very certain that one of the ways to help avoid it is through the lessons of National Defense Week.

We need a strong Army that is well trained. I would not build it to very great numbers—but I would give our Reserve officers a fine training. I would increase the strength of the National Guard. I would vote for an enlarged Navy and I would strengthen our air force. In addition to all of these, I would try to strengthen the confidence and the patriotism of all of our people by reminding them, particularly those going through a period of temporary misfortune, that they are an important part of the richest, and greatest, and most powerful nation of all time—the peace-loving United States of America.

## American Democracy and the Bill of Rights

### EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject "American Democracy and the Bill of Rights," delivered by the junior Senator from Washington [Mr. SCHWELLENBACH] over the Mutual Broadcasting System at the annual banquet of the Los Angeles Chapter of the National Lawyers Guild.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Many times during the last 5 years I have received invitations to speak in Los Angeles. Usually, such invitations have concluded with the suggestion that their acceptance would afford an opportunity to enjoy briefly the southern California climate. Unfortunately, this invitation to participate in a Los Angeles meeting by radio could not involve such an added inducement. Nevertheless, I was glad to accept. First, since it gives me a chance to pay tribute to the distinguished President of the National Lawyers Guild, Judge John Guttnecht, and second, because I was asked to speak to lawyers upon their responsibilities as officers of the court in the protection of the liberties guaranteed by our Bill of Rights.

Last Monday, in language more striking than ever before used, our Supreme Court gave recognition to that responsibility. Let me read just one sentence from the Supreme Court's opinion:

"Under our constitutional system, courts stand against any winds that blow as havens of refuge for those who might otherwise suffer because they are helpless, weak, outnumbered, or because they are nonconforming victims of prejudice and public excitement."

This pronouncement for the Court, by Associate Justice Black, was carried in the Washington papers in columns paralleling the news story of the President's participation in the birthday exercises for Abraham Lincoln. As I read the two articles, my mind turned to a speech which Lincoln delivered at Edwardsville, Ill., on September 13, 1858, in which he said:

"What constitutes the bulwark of our own liberty and independence? Our reliance is in the love of liberty which God has planted in us. Our defense is in the spirit which prizes liberty as the heritage of all men in all lands everywhere. Destroy this spirit and you have planted the seeds of despotism at your own doors. Accustomed to trample on the rights of others, you have lost the genius of your own independence and become the fit subjects of the first cunning tyrant who rises among you."

Fortunately, we in America retain that spirit which prizes liberty and also have in our hands the tools with which we may make that spirit effective. The tools of our democracy are contained in the first 10 amendments to the Constitution. They are known as the Bill of Rights. Any workman called upon to do a job, whether he is digging a ditch or building a skyscraper, knows that he must have his tools and have them in good shape.

It must not be forgotten that the very nature of these tools of democracy is such that they cannot be misused, exploited, or even neglected for long. They cannot be permitted even intermittently to lie dormant. Their nature is such that neglect and nonuse causes them to atrophy and die. Untiring alertness is the price which must be paid for their preservation.

We live today at a time when the need for this untiring alertness is greater than at any previous period in our Nation's history; this for the reason that right now three factors have merged:

First. For a full decade we have undergone a condition of depth-reaching depression. This could not have helped but to have weakened the resistance of our people. False doctrines of government acquire much more attractive color to a depressed than to a prosperous people.

Second. The last two decades have seen the acceptance by the peoples of many nations of political doctrines which are the direct antithesis of those in which we believe.

Third. At the moment most of the powerful nations of the world either are at war or on the verge of war. This results in a situation in which all of the nations participating feel it essential that every possible effort be made by them to influence the attitude of our people toward them and their enemies.

The concurring of these three factors presents to us the greatest danger, so far as our civil liberties are concerned, that this Nation has ever seen. Our Government and our people must necessarily afford protection against improper activities conducted from outside sources. We cannot afford to permit our actions to be controlled directly or indirectly by those who represent governments other than our own. We must, however, take care that in our desire to defend against improper outside activities we do not run the risk of destroying the civil liberties of our people, and by so doing destroy our very democracy itself.

Each one of us looks upon himself as a patriotic American citizen, interested only in the future welfare of our Nation and our Government. We are inclined to look upon those of whose theories we disapprove as being enemies of our Government and its future welfare. What is hard for you and me to understand is that if we prevent them from stating their point of view we, at the same time, deprive ourselves of the protection of the tools of democracy upon which we rely for the protection of the doctrines we espouse.

No objective in mankind's progress has been more difficult of achievement or of retention than political freedom. The common man has always desired political freedom for himself. He has, however, been slow to remember that his own freedom ultimately depends upon the equal freedom of all, even those whose views of government he may, upon occasion, dislike and even profoundly detest. It was only after centuries of struggle that the common man realized that political democracy was possible only if the right of all men, without regard to race or religion, to express their political opinions freely and publicly were scrupulously safeguarded.

We must have an atmosphere of free expression if we are to have the benefit of fearless political discussion. This is the surest guaranty of orderly change and the surest protection against the forces of disorder. Nothing is so dangerous as the belief that any part of our political society should be beyond criticism. No one generation's judgment as to the essentials of good government can be unerring.

We must scrupulously maintain freedom of discussion if we are to develop our responsibilities as a people by choosing rationally the path we wish to follow. That is why freedom of thought and freedom of speech, with the resulting duty of making up our minds honestly and courageously, is at the very heart of the faith in democracy.

This faith in freedom of expression requires constant devotion; perhaps more so today than ever before in modern times. All about us, and all too close at hand, we see the forces of intolerance at work—forces intolerant of democracy, of science, and even of religion. We have seen them in all too many shapes and forms. They preach a doctrine which is the opposite of that spirit of tolerance which is so essential to the perpetuation of our institution—democracy. Fear, hatred, distrust, and bigotry—these are the tenets of their faith.

We must realize the grave danger to civilization that lurks behind their forces. They must be dealt with resolutely if the freedom and dignity of the common man is to be preserved.

That resolute determination must carry with it an understanding of three basic principles of democratic machinery:

First. It must give to every citizen equality of opportunity to participate in government which is free from coercion or fear on



the one side and free from impossible promises of reward upon the other.

Second. The minority in a democratic community must recognize the right of the majority to govern. At the same time, the majority must insure to the minority the same degree of justice which it demands for itself. Failing in this obligation, the majority becomes merely a mob. When the majority becomes a mob, democracy fades out.

Third. A democratic government must be a government of law. A civilized democratic community demands that all classes within it respect its law. If respect for law is to be maintained, the law must reflect the community sense of justice and not the demands of any class or group. If the law reflects the community sense of justice, no class or group may defy or set itself above or beyond the law without bringing upon itself the just resentment of the whole community. A civilized democracy demands patience and self-restraint from all its citizens.

The very heart of our Constitution is the Bill of Rights. The rest of the document provides the framework of our governmental structure. The first 10 amendments provide the lifeblood that keeps that structure alive. Without freedom of speech, of religion, and of press, and the other guaranties of these amendments, our democracy would be but a sham and a fraud. If those rights are lost, everything in American democracy is lost.

The last quarter century has seen rapid advance of dictatorship throughout the world. The last year has demonstrated the futility of their efforts to solve the problems of their people. They promised peace, prosperity, and security. All of these promises have been broken. One great dictatorship was created for the proletariat. One was created for the capitalists. Both have been bitterly disappointed. Dictators have sneered at democracy. We in America have seen enough of dictatorship by now to know we want none of it. Our first line of defense against it lies in the recognition by each one of us of the civil rights of all the rest of us.

It cannot be expected that the legal profession alone can perform the task of defending these civil liberties. It can be and is expected that the legal profession will furnish the leadership in that protection. By its forthright statement of last Monday, the Supreme Court has challenged every lawyer in the land to accept that responsibility. I know you will not fail.

### Finland

#### EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by me on February 17, 1940, on the subject of Finland.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

With a prayer upon my lips—God help me to help noble, heroic Finland—I am happy to speak under the auspices of the Lutheran churches in America in this appeal. I am speaking directly to the heart and soul and, I hope, the pocketbook of America. I am an American blessed with being born an American, even as most of you who are listening to me.

My forebears came from Norway. This summer I was in Scandinavia, and I want to say that after visiting this land my heart and soul is in this appeal to help the people whom I regard as my spiritual brethren.

Finland and the Finnish people need help. Finland is a God-worshipping nation. We are a God-worshipping nation. The Finns are a liberty-loving people. We are a liberty-loving people. Our Christian sympathy and heartthrobs in this great Finnish national emergency must result in the American people, individually and in groups, meeting the situation by providing immediate help so that the heroic defense that the Finns have been making to preserve their liberty and save their Christian institutions can be continued. Other peoples are helping. The people of Norway and Sweden and Denmark, and other nations, are aiding this heroic people in their stout defense of home and liberty and Christianity. It will be a sad day for us all if the atheism of Russia is to destroy the Christianity and democracy of Finland.

The Finnish people are a devout, genuinely devout, people. They live Christianity. They believe in keeping international law. They are honest. They are industrious. They are clean physically and mentally. The invader threatens not only the homes and cities and churches and the political freedom of this people but also, if successful, the invader would threaten the life and the faith and the liberty of the other Scandinavian nations and democracy everywhere.

Yes; as was said by one of the great leaders of Finland to the Finnish people, a Lutheran bishop, "With a clear conscience and with a feeling of complete solidarity we have arisen as one man to defend everything that is holy and precious for us Christians—we feel that we are the advance guard of western Christian culture in the north," this is wholly correct.

We in America, because we are so far away, do not realize the danger—the danger to the natural rights of man to life, liberty, and the pursuit of happiness—on this globe.

Listen to what the Archbishop of Sweden said to the Finns: "High and precious memories unite us. Your danger is our danger. Your salvation is our salvation. Your struggle is not only to defend the beloved fatherland but also to defend the church and the Christian gospel against the forces of godlessness. You have become a high example to all of us, in unshakable confidence that truth is stronger than falsehood, that right is stronger than violence. You have strengthened our hearts in the unbreakable conviction that human life is not the highest value in the world."

Yes, my friends, Finland stands as the first line of defense—your line of defense and my line of defense—against the forces of evil, chaos, and godlessness. We here must realize that if Finland and Scandinavia should become provinces of Russia, communism would overrun these Christian lands. What is more, it would give communism an outpost on the Atlantic. What is communism?

Communism is based upon the theory of Marx, and it means abolition of all private property, complete control of labor by the state, the state having unrestricted power to draft individuals for labor without reference to their personal desire, the individual having no rights whatsoever. Communism asserts there is no God. It strips man of his liberty and makes him a mere cog in a machine for the production of material things by the collective labor of slaves in a godless state—a state under the iron heel of a despot.

We cannot take time in this fast-moving world to hate persons, because if we do we cannot take time to love. We love Finland for her integrity, for her courage, for her righteousness. America, I am sure, has no time for the communistic doctrines of Russia which deprive men of the great freedoms that man possesses under a democracy. But is America awake? Are the citizens of America awake to the danger; awake to the wonderful opportunity that is presented to each individual and each group in America to aid the Finnish people and at the same time to strike a blow against communism and aid our own land and the liberty-loving people everywhere?

Already Finland's heroic stand may have saved Holland and Belgium from invasion.

Under our form of government—we being at peace—this Government, in my opinion, should not make a gift nor a loan to Finland nor to any other nation out of the Treasury of the United States, because of the prohibition contained in international law and because, further, the Congress, in my opinion, has no authority to lay a tax or appropriate public funds to aid a foreign nation at war while America is at peace. Such an act would, in my opinion, establish a new foreign policy for this country, opening up the door of the people's Treasury to unlimited demands in the future. The action of the United States Senate on last Tuesday, increasing the capitalization of the Export-Import Bank, will prove of very doubtful assistance to the Finns, because the measure itself says no loan can be made in contravention of international law—and Jesse Jones, a good businessman, has intimated strongly that he will make no loan unless it is a business loan. We know it can't be a business loan, for Wall Street has already refused the loan as a business risk. Therefore I renew my efforts, asking our people to make individual contributions through their pastors and churches.

Remember, my friends, there is no prohibition against our people—and that means all of us—against individuals and groups, making gifts to Finland. Let us pay attention to the voice within, each one of us, and give to this "great little nation" and thus help our brothers over there. Little Finland has indeed fallen among thieves. But she has beaten off the invader. She has lifted up a standard for the world. Her bravery and courage have lighted a lamp in Europe and throughout the world, and all she asks now is that she be equipped to carry on her fight for freedom—perhaps your freedom and mine.

My friends, we in America are charged with the great responsibility of keeping democracy alive. By individually aiding our Finnish brethren so they can keep democracy alive there, we are strengthening our own democracy. We will be showing liberty-loving people everywhere that we are with them.

It is a deep shadow that has fallen across our modern world—the shadow of an advancing communism that forces its way forward through bloodshed and war. Already villages and churches and homes have been destroyed and many lives sacrificed. Repercussions of this strife are felt the world around, in new feuds that arise, in a disrupted economic order, in the curtailment of charitable and mission enterprises and in unparalleled sufferings reaching far and wide. We may not be able to heal all the wounds this present strife is causing, but we can, at least, heal some. Like the Good Samaritan, we can help those in dire distress. Like Christians we can help keep the lamp of faith burning by generous deeds; we can insist that the gospel shall find expression in the cooperation we give to sustain those of our own ideals and faith in this their dark Gethsemane hour.

Throughout the length and breadth of our land Lutheran churches, in sympathy for their brethren in Finland who are said

to be almost wholly of that church, are uniting in the gathering of funds which will be administered for Finnish relief. Here is an opportunity, not only for those of one denominational group to help, but for all to whom religious freedom and humanitarian ideals are dear. If you do not know how or where to give, watch your local press for information. Through the agency of the Lutheran World Convention and the National Lutheran Council, Lutheran churches and pastors will be enabled to transmit funds and to render service. Bread cast upon the waters of Finnish relief will return a thousandfold. We hear people say: "God bless little Finland." But we must do better than utter pious sentiments, we must square our prayers with our deeds. What Finland has already done compares with the heroic deeds of the 300 at Thermopylae. But let us not wait until it is too late. Aiding a good cause now, there is good hope that communism will yet be stopped at the Mannerheim line as effectively as Charles Martel, leading the Christian forces in an early day, stopped the Saracens at Tours.

## The Situation in the Far East

### EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered over the radio on February 18, 1940, by the junior Senator from Washington [Mr. SCHWELLENBACH] on the subject "The Situation in the Far East."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

What the world most needs today is simple, common honesty. The best standard by which to judge the honesty of nations as well as men is whether they keep their word. Broken promises, broken pledges, broken treaties have contributed more to the present world disaster than has any other single factor. These breaches of faith have not been limited to any single nation or group of nations. I do not deprecate the importance of economic needs in the present situation. However, if the nations of the world had kept their word during the last quarter century, many of these economic factors would not today exist. Had Germany and Russia believed that England and France would keep their promises to the smaller nations, they would have never dared to plunge the world into its present condition.

What are just a few of these broken promises? England and France made their first mistake in repudiating their financial promises to us. By that act they made certain that we would not again rush to their defense. Hitler knew that. Hitler relied upon it. France made its mistake when it broke its promise to Germany to disarm after Germany had been disarmed. Hitler used that to get his power in Germany. England made its mistake when it broke its promise to China when Japan took Manchuria. England and France broke their promise to Ethiopia. Since then treaty breaking, promise breaking, and word breaking have been the rule instead of the exception. International morality reached the lowest point since the seventeenth century. The present war is the natural and logical consequence.

Our people want peace. We want peace not only for ourselves but for the entire world. We want that peace to last. We hope when the present wars end to play some part in establishing a lasting peace. To my mind that hope will be barren unless we can enter into such a peace conference with a record clear of the taint of treaty breaking on our own part. The only leadership we want to give the world is moral leadership. We must have our own hands clean if we try it.

Are our hands clean today? Unfortunately, they are not. We, too, are violating a treaty just as sacred and just as important as any ever written.

What treaty are we violating? In 1921, in an endeavor to reduce naval expenditures among the great powers, the Washington Conference was called. Its chief purpose, in the beginning, was the limitation of naval armaments. The most important accomplishment of the conference, however, was the adoption and signing of the Nine Power Pact. In that pact we joined with seven other nations in agreeing to respect the territorial and administrative integrity of China.

This was not the first contact our Nation had had with China. For 125 years we have been sending over missionaries to open schools, colleges, hospitals, and churches. In 1899 we intervened in China and insisted upon the open-door policy. We insisted that our rights in China be recognized, and that no other nation could create a

sphere of influence there. During the World War China readily complied with President Wilson's request and declared war upon the Central Powers shortly after we entered the world conflict. When that war ended, however, China profited not at all. The net result, so far as China was concerned, was that her old rival and enemy—Japan—was given all of the German rights in China. In retaliation of that, and with disappointment with the way she had been treated by her allies, the Chinese people commenced their effective boycott against Japanese goods. It was an effective boycott. Its success struck vitally at the economic structure of Japan. It must be remembered that then Japan did not have her diversified foreign trade; her merchant marine had not been built to the strength it now occupies. To Japan, Chinese trade was of vital importance. By the time of the Washington Conference on Armistice Day 1921, the Chinese boycott had reached a state of well-nigh perfection. In that conference we asked Japan to agree to a naval program which meant economy for us and also lessened the danger to us in the Pacific. In consideration of Japan's agreement in the naval side of the conference, we induced China to discontinue the boycott. In payment for this action on China's part, we wrote into article I of the Nine Power Pact the agreement "to respect the sovereignty, the independence, and the territorial and administrative integrity of China." All nine of the nations agreed to it. China, relying entirely upon her trust in us, surrendered her most effective weapon. China believed her sovereignty and independence, administrative and territorial integrity would be respected by the nations of the world. Yet today China suffers and her territorial integrity is being destroyed. We, for the profits involved, are aiding, abetting, and cooperating in that destruction.

We today are Japan's most important ally in her war with China. Were it not for the assistance of the United States, Japan's China campaign would probably have collapsed many months ago. Japan is a nation without the necessary materials of war. Japan has no oil with which to operate her airplanes, her tanks, her trucks, her automobiles, or even her battleships. We furnish 65 percent of that which she secures from the outside world. We furnish 90 percent of the scrap iron and steel with which she manufactures her munitions. We furnish 90 percent of the copper for her munitions. We furnish 99 percent of her other metals for alloys for munitions preparations. She must have metal-working machinery, our contribution is 67 percent of that. We furnish 64 percent of the automobiles and parts which Japan is using in China.

It is true we furnish no soldiers—we do, however, furnish the materials for the munitions which those soldiers use. We furnish no airplane pilots, but we furnish the gasoline to propel the airplanes. We furnish no tank or truck drivers, but we furnish the tanks and the trucks, the gasoline to operate them, and the oil to lubricate them. We are in the Japanese-Chinese war right up to our necks. We are Japan's No. 1 partner. China is being destroyed. We are making the profits.

But don't for a minute think that we are not taking a chance. You mothers and fathers whose boys are coming into military age need have no false sense of security coming from the belief that we can play this game of profit sharing permanently without risking the lives and bodies of those young men you love. Every month, every week, every day, we make possible the prolonging of the far eastern war, to that extent do we enlarge the danger of ultimate world conflict from the ravages of which we can hardly hope to escape. Every dollar of profit enjoyed by the American oil producer, the American scrap iron and steel shipper, the American machinery manufacturer, may ultimately be paid for by the life of an American soldier, the family of whom now thinks that he is safe.

No one can deny that in this matter our duty is clear. Every substantial poll of public opinion shows that at least 75 percent of our people recognize this duty. That duty is to comply with our treaty obligations and stop our citizens from further violation of the Nine Power Pact. Common honesty, common sense, and cold-blooded logic require that we do no less.

## Old-Age Security

### EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

RADIO INTERVIEW WITH HON. JAMES M. MEAD, OF NEW YORK

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD an interview broadcast over Station WJSV, Washington, D. C., on February 18, 1940, at 2:45 p. m., under the sponsorship of Americans Over Forty, at which time Dr. William G. Downs, Jr., interviewed the junior Senator from New York [Mr. MEAD] on the problems of the middle-aged and older workers.



There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Dr. Downs. Senator MEAD, to what do you attribute the present plight of the middle-aged and older worker?

Senator MEAD. I think that the unemployed middle-aged and older worker of today, is, for the most part a victim of the machine age in which we live. Our modern industrial system, while productive of untold benefits, has also proved to be a curse to the worker who has reached the age of 40. Private industry has set up age limits which discriminate against the older worker and, in countless instances has resulted in his trading a position on the pay roll for one on the relief roll.

Dr. Downs. Then you think, Senator, that private industry is the great offender?

Senator MEAD. Only in that it is to private industry that the worker should look for his job. No, I should say that at present the Federal Government is about as bad. We have found that the age limits for civil-service eligibility have been steadily lowered. This means that the Federal Government, as well as private enterprise, is not attracting to its service the best talent and experience obtainable.

Dr. Downs. Apparently then, you agree with Americans Over Forty that maturity and experience, have, or should have a value for employment?

Senator MEAD. Absolutely. A man or woman at the age of 40 has, in most cases, just reached the very peak of his or her physical and mental capabilities. Certainly the person of that age is far from being ready for the scrap heap as at present seems to be his destination. That person is just well prepared for many years of future gainful activity—activity which the country still sorely needs. Mature, experienced, and resourceful, the average employables at 40 are the very cream of the crop. In spite of this fact there is an increasing and alarming tendency on the part of employers to shunt the mature worker aside in favor of less experienced applicants.

Dr. Downs. You spoke of the attitude of the Federal Government? Senator MEAD. And I say again, that under existing laws and regulations, it has become exceedingly difficult for mature workers to obtain employment in the Government services. Even where such laws and regulations may not strictly apply, it is evident that the younger candidate is invariably favored over the older one.

Dr. Downs. Of course youth has plenty of problems, too. Senator MEAD. Indeed it has and I am fully sympathetic to them. I am not, in any sense, trying to make a case against the younger worker, not any more than Americans Over Forty is, in their approach to these problems. In the hands of youth rests the destiny of the Nation, and to the needs of youth we must, before all, administer. I am for their program; I favor immediate action. Nevertheless, the middle-aged victim of discriminatory employment policies is also an individual meriting our primary concern. All of the delicate but important factors of Government morale, of efficiency, of experienced supervision are tied up in the question of the desirability of fostering and encouraging the employment in responsible positions of our mature workers. We aim to remove the older worker from the so-called blacklist and in that effort youth agrees with us.

Dr. Downs. I think that all of us can fully agree with you there, Senator MEAD. The influence of technological advancement on the entire problem is fairly apparent. Certainly none of us familiar with the circumstances will question the existence of a great deal of age discrimination. Many employers will ardently justify this discrimination. Is there justification for it?

Senator MEAD. None whatever. The average man of that age is the head of a family, hale, hearty, and mentally and physically vigorous and alert; and his employment means education and opportunity for youth.

Dr. Downs. I am familiar with some of the studies that have been made on this subject. You, however, have been extremely close to the matter. Won't you tell us of some of the evidence there is available to support your contentions?

Senator MEAD. Yes; as you say, there have been a good many studies which bring out these facts. The popular superstition—the "forty phobia"—that men at 40 are no longer desirable employables, suffered a stern denial at the hands of the National Committee on Employment of Older Workers which made its report to the Secretary of Labor in March 1938. The committee reported that it found little evidence to substantiate the widespread opinion that the efficiency of workers declines at 40. "On the contrary," it reported, "We have found particular evidence that in many instances the reverse is true." The committee went on to report that, after making its survey, it felt that much of the discrimination against the older workers was entirely without justification. It asserted that the determining factors for employment should be physical fitness, skill, and experience rather than age.

Dr. Downs. Believe me, all Americans over 40 will say amen to that.

Senator MEAD. Since that report in 1938, the committee has issued subsequent reports of great significance. Last year it revealed that, as a result of a careful study, it felt that the man over 40 is neither a poor producer nor a bad accident risk. The committee stated that from the standpoints of group insurance and old-age pensions, there is no valid objection to the employment of older workers, provided a graduated system of employee contributions is maintained. The committee indicated clearly that there

is, in fact, no sound, scientific, or economic reasons for using age itself as a barrier to industrial service. Each case should be judged on its merits. When that is done, it is usually found that the man who has reached the age of 40 holds his own with his younger competitor in speed, precision, and production.

Dr. Downs. Senator, I wonder if you would care to elaborate on your previous remarks regarding discrimination in the Federal service?

Senator MEAD. I have been looking into many examples of discriminatory age restrictions in several branches of the Federal Government. I have thought right along that we have had no good right to criticize age discrimination in private enterprise if we condoned it in the Government service. Therefore, I am heartily in favor of attacking laws and regulations in the Government which work detrimentally upon the middle-aged and older employable.

Dr. Downs. And you believe that it is possible to correct this condition? I wonder just how you would suggest doing so?

Senator MEAD. The various surveys that have been made by reliable organizations, augmented by my own personal inquiries, have convinced me that we should promptly clear the Federal service of undue restrictions against the middle-aged worker who is well-qualified in every particular except his age. His age—if he isn't too old—should be an asset instead of an impediment. But it isn't. In accordance with this conviction, I am sponsoring a bill which provides for elimination of qualifying age restrictions in the Federal civil service. This bill has passed the Senate and is now pending in the House of Representatives. I think it should be made into law.

Dr. Downs. Yes; that seems to me to be an excellent approach to the subject. I certainly hope that your bill does become law. And, further, that it is administered according to the spirit as well as the letter. What steps do you think might be taken for a permanent solution for the problem of the over-40 workers in industry?

Senator MEAD. Very briefly, I would suggest a five-point program which might include:

First. A thorough investigation, on an official basis, of the causes of discrimination in the employment of older workers, and the recommendation of corrective measures through State and Federal legislation.

Second. Elimination, or at least reduction, of age discriminations and age requirements in most brackets of the Federal Civil Service.

Third. Make known to the worker the advantages of increased skill, good health, labor organization, and of association with a "going" industry.

Fourth. Emphasize the real need for the services of able, experienced men and thereby help to break down the prejudices against the middle-aged worker.

Fifth. Adjust State and Federal insurance and retirement plans to eliminate any forced age discrimination where it is shown to exist.

In this connection, I would draw particular attention to a resolution I am sponsoring in the Senate which would authorize the Secretary of Labor, acting with a national advisory committee, to investigate and report to Congress upon the effect of economic conditions on our middle-aged and older employables. Through this means, we would learn with some degree of accuracy the nature and extent of industrial discrimination against the older worker; of his relative efficiency; of the effect upon his family; of the increased relief burden; and of the extent to which retirement and compensation insurance plans militate against him.

Dr. Downs. If, as is undoubtedly the case, a good deal of our unemployment is due to technological advances, it would seem that many employable unemployed workers would never be able to return to their former occupations. What steps do you think might be taken to solve this phase of the problem?

Senator MEAD. The question of the retraining of our older workers has likewise captured considerable recent attention. It is an important item because retraining would serve to fit many present unemployed into new vocations in which they could earn a livelihood. I was much pleased to note that the problem of the older worker received attention at the recent National Conference on Labor Legislation called by the Secretary of Labor in Washington. It was recommended at that conference that there be given thought to a plan for the retraining of skilled labor. Technological advances, shifts in demand for types or classes of goods, and other economic changes bring about situations whereby large groups of skilled workers find themselves without a market for their services.

Dr. Downs. How many Americans over 40 are too sharply conscious of that fact?

Senator MEAD. It seems to me that the conference was on the right track in asking the Secretary of Labor to appoint a permanent national committee, composed of employers and employees, to collect and to analyze relevant facts, to establish and promote suitable standards of training, to publish and disseminate its findings, and to assist generally in the establishment of State and local agencies to promote retraining programs.

Dr. Downs. Senator MEAD, I cannot tell you how much I appreciate not only the very valuable interest you have shown in these problems which are so important to us all, but also, the extremely valuable information you have given us and program you have outlined.

## Government and Business

## EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ADDRESS BY HON. HAROLD L. ICKES

Mr. GUFFEY. Mr. President, on February 14, 1940, Hon. Harold L. Ickes, Secretary of the Interior, spoke in New York City before the Economic Club of New York on the subject of Government and business. In the keen, incisive, and very interesting way for which he is noted, Secretary Ickes delivered an address which furnishes much food for thought. I ask that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This opportunity to speak to you is something that I particularly welcome. I understand that in all the country there is no more fair-minded forum of intelligent, political, and economic conservatives.

Some Washington friends warned me that to escape from this arena I would have to be Daniel, indeed—that this is not merely economic royalism but the inner circle of economic imperialism.

Others assured me that I was to be the bull in a bullfight, with the audience the picadors and the redoubtable Mr. Weir the torador, though a bit cautious about waving anything red.

But if anyone thinks that tonight I am going to be the bull, throwing myself around the ring like my friend Hugh Johnson, let me remind him that I have just seen a Walt Disney picture. If there's a bullfight tonight, I'm going to be Ferdinand, sniffing the flowers.

Tonight I do not want to waste this opportunity in a mere bullfight over specific details of Government administration which irk particular businessmen; I here and now give Mr. Weir a rain check on that kind of a party, if and when he wants it.

Instead, I want to explore, from the public servant's point of view, a few of the glittering generalizations such as "free enterprise," "Government interference with business," and the "need of confidence," which muddy up our thinking at a time when we desperately need to think clearly on the interrelationships of that trinity which stand or fall together as our American way of life—free private capitalism, individual liberty, and political democracy.

Let's start with "Government interference with business."

The most common form in which government has a say about the conduct of a business is direct regulation through a regulatory commission such as, for instance, the Interstate Commerce Commission, the Federal Communications Commission, and the Securities and Exchange Commission; or through the Department of Justice and the Federal Trade Commission under the antitrust laws.

If it is alleged that the investigators and examiners and lawyers of these Government bodies are mercenary armies ravaging the fair fields of business, how did they get into those fields in the first place, and how do they keep coming in?

The answer is—businessmen; businessmen who originally persuaded the Congress that these regulatory agencies were necessary to preserve the system of private enterprise for the majority of businessmen against the depredations of a minority; businessmen whose complaints keep those agencies constantly on their toes.

Let's look, for example, at the oldest regulatory agency, the Interstate Commerce Commission.

Who insisted on bringing the railroads under the I. C. C. in the first place? Businessmen—the businessmen who were grain producers and grain merchants and local supply houses in the farming West.

Who within the last few years demanded the extension of the regulatory powers of the I. C. C. to the new and expanding bus and truck industry? Businessmen—the businessmen who own and operate the railroads that felt the trucking competition.

Who brought the new and adventurous aviation industry under the Civil Aeronautics Authority? Businessmen—the businessmen in the aviation industry itself, both to referee their industry differences and to ward off the attempt of the businessmen of the railroads to get aviation under the control of what they hoped was a railroad-minded I. C. C.

Who is behind wage and hour laws and all the interference they cause with business? Labor unions? Certainly. But also businessmen—manufacturers in high-priced labor areas like New England and New York who rightly think it isn't cricket to have to compete for a national market, which includes New England and New York, against competitors in low-priced child-labor areas.

Who presses the T. N. E. C. for hearings on the oil industry and the tobacco industry and urges Government officials to ask embarrassing questions of businessmen? Other businessmen in those same industries.

Who presses the inquiries at the S. E. C. as to the reason why middle western investors can't buy securities in middle western enterprises from middle western investment bankers through competitive bidding without paying an unnecessary regional tribute to you people in New York? Businessmen—investment bankers in Chicago and Cleveland, who say they don't understand why there has to be a basing point for United States finance at 23 Wall Street, any more than a lot of other middle westerners ever understood why Chicago steel had to be priced in Chicago on the Pittsburgh basing point.

Who starts all of these antitrust actions that sometimes make the criminal docket look like the social register? Businessmen.

Mr. Weir manages the National Steel Co. National Steel is a part of Little Steel. When the elder J. P. Morgan organized the United States Steel Corporation—Big Steel—he never intended that there should ever be any Little Steel or Mr. Weir—or even Mr. Tom Girdler. Why are Mr. Weir and Mr. Girdler managing independent companies? Because some other businessman—who was undoubtedly called a blankety-blank Socialist—asked William Howard Taft, then President of the United States and a trust buster, to have his Attorney General sue to restrain Big Steel.

In other words, one set of businessmen, in the name of preserving the system of private enterprise, is always invoking against other businessmen the power of the people, i. e., government.

The immediate point is not which set of businessmen is right. The point is that what sets the forces of government, legislative or executive, in motion against one set of businessmen is practically always another set of businessmen invoking protection for free enterprise.

When, therefore, a businessman is mad because government is interfering with his business, what he's really sputtering about is another businessman—because government, acting as a referee between the two of them, has decided that the second businessman is right in his idea of what promotes the American system of free private enterprise.

The businessman who wins the verdict from the Government calls the result freedom. The businessman who loses the verdict calls the result—and the whole process—interference. You pay your money and you take your choice—between businessmen.

Suppose I own a business and I come to Wall Street to borrow \$10,000,000. It isn't customary to object if the banking house that, for a commission, gets someone else to lend me the money at interest, puts a couple of directors on my board to tell me what I can do and what I cannot do. The business world thinks that is fair.

Suppose I am a farmer and I want a bounty from the Government. Under the law I agree, in exchange for a Treasury subsidy, not only to vary my production to help the immediate price structure but also to observe specified soil-conservation practices. That is, in return for a money contribution of the whole people of this generation, I am required to use my private property and run my private business in such a way as to preserve for future generations of that whole people the national asset of fertile land. The business world thinks that is fair.

Mr. Weir, the national asset involved in your industry is not only the industrial labor supply of the United States.

It is the national asset of the health of hundreds of thousands of the kind of men and women who will bear for the next generation the children that the well to do will not have.

It is the national asset of the free man's assumption of independence; the spirit of the Declaration of Independence and of the Bill of Rights; the spirit that makes it hard for us to be servants but makes us the best fighting men on earth; the spirit to which rich men will have to appeal in poor men if they want the poor men to defend the rich man's bigger share in capitalism. That spirit, Mr. Weir, your workers may want to manifest by belonging to a union unbosomed by even you.

Suppose, Mr. Weir, the Government were offering you a million or two millions or three millions cash per annum in return for your undertaking to conserve those national assets of manpower and womanpower and childpower, according to a formula that the Government laid down in the National Labor Relations Act—as it lays down a formula for the farmer in the Soil Conservation Act. It would be a fair trade, wouldn't it?

Well, Mr. Weir, you're taking that Government cash on the barrel-head right now—out of the funds of the whole people—just as surely as the farmer, who conserves the soil, is getting his bounty.

It is your company's share of the hundreds of millions per year that your steel industry gets out of the consumers' sales tax that we call the tariff—a tax on all the people which over the years has paid the steel industry literally billions.

It is your company's share of the \$12,000,000,000 subsidy which Federal and State Governments have, since 1916, given to your very best customer, the automobile industry, in the form of new highways.

It is your company's share of the billions of dollars' worth of Government grants for Government construction and equipment loans and of all other subsidies which have gone into the railroads, which are the steel industry's second best customer.



It is your company's share of the hundreds of millions, maybe a billion, of contracts that went to the steel industry out of the Federal P. W. A. program to give you work and profits at the expense of the public debt. Your company's net income has risen from \$1,000,600 in 1932 to \$17,000,800 in 1937, and no one knows or can compute how much of that is represented in the public debt, about which there are so many fainting fits in this election year.

Considering the generosity of the American people in the way of subsidies, any labor legislation to preserve the minds, the bodies, and the spirit of your workmen would have to be terrible indeed before it constituted an unfair intrusion upon the capital investment that you consider all yours and your stockholders'.

I wonder if there is an important industrial business in the United States in which the people as a whole have not put more subsidy than the stockholders have put capital?

Now please don't misunderstand. I'm not objecting to the policy of the present tariff laws, or to subsidies necessary to keep wheels turning, or to the fact that good profits are made with their help.

I raise this public participation in so-called private capital only as a sanitary thought when men, who are the temporary managers and dividend beneficiaries of these mingled private and public funds confuse their own judgment with a high moral tone about the interference by 130,000,000 invisible stockholders who are sugar daddying the company, probably for more than the whole capital account on the books.

To me the most significant thing in President Roosevelt's annual message was this: "The social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship, and war are the same as those which we are here struggling to adjust peacefully at home."

Since 1929 we have come an enormous way in the adjustment. We have saved our system of private enterprise by injecting into it new human rights for farmers, for laborers, investors, consumers, the unemployed.

Then as Mrs. Roosevelt has put it, "We bought time"—time for the revivifying processes to become normal routine around which our capitalistic system will gradually reorganize on a self-sustaining basis. Any wise man who thinks he is more afraid of inanimate debt figures than of irresistible human forces should look across the ocean—where the conservative ruling classes thought that it cost too much to buy time—and see how much faster war and revolution eat up the capital and income of rich and poor alike.

With all my heart I hope that I am not speaking these words tonight to any future American Fritz Thyssen.

In a time of transition there has to be more than money to spend. When the whole world is rocking with forces of revolt—when ruling classes everywhere have failed to make the grade—when the stirring mass is become executive as well as articulate—there must be confidence.

"Ah," says the businessman, "that's what we've been saying. What's absolutely necessary is that we have confidence."

My answer is "No; we are talking about different things."

The businessman's confidence is helpful at all times. But it isn't what's really indispensable at a time like this—partly because it won't stay put anyway and will jump up and down like a monkey on a stick with every flutter in your daily cash account.

However, there is a confidence that's utterly indispensable at a time like this, and that's the confidence of the great mass of the people.

Always the common man and woman, whose hard lives give them no chance to satisfy themselves about the great arguments outside, have, as a human necessity, to find some place to lodge confidence if the Nation is to have enough emotional stability to be able to do business.

Once, in the twenties, after the World War, the mass of people, tired of government, had confidence in the captains of business. Today, even if unjustifiably, they have less confidence in business. Nineteen twenty-nine is not forgotten. Musica, Whitney, and Associated Gas & Electric won't let it be forgotten.

Nor have the people much confidence in most politicians either. About most of us, I'm afraid, the people's reaction can be summarized in the priceless remark of the Republican Governor of Colorado about Senator VANDENBERG, "The Senator will be convincing later on."

The people will be slow to regain full confidence in courts which they thought had betrayed them in refusing to recognize the new rights given them by new legislatures. Judge Manton and Judge Thomas haven't helped much.

The great mass have confidence only in one symbol—the Federal Government. Even you, the most sophisticated men in America, know perfectly well that, as a practical matter, there is only one effective symbol of national unity in this country today. When you wonder if something can be done, you think of Washington. When you want to get something done, you go to Washington.

The confidence is even more concentrated than that. The more bewildering things get, the greater the confidence of the mass has to become personalized. The word must become flesh. Individual men are becoming more and more important as leaders of the masses, and the character of leadership everywhere is of tremendous concern to mankind. Regardless of whether you agree with the President or not, you must admit that this personalization of confidence in him is an all-pervasive reality.

If confidence reposed in a man of responsibility and knowledge is destroyed, today's conditions—even here in America—contain an appalling risk that that confidence will be usurped by some gutter-rat demagog, whose imagination in painting the Promised Land to his wistful followers, will be restrained neither by a sense of responsibility nor by a knowledge of fact.

On the basis of confidence in Roosevelt we do have the fact of enough emotional stability to do business—more than any other country in the world. We are as far away from the state of 1929 today as we are from the mind and conditions of Europe. In this country, men are not afraid of the stability of the dollar; they are not afraid to put their money in the bank; they are not afraid to keep working at the problem of unemployment.

We can go forward provided that we keep the confidence of the mass that gives us our stability.

I know that there are those still living in the past who will understand nothing.

But for the intelligent conservative the situation is clear. Anything you do at this time to shake the confidence of the great mass of the American people in either the President or the National Government is a sin against free enterprise, individual liberty, political democracy, and your own self-interest.

No matter on what you may disagree with him, he is now a symbol of confidence whose loss of symbolic value now would make all agreements and disagreements utterly unimportant.

I am not saying what the situation would be if the world stopped rocking and ceased preparing for a gigantic Armageddon.

But until the world is at peace, the President's position with the bulk of the American people is the strongest protection that the old-fashioned American way of life has. Millions of people, who no longer have faith in the profit system, will follow him in faith in the protection of that system, as well as in the protection of individual liberty and political democracy.

Democrat or Republican, Conservative or Liberal, business, if it were wise as to its own self-interest, would now keep the people confident in him, emotionally as well as intellectually.

It would agree with the President wherever it possibly could. If it had to disagree, it would disagree reasonably—with a smile and not with a snarl. For if, today, the mass of people lose faith in Government through him, there will be no health in us.

The welfare of business and Government are so inextricably bound together that one cannot be dissected out without causing the death of both. This meeting of distinguished citizens tonight was possible because invitations could be sent through a Government-owned post office, or by means of Government-protected communications. You have been able to arrive safely because Government has policed and shoveled the snow from the highways and the streets. You have come here on Government-financed railroads, or in Government-serviced planes, through Government-built subways, and on Government-subsidized roads, to eat fine food grown by a Government-fostered agricultural industry and inspected for your safety by a Government Health Service.

Why have you come?

In order to listen to at least one speech that may, I suspect, tell us that Government regulation does not and cannot work; that Government must grant the same anarchic freedom to business that the feudal overlords of old enjoyed.

The radio audience that will listen to our uncensored speeches will do so in unregimented comfort in numberless unsearchable and unseizable castle homes. The audience will hear our voices, only because Government-licensed radio stations and Government-controlled wave lengths have brought order out of chaos in the ether, as we talk in front of this microphone protected by Government-issued patents.

And so I turn the microphone over to Mr. Weir, for whom I have so high a respect that I hope that tonight his special Valentine message will not be that it is too bad that Government "interferes" with business, and that we would quickly return to Hoover prosperity if it were not for Roosevelt.

## Shoulder to Shoulder

### EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Honorable James A. Farley at Memphis, Tenn., on February 14, 1940, under the auspices of the Memphis Junior Chamber of Commerce.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTRODUCTORY REMARKS BY JOHN REARDON, PRESIDENT, MEMPHIS  
JUNIOR CHAMBER OF COMMERCE

We are very fortunate in having the Postmaster General of the United States to address us tonight. I suppose no American statesman has so endeared himself to the American people as Mr. Farley has during the past 10 years. This admiration is not confined to the Democratic Party, whether new dealers or conservatives, but the affection for him extends to the rank and file of Republicans as well.

Had the Junior Chamber of Commerce been a functioning organization 35 years ago we feel confident that Postmaster General Farley would have been an ardent, active member of this organization. I am sure of that for these reasons: In his grammar grades he was the best marble shooter; in high school and afterward he was an excellent baseball player, and at the same time he was most energetically interested in every civic enterprise not only in his own community but in all Rockland County.

We are therefore glad to have Mr. Farley here to inaugurate our program of Americanism. I suppose no man in American public life has been a more sincere friend of true Americanism. In New York State politics, in national politics, and in his broad international views Postmaster General Farley is a notable advocate of all that is finest in the idealism of American public life. I am, therefore, happy to present him to you. Ladies and gentlemen, the Postmaster General.

ADDRESS BY HON. JAMES A. FARLEY

It is really a very fine thing that the junior chamber of commerce is doing in setting aside the week between the birthdays of two great Americans for the observance of the principles of our Government.

Americanism is a broad term. It embraces all that the founders of our country fought for, and all that their successors in the great work of civilization have striven and are striving for. I say this because in the final analysis civilization means more than economic or mechanical progress; more than the promotion of luxury or even physical comfort. The world's history is dotted with the relics of so-called civilizations. We find them in Egypt, and are awed as we contemplate the mass effort that resulted in the construction of those miles of columns; the man-made mountains we call the pyramids, and all the other evidences of far advancement on the practical side of things, as well as in the advance of art, religion, and civic order.

We find them in Asia, whose ruined palaces tell of the height of luxury to which the rulers had mounted, together with the evidences of power and wealth. We find them in America—so old that even the language has been forgotten and no man can date their creation, and even their strange symbols are not to be read, and their meaning can only be guessed at. We find the remnants of great statues on isolated islands in the vast Pacific—mute testimony of a by-gone race that had progressed far—how, or when, or in what direction we do not know.

The question must always be asked why these civilizations perished from the earth, some of them leaving only fragments of pottery to tell us that they existed. Why men and women capable of such cooperation as resulted in great cities, which means a great commerce and a great education of some sort, should have gone so far and no further.

I think I know the answer to those questions. So far as we are aware, one great element in the growth and progress of empire was lacking. They had armies, churches, palaces, but they had not liberty. It seems written that despotisms, either of individuals or groups, carry within themselves the seeds of their own destruction. The despot falls, alien barbarians rush in to complete the destruction, and so all that is left for a future world to gaze at are monuments without even a record of what these monuments were to honor or commemorate.

Americanism is the answer to these pathetic reminders of past efforts of peoples to achieve popular happiness, for only in happiness can there be civic immortality. Doubtless among these forgotten rulers there were some men and women of broad vision who sought the welfare of their subjects. But in the inevitable succession of dynasties their work was lost. The perpetuation of their own power remained a guiding principle of these empires of the past and sooner or later the misery of the mass of the people destroyed the structure. So I feel that the purpose of your organization in devoting an annual period to Americanism is not only a service to your country but to the world.

Our life as a nation has been short, for a span of 150 years actually comprises only the infancy of a race. In that century and a half we have made progress that has amazed the world. From a meager group of people on the edge of a vast and practically unknown continent, we have grown into the most powerful of all the nations. No people are as comfortable as we are. In no country does the ordinary man and woman participate in the glories and comforts of a rich and strong commonwealth to the extent that we do. Just at present we are unique in the circumstances that we are the one great nation that is able to go to bed at night without shuddering at what tomorrow may bring.

That is one tangible thing that is the result of Americanism. In the midst of a world at war, or trembling on the brink of war, we are able to go about our own affairs, worry about our

own politics, plan our own businesses, worship as we please, and express our views and opinions whenever and however we please.

All things in America may not be as we would wish them to be. Some of us are by force of circumstance denied our share in the good things of life. But our humblest citizen knows that, come what may, he and his loved ones will not be permitted to starve, and that when opportunity comes to him, he may make the most of it, unvexed by decrees made overnight and without fear of a secret police or other agency seeking to twist his every thought and every act into a crime against the state.

Our great men of the past have frequently defined Americanism. Thomas Jefferson put the definition into these simple words: "To preserve the peace of our fellow citizens, promote their prosperity and happiness, reunite opinion, cultivate a spirit of candor, moderation, charity, and forbearance toward one another, are objects calling for the efforts and sacrifices of every good man and patriot; our religion enjoins it; our happiness demands it, and no sacrifice is requisite but of passions hostile to both."

Last year President Franklin D. Roosevelt spoke of your efforts as prompting us "to reflect on the eternal principles upon which our Government, with its objectives of human welfare was founded." and he added: "The best test of democratic government is through the efficiency with which it meets its responsibilities of service to the people. Only as the people, from which leadership comes, are kept truthfully informed will our democratic institutions retain their strength and virility."

Fortunate it is for us that Americanism is not the sole heritage of one political party or another. We may differ among ourselves as to which political principle more nearly meets our ideal. I have quoted to you from two great Democrats. Now let me add the testimony of two great Republican Presidents. Abraham Lincoln, speaking to the soldiers of an Ohio regiment, told them that our Government must be preserved. As he put it, "it is worthy of your every effort. Nowhere in the world is presented a government of so much liberty and equality. To the humblest and poorest among us are held out the highest privileges and positions."

And President Theodore Roosevelt gave us this definition of Americanism: "All of us, no matter from what land our parents came, no matter in what way we may severally worship our Creator, must stand shoulder to shoulder in a united America for the elimination of race and religious prejudice. We must stand for a reign of equal justice to both big and small. We must insist on the maintenance of the American standard of living. We must stand for an adequate national control which shall secure a better training of our young men in time of peace, both for the work of peace and for the work of war. We must direct every national resource to overcome difficulties. In our relation with the outside world we must abhor wrongdoing and disdain the baseness of spirit which lamely submits to wrongdoing. \* \* \* We must guarantee to each man his rights and insist in return upon the full performance by each man of his duties, both to his neighbor and to the great Nation whose flag must symbolize in the future, as it has symbolized in the past, the highest hopes of mankind."

It is given to few of us to express a great sentiment with the clarity and eloquence of these past masters of rhetoric. If I may be permitted to give my own humble definition, let me say that in my opinion the best definition of Americanism is tolerance.

This country has not reached its present status in the world and its place in history by suppression. Our liberties have been preserved by the simple processes of letting each of us say what was in him to say. Perhaps there is no greater symbol of the wisdom of this great principle of liberty than the fact that just the other day a Communist, whose doctrines we abhor, without regard to party, was permitted to go on the ballot as a candidate for Congress from New York, although at the time he stood convicted of a crime against our Government.

In other words, we deemed it best to adhere to our general principle of freedom of speech and freedom of opinion, to permit this man the privileges of every other American citizen. Can you imagine a similar happening in any other country on the globe?

Every now and then in the heat of a political campaign you hear shrill cries that somebody is attempting to interfere with the liberty of the press. Nobody takes the charge seriously, for in the adjoining columns of the newspapers that are uttering the cry of alarm appear the fiercest criticisms of the administration that happens to be in power. It is only these governments that are fearful of revolution that hamper or hinder such attacks. In our own God-given tolerance, the right of criticism is sacredly preserved.

Down South they still refer to us northerners as damnyankees. We of the North flatter ourselves that we have the better of our southern citizens in aggressive enterprise. Our easterners cherish to themselves the comforting belief that they are superior to our westerners in culture and the polite arts. They in the West deign to assume that they have almost a monopoly of independence and breezy courage. Yet all of us, regardless of the points of the compass, are quite satisfied that even those at the opposite end of the country are of immensely better type than those unfortunate enough to be nationals of foreign states, which, after all, is a happy conceit.

There can be no liberty existing side by side with intolerance. We have got to admit the right and privilege of the other man to differ from us, because any other course would mean the domination of one group by another and that principle carried out means tyranny.

It is a happy country where the cathedral, the church, and the synagogue may be all on the same block and on the Sabbath



each of the adherents of the various denominations goes to worship in the place of his own selection, and on the way there or from there he talks politics or business, or the state of the nation and the world with his neighbors, without a thought that a difference in religion makes anybody a different American from anybody else.

Republicans and Democrats, Progressives and Socialists, all recognize the right of the other fellow to whatever political views he may entertain. We battle fiercely in the newspapers and on the radio in years of political campaigns and the day after election we forget all about it, and each of us goes about his own business unworried because this party or that party got the most votes.

That is Americanism in its highest sense. Our parties and our candidates submit the best arguments they can find on their side and make such criticisms as they believe the public will accept of the other candidates and the other side. The public, unwatched and unhampered, drop their votes in the ballot boxes and so pronounce the final verdict.

The victors jubilate and the losers console themselves with the thought of better luck next time.

That is Americanism. That is tolerance.

If these two are not the same thing, they at least go hand in hand, and as long as that condition continues, we are in no danger of revolution or dictatorship. In fact, I wonder if anybody even in the midst of the most heated campaign ever believed that either of these symbols of the decay, if not of the death, of a great nation was anything more than an abstraction? Whenever our people are dissatisfied with an administration, they turn it out and elect a new one.

After all, the only mortgage that the party in power has on the control of our national affairs is the confidence of the people. So long as the administration gives good government, so long is it kept in power. Of course, you hear constant talk of the ability of a regime to perpetuate itself. That is all moonshine. No administration can survive majority disapproval. Nor is that majority the preponderance of one party or another. Neither Republicans nor Democrats have enough members in their party to elect a President. Between the two great parties there stands a group, numbering perhaps 10,000,000 voters, who have either no party affiliation or whose allegiance is so slight and tenuous that it is shifted one way or the other as the conflicting policies and opposition candidates please or displease the individuals of this group.

That is Americanism again. The two great parties, theoretically, at least, formulate the policies for which they stand. They organize the regular forces and put in motion the machinery for attracting votes. It is their respective arguments and the relative appeal of their candidates that determines what direction the independent voter takes. That is the ordinary and orderly course of our politics, and a century and a half of progress under this system has demonstrated both its effectiveness and its success. We have had under the system great Presidents and mediocre Presidents. We never have had, and I do not believe ever will have a bad President in the sense of one who intentionally did anything adverse to the national interest. Some of them have made mistakes and the country has taken the first opportunity to rectify the error.

Do not think that I underestimate the importance of politics, though I subordinate political loyalty to loyalty to our country. It is only through politics—partisan politics, if you like—that we get our governments. It may not be a perfect process, but it is the best human ingenuity has been able to put together for learning what the majority of our people desire and conducting our national affairs in accord with the popular will.

The founders of our country, the authors of our Constitution, the brave and wise men who launched the American ship of state into the ocean of an uneasy world, had for their object the simple and homely purpose of providing a government that would insure the greatest good for the greatest number of our citizens.

Their work endures, and that it does endure and grows stronger, generation after generation, is due in no small degree to the patriotic efforts of such organizations as yours. You remind a busy Nation that has grown accustomed to the exercise of priceless liberties without reasoning why—you recall to all these people that there is a flag to be cherished, a principle to be maintained.

That is Americanism.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ARTICLE BY ROBERT P. VANDERPOEL

Mr. LUCAS. Mr. President, every Senator is familiar with an organization known as the National Economy League of America. Some of the most prominent businessmen of the Nation are members of it.

Recently a poll was taken among its members throughout the Nation as to whether or not they favored the continuation of the Hull reciprocal trade agreements. The net result showed that 88 percent of the membership favor the continuation of that program. This is more than significant when an examination is made of its membership. Some of the Nation's most prominent Republicans are on the rolls.

Recently Robert P. Vanderpoel, financial editor of the Chicago Herald-American, and one of America's leading economists, published a most interesting article upon the conclusions of that poll. I ask unanimous consent that the article written by Mr. Vanderpoel be inserted in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Herald-American of February 14, 1940]

#### NATIONAL ECONOMIC LEAGUE FAVORS TRADE TREATIES

(Robert P. Vanderpoel, Financial Editor)

The National Economic League today made public a poll of its members, comprising many of the leading businessmen of the Nation, strongly favoring the principle of the Hull reciprocal trade agreements.

The decisiveness of the vote—88 percent favoring the trade treaties—and the fact that a substantial proportion of the businessmen polled are counted upon to give active support to the Republican Party in 1940 Presidential election, made today's announcement something of a political bombshell.

#### MANY PROMINENT MEN

Among the executive council of the National Economic League are Charles Francis Adams, Hoover Secretary of the Navy; Sewell Avery, head of the United States Gypsum Co. and Montgomery Ward & Co.; T. M. Girdler, president of the Republic Steel Corporation; William Allen White, Kansas newspaper publisher, prominent in Republican political circles; Frank O. Lowden, former Republican Governor of Illinois; Silas H. Strawn, former president of the United States Chamber of Commerce, and Ray Lyman Wilbur, Secretary of the Interior under Hoover.

Illinois members of the League's Council include such prominent business men and Republican political leaders as Graham Aldis, George T. Buckingham, Ralph Budd, Bertram J. Cahn, Owen L. Coon, David A. Crawford, Henry M. Dawes, James H. Douglas, Jr., Thomas E. Donnelley, Percy B. Eckhart, Louis L. Emmerson, Thurlow G. Essington, James B. Forgan, Jr., John F. Gilchrist, Otis F. Glenn, Charles F. Glone, Dwight H. Green, Thomas S. Hammond, James S. Kemper, Frank Knox, Oscar G. Mayer, Sterling Morton, George F. Nixon, Roy C. Osgood, C. H. Poppenhusen, George Richardson, Guy A. Richardson, Lessing Rosenthal, Edward L. Ryerson, Jr., H. A. Scandrett, Arch W. Shaw, Lawrence H. Whiting, and Gen. Robert E. Wood.

#### EIGHTY-EIGHT PERCENT FAVOR PACTS

The announcement issued by the league began as follows:

"An 88-percent vote of its national council in favor of the principle of the Hull trade agreements was announced today by the National Economic League.

"The council of the league is a nonpartisan body consisting of leaders of public opinion directly nominated and elected as such by preferential ballot in each State."

A special committee of the league prepared a questionnaire on the reciprocal trade agreements. The first 400 returns disclosed that 90 percent of the Nation-wide council "believes that a reasonable balance between export-import trade is essential to domestic prosperity."

#### FEW WANT CONGRESS

Sixty-six percent favored fixing tariff rates by negotiation of trade agreements with specific foreign countries as against 25 percent voting for fixing rates by administrative inquiry of the Tariff Commission and 9 percent who favored leaving tariff fixation to general acts of Congress.

The members also favored by a 66-percent vote utilizing the President's power to adjust tariff rates by 50 percent downward or upward solely by means of trade agreements.

The question of how trade agreements are to be made brought out a 54-percent vote for continuing the present authority of the President to proclaim them when negotiated without submission to the Senate.

#### SOME ASK SENATE O. K.

Five other alternatives combined totaled only 46 percent of the total vote in about equal proportions. However, three alternatives called for advice and consent of the Senate to the agreement, and these three together polled 27 percent. Only 9 percent voted in favor of complete repeal of the President's authority.

The overwhelming approval of the principles behind the Hull program by these businessmen, who are being counted upon to finance the Republican 1940 campaign, came at a time when the matter of renewing the trade-agreements authority for another 4 years is being actively considered in Congress.

The alignment thus far has been on a purely political basis. Today's announcement, however, is almost certain to give added strength to those fighting for a renewal of the Secretary of State's authority.

## Jackson Day Address

## EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ADDRESS BY HON. LOUIS JOHNSON

Mr. GEORGE. Mr. President, I ask unanimous consent that an address recently delivered at Atlanta, Ga., by Hon. Louis Johnson, Assistant Secretary of War, be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Democrats, 125 years ago today the valiant Andrew Jackson stepped out upon the American stage as a gallant public figure. To the hardy men and heroic women on the frontier, his emergence into national prominence came as no surprise.

Your forefathers in Georgia already had known of his sterling qualities of leadership, for many of them had fought under his command in the campaigns against the Creeks. Their neighbors in Alabama already had become familiar with his military prowess and his moral courage, for some of them had marched beside him when he rode forth, his shattered arm hanging limp by his side, his quivering body burning with fever, to avenge the massacre of Fort Mims. The home folks in Tennessee already had recognized his devotion to the ideals of the pioneer, for they had stood behind him when they sent him to Washington as their first chosen representative. The whole frontier already had learned to idolize "Old Hickory," for it beheld in him a stalwart champion of the rights of the common man.

Then came the Battle of New Orleans on January 8, 1815, and the name of Andrew Jackson became a household word throughout the Nation and one soon to be conjured with in the political and economic life of our country.

The military significance of this smashing victory of Old Hickory's hastily mobilized amateur force of frontiersmen against the well-organized professional soldiers of mighty Britain I discussed at some length yesterday at New Orleans. Suffice it to say at this time that had Jackson failed, then New Orleans might have remained a subject of international booty, a coveted prize exposed to continuous bicker and conflict between Great Britain, France, Spain, and perhaps other countries. The Mississippi might have become a river of blood exposed to continuous strife among its riparians, as is the Vistula, the Rhine, or the Danube. Louisiana, at this moment, might have been a participant in the present European war.

In making the anniversary of the Battle of New Orleans Jackson Day in the calendar of our Democratic Party we bring into full focus the significance of the event and of the leadership of Old Hickory. Here was a military leader who could fuse into a fighting team such diverse elements as New Orleans aristocrats, Baratarian pirates, Choctaw Indians, African slaves, emigrés from France, refugees from Santo Domingo, and use them effectively in support of Regular Army and State troops. Here was a political genius who could attract to the banner of the Democratic Party hosts of American citizens from the North and the South, the factory and the farm, the city and the country, and win their enthusiastic approval for the candidates and the platforms of true Democratic liberalism in State and National Government.

The Democratic Party always has appealed to the widest cross-section of the American people. For that reason, we are not always unanimous on all public issues. Our Republican friends think that because our representatives in Congress do not always vote as one that our ranks are torn, that we are weak and that the popular tide is turning in their favor. They appear sometimes to sympathize and at other times to gloat over what they believe is our discomfort. But we are not misled by any political chicanery on the part of our rivals.

We admit that we occasionally disagree among ourselves. We Democrats are not like the rabbits of Atlanta's old beloved character, Uncle Remus. "W'en Old Man Rabbit say 'scoot' day scooted en w'en Ole Miss Rabbit say 'scat' day scatted." There are no "Ole Man Rabbits" nor "Ole Miss Rabbits" to dominate our party. Nor will you find such rodents among our rank and file.

We are Democrats, and "democrate" to us means exactly what it says. We are free to disagree, to argue, to get mad, and even to cuss among ourselves. When it comes right down to fundamentals, however, the American people, as always, will find us united. When we go to the country in 1940, we will do so with a record of unparalleled achievement, with candidates that merit public confidence, with a platform that is sound, democratic, and progressive, and with a united party—loyal to the ideals and to the traditions of the great Andrew Jackson.

The Republicans will bring forth a candidate who undoubtedly will be an upright American citizen and the best man they have

available. Unfortunately for them, they have not the quality to choose from that we have. Under our two-party system, it is proper and highly desirable that the Republicans nominate as standard bearer who can make a fight in one or two States other than Maine and Vermont. Whoever he is, we shall be delighted to send him down to defeat.

The likelihood of a Republican victory seems too remote at this stage to merit much consideration. Its chances already have "gone with the wind." In 1932, the American people acted in Rhett Butler fashion, and walked out on the Republican Party. Under present conditions there is just as much chance for it to win back the lost affections of the American electorate as there is for the return of Rhett Butler to Scarlett O'Hara.

Because the Republican Party refused to wrestle with realities, they were turned out of office. Because we have the courage to face facts and issues and to grapple with them in the interests of the American people, we retain their affection and admiration. What does it matter if, now and then, some measure fails to come up to its promises? So long as we continue to think and plan in terms of our country—our whole country—and stand on our record of achievement, we need have no fear as to the outcome of 1940.

It is impossible in the brief period allotted me to discuss fully the accomplishments of our Democratic administration since 1933 under the leadership of our beloved President. Let me invite your attention to a few of the more outstanding. Because of my portfolio with the War Department, I will touch first on national defense. That cause was very dear to Old Hickory and to all of our forefathers. In the preamble to our Constitution they recognized the duty of government "to provide for the common defense."

This basic law of self-preservation, as emphasized by our practical colonial forefathers and as laid down by our Constitution, the Republicans, when in power, always tend to ignore. Look back at the history of our country and invariably you will find the penny-wise, pound-foolish Republicans boasting of their economy at the expense of our armed forces.

It is always the practical idealists of the Democratic Party who give to the Army and to the Navy the authority and the dignity they deserve in the scheme of our American Government. It is always the Democrats who recognize what John Jay, in the Federalist, noted more than 150 years ago; namely, that "among the many objects to which a wise and free people find it necessary to direct their attention, that of providing for their safety seems to be first."

When the Democratic Party returned to power in 1933, after a lapse of 12 years, it found that the Republicans had given little or no support to national defense. Our Navy had been reduced. Our Army had been skeletonized. Our weapons had become outmoded. Our equipment had grown obsolete. No sooner had Franklin D. Roosevelt taken the helm of the ship of state when the renaissance of national defense began.

Under the leadership of President Roosevelt, Congress provided for a navy up to the limits established by the Washington Conference and the London Treaty; and today we are building a navy that should prove far more capable in the present storm-tossed world to protect our interests at sea.

Under President Roosevelt, our Army is modernizing, motorizing, and mechanizing. We are adding officers and enlisted men. We are strengthening our National Guard. We are training more Reserve officers. We are laying the foundations for an air corps that can defend this continent against attack. We are building modern barracks. We are conducting maneuvers. In short, we are giving moral and material support to the Army and bringing it up to a high state of efficiency.

With industry, the Army and Navy enjoy most pleasant relations. Never before in the history of our country has there been a keener appreciation of the respective roles in time of an emergency of our armed forces and of industry. The American businessman knows quite definitely that there is no intent nor desire on the part of the Army to interfere in the slightest degree with his enterprise at any time during peace or war. He, the Army and the Navy understand each other and trust each other. That spirit of cooperation that has been nurtured in the last few years may save us days, weeks, and perhaps months in time of emergency; and, what is even more important, the lives of many of our citizens.

Another field in which the Democratic administration under President Roosevelt has effected significant progress is in foreign affairs. As in the days of Jackson, our work in the field of foreign relations is marked by a procession of triumphs. In keeping with the traditions of Martin Van Buren, Edward Livingston, and John Forsyth, whose administration of the State Department under Andrew Jackson elevated the United States to a new high pinnacle of influence in the family of nations, President Roosevelt has placed in charge of foreign affairs a man of wisdom, of learning, of courage, of kindness, and of firmness. Both Republicans and Democrats have endorsed the splendid administration of our State Department under the outstanding leadership of Cordell Hull. Behind the voice of the President and the hand of Mr. Hull stands a united nation.

At the outset of his administration, the President proclaimed the "good neighbor" doctrine and his actions spoke louder than his words. Dollar diplomacy, he pushed aside. The marines he ordered home. A series of Latin American conferences, beginning with Montevideo in 1933 and culminating with the meeting in Panama last fall, have established a new spirit of hemisphere solidarity. The Monroe Doctrine, too often regarded merely as a



self-imposed unilateral obligation of the United States, has been converted into a cooperative peace of all 21 American republics. Today we behold the peaceful front of a united Western Hemisphere against the aggressions and the ambitions of the Old World.

At home, our farms are more scientifically cultivated, our labor better protected, our industry more intelligently managed, our bank deposits more safely guarded, and our securities more honestly advertised. The evils of prohibition are gone. Law is better enforced. Many of our unemployed young men are finding opportunities in the Civilian Conservation Corps camps. America, united and peaceful, under the leadership of President Roosevelt and the Democratic Party, moves forward to its true destiny. Let us all join hands and continue the march.

### Loans for Homes

## EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ARTICLE BY ERNEST K. LINDLEY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have inserted in the RECORD a very interesting and, I think, fair article appearing in the Washington Post of this morning, written by Mr. Ernest K. Lindley, on the Home Owners' Loan Corporation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of February 19, 1940]

LOANS FOR HOMES—STATE OF THE H. O. L. C.

(By Ernest K. Lindley)

It looks as if the finances of Government corporations were going to be subjected to highly critical analysis by members of the "economy bloc." This will do no harm, as long as accurate figures are used and they are not misinterpreted for campaign purposes.

Such regard for accuracy may be too much to expect in a Presidential year. Already a few rumors of undetermined origin are in circulation concerning the Home Owners' Loan Corporation. One is that the H. O. L. C. has lost \$200,000,000 on its loans in Florida. This sum happens to be about four times the total of H. O. L. C. loans made in Florida. A further fact is that Florida is one of the "best" States on the H. O. L. C. map, with the result that the losses there may well turn out to be zero.

The H. O. L. C. has suffered book losses of about \$78,000,000, and will suffer more during the next year or so. That is because it is putting its affairs in order by foreclosing and selling the properties whose owners could not or did not keep up their payments on H. O. L. C. loans.

The H. O. L. C. already has sold 80,824 pieces of foreclosed property. It has foreclosed 77,229 other homes, but has not yet sold them. Thus, in 158,053 instances its efforts to rescue home owners have not been successful.

This is 158,053 out of 1,019,000 attempts.

The H. O. L. C. was created in 1933, not to make money, but to save homes. The hope was that it would break even. In the 3 years during which it was authorized to lend money, it took over mortgages on 1,019,000 homes. These were supposed to be, and most of them were, mortgages which were in default. In most cases also tax payments were 2 or 3 years in arrears. In many cases repairs were also far in arrears.

In taking over more than 1,000,000 frozen mortgages, the H. O. L. C. thawed out banks and trust companies to the extent of nearly \$1,000,000,000; savings and loan associations to the extent of \$767,000,000; mortgage institutions and insurance companies to the extent of \$356,000,000; and individual mortgage holders and estates to the extent of \$686,000,000. It also cut down the face value of the mortgages by about \$200,000,000, and gave the home-owners a lower rate of interest—5 percent at first, now 4½ percent.

It lent money to pay back taxes and to renovate and repair these homes. It included these outlays in the new 15-year mortgages which it issued.

This is what has happened to its more than 1,019,000 loans:

Sixty-five thousand have been paid off in full, from 8 to 14 years before final payments were due.

Six hundred and forty thousand are in satisfactory condition; payments of interest and principal are up to date or less than 3 months in arrears. Where they are now slightly in arrears the owners have already whittled down the principal of their loans.

One hundred and thirty-five thousand are in a doubtful state. In most cases interest is being paid and in some payments on principal are being made, but in smaller amounts than called for by the original loan. About 12,000 of these look hopeless, but the owners

are still pleading for a chance to make good and are being given a little more time.

Twenty thousand are on the way to foreclosure, but final action has not been taken.

So out of the 1,019,000 bad mortgages taken over and converted by H. O. L. C., more than 700,000 have turned out to be good risks. About 150,000 more are more or less doubtful; some will work out, others won't. And about 158,000 owners didn't or couldn't make the grade.

The H. O. L. C. is taking its worst licking in New York State, where real-estate inflation was the highest and deflation the most severe, and where taxes, reconditioning costs, and foreclosure expenses are exceptionally high. The H. O. L. C. has been losing an average of \$2,357 per property on the homes it has foreclosed and sold in New York. With New York and other big losers included, the H. O. L. C. has lost an average of \$975 per home on those it has foreclosed and sold so far.

By the time the H. O. L. C. has completed this grand clean-up it may have suffered a loss of \$200,000,000. It will then be finished with wholesale foreclosures. There will be a trickle for some years to come. But the big job is over unless we slide into another depression. Most of the remaining owners have been cutting down their principal obligations and continue to do so every month.

To offset losses, the H. O. L. C. has its original \$200,000,000 in capital provided by the Treasury and \$69,000,000 in cash reserves. It pays administrative expenses and has a margin left for reserve against losses out of the difference between the 2½ percent it pays for money and the 4½ percent it receives.

Some H. O. L. C. officials believe that in the end the H. O. L. C. will pay out. The pessimists think it may lose as much as \$200,000,000, its original capital, which already shows up in the national debt. Nobody can be sure. The Federal taxpayer hasn't any ground for complaint yet and may never have. If the social and economic benefits of this home-saving expedition are counted, the taxpayer won't have any ground for complaint, even in the unlikely event that the H. O. L. C. loses twice its original capital.

### New Deal Financing

## EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

EDITORIAL FROM THE PITTSBURGH POST-GAZETTE

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial by Paul Block in the Pittsburgh Post-Gazette of February 13, 1940, entitled "Mr. Roosevelt's Financial Statements Are Both Puzzling and Shocking."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Post Gazette of February 13, 1940]

MR. ROOSEVELT'S FINANCIAL STATEMENTS ARE BOTH PUZZLING AND SHOCKING

President Roosevelt has, from time to time, made many puzzling statements, but his recent one that the Nation's total governmental debt has not increased during his term of office because the growth of Federal indebtedness has been more than offset by the decrease in local governmental debt is not only puzzling but shocking.

The New Deal's own A. A. A. has prepared figures which definitely prove that decreases in the debt of local governments have not come within billions of making up for the staggering rise in the Federal deficit under Mr. Roosevelt.

From 1932 to 1939, the debts of State and local governments were reduced from \$19,330,000,000 to \$19,200,000,000. The total decline was \$130,000,000. During the same period the direct debt of the Federal Government alone increased about \$21,000,000,000.

Thus, even if all the debts of the State and local governments in this country had been completely wiped out, it would still not have made up for the rise in the Federal debt, because the State and local debt has never been so great as the increase in the national debt under the New Deal.

It is both discouraging and rather shocking for the President to give out such figures, but it is only fair to state that the figures are not his, but are furnished him by the incompetent men who surround him. That is a subject we have mentioned often. At one time there were a number of very able men in some of the administration departments, but one by one they have resigned because they could not conscientiously continue to remain a part of the New Deal three-ring circus. The "yes" men who remain are probably giving the President figures to impress him, but which are not according to the facts.

Mr. Roosevelt's subsequent explanation that he meant to include the decrease in private debt as having helped to offset Federal indebtedness only serves to emphasize the lack of faith industry and investors have in the administration. Private debts are always down to rock bottom when business is bad. But when industry has faith and expands and investors start reinvesting, then private debts increase, and this, of course, is what the country needs.

We do not believe that anyone takes Mr. Roosevelt's financial statements very seriously. He has so often been wrong that this is not surprising. On eight different occasions he has stated that by the next year or shortly thereafter the Budget would be on the way toward being balanced. Instead, the national debt has increased each year, until now it has virtually reached its legal limit.

But why continue to hope for something Mr. Roosevelt and his administration do not know how to achieve? After more than 7 years, it is time to stop this era of unsuccessful experimenting and to place in Washington a President who will surround himself with men of experience pledged to devote all their energies to bringing back business recovery and reemployment. These advisers must include men experienced in business, in labor, and in finance.

It will be a happy day for the country when such a commission or Cabinet starts cleaning up the mess that has been created by the New Deal administration.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

EDITORIAL FROM COLLIER'S WEEKLY OF FEBRUARY 12, 1940

Mr. LUCAS. Mr. President, I ask unanimous consent that an editorial published in Collier's Weekly of February 12, 1940, entitled "Let Trader Hull Trade On," be included in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Collier's Weekly of February 12, 1940]

#### LET TRADER HULL TRADE ON

It's generally agreed that no member of the New Deal Cabinet has done a better all-round job than Secretary of State Cordell Hull. And the Hull enterprise that has earned the loudest applause has been the closing of the reciprocal trade agreements with 20 nations.

It is so much the more shocking, then, to see such a storm of petty and partisan agitation dust up in Congress against the proposal to extend for another 3 years the State Department's power to make these agreements. Present expiration date of power is next June 12.

Farmers are being told that hams from Germany's part of what once was Poland are forcing American hams off the American market \* \* \* that Canadian wheat and beef, let into this country under reduced tariff schedules, are running down American prices for those commodities \* \* \* that Argentine beef is coming into the United States in million-tin lots.

Therefore it is urged that the State Department be stripped of power to make these agreements whenever and wherever it can spot a good dicker for the United States. It is further urged that the agreements themselves be thrown overboard as fast as may be.

For all this the correct word is nonsense—plus a few adjectives such as selfish, narrow-minded, and in more cases than one, false.

The fact is that the State Department in negotiating these pacts has leaned over backward to avoid cutting United States tariffs on any foreign goods that would seriously compete with similar goods produced here. The negotiations with Argentina, for example, fell through because the State Department declined to give Argentina so much as a shred of the American shirt in the matter of reducing tariffs on Argentine wheat. And this is the spirit that has governed the American end of these negotiations ever since Mr. Hull and his associates began them about 5 years ago.

Some of the tangible results have been that 10 nations have reduced their tariffs on our pork, ham and bacon; 9, Great Britain among them, have cut tariffs on our lard; while wide reductions have been made in duties on our grains and grain products, our fruits and our vegetables.

Some American toes have been stepped on, yes; but so have some toes in the 20 countries on the other ends of the trade agreements. One of the net results, though, has been that from 1935 to 1938 our exports of farm products to trade-agreement countries went up almost 50 percent. Another of the net results is that our export trade has been healthy and has been growing healthier since 1935, whereas it was in the deep blue dumps for many years before that year.

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In the matter of the Mexican and Bolivian oil steals, the State Department in our estimation has been a one-sided good neighbor, which is to say that it has been a sucker and a sap.

But it has done brilliant work on the trade agreements; and it has not bartered away any American markets to the villainous foreigner—who isn't any more villainous than we are, anyway.

Even more important, in a world gone mad with tariff mania and export-subsidy insanity our State Department has stood by the proposition that a nation that wants to sell must also buy; that to get business you've got to be willing to do business. On the survival of this principle depends much of the hope for a livable post-war world.

Hull has done and is doing one grand job. We're for letting the State Department carry on with the trade-agreement work—if not for the proposed 3 years after next June 12, then at least until after the next Congress has convened and the next administration has had plenty of time to get its bearings.

### Can Our Planes Protect America?

### EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

ARTICLE BY FRAZIER HUNT

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article which has just appeared in the periodical called This Week magazine of date February 18, 1940. The article is entitled "Can Our Planes Protect America?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From This Week magazine of February 18, 1940]

#### CAN OUR PLANES PROTECT AMERICA?

(By Frazier Hunt)

How many military airplanes do we need? Are the 3,000 Army planes authorized last year—which will bring our total of Army planes to 5,500—enough to protect us?

And are we getting the right kind of planes? Is our air strategy correct?

One more question: Why is it that democracies can build great armies, such as the French Army, and great navies, such as the British and American Navies, and yet trail months and years behind the dictatorships in their air forces?

Some wise people argue that the answer to this last question lies in the inability of democracies to break with the status quo. Armies and navies are accepted forms of defense, while the airplane is still an imaginative weapon that has yet to prove it can win wars—or at least that was the case up to the time of the Polish debacle last fall.

When Hitler decided that he wanted a great air armada he called in Goering and told him to build, in the shortest possible time, 2,500 bombers and a balanced fleet of pursuit ships. Goering in turn called in plane manufacturers, allied industries, gun makers, instrument people. He didn't bother to ask if they could make these planes, or how long it would take, or any other silly questions. He ordered them to get busy.

When I was in Berlin 4 years ago some 2,000 of these planes had just been delivered—and the whole bunch were second rate. The builders had been in too big a hurry. Hitler and Goering were disappointed, but they simply ordered several thousand better planes. They didn't have to wrangle with Congress for the money.

Hitler and Stalin and Mussolini—and even Japan—can do just such things. Unfortunately, or fortunately, democracies do not work with such brutal efficiency.

Our military people and our Congress alike want their money's worth. When we vote \$300,000,000 to more than double our air strength, we want no reckless waste, as in that first batch of Goering's bombers. So we go slowly and feel our way. That saves money, but it wastes time—and time is the essence not only of preparedness but of war itself.

Well, are we getting our money's worth? Are the 3,000 new planes authorized—to be added to the 2,500 we already have—the sort of planes that can make us really strong defensively?

Let's look at our air situation today. On March 1, 1935, Gen. Douglas MacArthur, one of the greatest soldiers who ever graced the office of Chief of Staff, brought all the air force in continental United States together and called it the General Headquarters air force—the G. H. Q. air force. This was to be highly mobile and concentrated—an efficient striking force. In a war crisis it could be sent almost overnight to any point in the country where there were



adequate fields, and immediately thrown into action. "M day"—mobilization day—was to be any day for them. They were set apart as the minutemen of the skies.

Now, that was almost 5 years ago. On January of this year the general headquarters air force had somewhat over 400 combat planes scattered about at its various bases. That seems a pretty small number when we consider that Germany is turning out more than 1,500 planes a month, while England and France together equal or better that number. Our own plants are grinding out close to 1,000 planes a month, and soon this number will be stepped up. Yet on January 1 we had a lowly four-hundred-odd Army combat planes in all continental United States. That is less than one-fifth the number of bombers and attack planes alone that Germany used against Poland—after she had destroyed Poland's airdromes and ships on that mad day of September 1, and had the air to herself.

Let's get the picture straight. Of our present 2,500 planes, these four-hundred-odd combat ships are assigned to our continental general headquarters air force. The remaining 2,100 planes are in Panama, Hawaii, Manila, and Puerto Rico, or are training planes for our air schools and National Guard. Of the 3,000 planes in the works, or authorized, 1,600 will be combat planes. That should give us a reasonable general headquarters striking force—when we finally get the craft.

That date has been set for June 30, 1941. Sixteen months from now, if all goes well, we are to have a moderate-sized continental air force to protect the richest and most envied nation in the universe. No living man can begin to predict the state of the world and its wars by that time. It is probably the most dangerous 16 months the world has ever faced. Startling military advancements will take place—and the greatest of these will be in the field of the deadly long-range bomber.

It is this bomber, constantly lengthening its range of action, that has upset the art of war as much as did the invention of gunpowder. It has built up a whole new philosophy of diplomacy and war. Power politics, which we read so much about, are really "bomber politics," for the dictators realize that the bomber is the true expression of modern force.

Italian bomber politics drove the British fleet out of the Mediterranean in the Ethiopian crisis. German bomber politics humbled France and England at Munich, and lost them Czechoslovakia and their own self-respect.

And once Germany shifted her gears from bomber politics to actual bomber fighting, she broke the back of the inadequate Polish air force, robbed the army of its "eyes," and made troop concentrations impossible. Military experts had agreed that it would take from 3 to 6 months to bring Poland to her knees; yet within 24 hours of the start of the undeclared war, German bombers had completed the horrible job of destroying Polish airdromes, so that there was no place for the planes of France and England to land, even if they had dared attempt a rescue by air.

The devastating blitzkrieg that followed was largely predicated on the astounding victories of Goering's bombers. In a total of 7 days the remarkable teamwork of the infantry and artillery had blasted open the way for the Panzer mechanized divisions to strike their swift and deadly blows. But, our Air Corps men insist, it was the bombers that had paved the way.

And even more impressive evidence of the part that such bombers can and will play in modern warfare is the belief of our Air Corps men that Hitler may already have lost the whole war because his bombers lack a vital additional 150 miles in their operating radius. If Hitler's great fleet of bombers had a bombing radius of 750 miles instead of a maximum of 600, he might have been able to destroy England's docks, ports, factories—and possibly even her grand fleet. Only a comparatively small number of his bombers have an actual bombing radius of more than 350 or 400 miles. (Bombing radius means the distance a bomber can fly with a pay load of bombs and return.) Even with a scanty 600-mile radius, Hitler has been able to greatly curtail the operation of the proud grand fleet in the North Sea, and mine such forbidden areas as the English Channel and the mouth of the Thames.

A second factor is evident: despite his bombers' short range, Hitler might have been able to wreak untold damage on England at the very start—if he had had a great force of finely trained navigators to make the most of his available air power. But that he lacks such navigators is obvious.

And his lack of a highly perfected bomb sight may likewise have deterred him in taking this one desperate chance he had for a speedy victory against England. (Our own marvelous bomb sight, which some of our flyers claim can drop a bomb on a battleship at 15,000 feet, is one of the few great military secrets we possess.)

By spring all these three German air weaknesses will probably have been corrected. We know for certain that all the belligerents—Russia included—are building long-range bombers as fast as they can. For, if the essence of air power is in the bomber, the essence of the bomber is its range.

The other day at Langley Field I flew in one of our fabulous "flying fortresses" at better than 250 miles an hour. This plane can fly, without its pay load of bombs, more than 3,000 miles. Allowing for a comfortable margin of safety, it can fly 850 miles with two or three tons of bombs and return to its base. We will soon have several squadrons of these flying fortresses in service

that can fly in the neighborhood of 1,000 miles with their pay load, and still have plenty of gas to get home. Most of these will fly at 300 miles an hour at 25,000 feet and will be able to climb to 34,000 feet. Part of the total 181 of these heavy long-range bombers that will be in service by June 30, 1941, will be able to fly better than 1,500 miles with their bombs, and return home. And in a few years—say six or seven at the most—we, and other nations as well, will have bombers that can fly the ocean nonstop with five tons of bombs and return home.

This means that our protecting oceans may some day actually betray us. Our industries based on or near our coasts and apparently safe behind an ocean moat 3,000 miles wide, will offer ideal bombing targets in future wars. The very essence of defense against air raids is a system of far-flung listening posts that permit sensitive listening devices to sound their alarms while the bombers have yet two or three hundred miles to travel before reaching their objectives. Listening posts situated along our seacoast can warn inland cities, such as Pittsburgh, in ample time. But Boston, Hartford, Bridgeport, New York, Jersey City, Philadelphia, and a score of other Atlantic coast industrial centers have a far smaller margin of safety. The same thing is true of the industrial cities on our west coast. Listening devices placed on offshore ships, of course, can partially overcome this great handicap, but they will always be far less efficient than land-based posts.

The constantly increasing speed and range of the bombers make this geographical weakness of so many of our great cities a matter of high importance. Bombers attacking at 350 miles an hour move one-half as fast as the speed of sound—one-half as fast as the bullet from an army pistol. Incredible as it may seem, these future bombers will cover 100 miles in from 15 to 20 minutes. That leaves precious little time for the defending pursuit planes to take off and meet the attackers or for antiaircraft defenses to be manned.

Let's consider for a moment the district immediately around Greater New York. In this area almost 50 percent of the critical war materials of the United States Army and Navy are manufactured. And 18 electric plants furnish 90 percent of the power for these factories, as well as for the 12,000,000 people who live in this concentrated district.

Every alert general staff in the world knows the exact location of these power plants. And they know what their bombers of the future may be able to do to them in one great air raid. Granted that this may seem fanciful to us now, but let us speculate as to what damage these long-range future bombers might do to us—provided they were not stopped before they could get off their nests, or were not intercepted, or shot down by pursuit planes or antiaircraft guns.

New York, with its power plants out of commission, would become a shambles in 24 hours. It would be a helpless paralytic, fumbling about in a perpetual black-out. No water tap would work; almost no wheels would turn; few trains would move. Many children and invalids would almost surely die of thirst and hunger before they could be evacuated. And much of our war industries would dry up at their source.

And the New York area is only one of our highly important industrial and population centers.

In the great triangle extending from Detroit to Pittsburgh and Boston lie 90 percent of our war industries. If foreign powers continue to increase their air-offensive possibilities at the rate they are increasing today—and if we do not keep pace with them—at some not far-distant date the great triangle that is the crucible of our defense may be at the mercy of long-range bombers. Slow moving and unprepared as we are today, our condition would be utterly hopeless if our war industries were shattered, our great cities rendered helpless, and our civil morale shaken. Our powerful Navy might keep off actual land invaders, but the Navy's own shore bases would be subject to air bombardment, and unless the bombers were driven off, these bases might actually be destroyed. Save only actual defeat at sea, this is the most serious blow that could come to a naval battle force. A fleet without adequate shore bases is like a man without a home.

Now, all this may seem fantastic speculation, but in order to meet just such an imaginary threat the War Department announced a few weeks ago the tentative formation of an air defense command for the highly important industrial section of northeastern America. Using Springfield, Mass., as the center of operation, this coordinated air-defense plan would include pursuit planes, air-raid alarms, and antiaircraft guns, all concentrated under one unified command. And once this system proves its worth, other vital air-defense districts will unquestionably be laid out.

These individual areas will be guarded by three circles of defense—one inside another—to be used in case our long-range bombers fail in their missions of stopping enemy craft before they can take off. The outer circle will consist of fast, medium-range pursuit fighters. The middle circle in this scheme of defense will be the radius of safety afforded by pursuit airdromes at which swift pursuit interceptors will be stationed, ready to take off and fight those enemy bombers that have eluded the pursuit fighters. The inner circle of defenses will be made up of batteries of antiaircraft guns, which would lay sky barrages of bursting shells that the enemy must penetrate to drop its bombs within the protected area.

This is the last-word conception of modern air defense. As far as the United States is concerned it is certainly no more than a

mere conception, because at this moment we have none of the elements—long-range bombers, interceptor fighters, pursuit fighters, automatic location devices, or antiaircraft guns—in sufficient numbers to make a single American city safe, even if all we possessed in continental America were brought together. At present we have 8 antiaircraft guns to guard the whole Greater New York area. These 8 guns are actually only enough to protect a 2,000-yard radius. It is only fair to add that within a little more than a year we shall have the guns and material for 37 mobile antiaircraft regiments, but the majority of these will be National Guard troops.

Obviously all this has to do with purely defensive measures against air attack. It is an old military maxim that the only true defense is offense—and this is where the long-range bomber comes into its own.

Our flying men propose that our bombers shall have the range, the speed, the ceiling, and the bomb-carrying ability to defend our country by meeting the enemy on his own home grounds—whether those home grounds be land air bases, or aircraft carriers at sea. Their immediate concern consists in seeing that no outside country obtains any sort of air or naval base in any part of the Western Hemisphere, including its islands. Any such base might permit enemy bombers to destroy the Panama Canal—the key to our whole naval defense—and wreck naval shore bases and our great coastal cities and factories. Certainly we have laid down a definite and necessary national policy in regard to keeping Europe and Asia out of this hemisphere forever.

This is the immediate problem—and once our Air Force reaches its present expansion, and our Army, small as it is, becomes a seasoned, equipped and well-balanced machine, and our great proposed Navy attains completion, we should have little need to fear this immediate problem.

The problem that will face us in the future is paced to the increasing range of the bombers. When enemy planes can fly the Atlantic and back, then our bombers must be ready to do the same thing.

Our air expansion program calls for 178 long-range bombers by the middle of June 1941 (along with several hundred medium and light bombers). That means 178 long-range bombers out of a grand total of the 5,500 planes that will make up our projected air force. Yet the long-range bomber is our one master defensive air weapon, because it is the only one that packs a retaliatory threat, and can destroy the enemy's birds before they can get off their nests.

Certainly we need the medium bombers and the light bombers and the 800-odd topnotch swift pursuit planes that we shall have in our active combat groups by 1941. But we also need millions spent in experimenting and developing—especially in the field of heavy long-range bombers that can buy peace by their threat.

It would be a simple matter for this present Congress to appropriate an additional \$25,000,000 for pure air experimentation. Such research is all that is needed before we can build flying fortresses that can fly the Atlantic and back. Then we must see to it that our superb factories are set up to turn out these planes in sufficiently large quantities at the moment they are needed to gain for us the respect of the world.

It may be unwise to concentrate on great fleets of bombers now, but we must insist that we keep well ahead of the rest of the world in air development. It is our historic role. The first man who ever flew a plane was an American. And the first military plane ever built and sold to a government was flown by our Army in 1909. We have always been far ahead of the rest of the world in practical air machines—and it was not until Hitler took power in Germany and grasped the future military value of airplanes that America lost her lead. But we can regain it once we make up our mind that it is essential to our defense. Our civil planes are the finest in the world; our military planes must regain the same distinction.

But hand in hand with our expanding machines of the air must go a steady and ever-growing increase in our trained personnel. It takes twice as long to train a pilot as to build his plane. To fly and service a commercial air liner today calls for 4 pilots and 26 groundmen. Translate that into military terms and you get astounding figures.

Our great air program that anticipates 5,500 planes by the middle of 1941 authorizes an Army Air Corps of 40,000 enlisted men and 4,500 officers. But merely to authorize that number is a far cry from a guaranty of that many really trained men. The money must be actually voted so that this absolutely necessary increase in trained personnel can march ahead.

In the last year of the first World War splendid lads were tossed into the air over the Western Front to battle for their lives with as little of 20 hours' flying training. Air tactics were still largely in the "dogfight" stage, and the keenest and luckiest of these young eagles survived. Today it takes fully five times as long to train a flyer, and an additional year or two for him to become completely indoctrinated with modern air tactics of squadron flying. Solo fighters are largely a thing of the past. Air squadrons are as finely trained as a college football team. There are no better flying teams in the world than our own, but it has taken years to train them, and we need three or four times as many of these men.

One thing all air people insist on is that there be no "dissolution of personnel" in time of crisis. Trained flying teams must be held

together at all cost. To break up trained groups is to trade expert fighting units for "lots of nothing."

To meet this crisis, nine civilian air schools have been virtually taken over by the Government to be used for primary training. Cadets fortunate enough to pass through this primary course are next sent to Randolph Field for the basic training, and then to Kelly for their advanced course. Finally, they receive their completed training with the General Headquarters force itself. At present there are 1,163 cadet flyers enrolled, and about half of them will be able to last through the rigorous steps. Enlisted mechanics are at the same time being trained for their highly specialized duties, first at Scott Field, near St. Louis, and then at either Chanute or Lowry Field. And with these two expanding programs goes the ambitious plan of the Civil Aeronautics Authority to give air training to 20,000 college men during 2 years of their college course; this training will equal the primary course at the regular air schools. Thousands of students are also taking aeronautical engineering courses at a number of our universities. Hundreds of other young men are being trained in commercial flying. And our Clipper ships are the finest possible training schools for navigators and specialists.

All this is slowly building a great and valuable reservoir of flyers and groundmen, at least partially prepared for some dreaded M-day, when war will break out of the blue skies upon us. The 10,000-mile bomber, with a round-trip, nonstop bombing radius of 3,500 miles, is only a few short and dangerous years away. This long-range bomber cannot alone actually win wars of the future, but it can so cripple an enemy that its fighting resistance is almost nil. Certainly the bomber is the most terrific and deadly striking force ever put at the disposal of a military commander—or dictator. It can make victory possible. It is the new third dimension in war.

Enemy bombers alone can never conquer America, but they can cripple us, humiliate us, and reduce our great cities and industrial centers to a bloody shambles. Only soldiers with bayonets can really occupy and conquer a country, but the heavy, long-range bomber can spread death and despair.

Some Army flyers insist long-range bombers could sink battleships. No one knows for certain how true this daring statement may be; the North Sea may soon serve as the stage for this mighty drama of war to unfold its last act. But we do know that there is no limit to the size and striking power of the bombers of the future.

They threaten our peace and our very existence. And we can meet this threat only by an even greater retaliatory threat—by an unparalleled fleet of these deadly war birds.

Let Congress vote us hundreds of these peace guarantors.

Let the President insist on more and greater joint air maneuvers between the air forces of the Army and Navy. Let the whole Army—Air Corps and Navy team—continually practice their great and vital defense problems together.

In the new and important bases being built in Puerto Rico for Panama Canal and hemisphere defense, the Army air field and the Navy air field, instead of being built as a joint base, have been constructed a few miles apart at an extra cost of millions of dollars. There are unquestionably some valid technical reasons for this, but had there been a stronger desire for complete cooperation, a joint base might have been worked out. Both Army and Navy insist that separate fields are necessary, because their problems are different.

But are they really so different? Are not their fundamental problems the simple ones of helping to make America safe from foreign aggression—and at the lowest cost? Our Army and Navy officers are intelligent and patriotic men, but in these times of danger they must forego a little of their intense loyalty to their own branches of the service and throw themselves wholeheartedly into solving our problem of national defense.

Until recently the Navy high command insisted that the Army Air Corps had no business flying more than 100 miles out to sea. The sea belonged exclusively to the Navy. Yet we owned Army bombers that could carry death to such enemy ships as aircraft carriers and troop transports almost a thousand miles offshore. And with the immediate problem of patrolling the new 300-mile safety belt around our continents, Army and Navy people soon came to a working arrangement.

Our problems of hemisphere defense are the very heart of our national safety. We must get ready—stay ready—and then stay out of European and Asiatic wars. We have only to plan and execute ample air, navy, and army defenses for our American world. Then we must stick to this plan through thick and thin. It must be as secure 5 years from now as it will be next year.

From the point of view of the air, to be safe we must have:

More money for air research.

More long-range bombers—or at least the manufacturing facilities to turn them out by the hundreds when really needed.

More fully trained and experienced air personnel.

More antiaircraft defenses—including men, guns, automatic location devices, searchlights, and combat pursuit squadrons.

And our Army, Air, and Navy men must work closer and closer together on such vital items as defense plans, supplies, and training.

Only then can we hope to make America safe from some fantastic blitzkrieg of the future.



# Grand Coulee Appropriations and How They Are Spent

EXTENSION OF REMARKS  
OF  
HON. CHARLES H. LEAVY  
OF WASHINGTON  
IN THE HOUSE OF REPRESENTATIVES  
Monday, February 19, 1940

STATEMENT BY HON. JOHN C. PAGE

Mr. LEAVY. Mr. Speaker, we will shortly be giving consideration to making further appropriations to continue and work toward the completion of one of the greatest engineering constructions ever undertaken by man—the Grand Coulee Dam—which is located in eastern Washington, part in my district and part in the district of my colleague from Washington [KNUTE HILL].

Due to the fact that so many of our colleagues on the floor of this House from the eastern section of the United States have based their criticism of the huge expenditures required in this giant undertaking on the ground that the money was being spent out in the Northwest, I desire to place in the RECORD a break-down showing how and where these appropriations have been spent, in the first instance, and include with such break-down the statement by the Honorable John C. Page, Commissioner of the United States Bureau of Reclamation, which is a part of his report to Secretary of the Interior, Harold L. Ickes.

The tabulation of expenditures, together with Mr. Page's statement, is as follows:

STATEMENT BY HON. JOHN C. PAGE

Of \$102,382,000 spent up to January 1, 1940, in the construction of Grand Coulee Dam on the Columbia River in Washington, \$61,427,266—more than 60 percent—went directly for the purchase of materials and supplies that rang cash registers in all 48 States and the District of Columbia.

Expenditures of more than \$3,000,000 have been made in each of four States, Washington, California, Pennsylvania, and Illinois; of more than \$2,500,000 in each of 5 States, Indiana being added to the other 4; of more than \$2,000,000 in each of 6 States, New York being added; of more than \$1,500,000 in each of 8 States, Alabama and Oregon being added; or more than \$1,000,000 in each of 9 States, New Jersey being added; and of more than \$500,000 in each of 13 States, Colorado, Maryland, Michigan, and Wisconsin being added. Expenditures of more than \$100,000 have been made in just one State less than half the whole 48, or 23.

While the States of Washington and California lead in the amounts spent within their borders for materials, equipment, and supplies by the contractors and by the Bureau of Reclamation, large parts of the totals shown for these States have gone to areas east of the Rocky Mountains. Except for cement, by far the greater amount of expenditures made in Washington, for example, went for materials bought from local dealers representing some eastern manufacturer of trucks, automobiles, tractors, steel cable, and a wide variety of supplies.

An outstanding example of this type of expenditure is found in connection with the contract for the fabrication of the large steel penstock and outlet pipes used in the dam. The materials for the pipe are shipped from Alabama, Indiana, Illinois, and Ohio, and the work of fabrication is done near the dam site, but the payments are made at the home office of the contractor, the Western Pipe & Steel Co., of San Francisco, and consequently all the expenditure falls within the total credited to California.

No attempt has been made, however, to trace back to the actual manufacturer the many items of this sort which appear in the totals for Washington, Oregon, and California.

More than 60 percent of the money used to date in the construction of Grand Coulee Dam has gone directly into the purchase of materials, machinery, and supplies, and this represents industrial business and industrial employment from coast to coast. It is clearly indicated that more than 40 percent of all the expenditures have been made in industrial centers east of the Mississippi River.

This means that construction of Grand Coulee Dam, located 92 miles west of Spokane, Wash., has increased the pay rolls in towns and cities so far removed that many of those directly benefiting from the job might have difficulty in finding the Columbia River on a map.

The following is a tabulation of the expenditures made for these items by States:

Sources of equipment and supplies for Grand Coulee Dam—Actual expenditures to Jan. 1, 1940

State	First contract		Second contract, to Jan. 1, 1940		Total
	M. W. A. K.	U. S. B. R.	C. B. I.	U. S. B. R.	
Alabama.....	\$3,526	\$404,697	\$145,000	\$1,016,705	\$1,569,928
Arizona.....			25,000	51	25,051
Arkansas.....	656		2,000		2,656
California.....	2,105,884	153,317	1,139,000	2,206,647	5,604,848
Colorado.....	48,353	115,254	159,000	293,980	616,587
Connecticut.....	102,953	14,917	138,000	30,330	286,200
Delaware.....	198,082	460	12,000	279	210,821
Florida.....	1,536		6,000		7,536
Georgia.....	7,008	276	1,000	5,340	13,624
Idaho.....	10,035	2,741	90,000	1,936	104,712
Illinois.....	1,810,723	319,164	592,000	619,529	3,341,416
Indiana.....	1,055,444	1,134,968	324,000	136,866	2,601,278
Iowa.....	180,526	11,394	98,000	11,174	301,094
Kansas.....	11	7,771	7,000	1,810	16,592
Kentucky.....	8,112		37,000		45,112
Louisiana.....	5		1,000		1,005
Maine.....	3,167		8,000		11,167
Maryland.....	83,004	27,800	29,000	476,851	616,715
Massachusetts.....	113,711	8,022	114,000	4,545	240,278
Michigan.....	211,226	34,719	134,000	152,013	531,958
Minnesota.....	725,916	116,770	55,000	46,221	943,937
Mississippi.....			3,000		3,000
Missouri.....	68,347	112,708	117,000	72,979	371,034
Montana.....	52,395	286	20,000	226,791	290,472
Nebraska.....	179	68	2,000	4,547	6,794
Nevada.....	562	846	5,000	1,589	7,997
New Hampshire.....	171		4,000	192	4,363
New Jersey.....	724,082	109,637	169,000	211,920	1,214,639
New Mexico.....			2,000		2,000
New York.....	1,495,639	234,118	583,000	156,818	2,469,575
North Carolina.....	1,800	1,148	52,000	26	54,974
North Dakota.....			2,000		2,000
Ohio.....	1,912,283	65,138	486,000	129,722	2,593,143
Oklahoma.....			3,000	11	3,011
Oregon.....	650,448	151,894	345,000	828,165	1,975,507
Pennsylvania.....	1,545,103	117,864	1,187,000	182,172	3,032,139
Rhode Island.....	8,058	2,339	23,000	760	34,157
South Carolina.....	2,000	204	2,000	227	4,431
South Dakota.....			1,000		1,000
Tennessee.....	202	416	56,000	313	56,931
Texas.....	1,068		15,000	569	16,637
Utah.....	499	2,868	18,000	6,138	27,505
Vermont.....			2,000		2,000
Virginia.....	792	92	37,000	11	37,895
Washington, D. C.....	89,971	41,987		122,755	254,713
Washington.....	7,398,695	9,920,207	2,832,000	11,160,744	31,311,556
West Virginia.....	6,187	28,984	4,000	4,470	43,641
Wisconsin.....	208,754	85,392	147,000	62,338	503,484
Wyoming.....			1,000	183	1,183
Total.....	20,787,023	13,228,526	9,234,000	18,177,717	61,427,266

## Air Service to South America

## EXTENSION OF REMARKS

OF  
HON. LOUIS LUDLOW

OF INDIANA  
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1940

Mr. LUDLOW. Mr. Speaker, in preparing the Treasury-Post Office Departments appropriation bill for the fiscal year 1941 our Subcommittee on Appropriations took cognizance of the need for strengthening the air service between the United States and Latin-American countries and provided for increased frequencies along both the east and west coasts of South America. It was thought that with European air service to South America bogging down on account of the war, now is a very opportune time to bring about the establishment on a permanent basis of adequate air service to the countries on that continent for the improvement of future trade and commercial relations; but paramount even to that consideration was the thought that an increase of air facilities would serve to bind into closer ties of amity and cooperation the countries that are associated in a political union for the defense of the Western Hemisphere under the Monroe Doctrine.

It was this latter aspect of the situation that induced me to write a letter to Hon. Cordell Hull, Secretary of State, ask-

ing his views in regard to the desirability of the proposed increase of air-transport facilities on the two coasts of South America; and as I believe there is a public interest in the correspondence between Mr. Hull and myself, I herewith submit it for the RECORD, as follows:

My letter to Mr. Hull:

DEAR MR. SECRETARY: The Appropriations Subcommittee, of which I am chairman, which prepares the Post Office and Treasury Departments' supply bill, has before it estimates for increased air-mail frequencies on both the east and west coasts of South America which would involve a considerable annual outlay. The foreign air-mail service is far from being on a paying basis, and these additional facilities would increase the annual subsidy in that service. Naturally, we are loath to authorize these increased frequencies unless we can foresee substantial benefits resulting therefrom.

At the same time we are confronted with the impelling argument that the present situation affords a splendid opportunity to establish on a permanent basis advantageous trade relationships with Latin-American countries, and we are not oblivious of the possibility that there may be reasons of the highest political importance which suggest the wisdom of creating and fostering ties of amity with our southern neighbors through the medium of air service.

I know this is a matter to which you have given personal attention, and as your views are held in the highest respect I would appreciate having your opinion as to the value of increased mail service on the east and west coasts of South America, especially in relation to the creation of a better feeling and understanding between the United States and the other countries in the Western Hemisphere.

Very sincerely yours,

LOUIS LUDLOW,

Chairman, Post Office and Treasury Departments' Appropriation Bill.

Mr. Hull's reply:

FEBRUARY 13, 1940.

MY DEAR MR. LUDLOW: I refer to your letter of January 15, 1940, requesting an expression of views of this Department regarding the proposed increase of air-transport facilities on the east and west coasts of South America.

As you are aware, it is the constant desire of this Government to cultivate the closest possible ties with the other American republics. Improved transportation facilities play an important part in the furtherance of this policy, and United States air-transport services have already made a notable contribution in that field.

Last year witnessed the tenth anniversary of several of the United States-South America air services, and during that decade very significant progress was recorded both in dependability and speed. In 1930 it required 10 days to go from Washington to Buenos Aires by air; today the same trip is made in approximately 5 days. Commercial aviation, by opening new prospects for the development of trade and by quickening the tempo of business and social relations, has already exerted a profound effect on the life of the New World.

Great as past progress has been, I am of the opinion that we as yet have hardly crossed the threshold of the development of international aviation. For example, the value of air services in the promotion of tourist travel has already been demonstrated, since one of the principal deterrents to travel between the Americas in previous years has been the amount of time required for such trips. Although there has been a gratifying increase during the decade in the number of tourist passengers carried in each direction, full advantage of this possibility cannot be taken until a greater frequency of service has been established.

As illustrative of the desire of the governments of the American republics to encourage the further increase of transport frequencies, attention is invited to the following resolution adopted at Lima, Peru, in 1937, during the Inter-American Technical Aviation Conference:

"VI. INCREASE IN SCHEDULES IN INTERNATIONAL AIR TRANSPORTATION

"The Inter-American Technical Aviation Conference considering:

"That the development of political, economic, and social relations between the countries of America requires that service on international airlines be as frequent as possible;

"That the establishment of international air services has resulted in closer relations between the countries of America, with evident benefit to the interests of the American continent and of each country in particular;

"Recommends:

"That the governments of the American republics urge international air-transport companies to increase their schedules as much as possible."

The desirability of improving communications generally was also recognized in resolutions adopted at the meeting of Foreign Ministers of the American Republics at Panama last October.

The factor of foreign competition likewise merits consideration. In order to preserve the enviable position achieved by United States aviation services in the New World constant progress must be maintained. While the present activities of foreign services in South America have naturally been curtailed or retarded as a result of

the war, there seems to be no doubt but that the conclusion of hostilities will be followed by strong renewed efforts in that area.

With all of the foregoing factors in mind, it is believed that advantage could well be taken of the present opportunity to increase the frequencies of United States air transport services, to the extent that the Congress may be disposed to appropriate funds therefor.

Sincerely yours,

CORDELL HULL.

## Water Conservation, More Important Now Than Ever

### EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

### REPORT BY GEOLOGICAL SURVEY

Mr. LEAVY. Mr. Speaker, we have just concluded hearings before the Interior Subcommittee on Appropriations, of which I am a member, and when the record of those hearings is printed and made public the reader will find running throughout them evidence that is most alarming in reference to the deficiency of rainfall in recent years.

We people in the great West have long since learned the value of water conservation. The wide extent of the deficiency in precipitation during the year 1939 has brought home to millions of people, living in the eastern half of the United States, in the region that is commonly called the humid area, the great significance that water has in maintaining both animal and plant life.

The United States Geological Survey on February 8 of this year released a statement that covers many sections of the United States, and gives a table containing a summary of the effect of the drought on selected streams, and in order that the membership of this House and the country at large may be more fully informed on this important matter, I am making it a part of the RECORD.

The alarming situation presented by this report of the Geological Survey is the fact that we are going into the crop season of 1940 threatened with even a greater water shortage than existed in 1939. How important, therefore, it is that we expand rather than contract the activities of the Federal Government in the field of water conservation and utilization.

The report follows:

[U. S. Department of the Interior, Geological Survey]

Although the snows now blanketing parts of the United States between the Alleghenies and the Rockies are tending to temper the drought situation which had threatened to become one of the most severe in 60 years, there will have to be additional replenishment or the 1940 growing season will begin with abnormally low water supplies, the Geological Survey, Department of the Interior, said today.

Precipitation during December continued below normal in all regions except the Pacific Northwest and Nebraska. The maximum deficiency during that month occurred in Arizona and Utah, being 29 and 37 percent respectively of normal. District engineers of the Survey report that some small streams and shallow wells in the Great Plains region have failed as water sources.

Climatic trends during the winter and spring months will be most important in the west central Great Plains region where there occurred the greatest annual deficiency. Precipitation in Nebraska was 69 percent of normal and in Colorado 65 percent.

Stream flows in the drought areas during the past year were as low as 26 percent of normal, and to date the flow has not increased appreciably, the Geological Survey reported. In West Virginia, the stream flow during the 5-month period August-December in three streams averaged only about 30 percent of normal.

The flow of the Red River at Fargo, N. Dak., which was zero during September, has increased to an average of 16 second-feet; the flow during the period between October 1, 1938, and September 30, 1939, averaged 179 second-feet, which in itself was only 41 percent of normal.



In the Tennessee River Basin where the run-off for the calendar year was practically normal, the discharge this winter has approached the minimum of record, being 1,650 second-feet on the Tennessee River at Knoxville November 15, compared to the minimum of record of 1,390 second-feet reached in September 1925.

The following table contains a summary of the effect of the drought on selected streams during 1939:

Stream	1939 discharge	
	Second-feet	Percent of normal
Tygart River at Belington, W. Va.	1 138	33
Guyandot River at Branchland, W. Va.	1 130	26
Elk River at Queen Shoals, W. Va.	1 270	26
Scioto River at Hgby, Ohio	2 420	
Miami River near Hamilton, Ohio	2 640	
Green River at Livermore, Ky.	3 554	
Cumberland River at Burnside, Ky.	3 262	
Cumberland River at Celina, Tenn.	4 11,290	93
French Broad River near Newport, Tenn.	4 2,570	137
Tennessee River at Knoxville, Tenn.	4 9,820	109
Wabash River at Mount Carmel, Ill.	3 1,100	
Kankakee River at Mokence, Ill.	3 670	
Red River at Fargo, N. Dak.	179	
North Fork of Republican River at State Line		41
Republican River at Hardy, Nebr.		67
White River at Crawford, Nebr.		79
Loup River at Columbus, Nebr.		59
Gasconade River at Jerome, Mo.	1 2,520	
Arkansas River at Van Buren, Ark.	1 2,230	
White River near Flippin, Ark.	1 778	
Smoky Hill River at Ellsworth, Kans.	8	50
Neosho River near Parsons, Kans.	10 0	
Red River near Colbert, Okla.	11 175	12 75
Washita River near Durwood, Okla.	11 30	12 17
Belle Fourche at Hulet, Wyo.		48
Colorado River at Ballinger, Tex.	432	101
Neches River near Rockland, Tex.	1,180	51
San Saba River at San Saba, Tex.	178	60
Missouri River at Loma, Mont.	4 5,756	
Flathead River at Columbia Falls, Mont.	4 8,618	
Yellowstone River near Sidney, Mont.	4 8,854	
Clearwater River at Spalding, Idaho	1 2,830	51
Boise River near Twin Springs, Idaho	13 299	73
Weber River at Oakley, Utah		68
Green River at Green River, Utah		66
Verde River near McDowell, Ariz.	4 508	64
Salt River near Roosevelt, Ariz.	4 485	50

<sup>1</sup> Mean flow August-December 1939.

<sup>2</sup> Mean flow October-December 1939.

<sup>3</sup> Mean flow September-December 1939.

<sup>4</sup> Calendar year.

<sup>5</sup> October-December 1939 inclusive.

<sup>6</sup> July-December, 1939.

<sup>7</sup> January-November 1939, inclusive.

<sup>8</sup> December 1939.

<sup>9</sup> Percent of flow during October 1934-April 1935 drought.

<sup>10</sup> During October, flow began again in November, almost reaching 10 second-feet by end of year in comparison with a normal of between 30 and 50 second-feet during November and December.

<sup>11</sup> Minimum discharge during 1939.

<sup>12</sup> Minimum discharge of record, in second-feet.

<sup>13</sup> Mean flow September-December 1939, inclusive.

## Return on Common Stock of Potomac Electric Co. 64 to 75 Percent Annually

### REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 1940

Mr. RANKIN. Mr. Speaker, I have lost a perfectly good suit of clothes.

The gentleman from Pennsylvania [Mr. RICH] voluntarily proposed the other day if I would show him that the Potomac Electric Co. was making 70 percent annually on its common stock he would give me a good, new suit of clothes. He did not ask me to bet with him. He said, "We are both members of the church and should not bet," but said he would make me a present of a new suit if I could show that this company made 70 percent on its common stock last year.

I went to work and dug into the proposition. I found, on investigation, that it earned only 64 percent on its common stock last year. While this company earned 74.9 percent on its common stock in 1937, it earned only 64 percent in 1939, knocking me out of this free suit of clothes by a mere 6

percent, although the power consumers of the District were overcharged about \$3,000,000.

From press reports we learn that the Public Utility Commission of the District of Columbia has issued an order providing a rate reduction to the electric consumers in the District, amounting to \$575,029 a year, when it should have been at least \$3,000,000 a year.

This order allocates \$155,375 to residential consumers, \$419,912 to commercial consumers, out of the total amount of \$575,029. This is a ridiculously low reduction when the local company is earning 64 to 75 percent per annum on its common stock. This reduction averages only 10 cents a month for each residential consumer. The mountain has labored and brought forth a mouse.

The press release given out at the time of the issuance of this order states that an unofficial comparison of the local power rates with the rates of other communities or of other cities of more than 50,000 population as reported last year by the Federal Power Commission for average electric bills, showed that the District rates were lower than the others, except in the industrial bracket, and that Washington has little demand for industrial schedules. This press release is not an accurate statement of fact, and it seems strange that such erroneous impressions should be given to the people of the District. Anyone who is interested should compare Washington bills with the T. V. A. rates at Tupelo, Miss., or Knoxville, Tenn., or with the rates in Tacoma, Wash., or Ontario, Canada.

It is not a proper defense to a charge of larceny for the defendant to plead that others are just as bad as he is, or worse.

On February 22, 1939, I covered the local power situation in a speech before the House entitled "Adequate Defense for the Nation's Capital and Full Protection for the People of the District of Columbia." In this address I made a complete analysis of the power, flood-control, and the national-defense power requirements of the Nation's Capital, and it is my desire to bring the results of my previous research down to date. Nothing has occurred within the past year to alter any of the conclusions I presented a year ago.

### RESIDENTIAL AND COMMERCIAL CONSUMERS

Within the District of Columbia, in 1938, there were 134,726 domestic consumers. These consumers had a yearly total of 142,891,000 kilowatt-hours registered on their meters. This represents an average monthly use of 88 kilowatt-hours. This consumption under Tupelo rates would be billed at \$2.01, and under the new Washington rates at \$2.40. The annual saving per bill at Tupelo compared with Washington would be 39 cents per month, or \$4.68 per average customer-year. This means that the 134,726 residential consumers in Washington, D. C., are overcharged \$631,000 per year. If Washington had the T. V. A. rates and the duplicating of meters were eliminated, the residential consumers here would probably use an average of from 200 to 500 kilowatt-hours a month with a saving of several million dollars a year.

In the same period 21,809 Washington commercial consumers consumed 171,029,000 kilowatt-hours, or an average of 654 kilowatt-hours per month. The average monthly consumption at Tupelo would be billed under existing schedules at \$12.29, and in Washington under schedule D at \$15.89. The average Washington consumer pays \$43.20 more per year for this consumption than does the Tupelo consumer. This represents an overcharge on the 21,809 consumers of \$940,000 per year.

If Washington had the same commercial rates as Tupelo, Miss., these commercial consumers would probably use an average of 2,000 kilowatt-hours a month, in which event they would save several million dollars a year.

These changes are coming. The utilities cannot continue to keep the American people in the dark.

The sum of the above Washington residential and commercial overcharges amounts to \$1,571,000. By the same process it is found that the street light, industrial, and public consumption is overcharged \$1,187,171 per year.

For the benefit of my colleagues I am presenting a table showing the Washington, D. C., and Tupelo, Miss., billings for residential and commercial service under different monthly consumptions, with the difference in bills.

The Washington, D. C., electric company produces and purchases current at a lower figure than does Tupelo. What reason can there be for charging such an excess in the District of Columbia?

Read the following comparison of monthly electric bills in Washington, D. C., and Tupelo, Miss., and you will see why the average monthly domestic consumption is twice as much in Tupelo as it is in Washington.

## RESIDENTIAL BILLINGS

Kilowatt-hours used per month	Monthly bill		Monthly difference
	Washington, D. C.	Tupelo, Miss.	
50.....	\$1.74	\$1.25	\$0.49
100.....	2.61	2.25	.36
200.....	4.48	3.75	.73
500.....	8.98	6.15	2.83
1,000.....	16.48	8.15	8.33
2,000.....	31.48	13.95	17.53
3,000.....	46.48	20.95	25.53
4,000.....	61.48	27.95	33.53
5,000.....	76.48	34.95	41.53

## COMMERCIAL BILLINGS

Kilowatt-hours used per month	Monthly bill		Monthly difference
	Washington, D. C.	Tupelo, Miss.	
50.....	\$1.90	\$1.25	\$0.65
100.....	3.50	2.50	1.00
200.....	5.80	4.75	1.05
500.....	12.66	10.75	1.81
1,000.....	23.16	15.75	7.41
2,000.....	44.16	25.75	18.41
3,000.....	65.16	33.75	31.41
4,000.....	86.16	41.75	44.41
5,000.....	107.16	49.75	62.41
7,500.....	159.60	69.75	89.85
10,000.....	212.10	89.75	122.35

Washington bills are those under recent schedule D.

If Washington had the Tupelo, Miss., rates thousands of people would heat their homes with electricity, just as large numbers are doing in Tupelo.

The time is coming when electric heat will be commonly used, but that time will not come to any community as long as it has to pay private utilities the exorbitant rates they now charge.

People have been heating their homes with electricity in Ontario, Canada, for more than 25 years. Many of them build their houses without chimneys, just as they are doing in Tupelo, Miss., today. It is the cheapest and most desirable heat we can get when distributed at reasonable rates.

It is the nearest akin to summer sunlight of any heat known. It leaves no ashes, no cinders, no smut, no grease, no vapors, no noxious fumes, or poisonous gases, and it does not burn the oxygen out of the air but heats it whole.

Since rates have been reduced in Tupelo large numbers of people heat their homes throughout with electricity, and that number is rapidly increasing from year to year.

I have before me here a letter from a friend in Tupelo who says that he lives in a seven-room house which he formerly heated with coal and gas, but that 3 years ago he changed over to electric heat, which has proved not only satisfactory but more economical, and more than satisfactory from a health standpoint.

In this home he has lights in the house and his yard, two radios, an electric iron, an electric refrigerator, an electric range, water heater, food grinder, grill and fans, vacuum cleaner, and heating units throughout the house. He used in the month preceding his letter 1,925 kilowatt-hours of electricity, which cost him \$12.60.

Another one writes that he has lights, radio, refrigerator, iron, range, fans, vacuum cleaner, water heater, and heats his house throughout with electricity, and that during the preceding month used 1,787 kilowatt-hours of electricity, which cost him \$12.05.

Another one who has lights, radio, refrigerator, iron, range, water heater, fans, and vacuum cleaner, and has his house

heated throughout with electricity, used 1,627 kilowatt-hours of electricity 1 month, which cost him \$11.41.

Another one with the same appliances and who heats his house throughout with electricity used 1,975 kilowatt-hours of electricity 1 month, at a cost of \$12.80.

I have one here from a civil engineer who owns a seven-room bungalow. He has lights, radio, refrigerator, iron, range, water heater, grill, fans and vacuum cleaner, and heats his house throughout with electricity. He used 2,706 kilowatt-hours of electricity 1 month, for which he paid \$15.72.

Since these letters were written the rates in Tupelo have been reduced again, which would bring these bills even lower.

These are the benefits we are trying to bring to all the electric consumers of the Nation, and especially to the people in Washington, the Nation's Capital, where the example should be set.

I call attention to the fact, also, that in nearly every residence, or apartment, or business establishment, in the District of Columbia, the power company has two or more meters, in order to compel the consumers to pay the top rate for the power used.

Let me also remind the House, again, that the Potomac Electric Co. can either produce or buy its power, wholesale, at a much lower rate than Tupelo, Miss., pays for T. V. A. power, and that, while the Potomac Electric Co. pays only from 4 to 6 percent of its gross income for local taxes, the Tupelo Electric System pays in lieu of taxes from 8 to 10 percent of its gross income—and then makes a net profit of \$40,000 a year, after meeting all its overhead expenses, sinking funds, interest on its indebtedness, and paying the city 6 percent on the entire investment in its electrical system. Anyone who is really interested in this subject can verify these rate comparisons, even for his own community, by consulting the Electric Rate Book, which he can purchase from the Federal Power Commission.

## POTOMAC VALLEY AUTHORITY

I have introduced a bill, H. R. 2749, setting up a Potomac valley authority. Such an authority is a national necessity from the standpoint of national defense, flood control, as well as for the establishment of a fair yardstick for the protection of the electric-rate payers of the District of Columbia and the surrounding territory.

It will be noted in the press release above referred to that justification for the high industrial rates in the District is based on the theory that there is little demand for industrial power in Washington.

Everyone in this House knows as well as I do that every activity in any defense program radiates from Washington. The strategic gun and naval supply factories are located within the District or within short transmission distance of the power sources supplying the city of Washington. There is a definite power shortage in this area. Electric power is the basic element in any modern defense program. Under a power shortage our defense facilities will break down, as they did in the World War. A chain is no stronger than its weakest link.

The bill that I have introduced will augment an inadequate power supply, will control floods, improve navigation on the Potomac River, and furnish an ample supply of electric energy at reasonable rates to industrial activities and to the domestic and commercial consumers, who need greater protection than is given under the application of the present regulatory statute. Rate regulation in the District of Columbia is better than in the average State, but, nevertheless, as I pointed out a year ago, it is an ineffective and obsolete method of protecting the consumer. What we need is a fair and honest yardstick to enable the electric consumers of the Nation to judge for themselves as to the true cost of distributed energy. When such information is available and is thoroughly understood, the people, through their representatives, will be able to act. We should set an example here in the National Capital for the guidance of the entire Nation.

This is easily possible, as I demonstrated last year, from the official earnings and operating statements of the Potomac



Electric Power Co., which serves the District and suburbs. This "lily white" private power company is still taking extortionate tolls from the people of the District, as I will show as I go along.

#### TEN CENTS PER MONTH

The rate reduction of 10 cents a month per residential consumer, to which so much publicity has been given, resulted from the operation of the sliding-scale plan of annual adjustment of electric prices. In my speech of last year, I pointed out the jokers in the consent decree, jockeyed through an unsuspecting court by the legal emissaries of the North American Co. This consent decree was supposed to be based on paragraph 18 of the act of 1913. The 1913 Regulatory Act permitted, with the consent of the Commission, a sliding scale of rates and dividends, according to what is commonly known as the Boston sliding-scale plan. I analyzed the genesis of the sliding-scale plan and pointed out the interlocking devices that should connect rates and dividends. In the application of the sliding-scale plan the consent decree covered only a sliding scale of rates and omitted all reference to dividends.

#### ANNUAL PROFIT OF 75 PERCENT

I further pointed out in detail how the application of the consent decree represents a violation of the intent of Congress. Although the top step of the domestic rate has been 3.9 cents since 1932, the common stock has earned from 62.4 percent annually in 1932 to 74.9 percent in 1937.

In table 1, given on page 2540 of the CONGRESSIONAL RECORD of February 22, 1939, I presented a financial statement showing the net earnings available for dividends and the percent earned on the common stock from 1914 through 1937. These years represented the latest information available at the time I made my previous study. To bring this table up to date, I am presenting evidence showing the earnings and the percent earned down to and including the calendar years 1938 and 1939.

TABLE 1.—Stock earnings, Potomac Electric Power Co., compared with rate index

BEFORE CONSENT DECREE, REPRESENTATIVE YEARS							
Calendar year	Top residential rate index, cents per kilowatt-hour	Amount available for dividends	Amount preferred stock outstanding	Amount paid on preferred stock	Amount common stock outstanding	Amount available for common-stock dividend	Percent earned, common stock
1	2	3	4	5	6	7	8
1914.....	10	\$617,425	\$250,000	\$25,000	\$5,750,000	\$592,425	10.3
1915.....	10	666,942	250,000	27,500	5,750,000	639,442	11.1
1918.....	10	568,780	250,000	27,500	5,750,000	541,280	11.0
1920.....	10	532,818	250,000	20,000	5,750,000	512,818	8.0
1923.....	10	1,020,896	250,000	25,000	5,750,000	1,004,896	17.5
AFTER CONSENT DECREE							
1925.....	7.5	\$2,295,724	\$2,000,000	(1)	\$6,000,000	\$2,295,724	38.3
1926.....	7.0	2,598,117	2,000,000	\$106,128	6,000,000	2,491,989	41.5
1927.....	6.25	2,932,162	7,000,000	248,702	6,000,000	2,683,465	44.7
1928.....	5.9	3,699,677	7,000,000	392,030	6,000,000	3,307,647	55.1
1929.....	5.2	4,120,136	7,000,000	394,917	6,000,000	3,725,219	62.1
1930.....	4.7	4,471,725	7,000,000	394,911	6,000,000	4,076,804	68.0
1931.....	4.2	4,471,725	7,000,000	394,970	6,000,000	3,872,704	64.6
1932.....	3.9	4,267,674	7,000,000	395,045	6,000,000	3,746,959	62.4
1933.....	3.9	4,142,004	7,000,000	395,044	6,000,000	3,619,120	60.4
1934.....	3.9	3,598,793	7,000,000	395,045	6,000,000	3,203,748	53.5
1935.....	3.9	3,607,267	7,000,000	395,044	6,000,000	3,212,223	53.5
1936.....	3.9	4,246,041	7,000,000	395,045	6,000,000	3,850,995	64.4
1937.....	3.9	4,886,974	7,000,000	395,044	6,000,000	4,491,930	74.9
1938.....	3.9	4,187,909	7,000,000	395,000	6,000,000	3,792,909	63.2
1939.....	3.9	4,230,271	7,000,000	395,000	6,000,000	3,835,271	64.0

<sup>1</sup> No dividend paid on preferred in 1925 as new issue put out at end of year. Columns 3 to 7, inclusive, taken from reports, Public Utilities Commission, District of Columbia.

<sup>2</sup> Reductions given in each year by reducing bottom steps of rate from 3 cents to 2, 1.5, and intermediate steps from 3.8 cents to 3.6 cents, 3.3, 2.0, 1.9, and 1.8 cents, respectively.

<sup>3</sup> 50 kilowatt-hours included in first step.

<sup>4</sup> 45 kilowatt-hours included in first step.

Earning data secured from Public Utility Commission of the District of Columbia.

It will be noted from this table that as the sale price to the ultimate consumer decreased, the net earnings of the common-stock holder increased. When the electric consumer

in Washington was charged 10 cents per kilowatt-hour on the first step of the residential rate, the power company earned around 10 percent on the common stock. In 1937 with 3.9 cents top rate to the domestic consumers, the company earned practically 75 percent on its common stock, and in 1938 the company earned 63.2 percent, and in 1939, 64 percent on its common stock. The decrease from 75 percent to 64 percent results largely from the issuance of \$5,000,000 of additional bonds during the period from January 1, 1938, to December 31, 1939, and transfers of large blocks of energy to Baltimore.

The power company stated, as justification for the issuance of these additional bonds, that \$1,500,000 of the proceeds of the issue would be applied to its working capital account to reimburse the company for capital expenditures made for extensions, additions, betterments, and improvements to its plant and property. The balance of \$3,500,000, so the company stated, would be used for future additions. To meet the criticism that I have previously raised about the amount of common-stock earnings, additional bonds have been issued. The charges on those bonds reduce, naturally, the amount available for dividends. Over 90 percent of the total investment in the company's Washington properties have been paid for by the rate payer, through the operation of this so-called sliding-scale plan.

This local company is able to operate because of congressional sanctions. This authority, when combined with the consent decree, gives the few ultimate owners of the common stock a guaranteed earning power of 60 to 75 percent annually, has built up, with little or no investment on the part of the common-share holder, a property account of from \$25,000,000 to \$80,974,758 in 1939.

How can Congress justify such unreasonable earnings? How can Congress explain to the hard-pressed American farmer, and overburdened consumers of electricity, that through its sanctions it allows a few yacht-riding millionaires a guaranteed right to earn from 60 to 75 percent annual dividends on their common stock?

#### EXCESS EARNINGS

In my previous analysis, I pointed out that the excess annual earnings of the local power company over a fair 10-percent dividend allowance amounted to \$3,981,930 per year. This figure was calculated from the latest data available at the time of my previous study. A 10-percent dividend return is a fair measure of what the common stock should earn. All the English statutes on which the Washington sliding scale plan is supposedly based, limit dividends to this amount. If the T. V. A. yardstick rates were put into effect in Washington, the immediate cost would be \$2,758,171 for the first year, or less than the excess earnings permitted. With the lowering of rates, the consumption would increase in the succeeding periods and the amount of the rate reduction would be recovered in a comparatively short time.

#### COMPANY'S EARNINGS

For the benefit of my colleagues, I am presenting data on the gross earnings and kilowatt-hour consumption for the calendar years 1938 and 1939 in order to bring up to date the data which I have previously submitted.

TABLE 2.—Revenues and consumption, Potomac Electric Power Co., years 1938 and 1939

Energy sales	Year 1938		
	Kilowatt-hour sales	Revenue	Cents per kilowatt-hour
Residential sales.....	185,095,817	\$5,092,089	2.75
Commercial sales.....	491,044,907	8,224,250	1.67
Public lighting sales.....	26,187,979	855,169	3.28
Railways and other electric companies.....	94,340,696	667,907	.707
Total.....	796,669,399	14,839,416	1.862
Other electric revenues.....		207,454	
Total gross-operating revenues.....		15,046,870	

TABLE 2.—Revenues and consumption, Potomac Electric Power Co., years 1938 and 1939—Continued

Energy sales	Year 1939		
	Kilowatt-hour sales	Revenue	Cents per kilowatt-hour
Residential sales.....	200,492,121	\$5,266,034	2.62
Commercial sales.....	547,617,192	8,798,083	1.61
Public lighting sales.....	26,235,497	867,335	3.31
Railways and other electric companies.....	99,355,515	695,570	.70
Total.....	873,700,325	15,627,024	1.795
Other electric revenues.....		215,188	
Total gross-operating revenues.....		15,842,212	

## EXCESS EARNINGS AND COST OF PRODUCTION

In table I for the calendar year 1939 I have shown that the net earnings up to common-stock dividends amounted to \$3,835,271, or 64 percent on the common stock. A 10 percent annual allowance for common-stock dividends would amount to \$600,000. Taking 10 percent as a fair guaranteed common-stock earning for a company affected with a public interest and using public property for its facilities, we find that the excess earnings in 1939 amount to \$3,235,271.

On page 2544 of the RECORD of February 22, 1939, I presented a table listing classes of service, and showing that it would have cost \$3,735,400 to reduce the 1937 average Washington rate to the T. V. A. yardstick level.

In 1937 the average sale price for all classes of service was 2.015 cents per kilowatt-hour, as given on page 44 of the Twenty-sixth Annual Report of the Public Utilities Commission of the District of Columbia. In the year 1938 this average sale price was 1.862 cents per kilowatt-hour, and in the year 1939 was 1.795 cents per kilowatt-hour. Because of sliding-scale rate reductions in 1938 and 1939 and increased use, together with the sunlight of publicity, the average rate has dropped 10.8 percent between 1937 and 1940. If the 1937 estimated cost of rate reduction to T. V. A. levels is lowered by the drop in average rate between 1937 and 1940 and further reduced by the \$575,029 reduction just granted, it is easy to see that the estimated cost of reduction to T. V. A. levels would amount to \$2,758,171 a year. This cost is 14.5 percent lower than the excess earnings over a 10-percent common-stock return.

In 1938 the reductions given amounted to \$770,080 and in 1939 to \$393,986. They should have amounted to at least \$3,000,000 a year.

The following comparative table shows the relationship between total Washington gross earnings and the average over-all rate:

Year	Total gross earnings	Average rate, cents per kilowatt-hour
1937.....	\$14,663,382	2.015
1938.....	15,045,870	1.862
1939.....	15,842,212	1.795

Under a rate reduction of 10.8 percent between 1937 and 1939 the company's gross earnings increased \$1,178,830. Again the principle which I have repeatedly cited is clearly demonstrated—and that is that when rates are reduced, both consumption and net earnings increase.

I have previously pointed out that the Washington rates could have been reduced to T. V. A. levels on January 1, 1938, without placing a hardship on the local company. I have shown herein that, based on up-to-date figures, this can still be done.

I have also demonstrated again that with the lowering of rates, consumption increases greatly. If an additional reduction of \$2,758,171 in annual charges for electricity were made, reducing the rates in Washington to the T. V. A. level, it would only be a comparatively short time before the increased con-

sumption would offset the revenue loss from such an immediate reduction.

It is interesting to observe how the residential consumption per meter here in Washington increases under successive rate reductions.

Year	Average residential rate, cents per kilowatt-hour	Kilowatt-hour annual consumption per meter
1930.....	4.682	633
1932.....	3.796	804
1934.....	3.367	938
1936.....	3.225	1,070
1938.....	2.735	1,145
1939.....	2.620	1,210

<sup>1</sup> Estimated.

A reduction of 2 cents per kilowatt-hour in the average rate results in a doubling of the unit consumption.

## THE GENESIS OF THE SLIDING-SCALE PLAN

It would be well for those interested in the electric-rate problem to read the analysis that I have previously presented. Other municipalities at the suggestion of the power companies are copying the sliding-scale plan in order to head off public ownership. Those who really want to do a piece of constructive work in this field should understand how the transplanted English plan has operated in Washington to milk the consumers and to provide extortionate profits for a select few. It would be well for my colleagues to know the record of Mr. Harrison Williams, who is the real owner of the local property, which I presented on page 2540 of the CONGRESSIONAL RECORD of February 22, 1939. It would also be well for my colleagues to follow the coming grand-jury action by the Attorney General directed against officials of the Union Electric Co., of St. Louis, Mo., another Williams company, which investigation I advocated a short time ago. If the record made in this proposed action is traced through we will realize how ineffective are our regulatory procedures.

## TAXES

Propagandists for the power companies constantly assert that the taxes paid by the power companies account for the difference between public and private power consumer rates. Let us look into this matter again. In 1937, the Potomac Electric Power Co. paid \$686,790 in local taxes, or 4.683 percent of the gross earnings. In 1938 the local tax bill of the Potomac Electric Power Co. was \$745,071, or 4.94 percent of their gross earnings. It will be noted that after I called attention to the low taxes paid in the District, the bill of the power company was raised from \$745,071 in 1938 to \$1,016,013 in 1939. This is 6.4 percent of the 1939 gross earnings. This latter figure is still some \$750,000 less than it should be. I would like to have the critics of the T. V. A. tax payments examine the tax situation of the power company in the District of Columbia. The tax bill of this company is still 33½ percent below comparative tax contribution of the Tacoma public plant. The Tacoma public plant contributes more taxes locally than the Washington, D. C., company and still has rates materially lower.

In addition to the local taxes, the Potomac Electric Power Co. pays in Federal excise taxes about 2½ percent of its gross earnings, and some 5½ percent in income taxes. The income taxes are high because of the excess common-stock earnings previously pointed out. The total tax bill of the Potomac Electric Power Co., including local and income taxes, amounts to 2½ mills per kilowatt-hour, or a trifle over 9 percent of the average rate charged the domestic consumer. The total local taxes amounted to 1.17 mills per kilowatt-hour or 4½ percent of the average rate charged in 1939 to the residential consumers.

## STEAM VERSUS HYDRO

The energy distributed in Washington is a mixture of steam and hydro generation. In 1938 the Potomac Electric Power



Co., under an interchangeable arrangement with the Consolidated Gas & Power Co. of Baltimore, delivered to the Baltimore company 107,446,000 kilowatt-hours, and received from the Baltimore company 156,317,000 kilowatt-hours, a net receipt from the Baltimore company of 48,871,000 kilowatt-hours. The receipts from the Baltimore Company were substantially all Susquehanna River hydro power, for which the Washington company paid 2.7 mills per kilowatt-hour, or 10 percent of the sale price to the residential consumers.

Under the interchange agreement, in 1939 the Washington company delivered 208,222,000 kilowatt-hours to the Baltimore company, and received from the Baltimore company 97,541,000 kilowatt-hours; with a net delivery to the Baltimore company of 110,681,000 kilowatt-hours. This reverse flow of current resulted from the low stages of the Susquehanna River, and the delivery of Susquehanna prime power to other outlets, including the Pennsylvania Railroad electrification. For this delivery of steam power the Washington company received from the Baltimore company 2.2 mills per kilowatt-hour. Baltimore was supplied with over 110,000,000 kilowatt-hours at this interchange sale price of 2.2 mills per kilowatt-hour. The residential consumers in Washington are paying over ten times the prices at which current is interchanged between the Washington and the Baltimore companies.

#### RECENT RATE REDUCTIONS

The greatly advertised reduction resulted from the operation of the so-called sliding-scale plan of annual adjustment of rate charges. This plan provides for a basic rate of return of 6 percent upon an agreed valuation or what is often referred to as the rate base. The Commission found that the weighted rate base for the calendar year 1939 amounted to \$80,974,758.54 and the unweighted rate as of December last was \$82,527,937.80.

A year ago I set out in table 6 of my presentation the rate base used for determining the allowable return for the years 1925 to 1937, inclusive. To bring this table up to date, it should be noted that the 1938 rate base was \$77,198,938.69 and the 1939 value \$80,974,758.74. It should be pointed out in this connection, that the net earnings in 1938 were \$5,420,107, or 7.02 percent of the rate base, although the rate reduction in that year was set on a 6-percent basis. In all the years that this consent decree has been in operation the actual rate of return has been 1 to 3 percent higher than the allowable return. Under the plan current excess earnings go to the company without consideration being given to the rate payer. For example, in 1938 the earnings over the rate of return amounted to \$788,171, whereas the amount used for rate reduction in 1939, the following year, was only \$394,085 or about one-half of the excess earnings. This means that under the operation of the plan the excess earnings in the accruing year are retained by the company, and in the following year half is used for rate reductions. The average over-all rate reduction over the figures submitted in my earlier analysis was only 7½ percent instead of some 25 percent needed to bring the rate down to the yardstick levels.

It will be noted also that the top residential rate in Washington is still retained at 3.9 cents although the length of the block was reduced from 45 to 40 kilowatt-hours. There is absolutely no reason why the top step of the residential rate should not be reduced to 3 cents which is the T. V. A. level, or 2½ cents which is the present top rate in Tupelo, Miss. Under the new schedules, the succeeding 90 kilowatt-hours in the residential rate were set at 1.75 cents per kilowatt-hour, and the excess consumption at 1½ cents. In Tupelo the bottom rate is 4 mills per kilowatt-hour. Compare these steps with the Tupelo rate and you will find that the Washington follow-on rates are materially higher. Under a 1½-cent bottom step it is impossible for the people in Washington to enjoy the full benefits of electricity.

The industrial rates are materially higher and the Federal Government, through its own facilities and those of the District, is paying around \$411,000 annual overcharge for electricity in the District of Columbia.

In 1937 the Federal Government and District paid excess charges amounting to \$459,200. If the Appropriations Committee is looking for means to reduce expenses, here is a splendid opportunity. The gentleman from Illinois [Mr. DIRKSEN] has a real opportunity if he develops and wipes out the overcharges the Federal Government and its subdivisions are paying for electricity in the District of Columbia. A similar Nation-wide survey would show overcharges paid by the Government running into millions of dollars annually.

I have presented some further factual information in the electric-rate situation in the District of Columbia. We are the legislators for the people of the District. We should protect them as well as the Federal Government from such overcharges. Correction of such discriminatory rate practices rests with us.

We should not allow such practices to continue.

### Federal Cooperation in Road Building

#### EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ADDRESS BY HON. WILBURN CARTWRIGHT, OF OKLAHOMA

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an address that I made on January 29, 1940, at the thirty-seventh annual convention and road show of the American Road Builders' Association, at Chicago, Ill., on the subject, Federal Cooperation in Road Building.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Van Wagoner, Mr. Upham, and fellow highwaymen, I am very glad to be able to attend this great convention of road builders, executives and administrators, and leaders of the highway industry. This is the first opportunity I have had to see with my own eyes one of your big road shows. For nearly 14 years in Washington, and for a much longer period in my own State and district, I have been specially interested in the building of roads, and I am happy to have the privilege of mingling here for a day or two with you folks who actually plan and build our roads.

It has been my privilege to help draft and pass Federal legislation to provide billions of dollars which you and others have used to construct better and safer highways. I appreciate this chance to get better acquainted with you and the methods you use in your important work and service to our country, and to get at first hand your views and ideas as to how the Congress of the United States may best cooperate in the big job we still have to do if our road systems are to be adequate for present and future needs.

#### PENDING ROAD LEGISLATION

Two weeks ago today Senator CARL HAYDEN, of Arizona, and I introduced in the Congress identical bills (S. 3105 and H. R. 7891) to authorize Federal appropriations for the regular road-building programs for the fiscal years ending in 1942 and 1943. This would merely continue the long-established policy of the Congress to authorize road appropriations sufficiently in advance to enable the States to make their budgets and plans in accordance with the Federal aid to be available.

#### EARLY ACTION NECESSARY

During the year 1941 the legislatures of most of the States will meet in regular sessions and many of them will not convene again for 2 years. It therefore is obvious that in order to continue the regular Federal-aid programs of road construction in cooperation with the States without interruption it is essential that a new authorization bill be acted upon at the present session of the Congress.

#### AMOUNTS NOW INDEFINITE

It was decided that in these bills, intended only to serve as a basis for committee hearings and consideration, no definite amounts of funds to be authorized would be arbitrarily inserted, and the amounts are left blank in the bills as introduced. I hope that it will work out better for attention not to be fixed on arbitrarily determined amounts for the various road programs until detailed reports are made by the Commissioner of Public Roads and officials of all Federal road-building agencies and of the State highway departments, and until expressions are heard from re-

sponsible individuals and groups familiar with our highway needs and the ability of the Federal Government to aid in financing new improvements.

#### EIGHT FEDERAL ROAD PROGRAMS

There are eight sections of the bill providing authorizations for the several established road programs: (1) Federal aid for construction of regular Federal-aid highways in cooperation with the States and Territories; (2) Federal aid to build secondary or local roads selected as the most important by the State highway departments; (3) elimination of dangerous railroad-highway grade crossings; (4) construction of highways, roads, and trails in national forests; (5) construction of roads through public lands owned by the United States Government; (6) construction of national park and monument roads; (7) construction of national parkways; and (8) building of Indian reservation roads.

#### PREVIOUS AUTHORIZATIONS

The total of authorizations for these purposes in the Hayden-Cartwright Act of 1938, for the fiscal years 1940 and 1941, was \$357,500,000. Similar authorizations made in 1936, for the fiscal years 1938 and 1939, amounted to \$476,000,000.

#### NEED FOR HIGHWAY IMPROVEMENTS

These are tremendous sums, even to those who are accustomed to thinking at times in terms of big figures. But compared with the cost of new highway construction necessary to make our road system suitable for today's needs, let alone the requirements of the future, these amounts are small indeed.

Official reports presented to the House Roads Committee last week showed that over 100,000 miles of highway on the main routes of our State highway systems should be rebuilt, widened, or relocated at an estimated cost of more than three and one-half billion dollars. And that 21,000 bridges on important highways need to be widened or rebuilt, which would require over \$400,000,000. Summed up, the official estimates of the 48 State highway departments as to work for which there is immediate need on the most important State highways amounted to the staggering total of nearly \$4,000,000,000.

#### SECONDARY OR LOCAL ROADS

This does not take into consideration at all the need for improvement of the tremendous mileage of secondary or local roads. In my State of Oklahoma, for example, there are 91,000 miles of officially designated county roads, only 238 miles of which, according to a recent report, have been improved to a high standard. And 20,000 miles of county roads in Oklahoma are classified as unimproved—not even earth graded. In the Nation as a whole there are a million miles of county and township roads which are unimproved, and another million miles that are badly in need of further improvement. In some way, we must bring about full recognition of the importance and necessity for improvement of these accessory highway facilities, which are increasingly vital to the life and activities of the Nation. I am very much interested in this problem of improving these rural-mail-route, school-bus, and farm-to-market roads.

#### HIGHWAY RIGHT-OF-WAY PROBLEM

Of course, it takes money to build roads, and title I of the Hayden-Cartwright bill I have referred to, in its final form, probably will authorize appropriation of several hundred million dollars by the Federal Government to supplement State funds for highway-building programs in the fiscal years 1942 and 1943.

But it is becoming increasingly evident that money for construction will not solve entirely the highway problem in many of our States, particularly in the areas of greatest traffic congestion. It is necessary first to acquire the land upon which to build the wider and safer highways which are so urgently needed. And in many parts of the country the difficulty in acquiring adequate rights-of-way in the proper locations is the greatest obstacle to highway progress at this time. It is a pressing problem.

It seems evident that some new Federal legislation is necessary before any reasonably prompt and effective solution of the highway right-of-way difficulties will be possible. Inability to secure essential rights-of-way, even in small tracts, has held up many Federal-aid road projects for which construction funds are available, and this difficulty has been one of the most serious factors in delaying the grade-crossing-elimination program.

#### NEW LEGISLATION PROPOSED LAST YEAR

On August 3, last year, the last day of the first session of the Seventy-sixth Congress, Senator HAYDEN and I introduced a bill proposing to make it possible for the Federal Government to assist the States and cities in acquiring needed land for right-of-way purposes and to help with the financing at low interest rates, with repayment to be made by the States or municipalities over a period of years. The measure was introduced at that time to give everybody an opportunity to study the proposal and suggest any changes that might be desirable. It was the intention then that the Senate and House Roads Committees would consider this proposed new legislation in connection with new authorizations for highways at this session of the Congress.

Accordingly, this right-of-way proposal has been reintroduced at this session as title II of the authorization bill I have been discussing.

The House Roads Committee began public hearings on this bill (H. R. 7891) last Monday, hearing Commissioner Thomas H. MacDonald, of the Public Roads Administration, and other witnesses,

including officials of the American Association of State Highway Officials. The hearings continued all week but have not been concluded, and will be resumed in the latter part of February. Some special departmental reports now being prepared should be available by that time. Of course, we shall be delighted to have representatives of this association appear before the committee and present their views and suggestions regarding the bill or any of its provisions. As I have said, the bill as introduced was intended only to form a basis for committee consideration. I assure you that there is no pride of authorship and that full and sympathetic consideration will be given to any changes that may be proposed.

#### CAREFUL STUDY OF PROPOSAL URGED

There is some opposition to title II of the bill, or at least there have been some expressions of doubt as to the effect this new legislation might have. But in most cases those raising questions admit that they have not read the bill carefully or given its provisions any serious consideration. They just seem to think it might give some new or increased authority to the Federal Government or in some way restrict the rights of the States in a way that they might not approve.

On the other hand, from all parts of the country have come high praise and warm support of the proposal, from highway officials and others who realize the urgent need for new methods to speed up and simplify land acquisition procedure and to provide easier financing of the initial cash outlay which must be made when expensive rights-of-way are acquired.

The only object of this proposed new Federal legislation is to provide in the quickest and easiest way an effective system by which States and cities desiring to construct new highway facilities can promptly acquire the land essential for rights-of-way and not have to pay for it all at once out of current revenues. Under the procedure in effect today most State laws provide that right-of-way purchases or condemnations must be paid for in a lump sum immediately. Under the procedure which will be possible if the new Hayden-Cartwright bill is enacted, the right-of-way can be immediately acquired for the use of the State but the cost can be spread over a period of as much as 40 years.

#### STATE APPROVAL AND CONSENT REQUIRED

The bill provides that no real property shall be acquired in the name of the United States unless and until a State, municipality, or other public body has contracted to purchase the land from the United States, and it is further provided that no loan agreement shall be entered into between the United States and any city or local public body, under the authority of this law, without the prior approval and consent of the highway department of the State affected. These provisions make it impossible for the Federal Government to use its authority to acquire land or to make loans to pay for land except in instances where the State highway departments desire Federal cooperation or assistance. It seems to me that this should relieve any possible anxiety on the part of State officials or States' rights advocates who may be fearful of increasing the authority of the Federal Government in road building.

#### NO GIFTS OR GRANTS OF FEDERAL FUNDS

On the other hand, I hope that the zealous guardians of our Federal wallet will note carefully that the United States can take no action under this authority without a prior contract with a State or municipality which "will reasonably assure recovery by the United States within 40 years of the cost of acquisition of such real property, with interest at such rate or rates as may reasonably be expected to reimburse the Reconstruction Finance Corporation for the cost to it of the capital required for such acquisition; and all sums realized from all such contracts shall be deposited with the Treasurer of the United States for the account of said Corporation."

So this proposal does not contemplate any gifts or grants of Federal money to States or cities. It requires that every dollar loaned to them be paid back with interest.

#### RECOMMENDED BY FEDERAL ROADS OFFICIALS

This question of right-of-way difficulties was first brought forcefully to the attention of the Congress and the highway-minded people of the country by the monumental report, "Toll Roads and Free Roads," prepared by the Bureau of Public Roads (now Public Roads Administration), under the direction of its able chief, Mr. Thomas H. MacDonald. President Roosevelt, in transmitting that report to the Congress last April, after it had had the approval of the Secretary of Agriculture, and concurred in by the Secretary of War, referred to it as "the first complete assembly of data on the use being made of our national highway network," and said, "it points definitely to the corrective measures of greatest urgency \* \* \* to meet the requirements of the national defense and the needs of a growing peacetime traffic of longer range."

I should like to quote a part of the first and most urgent recommendation of that outstanding document:

"Considering the needs in respect to highway and street improvements described in detail in this report, it is believed that the Federal Government can most helpfully contribute to the important improvements required in the following ways:

"1. By facilitating the acquisition of adequate rights-of-way. To a great degree the early obsolescence of the rural highways previously built is due to the restrictions imposed upon their design by inadequate rights-of-way. In cities, archaic street plans are in need of major revision to permit the free flow of modern traffic. Far-sighted improvements of both rural highways and city streets are everywhere blocked by the inability of the States and local



governments unaided, to provide the rights-of-way required; and there is danger that expedient measures forced by the irresistible pressure of traffic, will result in heavy new investment destined for early obsolescence.

"The obtaining of proper rights-of-way for the several kinds of needed new facilities will involve a heavy present investment, but a virtually permanent one, and one that will pay large dividends in the avoidance of future expenditures in larger amounts.

"The aid of the Federal Government can be practically extended by supplying capital for investment in highway and street rights-of-way on a scale sufficient to protect the facilities and provide amply for their expected growth.

"Such rights-of-way acquired with Federal funds at the request of a State highway department, and in accordance with State and Federal laws, could remain the property of the Federal Government subject to lease by the State over a period of 50 years on terms that would, in that period, amortize the initial cost. Representative State highway officials, with whom this suggestion has been discussed, are unanimously of the opinion that such a provision would not only be helpful toward a solution of the difficult right-of-way problem, but would also be welcomed and utilized by the State governments."

#### ADVOCATED BY STATE HIGHWAY OFFICIALS

Bearing out the statement in Mr. MacDonald's report regarding the attitude of State highway officials, it is interesting to recall that Mr. W. W. Mack, president of the American Association of State Highway Officials, at the recent twenty-fifth annual convention of that association in Richmond, Va., stated in his annual address that "in the vicinity of centers of large population, Federal aid in the purchase of rights-of-way in the form of grants or long-term loans seems a proposal of much worth."

#### URGED BY SENATOR HAYDEN

Senator HAYDEN, who for 30 years has been a champion of and authority on Federal legislation in the interest of better roads, at the same meeting expressed his views in part as follows:

"There must be found a way whereby the Federal Government can assist the States and cities in the acquisition of real property for right-of-way purposes, particularly where construction funds are now available to build modern traffic arteries to relieve congestion and to decrease the mounting and terrible toll of highway fatalities."

I regret very much, as I know you do, that Senator HAYDEN could not arrange to be here today to greet you and to tell you personally his views about this legislation which he has given much careful thought and study.

#### NEW LEGISLATION BY STATES ALSO NEEDED

Most of the State laws applying to right-of-way acquisition are antiquated and do not serve present needs. To meet this problem fully the State statutes governing this procedure need to be modernized and made more workable, in addition to new Federal legislation by the Congress.

#### PROPOSED INTERREGIONAL HIGHWAYS

The report Toll Roads and Free Roads presents in detail, based upon factual evidence, the weaknesses of our present road system. It outlines the character and extent of the corrections that are urgently needed to serve existing and probable future traffic.

The second recommendation of public-roads officials in that notable report reads as follows:

"2. By providing, in cooperation with the States and the War Department, for detailed investigations leading to the designation of a system of reasonably direct interregional highways, with appropriate connections through and around cities, \* \* \* limited in total extent to not more than 1 percent of the total mileage of rural highways in the United States, without specific limitation in each State."

It is a pleasure to remind you that the Congress has already taken some action designed to carry out this recommendation, and perhaps all the legislative action that is necessary or desirable at this time.

The act approved July 19, 1939 (Public Law No. 195), made the authorization of the 1½-percent fund for the State-wide highway-planning surveys a permanent part of the basic Federal highway legislation and assured the continuation of this work in all the States. It further relieved the States from the necessity for matching planning-survey funds with State moneys, as was formerly required. However, it is hoped that the States will continue to support the surveys with State funds at least until the data now available have been consolidated and the reports are ready for the next sessions of the State legislatures. It is important that this work be speeded up, since certain elements are of the highest importance in the development of plans for the national defense.

Much of the authority and fullness of data of the "Toll Roads and Free Roads" report was due to the fortunate availability of the reliable and currently corrected factual information concerning the condition of the highways of the country, the amount and character of their use, the nature and costs of improvements required for adequate traffic service, and the revenues available for such improvement, which these surveys, previously carried on in cooperation with 46 State highway departments under temporary and more limited Federal authority, had made possible.

That report is typical of the character of information that we may reasonably expect to be supplied for consideration by Congress and for administrative purposes in connection with other

questions of highway policy and the detailed planning of the proposed interregional system of highways now being done, in cooperation with the States and the War Department.

#### MULTILANE HIGHWAYS

I know that there is considerable sentiment in the country, among road builders and others, for some more definite and maybe spectacular action to initiate promptly a big program to build some needed multilane roads or so-called superhighways on the interregional system, and many favor a sizable authorization for this express purpose by this Congress.

But whether or not that is done now, if title II of the pending Hayden-Cartwright bill is enacted it will greatly relieve the major handicap to progress in that direction—the land difficulty—and make it possible to start work on many big projects: in and near the large cities, while long-range planning of other work of this type proceeds.

#### MILITARY HIGHWAYS

Also from time to time there is agitation for the building of some great new "military" highways, usually conceived on a transcontinental basis by enthusiasts without much highway, military, or financial background.

There are no military roads, as such, in the continental United States. Officials of the War Department have repeatedly informed State and Federal road officials that the highways which must be constructed for commerce and national development will, in general, be identical with those required for military purposes, and that the War Department ordinarily refrains from recommending specific highway routes except in the most critical strategic areas. Army officers tell us that a general network of good roads connecting important depots, mobilization, and industrial centers, has more strategic value than transcontinental roads which merely cross the country from coast to coast or from north to south.

The War Department's primary interest is in insuring adequate highway facilities between important strategic points and vital areas. Many essential high-standard strategic roads in most sections of the United States have already been provided through the cooperation of the local communities, the States, and the Federal Public Roads Administration. These highways will be of inestimable value in the event of a national emergency.

However, my understanding is that some sections of this strategic system still need improvement, and that the Public Roads Administration is now conducting a survey to obtain information regarding the existing deficiencies of these important roads.

A War Department Committee has recently been appointed to work with the Public Roads Administration and the State highway departments in considering highway requirements in the neighborhood of military posts and garrisons, especially in the vicinity of proposed mobilization centers, and highways necessary to serve traffic requirements in important wartime industrial areas.

#### ADEQUATE ROADS NECESSARY FOR MOBILITY

As an Army official pointed out recently, we have progressed from the ox cart at 2 miles per hour to the staff car at 70 miles per hour; from a division marching 20 miles per day to a division with more than 1,300 vehicles, capable of moving 320 miles in 14 hours. The Army is being rapidly reorganized and "streamlined." Supply trains and cavalry on wheels move faster and faster. Today mobility and speed are of paramount importance. Adequate roads are necessary to increase mobility, make possible greater speed.

Our Army is small in numbers, almost insignificant in comparison with the masses of troops assembled by other world powers. There is all the more reason, therefore, that our highways should be adequate to permit swift concentration, at maximum strength, at any point that may be threatened in this broad land of magnificent distances.

By all means, everything possible should be done to eliminate promptly deficiencies in roads of special strategic value, militarily; projects for construction of essential access roads should have preferred consideration, and highway facilities in important industrial areas should be adequate to meet the highway traffic requirements of wartime industrial procurement. The Congress, I am sure, stands ready to give prompt and sympathetic consideration to any official recommendations for special legislation which may be necessary to satisfactorily expedite this work.

In these uncertain days, when our national security assumes increasing significance, I am sure that each of us, whether in public or private life, wishes to contribute his full share to our national defense. At this time, especially, I think that all loyal Americans are working toward a common end, and that end is to reasonably insure the security of America against any emergency that may arise.

I am afraid, however, that if any of us try to overplay the national defense angle in an effort to promote some of our pet road projects we will meet with disappointment. It is pretty soundly established that the national defense will be best served by a highway system that provides adequately for the traffic at all times, and that special requirements for possible wartime uses are very limited.

#### CONTINUING ESTABLISHED FEDERAL AID

The third recommendation of Commissioner MacDonald's report to the Congress suggesting desirable Federal action is for "continuance of cooperation with the States in the improvement of the Federal-aid highway system and the elimination of hazards at railroad grade crossings, with annual authorizations commensurate with those previously provided."

The fourth and final recommendation is for "continuance of the program of secondary- and feeder-road construction with appropriations equal to or larger than those authorized for the fiscal years 1940 and 1941, to be expended in such way as to give effect to the principles enunciated in this report."

This is all provided for in the first, second, and third sections of title I of the bill now under consideration. Apparently there is unanimous agreement that these proven programs of Federal cooperation in road building should be continued. The only question is as to the amounts to be authorized. Officials of the American Association of State Highway Officials who have testified before the House committee have recommended new authorizations in the same amounts as authorized for the fiscal years 1938 and 1939. These amounts for each fiscal year are as follows:

Regular Federal aid.....	\$125,000,000
Secondary or feeder roads.....	25,000,000
Elimination of grade crossings.....	50,000,000
Forest highways, roads, and trails.....	14,000,000
Public-lands highways.....	2,500,000
National-park roads and trails.....	7,500,000
National parkways.....	10,000,000
Indian-reservation roads.....	4,000,000
<b>Total.....</b>	<b>238,000,000</b>

Because of the importance of adequate highways to practically the entire population and the need not only for extending highway facilities but for modernizing the main routes in the interest of safety and economy, an increase in the Federal funds could be justified and is strongly favored by many responsible citizens and groups in all sections of the country. My own view, I repeat, is that it would be a grave mistake to reduce Federal road authorizations below the modest and orderly planned amounts we have had in recent years.

#### FEDERAL ROAD-USER REVENUES

There is a good deal of sentiment and some agitation in various parts of the country for an increase in Federal authorizations and appropriations for highways based on the argument that regular highway expenditures should at least equal the amount the Federal Government collects from road users in the form of excise taxes on gasoline, lubricating oils, tires, tubes, automobiles, motorcycles, trucks, auto parts, and accessories.

It is frequently asserted that the Federal Government "diverts" about \$100,000,000 per year of such road-user tax funds to non-highway purposes, while Federal law penalizes the States for similar diversion.

This is, of course, substantially true if we consider only the Federal funds for roads authorized by the Hayden-Cartwright Acts and expended by the Public Roads Administration, the Forest Service, National Park Service, and Indian Service—the so-called regular road-building programs.

But it entirely ignores the fact that more than \$800,000,000 of Federal funds was expended during the last fiscal year on highway, road, and street projects by the Work Projects Administration, and that similar sums of Federal money have been so expended by work-relief agencies since the Federal Government has been collecting special excise taxes on gasoline and motor vehicles. Likewise, it overlooks the sizeable amounts of Federal funds made available for highway projects by the Public Works Administration. I mention this because I think it may clear up some misunderstandings and that it will be generally helpful if we can keep in mind a broad picture which includes all the road-building activities of the Federal Government.

#### GENERAL FUNDS FOR ROADS JUSTIFIED

I have always believed that the participation of the Federal Government in the improvement of highways in cooperation with the States, using General Treasury funds therefor, is amply justified on the grounds of general welfare, national defense, post roads, and interstate commerce. When the first Federal Aid Road Act was passed in 1916, neither the States nor the Federal Government had levied any special taxes, commonly known as road-user taxes, such as the taxes on gasoline, lubricating oils, and motor vehicles.

I think it is important that these broader reasons for justifying Federal participation in highway construction be not even tacitly abandoned by road advocates by putting too much emphasis on the relationship between road authorizations and road-user tax revenues. There might come a time in a few years when these taxes would not be levied, but that would not, in my opinion, remove the justification for further Federal participation in road improvements.

#### CONCLUSION

Much valuable time could be spent in delineating the wonderful progress made with Federal cooperation in building a network of roads in this country that is interstate in character and of great commercial, social, and military value to the entire Nation, but this important work is far from completion. Our total road mileage in round numbers is 3,000,000. More than 2,000,000 of those miles are unimproved, and only about 175,000 are hard-surfaced.

It should be a matter of great satisfaction to all to realize that the funds expended for roads and bridges, in addition to giving employment in virtually every county in the United States, is adding to the permanent wealth of each community, the State, and the Nation. This work is being supervised with economy and integrity and has the approval and support of all good citizens.

## Facts of Labor in New York City

### EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

#### RADIO ADDRESS BY LUIGI ANTONINI

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am more than pleased to include a radio address recently made by Mr. Luigi Antonini, general secretary of the Italian Dress and Waist Makers' Union.

It must be noted, above all, that the laboring man in New York City is unalterably opposed to communism and Stalinism and nazi-ism. One man of labor stands out pre-eminently in this regard, and he is Mr. Luigi Antonini. As stated above, he is general secretary of the Italian Dress and Waist Makers' Union, which is an affiliate of the International Ladies Garment Workers' Union. This is a very powerful organization, and its members are thoroughgoing Americans. The said Italian Dress and Waist Makers' Union is composed primarily of Italian immigrants who came here to make their way in the New World and who have since become thoroughly imbued with everything American. Its head, Mr. Luigi Antonini, is a man of great leadership. His wise ministrations of this union have made him a national figure, and I am very glad to call him my friend.

Mr. Antonini's address is as follows:

On Friday and Saturday of last week the conference called by the executive general council of International Ladies Garment Workers' Union for a campaign for the national organization of the cotton-dress industry was held in New York.

At the conference, which was presided over by President Dubinsky, delegates participated from New York, eastern out-of-town, Boston, Philadelphia, Cleveland, Chicago, St. Louis, Kansas City, and other places in the West and South as well as representatives of the cotton-dress department.

On the first day the delegates talked about the situation in their own localities. It is apparent that the number of cotton-dress factories has increased in recent years, and that many of these have extended their activities, invading the field of silk dresses. It was noted also that there are cotton-dress factories that are now given over to the production of rayon dresses and even silk clothes. Therefore it is evident that the cotton-dress industry is a competitor of the silk-dress industry, especially in the popular-price class.

The chief object of the conference was to find a remedy for such a situation. This remedy, as indicated by all, is that of a campaign of organization of the cotton-dress industry on a national scale.

Inasmuch as the silk-dress industry is principally concentrated in New York and in the neighboring localities of the East, we are exceedingly interested in the organization of the workers of the cotton-dress industry.

The union is the most powerful factor in producing equilibrium in an industry damaged by competition, since the union makes the inequalities less profound and often succeeds in creating those conditions of uniformity in respect to pay and hours of labor which show the degree of civilization with which the industry is connected. The union is a factor of progress.

Next Tuesday special elections will be held for a new Congressman in the Fourteenth Congressional District of New York, left vacant by the recent death of Hon. Mr. Sirovich, a supporter of the New Deal.

Among the candidates only one, MICHAEL M. EDELSTEIN, has made a definite declaration in favor of the New Deal. Therefore he has obtained the support of our American Labor Party.

The Republican Party, which is opposed to the New Deal, is trying to give a national significance to this election. Putting aside its scruples, it has joined hands with the Stalinist party. The fine pair has shown itself thus in court where by subterfuge with legal quibbles, it has been able to prevent the name of the candidate of the New Deal, EDELSTEIN, from appearing also as the official candidate of the American Labor Party.

Supposing, but not conceding, that the Republican candidate should win, the tale of Maine would be repeated. It would be said that the Nation is against the New Deal.

The Communists, allied with counter revolution in Europe, are joining it also in America, and have put forward the candidacy of Earl Browder for the purpose of injuring the New Deal candidate.



Every vote given to Browder is a vote lost. Browder has been condemned to 4 years in prison because of falsification of passports, and therefore he is a candidate for one single position which is not the Congress of the United States, but alas, where they confine all common delinquents.

We of the American Labor Party appeal to the electors of the Fourteenth District of New York to vote next Tuesday for the New Deal candidate, MICHAEL M. EDELSTEIN, in order that all America may know, even from these special elections, that the sentiment of the people is more than ever supporting the policy of social justice and humanity symbolized by the banner of Franklin Delano Roosevelt.

A short time ago you heard on this program Congressman EMANUEL CELLER who spoke clearly and ably on the bills against immigrants now pending in Congress and among other things spoke of how the cause of immigrants had always been defended by our organization.

Whoever is familiar with the movement knows that our union has always raised its voice in defense of immigrants. However you might regard my personal action, you would be childish to entertain the idea even for a single moment that I am an enemy of the immigrants—I who am an immigrant and an Italian. And yet the agents of the "tovarisc" Stalin have dared to accuse me of that in their journals and have coupled me with Generoso Pope in supposed hostility toward immigrants.

It is known even to the benches of Union Square that politically there is an abyss between me and Generoso Pope. I have already said that the only point in common between me and Generoso Pope is that both are American citizens and Italian immigrants.

I find the stupid Stalinist accusation that I might be against immigrants stupid even when it is uttered against Generoso Pope because I think that he must be interested in the cause of the immigrants because of his interests as editor of the dailies which are widely distributed among the Italian immigrants. This is a question of good sense, not a political question.

I might add, whether it means much or not, that both of us were in Washington at the congressional hearing of the Dickstein committee, to plead the cause of the immigrants, Generoso Pope representing the colonial forces and I representing labor.

But why all these attacks of the Stalin agents against me? Do you know why? Because I have not played their game, because I have foiled it. I will explain.

There was created an Italian committee for the defense of immigrants. A just and noble cause, a cause exceedingly humane which could attract or ensnare any person with a heart. The banner was beautiful but, alas, it concealed contraband. The smugglers were the usual agents of Stalin whom I quickly succeeded in identifying. Again and again they have asked me to give my name to their enterprise, and many times they have waited in the anteroom of my office, but they never got my consent. But some were ensnared and inasmuch as among those ensnared I saw some of my friends and Italian-American politicians taken in good faith, I felt it my duty to put them on guard.

Imagine the fury of the Stalinists. They immediately lost their reason and therefore they bawl, shriek, and wail that I am either enemy No. 1 or No. 2 of the immigrants. The head of all this uproar was a certain Prof. Gino Bardi. Do you know who he is? A Stalinist priest infiltrating himself in the Holy Name Society? But I know him. This Bardi is not in fact a Bardi. Do you know what his real name is? His name is Bascetta. But mind he is not the singer Bascetta. He is another Bascetta. If he masquerades under the name of Bardi it may be said that he has his own reasons. I who have not his vices do not feel the need of masquerading. I call myself Luigi Antonini. And all know it.

But who is the enemy of the immigrants? It is sufficient to know that a poor immigrant is defended by the Stalinists, to facilitate his deportation or render it inevitable. It is enough to know that a "bill" is opposed by the Stalinists to induce Congress to approve it. Therefore, in this interest of the Stalinists in the fate of the immigrants, which conceals their political purposes, we see a danger, a grave danger harmful to the immigrants.

He who trusts in the devil to be accompanied to paradise, in the end finds himself on the threshold of hell.

With their disguised Committee for the Defense of Immigrants, Stalinists, in order to make an impression on the Italian community had already caused the most beautiful daisy to open. What beautiful petals? All white as snow. What fine names in the list of sponsors. All magnificent and resounding names. Dr. Alberto Bonaschi, Hon. Eduardo Corsi, Prof. Leonardo Covelli, Hon. Salvatore De Matteo, Hon. Salvatore Ninio, and the last sequestered, Hon. Charles Poletti, Hon. Anthony Di Silvestro, Frank Capra, and Hon. Anthony Di Giovanna. All enticed in good faith.

And thus commenced the dance of the "monferrina" (lively dance); the petals are now falling one by one. Salvatore De Matteo first, then the councilors of the city of New York, Salvatore Ninio and Anthony Di Giovanna, and then the young liberal senator of Pennsylvania, Anthony Di Silvestro. One by one they have distrusted the Communists. Poletti, Corsi, and Bonaschi are in direct correspondence with me in this matter. And so one by one the petals fall, I assure you. There will remain only the corolla, perhaps yes and perhaps no, with a single petal. Poor stripped Stalinist daisy.

It is well that it should be known that we do not intend to prevent the Stalinists from forming committees in defense of Earl Browder and in favor of all of Stalin's spies. But that the Italian Stalinists, with self-styled Prof. Gino Bardi, really

Bascetta, at its head be honest; leave the immigrants in peace and not compromise their fate with their kisses of death.

In almost their entirety, the immigrants wish to be faithful to the American flag. They reject the flag of Stalin, which has become the flag of all shame and treason.

The senseless insults and stupid accusations of the agents of Stalin, unmasked by us, will not make us deviate a millimeter from our path.

As always, we will be in the front line in the struggle against any bill which threatens the immigrants. We will help, as we have helped through radio, press, petitions to Congress, and brave Congressmen like Honorable Mr. CELLER, to defend immigrants, individually and collectively.

We are ready to join any honest and legitimate movement for the defense of immigrants. But we refuse to put ourselves in the retinue of the Stalinists or to be in their company in a delicate agitation like that of the immigrants, because, instead of good, they would receive harm.

To repudiate Stalin and his agents is to render a great service to immigrants. In such a way American public opinion and Congress are given clear proof that those from abroad, the immigrants, wish to be loyal and faithful citizens of this new great country, the United States of America.

## Guam

### EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, February 19, 1940

EDITORIAL FROM THE WASHINGTON EVENING STAR OF  
FEBRUARY 17, 1940

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be printed in the RECORD an editorial entitled "Guam Loses Again," from the Washington Evening Star of February 17, 1940. This editorial is accurate as to facts with one exception, where the editorial states that Saipan, already fortified by Japan, is 150 miles from Guam. As a matter of fact, the distance is 110 miles. Japan also has the mandated island of Rota only 49 miles from Guam, and the mandated island Tinian, 121 miles from Guam.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of February 17, 1940]

#### GUAM LOSES AGAIN

Manifesting a deference to Japanese opinion out of all proportion to the realities of the situation, the House for the second consecutive year has refused to approve any appropriation for improvement of harbor facilities at Guam, the Navy's outpost in the Pacific. Last February a requested \$5,000,000 appropriation was beaten by a vote of 205 to 168; this year, when only \$1,000,000 was sought, the vote was 123 to 114.

The Guam project got off to a bad start when the Hepburn Board recommended in 1938 that the island be converted into a major submarine and air base at an initial cost of \$115,000,000. Alarmed by that proposal, Congress since then has refused to authorize even the minor harbor improvements which would benefit commercial aviation and enable the Navy to use the island as an advance base for scouting planes in event of war in the Pacific.

It is not easy to understand the unwillingness of Congress to permit the Navy to make these strictly defensive improvements at Guam. By no stretch of a rational imagination could the dredging of the island's harbor be considered as a prelude to an aggressive move against Japan. In war the unfortified island could not be defended against an attack in force and, although some anonymous Japanese naval officers have professed to see an "unfriendly gesture" in the making of any harbor improvements, Admiral Yonai, when minister of the navy last year, said Japan was not very much concerned strategically.

The anxiety of Congress not to give offense to the Japanese, despite the admiral's indifference with respect to Guam, would be less inimical to our own interests were it not for Japan's own bad conduct record in the Pacific. Under the Washington Naval Treaty we agreed not to increase fortifications on Guam and that concession helped induce Japan to accept a capital-ship strength only 60 percent that of the United States. When the treaty expired at the end of 1936, however, the Japanese decided to ignore that ratio. Nor should it be forgotten that Japan has islands near Guam which were mandated to her by the League of Nations, and which, under the terms of the mandate, were not to be fortified. But even before Japan left the League she was understood to be building naval bases

on them, and it is an open secret that Saipan, 150 miles north of Guam, is a veritable island fortress belonging to Japan.

From this it should be obvious that the Japanese, while talking of unfriendly gestures on our part, are very little concerned about giving offense to the United States, and in view of that fact it would seem that Congress, by refusing even to permit the dredging of one of our own harbors, is carrying pacification to a ridiculous extreme. Our foreign policy, particularly as it relates to our own defenses, ought not to be shaped to conform to what Japan or any other nation thinks it should be. If our vital national interests are to be properly safeguarded, Congress must be guided by the recommendations of American defense experts, not by the less-than-candid protests of foreign propagandists.

### The Late Robert Fechner

#### EXTENSION OF REMARKS

OF

HON. LAWRENCE J. CONNERY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ARTICLE FROM THE MACHINISTS' MONTHLY JOURNAL OF FEBRUARY 1940

Mr. CONNERY. Mr. Speaker, it was my privilege to personally know Robert Fechner during the years he was associated with the Civilian Conservation Corps. He was a quiet, unassuming gentleman who rendered outstanding service to his Government. That splendid organization, the C. C. C., will stand as a lasting tribute to his genius and ability. I include the following article from the Machinists' Monthly Journal, issue of February 1940, page 116:

[From the Machinists' Monthly Journal of February 1940]

ROBERT FECHNER

On the last day of 1939, just as the sun peeped over the hilltops surrounding the Nation's Capital, painting the sky a roseate hue, a small group of men and women stood in Walter Reed Hospital with bowed heads as the soul of a great and good man was borne home to its Maker by the angels, leaving behind all that was mortal of our beloved brother and friend, "Bob" Fechner.

When the news of his passing was flashed throughout the Nation—yes, throughout the world—countless thousands of men and women, young and old, were not ashamed of the tears of grief which stained their faces. They mourned the passing of a man who rose from lowly surroundings to heights few attain. He was indeed a humble man, and his career exemplified that passage from the Sermon on the Mount, "He that humbleth himself shall be exalted."

Truly he was one of God's noblemen, and his passing has left an empty void not only in the ranks of the I. A. of M. but in the hearts of hundreds of thousands of C. C. C. boys who fairly idolized their chief. With saddened hearts, they realize they have lost a loyal friend and champion, and "his boys," as he affectionately called them, will always revere the memory of their leader, who left no stone unturned to see that they were given a full opportunity to receive in the C. C. C. camps training that would equip them to return to the busy stream of life with hope and courage, with clean bodies and clean minds, and a knowledge of how better to approach and solve the problems with which they are confronted than was true when they entered a C. C. C. camp.

"Bob" not only commanded the respect of his associates, immediate and remote, in the C. C. C., but he won their affection as well. One of the finest tributes we have seen was paid him in an editorial published in Happy Days, semiofficial organ of the C. C. C., captioned, "There must be trouble in heaven":

"There must have been some trouble up in heaven between the right-wing angels and the left-wing angels and they needed 'Bob' Fechner to straighten things out. For this man, who directed the Civilian Conservation Corps from the day of its beginning, could teach even the angels something about cooperation, patience, understanding, loyalty, fortitude, courage, industry, and friendliness. And if there is any sort of depression up above and 'de Lawd' is worried about what will happen to His younger angels who can't find things to do, it won't be long before Director Fechner has them building terraces in the clouds and cleaning up the celestial forests. And heaven will be a better place because of him.

"We should like to put into words some of the things we feel deep inside about the untimely death of Director Robert Fechner, but there are so many things we should like to say that they all run together, and produce an inexplicable feeling. For nearly 7 years we knew him; from the early days of 1933 when his most important job was that of getting the first 250,000 men enrolled

and enough work projects to put them on. Since then more than 2,000,000 others have come into the C. C. C. And we do believe Director Fechner had a sincere feeling for each one of them tucked away somewhere in his capacious being.

"Throughout America there are young men growing into matured men who will enjoy life more through their years because of the character of the man who directed the Civilian Conservation Corps of which they were a part. They may not long remember the name of Robert Fechner, but the imprint of his life on theirs will help guide them forever. Director Robert Fechner was more interested in them than he was in Presidents, Senators, Congressmen, or himself.

"There may, or may not, be monuments erected to perpetuate the memory of Director Fechner. Whether there are, or not, the ground in Arlington Cemetery wherein he lies is hallowed and the spirit which he bequeathed to the young men of the Nation who had the privilege of serving under him will be nurtured anew, millionsfold. And up there, we are sure, he already has found his name in the headlines."

Bob Fechner was born in Chattanooga, Tenn., March 22, 1876. He attended schools in Macon and Griffin, Ga., until he was 15 years old, when he became a news "butcher" for a short time. Later he attended the Georgia Institute of Technology, and at the age of 16 entered the shops of the old Georgia Railroad as a machinist apprentice. Shortly after becoming a journeyman he joined the I. A. of M. Like most young machinists of that day, Bob soon got the wanderlust and began his boomer days, which covered a period of about 9 years. During that time he traveled in Mexico, North and South America. Following the custom of "boomers," Bob would stay long enough in one place to get a stake, then move on. He worked on the Panama Canal when the French attempted to dig a "ditch" across the Isthmus. Returning to the States in 1905 he found employment in the Georgia Central Shops at Savannah, Ga. Transferring to Lodge No. 23, I. A. of M., he was soon elected its financial secretary, which office he held continuously until 1914, when he succeeded Bro. R. G. Cook as a member of the general executive board of the I. A. of M., in which office he continued, with the exception of 2 years, until his death.

As an officer of the I. A. of M. he covered many difficult assignments on the railroads, in the shipyards, and industrial establishments throughout the United States. His ability was recognized not alone by labor leaders, but by employers, and men and women prominent in all walks of life. Few men in labor's ranks had a more complete understanding of our economic system, and frequently he lectured at Brown, Dartmouth, Simmons College, and Northeastern University, and for several years lectured regularly at Harvard.

"Bob" Fechner was too well known in the I. A. of M. and labor circles generally to make it necessary to go into detail here concerning his career as a trade-union official; suffice to say that he commanded the respect of all with whom he came in contact and earned for himself an enviable reputation which few in labor's ranks can excel. It was his outstanding ability and achievements that attracted the attention of President Franklin Roosevelt and influenced him to select "Bob" to head the C. C. C. That the President made no mistake in this direction is now a matter of common knowledge, and his untimely death is mourned by countless thousands.

The I. A. of M. was proud of "Bob" Fechner, and its officers and members will long cherish the memory of this brother, whose accomplishments reflected credit upon the organization he dearly loved.

His funeral, which was held in Washington, D. C., January 2, 1940, was largely attended by men and women from all walks of life. Burial with Masonic honors was in Arlington National Cemetery, "Bob" being a Spanish-American War veteran, a fact which few persons knew. "Bob" leaves a widow who received literally thousands of letters, telegrams, and resolutions of sympathy, including the following from President Roosevelt:

"MY DEAR MRS. FECHNER: I have heard with deep personal sorrow of the blow which has been laid so heavily upon you in the death of your devoted husband, who was my faithful friend through many years. Please accept my assurance of the heartfelt sympathy in which Mrs. Roosevelt joins.

"As Director of the C. C. C., he brought to the public service great administrative ability, vision, and indefatigable industry. His death is a loss to the C. C. C. and to the Nation.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

Although the soul of "Bob" Fechner has returned to its Maker, he will continue to live in the hearts of his friends and associates, and history will record that the world was better because he lived.

"Lives of great men all remind us  
We can make our lives sublime,  
And, departing, leave behind us  
Footprints on the sands of time.

"Footprints, that perhaps another,  
Sailing o'er life's solemn main,  
A forlorn and shipwrecked brother,  
Seeing, shall take heart again."

—Henry Wadsworth Longfellow.



## If Winter Comes, Can Spring Be Far Behind?

## EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

EDITORIAL FROM THE PHILADELPHIA EVENING PUBLIC LEDGER OF FEBRUARY 12, 1940

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Public Ledger of February 12, 1940:

[From the Philadelphia Evening Public Ledger of February 12, 1940]

## IF WINTER COMES, CAN SPRING BE FAR BEHIND?

It must have crept up on a good many people over the week end that something rather sizable has happened. President Roosevelt has decided to send a special emissary to Europe on a very special mission. Mr. Sumner Welles, the Under Secretary of State, has been selected for that duty. He is to pay an official visit, first to Italy, the most important nonbelligerent nation of Europe. He is to visit Germany, which is at war with the allied British and French, and France and Great Britain, which are at war with Germany.

This plan bears the marks of long and careful preparation. The Governments of Italy, Germany, France, and Great Britain have been duly informed of the purposes behind it. They have consented to meet and talk face to face with a representative of the President of the United States and the American State Department. They know what the talk is going to be about. They know that the tremendous influence of the United States is to be swung into action. They know that America has put its hand to the task of finding a way to check or to limit the war that is tearing Europe apart. They know that "spring is coming"—and they have learned to hear in the sound of those simple words some of the more ominous overtones of the crack of doom.

The significance of America talking to Europe at such a time and in such circumstances becomes clearer. A peace effort. No flash-in-the-pan business. No holier-than-thou platitudes. This is a movement backed by all the resources of diplomacy, guided by the most exact knowledge available, based on the profoundest realities. This is a realization which must have made a good many hearts beat a little more warmly. It must have rung a bell in many a mind attuned during these last bewildering months mainly to the ting-a-ling-a-ling of the bells of hell. Some of us are still that wishful. Still inveterate camp followers of lost causes.

Your best friend will speedily disillusion you. "That man" has simply taken another step to entangle us in Europe's quarrels. "Steps short of war" likely as not will add up to involvement in war itself. If this move fails, where are we? And your Representative in Congress, who may not like the President, may be inclined to do what he can to spike the effort—not necessarily because he sincerely believes it to be dangerous or futile but to make partisan political capital.

Our representatives have a right to their opinions and the right to express them as loudly and effectively as they can. On the anvil of such debate our national life must always be shaped. But some think that internal and party politics should pause and consider in the face of important foreign policy—in the face of any genuine attempt to put the influence of the United States in the scales on the side of peace and an ordered world.

Alf M. Landon, although most of us may have forgotten we owe him any particular thanks, has made us his debtors on this count. Early in his career as a Presidential aspirant he made a remark to the effect that internal and partisan politics should end at the 3-mile limit. And on at least two specific occasions, after his defeat, he was as good as his word.

In December 1938 he attended the Pan American Conference at Lima as a member of the United States delegation. There was at the time a feeling among Latin American leaders that a change of administration would change United States policy toward our neighbors, and there was a disposition to sit tight and do nothing. In a studied and emphatic address to the conference Mr. Landon gave the Latin American members something to remember him by. He told them that American policy is American policy, no matter what party is in power, and that if they expected a different policy under a Republican administration they had drawn a wrong conclusion.

Another time he stepped into a similar breach. In April of last year President Roosevelt put forth the proposal of an international conference to settle Europe's quarrels. Chancellor Hitler made answer in terms so crude that no President of the United States could have dignified it with a reply. But Mr. Landon did answer. In a speech at Kansas City on May 3 he deliberately "crossed party lines." He did so "to support my President."

This is not to suggest that any Member of Congress should espouse this or any other move of the President if opposition is, in the individual's opinion, for the good of the country. But it is obvious to everyone that manifestation of divided counsels in this country weakens the influence of the United States abroad. Most of us will agree that the experiment about to be undertaken deserves a fair trial.

We all yearn for the return of peace. We say in our hearts that Carthage does not have to be destroyed, that the line of blood does not have to be drawn between Europe's and the world's philosophies of government and of life, that it is not necessary, under God, for Englishmen, Frenchmen, Germans, and the others to kill people off and spoil millions of lives in order to settle the current difficulties.

We may hate certain things—but it is difficult, sometimes, to hate other human beings hard enough to want to see them mowed down by machine guns or blown to pieces by bombs and shell fire. Most of us, however cynical, are capable of compassion and the quality of mercy. Not many of us but whose hearts have been troubled at the prospect of this war marching on to claim its legions of victims. A befuddled and somewhat groggy world would welcome some other way out of the slough of despond that threatens to open for all peoples.

## American System

## EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

Mr. LANDIS. Mr. Speaker, we must maintain and get back into full working order the American system of private enterprise. Industry and business should be encouraged and be allowed to continue to grow and expand without outside interference.

We must look today, as in the past, to the creative impulses of free men and women, born of the most enterprising and self-reliant stock in the world, for productive genius, for expansion of enterprise, for economic recovery, for restoration of normal jobs, for increased standards of living.

There must be confidence in the security of the job, of the business, of the savings which sustain these homes. Increased standards of living, leisure, and security can come to that home through the unshackling of the productive genius of our people. The advancement of knowledge must be translated into increasing health and education for the children. The windows of these homes must be bright with hope. Their doors must be open to initiative, enterprise, and opportunity.

Citizens as businessmen are not basically politically minded. They are interested in facts, in principles and in results consistent with these principles. Businessmen are more anxious than anyone else to see the unemployed go back to work, to see the farmers with better purchasing powers, with children in school and old people properly cared for.

Recovery will come when we establish confidence, reduce taxation, take Government out of private enterprise, and reduce Government expenditures.

America must choose between more taxes and more Government workers or less taxes and more factory workers.

We all realize that Government is necessary. Our lives and property must be protected. We must have courts and an adequate national defense.

How is our tax money spent each year by the Federal Government? This administration holds the all-time record on the number of politicians on the Federal pay roll. There are 88,000 employees in the Department of Agriculture. We have turkey-carvers, turkey-tasters, and duck-counters, and what have you.

In 1937 1 out of 5 of those who traveled on a railroad passenger train was on Federal pay. That means \$76,000,000 of tax money bought railway tickets for them. This amount would employ 76,000 workers at \$1,000 per year.

Large buildings are being constructed in order to relieve unemployment. Can we afford luxuries in hard times better than in good times? Most Government activities are not

wealth-producing in that they provide for continuous employment of men. The taxes spent to build these buildings and keep them up should go into wealth-producing activities of trade and industry.

We should restore to private enterprise Government activities which are in competition with the individual and sell the Government property now used for nongovernmental purposes.

The tremendous activities that have been wished upon the Federal Government are changing vitally the America we have always known. Ten years ago there was one Government employee for each 20 of our gainfully employed citizens. Today there are at least 1 of every 10 and they are still on the increase. The American system we have always known is one which the savings of our people, instead of going through taxation to politicians to spend, have been collected by enterprisers and put to work in wealth-producing activities.

One million men in private enterprise would contribute more to our well being than 1,000,000 men in Government activities. There is only one main problem in America today, and that is to put the 12,000,000 unemployed back to work.

America must wake up. American citizens must stand up and fight for their liberty and freedom from oppressive taxation.

American business is oppressed with unfair and destructive taxes. American farmers are being dispossessed of their farms and markets by taxation and the inability of the unemployed to purchase their products. American labor is burdened with a rising cost of living caused by taxation. American home owners are being dispossessed of their homes because of taxation, lack of business, and unemployment.

America is still the hope of the free people of the world. The self-reliance and courage of the American people will again establish the universal objectives of economic and social security in a free republic.

We have been the world's outstanding example of a constitutional democracy. Upon our success or failure, may well depend the future of the democratic principle of government throughout western civilization.

The reasons for our great strides in the past 150 years, dates back to 1776, when our forefathers decided to make the politicians the servants and the individuals the masters.

#### AMERICAN MARKETS

We should restore the American market to the American farmer and let him run his own business. To return to free-trade policies, which open the door of the American market to all other countries of the world, means simply that we are to destroy our protective system, accept low standards of living for our workers, and adopt the peasant system for our farmers. It means acceptance of our farmers of lowest world competitive prices. Our farmers do not believe in trading the best markets in the world to increase the standard of living abroad. This administration has been exporting jobs and creating prosperity in other countries.

It is impossible to solve our farm problem as long as goods come in from foreign countries at a price less than parity.

American people should be glad to pay an American farmer an American price for his products. We should buy nothing from a foreign country that we can produce at home. Practice reciprocity with nations which produce the things we need and cannot produce ourselves.

Business founded upon foreign markets instead of our domestic markets is only temporary. The whole world could not offer us enough sales to make any material difference in our home production. There are more than twice as many automobiles in Chicago alone as there are in the entire country of Argentina, yet one of the main arguments for ratification of the Argentine trade agreement is that great benefit will come to American agricultural producers because the increased sale of automobiles to that country will stimulate business activity here.

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More automobiles will be sold to American farmers than to all of South America combined if the home market for the things we produce is not destroyed.

The real issue is whether or not effective tariff rates on the rank and file of agricultural products shall be indiscriminately reduced, even in cases where present rates are insufficient adequately to protect the domestic industry. A great many of the tariffs listed for reduction are properly working tariffs, giving some degree of protection to domestic producers when prices are high.

It has not been possible to trace any improvement in the unemployment situation in this country to the reciprocal trade program or to show that agricultural producers have benefited in any degree by the increased employment which is supposed to come to our industries engaged in export trades.

Under these trade treaties, the American farmer has been sold down the river. Exports are decreasing and imports are increasing. Official agricultural figures of the United States Government of the first 10 months of 1938-39 show our agricultural exports in 1938 were \$689,615,000, but dropped in 1939 to \$514,283,000. Our agricultural imports in 1938 were \$794,685,000 but they increased in 1939 to \$897,051,000.

Export items that have decreased are corn, oats, wheat, barley, pears, peaches, prunes, plums, apples, oranges, cattle hides, fox furs, tobacco, and cotton.

The greatest contribution which we can make toward stabilizing our economic life would be to preserve the American market for the American farmer.

*Farm imports—United States imports of agricultural products, 10 months, 1938 and 1939*

[U. S. Department of Commerce figures]

Import items	Unit	1938	1939
Cattle	Head	330,653	664,339
Meat products (total)	Pound	123,732,000	136,552,000
Canned beef	Pound	65,833,000	78,073,000
Cheese	Pound	44,423,000	49,249,000
Eggs (in shell)	Dozen	182,844	267,325
Hides and skins (total)	Pound	131,896,000	258,889,000
Cattle hides	Pound	39,338,000	104,217,000
Sheep and lamb skins	Pound	25,496,000	50,085,000
Silver fox fur skins	Number	13,749	75,067
Casein	Pound	317,000	6,876,000
Barley	Bushel	126,000	745,000
Oats	Bushel	5,258	2,612,000
Wheat (all)	Bushel	2,433,000	9,310,000
Wheat flour	Pound	12,237,000	16,929,000
Barley malt	Pound	84,732,000	90,626,000
Hay	Ton	13,505	35,550
Wheat byproduct feeds	Ton	27,173	372,951
Chickpeas, dried	Pound	6,390,000	7,507,000
Potatoes, white or Irish	Pound	36,315,000	48,072,000
Sago	Pound	8,695,000	21,252,000
Tapioca	Pound	183,322,000	295,088,000
Arrowroot	Pound	4,799,000	7,681,000
Peas, canned	Pound	325,000	1,070,000
Tomatoes, canned	Pound	45,096,000	47,773,000
Pineapples, prepared or preserved	Pound	25,918,000	67,632,000
Apples	Bushel	8,004	24,661
Wool, unmanufactured	Pound	69,810,000	197,026,000
Cotton, unmanufactured	Pound	93,107,000	84,443,000
Tobacco, unmanufactured	Pound	60,968,000	64,544,000
Flaxseed	Bushel	12,324,000	14,724,000
Castor beans	Pound	90,570,000	116,555,000
Potato starch	Pound	4,939,000	7,316,000
Maple sugar and sirup	Pound	3,798,000	12,136,000
Wool nolls, wastes, and rags	Pound	3,275,000	15,200,000

The farmers can judge for themselves whether or not the American farmers have benefited by trade treaties under the New Deal. Now is the time to repeal the Hull trade treaties.

Abraham Lincoln, like Henry Clay, has believed in a "high protective tariff" for the benefit and protection of workingmen, farmers, and manufacturers of America. Lincoln added that the tariff is "to the Government what replenishing the meat tub is to the family."

#### UN-AMERICAN ACTIVITIES

We must preserve the constitutional liberties which our people have gained through the years of struggle. It is of primary importance to prevent the growth or spread of influence of any organization which seeks to undermine democracy. Our American policy must be maintained for the best interests of the American people and against all "isms" which seek to destroy us.



The purpose of protecting our constitutional democracy is by turning the light on activities of organizations seeking to work the will of foreign dictators in the United States. The German-American Bund, the Communist Party, the Silver Shirts, and some other similar organizations have fallen upon the darkest days they have seen yet. They are losing both membership and prestige.

The only proper and democratic method whereby un-American activities can be effectively combatted is by the duly constituted law-enforcing bodies of America, operating under our Constitution, and with the support of an informed public opinion.

It is none of our business what kind of government they have in Russia or any other foreign country. It is none of Russia's business what kind of government we have in America. It is our business to look after America and see that Russia or no other country attempts to destroy by propaganda, sabotage, or force the kind of a government we have chosen ourselves. If the radicals in our country insist on destroying our form of government, we should put them on a boat and send them back where they belong.

With foreign "isms" rampant throughout our land, their infection spreading to high places within our Government, starting a decay from within, we would do well to rededicate ourselves to our country, to our homes, and our God with the inspiration of Lincoln's words when he said:

Many free countries have lost their liberty, and ours may lose hers; but if she shall, be it my proudest plume not that I was the last to desert but that I never deserted her.

### Great Lakes-St. Lawrence Seaway Canal

#### EXTENSION OF REMARKS

OF

HON. EARL R. LEWIS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

Mr. LEWIS of Ohio. Mr. Speaker, the Senate of the United States will in all probability shortly have to approve or disapprove a treaty between United States and Canada for the construction of the so-called Great Lakes-St. Lawrence seaway canal and power project.

The proponents of this scheme have given wide publicity to their claims. It is said that this canal will bring the ocean into the heart of the North American Continent and make every Great Lakes port a seaport; and it is claimed that the hydroelectric power incidentally developed in the construction of this canal will be reckoned in millions of horsepower. The proponents of the treaty have thus laid the foundation work for what they hope will be an early and overwhelming ratification.

Recently in my State a rural philosopher newspaperman, who is wide awake to the dangers of such an ambitious scheme and who is a student of business and economic problems, has written an article in vernacular, appearing in a number of eastern Ohio newspapers, but notably in the *Bellaire* (Ohio) Daily Leader of January 22, 1940, entitled "United States-Canadian Canal is National 'Headache'." The author of this article is Mr. W. H. McWilliams, of St. Clairsville, Ohio, who writes under the pen name of Hi Waters. His article is as follows:

[From the *Bellaire* (Ohio) Daily Leader of January 22, 1940]

UNITED STATES-CANADIAN CANAL IS NATIONAL "HEADACHE"

(By Hi Waters)

It's a little bit like leadin' with your right.

Or mebbly like the ostrich stickin' his head in the sand for protection and leavin' his most-valuable spot vulnerable to the enemy.

That's the way I size up this Great Lakes-St. Lawrence canal business which is supposed to bring the ocean "to the center of a continent." Jist why we would want to "leave our most valuable part" exposed to the sharp-shootin' merchants across the ocean and let foreign trade unload their starvation-wage products in the back door of every midwestern home is quite beyond imagination, or at least mine.

Of course you all understand what this Great Lakes-St. Lawrence canal project is. You all know that the first cost of diggin' the canal, broadly speakin', from Montreal to Chicago, would be \$250,000,000, without considerin' docks, piers, and such incidental items; that it will cost \$15,000,000 a year maintenance after it's done; that most of the project now proposed lies in Canada; that it is supposed to produce around 7,000,000 horsepower for electric hydro power; and is supposed to "create a direct route for products of this Nation to the huge markets across the ocean."

There's been little said about "providin' a short and easy way for the low-wage product of Europe and Asia to the center of America." But it's a well-known fact that it's the same distance from one end of the string to the other as it is from the other to the first end.

Europe could ship a ton of English coal to the central heatin' plant in Chicago's loop jist as easy as a Kansas farmer could ship a ton of wheat to Picadilly Square \* \* \* and jist as cheap; providin' he could sell the wheat.

Taken at its best, it would be a "sight-unseen" trade of American products for foreign products. All of us know what that would mean. You can't trade a \$1-an-hour product for a 20-cent-per-hour one and buy many shoes for Johnnie.

A canal such as is proposed in the comin' discussion of the Great Lakes-St. Lawrence power project, so-called, would be entirely too expensive for the people of the United States even if it was presented to us on a silver platter free of charge.

The next worst thing I could think of for American interests would be to build a pontoon bridge from New York to Hamburg and tack up signs on the eastern end saying, "Dump 'er across, boys—dump 'er across."

Now, if we both had time, there's a few particular items to point out that makes the canal dream even worse than suspected. For instance, the openin' of the waterway would allow movement of coal from Nova Scotia, England, Russia, and even Indo-China at ballast rates made to provide return cargo for ships leavin' the Lakes loaded with Canadian grain.

Already 1,000,000 tons of coal is bein' displaced monthly along the Atlantic seaboard by imported oil. \* \* \* The canal would let in more oil from abroad into the greatest bituminous coal market in the world—the great Northwest. Think how much coal that would replace.

The boosters of the canal waterway claim that they can eventually produce as high as 7,000,000 horsepower. If they're right, this would mean the displacement for power alone of 35,000,000 tons of American-mined coal every year.

Every million tons of coal displaced lops nearly \$2,000,000 annually from the revenue of coal producers, 60 percent of which goes for mine wages. Thus, if the canal proves as "valuable" as its sponsors say it will, the miners of the United States will lose \$20,000,000 a year in wages.

In other words, the buildin' of the Great Lakes-St. Lawrence canal, if it does what Army engineers say it will do, will cost every coal miner in the United States a total of \$84 each every year.

Here's another thing of some slight importance.

Eighty-five percent of the iron ore used in the United States comes from the northwest territory of Minnesota, Michigan, and Wisconsin. This ore is mainly used in the great manufacturin' regions of the Lakes. At one time these ores enjoyed big markets east of the Allegheny Mountains. This region is now supplied by imported ores.

The Lake Superior iron minin' industry—now isolated in our great protected inland "midsection," is worth some \$300,000,000, employs some 25,000 persons, it pays \$30,000,000 in taxes, operates over 300 vessels \* \* \* forms an important and big part of our economic system.

The canal, boys and girls, would do for the Lake Superior iron-ore industry and the transportation family, jist exactly what the Atlantic Ocean did for the trade it used to enjoy—slap 'er down! It would allow foreign ores, foreign pig iron, foreign iron and steel into the greatest industrial region of 'em all \* \* \* let 'em in like the Reds did for the Yanks down at Cincinnati last fall.

Another item of passin' interest—which the boosters of the canal forgot—is the railroad angle. Every foreign ship enterin' or leavin' an American port with a cargo would mean the elimination of trains at the rate of 1,000 tons a train, operated by the highest-paid labor in the world. It would be a blow at the very foundation of American stability.

There's so many other things connected to the canal project \* \* \* things like lost taxes from industry, costs, mixed-up economics, subsidies, etc., that hangs on like moss to a live oak tree in the South \* \* \* that the average American would gasp if he set down to read 'em.

But to my mind the very thing that sponsors brag about as the best—"bringin' the ocean to the middle of a continent"—is the worst. We have been thankful for generations that 3,000 miles of ocean separates us from the line-fence disputes of Europe \* \* \* let's not move the "center of a continent" 500 miles closer and open America's markets to somethin' more dangerous than alien guns and bombs \* \* \* foreign low-waged products.

Mr. Speaker, we cannot expect to create such a seaway canal and allow ocean transportation to invade the heart of a continent without completely disorganizing and in great part destroying our long-established, adequate, and essential existing transportation systems, and without also disorganizing,

and in large part destroying, the balanced internal economy of our country, which means wrecked and ruined industries, abandoned ghost towns, whole industries wiped out or so drastically curtailed as to be almost nonexistent, all of which translated into terms of human life means disaster, destruction, and despair, so widespread, so deep, and so fundamental would be the changes wrought if we ever permit such a project to reach fruition.

### Lincoln Day Address

#### EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ADDRESS BY HON. B. CARROLL REECE, OF TENNESSEE

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks, I wish to present a copy of an address which I delivered at Chattanooga, Tenn., at a Lincoln Day dinner, held under the auspices of the Hamilton County Young Republican Club, February 10, 1940:

Six score and eleven years ago today there was born in the obscurity of the backwoods of Kentucky the man whose memory we honor tonight—Abraham Lincoln.

Fifty-two years later this son of parents, to fortune and to fame unknown, was to become the first President of the United States elected by the new Republican Party.

He brought to the White House no background of Harvard culture but a sound knowledge of fundamental truths acquired by self-tutorship and experience in a horse-and-buggy age when individual initiative was still regarded as praiseworthy and profit-making as respectable.

The White House to which he came had none of the conveniences afforded by its present-day executive offices and staff. Yet neither did it have a welcome for such as Dave Lasser, of the Workers' Alliance, and his Communist associates.

He did not have at his beck and call a "brain trust" to work out his problems for him, nor a corps of executive assistants with a passion for anonymity. Yet, in silence and alone, he solved problems far graver than those which for more than seven years now have baffled all of the professors, economists, and witch doctors who have cluttered up the White House corridors.

He suffered from no grandiose delusion that he was the anointed savior of the people; that he, and he alone, could lead them from the wilderness of their despair. He was just "humble Abraham Lincoln."

He did not have behind him a united people who had cast aside partisan considerations to repose a blind faith in his leadership in a time of crisis. Instead he faced the heavy task of leadership of a nation divided against itself and on the brink of civil war.

He had no worshipful group of loyal advisers but could not fully trust even some in his own Cabinet.

He had no ready-at-hand prescriptions to cure the ills that beset the Nation, but only a deep and abiding trust in the processes of constitutional government and faith in the common man.

He knew nothing of the fine-spun theories of the new economy or the doctrines of Marx, but believed that economic freedom and security still had their roots in the homely virtues of honesty, thrift, individual initiative, and hard work.

He was so hopelessly old-fashioned in his ideas that he would have regarded any attempt to circumvent the Constitution and the courts as sacrilege.

He did not believe the Nation could exist half free and half slave. Nor did he believe the Nation could exist if part of it ate its bread in the sweat of the brows of others.

He did not promise a New Deal that would emancipate the Nation from the shackles of all evil and bring a more abundant life. In fact, he made no promises at all, except to do his simple duty according to his lights. Yet forever in recorded history he will be known as the great emancipator, while the New Deal era will be marked down as a period of broken promises, betrayal of trust, and of economic and political bondage.

In his time, too, wild-eyed reformers railed and ranted, but Lincoln held his peace. He did not permit himself to the luxury of name calling and invective. "With malice toward none, with charity for all"—that was the spirit of Lincoln. It is the great tragedy of our times that no such sentiment as this has been expressed at the White House in more than 7 years.

How like the harmony of a noble symphony sound those words today, "with malice toward none, with charity for all," against the

raucous discords of "malefactors of great wealth," "money changers in the temple," "economic royalists," and "Bourbons."

The keynote of the harmony Lincoln sought was tolerance. The keynote of the New Deal discord has always been "crack down."

Lincoln did not prate of liberalism; he talked of freedom. And freedom to him meant more than freedom of speech and freedom of worship. It meant free business enterprise as well. None knew better than he that all forms of freedom must stand or fall together.

How different today. No administration in the history of this Nation has so smugly and so blatantly paid lip service to liberalism as that of the New Deal. But it is a liberalism founded not on tolerance but on hate. Hate for that group of citizens who braved much, and ventured more, to make this country great; that group which most dramatically represents the spirit of individual initiative and free enterprise—our businessmen. And any liberalism which has its roots in hatred cannot but produce the fruit of tyranny.

Contrast the invective, the villification, the setting up of class against class according to the regular New Deal technique with the real liberalism of Lincoln as revealed in his remarks to a committee of New York workingmen on March 24, 1864. Said Lincoln:

"The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations, and tongues, and kindreds. Nor should this lead to a war upon property, or the owners of property. Property is the fruit of labor, property is desirable, is a positive good in the world. That some should be rich shows that others may become rich and hence is just encouragement to industry and enterprise."

"Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

So spoke Lincoln. Do we find a counterpart in the New Deal philosophy? Ah, yes. It is "soak the rich."

For all its highbrow professors and doctrinaires, the New Deal has never learned that the spirit of enterprise is more than an economic force; it is the very basis of free democratic institutions.

The New Deal has never learned that upon the willingness and ability of democracies to encourage investment will depend their ability to keep opportunity abundant and, in consequence, to preserve the free institutions which are the first casualties of severe social conflict.

Simple but profound truths are these; too profound for those who trade in the superficialities of the New Deal to grasp.

So the New Deal has pressed its war against business and businessmen vindictively and relentlessly.

Because a few of the cows in the business barn gave sour milk, small boys with sticks and mad dogs are permitted to chase the whole herd to exhaustion all over the pasture.

A few business leaders proved faithless to their trust. So put all business in a strait jacket. Now, a strait jacket will keep you out of mischief. But you can't work in a strait jacket. You need overalls.

A member of the inner New Deal circle is quoted by Raymond Moley in his book *After Seven Years* as saying: "Fighting with a businessman is like fighting with a Polack. You can give no quarter." There you have a succinct expression of the New Deal's attitude toward business.

So when a few—a very few—of our great utility holding companies abused their power, the New Deal demanded the death sentence for them all. To the New Deal "brain trusters" no Indian is a good Indian except a dead Indian. Well, I suppose killing off an enterprise is one way of instilling virtue. There is nothing so virtuous as a corpse.

It was because of this New Deal attitude that fear, deadly fear, gripped the Nation and the Nation's business and still holds all enterprise in its paralyzing clutch.

You know what I mean. The wage earner does not forget that 10 percent pay cut he had to take after a soothing voice over the radio from Washington assured him that all was well. It is true that for the most part his old wage—or nearly all of it—has been restored. But as he watches the backing and filling of the administration, as he sees the Federal debt pile up to a figure quite beyond the mental capacity of any of us to visualize in terms of goods and commodities, he fears, and well he may.

So instead of buying the new radio or the new motor car as he had planned, he is afraid to take a chance. In consequence, his money that would have been spent for a radio or a car and would have made jobs goes into the bank to still further swell that unwieldy bulk of excess reserves in the tomb-like vaults where, like the lilies of the field, it neither toils nor spins.

And if the individual fears to risk his own money, what of the heads of our business establishments and corporations who are entrusted with the funds of others? If the individual fears to risk his own money, will not those entrusted with the money of others be even more reluctant to venture it for new plants and badly needed equipment? Obviously. Ah, yes, Mr. President, the businessmen of America are not gambling with other people's money. All things equal, they would be ready to risk legitimate business hazards. But the New Deal has stacked the cards against them. All it offers is a gamble.

In his first inaugural, Franklin Delano Roosevelt told the Nation that "the only thing we have to fear is fear itself." There is no gainsaying that those words lulled the people like an opiate.

The people gave the President cheerfully and unhesitatingly more power than had ever been possessed by any President of the United States. They stifled their fear in a great but simple faith.



But as time went on and the depression deepened, as factory after factory closed its doors and an army of 11,000,000 unemployed tramped the streets, a new and concrete fear replaced the old vague fear of the unknown which afflicted the Nation in 1933. It was fear of the Government itself. And that is one of the greatest drawbacks to business and industry today.

But before we carry this thought further, let's be sure of exactly what we're talking about. Let's take a look at American business. Let's see just what we mean when we speak of the Nation's business. And then let's see what the New Deal did to hamstringing it and reduce it to its present plight.

If we visualize the several million individual business enterprises in the United States as a whole and call this aggregate the Nation's business, we find that we have plant and equipment which cost \$200,000,000,000 and which, when operating at capacity, employs 50,000,000 workers. This vast plant is capable of producing about \$1,600 worth of goods each year for every worker. This may not seem a great amount yet it is more than the industries of any other nation on the face of the earth are able to produce. It is five times as much as American industry was capable of producing when Abraham Lincoln was born.

This great business machine has been built up by free enterprise in a country which embraces only 6 percent of the world's area and 7 percent of its population. Yet because it was erected by hardy and independent men who were willing to take a risk instead of seeking security in the economic storm cellars, this Nation today has more than 45 percent of the world's wealth.

Yes; and despite the best sabotaging efforts of the New Deal wrecking crew we still have today in the United States the highest real wages, the shortest working hours, and the greatest percentage of home ownership on earth.

As a result of causes which we need not consider here but which had their genesis in the world-wide economic maladjustment which followed the World War, this vast industrial machine slowed down. Production dropped at first to about two-thirds of capacity; fell again to three-quarters. Then came a man who boasted that he knew all the answers and promised the country a New Deal. The people, in a frame of mind to try anything, everything, put him in the White House.

The new captain then began to assemble the most motley crew that ever manned the ship of state; able men, inefficient men; sane men and crackpots; experienced economists and long-haired fiscal theorists; patriotic men and parlor pinks and outright "reds."

With much tub thumping and loud huzzahs, this horde of zealots and fanatics swooped down on Washington. Their sole thought was that they had a mandate from the people to do something. They did it with a vengeance. They tried to tear up the Constitution. They tried to pack the Supreme Court. They succeeded in substituting government by men for government by law.

Then with a mighty chorus of hallelujahs, they began their business-witch hunt. That was more than 7 years ago. They haven't found many witches in the business community. But still they press the hunt with evangelical zeal. But meanwhile, most of the saner and abler administration advisers have left the New Deal dove cote in disgust. Had Lincoln been alive he would have predicted that. He knew that you may fool all of the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all of the time.

When the voodoo doctors came to Washington and were unable to find what was wrong with our ailing business, they invented a new malady of their own to suit their purpose. They called it the vanishing economic frontier. On the basis of that diagnosis, their New Deal economic brethren began to sell America short. Their red and pink fellow travelers began to spread the propaganda of defeatism.

This propaganda went something like this: America is no longer a country of boundless opportunity. The frontier has vanished. Our natural resources are pretty well developed. Population, although still increasing, is growing at a declining rate and soon will be stationary. There no longer are sufficient investment opportunities to absorb the savings of the community. If savings are not invested they pile up in idle bank deposits and the demand for goods declines. So there must be a new distribution of income—an increase in small incomes at the expense of large. Share the wealth!

I do not need to point out to you the fallacies of this reasoning. You businessmen know them as well as I. What is worth noting is the supreme heights of folly attained by the New Deal in an effort to remedy the situation which they alleged to exist. What was wrong, they said, was that there was too little investment and too much savings. But what they did was to adopt policies which could result in nothing else than still further increasing savings and still further restricting investment.

There were five such major policies adopted by the New Deal: (1) Government spending on a huge and unprecedented scale; (2) Government undertaking to supply services previously furnished by private enterprise, in other words, Government competition with private industry; (3) imposition of personal and corporate taxes which penalized investment and expansion; (4) capricious interference with business by regulatory commissions; (5) labor legislation which split labor into two hostile camps. Let us consider briefly each of these items that have resulted in the hamstringing of business and, as the Temporary National Economic Committee confesses, has left the economic machine stalled on dead center.

Through its deficit spending—pump priming, if you will—the New Deal almost doubled the national debt, until today it has reached the staggering total of more than \$42,000,000,000, dangerously close to the statutory debt limit. And now, at this late date, after all these billions have been fruitlessly squandered, it is both ironic and tragic that Dr. Charles F. Roos, former research director of the N. R. A., in a study just completed of business conditions from 1919 to 1939, states that he found—and I quote—"no significant correlation between Government spending and orders received by business."

Bad as it is, our colossal deficit, with all its inherent dangers of inflation, is not the worst feature of the Government's spending policy. The worst feature is that Government spending drives private capital out of industry and prevents exactly the kind of investment which recovery demands—voluntary spending for productive purposes by the people who have money to invest.

The public debt is created primarily for nonproductive purposes—relief payments, military expenditures, civic projects, etc. But private debt is created for industrial production, chiefly of durable goods, which represent the most conspicuously retarded of our country's industries.

Yet, Marriner S. Eccles, Chairman of the Federal Reserve Board, who, of all persons should know better, has undertaken to assure the country that there is no need for alarm over our huge public spending because it has merely replaced private spending, and that the Nation's total debt, public and private, is no larger today than it was in 1929. It is exactly for that reason that there is serious cause for alarm.

The President, himself, less than a year ago, fed the Nation this soothing sirup: "Why worry about the public debt? We don't owe it to outsiders; we owe it to ourselves."

Does it ease the burden of our tax-ridden citizens and business enterprises to know that it is not to outsiders but to American banks and large investors that the taxes they pay will ultimately go? It is the amount of the tax not the ultimate destination of the money that matters. And businessmen resent the implication of their gullibility in statements that there is no difference between public and private debt.

Every businessman, every wage earner, knows that the public debt is created by the Government and not by the people who must pay it. He had no say when this debt was contracted. All he is expected to do is to pay, and pay, and pay; not only he but his children and his children's children. On the other hand it is equally obvious to everybody that private debt is an obligation voluntarily contracted and which the debtor expects and is perfectly willing to pay off to the last penny.

Now let's look for a minute at this matter of Government competition with private enterprise. It is a matter to which I believe too little thought has been given by the rank and file of Americans. The average man in the street reads in his newspaper about Government competition with great industries—such, for instance as the electric-power industry—but it seems to him a thing remote. When it goes to the lengths of putting out of business the merchant on Main Street with whom he has been dealing all his life it will be brought home to him in all its stark reality. But then it will be too late.

In our system of private enterprise the free flow of new investment capital constitutes the life blood. But mere capital is not enough. First there is a man with an idea, either for a new business or the development of an old; then come the investors to supply the capital to finance the idea, and last, management to plan, build, and direct so that the idea may become a reality.

Quite naturally when businessmen see Government competition going on in one industry they wonder what is going to happen to their company. They are likely to decide not to build that new plant which they proposed. The investor begins to wonder too, and to fear. He fears for the investment he already has made, he decides to put no more money in the business. So business expansion halts and investment capital piles up in idle bank reserves.

And now let's see how the New Deal through its income and corporation-tax policies has helped cripple American industry. In good years more than 50 percent of the Nation's savings comes from incomes of \$10,000 a year or more and nearly one-fourth from profits. One of the first steps taken by the New Deal was to increase the yield of the personal income tax, partly by advances in the surtax rates, but in the main by changes in the exemptions.

Then it sought to discourage investment by changes in the tax on corporate incomes, which roughly doubled its burden, and by a tax on undistributed profits to discourage corporations from reinvesting a substantial part of their income. For example, corporations in 1936 paid Federal income taxes of almost exactly the same amount as in 1929, although corporate incomes were only one-half of the 1929 level.

Thanks to the Republicans in the Seventy-sixth Congress and straight-thinking Democrats who aided them, the last vestige of the undistributed-profits tax was repealed last year, and the corporate income tax was modified to permit the carry-over of losses over a period of years.

There yet remain many inequalities in the distribution of the tax burden which are a drag upon business. To the correction of these inequalities the Republican Party is pledged. Heaven knows existing business and new enterprise need all the freedom from unwise and unjust handicaps they can get. Even in the prosperous years before 1929, less than two-thirds of the established American corporations made any money. Less than one-third make any money today. These are the established corporations. Among new business ventures only 1 out of 10 ever make any money at all.

Now, consider the New Deal's capricious interference with business by regulatory commissions. It has been the consistent New Deal policy to set up a commission to administer every law that it enacts for the regulation of business. In so doing it has made our Government to a very great extent a government by men instead of a government by law.

Before the New Deal the law was plain. It was written down in black and white. Every businessman could familiarize himself with the law and act accordingly.

This new government by men—we might even say by caprice—has served only to add to business uncertainty and fear. Business cannot successfully operate under a government by commissions which may change their standards as they will and dispense their favors in accordance with the predilections of their members.

Take the Securities and Exchange Commission, for example. The complaint of the financial community is not so much directed to what they believe are unnecessary hardships imposed upon the securities business but the atmosphere of uncertainty and fear in which they operate.

A simple illustration will give you an idea of what I mean. Under the securities legislation it is perfectly lawful for an underwriting syndicate to "support the market" for an issue of securities it has sold to the public. On the other hand, it is unlawful for the syndicate to manipulate the market. But where is the line to be drawn between "supporting the market" and "manipulating the market"? Ever since this legislation was enacted, underwriters have sought to have the Securities and Exchange Commission clarify this point. The Commission either can't or won't. So every day large underwriters are harassed by the uncertainty as to how far they may go in supporting a market and the fear that if they go too far they may go to jail.

I believe all of you know what the New Deal's labor legislation has done to business; more strikes than in any comparable period in the Nation's history; labor split into two hostile camps and the employer caught between the upper and the nether millstone of jurisdictional disputes. And we are all too familiar with the biased and prejudiced attitude of the National Labor Relations Board—now, happily, in process of being cleaned up, or so at least we hope. It is not an exaggeration to say that the New Deal's labor policy has cost industry billions of dollars and has cost the workers many millions through unemployment due to strikes and permanent loss of jobs by the closing down of plants.

The picture I have endeavored to present to you of how the New Deal has crippled business and checked the flow of investment funds has been admirably sketched in a recent issue of a weekly paper by James Truslow Adams, eminent historian and economist. Mr. Adams says—and I quote:

"The capitalist today knows he may lose if his judgment is wrong, but also that if he is right, what he may be allowed to retain is so small in comparison with the risks that the game is not worth the candle. He has always been willing to take risks for the sake of great profits, but no sane man takes great risks for nothing.

"It is not merely that taxation is heavy, with every prospect of its being yet heavier in the future, but that it tends to be used punitively with the intention of not simply raising money for the legitimate needs of government but of remodeling our social system into a form unknown. Governmental regulation and red tape not only take the time of executives, but with 49 governments—State and Federal, to say nothing of local—turning out some 20,000 new laws a year, businessmen cannot know from day to day where they stand before the law. There is also too rapid change. We are told that some governmental policies are on a 24-hour basis, but business cannot afford to take great risks in the investment of millions in plants which may not be productive for years if the attitude of government toward business cannot be predicted for even a week."

It is a gloomy picture, but let us not despair. Let us remember that in his first inaugural Lincoln said, "While the people retain their virtue and vigilance, no administration, by any extreme of wickedness or folly, can very seriously injure the Government in the short space of 4 years." I, for one, am quite sure that he would have said the same of an administration covering 8 years.

So here and now tonight let us highly resolve, both in the spirit and in the words of Lincoln, "that this Nation under God shall have a new birth of freedom—and that government of the people, by the people, for the people shall not perish from the earth."

To us he passed the torch. Be ours to keep it bright.

## Taxes and Business Expansion

### EXTENSION OF REMARKS

OF

HON. ROBERT L. RODGERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

#### LETTER FROM A CONSTITUENT

Mr. RODGERS of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following

letter from a prominent manufacturer and businessman in Erie, Pa.:

NORTHERN EQUIPMENT CO.,  
Erie, Pa., February 14, 1940.

Hon. R. L. RODGERS,

House of Representatives, Washington, D. C.:

Noting that an economy wave is finally becoming apparent in the Congress, I hope you will use your efforts to continue that just as strongly as possible.

As you know, billions of capital are idle largely because of fear and the lack of belief that venturing capital will produce safe returns. As a corollary, excellent ideas and men to exploit them are likewise idle.

This is no theory. In the past month there have been submitted to me two propositions, each of which would mean the establishment of a new manufacturing plant. In spite of additional cash in the bank, I declined both. If I could be reasonably certain that even a little of the tax load were going to be reduced, I would go into either or both of those propositions at once.

Reduce the tax load so as to permit additional money, dormant ideas, and unemployed men to get to work.

Sincerely yours,

E. W. NICK.

## Lincoln Day Address at Fairmont, W. Va.

### EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ADDRESS BY HON. LELAND M. FORD, OF CALIFORNIA

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address to be delivered by me at Fairmont, W. Va., on February 22, 1940:

It is certainly a privilege and a pleasure to have the invitation to come to Fairmont, in the First Congressional District, of which Mr. ANDREW C. SCHIFFLER is Representative. Incidentally, I would like to congratulate and commend this district upon its selection of Congressman SCHIFFLER, for I, and many other of our colleagues, believe that he is one of the best Congressmen in Congress.

I believe it is particularly apropos at this time of the year that we do honor to one of the greatest Americans, Abraham Lincoln, and I would like to feel that the spirit of Abraham Lincoln would join us in this meeting this evening.

I have chosen tonight to speak about security, and when I say "security" I not only mean social security but I mean the security of all those who expect social security, the security of the aged, the blind, the destitute, as well as the security of business, of labor, of our own homes, all of that security for each and everyone of us. Let us pause and ask ourselves a question, each one of us, how secure are we and what security may we expect in the future. Of course you do not have to answer any such question as that to me, but you certainly do have to answer it to yourself, and you cannot sidestep it, neither can you fool yourself about it, but it must be satisfactorily answered.

I don't think it hurts to take an inventory of one's situation occasionally and make a full survey to find out exactly how one actually stands. This I am going to attempt to do. It might be possible to bring this out by comparison. Let us compare, then, the conditions that surrounded Abraham Lincoln, with his log-cabin birthplace and the other so-called social conditions that went along with it. At that time there certainly was no Farm Security Administration to turn money over to Abraham Lincoln and there was not a group of other social agencies, with pockets full of money, which money had been wrung from our people through taxation, to give to Abraham Lincoln or others like him, in order that he might get his education, continue to live, and follow his vocation. Looking into this a little further, after he had advanced in life and had become a lawyer, it was found at one time that he was so poor that he had to pawn his famous and well-loved surveyor's instruments to pay his rent. There were no new dealers around then to come to the aid of Mr. Lincoln and give him money which he did not ask in order that he might continue to follow his profession and live. It certainly is a fact that he did live. It certainly is a further fact that he had an unusually strong character and that his principal philosophy was that if he worked hard, if he was honest with himself and with his fellow men, worshiped God, had a religion, he would succeed. He did succeed, and he did become the sixteenth President of the United States, strange as it may seem, without any of the coddling of a paternalistic government. While Abraham Lincoln did not receive the so-called benefits under our new social extension, at the same time he was not called upon to pay nor be



burdened by the burdensome taxation that took from him the incentive to go forward, for in those days the Government was living within its means, paying its way, and paying off its national debt. Is this not exemplification of the statement that we have heard that "strong plants do not grow in hothouses"? I believe it is. I also believe that the type of Lincoln philosophy is just as good and just as strong today as it was then. I believe that it is, at least in part, through hardships and the ability to surmount those hardships, together with their experiences, that the thing we call character is created.

Once that character is developed, it is its driving force that motivates men and drives them forward to such heights as Lincoln reached. Sometimes I wonder if we are sapping and destroying our future security by surrounding people with conditions that will make them too soft by giving them things that they did not earn, and by the very easy way in which these things are received, and if we are not eating away that security called moral character.

In those days people at least had real security. In that time security meant the right to acquire knowledge, whether you received it in school or at your mother's knee, or whether you slaved for it with a piece of coal and a board at the hearthside as Lincoln did. After one acquired that knowledge and the ability that went with it, he had the right to use it to further himself to the limit of his knowledge and ability, and what he won in the way of financial or other rewards, no man or government did take away from him if he got it honestly. Security, then, was backed up by thrift. It meant that if a man worked hard and honestly and built a home that a man could be proud of as long as he lived, he would be somewhat protected by those things he had earned. The biggest thing, however, in this constructive effort was the building of honest, rugged men and women with real character, dependent upon no one for guidance or financial help. They were secure in their honest, rugged strength and moral character, unafraid of work, and happy in the knowledge of a job done rightfully, willingly, and well.

Let us look at our security today and wonder how secure we are, with a national debt of approximately forty-five billion and a current operating expense for 1 year—last year—of approximately thirteen billion, with a prospect of the national debt going higher.

How secure is any nation financially that owes \$45,000,000,000 if that nation is honest and expects to pay back that bill? I think our people have not been deeply enough concerned with the seriousness of this debt, with particular reference as to how it affects their security.

I think that this goes to the security of every individual in the United States, to the security of even our form of government. This debt may eventually determine whether this country is to remain an American democracy, with our Constitution, our Bill of Rights, or whether, eventually, due to the break-down of our financial structure, there may be an attempt to force upon us, in one of its forms or another—socialism, fascism, nazi-ism, or communism. I have stated that the only difference between the spread from socialism to communism is in the degree of its application.

Let us consider a few figures from the following table:

	Receipts	Expenditures	National debt end of year
Fiscal year—	Millions	Millions	Millions
1930	\$4,178	\$3,994	\$16,185
1931	3,190	4,092	16,801
1932	2,006	5,154	19,487
1933	2,030	5,143	22,539
1934	3,116	7,105	27,053
1935	3,800	7,376	28,701
1936	4,116	8,880	33,545
1937	5,294	8,105	36,427
1938	6,242	7,626	37,165
1939 <sup>1</sup>	5,520	9,492	41,132

<sup>1</sup> Estimated.

In this connection you will note the last year's expenses shown as nine-billion-plus came closer to being 13 billion. You will notice how the national debt has risen from 16 billion in 1930 to approximately 42 billion in 1939. This 1939 figure does not include the liabilities and guaranties of any other departments of Government. These figures are beyond the average man's comprehension, and, ladies and gentlemen, I want to tell you that they certainly are fraught with much danger and they show several things, not only with reference to our finances themselves, but one of the biggest dangers is in the tremendous tax load that our business structure has to bear and how it might affect its ability to maintain itself as private business, due to this tax load. The other is to security. How much security are any of you going to have from a bankrupt Government. Who will pay? And with what can a bankrupt Government pay all the social security benefits, veterans' benefits, aged aid, and all the others? This, then, leads us to the question of the encroachment upon private business of socialism, nazi-ism, fascism, or communism, whichever you choose to call it. I think this is proven by the encroachment of the Federal Government on what used to be termed "private business." We find the Federal Government in the banking business, the real estate business, the insurance business, the brokerage business, the power business, and I believe there are some 89 businesses, all told, which this Government is now engaged in operat-

ing. Whenever these businesses sustain a loss, of course, this loss must be charged back in the form of taxes. These businesses, therefore, must not necessarily be run on an efficient basis, because any deficit is charged back to taxes and collected from our people.

Is not this Government ownership and operation, then, actually socialism? And is not socialism the first step toward fascism, nazi-ism, and communism?

Are private business, labor unions, individual liberty, and all those rights that we hold dear under our Constitution and democratic form of government, wiped out and destroyed under any of these so-called "isms"?

I think these are fair questions. You ought to know the answers. Your welfare and security are at stake. You will eventually have to answer these questions, and upon your answer your future will depend. Give your answer before it is too late.

As a particular illustration of some of these things about which I have been speaking, let us consider the ownership and operation of the T. V. A. Here is Government ownership and operation, with millions of the taxpayers' money spent to compete against whom? Our fellow citizens. Assume the T. V. A. program in its complete form. What are going to be the effects upon that community and upon you, in your community? First, I don't think there is any question but that private business in this line will be driven out of business. The rates may be low temporarily, or they may not be, in the long run, but that remains to be seen. People usually pay for what they get. Usually, Government operation is far more costly than private business because those who run Government operations are selected primarily on account of their political importance and not on account of what they know about the operation of that particular business, nor their efficiency to operate it. If the plant is not efficiently operated, it does not have to close down as a private business does, but the dear old taxpayer is again stuck for the taxes to pay for the political mistakes of those who do not know. Also how will labor unions fare under Government ownership?

In that district I understand that some of the counties are now beginning to worry as to their revenue produced by taxation, because these T. V. A. projects, being Government-owned, are tax exempt. This is one of the effects immediately upon the county, and, having been a county supervisor, I know that one of two things will have to happen, valuations will be increased to obtain the additional revenue, or the rates will be increased, in other words, there will be an increase in taxes.

How is this going to affect you? And when I say you, I say the employer and the employee, the owner of the business and the laboring man, and all in between, because all are affected. Does this mean that electricity, which was formerly generated in plants wherein they used coal and oil, will take the place of the coal and oil and the plants will now be cleared up and scrapped? And, if that is true, what is going to happen to those who have been furnishing the coal? Are you going to close down the mines so far as the owners are concerned, and lose the benefits from your capital? And is labor going to be denied the opportunity to work these mines and lose the benefit from its capital, which is labor? When one takes into consideration the ramification of the effects of this governmental ownership, with its socialistic trend, he had better pause and ask himself the further question: Where are we going, and what is our future destination? My answer, after giving some thought to that question, is that we are going down the road to ruin, to a certain loss of American form of government, if this governmental encroachment continues to grow as fast in the next 20 years as it has in the past 7. The time to stop these things is now, and I hope, by the time election gets around, every man and woman voter will have turned these things over in their minds, seriously, and have the proper answer.

Now, these things that I am telling you either are or are not true, and it is up to you people individually to determine whether they are or not. I believe they are, and I believe their effect, if continued, is going to vitally affect the security of every businessman in this country. The reason I say this is that of all of these tremendous expenditures every single penny must come from one source only, and that source is taxation, and every dollar collected in taxes comes from some of the ramifications of business. That, in turn, of course, affects employment. Business cannot use the same dollar with which to pay taxes and give employment to our people. This has been tried for the last 7 years, and after the expenditure of twenty-five thousand million dollars we have approximately the same number of unemployed that we had 7 years ago, and I think we are in worse condition because we certainly owe that twenty-five thousand million dollars more than we did, and are not in as sound financial condition as we were, and neither is business. In addition to this, the incentive of security has been taken out of business and business feels it is no longer safe to go ahead as private business, that gradually, but surely, socialism is creeping in and Government is engaging in that business in a socialistic or communistic manner, thereby destroying business, and with it security.

I say to you that no Republican, nor any Democrat, has any right to support any such socialistic trend.

Having looked at conditions as they are, and I believe this to be true, how secure is any business, any bondholder? How secure are any of our people who have been led to believe that they are going to have social security in their old age? How secure is any savings bank? How secure is any holder of a mortgage or any other security? As a matter of fact, how secure is labor under this encroachment of socialism?

We have only to look to Europe within the last 25 years to see these different types of encroachment work, and look at the European countries in which they have been tried, to see what they have done. In contemplating those things, I certainly do consider that inflation and deflation are dangerous to all security, and so is repudiation of Government debt. Of course, this country has not gone so far as some of the European countries, but I think the time to stop this socialistic-communistic encroachment is now, and every group of our people should back us up in stopping all these Europeans "isms" and demand that our people get back to an American form of Government and stay there.

I am going to ask labor a question, and it is this: If we depart from an American form of Government and adopt any other form of government, in whole or in part, in a range from socialism to communism, where does labor expect to get off? I am asking labor, and I defy labor to point out to me, where they may find one labor union in Russia, one labor union in Italy, or one labor union in Germany. They have been destroyed by so-called liquidation. Those of you who may be interested in religion have seen religion restricted in Italy, much more restricted in Germany, and finally wiped out in Russia.

We have also seen business, individual liberty, and all rights as we have come to know them in America, wiped out in the same way. Therefore, I say to you that this country cannot successfully engage in socialism, or in any "ism" except Americanism if we are going to maintain our ideas of individual liberty.

I have not given you many figures, but I could, with respect to the tremendous taxation that this country has to bear, and I believe that this country can and will pay its way out and give back to us that security we have known and have expected in this country, if we will stay away from European "isms" and stick to the American form of government, which gives us our incentive to go forward, known as individual liberty.

In my experience as a county official I know definitely it is not the cost of American government that is breaking the American businessman and bringing the tremendous tax load upon the people. I believe that it is this outside social extension of things that are not proper, reasonable, desirable, or necessary functions of government that is increasing the cost. As a matter of fact, I know definitely that within my own county of Los Angeles 52 cents out of every dollar goes for this new program and for things that are not strictly governmental functions. This should mean to the average man, if many of these things should be discontinued, that the tax bill could be cut more than 50 percent. This should further mean that when this tax bill is cut there would be more money left with which to meet pay rolls in employment, so I think it is safe to say that it is not the cost of the American form of government that is breaking us down but it is the cost of these imported European "isms" that have attached themselves to our Government like leeches which is really ruining us. It is not sufficient just to criticize, and I offer this as a suggestion, that the Government of the United States announce a policy, and when they announce it mean it, that first they are going to balance their Budget and quit spending more than they take in.

Secondly, that when these expenditures have been curtailed the amounts so secured shall be passed on to business in the form of reduced taxation.

Thirdly, that the United States will get out of private business and stay out, and return to the functions of government only and never engage in competition with its citizens.

I believe if those things were done and actually carried out, the incentive for business to go ahead would be there, that confidence would be restored in business, and business would go ahead and make that expansion that it is crying to make, and in that expansion our unemployed would again be absorbed, back on the pay rolls of business and industry where they permanently and properly belong and off the public dole. In other words, it would be a return to the American idea of government which would bring us real security.

Let us, with Lincoln, believe that the vigilance of a free American people will see to it on next November 5 "that this Nation under God, shall have a new birth of freedom—and that American form of government, of the people, by the people, for the people, shall not perish from the earth."

### A Mission of Exploration

### EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

EDITORIAL FROM THE PHILADELPHIA EVENING BULLETIN OF  
FEBRUARY 12, 1940

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Bulletin of February 12, 1940:

[From the Philadelphia Evening Bulletin of February 12, 1940]

### A MISSION OF EXPLORATION

President Roosevelt's dispatch of Sumner Welles, Under Secretary of State, on a mission of inquiry among Europe's great powers has aroused much speculation at home and abroad as to his purpose. In the allied countries there is uneasiness as to the possibility of peace overtures unsuited to the present state of Europe's war.

The allied governments think peace on any terms now obtainable would leave Hitler with the fruits of his aggression and in position to resume his attacks on the independence of minor countries.

There are those in the United States who view the President's step as a move toward dangerous involvement in affairs overseas. While the President's representative is visiting the three belligerent nations, and Italy as well, Secretary Hull will be discussing with the neutrals the chances of an enduring peace based on an end of economic war.

The President has already put on record his desire to cooperate to bring about peace in Europe in his message to the Pope, telling of his decision to name Myron Taylor as his representative at the Vatican. There are many reasons outside considerations of humanity why the President must wish the conflict terminated. The war will place on the financial and economic resources of the nations participating, and on their social structure, a terrible strain, from some of the effects of which the United States cannot hope to escape. Already dislocations are occurring in our foreign trade, as instanced by the blow to tobacco exports caused by British preference for the Turkish product.

A prolonged war might well mean a world-wide depression, making domestic recovery the more distant. The zero hour in which the Nazi spring offensive may come approaches. Exploration of possibilities that the allied democracies may be spared that ordeal seems desirable.

The President's hatred of dictatorship is too well established to make it credible that he would let American policies serve in any way Hitler's purposes. The manifest demand of the people to keep the country out of war and the President's own assurances on that subject are all on the record. They seem adequate safeguard against the dangers conjured up because of the Welles mission.

### Freight-Rate Differentials

### EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

Mr. BRYSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the February 11 edition of the Spartanburg Herald:

[From the Spartanburg Herald of February 11, 1940]

### ONLY A SQUARE DEAL IS ASKED

Again the South must go before the Interstate Commerce Commission and ask that body to sustain its recent ruling which gave part relief from the burdensome freight rates that southern shippers have suffered in past years. Northern interests have filed a complaint against the ruling and are asking the I. C. C. for a reopening of the case.

As far back as 1931 Commissioner Eastman declared that the differential "is in open conflict with the principle of equality; moreover, it is a cruel doctrine." That seems to state the case of the South as completely as it can be stated. The rate differentials have caused Southern States to lose millions of dollars which should have been used in the development of industry. But that is just what the manufacturers and railroads of the Northern States seem to want.

The South is "up and coming." In spite of all handicaps, its natural resources are being developed. The decision of this case should not hinge upon what effect it may have upon certain sections of the country but upon the benefit to the whole. The South is the greatest potential market of the Nation. Given the opportunity, its people will be buyers of eastern and western products and the southern consumption will stimulate nationwide business and industry.

The South asks nothing but an equal chance in the commercial and industrial structure of the Nation. Less than that is rank injustice. This repeated effort to get a square deal has become an "old southern custom."

Mr. Speaker, the editor of the Spartanburg Herald is correct in asserting that the South is "up and coming." It is true that in spite of certain man-made economic barriers, in spite of all handicaps, the natural resources of the South are being developed rapidly.



Public officials in every section of the country must realize that the abomination of freight-rate differentials is unfair and hurtful, not only to the South, but also to the Nation as a whole. As pointed out in the Spartanburg Herald editorial, the South is the greatest potential market of the Nation. In the National Emergency Council report on southern economic conditions, the South is described as "the Nation's greatest untapped market and the market in which American business can expand most easily."

In another part of this same report to the President on economic conditions in the South, it is stated:

The major problem which faces almost all industry in the South is that of freight-rate differentials. \* \* \* In effect, this difference in freight rates creates a man-made wall to replace the natural barriers long since overcome by modern railroad engineering. \* \* \* The southern producer, attempting to build up a large-scale production on the decreasing cost principle, finds his goods barred from the wider markets in the Nation's most populous areas. In marketing his products over the wall, he is forced to absorb the difference in freight charges.

To those who still contend for freight-rate differentials I call attention to the following explanation offered in this same report:

Two chief reasons for higher freight rates have disappeared. One was the greater expense of railroading in the South due to physical difficulties. This has been minimized by modern engineering. Another was the comparative lack of traffic density that prevented the spreading of the cost. This no longer is the case, since many important southern roads have as great a traffic density as those above the Ohio River. The operating costs of southern lines today are lower than those in the eastern territory.

On what grounds, then, are the complainants contesting the recent ruling of the Interstate Commerce Commission? My answer is that, if this be a question of removing an injustice against the South, which at the same time benefits the Nation as a whole, there are no grounds for opposing the recent freight-rate parity ruling of the Interstate Commerce Commission. As the Spartanburg Herald puts it, only a square deal is asked.

### Polish Relief

#### EXTENSION OF REMARKS

OF

HON. RAYMOND S. McKEOUGH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

LETTER FROM THE POLISH-AMERICAN COUNCIL, CHICAGO, ILL.

Mr. McKEOUGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Polish-American Council of Chicago, with reference to Polish relief in Poland:

POLISH-AMERICAN COUNCIL,  
Chicago, Ill., February 16, 1940.

HON. RAYMOND S. McKEOUGH,  
Member of House of Representatives,  
United States Congress, Washington, D. C.

HONORABLE SIR: For your consideration and official action we hereby respectfully submit to you, as directed by the mass meeting which unanimously adopted them, the following resolutions, with our respectful plea to personally help in carrying them out in letter and spirit and to have them spread upon the official CONGRESSIONAL RECORD for perusal, consideration, and action of Congress:

"Resolved, That we, assembled here this Saturday evening, February 10, A. D. 1940, 20,000 strong, in the Chicago Stadium in Chicago, Ill., as American citizens, in accordance with American ideals and traditions, hereby petition our President of the United States, the Honorable Franklin Delano Roosevelt, the Congress of the United States, Hon. John Nance Garner, the Vice President, as President of the Senate, and Hon. William B. Bankhead, as Speaker of the House of Representatives, to support and have Congress make the necessary appropriations for Polish relief and to take steps officially to answer the cry of distress and pleas for help of millions of suffering people of Poland, now temporarily in the toils and grip of the German Nazi and the Russian Soviet invaders; and

"Resolved, That our United States Government hasten in bringing aid and relief to the suffering innocent people in Poland and to the refugees and exiles therefrom in other countries, in order to save the lives of men, women, and children in accordance with the traditions of America and the soul of the American Nation and in accordance with the dictates of humanity, civilization, and the law of God; and

"Resolved, That the aid and relief from our American Government, as well as all other aid and relief of the different and various humanitarian agencies of America, be distributed by Americans and that it be carried on under American supervision in accordance with precedents and justice; and

"Resolved, That we hereby further petition our Government to see to it that all aid and relief from America for the suffering, needy, and starving people of Poland is carried on, distributed, and supervised by Americans for the benefit of the people of Poland and not for the benefit of their enemies and invaders; and

"Resolved further, That we hereby solemnly pledge our continued aid and support to the cause of giving aid and relief to the suffering, needy, and distressed people of Poland until they are again free and independent, and are, with other free and civilized people of the world, permitted to carry on their mission for the benefit of freedom, humanity, civilization, and peace."

The demonstration at which the foregoing resolutions were presented and adopted was under the auspices of the Polish-American Council of the United States, which represents and combines the large organizations of Americans of Polish ancestry, their churches and their institutions, in the work of raising funds for helping the cause of Polish relief.

Attorney Francis X. Swietlik, of Milwaukee, Wis., as president of the Polish-American Council, presided, and Hon. Herbert Hoover; Gen. Joseph Haller, of Poland; United States Circuit Court of Appeals Judge Otto Kerner; Mayor Edward J. Kelly; Chauncey McCormick, president of the Commission for Polish Relief; and Jan Klepura, the Polish grand-opera star, delivered addresses at the demonstration. Anthony Czarnecki, of Chicago, presented and read the foregoing resolutions which, upon motion made and seconded, were adopted unanimously without a dissenting vote by the vast assemblage of more than 20,000 people.

Respectfully submitted for your kind consideration and action by direction of the mass meeting and by order of the Polish-American Council, for them and in their name.

FRANCIS X. SWIETLIK,  
Chairman of the Demonstration and President of the  
Polish-American Council of the United States, Milwaukee,  
Wis.

HONORATA WOLOWSKA,  
Vice President of the Polish-American Council, Chicago, Ill.  
JOSEPH L. KANIA,  
National Treasurer of the Polish-American Council, Chicago,  
Ill.

ZYGMUNT STEFANOWICZ,  
Secretary General of the Polish-American Council, Chicago,  
Ill.

ANTHONY CZARNECKI,  
Chairman of Resolutions Committee, Chicago, Ill.

### What Do the People Want?

#### EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

STATEMENT BY HON. ROY E. AYERS, GOVERNOR OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Gov. Roy E. Ayers, of Montana, before the Interstate and Foreign Commerce Committee:

Governor AYERS. Mr. Chairman and gentlemen of this subcommittee, I am glad to see all of you again and I am glad to see the chairman [Mr. LEA] of the whole committee here this morning; I am also glad to see the faithful senior member of this committee [Mr. CROSSER]. With much pleasure do I remember, while a Member of Congress, having talked with all of you about many problems of governments. And today I am just going to talk to you again and not talk at you; hence I am just going to try for a little while to be one of you again.

My text—that is a good word, isn't it?—will be What Do the People Want? And, answering it briefly, permit me to say they want less legislation, less direction, and more opportunity to work out their own problems.

Now, Mr. Chairman, I am an administration man. I was an administration man while I was here in Congress. I am faithful to the administration. What I say here I hope will be construed

to be what I firmly believe for the benefit of the administration as I see conditions today. This administration is my administration. I am a part of it. Although I am not officially connected with the national administration any more, yet as chief executive of one of the Nation's 48 separate units (the States), I am both as a State official and in a personal capacity doing all I can to make the national administration a success and my remarks here and now will be directed to that end.

With that purpose in mind, I say that I believe the time has come when the people are demanding less legislation, less interference, and less direction from the National Government, and more opportunity to work out their own problems. The National Government with its remedial legislation since March 4, 1933, has actually saved us as a people, but the time is here when we must get back to our own responsibilities and be our own selves again in order that the recovery program promulgated, supported, and pushed forward by the National Government may become permanent. To do that, don't misunderstand me to mean that the Government shall forthwith withdraw and discontinue its so well-meant and so effective help; however, what we need now is not more law, not more power, and not more direction by the Government, but less law and less direction to the end that we have more modifications and more consolidations rather than increased additions and multiplications of governmental authority.

We have too many national "laws of don't," and that didn't start with this administration either; and we have too much national interference with private industry and too much national control of what the people determine to be entirely State affairs.

I will be brief, but that you may get my viewpoint, I wish to call your attention, first, to one of the outstanding "laws of don't," a law which the Government itself finally corrected. Then, second, as to Government interference in private business, private industry, I shall call your attention to the outstanding instance of all time, in which instance the Government again corrected the error, so far as law is concerned, but only after irreparable injury had been done to one of the most outstanding, Nation-wide industries. And, third, I shall rely upon this committee's own outstanding good judgment in the protection of the sovereign right of the States in the management and direction of their own affairs. These things are material arguments against the "reporting out" of the Cole bill by this committee.

Now, first, as to the "laws of don't," all of you committee members well remember what happened in this Nation and how a general disregard of law grew up while we had a constitutional provision known as the eighteenth amendment, and to enforce it we had all kinds of laws saying "don't" and "thou shalt not," the principal one of which was the Volstead Act. But they just didn't work. The American people do not stand for a "don't" law unless it has to do with the prevention of some actual wrongdoing, in which event they get back of it and see that it is enforced to the limit.

Now, let me ask you in all seriousness, what conscious wrong has been shown to exist requiring that the Cole bill be given life to prevent such wrong; or, if by any stretch of the imagination, any conscious wrong is shown to exist in the course of oil production, has there been anything shown to indicate that the State or States in which the wrong exists cannot be better corrected by the State or States themselves than by enactment of the Cole bill?

The second objection against the instant bill, as I heretofore stated, is Government interference and control of private business—private industry. We all remember when the Government took over the control of the railroads of this country. And since you have a railroader and a real one on this committee, Mr. CROSSER, I am sure he can discuss this matter with you in committee conference more ably than I or anyone here. I shall repose my confidence in him to do that when you have the subject of Government control under consideration. However, I shall briefly call your attention to some outstanding features in that respect. It was wartime then and if ever in all our history the Government had a right to take over a private industry it had it then, and if it would ever have support in doing such a thing, it should have had it then. Yet, during that period and for a long time after the railroads were restored to their rightful owners, the courts of this country were literally swamped with litigation in which McAdoo and then Hines, as Directors General of Railroads, were defendants in more litigation than was ever had in this country on any one subject. I know that as a fact, for I was on a trial bench in my State then and I followed it both in State and Federal courts. A great portion of this litigation was encouraged by railroaders themselves and by shippers and patrons, brought on in order to discourage the Government in its operation of private industry and to encourage it to turn the railroads back to their rightful owners at the earliest possible moment. This demonstrated to us that the people did not approve of that class of government control and government administration of private affairs.

Now let me ask you, What has grown out of the situation in that instance? Well, I can answer that question, too, and very briefly. It put some of the railroads out of existence entirely; others into receiverships; it has put others actually on relief—yes; they are actually leaning on shovel handles—they are on relief in fact; and others, the most successful of them all, have established a credit rating with Jesse Jones down here at the Reconstruction Finance Corporation, and that is the only reason they are success-

ful; private money was not and is not now available for that purpose.

Everyone well knows the place the railroads have always taken in the industrial world and no one ever believed or even had an idea that the control which was exerted over them at the time it was exerted could have started them on a downward trail. As a matter of fact, a great agitation was prevalent then for a continued government control and even for a government ownership of railroads, but the Congress was too wise to take any such step. That experience and other experiences have taught us and I am sure we have learned that such things just don't fit into our scheme of governmental affairs.

Now, the oil industry, the second largest industry in America—as I recall it, second only to agriculture, will be subjected, if the Cole bill passes, to run the gauntlet of every class of Federal control and management which has not heretofore proven successful. Surely we do not desire to start on an experimental tour with an industry so far reaching as the oil industry. There are thousands upon thousands of byproducts of mineral oil. It is found upon the shelves of every drug store, every grocery store, and every dime store; it is in every home medicine cabinet, on every dining table; there is not a single girl clerk here in Washington who does not contribute her bit to gasoline, which is the highest of the oil products. She rides the taxis or drives her own car. The hand of labor and the skill of the expert commences with the discovery of the field and the drilling of the well, and it ends in the use of the refined product. As a matter of fact, the industry affects practically every citizen of the country.

Mr. COLE. You can hardly speak of anyone who is not affected.

Governor AYERS. Really, Mr. Chairman, that is true. It is far-reaching. I am told that doctors are now prescribing castor oil which comes from the ground.

Now, Mr. Chairman, since we have all agreed that the oil industry is so far-reaching, surely no person desires it to get into the condition of the railroads—on relief.

Third is the question of the right of the State to deal with and handle its own affairs and of those things originating within its borders and that are developed under its authority and that are protected by its police power and that become a success by reason of the primary knowledge and interest of its citizens. I am sure this honorable committee will agree that we have authority under our Constitution and under our form of government to the right of jurisdiction unless we fail in the purpose designed for the benefit of all. And the only way we could do that is to commit waste of a natural resource. And unless we are actually committing waste in this instance, we have and should retain jurisdiction. We have such right, among other reasons, by reason of the law of discovery and by reason of the law of pursuit, so long, at least, as we do not abuse such right. While I make this statement, I am mindful of the Interstate Commerce decisions declaring that oil is a subject of interstate commerce from the cylinder of the pump at the bottom of the well all the way to the consumer. Yet the control of the industry proposed by the Cole bill cannot exist under any theory of law now existing; hence the Cole bill.

So now let us discuss briefly how, if in any way, have we failed to protect a natural resource; and if we have failed, how in the name of "conservation" can "interstate commerce" interfere?

We as States do not claim to be perfect any more than the National Government can claim to be perfect, nor any more than any individual can claim to be perfect. But we as States, like the Government, do claim that we will correct our errors when we know them and when we have the opportunity to do so. And that same rule may go on down to the individual, which, after all, makes up the States and makes up the Government—yes; after all, we as officers of the State and of the Government are responsible to the individual—the people, in whom I, and I am sure you, have every confidence, for this is a Government in which constituted authority is derived from the people.

And now, since we have agreed that practically all of the people are affected by the oil industry of this country, I believe we may further agree that the great overwhelming majority of the people affected are consumers, and who, so far, has appeared before this committee in behalf of the consumer? While I am not desirous of taking in too much territory, that is oftentimes more dangerous to the person who attempts it than otherwise. As a matter of fact, a then Congressman from my State and while a member of this committee, and not so long ago either, brought disaster upon himself by attempting to take care of the affairs up in New Jersey and over in Spain—so with his experiences fresh in mind, I shall try not to go too far afield. Yet, I do think somebody ought to mention what the Cole bill will do to the consumer of the products of the oil industry. Just briefly, I am sure you will agree with me that from gasoline, lubricants, and hard oils at the top on down to barn paint and shoe blacking, it will raise the cost to all consumers because naturally the cost of the administration of the things set forth in this bill will be passed on to the consumer; that is the ordinary sequence of all things of this kind. As administrative boards, bureaus, and commissions, and as executive and administrative offices and officers are created to effect the functioning of this law, the expenses thereof just naturally go on down to the pocketbook of the consumer. It always has been that way and it just seems that no cure has been offered yet for it, so we will and must expect it in this instance. Let the camel get his head under the tent and he is



going to see the show at the expense of those who bought tickets.

The States are now receiving the benefit of the extensive research of the Geological Survey and of the National Bureau of Mines, all of which is very beneficial to the States and all of which is duly appreciated by them. In most of the public-land States, the Government rules of drilling, or rules of development whether the oil is produced or not, and the rules of production if the well is productive, have been adopted by the States, and if any error occurs there in the matter of conservation which may amount to waste, the State can be blamed only for having followed the Government. In all public-land States where oil is produced on public land, the Government is a lessor, and I have never yet heard of it having made complaint about waste.

Surely it has not in my own State, and there it is one of the large lessors and has the Bureau of Mines agents in the fields at all times. I believe that individuals as lessors are like the Government as lessors. If they see or know of waste being committed, they will be the first to make complaint, and when that complaint is made and when the State fails to correct it, then and only then should the Government step in and say, "Thou shalt not." But I cannot conceive that any State will sit idly by and see any of its natural resources wasted.

The wild rush to frontiers is a thing of the past. We have learned the folly of slaughtering million of buffaloes for their hides, because they have become extinct; we have learned the folly of plowing up the lands that Nature had created to raise its own grasses, because by so doing we developed the Dust Bowl; we have learned the folly of the promiscuous cutting off and permitting the uncurbed fires in our forests; we have learned the benefit of curbing our waters near their source for reclaiming and benefiting of the agricultural and livestock industries and for flood control farther down the rivers; likewise we have learned the necessity of conserving our oil and gas for present use and for the benefit of posterity. You don't hear any more of open-earth reservoirs for crude oil. But you do hear of every act that is possible being practiced in every State for the conservation of its oil and gas and all other natural resources. So now I cannot see why with this great education program going on that we should pass any more "laws of don't," nor enact any more laws taking authority from the States. In aid of this educational program we have and we welcome the services of the Geological Survey, of the Biological Survey, of the Bureau of Mines, of the Irrigation and Reclamation Service, of the National Park Service, of the Bureau of Public Roads, and many other governmental agencies which are designed to help, and while the title of this proposed law (the Cole bill) is along that line, the text of it is absolutely different. The text is a "law of don'ts"; it is a law of "thou shalt not"; it is a law of absolute control, in which the executive appointed thereunder shall have absolute power, from which there is no appeal. And to me as a lawyer and an ex-judge, it just doesn't seem to be in accord with the fundamental legal principles of this country.

Having absolute faith in the people and realizing that States are made up of people, I cannot conceive of any State running wild, or even half wild, or even just a little wild at this day and age in the waste of any of its natural resources. The people must have first in their minds the conservation of the things which make their State a success and if we let them do it, I am sure they are going to feel a whole lot better among themselves, and as a whole they are going to feel a whole lot better toward the Federal Government. And if the Federal Government knows of some mistake in this respect that the State is making, I am sure that the State, which is the people, will feel a lot better if it is called to their attention by the Government through its instrumentalities, rather than having the Government step in upon them and take or attempt to take their authority from them.

After all, governmental authority from which springs government control and government regulation is, in this country derived from the consent of the governed, and an unjust use of it is bad.

We, the Governors here today, are answerable back to our people, and don't you suppose we know what they desire in our respective States? And while we are here talking primarily for them, we must in order to completely do so, talk for the great mass of consumers in all the other States, for if it were not for such consumers, our products would not be salable, we would not have any market, hence, after all, the program is Nation-wide. We have the product in our State and you in the other States have the purchase power—so let us work together. We will not knowingly waste our product for we hope to transport and sell it to you in other States at a price you can afford to pay, and there is where the Interstate Commerce fits in—from and after the time it is produced and on until it reaches the consumer.

If, as is proposed by this bill, in the name of conservation, a commissioner is appointed from whose order there is no appeal, by the authority of the bill he can tell us what to produce and what not to produce, and when to produce it and when not to produce it; he can also tell us when and for what purpose the product can be used. He can say to the driver of a pleasure car "Don't," or "Thou shalt not," or "We must conserve this product for other purposes." Then he could go on and without any appeal on my part, tell me that I cannot use lubricants or crude-oil products to run the tractor on my ranch and that would force me back to the work-horse. Well, maybe that would be better so far as I am personally concerned, because my ranch is adapted to the raising of horses and I don't believe there is any oil under it. But would that be right or proper or even decent as a governmental policy? Yet I cannot

find anything in this bill that would prevent it being done if the commissioner appointed to administer it thought it should be done.

Now, what is all the hurry about the passage of this bill? Can it be that it is some oil trust secretly operating and looking for special favors in the way of buying up fields that are not permitted to produce, or can it be a concerted effort on the part of somebody or some organization to build up another all-powerful Government bureau here in Washington? Well, I will not attempt to answer that question. I do not know. Either one is bad enough. But I do know that mighty few Members of Congress are hysterical about creating any more bureaus, boards, or commissions, and I feel sure no spontaneous waste has prompted this move, and in view of all I can learn, I feel sure there is no particular hurry about the passage of this legislation. I have read the testimony of those who testified before this committee heretofore, and in that testimony I find a report by the National Geological Survey prepared by Dr. Misner, long-time geologist of the Geological Survey, wherein he and his associates say, "Should coal be called upon to supply the demands now met by oil and gas, the coal reserves of the United States would, according to independent estimates by Hendricks and Fieldner, last about 2,000 years" (p. 104, first vol. hearings on H. R. 7372—Cole bill). Those estimates, together with the present estimates of mineral oil, as I am told, which has in sight between 17 and 20 years of production, would mean that we can see ahead for from 2,017 to 2,020 years of oil and gas production. So I just cannot see why we should not take a little time to discuss this matter with the States, rather than to hasten this legislation on to the statute books. The States, together with the Geological Survey, the Bureau of Mines, and the oil industry itself are getting the job done pretty well, and doggoned if I can see why they should not be helped to perfect the job, rather than to take it entirely out of their hands and create a bureau of "don'ts" and "musts."

In my own State (Montana) wasteful practices in the production of either gas and oil have not been practiced to my knowledge. If they have, the Government is at fault and I feel sure it is not at fault, and this is why I feel that way, namely: Commercial production was brought in in the State concurrent with the passing of the Federal permit law for production on public lands in February 1920. We then adopted the rules prescribed under it by the Interior Department, so far as development was concerned. And in 1925, we enacted a law in conformity with the Government law providing that our public-utility commission should supervise the drilling, the abandonment, the plugging, and the supervision of production. In addition to that, we have always cooperated with the Bureau of Mines of the Interior Department which has offices in our fields. Hence in the eyes of the United States Government and particularly if it is looking through the glasses of the Interior Department, we could not have committed waste.

In 1933, after the enactment of the National Industrial Recovery Act, which incorporated provisions intended to control production, transportation, and storage of crude products, at a special session of our Legislature there was created an Oil Conservation Board against which no word has been said by the United States Government, although it is a large lessor of producing lands in our State.

Now, Mr. Chairman, don't misunderstand me. We still need the help of the National Geological Survey and of the National Bureau of Mines. They are interested in us and we are interested in them. But so far as this class of legislation is concerned, the Cole bill, we are actually howling to be let alone. We are actually howling to be permitted to pursue our own industries and to work out and settle our own problems. It is our work, it is our lives, and we desire to work out our own salvation among ourselves and with those with whom we deal and with whom we compete. We will not intentionally commit waste of oil or gas or any other of our national resources, and if any waste should, through our ignorance, be known to any government instrumentality or agency, we would have it call the same to our attention to the end that we may hasten to correct it.

I am glad to have seen you all again. Thanks for your consideration of these few remarks.

Mr. COLE. We are glad to have seen you again, Governor, and indeed glad to hear from you.

## The American Federation of Labor and the Poll Tax

### EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

STATEMENT BY PAUL SCHARRENBERG

Mr. GEYER of California. Mr. Speaker, organized labor has always been on the firing line in the course of bettering

conditions for the great plain people. In keeping with this policy, we find it on record in opposition to the poll tax.

The poll tax was abolished by initiative in the State of California at the general election of November 5, 1912.

The poll-tax law on the books prior to this date was not written so as to require its payment as a prerequisite to voting as is the case in eight of our States at the present time.

Nevertheless the California State Federation of Labor sponsored the measure for its repeal.

Mr. Paul Scharrenberg, the present national representative for that organization, was at that time secretary to the California State Federation of Labor.

He wrote the argument favoring this measure that appeared in the official State pamphlet distributed to the electors just previous to the election date. Although this was almost 23 years ago, its logic is still good. It follows:

[Statement taken from Amendments to Constitution and proposed Statutes with Arguments Respecting the Same, to be submitted to the electors of the State of California at the general election on Tuesday, November 5, 1912]

#### ARGUMENT IN FAVOR OF ABOLITION OF POLL TAX

The poll tax has been handed down from the period when the people were classed as property and taxed as chattels.

Originally it was a perfectly just tax, because it was levied on the feudal baron and paid by him according to the number of serfs he owned. As he was getting all the benefit from the labor of the people under him, there was every reason why he should contribute to the support of the Government in proportion to the number of people he controlled, and the head tax was the best way to determine that.

The poll tax, therefore, was simply the application of just principles of taxation to feudal age conditions. The feudal baron enjoyed a privilege conferred by law, and he paid into the public treasury what the privilege was thought to be worth.

In course of time, however, the barons managed to shift the burden so that each man had to pay his own head tax. Thus the original reason for the tax ceased to exist, and it became an injustice.

Originally a tax upon property, the poll tax is now a tax upon persons, upon life itself. The basic assumption remains the same as before; namely, that the right to life, like the right to property, is a privilege granted by the state.

The poll tax is a survival of despotism and a denial of democracy. For these reasons nearly all civilized nations have abolished the poll tax. The only large nations that still levy that tax are Russia, Turkey, Persia, China, and a rapidly decreasing number of States of our country.

In 1895 the poll tax was not recognized in 20 States; in 1900, 35 States in the Union had no State poll tax.

No one attempts to defend the poll tax on ethical grounds. Those who oppose its abolition cannot refute the demonstrated charge that the tax is unjust and unfair and inflicts an unnecessary hardship on those least able to bear it.

The poll tax is not necessary for the support of the public schools. The amount the State school fund now derives from the poll tax will not be lost, nor will it have to be made up by some other equally objectionable method of taxation. The deficiency can easily be made up from the tax on corporation incomes.

An unjust and oppressive tax cannot be justified on the ground that the proceeds are devoted to a useful purpose. It is not necessary to tax the poor in order to maintain the schools and to pay the teachers a decent salary. California is a rich State—the richest State per capita in the Union—therefore it is erroneous to assume that a head tax is necessary to maintain the schools.

The poll tax is objectionable because it has never been uniformly collected. The State comptroller's reports prove that in some counties only 21 percent of the population pay this tax, and as high as 68 percent in others. Wealthy citizens sometimes pay the poll tax; laborers always pay it through deductions from their wages.

The poll tax is a double tax. The class of persons from whom it is chiefly collected pays (indirectly but nonetheless certainly) the greater part of the taxes levied directly upon the owners of property. The latter class shifts the burden on the former class. The propertyless class pays both the direct and the indirect tax.

The poll tax has not even the poor excuse of being justified because it taxes aliens, as this class contributes less than one-eighth of the total amount collected. Hence we penalize our citizens to the extent of \$7 for every \$1 we manage to extract from aliens.

The poll tax is despotic because it classes human life as a species of property. It is unjust because it places an additional tax on those who in other ways pay a share of the so-called direct taxation out of all proportion to their means. It cannot be considered necessary so long as private property—the true creation of the State—suffices for the purpose of taxation.

PAUL SCHARRENBURG,  
Secretary, California State Federation of Labor.

Hon. James A. Farley

## EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ARTICLE FROM THE ATLANTA CONSTITUTION OF JANUARY 23, 1940

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Atlanta Constitution for January 23, 1940:

[From the Atlanta Constitution of January 23, 1940]

ONE WORD MORE

(By Ralph McGill)

THE GENTLEMAN FROM GRASSY POINT

It will be recalled that before Mr. Franklin D. Roosevelt was catapulted into the national political scene in 1931, a gentleman from Grassy Point, N. Y., went on tour.

This was Mr. James A. Farley. He went about. He shook hands. He asked a question here and there. He did, for the most part, however, an excellent job of listening.

True enough, Mr. Roosevelt had been advanced here and there as a Presidential possibility. But it was not until Mr. Farley returned from his tour that Mr. Roosevelt was catapulted, so to speak, into the spotlight—and kept there.

Mr. Farley again is on tour. He is touring the south and south-east. He is dedicating post offices, assisting in the ceremonies attendant on the retirement of a faithful employee, and making an occasional talk.

He was in our town yesterday afternoon. On Wednesday he will speak in North Carolina on the subject of Industry and Agriculture at the Gateway of the New Era.

Without any information as to what Farley will say in that speech, it is well to recall he never once has retreated an inch from the progressive and liberal policies of the Democratic administration. It may be expected that he will speak practically as befits him. He always has been, in business and in politics, a practical person.

A GREAT AMERICAN

Jim Farley is a great American. In fact, I think the liberals, who have gone off chasing rainbows and who go along shouting in the wake of some impractical theorist, miss the boat by not joining up with Farley.

Farley never has quit the liberal policies of the New Deal. Time after time he has spoken out for them and warned all those who would desert that the party cannot be successful if it deserts the cause of the people.

That Farley might have some ideas which would put into effect new plans to meet the emergencies may very well be true.

After all, we have spent billions on our plan to abolish unemployment, yet the problem is as great as ever and we have enjoyed for some months a mild industrial boom.

After all, Secretary Wallace has labored long and sincerely in behalf of the farmers, but Congress never helps out by abolishing the tariffs which make impossible any real rehabilitation of the farmer and his markets.

A new set of plans might not be a bad idea. Perhaps Mr. Roosevelt himself is looking about for a new set of blue prints for the economy of the Nation.

AN EXCELLENT MAN

As far as I am concerned, Jim Farley would make an excellent President. On occasion I have suggested this to some of those who are following in the thin dust which their prophets have been able to stir.

"Why Farley," they all but shriek, "is a politician."

This is true. There may be one as good. If so it is Mr. Roosevelt himself.

I like honest politicians because this form of government cannot be conducted by any save politicians. We have so few who are honest. An honest politician is a practical politician.

In the bright lexicon of the idealist there is no such word as compromise. But the honest politician must make progress through compromise. Mr. Farley is practical. Government would be all right in his hands. Not even the most rabid of prohibitionists could object to Jim Farley. In all his life he never took a drink of booze.

Being practical, I doubt if Mr. Farley could win the nomination. I rather imagine Mr. Garner will, within a short time, withdraw. There remain Cordell Hull and Jim Farley.

It will be interesting to see what develops from this pleasant tour by Mr. Farley.



## AN AMERICAN STORY

His story is an American story. He came up the hard way. He played baseball, took a commercial course, began as a bookkeeper, developed his own business, and got into ward politics.

He was town clerk of Stony Point, N. Y. He went to the legislature. He was a member of the State athletic commission and later its chairman. He joined the Knights of Columbus, the Elks, the Red Men. He became a member of the State Democratic committee and now is chairman of the national committee. He has been a successful Postmaster General.

He has never made the mistake of losing touch with the people. He wants to know what they say, how they feel, and what they think.

Yes; the tour will be of interest.

## The Church and Social Order

## EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

## EXCERPTS FROM A STATEMENT OF THE ARCHBISHOPS AND BISHOPS OF THE ADMINISTRATIVE BOARD OF THE NATIONAL CATHOLIC WELFARE COUNCIL

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks, I hereby include the following excerpts from a statement of the archbishops and bishops of the administrative board of the National Catholic Welfare Conference on social and economic problems which has been recently issued:

12. Man is truly the steward of his possessions in the sight of God and has therefore definite responsibilities both of justice and charity toward his fellow man with respect to the use he makes of his property.

13. From divine revelation we learn that physical labor was decreed by God even after the fall of man for the good of body and soul (p. 42). The laborer is worthy of his hire. If, however, human labor is treated as a mere commodity to be bought and sold in the open market at the lowest price, then it ceases to fulfill its proper function in society. What a sad perversion of the wholesome plan of Divine Providence that "dead matter leaves the factory ennobled and transformed, where men are corrupted and degraded" (p. 43).

14. From divine revelation we learn, moreover, that each human being has an infinitely precious personality. Pius XI in his encyclical *Divini Redemptoris* sets forth this truth with clarity, force, and beauty:

"Man has a spiritual and immortal soul. He is a person, marvelously endowed by his Creator with gifts of body and mind. He is a true 'microcosm,' as the ancients said, a world in miniature, with a value far surpassing that of the vast inanimate cosmos. God alone is his last end in this life and the next. By sanctifying grace he is raised to the dignity of a son of God and incorporated into the kingdom of God in the mystical body of Christ. In consequence he has been endowed by God with many and varied prerogatives; the right to life, to bodily integrity, to the necessary means of existence; the right to tend toward his ultimate goal in the path marked out for him by God; the right of association and the right to possess and use property" (p. 19).

Man cannot in consequence be treated as a mere chattel, but rather with dignity and respect as a child of God. His labor is not a thing to be ashamed of, but an honorable calling, whereby he achieves a necessary livelihood and fulfills the divine plan of an earthly economy.

18. In existing circumstances the obligation of the church is manifest. Who can deny the close relationship between economic injustice and a long train of evils, physical, social, and moral? Unfair wages due to a greed for excessive profits and insecurity due to false and immoral economic principles lead directly to undernourishment, bad housing, inadequate clothing, and indirectly to irregular family relations, child delinquency, and crime. Excessively long hours of work in some industrial areas and in some industrial processes create dangers to life and limb, impair the health of workmen, and impoverish whole families through infection, disease, and premature death. Because human beings and not animated machines toil in industry, therefore the church cannot abdicate her right and duty to speak out in defense of the rights of human personality nor fail to declare uncompromisingly the moral obligations of industrial and economic life.

19. Today most controversy concerns itself with these questions: (1) Ownership, (2) property and labor, (3) security, (4) wages, (5) establishment of social order. We shall here present the

Catholic doctrine regulating these matters and in doing so we shall follow the exposition given by our late chief pastor of souls, Pope Pius XI, in his celebrated encyclicals.

## I. OWNERSHIP

20. The church has always defended the right to own private property and also to bequeath and to inherit it. We have vindicated this right even to the point of being falsely accused of favoring the rich against the poor. The church teaches that the right to own property is based on the natural law of which God himself is the author. By the law of nature man must provide for himself and his family and he can fully discharge this obligation only if there exists an established system of private ownership (p. 16).

21. It is essential to remember that ownership has a twofold aspect, the one affecting the individual, the other affecting society. To deny the individual character and aspect of ownership leads to some form of socialism or collective ownership; to deny the social character or aspect of ownership leads to selfish individualism, or that form of exaggerated liberalism, which repudiates duties and ends in complete irresponsibility to other persons and to the common good.

22. The two great dangers which society faces in the present state of economic organization are first, the concentration of ownership and control of wealth and secondly, its anonymous character which results from some of the existing business and corporation law, whereby responsibility toward society is greatly impaired if not completely ignored. The civil authority, in view of these dangers, must so regulate the responsibility of property that the burden of providing for the common good be equitably distributed. It must furthermore establish such conditions through legal enactment and administrative policy that wealth itself can be distributed so each individual member of society may surely and justly come into possession of the material goods necessary for his own livelihood. It is not however the Government alone which has this responsibility, as will become clear from the further considerations to be noted.

23. Pius XI states:

"It follows from the twofold character of ownership, which we have termed individual and social, that men must take into account in this matter not only their own advantage but also the common good. To define in detail these duties, when the need occurs and when the natural law does not do so, is the function of the government. Provided that the natural and divine law be observed, the public authority, in view of the common good, may specify more accurately what is licit and what is illicit for property owners in the use of their possessions" (p. 17).

In the application of the principles of social justice, an important instrument, therefore, is governmental authority. As Pius XI asserts, the civil authority has the obligation to adjust "ownership to meet the needs of the public good," and by so doing "it acts not as an enemy, but as the friend of private owners" (p. 17).

## II. PROPERTY AND LABOR

24. Manifestly, if every man worked either on his own land or with his own tools and in his own business, there would be no labor problem. Self-employment, however, is not the characteristic of our present economic organization. With the advent of machine industry, and especially with the development of mass production, there has developed an intensification of the individualistic spirit, creating new problems for labor.

25. It is freely admitted that modern industry requires considerable concentration of capital, but it is not admitted that concentration of ownership and control is consequently necessary or beneficial to the common good. The concentration of capital, however, with mass employment does create a new and more impersonal relationship between capital and labor. The problem is one of providing equitably for the distribution of income between those who supply capital and those who supply labor.

26. In too many instances an undue portion of the income has been claimed by those who have ownership or control of capital, whilst those, on the other hand, who have only their labor to invest have been forced to accept working conditions which are unreasonable and wages which are unfair. This condition arises from the fact that labor policies have been dictated by false principles in the interests of the owners or capitalists. Secondly, it arises from the fact that labor frequently has had no voice in the regulation or the adjustment of these problems. Labor can have no effective voice as long as it is unorganized. To protect its rights it must be free to bargain collectively through its own chosen representatives. If labor, when unorganized, is dissatisfied, the only alternative is to cease work and thus undergo the great hardships which follow unemployment.

27. To remedy the situation, it is necessary to adopt right principles for the distribution of the income of industry. These principles must be both economically sound and morally just. The principle that labor should be compensated to such extent only that it remains physically efficient and capable of reproducing itself in new generations of working men, is a vicious principle, devoid of all respect for human dignity and opposed to all sense of social responsibility. It is true that this principle was never widely held in theory, but it has been frequently applied in practice. One such application is found in the policy that labor should be compensated solely according to the principle of supply and demand. This reduces labor to the position of a commodity and makes the work-

ingman accept the fluctuating price in a labor market irrespective of the needs of himself and family. Neither present sufficiency of income nor security for the future play a part in determining his wage standard according to this immoral theory and practice. Such theory or practice is antisocial and anti-Christian, for it denies both social responsibility and the claims of Christian ethics and in their place substitutes the principles of selfishness and force.

28. New developments in the organization of labor under the great impetus which has been given by recent legislation and governmental policy, make it opportune to point out that the principle of force and domination is equally wrong if exercised by labor under certain conditions by means of a monopoly control. To defend in principle or to adopt in practice the theory that the net result belongs to labor and that capital shall receive only sufficient to replace itself is an invasion of the rights of property. This is only a more subtle form of the contention that all means of production should be socialized. Clearly all such proposals disregard the contribution which the owner of property makes in the process of production and are palpably unjust.

It is not, however, the excessive claims of labor on the income from industry which constitute the most immediate problem in labor relations today, but rather the abuse of power which not infrequently results in violence, riot, and disorder. Employers at times abuse their economic power by discriminating unfairly against unions, by establishing lock-outs, by importing from outside the community strikebreakers who are furnished with arms, and by provoking in other ways ill feeling which precipitates violent disorder. Employees on their part allow themselves at times to be misled by men of evil principles so as to engage in the criminal use of violence both against persons and property. Leo XIII in his Encyclical *Rerum Novarum* spares neither group in his denunciation of such immoral conduct. He calls upon the public authority to protect and defend vigorously the rights of all, forestalling preferably the rise of disorder by eliminating the economic abuse from which this disorder springs (pp. 12-24).

29. False principles generate false policies and as a consequence there grows and develops a false economic system which sins both against the true interests of human society and against the true principles of Christian morality. Pius XI insists that owners and employers may not hire working people exclusively for their own benefit and profit, nor divert all economic life to their own will, but must guard social justice, the human dignity of labor, the social nature of economic life and the interests of the common good (p. 32).

30. The far-reaching need of social justice and its demands are seen from the following words of the Sovereign Pontiff Pope Pius XI:

"Now, not every kind of distribution of wealth and property amongst men is such that it can at all, and still less can adequately, attain the end intended by God. Wealth, therefore, which is constantly being augmented by social and economic progress, must be so distributed amongst the various individuals and classes of society that the common good of all, of which Leo XIII spoke, be thereby promoted. In other words, the good of the whole community must be safeguarded" (p. 20).

### III. SECURITY

31. Our present economic order rests upon the sanctity of private property. Private property however is not well distributed at present among the members of human society. Whilst it is dangerous to exaggerate the disproportion between those who possess adequate property and those who constitute the proletariat or the propertyless, nevertheless, it is certainly within the bounds of truth to state that the existing situation constitutes a grave social evil. Private property in the judgment of many thoughtful men tends to become less and less the characteristic note of our present society. If the majority of our citizens possess insufficient private property to be independent of a wage income for even a short period of time, then there is grave danger to the entire social fabric. Social stability rests upon this basis of individual ownership of property. There should be more of it and not less of it, if our existing economic system is to remain secure.

32. The lack of sufficient private property leads to various forms of insecurity. This insecurity not only leads to the creation of a strong social tension expressing itself in social disorder but is also contrary to the prescriptions of Christian morality. There can be no question but that in our country we possess adequate resources both in respect to raw materials, technical or scientific skill, and mechanical equipment sufficient to provide both a high standard of living and also comprehensive security for all classes of society. Workingmen should be made secure against unemployment, sickness, accident, old age, and death. The first line of defense against these hazards should be the possession of sufficient private property to provide reasonable security. Industry therefore should provide not merely a living wage for the moment but also a saving wage for the future against sickness, old age, death, and unemployment. Individual industries alone, however, cannot in each single case achieve this objective without invoking the principle of social insurance. Some form of Government subsidy granted by the entire citizenship through legislative provision seems to be a necessary part of such a program.

33. We cannot overlook the fact that an important factor making for insecurity is the "immense power and despotic economic domination which is concentrated in the hands of a few and that those few are frequently not the owners but only the trustees and directors of invested funds, who administer them at their good pleas-

ure" (p. 32). Pope Pius XI then singles out one group in an especial manner as exercising this domination and despotic power.

"This power," he states, "becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life-blood to the entire economic body, and grasping as it were in their hands the very soul of production, so that no one dare breathe against their will" (pp. 32-33).

34. That there exists a serious problem from the standpoint of security for working men is clearly manifest from the present state of unemployment and the present huge demands on government for public relief against dire poverty. Very significantly our present Holy Father Pius XII writes in his letter addressed specifically to the American hierarchy:

"May it also be brought about that each and every able-bodied man may receive an equal opportunity for work in order to earn the daily bread for himself and his own. We deeply lament the lot of those—and their number in the United States is large indeed—who though robust, capable, and willing, cannot have the work for which they are anxiously searching. May the wisdom of the governing powers, a far-seeing generosity on the part of the employers, together with the speedy reestablishment of more favorable conditions, effect the realization of these reasonable hopes to the advantage of all." ("To the Church in the United States" (*Sertum Laetitiae*), N. C. W. C. edition, p. 18, 1939.)

35. We do not wish to imply that individual employers as a class are willfully responsible for this present state of insecurity but we do claim that a system which tolerates such insecurity is both economically unsound and also inconsistent with the demands of social justice and social charity. Security of the workingmen therefore as against unemployment, old age, sickness, accident, and death, must be frankly accepted as a social responsibility of industry jointly with society. The distribution of the burden justly between the various groups must be determined first through mutual council and honest agreement between the employers and the employees, and secondly through the regulation of government acting in its sovereign capacity as promoter of the common good.

36. Not all responsibility rests upon government. In truth, a large measure of responsibility rests upon the proper collaboration of employers and employees or of property owners and wage earners. The economic system itself and the principles which guide its executives must help to achieve security by establishing a fair distribution of income between capital and labor. It must strive to establish an equilibrium between farm income and city income. If the rate of wages (not the annual income) of the industrial worker in the city is out of balance with the rate of returns of the farmer in the country, then there is bound to be unemployment and insecurity. Hence the duty of both groups is to work for a just balance between themselves instead of encouraging selfishness and greed, which defeat the interest of both and violate the principles of morality.

37. The same can be said of the various classes of industrial labor. Here also there must be a balance between various groups both organized and unorganized. Unless this be true the economic system cannot function smoothly and there will inevitably be unemployment, because the one class of workingmen cannot buy the high-priced products of the other class of workingmen with their limited income. If skilled laborers, who, through rigid organization, have a monopoly control of their craft, raise their rate of hourly wages too high, they do not gain their advantage exclusively from the wealthy but from the poor also, in terms of excessive prices. Higher wages as a rule should come out of excessive profits and not out of increased prices.

38. Heartening indeed are the beginnings toward the greater security of the people that have already been made through legislative enactment and public policy. The immediate benefits of these laws to working people may be small and some modifications perhaps desirable, but it is highly gratifying that the principle upon which they rest has become a part of our national policy.

### IV. WAGES

39. In view of the fact that at present many industrial workers and also farm laborers do not possess sufficient private property to provide either a present livelihood or security for the future, the problem of wages assumes outstanding importance. At the outset it is necessary to state that the wage contract itself is not unjust nor in itself vicious as some theorists have falsely contended (p. 22). It is of course true that a contract between employers and employees would serve the purpose of individual and social welfare more effectively if it were modified by some form of partnership which would permit a graduated share in the ownership and profits of business and also some voice in its management. It is not intended that labor should assume responsibility for the direction of business beyond its own competency or legitimate interest; nor has labor a right to demand dominating control over the distribution of profits. To set up such claims would amount to an infringement on the rights of property. Labor has, however, certain definite rights which have been frequently ignored or largely discounted.

40. The first claim of labor, which takes priority over any claim of the owners to profits, respects the right to a living wage. By the term "living wage" we understand a wage sufficient not merely for the decent support of the workingman himself but also of his family. A wage so low that it must be supplemented by the wage of wife and mother or by the children of the family before



it can provide adequate food, clothing, and shelter together with essential spiritual and cultural needs cannot be regarded as a living wage.

41. Furthermore, a living wage means sufficient income to meet not merely the present necessities of life but those of unemployment, sickness, death, and old age as well. In other words, a saving wage constitutes an essential part of the definition of a living wage.

42. In the effort to establish a criterion or standard of measurement of wages it is necessary to consider not only the needs of the workingman but also the state of the business or industry in which he labors. Pope Pius XI states clearly that "it is unjust to demand wages so high that an employer cannot pay them without ruin and without consequent distress amongst the working people themselves" (p. 24). Bad management, want of enterprise, or out-of-date methods do not constitute a just reason for reducing the wages of workmen. It still remains true that a living wage constitutes the first charge on industry. If a business is prevented by unfair competition from paying a living wage, and if such competition reduces prices to such a level that decent and just wages cannot be paid, then those responsible are guilty of wrongdoing and sin grievously against moral principles as well as against the common good. The remedy lies, first, in the adequate organization of both employers and employees in their own proper associations and in their joint action; secondly, in adequate regulation and supervision by the state through proper legislative enactment.

43. No criterion or standard of wages, however, can be determined independently of price. A scale of wages too low, no less than a scale excessively high, causes unemployment (p. 25). Likewise, a scale of prices too low, no less than a scale of prices too high, leads to unemployment. Both create hardship and throw the economic system out of its proper equilibrium, causing unemployment for the community and hardship even for the individual who is employed, for he must pay too high a price in view of his wages or he receives too low a wage in view of prices. What is needed is a reasonable relationship and a harmonious proportion. Pope Pius XI states:

"Where this harmonious proportion is kept, man's various economic activities combine and unite into one single organism and become members of a common body, lending each other mutual help and service. For then only will the economic and social organism be soundly established and attain its end, when it secures for all and each those goods which the wealth and resources of Nature, technical achievement, and the social organization of economic affairs can give. These goods should be sufficient to supply all needs and an honest livelihood and to uplift men to that high level of prosperity and culture which, provided it be used with prudence, is not only no hindrance but is of singular help to virtue" (p. 25).

44. Wages are an essential element in the determination of prices. In the final analysis the cost of raw materials cannot be segregated from wage costs, for the production-cost of raw materials presupposes a multiplicity of wage costs as a component element. If wages continuously change then there must be a continuous change in prices, unless it is assumed that all wage changes will affect only the profits of owners. As a matter of fact, they do not. The economic organization might function just as easily on one price level as another, but it cannot function well if the price level is frequently changing. Rapid or frequent fluctuations disturb the harmonious proportions between income and prices not only for owners and employers, but also for the workmen themselves.

45. This consideration is no argument against a necessary increase of wages whenever and wherever the wages are inadequate to provide a decent living. But it is an argument in favor of attaining a relative degree of stability in the price level as soon as commutative justice and social justice permit. A cogent reason for aspiring to such a condition of stability is the higher interest of the family as against the single or unmarried workingman or employee. The single man benefits more from a wage increase than does the family man if the end result is an increase in prices. The family man is penalized in multiple fashion with every increase in prices. Stability in the price level therefore and even a reduction in prices as a secular trend is desirable as one means of distributing our national income more widely and more effectively for the common good. Such a long-range policy will supplement the benefits of an increased family wage in view of increased family burdens as recommended by Pius XI.

46. We do not wish to imply that a universal increase of wages will automatically solve our problem of unemployment and idle factories. Some wage increases come not out of the profits of the wealthy but out of the increased prices for the poor. The first requirement therefore is that the lowest-paid workmen be the first to receive an increase of wages and simultaneously that prices be not raised but excessive profits be reduced. The ultimate aim, therefore, must be a reasonable relationship between different wages and a reasonable relationship between the prices obtained for the products of the various economic groups (p. 25).

47. Because economic society has not followed the moral laws of justice and charity, the principles of interdependence have been violated and we have precipitated unemployment with all its consequent hardships and misery. To withhold just and reasonable wages from the workingman has injured him directly and immediately, but it has also injured the common good and the interests of the very owners of property. Their factories, their commercial establishments, and their equipment have frequently stood idle as a result. Unless workmen as a class have sufficient income to purchase their share of the goods which our economic system is

capable of producing, the markets will automatically be closed to the sale of goods, and idle factories and unemployment are the disastrous result.

## Our Country! Yours and Mine!

### EXTENSION OF REMARKS

OF

## HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ADDRESS BY HON. FRANK GANNETT

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including an address delivered by Hon. Frank Gannett before the National Republican Club in New York City, on Saturday, February 3, 1940. The efforts of Mr. Gannett to prevent enactment of several New Deal proposals which would have fundamentally altered our constitutional system of government are well known to the country. He is a man of constructive thought and action, and his utterances on matters of national concern merit thoughtful deliberation.

The address is as follows:

Speaking before you last April on America's future, I said President Roosevelt should resign. I have not changed that opinion—and I don't believe you have.

Of course, the President will not resign. But the New Deal can be brought to an end by next January. No emergency has arisen since last April, and none can arise, not even a war emergency, that would justify continuance of an administration that has been such a failure.

It was suggested that my topic today should be Our Country.

Our country! How these two words thrill us! They may talk of Hitler's Germany, Stalin's Russia, Mussolini's Italy. But here it is our country—yours and mine.

Furthermore, it is the best country in all the world. It is something we all hold dear; it is a precious heritage. For it we are ready to work, to sacrifice, to fight, yes, even to die, as countless thousands have done before us, that we might enjoy life, liberty, and the pursuit of happiness.

What happens to this wonderful country should concern every one of us. When its welfare is at stake, then we should forget party lines, and not be merely Democrats or Republicans but real Americans.

Today I believe the situation in our land is so critical that we—every one of us—should put first of all our country. It is threatened not by attacks from without but by assaults from within, and by grave dangers that have resulted from 7 years of misgovernment.

Totalitarianism is on the march in Europe and Asia, spreading like a terrible plague over a large part of the world, blacking out liberty and freedom.

This frightening situation is the result of unbearable economic conditions. We shall not be safe from such tyranny of the state until we improve conditions here.

We must better the lot of the poor and the unfortunate.

We must throw off the shackles that restrict our development.

We must afford opportunity for youth and for all who have ambition.

We must have recovery and prosperity—and have all this soon, or what has happened in Europe may happen here.

#### PROBLEMS UNSOLVED

My reason for saying last April that the President should resign, was that the New Deal had solved not one of the Nation's major problems. I said that the manager of a private business who had made such a mess of his job would be fired outright.

Mr. Roosevelt has been given more power and more money to spend than any ruler in history.

He has taxed and spent and added \$20,000,000,000 to the Nation's debt—but he has not brought recovery.

He has spent \$3,000,000,000 to help about 10 percent of our youth—and left them and millions of other young people without jobs at productive work.

He has spent \$7,000,000,000 to help agriculture—and farmers are still short one-third of their normal income and purchasing power.

He has built up a vast bureaucracy, nearly doubling the number of people on Federal pay rolls—now averaging almost 2,000 for every congressional district.

He has stifled private enterprise with Government controls, and started the country down the road to collectivism.

Was it an exaggeration when I said to you last year that the New Deal was a tragic failure? I ask you:

Has the New Deal improved your lot? Are the poor, whom we want to help, better off? Is the workingman better off? Is the owner of a home or a little business better off?

Why, today, even the largest financial supporter of the New Deal says it has failed in every particular.

I take it that if you had not approved my criticism of the New Deal administration a year ago, you would not pay me the high compliment of this second invitation. I do appreciate and thank you for it.

Speaking as a candidate for the Presidential nomination, you may expect me to state my reasons for believing that the New Deal is wrong in principle as well as bad in practice. I will do that now, and as time permits I shall, in this and in future discussions, tell what I believe should replace the New Deal.

#### PRINCIPLES, NOT PERSONALITIES

If the New Deal violates American principles; if it is, in fact, reaction disguised as reform; if it is leading straight to the destruction of the American system of government—then let us not hesitate to say so, and prove it. But let us be sure in our analysis, fair in our statement. Let us stick to principles, and have this election decided on principles, not on personalities.

We must start with, and hold to, this fundamental truth.

Our Constitution is the best plan ever made to assure freedom and to release the creative powers of men. It has given the highest standard of living, the greatest freedom in religious, civil, and personal lives that any people ever enjoyed.

We can have recovery and prosperity, jobs for all, opportunity for youth, restored normal income for farmers without subsidy or Government controls, renewed hope for the poor and the unfortunate. We can keep government the servant, not the master, of the people.

Starting from here, we must face the hard, cold fact that our Constitution has been threatened with destruction, and still is in danger; that liberty, everywhere, is in danger; that the rights and privileges guaranteed to us by our Constitution have been undermined while we slept. From near and far that fact is plain to all people who are not fooling themselves and who can read history.

For a distant view let us look through the eyes of H. G. Wells, who in 1934 had long talks with both President Roosevelt and Dictator Stalin. Wells came to the conclusion that both Stalin and Roosevelt had a common objective. "The end sought," wrote Wells at the time, "is precisely the same." It is noteworthy that 6 years later, and in the light of recent events, Mr. Wells has not changed that view. In the current issue of Liberty magazine he says:

"Collectivization, with a crude disregard of proprietorship and individual enterprise, has taken possession of Russia and the totalitarian states, and in the form of the New Deal it struggles to take possession of America. \* \* \* This collectivism, which is rolling down on us from the East, knows nothing of the tradition of personal rights \* \* \* it is bound to blunder into paternalism, absolutism, dishonesty, inefficiency, confusion, and disaster."

Let us never forget that with the coming of collectivism our personal liberties—freedom of speech, freedom of religious worship, freedom of the press, the right to assemble, and the right of trial by jury—will perish.

#### TWO PHILOSOPHIES

And for a nearer view let us turn to an elder statesman whom we all respect, that great leader of thought and great Republican, Dr. Nicholas Murray Butler. He sounds the same warning as H. G. Wells. The present World War, Dr. Butler says, is a conflict between two irreconcilable philosophies, between supremacy of the state and liberty of the individual. It is a world-wide struggle between two types of civilization, two ideals of government and social order, between two types of life.

Informed people will agree with Dr. Butler's further statement that the world is nearer a complete black-out of liberty than at any time since the fall of the Roman Empire.

Bread and circuses lulled the Romans to sleep while their liberties were taken away. Shall we permit New Deal bread and circuses to lull Americans to sleep in 1940?

Fortunately we have passed the stage where danger to our form of government and our social and industrial order can be laughed off by that silly phrase, "It can't happen here." The undermining of liberty is happening right here—carefully planned, and often carefully disguised in the dress of "liberalism" and "reform."

Bread has always appealed to the hungry, and circuses to the thoughtless. We must show the people—the hungry as well as the thoughtless—that they cannot be fed forever out of the Public Treasury or amused forever on the New Deal merry-go-round.

We must show them why the Utopia promised by the New Deal is receding into the distance, with unemployment, increasing debt, mounting taxes, less new wealth being created, and the people's average income going lower and lower.

We must make plain as a school-child's problem the historic truth that dictatorships rise by just such methods as the New Dealers have used; and that dictatorships finally must explode, inflicting untold suffering on everybody.

#### STRAIGHT TO COLLECTIVISM

We cannot pussyfoot and walk the fence on this fundamental issue. The New Deal is leading America straight into collectivism.

To conceal their purposes as well as their failures, the New Deal strategists are busy painting war scenes on a new curtain. But their play is the same. They have again marched out their

old actor, "Emergency." In the name of "emergency," the new dealers are reaching for more power—such power, for example, as the President's assumed right to ignore the limits on appropriations set by Congress.

Another example, the power, still exercised indirectly, to censor radio and suppress free speech on the air.

And still another example, the bill to give the President war powers in peacetime.

Constitutional government, designed to protect the people from the Caesars, the new dealers shove aside. They believe that with the personal popularity of their Caesar, and with the money our children must sometime earn, they can continue to fool the voters while hiding from them the real principles of the New Deal.

Therefore, we must make the people conscious of the methods and concealed purposes of the New Deal, as well as its fallacies and failures. We must make plain the ultimate disaster it will bring to every man, woman, and child.

I challenge anyone to name a country which has escaped from a series of long-continuing deficits such as we are having except by one of the following three routes: Repudiation, inflation, or revolution.

If the Federal deficit continues, how much do you think you will in a few years be able to get for your salary, for your bonds, for your savings-bank deposits? What will your life insurance be worth to your family?

Do you know of any nation which has succeeded in obtaining steady, dependable purchasing power by any device, except that of producing goods or services which can be sold? And yet, the Roosevelt administration has followed a policy of restricting production on field and in factory.

The new dealers, many of them conscientious and sincere, did not know the fundamental error of their gorgeous plan. They imagined they could graft a socialist economy onto a capitalistic profit system—the American system of free private enterprise—and produce the abundant life. They didn't know, and they still are reluctant to learn, that a social order cannot exist half collectivist and half free enterprise.

#### THE NEW DEAL EMBLEM

The new dealers stole the Democratic Party, and they have attempted to appropriate its emblem. But the New Deal party is not the party of the donkey. Its proper emblem is a mule—a hybrid creature barren of reproductive powers. The offspring of their strange experiment is really a "throw-back" to benevolent despotism. This creature of the New Deal, half collectivist, half free but fettered private enterprise, is incapable of reproducing itself. If the American people should permit it to live long enough, it will turn into out-and-out collectivism.

The only way to head off collectivism is to return to free enterprise—and then restrain by orderly and just processes of law the few over selfish and antisocial individuals who take undue advantage of their liberty.

Four more years of the New Deal, under Mr. Roosevelt or anyone satisfactory to him, would put this country so far into collectivism that it might never get back. If we permit a war psychology to develop and become involved in the European conflict, we shall be forced to surrender many of our liberties. Liberty surrendered is slowly, if ever, regained. Let us not forget—

"A thousand years scarce serve to form a state;  
An hour may lay it in the dust."

Our first duty is to make very plain to the people just what the New Deal is. Many only know what the New Deal pretends to be.

#### OUR RESPONSIBILITY

The Republican Party faces in 1940 the gravest responsibility and the greatest opportunity for service since the crisis of the Civil War. It has been preparing for that responsibility during the past 3 years. Cooperating with like-minded men and women of all parties, Republicans have beaten back the New Dealers' most open attacks on the principles of American constitutional government. Lest those attacks be hidden behind the curtain of war excitement, I will recall them very briefly.

First, the attempt of President Roosevelt to destroy the independence of our courts, which would have meant the end of our constitutional government.

Second, his attempt through his reorganization bill to undermine Congress through seizing control of its administrative agencies.

Third, his misuse of Executive power and patronage to "purge" opposition and himself dictate who should be the people's representatives in Congress.

Fourth, his attempt through a lending-spending scheme to make billions available to buy the elections of 1940.

These New Deal betrayals of a public trust must not be forgotten, even though they were defeated. They amply justify public suspicion of the New Deal's every act and every proposal.

#### DON'T DRIFT, MARCH!

But warnings are not enough. We cannot get rid of the New Deal unless we offer something better, something more real than promises—even though the New Deal promises haven't been fulfilled. The Republican program must appeal to the common sense of the independent men and women who will decide, by their votes in 1940, what shall be the future of our country.

The Republican Party cannot drift to victory on the mistakes of the new dealers; it must march. It must be a united army,



inspired by emotion and patriotism, crusading as in a holy cause, fighting as we never have fought before.

One of the sins of the new dealers was their readiness to barter legislation for the votes of minorities. And that sin seems to have found them out. The \$500,000 campaign contribution has a loud voice.

Just why have Franklin Roosevelt and John Lewis come to the parting of their way? Both are wrong. Both have built a following by appeals to prejudice and class antagonism.

Cemented by Lewis' half-million-dollar campaign contribution, the Roosevelt-Lewis alliance resorted to practices outlawed for corporations. There is no difference, morally, between campaign contributions from a corporation, which is a group of stockholders, and campaign contributions from a labor union, which is a group of dues-paying members. Both kinds—all kinds—of mortgages on government must be outlawed.

#### WAGNER ACT UNPOPULAR

The Wagner Labor Relations Act has become the most unpopular of the New Deal's ill-considered legislation. It was represented to be the Magna Carta of Labor. It was supposed to bring industrial peace. Its intended beneficiaries were permitted, according to their own public statements, to assist in writing it. But the wage earners—have they benefited so much by this New Deal measure? Has it reduced unemployment? Has it created jobs and opportunity for youth? Has it ended strikes and strife? No; it has increased them.

What has the New Deal's hate-creating labor legislation done for the workers that compares with the real service of one Republican administration? I refer to the almost unheralded ending of the 12-hour day and 7-day week in the steel industry. That was brought about by a Republican President talking quietly, reasoning with the steel employers, and bringing acceptance of the 8-hour day without coercion, without legislation, without building up a useless bureaucracy.

To promote better labor relations, more cooperation, more production, we should have more sharing of profits with labor. Labor warfare has destroyed employment and retarded recovery. Both workers and employers suffer from industrial warfare. They both want peace. We must find a formula for producing peace and employment, not strikes and unemployment.

Two basic rights must be protected. One is the right to organize or not to be organized, with assured freedom to bargain collectively. The other basic right is the right to work or not to work. Coercion should have no place in democracy—or it won't long be a democracy.

#### REWRITE THE WAGNER ACT

Our labor-relations laws, State and National, should be rewritten in the public interest and in the spirit of even-handed justice. The rights of all workers and employers, and the public as well, must be fully protected.

Slow downs and other forms of sabotage, like any lawlessness, hurt all honest workers and endanger democratic institutions. Law enforcement, with equal protection of the civil rights of all people, should be unflinchingly required of public authorities.

The law-making functions of government should not be on the auction block—to buy the votes of the highest bidder. Nor should the administrative powers of government be a bludgeon to coerce citizens. The complete break-down of democratic government is sure to follow, whether the beneficiaries of special privilege are capitalists or wage earners.

If the Wagner Labor Act is permitted to deny free speech between employers and employees, the loss of free speech for everybody is sure to follow in time. Some other group will make its bid to write and enforce a law in its own interest. And so the temple of liberty will be torn down, pillar by pillar. Our Constitution was devised to prevent just such destruction.

#### TRUE LIBERALISM

Perhaps you think by now that I am against the New Deal. Well, I am. I am against it from principle, not from partisanship. But I am not against sane, workable reform. I never have been. I yield to no one in my adherence to true liberalism—liberalism that liberates men instead of shackling them.

False liberalism, that promises Utopia in return for votes and then sells the voters into slavery to the state, is not liberalism in any sense. Russia and Germany have that brand of liberalism.

The young men who wrote our Constitution were the greatest liberals in history, and we who uphold their work are the liberals of our times. The Republican Party from the day of its birth has been the party of true liberalism, the party of liberation. And that is its mission today, to keep the light of liberty ablaze in a darkening world.

Our first problems are the adoption of policies that will surely keep us out of foreign wars, cure unemployment, and restore agriculture to economic equality with industry and labor.

A stalled motor requires a mechanic who knows how to make it run. Boys who never built or ran a motor shouldn't be expected to make it work. So with the private enterprise system. If we believe in it, if we don't want to substitute collectivism for it, then we'd better put people in charge who are products of private enterprise and know how to make it function.

#### LEADERSHIP NOW

We must release again the energies of private enterprise. I have several times suggested definite steps toward that end, and I will enlarge upon them later. A year ago, here before this club, I presented a constructive, detailed program that would bring recovery. That program stands.

I believe the Republican Party should assume leadership now, not wait until next year, to demand repeal of the blank-check powers of the Presidency. Government must be restored to its proper function as umpire, not player in the game. We are fed up on the umpire playing quarterback, dictating the rules, changing them in the middle of the game, calling the signals, running the ball, and throwing pop bottles at anyone he happens to dislike in the grandstand or the bleachers.

The President's present dictatorial power over radio is only one of the vast and dangerous accumulation. Freedom of speech on the air is a constitutional right which should be abridged only in time of war. Yet this speech which I am making on the air is by sufferance, not by right. I have tried to buy time on broadcasting networks to discuss constitutional questions and have been refused. I am given time, by courtesy of the National Broadcasting Co., and I appreciate that courtesy.

Nevertheless, every radio station in the country could be censored, closed, or placed in charge of a Government appointee today at the President's sole discretion. He got that power by declaring that an emergency exists—although no one knows what the emergency is.

And the President's power to cut off free speech on the air, or to load the air, as it is being loaded, with administration propaganda paid with taxpayers' money, is only one of the several dangerous dictatorial powers now lodged in the White House.

Still the new dealers continue to reach for power—and they want more and more power. Senator Borah's last utterance was against the latest New Deal demand—the bill put forward by Secretary of the Navy Edison. That bill, if enacted, would give the President power in peacetime, if he declared an emergency, to seize and confiscate factories, to cancel or modify contracts, to fix prices and wages, to interfere with the personal rights and personal liberties of the citizen. That was Senator Borah's estimate of the bill.

#### BORAH'S WARNING

We must keep alive that last speech by Borah. It is a prophetic warning of danger to the Republic, an alarm that should stir its citizens to save the Republic.

Would that Borah might have lived. The Nation never needed him more. I wish his last words in the Senate might be heard from every radio station, printed in every newspaper, and heeded by every citizen.

To clothe the President in time of peace with the powers proposed in the Edison Act would be, in Borah's words, "arbitrary and clearly unconstitutional, a violation of the most fundamental principles of constitutional government and of democratic processes."

"This bill," said Borah, "is only a sample. Many have been introduced based upon the same principles. The Congress could render no greater service for free government, and bring it to greater distinction, than by denouncing and striking down these measures one after another."

Further, Borah said: "The most vicious enemies of human liberty, the most dangerous to free institutions, are the treacherous foes who seek shelter under the laws and institutions which assure free speech, free press, and personal liberty, and then make use of this shelter to destroy the Government which protects them."

Borah went on: "It is living up to our own teachings and principles which really counts in this great struggle for the preservation of free institutions. Introducing bills and passing laws which strike at the letter—and if not the letter, then the spirit—of democratic principles—these are the things which undermine and break down faith in democracy."

What an indictment!

And let me add on my own account: The reason why I oppose the New Deal and the new dealers is their long record of attacks on democratic principles. They have been undermining and breaking down faith in democracy while giving it lip service.

"The glory of our Bill of Rights," said Borah in his last great speech in the Senate, "is that it is a restraint upon government as well as upon individuals; that it protects the rights of the people against those who have been entrusted with power and who have betrayed their trust. If human liberty is sacred, the Constitution is sacred."

So said Borah—and I believe him. Don't you?

Borah was my friend. He asked me in 1936 to be on his ticket as Vice President when his supporters sought for him the Presidential nomination. Later, calling me to his office in Washington, he asked that I go out and arouse voters to protest against packing the Supreme Court. He said that only by the miracle of a quick mobilization of supporting public opinion could the lines be held in Congress and this threat to our Constitution be defeated.

#### FUTURE AT STAKE

I am proud of and inspired by Borah's friendship. As his spirit watches the continuing battle to preserve the Constitution and the Bill of Rights and the American way of life, I hope he may think that we have not failed.

In the decision of this year our own and our children's future is at stake.

We can, we must, carry on. We can win; we must win; we will win.

America's frontiers of opportunity are not closed. Its real greatness is still ahead.

If we keep out of war abroad, restore peace and prosperity at home, and use our experience and understanding to solve the economic and social problems that a changing world has brought upon us, there is no limit to the future of "Our America." It will surpass all our dreams.

## Legislative Hurdles

## EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ARTICLE BY MILLARD W. RICE

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Millard W. Rice, which was published in the Foreign Service Magazine for January 1940:

[From the Foreign Service magazine for January 1940]

## LEGISLATIVE HURDLES

(By Millard W. Rice, Legislative Representative, V. F. W.)

Many preliminary steps must first have been taken before proposed legislation is enacted and becomes statutory law.

Born in the mind of some V. F. W. member, a legislative objective, formulated into a resolution, after being endorsed by his own post and State department, can finally be adopted by the national encampment, possibly with several changes, and then drafted as a proposed bill.

The proposed bill is thereafter introduced, at the request of the legislative representative of the V. F. W., by some Member of Congress. Printed copies, appropriately identified by a title and a number, are furnished the following day by the Government Printing Office to the House and Senate document rooms. A small supply is promptly delivered to the chairman of the particular congressional committee to which such bill may have been referred, as determined on the basis of House and Senate rules.

The House Committee on World War Veterans' Legislation receives more legislative bills in which the V. F. W. is interested than any other committee, but some of them have also been referred to and considered by the House committees on: Pensions, Invalid Pensions, Military Affairs, Naval Affairs, Appropriations, Civil Service, War Claims, Ways and Means, Interstate and Foreign Commerce, Immigration and Naturalization, Judiciary, Labor, Expenditures in the Executive Departments, Census, Accounts, Agriculture, Merchant Marine and Fisheries, Post Office and Post Roads, Printing, Foreign Affairs and Relations.

Senate bills interesting the Veterans of Foreign Wars are more frequently sent to the Senate Committee on Finance than to any other committee, but its bills have also appeared in the Senate Committees on Military Affairs, Pensions, Naval Affairs, Civil Service, Appropriations, Claims, Interstate Commerce, Education and Labor, Immigration, Judiciary, Post Offices and Post Roads, and Foreign Relations.

After receipt of a referred bill, the committee chairman will, if interested therein, request the appropriate governmental agency to submit a detailed report, analysis and recommendations relative thereto. Thereupon, the chairman may, and will, if sufficient interest has been displayed in the bill, schedule the committee members to come together to hear the testimony of one or more of the officials, legislative representatives, and individuals who may be interested therein.

Most bills, incidentally, because of the indifference of their sponsors, die in committee, without either any report or any testimony having been received. Very frequently, too, even after the submission of departmental reports and committee hearings, no further action is taken.

If favorable interest has been aroused, the majority of a committee's members can decide to recommend a particular bill for passage. Containing an analysis as to the purposes and probable costs of the proposed bill, a printed report will then be submitted to the House by the committee outlining its recommendations and suggested amendments. If favorably reported, a bill is then given an identifying docket number and placed on the House Calendar, from which it can be taken up, considered, and voted upon by any one of six different methods.

The committee chairman, or the author of the bill, can, if agreeable to the Speaker of the House, arrange with him to be recognized for the purpose: (1) Of making a motion that all rules be suspended and the bill given immediate consideration (which motion must pass by a two-thirds vote); or (2) of securing unanimous consent to consider the bill. These methods can be used only when the leaders of the House have decided—generally after conference with the steering committee of the major party—to be favorable to the proposed legislation. Consequently, comparatively few bills receive House action by these two procedures.

By arrangement with the House Clerk, a bill can be placed on the Consent Calendar, which ordinarily comes up for call on the first and third Mondays of each month. When a bill is first called from the Consent Calendar, if one objection is voiced from the floor, it is set aside until the next call, and if there then be three objections, the bill is stricken from the Consent Calendar.

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Most controversial bills, however, must generally await action until the committee in charge of the bill gets its turn to bring up bills on a Calendar Wednesday. Inasmuch as there are 47 standing committees in the House, each such committee generally receives only one opportunity during each 2-year period of a Congress to bring up bills on a Calendar Wednesday call.

If it appears that a committee will not receive a Calendar Wednesday call during the remainder of a session of Congress, and there is a strong demand for bringing up a certain bill, then a House resolution can be submitted to the House Committee on Rules, asking for a special rule that the bill be scheduled for action at a certain time. The Rules Committee is generally reluctant to grant such a special rule, especially where there is administrative opposition, and will then do so only when a majority of its members have become favorable thereto by reason of their own convictions or the persuasion of others.

Active interest by Members of Congress can generally be brought about only by such letters from their own constituents, setting forth pertinent facts and opinions, as have convinced them that it would be highly desirable and justifiable for such proposed legislation to receive favorable attention.

If a committee has failed or refused favorably to report a bill, or if the Rules Committee has failed to report a special rule for a prompt call of such bill, then a petition to bring it up can be filed, which, if signed by a majority of the House Members, compels its early consideration on the House floor.

It may be seen, therefore, that there are many hurdles which opposing leaders can throw in the path of a legislative bill to hinder its progress toward enactment.

The rules in the Senate are more flexible than they are in the House, and, generally speaking, a majority of the Senators can bring about action on a committee-reported bill when they really want to. Senatorial courtesy, not to mention a filibuster, on the other hand, can be used to defer action for a long time.

If a bill, finally passed by one House, with or without liberalizing or restrictive amendments, has been amended and passed by the other, then, if the body in which the bill originated refuses to concur with such amendments, conferees are appointed by both Houses and attempts are made to arrive at an agreement concurred in by both Houses. Generally, such an agreement is arrived at within a few days, but sometimes negotiations go back and forth for many weeks. Disappointing compromises between the viewpoint of one House and the other frequently result from such conferences.

After a bill has been agreed upon by both the House and Senate, it then goes to the President for his approval or disapproval. If he approves and signs it, or if, while Congress is in session, he should fail to sign it by the end of the tenth day thereafter, it then becomes public law and an appropriate number is then assigned by the Department of State.

If the President formally disapproves a bill, while Congress is in session, he sends a veto message to Congress, stating his reasons therefor. It then becomes the privilege of the Congress, by a two-thirds favorable vote of the voting Members in each of the two Houses, to pass the bill over the President's veto, whereupon, after signature by the Secretary of the Senate, it becomes public law.

If Congress has adjourned before the end of the tenth day after a bill has been sent by it to the President, then, if he fails to sign such bill, it is pocket vetoed, without the necessity of any message to Congress. Several veteran bills have been pocket vetoed during the term of practically every President that the Nation has had. It has been customary for President Roosevelt, however, to file a memorandum of disapproval, even as to bills which are pocket vetoed.

Where there has been a pocket veto, there is, of course, no opportunity for the Congress to pass the bill over the President's veto. The above-outlined legislative procedure, therefore, must be started all over again during the next session of Congress, if so desired by the sponsoring group.

Bills which Members of Congress prefer not to vote against, such as the Philippine Travel Pay bill, are often, one suspects, purposely delayed in their passage until just a few days before the adjournment of Congress, in order to make it possible for the President to dispose of the bill by a pocket veto.

For these reasons, it is highly desirable that any controversial bill should be impelled forward toward action by both Houses of Congress just as early during the session of a Congress as possible. Indifference, altogether too frequently, stultifies action on most bills which are introduced in Congress. Some 11,000 bills have been introduced so far during the Seventy-sixth Congress. Before the end of next year the total number will probably exceed 15,000. Not more than a few hundred will have been enacted into law.

Legislation sponsored by the V. F. W., therefore, on the basis of the law of averages, stands very little chance of receiving favorable action by Congress. The V. F. W. can, however, be responsible for very much increasing its chances of moving forward its various legislative objectives, by an intensified interest on the part of its own, and its ladies' auxiliary, members and eligibles, and their friends, and by their official and personal letters to Members of Congress setting forth facts which prove the need for, and justification of, each type of proposed legislation. Members of the Seventy-sixth Congress will, during 1940 (an election year), be particularly responsive to public sentiment for and against various legislative proposals, as estimated by their individual contacts by letter, and in person.



## South Dakota Speaks Back to Darkest Maryland

## EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

EDITORIAL FROM THE SIOUX FALLS (S. DAK.) DAILY ARGUS LEADER

Mr. MUNDT. Mr. Speaker, somebody up in Baltimore, which if memory serves me correct is in Maryland, writing with a morning-after head and a vision clouded with provincialism, recently took it upon himself to insult the people of South Dakota, and to expose his own rather pitiful ignorance of the vast American domain lying west of the city limits of Baltimore. This sadistic scribe from Baltimore expresses curiosity about the manner of men who live in the Sunshine State of South Dakota.

The attached editorial from South Dakota's greatest newspaper, the Sioux Falls Daily Argus Leader, and from the pen of its editor, Fred C. Christopherson, whose knowledge of America is not limited to any one city or any one State, may serve, in part, to satisfy the curiosity of this bilious Baltimorean whose good manners are apparently so much less developed than his vocabulary of unpleasant language.

[From the Sioux Falls (S. Dak.) Daily Argus Leader]  
SOUTH DAKOTA SPEAKS BACK TO DARKEST MARYLAND

Some dyspeptic scribe on the Baltimore Sun noticed the map in Life magazine recording Mrs. Roosevelt's travels and the fact that the only State she had never visited was South Dakota.

Republishing the map, the Baltimore writer said:

"Life has discovered, more or less by accident, something which the Evening Sun has long believed but never conclusively proved, to wit: That South Dakota is darkest America. The map charts the traffic movements—by air, railway, highway, and water—of Eleanor Roosevelt, the busy wife of the President. It is self-explanatory. Mrs. Roosevelt gets around more, probably, than any other American woman. Yet in her years of strenuous—we almost said frantic—journeying she has never once set foot in South Dakota. It was only after Life's map makers had undertaken to chart her course that this discovery was made. We hail it as proof positive that our suspicions were right, and that South Dakota really is the State nobody knows. There may be a Livingstone somewhere in darkest Dakota (South). Some day a Stanley may go and find him. Meanwhile, we pledge to listen sharply for any reports which may emanate from that unknown region indicating something of the nature of the inhabitants."

When a former South Dakotan now residing in Baltimore submitted the foregoing to the Argus Leader for its consideration our first reaction was one of irritation. But that spasm passed, and we decided to ignore the boorish screed of the provincial Baltimore editor as just another indication that the citadels of stupidity are in the East.

A headline in the Argus Leader yesterday, however, induced us to resurrect the Baltimore Sun clipping.

This head line read: "Two Women Rescued from Lynch Mob." It was over an Associated Press dispatch from Snow Hill, Md.—yes; Maryland, the Baltimore Sun's State.

The first paragraphs of the dispatch read as follows:

"SNOW HILL, Md., February 14.—Heavily armed State police poured into this Eastern Shore community to restore calm today after a night of wild disorder climaxed when four State troopers waded in to rescue two Negro women from the hands of a threatening mob of 1,000 men.

"After hours of milling around the Worcester County jail the angry men bashed in a window last night, ripped a cell door from its hinges, and made away with the women who were held for investigation in connection with the slaying of an elderly farmer.

"The troopers, taking up the trail, caught up with the crowd at Stockton, where Harvey Pilchard was shot to death Sunday night by three Negro men who seriously wounded his wife.

"There, led by Lt. Ruxton Ridgely, they battled apparently hopeless numbers briefly but viciously, seized the women—a mother and daughter—and dashed to safety across the Delaware line 50 miles away. Sgt. W. H. Weber suffered painful head injuries and at least two civilians were hurt."

Reflecting about this we wondered if the Baltimore editor wasn't a bit confused in his South Dakota comment.

Mobs don't attack women in South Dakota but obviously they do in degenerate, dark, and barbaric Maryland.

South Dakotans, we are quite sure, don't care to discover Maryland.

But it might be to the advantage of the benighted citizens of Baltimore and Maryland to discover South Dakota and learn something about civilization.

And if the Baltimore editor wants to rejuvenate himself from the decay of the years in his home State, he should travel westward this summer—westward to the rolling prairies, the Great Plains, and the mountains and forests of South Dakota.

Here he would see a civilized country—a country where a mob of 1,000 men does not attempt to lynch two women. Mrs. Roosevelt may not have visited South Dakota, much to our regret and to her misfortune, but civilization has.

## Honor to a Great Woman—Susan B. Anthony

## EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1940

SUSAN B. ANTHONY, FEBRUARY 15, 1820–MARCH 13, 1906

Mr. BENDER. Mr. Speaker, we are told that Susan B. Anthony's last words on the public platform were, "Failure is impossible." If she were with us today she would be proud of her handiwork. She was right. To women like Susan Anthony, failure will always be impossible. To women like the women of America, who have captured the indomitable spirit of Susan Anthony, failure is equally impossible.

There must be some divine providence which leans with great partiality toward the month of February in our country. Somehow, the guardians of human liberty came grouped within the shortest month of our year. If we were mystics, we should look for some occult beneficent power to explain this phenomenon. But we are practical people. We know that human liberty is an ideal which spans the days and weeks and years wherever men and women live. We know that it refuses to be crushed, no matter how desperately tyrants seek to destroy it.

The great patriots whose memory we revere this month knew this fundamental American truth. Their very greatness stems from this knowledge. We honor them because they were makers of human freedom. George Washington freed his people from the tyranny of a long-distant dictatorship. Abraham Lincoln freed the slaves. Susan Anthony freed her sisters. The achievements of Washington and Lincoln need no recitation. We all know them. Yet in at least one respect they were victories less notable than Miss Anthony's. A tremendous body of supporters lent their aid to the father of our people. Abraham Lincoln had the assistance of thousands in his battle to preserve the Federal Union. Susan B. Anthony fought her struggles almost alone.

The one hundred and twentieth anniversary of her birth should remind us of the story of her life. It is a story as heroic as any in the records of American history. Today we look back at the years of Susan Anthony's life to blush with shame. We did everything within our power to discourage her. We mocked her. We caricatured her. We hissed and booed her addresses for over 50 years. Nothing stopped her. Her own sex was almost as hostile. She was accused by them of "aping men." She was denounced as a betrayer of womanhood. She did not falter.

Every boy and girl who studies American history in our schools should know something of the life of this great woman. When she began her life on the 15th day of February, 1820, no respectable woman permitted herself to speak in public or participate in a public meeting. When Miss Anthony was 20 years old the American Antislavery Society was refusing to acknowledge the right of women to speak, to vote, or even to serve on committees of the organization. A clergyman told some of Susan Anthony's followers:

Wifehood is the crowning glory of a woman. In it she is bound for all time. To her husband she owes the duty of unequalled obedience. There is no crime which a man can commit which

justifies his wife in leaving him or applying for that monstrous thing, divorce. \* \* \* If he be a bad or wicked man, she may gently remonstrate with him, but refuse him, never.

Under the law women were regarded as if they were chattels, the property of man, their lord and master.

Things have certainly changed since Miss Anthony's day. And it was Miss Anthony who was largely responsible for these changes. She was fortunate enough to be born in an American Quaker home, where equality between the sexes was a major premise. When she was 15 years old she began to teach school at the princely salary of \$1 per week. Ten years later she was earning \$2.50 weekly. Men were receiving three or four times as much for precisely the same kind of work.

In 1852 Susan Anthony attended her first woman's rights convention. She had found her task in life. From her thirty-second birthday on, for 54 years, she worked day and night for the cause in which she believed. The work she did is almost unbelievable to us today. When we stop to consider the difficulties of travel in the 1850's, the discomforts, the uncertainties, the prejudice which greeted her wherever she went, the accomplishments listed to Miss Anthony's credit are really incredible.

She lectured in almost every city in the North and in the West. For 45 years her name was known in every section of the Nation. She spoke to the committees of every Congress from 1869 to 1897. She arranged for delegations of women to appear in the New York Legislature. She pushed through legislation extending the property rights of women. At the end of the Civil War she threw herself, body and soul, into an effort to have women, as well as Negroes, included in the fourteenth amendment. She led the organization of the American Equal Rights Association and founded its famous magazine. For more than 50 years Miss Anthony held the highest offices in the women's suffrage movement. She gave her life to the cause, sacrificing her time, her money, her recreation.

To get the ballot she was willing to give her life. Mrs. Carrie Chapman Catt called her the most unselfish woman in all the world. In her half century of work she never received 1 cent of salary, but, on the contrary, put into the cause every dollar she had ever earned. Her intimate friend, Mrs. Elizabeth Cady Stanton looked upon Susan Anthony as the greatest human being she had ever known.

I am inclined to think that she was all that her friends called her. When she died on March 13, 1906, flags flew at half mast across the entire Nation. Ten thousand people passed by her bier to pay her homage.

Those who had attacked her work during her lifetime were silenced. They were silenced by the record of her achievements. Two years after her death, hundreds of American colleges were admitting women to their courses. They had burst the boundaries of the medical profession, the legal profession, the ministry. A thousand women's organizations were discussing every issue of the day. State legislatures had lightened the restrictions upon their women, and just 100 years after her birth, Susan B. Anthony's dream was realized, national woman's suffrage.

The fight is not yet over. There is still much which must be done before equal rights are assured to every man and woman in our Nation. Susan Anthony's spirit must continue to live; it must continue to work; she would not want it to rest for a moment, so long as there remained areas in life where women are unequal before the law.

None of those objectives will be easily attained. But opposition is the testing ground of every worth-while activity of the human spirit. When her followers feel like quitting, when they become discouraged and think the task hopeless, they think of Susan B. Anthony. She traveled thousands of miles on dirty, dusty roads; she rose to speak at meetings where men sat with loaded pistols to protect her right to say what she thought; she was rescued from angry mobs time and again; she was jailed, she was persecuted. But she fought on.

This month we join in tribute to the memory of a true American heroine, a woman whose life was spent for human freedom.

## President McKinley's Last Speech

### EXTENSION OF REMARKS

OF

## HON. JAMES SECCOMBE

OF OHIO

### IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

ADDRESS OF PRESIDENT MCKINLEY AT BUFFALO, N. Y.,  
SEPTEMBER 5, 1901

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the last speech of President McKinley, delivered at the Pan-American Exposition at Buffalo on September 5, 1901, as follows:

President Milburn, Director General Buchanan, Commissioners, ladies, and gentlemen, I am glad to again be in the city of Buffalo and exchange greetings with her people, to whose generous hospitality I am not a stranger, and with whose good will I have been repeatedly and signally honored. Today I have additional satisfaction in meeting and giving welcome to the foreign representatives assembled here, whose presence and participation in this exposition have contributed in so marked a degree to its interest and success. To the Commissioners of the Dominion of Canada and the British colonies, the French colonies, the republics of Mexico and of Central and South America, and the Commissioners of Cuba and Puerto Rico, who share with us in this undertaking, we give the hand of fellowship and felicitate with them upon the triumphs of art, science, education, and manufacture which the old has bequeathed to the new century.

Expositions are the timekeepers of progress. They record the world's advancement. They stimulate the energy, enterprise, and intellect of the people, and quicken human genius. They go into the home. They broaden and brighten the daily life of the people. They open mighty storehouses of information to the student. Every exposition, great or small, has helped to some onward step.

Comparison of ideas is always educational, and as such instructs the brain and hand of men. Friendly rivalry follows, which is the spur to industrial improvement, the inspiration to useful invention, and to high endeavor in all departments of human activity. It exacts a study of the wants, comforts, and even the whims of the people, and recognizes the efficacy of high quality and low prices to win their favor. The quest for trade is an incentive to men of business to devise, invent, improve, and economize in the cost of production. Business life, whether among ourselves or with other peoples, is ever a sharp struggle for success. It will be nonetheless so in the future. Without competition we would be clinging to the clumsy and antiquated processes of farming and manufacture, and the methods of business of long ago, and the twentieth would be no further advanced than the eighteenth century. But though commercial competitors we are, commercial enemies we must not be.

The Pan-American Exposition has done its work thoroughly, presenting in its exhibits evidences of the highest skill and illustrating the progress of the human family in the Western Hemisphere. This portion of the earth has no cause for humiliation for the part it has performed in the march of civilization. It has not accomplished everything; far from it. It has simply done its best, and without vanity or boastfulness, and recognizing the manifold achievements of others, it invites the friendly rivalry of all the powers in the peaceful pursuits of trade and commerce, and will cooperate with all in advancing the highest and best interests of humanity. The wisdom and energy of all the nations are none too great for the world's work. The success of art, science, industry, and invention is an international asset and a common glory.

After all, how near one to the other is every part of the world. Modern inventions have brought into close relation widely separated peoples and made them better acquainted. Geographic and political divisions will continue to exist, but distances have been effaced. Swift ships and fast trains are becoming cosmopolitan. They invade fields which a few years ago were impenetrable. The world's products are exchanged as never before, and with increasing transportation facilities come increasing knowledge and larger trade. Prices are fixed with mathematical precision by supply and demand. The world's selling prices are regulated by market and crop reports. We travel greater distances in a shorter space of time and with more ease than was ever dreamed of by the fathers. Isolation is no longer possible or desirable. The same important news is read, though in different languages, the same day in all Christendom.

The telegraph keeps us advised of what is occurring everywhere, and the press foreshadows, with more or less accuracy, the plans and purposes of the nations. Market prices of products and of



securities are hourly known in every commercial mart, and the investments of the people extend beyond their own national boundaries into the remotest parts of the earth. Vast transactions are conducted and international exchanges are made by the tick of the cable. Every event of interest is immediately bulletined. The quick gathering and transmission of news, like rapid transit, are of recent origin, and are only made possible by the genius of the inventor and the courage of the investor. It took a special messenger of the Government, with every facility known at the time for rapid travel, 19 days to go from the city of Washington to New Orleans with a message to General Jackson that the war with England had ceased and a treaty of peace had been signed. How different now. We reached General Miles, in Puerto Rico, and he was able through the military telegraph to stop his army on the firing line with the message that the United States and Spain had signed a protocol suspending hostilities. We knew almost instantly of the first shots fired at Santiago, and the subsequent surrender of the Spanish forces was known at Washington within less than an hour of its consummation. The first ship of Cervera's fleet had hardly emerged from that historic harbor when the fact was flashed to our Capitol, and the swift destruction that followed was announced immediately through the wonderful medium of telegraphy.

So accustomed are we to safe and easy communication with distant lands that its temporary interruption, even in ordinary times, results in loss and inconvenience. We shall never forget the days of anxious waiting and suspense when no information was permitted to be sent from Peking, and the diplomatic representatives of the nations in China, cut off from all communication, inside and outside of the walled capital, were surrounded by an angry and misguided mob that threatened their lives; nor the joy that thrilled the world when a single message from the Government of the United States brought, through our Minister, the first news of the safety of the besieged diplomats.

At the beginning of the nineteenth century there was not a mile of steam railroad on the globe; now there are enough miles to make its circuit many times. Then there was not a line of electric telegraph; now we have a vast mileage traversing all lands and all seas. God and man have linked the nations together. No nation can longer be indifferent to any other. And as we are brought more and more in touch with each other the less occasion is there for misunderstandings and the stronger the disposition, when we have differences, to adjust them in the court of arbitration, which is the noblest forum for the settlement of international disputes.

My fellow citizens, trade statistics indicate that this country is in a state of unexampled prosperity. The figures are almost appalling. They show that we are utilizing our fields and forests and mines, and that we are furnishing profitable employment to the millions of workmen throughout the United States, bringing comfort and happiness to their homes and making it possible to lay by savings for old age and disability. That all the people are participating in this great prosperity is seen in every American community and shown by the enormous and unprecedented deposits in our savings banks. Our duty in the care and security of these deposits and their safe investment demands the highest integrity and the best business capacity of those in charge of these depositories of the people's earnings.

We have a vast and intricate business, built up through years of toil and struggle, in which every part of the country has its stake, which will not permit of either neglect or of undue selfishness. No narrow, sordid policy will subserve it. The greatest skill and wisdom on the part of manufacturers and producers will be required to hold and increase it. Our industrial enterprises, which have grown to such great proportions, affect the homes and occupations of the people and the welfare of the country. Our capacity to produce has developed so enormously and our products have so multiplied that the problem of more markets requires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. In these times of marvelous business energy and gain we ought to be looking to the future, strengthening the weak places in our industrial and commercial systems, that we may be ready for any storm or strain.

By sensible trade arrangements which will not interrupt our home production we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under the domestic policy now firmly established.

What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and productions, and thereby make a greater demand for home labor.

The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not. If, perchance, some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad? Then, too, we have inadequate steamship service. New lines of steamships

have already been put in commission between the Pacific coast ports of the United States and those on the western coasts of Mexico and Central and South America. These should be followed up with direct steamship lines between the western coast of the United States and South American ports. One of the needs of the times is direct commercial lines from our vast fields of production to the fields of consumption that we have but barely touched. Next in advantage to having the thing to sell is to have the conveyance to carry it to the buyer. We must encourage our merchant marine. We must have more ships. They must be under the American flag, built and manned and owned by Americans. These will not only be profitable in a commercial sense; they will be messengers of peace and amity wherever they go.

We must build the isthmian canal, which will unite the two oceans and give a straight line of water communication with the western coasts of Central and South America and Mexico. The construction of a Pacific cable cannot longer be postponed. In the furtherance of these objects of national interest and concern you are performing an important part. This exposition would have touched the heart of that American statesman whose mind was ever alert and thought ever constant for a larger commerce and a truer fraternity of the republics of the New World. His broad American spirit is felt and manifested here. He needs no identification to an assemblage of Americans anywhere, for the name of Blaine is inseparably associated with the Pan-American movement which finds here practical and substantial expression and which we all hope will be firmly advanced by the Pan American Congress that assembles this autumn in the capital of Mexico. The good work will go on. It cannot be stopped. These buildings will disappear; this creation of art and beauty and industry will perish from sight; but their influence will remain to "make it live beyond its too short living with praises and thanksgiving." Who can tell the new thoughts that have been awakened, the ambitions fired, and the high achievements that will be wrought through this exposition?

Let us ever remember that our interest is in concord, not conflict; and that our real eminence rests in the victories of peace, not those of war. We hope that all who are represented here may be moved to higher and nobler effort for their own and the world's good, and that out of this city may come not only greater commerce and trade for us all, but, more essential than these, relations of mutual respect, confidence and friendship which will deepen and endure. Our earnest prayer is that God will graciously vouchsafe prosperity, happiness and peace to all our neighbors, and like blessings to all the peoples and powers of earth.

## Woman's National Democratic Club

### EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, chairman of the Democratic National Committee, at the forum of the Woman's National Democratic Club, Washington, D. C., the evening of February 6:

I always feel at home addressing a gathering of Democrats, especially when the subject under discussion has a bearing on party unity and party responsibility.

Not so many years ago, the idea of Democratic unity usually evoked a faint smile of derision in certain quarters. There was a belief that the party of Jefferson and Jackson had degenerated into an ill-fitting collection of noisy minorities and sturdy individualists who distrusted each other only slightly more than they distrusted the political foe. In fact, I recall one Republican statesman who often predicted that the Democrats would never be able to rule the country because they were never able to rule themselves.

The picture has changed considerably since the Roosevelt administration first came into power, even though the opposition is still pinning its slim hopes of victory on a Democratic split. Our party is, beyond question, the majority political party in this country, and it has won that place of eminence not by evading responsibility but by the direct process of carrying out the wishes of the majority of the electorate.

A few disgruntled individuals, who dislike the course of political events, profess to see the program adopted by the administration has something that has been pressed down on the people without their knowledge or consent. These are the unhappy few who see dictatorship lurking in every suggestion made by the Chief Executive and the doom of the country in every measure adopted by

Congress for the sake of promoting the public good. But the fact remains that the Democratic Party has won four successive national elections, after every issue had been carefully thrashed out in public debate; and if that does not constitute rule by majority, then I have no idea what does.

The Democratic Party has gone along now for more than a century, surviving national perils and changes in popular opinion that have brought disaster and doom to weaker political parties. Of course, the party has been torn and divided on many occasions by the sharp disagreement of its members over vital issues. But that has been true of every organization, political or otherwise, that has attempted to deal with crucial questions of national import. The thing to remember, however, is that the party has survived because in the main it has remained loyal and steadfast to the major purpose for which it was founded, and that purpose is the promotion of the welfare of all the people.

A number of reasons have been offered to explain the decline of the Republican Party during the last decade. There were many contributing factors, of course; yet the one outstanding reason is the fact that the party lost touch with the great mass of common citizens. In the 12 years of Republican rule that followed the World War, there was nothing done by those in power to indicate that they had the slightest understanding of the needs of agriculture, of labor, or of the lower-income groups, and when the day of reckoning came, the Republican Party paid the penalty.

The Democratic Party, then, may look to a continuance in power if it remains united on essential principles and if it continues to make a sincere effort to translate those principles into reality. The people have little faith in a declaration of purpose that everyone knows will become a dead letter as soon as the election is over.

One of the truly fine contributions to public life made by this administration has been the revival of party government and party responsibility. A decade or so ago there was a spirit of indifference abroad; it was frequently said the two parties were so much alike that it made no difference which side won—the result was all the same. A large element of the public had even given up hope that anything could ever be accomplished under the two-party system, believing that inaction and dry rot had destroyed the effectiveness of both.

With the advent of the Roosevelt administration, however, the old charge that political parties are all alike was soon forgotten. The Nation was treated to the refreshing spectacle of a political party that had the energy and the initiative to undertake grave emergency measures and the courage to accept responsibility for those measures once they were undertaken. In all the charges that have been hurled against the Roosevelt administration during the past few years, no one has yet said that it was timid or afraid to accept the consequences of its own program.

In considering the question of political unity, it is well to bear in mind that political parties, national in scope, are absolutely necessary to the well-being of this country and to the success of democratic government. The United States is so vast in extent, with such a wide variety of economic and geographic interests, that the task of sifting down national sentiment into something approaching unity is a task of compelling magnitude. The fact that it can be done at all is due to the existence of the two major political parties, and I firmly believe that the disruption of this system would be a disastrous blow for the Nation.

The only substitute for a national party would be a series of minor political groups, each one concerned almost solely with its own peculiar economic or sectional problem. Under such a system the election of a majority President or a majority Congress would be well-nigh impossible. The result could only be a confusion and disunion.

We have a duty, then, as a matter of patriotism, to keep alive the Democratic Party in all its vigor, to maintain its ideals and objectives, and to preserve the national scope of its unity. There will be conflicts of opinion between members as to methods and policies, as there have been in the past. These conflicts are unavoidable; but in disputing over methods we must not be led into the fatal error of drifting apart on fundamental objectives.

The recent history of the United States shows that practically every worth-while piece of progressive and liberal legislation has been written into law under a Democratic administration. The Wilson administration brought about many needed reforms and then nothing was done until our party came back into power. The record should convince any fair-minded person that the cause of liberal government is lost except when a Democratic majority has it in hand.

In view of the vast program of reform and reconstruction which the present administration was compelled to undertake, it is not unusual that there should be divergence of viewpoint within the party. The remarkable fact is the degree of unity that prevails as the party approaches the coming election. While it may pain some individuals who hoped otherwise, the Presidential campaign will find the Democratic Party enjoying a higher degree of internal harmony than its ancient enemy, the Republican opposition.

The G. O. P. is trying to ride the horse of progressive government in its customary cautious manner. It has one foot in the stirrup and the other planted firmly on the ground. The method is not only difficult but the rider seldom gets anywhere.

The goal of every sincere Democrat is a united party. With that easily within our grasp, we shall go forward pursuing those policies which have made this a peaceful, prosperous, and united country.

## Property Owned by the United States in Foreign Countries

### EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

Mr. STEFAN. Mr. Speaker, during the debate on the bill making appropriations for the Departments of State, Justice, and Commerce several questions were asked of me by Members interested as to the number of buildings owned by this Government in foreign countries. I indicated in my reply that perhaps this information could be secured in the hearings of the committee of which I am a member, but I find that the hearings do not contain this information.

I feel that it is quite important that the Members should know that the total investment in land and buildings owned by the United States Government in foreign countries amounts to \$12,877,294.59, and that the investment in furnishings in these buildings was originally \$574,017.34.

It would be somewhat difficult at this time to give the Members a break-down of the total investment in land, buildings, and furnishings in each of the 45 foreign locations in which we have property, but that information can be secured from the Department of State by any Member, if he is interested in any one particular mission. For your information, I include here a list of the foreign-service buildings and sites and part of the information I agreed to furnish during the debate on the Department of State appropriation bill:

#### LIST OF FOREIGN-SERVICE BUILDINGS AND SITES

Aden, Arabia: Site only. For office and residence.  
 Amoy, China: Consular residence and office.  
 Ankara, Turkey: Site only. For embassy office and residence.  
 Bangkok, Thailand: Legation residence, consulate, and secretary's residence.  
 Berlin, Germany: Combined office building.  
 Buenos Aires, Argentina: Ambassador's residence and an unimproved site to be used for office building.  
 Calcutta, India: Two sites only. For consulate office and residence buildings.  
 Ciudad Trujillo, Dominican Republic: Chancery building. Minister's residence now under construction.  
 Corinto, Nicaragua: Site only. For consular residence and office.  
 Habana, Cuba: Site only. For residence.  
 Helsinki, Finland: Combined offices and residence.  
 Istanbul, Turkey: Residence and chancery.  
 Keijo (Seoul), Chosen, Japan: Consulate general office and residence.  
 Lima, Peru: Site only. For ambassador's residence.  
 London, England: Ambassador's residence.  
 Managua, Nicaragua: Minister's residence.  
 Matanzas, Cuba: Office building.  
 Mexico, D. F., Mexico: Embassy residence, chancery, and consulate general office.  
 Monrovia, Liberia: Combined offices and residence.  
 Montevideo, Uruguay: Legation residence under construction.  
 Mukden, China: Site only. For consulate office and residence.  
 Nagasaki, Japan: Consular residence and office.  
 Oslo, Norway: Office and legation for minister.  
 Ottawa, Canada: Office and legation for minister.  
 Panama, Panama: Site only. For office building.  
 Paris, France: Office and embassy residence buildings.  
 Peiping, China: Office building and 16 small residence buildings.  
 Penang, Straits Settlements: Consular residence and office.  
 Port-au-Prince, Haiti: Legation residence. Also site only for office building.  
 Prague, Bohemia: Consulate and residence.  
 Rio de Janeiro, Brazil: Combined office, garage, and residence.  
 Rome, Italy: Combined office.  
 San Jose, Costa Rica: Combined office and residence.  
 San Salvador, El Salvador: Combined office and residence.  
 Santiago, Chile: Ambassador's residence.  
 Santiago de Cuba: Ambassador's residence. Site only.  
 Seville, Spain: Consulate office and residence.  
 Shanghai, China: Site only for consulate office.  
 Tahiti, Society Islands, Oceania: Consulate office and residence.  
 Tangier, Morocco: Combined office and residence.  
 Teheran, Iran: Legation residence and chancery.



Tirana, Albania: Legation office and residence (unoccupied), secretary's residence.  
 Tokyo, Japan: Ambassador's residence, chancery, two apartment houses.  
 Vienna, Germany: Consulate general office and residence (this must be remodeled before using).  
 Yokohama, Japan: Consulate office and residence.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

EDITORIAL FROM COLLIERS' WEEKLY FOR FEBRUARY 17, 1940

Mr. KEFAUVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in Colliers' Weekly for February 17, 1940:

[From Collier's Weekly for February 17, 1940]

LET TRADER HULL TRADE ON

It's generally agreed that no member of the New Deal Cabinet has done a better all-round job than Secretary of State Cordell Hull. And the Hull enterprise that has earned the loudest applause has been the closing of the reciprocal-trade agreements with 20 nations.

It is so much the more shocking, then, to see such a storm of petty and partisan agitation dust up in Congress against the proposal to extend for another 3 years the State Department's power to make these agreements. Present expiration date of power is next June 12.

Farmers are being told that hams from Germany's part of what once was Poland are forcing American hams off the American market \* \* \* that Canadian wheat and beef, let into this country under reduced tariff schedules, are running down American prices for those commodities \* \* \* that Argentine beef is coming into the United States, in million-tin lots.

Therefore, it is urged that the State Department be stripped of power to make these agreements whenever and wherever it can spot a good dicker for the United States. It is further urged that the agreements themselves be thrown overboard as fast as may be.

For all this the correct word is nonsense—plus a few adjectives such as selfish, narrow-minded, and, in more cases than one, false.

The fact is that the State Department in negotiating these pacts has leaned over backward to avoid cutting United States tariffs on any foreign goods that would seriously compete with similar goods produced here. The negotiations with Argentina, for example, fell through because the State Department declined to give Argentina so much as a shred of the American shirt in the matter of reducing tariffs on Argentine wheat. And this is the spirit that has governed the American end of these negotiations ever since Mr. Hull and his associates began them about 5 years ago.

Some of the tangible results have been that 10 nations have reduced their tariffs on our pork, ham, and bacon; 9, Great Britain among them, have cut tariffs on our lard; while wide reductions have been made in duties on our grains and grain products, our fruits, and our vegetables.

Some American toes have been stepped on, yes; but so have some toes in the 20 countries on the other ends of the trade agreements. One of the net results, though, has been that from 1935 to 1938 our exports of farm products to trade-agreement countries went up almost 50 percent. Another of the net results is that our export trade has been healthy and has been growing healthier since 1935, whereas it was in the deep blue dumps for many years before that year.

In the matter of the Mexican and Bolivian oil steals, the State Department in our estimation has been a one-sided good neighbor, which is to say that it has been a sucker and a sap.

But it has done brilliant work on the trade agreements, and it has not bartered away any American markets to the villainous foreigner—who isn't any more villainous than we are, anyway.

Even more important, in a world gone mad with tariff mania and export-subsidy insanity, our State Department has stood by the proposition that a nation that wants to sell must also buy; that to get business you have got to be willing to do business. On the survival of this principle depends much of the hope for a livable post-war world.

Hull has done and is doing one grand job. We are for letting the State Department carry on with the trade-agreement work—if not for the proposed 3 years after next June 12, then at least until after the next Congress has convened and the next administration has had plenty of time to get its bearings.

### Makers of American Policy

### EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

ADDRESS BY HON. STEPHEN BOLLES, OF WISCONSIN, AT HILLSDALE, MICH., FEBRUARY 17, 1940

Mr. SHAFER of Michigan. Mr. Speaker, under leave to extend my remarks, I include an address by my colleague, the gentleman from Wisconsin, the Honorable STEPHEN BOLLES, before the annual Lincoln banquet of the Hillsdale County Republican Club at Hillsdale, Mich., Saturday, February 17, 1940.

The address is as follows:

Mr. Chairman, ladies, and gentlemen, February is a hallowed month to Americans. It has been even more important to liberty-loving and demanding people of this inhabited globe.

It gave to us and the world out of the travail of motherhood two of history's greatest human figures—George Washington to direct and lead an isolated people into a national life, and Abraham Lincoln to pilot the ship of state through the hurricane of fratricidal strife into the safe haven of national unity.

These two sons of February, born 77 years apart, were strangely different. One was the child of a colonial aristocracy, the other born in circumstances as lowly as the child Jesus in the stable at Bethlehem. One led a defiant and defensive army of ragged, ill-paid, and undisciplined men, the old continentals in their ragged regimentals, against the trained forces of a ruthless British colonizer and conqueror. The other man in grieving patience held together that union of States which Washington had cemented. Both succeeded. Both inherited the love and gratitude of a great people.

Both of these men, differing as they did in birth, background, environment, and heritage, founded and preserved the American way of government. The Constitution, which, thank God, in spite of efforts to tear out its pages and erode it, still lives as a virile and vital document, was signed by one of these February children and upheld and preserved by the boy of the Kentucky cabin—the boy whose tears bathed the rude coffin, fashioned by his father, and who began to live in a land of rough reality when that mother was buried in the stony soil of his nativity.

We have met here tonight to pay tribute to these two great Americans and to rededicate ourselves to the support of the Constitution. In 1859 Abraham Lincoln said in a speech in Cincinnati:

"The people of the United States are the rightful makers of both Congress and courts—not to overthrow the Constitution but to overthrow the men who pervert the Constitution."

In the last 7 years we have been bewildered by the constant erosion of the Constitution. We have been astonished and disturbed by repeated assumption of executive power and the establishment of incompetent collective authority in a new autocratic plan of government long known in old despotisms and totalitarianisms as bureaucracy.

Now, my friends, bureaucracy—government by independent agencies—was never contemplated in the Constitution by its authors, nor has it any place in a free republic. Bureaucracy adds to the power of the state—the centralization of government. It is an attribute of dictators, of tyrants, and an agency of absolutism. The Turkish Sultan, the Russian Czar, the Asiatic Satrap equipped his government with bureaucrats. The more power to the state, the less liberty and freedom there is to the individual.

Lincoln, I believe, had the eye of prophecy. With a long look into the future, right into the White House in the past 7 years, he said:

"The President is in no wise satisfied with his own positions. First, he takes up one and in attempting to argue us into it he argues himself out of it, then he seizes another and goes through the same process, and then, confused at not being able to think of something new, he snatches up the old one again, which he has some time before cast off. He knows not where he is. He is a bewildered, confused, and miserably perplexed man. God grant he may be able to show there is not something about his conscience more painful than all his mental perplexity."

So we have had those years of experience. We have seen a President, a successor to Lincoln, flit from flower to flower, trying to extract the honey of content from the useless thistle of planned economy.

If what we have had for 7 years is planned economy, there have been some frightful errors in the blueprints. It has had some startling results.

Planned economy has given us a debt greater than the total cost of government for 100 years prior to the World War.

It has spent almost twice as much each year as our income.

It has trebled the pay roll and put 980,000 people into Government jobs.

It has wobbled around with a foreign policy so that we have none. It has not relieved unemployment, the greatest problem of our time.

We live in a republic. A republican form of government is a government by representatives of the people selected by ballot. There is no place in it for a rule or administration by a bureaucracy. There is no place in it for the fog ends of old, discarded, and discredited political and social philosophies. There is no place in it for experimental political adventures transplanted from foreign capitals or adopted from waterlogged concepts of economic writers who know nothing of this, our America, in its reality. There is no place in the Republic for those who have to don a different colored shirt for every new "ism."

We need not evade or avoid changes that have come to us through inventions and the progressive march of what we call civilization. We have tossed away in careless abandon the hitching posts and snubbing posts of our real civilization. We have been thrown about with anchor lost and the life line stolen by economic dreamers who have hidden it in the bottomless well of experiment.

One of our troubles is that we have adopted a new vocabulary. The old one is discarded by the uncombed-haired, hook-nosed economists of our time. They speak mostly of democracy. I wonder if any of them know what is a democracy. The United States never was a democracy; is not now. It is fast getting to be a bureaucracy.

Neither George Washington nor Abraham Lincoln wrote or spoke of America as a democracy. This appellation is of comparatively recent origin here. The word is not in the Declaration of Independence. It is not in the Articles of Confederation nor the Ordinance of 1787. It does not appear in the Constitution. The word is not used at all in any of the famous state papers. It does not appear in the speeches of Webster or of Charles Sumner.

The Constitution—in section 4 of article IV of the Federal Constitution—expressly provided that the United States "shall guarantee to each of the several States a republican form of government." This is a republic with a republican representative government and not, nor ever has been, a democracy as the term "democracy" is so glibly and so misunderstandingly applied. Not even Jefferson, founder of the Democratic Party under the name of Republican, uses the term "democracy."

So let's speak of our Government as that of a republic. Painted high on this ship of state is the word "republic." This ship of state once captained by a Washington and a Lincoln has been floundering in seas with a pilot who has been sailing in all directions but never toward the home port. Its crew has been made up of those who believe the old order in the United States is ended; that much of what has been American tradition, not only politically but economically, is about dying or dead.

And, my friends, we cannot depend for salvation on the intellectual leaders with gossamer threaded theories led into a maze of impracticality. Nor on business leaders who are over cautious and fearful and who have been intimidated by the scourge wielded in Washington. Nor can we depend on the pulpit fallen under the alien philosophy spell. We must depend on the great middle class—the same breed of men who founded this Nation, who pioneered into the wilderness and wrought a miracle in making an empire from that wilderness.

I cannot conceive of a Washington or a Lincoln going ahead to the music of the dead march of communism or the totalitarianism of the Fascist or the Nazi.

In this year of 1940, the clock has struck the hour to rededicate ourselves to America. It is time to dump the foreign garbage of ideology we have been carrying along for far too many years into the sea of oblivion.

This Nation was built on private enterprise and individual initiative. Destroy that and you destroy America. This Nation of Washington and Lincoln was not built into its present greatness by government. It was built by individuals who made the Government. The wealth of the people is not the property of the State or Federal Government. It belongs to the people. Some group in this country of ours conceived the idea a few years ago of redistributing wealth. It was an old Communist idea. It was the basis of Marxian socialism. What is the wealth of America? Is it in Wall Street or on LaSalle Street in Chicago? Is it in the General Motors or the railroads? Where do we find it?

Let us analyze it. It is in the garages and stores; in the farms and barns and grain in the bins of the farmers; in the houses and the furniture; the kitchen utensils, the plows and harrows, and other implements on the farm; in the little and big merchandise places with stocks of goods; in 29,000,000 autos and trucks and motorcycles on our roads; in wagons and homes; in fattening cattle and sheep; in the poultry yard; in the equipment of thousands of offices; in little or big homes owned by working people; is even in the dinner pail.

Wealth! Yes; in America it belongs to all and everybody. And remember that money—currency—is not counted in the figures of wealth in the United States.

Some years ago a friend of mine, a great editor, Casper Yost, of the St. Louis Globe Democrat, wrote a series of articles on the American Way. I quote a paragraph from him most pertinent at this time and place:

"In no other country in the world is the wealth of the Nation so widely distributed as in America. In no other country is there so large a proportion of the people able to live on a scale of comfort

that would be regarded as luxury elsewhere. Of course, there are too many at this time, but under normal conditions this number is relatively small. We cannot fairly measure what America has always been and what it can be again by what we have now. Of course, there is no equality in the distribution of wealth. That is a vain dream, utterly impossible of fulfillment, and even it could somehow be fulfilled for a moment it could not last 30 days, for the differences in human dispositions and capacities would immediately create differences in possessions. The ideal of the American way has always been 'the greatest good for the greatest number for the greatest number,' and, unquestionably, under that way it has accomplished more good for the greatest number than in any other land under the sun. Our way of individual effort, highly stimulated as it is by the principles of liberty and equality of opportunity, has through the past years made the average conditions of life in America better and its standards of living higher than in any other land. Under the collective systems, whatever form they may take, it is not the good of the people that is sought, but the good of the state, to which not only the liberties but the individual welfare of the citizens is surrendered. There is no distribution of wealth at all under such systems, because all wealth is directly or indirectly in the possession of the state."

This Nation has gained its wealth and position by and under the profit system. In the last 7 years it has been the profit-and-loss system. Nor industry, nor farm, nor business, nor yet the laborer can succeed without the profit system, coupled with thrift.

Out beyond the seas, west or east, there is a disordered world. Fear dominates public opinion. We are not escaping entirely unscathed. We cannot be entirely isolated from events in Europe or Asia. Invention of communication means has enlarged the world's nervous system and made it more sensitive. In the days of Washington and Lincoln a war could be fought in Europe or Asia before we knew about it. Now Gandhi has a cold today, and we are told in detail before nightfall that he has added a new loin cloth. Because of these things we need to be more careful, more cautious, more discreet in our foreign policy, if we have any at this time. We as a people are determined to keep out of war. Fifty thousand overseas headstones whitening the hillsides, thousands in veterans' hospitals here at home, graves in every city, village, and town cemetery cry out either in voice or by example against this Nation's ever going again into war to save a world for democracy or for any other excuse.

My friends, America is safe from without. No conquerors of the United States have yet been born. The temple of liberty here erected by Washington, preserved by Lincoln, is not to be destroyed by a totalitarian Europe or an Asiatic horde. If that temple is destroyed, if its facade is marred, it will be from enemies nurtured—nurtured and suckled, from within our gates—nurtured by spineless officials and a Congress with angleworm backbones.

America should be careful, watchful, determined. We should now be even more emphatically committed that here in America groups preaching war or attempting to use America as a propaganda field for any foreign nation or alien doctrines should be summarily submerged. America must not be used as a breeding ground for snakes of communism or any other ism.

We are doing some work in Congress to combat this subversive activity. There is no room here for these groups. We need the room for American citizens.

Another thing we want is an American market for the American producer. I am speaking of the reciprocal trade treaties. They are not reciprocal. They are like the rabbit sausage made by the Detroit butcher. It was complained that he was using horse meat. He admitted it, "but my sausage is 50-50," he said, "one horse and one rabbit."

While we reciprocally sold the rabbit, the foreign nations have sold us the horse. I believe in the reciprocity first proposed by James G. Blaine, and in 1901 by William McKinley in his Buffalo speech made the day he was assassinated. That was real reciprocity. If a nation produced an exportable surplus of industrial products or farm commodities in no way competing with our products, they would be allowed practically free entry, providing we sold an equivalent amount of our products.

Then there is another element in reciprocity that should be, but now is not considered, and that is the labor cost. Every product of this Nation has in it a higher labor cost than any equivalent product from anywhere else in the world. We are proud of that. We take pride in a high wage paid people. That is the American way, and always has been. We should not be asked to compete with cheap foreign labor. We should consider this item in any reciprocity. You cannot put a dollar an hour against 9 cents an hour. That is destructive to every American ideal. If we have reciprocity, I want it on an even keel. That is the only reciprocity that is good for the people of the United States.

We started on the idea of reciprocity about 60 years ago. It was a Republican party plan. President Chester A. Arthur in 1884, advocated it, "with the free admission of such merchandise as the country does not produce," in return for tariff concessions to other nations.

This was a suggestion by James G. Blaine, who for a short time was Secretary of State in Arthur's term. And so we move along to the days of the McKinley tariff bill. It had a reciprocal trade amendment and it passed. No farm product was affected. It was a protective measure. It was to aid exports of machinery and industrial products and permit imports that in no way were in competition with what we made or grew, especially of farm commodities. We concluded some trade treaties under this law. But



what happened? The Democratic Party came into power in 1893. The Wilson bill of 1894 killed all the reciprocal treaties with Latin-American states and the United States Government abrogated all these treaties without even the courtesy of notifying the governments involved. Exports to Latin-America fell off \$15,000,000 in the first year after the Wilson bill was passed.

You may remember what that did to us. You may recall that old parody:

"Mary had a little lamb  
She loved it every minute,  
But Wilson took the tariff off  
And then she had to skin it."

Business went into a slump, farm prices fell, we got the free-silver craze, had a fright because our gold reserve went to a low ebb. We got the ship of state out of the dead calm of stagnation when McKinley was elected President and our feet came to solid ground.

Mr. Chairman, I'm for a policy of reciprocity. I am for this particular principle as in the Republican platform of 1900: "We favor the associated policy of reciprocity so directed as to open our markets on favorable terms for what we do not ourselves produce in return for free foreign markets."

And in 1896 the Republican platform had declared: "Protection and reciprocity are twin measures of Republican policy and go hand in hand. \* \* \* Both must be reestablished—protection for what we produce; free admission for the necessities of life which we do not produce. Protection builds up domestic industry and trade and secures our own market for ourselves; reciprocity builds up foreign trade and finds an outlet for our surplus."

Ladies and gentlemen, the American way is to keep our home market for our American farmers and manufacturers. Our own market is equal to that of the rest of the entire world. That open American market for United States producers is the doctrine of the Republican Party. It was the doctrine of Abraham Lincoln. It has made this Nation the marvel of all times, written the epic of a great people on imperishable granite.

The Republican Party wants a policy that will not punish the farmer by theft of his market.

The Republican Party wants a policy that will not punish industry with irritating legislation and handcuffing penalties to retard growth, expansion, bar new capital, and curtail employment.

The Republican Party believes the best way to solve the relief question is to put people to work in private enterprise. Until that time they must be cared for by public funds.

The Republican Party—the party of Lincoln—is a party that builds. It does not destroy, nor does it discard what is good.

It is clear to all that we cannot go on spending with reckless abandon without being punished for such a policy. That end is inflation and confiscation. We are not going to be destroyed by the Communists. They may aid in setting fire, but the Communist will be the arsonist sneaking at the edge. The destroyers will be those who have spent more money for less results than has been known since Tubal Cain hammered metals in the first blacksmith shop.

On two commandments hang all the economic law of America—it is the American way:

First. Run the Government within our income.

Second. Give private enterprise and individual initiative, on farm, in factory, store, and shop greater freedom.

Let some of the minds that are not warped and atrophied with Federal pay checks do some thinking. Then all may see a new rising sun and the dawn of a new day of confidence and happiness.

### Bonneville Appropriations and How They Are Spent

#### EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

Mr. SMITH of Washington. Mr. Speaker, on yesterday my colleague the gentleman from Washington [Mr. LEAVY] placed in the RECORD a tabulation of expenditures by States for the Grand Coulee project in eastern Washington. I am today placing in the RECORD a similar statement pertaining to the Bonneville project in my district in western Washington.

We are marketing the electric power generated at Bonneville so rapidly that we are unable to meet the public demand. We already have applications for the purchase of more power than the maximum ultimate capacity of the entire project. It is very evident that the cost of the project will be amortized much sooner than was originally

anticipated, due to new markets in the rural communities and new industrial development in the urban centers. In addition to the project being economically sound and absolutely self-liquidating, the money appropriated for its construction by Congress is being expended for materials and supplies in 28 different States of the Union.

I append a statement showing the distribution of the item of \$8,800,000 expended by the Bonneville administration:

Alabama	\$1,103.33
California	268,356.93
Connecticut	15,412.71
Delaware	13.05
District of Columbia	2,976.43
Georgia	309.32
Indiana	3,641.24
Illinois	106,329.85
Kansas	78.76
Maryland	6,114.50
Massachusetts	39,845.24
Michigan	18,630.80
Minnesota	55,092.81
Missouri	36,793.91
Nebraska	19.80
New Jersey	4,095.45
New York	4,054,924.56
Ohio	243,370.12
Oregon	335,082.28
Pennsylvania	1,705,007.98
Rhode Island	762.93
Tennessee	3.00
Texas	738.68
Utah	57.97
Virginia	27.00
Washington	1,479,911.52
West Virginia	10,132.89
Wisconsin	11,813.63

Total..... 8,860,034.42

### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

#### ARTICLE FROM THE MODERN DAIRYMAN

Mr. ALEXANDER. Mr. Speaker, it is plain to be seen from the following article, taken from the current—February—issue of Modern Dairyman, of St. Paul, Minn., that there is considerable divergence of opinion on the reciprocal trade agreements program. I also have the following telegram from the head of the Minnesota Farm Bureau Federation:

ST. PAUL, MINN., February 17, 1940.

HON. JOHN G. ALEXANDER,

House of Representatives:

Regarding House Joint Resolution 407, renewing Trade Agreement Act, I support program of American Farm Bureau.

F. W. WHITE,

President, Minnesota Farm Bureau Federation.

The article from the creamery patrons' paper is as follows:

[From the Modern Dairyman of February 1940]

FIGHT TO EXTEND TRADE TREATIES GROWS BITTER—OPPOSING FORCES LINE UP FOR FINISH FIGHT ON LAW'S EXTENSION—OUTLOOK FOR VICTORY OR DEFEAT BY SMALL MARGIN

WASHINGTON.—Increasingly bitter is becoming the fight to extend the reciprocal trade treaty law as proponents and opponents of the measure gather new support beneath their banners.

Right now the odds are slightly in favor of the passage of the bill, but only by a narrow margin.

The law was designed to make it possible for the Secretary of State to negotiate trade treaties without the usual Senate confirmation. The idea, of course, is that the treaties shall encourage foreign trade by making some concessions in the form of lower import duties in return for concessions made by foreign countries.

#### CLAIM FARMERS HURT

Opponents of the trade pacts claim that the farmer is bearing the brunt of the concessions made by this country. Charles W. Holman, secretary of the National Cooperative Milk Producers'

Federation, in a hearing before the House Ways and Means Committee, called them "a vainglorious sacrificial ceremony which is victimizing large groups of farmers and unorganized industrial workers." Holman seeks to prevent reenactment of the law when it expires June 1, or failing in that to require Senate confirmation of the treaties.

The administration and other proponents of the trade pacts hold that they have stimulated foreign trade without hurting the farmer. In this stand they are backed by the American Farm Bureau Federation, but the Grange opposes the treaties.

As a matter of fact, both sides make claims which rest on a pretty flimsy foundation. It is almost impossible to judge as to the real merits of the reciprocal-trade law, because the European war has caused too much interference with normal international trade and, on one hand, has prevented the anticipated benefits from realization, while, on the other, it has brought about business which would have come had there been no trade law.

Import figures for last year do not indicate that the dairy industry has been materially affected thus far, at least. Butter imports in 1939 were 1,106,856 pounds, while in 1938 they were 1,623,666 pounds. Less butter was imported in 1939 than was exported from this country.

Last year's imports of cheese amounted to 59,071,059 pounds, while in 1938 they were 54,431,870 pounds.

Casein, that valuable byproduct which is made from skim milk, showed a tremendous increase in imports last year, 15,832,462 pounds, compared with only 417,366 pounds the year before, but a considerable portion came from Argentina, with which there is no trade treaty.

### Maj. Gen. Frederick Funston

#### EXTENSION OF REMARKS

OF

### HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

Mr. WELCH. Mr. Speaker, it is with a deep sense of gratitude for the remarkable service rendered to the people of San Francisco by Maj. Gen. Frederick Funston that I take this opportunity to pay my respects to his memory and urge further honor to his glorious attainments.

The majority of the American people remember General Funston because of his exploits in the Philippine Islands during and following the Spanish-American War. After participating in the Spanish-American War as a colonel of the Twentieth Kansas Infantry, which embarked from San Francisco for the Philippines late in October 1898, he was discharged from this commission and accepted the higher rank of brigadier general in the United States Volunteers on May 5, 1899, to carry on his service against the insurgents. He was awarded the Medal of Honor for his bravery in the action at Rio Grande de la Pampanga on April 27, 1899, and was wounded in action at Santo Tomas on May 4, 1899.

On March 14, 1901, General Funston, with 4 other Army officers and 78 Macabebe Scouts, landed near Baler, on the east coast of Luzon, and marched inland for nearly 600 miles to Palanan, Isabela, where he surprised and captured the insurgent Emilio Aguinaldo and most of his staff and escort of 40 men. This exploit of sheer bravery and fortitude in traveling such a great distance through enemy territory is one of the greatest in the annals of American history. To complete his mission he then brought his prisoners all the way back to Manila, where they arrived on May 25, 1901. In later years he again rendered valuable military service by leading the troops in the Mexican intervention at Veracruz.

But the people of San Francisco and of California have a more intimate regard for the remarkable service he rendered to them. General Funston was stationed at the Presidio in San Francisco at the time of the great fire, and it was he who organized the United States troops so effectively as to bring order out of the chaos which followed in the wake of this devastation. It was his remarkable genius for organization and speed of action that almost instantly restored order and protected the lives and property remaining to our harassed people. He lived in San Francisco with his family for several years, and today his remains, with those of his wife, rest in the Presidio.

It is particularly appropriate that I call attention to this great man at the present time, for there is now being completed an approach to the Golden Gate Bridge from one of the most beautiful avenues in the world, Funston Avenue, through the Presidio. This approach is a continuation of Funston Avenue to the Marina. The War Department, recognizing the value of this approach to the Golden Gate Bridge granted a temporary permit, and the present Congress, in the first session enacted a law (Public, No. 227, 76th Cong., 1st sess., ch. 369) granting to the State of California a retrocession of jurisdiction of the necessary rights-of-way through the Presidio of the San Francisco Military Reservation.

This new approach to the Golden Gate Bridge has been known as the Funston Avenue approach from the very inception of the idea and if the State highway department departs from its custom of simply assigning numbers to roads and bridges, it is sincerely hoped by every patriotic citizen of San Francisco that it will further honor this great general of the United States Army by officially designating it as Funston Avenue. Indeed, it is particularly fitting that this approach should be named after General Funston, for, in addition to being a continuation of the avenue San Francisco has named in his honor, it will pass the very trees casting their shadows over the graves of General Funston and his wife in the Presidio.

### Protection From Irresponsible Agencies

#### EXTENSION OF REMARKS

OF

### HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

EDITORIAL FROM THE SANTA MONICA (CALIF.) EVENING OUTLOOK OF FEBRUARY 16, 1940

Mr. LELAND M. FORD. Mr. Speaker, I beg leave to insert in the RECORD the following editorial from the Santa Monica Evening Outlook of February 16, 1940, and under the caption "Protection from irresponsible agencies":

[From the Santa Monica (Calif.) Evening Outlook of February 16, 1940]

#### PROTECTION FROM IRRESPONSIBLE AGENCIES

The House investigation of the National Labor Relations Board and the operation of the Wagner law under it, has not yet been concluded, but it has brought into the broad light of day acts which provide conclusive proof that the present system of independent boards infringes on the liberty of thousands of American citizens and places in the control of bureaucrats powers which they frequently use unjustly.

The revelation that an agreement has existed between the National Labor Relations Board and the Reconstruction Finance Corporation by which firms that had so-called unfair labor practice cases pending against them before the National Labor Relations Board would be prevented from getting financial assistance from the Reconstruction Finance Corporation is an assumption of authority and power by these bureaucrats which Congress never intended to confer when these agencies were established. An arrangement of this character places in the hands of the National Labor Relations Board a club against which some employers have no defense. In these instances it is a threat of financial ruin unless they accept the dictates of the National Labor Relations Board no matter how unjust they may be.

The injustice of the rulings of National Labor Relations Board is revealed in many cases in the testimony before the investigating committee. Perhaps the most glaring was that where the Board ordered an employer to hire two men who had never been employed by him and to pay them back wages from the time since they applied for employment. The charge was that these men were not employed because they were union men.

Whether that charge was true or not does not affect the outrageous injustice of such bureaucratic action. Surely an employer has a right to hire men if he needs them, and not hire them if their services are not required. Such an order as this gives the N. L. R. B. dictatorial powers under which they can compel an employer to hire men whether he chooses to or not.



It is not possible to recount the many instances of collusion between the attorneys and other employees of the N. L. R. B. and the C. I. O. The evidence on that point is voluminous and is not contradicted. Letters written to the Board establish that agents and attorneys in the Board's employ worked for the approval of the union and did not hesitate to use means and methods that were far from ethical.

Of a different character is the evidence showing that the Board used its power and influence to lobby with Congress both for appropriations and to prevent any change in the labor law. This doubtless is a common offense by all Government agencies, but the extent to which the N. L. R. B. went exceeds that of any that is on record. The evidence establishes that members of the Board promoted testimony before House committees by men favorable to them. It organized, through regional directors, opposition to any proposals to amend the act.

When asked whether it was appropriate for the Board to engage in a lobbying campaign against such amendments, Chairman Madden said that he did not know what the proprieties ought to be. That is a strange confession from a man who is a lawyer of experience and whose position is one of the most powerful in the Federal Government.

The evidence before the investigating committee has established the need of important amendments to the labor law. With the Presidential election in the offing, it is probable that Congress will daily with this subject and that the law will stand until the next session before the report of the committee is given the action it ought to have immediately.

Hope does exist, however, for the passage of the Walter-Logan bill, which prescribes regulations and rules governing all the multitude of Federal agencies which have been created, with little consideration, during the last 7 years. It is recognized by the thoughtful Members of Congress that they cannot abdicate with safety their powers in favor of appointive officials who have no responsibility to the public. Especially is it true that these appointive officials cannot safely be permitted to make the rules and regulations that shall govern their actions. To do so is to permit the court to make its own laws.

This is a crying evil brought out by the N. L. R. B. hearing. It applies not only to the operations of that Board but undoubtedly has been true of many of the other alphabetical agencies. This delegation of its power by Congress to appointive boards is a menace to personal rights and personal liberty. It is a hopeful sign that this Congress is seriously considering the Walter-Logan bill, which will apply to all these agencies and which will fix standards for their proceedings. It provides protection against arbitrary rules and star-chamber methods in the procedure of boards whose appointed members feel responsibility only to the appointing power.

If the Walter-Logan bill is enacted, it will not affect the ability of the alphabetical agencies to perform their proper tasks. It will protect the public from what amounts, in some cases, to arbitrary and tyrannical methods in their procedure.

### The Tax Problem

#### EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

ADDRESS BY HON. C. ARTHUR ANDERSON, OF MISSOURI, AND OUTLINE OF TAX PROBLEM FACING THE SMALL-BUSINESS MAN, PREPARED BY THE GREATER ST. LOUIS AUTOMOBILE ASSOCIATION

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which I delivered in the city of Philadelphia on February 17; and include, also, a brief outline of the tax problem confronting the small-business man as prepared by the Greater St. Louis Automobile Association.

The matters referred to are as follows:

ADDRESS BY HON. C. ARTHUR ANDERSON, OF MISSOURI

A good many years ago Chief Justice Marshall, in the course of rendering an opinion, made the now famous statement "the power to tax involves the power to destroy." The years that have passed since Mr. Marshall made that concise pronouncement have borne out his premise to the fullest extent of its truth. Especially in the last decade we have seen the taxing power extended, expanded, and enlarged until it is hard to envision the exact spot where the serpent will strike next.

In these days a great emphasis is placed upon the danger to the future of our democracy from organized efforts of Communists, Nazis, Fascists, and others of their ilk. This emphasis is accentuated

to such a degree that the really great dangers that plague our democracy from within are going without attention and almost without restraint.

I don't for one moment propose to abandon the fight now being waged against all un-American propaganda, especially by the Dies committee. It is a splendid work for which the future generations of Americans will be increasingly grateful. But let us not be so blind as to permit the entire force of our patriotic zeal to be spent in this one direction when equally devastating attacks are being made upon our liberties from within. In my opinion, the greatest single danger facing us today is our apparent inability to curb the alarming increase in taxes, not only Federal but State and municipal as well.

A great political writer once said, "In constitutional states liberty is a compensation for the heaviness of taxation." To a great extent that is true, of necessity, and generations of Americans have been glad to pay that price for their liberty. But we cannot lose sight of the fact that "the power to tax involves the power to destroy." Yes, destroy; first, confidence, then initiative, then democracy itself.

During periods of great national stress, such as war or extended depression, the people are most willing to assume an added tax burden in the realization that their sacrifice is contributing toward a hasty reestablishment of the regular order. But their willingness to sacrifice in this manner; their tolerance, if you will, of added taxes has a very definite limit. Once the emergency which has justified the added burden has passed the people soon look upon a continually rising tax burden as an assault to democracy.

It is folly to presume that we can reapproach the tax levels of the days of Jefferson, Jackson, or Lincoln. Our Nation has grown tremendously since that time and the very elementary purpose of the Nation's existence—the preservation of human liberty—demands that we must pay a higher price for our liberty than our grandfathers did. The higher standards of living, the necessarily larger machine of national defense, the better systems of schools, and modern methods of life have provided us with a greater degree of happiness and comfort. For these things we pay higher taxes. We are more than willing to do this. But we are not willing to sit by idle and complacent while a system of taxes grows up to encircle and enslave this and future generations and squeeze the liberty out of America's veins.

Many people will say "how can we reduce taxes while the budget of the Nation and every State and city is in the red with all our taxes today." The riddle sounds tough on its face, and I do not mean that the solution is by any means easy but a solution there must be—if we are to preserve the liberty of the individual which is the cornerstone of democracy.

There are those who would solve the problem—they say—by stopping all spending and by cutting off all public works. The consequences of such action would be chaotic and inhuman.

I realize that there must be a definite limit to Government spending, and I have differed with my own party leaders on this issue many times. The real solution lies in the proper approachment and conquest of the more basic ills which plague our economy and give birth to depression which in turn is the parent of relief and Government spending.

There are certain elementary, basic principles or concepts upon which our whole structure of democracy rests. We enumerated them in broad outline in the Declaration of Independence as "life, liberty, and the pursuit of happiness," for the preservation of which we specified "Governments are instituted amongst men." Still later we placed a written guaranty of these basic principles in the supreme law of the land, the Constitution of the United States, when, among other things, we stated "no person shall be deprived of life, liberty, or property without due process of law."

The whole history of our Nation since that time has been a constant battle to maintain untarnished and untrammelled these basic concepts of liberty and freedom. The fight has been waged through the halls of Congress; through the courts; in the press, and from the pulpit, and yes, upon the field of battle in civil strife to settle once and for all if a government so conceived would continue to live. Victory has been accomplished because, underlying all our efforts, and all our sacrifices, the liberty of the individual has predominated. To keep the light of individual liberty burning it is unquestionably necessary to refrain from acts or laws which are in effect destructive of initiative and enterprise in the individual citizen. We cannot take away the incentive to save, to invest, to venture, and expect to retain a virile individual capable of contributing his share to the betterment of himself and his nation and the preservation of democracy.

When we attempt by legislation, as I feel we have, to eliminate the fundamental prerequisites of a successful American; when we, by law, attempt to obviate the necessity to save, to invest, and to venture, then, we actually have dealt a severe and critical blow to individual liberty. Not only that, but we hold out encouragement to those who feel that the Government owes them a living. The Government does not owe anybody a living. What it does owe is the proper measure of security in the exercise of individual freedom which will enable a man to make his own way. When millions of people hold the belief that the Government owes them a living even to the extent of feeding and clothing them and entertaining them, we have gone a long way toward losing our national self respect.

If this or any other democratic nation is to survive it will do so, not by providing Government jobs for all the unemployed, but

by adopting means that will get the unemployed back to work in private industry and agriculture. A hypodermic of public spending may help but it is certainly not a real solution to the problem or a cure for the disease itself.

After years of experience as an individual citizen and as a public official I am convinced that the readjustment and equalization of our tax system is one of the most imperative necessities of our time. First, let me tell you of my experience and observation as an ordinary individual citizen. I am not an old man, as you can probably guess. But I am old enough to have had some experience in the homely problems of the taxpayer. I am far from being a wealthy man, but I do manage to own my own home and a little piece of property back in St. Louis. In the past 10 years my taxes have more than doubled. It is a very homely example, I'll admit, but it is typical of millions of Americans like you and me. My problem is a very simple one. My tax bill is just twice as much as it was 10 years ago, so I dig down and pay the tax collector just twice as much money. But what about the businessman whose taxes are not only doubled but whose mind is strained to the breaking point just trying to figure out if he has actually paid all of the taxes that are assessed against him, because a mere oversight might very well get him a vacation without pay in Atlanta or Leavenworth? Oh, I'm not in sympathy with the tycoons of industry and finance who have been exposed and deflated as tax dodgers, but my sympathy is for the little fellow who is trying to live a normal life as a corner grocer, druggist, or automobile dealer.

Understand, I'm not a part of the so-called new era that would destroy all big business. I feel that the big fellow properly restrained is an essential part of American industry. But it is unquestionably true that the big fellow has the means to retain the services of experts and advisers, who enable him to get the most favorable interpretations of the law and take care of all of the problems arising out of the complex tax system of the day. On the other hand, the little fellow is plagued with practically all of the problems of his big brother, but on a smaller scale, of course. But to him they are big problems. He has to figure them out for himself, because he cannot afford the services of experts. Sometimes the problem of getting his Federal, State, and municipal taxes adjusted requires that he retain the services of an expert, and a large portion of what he had hoped would be profits must be paid out in fees. This is where we meet the twilight zone, where the tax serpent begins to sink its fangs into American business and suck out the lifeblood of initiative and enterprise. I have personally observed too many instances of once successful men throwing up their hands in despair or losing their business entirely because they are unable financially and otherwise to successfully cope with the problems of our supertax system under which we labor today.

The names of many of these men who once occupied a position of respect and pride in their community can be found in my files today as applicants for Government jobs. I assure you it is not encouraging to get letter after letter reading, "I had my own business for 20 years, and now I am appealing to you to help me get a job." I get thousands of them every year, and so does every Congressman and Senator.

Congressmen don't get home to "patch the fences" as frequently as in the past because we average about 8 months in regular session and we no more than get home when a call for special session is heard. But I have been among my people long enough to spend considerable time talking at length to the men who were once in business and now implore my help to find a job. I interrogated them at length to discover the real reason for their collapse. Almost invariably the depression is blamed. But underlying the vast majority of cases is the fact that a man has simply lost his initiative and it is difficult, if not impossible, to rekindle the old spirit. Initiative and self-confidence are indispensable attributes of an American citizen. Our complex and chaotic tax system is destroying those attributes and younger generations are growing up without these essential tools of individual liberty.

The smooth working of a democratic form of government depends to a large extent upon the state of mind held by the people living under it. The majority of the people must feel that success depends principally upon their individual efforts and not upon their neighbor or the Government. They must have the incentive to save and to utilize their savings to better themselves and to feel secure in the exercise of these elementary rights of free men. Nothing is so destructive of this state of mind as a steadily mounting tax burden.

We are not giving sufficient encouragement to frugality and we are suffering because of this mistake. You men are in business. You are interested in convincing your customers to invest in your idea or buy your goods and you know what you run into today. People don't feel safe in making absolutely sound investments and many are resigned to tie up their funds for a mere day-to-day existence. How different from the men and women who went forth from this very city to push on into an unconquered wilderness and among savages to conquer the West and to build this great Nation.

I have talked to you about generalities for some time and I want to speak about particulars for a few moments. A little while ago I mentioned the corner grocer, druggist, or automobile dealer—all typical local merchants who are afflicted with the almost insurmountable task of meeting the various and multiple tax problems confronting them. I have before me a chart which I have obtained from the Automobile Dealers Association of St. Louis. It is called the 1940 tax calendar. Month by month the chart shows what the man who sells automobiles must do to fulfill his tax obligations to

the Federal, State, and municipal governments. In all, he must make 82 distinct and separate operations on his books during the current year. This will mean a disproportionate number of man-hours of work for the merchant and his personnel just to keep all his taxes adjusted and paid. The list is too long to read item by item, but I will give you the number of operations for each month: January, 16; February, 5; March, 10; April, 6; May, 2; June, 10; July, 12; August, 3; September, 4; October, 9; November, 1; and December, 4. In all, 82. The process of furnishing the required tax returns and statements is a complicated and exacting task requiring the utmost precision and care to enter a correct return. Failure to do this can meet with serious consequences and prosecution.

All of this detailed effort is necessarily expended and with it all not one single productive step has been made. More than anything else, we need a codification and consolidation of our revenue laws and tax-gathering agencies. This is necessary to save time and expense not only to the businessman but to the Government as well. The duplication of authority and effort that exists today is not good business practice.

The principal reason for the complicated and difficult system of revenue levying and collection we have today lies in the fact that as the Nation grew its need for new revenue grew proportionately. New laws were passed to meet the needs of the time, and new agencies were authorized in conjunction with them, with little or no regard to a possible consolidation of them with already existing agencies or bureaus. The existing agencies might very well have handled the new work with a little alteration. But oversight combined with political maneuvering has given us a government of bureaus wielding tremendous power and influence. Finally, after many years, the system became so notoriously complicated and wasteful that Congress passed the reorganization bill, from which considerable progress has been forthcoming. But much remains untouched and further strides should be made without delay in order to attain any substantial objective in the consolidation and elimination of bureaus.

You men who have attained success in business well know that duplication of authority and activity makes for inefficiency and waste, which in turn might well mean the difference between success or failure in business. It seems obvious, therefore, that the greatest business concern of all—the United States Government—ought to hasten its steps to put its house in order.

It is probable that no other branch of government so closely touches the everyday life of all the people as the tax-collecting agencies. In them lies the power to drain the lifeblood from business, both large and small, by the obliteration of initiative and enterprise through complicated and cumbersome procedure, which requires unnecessary effort and expense to the taxpayer. In them also lies the power to give new life and new hope to American business and new hope to a tax-ridden people by simplifying the revenue-collecting procedure.

It is the constitutional duty of the administrative branch of government to execute the laws passed by the Congress. It is the job of the revenue-collecting agencies as part of the administrative branch of government to simplify the procedure and make it as easy as possible for business to meet the tax demands. Congress being in close touch with the people and knowing of their present plight is more than willing to cooperate by legislation where that may be necessary.

I feel confident in saying that no real progress will be made in getting our revenue-collecting agencies and processes simplified and unified as long as we have new bureaus springing up on almost every street corner in the Nation's Capital. These bureaus today wield power and authority that the people never intended them to have and which should properly be reposed always in the legislative branch of government, which is directly accountable to the people. Consequently these bureaus become defiant and arrogant, and their paramount objective to which their principal efforts are expended is to grow larger and fatter with power and visit upon the people of the Nation a horde of bureaucrats for generations to come.

It has been said and repeated many times that America's greatest contribution to democracy is to preserve it here in our own Nation. Whether we will succeed depends in a large measure upon our ability to reincarnate the true spirit of enterprise and initiative in the individual citizen. This is America itself. Early solution of the tax problem will be the first victory of this great campaign.

Thank you.

#### 1940 tax calendar

Date	Nature of report or payment	Authority to whom made
Jan. 1	Automobile license fee is due State. Annual license fee of motor carriers is due. Federal unemployment insurance pay-roll tax on wages (up to \$3,000 annually) continues at 3 percent. Missouri unemployment insurance pay-roll tax continues at 2.7 percent. 1-percent tax for old-age benefits continues on equivalent of wages (up to \$3,000 annually) paid by employer to each employee. 1-percent tax for old-age benefits continues on wages (up to \$3,000 annually) paid to each employee in employment (collected by employer).	Secretary of State, 1701 Chestnut. State treasurer.



## 1940 tax calendar—Continued

Date	Nature of report or payment	Authority to whom made
Jan. 1	Secure permit to produce, import, or haul solid fuel. Employer hereafter required by Federal law to furnish employee in suitable form for retention, annual, quarterly or pay-period statement of wages paid, amount of tax, etc. State of Missouri requires similar statement at least monthly of total amount of deductions.	Commissioner of smoke regulation.
4	Last day for employers with fewer than 8 employees for 13 different days in 13 different weeks in 1939, desiring exemption from coverage under Missouri unemployment law, to file application for termination of coverage.	Missouri Unemployment Compensation Commission.
15	Make motor-fuel tax return for preceding quarter. Last day for motor carriers to pay annual license fee.	Comptroller. State treasurer.
	Last day to file statement of retail sales for month of December.	State auditor.
25	Last day to pay motor-fuel license tax for preceding quarter.	License collector.
	Last day to make employer's quarterly wage report and pay tax for fourth quarter in 1939.	Missouri Unemployment Compensation Commission.
31	Last day to make return for 1939 Federal tax for unemployment insurance and pay first quarterly installment.	Collector of internal revenue.
	Last day to make tax and information return on summary of taxable wages paid for old-age benefits in last quarter of 1939.	Do.
Feb. 1	Automobile license is due city.	License collector.
15	Federal information return for calendar year of 1939.	Commissioner of Internal Revenue.
	Report by corporations of dividend payments of \$100 or more to any person.	Do.
	Last day to file statement of retail sales for month of January.	State auditor.
28	State board of equalization meets first time in year.	Jefferson City, Mo.
Mar. 1	Last day to file report of Missouri income tax information at source.	State auditor.
	Last day for corporation to make annual franchise report.	Missouri Tax Commission.
	Last day to file annual report of receipts from retail sales.	State auditor.
4	Board of equalization in St. Louis County meets.	Clayton, Mo.
15	Last day to file statement of retail sales for month of February.	State auditor.
	Make return for Missouri income tax.	Assessor.
	Make return of Federal income tax withheld at source.	Collector of internal revenue.
	Last day to make return of Federal income tax and pay first installment.	Do.
18	Meeting of St. Louis Board of Equalization begins on or before.	City Hall, St. Louis.
20	Tax commission shall determine amount of capital of each corporation employed in State.	
Apr. 15	Last day to file statement of retail sales for month of March.	State auditor.
	Make motor-fuel tax return for preceding quarter.	Comptroller.
25	Last day to pay motor-fuel license tax for preceding quarter.	License collector.
	Last day to make employer's quarterly wage report and pay tax for first quarter of 1940.	Missouri Unemployment Compensation Commission.
30	Payment due on second installment unemployment-insurance tax.	Collector of internal revenue.
	Last day to make tax-and-information return on summary of taxable wages paid for old-age benefits in first quarter of year.	Do.
May 15	Last day to file statement of retail sales for month of April.	State auditor.
	Payment due Missouri corporation franchise tax.	State treasurer.
June 1	Missouri corporation franchise tax delinquents certified to attorney general.	
	Property owned this day is basis for assessment of State, school, and city tax.	Assessor.
	Listing of taxable property for State, school, and city purposes begins and continues as served until Jan. 1 following.	
	Pay first quarter of Missouri income tax.	Collector.
3	Return statement for merchants' and manufacturers' license is due.	License collector.
15	Pay Federal income tax withheld at source.	Collector of internal revenue.
	Pay second installment Federal income tax.	Do.
	Last day to file statement of retail sales for month of May.	State auditor.
18	Last day for filing return for merchants' and manufacturers' license.	License collector.
	Meeting of Board of Merchants' and Manufacturers' Tax Equalization to equalize valuation of merchants' and manufacturers' statements.	City Hall, St. Louis.
July 1	Registration, statement, and antitrust affidavit filed by corporation.	Secretary of state.
	Fee is due for annual registration of corporations.	State treasurer.
	Last day to pay merchants' or manufacturers' license tax.	License collector.
8	Board of Merchants' and Manufacturers' Tax Equalization meets to hear reasons against increase in valuation for license tax.	License collector's office.
15	Last day to file statement of retail sales for month of June.	State auditor.
	Make motor-fuel tax return for preceding quarter.	Comptroller.

## 1940 tax calendar—Continued

Date	Nature of report or payment	Authority to whom made
July 25	Last day to pay motor-fuel license tax for preceding quarter.	License collector.
	Last day to make employer's quarterly wage report and pay tax for second quarter of 1940.	Missouri Unemployment Compensation Commission.
30	Last day to make capital stock tax return for 1940.	Collector of internal revenue.
31	Payment due on third installment unemployment-insurance tax.	Do.
	Last day to make tax and information return on summary of taxable wages paid for old-age benefits in second quarter of year.	Do.
	Last day for corporations to pay annual registration fee without penalty.	State treasurer.
Aug. 1	Pay second quarter of Missouri income tax.	Collector.
	Penalty accrues on delinquent Missouri corporation franchise tax.	
15	Last day to file statement of retail sales for month of July.	State auditor.
Sept. 2	St. Louis County Board of Equalization meets to equalize valuation of merchants' and manufacturers' statements.	Clayton, Mo.
15	Pay third installment of Federal income tax.	Collector of internal revenue.
	Last day to file statement of retail sales for month of August.	State auditor.
23	St. Louis County Board of Equalization meets to hear reasons against increase in valuation of merchants and manufacturers for license tax.	Clayton, Mo.
Oct. 1	Pay third quarter of Missouri income tax.	Collector.
15	Last day to file statement of retail sales for month of September.	State auditor.
	Make motor-fuel tax return for preceding quarter.	Comptroller.
24	Minimum rate per hour for covered employees remains at 30 cents under Wages and Hours Act. Time and a half for each hour in excess of 40 per workweek must be paid covered employees under Wages and Hours Act.	
25	Last day to make employer's quarterly wage report and pay tax for third quarter of 1940.	Missouri Unemployment Compensation Commission.
	Last day to pay motor-fuel license tax for preceding quarter.	License collector.
31	Payment due on fourth installment unemployment-insurance tax.	Collector of internal revenue.
	Last day to make tax and information return on summary of taxable wages paid for old-age benefits in third quarter of year.	Do.
Nov. 15	Last day to file statement of retail sales for month of October.	State auditor.
Dec. 1	Pay fourth quarter of Missouri income tax.	Collector.
15	Pay fourth installment of Federal income tax.	Collector of internal revenue.
	Last day to file statement of retail sales for month of November.	State auditor.
31	Last day for paying, without penalty, State, city, and school property tax.	Collector.

### Motor Industry Takes Products From 2,500,000 Acres of Farmland

#### EXTENSION OF REMARKS OF

HON. JOHN G. ALEXANDER  
OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

#### ARTICLE FROM AUTOMOBILE FACTS

Mr. ALEXANDER. Mr. Speaker, here are some surprising facts and figures of interest to all of us regarding the great automotive industry.

[From Automobile Facts]

AUTOMOBILE DOLLARS FLOW THROUGHOUT UNITED STATES—6,000,000  
JOBS CREATED BY MOTOR INDUSTRY

MOTOR PAY CHECKS GO TO 1 OUT OF 7

North, South, East, West—throughout the United States, the motor transportation industry provides a powerful stimulant to the output of goods and services, being responsible for one-seventh of the Nation's pay envelopes.

Cities and towns which cannot boast the production of a single car or truck are automobile centers in their own right, deriving their chief source of livelihood from parts and supplies furnished to motor plants.

The sales and servicing of motor vehicles found in numerous other communities, the construction and maintenance of highways,

the commercial operation of cars and trucks, and the supplying of motor fuels combine to make more than 6,000,000 jobs.

On the farm, too, the financial stake in the motor industry is important. Agricultural products from nearly 2,500,000 acres went into the manufacture of motor vehicles in 1939.

The South, traditionally the home of many essential raw materials and scene of many growing industries, furnishes typical examples. Basic is the fact that automobiles produced last year required 10 percent of the cotton sold in the United States, the equivalent of the average crop of 100,000 cotton-farming families.

#### SOUTH

To cite specific areas, five automobile companies support a weekly pay roll of approximately \$80,000 in Atlanta, where two of them assemble cars, another builds bodies, a fourth has a sales branch, and still another operates a parts depot.

In such southern cities as Dallas, Houston, Memphis, Oklahoma City, and New Orleans manufacturers of motor cars have direct investments.

Tire companies have mills and plants at Gadsden and Decatur, Ala.; Hogansville and Cedartown, Ga.; Winnesboro, S. C.; Shelbyville, Tenn.; and Cumberland, Md. Major-parts companies are represented at Richmond, Va.; Jacksonville, Fla.; and in many other cities below the Mason and Dixon's line.

A considerable investment in the South is represented by automobile dealers. Numbering upward of 10,000 in 17 Southern States, they account for a total employment of 60,000 persons.

Great quantities of the South's lumber, its turpentine, its minerals, and its metal ores find their way into the production of motor vehicles.

Directly or indirectly, the automobile industry as a whole is estimated to provide employment for more than 1,500,000 persons in the South.

#### WEST

On the coast, nearly 2,500 miles from Detroit, the city of Los Angeles has become the leading national center of secondary automobile assembly. Five automobile companies there are currently building eight lines of cars, while a sixth company builds trucks. The motor industry at present employs 5,000 people at wages and salaries exceeding \$7,000,000 annually, according to the Los Angeles County Chamber of Commerce.

Motor plants in that county have a capital investment of more than \$17,000,000 and provide facilities for producing about 250,000 units a year.

Attracted by the motor activity, a host of parts and equipment manufacturers, employing thousands of additional workers, add to the industrial well-being of Los Angeles. Four tire-manufacturing companies, having an aggregate capital of \$15,000,000 invested in plant facilities, firmly established this area as second only to Akron in production. Wage earners in these tire plants number 5,000, according to the last census report. Other companies include a bumper and spring firm, catering to coast-wide car makers, which has a capacity of 5,000 bumpers and 6,000 springs per day; one making back cushion springs and automobile seats, another producing padding material for cushions, and a storage-battery plant which supplies both motor plants and the replacement market.

Up the coast, in the San Francisco area, two assembly plants and a body plant are active, while a dozen firms are listed as suppliers of various automotive equipment. In Washington nearly a score of companies make special bodies for motortruck chassis.

#### EAST

Across the continent to New England, in such cities as Boston, Lynn, Malden, Worcester, Middletown, New Haven, Norwalk, and other cities, there are a liberal scattering of automotive suppliers.

In Worcester, Mass., for example, 1 out of every 8 industrial workers is, in a sense, an automobile worker. The Committee on Business Information in that city reports 4,500 factory employees working for concerns that supply automobile manufacturers with essential parts and tools. The wages of these workers average \$6,500,000 a year.

What is, in effect, a city the size of Pontiac, Mich., in which every person depends for his livelihood on the automobile industry, is found at the Niagara frontier around Buffalo. Here more than 64,000 people receive support from the numerous branches of the automotive industry, which employ more than 16,000 workers, with annual wages of \$25,000,000, the Buffalo Chamber of Commerce reports.

Two cars in the low-priced field are assembled in the area, and one of them has erected a motor and axle plant. From one Buffalo accessory plant come windshield wipers, rear-view mirrors; from another thousands of car radios; other Buffalo-made parts and accessories are mufflers, radiators, batteries, tool kits, and innumerable fittings, coming from 18 establishments in the area.

One-fourth of the Niagara area's steel production, amounting to \$7,096,500 in pay rolls for 3,596 workers, goes into automobiles. Pittsburgh, Bethlehem, Youngstown, Gary, and other steel-producing centers also claim sizable volume of employment resulting from motor demand.

#### NORTH

From Cleveland, which boasts that it "makes the parts," \$150,000,000 of them yearly, on through the tier of North Central States, there is a long list of cities sharing this huge automobile business. Merchants in Toledo, Akron, Fort Wayne, South Bend, New Castle,

Muncie, Kokomo, Indianapolis, Evansville, Louisville, Cincinnati, Milwaukee, and Kenosha find automotive dollars in their tills.

A survey of about 277 automobile-parts manufacturing plants, representing just a small portion of the total in the business, shows total annual pay roll of \$170,000,000 being paid out to 110,000 workers.

This particular offshoot of the automobile manufacturing industry is Nation-wide. One listing of 800 parts manufacturing plants shows representation in 32 States.

From Michigan, which has 180 of these plants, the list extends through Ohio, with 130; Illinois, 92; New York, 76; California, 55; Indiana, 54; Pennsylvania, 48; Wisconsin, 41; Massachusetts, 26; Connecticut, 16; Missouri, 15; Minnesota, 12; Iowa, 10; and to States as far from the center of the motor industry as Utah, Colorado, Florida, Oregon.

## Price Fixing in Our American Economy

### EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

ARTICLE BY PROF. LOUIS B. WARD

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a comprehensive and timely article by Prof. Louis B. Ward, editorial director of the national weekly, *Social Justice*, founded in 1936 by the Reverend Charles E. Coughlin.

#### PRICE FIXING IN OUR AMERICAN ECONOMY (By Louis B. Ward, editorial director)

It is amazing the number of people one meets who are confident that the totalitarian states and not the democracies, are wedded to a system of price fixing.

In the economics of the nations of the world, price fixing has at one time or another played a determinative part. The entire guild system of the Middle Ages has been criticized by those who do not understand the cause of its price fixing of labor's wage and of finished goods.

America, which at the start was dedicated to a free economy under the principles of the Manchester school, and particularly under the then dominating ideas of Adam Smith and Ricardo had no price fixing whatever in its economy.

In the last 150 years, however, there has grown to be a new economy far different than that of the Middle Ages, but nevertheless permeated with price fixing.

The first recognition of price fixing, perhaps, came coincidental with Adam Smith or at least shortly after his great work, the *Wealth of Nations*, was written.

#### INTEREST

On severing the political ties which bound us to Great Britain, many of the newly formed States fixed either in their fundamental law or by statute a legal rate of interest. Although the regulation rate of interest need not necessarily be charged, the fact remained that interest generally followed this legal rate.

So, for example, the great bulk of the mortgages on farm and urban homes in New York State carried a rate of 6 percent, while in Michigan mortgages and land contracts were generally written at the legal rate of 7 percent.

There came to be the saying particularly in the East, "Money is worth 6 percent."

As the States weakened and passed, one after another, the small loan acts the legal rate for this type of loan varied from 6 to 126 percent and the actual rate, usurious even under the small loan acts, rose as high as 240 percent.

We repeat, the first price fixing in our economy was with respect to the price of money itself, namely, interest.

To indicate just how "fixed" interest has become in our economy, let us take 7 years between 1929 and 1936 as proof.

Mr. R. B. Nathan, of the Division of Economic Research of the Department of Commerce, compiles statistics on national income of this country and upon its distribution.

In the year 1929 our income was approximately \$81,000,000,000, the interest bill was \$5,100,000,000. Therefore, approximately 6 percent of the national income was paid out in interest on debt.

That was the most prosperous year for America.

In the following year, as we entered into a depression, our national income dropped to \$67,000,000,000, yet the interest charge was higher than in the year of prosperity. As the principal of debts has increased through inability to pay, the interest charge rose to \$5,300,000,000, or 7½ percent of the national income.



In the depression's low, the year 1932, the national income dropped to \$39,000,000,000. In number of dollars paid out, interest dropped. It likewise dropped partially because of foreclosures started on a grand scale.

The interest charge in the low year of the depression was \$4,900,000,000. That was 12½ percent of the national income.

One dollar out of every eight earned went for interest alone in the year 1932.

As national income rose from the \$39,000,000,000 in 1932 to the \$63,000,000,000 in 1936, the interest bill of the Nation gradually lowered, partially because rates were forced down but mostly because foreclosures had caused the passing of the security from the debtor to the creditor.

There was less debt. Nevertheless, despite the frightful depression of the last 10 years, America, irrespective of its income, has always had to set aside from \$4,300,000,000, at the low, to \$5,100,000,000 at the high.

Never did the creditor go with less than 6 percent of the entire national income as his share in interest.

At one time, we repeat, that share in the national income was 12.9 percent. The price of money is the first fixed charge upon our economy.

It is true that those who can most afford it pay 1 percent only and that those that can least afford it pay the frightful legal rates of the small loan and most frequently the usurious rates to personal finance companies.

Interest has become a constant fixed charge upon our economy.

#### TRANSPORTATION RATES

The vast network of railways of the country have their rates fixed by the Interstate Commerce Commission.

One of the leading transportation authorities of America gave the Interstate Commerce Commission itself the strange unbelievable statistical fact that there were over four quadrillion separate freight rates in America today.

Price fixing applies not only to freight rates but to the passenger rates on railways. It applies to bus rates, streetcar rates, boat rates, and all forms of public transportation for both passenger and freight.

These rates are fixed with the idea of providing an income covering cost of service plus a profit to provide earnings on capitalization.

The vast transportation services of the Nation are on a price-fixing basis in our economy.

#### THE UTILITIES

The utility commissions of the various States fix the rates at which electricity and gas services may be charged for.

This is the third major branch of our economy with price fixing its basis irrespective of the income of the people to meet those charges.

They can take the services or leave them.

In a depression hundreds of thousands of telephones are removed from the homes and offices of the people and millions deprive themselves of light and gas by returning to the older form of coal oil or kerosene, or spend the evenings in darkness.

Price fixing, however, established by the State for the benefit of the utilities is the principle upon which these utilities operate for income.

#### COMMUNICATION

All rates for the communication system of the Nation, including telephone and telegraph, are fixed by law.

At the height of our prosperity, 1929, \$928,000,000 was the bill under the price-fixing system of our economy. This was 1.14 percent of our national income.

At the depth of our depression, the bill was \$791,000,000. This was 2 percent of our national income.

This fixed price for communication never dropped below \$719,000,000 from the high of 1928.

#### DIVIDENDS

One would think that dividends were directly dependent upon national income—that national prosperity would be the key to dividends. Yet in a certain sense dividends have become more or less a fixed charge.

For example, in 1929 we had a national income, we repeat, of approximately \$81,000,000,000. In 1930 the first year of the depression, it dropped to \$68,000,000,000. The dividends of 1929 were \$5,089,000,000. The dividends paid out in 1930 were \$5,269,000,000, an actual increase over the preceding year of \$180,000,000.

In 1932 when national income had dropped to its all-time low of the present era, namely, \$39,545,000,000, the dividends paid out were \$4,930,000,000.

Let us examine this astounding fact.

In 1929 the dividends taken out amounted to 7.3 percent of our national income. In the depth of the depression, the year 1932, the dividends taken out amounted to 12.4 percent of our national income. Though dividends dropped later, yet in 1936 they were 7.1 percent of the national income and amounted to \$4,573,000,000.

There never was a depression year wherein the dividends were less than \$2,200,000,000.

#### ENTREPRENEURIAL WITHDRAWALS

In classic economy, the entrepreneur was the man who brought together capital, labor, and land in a manufacturing enterprise.

This little group withdrew \$12,342,000,000 in the boom year of our prosperity, 1929. This was 15.2 percent of our national income.

In the depth of our depression, the entrepreneurial withdrawals were \$8,081,000,000. This was 20 percent of the national income.

These withdrawals never dropped below \$7,258,000,000 during the depression. This was in the year 1933, when they represented 17 percent of the national income.

#### TAXES

Of all things, death and taxes are most certain.

Of all the fixed charges of our economy, taxes represent the uttermost.

Government taxes actually increase as national prosperity and income fall.

One thing is certain, that no matter how business may be, the taxes are inevitable.

#### LABORER AND FARMER

After prices have been fixed in our present economy in those certain charges of interest, utilities, communication, transportation, dividends, taxes, and entrepreneurial withdrawals, we find pushed out on the end of the limb the two great classes upon which our prosperity is predicated, namely, labor and agriculture. There is no constant or fixed income to protect them.

In the year 1929, when our national income was \$81,000,000,000, there was paid in total compensation in wages and salaries \$51,200,000,000. This is slightly over 63 percent. In the depth of the depression there was paid out \$31,000,000,000. This was 78 percent.

The percentage of wages and salaries paid increased. Nevertheless, in dollar volume they dropped \$20,000,000,000.

This \$20,000,000,000 loss of income to the gainfully employed can never be overestimated in its importance. The depression found the money changer increasing not only his percentage of income but likewise his dollar volume from interest received. The wealthy were found taking not only an increased percentage of national income but also an increased dollar volume.

The entrepreneurial withdrawals were enough to satisfy the most avaricious. Labor, on the other hand, took the brunt of the depression. Twenty billion dollars was withdrawn from the worker and his family.

In 1929 the average which the gainfully employed received was approximately \$1,340 annually.

At the depth of the depression the average income of the gainfully employed was reduced to \$816. Out of the gainfully employed we select for illustration the factory pay roll. Factory wages were cut from \$11,700,000,000 in 1929 to \$5,200,000,000 in 1932, a loss of \$6,500,000,000 in normal factory wages alone. The loss was reflected in unemployment, lesser hours of labor, and lower wages, with not one iota of governmental protection, for price fixing has no place in our economy when it comes to labor wage.

In every American home there were the same demands and needs for food, clothing, shelter, transportation, and recreation that existed in 1929. But there was simply no money comparable to the income of 1929 to pay for these goods or services.

But this is only part of the story.

The high-salaried class went on with scarcely a cut, and with bonuses granted year after year, while millions upon millions were thrown on the charity of the world.

Man is more important than things.

The income of the average family is infinitely more important to the economy of the state than the income of a small group of wealthy who own the debt of the Nation, the debt of the several States, the debt of the municipalities and local government, and the debt on the homes and farm lands of America, to say nothing of the private personal debts of the people.

The income of the average man is infinitely more important than even our dividends under a capitalistic system with entrepreneurial withdrawals.

In the Middle Ages, in Italy, not under the Mussolini of today, the Government guaranteed the annual living wage for all artisans.

Today we guarantee, through price fixing, the per unit income for every mile a passenger or goods are traveled in the railroad, where every kilowatt of electricity consumed, for every thousand cubic feet of gas, for interest on debt, for dividends, and for entrepreneurial withdrawals.

We always leave out two items, the laborer and farmer.

Farm income, which was in excess of \$17,000,000,000 a year, has dropped to \$7,000,000,000, including Federal payments and bonuses out of the Treasury.

A true economy is a Christian economy which would guarantee, through price fixing, the dependence of the American farmer living with his family on his own farm and the income of the laborer. Price fixing should start on the farm and with the laborer, and end, if needs be, by listening to the special pleadings of railroad and utility at the other end of the list.

The following table illustrates the farm income from 1929 to 1938, and must be contrasted to the \$15,900,000,000 essential income:

#### Farm income

1929	\$11,900,000,000
1930	9,500,000,000
1931	7,000,000,000
1932	5,300,000,000
1933	6,400,000,000
1934	7,300,000,000
1935	8,500,000,000
1936	9,500,000,000
1937	9,800,000,000
1938	7,500,000,000

## INSURANCE

From the week's issue, February 3, 1940, of Collier's, comes an advertisement of the Metropolitan Life Insurance Co. of New York. It is captioned, "Say, Mr. Clark, what is an actuary?" Excerpts follow:

"For example, in order to arrive at premium charges which will be both safe and fair, the actuary must make detailed analyses of the past and present death rates among many different groups of people. From these studies he is able to compile mortality tables which provide an amazingly dependable yardstick for his guidance in computing premiums.

"The actuary must also take into account the interest rate which the company may reasonably undertake to earn on the investments it makes for the benefit of its policyholders.

"And in a mutual life-insurance company, such as Metropolitan, the actuary prepares data which enables the board of directors to determine the annual divisible surplus which will be returned to the policyholders in the form of dividends. \* \* \*

"In short, because of the nature of his work, an actuary might well be defined as the 'engineer' who helps design the 'product' a life-insurance company offers \* \* \* and then figures out what the policyholders should reasonably pay for the benefits provided by their contracts."

Now, the Metropolitan, like every well-organized business, is simply securing the cost of services and charging for that service, plus the little item of dividends, which in the case of a mutual company automatically go to the policyholders.

The whole point is that the billions of dollars of life insurance written in America constitute an illustration of price fixing, and the hundreds of insolvent insurance companies became insolvent generally not because they did not figure their cost of services but because they were lamentably weak in investments.

Price fixing is a determinative in the insurance business.

## MANUFACTURED GOODS

It is assumed that every man in America knows that every article of manufactured goods by any responsible manufacturer is budgeted to include every item of cost entering into those goods.

When a great motor manufacturer builds a car, he counts in the rent for the land, the items of plant, machinery, and tool equipment, the direct and indirect overhead, the cost of materials, the wages to be paid labor, and taxation. When the car leaves that factory it bears a price tag destined to return all items of cost which went into it plus a profit to the manufacturer.

Frequently price fixing goes further. The transportation charge to the distributing outlet, the advertising, the cleaning up, and preparation of the car for delivery, the extras, the distributor's discount—all are known costs borne by the consumer.

The dealer knows the cost of financing, the cost of insurance, and every item from the rent of the land on which the plant is placed to the tax on gas at the point of sale, is carefully counted.

## CONTRAST BETWEEN MANUFACTURER AND FARMER

The manufacturer produces the car under modern factory conditions with a roof over the workmen's heads, with temperature regulated, with all materials in easy reach on the assembly line, and with design, engineering, and plant layout predetermined for the niceties of production.

Contrast this type of economy with that of the farmer.

The farmer sows the seed in a spring delayed by flood or retarded by frosts. He goes out under the open sky to face the vagaries of Nature. The wind may be his enemy. The dust storm may rob his topsoil. The flood may wash out his crop. The drought may burn it. There are no "niceties of production" on any farm in America.

But assume he "makes" a crop. Debt-ridden farmer that he is, under duress of goods, he is forced to market it as it matures. The creditor awaits the crop.

What has he for a price tag?

He opens his daily newspaper or listens to the market quotations on his radio and he takes that which is offered by the gamblers irrespective of cost.

Price fixing is reserved for those that have. It is denied the farmer and the laborer.

## PRICE FIXING DISTASTFUL

Only a few Americans desire a price-fixing economy.

It is repugnant to our traditions and repugnant to our sentiments if not to our reason. Nevertheless, it is with us and with us in a form which protects precisely those elements of an economy least worthy of protection.

It protects the rich, as it is not applied to the poor.

Thus comes into play once more the sixteenth principle of social justice. "We prefer the sanctity of human rights to the sanctity of property rights. Government's chief concern should be for the poor, for the rich have ample means to take care of themselves."

If we are to have permanently a price-fixing economy, let the legislation be first on behalf of the farmer and the workingman.

For once again let it be asserted, "We prefer the sanctity of human rights to the sanctity of property rights. Government's chief concern should be for the poor, for the rich have ample means to take care of themselves."

## THE COST OF A SOUND PRICE-FIXING ECONOMY

Cost of production as applied to every manufactured product and cost of service as applied to transportation, communication, public utilities and insurance, has firmly fixed upon this Nation a new economy.

If price fixing, we repeat, is to dominate our economy, let it start with the masses of people; namely, the farmer and the laborer.

Normal farm income of America based upon the elements which entered agriculture in the year 1926 should be \$15,590,000,000. In that year the element of land and buildings was estimated at approximately \$49,000,000,000. The operating capital used was in excess of \$43,000,000,000. These two items should earn, respectively, \$2,946,000,000 and \$2,600,000,000.

The operating expense paid out in 1926 was \$2,900,000,000. The taxes were \$557,000,000. The wages, \$932,000,000, and the farmer's labor at 25 cents an hour on a 10-hour day, silly as that seems, are valued at \$5,654,000,000. Nor are these figures, of a total of \$15,590,000,000, at all fantastic.

Farm income passed this figure in 1919.

Apply the same price-fixing principles to the 6,800,000 farms of the Nation. We can estimate its value to our economy when we contrast the income to be derived in our present competitive system.

## A \$100,000,000,000 NATION

If President Roosevelt is sincere in desiring a \$100,000,000,000 nation, there is a way to get it.

That way is to use the same fundamental principles successfully used by the Nation and the various States in securing price fixing as respects legal rates of interest, passenger and freight rates in our transportation system, rates on our communication system, and the other instances quoted in the table immediately preceding.

Start with the farmer, for it is on the farm that newly created wealth, which is annually consumed, originates.

Start with the factory worker, for he is the contributor, in part, of newly created wealth, some of which is annually consumed and some of which lasts for years.

Guarantee the American farms the cost of production for that portion of his crop consumed among the Nation.

Guarantee 14,000,000 factory workers the living, annual wage, the saving wage so forcibly commended by the bishops in their pastoral letter under date of February 7, 1940.

These two items would amount respectively to approximately \$39,000,000,000. They would cover approximately 10,000,000 on the farms and 14,000,000 on the factory pay rolls, a total of 23,000,000 or less than one-half of the gainfully employed of the Nation.

Extend the living annual wages to the gainfully employed outside the farms and the factories which would distribute an additional \$14,000,000,000, making in all 30,000,000 American families average a minimum of \$54,000,000,000.

This is the basis for a \$100,000,000,000 nation.

This is the basis of a new prosperity.

There is no need to point a finger of scorn abroad to the totalitarian states with price fixing.

Once price fixing was on a right foundation.

It came from the ages of faith, from the medieval guild system.

It exists in America, but we have it at the wrong end of our economy.

It should start, we repeat, with the farmer and the laborer—with those who need the help of government, for, as the figures show, the rich have ample means to take care of themselves.

Legislation should be on behalf of the poor.

## Muck Farmers Oppose Low Tariffs On Onions

## EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

## RESOLUTION ADOPTED BY MICHIGAN MUCK FARMERS' ASSOCIATION

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I include the following resolution adopted by the Michigan Muck Farmers' Association in convention at East Lansing, Mich., February 2, 1940:

*Resolved*, That we, the Michigan Muck Farmers' Association, assembled in our twenty-second annual convention at East Lansing this 2d day of February, realizing the difference in labor conditions in the United States as compared with other nations, go on record as being strongly opposed to any reciprocal-trade agreement whereby onions and other vegetable crops ordinarily produced in the United States, can be imported from other countries at a tariff rate which will allow them to compete with vegetable crops produced in this country; and be it further

*Resolved*, That a copy of this resolution be forwarded to the President of the United States and to the Senators and Representatives of the State of Michigan.



## Lincoln Day Address

## EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ADDRESS BY COL. ROBERT R. MCCORMICK

Mr. MICHENER. Mr. Speaker, the Lincoln Club, of Jackson, Mich., held its annual banquet on the evening of February 15, 1940. The principal speaker was Col. Robert R. McCormick, editor and publisher of the Chicago Tribune. The address was broadcast.

Pursuant to the privilege given to me to extend my remarks in the RECORD, I include Colonel McCormick's address, which is as follows:

## OBJECTIVES OF NEW DEAL BECOME PLAIN AS YEARS GO BY

The men who met in the Jackson oak grove in July 1854 to create the Republican Party would not ask us to spend our time here in considering what they did. These Republicans of almost a hundred years ago would say to us, the Republicans of this day, that we have our own job and to get on with it.

It would be apparent to them, as it is to me, that the New Deal has been a persistent effort to overthrow our political and economic systems and substitute dictatorship and socialism.

They would have understood that the efforts of the Democrats in Congress, during the last years of President Hoover's administration, to hamstring all efforts to overcome the panic of 1929 could be put down merely to unworthy political ambitions, and so could the conduct of Mr. Roosevelt, tending toward the same end, in his campaign for the Presidency—so of his efforts to increase the chaos during the months that intervened between election and inauguration, if after his inauguration he had endeavored to bring back economic recovery.

## MOVES FOR DICTATORSHIP

The fact is that with the country stunned by the depression, which he had so ably aggravated, Mr. Roosevelt struck for a dictatorship.

A coterie of conspirators drafted a law fraudulently named the National Recovery Act, which purported to create codes of fair trade practice and to increase wages and decrease hours of work.

Under this camouflage a tyranny was set up with a chief commissar and deputy commissars, appointed by the President, not confirmed by the Senate, and not subject to civil service. These commissars, when acting with the approval of the President, were dictators over the industries they dominated, their powers extending to the enactment of laws enforced by prison sentences; to the imposing of licenses upon all persons in business; with the power to revoke the license and drive the victim out of business.

This usurpation was at first accepted without protest. A nation which had grown from an absolute monarchy to a parliamentary monarchy, and by revolution to a republic, was unable to grasp the significance of this law.

## SEES RISING NAZI-ISM

In the early summer of 1933 I attended a meeting of the directors of the American Newspaper Publishers' Association, called to discuss what attitude the association should take toward this apparently popular but obviously unconstitutional and tyrannous legislation; then embarked on a pleasure tour through northern Europe with no idea of political observation. Progress through England and Holland followed this plan. My notebook refers only to the picturesque and the amusing.

Arrival in Germany marked an abrupt change. Hitler had been Chancellor of Germany for 6 months. Nazi Germany had come into power. Its manifestations had hardly reached the newspapers, had not penetrated the perceptions of the readers. The traveler immersed in the country received impressions in every pore.

Uneasiness, apprehension, and fear were on every hand. Secret police might be in every room. Citizens were disappearing without trace.

## BROWN SHIRTS IN CONTROL

The Hotel Adlon, in Berlin, was perhaps the best hotel in Europe. Its proprietor had spent a lifetime serving thousands of people, encouraging buyers to visit Berlin, and travelers to spend their money in Germany.

While I was talking to this kindly benefactor I was astounded that an arrogant youth in boots and brown shirt (who had never done a service even to an individual) entered and addressed him in that rough and overbearing manner which was a shocking surprise then, but which we have now become accustomed to expect from New Deal functionaries.

A visit to a celebrated newspaper found brown shirts in control. Already the censorship of what might be printed had expanded to orders what to print.

In consequence, that newspaper and all other newspapers in Germany were prostrate.

The American consul told me that it would be unwise for Americans to attempt any business in Germany because the courts were not free.

## DECIDE AGAINST LICENSE

The report of this visit that I brought back fortified the resolution of the publishers not to accept government licensing. Thus they remained free to tell how tyrannously the National Recovery Act was administered; how men were incarcerated for doing business in their own shops in their own way; to publish the claim of the Attorney General that whoever accepted a code waived his constitutional rights.

When the old free Supreme Court unanimously declared the law unconstitutional the country heaved a sigh of relief—and so did those elements of the party in power who believed in a continuation of the Republic.

Mr. Roosevelt received the judicial overthrow of his dictatorship with great bitterness and immediately began to rebuild it.

## INVADE TENNESSEE VALLEY—MILLIONS SPENT AND SPENDING ON PROJECT

The Tennessee River runs down a narrow valley in the Appalachian Mountain range, flanked by steep hillsides and barren hilltops. The country is sparse in natural resources and because of its mountainous character, unsuitable to transportation and therefore to industry.

Twenty-five years ago, under the alibi of war necessity, a large Government expenditure was wasted at the now famous site of Muscle Shoals.

In the spring of 1933 the Tennessee Valley Authority was created under the pretext of finding out the cost of electric power.

To date this organization has expended \$304,000,000 of our money constructing dams to overflow what little alluvial land the valley affords, under the false pretense of improving navigation in a river which will never carry any commerce; and a disproportionate part of the expense of the dams was deceitfully charged to navigation which should have been charged to developing electric power.

Forty-six million dollars were spent to purchase a successful going enterprise—the Tennessee Electric Power Co.

## SEEK THREE HUNDRED AND TWENTY MILLIONS MORE

A bill now before Congress proposes to spend three hundred and twenty million more in this defile.

One of the allegations in support of the project was that it would extend the supply of electricity to residents of the valley and vicinity. The record shows that virtually all those receiving electricity from T. V. A. were already being served by other utilities. Great and wealthy corporations took a large part of the new development's added supply; in 1939 they purchased more than half the power sold by the Authority.

How fraudulent was the claim that the dams were constructed to improve the river and create water power became plain during low water last fall, when the steam plant of the Tennessee Electric Power Co. was run at full capacity by a padded pay roll of politicians. This fully exposed the plan as a purpose to engage the Government in the development of electric power.

## OTHER POWER PROJECTS

The Government has embarked on other power projects, notably in Nebraska and in Texas, where criminal fraud has come to light, but has not been prosecuted, and on a vaster scale in the State of Washington to the extent of four hundred and sixty eight millions.

An effort to develop a huge power project on the St. Lawrence River under pretense of a waterway from the Great Lakes to the sea is now on foot.

Why is the Government embarking on vast power projects for which there is no need and which, when and if needed, can be supplied in the normal course of industry? The answer is found in Raymond Moley's book *After Seven Years*. It relates a conversation between Mr. Moley and Tom Corcoran, who succeeded Mr. Moley as policymaker for the White House.

## QUOTES FROM BOOK

Here is what Tom said to Moley and what Moley said to Tom, according to Moley:

"Tom assured me that the utilities were licked. I asked whether that meant that the T. V. A. was going to try to take over the Commonwealth & Southern. 'And you're damned right it will—and all the rest of them, too,' Tom said.

"You realize what that means?

"Well, we're going to squeeze them for a couple of years, at any rate," Tom said.

"I remarked that you don't do that kind of thing 'for a couple of years.' If you did it, it stayed done.

"Yes; I suppose so," was the answer. 'It won't come fast, but 20 years from now the Government will own and operate all the electrical utilities in this country.

## LENIN'S ELECTRICITY THEORY

Let us now quote Lenin:

"If we get electrification in 10 or 20 years, the individualism of the small agriculturist and the freedom of trade exercised by him locally are not dangerous in the least. If we do not get electrification, the return to capitalism is in any case inevitable."

Lenin's theory was:

(a) Small-scale production gives birth to capitalism.

(b) The Communists must get rid of the small commodity producers.

Lenin said: "Communism is the Soviet government plus the electrification of the whole country," and his solution of the problem was:

"Electrification on a mass scale."

#### CONTROL OF COAL MINING—HOW C. I. O. WAS FAVORED IN DIVERS WAYS

After the National Recovery Act had been declared unconstitutional the Guffey Coal Act was urged upon Congress, with the request that Congress disregard any conscientious scruples it might have as to the unconstitutionality of the act.

The act was passed, and what result do we find? By arbitrary fixing of prices, coal production was forced into those districts dominated by the C. I. O., so that the C. I. O. miners could be held up for the \$600,000 paid to the Democratic Party for the campaign of 1936—the payment which bought the national administration and the State administrations of Michigan, Pennsylvania, and Minnesota.

When the C. I. O. tried to take over the industries in those States, and did take illegal, violent possession of factories, the C. I. O. was repaid, first by the Governor of Michigan—Murphy—calling out the National Guard to prevent the local police from enforcing the law and compelling the C. I. O. storm troopers to evacuate the plants.

#### TROOPS PROTECT STRIKERS

In Pennsylvania the threat was made that 70,000 C. I. O. coal miners would march into Bethlehem and close the factories there. The \$600,000 was then repaid by Governor Earle calling out the National Guard—not to protect innocent citizens from rapine and massacre, but to compel the factories to shut down and throw out of employment workmen who wished to work.

In Ohio when workmen were besieged by Communists and C. I. O. storm troopers the \$600,000 was repaid by the Postmaster General refusing to allow the United States mail to pass through the blockade and bring the necessities of life to law-abiding citizens.

It was at this time that Secretary Perkins urged Governor Davey to kidnap Tom Girdler and Frank Parnell and hold them until they ransomed themselves from the C. I. O.

In Minnesota the \$600,000 was repaid by the Governor of the State, Olson, calling out the National Guard and putting the whole city of Minneapolis under siege.

#### WHY IN MICHIGAN?

Has it occurred to you why the abortive C. I. O. revolution was started in Michigan?

The Bolshevik revolution of 1917 came out of the factories of Viborg, the industrial suburb of Petrograd, and out of the marine centers at Kronstadt, in the Baltic Provinces, and in Finland. Without the factory workers and the sailors, Lenin would have failed. These plants were centralized in Viborg, just as your plants are centralized in Detroit, Flint, and Pontiac.

The Bolsheviks obtained control of the workers of Viborg and of the sailors in the fleet and in the ports. These workers and sailors formed the vanguard with which Marxist strategists say they can win if they can attack a bewildered and disorganized majority suffering from economic ills.

Bear in mind that the Department of Labor has put our merchant fleet in the hands of a Communist union, and the dock workers under the control of Harry Bridges, the Australian Communist who was suffered to remain in the country by the Perkins-Landis conspiracy.

Is not the parallel complete?

#### FIELD OF COMMUNICATIONS

Let us pass on to the field of communications.

Early settlers followed the coast line and the short eastern rivers. After the conquest of the West from Great Britain, Congress built the national road. It was not successful and was abandoned. Then canals were dug in imitation of Europe, but the distances were too great; ice in winter and drought in summer obstructed them and they failed.

A certain amount of transportation was developed upon the Mississippi River, but again dry summers and shifting channels rendered this method of transportation abortive.

#### RAILROADS DEVELOP COUNTRY

Came railroads and the country was girded with steel. Bound together with iron bands, the country became too strong for any further centrifugal movements. The greatest material benefit the population had known was conferred upon them by the railroad men.

Human they were, and made mistakes.

To correct these mistakes the Interstate Commerce Commission was created—a benign tabby cat to catch the mice and rats in the railroad house. Its function was to enforce the common law governing carriers.

Sixteen amendments to the act have changed tabby into a ravenous tiger, whose hunger has not been appeased by the destruction of railroads, railroad transportation, and railroad securities.

The public has suffered by the increasing costs it has paid for transportation during the last 50 years. One-third of the railroad mileage of the country is today insolvent. Railroad securities have been massacred. If the average value of railroad stocks is taken as 100 in 1926, the stocks sold for an average price of 63.65 in 1937.

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They are now selling at 30.5. On the other hand, industrial stocks, until recently free from the Government kiss of death, sold for an average price of 30.5 in 1937, and are now selling at 116.3.

#### ADVENT OF AUTOMOBILE

Many of us remember the arrival of the automobile. We saw it first as the hobby of an eccentric; next as a luxury of the rich; then, developed by extraordinary men, it has become a source of pleasure, of profit, of usefulness, to the large majority of our population.

Ingenious men have developed the motorcar into many forms, of which the truck and the omnibus next to the private car are the most common. More livestock is now brought to the Chicago stockyards by truck than by rail. Hardly a country child that does not go to school by bus.

This vast achievement, the greatest of our age, has been accomplished entirely by free men working in a free society.

#### GOVERNMENT SEIZES CONTROL

And when the Government reached out its mailed fist to take control of motor operation, what did it give as its excuse? That it has so hamstrung the operation of railroads that, in fairness to them, it must cripple the operation of motor transportation.

Nor need anyone be deceived that regulation of trucking companies will not be followed up with tyranny over every man who owns and operates a car.

The purpose is not regulation. The purpose is political domination of transportation, which means political domination of all citizens.

The internal-combustion engine has made possible a limited use of some of our rivers and of some artificial waterways connecting natural bodies of water. These uses are strictly limited and can only be developed by ingenious men adapting them to special circumstances. The same New Deal desire to dominate would subject these ingenious men, who alone understand these special conditions, to the whim of an arbitrary autocrat incapable of understanding such difficult problems.

#### DEVELOPMENT OF AIRPLANE—WORK GENIUS HAMPERED BY BUREAUCRATIC ACTS

I will never forget the thrilled multitude that saw Orville Wright fly around the parade ground at Fort Myer in 1909.

The dream of centuries, apparently impossible of realization, had been accomplished by two bicycle-repair boys where all of the professors of the Smithsonian Institution, backed by the United States Treasury, had failed.

Taking up Wright's great invention, genius after genius has pushed it further and further along, like successive men of the football team carrying the ball to victory. Glenn Curtiss immediately improved upon Wright's warping wing tips with the first ailerons and also developed the first flying boats.

Dr. Junkers produced the first all-metal airplane. Igor Sikorsky the first large airplanes. Elmer Sperry created precision instruments. Thorpe Hiscock produced the first practical aircraft radio. Rickenbacker led our aces in war. Lindbergh flew the ocean; Post and Gatty around the world. Jackson and O'Brien flew an airplane for a whole month without landing.

#### FIRST AIR-MAIL FLIGHT

Calbraith Rodgers carried the first air mail in the year 1911, when he completed a transcontinental flight in 85 days. The Government began flying the mail in 1919, but President Coolidge wisely turned the job over to private operation in 1926, to make commercial aviation possible.

Step by step the passenger plane was evolved. If my observations were right, Lockheed first had the correct idea of construction—using the internally braced wing and monocoque fuselage.

Boeing improved on Lockheed, but it was Donald Douglas, who had been a witness of Wright's epochal flight, who developed the first entirely successful passenger plane. This airplane also far surpassed every military plane then in existence.

#### MAIL CONTRACTS ANNULLED

Adventurous, enterprising, able young men laid out and began operating scheduled air transportation lines. Success was in their grasp when they were struck down by as outrageous an act of tyranny as any Hitler ever perpetrated—their mail contracts were arbitrarily annulled and the mails turned over to the Army Air Corps.

In an occupation too complicated for any Government bureau, 13 gallant young soldiers lost their lives—victims of tyranny, martyrs to communism.

The indignation aroused by these martyrdoms forced the tyrannous Government to turn the mails back to those who had flown them safely, could fly them safely, could make aviation successful, and are making it successful, though hampered by an organization of bureaucrats, none of whom could invent any part of an airplane, design any part, obtain financial backing for an airplane company, or administer one, if formed. They are there not to help, not to regulate, but to lay the hand of the tyrant over this form of transportation.

#### TRANSPORTATION OF MANY KINDS

Transportation is of many kinds—transportation of articles, transportation of individuals, transportation of ideas either in articles, as letters, or by electric impulse as by the telegraph, the telephone, and the new wonder of science, radio—and in a strictly limited sense, in oral communication from one person to those within sound of his voice.



Our Constitution has said that Congress "shall make no law abridging the freedom of speech, or of the press," but what do we find? Letters transported by the postal department are also censored. Telegrams and telephone messages and radio communication of all kinds lie under the heavy hand of another arbitrary government commission, whose purpose is to control the public, not to serve it.

Only personal conversation remains unabridged.

#### RULE OVER SECURITIES—PRIVATE INVESTMENT PERILED BY REGULATIONS

During his 4 years as governor of New York, which included the entire speculation period of boom and collapse, Mr. Roosevelt did nothing to interfere with speculation.

Yet his proposal for United States regulation of securities had a plausible ring, and the Securities and Exchange Commission was created as a pretended measure to help investors.

In fact, it was a measure to destroy private investment, as the actions of the Commission and the results of its conduct have shown.

Some time since, the President made a public demand that utilities increase their facilities to promote the national defense, and increase employment. The utilities were only too anxious to comply.

#### BOND ISSUE REFUSED

In December the Consumers Power Co., of Michigan asked permission to issue \$28,500,000 worth of bonds, eighteen and one-half millions to reduce the rate of interest on an old debt, and ten millions to pay for additions to its plant, but the Commission allowed only the eighteen and one-half millions for refunding, but not one cent for plant expansion. Not even to the extent of allowing an issue which would keep the interest charge at its former level.

It has now forbidden public utilities holding companies from making advances to their subsidiaries on open-book account.

Is the President demanding that utilities expand, and the Commission preventing them from expanding, so that the President can say that the utilities have failed to cooperate with him and therefore must be destroyed?

Bear in mind also that Leon Henderson is one of the commissioners of the Securities Exchange Commission. He is Tom Corcoran's man—the same Tom Corcoran who told Mokey:

"Twenty years from now the Government will own and operate all the electrical utilities in the country."

#### SMOTHERS BUSINESS ACTIVITY

How thoroughly the Securities Exchange Commission has destroyed business activity can be seen from the fact that in the years of 1936 and 1937 the total of security offerings amounted to approximately one and one-quarter billion dollars each year. This compared with the 1929 total of eight billions, and four and one-half billions in 1930, the first depression year.

Now, listen to this: In four of the last 6 years of S. E. C. rule less than one-half billion in new money has been raised. In 1939, with the war boom on, business has been allowed to raise only \$371,000,000 of new money for expansion. In view of these facts, what reasonable man can doubt that the S. E. C. is bent on destroying our existing form of civilization?

The S. E. C., however, has not confined its activities to strangling investment. It has joined the parade of agencies and committees organizing propaganda to arouse mob hatred of every form of private enterprise. And it has done so by the same blustering, brutal, illegal invasion of private rights that has marked the other agencies.

#### ATTACK ON INSURANCE COMPANIES

One of the G. P. U. auditors of the S. E. C. came to Chicago to blacken the American Life convention in order to injure all insurance companies. He demanded the association's correspondence file. When permission was denied him to go through private papers, he threatened, "If you do not give us access to your papers, we will get them anyway through subpoena."

He did not use a subpoena, of course, because the fourth amendment to the Federal Constitution says: "The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized."

#### DINNER-PARTY PLOTS

Let us now remember the recent dinner party at which it was arranged to buy forged documents to injure the Dies committee, and the dinner party before that at which John L. Lewis and Senator LA FOLLETTE conspired to have the La Follette committee blacken the corporation which Lewis would take over by force; and before that let us remember the Black Inquisition, when agents of a Senate committee stole a large number of private papers hoping vainly to find something to incriminate or besmirch prominent citizens.

With Hugo Black's record as a violator of the law and a violator of the fourth amendment, is it not entirely logical to assume that his appointment to the Supreme Court was made so that the fourth amendment would no longer be enforced?

And, by the same reasoning, was not Governor Murphy appointed to the Supreme Court so that the courts would no longer protect private industry from capture and confiscation by mobs?

And was not Douglas, former chairman of the S. E. C., appointed to the Supreme Court to keep private enterprise from finding refuge from oppression in the courts?

And lastly, was not the appointment of Felix Frankfurter, the teacher of Felix Frankfurter's "hot dogs," who wrote most of the subversive legislation I have described in the Little Red House in Georgetown, a further step in removing the protection of the Constitution from the citizens of the United States?

#### VISIBLE FROM BEGINNING—"RED" TRAIL SHOWS FROM BEFORE ELECTION

The "red" trail has been visible from the beginning. An observing man could have seen its tracks in some of Mr. Roosevelt's speeches before the election.

Editors identified it in the N. R. A. and charged it in their defense of freedom of the press.

When President Roosevelt made the treaty with the Soviets in December 1933, and entertained one of the arch-murderers of Russia in the White House, the truth should have been apparent, and the acceptance of Soviet support in the election of 1932 might have been suspected.

#### WIRT EXPOSES PLAN

It was Dr. William A. Wirt, of Gary, Ind., who first exposed the plan to overthrow our civilization. He related the thing he heard at a dinner party of minor New Deal bureaucrats in the previous September.

"I was told," Dr. Wirt testified before a committee of the House of Representatives, "that they believed that by thwarting our then evident recovery they would be able to prolong the country's destitution until they had demonstrated to the American people that the Government must operate industry and commerce. I was told that, of course, commercial banks could not make long-time capital loans, and that they would be able to destroy by propaganda the other institutions that had been making capital loans."

"I was frankly told that I underestimated the power of propaganda; that since the war propaganda had been developed into a science; that they could make the newspapers beg for mercy by threatening to take away much of their advertising; that they could make the financiers be good by showing up at public investigations the crooks in the game, that the power of public investigation in their hands alone would make the cold chills run up and down the spines of business leaders and politicians—honest men as well as crooks."

The Federal Trade Commission has confirmed Dr. Wirt's testimony by attacks on individual publications, and in seeking legislation calculated to reduce the advertising revenue of all newspapers.

#### "REDS" SUPPORT NEW DEAL

Two years later, while Dr. Wirt was being hounded to death, on August 8, 1936, Donald Day cabled from Riga, Latvia, that Communist international headquarters in Moscow felt that the Republican Party must be defeated at all costs, and accordingly had forwarded instructions to the American Communist Party to support the candidacy of Roosevelt in the November Presidential election.

Day quoted from the official Journal of the Comintern as follows: "We are going to work for the election of Roosevelt because we wish to strengthen our influence among America's many radical groups."

"We all have a common aim. It is to defeat Landon, who represents forces which oppose the development of class war and revolution in America."

New Deal newspapers, one of which posted a bet that the facts could not be substantiated, immediately began a campaign of abuse against the Tribune for printing the story. But the Tribune supported the integrity of its correspondent in its editorial columns. On August 12 it stated editorially:

"Communist Russia is supporting the Roosevelt administration in the United States. Why do the Communists desire the reelection of Mr. Roosevelt? The New Deal is so frankly collectivist that the Russians could not mistake its purposes. . . . The Russians are for Mr. Roosevelt, because they think he must, with another 4 years, produce the conditions favorable to them."

#### ASSERTION IS REPEATED

The New Deal newspapers continued their vituperation, but on August 29 the Tribune published an article, in which it was said of the Communist purposes in supporting Mr. Roosevelt:

"Understanding that its ultimate aim of sovietized United States of America is not at once obtainable, Moscow does the next best thing. Recently it was reported that the Bolsheviks had decided to throw their influence to Franklin Roosevelt. To the Communists his candidacy is merely a stopgap. They want a people's front; then the Soviets."

The story was based on comment published in the journal of the Third Internationale in Moscow relative to the American Presidential campaign.

#### PRESIDENT DENIES CHARGES

On September 19 Mr. Roosevelt asserted the charges were designed to "frame" the American people.

However much Mr. Roosevelt might choose to protest, the Communists continued to find him and his policies to their liking. After Mr. Roosevelt was reelected, Carl Browder, general secretary of the Communist Party, stated:

"If President Roosevelt will let us work out things for ourselves, we will promise him the 100-percent unconditional support of the Communist Party."

In the 1938 election for congressional and State offices, Communists were called upon by Browder to support New Deal candidates. The comrades had their orders to vote for anyone with the New Deal tag.

#### BROWDER TELLS REASON

There must have been reasons, and there were: Mr. Browder had stated one of them:

"Developments to date show that penetration of the Democratic Party is possible and produces good results."

Four days before the 1938 election Mr. Browder spoke in the Chicago Stadium. He was pleased because Mr. Roosevelt had been interjecting himself into the quarrels and concerns of foreign nations, and he said:

"President Roosevelt was right and should be supported."

Mr. Browder must have found some good reason why Mr. Roosevelt deserved support. He had:

"Our views are strongly supported on the inside of the Democratic Party."

#### BROWDER CHANGES TUNE—CONVICTED BY NEW DEAL, HE STRIKES BACK

Mr. Browder was last heard from, in somewhat more plaintive tone than usual, a few weeks ago. He spoke in Madison Square Garden, New York, to his followers after he had been convicted of passport fraud. I will let Earl Browder make his final answer to Mr. Roosevelt and the new dealers. Said Earl Browder:

"Governor Lehman, of New York, occupies his position instead of Thomas E. Dewey on account of the votes of the Communist Party. \* \* \* We were a part of the progressive bloc that protected New Deal legislation against the assaults of the reactionaries. \* \* \* When these gentlemen thought that they could use the support of the Communists we became almost respectable. \* \* \* They knew us then. They knew almost everything about us. \* \* \* When we were in agreement on protecting New Deal legislation and a peace policy, these gentlemen were very glad to receive our support as long as we did not make too much noise about it."

#### GIVE MURPHY SUPPORT

"When the Governor of Michigan in 1938 was deserted by his own political machine and faced a stiff fight with the Republicans without a machine behind him he was glad to get the support of the Communist Party in conducting his campaign for reelection. He will not deny it. He is a God-fearing man. He would not lie about it. He would not deny he had long, intimate conferences with Communists as to how best to conduct his campaign for Governor. But he lost his election by 2 percent of the vote. We were not able to win the election for him. And he was a hero only for one campaign. \* \* \*

"They even need us often to help them draft their speeches. They didn't know how to do it. \* \* \* In the days when they did want to rouse the masses we had the peculiar experience with them that we had to restrain them. They were ultraleftist, and very often we had to warn them that that kind of tactics is not good; you had better lay off of it. We were a sobering and restraining influence upon them."

#### POPULAR FRONT BLOWS UP

It would seem from the foregoing speech, from John Lewis' recent tirades, and Mr. Roosevelt's denunciation of Russia, that the popular-front government of Communists, C. I. O., and Fellow Travelers has broken up—or broken down.

One wonders what has caused the disruption of this alliance, which has ruled America for 7 years—has brought so many sinecures to its members, such damage to the country, and peril to its future?

The open avowal of the alliance by the Communists was plainly injurious. The secret alliance, covered up by ridicule, abuse, and mendacity, was valuable, but not the public one.

Matters were not helped when it became known that the party in power had been bought with \$600,000 extorted from poor mine workers.

#### NOT POLITICAL ASSET

The elections in 1938 showed that the C. I. O. civil war was not a political asset. After the Hitler-Lenin alliance was announced, communism was dead on Broadway, and that large element of the New York vote which has kept New York Democratic for 10 years would no longer brook a popular front with Russia.

The publicly announced reason—that 98 percent of the Americans sympathized with the Finns in their heroic sufferings—would seem enough to govern a vote-seeking politician.

Nor must we ignore the royal influence on one who has invited a veritable parade of princes to honor his house on the Hudson.

All of these reasons combined would appear to furnish an overwhelming motive for the change of face. Be that as it may, repentance comes too late. Americans have no fatted calf for this prodigal son.

But doubts of this repentance persist. Lewis remains on the best of terms with half of the White House.

#### A SMALL SACRIFICE

A 4-year jail sentence—with time off for good behavior—would be a small sacrifice for an enthusiastic Communist like Browder.

The American Ambassador remains in Moscow. The Government is still buying Russian gold and Communist Mexican gold and silver. Communists swarm in all the offices of Government. The N. L. R. B. is still the handmaiden of the C. I. O.

The new Supreme Court daily strikes down the rights which for 160 years the Constitution has guaranteed the citizen.

Eighty years ago, when our country once before faced destruction, the great man we are honoring tonight spoke the following parable:

"We cannot absolutely know that all these adaptations were the result of preconcert. But when we have seen a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen—Stephen, Franklin, Roger, and James, for instance—and we see these timbers joined together and see they exactly make the frame of a house or a mill, all the tenons and mortises exactly fitting, and all the lengths and proportions of the different pieces exactly adapted to their respective places, and not a piece too many or too few, not omitting even scaffolding—or if a single piece be lacking, we see the place in the frame exactly fitted and prepared to bring such a piece in—in such case we find it impossible not to believe that Stephen and Franklin and Roger and James all understood each other from the beginning, and all worked upon a common plan or draft drawn up before the first blow was struck."

#### MORE SLEIGHT OF HAND

On this occasion of national peril it is surely possible to suspect that Earl and Franklin and Hugo and John all understood each other from the beginning and all worked upon a common plan, or draft, drawn up before the first blow was struck.

In view of the tortuous past, may this not well be another such a piece of political sleight of hand as has been successful in three elections? Is this another Communist strategical retreat—a move to enlist pro-American votes, while the Communists and the C. I. O. deliver secretly as before?

Heed well the warning that has come down to us from martyred Lincoln.

For the life of our Republic is at stake.

### Sometimes We Sit and Think and Sometimes We Just Sit

#### EXTENSION OF REMARKS

OF

#### HON. CLARE E. HOFFMAN

OF MICHIGAN

#### IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

#### SOMETIMES WE SIT AND THINK AND SOMETIMES WE JUST SIT

Mr. HOFFMAN. Mr. Speaker, that seems to be the attitude of Congress with reference to the amending of the N. L. R. A. For more than a year everyone who cared to inform himself was advised of the inequalities of the N. L. R. A., of the bias and prejudice of the N. L. R. B.

Last session the Senate committee held extensive hearings, as did the Labor Committee of the House. The result so far as legislation went was a goose egg. The House, impatient and indignant because of the failure of the House Labor Committee to act in accordance with the overwhelming public demand, created the Smith committee—the object apparently being to wet nurse the House Committee on Labor.

The Smith committee has held hearings in a judicial and efficient manner, and the net result has been to prove from the Board's own files what many employers and many workmen knew from experience; that is, that the Board is biased and prejudiced, has caused and fostered strikes and labor disputes, has placed upon employers a ruinous burden, and that its major accomplishment has been to assist the C. I. O. in its organizing campaigns.

It is generally understood that the Smith committee will shortly conclude its hearings, but that is not assurance that the people will get the legislation they are demanding. To show that we are not fooling the folks back home, let me quote from two editorials from two daily newspapers of February 5, and I have no doubt that I could multiply these citations many, many times. From the Sturgis Daily Journal, Sturgis, Mich., I quote:

#### MR. MADDEN'S APOLOGY FOR THE N. L. R. B.

Chairman Madden, defending the National Labor Relations Board, says its difficulties are due chiefly to the A. F. of L.-C. I. O. controversy and organized opposition from employers.

That is to say, if neither element of organized labor had objected to the Board's unfair decisions and employers had taken their unjust punishment lying down, everything would have been just lovely.



The C. I. O. and A. F. of L. have resented rulings overturning contracts and complained of other prejudiced proceedings, although the John L. Lewis outfit seems to have enjoyed many instances of special favoritism.

As for employers, Mr. Madden charges that an organization of manufacturers had the temerity to attack the Wagner Act on the very day the Supreme Court upheld its validity. But the Supreme Court never said it was a just law that ought to be kept on the statute books.

The House investigating committee, in an effort to be fair, has given Mr. Madden and his associates the unusual privilege of rebuttal in presenting their defense. It would also appear that it has given them enough rope to hang themselves, judging from the kind of defense Mr. Madden is putting up for the N. L. R. B.'s arbitrary proceedings.

From the Dowagiac Daily News, Dowagiac, Mich., I get the following:

The N. L. R. B. seems to be out of step with everybody except its own pay rollers and the radical new dealers. William Green and John L. Lewis both have castigated it severely from the standpoint of labor. Employers generally have hated it because it has made their burden almost intolerable. It has probably lessened employment. Congressmen of all parties have berated its administration and even now it is being investigated. But with all this united opposition we doubt if any constructive amendments can be secured. The opposition is not agreed upon what must be amended, that's the reason. Each wants something different and while they squabble the New Deal radicals chortle with glee, and both labor and industry chokes. In time, no doubt, some rescue work may be done.

Madden's excuses, the statements of the Board's defenders, have not gone over.

The Dowagiac News apparently realizes that this time we are not sitting here thinking; we are just sitting, on this question at least.

A farmer in the district has another way of putting it. He suggests that our trouser seats must be exceedingly thick and soft; otherwise, we would be covered with callouses, for, so far as he observes, we have not given any indication of getting up and going about our business of protecting either the city workers or the farmer from the racketeering demands of those who are collecting dues from employees who have no desire to go on strike or have trouble with their employers.

To get rid of the excuse that no remedy has been offered, no constructive legislation proposed, last March, almost a year ago, I introduced a bill to enact fair and just labor legislation. Nothing has ever been done about it; so I have put on the Clerk's desk a discharge petition. It is No. 23; perhaps that number is significant. In any event, any Member of the House who really wants to see some labor legislation can walk up and sign that petition and if 218 do it, we will get action.

Now you can sit and think, or you can just sit. If the Democratic majority just sits, we Republicans will have one of the finest campaign issues next fall that anyone could desire. Failure to amend the Wagner law, coupled with the President's idea that he has been anointed by a modern Samuel to reign as king over these United States, will, we hope, just about end the New Deal, which is but an imitation of the campaigns carried on by Hitler and Mussolini prior to their seizure of power.

### A Summary Survey on the Farm Front

#### EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

STATEMENT BY HON. HENRY A. WALLACE, SECRETARY OF AGRICULTURE, BEFORE THE HOUSE OF REPRESENTATIVES COMMITTEE ON AGRICULTURE

Mr. GEARHART. Mr. Speaker, on Thursday last the Honorable Henry A. Wallace, the Secretary of Agriculture, ap-

peared before the House of Representatives Committee on Agriculture and delivered an address which will be, I am sure, of tremendous interest to those who are engaged in the agricultural industry.

Because of the importance of his conclusions and recommendations, findings which reflect a lifetime study of the intricate problems of the agricultural industry, as well as 7 years of official experience in its governmental phases, I am convinced that he should have had a wider audience than the small though attentive group which crowded the hearing room. For that reason, and in the hope that the suggestions he made and the recommendations he offered may receive the serious consideration of the country, I am constrained to ask that the text of his statement be spread upon the pages of the CONGRESSIONAL RECORD as a part of this day's proceedings.

The unanimous consent of the membership of this legislative body having just a moment ago been given, I am privileged to hand a copy of Mr. Wallace's remarks to the Public Printer for the purpose just hereinbefore indicated.

The statement is as follows:

At the outset I wish to say, not as a formal amenity but as a heartfelt recognition of genuine public service, that this committee and its able chairman have made an incomparable record of contribution to the public interest, especially since the committee began its work in the winter of 1933 on the worst agricultural situation that has ever confronted the Nation.

Seven years ago, in the face of utter distress and despair, this committee displayed the courage and practical foresight to master chaos and lay the sound foundations for the splendid farm program that we have today. At that time farmers were suffering the privations that had come from such ruinously low prices as 5 cents for cotton, 32 cents for wheat, 19 cents for corn, and 3 cents for hogs. By 1932 the annual cash income of farmers had rapidly shrunk to the drastically low level of about \$4,500,000,000. After deducting farming expenses, if they could all have been paid, this would have left only \$1,200,000,000 for the support of all farm families. That would have been equal to an incredibly low figure of less than \$40 per capita for the persons living on farms. An engulfing wave of mortgage foreclosures was dispossessing farmers of their homes and land. Farmers saw their export markets disappearing as tariff barriers were erected to destroy foreign trade. Merchants in farming communities were going into bankruptcy, and country banks were closing by the thousands. Farmers were driven to mine the fertility of their land. Nothing had been done to bridge the gulf between unmarketable surpluses in the hands of farmers and the hunger of families whose idle bread earners were walking the city streets in a futile search for work. Spontaneous farm strikes were occurring. It is not necessary to recall more of the painful memories of the grim and desperate situation with which this committee was faced in the dark winter of 1933.

The great recovery and progress that have been brought about in the past 7 years are evident on every hand. Since 1932 the annual cash income of farmers has been increased more than 80 percent to a total of \$8,500,000,000. Soil conservation and rebuilding have replaced soil erosion and mining. The ever-normal granary and a system of crop insurance have been made part of the farm program to protect both farmers and consumers against the crop failures of drought years. The farm program also includes facilities for commodity loans to prevent the former emergencies that almost invariably accompanied bumper crops. The heavy tolls of farm tenancy on men and land are being checked. Farm surpluses have been removed to the benefit of needy people in the cities. Farm mortgages have been reduced more than \$2,000,000,000. Interest rates have been lowered. Agricultural production has been brought more nearly into balance with industrial production. Farmers are better able to deal with their problems through their own local, county, and State committees and national farm organizations. The country banks have reopened, and their demand deposits have increased twofold. Rural merchants have had their business restored. Industrial activity has responded to the recovery in agricultural purchasing power. The sales of farm equipment have more than doubled.

Not least among the basic gains are the great increases in general knowledge concerning farm problems, and in the understanding of the interdependence of agricultural and industrial welfare, that have replaced the widespread confusion of 7 years ago. Much of this is attributable to the work of the national farm organizations and to the democratic method of administration that has been employed to carry out the farm program. Farmers everywhere attend their own local, county, State, and national meetings, at which sound and practical solutions must be developed for complex problems and fitted into the total and ever-changing economic patterns of agriculture, the Nation, and the world.

The advances since 1932, advances won in the face of bitter and formidable opposition, are the result of hard and unselfish work by this committee, by most Members of the Congress, by the farmers themselves, and their leaders, and by an administration under a President who was never surpassed in understanding and sympathy for the problems of agriculture.

More perhaps than any other one factor in the success of these programs has been the unity among farmers themselves. Southern farmers have recognized that their interests are the interests of western producers and producers all over the country. The farmers have refused to listen to sectional pleas and to familiar partisan, political arguments. So long as this unity continues I have no fears for the continuance of sound national programs for agriculture. I hope that any action taken by the Congress with respect to agriculture at this session will protect, and in no sense sacrifice, every advance that already has been made. I hope, too, that whenever feasible, self-financing and permanent methods will be employed for bringing about further advances on the agricultural front.

It is most gratifying that we begin this eighth year of work with such a rich background of progress and solid achievement based on a long record of effective and cooperative action. It was with much pleasure that I received your invitation to discuss with you today some of the major needs of agriculture which require additional action. In view of the great stress to which American agriculture will almost certainly be subjected by the present war, this is a particularly appropriate time to resurvey the farm front and strengthen our protective farm program wherever necessary. To this end I would like to summarize major present needs and alternative solutions.

#### I. BASIC NEEDS OF AGRICULTURE

Three basic needs of agriculture are: The need for increased farm income; the need for strengthened production adjustment; and the need for additional soil conservation.

##### A. The need for increased farm income

(1) Unfortunately, there are many persons who, upon learning of the great progress of agriculture during the past 7 years, jumped to the conclusion that no serious need remains for increased farm income. Those persons clearly cannot be mindful of the great depth from which the upward march was begun in 1933, and they have no real concept of the existing deficiency in agriculture's participation in the national income. It is not necessary for me to tell this committee that many farm families are still suffering from malnutrition, lack of medical services, deficient educational facilities, and even inadequate shelter. One great group of farm families, namely, sharecroppers and tenants, must struggle for their existence today on annual incomes far less than those received by urban families whose wage-earners are engaged on relief projects. You are aware of the existing relative deficiency in farm purchasing power as compared with historical periods when the price the farmer received balanced the price he had to pay. Agriculture today has approximately 24 percent of the total population, and 31 percent of the Nation's children, but only 11 percent of the national income.

(2) Some persons seem to feel that the war will result very soon in a substantial increase in farm prices, and that the farm problem will be solved for the time being. But agriculture is not profiting from the war in Europe, and is not likely to profit at any time in the near future. And for some groups of producers, the war has been an economic calamity.

Early in the war when farm prices were carried upward sharply in a speculative boom, some people thought that these prices would reach parity in the market place and that no further action would be necessary to carry out the policy of farm income parity established by Congress in the Agricultural Adjustment Act of 1933.

But the anticipations of the speculators were not borne out by subsequent events. The net effect of the war on agriculture has been to shut off a large part of the world market for our farm products. Great Britain and France are using their dollar exchange to buy airplanes and munitions in this country. For farm products they are turning wherever possible to countries where they can acquire these commodities in exchange for their own goods or buy them with sterling or on credit. Even our trade with the neutral countries has been badly upset by the operations of the belligerents.

The effects of the war are especially harmful to the export trade in tobacco and fruits. Very little cotton is now being sold for export. Through the previous operation of the cotton export subsidy the commitments for cotton exports since July have already reached a total of more than 6,000,000 bales, but the outlook for export sales of cotton in the future is not bright if the war continues.

The present strength of wheat prices is due not to war demand but to drought and the prospects for a short crop in this country. Export of pork and pork products has not increased and is not likely to increase to any great extent unless Great Britain, our chief potential customer, turns to the United States as a source of supply.

Thus it will be seen that the war is likely to have a bad rather than good effect on the prices of export crops and the incomes of farmers producing the export crops. The war is likely to make farm programs for these crops more necessary rather than less necessary.

##### B. The need for production adjustment

A reasonable balance between agricultural and industrial production is essential to the welfare of the Nation. In order to attain and preserve such a balance, it is necessary not only to adjust farm production to compensate for the loss of markets for agricultural products but also to counterbalance the greater inherent tendency of agriculture, as compared with industry, to increase production.

(1) At the close of the World War we had a large foreign market for agricultural commodities. Since the World War, and primarily as a result of the erection of trade barriers in various forms and of the shift in our country's position from a debtor to a creditor

nation, agriculture has lost much of its foreign market. Even after taking into account the gains made under the trade-agreements program this loss is still equal to the production of thirty to thirty-five million acres of land. In addition the substitution of tractors and automobiles for horses has decreased the market for feed crops in an amount equal to the production of twenty-five to thirty million acres.

(2) High prices stimulate the production of both industry and agriculture, but speaking generally the response of agriculture to the pressure of low prices is basically unlike that of industry. Low prices for the products of industry usually cause a large and prompt decrease in industrial production, whereas low farm prices tend to drive agriculture into an increased production of cash crops and an abandonment of soil-conserving practices. This greater inherent tendency of agriculture to increase production is one of the fundamental causes of farm distress and of the lack of balance between industry and agriculture. The adjustment of agricultural production to offset this tendency is not a scarcity program. Nothing could be further from the truth than to say that the farmers want, or propose to bring about, a scarcity of farm products. They want balanced production not underproduction. When agricultural production increases without accompanying increases in industrial production we do not have a balance and the results are not beneficial either to farmers or to consumers. Reasonably balanced production, to be brought about through greater industrial activity, is a basic requirement not only for urban prosperity but also for the full recovery of agriculture.

##### C. The need for more soil conservation

The welfare of any nation fundamentally is dependent upon the conservation of its soil resources. History is replete with records of civilizations and governments that have fallen into decay as a result of soil depletion and erosion. Fortunately, we have come to realize before it is too late the danger of abusing and neglecting our soil resources. A farm program has been developed under which we are progressing simultaneously toward the two essential objectives of balanced production and soil conservation. Under this program farmers have substituted soil-conserving and home-consumption crops for approximately 40,000,000 acres of surplus soil-depleting crops, and more than 80 percent of the total crop land has been brought under the program. I am confident that the American people will permit nothing to interfere with their resolute completion of this great work.

#### II. ALTERNATIVES FOR INCREASING FARM INCOME

Four principal alternative methods are available for increasing farm income: It could be undertaken by increasing Government payments; by fixing farm prices at higher levels through governmental decree; by increasing commodity loan rates and export subsidies; or by applying the principle of marketing certificates. There are significant differences among these four alternatives not only with respect to their practical ability to increase farm income even temporarily, but also with respect to their ability to sustain an increase in farm income over a long period, to meet the needs for production adjustment and increase soil conservation, and to meet certain other practical requirements. Let us examine briefly the main aspects of each of these alternatives.

##### A. Increased governmental payments

(1) Federal payments for production adjustment and soil conservation since 1932 have been a vital factor in making the farm programs effective and in increasing farm income. I do not believe any money expended by the Government has done more to help recovery than the money spent on farm programs. Farm payments of the past 7 years have been made in ways which not only relieved untold suffering but also helped, in conjunction with increased wages, monetary policies, and other recovery measures in bringing about an increase of approximately \$7 in farm income for each \$1 of farm payments. The \$3,000,000,000 of farm payments during the past 7 years still left farmers with a deficiency of \$12,000,000,000 under parity income. For every dollar in payments that farmers received they contributed to consumers free, comparatively speaking, \$4 worth of commodities.

(2) Recognizing the loss of foreign markets and changes in domestic consumption, the Agricultural Adjustment Act of 1933 authorized parity payments for cotton, rice, wheat, tobacco, and corn. Since 1936 parity payments have protected the farm programs and the income of the producers to whom they were made. The need for the payments remains and so does the need for some self-financing plan which will provide a continuing source of revenue for such payments and additional payments that are needed to safeguard and strengthen the programs and to supplement farm income.

(3) While the Budget did not provide for parity payments, the President's message on the Budget recognized that they might be needed for the crop year 1941. I quote the President's Budget message:

"Agricultural programs: Under the broad heading of agricultural programs I have included agricultural adjustment benefits, the surplus removal program, and parity payments arising from 1940 appropriations.

"Despite a gratifying general increase in farm income, agriculture is still not receiving its proper share of the national income. I am therefore proposing to continue substantially undiminished the various agricultural programs.

"I have not, however, included estimates for new appropriations for parity payments in 1941. I am influenced by the hope that



next year's crops can be sold by their producers for at least 75 percent of parity. I do not suggest in any way abandonment of the policy of parity payments heretofore adopted, and future events may call for some appropriation to this end. I note, however, in passing that the Congress has failed to make any provision for the financing of these payments already made or obligated for 1938 and 1939 crops."

(4) The Budget provided specifically for payments for conservation. The need for better care of our soil has become all too evident during the past few years. I feel certain also that the overwhelming majority of the people are convinced of the soundness of conservation and want to see it continued permanently. But while appropriations for conservation seem assured, these appropriations do not meet the need for parity payments and other payments which are necessary to offset the handicaps of agriculture.

(5) One general aspect of this alternative, increasing governmental payments in order to increase agricultural income, seems clear: It is the only available means for certain purposes, such as meeting the problems of tenancy and surplus product removal and for meeting the special requirements of certain crops. These crops, such as corn, are not well adapted to the use of other alternatives because a majority of the production does not pass through a single processing or marketing channel so as to make possible the administration of some other practical method of aid.

All of us recognize the uncertainty of reliance upon direct appropriations for all the income needed by agriculture. As a safeguard for all concerned, some sound method should be found to assure the continuance of adequate funds for the farm programs and a more adequate income for the producers.

(6) When the original Agricultural Adjustment Act was enacted in May 1933, Congress tried to make the farm programs self-financing. Through the medium of processing taxes, the programs did almost pay their way until the decision in the *Hoosac Mills* case in early 1936. This decision invalidated the processing taxes, because the Supreme Court considered them a part of a production-adjustment scheme.

Since that time Congress has shown a remarkable conception of the needs of agriculture. But I am sure that we will all agree that some sound plan for self-financing a large part of agricultural appropriations is in the interests of the farmers, the Treasury, and the general welfare.

(7) The history of the efforts of most groups to improve their circumstances through governmental aid has emphatically demonstrated that for a variety of reasons the appropriation route, as compared with increased prices, is the hard and disappointing way. Long ago the manufacturing industries as a whole were compelled to recognize and act on this phenomenon. When in search of Government aid, they usually pass over the possibilities of obtaining appropriations of public funds and confine their requests to various devices, such as tariffs and quotas, for increasing their selling prices. This practical situation determines the result to such a great extent that it is impossible to believe that farmers are going to have a fair and equitable share of the national income so long as they are handicapped, as compared to industry, by being obliged to receive increases in their income primarily through appropriations rather than through improved prices. This in no way, however, lessens the importance of appropriations in the absence of other means of increasing farm income.

#### B. Price fixing

(1) Several of the proposals that have been made for increasing farm income would call for the fixing of minimum farm prices by governmental decree for the domestically consumed portion of farm production. The variations in these proposals are mostly matters of either the mechanical methods of operation or the standards for determining the levels at which prices would be fixed. On the whole, fixed-price programs seem to represent a desperate effort to avoid budgetary difficulties by making it possible for farmers to obtain reasonable incomes through market prices. I have nothing but sympathy for their objectives, but I have not yet found any price-fixing proposals that do not involve some grave objections.

(2) Most of the price-fixing proposals that I have seen omit any provision for production adjustment either on the theory that the export markets will take an unlimited quantity of low-priced surpluses, or on the theory that if farmers were guaranteed an adequate price for the products consumed in the domestic market, they would not produce an additional quantity for which only very much lower export prices could be obtained.

These theories seem to me to overlook certain important factors. In the first place, it is no longer true that unlimited surpluses of products can find world markets. Consequently, an emergency call would probably be made on the Treasury at the end of the first year of operation. If farmers did not produce anything beyond domestic needs, the fixed-price program would bring about such drastic adjustment of production that we would be confronted with a colossal increase in farm unemployment. The American farmer needs more than the American market. It is extremely doubtful that any price-fixing program could long endure in the absence of effective production adjustment. And apparently the proponents of price fixing have found it difficult to envision how an adequate production-adjustment program could be made effective under a price-fixing plan.

(3) It would be necessary under price fixing—especially in the case of export crops—for the Government either to take over much of the buying and selling functions from the established and normal channels of trade or to undertake the policing of literally

millions of transactions. Thus, price fixing seems to present an inescapable dilemma. Both the Government's going into business and Government policing are fundamentally undesirable.

#### C. High loans

(1) My comments on this alternative are directed to the question of whether the present moderate loan rates should be greatly increased in an effort to bring about an improvement in farm income. Credit, handled with necessary restraint, can be exceedingly useful. We have employed credit with great advantage for certain continuing fundamental needs, such as the ever-normal granary, and also to meet great farm emergencies such as those which occurred in cotton in 1936-37 and in tobacco this past year. But it is difficult to avoid the excessive use of credit. We have all seen many demonstrations of the fact that credit is unduly alluring. It is a temptingly quick and certain way to get money and defer the day of reckoning. The great overattractiveness of credit sometimes leads to its injudicious use in futile attempts to cure situations which are really not credit problems. The sound course of action in most instances is to make certain that a problem involves credit and that the need for credit cannot be removed, before any credit is extended. I hope that we shall not resort to those unnecessary uses of credit which could only harm farmers in the end. I trust that we shall not turn to the increased use of credit without first having exhausted the other possibilities.

(2) We may always expect demands that the increased use of credit be employed as the alternative for increasing income. At times it will be difficult to avoid becoming so blinded by credit's temporarily brilliant effects that we shall walk into its pitfalls. As we receive demands for a march up the credit route, I hope we shall not lose sight of certain fundamental considerations:

(a) The greater the commodity-loan rates fixed by the Government, the greater will be the appropriations of funds required for export subsidies.

(b) If a high price-pegging loan program were to be successful, the production would have to be decreased and domestic prices thereby advanced to a point that would permit liquidation of the loans without loss. These higher domestic prices, however, which could be brought about at least temporarily through high price-pegging loans, would tend to encourage increased production. Many persons would withdraw from the present adjustment and soil-conservation programs in order to take added advantage of the increased market prices. This in turn would defeat the higher loan program by placing a large supply on the market to drive down prices and thereby make it impossible to liquidate the high loans without incurring large losses. Thus what had started out to be a high loan program would have been converted into a system of increased governmental payments through the appropriations that would be required to cover the loan losses; and in the meantime it would have destroyed the incentives for those other two basic requirements of agriculture, namely, strengthened production adjustment and additional soil conservation. Any loan program can be swamped by continued excesses of production. Furthermore, the excessive and unnecessary use of credit aggravates maladjustment and only defers for a brief time the inevitable reckoning in appropriations to cover loan losses.

#### D. Marketing certificates

My recommendation is that the principle of marketing certificates be adopted as an addition to the present farm program in order to meet the needs for increased farm income, for strengthened production adjustment, and for additional soil conservation.

(1) A marketing-certificate plan could be administered very simply. First, we would allot marketing certificates to farmers who cooperate in production adjustment and soil conservation, in such amounts and having such values as would be necessary to cover their allotted normal production and assure them an income equivalent to parity prices on the domestically consumed portion of their crops. Second, we would require manufacturers and importers, upon the sale of finished products, to acquire the certificates in amounts which would assure a market for the entire supply, and return them to the Government. No certificates would be required from manufacturers on sales for export. And, third, we would establish a Government revolving pool to purchase certificates from farmers and sell them to manufacturers whenever necessary in order not only to maintain the market price of the certificates at their face values but also to make buying and selling a convenient operation and to assure that an adequate supply of certificates would be available for the needs of manufacturers and importers at all times.

(2) A marketing-certificate plan would achieve the benefits of processing taxes without entailing their difficulties. No appropriations would be required for a marketing-certificate program; the certificate requirement would not be a tax; the program would be based on the power of the Congress to regulate commerce.

(3) A marketing-certificate plan would be readily adaptable to most of our export crops. As illustrations, such crops might include wheat, cotton, tobacco, rice, prunes, and raisins. For certain crops, such as corn, which do not pass through a centralized manufacturing process, the only practical alternative for increasing income, appears to be through appropriations. For those crops to which it is adapted the superiority of the marketing-certificate approach, as compared with the other alternatives, may be summarized as follows:

(a) A marketing-certificate program would promise to do more than any of the other alternatives as the principal method for bringing about a fair participation of agriculture in the national income, since it would constitute the most practical arrangement

for obtaining the additional income through increased domestic prices. It seems clear that neither a system of price-fixing nor a system of high loans could be expected to provide as much income over a long period as could be obtained through a marketing-certificate plan.

(b) A marketing-certificate plan would also give agriculture a more dependable and permanent form of financing than the other alternatives, and one that would be more nearly comparable to those now enjoyed by industry through tariffs, quotas, franchises, and patents.

(c) A marketing-certificate plan would contribute more than any of the other alternatives toward production adjustment and increased soil conservation. It has already been pointed out that proposals either for price fixing or for high loans would tend in themselves to constitute incentives for the abandonment of production adjustment and soil conservation.

(d) A marketing-certificate plan is obviously superior to the other alternatives from the standpoint of budgetary considerations, since such a plan would require no appropriations.

(e) A marketing-certificate plan has several special advantages over the other principal alternatives:

It would avoid the danger of interference with the trade-agreements program, through the long-continued use of export subsidies.

It would avoid the accumulation of unmarketable surpluses.

It would avoid the undesirable encroachment of government upon business functions.

It should assist in avoiding interference with the competitive position of the product in the market. A marketing-certificate program, but not a fixed-price or high-loan program, is adapted to the use of partial or complete exemptions on those manufactured products which compete most strongly with other articles on the basis of the cost of the raw material. A compensatory tax might be levied on competing materials in conjunction with any of the alternatives, including a marketing-certificate program.

It would keep inventories out of the hands of the Government and in the normal channels of trade, and would thus facilitate and stimulate increased consumption.

(4) Two objections to the marketing-certificate proposal are often heard.

(a) One contention is that the plan might impair the competitive position of the products. Both our technical studies and the experience when processing taxes were in effect show that this objection has been overemphasized. The competition among most products is primarily based, not on small differences in their raw material cost, but on wide differences in the degree of physical adaptability of the various materials to specific uses. Moreover, the cost of the raw material represents an especially small percent of the price of products manufactured from such major commodities as cotton and wheat. Today, for instance, the cost of the wheat in a 10-cent loaf of bread is approximately  $1\frac{1}{2}$  cents, and the cost of the cotton in a dollar shirt is less than 10 cents. In other words, 85 to 90 percent of the prices of these articles is represented by items that are independent of the cost of the raw material. Consequently, the consumption of such manufactured articles fluctuates primarily with changes in industrial activity and the general purchasing power of the country rather than in response to variations in the cost of the raw materials.

(b) Another objection to the certificate plan is that it would be better to seek increased farm income exclusively through enlarged appropriations in order to avoid any increases in the prices of finished products to consumers. This objection would, of course, apply equally to any increase in prices from whatever source. My experience has led me to believe that consumers want farmers to receive fair prices for their products.

Those who oppose the certificate plan on the grounds that it would increase prices to consumers are in reality arguing that farmers should continue to subsidize consumers regardless of the injurious effect upon agriculture or the national welfare. They are arguing against fair prices for farm products and the fair play between groups that is essential for a continuance of our democratic system.

### III

The present farm program represents 7 years of steady progress and solid achievement in the welfare of agriculture and the Nation. It constitutes a broad, deep-rooted, and sound foundation for the future security and well-being of all the people. At the present time considerations of both justice and the general welfare, as well as the necessity for strengthening agriculture to withstand the stresses of the present war, make strong demands for additional action to meet more adequately the three basic needs of agriculture, namely, increased farm income, strengthened production adjustment, and additional soil conservation. These needs probably will not be met exclusively and adequately through increased appropriations for governmental payments. The other possible source of increased income is through the market. Upon turning to this we find three main alternatives—price fixing, high loan rates, and the principle of marketing certificates. An analysis of these alternatives will reveal that, not only on one or two points but, so far as I have been able to determine, in all main respects, the marketing certificate approach is clearly superior to either high loans or fixed prices. I recommend marketing certificates for your earnest consideration; and, of course, I recommend them not as a substitute for any part of the farm program but as a greatly needed addition.

## Trading Agriculture for Battleships

### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

ARTICLE FROM THE FARMER'S UNION HERALD, SOUTH ST. PAUL, MINN.

Mr. ALEXANDER. Mr. Speaker, appraisal of the action of the House in too radically reducing the farm Budget as compared to reductions on other appropriation bills, is contained in the following graphic description of the situation we now face in farm sections. The article was carried on the front page of the last issue of the Farmer's Union Herald, of South St. Paul, Minn., and contains a mouthful:

[From the Farmer's Union Herald, South St. Paul, Minn.]

*Farm budget cut to pay war's increased costs—new budget slashes farm programs*

Main items	Available July 1, 1939- June 30, 1940	New Budget July 1, 1940- June 30, 1941	Decrease proposed
Parity payments.....	\$225,000,000	-----	\$225,000,000
Soil conservation.....	499,560,000	\$498,560,000	1,000,000
Soil Conservation Service.....	23,720,000	20,195,128	3,525,456
Surplus commodities disposal.....	113,000,000	72,678,812	40,321,188
Tenant purchase.....	40,775,000	25,000,000	15,775,000
Submarginal land rehabilitation.....	7,423,330	1,102,500	6,320,830
Farm Security Administration			
Rural Rehabilitation.....	161,450,000	-----	-----
Farm Credit Administration Emer-			
gency Crop Loans.....	15,000,000	-----	15,000,000
Federal Farm Mortgage Corpora-			
tion.....	9,500,000	7,000,000	2,500,000
Crop insurance.....	5,923,200	5,528,928	394,272
Rural electrification loans.....	42,790,000	3,200,000	39,590,000
SUMMARY OF ALL ITEMS			
Total U. S. Department of Agricul-			
ture direct appropriations.....	\$1,274,095,967	\$877,230,704	\$396,865,263
Total U. S. Department of Agricul-			
ture reappropriation.....	19,547,675	8,005,000	11,542,675
Emergency appropriation to U. S.			
Department of Agriculture.....	143,000,000	114,000,000	29,000,000
Grand total.....	1,436,643,642	999,235,704	437,407,938

The above figures represent the Budget allowances for agriculture, as presented to Congress by President Roosevelt. The House Committee on Appropriations, with a reactionary Democratic chairman, reduced the Budget allowances another one hundred millions, causing Congressman HOPE to say that the Appropriations Committee had traded agriculture for battleships.

## A Practical Child-Labor Amendment

### EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. WHITE of Ohio. Mr. Speaker, today I introduced a new proposal for a child-labor amendment which is a simplified, practical form, carefully framed to meet the objections which have prevented ratification of the original proposal submitted to the States in 1924.

The measure conforms to the new pattern suggested in Massachusetts by President Emeritus A. Lawrence Lowell, of Harvard, who is recognized as an outstanding pioneer in the child-labor movement.

This amendment would deal only with labor for hire in bona fide industrial plants. It specifies children under 16



years of age, instead of 18, in recognition of the contention that there is a legitimate and wholesome field for certain types of youngsters in the 16-to-18 classification.

It is designed specifically to meet the objections of those who have feared that the old amendment might be interpreted as giving the Federal Government control over child training and education.

It must be ratified within 5 years, in contrast to the pending amendment, which has been floating around for 15 years because of objectionable features and no time limit.

This new form does not presume to interfere with any phase of a child's life, except protection against labor exploitation, and it confines the authority of the Government to child labor in mines, quarries, mills, workshops, factories, and manufacturing establishments. Everyone can readily see that the classifications specified in this resolution cover the places where oppressive and unhealthful abuses can be practiced on the largest scale and with most harmful results.

The boy who has enough industry to mow the neighbor's lawn should not be and is not penalized by this plan. It never hurt any child to help with the work around his own home or his father's farm. In fact, this sort of training has been the making of many a young man.

There is considerable difference between a lad working out of doors, setting his own pace of production, and the boy who works inside a mine or factory and tries to meet factory standards of hours and production. One of the strong points of this proposal is that it deals with the latter, but does not attempt to regulate farm or home work, it does not affect the newsboy, the delivery boy, the caddy, or young folks engaged in similar outside work. It does not encourage idleness.

Because of the objections raised by the general public, the old child-labor amendment, pending since 1924, has not been ratified by the States, although submitted 15 years ago. Parents have feared the questions discussed in this statement. Church and farm groups have been opposed to its provisions. This proposal eliminates those objectionable features. Indirectly it has been indicated that important leaders of church and farm groups have expressed their approval. It would be supported by public sentiment and therefore could be quickly enacted into law.

The text of the proposed amendment provides:

SEC. 1. The Congress shall have power to limit, regulate, and prohibit labor in mines, quarries, mills, workshops, factories, and manufacturing establishments of all persons under 16 years of age.

SEC. 2. The power of the several States is unimpaired by this article, except that operation of the State laws shall be suspended to the extent necessary to give effect to legislation enacted by Congress hereunder.

It would demonstrate once more that there need not be unnecessary delay on constitutional amendments if they are supported with the proper degree of public approval.

### Trade Treaties and the Oil Industry

#### EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. JOHNSON of Oklahoma. Mr. Speaker, I shall support the pending bill proposing to extend the authority of the President under the Tariff Act of 1930, as amended, to make reciprocal-trade agreements with various neighboring countries. I have listened with interest to the many excuses given by Republican leaders of this House why these trade agreements should not be extended. Moreover, I am sure that many of them are confident that these agreements are not popular and already they are threatening to make it an issue in 1940.

May I remind them in the outset that many of the same Republican leaders, and would-be leaders, cried from the

house tops a few months ago against the policy of the same Secretary of State and the same President of the United States who were at that time urging Congress to lift the embargo on arms to belligerent nations and to amend the Neutrality Act. Many of the self-admitted Republican leaders boldly predicted at that time that if the embargo were lifted and the Neutrality Act changed in any way that it meant that America within a short time would become embroiled in war with certain European countries. Not only were such dire predictions made but the Halls of Congress rang with eloquence from the opposition that the policy of the Secretary of State and the recommendations of the President, if carried out by Congress, meant certain war within a very short time. Some said it would be months but others predicted it would be only weeks until we were destined to become embroiled in another world conflict.

But the Republican leaders guessed wrong then, and I submit in all candor that they might be guessing wrong now. In fact I feel very deeply that before the coming national campaign gets well under way the Republican leaders will soft-pedal their opposition to the extension of this act so important to the welfare of our country with respect to trade relations with our neighbors. They will soft-pedal and change their attitude on that issue just as they are now soft-pedaling their opposition to the lifting of the embargo. Again I insist, if they guessed wrong then they might be guessing wrong now, politically and otherwise.

Mr. Speaker, at least one amendment will be offered that I propose to support. The amendment in question will be presented by my colleague the distinguished gentleman from Oklahoma (Mr. DISNEY). This amendment is for the purpose of making definite and certain that the oil industry of the Nation shall be protected and its rights safeguarded. The amendment of the gentleman from Oklahoma proposes to prevent the executive department from treating the excise taxes on oil, coal, lumber, and copper as tariffs.

Oklahoma is one of the most important oil States in the Union. The independent oil operators of my State are especially anxious that this amendment be adopted. It has been stated in opposition that the Secretary of State is not only familiar with but very much interested in the purpose of this amendment and that he can and will without the amendment protect the rights of the oil interests of the Nation. But Secretary Hull may not always be Secretary of State. The fact is, many in my State hope that he may one day be President. But irrespective of who may be Secretary of State, it occurs to me that the oil industry of the Nation is entitled to a definite assurance, written into the bill, that it will be protected from the importation of cheap foreign oil. The Disney amendment, if adopted, will have the effect of doing that very thing. Again, may I express the hope that the amendment will be adopted.

### Construction in Peace and War

#### EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

ADDRESS BY HON. LOUIS JOHNSON

Mr. CARTWRIGHT. Mr. Speaker, on February 9, 1940, I had the privilege of listening to a very interesting and inspiring address by the Honorable Louis Johnson, The Assistant Secretary of War, delivered at the twenty-first annual convention banquet of the Associated General Contractors of America at the Peabody Hotel in Memphis, Tenn.

I ask unanimous consent to extend my remarks in the Appendix of the CONGRESSIONAL RECORD and include Colonel

Johnson's notable and timely address, which was on the subject, Construction in Peace and War.

There being no objection, the address was ordered printed in the RECORD, as follows:

Members of the Associated General Contractors of America, first, let me congratulate you on becoming of age. This, I understand, is your twenty-first annual meeting. In your relatively short life you successfully have faced the vicissitudes of depression and the temptations of prosperity without lowering your high standards of structural quality and of skillful craftsmanship. The ideal of a cooperative peace between industry and labor which you foster in the construction field is worthy of emulation in every phase of American life. May your example serve to reduce friction and war in all human relations.

Two years ago I had the privilege and the pleasure of addressing you in Washington. I took as my theme the bigness that is America. It was a time in American history when to some of our citizens the grass in foreign pastures seemed perhaps a bit greener than in our own. Apologists for strange un-American "isms" were preaching doctrines subversive to our traditions and dangling before us pictures of the apparent success of undemocratic ways of life. They thought that we worshiped success as an end in itself, and tried to convince us of the great attainments of totalitarian principles in action.

I, therefore, spoke, or, perhaps, I should say, literally preached, to you on the bigness that is America. I discussed our economic resources and our material gains. I emphasized the bigness of heart, the breadth of vision, and the strength of character that spells America. I pointed out that totalitarianism and human success can never be consistent with each other. I presented the view that any system that destroys individual freedom or crushes the human soul is doomed to failure.

Today we have the proof. The so-called totalitarian ideals appear in their true light. They are shattered idols that have fallen of their own weight and have bogged down in a morass of uncertainty. May they never rise to plague us; and, if they do, may we find the spiritual unity and the disciplined will to deny them entrance into American thought and life.

On this very night when a pall of darkness hangs over cities of Europe and Asia we gather in the light and gaiety that is Memphis. It was not always this way, even here in this great river city. There was a time, in the lives of our fathers, when they could not have gathered here from the North and from the South without credentials. Next to the State of Virginia, where I was born, Tennessee was the principal battleground in the War between the States. One historian has counted 454 battles and skirmishes that took place within its borders. Those days, thank God, are gone forever. Tonight we mingle freely, not as Yankees, nor as secessionists, not as northerners, nor as southerners, but just as Americans, drawn together by common interests with no regard for geographical, political, or religious distinctions. Are there many countries in the world today where men and women can meet on a similar basis of friendship and good fellowship?

We are able to do so because we are Americans. Americans! I wonder if we fully realize the meaning of the word. Many times in my own addresses I have tried to find a complete definition, but always I have felt my own inadequacy at expressing its full significance. A short time ago I read an editorial in the Sun, of New York City, entitled "He is an American," which, to my mind, comes nearest to expressing the ideal. With your indulgence I shall read it to you:

"He is an American.

"He hears an airplane overhead, and if he looks up at all, does so in curiosity, neither in fear nor in the hope of seeing a protector.

"His wife goes marketing, and her purchases are limited by her needs, her tastes, her budget, but not by decree.

"He comes home of an evening through streets which are well lighted, not dimly in blue.

"He reads his newspaper and knows that what it says is not concocted by a bureau but an honest, untrammelled effort to present the truth.

"He has never had a gas mask on.

"He has never been in a bombproof shelter.

"His military training, an R. O. T. C. course in college, he took because it excused him from the gym course, and it was not compulsory.

"He belongs to such fraternal organizations and clubs as he wishes.

"He adheres to a political party to the extent that he desires—the dominant one, if that be his choice, but with the distinct reservation that he may criticize any of its policies with all the vigor which to him seems proper; (or, to) any other (party) as his convictions dictate, even if it be his decision, (to) one which holds that the theory of government of the country is wrong and should be scrapped.

"He does not believe, if his party is out of power, that the only way in which it can come into power is through a bloody revolution.

"He converses with friends, even with chance acquaintances, expressing freely his opinion on any subject without fear.

"He does not expect his mail to be opened between posting and receipt, nor his telephone to be tapped.

"He changes his place of dwelling and does not report so doing to the police.

"He has not registered with the police.

"He carries an identification card only in case he should be the victim of a traffic accident.

"He thinks of his neighbors across international borders—of those to the north as though they were across a State line, rather than as foreigners; of those to the south more as strangers, since they speak a language different from his, and with the knowledge that there are now matters of difference between his Government and theirs, but of neither with an expectancy of war.

"He worships God in the fashion of his choice, without let.

"His children are with him in his home, neither removed to a place of greater safety, if young, nor, if older, ordered ready to serve the state with sacrifice of limb or life.

"He has his problems, his troubles, his uncertainties, but all others are not overshadowed by the imminence of battle and sudden death.

"He should struggle to preserve his Americanism with its priceless privileges.

"He is a fortunate man.

"He is an American."

For America to attain its full blessings, we must have a certain degree of material prosperity; and that, in turn, is reflected principally in your own construction industry. You are, indeed, a barometer of American well-being. As goes the construction industry, so goes the Nation.

When the construction industry contributes less than \$4,000,000,000 to the national income, as it did in 1933, we are in for hard times. When it approaches ten billion, as it did in 1939, recovery is well in sight.

Toward the success of the construction industry the Army has contributed liberally. From 1927, when we launched our housing program, through June 1939, we spent approximately \$366,000,000 on construction. Between July 1 and December 31, 1939, we awarded construction contracts for about \$15,000,000. In the appropriation bills now before Congress the President has recommended a total of almost \$30,000,000 for this purpose.

The variety of jobs that the Army has offered run practically the whole gamut of the construction field—barracks, temporary and permanent; refrigerating systems; special tiling and flooring; hospitals; warehouses; hangars; laboratories; radio-transmitter buildings; garages; shops; fire stations; central heating and power plants; water and sewage systems; electric distribution and street-lighting systems; concrete paving; concrete aprons, runways, and drains; concrete floors and ramps and gasoline fuel systems.

One of the most interesting construction jobs awarded during the past 6 months was that of an ammunition loading plant at the Savanna Ordnance Depot, in Illinois. A loading plant is a construction unique to the Army. There is probably nothing like it outside the ammunition field. The building must be of such type that in case of explosion it will break up into small pieces—not big chunks—and disintegrate and disappear over the countryside. Hollow tile serves admirably for this purpose. Buildings must be widely separated lest an explosion in one destroy the others. Barricades must be set up within the same building separating hazardous operations from each other. Floors must be sparkproof. Electric installations must be grounded.

In time of war the Army will need a number of such loading plants. Exclusive of barracks it is estimated that a load of approximately one and one-half billion dollars will be imposed on the construction industry for plants of various kinds that are necessary for the manufacture of special munitions that are not ordinarily produced. Civilian plants which will be called upon to convert their facilities to wartime use may create still further demands upon the construction industry; and the industry will meet them. Of that I am confident.

It will not, however, be without sacrifices. War is too serious a matter to benefit anyone. It is our job to plan industrial mobilization to reduce the difficulties of transition from peace to war, if war becomes necessary. We fully realize our difficulties. We have not forgotten the World War and the dislocation of industry caused by taking men haphazard from their peacetime occupations. We recall with chagrin the piling up of building supplies at railroad yards with an inadequate number of cars to transport them or facilities to handle them. Nor are we overlooking present experiences in Europe. We have noted carefully the dire effects on the industry and especially on employment that followed the British order, suspending private construction.

If another crisis were to face us as in 1917, we would be much better prepared. We would have the services of your experienced organization with its far-flung agencies, which we did not have during the World War. We would have the advantages of sounder banking, of more experienced control over securities, and of more sympathetic understanding of civilian problems by military men.

But let me frankly confess, we are not ready to face an M-day on the construction front. And let me add immediately, we shall be better prepared before your next annual meeting.

We, in the War Department, assure you that we will face the problems of standards, of contracts, of procurement, of skilled labor and material in the construction field without any further delay. We have been so busy on the munitions front of guns, planes, tanks, and fighting equipment that we have neglected the construction phases of industrial mobilization which are equally important toward the ultimate success of battle. That situation we propose to remedy, and with your help we shall do so.

In touching upon war needs, I trust I have not made any one of you feel that we plan or look forward to a war. We believe, however, that the better we perfect our fighting and supporting



machinery, the less the risk of war, and, more important, the less the sacrifice if a grave emergency develops. Should a crisis arise, I am confident we shall meet it with all of our characteristic strength, energy, self-sacrifice, and heroism.

In mentioning heroism in the city of Memphis, I must not overlook the opportunity to present my compliments to its fighting citizen, Joseph B. Adkison, one of the World War's greatest heroes. Adkison was an enlisted man in Company L of the old Second Tennessee of the National Guard. Overseas he had risen to the grade of sergeant, Company C, One Hundred and Nineteenth Infantry, Thirtieth, or "Old Hickory," Division.

Let me merely read you his Medal of Honor citation. It is far more eloquent than any words I could offer:

"When murderous machine-gun fire at a range of 50 yards had made it impossible for his platoon to advance, and had caused the platoon to take cover, Sergeant Adkison alone, with the greatest intrepidity, rushed across the 50 yards of open ground directly into the face of the hostile machine gun, kicked the gun from the parapet into the enemy trench, and at the point of a bayonet captured the three men manning the gun. The gallantry and quick decision of this soldier enabled the platoon to resume its advance."

A war produces but few Adkisons. The rest of us must carry on faithfully, each doing his bit, and contributing his service where it is needed most. We rightfully pay homage to our Adkisons, but let us pray that no other American mother's son will ever be called upon to face "murderous machine-gun fire" at any range anywhere.

Let us hope that our healthy preparedness program, coupled with the farsighted diplomacy in which Tennessee's own son, the illustrious Cordell B. Hull, is playing such a vital role, will preserve peace for us and our children today, tomorrow, and, let us pray, forever.

### J. Will Taylor

#### EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

RESOLUTION BY HON. C. N. FRAZIER

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks I wish to submit a copy of a resolution on the life and character of Hon. J. WILL TAYLOR, late a Representative from Tennessee and Hon. John Gore, late a United States district judge, presented by Hon. C. N. Frazier, attorney of Camden, Tenn., and adopted at the Noel Hotel in Nashville, Tenn., at the Lincoln dinner, February 12, 1940.

Whereas the angel of death has visited our State and taken from the ranks of our great party two of our outstanding leaders, Congressman J. WILL TAYLOR and Judge John Gore; and

Whereas tonight, as we celebrate the one hundred and thirty-first anniversary of the birth of the immortal Lincoln, we feel it our duty to pause for a little while and turn this meeting into a pantheon of memory for these departed friends. These two notable actors have made their final exits from the stage of human life since our Lincoln dinner 1 year ago, and we lay aside for a short while the regular proceedings of this meeting to pay tribute to the blessed dead. It was Congressman J. WILL TAYLOR who, 12 years ago, in 1928, conceived and started the Lincoln dinner as a State-wide affair.

Judge John Gore and Congressman J. WILL TAYLOR, who but a little while ago so ably filled their positions in life and who seemed so full of health, hope, and energy, in the very noontide of their splendid careers, have gone from the clamorous councils of men to the peaceful silence of the grave, but they shall not sleep alone there, for "All that tread the globe are but a handful to the tribes that slumber in its bosom." "And all who breathe today, and all the generations to come must feel the sting that stilled their hearts and go hence and make their beds with them."

We shall not have the privilege of association with our beloved Congressman, J. WILL TAYLOR, and Judge John Gore again in this world, but the influence of their personalities still lingers here tonight like the fragrance of the roses that are faded and gone. History may not write them as great as the greatest statesmen and lawyers of their day, for they did not employ their faculties as the representatives of any special interest as judge or statesmen, yet they were great in the splendid equilibrium of their intellectual and moral powers and they both towered above the majority.

They did not attempt to parade their powers as judge or as statesmen, yet they possessed the ability that but few do possess. Their sky lines were high and even and showed but few gaps in their journeys from the cradle to the grave. They both were repeatedly honored by being elected to office and were as reliable as the attraction of gravitation; they knew no shadows of turning. They

were as generous as autumn, as hospitable as summer, and as tender as a perfect day in June. They begged for the opportunity to do good, to stand by a friend, to support a cause, and to defend what they believed to be right. They always answered the roll call of duty in the offices they filled in life, until they were suddenly summoned to answer the roll call of eternity.

These two outstanding Tennesseans played their roles in life and played them well. They were stars in their chosen professions of their day and time. They believed in the people's sovereignty and their virtue, and always were ready to defend them against the assaults of the lawless elements with the courage of a lion. These stalwart citizens of the great Republican Party were absolutely honest men. Their words were gold, their promises were fulfillment, and there never has been—there will never be on the poor earth—anything nobler than an honest, loving soul.

They were lawyers and Congressmen of high attainments and close students of human nature. They both had the faculty of concentration, and there was no shield of sophistry that was proof against the shafts of their reason, no helmet of hypocrisy that would withstand the battle ax of their logic. They were as steadfast, as faithful as the stars. Their lives were full of honor and kindness and of helpful deeds. The world is poorer tonight than it was when they were among us.

We understand that they had to toil in the fields in their young lives for their daily bread; that they both had to fight to extend their way into prominence in their chosen professions, and thereby demonstrate the glorious truth; that while poverty might humble the body, it cannot beggar the intellect nor starve the aspirations of the soul. Undaunted by the frowns of apposition, they pressed on in their profession until they climbed to the very highest summit of popular favor with their people. Both Judge John Gore and Congressman J. WILL TAYLOR were indeed household words in Tennessee.

We cannot but think, as we mix and mingle around these festive boards tonight, but what the immortal Lincoln with our two departed sons of our Grand Old Party, Judge Gore and Congressman TAYLOR are looking over the battlements of heaven upon this scene here tonight. These men no doubt knew well the following philosophy of Abe Lincoln:

"I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have. I must stand by anybody that stands right—stand by him while he is right—part with him when he goes wrong."

In many respects this is, in our judgment, one of the jewels of our literature and philosophy and contains a sentiment that was, no doubt, controlling in the lives of these departed friends of ours, and had much to do with their lives and conduct while they so-journed on this earth.

We who knew Congressman TAYLOR best know that his philosophy which he often expressed, was: "Forgive your enemies and never forget a friend." That was no doubt the ideal of Judge Gore as well. Both these outstanding citizens were loyal to their friends, to their homes, and to their Nation. Their sympathies were as broad as the sun's smiles; their manly acts and gentle deeds of love and mercy were like the gentle rain that falls alike upon the just and unjust.

These good men were not permitted to grow old and feeble, but while we cannot fathom the mysteries of life and death, let us hope and believe that He who holds the universe in the hollow of his hand, knows best when to call us all, and that our fellow lawyers, statesmen, and friends have only obeyed the summons to a higher destiny in a brighter and better world.

Major Shofner, we offer the foregoing statement and resolution on the lives and character of Judge Gore and Congressman J. WILL TAYLOR, and suggest that a copy of same be furnished Congressman TAYLOR's wife; a copy to Judge John Gore's sisters, and a copy to the press.

### California Fruit and Cotton Growers Endorse Reciprocal-Trade Program

#### EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. BUCK. Mr. Speaker, since the time allocated me to speak on the floor has necessarily been limited, it has not been possible for me to call the attention of the Members of the House to two rather important endorsements of the reciprocal trade agreements program and the extension of the Reciprocal Trade Agreements Act, which come from purely agricultural bodies directly engaged in marketing agricultural commodities and whose members and officers are thoroughly familiar with the importance of export trade.

The first letter was sent to every California Representative in Congress, and reads as follows:

DRIED FRUIT ASSOCIATION OF CALIFORNIA,  
San Francisco, February 17, 1940.

Hon. FRANK H. BUCK,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BUCK: We are addressing you on behalf of the dried-fruit industry of California in support of the Reciprocal Trade Agreements Act. It is our feeling in this industry that the policy, that is, the gesture of the trade-agreements program has been of inestimable value to us in sustaining the position of our industry in the export markets, as compared with the situation we would have faced in the instance of a continued retaliatory trade restrictive battle with other nations.

On January 27, the writer was privileged to make a statement of the views of this industry before the Ways and Means Committee of the House of Representatives. For a more complete statement of our experience and our favor for the reciprocal trade-agreements program, we will refer you to the committee record. (Vol. No. 14 of first publication.)

In our opinion, the procedure in effect in the administration of the trade-agreements program is sound, and should be considered from a nonpartisan viewpoint. We trust the measure will have your support as it will shortly be considered and voted upon in the House of Representatives.

Thanking you for your fair consideration of this request, we remain,

Respectfully yours,

DRIED FRUIT ASSOCIATION  
OF CALIFORNIA,  
H. C. DUNLAP,  
Vice President.

The second letter is from the California-Arizona Cotton Association, and reads as follows:

California-Arizona Cotton Association. Officers: George Cleveland, president; Ed Peterson, vice president; W. C. Holland, secretary-treasurer; Neva B. Turner, assistant secretary. Directors: George Cleveland, Los Angeles, Calif.; Ed Peterson, Phoenix, Ariz.; R. M. Blankenbeckler, Fresno, Calif.; M. M. Bradfield, Fresno, Calif.; C. L. Clancy, Fresno, Calif.; J. Robert Fleming, Phoenix, Ariz.; Carl L. Mauldin, Los Angeles, Calif.; M. G. Scott, Los Angeles, Calif.; Charles E. Wakefield, Jr., Bakersfield, Calif. Cotton Exchange Building

LOS ANGELES, February 7, 1940.

Congressman FRANK H. BUCK,  
House Office Building, Washington, D. C.

HONORABLE SIR: After a careful study of results obtained through operation of the reciprocal trade agreements this association is of the opinion the Trade Agreements Act passed in 1934 and presently scheduled to expire June 12, 1940, should be renewed.

We, therefore, strongly urge your support of House Joint Resolution 407 now pending before Congress, extending for 3 years the authority of the executive branch of the Federal Government to negotiate such agreements with other nations.

Thanking you for your consideration, we are

Respectfully yours,

W. C. HOLLAND,  
Secretary-treasurer.

There Should Not Be a Return to Logrolling—  
Method of Reciprocal-Trade Agreements Held  
Sound

## EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

EDITORIAL BY W. L. BLAIR IN PASADENA POST

Mr. VOORHIS of California. Mr. Speaker, I believe it would be worthwhile for every Member of the House to read the following fair and careful analysis of the reciprocal trade question by the editor of the Pasadena Post:

[From the Pasadena (Calif.) Post]

THE LOOKOUT

(A column of comment edited by W. L. Blair, managing editor of the Pasadena Post)

BOTH PARTIES MUST SEEK SOUND TARIFF STAND

Neither political party can come out of this reciprocity debate with flying colors. We noticed yesterday in our brief glance at the background of the reciprocity program that some of the great men of

both parties have sought for many years to inaugurate more scientific methods of tariff making. Their aims have been to protect the consuming public and to promote international trade. Those on the Republican side have stressed the necessity of using the tariff to equalize costs of production at home and abroad; those on the Democratic side have stressed the need of opening up foreign markets for types of goods which this country can produce to the best advantage.

But these real statesmen in both parties have alike recognized that while Congress should determine general tariff policy, the making and adjusting of rate schedules should be in other hands.

This is why it has always seemed to me that the Hoover tariff commission idea and the Hull reciprocity idea are no more than different approaches to the same end. The former gives greater emphasis, perhaps, to the equalizing of costs, and the latter gives greater emphasis to the opening of foreign markets, but otherwise they are much alike.

I think it was a mistake for the Democrats to push aside the Tariff Commission without further trial. I think it is equally a mistake for the Republicans to attempt to push aside the reciprocity program at this time. Either is far preferable to the alternative, which is the enactment of fixed tariff schedules by logrolling in Congress.

The effort ought to be to bring the two policies as closely as possible into harmony, to utilize whatever is best in each, and to be prepared to go forward after the war with a strengthened and safeguarded program which recognizes equally the need of equalizing costs and the need of promoting international trade.

Proponents and opponents of the reciprocity program are alike loaded down with statistics. One set of statistics appears to prove that the program already has resulted in great benefits to the people of the United States as a whole. The other points to unnecessary importations of farm products, augmenting our domestic oversupply of such products.

There are those who argue that because our country is so nearly self-sustaining we do not need to encourage international trade. Europe and Asia are fighting over markets, they say; but we will get along, buying what we want and selling only what we must sell to pay for what we want.

This I must continue to regard as false reasoning, no matter who uses it. Europe and Asia are not fighting because of any evils which have arisen out of free markets. Insofar as they are fighting over markets at all, they are fighting over closed or discriminatory markets, over their market fears or their selfish market ambitions. The present military wars are in some measure the extensions of economic wars based on just such false theories as that of national self-sufficiency.

The Hull reciprocity program cannot be judged by the extent to which it lets goods in or keeps goods out. Letting goods in to this country may be a detriment or may be a benefit. The first test is in the effect upon the economic life of the people as a whole, in their capacity as producers and in their capacity as consumers.

The second test is in the effect upon the issues of war and peace, for the world as a whole and especially for the United States.

W. L. B.

## Lincoln Belongs to Every Church

### EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

RADIO ADDRESS BY RABBI LOUIS WOLSEY, OF CONGREGATION RODEPH SHALOM, PHILADELPHIA

Mr. DITTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include copy of an address delivered by Rabbi Louis Wolsey, of Congregation Rodeph Shalom, Philadelphia, broadcast over N. B. C., February 10, 1940, under the auspices of the United Jewish Laymen's Committee:

On Monday, the Nation again bows in reverence before the sainted figure of the immortal Lincoln as it recalls his natal day; and as a son of Israel who rejoices in the holy privilege of American citizenship, may I take advantage of this moment to bring my people's mead of tribute to his deathless memory. There was that in his life and thought which makes us all lay aside our religious differences, and commits us in reverence to the denominator which is the common possession of our total citizenship. Though we might classify him as American, as partisan of a definite political creed, and as one born in a certain State, and even faith, Abraham Lincoln was more than all these in that he belonged to none of them, but rather to that undifferentiated and undenominated minority who dare do all that may become a man. Without pedigree or even distinguished progeny, he was and is America's unique personality. Unlearned in the art of composition, he wrote



a classic prose that is still the wonder and the admiration of the stylist. Untrained in the disciplines of academy and college, he spoke with authority and exactness. Melancholy, he was a man of wit and laughter. Lonely, he walked among the kings and the lowly of earth. Member of no church, he belonged to every church.

Those millions of us who need some thought of the yesterday, or some staff of today on which to lean, stand silent before a presence that seems to come from the nowhere, but which because its influence reaches everywhere, must belong to the ages. They called him an infidel when he lived in Springfield because he gave his name to no church membership, but because he was one of the most devoutly religious men of earth, there is hardly a communion that does not claim him for its very own, and from its pulpit canonize him as America's noblest exemplification of the religious life. If I might paraphrase the poem, I would have it read thus:

Credo and confessions, high church or the low  
I cannot say; but you would vastly please one  
If some pointed Scripture you would show  
To which of these belonged America's Lincoln.  
I think to all or none. Not curious creeds,  
Or ordered forms of church rule he taught,  
But love of soul that blossomed into deeds  
With human good and human blessings fraught.

When asked by a Member of Congress why he did not join some church, he said: "Because I find difficulty without mental reservation in giving my assent to their long and complicated creeds. When any church inscribes on its altar, as a qualification for membership, the Saviour's statement of the substance of the Law and the Gospel, 'Thou shalt love the Lord thy God with all thy heart, and with all thy soul and with all thy might \* \* \* and thy neighbor as thyself,' that church will I join with all my heart and soul."

As long as creeds could wage a wordy battle as to the good or evil of the institution of slavery, as long as men believed in the social injustice of winning a fortune out of the toll and sweat of human chattel—so long could the mental and moral honesty of that great man find no peace in the compromises or in the theological juggling of the creeds. So long as the men of God could preach peace and condone an immoral institution which must lead to war, how could they hope to win to their company a man who believed in consistency between the creed and the deed. He asked for God's blessing upon all the churches, but it was because he would have them godly. He asked for the prayers of all of them, but only because he believed that the churches should bring their people nearer to God. Member of no church, he was the teacher of all the churches in his insistence upon their religious honesty. He was not unaffiliated because he believed too little, but because he believed too much. And it was not that he held himself better than the church member, but that he respected the good life more. They needed the church, but he needed them.

When he bade his fellow townsmen farewell on his journey to the Capital, he said to them: "Washington never could have succeeded except for the aid of Divine Providence, upon which he at all times relied. I feel that I cannot succeed without the same divine aid which sustained him; and in the same Almighty Being I place my reliance for support, and I hope you, my friends, will all pray that I may receive that divine assistance without which I cannot succeed, but with which, success is certain." It was a call to sincerity in prayer, to devoutness when approaching God, to the religious inspiration of men praying together, to the fraternity of the church life which asks God for a blessing, and then girds up its loins to discharge a sacred duty. When prayer and reverence and the Word of God bind men together in a holy cause, then, in the Lincoln sense, one has a religion whether in the church or out of it.

Oh, not that the churchlessness of Lincoln is a call to people to forsake the altar, or to refuse to bow down before it. He must believe himself to be another Lincoln who feels no need of prayer with his fellow men; but rather that this man of almost deified stature is a challenge to all of us to wed our speech with our hand, to refuse to translate our church or our synagogue into a mean and narrow tribalism, to exploit it as an instrument for our snobbery, or as an indulgence of our belief in our tiny superiorities. Such irreligious phenomena exist both within as well as without the appointed shrines. "For why should the spirit of mortal be proud?"—our American hero so frequently recited. The prophet Ezekiel, too, stressed the lesson when he said: "Come, I pray you, and hear what is the word that cometh forth from the Lord; and come unto Thee as the people cometh, and sit before Thee as my people, and hear Thy words, but do them not—for with their mouth they show much love, but their heart goeth after covetousness."

The prophet belonged to no synagogue. He was unlabeled as to his religious beliefs. No guild claimed him as its own. But he spoke a word that is the property of all the churches and synagogues of the world for all time—a word that called people to God and the righteous life. Even so, Abraham Lincoln without sermonizing or preaching or commanding or indoctrinating, becomes to all men of all faiths—and of none—the reverently religious figure that inspires men by the honesty of his life, by the humility of his greatness, by his holy trust in Divine Providence, and by his ineffable belief in the brotherhood of the human race. Like a prophet of humanity challenging the self-complacency of his own and of every day he could appeal to his people: "With malice toward none; with

charity for all; with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in." No holy servant at sacred altar has ever said a nobler word or uttered a more deeply religious profession of faith.

Our churches and our synagogues are frail ladders on the rungs of which we climb to truth and God. When they can see the good in one another, when they can cease to carp and chide and disvalue one another, and stretch their hands out to each other in love and service, and forget their pride of opinion and bigotry of sect—then the spirit of the great Lincoln shall have undeathly death, and rendered himself—and his posterity—the Great Arisen.

Lincoln is not dead. He lives  
In all that pities and forgives.  
He has arisen, and sheds a fire  
That makes America aspire.  
Even now, as when in life he led,  
He leads us onward from the dead;  
Yes, over the whole wide world he bends  
To make the world a world of friends.

## Problem of Agricultural Distress and Migration of Displaced Farm Families Demands Attention Now

### EXTENSION OF REMARKS

OF

### HON. JERRY VOORHIS

OF CALIFORNIA

### IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

#### LETTER FROM THE EDITOR OF THE FARMER-STOCKMAN OF OKLAHOMA CITY

Mr. VOORHIS of California. Mr. Speaker, there is no use trying to hide disturbing facts. Indeed, the time is now for us to know as nearly as we can exactly what the situation is and the full extent of the problems we face. I have seldom read a more pointed exposition of the intimate connection between the distress of our agricultural people, the exhaustion of resources, and the mechanization of agriculture on the one hand and the interstate migration of uprooted families on the other than is contained in the following letter from the editor of the Farmer-Stockman of Oklahoma City to Dr. W. W. Alexander, Farm Security Administrator:

THE FARMER-STOCKMAN,  
Oklahoma City, Okla., January 30, 1940.

Dr. W. W. ALEXANDER,  
Farm Security Administration, Washington, D. C.

DEAR DR. ALEXANDER: I have for some time eagerly read everything which came to my notice dealing with the South's problem of a dense population in relation to its resources. There is a growing belief on my part that in every sense this is the Nation's No. 1 problem.

I began to grow up with the problem as a boy on a Tennessee tobacco farm. I remember vividly all that went with growing tobacco which sold for 2 to 5 cents a pound—and very little of it at 5 cents. From there I came to Oklahoma and helped to grow cheap cotton. The last crop I actually helped to produce was in 1914, which brought 6 cents a pound. Since then I have watched the passing scene in the South.

Beginning 5 years ago, I watched the migration which began at that time from Oklahoma and which terminated in the "Oakies" in California. We here could actually see them leaving the State and know why they were leaving. All that we have learned about the problem to date argues that still more must leave despite all efforts whatsoever which may be made both privately and publicly.

The occasion of this letter is the address which you made at Nashville on January 25. I read this with keen interest, knowing your devotion to the South and your willingness to look at facts.

In my view, the situation is going to get much worse before it gets any better. Even though we might regain a large part of our export cotton market, the mechanization of agriculture is certain to continue. More farmers left Oklahoma because of the tractor than because of drought.

I am not able to observe that erosion in the South has by any means been stopped. Yes, we made a start, but the damage continues and each year it results in farms no longer capable of supporting a family on even a subsistence level.

I observe also that most houses in the South are 20 years old or over, that few are painted and few are repaired. I cannot locate any capital available for either repairing or rebuilding these

houses. Whenever one becomes inhabitable or is destroyed, another family must take to the road.

It's a long story and I know that you are familiar with all of its details. It all adds up in my mind to the fact that the Nation as a whole must prepare to take care of the surplus population of the South. The resources of the South simply will not maintain the present population. If that statement be true, then assuredly it will not maintain the surplus population which is produced every year.

Whatever the migration from Oklahoma farms has been in the last 5 years, and whether that migration represents a net decrease in the number of farmers or merely the increase in the farm population, it would have been far greater were not some 33 percent of all our farmers heavily subsidized where they now live. I refer to various programs with which you are quite familiar, which add to the family income of these farmers. Were the total of this subsidy withdrawn, farm families would pour out of the hills in search of food which they cannot produce or don't know how to produce where they are.

The point to my letter is this: The real situation is understood by only a few, a few in the field of agriculture who have the facts and are willing to look at them. The general public does not suspect the facts nor their significance. It does not suspect that it has already assumed the burden of support of a part of the South's rural population. If I am half-way right in my analysis, they must get ready to support an even larger number in the immediate years ahead.

I write because of the desperate need of a reexamination of the situation in order that the facts—and they will be unpleasant facts—can be brought to the notice of the Nation. I agree with you wholly that time itself offers no solution. Maybe we will never find an easy, happy solution, but at least we can soften the blow by an understanding of the facts.

Can't we do more than we are doing to get the story over to the public?

Sincerely yours,

CLARENCE ROBERTS, *Editor*.

### Record of the Trade Pacts

### EXTENSION OF REMARKS

OF

HON. JERE COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

EDITORIAL FROM THE WALL STREET JOURNAL OF FEBRUARY 19, 1940

Mr. COOPER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wall Street Journal of February 19, 1940:

[From the Wall Street Journal of February 19, 1940]

#### RECORD OF THE TRADE PACTS

If, during a period of most intense competition, a company were able not only to hold its share of total business done in the Nation but actually to increase it, stockholders would be justified in believing that the management was pursuing a pretty sound policy.

Despite all criticism, this is exactly what has happened to our export trade during Trader Hull's program of reciprocal agreements. All sorts of difficulties, in the form of barter agreements, clearing arrangements, quotas, and what not, have hampered international trade these past years. We have tried to avoid them. Against this background, our export business is establishing an enviable record. We have been steadily increasing our share in world markets. Significantly, the greatest percentage gain has taken place in those countries with which Mr. Hull has concluded reciprocal trade agreements.

Figures which only now have become available tell the story of development of our export trade. Let us turn to the record and compare the proportions of the leading export markets which we held in 1938 with those of 1933, which can be considered the pre-agreement year.

There are 16 foreign countries whose foreign trade the reciprocal agreements affected during that period. In 1933, these countries had total imports of \$5,980,400,000 and in 1938 a total of \$6,073,400,000, a gain of 1.5 percent. Imports from the United States during that period increased from \$732,100,000 to \$1,196,400,000, a gain of 63 percent. Imports from all other countries declined 7 percent from \$5,248,200,000 to \$4,876,900,000.

In 1933, the United States supplied 12.2 percent of the total imports of these countries and other nations 87.8 percent. By 1938, the United States supplied 19.7 percent and other countries 80.3 percent. Should any one assert that possibly special circumstances affected the figures for each of these 2 years, it can be pointed out

that the American percentage share increased during each of the intervening years while that of other countries lost ground steadily.

The record with agreement countries contrasts with that with nonagreement. During that time, there were 20 major countries not in the reciprocal program. The United States increased its hold on these markets but much more slowly.

These 20 countries had total imports of \$8,894,800,000 in 1933 and \$12,290,100,000 in 1938. Countries other than the United States increased their sales from \$7,816,300,000 to \$10,509,900,000. This country expanded its share from \$1,078,500,000 to \$1,780,200,000. Our share of these 20 markets in 1933 was virtually the same as that of the 16 agreement countries at 12.1 percent, compared with the 12.2 percent for agreement nations. In 1938, our share had increased to only 14.5 percent, as against the 19.7 percent for the agreement bloc.

The two trends which have developed are of the utmost importance to the future of our export trade. They developed during a period of intense economic warfare when every conceivable form of club was being swung by other countries to capture foreign markets and when certain countries were loud in their protestations that the day of freedom of international trade had passed and that foreign trade of the future was to be only an instrument of state policy.

Mr. Hull, on the contrary, has proceeded on the theory that export trade will develop more satisfactorily where there is the greatest attainable freedom in the exchange of goods. So far, the results bear him out.

### United States is No. 1 Source of Red War Supplies

### EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

ARTICLE FROM THE WASHINGTON TIMES-HERALD

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks, I include the following article from this morning's Times-Herald:

[From the Washington Times-Herald of February 21, 1940]

UNITED STATES IS NO. 1 SOURCE OF RED WAR SUPPLIES—MATERIAL BOUGHT HERE FOR FINNISH INVASION

(By John M. Fisher)

Communist Russia is leaning heavily upon American supplies in prosecuting its war with Finland, a survey showed yesterday.

Despite President Roosevelt's recent denunciation of the Soviet as an "absolute dictatorship" and expression of sympathy for Finland, the fact remains the administration has made the United States the No. 1 source of vital materials now used in its invasion of Finland.

#### SOVIET RECOGNITION FACTOR

This situation has been brought about by the following factors: (1) Recognition of the Soviet Government; (2) a commercial treaty according the Soviet Union unconditional most-favored-nation treatment, which means tariff concessions; (3) licensing of armaments for sale to Russia; (4) purchase of Russian gold which establishes credits in this country; (5) and valuable technical assistance obtained from the United States.

In 1939 Russia imported \$56,638,000 worth of American goods, and, significantly enough, approximately 50 percent of these imports into Russia were made in the last 4 months of the year, which covered preparations for the assault on Finland.

Last year's exports to Russia compared with \$69,691,000 in 1938, when the United States was also the leading exporter to the Soviet Union. The decline is chiefly accounted for by smaller shipments of metal-working machinery.

#### PRINCIPAL ITEM

But such machinery—necessary for armaments—remained the principal item on the Soviet's shopping list in the United States, amounting to about \$29,000,000 in 1939. Soviet purchases also included increased amounts of other war commodities, particularly of copper, molybdenum ore, wheat, and aluminum.

Since Europe's conflagration began last September 1, nearly 90 percent of Russia's purchases in the United States consisted of materials and machinery useful in war industries or of vital need under wartime conditions. A special analysis available at the Commerce Department shows that approximately thirty-three millions out of more than \$36,000,000 in exports to Russia in the 5 months ended January 31, 1940, consisted of items needed for warfare.

Exports in January amounted to \$11,313,000, compared with \$10,528,000 in December, and only \$2,816,000 in January 1939. Nearly all of the shipments to Russia this January consisted of



copper and metal-working machinery. A complete break-down for that month is not available, but in the preceding 4 months of the European war leading exports to Russia were as follows.

[In thousands of dollars]

	Septem- ber	October	Novem- ber	Decem- ber
Wheat.....		215	436	172
Gasoline.....	481	686	782	
Molybdenum.....	192	1,945	732	1,906
Aluminum ingots.....	535	283	2	
Refined copper and scrap.....		21	1,544	4,519
Brass and bronze.....		35	564	265
Metal-working machines.....	377	1,096	1,836	1,811
Electrical apparatus.....	22	311	437	758
Total selected items.....	1,608	4,592	6,333	9,531
Total all exports.....	1,785	5,455	7,627	10,528

According to Commerce officials, all of Russia's 1939 purchases of gasoline were made in the 3 months ended with November. The Soviet invasion of Finland began on November 30. They said, however, that none of the fuel was aviation gasoline. All of it was shipped from the Pacific coast to Vladivostok in Siberia.

#### PURCHASING AIRCRAFT

The list of arms exports licensed by the Secretary of State shows that Russia has confined its armament imports from the United States to aircraft and their accessories, indicating that machinery and materials imported sufficed for their own production of munitions and armaments.

Russia led in the amount of exports under license during 1939. Its total armament purchases of \$1,097,015 consisted of \$845,966 in assembled or unassembled aircraft, \$74,514 in parts, and \$176,536 in airplane engines. In January of this year engine shipments to Russia amounted to another \$45,192, comprising all of the arms imports for that month.

The War Department says it does not have any figures on how much other equipment is American made. But it is known that Russia has bought considerable amounts of tractors, trucks, and other motor equipment which could be easily transformed from civilian to military use.

#### EMPLOYED BY RUSSIA

Similarly, the State Department claims no count on the number of American technicians, engineers, and other experts borrowed by Russia from the United States for consultation on industrial and mining developments. But their employment by Russia is a matter of public knowledge. The State Department now thinks that most of these American technicians have left or are leaving Russia. The Army has a military attaché located at Moscow, but there are no officers "loaned" to Russia, according to the War Department.

How does Russia pay for its huge purchases in this country? The answer is principally through goods sold to this country, which amount to something less than half of exports to Russia, and through sale of the gold mined by Russia, which is one of the world's leading producers. The United States Treasury has denied until recently that it has purchased any gold from Russia within the last 2 years.

### Labor Opposes the Extension of the Reciprocal Trade Agreements Act

#### EXTENSION OF REMARKS

OF

HON. EARL R. LEWIS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

LETTER FROM THE TRADES AND LABOR COUNCIL OF EAST LIVERPOOL, OHIO

Mr. LEWIS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received from the East Liverpool Trades and Labor Council, of East Liverpool, Ohio:

TRADES AND LABOR COUNCIL,  
East Liverpool, Ohio, February 17, 1940.

HONORABLE SIR: We appeal for your support against the transfer of job opportunities of American workers to workers in foreign countries. We appeal for your support against the virtual setting aside of the protective advantages of our Asiatic exclusion law, of our restrictive immigration laws, and the fair labor standards law. History warns us that at the conclusion of the present European and Asiatic wars American markets will be flooded with cheaply

produced products of the foreign nations, impoverished by war costs, unless the competitive products of American workers are protected by adequate tariff rates.

Our reciprocal trade treaties, as the enclosed analysis by representative American labor demonstrates, provide that products of the excluded workers of Asia and the quota basis entry of workers of European countries are permitted entry into American markets at total costs which are less than American costs of production. What protection is accorded the jobs and the living standards of American workers through our Asiatic exclusion law, our restrictive immigration laws, our fair labor standards law, if dollar-minded foreign and American distributors can market in America foreign-made competitive products at total costs, which are less than American costs of production?

We are interested solely in protecting the job opportunities and maintaining the standards of living of our American workers now made possible, under normal conditions, for American workers. We ask your help and your legislative support.

Our city is the center of the American pottery industry. Our industry, affiliated with the American Federation of Labor, is organized 95 percent. We have the capacity to produce all the tableware needed for the American market. We have thousands of idle pottery workers seeking work. Yet, for illustration, while our American laws prohibit the entry of Asiatic workers into our country, the products of such workers, according to a survey made and published by the United States Tariff Commission, supply some 40 percent of the tableware yearly sold in the United States. Such a condition naturally transfers the badly needed job opportunities of American workers to the slave wage paid workers of Japan. That which is true of our condition is likewise, no doubt, true in many other industries.

We appeal for your support. We ask that you vote against the continued authorization for our entry into reciprocal trade treaties, unless such legislation provides that no foreign-made products, competitive with products of American workers, which American-made products are commercially available, be admitted to American markets at total costs which are less than American costs of production or American wholesale selling prices of competitive American products, and unless such legislation provides that such trade treaties are ratified by the United States Senate.

Trusting that we may have your support in protecting the job opportunities of American workers and your support in making effective our Asiatic exclusion law, our restrictive immigration laws, and our fair-labor standards law by restricting the authorization to continue reciprocal trade treaties as above outlined, we are,

Sincerely yours,

GEORGE C. SALSBERY, President.  
JAMES H. GRAFTON, Secretary.

### The Finnish Situation

#### EXTENSION OF REMARKS

OF

HON. FRED BRADLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. BRADLEY of Michigan. Mr. Speaker, what is the true situation with respect to aid for Finland at this time? All of us are entirely sympathetic with Finland. All of us admire the brave stand she is putting up. All of us abhor the ruthless invasion by Russia. What can or are we as a nation doing about it? What can or are we as a people doing about it?

To understand the present situation, let us go back into a little history. Not long ago Italy ruthlessly invaded Ethiopia. We enacted and invoked a neutrality bill prohibiting the shipment of arms, ammunition, and implements of war to belligerent nations. We also passed the Johnson Act, prohibiting loans to nations who were in default to the United States. A civil war broke out in Spain, supported on the one hand by the Communists and on the other by the Fascist-Nazi axis. And then Germany took over Austria and Czechoslovakia, and with Russia took over Poland.

Let us understand that in all of these cases of aggression we had not as a nation or as a people given any of the vic-tims any material aid either in the form of cash, munitions, or implements of war.

When England and France went to the aid of Poland, Congress was called into extraordinary session because it had failed to enact a new neutrality bill demanded by the administration last year.

We were told that the arms embargo, which had previously been hailed, when enacted, as "the greatest action ever taken toward the peace of the world," should be lifted to permit defenseless nations to arm themselves against aggression by dictator nations. A cash-and-carry provision was invoked on arms and munitions—as it had been before on everything else—and American ships, seamen, and passengers, were prohibited from entering danger zones included in the new neutrality bill. Also, we insisted that credit could not be extended by individuals, firms, or corporations to belligerent nations who were affected by the Johnson Act. In addition that bill legalized for the first time the manufacture and shipment of gas and liquid fire and flame throwers. I am proud to say that I voted against it. I will discuss that a bit later. In his address at the opening of this session, the President took occasion to chide the late Senator Borah and other so-called isolationists who he said in effect had claimed superior knowledge of impending world events and yet could not foresee the future as accurately as himself.

Now, here is the case of Finland, an outstanding democracy. The one nation that qualifies under the Johnson Act with respect to war debts. The little nation that borrowed \$100,000,000 from this Nation during, and after, the World War and has repaid it entirely on schedule. It finds itself invaded by a nation many times its size.

On January 17 the President sent a message to the Speaker of the House from which I quote as follows:

There is without doubt in the United States a great desire for some action to assist Finland, to finance the purchase of agricultural surpluses and manufactured products, not including implements of war. There is at the same time undoubted opposition to the creation of precedent which might lead to large credits to nations in Europe, either belligerents or neutral. No one desires a return to such a status.

The apparent need of Finland is for implements of war and manpower, rather than agricultural surpluses and manufactured products. Now, the administration dictated the neutrality bill. There is no question about that. Would it not have been possible to have exempted in that act—if we could foretell the future—those who came under the Johnson Act provision and thereby make it possible for us now, under that act, to permit Finland to purchase munitions on credit or loan, which she needs, while at the same time maintaining the status desired by the President and by us all?

Senator Brown introduced a bill to provide a \$60,000,000 loan to Finland, generally without strings attached. A Senate committee apparently desired to avoid such a status, with which I agree, because I do not want to open the doors of our Treasury to every nation that goes to war unless we tie it strictly to those who qualify under the Johnson Act. Hence, striking out the enacting clause, the Senate put out a new bill providing for an increase of capitalization authorization of the Export-Import Bank in the amount of \$100,000,000 and stated that no loan to be "hereafter made" to any nation or the nationals thereof should exceed at any one time \$20,000,000. The papers immediately picked this up as the Finnish loan, and said that the Senate had agreed to a \$20,000,000 loan for Finland.

I have carefully examined the records today to determine the facts introduced in evidence before the House Committee on Banking and Currency, before which this bill is being considered and hearings held.

In testimony today, February 20, letters were introduced from the Finnish Government and the Russian Government, both officially denying that the nations were at war. Consequently, Mr. G. W. Hackworth, legal adviser to the Secretary of State, testified that a loan to either nation would not technically violate our neutrality law nor international law. Personally, I believe most of us in this Nation—and in Finland—agree that a war is in progress. I believe we all agree that there is a war in progress in China. Yet our Neutrality Act has not been invoked either by Presidential proclamation or act of Congress in either case. Mr. Hackworth testified that it had not been invoked in the Finnish-Russian dispute because of the fact that American interests were not in jeopardy. When questioned about the Sino-Jap war, he

stated that American interests would be more greatly jeopardized if the act were invoked. Rather a paradox, I would say.

Through the Export-Import Bank, we have loaned to China \$25,000,000 with no restrictions attached, and they have purchased implements of war with it. We have loaned the Finnish-American Trading Co. of Finland, through the same agency, \$10,000,000 of which \$8,000,000 has been expended and the balance will be expended shortly. But in the case of Finland and all other nations now, they are specifically prohibited from expending these credits for war materials.

Mr. Jesse Jones, head of the R. F. C. and, therefore, of the Export-Import Bank, testifying before the House committee said:

There is no reason for Finland to be mentioned in this bill at all. This is the same bill we came up here with last year. We consider it an authorization to make further loans to Finland up to \$20,000,000, but not a direction.

He testified further that in this case and in all cases they predicated their loans upon adequate security and decided from events as they occurred from day to day the conditions which determine adequate security. And that, therefore, a loan of \$20,000,000 would not necessarily be authorized to Finland unless they had a reasonable assurance that Finland would succeed in her war. When asked why they would prohibit purchases of arms and munitions by Finland, Mr. Jones testified that they get their interpretation of the President's proclamation or of international law from the State Department or the President. The gentleman from Connecticut, Representative MILLER, asked Mr. Jones if he did not consider that the position the Government was now taking was entirely contrary to the position taken during the special session. Replied Mr. Jones, "On the neutrality question, I would think so." So, then, it would appear that even though we increased the Export-Import Bank capitalization by \$100,000,000, Finland is not definitely sure of a loan, and if granted will not be permitted to purchase war materials with it. I might add that the loan, if granted, is only in the form of credit to American industry to finance materials which they ship to Finland and the loans themselves are guaranteed either by the Finnish Government or possibly, as in the previous case, by a Finnish-American trading company which is either owned by the Government of Finland or by Finnish capital.

In addition it appears from the testimony of Mr. Jones that they have made loans to date to 55 different countries, and they have already made commitments in advance under this proposed increased authorization of from forty to fifty million dollars additional, including others of the Scandinavian countries, but in no case permitting the purchase of war materials, despite the fact that those nations are not now at war with anyone. By far the principal requests come from South American countries. To me it appears as if the rest of the world regards Uncle Sam as opening his pocketbook again and saying, "Come on, boys, come and get it."

May I add also, at this point, that Mr. Jones testified that they did not consider that the Export-Import Bank or R. F. C. was in any way restrained by the Johnson Act because they were a Government corporation. This despite the fact that Congressman WOLCOTT offered an amendment to the 1939 Neutrality Act to specifically include all corporations, Government-owned or not, but we were assured by administration spokesmen it was unnecessary, and the amendment defeated. Hence, while private banks are prohibited, R. F. C. may loan all its wants to whom it wants.

But now returning to Finland. There are two ways of helping a man who is in a fight. Either help him or desist from helping his adversary. We are selling implements of war to Russia today; right now they have 450 of our bombing-plane motors, which, no doubt, they are using over Finland. In addition, for a number of years, we have been paying Russia \$35 an ounce for the gold which she shipped us and which cost her about \$12 an ounce to produce—which is a rather handsome profit to build up a war chest. Anyone can build a plane, but our superior motors and the gas to fly them is real aid.



Now, in conclusion, let us take stock of whether or not we are actually involved in this war. Not only are England and France financing in this country, but there is also the possibility they are dumping some three billions of securities upon an already sick market in this country. Our foreign trade suffers from the expansion of Allied exports to the rest of the world to pay war bills. By having to pay cash in this country for war materials they purchase their agricultural commodities elsewhere on credit to conserve cash for American planes and ammunition. They sell commodities elsewhere for cash, no doubt loaned by us, to secure more cash for purchases in this country. Our warehouses are stuffed with unsold and unsalable tobacco and cotton. Prodigious increases in the cost of war preparation and defense are before us in Congress. We sold millions in materials to the Japs to kill the Chinese and to the Chinese to kill the Japs.

Aside from our gold purchases, Russia owes us over three hundred and eighty-five millions, which she will not pay in order that she may use that cash to buy materials from us to destroy Finland. Finally, we were told that if we would keep American ships out of the danger zones, we would keep out of war. Well, about a few days ago we had transferred—*theoretically sold*—to foreign flags 114 ships out of our Merchant Marine and the other day we were informed that the United States Line had “sold” 8 ships, including the President Harding, to a Belgium company for trade into the war zone. It had previously attempted to turn these over to the Panamanian and Norwegian flags. The United States Line chartered the ships, worth \$4,000,000, on a bare-boat charter without any American crew for a down payment of only \$137,000. Or, in other words, continued to hold a first mortgage of 97 percent interest on those boats. Is that not a violation of the spirit at least of our Neutrality Act? Certain it is that these bottoms will go into the war zones carrying American dollars and subject to sinking by any of the beligerent warships. On the other hand, hundreds of American seamen are added to our already overheavy unemployment rolls. And the owners come to us for hundreds of millions annually to subsidize the rebuilding of the American Merchant Marine.

What a farce it all is!

Legally, Finland can borrow from private banks all it wants for whatever it wants to buy, but, hopelessly outnumbered, I doubt any banker would dare risk his depositors' money on such a loan. If we as a Government loan, are we not opening our Treasury to all future victims of aggression—or earn their just displeasure in future world trade—assume the “status” feared by the President? I would prefer to see an outright grant by the people of the United States with no strings attached. But let us stop fiddling around about it. Let us stop fooling Finland and let us stop fooling ourselves about the whole thing.

### The Gold Hoard

#### EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

EDITORIAL FROM THE COLUMBUS (OHIO) SUNDAY DISPATCH  
OF FEBRUARY 18, 1940

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Columbus Sunday Dispatch of February 18, 1940:

[From the Columbus Sunday Dispatch of February 18, 1940]

THE GOLD HOARD—A SINISTER SHADOW OVER UNITED STATES WELFARE

Among the many follies the New Deal has perpetrated on the Nation, none is more outstanding than that embodied in the accumulation of nearly \$18,000,000,000 in gold, which, in time, will

adversely affect the financial and property welfare of every citizen, alter to their detriment prices to farmer and consumer, lessen labor's purchasing power and depreciate all classes of salaries and other income.

If New Deal policy continues to add to this increasingly unusable gold hoard, most of it buried in the hills of Kentucky, and which has been continuously swollen by 6 years of world-wide purchases at a fantastically high price, this Nation, at a not remote time, will find itself confronted with one of the greatest fiscal crises of its history.

It is probable that this crisis may be preceded by a basically unsound rise in quoted prices for nearly everything vendible. It was with the hope that it would bring about an inflationary prosperity, that the original Roosevelt brain trust thrust on the country the unsound system of paying \$35 an ounce for gold. The then currency value of \$20.67 per ounce for that metal had been established by generations of experience by mankind with the cost of producing gold. It was the belief of these theorists that such inflation could be controlled from time to time by altering the gold content of the dollar, although this had never been accomplished by any nation in all financial history.

Until a weak New Deal Congress, upon his demand, gave the President authority to devalue the Nation's currency by permitting him to fix the amount of gold in the dollar, the metal had been used for decades here and generally throughout the world as a circulating medium on which all currency was based. Prior to the Roosevelt gold devaluing act there was in the United States an average gold stock of coin and bullion of around \$5,000,000,000. This was ample for the commercial and financial purposes and transactions of the Nation and for the settlement of our trade balances abroad, even in the years of the greatest prosperity and business expansion and it circulated freely as coin among our people. This condition had obtained for nearly three quarters of a century previous, during which the United States recovered from the ravaging effects of the Civil War, endured several financial depressions, and emerged from each to enjoy an ever expanding and profitable business. Labor was generally employed and the national resources continuously developed. During these decades America outdistanced all other countries in almost every economic and business field and created more wealth than any nation in any period of history.

There was only one serious threat to financial solvency during the long period in which gold was in free circulation, and it was one which almost exactly paralleled a phase of the New Deal monetary tinkering of today. In the late 1890's, as again during the present regime, the silver-producing and a few strictly agrarian States, using the force of their political voting power, induced Congress again to legalize and force the purchase of silver to coin on the basis of \$1.29 an ounce, when its commercial price was much less than half that amount. The actual operation of the silver purchasing law of 1890 soon threatened bankruptcy to the Treasury. President Cleveland ordered it to stop the silver purchases only in time avert a financial catastrophe. The Silver Act was one of the principal causes of the unprecedentedly severe depression of 1893.

The same silver forces and influences, with the assistance of President Roosevelt, caused a subservient Congress in May 1933, to attach a rider to an agricultural bill by which the President received power to decrease the gold content of the dollar and in a later act to purchase all silver offered the Government at a price much higher than its commercial selling value. There was thus again started the whole process which had, of necessity, been abandoned by the Cleveland administration in order in its day to preserve national financial solvency. The New Deal theorists, defying all precedent and world-wide experience for centuries, proceeded to devalue the dollar by 40 percent and in addition again overvalued silver by accepting it for coinage at \$1.29 an ounce when its market price averaged about 38 cents. Huge quantities of the white metal thus were and still are being purchased in a vain attempt to make one-fourth of the monetary reserve of the Nation consist of silver. Another hole has been dug in the ground, this one at West Point, to hold this unusable accumulation.

For nearly 7 years the United States Treasury has felt the impact of these unsound fiscal laws. Into its gold and silver hoards have flowed into one ownership or another \$12,000,000,000 yielding many billions in profits to the sellers in foreign lands. Millions of ounces of these metals have come to us from Australia, from South Africa, from India, from China, from South America, from Canada, from England, from France, from Holland, from Switzerland, from Germany, from Scandinavia, from Mexico, from Japan, and even from Russia. And this at untold profit to people of other nations, but for Americans a charge against their present and future tax bills to pay these unnecessary subsidies to every corner of the globe.

The accumulation of these immense reservoirs of gold and silver have not only failed to bring to the people of the United States a sound and stable prosperity, but on the contrary have contributed to the 7 years of depression. That history repeats itself is a well-known proverb, therefore, the general national feeling of insecurity and doubt as to what the future holds, the disturbing fact that we still have millions of unemployed, business is stagnant and the savings and surplus capital of the people remain idle instead of being usefully employed for business expansion is sadly reminiscent of periods spread all through history when similar unsound financial theories prevailed. The inner concern over the gold and silver Frankenstein which the New Deal has created is shown by the recent reported suggestion of a prominent ex-

brain trusters that we give back to the nations of Europe a considerable part of this gold, but the result of such benevolence doubtless would be that it would be offered back to us again at the same inflated price of \$35 an ounce.

For the new dealers it is only a matter of politics. For the individual American citizen it is a matter of the deepest concern although he may not yet have taken sufficient time to delve deeply into the operations of these monetary laws which so vitally affect his everyday life. Economists and students of finance who are sincere in their interest in the public welfare realize that we are faced with what was once a fanciful theory but is now a deeply disturbing condition. The theory has failed but the condition remains in the possession of unusable gold and silver at a terribly overvalued price.

How to get rid of it and stop the flood of both metals now pouring on America from every corner of the globe is a problem that no new dealer can solve, and the Nation will be fortunate if at the end it escapes paying a limitless price for this, probably the greatest of the New Deal blunders.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

RADIO ADDRESS BY HON. PATRICK J. BOLAND, OF PENNSYLVANIA

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by the gentleman from Pennsylvania [Mr. BOLAND]:

As a Member of the House of Representatives, and a member of the Committee on Ways and Means, I want to talk about a piece of current legislation, the continuance of the Trade Agreements Act. The President in his message to the Congress on January 3, 1940, indicated the necessity of this legislation in the following language:

"For many years after the World War blind economic selfishness in most countries, including our own, resulted in a destructive mine field of trade restrictions which blocked the channels of commerce among nations. This policy was one of the contributing causes of existing wars. It dammed up vast unsalable surpluses, helping to bring about unemployment and suffering in the United States and everywhere else."

The House began today the debates for the continuance of the Trade Agreements Act for another 3 years. In my estimation there is no question as to the final outcome when the vote shall have been taken, although the opposition is waging a major and determined offensive against this important part of our foreign policy. Campaign speeches for 1940 are now being made with respect to this program.

Incidentally this offensive is being waged against the advice of some of the elder statesmen of the Republican Party, such as Col. Frank Knox, former Secretary of State Stimson, William Allen White, and others. A number of prominent businessmen who are members of the Republican Party appeared before our committee advocating that the trade-agreements law be further extended. I think I can assure these gentlemen that their wishes will be granted. The weight of the evidence before our committee was for the extension of this act, and I base my prediction on the passage of this resolution through the House largely on this evidence. I am afraid, however, that the majority of my Republican colleagues in the House will not follow the advice of these elder statesmen and business leaders of their party.

I note that Roger W. Babson, a statistician who used to stand high in Republican ranks, after criticizing some of the things done by the New Deal, said in his syndicated article a week ago: "It seems like mighty poor strategy for the Republican shock troops to assault the one position on which the New Deal is economically impregnable—its foreign-trade policy! As a statistician, I believe that the Hull trade pact should be backed to the limit by every straight-thinking, unselfish, and honest American."

There should be no place for politics in this legislation. I say this first as an American citizen and secondly as a Democrat.

The minority members of the Committee on Ways and Means have issued as their report in opposition to the extension of the Trade Agreements Act a purely political document. I search the report in vain for any evidence that its authors have gotten beyond the days of Mark Hanna.

Without the slightest appearance of any sense of humor, they talk about the need for making a study with a view to setting up a substitute foreign-trade program that would "protect our vital interests," be "truly flexible," and "deal with foreign trade upon a realistic basis along constitutional lines."

A "study" of these things. Where, in the name of heaven, have the authors of these "mouth-filling" phrases been for the past 7

years? Where have they been since 1930, when the Hawley-Smoot Act was passed with the guarantee that it would have everybody swimming in prosperity within 30—or was it 60—days?

Their report plainly shows that they cannot or will not grasp the fundamentals of the problems of foreign trade. Every criticism and every suggestion they make in their report is directly or indirectly refuted by the testimony. All that remains, when their so-called facts and arguments are exposed to the light, are the floundering and futile efforts of some modern disciples of outworn and discredited tariff policies to sell the American people another package of Hawley-Smootism. I think the American people will carefully examine any such package, although it may be nicely tied up with a pink ribbon.

The atmosphere is so full of uproar and confusion about trade agreements that I hope it will not be amiss for me to take a few minutes to clarify some of the issues involved. The trade-agreements program was formulated in order that our industrial resources and labor might be directed, by businessmen, in the most profitable channels conducive to American standards of living and efficient production. This program was brought forward for the purpose of fostering an enlightened application of the protective principle, whereby a maximum opportunity of employment, purchasing power, and production would be possible. Furthermore, it was promulgated for the mitigation of unfair discriminatory and war-breeding trade restrictions which had such an enormous growth throughout the world during the Hawley-Smoot era. These objectives ought to be enduring principles; we should not lose sight of them just because the purveyors of fear are exceptionally busy at the present time.

The experience of the last 5½ years contributes to the conclusion that the administrative process of framing trade agreements is sound. Again referring to the hearings before our committee, I was surprised to find so few even making claims of injury because of reduced tariff rates. The majority of those appearing in opposition to the extension of the act admitted that they had not been hurt and only expressed a vague fear of some future injury. Furthermore, the witnesses appearing and favoring extension represented a diverse cross section of the American public, including representatives of civic and peace groups, of labor unions, manufacturers, farmers, shippers, traders, boards of trade, housewives, and others from all sections of the country. If legislators are to be guided by such hearings, the preponderance of evidence suggests strong support for the extension of the act for another 3 years.

#### PUBLIC INTERESTS IN TRADE AGREEMENTS

I want to call attention to another significant reason for my prediction as to the passage of the Trade Agreements Act. This is the preponderance of support of the press, irrespective of party affiliations. During the recent hearings one of my colleagues had more than 50 favorable editorials from various sections of the country made a part of the RECORD, many of them from outstanding Republican papers. In a recent newspaper poll support of the reciprocal trade agreements was tabulated at 82 percent of all the papers analyzed.

A recent Gallup poll showed that a great majority of informed public opinion supports Secretary Hull's trade-agreements program.

Seventy-one percent of those answering the poll were favorable to this program. I hope that a number of our friends on the Republican side of the House will be converted during the next few days, but I know the heat is being turned on some of them who are inclined to agree with the program principally by the powerful lobbies.

#### TRADE GAINS FROM AGREEMENTS

The trade-agreements program has contributed to a general increase in the foreign trade of the United States. Studies made by nonpartisan agencies presented evidence at the hearings before the Committee on Ways and Means to the effect that the program has done a good job. Without going into too many details, it has been proven that export trade with agreement countries has increased much more than trade with nonagreement countries. Attempts were made before the committee to discount these conclusions by hand-picked figures prepared to show an unfavorable picture by those opposing the act. The evidence of this greater increase in trade with the agreement countries could not be weakened by enemies of the program. The over-all results with agreement countries in comparison with nonagreement countries presents the true picture of the results. Of course, special circumstances have been important in affecting individual countries or particular products so that the volume of trade as a whole is the best test of the effectiveness of the agreements.

In the trade agreements thus far concluded with 21 countries, the foreign governments concerned have lowered their trade barriers on a wide range of American farm and factory products. The concessions obtained by the United States include duty reductions, enlarged quotas, and other mitigations of restrictive measures, as well as the binding of existing duties or free entry, on thousands of items which enter into our export trade.

Taking the years 1934 and 1935 as substantially a preagreement period, exports from the United States averaged \$2,200,000,000. During the 2-year period 1937 and 1938, with 17 agreements in effect for most of the time, exports averaged \$3,200,000,000. While friends of the program do not claim that this entire trade increase was due to the advantages for American exports obtained by the United States in trade agreements, it is significant that during the period 1937-38 exports from the United States to countries with which reciprocal-trade agreements were in operation averaged 61.2 percent greater than during the 1934-35 period. Over the same period our



exports to nonagreement countries averaged only 37.9 percent greater.

There was little difference between the rate of increase in imports from the agreement and nonagreement countries for the respective comparison. Surely this shows that trade agreements have not caused a flood of imports.

#### REASONS WHY THE PROGRAM SHOULD NOT BE SIDETRACKED

The central fact about trade agreements which we must remember is that we cannot hope to maintain a satisfactory economic situation in the United States without an adequate volume of foreign trade. This is true of both exports and imports. It is fundamental.

Our national economic machine has long been geared to the production of a number of important commodities in quantities which exceed our domestic requirements. Substantial portions of our output of cotton, tobacco, corn-hog products, wheat, fruits, refined copper, certain petroleum products, machinery of various types, iron and steel products, and many others must be marketed abroad, if these branches of production are to prosper. Once they are deprived of adequate foreign outlets, the people involved in these branches of production would find their purchasing power impaired. As a result, they would buy less of our goods produced in this country and a shrinkage of purchasing power would be the result.

The loss of foreign markets for our exportable surpluses leads to a shrinkage of our domestic market as well. This effect is influenced by the reduced volume of business done, in consequence of the shrinkage of markets, by our ports, our railroads, our other means of transportation, our banks, our merchandising establishments, and so forth. Loss of foreign markets leads to stagnation, depression, unemployment, and general distress, which spreads throughout the whole domestic economic system.

Now the value of exports is said to be no more than 10 percent of the value of our total production of movable goods. This fact leads some people to the dangerous conclusion that, therefore, our export trade is not of any appreciable importance to us, and that its reduction or complete elimination would not hurt us. There is an inherent fallacy in this view. I believe it was ex-President Hoover, as Secretary of Commerce, who said that the exports represented our "margin of prosperity."

It is obvious that our economic system is not organized into two watertight compartments, one of which, representing 90 percent of our productive effort, supplies our domestic market, while the other 10 percent works for the foreign market. If that were the case, we might be able to lop off the 10-percent compartment more easily, if it were desirable to do so, without much injury to the 90-percent compartment. But that is not the case. The branches of production which produce exportable surpluses depend upon export markets, for far more than 10 percent of their total sales, and these industries are essential parts of the whole intricate economic system. Impairment of these branches of production through loss of their foreign markets causes loss of efficiency throughout the entire system. Its destruction would be like a man losing the use of one hand. It simply is not necessary to make that sacrifice. We have found a way to maintain at least a part of our foreign trade through agreements.

Our imports are usually somewhat less in value than our exports. We would not, however, be justified in concluding from this smaller ratio that imports are of little or no importance to us. Here again, as in the case of exports, it is necessary to look at the nature of the things we import and appraise their significance in the light of the necessities of our economic system. We must not get away from the fact that some of the commodities which we import from abroad are not and cannot be produced in this country.

#### TRADE AGREEMENTS AND THE FUTURE

It is with a record of achievement as a background that we are going to extend for another 3 years the authority to enter into trade agreements, to maintain and extend the gains already made, and to enable this country to meet changing conditions in foreign markets as they arise in the coming years. The Trade Agreements Act was originally passed as an emergency depression measure. We are in another kind of emergency now. We shall need the flexibility which the trade-agreements program affords as greatly as we needed it in the emergency of the great depression. What conditions may bring forth in these future years no one can foresee. The countries constituting our largest markets have unfortunately become engaged in war. No part of the world will be able to remain unaffected by this war. As a great neutral nation, we ought to hold ourselves in readiness for influencing peace.

We can be sure that our foreign trade will be profoundly affected by the war. It is to be expected that the character of our exports, particularly to belligerent countries, will naturally be shifted. Some industries will find their export markets greatly reduced, others whose products are more essential to war purposes will be stimulated. This is a condition with which we must deal. Even our trade with neutral countries has already been changed. In some cases we shall find new export outlets by filling the gaps created by the inability of belligerent countries to supply their former customers. In other markets we shall find increased difficulties because belligerents will seek to force bartering arrangements upon countries from which they procure foodstuffs and raw materials.

While we cannot yet foresee all these changes themselves, we can, at least, foresee the inevitable fact of rapid change in the nature and directions of the world's trade and in the trade controls and trading arrangements adopted by both belligerent and neutral nations.

If our country is to be in a position to meet emergency conditions, to resist discriminations against its commerce, and to shield our domestic economy from the disruptive effects of war abroad, the Executive will need a flexible instrumentality for dealing, within the limits of policy laid down by the Congress, with the other countries of the world. We now have that instrumentality in the Trade Agreements Act and we shall need it more than ever during the war and post-war years.

We need to keep alive the principles embodied in the trade-agreements program as an important American contribution to a more stable peace than that which followed the last war. War inevitably brings with it a system of intensified controls over all forms of economic life, including foreign trade. If these controls are not to persist into peacetime there ought to be a reasonable prospect that every nation, by devoting its productive energies to those lines of activity in which it is most effective, may obtain through the ordinary channels of trade those things which it does not produce for itself. No nation should be forced into the position of having to wage war for raw materials and markets. It can be truly said that the principles of the trade-agreements program are indispensable to the establishment of an enduring condition of peaceful commerce and therefore of an orderly world.

I want to conclude by quoting another brief passage from the President's message to the Congress on January 3 on the importance of carrying out the program. He said, in part:

"But what is more important, the Trade Agreements Act should be extended as an indispensable part of the foundation of any stable and durable peace."

"I emphasize the leadership which this Nation can take when the time comes for a renewal of world peace. Such influence will be greatly weakened if this Government becomes a dog in the manager of trade selfishness."

### Third-Term Myth

#### EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

ADDRESS BY DR. D. ORMONDE WALKER, ST. JAMES LITERARY FORUM, FEBRUARY 11, 1940

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address delivered by Dr. D. Ormonde Walker, prominent Negro educator and president of Wilberforce University, Wilberforce, Ohio, at Cleveland, Ohio, Sunday, February 11, 1940, at the St. James Literary Forum. The address is as follows:

Mr. President, ladies and gentlemen, I want to congratulate the St. James Literary Forum for keeping open a platform for the discussion of vital questions affecting the welfare of the citizens of America. If democracy is to be saved, it can be saved only through the enlightenment of those who enjoy its benefits. Our American democracy is in danger today in that there is an attempt to stop the hand of progress and turn the thoughts of our citizens to the period which I will designate as the "era of pilfering privilege."

Whenever our country has been faced with a crisis, it has always found a man upon whom it could rely for guidance and for salvation. Such a man has always had the confidence of a majority of all the people to guide the Nation through the dangers that arise in its pathway.

The distressed American people have found a ray of hope in meeting their difficulties through the wise planning of the so-called New Deal. Democracy to them means more than the right to life and liberty. It means the right to eat, for liberty would be nothing and life would be impossible without the right to eat. A democracy, therefore, must secure to every citizen this fundamental right. Any form of government or any society that fails to provide food for its citizens is doomed to be set aside either by the peaceful method of the ballot, as was done in 1932, or by a reversion to the primitive type—each man for himself and God for us all.

There is much that is being said about a third term for a successful President, and those who would prostitute our democracy for their own selfish ends are seeking to create a smoke screen by making a false issue out of the third term. It is therefore my purpose to speak to you today on the third-term myth.

A myth is a "might have been" repeated until it becomes a "has been." The question of the third term was raised at the very beginning of our democracy; in fact, a third term was offered to George Washington, who refused it on the following basis: Being

65 years of age, he declined to run for a third term, and in his Farewell Address of September 6, 1796, he said: "Every day the increasing weight of years admonishes me more and more that the shade of retirement is as necessary to me as it will be welcome. I have the consolation to believe that while justice and prudence invite me to quit the political scene, patriotism does not forbid it." It will be clearly seen that Washington did not think here would be any violation of law or the intention of the Constitution should he become a candidate for a third term, but declined to run because of the increasing weight of years.

The question arose during the time of Jackson, who, at the age of 70, refused to run because of bad health, age, and his promise to support Van Buren at the end of his second term.

Again the question arose during President Grant's term of office, and he said, "I do not want it any more than I did the first; I would not write nor utter a word to change the will of the people in expressing and making their choice. I am not, nor have I ever been, a candidate for renomination. I would not accept a nomination even if there were tendered unless it should come under such circumstances as to make it an imperative duty, circumstances not likely to arise."

It is clearly evident, then, that the people, whenever they feel it necessary, have the right to continue any man in office as long as the service of that man is acceptable.

There are those who raise the question of a dictatorship, but again the public is being fooled, for a dictatorship is self-perpetuating, while no man can be maintained in the office of the President of the United States unless it is by the expressed will of the people.

Democracy has the right to experiment with a third term. If the people do not believe that the President should serve more than two terms the people themselves should have the right to say so, and today we have the best opportunity to put this matter to a test. Mr. Roosevelt may not want a third term, but the people may want to experiment with him for a third term, since he suits their purpose.

The question that faces us today is whether we desire to continue the progressive era in the development of our democracy, whether the forces of liberalism shall prevail in our country, or whether standpatism and donothingism shall again become dominant in our national thinking. I do not believe that the American people are ready to go back into the wilderness and into the chaos out of which the New Deal has brought us. The fight between the conservatives and the liberals in our political system has always been clearly defined. Jefferson, with his lofty sense of agrarian freedom, rescued the American people from the landed gentry and the wealthy merchant and for 8 years the common man enjoyed Jeffersonian freedom.

Again the conflict arose between vested interests and the rights of the common people and out of the hickory-covered hills of North Carolina came Andrew Jackson, who brought about the emancipation of the poor farmer and the wage earner from the shackles of an economy that kept him tied to pauperism. The forces that were allied against Jackson were the same forces allied against Jefferson.

In 1860 the slave economy of the South sought to thrust its dark and vicious shadow upon the North, which resulted in a conflict of arms with the resultant triumph of the forces of liberalism and freedom. Steadily, with painful steps and slow, we have moved forward, having always to battle with the same forces interested in selfish greed and in personal economy rather than national economy.

With the growth of industrialism came the problems of distribution and between 1890 and 1900 there was a great barbecue, a mighty killing as the industrial potentates arose to control the life of our democracy. Under the Republican Party that aided and abetted in this great killing, the poor of the land became poorer while the rich became richer. Poverty became the legitimate child of riches. Invisible government was set up; Senators and Congressmen were controlled; Presidents were elected with the flare of torchlighted processions, while the common man languished with his mortgaged farm, his mortgaged home, and his helpless children. Here and there a voice was heard in defense of the prostrate worker. Ortgill, of Illinois, spoke out; Theodore Roosevelt, of New York, spoke out; Bob La Follette, of Wisconsin, spoke out, and soon a new movement for the emancipation of helpless laborers and prostrate farmers was well on its way. Theodore Roosevelt called it the "square deal"; Woodrow Wilson called it the "new freedom"; and Franklin Delano Roosevelt called it the New Deal, all a part of the same movement to take government out of the hands of a few and put it where sovereignty resides—in the hands of the American people.

The people who would have government serve their selfish purposes are speaking today as Frederick Townsend Martin spoke some years ago: "We are not politicians or public thinkers; we are the rich; we own America; we got it God knows how, but we intend to keep it if we can by throwing all of the tremendous weight of our support, our influence, our money, our political connections, our purchased Senators, our hungry Congressmen, our public-speaking demagogues into the scale against any legislature, any political platform, any Presidential campaign that threatens the integrity of our state."

The third-term myth would have been exploded by Theodore Roosevelt had he been a true liberal at heart. His liberalism was a milk-and-water liberalism. He lacked the courage needed for a

continued fight in the interest of the common people. All the forces of reaction, all the illiberal elements converged to deny him the nomination of his party which forced him into the open to seek the establishment of a third party. His third party in the election became the second party, and if he had continued his fight this question would not be before the American people today.

The present President of the United States came upon the scene during a very dark hour in our Nation's history. The forces of pilfering privilege had wrecked our economy and were ready to flee from the scene of the wreckage. He came at a time when ordered government was at a crucial testing point. It was his duty to rescue civilization and to save democracy. Now that the perpetuity of our democratic government has been assured, they are saying to us, let us return to the days of individualism, of personal enterprise, the days of individual initiative when again we will have the right to enslave the workers and to bind the farmers with hoops of mortgaged steel. But the millions of common people in America will say like the brave General Joffre during the last World War, "They shall not pass."

The vaporous twaddle about national bankruptcy is only a smoke screen to hide the intentions of those who would prostitute our Government for selfish ends. The people are satisfied to have their Government remain at Washington, and not to have it removed to Wall Street. We are now in charge of our Government, and we intend to use it for permanent security. No nation whose bonds are selling on the open market from \$1 to \$19 over par is in danger of bankruptcy.

Despite the persistence of unemployment and its legitimate son, Relief, the level of our American life has been raised, the national wealth is being distributed over a wider surface. Under the old order there were tremendous peaks of wealth with deep chasms of poverty. Today these peaks are being leveled off, and the chasms are being filled.

The social gains made during the past 7 years should not be allowed to go with the wind of Republican windjammers. The New Deal is democracy crusading militantly. Some are saying that the New Deal has not worked, that unemployment is as great today as when the New Deal took over the reins of government, but remember that the old deal had more than 52 years of trial in which to do its work. Why stop the New Deal with only 8 years' trial. Let the New Deal remain in power for 52 years and a newer and a happier America will be the result.

The Good Book has said: "By their fruits ye shall know them," and I add: "Not by their roots." Let us examine the fruits of the old deal. The old deal brought us bank failures where the life savings of the old and the young went with the wind. The old deal brought the slums. The old deal brought the sharecroppers, the migrant farmer, and grapes of wrath. The old deal brought us the usurious money lenders. The old deal brought us inequality in transportation rates. The old deal brought us high tariff and low wages. The old deal brought us unregulated stock exchange where the price of the food of the poor was raised to create riches to make a Roman holiday. The old deal brought us invisible rulers who felt no responsibility either to God or man. The old deal gave us government of the few, by the few, for the few. The old deal gave us government without relief.

What are the fruits of the New Deal? Today banks are secured with the solid backing of the Government of the United States. The stock exchange has been regulated and placed under governmental supervision. Nonexisting stock cannot now be sold on the existing stock market. Old-age security has come as a result of the New Deal. Educational opportunities have been extended to the poor under the National Youth Administration. The prostrate farmer has been given relief in the Agricultural Adjustment Act. The slums of our great cities are being cleared under the Federal housing project. The harassed home owner burdened with a mortgage has been relieved by the Home Owners' Loan Corporation. Farm credit banks have been further extended. Inequality of railroad rates has been removed. Labor has been granted the right to organize for collective bargaining. Unemployment insurance has come to mitigate some of the suffering due to technological displacement of workers. Taxes are now being paid according to ability to pay. Farmers in the hinterland of our country now have the use of electricity, through the Tennessee Valley Authority and other Federal agencies designed to carry light where there was darkness. Unemployment is being relieved by the extension of constructive governmental projects, and everywhere in America there is hope for the future.

I cannot close a discussion of this kind without reminding you that when one half of the world is at war and the arteries of our trade are being broken, and when there is at the head of our Government a true heart and a steady hand, it would be exceedingly unwise to remove that steady hand that has kept us out of war to place our future in the hands of the schoolboy candidates that are offering themselves for consideration in the opposition party.

When President Grant was being urged for a third term he said, "I would not accept a nomination even if it were tendered, unless it should come under circumstances as to make it an imperative duty." The imperative duty calls Franklin Delano Roosevelt to face the American people, put before them the facts as only he is able, enlighten them as only his voice can enlighten, and to assume anew the leadership of our Government to the end that the gains we have made may not be lost and to save us from the ravages of a war into which we will be inevitably drawn should unwise hands be placed to guide the ship of state.



My sincere plea to the common man of America is that we shall create an imperative demand to force Mr. Franklin Delano Roosevelt to remain at the helm of the affairs of our Government.

## Justice and Righteousness of the Hull Trade-Treaty Program

EXTENSION OF REMARKS  
OF  
HON. WADE H. KITCHENS  
OF ARKANSAS  
IN THE HOUSE OF REPRESENTATIVES  
Wednesday, February 21, 1940

### STATEMENT BY THE NATIONAL COTTON COUNCIL OF AMERICA

Mr. KITCHENS. Mr. Speaker, the farmers of America pay a bonus to certain tariff-protected interests on many things they have to buy. Likewise, all other consumers. For example, in 1909, the Waltham Watch Co. sold in Europe in competition with Europeans a large number of their watches for a price one-third less than the company would sell same watches in this country. A man by the name of Keene of New York City followed up the Waltham watch salesmen in Europe. He purchased from the European merchants those Waltham watches and brought them back duty free to the United States. In New York City, he sold those watches at retail for considerably less than any American could purchase such watches at wholesale in this country. Having investigated the matter I bought one of Keene's European-sold Waltham watches, and saved one-third of the American price.

Again, Mr. Speaker, in 1909 the Singer Sewing Machine Co. shipped to the Philippines, a distance of 10,000 miles, some of their sewing machines, paid the freight, and sold them for 60 percent of the price at which sold in the United States. An American in the Philippines, Prof. T. D. Anglemeyer, having resigned as teacher, and being ready to return to the United States, investigated and found it cheaper to purchase a Singer sewing machine in the Philippines, pack it, and pay the freight again across the Pacific Ocean than to purchase a similar machine in the United States. That is what he did. Therefore, Mr. Speaker, the American farmer is vitally interested in our foreign trade, tariffs, and the program of Hon. Cordell Hull. He is forced to pay a heavy bonus to certain protected industries to enable foreigners to buy certain of our products cheap and compete, at our expense, with foreigners. The wheat, corn, and cotton farmers, as well as all consumers, under the Smoot-Hawley Tariff Act have been required to pay the largest bonus in our history so as to enable foreigners to get some of our factory products much cheaper than we can buy them. The bonus has been too high. We cannot wonder, then, at the American Farm Bureau, the General Federation of Women's Clubs, railway and shipping organizations, and other labor organizations, as well as the people in general, complaining of the destruction of our foreign trade at their expense for the benefit of only a few.

In this connection, Mr. Speaker, I ask unanimous consent to include as a part of my remarks a statement of the National Cotton Council of America.

#### WHAT THE RECIPROCAL TRADE AGREEMENTS PROGRAM MEANS TO THE COTTON BELT AND TO THE NATION

The National Cotton Council, in requesting support for House Joint Resolution 407 which provides for the continuance of the reciprocal trade agreements program, submits the following in support of its position:

##### 1. POPULATION AND AREA OF COTTON BELT

Approximately one-third of the farm population of the United States—two and one-half million farm families aggregating more than ten million persons—are engaged in the production of cotton and cottonseed. More than 20,000,000 people of the Cotton Belt are directly dependent upon the cotton industry for a livelihood.

The Cotton Belt embraces more than one-third of the total area of the continental United States, extending from Virginia on the east to California on the west, and from southern Illinois and southern Kansas on the north to the Gulf of Mexico and the Rio Grande on the south.

##### 2. LARGE PERCENTAGE OF AMERICAN COTTON MUST BE EXPORTED

Normally 40,000,000 acres were planted to cotton. Loss of export markets for cotton resulted in the accumulation of a tremendous cotton surplus which depressed the price of the commodity to a level that threatened the economy of the Cotton Belt and seriously affected the economy of the entire Nation. In an effort to remedy this situation, the 40,000,000 acres normally planted to cotton have been reduced to approximately 24,000,000 acres—a reduction of 16,000,000 acres. This curtailment of acreage and production has seriously adversely affected the economy of this section and could not have been achieved without the expenditure of hundreds of millions of dollars supplied from the Treasury of the United States and made as "soil conservation" payments, "cotton price adjustment" payments and cotton loans.

Notwithstanding this drastic curtailment in acreage, our annual production is still much in excess of domestic consumption. The figures for the past 3 years speak for themselves:

	Production	Domestic consumption
<i>Crop year:</i>		
1937-38	18,252,075	5,747,978
1938-39	11,623,221	6,858,426
1939-40	11,500,000	8,000,000

<sup>1</sup> Estimated.

<sup>2</sup> Estimated—a high level rarely reached in the history of the industry.

At the beginning of the current crop year—namely, August 1, 1939—the carry-over in America amounted to 13,032,513 bales. If export markets are not recovered and maintained for from six to eight million bales of cotton annually, there will of necessity have to be a further curtailment of acreage with consequent economic disturbance, labor displacement, and serious geographical shifts in the production of agricultural commodities.

##### 3. WHAT RECIPROCAL-TRADE AGREEMENTS MEAN TO COTTON

The continuance of the reciprocal trade-agreements program is our greatest immediate hope for solving cotton's all-important foreign-trade problem. We believe that, through the instrumentality of reciprocal trade agreements, it is possible to develop and maintain export markets for our surplus cotton and cottonseed products without serious domestic economic disturbance.

##### 4. WHAT RECIPROCAL-TRADE AGREEMENTS MEAN TO THE UNITED STATES

Normally the United States can and does produce more of a great number of farm and nonfarm products than the American public can use. Surpluses of such production must (1) be sold in other countries, (2) pile up in unmarketable carry-overs in this country, or (3) be sold by producers at ruinously low prices. Unless exported, such surpluses force down prices, employment, and income of American producers. Sound expansion of United States trade with foreign countries accomplishes the following:

(a) Directly benefits American producers whose goods are exported.

(b) Improves domestic markets. Any American producer, farmer or nonfarmer, whose goods find a foreign market becomes a better customer for the goods of other American producers.

(c) Increases the supplies available to American consumers at reasonable prices, of goods produced to better advantage in other countries or not produced at all in the United States.

Foreign trade must of necessity mean two-way trade. This country cannot have the benefit of foreign trade without, in return, importing. There is no sound and enduring way for maintaining export markets for our surplus commodities except by buying in foreign markets those commodities, the purchase of which will not seriously disturb our domestic economy.

To increase foreign markets for products of the United States is the primary purpose of the trade-agreements program. This purpose is sought through the reciprocal adjustment of excessive trade barriers.

##### 5. WHAT RECIPROCAL-TRADE AGREEMENTS MEAN TO GENERAL WORLD TRADE

The abandonment of the reciprocal trade-agreements program would, in our judgment, be the equivalent of saying to the nations of the world that the United States is unwilling to negotiate with them further for the restoration of normal international trade. Such an act on our part will, justifiably, we think, be construed by the other nations of the world as a declaration of purpose by the United States to develop to the highest possible degree nationalism, to become self-contained, and to withdraw behind our excessively high tariff wall from the commerce of the world. Such action on our part would, in our judgment, constitute an open invitation to all the other nations of the world to do likewise. The effect would be a further disastrous decrease and paralysis of all trade between nations.

##### 6. WHAT RECIPROCAL-TRADE AGREEMENTS MEAN TO WORLD PEACE

We believe that there must come an end to the wars which now affect both Europe and Asia. Following these wars and in connection with their termination, there will be discussions between the

belligerent nations looking to the restoration of peace and of commerce. These negotiations and conversations will involve the economic and social structure of every nation in the world. Results obtained from these negotiations will determine the future security or insecurity, industrially, socially, and economically, of the peoples of every nation in the civilized world.

It is essential that our Government have a part in these negotiations and discussions in order that our governmental structure and our domestic and national economy may be safeguarded. Regardless of the outcome of the war in Europe, there is serious danger that international trade, as it has heretofore been conducted by democracies, will be greatly imperiled, and that probably its only salvation will depend upon the attitude and influence of the United States in connection with the negotiation of peace. Our sphere of influence, as well as our possible opportunity of protecting and preserving the principles of true democracy, will be seriously jeopardized if we abandon our reciprocal trade-agreements program and thus, in effect, serve notice on the rest of the world that the United States is withdrawing from international commerce. To pursue such a policy would be to renounce our interest in, and right to, participate in the negotiations which are to come for an economically sound and lasting world peace.

### The Brotherhood of America

#### EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

Mr. BENDER. Mr. Speaker, no weeks in the American calendar offer the people of our Nation a greater opportunity to emphasize the universal brotherhood of our land than the month of February. This is a month of heroes, when the youth of the United States turns its eyes back upon the history of our country to glory in its traditions. No nation on the face of the earth can boast of men more devoted to the needs of their people than America's Abraham Lincoln and George Washington. Their very names conjure up pictures of loyalty to and love for the principles of liberty which were the cornerstone of their lives.

It is fitting indeed that we should dedicate this month to the brotherhood of man. Consider the two men whose birthdays we remember with undying affection this month. The differences in their own lives, the disparity in their background, their training, their experience, are far less significant than the similarities in their goals. They provide in themselves a demonstration of brotherhood. Lincoln, born in poverty, self-educated, raised himself to the ranks of immortal greatness by the burning zeal of his cause—the preservation of the Union and the freedom of its people. Washington, reared in comfort, thoroughly educated, the gentleman in action, rose to the unchallenged claim of national fatherhood by the courage of his convictions—the absolute certainty that independence was a requisite of self-respect.

Both men were Americans of the highest order. They gave their lives to the establishment and preservation of the principles in which they believed. To the citizens of our Nation they brought the faith that comes with a belief in liberty, equality, justice, and brotherhood.

We live today in an hour when vicious power seeks once more to dominate world affairs. It is an age when millions of men and women have determined to sacrifice the ideals of humanity in favor of a glorification of brutality. Nazi Germany and Fascist Japan have deified the bomb and communicated the Book. Communist Russia has forsaken theory and adopted terror. In tiny Finland and helpless Ethiopia, wars, publicized and unpublicized, are raging on six fronts.

War is not even regarded as requiring apology. It is accepted and championed by arrogant forces for the first time in generations as an "ennobling" institution. The spectacle horrifies men who believe in the future of humanity. Men who look upon truth, kindness, justice, goodness as the aims

of civilization must band together today as never before in contemporary life.

Nothing is more necessary in these troubled days than a restatement of American fundamentals. We in these United States pledge ourselves to the brotherhood of man. We believe in democracy because we regard all men and women, white and black, brown and yellow, whatever may be their place of origin, as the common children of one great Father. We cherish the ideals of equality of opportunity, equality of rights, because we reject the false doctrines of "racism," the "superman," the "pure strain." For us the individual men and women who make up the whole of human life enjoy each a personal claim to membership in the great family of mankind which defies every effort to brand some as "inferior" or to hail others as "superior."

George Washington and Abraham Lincoln understood these concepts. Lincoln loved to quote the great words of the Great Teacher:

Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind, and thy neighbor as thyself.

This was brotherhood. This was true democracy.

The people of the United States refuse to succumb to those who would teach group hatreds. We shall not fall before those who would set church against church, class against class, if we remember the ideals of Lincoln and Washington.

In our Nation, we need no rigid pattern of human conduct, directing men's footsteps into one narrowing channel. We need no Fuehrer-Prinzip, no oath of allegiance to the Communist revolution. Our differences are not liabilities. They are assets to be guarded tenderly, so that from the divergences in our outlook may come sympathy and understanding.

Freedom of speech, freedom of assembly, freedom of worship, freedom of press are ours because we respect the views of our neighbors, because we find our own experiences richer through the common interchange of our ideas with those of our fellows.

Washington and Lincoln would be appalled at the condition of our world today. We must labor to safe-guard American principles, so that in the Nation to which they gave their last full measure of their devotion, their lives will not be forgotten.

The President of the United States has declared:

With gratitude to God for the liberties we enjoy and with a full measure of mutual respect for each other's faith, let us gather together in our churches, synagogues, schools, public halls, and homes during the week of February 18 to celebrate our brotherhood under God as citizens of our beloved land. Let us here resolve that in a time of world division and pain this Nation shall be rededicated to the proposition that all men are brothers; that religious prejudice and group intolerance may not here destroy that unity in freedom which is the strength of our national character.

From every American must come the response, "Amen."

### Treaties and Agreements Not the Same

#### EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. ROBERTSON. Mr. Speaker, the following quotation from the case of *Holmes v. Jennison* (14 Pet. 540, at p. 571), in which the opinion was delivered by the famous Justice Taney in 1840, should settle the question that treaties and agreements are different, and the latter are not to be ratified by the Senate:

In the very next clause of the Constitution the States are forbidden to enter into any "agreement" or "compact" with a foreign nation; and as these words could not have been idly or superfluously used by the framers of the Constitution, they cannot be construed to mean the same thing with the word "treaty." \* \* \*



A few extracts from an eminent writer on the laws of nations, showing the matter in which these different words have been used, and the different meanings sometimes attached to them, will, perhaps, contribute to explain the reason for using them all in the Constitution, and will prove that the most comprehensive terms were employed in prohibiting to the States all intercourse with foreign nations. Vattel, page 192, No. 152, says: "A treaty, in Latin *foedus*, is a compact made with a view to the public welfare, by the superior power, either for perpetuity or for a considerable time." No. 153: "The compacts which have temporary matters for their object are called agreements, conventions, and pactions. They are accomplished by one single act, and not by repeated acts. These compacts are perfected in their execution once for all; treaties receive a successive execution, whose duration equals that of the treaty."

## The President's Budget Message

### EXTENSION OF REMARKS

OF

HON. GEORGE HOLDEN TINKHAM

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

#### STATEMENT BY THE NATIONAL CITY BANK OF NEW YORK

Mr. TINKHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by the National City Bank of New York:

#### THE PRESIDENT'S BUDGET MESSAGE

The President's Budget message to Congress, delivered January 4, falls naturally into two parts: First, the figures themselves, and, second, the President's discussion of them. The message relates to the current fiscal year, ending June 30 next, and also the following year, ending June 30, 1941. Inasmuch as the current year was half gone when the message was delivered, the original estimates for this year are revised to that date as a guide to deficiency appropriations, if necessary, and to actions on the estimates for the year beginning July 1 next. The President's discussion includes comments on revenues and expenditures, recommendations regarding taxation, and expressions of opinion and philosophy supporting the policies embodied in the Budget.

#### THE BUDGET TOTALS

Turning first to the over-all figures, for the current fiscal year the revised estimates place expenditures (excluding sinking fund) at \$9,099,000,000, an increase of \$392,000,000 over last year. With net receipts estimated at \$5,166,000,000, or about the same as last year, the net deficit apparently will rise by nearly \$400,000,000, to almost \$4,000,000,000. This is the largest total "in the red" for any year since the Great War, excepting only 1936, the year of the soldiers' bonus.

For 1941 a somewhat more hopeful picture is presented. Thus, expenditures (excluding sinking fund) budgeted at \$8,424,000,000 are expected to be \$675,000,000 less than in the current year, while "net receipts" estimated at \$5,548,000,000 are expected to be \$382,000,000 higher, an aggregate gain (if realized) of \$1,057,000,000. The President then refers to the several "credit corporations" in which the Treasury has made investments for the purpose of effectuating its policies, and says that "with lessening need for loans in some cases and growing surpluses in other cases, it appears that some of those corporations will have excess capital funds," and he estimates that \$700,000,000 may be returned to the Treasury. The three items aggregate \$1,757,000,000, and this sum deducted from the deficit figures for 1940 would leave \$2,176,000,000, which is his estimate for next year's deficit. However, he recommends that additional taxes be imposed to cover the emergency national defense expenditures in the fiscal years 1940-41, estimated at \$460,000,000. Deducting this sum from the \$2,176,000,000 leaves \$1,716,000,000, which he accepts as the final deficit if the new taxes are imposed.

#### PRINCIPAL INCREASES AND DECREASES IN 1941

Examining the Budget for 1941 in further detail, it will be seen that the President expects to effect savings in 1941 mainly in the following particulars:

Work relief.....	-\$562,000,000
Aids to agriculture.....	-413,000,000
Aids to youth.....	-72,000,000
General public works.....	-46,000,000
Civil departments and agencies.....	-41,000,000

Total..... -1,134,000,000

Against these savings, however, are the following important added costs:

National defense.....	+\$320,000,000
Interest on public debt.....	+50,000,000
Social security.....	+58,000,000

Total..... +428,000,000

Balancing the foregoing figures, and allowing for other smaller increases and decreases, gives the net reduction of \$675,000,000 in over-all cost mentioned above.

With the anticipated increase in national-defense outlays, total expenditures under this heading are expected to reach \$1,840,000,000 in 1941—more than doubling in 4 years and more than trebling since the post-war low in 1934. Anticipated expenditures for work relief, despite the budgeted reduction, still foot up to the formidable sum of \$1,300,000,000, notwithstanding the expected improvement in business indicated by the revenue estimate. Counting also "aids to agriculture" and "aids to youth," it is interesting to note that proposed expenditures in these three "aid" groups exceed \$2,400,000,000. Moreover, these figures do not include expenditures under the general public-works program, or the pension, retirement, and related assistance programs financed with Federal funds, which in 1941 amount to \$1,200,000,000.

To avoid carrying the Federal direct debt above the statutory limit of \$45,000,000,000, the President proposes to supplement borrowing by a reduction of \$1,150,000,000 in the Treasury's working cash balances during 1940 (of which \$560,000,000 was made through January 25) and by \$460,000,000 of new taxes in 1941. On this basis, if the Government keeps within the budgeted expenditures, if revenues hold up to expectations, and if Congress enacts the new taxes, the direct Federal debt on June 30, 1941, will fall short of the statutory debt limit by the slender margin of about \$60,000,000. This, however, does not include the contingent debt on fully guaranteed obligations issued by Government agencies, amounting to \$5,737,000,000 on November 30, 1939.

#### WHAT DO THE FIGURES MEAN?

So much for the bare figures. What do they mean in terms of progress toward a balanced Budget and a sound fiscal position for the country?

In the first place, it should be stated that the indicated reduction in the deficit for 1941 is to be welcomed, even though it signifies little reduction in total expenditures and plainly is influenced by the debt limit.

In considering the indicated reduction in total expenditures next year it is important to note that a material change was made in the form of Budget presentation this year by deducting social-security taxes from total revenue receipts and deducting social-security investments in the reserve account from total expenditures. If these items are included so as to make the figures comparable with those of prior years and to show the over-all totals, expenditures in each of the 3 fiscal years, 1939, 1940, 1941, will be found to be in excess of \$9,000,000,000 and higher than in any other peacetime year, not excepting the bonus year 1936.

It is important to note also that the two proposals toward financing the deficit—drawing down the cash balance by \$1,150,000,000 and withdrawing \$700,000,000 from the capital of Government agencies—are both nonrecurring sources of funds and do not represent income but rather an expenditure of assets on hand. Moreover, when the Budget for the 1941 fiscal year was presented, it was pointed out that certain of the major items, including relief, were only tentative, and that additional appropriations might be necessary during the period. In a number of recent years the experience has been that the final total of expenditures has exceeded the original or revised budgets by as much as \$1,000,000,000 or even more.

Eliminating the nonrecurring sources of funds just mentioned, it will be seen that on the basis of estimated expenditures for 1940 and 1941 the debt increase for the 2 years alone would amount to approximately \$6,800,000,000, exceeding the present statutory limit by \$2,200,000,000. How long can this continue? In his Budget message the President has called for \$460,000,000 of new taxes in 1941, but as analysis of the figures has shown even this will fail to produce any lasting equilibrium if the current rate of spending goes on unchecked.

#### THE RISING COST OF GOVERNMENT

It is to be considered that never in the history of the country—not even in the biggest booms or under the influence of wartime excess-profits tax—have the revenues of the Government come within \$2,000,000,000 of the more than \$9,000,000,000 of estimated average expenditures for 1939, 1940, 1941. The budgeted tax receipts for 1941, including social-security taxes, amounting to \$6,151,000,000, are the largest ever collected in this country except in 1920 and 1938. Total receipts from all sources in 1941, including \$700,000,000 return of capital from Government corporations, are estimated to reach a new high total for all time, as indicated by the preceding summary.

#### Condensed summary of United States Government finances, 1914-41 [In millions of dollars]

Year ended June 30--	Total Government receipts	Total Government expenditures <sup>1</sup>	Surplus or deficit <sup>1</sup>	Gross debt <sup>2</sup> June 30
1914.....	735	735	—	1,188
1915.....	698	761	-63	1,191
1916.....	783	734	+48	1,225
1917.....	1,124	1,978	-853	2,976
1918.....	3,665	12,697	-9,032	12,244
1919.....	5,152	18,515	-13,363	25,482
1920.....	6,695	6,403	+292	24,298
1921.....	5,625	5,116	+509	23,976

<sup>1</sup> Excludes expenditures for debt retirement through sinking fund.

<sup>2</sup> Direct debt only; does not include guaranteed debt of Government agencies.

## Condensed summary of United States Government finances, 1914-41—Continued

Year ended June 30—	Total Government receipts	Total Government expenditures	Surplus or deficit	Gross debt June 30
1922	4,109	3,373	+736	22,964
1923	4,007	3,295	+712	22,350
1924	4,012	3,049	+963	21,251
1925	3,780	3,063	+717	20,516
1926	3,963	3,098	+865	19,643
1927	4,129	2,974	+1,155	18,510
1928	4,042	3,103	+939	17,604
1929	4,033	3,299	+734	16,931
1930	4,178	3,440	+738	16,185
1931	3,190	3,671	-481	16,801
1932	2,006	4,535	-2,529	19,457
1933	2,080	3,864	-1,784	22,539
1934	3,116	6,011	-2,895	27,053
1935	3,800	7,010	-3,210	28,701
1936	4,116	8,066	-3,950	33,778
1937	5,294	8,442	-3,148	36,425
1938	6,242	7,626	-1,384	37,165
1939	5,663	9,210	-3,542	40,440
1940	5,704	9,636	-3,932	43,222
1941 <sup>1</sup>	6,851	9,027	-2,176	44,939

<sup>1</sup> Budget estimate; includes social security tax receipts and appropriations for old-age reserve.

<sup>2</sup> Includes return of surplus funds from Government corporations.

Source: Compiled from President's Budget messages and annual reports of the Secretary of the Treasury.

Moreover, the sum total of State, county, municipal, and other local taxes has increased greatly during recent years and now amounts to approximately \$8,000,000,000. Thus the total tax burden now exceeds \$14,000,000,000, which is 22 percent of the entire estimated national income. Total taxes in 1938 represented \$105 annually per capita of population, or \$420 for the average family of four, and were practically as high as in Great Britain, notwithstanding the huge British war debt. And still the balancing of the Federal Budget is not in sight, and new burdens upon the taxpayer are being proposed not only by the Federal Government but also by many of the States and smaller subdivisions.

To many not familiar with the figures, it may come as a surprise that \$9,000,000,000 of Federal expenditures annually is higher than the entire annual net income for these years of all corporations in the United States. Treasury statistics for 1937, which are the latest available and cover a relatively good year, show that the 477,838 active corporations in this country had a combined net income, before payment of Federal income and excess-profits taxes, and not including intercorporate dividends (which do not represent real income for the corporate system as a whole) of but \$5,148,000,000.

Similarly, a comparison of individual income statistics and Budget expenditures reveals that if all individual incomes in the United States over \$5,000 were taken in their entirety, the grand total would still fall considerably short of meeting the Federal expenditures alone. Official figures for 1937 show that incomes of over \$5,000 were reported by 705,033 persons or family groups, having a combined net income of \$8,816,000,000 before Federal income taxes, of which the portion over \$5,000 would be \$5,291,000,000.

Efforts to devise additional taxes only expose in clearer light the multitude of revenue sources that have been tapped and drained heavily since 1914 and their potentialities for additional revenue substantially reduced. It is a matter of grave doubt whether taxes on corporations can be further increased without reducing production and employment. As to individual incomes, it is well known that taxes on large incomes have already reached confiscatory levels and are diverting capital from investment in industry to tax-exempt municipal bonds. People in the middle-income brackets, where new taxes seem most likely to fall, view with dismay the constant encroachments of the tax collector, which instead of resulting in the hoped-for progress toward a balanced Budget and an end to the ominously mounting public debt seem merely to encourage new and more ambitious schemes for spending.

No more striking illustration can be had of the growth and expansion of governmental costs than a comparison of the present Budget with the following simple table of Federal expenditures in 1914:

Legislative, judicial, and civil	\$226,000,000
National defense	313,000,000
Veterans' pensions and benefits	173,000,000
Interest on public debt	23,000,000
Total	735,000,000

At that time the sum total of governmental costs, amounting to but \$735,000,000, was confined to the civil, legislative, and judicial departments, national defense, and to war pensions and public-debt interest. Not only have the expenditures in these four categories more than trebled, but they now represent only a third of the whole Budget, which has multiplied twelvefold.

## OBSTACLES TO ECONOMY

That the trend exhibited by the foregoing figures cannot be continued indefinitely is generally conceded. In spite of this there are two principal reasons why the accomplishment of genuine

economy in government remains in doubt. One of these reasons is the continued reliance by the administration upon the policy of spending to promote recovery.

In his Budget message the President reiterates his faith in "the deliberate use of Government funds and of Government credit to energize private enterprise—to put purchasing power in the hands of those who urgently need it and to create a demand for the products of factory and farm." It was this policy, he contends, that brought about the rise in the national income from 1933 to 1937, and was responsible in 1938 for halting the downturn then in progress so that "in place of the \$42,000,000,000 decline in national income that occurred from 1929 to 1932, the decline from 1937 to 1938 scarcely exceeded \$8,000,000,000," and was followed by quick recovery.

These, however, are highly controversial claims, the merits and demerits of which have been discussed repeatedly in these columns. Suffice it to say at this point that certain facts stand out as indisputable, to wit:

First, there is nothing in the longer history of the country to prove, and much to disprove, the theory that Government spending is necessary to recovery; and

Second, despite all the billions of Federal money spent since 1933 to "prime the pump," there remain 8,000,000 unemployed, national income is still much below the level of 1929, while direct public debt has been increased to a point \$25,000,000,000 higher than in that year, and is still rising. It is indeed discouraging to learn from the President's message that not even yet, after so much spending and increase of debt, is the level of employment and national income regarded as sufficiently secure to warrant suspension of deficit financing.

In view of the failure of the spending policy to date, the continued acceptance by the Government of the spending philosophy must seriously affect the probability that any material reduction in governmental costs is yet in sight.

The second reason why economy in Government remains in doubt lies in the constant demands upon the Treasury from different pressure groups for subsidies, pensions, and other forms of hand-outs. Unless these demands are met by an enlightened and aggressive public opposition, it will be difficult for Congress to resist them. We cannot expect Government costs to come down and at the same time look to the Government to provide all sorts of new benefits and services that cost money. In other words, economy in Government is not just a responsibility of the elected representatives of the people in Washington and in the various State and local capitals; it is also a responsibility of the people themselves. Only as they are willing to exercise forbearance and to give their support to those who have the courage to cut costs can any substantial progress be made.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ADDRESS BY HON. THEODORE FRANCIS GREEN, OF RHODE ISLAND

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from Rhode Island [Mr. GREEN] at the annual banquet of the New England Manufacturing Jewelers and Silversmiths' Association at Providence, R. I., on February 17, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is indeed a pleasure to be the guest again of the New England Manufacturing Jewelers and Silversmiths' Association, in which, as you must know from my previous visits, I am deeply interested. New England, more than any other part of the United States, has a vital interest not only in a sound and prosperous economic situation in all parts of our own country, but also in a sound, vigorous, and general international commerce between the United States and other countries.

Your industry has a threefold interest in a large and steady exchange of goods both with groups within the United States and also with other nations. Like most other New England industries, yours depends largely on bringing raw or semimanufactured goods here, converting them into finished products, and selling the products elsewhere. So it follows that for the prosperity of your industry and of New England, so far as possible, in the first place the channels through which these materials come must be kept free from obstruction; in the second place, the trade routes over which the finished products leave must be free of trade barriers; and in



the third place, the possible customers wherever the finished products go must have sufficient buying power to take your products and pay for them.

I have an illustration right at hand, because some branches of your industry are at present under a handicap I am trying in Washington to overcome. The war in Europe is interfering with the shipment here of certain goods needed in your manufacture. War, of course, represents an extreme restriction of trade; but trade may be restricted almost as much by excessive tariffs, drastic import quotas, exchange controls, and other trade restrictions such as we had from 8 to 10 years ago. Either war or these trade restrictions bring home to New England manufacturers the interdependence of their industry and other groups in the United States and abroad.

To stimulate and support the exchange of our products with foreign products, and to promote the prosperity of all groups in the United States, the Congress adopted in 1934 the Trade Agreement Act as an amendment to the Tariff Act of 1930, and upon it is based the present reciprocal trade-agreements program.

I have not the time, and if I had I do not believe there is any necessity for me to describe in detail the act or the program or its results. I have only time to say in summary that within this framework laid down by Congress reciprocal trade agreements have been negotiated with 21 foreign countries, which accounts for about three-fifths of the international trade of the United States. Furthermore, a large proportion of the world's commerce is now being carried on under this plan, well described by Eliot Wadsworth, formerly president of the Boston Chamber of Commerce, as "the American plan, which leaves individuals free to act for themselves in transacting business outside the country."

Of course, none of us would claim that these agreements have been the only factor—or in all cases even the dominant factor—influencing our foreign commerce, but the program has exerted a steady, significant pressure toward maintaining commerce and industry at levels higher than they otherwise would have been both in this country and abroad. The year the act was passed, the United States international trade amounted to only three and three-fourths billion dollars. In 1938 it had arisen to more than \$5,000,000,000. In the first 11 months of 1939 it amounted to almost \$300,000,000 more than in the corresponding period of 1938. It is not a mere coincidence that accompanying this rise in foreign trade our national income has increased from less than \$51,000,000,000 to nearly sixty-four billion 4 years later.

The welfare of New England manufacturers, especially the welfare of the members of your association, is, I believe, inevitably bound up with the welfare of all other economic groups in our country, and this general welfare has been largely promoted by the reciprocal trade-agreements program, which you have every good reason to support. We cannot afford to isolate Rhode Island from the other States in the Union, and we cannot afford to isolate the United States from the other countries in the world.

### Ex-Soldier Washington, and Others

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1940

Mr. ALEXANDER. Mr. Speaker, the public is frequently shocked and disturbed by articles appearing in our newspapers, but I venture to say nothing has been more distasteful in recent days to good, liberty-loving, patriotic Americans than the Bell Syndicate article which I have inserted below.

The article is entitled "Uncommon Sense." It certainly is, on the part of the publishers, as it shows little common sense to have published such a heresy, a dastardly lie, and a libel on the men who have made, preserved, and perpetuated America. Where would we be today if it were not for our soldiers?

The article was called to my attention by E. C. Butler, third district commander of the Veterans of Foreign Wars, and his statement is as follows:

FEBRUARY 19, 1940.

This morning an editorial appeared in the Minneapolis Tribune which we of the V. F. W. are very much opposed to. We can see no reason why such articles are allowed to be printed and republished by any paper. I believe there should be some kind of a law to prohibit this, as you can readily see it is no more than slander. If there is anything you can do, John, to stop this kind of write-ups, or can at least attempt to, let me have your suggestion and I will take it up at our next district meeting.

I am sure you feel the way we do, as a veteran yourself. I am sending the clipping to you enclosed in this letter. I remain,

Yours truly,

E. C. BUTLER,

Third District Commander, Veterans of Foreign Wars.

And this is the scintillating gem of wisdom produced by John Blake, of the Bell Syndicate. It might be well to ascertain who Mr. Blake is—at least, he boasts he is not an ex-soldier—and who is back of the Bell Syndicate:

#### UNCOMMON SENSE

(By John Blake)

##### WAR HERO

"When he was in China during the Boxer Rebellion, we ran into a lot of bad food—poisoned stuff. The sergeant had a neat scheme he used, though. He'd get a Chink to sample everything before he ate it. He'd watch him, and, if the Chink didn't blink his eyes, the sergeant would finish the meal himself.

"When I was in the Argonne, I found a Heinie's food kit one day. I could always go for them German sausages and delicatessen stuff and I was hungry that day. But the captain had warned us against eating food we didn't know nothing about. Still I couldn't pass up that swell-looking stuff. So I took the food kit and hunted me up a French officer. 'Vous manger, mooseer?' I asked him, smiling pleasant and holding out a chunk of baloney. He acted very grateful and took the stuff. I watched him for awhile, and, when I saw he didn't blink his eyes, I finished off that Heinie's kit."

The veteran finished the yarn, amid general laughter and applause. If a few of us shuddered, perhaps it was because we weren't ex-soldiers and hadn't acquired the impersonal wartime point of view. After all, soldiers are trained to kill people and many of them get to thinking a life isn't very important.

The man who told the story had been extravagantly praised for his dexterity with a bayonet. He had been given medals, and an increase in pay for his proficiency in knocking off Germans. He started out as a simple fellow and it was natural that he got to thinking that his murderous occupation was a worthy one. His picture was spread around as the picture of a war hero. He was given testimonial dinners and retired with the rank of colonel.

Many of the most efficient soldiers are like that. As mechanics they are not to be trusted with a monkey wrench, as family men they are about as dependable as a tom cat; as members of society they lean toward felony. But when men are needed to defend the fatherland, they turn out to fit all the specifications. Give them a gun and they know how to use it in a way to delight the soul of a general. So long as a nation is at war they are at a premium.

In times of peace such fellows seldom amount to much. It takes special conditions to develop their destructive talents. Their genius for destroying human life flowers only in the proper environment. You can't murder without a license, and without practice their special talents don't get the proper exercise.

Under peaceful conditions they never develop that utter brutality so valuable in capturing an objective or defending a position against attack. The ability to collect war medals is not useful to peaceful men.

Now, let us pick apart some of the poison slander in the above article. "He started out as a simple fellow and retired with the rank of colonel," insinuating that not only are high officers "simple," but naturally if they are, then all soldiers below the rank of colonel must be, too, we assume we are wanted to conclude, including Nathan Hale; Joyce Kilmer, who wrote Trees, Joel McCrea, and the Message to Garcia; Abraham Lincoln; and countless other sung and unsung heroes. It has been charged in times ago that all the smart boys evade service, but an inclusive draft of 25,000,000 in western Europe and in America, as in 1917, hardly missed taking the flower of the youth of that year. And besides, the bravest and best were always the first to enlist; is it not a fact?

Another belittling remark:

But when men are needed to defend the fatherland, they turn out to fit all the specifications.

How long since it was considered unfitting a real man "to defend the fatherland"? When the people do not want the fatherland defended, and with guns if necessary, I venture to guess it will be in a day when the idealism of representative constitutional government has been irrevocably lost and when there is nothing worth while in the way of ideals or idealism to defend.

Against the heresies of writers such as this and when military dictatorships and totalitarian states have destroyed all morals, religion, and hope for a better world, then and only then, if I am not mistaken, will the people not want the fatherland and its priceless heritage defended.

"In times of peace such fellows seldom amount to much," says Mr. Blake. How about George Washington? There has been no greater character, yet he was "first in war." Yes; in the very travail of soldiering in a war and a revolution, America brought forth a man to the days of peace to be

ranked with the greatest and the noblest of any age in all the world.

When we think of Washington, we think of him not only as a military leader or diplomat but as an executive, as the man who by sheer force of great character not only held a divided and disorganized country together until victory was achieved but who, after peace was won, still held his disunited countrymen by their love and respect and admiration for him as "first in peace" until a nation was welded into enduring strength and unity, which influence still lives unto this day.

But how about Gen. U. S. Grant, Generals Taylor, Jackson, Wood, and Pershing, and many another soldier who has served his country in peace as in war, all as living monuments to contradict and to dispute the truth of such a foul statement as "in times of peace such fellows seldom amount to much." "The ability to collect war medals is not useful to peaceful men." No; but from men who have, and from their devotion, self-sacrifice, and service, has come—has been made possible—our American Government, its preservation and perpetuation. And every day these same ex-soldiers whom Mr. Blake reviles are giving continued service to God and country because they have some stake in such ideals.

It has been my observation that the experience of a soldier ennobles and purifies and makes the individual more considerate and more thoughtful of his fellowman. We know of many instances where a man has laid down his life to save that of his comrades. And to recite one or two isolated instances, such as found in the introductory remarks of this syndicated article, is like saying that all businessmen or all manufacturing firms are brutal and conscienceless and immoral because in some cases they are found to have been inconsiderate to their employees. Because one firm runs a sweatshop and wrings unjust profits out of the lives and blood of its employees hardly justifies one in concluding that therefore they all do likewise. I am sorry any paper could see fit to carry such a base article, built as it is on a false assumption and made up of lies, false theories, and insinuations. Soldiers are always cross sections of their nation. Such an article is an insult not only to our soldiers and ex-soldiers, but to their fathers and mothers who bore them, as well as to the entire Nation, and resolutions of censure should immediately be sent to the publishers by all patriotic organizations.

### Promotion of Good Will, Trade, and Travel Between the Americas

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

#### STATEMENT BY THE INTER-AMERICAN TRADE AND TRAVEL ASSOCIATION

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement prepared by the Inter-American Trade and Travel Association, which has adopted the short title of "Itata," pertaining to the promotion of peace through trade in the Western Hemisphere and the enhancement of good will and economic development between the Americas.

There being no objection, the statement of the organization was ordered to be printed in the RECORD, as follows:

I. T. A. T. A. believes that its program merits serious consideration as a meritorious undertaking devoted to the promotion of good will, trade, and travel between the Americas. This effort seems most commendable at this time and particularly to develop unity of the Western Hemisphere and greater reciprocity of trade.

The association enjoys the friendship and good wishes of officials of the Pan American Union, various other Federal and private organizations, the United States Travel Bureau, the Order of Adventurers, the University Travel Association, and a number of

diplomatic and commercial representatives of the nations to the south, as well as our own North America.

I. T. A. T. A. proposes what it believes to be a balanced program to improve our commercial, industrial, and cultural relationship with all the republics of the Western Hemisphere. In brief, the organization plans:

1. A voyage to all the American republics, carrying an exhibit of American manufactures, to show our good neighbors the things we have to offer in which they might be interested.

2. To carry aboard ship many responsible executives of North American industry so that they may see what our neighbors may have that would interest us.

3. To carry aboard ship some 150 students from American colleges and universities who could see at first hand the peoples and culture of the inter-American republics so that they could, when entering business for themselves, promote and expand our western understanding.

4. To utilize a presently idle United States steamship and employ some 200 or more American officers and seamen who are denied gainful employment because of the European war and to train in actual sea duty some 25 cadets from the training school of the Maritime Commission.

We believe this enterprise is in thorough accord with the policies of the several political parties in the United States, business, commerce and finance, the Congress, and the administration. As an attest to this belief, Itata submits a proclamation of the President of the United States, dated January 13, 1940, proclaiming Travel America Year:

"Whereas the exigencies of international conflict may be expected to deter travel by American citizens to the areas involved; and

"Whereas no such deterrent to travel exists among the friendly nations of the Western Hemisphere; and

"Whereas it is important that we in the Americas further consolidate our unity by a better knowledge of our own and each others' countries through the instrumentality of travel; and

"Whereas the facilities of the Government of the United States may well be devoted to the encouragement of so laudable a program.

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do proclaim 1940 as Travel America Year, and do invite our own citizens, and friends from other lands, to join in a great travel movement, so that our peoples may be drawn even more closely together in sympathy and understanding.

"In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

"FRANKLIN D. ROOSEVELT."

The Inter-American Trade and Travel Association is a nonprofit society organized under the laws of the District of Columbia, which has been actively making arrangements for a voyage of this sort for several months. It is now ready to complete its program.

It is proposed that the trade exhibits will, in effect, make of the voyage a floating fair. It will leave the United States about October 15, 1940, and spend 100 days in Pan American waters, stopping at each of the major ports of call of the 21 American republics.

The tentative itinerary calls for departure from New York with stops as follows:

Port au Prince, Ciudad Trujillo, La Guaira, Belem, Recife, Rio de Janeiro, Santos, Montevideo, Buenos Aires, and Punta Arenas.

Through the Straits of Magellan to Valparaiso, Antofagasta, Arica, Callao, Guayaquil, Acajutla, Corinto, Panama, Colon, Cartagena, Puerto Limon, Puerto Cortes, Puerto Barrios, Vera Cruz, Habana, and New York.

There will be effective promotion of understanding by our inter-American friends of the United States, its people, and its industries. I. T. A. T. A. will present special programs in the various ports, including:

An official governmental day, to which representatives of the Government would be invited as guests aboard ship.

A businessman's day for the respective leaders of trade and industry in each country.

A children's day, on which pupils of the schools in the various ports of call would be guests aboard ship so that the students in all the Americas can obtain first-hand knowledge of the United States.

Bear in mind that while the association is welcoming these youngsters, dozens of our own young men and women will be obtaining a direct study of the American republics. The University Travel Association, which so successfully operated for many years the so-called floating universities, has offered to put aboard ship 150 students. These young men and women, on their return to their homes, can talk and sell "trade and travel America" in many communities.

In general, the following program will be carried out for the students at each port visited:

Faculty and pupils will go ashore to visit the places of interest and carry on field work in connection with their courses. For example, the class in foreign trade will visit warehouses, governmental offices, and business firms. Art students will visit museums; botany students will visit the gardens and parks and other points of interest. At many ports receptions by local universities and cultural organizations are contemplated for our students.

The association in its preliminary research has been assured of the cooperation of the American republics to make the trip particularly interesting to our students, and to promote the direct good fellowship and acquaintance by the students that will so foster inter-American understanding.

The association is preparing a travel brochure cooperatively with the advice and suggestions of the United States Travel Bureau, which will set forth the natural beauties of North America so that our friends to the south may be advised of what they will see if they



visit the United States. Some 500,000 copies of this brochure will be distributed throughout the American republics and fill a need not now met by any publication.

It is important to us to know that the United States annually shows an adverse trade balance in our travel figures and the travel industry, from the standpoint of our economics, is almost as vital and almost as valuable in terms of dollars as any of our major export industries, including automobiles, cotton, oil, steel, and manufactured goods.

In 1939 travelers from the American republics spent approximately \$350,000,000 going places and seeing things. They did not spend it coming to the United States. Most of them went to Europe. The best statistics of the Department of Commerce indicate only about \$50,000,000 or \$60,000,000 was spent to visit the United States.

Our Government has been sadly remiss in this regard when we stop to think that some 53 foreign powers maintain in the United States travel bureaus dedicated to take our people to other lands.

Mrs. Ruth Bryan Owen Rohde, former Minister to Denmark, and once a Member of the House of Representatives, advises the United States, "I had an opportunity, during my years of residence in other lands, to discover how little is known abroad about the manifold attractions which the United States can offer to travelers.

"Our country has a wealth of natural beauties available to all," said Mrs. Rohde. "A vision of the wonderlands represented in our national parks alone should bring a steady stream of visitors to us. We will benefit not only economically but culturally as well. Unrestricted travel between the nations contributes to international understanding and aids the cause of peace."

The United States Travel Bureau is a part of the Department of Interior. Secretary Ickes has this to say of the importance of promoting travel between the Americas, and illustrates the complete lack of a publication conveying to those who might want to come to see us, a picture of what they will find if they come:

"Many nations have a cabinet officer to direct tourist and trade promotion. France and Canada are just a couple that do that. They spend thousands of dollars yearly and get back millions. Yet, if you go into any consular office of the United States in any foreign land and ask for something to show what the United States is like, the consul will only shrug his shoulders and say, 'Sorry, our Government doesn't get out anything like that.' Here is a letter from the American consul general at Santiago, Chile: 'If a way could be found for some literature and descriptive matter to be furnished to Government offices in foreign countries for free distribution, I am sure that the effort would be rewarded by better and more enthusiastic understanding between Chile and our country. The United States Government does not issue material descriptive of our Nation. Chileans are apt to look at us round-eyed when they come to our office and request a map of the United States, a picture of the Statue of Liberty, a pamphlet regarding our scenic beauties, our great men, and we tell them we do not have such material for distribution.

"Surprised and disappointed, unbelieving some times, our Chilean inquirer tells us: 'But I have been to the consular offices of other countries in Santiago and was given a great many beautiful pamphlets. Are you sure you haven't just one left somewhere?'"

In substance the Chileans think our consular officers are telling falsehoods when they say they do not have descriptive material to give away. The brochure that I. T. A. T. A. will prepare in collaboration with the United States Travel Bureau will go far toward filling this need as the association and the Honorable W. Bruce Macnamee, director of the Travel Bureau, have been working closely together in planning the activities of the organization.

Europe's Alps cannot compare with our Yellowstone, or the Rockies, or the Andes. There is no spa in the old country that we cannot better. It is amusing as well as amazing that we have not told the world what we have, even though the United States is supposed to be the native hearth of the ballyhoo artist and the advertising man. We may have been great horn blowers on a lot of subjects, but it appears that we have muted our trumpets in this respect.

To indicate the extent of the activities of the association and its unselfish desire to promote western solidarity, exhibit space will be donated to the United States Travel Bureau for a governmental exhibit. In this space the Travel Bureau can present the glories of North America for the edification of inter-America.

To effectuate the promotion of rapprochement between the Americas and objectives of the association, an advisory council of Members of Congress, governmental officers, inter-American diplomats and leaders in trade and industry is now being formed. I. T. A. T. A. is of the opinion that the Congress and the Government, as well as business, want to increase our commerce with the American republics in terms of buying from them and selling to them, and to increase travel between the Americas.

The European war, by curtailing much of the trade between Europe and South America, offers an exceptional opportunity to the Americas to increase their trade with each other. The statistics of the Bureau of Foreign and Domestic Commerce as of January 1940 show a decided increase already in trade during the last quarter of 1939. Here again the war provides opportunity for the promotion of trade and travel. One of the largest United States travel companies classified 20,000 travel inquiries received from September 1 through December 31, 1939, as follows:

	Percent
Inquiries concerning South America.....	8½
West Indies and Central America.....	9½
Mexico.....	11

or a total of 29 percent, as contrasted to a total of 10 percent for all other foreign countries including the Far East, the Mediterranean, and Bermuda.

I. T. A. T. A. quotes from an interview published in the New York Times obtained from Mr. E. P. Thomas, president of the National Foreign Trade Council:

"WE MUST ARRANGE FINANCING AND BUY MORE IF WE WOULD BOOST LATIN TRADE, SAYS THOMAS

"In looking to our immediate needs for increasing trade with Latin America to compensate for the loss in peacetime exports to Europe, American exporters must give first attention to our ability to buy more from the southern republics and to devising an economically sound plan whereby this country can help through loans and credits in developing new industries there," E. P. Thomas, president of the National Foreign Trade Council, said here yesterday.

"With the war jeopardizing much of our trade with Europe and probably eliminating sales of \$107,000,000 worth of goods to Germany, and an additional \$25,000,000 to Poland and Danzig, it is natural that Americans look to Latin American markets," he said; continuing:

"It must be remembered, however, that the buying power of these republics depends entirely on their ability to find markets for surplus primary products which are largely competitive with our own. They face the possible loss of \$240,000,000 in annual exports to Europe.

"Eight Latin American countries—Argentina, Brazil, Chile, Mexico, Colombia, Venezuela, Uruguay, and Peru—accounted for 90 percent of Germany's exports to that continent last year, he said. Their purchases amounted to \$200,000,000.

"An analysis of imports by Latin American countries from Germany in 1938 shows such items as coal, cotton, textiles, paper and paper wares, earthenware and porcelain manufactures, pharmaceuticals, steel and copper products, machine tools, steam locomotives, power machinery, motor vehicles and aircraft, wool and cotton manufactures. These are some of the principal products which this country is in a position to supply.

"In the case of Argentina, for example, these imports from Germany in 1938 were valued at approximately \$59,000,000 and for Brazil about \$65,000,000. The other countries made up the total of \$225,000,000 against which Germany took Latin American raw materials of an equivalent value.

"To supplement our reciprocal-trade agreement and good-neighbor program for promotion of inter-American solidarity, long-term credits, in which our governmental agencies will participate, may become essential."

So as further to emphasize the importance of the objectives of Itata, the New York Times Magazine of December 10, 1939, in an article by John W. White from Buenos Aires says:

"South America believes in the good-neighbor policy, but if that policy is to be carried beyond the status of a pleasant political phrase, the United States is expected to do something concrete in the way of implementing it.

"South America thinks the good-neighbor policy has been made the basis for uniting the Americas into a single political, economic, and social unit, which could live completely independent of the rest of the world. They say so every day all over the continent. The only question seems to be how far the United States is prepared to go in helping them become self-supporting, industrial states with large consumer populations and a high standard of living instead of merely suppliers of raw materials for the rest of the world, with their present sparse populations. \* \* \*

"The practical uniting of the Americas involves two lines of endeavor—the political and the economic. The final polish will require other endeavor along subsidiary lines, such as cultural and social. Political cooperation already has been achieved in large measure. Only the serious problem of economic cooperation remains to be solved."

We believe these few lines of themselves justify the importance of an activity and a voyage such as that projected by the Inter-American Trade and Travel Association.

The republics to the south have problems of their own to settle as well as do we of North America. Mr. Thomas E. Calder, president of the American & Foreign Power Co., points out in an article in the New York Herald Tribune that the 20 countries in South and Central America depend largely on the extraction industries—i. e., agriculture, minerals, and timber—for their prosperity or lack of it, and therefore are extremely sensitive to the world price levels of raw materials.

"They present in general the same problems which faced the United States 25 or 50 years ago," Mr. Calder said. "Unless new or additional markets can be found and additional capital invested in South and Central America, purchasing power in the southern republics will be reduced.

"If the United States is to develop greater markets for products of the United States, the United States should either buy more products from the southern republics or invest more capital in the southern republics, or do both."

Another outstanding American business executive, Mr. Daniel A. Del Rio, assistant vice president of the Central Hanover Bank & Trust Co., in an article also in the New York Herald Tribune, considers "Latin America the frontier for United States trade." Mr. Del Rio explains the European war and the partial, if not total, loss of our markets in the Old World, and domination of the Far East by Japan apparently dooming free trade in the Orient, and our permanent loss of that market means that the United States must find new markets.

"It is possible that the only logical markets that may have been left to us after this war is over will be the countries to the south of us," he said. "There lies a large virgin territory where industrial development is in its infancy, with enormous untouched mineral resources and the largest area of arable land in the world. There it is, Latin America as a new frontier waiting to be developed by the pioneering spirit and enterprise of the youth of America."

At the suggestion of one of the outstanding industrialists of Cuba, the organization will take on the voyage an exhibition of American paintings, as it is generally felt throughout the inter-American nations that the United States is somewhat lacking in cultural enterprise—in other words, we are somewhat barbaric—to acquaint them with the works of men like Whistler and Sargent.

It is axiomatic that the best way to know a person is to see him and talk with him. It is equally true that the best way to know a country, the best way to understand its people, is to do the same thing. It is advisable to see what they have to offer in terms of trade and show them what we have to offer that they might need. These are matters of major moment to us; subjects that will become increasingly important as the years go by; we had better recognize now the fact that over the next century it probably will be necessary for the Americas to stand together as a unit.

Perhaps the pages of history will provide adequate proof of this necessity. The Pan American Union will be 50 years old April 14. A half century of the promotion of good will has laid the foundation for our further efforts to make the Americas an entity of their own.

In view of these developments, it appears to us that it is most timely that a voyage of this sort be made, and we believe that Itata is an excellent and experienced organization to conduct such an enterprise. Among those in the association are men thoroughly familiar with the needs that will be met, experts in their fields, each a part in a well-formed organization that proposes to do this job in the way in which it should be done.

So that the exhibits of the world's fairs in New York and San Francisco may be available, the association proposes to sail from New York October 15 for 100 days in inter-American waters. Business executives of United States companies will go along, potential buyers of inter-American products, messengers of good will and mutual understanding.

In passing it should be observed that Itata's program represents a project which is a thing apart from the ordinary and established maritime enterprises, for it is designed to fill a need not now being met. It will give the Americas a first-hand knowledge of each other.

For purposes of illustration, let us assume that one of the North American business leaders aboard is surveying the possibilities of establishing a new plant location, while at the same time he is eager to find new sources of raw material. He would thus have the advantage of determining at first hand these and other facts in which he is interested. Coincidentally he meets personally the men and agencies with whom he will trade and obtain from them an understanding of their problems.

President Roosevelt, over and above the proclamation of 1940 as Travel America Year, some time ago wrote Mr. Thomas D. Green, president of the American Hotel Association:

"The time is here for a great new travel America movement, to which the Federal Government will give every impetus. I feel certain that Secretary Ickes is fully aware of the importance of the opportunity, not only in its economic sense but also in its stimulation of even closer relationships between all the Americas."

Itata has set the stage for a concerted effort for peace through trade and good will throughout the Western Hemisphere. Itata believes a voyage of the character projected will do much toward exterminating the inroads of fascism, Nazi-ism, and communism throughout the nations to the south and will nourish the roots of democracy by more closely knitting the common bond of understanding. We want to persuade our neighbors to come to see, and we want to go to see them. We want the day to arrive quickly when to us in the north many more people of Central and South America will deliver the friendly greeting "que tal" to us in person and when the colloquial expression "hi there" echoes throughout the republics to the south—the promotion of peace through trade.

### American Interests

#### EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ARTICLE BY HON. CLAUDE PEPPER, OF FLORIDA

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting article under the heading American Interests, written by the Senator from Florida [Mr. PEPPER] and published in the October issue of the magazine New World.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New World for October 1939]

#### AMERICAN INTERESTS

(By Hon. CLAUDE PEPPER, United States Senator, Florida)

The eyes of the world are upon America again.

At least for the last 25 years, we have been in the process of making the tremendous decision of what our place in world affairs was to be. We have known that we were a great world power, and we have been proud of our position. In spite of our efforts to suppress it, deep down in our hearts we have also known that we could not escape the responsibilities of such a position among the nations of the world. We have also declared and constantly cried aloud that our national policy was one of detachment and isolation from the remainder of the world in interest, yet we have seen very clearly, as much as we dislike to admit it, that in the very nature of things we were inextricably interwoven in the fabric of world affairs, and all that we did and all that we were inevitably reflected the character of the world pattern.

We have persistently resolved that we would insist upon our rights, our privileges, and prerogatives whenever they offered opportunity for gain throughout the world. Yet we have professed to believe, although we knew in our sober thought it was not so, that we could continually enjoy those advantages without ever meeting squarely the necessity for bearing the burden of those good things. We have constantly announced that we had no intimacy with any particular nation or group of nations in the world of such a character that we were bound to them and they to us, yet we knew when we were candid with ourselves that traditionally, philosophically, culturally, spiritually, even commercially, there was an affinity between us and certain other peoples of the world which bound us to them by those informal and invisible but nonetheless binding ties which sometimes hold closer and stronger than any others.

Our policy therefore has shifted from extreme to extreme. In 1916, it might be said that there was a sort of referendum upon our staying out of the World War in favor of peace, while in 1917 we went wholeheartedly into vigorous participation in that war. While there are those who either want to cloud the issue a bit or see it with such little perspective that it can be only clouded to them who say that we went into that war because of some injury to our commerce, some wrong to our citizens, some offense to our national security, integrity or prestige; yet we who try to see the situation as clearly as possible, know in our hearts that while these things were the match which maybe lighted the fire, were the Sarajevo, as it were, of the war, yet that it was a much deeper and stronger cause which really led this Nation to its colossal exertions in that terrible conflict.

In short, we feel that the faith that was in the heart of the American people when we entered that war, the throbbing impulse which actuated the men and women who both offered and gave their lives in that conflict, even the slogans, those great dynamic phrases which were the symbols of our attitude in that ordeal, were genuine—every word of them.

We feel that there was neither sham nor false pretense nor insincerity in our assertions that we entered that war to save things which from the beginning of our Nation, almost of our race, we had considered worth fighting for. Neither was there sham nor false pretense in our belief that not only our ideals but our national security were directly to be affected by the outcome of that war. And we are not going to allow the cynics to take the heroism out of the deaths of those American boys or weaken one jot or tittle the faith that lingers yet in the hearts of the Gold Star Mothers of this Nation, that their sons gave their lives for something better than the cold calculations of the greedy and the avaricious.

Neither are we going to forget the colossal heights to which the dreams and the aspirations of men reached, that there might be something like an ordered and lawful world—something like a worldwide recognition of at least the minimum of civilization and decency.

Neither shall we ever forget that upon the wings of that idealism and that determination which burst out of the sad heart of the world there came the nearest approach the human race has ever seen to a civilized world.

The Christian church, even in 2,000 years, in spite of the sacrifices of all the martyrs and the prayers of all the saints, has neither perfected man nor destroyed the devil. Because even a world war, therefore, did not temper the passions of nationalism to a reasonable restraint and purify the hearts of men and women of overreaching ambition and make over, at one fell swoop, either the injustices or maladjustments of tragic centuries it does not follow that those who died in that war gave their lives in vain.

This Nation is trying to fight its way through the maze of confusion toward the certain light of a true course—a right course. We know that tomorrow and the next day and the days thereafter are but the lengthened shadows of this day. We know that the turn we take in the road, though now but a perceptible deviation from another, will in the tomorrow of our journey make all the difference. Every day we get closer somewhere. It is tremendously important that we know where we want to go, at least. If we can just get to the top of the hill and see enough to plot our path clearly, at least part of the way, we will be fairly satisfied if we are sure that we are going in the right direction.

Unmistakably, there are certain things in other parts of the world in which we are definitely not concerned. By the same token there



are other things which concern vitally everything that we do and everything we believe in, everything we think worth saving out of the wreckage of the past. While, of course, America is primarily concerned with its own welfare, yet America knows that just as the welfare of no home stops at its doorstep, so does the welfare of no country end only with its boundary.

America is interested in the prosperity, the comfort, the education, the employment of every one of its citizens; yet America is also interested beyond measure in the spiritual and mental, as well as the physical inheritance of its posterity. America is not brash, falsely brave, but America is not afraid when every impulse of its mind and heart demands courage.

America is staggering under colossal burdens but she cannot solve them by indifferent concern for the chaos of the world.

Whether we know it or not, whether we intend it or not, we are determining our course—we are taking our place. This very Congress will, in my opinion, make the most far-reaching decision we have made about our international policy since the resolution of 1917 by which we entered the World War. We, at least, need to discuss the matter fully and candidly. We should, at least, know where we are going and determine what we are willing to do. It leads to nothing but confusion in what we do to be confused in what we think. Therefore, we should search our minds and hearts, we should search our traditions, we should examine our interests, we should weigh and balance the advantages and the disadvantages, we should contemplate the awful responsibility either of action or inaction, and in the councils of a free government arrive at a decision which befits a free and honorable people.

### The Peril to Our Government From Foes Within Our Borders

#### EXTENSION OF REMARKS

OF

HON. RUFUS C. HOLMAN

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ADDRESS BY HON. RUFUS C. HOLMAN, OF OREGON

Mr. HOLMAN. Mr. President, 10 days ago, when throughout the length and breadth of our land many Senators were invited to address meetings of patriotic Americans on subjects appropriate to a study of the life and work of Abraham Lincoln, I delivered an address in Philadelphia which I believe was pertinent to the subject. In compliance with the suggestions of some who heard it, I request unanimous consent to have it printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, next Monday is the one hundred and thirty-first anniversary of the birth of Abraham Lincoln. On that day all over our broad land patriotic American citizens will be celebrating the event. So familiar are the American people with almost every detail of the homely life of this great and good man that for me now to recount biographical facts concerning him would be only repetition before any intelligent and well-informed assemblage of American citizens. One who contemplates a discussion of the career of Abraham Lincoln and its importance to the welfare of the American people and the lessons to be drawn from it for our present guidance, is forced under these circumstances to select one of his many expressed great thoughts and confine his discourse to a discussion of it.

Lincoln successfully sustained the shock of a slowly developed armed and open attack upon American constitutional government from enemies within his own country. We, too, to save our country now, must withstand attacks upon our Constitution from enemies within our own borders, with this difference—instead of from open and armed attacks, we must resist and suppress the insidious assaults upon our constitutional government of those who bore from within and from those whose loyalty to America is only a pretended loyalty—whose real sympathies are with elements foreign to America, American institutions, and the welfare of the American people. Lincoln's experience with his problem in his day is our best guide now to a solution of our own.

Recently, I ran across a speech which Lincoln delivered before the Young Men's Lyceum, of Springfield, Ill., when he was only 28 years old, on The Perpetuation of Our Political Institutions. In this speech he truly observed that the United States need fear no danger from foreign foes. In the enthusiasm of youth, he declared:

"All the armies of Europe, Asia, and Africa combined with a Bonaparte for a commander could not by force take a drink from

the Ohio or make a track on the Blue Ridge in a trial of 1,000 years. \* \* \* If danger were ever to threaten the United States it would come from within. \* \* \* As a nation of free men we must live through all time or die by suicide."

He goes on to speak of something that omened ill and says, "I mean the increasing disregard for law which pervades the country."

My friends, that is my text for tonight—the increasing disregard for law which pervades the country and the peril to our Government from foes within our borders—those seekers of special privileges and advantages to themselves and their foreign and domestic connections, regardless of what the consequences may be to the American Government or to the American people.

In 1857 and 1858, Lord Macaulay, the English statesman, historian, and essayist, wrote two very remarkable letters to an American correspondent, H. S. Randall, from which I shall quote a few sentences, reminding you that our Government, under the American Constitution, is still an experiment. Macaulay said in part:

"I have long been convinced that institutions purely democratic must, sooner or later, destroy liberty or civilization, or both.

"In Europe, where the population is dense, the effect of such institutions would be almost instantaneous. \* \* \* Either the poor would plunder the rich and civilization would perish, or order and prosperity would be saved by a strong military government, and liberty would perish. \* \* \* Your fate, I believe, to be settled, though it is deferred by a physical cause. As long as you have boundless extent of fertile and unoccupied land, your laboring population will be far more at ease than the laboring population of the Old World. \* \* \* But the time will come when new England will be as thickly populated as old England. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams hundreds of thousands of artisans will assuredly be sometimes out of work. Then your institutions will be fairly brought to the test. \* \* \* On one side is a statesman teaching patience, respect for vested rights, strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to ride in a carriage while thousands of honest folks are in want of necessities. \* \* \* Which of the two candidates is likely to be preferred? \* \* \* I seriously apprehend that you will in some season of adversity, as I have described, do things which will prevent prosperity from returning. \* \* \* There will be, I fear, spoliation. The spoliation will increase the distress. The distress will produce fresh spoliation. \* \* \* Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth, with this difference, that the Huns and the vandals came from without, and that your Huns and vandals will have been engendered within your own country. \* \* \*"

So much for Lord Macaulay's sinister prediction of 80 years ago relative to the future of our country.

Sir James Bryce, one-time British Ambassador to the United States, observed, in part, in the 1910 edition of his great work entitled, "The American Commonwealth," as follows:

"So America, in her swift onward progress, sees, looming on the horizon and now no longer distant, a time of mists and shadows wherein dangers may lie concealed whose form and magnitude she can scarcely yet conjecture. As she fills up her western regions with inhabitants, she sees the time approach when all the best land, even that which the extension of irrigation has made available, will have been occupied, and when the land now under cultivation will have been so far exhausted as to yield scantier crops, even to more expensive culture. Although transportation may also have become cheaper, the price of food will rise; farms will be less easily obtained, and will need more capital to work them with profit; the struggle for existence will become more severe. And while the outlet which the West now provides for the overflow of the great cities will have become less available, the cities will have grown immensely more populous; pauperism now confined to six or seven of the greatest, may be more widely spread; and even if wages do not sink, work may be less abundant. In fact the chronic ills and problems of old societies and crowded countries, such as we see them today in Europe, will have reappeared on the new soil, while the demand of the multitude to have a larger share of the Nation's collective wealth may well have grown insistent. High economic authorities pronounce that the beginnings of this time of pressure lie not more than 20 years ahead (1930). \* \* \* It may be a time of trial for democratic institutions."

I do not subscribe, without drastic modification, to the direful predictions of the future of our country which these two great and impartial critics of our form of government held; and, yet, forewarned is forearmed. Instead of blindly rushing headlong into a situation in our country, which was predicted over 80 years ago, and again 50 years ago, and to which predictions some semblances may be discovered in present conditions, let us now take steps, before it is too late, to avert the calamities which may befall us if we continue to follow the present leadership of political thought in our Nation—the very kind of leadership to which Macaulay referred; a leadership which has made extravagance, incompetence, disloyalty, and the capitalization of public place for private gain, officially respectable in America. Let us return to the philosophy and Americanism of Abraham Lincoln, and again follow in his

footsteps; and along the safe and prudent ways of Franklin, Washington, Jefferson, Marshall, Madison, Jackson, and more recently, Cleveland, McKinley, and their kind. Let us again adopt the only methods for individual or national progress which have ever succeeded in the history of the world—the old safe road of industry, thrift, self-reliance, cooperation, honesty, truthfulness, loyalty, and patriotism. There is no short cut to ease and luxury. Eternal vigilance is still the price of liberty.

There still remain vast areas of our country to be cultivated; vast treasures in the earth to be mined; vast wealth in the fisheries of the seas and tidal rivers; vast forests to be harvested and vast opportunities for employment in transporting these crude and raw materials to factories and there, by refined manufacture, converting them into an infinite number and kind of useful, essential, and delightful objects for the enjoyment of the people of the world. Our problem is how best and most equitably to promote harmony and cooperation throughout our entire population. Then our problem will be one of underconsumption, and not overproduction.

If one doubts the capacity of the American people to consume unlimited quantities of the products of our mills and factories and farms, how do you account for the number of automobiles which congest the streets and parking lots of every city, town, and hamlet in the Nation and crowd the roads, highways, and lanes of every State in the Union?

But this possible hive of contented industry cannot be brought about by discord and by arraying class against class. Concord and the adoption of the golden rule by all, however, will do it. The philosophy of "Do unto others as you would have others do unto you," and "Love your neighbor as yourself," is a very practical thing, but few practice it. Therein lies our trouble.

You will note that with Lincoln, the British statesmen whom I have quoted agree that the supreme peril to our form of government will arise from amongst ourselves and not from foreign foes. This peril will be coincident with the exhaustion of cheap and fertile public lands and the congestion of population in the large and ever larger cities, therefore, it seems to me a first step to take to save our country is to stop further immigration into it; at least until we have solved the serious problem of 10,000,000 Americans out of work; the apportionment of our remaining available, arable lands; and what to do with those aliens amongst us who stir up trouble and are affiliated with those closely organized minority groups of alien-minded people resident in America who continually press for group advantage and involvement of us in foreign entanglements which are counter to the welfare of America and American citizens.

The effect of un-American pressure groups is patently observable in the acts of those politicians in government whose constituencies contain large blocs of such racial, religious, and alien-minded voters. It is high time for Americans who love their country and desire to preserve it to unite for the common purpose of maintaining the Federal Constitution, the protection of American interests, and the safeguarding of liberty and freedom.

Lincoln said, "A house divided against itself cannot stand." Already we have large groups within our country who do not assimilate themselves with us, but hold themselves apart from us, each group divided from us in its political philosophies and racial objectives. No longer does our immigrant population assimilate and become one with us in having only American aims and American ambitions. The melting pot no longer melts.

I found when I proposed to stop all immigration into this country for an experimental period of 5 years I was accused by some persons of being anti-Semitic because among those who are seeking admission to this country are some Jews. When I voted against the confirmation of Governor Murphy as Attorney General of the United States because I most thoroughly disapprove of his temporizing with the trespass and violence of lawless mobs in his State while he was Governor, I was accused of being anti-Catholic. When I opposed the repeal of the Neutrality Act, because I believed by its repeal America took the first step toward our involvement in another European war, I was accused of being pro-German—and so it goes. Each alien-minded or racial group judges American public men from the standpoint of advantage to its particular sect, race, or affiliate rather than from consideration of what is the wisest policy to pursue to safeguard America and to promote the welfare of all the American people.

Just to keep the record straight, I want to state that I am not anti- or pro-Semitic, anti- or pro-Catholic, anti- or pro-German, anti- or pro-English, anti- or pro-anything. I am just, apparently, a rather lonesome American in America, devoted solely to the welfare of America and the prosperity and well-being of all patriotic American citizens, regardless of race or creed.

The preservation of our constitutional Government now is confronted, in my opinion, with another great menace—the determination of many people to avoid real work; to grasp the fruits of industry without earning them; people who believe work is a curse and not a blessing; people who do not distinguish between mine and thine; people who know nothing of the joy of achievement through overcoming difficulties. To let another feed you may nourish the body but certainly will destroy the soul.

Lincoln earned his bread by the sweat of his brow. He depended upon himself and upon his own efforts. He did the work before him. He was self-reliant. He could suffer want and not lean upon another, nor attempt to wrest from another his lawful property. He never claimed to be underprivileged. He never sought to eat

bread earned by the sweat of other men's brows. He was typical of the pioneers of his day and generation—the hardy American stock that founded our Nation, subdued the wilderness, developed the country, lived within its income, paid its debts, and preferred to help rather than to be helped. He and his kind were lifters—not leaners. They realized that their liberties ceased where the liberties of others began. They did not trespass upon the property or rights of others, nor did they brook the trespass of others upon themselves. They were a hardy, God-fearing, law-abiding people, each believing his house was his castle.

Must I use the past tense in describing the predominant American characteristics typical of Lincoln and his generation, of his forebears, and until recently, of his successors? Are the hardy virtues of the early American stock no longer the predominant characteristics of the American people? Is the majority of those we call Americans today, to be found amongst those who take the law into their own hands; who brush aside the American Constitution, when the observance of it and the laws under it bar the way to their immediate objectives; who for themselves claim all the privileges and safeguards by which our Constitution protects the rights of the American citizens, but who violate those Constitutional safeguards as they apply to the persons and property of others; who follow a leadership which has referred to the honorable judges of our Supreme Court contemptuously as "nine old men," and to the Congress of the United States as a thing outmoded? Are those who swarm into this country, and congregate in the congested areas of our largest cities, and thereby necessitate slum clearance projects; who demand employment on their own terms and conditions; who, though able-bodied, would rather be on relief than to take a job at wages which many prospective employers could pay; who plan to be supported in idleness by money derived from public taxes—do these people constitute the majority of our citizenship?

If so, the predictions of Macaulay and Bryce, and the fears of Lincoln are already upon us.

But let us not despair. The preservation of the American Constitution and of representative government under it, are worth fighting for. Brave and patriotic men gave their lives to establish it in 1776, and brave and patriotic men gave their lives to perpetuate it in 1861. Let brave and patriotic men be prepared to give their lives, if necessary, to save the American Constitution and our representative government, and the welfare of the American citizens, in 1940, and ever after.

Let us again have a government "dedicated to the proposition that this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, and for the people shall not perish from the earth." Let patriotic Americans be as ready to suppress lawlessness as the racketeers of honest labor and ambitious, designing politicians are, to foment it. Let us restore the administration of our country to the friends of the American Constitution, regardless of present political party affiliations. To this purpose, let all good Americans subscribe to the oath taken by the patriots who signed the American Declaration of Independence—"To this we pledge our lives, our fortunes, and our sacred honor." Our country needs today, more than anything else, in my opinion, another Abraham Lincoln, the Republican. May God grant that we find him.

## Government Projects in the Pacific Northwest

### EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

EXCERPT FROM ANNUAL REPORT OF THE SEATTLE-FIRST NATIONAL BANK, SEATTLE, WASH.

Mr. SCHWELLENBACH. Mr. President, the Seattle-First National Bank, the main office of which is in Seattle, and which has branch offices in various sections of the State of Washington, is the largest financial institution in the State. I was proud to find in the annual report presented to the stockholders of that national institution, on January 9, 1940, a recognition by the officers of the institution of the importance in the progress of the Pacific Northwest of the projects which have been carried on by the Federal Government under this administration, and I ask unanimous consent to have printed in the Appendix of the RECORD that portion of the report which deals with those governmental projects.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:



## GOVERNMENT PROJECTS

As in 1938, Government activity during the past year in Washington provided substantial employment and was responsible for the expenditure of considerable Federal funds. The most important projects constructed or under construction include the following:

## GRAND COULEE

During the year \$25,000,000 was expended on this project that is located in eastern Washington, about 92 miles west of Spokane. Present estimated cost of the completed high dam and power plant is \$186,000,000. By the close of 1939 approximately \$93,800,000 will have been disbursed and engineers estimate that continued appropriations of around \$30,000,000 a year will be necessary to carry forward the entire development in a reasonably speedy, sound, and orderly manner to completion.

In an important election held on December 9, 1939, landowners, in the localities to be included in the reclamation undertaking, overwhelmingly voted in favor of the formation of districts. This represented the initial (vital) step in the reclaiming of some 1,200,000 acres of land, a large portion of which at the present time is arid or semiarid.

## BONNEVILLE

While little progress was made in the marketing of available power during a major part of 1939 (there were several changes in management), the closing months of the year realized the signing of several sizable contracts. Private utilities in Portland have contracted for a substantial amount of energy which will result in reduced rates in that territory. In addition the lure of cheap rates has encouraged the Aluminum Co. of America to announce its intention of constructing, in the near future, a \$3,000,000 plant at Vancouver, Wash. This announcement came after signing a 20-year contract with Bonneville authorities.

## LAKE WASHINGTON BRIDGE

Much progress is in evidence toward completion of this structure. The pontoon bridge (longest of its type in the world), which will shorten the distance to North Bend and points east by some 14 miles and provide a new artery of traffic into Seattle, will be completed, it is said, by June 30, 1940. Total cost will be \$8,854,400, of which \$3,794,400 represents a Federal grant.

## TACOMA NARROWS BRIDGE

Work was continued throughout the year on this \$6,400,000 project. While it will not be completed until the fall of 1940, there is plentiful evidence of sustained progress.

## BREMERTON NAVY YARD

With the completion of the graving dock, on which a contract of \$1,957,000 was recently awarded, the Puget Sound Navy Yard will have the two largest drydocks in the country. This will place the local yard, with its five units, in an outstanding position among the navy yards of the United States with respect to facilities for work on all ships of the Navy.

## MUD MOUNTAIN DAM

Work was inaugurated during the year on the \$5,235,000 Mud Mountain Dam, which is expected to reach completion by November 1942. This dam is to be used entirely for flood-control purposes. It is located on the White River, approximately 47 miles southeast of Seattle, and will protect Puyallup Valley and the Tacoma industrial area against costly floods.

## HOUSING AUTHORITY OF THE CITY OF SEATTLE

This organization has undertaken a program of slum clearance that assumes major proportions. A sum of \$3,000,000 is to be borrowed, nine-tenths from the United States Housing Authority and one-tenth locally. This is to be used in clearing Yesler Hill and constructing 700 dwelling units which will afford accommodations for approximately 3,000 persons. Appraisal work is in progress at the present time and demolition and construction contracts will be let in 1940.

## SPOKANE AND THE INLAND EMPIRE

The improvements noted in 1938 continued during the past year at increased velocity. Construction again led the way with the largest number (4,000) of building permits ever issued in the city's history. A total of nearly 650 permits for single-family dwellings, at a value of almost \$2,250,000, surpassed any year since 1926, while real-estate activity was approximately 10 percent above 1938. In addition such business barometers as post-office receipts, telephones in use (new high record in 1939), sale of manufactured gas, department store sales, family dwelling vacancies, sales of new automobiles and trucks, and local railroad car loadings, all indicated an improvement over 1938.

The lumber industry in this district enjoyed one of its best years since 1930, reports to the Western Pine Association indicate. An unusually open fall permitted operations to continue far beyond their normal termination, with orders holding up well throughout the year.

The substantial increase in dividend payments by six companies augurs well for the mining industry in that section. Payments during 1939 totaled \$6,989,000 as against \$3,370,000 in the year previous. Contributing factors were increases in the price of silver, lead, and zinc, the latter two from a greatly stimulated demand.

## Census Snooping

## EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

RADIO ADDRESS BY HON. CHARLES W. TOBEY, OF NEW HAMPSHIRE

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address recently delivered by me on the subject Census Snooping.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am speaking particularly tonight to the masses of our citizens, to those great groups who have moderate salaries and incomes, and who are typical of the home life of America.

During April an army of 130,000 politically appointed census enumerators, armed with bundles of questionnaires, will invade every home in this country and demand that you answer, under peril of imprisonment, each of the many questions drawn up by the bureaucrats in Washington; questions which, in my judgment, invade your inherent rights of privacy and your constitutional liberty.

This army of locally appointed enumerators, one-half as large as the standing Army of the United States, is being appointed not primarily on the basis of merit or trustworthiness but, under the spoils system of political patronage, to reward party politicians for the work they have done in past campaigns or are expected to perform this year.

The enumerator that comes to your door will be a neighbor of yours, for the Census Bureau has announced that the enumerators will be appointed locally.

Whether you want to or not, you will be required to tell him how much income you have made during the past year, and what the sources of the income were; whether you have been divorced in the past; how old you were at the time of your first marriage; the number of children born under present or past wives; whether you have been married more than once; whether you have had the advantages of an education or had to leave school at an early age; how many grades of schooling you completed; whether you own your own home; whether it is mortgaged, and if so, for how much; and how regularly you are meeting your debt payments; whether you have a flush toilet and whether you use it exclusively or share it with others; whether you use your bathtub alone or share it with others; and whether you have an out-door privy; and so forth.

These are only a few of the 81 questions that he will demand answers to. This ordeal alone is sufficient to give the normal housewife at least a slight suggestion of a headache.

You will be required to answer these questions whether your neighbor, who happens to be the enumerator, is a creditor or an enemy of yours, or whether you have good reason to feel that your private affairs may be quietly revealed to others in your neighborhood.

Never before in the history of this country have the people been forced to reveal to locally appointed census enumerators, under the population schedule, the amount of their incomes, and this is admitted by the statement of the Census Bureau itself.

On February 1, I read on the Senate floor a letter which I had sent to Secretary of Commerce Harry Hopkins, urging that the questions relating to the private income of the individual be stricken out.

Secretary Hopkins refused to strike out these personal questions and called my request absurd.

In an attempt to allay my fears as to the dangers of this private information being divulged, Secretary Hopkins pointed out that the law prescribes penalties of fine or imprisonment for any census taker who reveals any personal information. This does not satisfy me, however, for I remember that it was this same Mr. Hopkins who was the head of the W. P. A., and I have read the Senate report of the investigation of W. P. A. scandals. In Kentucky, lists of W. P. A. workers were copied from official records, on forms with a column left for remarks, on official W. P. A. stationery; copies were handed to every W. P. A. foreman, requiring the filling out of the political affiliation of the relief worker, and whether or not the person so checked was favorable to the candidacy of the Democratic incumbent for the Senate and, in many instances, it was found that men not in favor of this candidate were discharged and denied relief. Therefore, with this shameful record before us of what has occurred, I point out that while there is a penalty upon any census enumerator, who divulges the information he secures, yet there was a similar penalty for any W. P. A. official who divulged information; but that did not pre-

vent its being divulged, and being used in political efforts to elect one candidate, and kill off another, under the W. P. A. administration, of which Harry Hopkins was the head.

Therefore, in view of the W. P. A. scandals which I have just cited, there are just grounds for being apprehensive lest these politically appointed census takers reveal this information to their political bosses, and lest the political bosses take political advantage of the financial plight of the individual citizen.

It was this same Mr. Hopkins who, when he was Administrator of W. P. A. was reported as making the following statement, "The people are just too damn dumb to understand what is going on." Well, Mr. Hopkins, the people writing to me have convinced me that they are not too dumb to understand what is going on in this matter of census snooping.

So, upon receiving Mr. Hopkins' refusal to strike out these questions, I introduced Senate Resolution 231, which if adopted by the Senate will require the Census Bureau to strike out questions 32 and 33, which ask you to reveal your income. If you will write me I will be very glad to send you a copy of this Tobey resolution.

This resolution has been referred to the Senate Committee on Commerce, and I am endeavoring to get a hearing before the committee.

If you feel, with me, that these income questions invade your right of privacy, you can help to get them out of the questionnaire by writing to your Senator, urging support of the Tobey resolution on the census. If you and your friends help in this way, I am confident that we can get the resolution passed, and the income questions stricken from the questionnaire, so that you will not have to reveal to your neighbor, who will be the census taker, this private information, which may easily become common gossip in your local community. Only recently the housewives of Olean, N. Y., held a protest meeting, and publicly resolved that they will not stand for this snooping into their private affairs.

Notwithstanding these questions about income are not sanctioned by law, and are entirely new questions, Mr. Hopkins attempts to justify them by the statement that these census questions represent the wishes of the American people.

I challenge that statement as I also challenge the statement of an official in the Census Bureau who said, "The American people have asked us to answer these questions for them."

I suppose the American people are just clamoring to know whether or not John Smith has a \$1,200 mortgage on his house, and whether or not he made his last payment when due, and we, the American people, can hardly wait to find out how much income Mary Brown has received.

No; the American people never asked for this information. A few large business concerns may have done so, and some research bureaus, but the values, if any, gained from such information, are entirely disproportionate to the invading of the private rights of the people.

Every individual in this country has an innate love of freedom. Every individual is entitled to a certain amount of self-respect. Why should you be compelled to divulge the amount of your income to political appointees who may reside in your neighborhood, or be your enemy? A free American citizen is justifiably loath to furnishing such information to any Tom, Dick, or Harry who has been given by a political boss the privilege of intruding.

To illustrate, I now read a letter from a woman in New York who writes, "On a recent news broadcast I heard of your opposition to certain census questions. This comes to me with much force because of an experience I have had. During a recent farm census I was obliged to tell a neighbor, who had been made census taker, if I had a mortgage, and how much. This is a small town, and this information was a sweet morsel to the census taker, who lost no time in letting it be known. For such as I am, whose honest endeavor is to live a square and decent life, and mind my own business, these things hurt cruelly and seem most unjust."

Were I told that such a method of compulsion was used to obtain private information in Soviet Russia or in Germany, prior to, and to facilitate the inauguration of dictators in those countries, I would not be at all surprised.

Such a departure from precedent under the guise of social planning reminds one of Professor Tugwell's words: "We shall roll up our sleeves and make America over. We begin with small, unnoticed changes, and end by not being able to resist vast and spectacular ones."

I hold, and my opinion is supported by foremost authorities, that these income questions are a direct violation of article IV of the Bill of Rights, which reads: "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated."

I have in my hand a letter from William Starr Myers, head of the department of politics at Princeton University, which reads as follows:

"DEAR SENATOR TOBEY: I am very glad indeed to see that you have taken up and exposed the character of questions to be asked of the individual citizens by the census enumerators. If the reports of the questions are correct, as stated in the newspapers, they are a direct violation of the Bill of Rights in the United States Constitution, and totally unwarranted as an infringement of private rights and individual liberties. I think you are doing a great public service, in thus taking a stand in defense of American institutions, and heartily thank you for it."

To the many of you who have written me that you will refuse to answer these questions as to income, let me assure you that, on eminent legal authority, these questions are not only unconstitutional but, in addition, there is no legislative authorization for them. So far as pertinent to this subject, the Congress restricted the census to questions on population and unemployment. Nowhere in the act are income questions authorized. The Bureau officials, acting without authority, inserted these questions on income, on the ground that they are population and unemployment questions. This is an attempt to stretch the word "population" beyond all reason.

I am not a prophet nor the son of a prophet, but as I review the growing scope and number of the questions asked at each census, and this stretching of the meaning of the word "population," it is not an overstatement to say that I shall not be surprised if, in 1950, with an increasing thirst for knowledge, they will inquire into the most private marital relations between husband and wife, attempting to justify this on the basis of population trends, eugenics, or biology.

To sum up, these census questions demanding you to divulge your income manifestly violate your constitutional rights. They constitute an unwarranted prying into your personal affairs, they open up personal information to people in your own community, who have been politically appointed as enumerators, and they are an invasion of the natural right of privacy of every citizen.

Wake up, America, before it is too late. Eternal vigilance is still the price of liberty. Stand up and fight.

## Rural Electrification

### EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ARTICLE BY LUDWELL DENNY

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by the distinguished writer on economic and political subjects, Mr. Ludwell Denny, which was published in the New York World-Telegram, in which the writer discusses the activities of the Rural Electrification Administration and shows that within a period of a few years it has increased the use of electricity upon farms from less than 11 percent to more than 25 percent.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram]

R. E. A. REPORT DEFIES RUGGED INDIVIDUALISM

(By Ludwell Denny)

WASHINGTON, February 17.—The biggest club used by Republican campaign orators to beat the New Deal is "free enterprise." Too much government in business, boondoggling, plowing under of little pigs, and billions of dollars running out in taxpayers' money and debt for wasteful projects.

If the Government, instead of importing pink ideas from Europe, had simply let alone that rugged individualist, the American citizen, the country would have recovered from depression long ago—as it speedily will recover when the incoming Republican administration permits free enterprise. That is the G. O. P. argument.

But today one New Deal agency issued an annual report which the candidates of smear oratory may find too hot to handle. This agency is one of the worst offenders against rugged individualism. It competes with private capital. It regiments hundreds of thousands of free Americans. And yet Republican campaigners are not likely to use it as a horrible example to prove their point.

The name of this agency—and it is only a name to some city folks, many of them having never even heard of it—is the Rural Electrification Administration. Its report today indicates that about 25 percent of American farms now have electricity.

That, of course, is a pretty bad showing in the eyes of the average city chap. Considering that the country has had electricity for more than half a century, there has certainly been plenty of time to electrify not 25 percent but practically all of the farms of the richest and most progressive nation on earth.

But the surprising statistics in the R. E. A. report indicate that New Deal interference and regimentation are not to blame. Even before the Government began messing in this, business conditions were not perfect.



In fact, after 50 years of free enterprise and private initiative on the part of the great power industry of the country less than 11 percent of the farms were electrified.

Then the "blundering brain trusters," the impractical "long-haired boys," got busy. That was in 1935. And in 4½ years they have boosted the figure from 11 to 25 percent—and are on the way to 30 percent. In this brief period the New Deal did more in extending this branch of the electrical industry than private business had done in half a century.

And it is not going to sink the poor taxpayers, either. With few exceptions these rural power projects are paying their own way. Many of them are so successful as business propositions that private industry is trying unsuccessfully to buy them out.

It is not quite accurate, however, to say that the Government is doing all this. It is doing something much worse, from the standpoint of rugged individualism, than running these projects itself. It encourages the formation of, and lends money to, cooperatives. Nearly 9 out of 10 of the R. E. A. borrowers are cooperatives.

Apparently the individualistic farmers like this regimentation into cooperatives, or, at least, do not regard the sacrifice of their right to act separately in drudgery as too great a price to pay for lights, radios, electric irons, washing machines, refrigerators, and motors for farm work. The number of farm families being pampered and made soft by such luxuries is now 1,700,000 compared with 744,000 before R. E. A.

Among the new dealers who dreamed this dream, which has turned out to be so real and practicable, were Mr. Roosevelt, Senator Norris, Morris Cooke, John Carmody, and Harry Slattery, the present outstandingly able R. E. A. administrator. But, of course, it is the farmers who are doing the job—of self-help through cooperation and with Government encouragement.

### Looking at Records

#### EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

EDITORIAL FROM MONTGOMERY (ALA.) ADVERTISER

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Montgomery (Ala.) Advertiser of February 16, 1940, entitled "Looking at Records."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Montgomery (Ala.) Advertiser of February 16, 1940]

#### LOOKING AT RECORDS

When writers of opinions blandly say something about looking at records to prove a particular thesis it is time for the ordinary man to get out all his available intellectual salt and begin using it. Records of a purportedly statistical nature are the trickiest things known. There are many honest statisticians, but for every honest statistician there are hundreds of dishonest interpreters of statistics.

The old adage concerning the impartial truth-telling quality of figures is worthless when applied to certain complex situations. Isolated statistical facts are as dangerous as quotations apart from context. The misuse of statistical material is by no means confined to one group, but of late antiadministration propagandists have been egregious offenders. Frank R. Kent, nominal Democrat but violent anti new dealer, has recently asked his readers to look at the record in the popular fashion. He complains in the Louisville Courier-Journal that the swelling of the Government pay roll under Mr. Roosevelt "is as pregnant of national risk as the \$23,000,000,000 increase in national debt \* \* \*." The record, as Mr. Kent introduces it, is as follows:

"The record is almost fantastic. When Mr. Roosevelt took office there were 563,161 permanent employees of the Government. Today there are 932,654. Every month the total mounts. Within the next few months the new Wage and Hour Administration plans to add thousands of new inspectors, and there is hardly an agency of the Government, including the White House, where six additional secretaries were added recently, whose personnel is not expanding. None is being reduced. In 7 years Mr. Roosevelt has added 469,493 persons to the pay roll. It is not disputed that another 11 months, at the present rate, will see an additional 40,000 employees on the rolls. By then the size of the Government, like its cost, will have been doubled in 7 years."

It is more than likely that every figure quoted is as near true as human ingenuity and a couple of adding machines can make them. Mr. Kent is a careful reporter. He is a persuasive reporter. But there is part of the record obscured by the rush of Mr. Kent's prose. Hand it back here, Mr. Kent, and let us look a little more.

Prior to Mr. Roosevelt's swelling the Federal pay roll to this alarming extent there was a President in office who made this immortal

statement: "I am opposed to any direct or indirect Government dole." At the same time this President was pressing for a form of corporate dole called the Reconstruction Finance Corporation. It did not take a large administrative body to handle requests for loans by corporations even though there were many requests. There were not nearly as many requests from corporations for loans as there were people starving.

Prior to Mr. Roosevelt's swelling the Government pay roll to this alarming extent, the bank resources of this country had dropped from seventy billions to fifty-seven billions, and the bank deposits had declined about \$12,000,000,000 during the period June 30, 1931, to June 30, 1932. Widespread failure was imminent.

Prior to Mr. Roosevelt's iniquitous hiring of clerks to administer the myriad agencies created under his government, an army of unemployed marched on the Capitol of these United States. That army was dispersed with the command to "fire" going unobeyed by policemen who thought human lives more of an asset to the country than liquid corporations.

There is a lot to that record. So much to it that no one man's mind could possibly comprehend every detail and make a positive interpretation. Today's affairs, their records and figures, are quite often the product of yesterday's affairs. Sometimes they are the product of tomorrow's affairs and must be judged in that light. Every shade and subtlety of the record of human events has important bearing on the number of Federal employees right at this moment. There might be too many Federal employees. There might just as well be too few. It is certain that the Wage-Hour Administration needs more help—either it gets that help or business will be hopelessly entangled in the meshes of a law unadministered but effective in the eyes of a court.

Let's look at the record, as much of it as we can comfortably view during a lifetime, and then interpret the single facts without relation to the whole.

### Governor James of Pennsylvania and the W. P. A.

#### EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix an editorial published in the Philadelphia Record of February 22, 1940, entitled "W. P. A. Calls the Governor's Bluff," and dealing with Governor James, of Pennsylvania, and the W. P. A.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia (Pa.) Record of February 22, 1940]

#### W. P. A. CALLS THE GOVERNOR'S BLUFF

Hell, it appears, hath no fury like an anti-New Deal Governor trying to cover up his failure to save money by blaming it on W. P. A.

We point to the sad case of Arthur H. James. He was elected on a pledge of reducing relief taxes. He has not reduced them and now faces the prospect of still larger relief appropriations. Governor James charges that Pennsylvania's W. P. A. quota of Federal funds is too small. In this he is right.

But the Pennsylvania quota is too small because all the State quotas are too small. They were cut by Governor James' own party when it joined with conservative Democrats and cut W. P. A. appropriations in Congress.

In spite of all his fury Governor James cannot justify his contention that there is political discrimination against Pennsylvania on the quotas.

Governor James complains that W. P. A. does not even fill its quota in this State. And on this point, too, he is right. But the reason again is not politics in Washington, but the stubborn refusal of the city of Philadelphia to sponsor W. P. A. projects.

The Governor was invited to Washington for a conference with W. P. A. officials on his charges. Characteristically, the Governor preferred to make a speech to Republican Members of the House rather than talk it over with W. P. A. officials.

Meanwhile, the W. P. A. officials pointed out for the 'teenth time that 22,550 available W. P. A. jobs in Pennsylvania are still unfilled.

This was not a "concession" on the part of W. P. A. The jobs have been available all along. They will materialize now if James can induce his fellow Republican leaders, such as Jay Cooke, to stop obstructing W. P. A. jobs.

Philadelphia, for instance, has one-third of the unemployed of the State. The city pays not a nickel for direct relief—and last year put up only \$1,000,000 as its share of W. P. A. projects.

For years there have never been more than 5,000 W. P. A. employees at any one time working on projects sponsored by the city of Philadelphia. As long as that situation continues, the Federal W. P. A. is almost helpless in Philadelphia. It can and does operate several projects sponsored by the board of education and agencies other than the municipal government.

But the backbone of any adequate W. P. A. program must be the local government itself.

Philadelphia's refusal to cooperate, plus the W. P. A. cuts made by James' own party, puts James in a hole. He can't bite the hand that elected him by blaming it on Jay Cooke, so he tries to blame the New Deal at Washington.

Isn't it odd how the Republicans in city council here refuse W. P. A. on the ground that they don't want "Democratic money" coming into the city, and yet Governor James charges that the Democrats are withholding W. P. A. jobs for political reasons?

They can't both be right. But there's a very good chance that both can be wrong.

The W. P. A. administration has called James' bluff. It says there are 22,550 jobs waiting for sponsors in Pennsylvania. Let's see James get the sponsors as every other Governor in the United States has done.

## The National Transportation Bill

### EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

RADIO ADDRESS BY FRED BRECKMAN

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by Fred Breckman, Washington representative of the National Grange, from Washington, D. C., on the grange hour, on February 17, 1940, on the subject, the National Transportation Bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It will be recalled that about a year and a half ago President Roosevelt appointed a Committee of Six to survey the situation confronting the railroads of the country and to prescribe remedies for their ills. One-half of the members of this committee was composed of railway executives; the other half represented railroad workers. Other forms of transportation had no representation on the committee—nor was the general public represented.

In due time bills embodying the recommendations of the committee were drafted and introduced in both Houses of Congress. After somewhat lengthy hearings before the House and Senate Committees on Interstate and Foreign Commerce, these bills were favorably reported. The Senate passed a bill representing an attempt to codify the entire Interstate Commerce Act. When this measure reached the House everything but the enacting clause was stricken out and a new bill was substituted, which was passed after heated debate.

Action on this legislation came so late during the last regular session that there was not sufficient time remaining before adjournment to reconcile in conference the differences between the two bills. However, a conference committee is now engaged in the arduous and difficult task of attempting to compose the many differences between these two bills and to pave the way for final passage.

#### LEGISLATION THAT SUITS NOBODY

A curious situation has arisen with reference to the matter: First of all, the President's Committee of Six, which sponsored this legislation, has issued a pamphlet of 43 pages suggesting 36 "necessary changes" in the Senate bill. Another pamphlet of 91 pages issued by the Committee of Six recommends 27 changes in the House bill. The Interstate Commerce Commission has made a special report dealing with this subject which covers 84 printed pages.

As this report sets forth, the Senate bill, from the standpoint of codification, was produced under great difficulties and is regarded by the Interstate Commerce Commission as "a forced and hurried job." The Commission is of the opinion that any attempt to codify the Interstate Commerce Act should be worked out with great deliberation and that a preliminary report should be issued, setting forth a tentative draft, giving the reasons for all the changes that are proposed. After that, in the opinion of the Commission, all concerned should have an opportunity to submit briefs on this tentative draft—after which a final report should be issued for the consideration of Congress.

It will be seen from this that the legislation in question is far from satisfactory to the Committee of Six, which inspired it. In its present form it is considered imperfect and unworkable by the

Interstate Commerce Commission. It meets with the disapproval of a large percentage of railroad workers; it is likewise opposed by those who are interested in water and motor transportation. There never was any public demand for this legislation, and there is justification for saying that its enactment would be contrary to the public interest.

#### GRANGE OPPOSES UNNECESSARY REGULATION

The Grange and many other farm groups are opposed to the proposal contained in both House and Senate bills that the carriers on our inland waterways should be subjected to regulation by the Interstate Commerce Commission. The Grange likewise opposes this legislation because it goes further than the Motor Carrier Act of 1935 toward placing private motortrucks, including the 1,000,000 trucks on our farms, under the regulation and control of the Interstate Commerce Commission.

We maintain that there are only two legitimate grounds upon which the Government could justify itself in attempting to regulate transportation on our inland waterways. One of these grounds would be in the interest of public safety and the other to protect the public against monopolistic practices. So far as safety is concerned, the Bureau of Marine Inspection and Navigation, coming under the Department of Commerce, looks after that; and when it comes to protecting the public against monopoly, the truth is that no monopoly whatsoever exists among the carriers on our inland waterways, nor in the coastwise trade. The rivers, the lakes, and the seas are open to all. These are highways that were created by Nature herself. So far from breaking up any monopoly among the water carriers, which in reality is nonexistent, the pending legislation takes a long step toward creating a monopoly.

The carriers that are now operating would be permitted to continue, subject to rules and regulations laid down by the Interstate Commerce Commission; but before it would be possible to establish a new service it would be necessary to secure from the Commission a certificate of public convenience and necessity.

If this bill should be enacted, there would be no new carriers, for the simple reason that the restrictions of the legislation virtually instruct the Interstate Commerce Commission to deny any person or concern a certificate of convenience and necessity if the Commission comes to the conclusion that present transportation facilities are adequate to take care of existing commerce.

This raises the question, Who owns the rivers of the United States? It is the people of the country who own them. That being true, why should not the people be allowed to use their own rivers under proper conditions without let or hindrance on the part of the railroads, the Interstate Commerce Commission, or any other agency.

Most of us remember having heard that when Abraham Lincoln was a young man he made a trip on a flatboat carrying some farm produce down the Mississippi River to New Orleans. What a pity it would have been if it had been necessary for him and those associated with him to make application for a certificate of public convenience and necessity before starting on this trip.

#### THE MILLER-WADSWORTH AMENDMENT

If the pending transportation bill should be enacted, it is of supreme importance to those who are interested in the development of the transportation facilities of our inland waterways and to the public as well that the amendment sponsored by Senator MILLER, of Arkansas, and by Congressman WADSWORTH, of New York, should be retained. Briefly stated, this amendment provides that in order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Interstate Commerce Commission shall permit each type of carrier or carriers to reduce rates, so long as such rates maintain a compensatory return, after taking into consideration the overhead and other elements entering into the cost of the service rendered. This amendment is so fair and reasonable that it would be nothing short of preposterous if the bill should be enacted without it.

There is justification for saying that those who inspired and drafted the legislation under consideration have lost sight of the fundamental purpose for which Government regulation was established, and that was to protect the public interest. We have drifted so far away from this original and legitimate purpose that the effort of our lawmakers now appears to be to equalize competition as between different modes of transportation. The truth is that an attempt is being made under the guise of regulation to raise the rates of water and motor carriers to the point where they will be comparable with rail rates. This is not only unsound economically, but it is prejudicial to the welfare of the entire country.

#### FARMER WOULD BE PENALIZED

Agriculture, in particular, would be hard hit if the proposed legislation should be enacted. Transportation constitutes the heaviest service charge that the farmer has to pay. The farmer pays the freight both coming and going. Last year the farmer received only 39 cents out of every dollar paid by the consumer for food. At the depth of the depression the farmer's share of the consumer's dollar dropped to 33 cents. While transportation and distribution must be regarded as legitimate and indispensable functions in the affairs of our civilization, the fact remains that when those who merely transport and distribute the products of our farms receive vastly more than the share that goes to the producer, it amounts to the same thing as an economic crime.

Several months ago I filed a brief with the Interstate Commerce Commission on behalf of the Grange, protesting against the proposal that private motortrucks, including farm trucks, engaged in interstate commerce should be subjected to Federal regulation in



the interest of safety. While we are, of course, in favor of proper restrictions and regulations to promote safety on the highways, we take the position that this is a matter that is already being looked after by the several States. In addition to this, a survey discloses the fact that not one private truck in ten ever crosses a State line.

#### OVERCENTRALIZATION OF GOVERNMENT

Under the circumstances, it is proper to ask why Federal control and regulation should be superimposed upon State control and regulation. With the deficits of the Federal Government aggregating billions of dollars a year, why should this expense be duplicated? Can there be any reasonable doubt that if Washington undertakes to control and regulate the private motor carriers of the country, in due time this will result in a tremendous increase in the number of Federal employees? During the past 7 years the number of civil employees on the pay roll of the Federal Government has risen from 563,000 to 933,000, an increase of nearly 70 percent. During the same period the national debt was increased by more than \$21,000,000,000.

As these facts and figures convincingly prove, the Government has already assumed greater obligations and responsibilities than it is capable of carrying without increasing taxation to the point of confiscation.

The wise rule laid down by Thomas Jefferson, that government should restrain men from injuring one another and leave them otherwise free to follow their own pursuits, should apply in this case.

### Aviation Needs of the Coast Guard

#### EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

STATEMENT BY JOHN J. CRIM

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement, together with certain tables, relative to the aviation needs of the Coast Guard.

There being no objection, the statement and accompanying tables were ordered to be printed in the RECORD, as follows:

The Bureau of the Budget approved the sum of \$2,199,000 for the purchase of aircraft for the Coast Guard. These funds were to be used for the procurement of eight long-range, twin-motored seaplanes and seven intermediate-range, twin-motored amphibians.

On July 1 the Coast Guard will be operating 10 air stations. The minimum number of airplanes required for each station are 3 long-range seaplanes and 3 intermediate-range amphibians. The total number required for the service on this basis is 30 long-range seaplanes and 30 intermediate-range amphibians. On July 1 we will actually have in commission 16 long-range seaplanes and 16 intermediate-range amphibians. With this number of airplanes, we will be able to furnish only 5 of the 10 stations with the required number of airplanes. There will be 5 stations without airplanes of these two types. You can readily see that even with the full number of airplanes authorized by the Budget we will not have sufficient airplanes to adequately equip all of the 10 air stations. Of the 16 long-range seaplanes which we will have on July 1, 3 of them should be surveyed, as they have been in commission since 1932 and are now over 7 years old.

The normal duty performed by Coast Guard aviation requires that each air station have the number of airplanes stated above and these requirements are in no way connected with the present emergency. The present emergency has, of course, greatly increased the operation of Coast Guard aircraft and makes it even more necessary to have at least the minimum number of airplanes stated above. With this additional burden caused by the present emergency, the complement of each air station should be more than the six airplanes mentioned as being necessary to fill the minimum requirements.

The attached pages show our requirements in detail.

Summary showing comparison of airplanes now in service or under contract for construction and airplanes required.

	Required	In service, 1941	Deficiency
Long-range seaplanes.....	39	16	-23
Intermediate range.....	38	16	-22
Total.....	77	32	-45

16 airplanes are in restricted service due to their age and condition. They are not included in this total.

#### Airplanes required to properly equip air stations and air-patrol detachments

Units	Long-range seaplanes	Inter- mediate range	Total
1. Salem.....	3	3	6
2. New York (field).....	3	3	6
3. Elizabeth City (field).....	3	3	6
4. Charleston (field).....	3	3	6
5. Miami.....	3	3	6
6. St. Petersburg (field).....	3	3	6
7. Biloxi.....	3	3	6
8. San Diego (field).....	3	3	6
9. San Francisco (field).....	3	3	6
10. Port Angeles (field).....	3	3	6
11. Alaska.....	3	3	6
12. Great Lakes.....	3	3	6
13. Cape May.....	3	3	6
14. Honolulu.....		1	1
Total.....	39	38	77

An air station for Alaska and 1 for the Great Lakes have been authorized, but no funds have been appropriated for their construction.

#### Assignment of Coast Guard aircraft to air stations, after delivery of all planes now building or authorized

Assigned to—	Long-range twin- engined seaplanes	Inter- mediate-range twin- engined planes
Air station, Salem, Mass.....	3	3
Air station, New York, N. Y.....	3	3
Air station, Elizabeth City, N. C.....	3	3
Air station, Charleston, S. C.....	None	2
Air station, Miami, Fla.....	3	None
Air station, St. Petersburg, Fla.....	None	3
Air station, Biloxi, Miss.....	3	None
Air station, San Diego, Calif.....	None	1
Air station, Port Angeles, Wash.....	None	1
Air station, San Francisco, Calif.....	None	None
Air patrol detachment, Cape May, N. J.....	1	None
Honolulu, T. H.....	None	None
Total.....	16	16

#### Assignment of Coast Guard aircraft to air stations after delivery of all planes now building or authorized and if 8 long-range seaplanes and 7 intermediate airplanes requested in this appropriation are authorized

Assigned to—	Long-range twin- engined seaplanes	Inter- mediate-range twin- engined planes
Air station, Salem, Mass.....	3	3
Air station, New York, N. Y.....	3	3
Air station, Elizabeth City, N. C.....	3	3
Air station, Charleston, S. C.....	3	3
Air station, Miami, Fla.....	2	None
Air station, St. Petersburg, Fla.....	None	3
Air station, Biloxi, Miss.....	3	None
Air station, San Diego, Calif.....	None	3
Air station, Port Angeles, Wash.....	3	None
Air station, San Francisco, Calif.....	3	3
Air patrol detachment, Cape May, N. J.....	1	1
Honolulu, T. H.....	None	1
Total.....	24	23

### The Defense Program

#### EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ADDRESS BY HON. LOUIS JOHNSON

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and timely address delivered by Hon. Louis Johnson, the Assistant Secretary of War, before the Engineering Society of Western Pennsylvania at Pittsburgh, Pa., on February 19, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### NATIONAL DEFENSE

Engineers of Pittsburgh and western Pennsylvania, just 6 months have elapsed since my last appearance before an audience in Pittsburgh. What changes have taken place in the world in the intervening period.

Here is America they all have been for the better. Here in the "City of Miracles," for instance, the index of business activity which was down to 84 in August passed 130 in January. Industrial production increased. Trade improved. Employment rose. A nation united on fundamentals succeeded in making life safer, property more secure, and happiness more widespread.

In Europe and Asia the changes since August have all been for the worse. Ordinary business activities have ceased. Production has turned almost wholly to munitions. Trade is at a standstill. All human energy is devoted to more efficient killing of men, more proficient destruction of goods, and more diabolic dispersion of misery. May these internecine struggles never spread to our American shores. And they will not so long as we adhere to a policy of adequate national defense.

When I was here in August I advised you that America was arming because of necessity. I pointed out that in the world of today a nation which cannot resist aggression may face subjection. I called your attention to the nonpartisan national defense program which the President, supported by Congress, had launched. I tried to convince you that our peace—and I shall have more to say about peace—and our prosperity could be assured only if that program were fully enacted.

Today I am happy to report that our modest defense program is well on the way. Thanks to the hearty cooperation both of management and of labor, we are breaking one bottle neck after another in the production of munitions. We are proceeding in an orderly manner toward the manufacture and delivery of fighting equipment. We are selling implements of war abroad in accordance with our neutrality laws but are safeguarding our secrets and insisting upon the priority of our own orders.

Thanks to the happy camaraderie that exists between the members of the military and naval forces, each of us is making splendid progress along the munitions front without interfering with the projects of the other. Within the Army itself a splendid esprit de corps prevails. The ill feeling that once seemed to pit the men in the air against those on the ground has disappeared. Cooperative peace hovers over the War Department, and the American people are reaping the benefits in a far-sighted, well-balanced national-defense program.

In any national-defense program Pittsburgh must play a vital role. In the World War of yesterday, in the defense program of today, and in the industrial mobilization that may come at some tomorrow, steel, as always, will be the basic element in munitions; and where in the world could the Government or the munitions industry find a better market in which to get this essential supply?

During the World War perhaps 80 percent of all munitions steel came from the mills of this district. Heavy machinery, electrical apparatus, piping and pipe equipment, tool steel, and refractories were some of the significant items that the War Department obtained from this area. To illustrate the magnitude of munitions production in western Pennsylvania I need but say that in 1917-18 the shipments of ordnance material from Pittsburgh and vicinity ran to 100 carloads a day. Not only for the Army, but for the Navy and for the emergency fleet, the Pittsburgh district performed an admirable job in quantity and quality production.

In the armament program of today steel again is the basic element, and once more the Army and the Navy look to this district for their supply. Although steel predominates, we are also getting from local sources today bombs, gun tubes, and armor plates for tanks.

In a grave emergency the War Department will depend on the Pittsburgh district for a wide variety of munitions. In addition to those items already mentioned, our armed forces will look to western Pennsylvania for plate glass, optical and testing instruments, machine tools, gas-defense equipment, and troop barges.

The munitions that I have mentioned so far are but a few of those included in the vast catalog of war supplies needed for a modern army. The service of supply has assumed a role in the warfare of today at least coequal with that of the combatant forces. Nations have learned that in general it takes twice as long to manufacture, assemble, distribute, and issue to the soldier his equipment as it does to make him a well-trained and proficient fighting man. General staffs, therefore, find it just as necessary to evolve supply policies to carry out the national-defense program as to develop principles for the organization, the training, and the tactical and strategic employment of troops.

In the light of our own national-defense policy, let us therefore consider our specific supply needs.

First on our program should be the complete and modern equipment of our Regular Army and National Guard. This is our initial protective force. It must be ready to face any emergency at a moment's notice. Today these minutemen of ours are not adequately equipped. With the funds placed at the disposal of the War Department by the last Congress, and with what we hope to get this year, it is believed that by June 1941 they will be. I need hardly add that June 1941 is almost 18 months away.

Unfortunately, there is very little that can be done to accelerate the completion of this program. It takes time to manufacture

tanks, artillery, gas masks, and other munitions for which no counterpart can be found in ordinary civilian production. It is therefore imperative that our Regular Army and National Guard forces be completely equipped with modern implements of war; and once so equipped, that they be kept that way at all times.

Second on our list should be the maintenance of adequate war-reserve stocks. A war-reserve stock is a supply of munitions physically available to which men, when mobilized, can immediately turn. If a million men are to spring to arms overnight, the arms must be on hand for them to spring to. Because munitions are quickly expended when the guns begin to shoot, it is necessary that there be enough on hand to tide over the early months of battle. In a democracy it takes industry engaged ordinarily in peaceful pursuits many months to mobilize for war. It is therefore necessary that adequate reserve supplies be available until wartime production equals wartime consumption. In simple terms, an adequate war-reserve stock for our country should include enough munitions to maintain a force of 1,000,000 men for a period of at least 6 months. Today we have not got it. We have reported our shortages to Congress and sincerely hope that this situation will be ameliorated.

Third on our program should be the preparation of civilian industry for its wartime tasks. We have no Krupp, no Schneider, no Vickers in America; no munitions industry comparable to those abroad engaged almost wholly in times of peace in the production of implements of war. We must, therefore, rely on the conversion of our civilian plants into munitions factories. To effect such a change with a minimum of delay and confusion, we must help industry in time of peace to prepare for its allotted task in case of war. Our armament program, coupled with educational orders and production studies, are decided contributions toward this end.

Fourth on our program should be Government facilities for the development, manufacture, and maintenance of munitions. An example of such facilities exists in the form of our military arsenals. They are primarily laboratories. They cannot handle mass production. In the early stages of war, however, they will, in some fields, be the only source of munitions. It therefore behooves us to equip, modernize, and fully staff our governmental facilities so that they will be able to perform to their full capacity. Toward that objective we are at present striving.

A fifth plank in our supply platform should include the acquisition, the storage, and the maintenance of strategic and critical raw materials ordinarily procured from foreign sources. Among them are such items as tin, tungsten, chromium, and manganese, which either are not available at all in this country or, if available, are limited in quantity or deficient in quality. If the sea lanes become filled with raiders and fighting ships, we may lose access to the foreign shores where these materials are available. It is necessary, therefore, that we accumulate stock piles of such strategic reserves in this country and keep them up at all times. We have made a start in this direction. Congress authorized the expenditure of \$100,000,000 for this purpose. So far, however, only \$10,000,000 have been appropriated. I sincerely hope that Congress in its wisdom will set aside sufficient funds during this session to assure us an adequate supply of these critical items so vital to our wartime needs.

Another problem which deserves special consideration is that of practical assistance to the other nations of the Western Hemisphere in their procurement of munitions. Although principally a State Department matter, it is something that the armed forces, too, must consider. Now that we definitely have asserted our policy of hemisphere defense, we should be prepared to carry it into effect. It contemplates not a defense of the Western Hemisphere by the United States but by the united efforts of all of the American republics. Since we propose to depend upon each other for our mutual protection, we have a common interest, each and every one of us, in supply preparedness on a hemisphere front.

Finally our supply policy should include adequate plans for the prompt and effective mobilization of industry upon the declaration of war to meet full wartime requirements. Toward that end we have worked out an industrial mobilization program in the spirit of our American democratic traditions. It is not a perfect plan. No human plan can be perfect, but it is an honest and conscientious effort to avoid the errors of the World War on the industrial front.

In this supply program that I have outlined briefly the engineer is playing an important role. In research, development, design, and production of munitions his services are indispensable. Let me merely point out a few of the most recent achievements of the Corps of Engineers in this field. With the cooperation of the Air Corps it has revolutionized map making. With five-lens cameras and with multiplex aerial mapping equipment it has reduced to hours work that ordinarily would take weeks and months. It has used this new equipment in flood-control surveys at a great saving of time and money. Two engineer topographical battalions have been issued multiplex equipment to facilitate rapid mapping in the field with the aid of aerial photographs.

Another striking contribution of the Corps of Engineers in the field of supply has been the development of a metal mirror for use in our searchlights. In the past only glass was used. It was inherently fragile. Given a direct hit by a single bullet it would crash. The engineers now have developed a metal searchlight mirror which serves the same purpose and removes these difficulties.

As for the peacetime work of the Army engineers, there is little that need be told a Pittsburgh audience. Much of the activity of the Corps of Engineers relating to waterway improvements for the benefit of navigation, the control of floods and the abatement of pollution, has been centered here in western Pennsylvania. A far-reaching and progressive program of canalization has transformed the



Monongahela and Allegheny River systems into great inland waterways. Today, after 100 years of navigation improvements, a completed slack-water system, comprising 13 dams on the Monongahela, makes it possible for boats to navigate the river for a distance of 128 miles above Pittsburgh. Likewise, 8 completed dams on the Allegheny provide a 9-foot slack-water channel for a distance of 71 miles above the mouth. The craft using these channels can navigate directly to the Gulf of Mexico via the canalized Ohio and the improved Mississippi River, a voyage of approximately 2,000 miles. Due in large measure to these improvements this area has been rapidly transformed into one of the leading industrial sections of the world.

Flood-control dams are nearing completion on Tionesta Creek near the town of Tionesta and on Crooked Creek in Armstrong County. Similar work is rapidly progressing on Mahoning Creek, also in Armstrong County, and Loyalhanna Creek in Westmoreland County. Certain items of work on portions of Conemaugh and Little Conemaugh Rivers and Stony Creek to improve local flood conditions at Johnstown have been completed and other parts are actively under way. An important project in the western Pennsylvania area, which the Department expects to place under way in the near future, is the Youghiogheny Reservoir, involving an earth-fill dam on the Youghiogheny River above and near Confluence, Pa. This dam will provide storage for flood control and water conservation for improvement of Youghiogheny River navigation facilities and for pollution abatement. All of the above-mentioned projects form units of a coordinated reservoir system for the protection of Pittsburgh and the reduction of floods in the Ohio River Valley.

All along the national defense front, western Pennsylvania is lending a helping, patriotic hand. Your National Guard organizations, your Officers' Reserve Corps, your Reserve Officers' Training Corps at Duquesne University, at the University of Pittsburgh, and at the Carnegie Institute of Technology are all invaluable assets.

Last August, when I was in Pittsburgh, I briefly mentioned your splendid vocational schools and the excellent work they are doing in building up skilled labor in this country. I have been informed that 95 percent of the graduates from these schools last year are now employed in private industry. This fine job-placement record, in view of the great unemployment of youth in other parts of the country, speaks eloquently of the true value of your vocational-school system.

Also, I want to express to the industrial leaders, both of management and of labor, in western Pennsylvania my appreciation for the hearty cooperation you have given the War Department in our industrial preparedness program. I am especially grateful to you for the cordial reception which you are giving annually to the students of the Army Industrial College who visit you in the spring for a close-up view of your production methods. Out of these meetings has come a mutual understanding between industry and the War Department which bespeaks harmony in peace and efficiency in war.

And finally, in pleading for adherence to this sound policy of adequate national defense, may I put in the record that I plead for preparedness as the most certain road toward peace—preparedness not only in men and munitions but in thoughts, attitudes, and aspirations, for we have learned by bitter experience that peace comes not from mechanics or even from a staggering preponderance of power; it comes from the spiritual desire of peoples. We know that there must be a very great ability to use force, if necessary, for defense. We also know that that alone does not assure a peaceful ordering of affairs. There has to be a combination of the power of self-defense with a policy of peaceful arrangement of affairs, and only thus can peace be attained.

When we speak of national defense in the United States, those of us who have to follow the great play and interplay of forces think of the maintenance of a civilization here in which every boy does not have to spend, necessarily, 2 or 3 years of his life in an army camp; in which a mother can bring children into the world with reasonable likelihood that her children will not be sacrificed to the ambition of a group of nationalist statesmen, in victories which prove sterile or in defeats which prove disastrous. We think, rather, of a military establishment which can maintain and perpetuate the ideal of civil government, rather than that of military organization. We think of defense as a means and not an end. We seek to keep the new world not only free from the scourge of war which affects the old but as an abiding place for civilization which otherwise might well be buried among the ruins of Europe.

### Limits of Decision in Fur Seal Arbitration

#### EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. DIMOND. Mr. Speaker, early in the present Congress I introduced a bill—H. R. 3661—to protect and preserve the salmon fishery of Alaska as against the fishing operations of nationals of foreign countries in the seas adjoining the coast of Alaska to the limits of the continental shelf.

All of the Alaska salmon are spawned and hatched in the inland rivers and lakes of Alaska, and thereafter, while still young, proceed to sea. They remain in the ocean, dependent upon species, from 2 to 5 years and then return to the inland streams and lakes in which they were spawned and hatched.

If unrestricted fishing for salmon is permitted either in the lakes and streams or close to the shore or even a number of miles from the shore in the shallow waters overlying the continental shelf, the salmon fishery is sure to be soon exhausted; and therefore we have gone to great lengths to preserve and protect the salmon fishery from depletion by restrictive measures which limit fishing for salmon in territorial waters.

However, no legislation has ever been enacted which is specifically designed to protect and preserve the salmon by limiting fishing in the marginal waters overlying the continental shelf, and it has been mistakenly asserted that no government has the right to enact legislation attempting to exercise control in any respect over marginal waters more than 3 miles from shore. On this point, Mr. Speaker, may I refer to my remarks on the subject of jurisdiction in the marginal seas, which appear in the Appendix of the CONGRESSIONAL RECORD of the Seventy-sixth Congress, volume 84, at page 4075.

It has been said, again erroneously, that legislation such as is suggested in H. R. 3661 may not be validly enacted by reason of the adjudication in the fur-seal arbitration case, a decision made in 1893, involving the right to protect and preserve the seal which annually come to the Pribilof Islands, Alaska. That decision is not conclusive with respect to H. R. 3661 or similar legislation for the following reasons:

First. The adjudication in the fur-seal case was made in 1893, more than 44 years ago. During the period which has since elapsed, striking mechanical developments have taken place in all lines of industry, fishing as well as others. The boats and gear used in fishing at the present day are much more efficient than those which were used in 1893, and prior thereto; so that at the present time comparatively few ships with modern gear, if unrestricted in operation, may exhaust the salmon fishery of the entire world within a short time. In order to prevent the absolute extinction of some of the valuable sources of food supply which may be obtained from the sea, particularly the salmon, it is necessary to extend in other directions, and to make new applications, of the settled principles of international law which now permit, and have always permitted, of the proper protection of a nation's industries, as well as of its citizens, and of the defense of the realm. In this as in other cases involving rules governing the conduct of men, the law must be adjusted to meet, not only the mechanical developments of civilized society, but also the modified or changed economic requirements of that society.

Second. In the fur-seal case the tribunal had to do with an article of luxury alone. Fur seals have never been used extensively for food by the natives of Alaska or by any other people who had access to them. If the entire fur-seal herd were exterminated, the world would lose little except the use of an article, namely, the fur-seal pelt, which is truly an article of luxury and not necessary to be used by anyone. The livelihood of a people at the time of the fur-seal arbitration did not depend upon the continued existence of the fur seals.

With respect to salmon, the case is entirely different. From time immemorial many of the natives of Alaska have used salmon as a principal article of diet. In former days, if the supply of salmon had been cut off, the natives living along the coast and the salmon rivers of Alaska would almost inevitably have perished of starvation. While not so many native Indians and Eskimos of Alaska are now dependent upon salmon for food, there are still some hundreds who cannot continue to exist, unless by the bounty of the Government, if the salmon should be destroyed as may be done by unrestricted offshore fishing. At the present moment, many hundreds of Alaska natives, who live along the coast and in the valleys of the rivers opening into Bristol Bay and near the Yukon and Kuskokwim and other Alaska

rivers, make use of the salmon as their chief article of food, and without grants from the Government they cannot obtain any sufficient substitutes.

Third. With respect to the fur-seal herds, it was proved beyond any dispute that the pelagic sealing of foreign nationals, which the United States tried to terminate by seizures made in 1886 of foreign vessels engaged in that type of sealing, had been carried on for many years prior thereto. In fact, it was shown beyond question that foreign nationals had largely engaged in pelagic sealing prior to the cession of Alaska to the United States and had likewise engaged therein continuously from 1867, the date of cession, until the Fur Seal Tribunal met in 1893. The attempt made by the United States to prevent pelagic sealing in Bering Sea amounted to a reversion of historic practice. During most of the prior time the foreign nations which carried on pelagic sealing in Bering Sea did so with the full knowledge, first, of Russia, and later of the United States, and without any protest from those governments. The following excerpt from the case of Great Britain, Fur Seal Arbitration, volume 4, page 86, was never successfully disputed:

It is found that from 1867 down to and including 1885, vessels continued to visit and hunt in Bering Sea without interference when outside of the ordinary territorial jurisdiction.

As hereinafter noted, it had been agreed between the United States and Great Britain that the "ordinary territorial jurisdiction" extended only 3 miles from shore.

In Alaska we are not now confronted with any such condition. The salmon-packing industry of Alaska from its earliest inception until the present moment has been exclusively an American industry. The recent invasion of the Japanese was made in a clandestine and surreptitious manner and at a time when the Japanese Government continuously denied that any such salmon-packing operations in the waters adjacent to the coast of Alaska were being carried on by the nationals of that country. By historic practice the salmon fishery is ours alone.

Fortunately, we have publicly asserted the claim of our superior and exclusive right to the Alaska salmon by the conversations which were held during or about the year 1931, in which the Japanese announced their intention of fishing for and packing crabs in Bering Sea. The question at once arose about the salmon, and the Japanese operators assured our authorities that the salmon would not be molested. We were solicitous and zealous for the protection of the salmon, and at that time the individual Japanese who took part in the discussions thoroughly understood that we claimed the exclusive right to protect our salmon in all the seas adjacent to Alaska.

Fourth. In the fur-seal-arbitration case we agreed with Great Britain that 3 miles constituted the limits of ordinary territorial waters. The admission was a fatal one. We did not even stipulate that ordinary territorial waters should be construed to mean the minimum distance over which a nation may exercise sovereignty for all purposes in its marginal seas. The admission was contrary to the fact, for at that time a majority of the civilized nations of the world rejected, as they now reject, the rigid 3-mile-limit rule. The unhappy consequences of our agreement are shown by the fact that at the conclusion of the arguments and while the case was under consideration Mr. Gregers Gram, a member of the tribunal, expressed the desire that it should be understood that the tribunal had not undertaken to decide what were, according to principles of international law, the ordinary limits of territorial waters. The arbitrators concurred in Mr. Gram's opinion because those limits had been assumed by article 6 of the treaty to be 3 miles from the coast. Fur Seal Arbitration, volume 1, page 57.

With respect to the salmon, it is not necessary to lose our case in advance by admitting or agreeing that 3 miles constitutes the limits of ordinary territorial waters. The passage of H. R. 3661, or a similar measure, will effectually assert a wider claim of sovereignty or of jurisdiction, one more in harmony with the views of the majority of the civilized nations of the earth, and one, therefore, more in harmony with the law of nature and of nations.

Fifth. In 1889, several years before the fur-seal arbitration, Congress had expressly declined to assert the right of our Government to protect the fur seals in Bering Sea more than 3 miles from our shores. The circumstances surrounding the action of Congress are deserving of extended comment. In 1868 Congress enacted a law, one provision of which afterward became section 1956 of the Revised Statutes (1878), reading as follows:

No person shall kill any otter, mink, marten, sable, or fur seal, or other fur-bearing animal within the limits of Alaska Territory, or in the waters thereof; and every person guilty thereof shall, for each offense, be fined not less than \$200 nor more than \$1,000, or imprisoned not more than 6 months, or both; and all vessels, their tackle, apparel, furniture, and cargo, found engaged in violation of this section, shall be forfeited; but the Secretary of the Treasury shall have power to authorize the killing of any such mink, marten, sable, or other fur-bearing animal, except fur seals, under such regulation as he may prescribe; and it shall be the duty of the Secretary to prevent the killing of any fur seal, and to provide for the execution of the provisions of this section until it is otherwise provided by law; nor shall he grant any special privileges under this section.

It will be noted that the law governed the area "within the limits of Alaska Territory, or in the waters thereof." As hereinbefore indicated, the United States agreed before the Fur Seal Tribunal that the ordinary territorial waters extended only 3 miles from shore. Accordingly, when the tribunal construed the phrase, "or in the waters thereof," it necessarily reached the conclusion that the United States asserted no claim, under the provisions of the law above quoted, more than 3 miles from shore.

So the law stood in 1889 when Congress again considered the subject. During the Fiftieth Congress the Committee on Merchant Marine and Fisheries of the House of Representatives was directed—

To fully investigate and report upon the nature and extent of the rights and interests of the United States in the fur seals and other fisheries in the Bering Sea in Alaska, whether and to what extent the same had been violated, and by whom; and what, if any, legislation is necessary for the better protection and preservation of the same.

Later the committee reported, upholding the claim of the United States to jurisdiction over all waters and lands included in the geographical limits described in the treaty of cession and therein assigned to the United States. With the report the Committee submitted a bill which contained the following section:

Section 2. That section 1956 of the Revised Statutes of the United States was intended to include and apply, and is hereby declared to include and apply, to all the waters of Behring Sea in Alaska embraced within the boundary lines mentioned and described in the treaty with Russia, dated the 30th March A. D. 1867, by which the Territory of Alaska was ceded to the United States; and it shall be the duty of the President, at a timely season in each year, to issue his proclamation, and cause the same to be published for 1 month in at least one newspaper published at each United States port of entry on the Pacific coast, warning all persons against entering said Territory and waters for the purpose of violating the provisions of said section; and he shall also cause one or more vessels of the United States to diligently cruise said waters and arrest all persons, and seize all vessels found to be, or to have been, engaged in any violation of the laws of the United States therein.

But the bill so reported by the House Committee on Merchant Marine and Fisheries was not enacted. The Senate passed a bill for the protection of the salmon fishery of Alaska, having no reference to fur seals. Upon its passage by the Senate, the bill was sent to the House of Representatives, which amended the Senate bill by incorporating therein the body of section 2 of the House bill above quoted. Had the Senate accepted the House amendment, our position before the Fur Seal Tribunal would have been much improved, but the Senate refused to concur in the House amendment and the bill was sent to conference. In conference the following provision was adopted as section 3 of the bill, in place of the provisions of section 2 of the House bill above quoted. Section 3 of the bill as agreed to by the conferees is as follows:

Section 3. That section 1956 of the Revised Statutes of the United States is hereby declared to include and apply to all the dominion of the United States in the waters of Behring Sea, and it shall be the duty of the President, at a timely season in each year, to issue his proclamation and cause the same to be published for 1 month in at least one newspaper if any such there be published at each



United States port of entry on the Pacific coast, warning all persons against entering said waters for the purpose of violating the provisions of said section; and he shall also cause one or more vessels of the United States to diligently cruise said waters and arrest all persons, and seize all vessels found to be, or to have been, engaged in any violation of the laws of the United States therein.

It will be observed that the conferees abandoned the language of the House amendment which reads, "all the waters of Bering Sea in Alaska embraced within the boundary lines mentioned and described in the treaty with Russia," and adopted instead the following language, "all the dominion of the United States in the waters of Bering Sea." Again it may be observed that "all the dominion of the United States in the waters of Bering Sea" was necessarily construed by the tribunal to mean the ordinary territorial waters, and we had obligingly agreed that the ordinary territorial waters extended only 3 miles from shore.

The conference report was agreed to by both Houses and the bill became a law. Act of March 2, 1889; 25 Stat. 1009.

So it is clear that by formal action the Congress of the United States, after full consideration, refused even to assert any right or claim of the United States to exercise sovereignty or limited jurisdiction over the waters of Bering Sea more than 3 miles from shore for the protection and preservation of the fur seals, or for any other purpose. Since Congress refused to make such a claim, it would have been remarkable indeed had the Fur Seal Tribunal established the precise thing which Congress had deliberately refused to assert. This action of Congress taken in connection with the agreement of the United States before the tribunal that the ordinary territorial waters extended only 3 miles from shore was alone sufficient to prevent any possibility of a decision in favor of the United States.

Counsel for Great Britain before the tribunal made the most of the failure of Congress to act. The illustrious Sir Charles Russell, when he referred to this feature of the case and recited to the tribunal the facts surrounding the really effective amendment which was put in the bill by the House, the rejection of the same by the Senate, and the final agreement upon language which meant precisely nothing, ironically inquired:

Now I really have to ask, What was the reason for the change? Was it intended that the change should mean anything, or was it intended that it should mean nothing? (Fur Seal Arbitration, vol. 13, p. 88.)

With respect to salmon we have presented to us an inviting opportunity to avoid the mistake made by the action of Congress in the fur-seal case; we have here and now an excellent occasion to assert in strong terms our unquestioned right to protect the Alaska salmon through the exercise of a qualified and limited jurisdiction over the waters lying on the continental shelf in Alaska, not only in the Bering Sea, but elsewhere along the coast of the Territory. If we reject, as we should, the rigid 3-mile-limit rule, and if we assert, as we should, our right to protect the salmon fishery, we shall have gone far in making our claim impregnable.

Sixth. In the fur-seal case we asserted before the tribunal a property right in the fur seals and our counsel argued that it was lawful for us to claim our property right and protect the property involved anywhere in the waters of Bering Sea, relying on international law. It was then pointed out by the representatives of Great Britain that international law was powerless to create property rights and that the very concept of rights in property arose under municipal law and was sustained by that law.

It is a fundamental maxim of international law that any claim of right, in order to be recognized, must be asserted, or to use Senator Root's language, "prescribed for." It is true that the assertion of a claim of right may be made in various ways, but no other assertion can be quite as effective as an act of Congress, particularly if the same is approved by the President, who has charge, under the Constitution, of our international relations.

A part of our claim here is that we have a special property right in the salmon which are spawned and hatched in the waters of Alaska. One provision of the bill, H. R.

3661, declares them to be the property of the United States. The property right so claimed is, of course, subject to an implied trust, but the trust does not invalidate or weaken the right. It is equally fundamental that property rights are created, or declared, or maintained, not by international law, but by municipal law. Without adequate, relevant municipal law, property rights, in practice, disappear. Hence, the necessity of municipal law to establish and maintain our property right in the salmon of Alaska is clearly evident.

What now remains to make our rights and claims effectual is to assert by act of Congress our exclusive property in the salmon of Alaska, and the right to exercise jurisdiction over the waters of Bering Sea adjacent to the coast of Alaska up to the edge of the continental shelf for the purpose of protecting and preserving the salmon fishery. That is what is proposed by H. R. 3661.

Seventh. In the fur-seal case our claim was so broad that Lord Salisbury taunted us by saying we were seeking to defend not only our own traditional and long-established rights, "but also the rights of good morals and good government the world over." Fur Seal Arbitration, volume 12, page 54. It is plain from the proceedings before the tribunal that there was justification for the caustic comment of Lord Salisbury. We relied entirely upon the broad principles of international law, and upon those principles we might as well have claimed the right to seize the vessels of foreign nationals taking fur seals in the Atlantic, or the Antarctic, or in the Indian Oceans. Chief Justice Marshall in the case of *Church v. Hubbard* (2 Cr. 187) has indicated that all such claims of jurisdiction over the marginal seas must be founded upon municipal law and must be "reasonable." Our contentions before the Fur Seal Tribunal were so broad as to violate the test of reasonableness and lacked any sustaining base in municipal law.

As to the Alaska salmon, our rights as may be claimed under H. R. 3661 are strictly limited, not only to the waters adjacent to the coast of Alaska but to those waters which overlie the continental shelf, waters in which the salmon, under the influence of fresh water from the upland, gather together in large bodies, or "school," preparatory to ascent of our rivers to spawn, and the claim is in every respect reasonable.

Eighth. Substantial proof was offered to the Fur Seal Tribunal tending to show that the seal herds of the Pribilof Islands, under the dominion of the United States, intermingled with the seals that resorted to the Russian islands, the Commander group, and, therefore, the question was raised as to whether the fur seals born on the Pribilof Islands always returned to those islands, and also whether some of the seals born on the Commander Islands returned to the Pribilofs to mate and give birth to their young.

As regards the salmon, no such question has arisen or can possibly arise. Scientific investigations of the life of the salmon have proceeded far enough to be certain that the salmon hatched in the waters of Alaska invariably and without exception, and those salmon only, return to their place of hatching in Alaska, to the identical stream or lake in which they were hatched, there to spawn and then to die.

In all of the foregoing discussion treating of the distinctions to be made between the facts presented to the Fur Seal Arbitral Tribunal, and the facts with respect to the Alaska salmon fishery, it has been assumed that Congress will pass and the President will approve legislation such as is embodied in H. R. 3661. Without such legislation our position is perilous. With it, under wise administration, we are safe. The decision to be made now is not a question of foreordained law; it is a question of desirable future policy.

The differences in the two cases, assuming the enactment of H. R. 3661 or similar legislation, may be presented in more condensed form, in which the following paragraphs preceded by the word "then" refer to the fur-seal arbitration, and the paragraphs preceded by the word "now" refer to the Alaska salmon fishery.

First. Then: Primitive methods of fishing.

Now: Highly mechanized and efficient methods of fishing; therefore, change, if necessary, should be made to meet

changed economic conditions or changes and developments in the mechanical arts.

Second. Then: We were concerned with an article of luxury upon which neither the food supply nor the livelihood of the inhabitants of Alaska were dependent.

Now: We deal with an article of food, the cutting off of which will deprive hundreds of the native inhabitants of Alaska of their necessary supply of food.

Third. Then: We were confronted with a condition wherein the rights of other nationals were established by continuous practice extending without protest on our part or on the part of our predecessors in interest over a period of many years.

Now: The Alaska salmon industry, from its inception to the present day, has been and is exclusively an American industry and no other nationals have ever secured a foothold therein. The right of ourselves alone to engage in this industry has at all times been asserted—it has been "prescribed for."

Fourth. Then: We agreed to the 3-mile limit as comprising "ordinary territorial waters," objectively untrue, but nevertheless admitted.

Now: We may with entire right assert broader jurisdiction, particularly—as witness the Anti-Smuggling Act—through the enactment of H. R. 3661 or similar legislation.

Fifth. Then: Congress had expressly declined to enact municipal law asserting sovereignty or jurisdiction over the surrounding seas for the protection of the fur seals, although invited to do so.

Now: We have a singularly favorable opportunity by act of Congress to assert such sovereignty with respect to the Alaska salmon, and such jurisdiction over the adjacent seas as may be necessary for the protection of the salmon fishery.

Sixth. Then: We relied on international law to sustain a right in property—an impossible thing to maintain.

Now it is sought by municipal law to assert a property right as only such a right may be successfully claimed and maintained.

Seventh. Then: We claimed the right, indefinite in its nature, which was construed by our opponents as "also the rights of good morals and good government the world over."

Now: By the proposed legislation we seek to establish a claim limited in its scope and in all respects "reasonable."

Eighth. Then: Proof was offered of the intermingling of the herds of the fur seal of the Pribilof Islands—American—and those of the Commander Islands—Russian.

Now: It is proven beyond doubt that the salmon hatched in the waters of Alaska, and those only, invariably return to those waters to spawn.

### Modern Miracle Men—X-Ray Specialists

#### EXTENSION OF REMARKS

OF

HON. CHARLES O. ANDREWS

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ARTICLE BY REX BEACH

Mr. ANDREWS. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Rex Beach entitled "Modern Miracle Men," having to do with the activities of X-ray specialists.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MODERN MIRACLE MEN

(By Rex Beach)

"The child's tonsils will have to come out," said the doctor. "I've done my best for them, but it's no use."

Mr. Ingalls, the worried father, asked, "Isn't there some way to avoid it?"

"None that I know of. Tonsillectomy isn't a serious operation; the risks are almost negligible. If she were my child—"

"But we've had two unfortunate experiences in our family. I can't bear to run any risks whatever. There's the fright and the shock to think about, too. Isn't there any other way?"

"Roentgen-ray specialists make some extraordinary claims," said the physician. "I know very little about what they're actually doing, for no doctor can keep up with everything new. I'll give you the names of several and you can satisfy yourself."

Mr. Ingalls acted upon this suggestion; he consulted the leading radiologists in Philadelphia, Washington, and Baltimore. They ventured the opinion that an operation was unnecessary and referred him back to one of the leading X-ray specialists, right in New York, where he lived.

The father told me later, "I took my little girl to that man. She underwent a few painless treatments and was completely cured. She has been well for more than a year now; her tonsils are perfectly healthy. She suffered no shock; I suffered no hospital bills."

"Those X-ray fellows are achieving marvelous results, and I don't mean merely in the treatment of malignant diseases. They are curing goiters and tonsils and sinuses and adenoids. But a great many doctors are no better informed than that one of ours, and it's all news to the general public. Take head colds, for instance. There's a big story in that alone."

The speaker scored a bull's-eye with that random shot, for I have averaged two colds a year, and a good one often lasts me as long as a wrist watch. I've fought them with medicines, vaccines, diet, sprays, exercise, and plain Scotch. I still have my first draw to win. Sometimes a new infection moves in before its predecessor moves out. I've had a couple of old sit-downers evicted by a vigorous young epizootic who wanted the place to himself.

Doctors have blamed my tonsils for these colds; and although no doctor pronounced them utterly hopeless, more than one nose-and-throat has pulled out a foot of my tongue, flashed his lantern in my front entrance, and scribbled a hospital address with his free hand. If he persisted in arranging a rendezvous with a surgeon, I changed doctors.

From Mr. Ingalls and others I learned that there are a thousand or more radiologists in this country. Out of that number there are perhaps a hundred who have specialized in applying Roentgen rays to the treatment of other diseases than malignant tumors, and not more than 20 who have had really extensive experience in the treatment of goiter, tonsils, sinuses, and the like. These latter, however, have had extraordinary success, and even those less skillful and experienced show results equal to the average—credited to surgery. And this, of course, without surgery's disadvantages.

Dr. J. Thompson Stevens, 595 Madison Avenue, New York, is one of the pioneers in Roentgen and radium therapy. He specializes in the study and treatment of neoplastic diseases—that is, diseases having to do with morbid growths. That means he does much surgical work, mainly in cancer cases, but for more than 20 years he has labored, along with others, to adapt these invisible curative rays to their wider uses.

He is a member of an impressive list of medical societies and is the author of an informative book, *The Control of Goiter*. He has written numerous papers for medical journals both here and abroad and has addressed many scientific meetings. One such was the Fifth International Congress of Radiology, held in Chicago in 1937. Dr. Stevens' greatest ambition is to found free clinics throughout the United States for treatment with Roentgen rays and radium. He plans ultimately to devote much of his private fortune to establishing and training competent young radiologists, who will be placed in charge of the clinics.

He is as modern and efficient as his office and its equipment. He has a warm personality and a burning enthusiasm for his work, every detail of which is available in the form of carefully kept records, both documentary and photographic. He is painstaking, precise, and systematic in thought, speech, and action; he has an orderly mind, packed with facts and figures bearing upon his chosen specialty, and it appears to function with the same minute accuracy as does his electrical apparatus.

One of Dr. Stevens' case records, typical of others, is that of a young Salvation Army girl suffering from toxic goiter. The disease had progressed to such a point that she was prepared for a surgical operation but collapsed during the early stages of the anesthetic, whereupon the operation could not be performed.

It was decided to try Roentgen rays, and after seven treatments the patient was discharged as perfectly well. Her weight increased from 89½ pounds to 110; her pulse rate dropped from 126 to 70 beats a minute. The goiter disappeared and her basal metabolic rate became normal. Examination 1 year later revealed that she was still perfectly normal and no symptoms had returned.

Following this demonstration the surgeon in charge wrote to Dr. Stevens, saying, in effect, "The age of miracles has recurred. I shall never again operate on a toxic goiter."

"Common colds are a curse," Dr. Stevens told me when I went to see him. "They probably cause the average person more loss of time and cost him more money than any other ordinary ailment. Radiology won't prevent their occurrence (and neither will anything else) but it is a prophylaxis, a preventive. Many colds result from nose, throat, and sinus conditions. When those areas have been normalized with X-rays, susceptibility to infection is lessened; in other words, fewer colds are caught. Furthermore, when one does grab you, it will not be so severe, and you can shake it off more quickly."



"However, there are other more serious diseases for which radiology is a real specific. In the treatment of focal infections of the throat and the sinuses, for instance, it is not only safe and permanent in effect but also, as with the little Ingalls girl, it removes the infection more thoroughly and completely than any other method yet devised. It gets a better and more permanent result and gets it without risk, without fatalities, without loss of the patient's time, and at no expense for hospitalization. It involves neither pain nor inconvenience; it can be used where patients are too ill from other causes to stand an operation."

"What do you mean by saying that inflamed nose and throat areas can be 'normalized'?" I asked.

"In cases of infection the mucous membranes are highly congested. The structures become red and angry looking. Islands of infected lymph tissue stand out and the parts are bathed in a mucoid discharge. Under Roentgen treatment the inflammation lessens, the redness disappears, the little swollen islands of lymph tissue slough off, leaving the mucous membranes clean and normal."

"How is it possible to destroy diseased tissue by Roentgen rays without injuring healthy tissue?" I inquired.

"Lymphatic and embryonic structures are more radiosensitive—hence more easily destroyed by the rays than other living tissues. A tonsil or an adenoid is composed mainly of lymph tissue, and the amount of irradiation necessary to cause absorption in no wise damages the healthy structures."

"In other words, the Roentgen rays kill off the diseased tissue only?"

"That's one way of putting it. Actually, shrinkage of the tonsils and the lymphatic structures of the wall of the throat by this treatment produces drainage and thereby removes deformities throughout the entire mucous membrane. Obviously, that is impossible by any operative treatment we know anything about today."

"Tonsils weren't put in our throats as ornaments. They are our first line of defense against disease, and as such they have a definite function to perform—hence removal may result in other troubles; and here's something else to consider: Around the base of the tongue are other glands which are in effect accessory tonsils and subject to infection. When tonsils are diseased they, too, are affected. They are surgically inaccessible, but Roentgen-ray treatments normalize that entire 'tonsillar ring,' so-called, as thoroughly as they normalize the tonsils themselves."

"The removal of a child's adenoids isn't exactly pleasant. Those growths are hard to get at, and it isn't always possible to make a perfect job of scraping them out. Some part of the tissue may remain. But they yield readily to our treatment, and there's nothing about it to hurt or to frighten the youngster."

"Aren't Roentgen rays dangerous to fool with?"

"Not in experienced hands. With modern equipment we know precisely what we're doing. We follow a positive and well-proved technique: The rays are filtered through copper and aluminum so that only those of highest therapeutic value are retained; at no time do we use enough current to do damage. The technique is entirely different from that used in X-ray photography. That's why I prefer the term 'Roentgen ray,' rather than 'X-ray.'"

"What are the complications from treatment?"

"There aren't any. When tonsils are removed surgically, septic particles of matter are sometimes thrown into the circulation with disastrous consequences. That cannot result from Roentgen-ray treatments, if they are properly given."

"We often obtain wonderful results in chronic sinusitis, with postnasal dropping and catarrh, where other methods of treatment have accomplished nothing. Deafness, particularly when due to catarrh, has been helped. Many sufferers from rheumatism, arthritis, and neuritis caused by focal infections of the throat have been relieved. In such cases our treatment gets at the cause of the weakness, whereas others do not."

"Are the treatments expensive?"

"By no means. Fees are fixed to meet the requirements of the individual. They average about \$10 a sitting."

"I've mentioned several diseases," continued the doctor, "but I haven't discussed the one in the treatment of which radiology works its most conspicuous miracles."

"Before we go into that," I interposed. "I have a confession to make. I possess a pair of wayward tonsils."

Dr. Stevens' eyes brightened; he regarded me with a livelier interest. "Splendid. Let's have a look."

As he led me into his examination room I explained, "Mind you, there may be nothing wrong. I haven't a thing against them, understand. But—they have caused a lot of gossip."

He looked into me and said, "No wonder you have colds. They're a mess. I had a pair even worse than yours and they were treated by Roentgen rays with perfect results. That was 15 years ago. Since that time I've been bothered very little with colds, and when I do get one it doesn't last long."

"The results obtained in my own case led me to treat every member of my family. Next I treated several physicians, some of whom were nose-and-throat specialists, and all in all I've treated hundreds of patients. Many of them, before coming to me, had undergone from one to several nose and throat operations, with little or no relief. With the Roentgen rays I obtained almost uniformly perfect results. This method is particularly valuable for opera singers, actors, and the like, because it involves no reconstruction of the throat, no healing process, and it doesn't interfere with their work."

Dr. Stevens allowed me to examine some of his case records, which were extremely interesting even to a layman. The first one

happened to be that of a doctor who had suffered for 20 years with sinusitis, necessitating the use of argyrol packs all during the winter season, when his trouble was worst. After seven Roentgen-irradiation treatments it was completely relieved and it has not recurred. There were numerous other records of sinus, tonsil, and adenoid cases.

The doctor then showed for my benefit illuminated slides—"before and after" photographs—of goiter patients, together with much statistical data. It was material he had presented before medical bodies. When he had finished, he said:

"Now is your chance to prove the truth of what I've been telling you. I can cure your tonsils."

That day I began a series of treatments and also a course of reading on radiotherapy. The treatments consisted of dozing comfortably on a table, lulled by the buzz of some complicated electrical apparatus. The reading was hard work. But I'm glad I did both.

I took 12 treatments, the only apparent effect of which was to dry my throat, lessen my sense of taste, and interfere with my enjoyment of a good smoke. This gradually wore off. Six months later I took a few more treatments just to please the doctor, and for more than a year now my tonsils have behaved like a couple of kittens and I can show them without shame to anybody who is interested in tonsil peeking.

People ask what these rays actually do; whether it is the electricity or the heat that cures. It is, of course, neither.

Any burning, glowing, or electrically charged substance gives off rays or waves of energy. Some are visible and others invisible. Sunlight, one of the most important curative agents in medicine, consists of rays or waves of energy electromagnetic in character. Beyond the red end of the solar spectrum are invisible rays which carry a high charge of heat, and beyond the violet end are others. Both the infrared and the ultraviolet rays are widely used in medicine.

Some radio waves have a length of a quarter of a mile; ultraviolet rays, the shortest in the solar spectrum, are about one ten-thousandth of an inch long. Roentgen rays are infinitely shorter and of higher frequency than either.

The sun's rays are not very penetrating, and only about one-hundredth part of their short, ultraviolet vibrations reach even as deep as the capillaries under the skin. It seems that the shorter the wave, the deeper it goes; hence the Roentgen ray can penetrate practically anything and may be considered a form of super-sunshine.

This explanation is anything but scientific. I have no fear that it will be copied in textbooks, but it gives a rough idea.

As for the actual application of these rays in the modern treatment of nose, throat, and sinuses they are confined to two or three areas at each sitting, one over each side of the neck and, if sinusitis is present, one directly over the sinuses from the front of the face. Only the patient doesn't sit; he lies prone with his head turned to one side and the massive tube holder is lowered until it is 30 centimeters away from him. In this position the beam of rays is directed from behind the angle of the lower jaw downward through the tonsil and on into the sinuses.

The apparatus is allowed to run until 200 Roentgen units have been given, which takes from 8 to 10 minutes. Upon completion of the treatment over each area, the patient is said to have received one series of treatments. These are repeated at intervals of 2 weeks until the desired results are obtained. The number of "sittings" required varies from 10 to 20. The average is about 15 and relief is usually felt after the fourth or fifth.

That's all there is to it. There is no light, no heat, no shock, and no sensation.

Goiter has long been a scourge of humanity. At least 5,000,000 people have it. According to Dr. Stevens, 76 percent of goiter cases are of the toxic type, which is always serious. Here radiology has probably scored its most notable triumph.

This poisonous type of goiter, commonly termed hyperthyroidism, occurs because the thyroid gland secretes too much thyroxine, a substance intended by nature to aid the body in fighting infection and disease.

Of all the ductless glands in the body, the thyroid is the most important, because it is the master member in that chain of glands which govern our well-being. A child born with an inferior thyroid becomes an idiot and often is misshapen. If the gland deteriorates through disease or is surgically removed, a similar condition often manifests itself. If, on the other hand, the gland becomes overactive, toxic goiter, or hyperthyroidism, occurs, and if the disease is allowed to go far enough, the body may tear itself to pieces through excessive heart action.

The thyroid gland is the driving balance wheel of body and mind. Its proper functioning, therefore, is of supreme importance. The quantity of thyroxine carried in the blood at any one time is not more than one-thousandth of an ounce. Nevertheless, it may mean the difference between life and death.

When abnormal activity of the thyroid occurs—that is, toxic goiter—surgery has performed a service to humanity in demonstrating the possibility of slowing it down and restoring a balance by skillful use of the knife. Operations are made on simple or nontoxic goiter to relieve pressure or to improve the patient's appearance, and they involve no greater risks than ordinary incisions. An operation for toxic goiter is something quite different. Here the knife is used to slow down a balance wheel which has run wild. If too much of the gland is removed, evil consequences may occur.

Removal is a delicate undertaking, further complicated by the fact that patients frequently become so weak and wasted before consenting to an operation that the shock is fatal.

"With radiotherapy there is no guesswork," Dr. Stevens explains. "Neither is there any shock to the patient. More than 20 years have been spent in perfecting both the equipment and the technique of its use. We now have reliable records of more than 10,500 cases of toxic goiter treated by scores of radiologists and they reveal as high a percentage of cures as surgery, with no fatalities and with a saving in time, suffering, and expense. It has proved effective in cases where the best surgery has failed. Recurrences of the disease have been found in less than 3 percent of the cases treated. Those records, of course, are available to any investigator."

This statement prompted a query as to why, in view of what he said, anybody would undergo surgical treatment for toxic goiter.

"Medicine divides itself into so many exclusive specialties nowadays," the doctor answered, "and each one is making such rapid progress that much of the latest knowledge remains locked up for quite a while inside those groups. There is such a bewildering outpouring of this new knowledge coming from so many different directions that the general practitioner can't keep pace with it."

Treatment by radiation consists of directing the rays upon the affected gland for about 15 minutes at a time. The number of exposures required varies with the severity of the case. Ordinarily from 7 to 14 sittings are sufficient.

Having heard the fear expressed that the use of Roentgen rays may excite serious troubles in the body, I queried Dr. Stevens, who promptly reiterated his statement that under modern technique (itself the result of a quarter of a century of intensive study) in the hands of properly qualified, skilled operators, no such danger exists.

Sets of radiological equipment, some more modern than others, are pretty well distributed over the country.

The specialists operating them have demonstrated the value of this new and painless therapy not only in the treatment of the ailments mentioned above but in alleviating other ills. It has been used with conspicuous success in certain tubercular conditions, for chronic laryngitis and pharyngitis, and for the eradication of those dangerous hemolytic streptococcus and staphylococcus infections of the throat.

Sufferers from hay fever and "rose colds" have either been cured by it or greatly relieved.

Truly these men are helping enormously to widen the horizon of human knowledge.

## Recent Opinions by Mr. Justice Black

### EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

### EDITORIAL COMMENT

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD, a number of editorials on recent opinions by Mr. Justice Black, of the Supreme Court of the United States.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Birmingham (Ala.) News of February 14, 1940]

#### A SUPERB DELIVERANCE

The United States Supreme Court stood forth in one of its greatest roles in the decision handed down Monday in the Florida case involving four Negroes convicted of murder and sentenced to death. It stood forth as the protector of human liberty and human life against improper and extra-legal treatment. It stood forth as the defender of the simple legal rights of the poor and lowly.

In a great and ringing decision the Supreme Court upheld the civil rights of four Negroes whom the State of Florida found guilty of murder on the strength of "confessions" wrung from them in extremely dubious circumstances.

And in this memorable decision, unanimously handed down, the Court spoke through the voice of Hugo Black, of Alabama. Mr. Justice Black wrote this superb deliverance, which is surely destined to stand with other great opinions of the Supreme Court in behalf of human liberties.

The four Florida Negroes were arrested after an aged white man had been found murdered. A large number of "suspects" were arrested in dragnet fashion. They were questioned at length. A few of them finally were held for more prolonged questioning. The four who were finally convicted were questioned for nearly a week all day long every day and all night long the final day. After stoutly denying their guilt for nearly a week, they finally "broke."

Meanwhile, as Mr. Justice Black points out in his opinion, the Negroes were in surroundings such as would naturally frighten and

upset them. As the justice says, "the haunting fear of mob violence was around them."

The Negroes had no opportunity to consult friends or relatives or to engage counsel. Their civil rights were not accorded to them.

Against this sort of secret inquisitorial police methods Mr. Justice Black speaks out vehemently. There are many admirable and stirring passages in his opinion, such as the following:

"Today, as in ages past, we are not without tragic proof that the exalted power of some governments to punish manufactured crime dictatorially is the handmaid of tyranny."

"Under our constitutional system courts stand against any winds that blow as havens of refuge for those who might otherwise suffer because they are helpless, weak, outnumbered, or because they are nonconforming victims of prejudice and public excitement. \* \* \*

"The testimony of centuries, in governments of varying kinds over populations of different races and beliefs, stood as proof that physical and mental torture and coercion had brought about the tragically unjust sacrifices of some who were the noblest and most useful of their generations."

"The rack, the thumbscrew, the wheel, solitary confinement, protracted questioning and cross-questioning, and other ingenious forms of entrapment of the helpless or unpopular had left their wake of mutilated bodies and shattered minds along the way of the cross, the guillotine, the stake, and the hangman's noose."

This is one of the great Supreme Court opinions of our time, and it stamps Hugo Black as a liberal Justice of the highest status. Alabama is proud of him.

[From the Montgomery (Ala.) Advertiser of February 13, 1940]

#### BLACK'S INCREASING STATURE

The two opinions written by Mr. Justice Hugo LaFayette Black, adopted and announced by the Supreme Court of the United States yesterday, will advance him several degrees higher in public esteem. All of his previous opinions have consistently enhanced his prestige, as witness the increasing number of friendly comments by able critics upon his quiet performances. The most recent ones are even more challenging than any before them.

Some of the questions assigned to Mr. Justice Black by Chief Justice Hughes—Mr. Hughes is the managing editor of the Court—were none too inviting, some indeed aroused the suspicion that New York's most eminent Baptist layman was slyly hazing Hugo who, in the first stormy days of his career on the bench, was the whipping boy of all who thought that they saw in his appointment an opportunity finally to eviscerate Mr. Roosevelt. Many others, whose good will for the President could not be gainsaid, were sincerely disturbed. But this is water over the dam.

Black's critics insisted upon appraising him upon the basis of his conduct as a young, unknown politician in Alabama whose ambition to get on first base led him into a casual, but temporary, affiliation with the Ku Klux Klan. His membership in the Klan, to be sure, saw him safely through his first trial by ordeal before Alabama Democrats in 1926. It put him in the United States Senate. But this misadventure had no ill effect upon his philosophy and character as a Senator. He quickly rose in the respect and esteem of his colleagues. He won wide attention as a debater. He became even more famous as an investigator. In the latter days of his career in the upper Chamber he was commonly recognized as a first-string Senator. It had dawned upon his public that Black was a passionate libertarian, and an advanced thinker, whose life and personality had been deeply affected by a self-attained scholarship. His competent workmanship appealed to observers. It is midnight oil, pride, ambition, driving power, and compassion that have carried this fellow to his present enviable station.

Knowing what was in Hugo Black—the American public couldn't have known it so well—the Advertiser voluntarily took its stand by his side in 1937 when the thunder and lightning came thickly following his appointment to the Supreme Court. It was a new experience for the Advertiser to be for Black, for up until then Mr. Black and the Advertiser had served the Lord by working in rival vineyards. Outside of Alabama Mr. Black had few friends to plead his cause when a Pittsburgh reporter "exposed" Hugo's old membership in the Klan—a membership long known to the Advertiser and to most, if not all, Alabamians. From 1926 to 1937, we thought, was a long time for an enterprising Pittsburgh newspaper to work at the task of turning ancient history into news. Naturally we lifted an eyebrow when in 1938 a Pittsburgh reporter received a Pulitzer prize for repeating, substantially, what the editor of the Advertiser had done 10 years before, for which this editor likewise received a Pulitzer prize. We thought it a waste of good prize money. The Pittsburgh paper, although a daily, did no better job than the Yale (quarterly) Review might have done.

And so it was easy for the Advertiser to take the side of Hugo when his crisis came. It did so because it was convinced, and it so predicted in a series of editorials, that a country which did not then understand Black would yet come to recognize him as a great jurist. We have been assured since from many sources that these editorials in support of Black did much to reconcile many Americans to his appointment after the savage, hysterical attacks that were made upon him.

Now the Advertiser believes that its judgment has been vindicated by the department of Mr. Black on the Bench. He has performed precisely as the Advertiser had anticipated that he would.



Yesterday Mr. Black, speaking for the Supreme Court, denounced and reversed decisions by Florida courts involving confessions of high crimes by means of torture. The principals were four Negroes. Said Black:

"To permit human lives to be forfeited upon confessions thus obtained would make of the constitutional requirement of due process of law a meaningless symbol."

These men were subjected to "interrogations for 5 days." "The very circumstances," said Black, "surrounding their confinement and their questioning without any formal charges having been brought were such as to fill petitioners with terror and frightful misgivings."

The Negroes contended that their confessions were obtained by "violence and torture" covering nearly a week and that this violated their constitutional rights.

Black's opinion, sustained by his colleagues of the Nation's Highest Bench, completely reversed the Supreme Court of Florida.

But the opinion, while interesting because of its peculiar newsworthiness in the circumstances, is of far-reaching import from another point of view. It should go far to civilize the procedure of peace officers and minor courts, especially in the South. Confessions by torture are common practice in all American jurisdictions, but especially in southern jurisdictions, most especially where Negroes are concerned. It is an abuse of human rights, a practice of man's inhumanity to man that all of us who know anything about our neighbors know to be common, so common indeed that we customarily take it for granted.

It is a brutal, nasty, stinking practice, but we have tolerated it to our shame. Now the Supreme Court of the United States speaking through Hugo LaFayette Black of Alabama, has condemned it and it is up to citizens (and officials) everywhere to do something about it.

In another opinion, adopted by the Court, apparently without dissent, Mr. Black held that workers could not be discharged or otherwise penalized for changing their affiliation from the A. F. of L. to the C. I. O. There is not much about the C. I. O. that the Advertiser likes, but it likes Black's opinion that men who labor for a living have a right to affiliate with any type of union of their choice. The reasonable American must grant that this is true and just.

We stick to our original thesis—we were lonely when we advanced it—that Hugo Black will yet come to be recognized as one of the dominant personalities of the United States Supreme Court.

[From the Birmingham (Ala.) Age-Herald of February 14, 1940]

#### BLACK'S GREAT UTTERANCE

Every once in a while—at almost providential intervals, it would seem—a mighty utterance is sounded in Washington and the deepest and highest spirit of the Nation speaks once more. A whole people vibrates in response. It is as if the soul of America has found voice. An utterance of the final Court of the land, it is, of course, a supreme legal pronouncement. But it is even more than that. It bespeaks the basic spirit of our law, of our way of life, of our aspiration to justice and nobility and brotherhood. As such, it brings a renewal of the wells and springs of our national being. It gives new strength to the great spiritual entity that ultimately, far more than the mere land itself, is our country. It quickens our faith, our devotion, our patriotic love.

Another such utterance came on Monday of this week from the Supreme Court of the United States.

Here in Alabama the response is particularly proud and intense because the spokesman of the Court was Hugo Black. It was Hugo Black, of Alabama, who voiced a unanimous Court's new proclamation of the rights of man, of the right of every man, however humble, of whatever color, to the full protection of fair processes of the law.

In Florida a white man was murdered under particularly revolting and enraging circumstances. A number of Negroes were rounded up in connection with the case. Four of the Negroes were convicted and sentenced to death. Confessions obtained after extended questioning were used against the Negroes. The Supreme Court of Florida upheld the conviction. Appeal was taken to the Supreme Court of the United States.

The State of Florida maintained that the issues of fact relating to the claim of the defendants that due process of law had been denied them had been finally determined by a jury. The jurisdiction of the Supreme Court to inquire into the judgments was challenged. But, tersely, Justice Black dismissed this contention, holding that use of an improperly obtained confession might constitute denial of a defendant's right. The question was whether the confessions had been illegally obtained. Justice Black asserted the jurisdiction and duty of the Court to look into the record for the answer.

The answer he found was that "due process of law, preserved for all by our Constitution, commands that no such practice as that disclosed by this record shall send any accused to his death."

The record, the decision set forth, shows a sharp conflict upon the issue of physical violence. But it is clear, the Court held, that drag-net methods of arrest on suspicion without warrant were employed; that the arrested men, "ignorant young colored tenant farmers," were subjected to protracted questioning in a secluded jail room, where they were without benefit of friends or advisers and under "circumstances calculated to break the strongest nerves and the stoutest resistance."

Admitted practices were such, Justice Black wrote, "as to justify the statement that 'the undisputed facts showed that compulsion was applied.'"

So, bluntly, sharply, the Supreme Court declared that "the Supreme Court of Florida was in error and its judgment is reversed."

Men shall not die in America on evidence so obtained. Such methods of procedure must not be. Whoever the man, whatever the crime, justice shall not be based on that kind of police and prosecution tactics. Says the Court:

"To permit human lives to be forfeited upon confessions thus obtained would make of the constitutional requirement of due process of law a meaningless symbol."

And the Age-Herald is especially moved by and grateful for this declaration:

"We are not impressed by the argument that law-enforcement methods such as those under review are necessary to uphold our laws. The Constitution proscribes such lawless means, irrespective of the end. And this argument flouts the basic principle that all people must stand on an equality before the bar of justice in every American court."

Here again we have a timely and a powerful condemnation of that vicious doctrine that a good end justifies evil means. The world today is having a tragic, infinitely costly lesson in the fallacy of that doctrine. But if the lesson is thoroughly learned, as seems possible, a new world, a better world than men ever before have known, will result.

This opinion by Hugo Black is not the only pronouncement of the kind by the Supreme Court. There have been others and this opinion itself refers to a recent similar decision in a Mississippi case. Nevertheless, the circumstances of this case are such, the force, the clarity, and the humanitarian stature of this Black opinion are such that it will take its place among the great pronouncements of the court.

It often is difficult for men to subordinate the considerations that appear to have governed police, prosecution, and court in this case until the court of last resort was reached. But Americans in overwhelming majority—even many of those impressed by the considerations the Supreme Court rejected—must know a profound and thrilling reassurance and pride as they read this lofty document.

In a Supreme Court article in the current Life it is said: "Only a handful of the 80 justices who have served on it—Marshall, Story, Taney, Holmes, among the dead—could be called great men. But nearly all of them have risen in some measure to the challenge of their great responsibility. A current case in point is Justice Hugo Black, President Roosevelt's first and widely damned as his worst appointee, who is slowly winning informed respect for his earnestness and intense awareness of the impact of changing social-economic conditions on the law. He may take his place with the great justices of history."

There is a staggering answer in the fact that this great Black opinion came from a man who has known so much unfair abuse, who himself has faced accusations of intolerance and bias.

Whatever mistakes there have been in Hugo Black's past—and we have always been confident that they have been superficial mistakes of the head, not the heart—here in this opinion surely speaks the real man, the essential Hugo Black.

This newspaper is deeply gratified to see Hugo Black fulfilling its high hopes of him; to see this Alabamian meeting and extending the loftiest traditions of the great Court he is serving so well.

[From the Philadelphia (Pa.) Record of February 14, 1940]

#### THE FOURTEENTH AMENDMENT COMES BACK TO THE PEOPLE

The unanimous decision of the United States Supreme Court in the Florida third-degree case is not the first time the fourteenth amendment was used for the purpose intended by its framers. But this decision is far and away the most direct, sweeping, and brilliantly written application of the amendment to human rights that has come from our highest Court.

When the fourteenth amendment was written, most of the Congressmen and State legislators who voted for it had in mind just such cases as that before the Supreme Court in the Florida affair. It was part of the reconstruction measures adopted after the Civil War, and if an American of that time had been asked to explain why the amendment was needed he might have said:

"Race prejudice in the South is still bitter, will be for many years. Suppose a crime is committed and Negroes are suspected. They will be rounded up without warrant, tried without proper counsel or other legal safeguards of the innocent, and State courts will uphold this procedure."

The amendment was also designed to nullify State laws which discriminated against Negroes.

In many respects the fourteenth amendment has been a dead letter. We know that Negroes have been discriminated against by both law and procedure in some States, and that the Federal courts have not until recently effectively intervened to protect the rights of the helpless individual against certain States.

Meanwhile, the Supreme Court interpreted the fourteenth amendment so as to make it one of the most important guarantees in the Constitution.

Almost from the first, there was an attempt to use it as a shield for corporations against regulatory State power. This trend crystallized in 1886 in the case of Santa Clara County against the Southern Pacific Railroad.

The interpretation was extended, until by the close of the last century the fourteenth amendment was judicially accepted as the refuge of utility companies from State rate regulation and the sanctuary of corporations generally.

In the 1920's a beginning was finally made to apply the fourteenth amendment to its original purpose—the protection of the individual rights of political minorities. In the Nebraska school case, the Gitlow case, several newspaper censorship cases, the Scottsboro case, the Dirk De Jonge case, the Angelo Herndon case, and the recent civil-rights cases the Court has created a liberal line of decisions returning the fourteenth amendment to the people.

This progress is crowned by the Florida third-degree case. Here we had the familiar example of Negroes arrested by dragnet during a period of mob hysteria in a Southern community. We have an admitted detention, without specific charge and without counsel being permitted to the accused. We have the prolonged questioning under which "confessions" were finally extorted.

Whether or not the prisoners were actually beaten the procedure seems to be the exact reverse of what we who share the Anglo-Saxon legal tradition mean by "due process of law." The Supreme Court of Florida upheld this procedure and the convictions obtained under it. But for the fourteenth amendment and the United States Supreme Court these four Negroes would have been executed—legally lynched.

Too much significance cannot be attached to the fact that the United States Supreme Court's opinion was written by Justice Hugo L. Black. The fourteenth amendment was a partisan amendment. It was adopted with not a single Democrat in Congress voting for it. In all the State legislatures that ratified it only one lone Democrat voted for it.

Yet Justice Black, a Democrat, appointed by a Democratic President, wrote the strongest opinion on record upholding the real intent of the amendment. It is no longer a partisan issue.

The fourteenth amendment was originally a sectional measure. Yet Justice Black, a native of the deep South, is its champion. It is no longer a sectional matter.

A great hue and cry was raised over the fact that Hugo Black had once been a Klansman. The Record joined in that denunciation of him.

We have since regretted it. No man in whom race prejudice remained could have written the ringing opinion that Black did, upholding equality before the law.

Three-quarters of a century after the Civil War the Nation is beginning to unite on some of the fundamental principles for which it was fought. With this decision, the Supreme Court observes, in the finest possible way, the birthday of Abraham Lincoln.

## Comparison of Pre-War and War Period Exports

### EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. BROWN of Ohio. Mr. Speaker, there has been much discussion as to whether or not any trade benefit has been derived by this country as a result of the war now going on in Europe. Therefore I believe that a comparison of our exports for the 5-month war period, from September 1, 1939, to January 31, 1940, with the same 5 months of last year will prove of interest.

I therefore offer the following table of figures taken from the official reports of the United States Department of Commerce:

*Cotton, tobacco, and foodstuffs in our export war trade; United States exports 5 months of war period, Sept. 1, 1939, to Jan. 31, 1940, compared with corresponding 5 months of pre-war period*

Domestic exports	5 months ending Jan. 31—		Effect of war
	1939 (pre-war)	1940 (war period)	
Total exports, all products...	\$1,244,116,000	\$1,609,562,000	+\$365,446,000
Agricultural products:			
Cotton, raw.....	102,077,000	214,272,000	+112,195,000
Tobacco, bright flue-cured.....	87,938,000	26,378,000	-61,560,000
Foodstuffs (total).....	153,341,000	140,873,000	-12,468,000
Wheat and wheat flour.....	25,280,000	15,127,000	-10,153,000
Corn.....	16,905,000	12,184,000	-4,721,000
Fruits, dried and canned.....	28,095,000	26,003,000	-2,092,000
Vegetables, canned.....	1,616,000	2,875,000	+1,259,000
Meats and lard.....	20,493,000	23,446,000	+2,953,000

It will be noted that there has been an increase of approximately 30 percent in the exports from this country during the 5-month war period over the same period of last year. However, less than one-third of this increase is in agricultural products. Practically all of the increase in exports of agricultural products is accounted for by the war demand for raw cotton. Excluding small increases in the exports of canned vegetables, meat, and lard, our foreign trade in agricultural and food products has shown a heavy decrease, especially in tobacco.

It is apparent that thus far the so-called war boom has not been of any benefit to the average American farmer. With the belligerent powers being placed on a cash-and-carry basis, under our neutrality law, it seems evident from the above figures that such powers are conserving their cash for the purchase of needed war materials and are buying their foodstuffs and agricultural products in other markets on an exchange or credit basis, to the detriment of American agriculture.

## An Appreciation of the Late Dr. William E. Dodd

### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

### ARTICLE FROM THE HOUR

Mr. COFFEE of Washington. Mr. Speaker, America sustained a tragic loss in the death of Dr. William E. Dodd, former Ambassador to Germany.

I had the good fortune to know Dr. Dodd well, and to be intimately acquainted with his family. I have enjoyed the charm and hospitality of his lovely estate, Stoneleigh, at Round Hill, Va. Dr. Dodd represented an intellectual viewpoint cherished by many men of erudition and sincerity in America. His tragic passing in this critical hour of our country's history is a telling blow to the cause of progressive legislation. In a recent article appearing in *The Hour*, there is an appreciation of Dr. Dodd which rather comprehensively discusses his life and career and the significance of his contributions to contemporary history. As an appreciation to Dr. Dodd, and because I know of the widespread interest in him and the profound admiration entertained for him by intellectuals throughout the length and breadth of our land, I am including herewith such article, as a part of my remarks.

[From *The Hour* of February 17, 1940]

DEATH OF WILLIAM E. DODD—CHAIRMAN OF AMERICAN COUNCIL AGAINST NAZI PROPAGANDA WAS VALIANT AND CONSISTENT FOE OF REACTION IN ALL ITS MANIFESTATIONS

Dr. William E. Dodd, head of the group responsible for the issuance of *The Hour*, died at 3:10 in the afternoon of Friday, February 9, at his country home in Round Hill, Va. In failing health for more than a year, he was stricken with pneumonia on February 7, and already the next day his condition appeared to be hopeless. He was 70 years old. Widely known as professor of American history at the University of Chicago, he was in the summer of 1933 appointed by President Roosevelt to the post of United States Ambassador to Germany, in which capacity he served until December 1937. Both in Germany and upon his return to this country he was an outstanding critic of the Nazi regime. In January 1939 he headed the newly formed American Council Against Nazi Propaganda, and he held the chairmanship until the day of his death. The office of the council sent the following telegram to Mrs. Martha Dodd Stern and Mr. William E. Dodd, Jr., daughter and son of Dr. Dodd:

"It is with a sense of real grief that we of the council staff have learned of your father's death. We feel this not only because of the affection and respect we had for him as a man but also because of our knowledge of the greatness of his contribution to the cause of democracy."

### HIS WORK AS SOCIAL HISTORIAN

William Edward Dodd, son of John Dodd and Evelyn Creech Dodd, was born at Clayton, N. C., on October 21, 1869. At the age



of 27, in 1895, he received his degree of bachelor of science from Virginia Polytechnic Institute, whereupon he remained in the school as a member of the faculty, teaching history. He was also a graduate student, and, in 1897, receiving from the institute his degree of master of science, he decided to go abroad to continue his graduate study toward the ultimate degree of doctor of philosophy. Forty and fifty years ago Germany was considered by American students and professors as the best place to learn scientific methods of historical research, and so it was for Germany that young Dodd sailed. He remained at the University of Leipzig until 1900, in which year he received his degree of doctor of philosophy, offering to that school his dissertation Jefferson's Rueckkehr zur Politik, dealing with Thomas Jefferson's return to active political life in 1796 and his struggle against the reactionary Federalists (forerunners of present-day Republicans).

A convinced Democrat of the Jeffersonian school, young Dodd quickly won recognition upon his return to America in 1900 as a thoughtful historian who sought in the past, particularly that of the American South, social and economic roots and principles accounting for the ills and triumphs of the present day. His early influence in America's academic circles was exerted through his teaching at Randolph-Macon College from 1900 to 1908; it was also in this period that he published *Life of Nathaniel Macon* (1903) and *Life of Jefferson Davis* (1907).

In 1908 he was called to the University of Chicago, where for the next 25 years he was to make his greatest contribution to historical research and writing. Hundreds of graduate students passed through his seminars, which were mainly on the evolution and collapse of the Old South as part of America's struggles for democracy. Many of them, dispersing to teach in the colleges and universities throughout the country, spread his interpretation of American history with great enthusiasm. Men and women of "the Dodd school" were becoming an influence in themselves. Dr. Dodd's published works of this phase include *Statesmen of the Old South* (1911), *Expansion and Conflict* (1915), *The Cotton Kingdom* (1919), *Woodrow Wilson and His Work* (1920), *Lincoln or Lee* (1928), and *The Old South* (1937). Only the first volume of the last-named has appeared, further work on the series being interrupted by Dr. Dodd's last illness.

#### AMBASSADOR OF DEMOCRACY TO THE LAND OF FASCISM

The nomination of Dr. Dodd to the post of Ambassador to Germany in the summer of 1933 came as a surprise not only to the public, accustomed to see career diplomats or rich industrialists at such posts, but also to Dr. Dodd and his family. In her book, *Through Embassy Eyes*, Martha Dodd recalls that at the time they wondered as to President Roosevelt's motives:

"Could it have been, we asked ourselves privately, that President Roosevelt wanted to register his belief in the democratic system by sending a representative as unconnected with fascism as any human could be—a man who had been loyal and unwavering in his support of democratic ideals, modest, scholarly, incorruptible politically and financially, a student of the old Germany where freedom was still not an empty slogan?"

From the very beginning of his sojourn in Berlin, Dr. Dodd astonished the Nazis and their collaborators from among the old-line high-caste Germans by his refusal to surround himself with pomp, by his insistence on carrying out his duties in a genuinely democratic way. Of yet greater discomfort to them proved the openness with which he repeatedly proclaimed his repugnance at the cruelty and repression marking the Nazi dictatorship. Not only did he lodge formal diplomatic protests against the various infringements upon the rights of Americans in Germany, but in public addresses he voiced his attitude toward nazism as historian and philosopher, an attitude which was always one of strong condemnation. In 1933, a few months after arrival in Berlin, Dr. Dodd delivered a speech in which he drew unflattering parallels between the regime of Hitler and the brutal dictatorships of the ancient Caesars. In 1934, speaking in Bremen, the ambassador declared that "only neighborly love can save the world now"—once more he warned the Germans of the perils of the dictatorship ruling them, and called for a return to Christian ideals. In July 1935, in a speech delivered in Berlin, he branded mischievous propaganda as "one of the errors of our time." Goebbels took it as a criticism aimed directly at him, and other Nazi leaders, too, were not far behind in their hatred of the outspoken representative of democracy.

The Nazis made a point of avoiding diplomatic receptions in the American Embassy. "In return," Martha Dodd recalls, "we declined many official affairs given by these same Nazis, though we observed as strictly as possible the rules of courtesy and accepted diplomatic etiquette." The State Department backed Dr. Dodd's policy and actions until September 1937, when the Secretary of State, Cordell Hull, against the advice of the Ambassador, decided to send *Chargé d'Affaires* Prentiss Gilbert as Hitler's guest at the Nazi party congress in Nuremberg. Dr. Dodd protested this step as tending to lend dignity to the barrage of antidemocratic and antisemitic speeches usual at the Nazi party congresses. But the British Premier, Neville Chamberlain, bent on appeasing Hitler, allowed his ambassador to go to Nuremberg; the French followed suit, and the United States State Department behaved similarly.

#### AGAINST REACTION AT HOME

American reactionaries were raising their heads, and Dr. Dodd responded to their machinations with keen indignation. In May 1937 he wrote a letter to several Senators on the question of the reactionaries' opposition to President Roosevelt's proposed reform of the Supreme Court. In a careful historical analysis and sum-

mary he showed the unprincipled selfish designs of those who hampered reforms and progress under the mask of allegiance to the Constitution. The concluding paragraph revealed the plans of a certain American near-billionaire to finance and control an American dictator. When the letter was made public, the press seized upon the paragraph, making much of Dr. Dodd's refusal to name the man.

In other ways, too, Dr. Dodd continued to express his concern with the growing boldness of domestic and foreign malefactors of wealth. Returning to the United States on a leave of absence in the summer of 1937, he lectured at the University of Chicago and to the public at large, everywhere attracting large audiences, and on all occasions reiterating his staunch belief in democracy.

Despite his renown he remained modest. Typical of him was a chance meeting on the campus with a graduate student to whom the Ambassador extended his hand with the unassuming introduction: "Dodd is my name." He would not take it for granted that practically everyone knew who he was.

#### RESIGNATION AND LAST 2 YEARS

Dr. Dodd returned to Berlin late in 1937, but it was plain that the relations between him and the Nazis were reaching a breaking point. Thus, his resignation in December 1937 came as no surprise. At first the Nazis treated his resignation and departure with stony silence but later their press went to unbelievable extremes in heaping abuse upon him.

The health of both Dr. and Mrs. Dodd suffered as the result of their trying but courageous life and work in Nazi Germany. In the spring of 1938 Mrs. Dodd died of heart failure and her death was a further blow to Dr. Dodd. Nevertheless, valiantly and at great sacrifice he continued his work of opposition to the dark forces both here and abroad. His chairmanship of the American Council Against Nazi Propaganda was a source of constant inspiration to his associates in the field.

In these days of 1940 when the reactionaries of the South and other American regions, both in Congress and outside, carry on a most vicious campaign against foreign-born, Negroes, and other minorities, it is fitting to recall Dr. Dodd's words pronounced in the course of a lecture delivered 7 years ago at the College of William and Mary, Williamsburg, Va. In the lecture, entitled "Federal Constitution and Its Application," he thus characterized the Federalists' attempts of 1796 to violate the Bill of Rights: "The young United States of America enacted alien and sedition laws in harmony with English reactionary policy and contrary to the spirit of both Federal and State constitutions." He concluded with this truly inspiring message-prophecy on the nature of the American world of tomorrow:

"It must be a new world, a new attitude toward constitutions and a recognition that privileged groups always work their own ruin, if not regulated by government; and working their own ruin they work that of their fellows in vast numbers. \* \* \* The principle of democracy is as vital today as in 1776."

### Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. MILTON A. ROMJUE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. ROMJUE. Mr. Speaker and Members of the House, there is probably no more important subject to come before this body during this session of Congress than the one now pending before it, and that is the question of whether or not we continue the policy, for an additional period, of entering into trade agreements between this Government and other nations as heretofore authorized. It is unfortunate that so many times when matters of legislation are taken up that any questions or proposals are opposed by some, regardless of how meritorious they are, purely upon the ground that the proposal is advocated by the President of the party in power. I think one of the many great achievements of President Roosevelt's administration is the benefits that have been accomplished by the trade agreements which Secretary Hull, on behalf of the United States Government, has entered into with the various countries. Now, of course, it is not expected that in every detail every individual throughout the country can be satisfied by such agreements. The minds of some people do not reach far back and sometimes there are those who soon forget. If there is one thing that can be pointed to that did more to destroy and injure the agricultural interests of this country and finally brought about a general collapse of

banks and business interests of the country generally, it was the high protective tariff law that was passed under the administration of the Honorable Herbert Hoover while President of the United States. That tariff law was enacted under Mr. Hoover's administration and it raised the tariff walls so high against practically every nation on earth that the United States Government suffered greatly from the loss of trade and the result was almost a complete collapse of the farm industry. Farm products went down and it became the forerunner of the breaking of banks throughout the country and many a home was foreclosed under mortgage as a result of this debacle that had been brought about by the legislation referred to.

Certainly the people of the United States will not be unwise enough to now want to turn back and wipe out what advantages we have gained and go back to the old logrolling system and reestablish a policy that has, within the last few years, so seriously injured our country. There is one thing we must remember—we cannot sell everything we produce to other people without doing some buying ourselves. One who is so short-sighted and so selfish as to believe he can have his cake and eat it too is penny-wise and pound-foolish. It would be one of the most unwise moves this country could make if we should now wipe out and destroy the power to extend or renew these and other trade agreements in the manner in which they are now being made. The Honorable Cordell Hull, Secretary of State, has performed a magnificent service. The manner in which he has handled the trade-agreement program, and his outstanding work and achievement in this particular will stand out forever as a memorial to his great service along with his wonderful achievement in the handling of our Government's international problems in this trying hour when the world is so much in disastrous conflict.

There is only one of two choices that can be made in regard to the handling of trade relations between this Government and the other nations of the world—one is through the process that is now being employed under Mr. Roosevelt's Administration and the other is to go back to that rule employed for so many years and which proved so disastrous under the administrations of President Taft and President Hoover. Unfortunately for our country, a great portion of its area in 1934 and in 1936 suffered very severe droughts. Many sections of our country, in those years, were almost completely burned. Necessarily some importations were required to come in at that time to meet our own immediate needs. One only has to go back to 1932, which happened to be the last year of Mr. Hoover's Administration, and you will remember that you could buy corn almost all over this country for 15 cents per bushel and in some States like the great State of Iowa it was sold on the public market at less than that. The prices of other farm commodities were in proportion and even wheat was selling for 25 cents per bushel. It is well known that unless there is a stable basis upon which the agricultural interests of our country can operate, there cannot be any permanent prosperity. The farming interests of the country understand that there must be and shall be more or less teamwork between agricultural interests and industry, each having and obtaining a fair share of the profits resulting from their toil, but the farming interests also well know that they cannot afford to be taken back to the old policy of logrolling, when it comes to making up a trade policy by the creating of high tariffs, so high as will cause, as it has caused heretofore, a collapse of the roof of the house of our country's general business structure. I commend the wise policy that has been pursued and followed by the Honorable Cordell Hull as Secretary of State in the handling of these trade agreements. I would not claim perfection for all, of course, but a careful study of any impartial mind that is well informed on the trade trends and trade situation existing between this country and other countries is bound to lead to the conclusion that the trade-agreement policy should be continued as most advantageous to the people in general of these United States.

## This Thing of Worrying About Europe

### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

EDITORIAL FROM THE AMERICAN GUARDIAN, OKLAHOMA CITY, OKLA.

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including herewith an editorial which appeared in a recent number of the American Guardian, a liberal weekly paper published at Oklahoma City, Okla. The article is by that well-known protagonist of liberalism and writer of provocative, challenging observations, Oscar Ameringer. It calls attention to the imperative need for the concentration by statesmen upon rehabilitation of our economic order in the United States; it deplores the emphasis upon the problems of Europe and the Orient; it deprecates the stress being laid upon the indigence of Europe while overlooking and neglecting the impoverishment of American citizens. The editorial points graphically at the all-too-prevalent vogue in our country of tearing our hair in frantic emotional excitement because far away there is trouble and despair, while close at home our eyes seem to be glazed with a myopic film and we are blind to our neglect of our own people here.

Liberals everywhere are insistent that this Congress should legislate effectively for the rehabilitation of the millions of underfed and underprivileged sharecroppers and tenant farmers; that we give to the Negro some measure of decent treatment and justice and provide him with an opportunity to enjoy sanitary and respectable living conditions; that we actually eliminate child labor and with it all of its dread sequels; that we provide for a practical extension of a public-health program so that medical and surgical care will not be the exclusive prerogative of the comfortably fixed and well to do; that we supply to the youth of America something more than threats, admonitions, red-baiting sneers, patronizing pats on the back, and "holier than thou" advice. Youth, facing the future of a dark outlook, will not be hoodwinked or deluded by minatory phrases or gestures. Recently they came to Washington asking for bread, and we gave them not only a stone but many stones. We overlooked their program and suggestions for legislation of reconstruction; we replied "communism" to their pleas for help and aid. But youth will not be swerved by such attitudes or policies, right or wrong. Youth cannot eat advice.

What are we doing to redistribute purchasing power; to bring about harmony in the labor movement; to extend the program of public ownership; to reform our banking and money system; to disintegrate monopolies; to expose gigantic combines of capital; to provide work and opportunity for youth; to give social justice and security to the elderly? We are derelict, and this Congress is refusing to face its responsibilities to their heritage and our antecedents. We cannot exorcise the devil of restlessness out of a distressed people. We cannot proclaim patriotism to them while they are losing faith in our institutions. We must give them security, opportunity, and the fullness of life. Will we meet the challenge of present-day conditions? I wonder.

There are many strongly phrased sentences in the article attached which should cause any intelligent person to think very seriously.

[From the American Guardian, Oklahoma City, Okla., February 2, 1940]

THIS THING OF WORRYING ABOUT EUROPE  
(By Oscar Ameringer)

Mr. Farmer, are you worrying about the mortgage on your farm, about overdue notes and taxes unpaid?



Mr. Wage Earner, are you broke and out of work, or if neither, are you losing sleep on account of fear of losing your job?

Mr. Professional Man, are you worrying about your clients or patients falling off? Are you having trouble collecting bills or paying your own?

Mr. Businessman, are you worrying about increasing competition in the face of decreasing sales, the low state of your bank balance and bills falling due on stock on your shelves?

Mr. Father, are you worrying about seeing your children through high school and college, enabling them to fight the battles of life better equipped than were you?

Mr. Banker, are you worrying about the value of the securities in your portmanteau or the ever-swelling deposits in your safe?

Mr. Manufacturer, are you worrying about mounting pay rolls, taxes, and inventories?

If so, each and all of you chuck your worries by joining the great all-American in- and out-door sport of worrying about European troubles.

In doing so you will not only forget your own, but in addition find yourself in the company of America's most illustrious statesmen, journalists, commentators, and broadcasters.

According to this distinguished company, you really have nothing to worry about. Your troubles, if any, belong strictly in the category of remote control and long-distance affinity. As my old college chum, Bill Shakespeare, has so aptly remarked, "The world is out of joint and all the king's horses and all the king's men can't glue the blamed thing together again." The wailing wall of Jerusalem is a wreck. A guy by the name of Joshua has tooted down the walls of Jericho. Abdul El Ashcan of Afghanistan is waging an undeclared war against the Bey of Bayrum. The firm of Pope, Roosevelt & Mannerheim has declared a holy crusade for the restoration of democracy in Georgia, U. S. S. R. Herbert Hoover and Governor Bricker, of Ohio, have joined in a campaign to feed indigent Laplanders with Buckeye Bacon and Georgia (U. S. A.) Crackers.

The preoccupation of America's master minds with long-distance affairs is easily explained by the fact that while some of us have trouble of our own, the Nation as a whole has none.

Outside of 10,000,000 unemployed, everybody is at work. Excepting one-half of our farmers being landless and all of them rattling the tincup for relief, agriculture is doing well. Forgetting that every profession is overcrowded, higher education is a lucrative investment. Leaving out of sight that we own two-thirds of the gold of the world and that our banks are bursting with \$20,000,000,000 crying for borrowers, the capital market is in first-class shape. Ignoring some 6,000,000 youngsters who left school, high school, and college during the past 10 years and are still looking for jobs, youth is still the hope of the future. Brushing aside the daily swelling army, 8,000,000 strong, of men made senile above 45, who are no longer wanted in industry nor capable of supporting themselves, old age is secure.

Shutting our eyes to the fact that the rich no longer know what to do with their money; that the poor have none; that one-third of us are ill-housed, ill-fed, and ill-clothed, while nine-tenths of the building-trades workers haven't struck steady work in 10 years, and there is a shocking oversupply of cotton, wool, textiles, clothing, and eats, and there are no statistics about how many of our fellow citizens are homeless or are starving and freezing to death—let's forget the United States of America and settle the troubles of Europe.

But before settling the troubles of Europe let's find out, first, what these troubles are and, second, how to settle them.

The main trouble is there is no such country as Europe. The territory covered by the noise "Europe" is composed of 20 separate and distinct states. In addition to being separate and distinct states, their people are separated by different languages, customs, religions, culture, and what not. So that about the only thing the states of Europe have in common is their fear and dislike of each other. How these fears and dislikes originated is too long to relate here. All I will say is that they started about the time when the saber-toothed tiger and the woolly rhinoceros decided they were no match for the two-legged critters that poured north from Asia at the retreat of the second ice age. As far as we know, these critters were a rude, ill-mannered species, as testified by the cracked skulls and bone-embedded arrows frequently found in their last remains. However, due to the primitive killing devices commanded by them, they were never able to exterminate each other completely, as testified by the fact that in spite of thousands of wars their descendants are still littering up the countries called Europe.

In the course of these wars they became so intermingled by way of invasion, migration, intermarriage, rape, and illicit love making that by now if they kept their mouths shut it would be difficult to tell the people of one from another. In other words, the people inhabiting the 20 countries called Europe are members of the same family and that family composed of bastards, each claiming descent from heaven and therefore entitled to send the others to hell.

To complicate matters still worse, each branch of this lovely family is ruled, and always has been ruled, by its particular set of gangsters selling protection, salvation, peace, and glory to their particular set of victims. The outstanding characteristics of all these gangs was and is an overpowering desire to live without working and raise their standards of living by enlarging their domains and number of victims. Their motto was and is, "You work, I eat, and to hell with the guy who says no." Thus the bellies of the ruling gangsters became the common good, while the belly interest of the commoners became high treason to country, flag, and God.

The full fruit of organized and sanctified gangsters is nationalism, and nationalism was invented to permit ruling gangsters to do to all concerned that for which they jail, hang, and burn their own nationals—such as murder, arson, and rape, for instance. The divine injunction, "Thou shalt not covet thy neighbor's ox, ass, wife, or maidservant," is only applicable to the retail trade. When committed by wholesale, in the name of nationalism, they are transferred into such virtues as loyalty and patriotism.

What the 20 countries of Europe must have before their people can live in peace is a United States of Europe. But this in turn cannot be achieved until the 20 gangster gangs that rule the 20 countries of Europe are eliminated. For just like the 130 official families that alone prevent the unification of the American labor movement, so the gangster gangs that rule the 20 countries of Europe will move heaven and hell to stave off the unification of Europe.

If President Roosevelt, the Pope, or Graf Mannerheim are prepared to remove the chief obstacles to a united Europe, they have our blessing. If not, let Europe stew in its own juices. What's more, a country that hasn't either brain or heart enough to supply one-third of its own people with stew out of a superabundance of ingredients is in a darned poor position to prescribe a comfort diet to countries which at the best of times never had enough to go around.

## Work, Wages, and Education

### EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, February 22, 1940

ADDRESS BY HON. AUBREY WILLIAMS

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address delivered by Hon. Aubrey Williams, Administrator of the National Youth Administration, at the Harvard University Graduate School of Education, Cambridge, Mass., on Thursday, February 15, 1940, on the subject Work, Wages, and Education.

There being no objection, the address was ordered to be printed in the Record, as follows:

For educators, as well as for the rest of us who are concerned primarily with young people, the most significant observation that could be made about youth in these times is the fact that around 4,000,000 young people between the ages of 15 and 24 are out of school, looking for work, and unable to find a job of any kind. This is important to educators because it leads them to question whether the present educational process is effective in fitting young people to cope with this kind of situation. It is important to the economist because it indicates that our economy as now constituted is not prepared to absorb the new generation that is knocking at its door for admittance to the adult world in productive work. It is important to the political scientist and to all of us as citizens because it leads us to wonder how democratic institutions can best be adapted to solve the problem represented in these figures. But most of all it is important to the young people themselves because it means that the normal channels of growing up are closed to them. They find themselves ready and eager to do their part of the world's work and to achieve in return the economic independence which is the key to every other sort of independence. But instead they are frozen in a kind of suspended animation—condemned to a prolonged and therefore unhappy adolescence.

However, today I am going to digress from the subject of youth unemployment, which is the primary concern of the National Youth Administration, in order to discuss certain ideas regarding the problems of the educational world in meeting the needs of young people which have come to me in connection with my work. If in suggesting new directions for education I appear to be critical of its present policies, I would not want you to conclude that I believe in any way that education is responsible for the present major problem of young people. There is an unhappy tendency on the part of some people when confronted with the uncomfortable facts of unemployment to look around for the villain. What social agency is chosen for the role depends, of course, on the personal prejudice of the individual; sometimes it is the Government, or big business, or monopoly, or labor, and sometimes even the school system is chosen for the role. It is assumed by some process of magic that if the schools turned out better people, models of all the ancient virtues and fully trained in a trade besides, they would quickly find a place for themselves in the working world and the national economy would right itself.

The weakness of this type of reasoning seems to me obvious, for the schools are not the mainspring of the economic system. The schools cannot themselves create the purchasing power which would expand industrial production to the point of absorbing all their graduates. But educators must necessarily be concerned with the fact that every year, of the million and a quarter new workers entering the labor market, approximately 500,000 young people leave behind them the schoolroom only to find themselves in the limbo of unemployment. Educators must necessarily wonder whether these young people were thrust out from the school too soon, improperly prepared to take their place in the world, or whether the working world itself is in need of some kind of adjustment in order to make a place for them.

I think there is a growing realization on the part of educators that these two worlds, the world of the schoolroom and the world of the workshop are no longer separated by an unbridgeable gulf. They no longer are willing to hand a young man or a young woman a diploma and say, "Now my responsibility is ended—you will have to look to the businessman for your place in the world." They are beginning to realize that the functions of youth, the processes of transition from childhood to adulthood, are not separate and distinct phenomena separated into watertight compartments of education, a job, and personal adjustment. They are beginning to realize that this is one organic process in which each part has an integral relationship to the other part. They are beginning to accept the existence of an ideal, of a goal to be worked toward, in which the period of schooling will lead in a normal continuous way to the work experience and personal adjustments of adult life without the present breaks and interruptions that do such grave injury to the bewildered, frustrated, and unhappy unemployed young people of today.

Naturally, therefore, the educational world is faced with a questioning that turns both back upon itself and out upon the national economy and political scene. It turns back upon itself in order to examine its own methods, its own objectives, and its own adaptability to a changing world. The Regents' Inquiry of the State of New York is an excellent example of the way in which education has turned upon itself the searching rays of objective analysis and emerged with a freshness of vision and an understanding of its own problems which speak well for its vitality and ability to adapt itself to the needs of the times.

Moreover, educators are looking more and more to the working world beyond the classroom walls in order to see what happens to young people after they pass beyond the period of formal education. Educators are beginning to think of their function as only one step in the development of the qualities of personality, knowledge, and skill that make for well-adjusted adults. Educators are concerned primarily with that period of life when young people are traditionally encouraged to be nonproductive members of society in order to devote their full energy to the development of their own capacities and store of knowledge. This is one of the achievements of civilization, that the young may be carried by the productive effort of their elders longer than nature itself requires in order that they may in their turn function more effectively as adults. But the educative process by no means comes to an end when the situation is reversed and young people turn their energy and talent outward in order to contribute to the economy and society in which they live. On the contrary, this is the very climax of the educational process, for it is at this point that all the years of training that have gone before are subjected to the hard test of actual practice.

I am not talking now of vocational training. In fact I think there has been an overemphasis in the past on a strict division between vocational and academic education. There has been a tendency here again to think in terms of separate compartments of life as if the worker and the man were separate and distinct beings requiring a wholly distinct and isolated training. Certain studies like English literature and history and art were thought to feed the soul and the personality, while other studies were directed to training the worker in a particular skill. There were some in fact who not only saw these two fields of study as separate and distinct but even went so far as to consider them competitive. Therefore, a boy or girl in high school was faced with the difficult task of choosing whether he would undertake to train himself in a trade through a commercial or industrial course or whether he would undertake to develop his cultural capacities through an academic course.

Fundamentally, I think the problem grows out of a false and archaic concept of work which still persists in our modern world. The idea persists, sometimes unrecognized, but nonetheless powerful, that work is a means to an end, a necessary evil whereby man keeps himself alive, rather than a positive function of the human personality. Perhaps this idea goes back to the time when man's genius had not gone far enough in mastering the processes of nature to lighten the struggle for existence. And yet I suspect that this idea of work as a necessary evil is a comparatively sophisticated one. It is hard to imagine primitive man pausing in the constant struggle of wresting his livelihood from the wilds of nature without benefit of tools and in bitter competition with the rest of the animal kingdom in order to bemoan the hardship of his lot. It would not occur to him that there was an alternative method of survival any more than it would occur to us today that we could survive without eating.

I am inclined to think that our attitude toward work goes back not to its extremely onerous character in mankind's early history, but rather to the time when society began to develop two new concepts: First, the theory of a division of labor between individuals; and, second, the theory that certain groups of people,

originally as warriors and later as property owners, were exempt from the necessity of labor and might survive by reason of the labor of others rather than their own. Under a division of labor there developed the idea that certain kinds of work enhanced the social prestige of the person performing it and through the emergence of a leisure class exempt from labor there developed the idea that work of any kind, with the exception of governing and fighting, marked a person as belonging to an inferior class.

These ideas are hardly original; they have been expounded with great wit and penetration by Veblen in his Theory of the Leisure Class, but I am constantly impressed by the deep and persistent inroads they have made in our educational theory and practice. And I am even more impressed by my experience in the National Youth Administration with the fact that our educational system ought to be working to lessen rather than aggravate these outmoded attitudes toward work. For it is surely the very essence of a democracy that the intrinsic value of the human personality should be recognized and that the value and dignity of all forms of labor as an expression and function of that personality should be accepted as a part of our national philosophy.

I think there are a number of historical factors that have led us into false directions and lost us the trail of true democratic progress in the field of education. Our ancestors who founded this Nation had the pioneers' true respect for education as the very keystone of equality of opportunity for all, and their respect for higher education has fortunately persisted among us to this day. But they brought with them from the Old World the concept of higher education as the hallmark and prerogative of the gentleman and therefore as the stepping stone to gentlemanly occupations. Gentlemanly occupations they conceived as the professions, business, and the arts; in fact, all the unmanly occupations with the possible exception, in the period of agrarian dominance, of gentleman farming. This attitude is bad enough at the college level, in my opinion, for reasons which I will explain later, but it has been disastrous at the secondary school level where a high-school graduate tends now to look upon the white-collar occupations alone as worthy of his training and personal worth.

For a while it was possible for us as a nation to avoid facing squarely the absurdity of our growing tendency to expand educational opportunity at the high-school and college level as a means of lifting our children into the socially more acceptable strata of nonmanual occupations. This was made possible by the great waves of immigration from the Old World, by the tremendous influx of workers from the poverty-stricken countries of Europe who were desperately eager for work of any kind and happy enough to get the jobs as ditch diggers, railroad builders, domestics, common laborers of every kind that the second- or third-generation Americans scorned. But then in turn their children struggled to lift themselves above their parents' level into the white-collar jobs where they would be accepted on equal terms by the older inhabitants—and when immigration ceased, our factories became filled with frustrated young people who wanted to work in an office.

It is obvious that without new immigration it is the children of all of us who are going to have to do the work of the future in this country. And the bulk of that work, by the very nature of our modern economy, is going to be manual work, not in the sense of back-breaking labor, but in the sense of machine tenders, on the farms, in the factories, or in the service and distributive occupations. This is surely a fundamental and axiomatic consideration for educators.

There are those who react to the acceptance of this fact by the assertion that we should reduce the extent of education at the college level to the number that may properly be absorbed in the gentlemanly pursuits. This is what has been happening in certain totalitarian countries where the function of higher education is conceived of in terms of the needs of the state rather than the development of the individual. The same line of reasoning leads to the conclusion that education at the secondary level should either be reduced or that its curriculum should be so modified as to fit young people for the social and occupational class they will occupy as adults.

These theories, to my way of thinking, represent the ultimate in reactionary educational theory and are contrary to the very tradition of democracy that has made our educational system the powerful instrument it now is. It assumes a wholly utilitarian function in education, that education is intended to turn out as from a machine the number and kind of workers required by our economy rather than to develop the best potentialities of every individual born into a democracy. It runs counter to the potentialities of our modern technical and scientific development which has freed mankind from the drudgery of never-ceasing labor and permitted him to devote a greater part of his span of years to the development of those qualities of the intellect and spirit which distinguish man from the lower animals.

Modern productive techniques have brought with them not only new leisure but also a new complexity of problems to be solved. This has given education a double problem: First, to develop in young people those personal qualities which will enable them to make constructive use of the leisure which is the ultimate object of all labor-saving devices, and, second, to develop the necessary knowledge, objectivity, and social attitudes which would enable them to participate intelligently in the democratic solution of the complicated problems growing out of modern science, techniques, and industrial organization.

Both of these are difficult tasks requiring a considerable period of time devoted to the educative process. Neither of them relate



directly to the development of specific working skills. They are in many respects more important to the young person whose actual occupation is not stimulating than to the person whose work enhances the broad development of personal qualities. It is therefore my conclusion that the extent of education should depend on the needs of the individual rather than on the needs of the economy for workers trained in one field or another. Moreover, I feel that while modern conditions of production require on the whole fewer persons with a long period of training specifically directed to developing vocational or professional skills, the complexity of the problems facing citizens in a modern democracy and the potential opportunity for fruitful use of leisure time require that if anything a greater proportion of the total span of man's hours, days, and years should be devoted to the acquisition of knowledge and the development of personal qualities.

I do not believe that our democracy can afford to provide less educational opportunity for any of our people. On the contrary, I think it should provide more adequately so that children in all parts of the country, from all races and all economic groups, may have the best we know how to give them. It is the timing and the content of our education rather than its extent that needs to be considered critically in terms of its objectives.

In connection with the timing of education, I would like to repeat what I said earlier regarding the tendency to separate education off from the other processes of personal development. Young children—perhaps up to the ages of 15 and 16—must necessarily devote the greater part of their time to personal development. First of all, the physical requirements of growth are such that arduous work on the part of children is considered harmful to the individual and hence to the race. It is therefore considered the responsibility of a civilized state to provide adequately for its children through the period of their physical growth. But in addition the complexities of modern life are such that young people are not considered sufficiently mature in judgment or knowledge to cope with the world entirely unaided by adult support even by the time of their physical maturity. Parents who are financially able to do so almost invariably wish to continue to support their children through the period of college and even graduate studies in the belief that this prolonged period of dependency fits them better to cope with the world as adults.

This is a logical development in an age where the machine has freed man from the necessity of using his full years of physical maturity for productive work. But it has two serious drawbacks: First, it postpones in all but the exceptional case the time when a young person begins to receive the benefits of actual work experience; and, second, it tends to limit the opportunity for complete educational development to those young people whose families are in that small minority of the economically well-to-do that can afford the heavy expense of higher education.

I think these are perfectly sound solutions to both these problems and that herein lies the chief value of our N. Y. A. experience to educators.

First, in discussing this problem of work experience, it is probably necessary to define just what I mean by "work." I know that to students the whole process of studying seems the hardest work in the world. That is because they think of work in terms of effort. But the thing that distinguishes work in the sense that I am using the term is the fact that it is effort directed toward some objective benefit. A student expends effort in order to develop his mind and acquire knowledge for his own present and future use. A worker expends effort in order to contribute to the world's wealth, knowledge, or well-being. In this way a worker creates a new value for which he is entitled to receive compensation. The expenditure of effort on the part of a student has its reward in the enrichment of his own personal capacities.

Sometimes these distinctions are hard to draw clearly, but I believe that in general the difference is a valid one. The confusion arises from the byproducts of the effort of student or worker rather than from its objectives. For instance, a student might very well write a brilliant thesis as a part of his studies which would cast new light on some problem and so add to the sum total of human knowledge. And certainly the research worker whose objective is to expand the world's knowledge adds constantly to his own.

It is, in fact, the byproducts of work experience that I had in mind when I referred earlier to the fact that it was a mistake to think of the processes of education as taking place solely in the classroom. I imagine many older people, in looking back, feel that they learned more in their first week at a job than they did in a year in the schoolroom. Certainly no one would feel that his personal development ceased when he secured his diploma.

The question seems to me to reduce itself in considerable measure to timing. How long is it desirable to deprive young people of the benefits of "work" in the sense that I have used the term? Are parents entirely right in their belief that they are doing their children a service in making it unnecessary for them to work until they are somewhere between 20 and 25 years of age? Above all is this idea, that there is a time of life to be devoted entirely to self-improvement in the form of education and a time of life for productive work, a sound and necessary one? These are the questions that come to mind.

It is obvious that work, unless unusually hazardous, arduous, and protracted, is not physically detrimental to young people after the age of 16. Certainly to anyone raised on a farm even this would seem unduly conservative. For with our strong agrarian tradition we like to think that our most vigorous stock has come from the farms where boys and girls alike are expected to do their share of the regular chores and of the unusual work of the

planting and harvest seasons. Even in small-town and city life in an earlier period there were plenty of chores in the average household to give most boys and girls a thorough taste of work during their adolescence. There were big houses and yards to be kept in order, water to be drawn, wood to be chopped, kitchen gardens to be tended, baking, preserving, and dressmaking for the girls, animals to be tended, and all kinds of handyman work normally to be performed around the place.

As our way of life has changed so that less work is performed in the home and all work is more highly mechanized and therefore more highly organized, it has become less possible for young people in their teens to participate in the work of the home or the community while continuing their education. Nowadays, if a young person wants to help, for example, with the canning, he has necessarily to give up school in order to go to the cannery for a full day's work when the whistle blows. You could hardly expect the cannery operator to adjust his production and the use of his machinery so that high-school boys or girls could drop in to work for an hour or two in the afternoon after school is over. It is not particularly economical—although it may have other values—for girls to make their own clothes at home when large-scale factory production can turn out attractive ones more inexpensively. Carpentry work in the home may be good recreation but furniture factories, equipped with all the latest power machinery, can probably fill the average family's needs more satisfactorily than their 16-year-old son at work in the basement.

The shift from a handicraft economy to large-scale mechanical production has made it very difficult, if not impossible, for young people to get much of any work experience before they leave school. I think the young people have lost some things in this process which we ought to be able to regain in other ways.

First, they have lost the necessity of acquiring certain basic skills which, while they may never be required in a vocational sense, add immeasurably to the ease of getting along in the world. I have been astonished by the number of boys between 18 and 25 years old who come to the National Youth Administration with no knowledge of how to drive a nail—and the number of girls who don't know the simplest principles of cooking or sewing. I am personally of the opinion that the world would be a more comfortable and pleasant place to live if everyone—male and female—knew how to wield a hammer, a paint brush, a skillet, a needle, a hoe, and a broom, at the very least.

It was interesting to me to learn that the early charters granted for education in the American colonies specifically provided that training in the manual arts was the responsibility of parents rather than the schools. Today if the home no longer provides the opportunity to teach these arts, it is time to revise our thinking and work out a way for them to be learned and practiced elsewhere.

But there is a more serious side to this long delay in opportunity for productive work and that is the effect on the attitude of mind of the young people themselves. For the greatest value of work to the individual is the sense of justifying his existence in sharing in the productive enterprise of the world. There is a dignity, a sense of achievement, a self-confidence, and a feeling of belonging and comradeship that are hard to describe without apparent sentimentality. It is this phenomenon I have seen so often in my experience with the administration of relief when a man long unemployed, with confidence, initiative, and dignity all but destroyed, is transformed in a day by going back to work. But in the case of young people it has a special significance. It is the first recognition that the period of childhood is passed, that the time has come when one is accepted into the adult world on equal terms as a producer.

It is one of those interesting contradictions of the human spirit that complete personal development seems to come only when the individual ceases to be solely on the receiving end and begins to contribute from his own store of talent, energy, and knowledge to the wealth of the world. This may be a byproduct of the work itself, but it is such an essential one in the educative process that it should be recognized as such. It should drive out of our thinking the whole ancient idea of work as an evil and make us seek it out as one of those opportunities which should be denied to no part of the human race.

If we are going to continue the process of educating young people through 20 or 25 years, I think it is essential that we find a way to extend to them the opportunity to work during the period of their schooling. After all, as I have tried to point out, the traditional division of time of life between study and work is an arbitrary one, based primarily on changes in our economy which make full-time participation in production the more efficient and therefore the more profitable method of work in most processes. There are a few exceptions—newspapers are still largely delivered by schoolboys, but there are not enough of these to make a dent in the problem.

Frankly, I doubt very much if private employment will ever offer a solution to this particular problem. There have been some interesting experiments—the one at Antioch College is probably best known—but the difficulties of finding suitable jobs are almost prohibitive. In connection with vocational training at certain high schools, arrangements have been made with employers to give the students work on a half-day basis as a part of their high-school work. But this is obviously not an efficient arrangement for most employers and presents some very difficult problems in labor standards. Questions have recently been raised, for example, as to the applicability of the Fair Labor Standards Act to this group, and it can readily be seen that without very careful safeguards exploitation and unfair competition could very easily occur. Vacation employment is also a possibility but here again it is

difficult to find suitable jobs of short duration. I am wholly sympathetic with all of these schemes but I am afraid that their inherent difficulties are such that they can only reach a comparatively small number.

There are still three possibilities: Work at home, work at school, and work for the benefit of the general public. Work at home, even where it still exists, is certainly desirable, but it has three great limitations. First, it is necessarily limited in variety and quantity, and is usually of the handicraft, individualistic, and, therefore, inefficient type. Second, most young people think of their families as an extension of themselves; it does not have the same value in terms of a sense of contribution to the larger economic whole. And third, in most families it does not mean work for a wage. I am going to speak later about the significance of a wage but it is of fundamental importance to young workers as a recognition of the value of the work which has been done and an evidence that the period of independent self-support has begun.

The National Youth Administration has had experience with providing work both in the schools and for the general public. On the whole I think it has proved its value in bringing the benefits of work experience to young people both in school and out of school. But it has necessarily been limited to an economically needy group and has not been available to all young people on the basis of subjective need.

Nevertheless the extension of work opportunity to those in need has given definite public recognition to the second problem growing out of the extension of the period of education; that is, the problem of cost. It used to be assumed that if the State provided free public schools equality of educational opportunity was assured. I think that this was probably more true in the days when more of us lived on farms where it was easier to carry along the younger members of the family and when there were more odd jobs available for students. But today it would be ostrich-like blindness not to recognize that the children of the poorer sections of our population cannot finish high school, let alone college, without some form of assistance.

It seems to me that with the realization that a substantial part of our young population is going to have to go into unskilled or semiskilled occupations, it becomes doubly important that the selection of young people for the more highly skilled fields of work should be based on their own aptitude rather than on the financial ability of their parents to carry them through the necessary period of training. I can imagine no worse menace to our democratic tradition than the development of a hereditary caste system whereby only the children of the well-to-do might enter the professions, and the children of the now less-honored occupations should remain permanently bound to follow in their parents' footsteps. But it follows inevitably that if there is to be opportunity for children of unskilled manual workers to move into the skilled and intellectual pursuits there must be an acceptance of the fact that there is no tragedy when the child of a professional person becomes a factory worker.

There are two vital factors in creating a situation where young people will go into the work for which they are best suited on the basis of open, democratic competition. First, all kinds of work must be made more attractive. There must be less disparity of financial return from different occupations so that all workers may share in the standard of living which our modern genius makes possible. There must be shorter working hours for the routine mechanized occupations so that persons whose jobs offer little outlet for imagination or creative activity may be able to develop avocational outlets for their talents. There must be neither social stigma nor unusual prestige attached to any form of work, except, perhaps, that of the creative genius. All work should be honored, and the coal miner as welcome in the drawing room as the lawyer or stockbroker. Above all, education should be extended to all young people who can benefit by it regardless of their occupational objective so that our democracy will function with informed citizens and cultivated men in every walk of life.

This means a revolutionary change in many of our attitudes, for certain prejudices are deep-rooted and, much as we hate to admit it, there are many vestiges of the class alignments of the Old World in our national psychology. But in the field of education our tradition of opportunity for all is strong, and there is a real historical basis on which to build. I think the very existence of the N. Y. A. student work program, and its wide popularity among educators, civic leaders, and political representatives is good evidence of the firmly rooted belief that young people of promise should be given financial assistance in completing their education. And I think it is also evidence of the persistent American tradition that financial assistance should be given to people who are able to work only in the form of wages for work performed.

I believe that young people should be given work and I feel strongly that they should receive a wage consistent with the value their work has created. I think that when needy young people are old enough to work they should have a chance to earn some money so that they will not be penalized by the poverty of their parents in completing their education. But, in addition, I think that all young people should have a chance to work and to receive a fair wage for their work, even before their education is completed, in order that they may learn the true values, both subjective and objective, of their labor. For what is money but a measure of value, and what is work but the process of creating a value? To me the principle that a laborer is worthy of his hire is basic to the whole

concept of work. Work without its just wage is as meaningless as salt without its savor.

If private enterprise cannot provide young people with paid part-time employment during the period when they are still devoting a part of their time to the educative process, the only alternative way it may be done is through some tax-supported public agency. It is conceivable that local communities might undertake to do this through the schools and I am told that a few have done so. I think such an arrangement might work out very well, but it has one serious drawback. The schools are necessarily fighting, year by year, to expand the amount of public money available to them for educational purposes. They are scarcely in the position at this time to advocate successfully the cause of paid employment for young people from local treasuries.

In any case, whatever the reason, it has remained for the Federal Government, through the National Youth Administration, to put into actual practice the dream that progressive-minded school people have long cherished. The National Youth Administration has provided through its student work program part-time paid employment in the schools to young people who need financial assistance in order to remain in school. We have purposely left the actual direction of the program in the hands of the school people themselves in order to achieve several objectives. First, it has made it possible, by the contribution of their labor as supervisors and administrators, to put all the Federal funds available for this program into actual wages to the young people themselves; second, it has eliminated any possibility of an effort, or even the appearance of effort, on the part of a Federal agency to interfere with the sacred area of educational policy traditionally reserved to State and local authorities; but most important of all is the third reason—the fact that in the student work program we have placed in the hands of the educators of America a new educational medium and tool. The fact that in virtually every high school and college of this country the Federal Government has put into the hands of the principal, president, or dean a certain number of paid part-time jobs has a revolutionary significance in the educational world with which most of the theoretical pedagogues have not yet fully caught up. But school people generally are beginning more and more to explore, develop, and realize the educational benefits of this program in a way that should influence profoundly the future direction of education.

In some respects I believe that the other part of the N. Y. A. program, the projects for young people who have left school, has almost as much educational significance as the student-aid program. For even though many of these young people on our projects have left school solely for financial reasons, there are many, many others who left because they felt the school system had nothing further to offer them. Especially as the student-aid program is extended and strengthened in order to keep in school those who need financial help to stay, we find on our out-of-school work projects those whose needs the school system as constituted somehow failed to meet.

Because the National Youth Administration is a new agency, and perhaps in part because we are not essentially an educational agency, I think it has been possible for us to experiment with certain techniques which may have value for educators. First of all we have proceeded on the assumption that youth is a time of experimentation, of groping for the right career, for the right direction, of self-searching. We have tried, therefore, to give young people on our projects a chance to try their hands at a variety of kinds of work in order to learn a little of what different jobs really mean and which ones might be better suited to the particular aptitudes of the individual. We have accompanied this by individual and group occupational counseling and by the development of simple but comprehensive occupational studies, analyzing the conditions, requirements, and opportunities of different types of work. Furthermore, we have organized a kind of instruction, both on and off the job, related to the work the young person is doing. We have worked, in short, to break down the arbitrary division between work and study in order to give a comprehensive understanding and sense of direction to young people in the difficult period of their transition from childhood to productive independence.

Even though we in the National Youth Administration think we have learned some interesting things about the educational needs of young people who leave school long before their educational potential is exhausted, we are not anxious to take over the work of the schools. In fact, we think there is no inherent reason to make an arbitrary dividing line between the program of N. Y. A. projects for young people in school and young people out of school. We would like to see many of the boys and girls on our out-of-school work projects who thought they had left the classroom behind them forever go back to school on a part-time basis, and we are working with the Office of Education and school authorities in several cities on an experimental basis to that very end.

The educators have been quick to recognize that if the schools are to reclaim for the classroom this group that has deliberately left school behind them once, it must be on a new and experimental basis specifically designed to meet their needs. Neither the traditional academic course designed to prepare students for the equally traditional classical college education nor vocational training directed toward the development of a single skill will fill the need of these young people. A new type of education, experimental and realistic in the best sense of those words, is needed to give these young people an understanding of the world which they have already entered. This is the world of work, in which man uses the techniques and machines made possible by science to adapt the wealth of nature to his needs. It is the world of economic organization



whereby the processes of production and distribution are made to work with a present degree of efficiency which is marvelous in terms of the overwhelming complexity of relationships but appalling in the discrepancy between potential abundance and actual poverty. It is the world of social organization whereby citizens living in a high degree of mutual interdependence solve their common problems and provide for their common welfare. It is the world of medical science bringing nearer the dream of health and vigor for all, the world of new media of communication making possible but somehow failing to produce the understanding of all peoples of the world of each other, the world of new media for the entertainment and expression of the genius and aspiration of a people. These are a few of the things which education should help young people growing up in a new kind of world to understand.

I can imagine that many of you are wondering whether in dreaming of a civilization in which all of our young people will be educated to be the cultivated, intelligent citizenry which can solve the problems with which we older people have grappled so long and so ineffectually, I have not forgotten the grim fact that at any one time in our current imperfect period of history there are approximately 4,000,000 young people for whom not even the minimum opportunity of the chance to earn a living exists.

I have not forgotten this army of jobless young people. They are my daily job and their tragedy is never out of my mind. But the problem of jobs for all is not going to be solved by the educators alone. The solution of this problem is the major task of the body politic, of us all. It involves fundamental readjustments in the relationship of capital, labor, and government so that the economy will function for the benefit of the entire population. There is general agreement as to objective, but there is a wide diversity of opinion as to method. This is perfectly right and proper in a democratic Nation, where we are free to disagree with each other and to express our disagreement in words and in action at the polls. But it slows up the process of adjustment; it is surer and probably less costly in the long run, but it takes time which is precious to the individual whose life is involved in this historical process. A writer in one of your Harvard publications, an undergraduate, I believe, once pointed out with considerable justice that through the emergency programs, especially through the W. P. A. program, the New Deal had purchased time with which to work out through the slow processes of democracy the fundamental readjustments in our national life which are necessary if democracy is to survive. Revolutions and dictatorships alike come about when the needs of the people are so pressing that rapid and ruthless change seems to them to offer the only hope for their fulfillment.

I have faith that we in this country will find a solution to our problems through the democratic process. But I think it is essential that those of us who are concerned with the development and future of young people should not become discouraged and lose our sense of direction during this difficult transitional period. I feel particularly strongly that educators should not resign themselves to cutting their educational pattern in terms of the cloth of present economic inadequacies. Let them develop young people who are not only equipped to make good use of the potentialities of the modern world but who are also wise enough to develop the machinery that will bring the benefits of our potential abundance to the whole population.

While young people are still immature we will begin to give them an understanding of the vast achievements of modern invention. We will show them in the lower schools how modern civilization has brought untold benefits to men through the use of machinery and through the harnessing of natural forces. I believe that it is possible to prepare the way for enthusiastic participation in industry in later life by giving children in the elementary schools some insights into the wonders of our mechanical civilization.

Similarly, I believe that it is possible to create an interest in agriculture even in the minds of young people who are never going to be farmers. The new crops which the Department of Agriculture has brought to this continent can be described. There is as much romance in the importation of these crops as in any story of the search for the Golden Fleece.

For the children in the lower schools descriptive accounts of mechanical and agricultural achievements can be made the means of cultivating respect for labor and also the means of stimulating out-of-school activities that will take the place in some measure of home activities that in earlier times introduced children to serious participation in the real production.

At as early a point in the school program as is feasible constructive activities should be introduced as a part of the regular school program. The upper grades of the elementary school furnish opportunities for a great deal of practical activity. Such activities would appeal to the slow learners because they have to do with concrete realities. They would appeal to the bright pupils because they stimulate inventiveness.

By the time that pupils pass into the secondary schools the descriptive phase of their study can begin to deal with the complex organization of industry, business and government. On the practical side a differentiation can begin. First, there will be exploratory exercises which will make it possible for each pupil to become acquainted with several different spheres of activity. Later activity will begin to take on the individualized form which is appropriate to the capacity and taste of each pupil.

There is nothing in the program which I am proposing which does violence to the most ambitious plan of intellectual education. I

am convinced from my contact with young people that there is nothing that stimulates intellectual effort more than the achievement of tangible, constructive results. Work that shows outcomes and intensive thinking can go on at the same time and supplement each other.

In due time a very young person, no matter what opportunities his parents may offer him, begins to feel the urge to show independence. It used to be possible for any boy who felt this way to drop out of school and find a job. It was less easy for a girl. The social system will have to step in in some way and furnish opportunities now that are different from those supplied in earlier times by private enterprise. The American Youth Commission has advocated provision by the Government of jobs for all young people 16 years of age who want them and are unable to find them in business, agriculture, or industry. The main point which I have to make is that the educational system should not at this stage of beginning independence drop its graduates to shift for themselves. I foresee for the schools a great social mission if they will keep in contact with all their pupils as they gradually emerge into adulthood. Some of these adolescents will continue to take full-time courses. For them a program of intensive intellectual training and constructive activity which will build up interest in work and respect for work can continue. Some adolescents will come to the end of all-day schooling, but it is to be hoped that their guidance by the school will continue and that part-time courses will be provided which will illuminate and supplement their labor.

I have no hesitation in advocating the inauguration of such a general program, because I have seen the elements of the program working themselves out during the experimentation that has been forced on this Nation during the past years. The Nation had to provide work for a host of young people as a pure economic necessity. Suddenly it was discovered that this work gave individuals courage, initiative, and insights that they had never had before. Many of the workers came back to educational activities which they had left and showed a new enthusiasm for learning that opened up to them new sources of personal satisfaction. What experimentation has shown to be possible for some can, I believe, be made the advantage of all. What is needed is a pooling of experience, a new view of the needs of young people, and a new understanding of the requirements of modern civilization.

The marvels of our modern world are rooted in knowledge. Knowledge made possible the inventions which are the very backbone of our modern civilization. Among these are the printing press, which made political democracy possible by transforming knowledge from the privilege of the few to the heritage of the many, and the harnessing of steam and later of electricity to do the work of man, which made possible our modern industrial organization with its potential union of physical abundance and leisure for the cultivation of personal values. Knowledge has brought us this far; knowledge, understanding, and the courage to experiment must carry us forward. It is my hope that education, facing this challenge, will assume not a defeatist view that its aims must be restricted to the grim realities of the present scene, but a new vitality which sees in the modern world the need to make an even wider place for the educational process so that a wiser, broader-visioned generation will come forward to carry on the solution of our common problems.

## Manganese, and Trade Act

### EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. KNUTSON. Mr. Speaker, under permission granted me, there is herewith submitted for the RECORD a copy of a letter written to Chairman DOUGHTON by J. Carson Adkerson, representing the American Manganese Producers' Association; also a letter written to Mr. Adkerson by former Assistant Secretary of War Hanford MacNider on October 3, 1927, on the subject of manganese:

AMERICAN MANGANESE PRODUCERS ASSOCIATION,  
Washington, D. C., February 6, 1940.

Re: Extension of Reciprocal Trade Agreements Act, H. J. Res. 407.  
HON. ROBERT L. DOUGHTON,

Chairman, Ways and Means Committee,  
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Inasmuch as a representative of the State Department, in recent testimony before your committee, has given specific, misleading information on manganese, I feel it is my duty to make available to the committee information on the manganese situation under the Trade Agreements Act.

It is generally recognized that the State Department made a mistake in reducing the duty on manganese and we hope some way will be found to rectify it.

## MANGANESE

Manganese tops the list as the No. 1 strategic war mineral essential to our national defense. On account of its importance in our national defense program, manganese stands in a category all its own.

Embodied in the preface of the report of the War Industries Board following the end of the World War is a letter from Bernard M. Baruch, chairman of the board, to President Woodrow Wilson, under date of December 24, 1919, from which the following is quoted:

"Through a system of stimulation by a protective tariff, a bonus, an exemption from taxation for a limited period, licensing or any other effective means, every possible effort should be made to develop production of manganese, chrome, tungsten, dyestuff, by-products of coal, and all such raw materials usually imported but which can be produced in quantity in this country."

In letter of February 12, 1932, to the American Iron and Steel Institute, Hon. F. H. Payne, Assistant Secretary of War, stated as follows:

"In view of the dependence of the military requirements upon steel products and of the supreme importance of manganese in the making of sound steel, it is deemed essential to have available at the beginning of a major war a domestic or nearby operating source of manganese ore.

"To create such an operating source during peacetime the producers must have a market for their output."

In line with the above recommendations, Congress in 1922 provided a duty of 1 cent per pound on metallic manganese contained in ores running above 30 percent metallic manganese. Under the stimulation of this tariff, production of domestic ores containing 5 to 10 percent manganese increased from 62,670 tons in 1921 to 1,110,067 tons in 1929; ores containing 10 to 35 percent manganese increased from 8,439 tons in 1921 to 364,312 tons in 1926; ores containing 35 percent manganese or more increased from 13,531 tons in 1921 to 98,324 tons in 1925.

Lack of cooperation and market from certain major steel companies, together with constant threat of removal of the manganese duty, have for years hung like a sword of Damocles over the heads of domestic manganese producers and retarded developments.

Developments were further retarded through the importation, duty free, of increasing quantities of ores running slightly under 30 percent manganese.

In the Tariff Act of 1930 Congress, to protect the lower grade ores, extended the 1 cent duty to cover all ores containing 10 percent or more of metallic manganese.

Under the stimulation of this duty substantial strides have been made in the development of manganese deposits in the United States and in the development of processes for the recovery of high-grade manganese from our abundant low-grade ore reserves.

The situation in the manganese industry is well explained on page 43 of the published Army Extension Courses, 1931 edition, Industrial Mobilization Plans, prepared by the War Department, which summarizes the domestic manganese industry as follows:

"In spite of all handicaps, however, enough interest has been stimulated to result in the creation of a capacity much larger than indicated by annual domestic production and a readiness for expansion that is a decidedly important military asset."

Despite the statements of opponents to the effect that it was not feasible, today the highest grade manganese concentrates in the world are being produced from low-grade ores. Not only this, but commercial production of high-grade manganese from low-grade ores is now an assured fact, not only in the United States but in Cuba as well. Development of the deposits and processes for recovery were brought forward under the stimulation of the tariff.

All that the United States now needs to solve its problem of manganese for national defense is the installation and maintenance of additional beneficiation plants. This can and will be done by the industry if a fair market is made available to domestic producers. However, unless the industry is stabilized by adequate tariff protection, a temporary increase in price would not warrant additional major investments, and therefore additional plants with a substantial increase in production could not be expected.

## COOPERATION

Congress has repeatedly expressed its will and intent to encourage the further development of the manganese resources of the Nation, but it is to be regretted that full cooperation from the administrative arm of the Government has not yet been forthcoming.

The President, in his message to Congress on the 2d day of March 1934, asking for trade-agreement legislation, stated as follows:

"You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense and that such interests cannot be sacrificed for passing advantage."

In spite of this, on February 2, 1935, a 50-percent reduction in the duty on manganese was agreed to by the State Department.

For reasons not yet disclosed, domestic manganese producers were not given proper notice or hearing, as required by law, before reduction of the manganese duty in the trade agreement with Brazil.

It appears also that the War Department was not consulted by the State Department prior to negotiation of the agreement and officials of the War Department did not know of the reduction in the manganese duty until informed through manganese producers

themselves after the agreement had been concluded and sent to the printers and just prior to its signature by the Secretary of State.

In addition, it appears that information presented to the State Department by domestic manganese producers prior to the negotiation of the agreement did not reach the trade-agreement officials and was not considered by them prior to negotiation of the agreement.

Hon. Francis B. Sayre, Assistant Secretary of State, in testimony before the Finance Committee of the Senate, with reference to trade-agreement legislation, stated as follows:

"The whole purpose of the program of trade bargaining is this—to restrict the commodities covered in the agreement with any specific country to commodities of which that country furnishes the chief source of supply of importation into the United States."

The opposite to this was done. Manganese was traded away to Brazil, a minor producer. Russia, the major shipper of manganese to the United States, was then allowed entrance through the back door of the Brazilian agreement.

The trade agreement with Brazil was signed February 2, 1935, and became effective January 1, 1936.

During the year 1933, Brazil shipped no manganese at all to the United States, nor was manganese listed in the public announcement of items being imported from Brazil, although the complete list of such items handed out by the State Department, prior to the agreement, included items of minor importance, such as 50 tons of tankage with a value of \$1,573 and 8,000 feet of sawed cabinet woods with a value of \$386.

Comparative table showing tonnage of manganese ore imported into the United States from Brazil and Russia for the years 1932-39

[Figures from U. S. Bureau of Mines Publications]  
(Long tons)

Year	Brazil	Russia
1932.....	21,500	55,437
1933.....	None	83,780
1934.....	55,834	124,836
1935.....	29,528	153,200
1936.....	110,018	289,867
1937.....	77,988	383,949
1938.....	29,698	166,043
1939 (11 months) <sup>1</sup> .....	32,589	114,064

<sup>1</sup> Preliminary figures for 1939.

The following is from record of testimony of Hon. Henry F. Grady, Assistant Secretary of State, before your committee January 18, 1940:

"Mr. GRADY. We have escape clauses, such as the one relating to currency, which we discussed a few minutes ago, and the one relating to a third country obtaining the major benefit of a concession."

## COMPARATIVE TARIFFS

A comparison of the tariff and price of manganese as compared with other ores and metals is in order. Tariffs on the ores and prices of the metals under normal conditions are approximately as follows:

Ores	Ore tariff, metallic content (cents per pound)	Metal	Metal prices (cents per pound)
Lead.....	1.5	Pig lead.....	5
Zinc (after duty cut).....	1.2	Slab zinc.....	5
Copper.....	4.0	Ingot copper.....	11
Manganese (after duty cut).....	.5	Ferromanganese (80 percent Mn).....	5

## MANGANESE COMPARED WITH STEEL

Restoration of the manganese duty, cut under the trade agreement, means only 7 cents added to the cost of an average ton of steel.

According to figures presented by Hon. FRANCIS H. CASE on the floor of the House, June 15, 1938, the cost to the American public of the duties on crude and semifinished steel only (par. 304, Tariff Act, 1930) from the year 1922 to 1937, inclusive, amounted to a total of \$8,468,961,511. This tariff is in effect a subsidy. For the year 1937 the tariff protection on this one steel item alone is shown as \$731,733,430. In addition, when steel is sold to the Government, under the buy-American law, a differential of 25 percent or more is allowed over the low foreign bid. This likewise is a subsidy.

Figures from the Iron Age, embodied in the CONGRESSIONAL RECORD of June 15, 1938, show that the total assets of 21 steel companies, representing 92.2 percent of the ingot capacity of the United States, amount to \$4,430,885,614. In other words, the cost to the American public of the duties on this one steel tariff item alone, during a period of 15 years and 4 months, amounted to nearly twice the above-mentioned assets. This is a substantial subsidy to a well-established industry and a direct cost to the American public.



Even under the reciprocal-trade agreements the full tariff is still enjoyed on this major steel item. Steel enjoys a tariff sufficient to equalize the cost of production at home and abroad. There is no good reason why manganese should not be protected to the same extent. All that domestic manganese producers ask is treatment for manganese on a parity basis with steel products.

#### TARIFF RATES

On January 17, 1940, Hon. Henry F. Grady, Assistant Secretary of State, testified before your committee that "manganese ore had a 106-percent tariff in 1935." He failed to advise that this figure was based on sacrifice sales only and represented the foreign value of the ore.

On page 598 of "Summary of Tariff Information, 1929, Schedule 3," published by United States Tariff Commission, in review of the manganese industry, there will be found the following:

Prices of metallurgical ore containing 50 percent manganese, per long ton, duty paid, United States Atlantic ports, have been as follows:

	Yearly average
1924.....	\$31.45
1925.....	32.28
1926.....	32.80
1927.....	31.32
1928.....	30.03
Average.....	31.58

The average price for foreign manganese ore covering the 5-year period was \$31.58 per ton; the freight from Baltimore to Pittsburgh area was \$2.52, making the total delivered price, Pittsburgh area, \$34.10 per ton for the ore, which is equivalent to a price of 68.20 cents per unit for metallic manganese. This was a normal period.

The present price of the same grade of imported manganese ore, delivered at Atlantic ports, as shown by the current trade journals, is 60 cents per unit of metallic manganese, or \$30 per ton for the ore. The freight to the Pittsburgh area is now \$2.83 per ton, making the total delivered price, Pittsburgh area, \$32.83 per ton for the ore, or 65.66 cents per unit of metallic manganese. Included in this price is the present tariff of \$5.60 per ton for the ore, or 11.20 cents per unit of metallic manganese, which is 17 percent of the delivered price in the Pittsburgh area.

There is no need, however, to split hairs over rates. During the World War, when there was no duty at all on manganese, we paid more than 5 times the normal price for the ore and even then we did not get it. Sufficient quantities were not available at any price.

#### LOSS IN REVENUE

The actual loss in revenue to the United States Treasury through the reduction of the manganese ore duty in the trade agreement with Brazil amounts to \$18,422,320 as follows (based on figures from United States Bureau of Mines showing metallic manganese contained in ores imported subject to duty):

Year	Metallic manganese content (long tons) <sup>1</sup>	Loss through tariff reduction
1936.....	388,351	\$4,349,531.20
1937.....	408,330	4,573,296.00
1938.....	179,723	2,012,897.60
1939 (11 months) <sup>2</sup> .....	231,123	2,588,577.60
In bonded warehouses in the United States (Nov. 30, 1939).....	437,323	4,898,017.60
Total.....		18,422,320.00

<sup>1</sup> Tariff on manganese imported in the form of ferromanganese not included. Manganese from Philippine Islands and Cuba not included.

<sup>2</sup> Preliminary figures for 1939.

This money now goes as an additional subsidy to the steel industry.

#### STOCK PILES

In 1939, on recommendation from the administrative departments, Congress passed the Strategic Materials Act, authorizing the appropriation of \$100,000,000 over a 4-year period for the purchase of manganese, tungsten, tin, chrome, and other strategic materials. Manganese is listed as the item of major importance.

The purpose of the act was twofold. (1) Accumulation of stock piles; (2) development of American resources; \$10,000,000 was appropriated for immediate expenditure. To date no manganese ores of domestic origin have actually been purchased by the Government under the Strategic Materials Act and on account of this, together with the reduction in the manganese ore duty, uncertainty in the domestic manganese industry continues.

A stock pile of 1,000,000 tons of manganese has been recommended. Even such a stock pile still will not assure the country adequate security as no one can foretell how long an emergency will last. Domestic mines cannot in a short period of time, ordinarily allowed in an emergency, produce sufficient to meet the demands. It requires time to carry forward development work underground and install the necessary plants.

#### CONCLUSION

Through the reduction in the manganese ore duty in the trade agreement with Brazil, our country since 1936 has lost in revenue \$18,422,320, which was formerly enjoyed by the United States

Treasury. This loss will continue to increase. In addition, since 1936, we have sacrificed the continued development of our own manganese resources for national defense. To cover up this mistake, the strategic-materials bill was passed by Congress authorizing the appropriation and expenditure of \$100,000,000 over a 4-year period for the purchase and stock pile of strategic minerals of which manganese is the major item. Even the Strategic Materials Act will not solve the manganese problem. In an emergency, such as we may now be facing, domestic mines will still have to be put into operation. It is possible we have waited too long already. This is indicated by the results of the recent repeated Government calls for bids for manganese ore under the Strategic Materials Act. To date only one small order of 25,000 tons has actually been contracted for. The results of the bids indicate that a sufficient quantity of the grade of ore called for by the Government is not readily available from foreign or domestic sources. Stocks in bond, although substantial, are fast being depleted. Our country has the reserves of ore, the labor, and the capital. However, it cannot be expected that substantial investments in additional developments and milling plants will be made until assurances are given that the domestic production will be protected against future importations of manganese ores from Soviet Russia produced by Communist and forced labor where cost means nothing, or ores from India which are mined by labor paid the equivalent of 1½ cents per hour. Restoration of the tariff to a parity basis with steel is necessary to help stabilize the manganese industry on a basis similar to that enjoyed by steel.

#### RECOMMENDATIONS FOR NATIONAL DEFENSE

1. Restore the duty: Terminate or modify the trade agreement with Brazil so that the manganese-ore duty may be established on a parity basis with steel products. This will, prior to the date of restoration, encourage and permit importers to store within the United States, under the present reduced rate of duty, all manganese ores they can find available in the world's markets and thereby force the formation of a stock pile at no cost to the Government.

At the same time it will encourage and permit domestic producers to immediately make additional investments, carry forward development work, install additional plants, and increase production to help take care of the needs of the United States at no cost to the Government.

2. Stock pile: If a Government-owned stock pile is considered advisable, then let appropriations be made under the Strategic Materials Act for the Government to purchase and store manganese ores exclusively of domestic origin during such periods when prices are low and no other outlets for the ore are available, thus encouraging further developments and maintaining a healthy nucleus of a manganese industry within the United States ready for expanded production to meet the needs in an emergency.

These recommendations may be carried out and results obtained in accordance with the will of Congress and at no ultimate cost to the Government, provided that existing and future trade agreements are made subject to the approval of Congress or the Senate. Respectfully submitted.

J. CARSON ADKERSON, President.

WAR DEPARTMENT,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, D. C., October 3, 1927.

Mr. J. CARSON ADKERSON,  
Hy-Grade Manganese Co., Inc., Woodstock, Va.

MY DEAR MR. ADKERSON: Your work in the development of an adequate supply of manganese ore to meet the industrial needs of the United States has been brought to my attention. Your activities along this line are rendering valuable service in the solution of the problems of industrial preparedness and I wish to express my appreciation of the work that you are doing.

It appears that manganese is essential to the production of steel and without steel national defense is obviously impossible. The safety of the country requires that we have a readily available source of manganese within the United States. Those who are working to meet this requirement have my best wishes for success.

Sincerely yours,

HANFORD MACNIDER,  
The Assistant Secretary of War.

#### American Standards Work and Assistance Act

#### EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. MARCANTONIO. Mr. Speaker, yesterday I introduced a bill known as the American Standards Work and Assistance Act. The bill provides, briefly, that 3,000,000 jobs be provided immediately for the unemployed of our country; that the wages be the prevailing hourly wages; that the hours be

not less than 120 nor more than 130 monthly, with a national average monthly wage of \$70; that the projects will be of such a nature as to provide useful work of a permanent nature, offering the opportunity of utilization and preservation of the skill, training, and morale of the workers; that the program be open to all unemployed without relief test; that jobs be given as long as faithful service is performed and as long as the unemployed are unable to secure employment in private industry. This automatically abolishes the cruel and inhuman 18-month provision in the present relief act.

My bill also provides that the employment program be supplemented by unemployment-assistance grants to the States based on a decent, self-respecting standard of relief.

This program can be contrasted with what is now proposed to Congress by the Budget. As we know, a recession is already here and increasing in intensity. Steel production is down from 94 percent to 67 percent, industrial-production index is off from 128 to 107. It is likely that within a month, unless it is checked, this recession may bring the industrial index down to 100. This will mean we will have lost the employment gains in the recent so-called war boom. No promise is made that the boom will be resumed. In the fact of this oncoming recession, of which the administration has been warned, the sensible course is to try to head it off. Increased purchasing power should be made available to limit the spread of the recession. Instead, between now and June, 800,000 W. P. A. workers will be dropped; P. W. A. will be further curtailed; housing will have exhausted the possibility of further employment. If the President's appropriation requested in the Budget is passed, another 350,000 will be dropped between July and September; C. C. C. and N. Y. A. will be sharply cut.

For this blunder we will have to pay dearly in the suffering of millions of unfortunates and in the possibility that this recession may develop into another 1937 and worse unless checked.

As a matter of fact, the only thing stopping a collapse today is purchases of war supplies from Europe. This means that we are being placed more and more at the mercy of these war purchases, and giving foreign nations actually a control over our own peace and our domestic policies.

It is maintained that any increase in expenditures beyond the President's request would raise the debt limit. This argument is a fake and a smoke screen raised by the economy bloc designed only to scare the people and prevent decent treatment of our underprivileged and needy groups. In a letter from Marriner S. Eccles, Chairman of the Federal Reserve Board, in response to a question by David Lasser, president of the Workers Alliance, Mr. Eccles shows that the Federal Government has available today the following funds that are unused:

In the gold-stabilization fund which can be terminated at any time.....	\$2,000,000,000
In profits in silver.....	1,500,000,000
Excess working balance in the Treasury over that normally needed.....	1,350,000,000
Total.....	4,850,000,000

In other words, there is available today nearly \$5,000,000,000, a great sum, a huge reservoir which is being unused while millions suffer.

My bill would particularly remedy several outstanding disgraceful things in the present W. P. A. First, it would eliminate the 18-month clause, which the W. P. A. itself has shown by records has meant unusual hardship to W. P. A. workers; second, it would rescind the monthly wage cuts of \$5 to \$8 made to laborers in the North, and particularly made to women with dependent children; third, it would restore the prevailing hourly wage taken away by Congress; fourth, it will provide assistance at decent standards to unemployed families deprived of work projects jobs.

I respectfully call the attention of my colleagues to this bill as a sincere effort to avoid another terrible economic calamity which is before us.

## Proposed Minimum Coal Rates

### EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

EDITORIAL FROM THE MOLINE (ILL.) DISPATCH OF FEBRUARY 16, 1940

Mr. JOHNSON of Illinois. Mr. Speaker, over 5,000 citizens of the cities of Rock Island, Moline, and East Moline, Ill., have signed a petition in protest of proposed minimum rates on coal for this area by the National Bituminous Coal Commission. If these proposed rates are applied it is going to raise the annual coal bill of these cities by about a half million dollars a year. These rates are unfair and unjust discrimination to not only the consumers of this area, but also to the nearby coal miners and operators.

This is just one more effort of unwanted regulation from Government in private industry that further harrasses industry and labor.

Hearings on these proposed minimum coal rates have been completed and I submit an editorial appearing in the Dispatch of Moline, Ill., under date of February 16, 1940, in further explanation of these proposed unfair rates to this district.

[From the Moline (Ill.) Dispatch of Feb. 16, 1940]

#### THE PEOPLE REST

Now that evidence has been presented, briefs submitted, and oral arguments made, Moline area interests have done about all that humanly is possible to enter a vigorous and honest protest to the proposal of the Bituminous Coal Commission for increased coal prices for this area.

The final step is up to the Department of the Interior of the United States Government which will decree whether the proposed price increases, the last word in discrimination and unfairness against this community, shall be made permanent. This decision is of utmost importance and reaches right down into the pocket-book of every family in Moline, East Moline, Rock Island, and Davenport.

If the Government chooses to adhere to its theorists of the Bituminous Coal Division rather than to the practical, honest, and sincere reasoning presented by quad-city interests, then up will go the coal bill. And swept aside will be weeks and weeks of untiring, united effort on the part of associations and chambers of commerce in this community to protect the interests of their fellow men.

It is estimated that if the proposed minimum mine prices for coal are made permanent, the price of coal for Moline area consumers will be raised \$1 a ton. This will result in a \$500,000 increase in the annual coal bill for quad-city consumers.

The trial examiners have been asked by residents of this community to try to explain why there should be discrimination in mine prices for varying kinds and sizes of coal. They want to know, if anyone can explain, why it would not be fair, equitable, and just to establish minimum mine prices, open to all consumers of coal, regardless of where they are situated and regardless of the form of transportation so that all consumers of a particular coal will be on an equal basis at the mine.

It isn't clear to them why the mine price of Fulton County coal, for example, to be delivered in Moline should be \$2.60 a ton while the price for the same coal at the same mine for delivery in Chicago would be \$2.05 and for Peoria consumption, \$1.95 a ton. This is but one example of the gross discriminatory features of the proposal.

Equally unjust is the Commissioner's proposal to place the quad-city area in marketing district 41 including La Salle, Freeport, Rockford, and Ottawa, instead of placing it in marketing district 38 along with Peoria, Pekin, Galesburg, and other cities whose industries are highly competitive with those in this community and that will enjoy cheaper minimum prices for coal.

The Bituminous Coal Commission would decide what Moline area consumers—both domestic and industrial—are to pay at the mine for coal, but the Attorney General has ruled the Government need not abide by this ruling. It can purchase coal on the open market.

The people of Moline, East Moline, Rock Island, and Davenport have presented their case as convincingly and honestly as possible. All that they can do now is wait and hope that the Federal Government can see its way clear to accord this area the kind of treatment to permit it to continue a healthy industrial growth as compared with other communities in Illinois and Iowa.



## The Government's Cotton-Control Plan Is Undermining Midwest Agriculture

### EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ARTICLE BY H. E. SPANGLER

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mr. H. E. Spangler, of Cedar Rapids, Iowa.

#### THE GOVERNMENT'S COTTON-CONTROL PLAN IS UNDERMINING MIDWEST AGRICULTURE

(By H. E. Spangler)

The economic condition of agriculture is still far from satisfactory. Prices are still far below parity. Much must be accomplished before we have good times and permanent prosperity on our farms. In considering this basic problem it should not be, as has been too often the case in the past, approached from a narrow, partisan standpoint. All sincere suggestions should be studied sympathetically and impartially no matter from what source they may come. We have found that the plan adopted under the old Farm Board, which was set up under a Republican administration, did not do the job. It is also apparent, when the facts are considered, that the acreage-control plan adopted by the New Deal does not live up to the glowing claims made by its sponsors.

It must also be remembered in our study of the farm question that many things have been done which have been helpful. We must not abandon anything that is good. On the other hand, when we find policies which do not work, or have been harmful, then such features should be abandoned and something beneficial adopted in their stead.

It is evident that there is much confusion as to the proper remedy. Many sincere men do not agree. The great American Farm Bureau Federation, under the leadership of Edward A. O'Neal, of Alabama, takes a position on certain features while the Farmers National Grange, under the leadership of Louis Taber, of Ohio, takes the opposite view. The Farm Union is often sincerely in disagreement with them both. We also find that Members of Congress of both political parties are in disagreement, and it further appears that there is much confusion in the Department of Agriculture. Many of these uncertainties and much of the confusion comes from the lack of real knowledge of the facts. As the truth is known, the differences disappear.

It is not the purpose to here discuss any phase of the farm problem other than acreage control, especially as to cotton. It is intended to be an analysis of facts now available from experience which indicates that some of the features of acreage control, especially as to cotton, which we have had in some form for about 6 years, are not helpful but a costly experiment for the Corn Belt. Surely it is proper to examine the facts and be guided by them.

Ever since 1933 we have had some form of acreage control. Under this plan it was intended to control the production of our farms by orders from far-off Washington. Those responsible for the plan told us that by this method they would do away with surpluses; that production would be kept down to the demand; that parity prices would be obtained and farm prosperity assured. Incidentally, those times of parity prices were during a period when farmers operated their farms without restriction.

The principal plan now in operation in the Middle West is what is known as the Corn Acreage Control Act. Under this law a "corn-control area" was set up. This area comprises all of Iowa and Illinois and parts of the surrounding or adjacent States. Within this area, which prior to "control" produced substantially 60 percent of the Nation's corn crop, they pay us not to plant more corn than the arbitrary Government allotments which they make for each farm. In the balance of the country, which before control produced substantially 40 percent of the Nation's corn, they are left free to raise all the corn they desire without being penalized. The truth as to the workings of the plan is no longer left to conjecture. The Government records tell the story.

#### IOWA AND ILLINOIS REDUCE CORN ACREAGE UNDER GOVERNMENT PLANNING

During the years of so-called corn-production control, the two great corn States, Iowa and Illinois—which are the only two States wholly within the control area—have reduced their acres planted to corn 14 percent. The average yearly acreage in these two States for the 5-year period prior to 1933 was 20,776,000 acres. In 1939 this acreage, under the Government's plan, was reduced to 17,884,000. Recently the Government has ordered a further drastic reduction of 12 percent for next year.

#### IOWA AND ILLINOIS HAVE REDUCED HOG PRODUCTION UNDER GOVERNMENT PLANNING

Hogs are generally raised and prepared for market where corn and other feed is available. When the Government put its corn-control

scheme into effect it was announced that they would prevent surplus hog production by controlling the production of corn and feeds which go into the making of hogs. The result has been to reduce the raising of hogs in Iowa and Illinois about 7 percent. The Government's estimate of 3,449,000 sows farrowing in these two States for the year ending December 31, 1939, is 246,000 less than the average yearly number farrowed during the 5-year period prior to 1933. This reduction in litters, using the Government records of approximately 6 pigs per litter, amounts to a reduction of 1,476,000 hogs in these 2 entirely restricted corn States.

From the acreage reduction above noted and reduction in hog production shown above it would seem that the Government plan to reduce surpluses was meeting with some degree of success. Unfortunately, however, the story is only partly told. Before the full effect of the plan can be determined it must be remembered that surpluses are national problems, and that Iowa and Illinois are only 2 of the 48 States. In order to get the full picture it is necessary to explore into what has been taking place in other sections of the country. When this is done the outlook for the Corn Belt is discouraging, to say the least.

#### THE PRODUCTION OF CORN AND OTHER LIVESTOCK FEEDS MOVES SOUTH

During the period in which, under Government planning, the Corn Belt has been reducing corn acreage and hog production, which are the very basis of our economic existence, the planners in Washington have also put into effect a cotton-control plan. Through this scheme they are attempting to control and reduce the production of cotton. The cotton planters have been paid hundreds of millions of dollars by the Government to reduce cotton acreage. According to the Government crop report issued July 1, 1939, they now are raising 15,600,000 acres less cotton than was raised in the Cotton States for the 5-year average prior to the advent of crop control. Is this enormous acreage allowed to remain idle? It is not. Does the Government permit and encourage the utilization of those acres for the production of crops which compete with those natural to the North and of which it has more than the market will absorb at decent prices? The Government does that very thing.

The facts are that this vast acreage taken out of cotton is being successfully used to produce grains and feeds for livestock in ever-increasing quantities. It is true that these cotton States formerly could not compete with the Middle West in this field, but they can do so now since they are virtually being paid to do so.

During these control years a real revolution in farming has been going on in the Southland. Confronted with 15,600,000 idle acres, they have had the problem of utilizing these acres for other crops. A campaign of educating the cotton farmers to do this has been going on with unabated energy. In this promotion work the United States Government, through its agents, has taken a prominent part. These agents have been sent out to every community in Dixie to preach and teach them how to raise substitute crops on the former cotton lands. Local agricultural societies, grain and livestock associations have sprung up where they were never heard of before. The doctrine is further spread through agriculture departments in southern high schools and colleges.

Through this educational campaign the southern farmer is being taught how to raise corn and other feed crops. With better methods, improved seeds, and cheap commercial fertilizer (the Government has distributed in the South thousands of tons of free fertilizer which is produced by the gigantic and costly experiments known as Muscle Shoals and Tennessee Valley Authority), they are increasing their yield per acre, and the success they are having is evidently just the beginning. The Government figures showing the increase in corn acreage, since the adoption of restricted acreage for cotton, is pronounced in the States shown in the following table:

TABLE I

State	Average acreage 1928-32	Average acreage under Gov- ernment plan 1938-39	Increased acreage under Gov- ernment plan
North Carolina.....	2,186,000	2,430,000	244,000
South Carolina.....	1,525,000	1,800,000	275,000
Georgia.....	3,676,000	4,577,000	901,000
Florida.....	685,000	813,000	128,000
Alabama.....	2,868,000	3,550,000	682,000
Mississippi.....	2,177,000	2,973,000	796,000
Arkansas.....	1,874,000	2,203,000	229,000
Louisiana.....	1,299,000	1,628,000	329,000
Total.....	16,380,000	19,974,000	3,594,000

<sup>1</sup> Total increase in acres.

While the Government has not published the figures showing how all the abandoned cotton lands are being utilized, the reports do show in addition to corn that 3,317,000 acres of it are now in tame hay, several million acres are in pasture and forage crops, about 1,000,000 acres are used to raise soybeans, and half a million acres are sown to oats. It is also known that they are now raising, especially in the Southwestern States, large amounts of kaffir corn and sorghum grains which make a very good substitute feed for corn. To the above additional southern corn production there has also been a very substantial increase from other States and parts of States not included in the Government-controlled area.

## THE HOG INDUSTRY MOVES SOUTH

Prior to the reduction of cotton acreage the livestock industry in the South was not being developed. With the increases in feeds, however, that great Midwest industry already has a southern rival of formidable proportions. The increases in corn alone in the States shown in table I is sufficient, with the use of cottonseed meal and other proteins of which the South has an abundance, to fatten more than 6,600,000 two-hundred-pound prime hogs. The increase of the hog industry in the South, following the increased production of feeds, is an artificial shifting of this industry, the effect of which on the economy of the Middle West is far-reaching and disastrous. The increase in hogs fed by feeds largely produced on former cotton land is shown in the following table:

TABLE II

State	Average sows farrowed 1928-32	Government estimate of sows farrowing year ending Dec. 1, 1939	Increase under Government planning
Maryland	35,000	56,000	21,000
Virginia	133,000	189,000	56,000
North Carolina	166,000	238,000	72,000
South Carolina	90,000	162,000	72,000
Georgia	247,000	398,000	151,000
Florida	106,000	136,000	30,000
Kentucky	194,000	287,000	93,000
Tennessee	187,000	289,000	102,000
Alabama	154,000	263,000	109,000
Mississippi	139,000	217,000	108,000
Arkansas	157,000	335,000	178,000
Louisiana	223,000	281,000	58,000
Oklahoma	219,000	290,000	71,000
Texas	334,000	475,000	141,000
Total increase in sows			1,262,000

At six pigs per litter, which is the approximate figures used by the Government, the total increase in hogs is 7,572,000.

The Government has not published the hog production as to counties but from other reliable sources it is learned that in the free counties in the corn-acreage-control States such as Wisconsin, Michigan, Ohio, and Indiana, the hog production has increased substantially. In these four States, according to the Government reports, they raised 1,704,000 more hogs in 1939 than before the Government restriction, and such increase is known to come largely from counties where they raise all the corn they like and still get Government checks.

The added surplus in hogs caused by the artificial shifting of the hog industry to States which are practically forced to raise corn and other feeds is the factor in the situation today which glut the market and causes pork prices to sink lower and lower. The average yearly number of hogs received on the Chicago market, the greatest in the world, is only 6,200,000. The new southern surplus is therefore more than enough to supply that great market for more than a year. Market authorities say that it is this new southern surplus which makes the present ruinously low prices for hogs.

## THE CATTLE INDUSTRY MOVES SOUTH

With the enormous increase in feeds raised on former cotton lands, southern farmers are also competing with the Middle West in raising cattle. Their additional southern pasture, forage crops, and tame hay acreages are leading to a rapid development of the cattle industry. In these southern States the cattle on the farms on January 1, 1938, were 3,074,000 head more than they were on January 1, 1932, before the Government's artificial interference. With increased feed has come better breeding stock and improved methods so that herds are also rapidly increasing in quality. This is an increase of approximately 20 percent, a substantial portion of which has been in dairy cows, so that Midwest and northern industry also has a new competitor for the dairy markets. The increase in cattle in these cotton States is shown in the following table:

TABLE III

States	Cattle on farms, Jan. 1, 1932	Cattle on farms, Jan. 1, 1938	Increase under Government planning
Maryland	277,000	310,000	33,000
Virginia	792,000	869,000	77,000
North Carolina	551,000	638,000	87,000
South Carolina	274,000	352,000	78,000
Georgia	811,000	942,000	131,000
Florida	468,000	748,000	280,000
Kentucky	1,040,000	1,172,000	132,000
Tennessee	1,032,000	1,125,000	93,000
Alabama	810,000	983,000	173,000
Mississippi	993,000	1,286,000	293,000
Arkansas	848,000	1,075,000	227,000
Louisiana	740,000	1,076,000	336,000
Oklahoma	2,131,000	2,139,000	8,000
Texas	6,127,000	7,245,000	1,118,000
Total	16,884,000	19,960,000	3,076,000

<sup>1</sup>Total increase in cattle.

## THE MEAT-PACKING INDUSTRY MOVES SOUTH

The Government's Biennial Census of Manufacturers, 1933, and the preliminary report of the Bureau of the Census on wholesale meat packing in 1937 show that the South, during that period, has found it necessary, in order to process its great increase in livestock, to establish 35 additional wholesale meat-packing establishments. Figures since then are not available. Incidentally, not a single cotton gin was established in the Corn Belt during that period.

## REMARKS FROM THE SOUTH

There is much comment in the southern press in reference to the shift of the Midwest industries of raising feeds and livestock. A few are quoted below:

The newspaper known as the Press Scimitar, published in Memphis, in its issue of October 9, 1939, stated:

"The new ruler of the Bama plains is the white-faced gentle Hereford. Hundreds of purebred Herefords, sires and their herds of grade cows, today roam the broad, lush pasture lands of south-west Alabama, where the little white cotton bolls once grew supreme. \* \* \* Although a majority of agricultural leaders believe the new industry is still in its infancy, most of them are enthusiastic in predicting the Black Belt will soon become the major cattle-producing area."

In the Commercial Appeal, a newspaper published in Mississippi County, Ark., under date of July 10, 1939, the following appeared:

"There were about 18,000 hogs in the county in 1933, and now estimates increase this number to 45,000. The primary cause of this is that farmers realized hogs could best use up the corn being planted on some of the land formerly used for cotton. Prior to the time the Government farm program was inaugurated, only about 15 percent of the county's cropland was in corn, while, under the A. A. programs, the amount planted is about 35 percent."

The publication known as the Southern Farmer, published at Montgomery, Ala., in its December 1939 issue stated:

"The once-famous cotton plantations of Arkansas are rapidly becoming known for their fine herds of cattle."

A newspaper editorial, A Bad Day for Iowa, appeared on July 7, 1938, in the newspaper published in Tuscaloosa, Ala., in which it was stated:

"The Government program, by taking so much acreage out of cotton cultivation, has done more than any other thing to bring about a larger acreage of corn. The only thing now bothering us is what the folks out in Iowa will say. When Alabama and Mississippi and Georgia and those other Southern States cut their importations from the Corn Belt to a fraction it's going to be another story—and we're not confining these importations to corn. We might throw in mules, meat, and a dozen other things which we can raise cheaply and effectively on Alabama soil."

A recent survey made by one of our northern magazines in reporting on economic conditions in the Southwest for the current year stated:

"A new farm industry will bolster income later this season. Heretofore southwestern calves and yearlings have gone north to Iowa and other Corn Belt States to be fattened. Now they're being fed at home on corn and sorghum grains raised on acreage withdrawn from cotton cultivation."

## CONCLUSION

By virtue of climate, soil fertility, and the habits of its people the Corn Belt has been the heart of the great food-producing area of the Nation. Its basic crop is corn, which, with other feeds, is largely processed into livestock. This is the source of our wealth and future prosperity.

For many years prior to the arrival of the so-called crop control the Southern States, or Cotton Belt, with a consuming population of approximately 25,000,000 people, afforded the Middle West a market for a material part of its grain and meat products. In turn, the Midwest has been a market for the cotton, sugar, peanuts, tobacco, and other products of the South. We still buy from them, but the freight trains going south run lighter and lighter. As the President boasted a few months ago in a speech in Alabama, the New Deal is making the South independent of the North. By this "planning" we have lost much of our market there and they may never be regained. The loss to the people of Iowa and the Corn Belt for the past, present, and future is incalculable. It amounts to more than all the many millions of payments which the Government has used to bring the artificial situation about.

The Middle West has no quarrel with the people living in the South. It is understood that they have suffered and are suffering from the planning of the Government theorists. For many years they ruled the cotton markets of the world. Under the New Deal years a great part of such markets have been lost to other countries. The Government's artificial handling of cotton production has been disastrous. It is hoped that the South, as well as the North, can throw off the yoke of the "planners" and that production by both areas of the normal, natural crops to which each is adapted can go forward without governmental interference, either directly or indirectly.

The Corn Belt does not object to the production by other States of those crops which are the basis of its existence provided they can do so without Government aid. It certainly does object and protest against governmental policies which enable other States to compete with it, not by reason of climate and soil, but by what amounts to a Government subsidy.

The economic problems of this country cannot be solved on a sectional basis. When the Federal Government goes to the aid of one section at the expense of another, disaster to all is the result.



As an emergency measure the cotton farmer should be compensated but not in such a way as to injure the Midwest. Corn control should apply nationally if surplus is to be avoided by that means.

The facts set out herein should be taken into account in any study and formation of future plans. They are presented for that purpose only. Every loyal son of Iowa wants the farmers of Iowa and America to have every financial assistance the Government can give. That is simply justice. The goal to strive for, however, is to attain that balance which is most often referred to as "parity" and under which the agricultural population will regain its place in the sun so that it can again become a free, independent, and truly prosperous part of America.

The figures used in the above are taken from Government publications:

1. The figures used as to the acreage of corn in the various States are found in United States Agricultural Statistics, 1938, page 44, and in Government report dated July 1, 1939, page 19.

2. The figures as to the production of hogs are found in Government publications entitled "Crops and Markets"; United States Department of Agriculture, December 1933 to December 1938, inclusive; Government publication entitled "Farm Production and Income from Meat Animals," issued by United States Department of Agriculture, Bureau of Agricultural Economics, September 1936, and Government report dated June 1, 1939, published by the United States Department of Agriculture, Bureau of Agricultural Economics.

3. The figures as to cotton acreage are taken from Government publication by the United States Department of Agriculture entitled, "Agricultural Marketing Service," issued July 1939, and Government publication entitled, "United States Department of Agriculture, Agricultural Statistics," published in 1938.

4. The figures as to cattle are taken from the Government publication entitled "United States Department of Agriculture, Agricultural Yearbook 1933," page 590, and Government publication entitled, "United States Department of Agriculture, Agricultural Statistics 1938," page 283.

## Labor and the Trade Treaties

### EXTENSION OF REMARKS

OF

### HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. MURRAY. Mr. Speaker, labor is beginning to recognize its relationship to foreign importations of products that American labor could produce.

I received a letter and resolution dated May 10, 1939, from Mr. Tony Martin, secretary of the Marathon Local, No. 319, International Brotherhood of Paper Makers, which were as follows:

ROTHSCHILD, Wis., May 10, 1939.

Hon. Mr. MURRAY,  
Washington, D. C.

YOUR HONOR: For the past several years the importation of foreign pulp and paper products into the United States has been steadily increasing, until it has become a very serious problem in the United States, and particularly in the Pacific Northwest.

The fact that foreign pulp and newsprint paper has been allowed to be imported into the United States duty-free ever since the year 1913 has had a tremendous effect on the pulp and newsprint mills in the United States, as none of them have worked at the capacity of which they are capable for the past 2 years.

Obviously, when we import products that we can produce at home, we are exporting jobs; and with so many people out of work at this time in this country, it doesn't take much of a student of economics to know that we are exporting the thing we need most.

This curtailment has affected some 100,000 people on the Pacific coast alone. This is taken on the basis that 13,000 people are directly employed in pulp mills on the coast, and the average family consists of 4, and those working in the woods would easily bring the figure to 100,000 people on the coast dependent upon the pulp and paper industry for a livelihood.

It is hard to understand why our Government allows duty-free pulp and paper products imported into the United States while mills in this country are forced to close down and place their employees on direct relief or W. P. A.; and, in turn, this causes a rising tax burden on both employer and employee to take care of the ever-increasing relief rolls.

Sincerely and fraternally yours,

MARATHON LOCAL, No. 319, I. B. P. M.,  
TONY MARTIN, Secretary.

Whereas the imports of foreign pulp and newsprint is in excess of the pulp and newsprint paper manufactured in the United States; and

Whereas the pulp and newsprint paper manufacturers, with millions of capital invested, have been idle or curtailed for the past 2 years, thereby suffering a great loss in the lapse of operating industry due to the importation of foreign pulp and newsprint paper; and

Whereas this country enacted the wage and hour law, which set a minimum wage at 25 cents per hour and a maximum workweek of 44 hours so as to protect the American laboring people, and when we allow paper products manufactured by low-paid foreign labor to be imported into this country duty free we are penalizing the American employer, who is forced by law to pay a decent wage or close down his plant; and

Whereas better than 25 percent of the pulp and approximately 78 percent of the newsprint paper used is imported into this country; and

Whereas our imports of pulp and paper products are in value the largest single imports into this country in the past year, exceeding the imports of such commodities as rubber, sugar, coffee, and silk; and

Whereas we can with exceedingly small exception produce all of the pulp and paper products necessary right in this country or in Alaska: Now, therefore, be it

Resolved, That our Congressmen and Senators be requested to use every means possible to obtain a quota of not less than 40 percent on the excessive importation of pulp and newsprint paper into the United States; and be it further

Resolved, That we request the International Brotherhood of Paper Makers Union and the International Brotherhood of Pulp Sulphite and Paper Mill Workers Union use all measures possible to see that this resolution is carried out.

Submitted by Marathon Local, No. 319, International Brotherhood of Paper Makers.

[SEAL]

TONY MARTIN, Secretary.

I also had extensive correspondence and personal contact with the International Brotherhood of Paper Makers, Local 116, Otic C. Moyer, secretary, Stevens Point, Wis.

The interests of these organizations as shown above are to provide jobs for American workmen. As long as newsprint and pulp are to be "frozen" on the free list, it would be of little value to offer a bill to restore a tariff on these forest products.

The labor of the paper mills now in operation must also contend with new paper mills which are furnished money from the Federal Treasury, as shown in the following news item:

PUBLISHERS DEDICATE PAPER MILL TO USE SOUTHERN PINE—50,000 TONS OF NEWSPRINT TO BE MADE ANNUALLY, STARTING ABOUT DECEMBER 1

LUFKIN, TEX., May 27.—East Texas saw today its pine forests cradle a new industry—one that brings fresh economic hope to the South and may revamp the newsprint industry of the world.

Southern newspaper publishers stood inside unfinished walls of a great paper mill and dedicated a plant that will convert native pine into newsprint.

Fifty thousands tons of newsprint annually will begin to roll from the \$6,000,000 mill about December 1. The publishers, who now buy most of their paper from Canadian and Swedish markets, months ago signed contracts for the first year's output.

The softwood of the great Coastal Plain, which extends from Georgia westward to mid-Texas, in the future may furnish the United States much of the 4,000,000 tons of newsprint used annually.

The plant of Southland Paper Mills, Inc., is being built with funds subscribed by southern publishers and a \$3,425,000 Reconstruction Finance Corporation loan.

E. L. Kurth, president, said east Texas alone grows enough yellow pine yearly to supply five or six mills the size of this one.

Publishers from six States said there was a strong possibility other mills would be built in Louisiana, Mississippi, Tennessee, Arkansas, Alabama, and Georgia.

However, the question arises as to the advisability, desirability, or fairness in having Federal funds used to start new paper plants in competition to the paper mills already in existence.

The labor unions in the established paper mills have every reason to be interested, first, in having jobs for American labor; and, second, to exercise concern as to what will happen to their own jobs if the Federal Treasury is going to be used for financing new paper mills in competition to the mills that are already employing them.

These are fundamental questions of governmental policy and are of deep concern to every laboring man, every farmer, and every businessman in America.

The following article, appearing in Time, February 12, 1940, indicates the operation of the paper mills of the South:

#### SOUTHLAND PAPER

Southern pine is a sticky, spindly tree that grows weedlike in every abandoned field, reproduces a stand of timber (unlike the

North's mighty, slow-growing spruce and fir) in 15 or 20 years. It has long been used for kraft (boxes and wrapping) paper.

Savannah's late, great chemist, Charles Holmes Herty, spent the last 8 years of his life trying to make commercial newsprint out of southern pines. In his laboratory he found a process that worked, but he died in 1938, before the South's lumbermen could build him a mill. What kept Dr. Herty at his labors (and excited many a southern businessman) was the prospect of another rich, new industry to help along the South's industrial revival.

Three weeks ago, in Lufkin, Tex., the Daily News went on the street printed throughout on southern-pine newsprint. It was the first newspaper ever to use a commercially made southern-pine paper. Last week the Dallas Morning News followed suit, ran off an edition on 35 tons of southern newsprint. By week's end seven carloads of the paper Dr. Herty labored to perfect had been delivered to the Morning News pressrooms.

The table shown below gives the imports of pulp and newsprint in the United States during the past 5 years. Both pulp and newsprint are on the free list:

[Tons of 2,000 pounds]

Year	Wood pulp		Newsprint paper	
	Quantity	Value	Quantity	Value
1935	1,933,249	\$70,734,847	2,383,315	\$82,265,267
1936	2,237,500	\$2,836,228	2,751,580	\$6,719,470
1937	2,394,695	\$8,268,913	3,317,024	\$12,529,421
1938	1,710,393	\$0,777,808	2,274,603	\$10,455,671
1939	2,026,209	\$5,875,739	2,705,128	\$15,715,522

Source: Compiled from statistics furnished by the U. S. Department of Commerce.

The following table shows the production of wood pulp and newsprint paper in the United States during the period 1930-39:

[Tons of 2,000 pounds]

Year	Wood pulp		Standard newsprint paper	
	Quantity	Value	Quantity	Value
1930	4,630,308	\$192,224,565	1,225,085	( <sup>1</sup> )
1931	4,409,344	\$156,174,967	1,203,263	\$63,654,376
1932	3,760,267	( <sup>1</sup> )	1,047,047	( <sup>1</sup> )
1933	4,276,204	\$124,072,000	928,332	\$32,205,982
1934	4,436,128	( <sup>1</sup> )	969,705	( <sup>1</sup> )
1935	4,925,669	\$149,981,900	947,717	\$33,353,967
1936	5,695,219	\$165,272,519	938,287	( <sup>1</sup> )
1937	6,572,918	\$225,573,125	975,854	\$37,086,644
1938	5,933,560	\$180,394,204	832,331	( <sup>1</sup> )
1939	5,798,833	( <sup>1</sup> )	939,442	( <sup>1</sup> )

<sup>1</sup> Not available.

<sup>2</sup> Data published by the United States Pulp Producers Association.

<sup>3</sup> Data published by the Newsprint Service Bureau.

Source: U. S. Bureau of the Census and the Federal Trade Commission, except as indicated.

#### THE NEWSPAPERS AND FREE TRADE

Due to the fact that such enormous quantities of pulp and newsprint paper are imported free of all duty, many people are of the opinion that this fact influences the big metropolitan papers to be in favor of the trade treaties.

The average country newspaper is more or less of a public-service necessity and should be entitled to every consideration. They distribute the facts of local, State, and Federal agencies, many times with no financial reward to themselves.

High-priced magazines bringing from 15 to 35 cents apiece should be able to carry their share of the load and not ask any group to be the victims of lowered tariff rates so that they can enjoy the benefits of free trade.

The average newspaper realizes that labor must be employed before subscriptions can be expected, or articles advertised can be purchased, and the average newspaper also knows that the farmer must get a "parity price" for his products if he is going to subscribe for a newspaper or before he can purchase the goods advertised by the merchants of the community.

The fact that we have 9,000,000 unemployed people in the United States presents a problem that must be met and the labor groups such as those quoted above are trying to offer their solution to this problem. In my opinion, their suggestions are deserving and worthy of every consideration.

#### The Third Termites

#### EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. MURRAY. Mr. Speaker, the following article, from one of Wisconsin's leading newspapers, gives evidence to the fact that each day more and more people are becoming aware of the political schemes of the New Deal:

[From the Wausau (Wis.) Record-Herald]

#### THE BOSSES TURN "THIRD-TERMITES"

Call the roll of the really important political machines in American politics and it will be seen that all the Democratic ones—so far as cursory observation goes—are on record for a third term for Roosevelt.

Strange! Boss Hague, Boss Kelly, Boss Maestri, Boss Crump—they never have had much reputation as reformers. They never were known to have a great urge to "make America over." They have always played the idea that American life was already plenty abundant to suit them. Why this sudden passion for reform, experiment, and the New Deal?

Maybe the example of Boss Pendergast has something to do with it. The Kansas City boss fell foul of the New Deal and he went to jail. His machine crumbled up at the recent election. Boss Pendergast is all washed up. And there have been Federal grand juries in towns here and there, such as New Orleans, where Maestri's dominion lies—but no indictments as yet. Maestri's organization is for a third term. Maybe there won't be any indictments after all.

Pinko new dealers have been extremely unkind in their criticism of Jersey City's reactionary boss, Mayor Hague, which makes it all the stranger that he should be so strong for continuation of the New Deal. And Boss Guffey is positively tearful about a third term, seeing as Pennsylvania has elections this year and he's up for reelection.

The explanation of this curious congeries of political bedfellows is, of course, plain enough. Roosevelt believes in spending, and spending public money is the specialty of the bosses. If Mr. Roosevelt doesn't run again, or at least if the New Deal isn't continued, the bosses won't have a Federal trough to feed at.

Third termites, almost to a man, are the lads who are on the pay roll, directly or indirectly. A third term for Roosevelt means 4 years more in the money. If it doesn't happen, the boys have a reasonable expectation of getting the ax.

What's a 150-year-old tradition founded by Washington and Jefferson, and respected ever since, between such friends as the bosses and the pay roll?

This same paper, located as it is, in one of the greatest agricultural counties in the country, has been very positive in its opposition to the reciprocal-trade treaties and has editorially answered Mr. Roger W. Babson in his weak advocacy of these treaties.

The Wausau Record-Herald is located in the heart of Wisconsin's cheese industry and has carefully noted the effects of these treaties on the farmers, labor, and businessmen of the district, who know that cheese averaged 14.7 cents per pound all during the last Republican administration, when there was a world-wide depression, and that it has averaged only 13.2 cents per pound the 7 years of "the more abundant life." They also know that every dairy farmer in their community should add 32 percent to every milk check he has received during the past 7 years if he wishes to vision a sum equal to the prices of cheese which prevailed during the seven pre-New Deal years.

In this midst are also located the Fromm Brothers, the world's greatest fox farmers. They are not only large breeders but also sell the "crop" to hundreds and hundreds of the small breeders of the country.

The tariff reduction of from 50 percent down to 35 percent is more than the fox industry should be forced to accept. The 100,000 quota is useless during normal times, when the importations have been as follows:

Imported from—	1929	1931	1933	1935	1936	1937	1938	January and February 1939
Canada	622	2,094	848	1,175	6,402	7,959	8,685	12,991
United Kingdom	23	—	688	24	7,844	11,656	3,396	687
Norway	—	—	—	—	1,000	6,188	4,015	6,252
All other countries	9	4	465	6	543	191	372	69
Total	654	2,098	2,001	1,205	15,789	25,994	16,468	19,999



With an average preresciprocal treaty import of about 2,000 pelts, the 100,000 may look good in print, but with a 250,000 domestic consumption, it really means that the New Deal has given away 40 percent of the domestic market for furs to the foreigners at the expense of the domestic producer.

The reciprocal-trade treaties were inaugurated to encourage foreign trade and every day it is more evident that they have encouraged foreign trade, but for the foreigners at the expense of American labor, American agriculture, and the American businessmen.

### Indiana's Stake in the Foreign Trade Agreements Program

#### EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. LARRABEE. Mr. Speaker, I approach the task of appraising the interests of my State, Indiana, in the trade-agreements program with a definite realization that this question is of most vital importance to every resident of my State and my district.

For the factual information I am about to present here, concerning the benefits that have accrued to my State in the past, through the operation of the trade agreements, I wish to express my sincere appreciation to the officials of the Department of Commerce, Bureau of the Census, the Bureau of Foreign and Domestic Commerce, and the State Department. Without the information that has been assembled and furnished by them it would be impossible to make an intelligent appraisal of the result and the prospective benefits derived and to be derived from extension of our trade abroad.

The growth, development, and prosperity of my State have long been most closely associated with its trade in a great variety of products, not only with a large number of sister States but with almost every foreign country. Indiana is outstanding for its wealth of manufactures as well as for its diversified agriculture. Foreign markets have opened to consume a large part of the products of Hoosier farms and factories.

Indiana, in fact, is essentially an exporting State. Her three and one-half million inhabitants cannot consume nearly all of either her agricultural or manufactured goods. Thus, any program which provides additional outlets for Indiana's products is a program in which the people of Indiana must be vitally concerned.

The fact that the people of Indiana are concerned is shown definitely in the large number of letters, telegrams, and other communications that have come to me from the representatives of agriculture, labor, commerce, and industry in my State, and even from the Indiana League of Women Voters, which seeks to concern itself with any program, event, or events that will bring desirable benefits to our people. That Hoosiers no longer feel that their interests are best protected by high tariff walls that restrain trade and stifle outlets for Hoosier products is evidenced by nearly every nonpartisan pronouncement that I have seen or heard.

It is my sincere belief that if all the people were fully informed on this subject, no legislator from my State would dare raise his hand or voice in protest against the continuation of the trade-agreements program that has been so ably administered by the State Department.

#### HOW STATE IS AIDED

Just how has the trade-agreements program affected Indiana? As it has affected Indiana, so it has, in comparative degree, affected the entire Nation.

Hoosier industries, in the year 1929, were employing 240,000 workmen, and over 40 percent of these were engaged in production of iron and steel products, electrical, industrial,

and agricultural machinery, automobiles, automotive products, meat products, canned vegetables, and fruits. These industries produced about four-fifths of Indiana's reported exports that year.

On the basis of reliable figures Indiana's total exports in 1929 were valued at \$73,740,000. In 1932, the State's exports had decreased to \$17,244,000, a decline of 77 percent. The Nation's total average decline between the same 2 years was only 69 percent.

The severe fall in Indiana's exports in those 2 years precipitated a severe decline in the State's economy. Thousands of factory workers lost their jobs, with resultant loss of wages to the workmen and profits to employers, but the activities of transportation companies, financial institutions, advertising concerns, brokerage and insurance agencies, and other service industries engaged in moving goods in foreign trade were severely curtailed.

It is noted also that since Indiana's industrial-plant capacity and employment is adjusted to an export trade of the proportions of 1925-29, the urban demand for the products of its farms fluctuates also with the trend in its exports of manufactured goods.

In addition to the loss directly connected with the shrinkage of its exports, Indiana suffered from the severe decline in the export trade of the country as a whole. Curtailed purchasing power in other sections of the country that normally buy much of Indiana's domestic export load immediately shrunk those domestic markets for Hoosier products.

#### BENEFITS ARE NATIONAL

Thus we can readily see that the interest of any one State in our foreign trade cannot be accurately measured, nor can the well-being of Indiana be considered apart from that of all other States of the Union. Trade agreements then that benefit the Nation as a whole, or any part of it, eventually benefit Indiana.

Therefore the trade-agreements program under which the Government is endeavoring to restore and expand foreign markets for American products is of vital importance to Indiana indirectly as well as directly.

The trade-agreements program was begun on June 12, 1934, by means of an amendment to the Tariff Act of 1930, having been made necessary by the drastic shrinkage of our foreign trade during the years of the Hoover panic. Between 1929 and 1933, the year before the Trade Agreements Act was passed, our national total exports declined from \$5,241,000,000 to only \$1,675,000,000. Even more serious than this, our trade had fallen off proportionately more than had the international trade of the world as a whole, indicating that for some reason or other this Nation was not sharing equally in the international commerce.

Agreements have been entered into with 17 countries, including Canada, our second largest customer; 7 European countries: Belgium, Czechoslovakia—no longer existing, Finland, France, the Netherlands, Sweden, and Switzerland; 2 South American countries: Brazil and Colombia; and 7 Central American and Caribbean countries: Costa Rica, Cuba, Guatemala, Haiti, Honduras, Nicaragua (agreement suspended temporarily) and El Salvador. These 17 countries accounted for 39.2 percent of our total foreign trade in 1937.

Negotiations for agreements with other nations, including the United Kingdom, normally our best customer and one of the best foreign markets for our agricultural products. When this agreement and others in the process of negotiation are concluded, the share of our total foreign trade conducted with countries with which agreements have been made will amount, on the basis of 1937 figures, to 58.9 percent.

The results already achieved demonstrate the effectiveness of the trade-agreements program as an instrument for restoring to the American farmers and manufacturers necessary outlets abroad for their surplus production. Furthermore, the agreements have contributed to an improvement in our relations with other nations, by tending to eliminate one of the prime causes of international and civil conflict, economic insecurity.

## FIRST RESULTS SEEN IN 1935

The immediate benefit of the enactment of the trade-agreements law was first noticed in 1935, when our exports exceeded those of 1934 by \$150,000,000. In 1936 they increased by \$173,000,000 over 1935 and during 1937 they increased by \$389,000,000 over 1936. As more and more agreements came into effect the benefits increased proportionately.

However, in all fairness, it should be pointed out that only a part of this increase may be credited to the trade agreements, and, with so many factors involved in the economic situation at home and abroad, it is impossible to say definitely how great the increase directly resulting from the trade agreements really is. An indication of the effect of the agreements may, however, be determined from a comparison of the manner in which trade has developed with countries with which agreements have been made and with the rest of the world. As an example, our exports to the 14 countries with which agreements were in force for all or part of 1936 were 14 percent greater during 1936 than during 1935. This increase compares with a corresponding increase of 4 percent in our exports to other countries. In 1937, with 16 agreements in effect during all or part of the year, exports to these countries were 60 percent greater than in 1935 as contrasted with an increase of 39 percent in exports to all other countries.

Examining further Indiana's benefits from the trade agreements we find the facts very encouraging.

Indiana is located in the section of the country which represents the most diversified agricultural-industrial economy of any part of the Nation. The State is important not only as a producer of manufactured foodstuffs, such as meat products, wheat flour, and canned fruits and vegetables, but also for its specialized industrial, electrical, and agricultural machinery. Almost every branch of the iron and steel industry and of the automotive industry is represented in Indiana. In 1929 approximately 35 percent of the gainfully employed persons in Indiana were engaged in producing manufactured goods, alone.

This does not encompass any of the thousands employed in transportation or service activities incident to the actual manufacturing processes.

## DIRECT AID TO FARM INCOME

Export trade data on the manufacturing in Indiana are not yet compiled for the past 2 years, but the farm income in 1937 was estimated at 80 percent of that for 1929 and 117 percent of that for 1932. Since there is always a very close relationship between farm income and factory pay rolls, a high degree of increase in the State's manufacturing industries in 1937 is clearly indicated. New industries have opened, many of them manufacturing in a large part especially for foreign export trade. Local indexes have shown continuous increases on each 6 months' report from the manufacturers association and similar reports, with a few seasonal exceptions. Unemployment figures continue to decline, with a few seasonal exceptions.

Taking a few of the industries at random in Indiana, the iron and steel industry first, it is seen that from the blast furnaces to the most advanced manufactories, 56,000 persons were employed in 1935. Only Pennsylvania and Ohio outranked Indiana in iron and steel output. In 1935 Indiana's production in this industry was valued at \$222,752,000 of a total of \$1,931,000,000 for the United States. The known exports of iron and steel products from Indiana amounted to \$6,866,000 in 1929 and to \$1,512,000 in 1932, a decrease of 78 percent.

While the actual State production and export figures of the iron and steel industry in Indiana are not available for the last few years, a fair appraisal of the increase can be ascertained from the national figures. In 1929 the total United States production of steel-mill manufactures aggregated over \$5,000,000,000, and total exports were \$288,000,000. In 1937, for numerous reasons, the United States export total increased to \$372,600,000, almost a hundred million dollars more than in 1929. Since we know that employment in the

iron and steel industries in Indiana has increased greatly during the past 2 years, and even during the past few months, it is certain that Indiana supplied a sizeable portion of these exports.

In twelve of the seventeen trade agreements, concessions opening foreign markets to greater exports to a greater variety of iron and steel products and advanced manufactures have been gained, aiding almost every branch of the industry.

Canada, which has long been an important market for our iron and steel, imported from the United States merchandise of these kinds amounting to nearly \$174,000,000 in 1937 compared to \$86,000,000 in 1935, the year preceeding the trade agreement, or an increase of 101 percent. Canadian imports of advanced steel manufactures from the United States increased from \$4,500,000 in 1935 to \$7,500,000 in 1937.

## AUTOMOTIVE EXPORTS ARE HIGH

Indiana's exports of automotive products totaled \$26,000,000 in 1929 and included passenger cars, trucks, busses, chassis, trailers, and parts. By 1932 these exports had fallen to \$4,300,000. Indiana ranks third among States producing these manufactures, its output in 1935 having been valued at \$74,800,000, or approximately 5 percent of that of the entire country. This is the third most important industry in the State, employing 14,000 wage earners in 1935, and the number has since greatly increased. The motor-vehicle industry of Indiana, exclusive of motorcycles and airplanes, manufacturing the completed product, is the sixth industry in importance, employing over 9,000 wage earners, with products valued at \$69,500,000 in 1935.

The United States exports of automotive products in 1937 valued at \$360,169,000 were the highest since 1929 and fourth highest in the history of the industry. Unofficial figures, today, show a greater increase in these exports. Although it is not possible to determine definitely what portion of the automotive industry exports came from Indiana plants, it is certain that the trade-agreements program has contributed very materially to the improvement in this industry in Indiana. In fourteen of the seventeen completed trade agreements, automotive manufactures have been specifically provided for.

Production of electrical machinery, apparatus, and supplies is now one of Indiana's most important industries and is growing constantly. In 1935 the Hoosier State contributed nearly 8 percent of the total production of this industry in the United States. Employment in the industry in 1935 averaged 17,000 wage earners, salaried officers, and employees, and the output was valued at \$73,400,000. While the actual figures for the past year are as yet unavailable, unofficial reports show a marked increase in both numbers of employees and total production.

In 1935 Indiana ranked as the fourth State in the manufacture of radios and phonographs. This industry alone employed 2,500 persons and its products were valued at almost \$10,000,000. Like the electrical industry in this State, the musical instruments—radios and phonographs—industry, has expanded considerably during the past 5 years.

## ELECTRICAL EXPORTS IMPORTANT

In 1929 the total exports of electrical machinery and apparatus was more than \$130,100,000. The items included are varied and range from generators, transforming and converting apparatus, and motors of high unit value to bells, buzzers, light cords, and insulating materials.

Between 1929 and 1932 Indiana's declared exports of electrical machinery and radio apparatus declined by 46 percent, from \$1,657,000 to \$900,000. In 1937 the value of exports in this field from the United States increased over 70 percent, and while the actual figures for our State are not available, unofficial figures indicate that the State's increase was slightly better than 70 percent enjoyed by the Nation as a whole.

In the manufacture of refrigerators and ice-making apparatus Indiana is second only to Michigan in the value of output. In 1935 Indiana's production, valued at \$36,511,000 was more than 16 percent of the Nation's total. More than half the United States production is accounted for by electrical household refrigerators of which Indiana is an important



producer. Exports of the United States of electrical refrigerators and parts have been increasing and in 1937 were valued at \$20,671,000 of which the household type accounted for \$12,771,000.

In eight of the trade agreements concessions have been obtained that assist in the exporting of electrical household refrigerators. Canada, for example, reduced its duty 25 percent. Indiana most certainly has gained by this and similar concessions.

#### MEAT EXPORTS ARE GAINING

The wholesale meat-packing industry in Indiana employed nearly 5,300 persons in 1935 when the value of its output was \$72,250,000. Over \$46,000,000 worth of these products were lard and other pork products, and about \$17,000,000 were beef and veal.

Indiana is one of the first five States in the country in the production of hogs, and about fourth in the production of corn. Its farm cash income from corn and hogs rose from \$44,584,000 in 1932 to \$105,272,000 in 1937, an increase of 136 percent. The State's farm cash income from cattle and calves increased by 121 percent, to \$32,661,000 during the same period.

While the bulk of Indiana's output of the meat-packing industry is for domestic consumption, substantial quantities have been exported in past years. In 1929 the reported exports of lard, hams, and shoulders and other meat products from Indiana were valued at \$10,100,000 but in 1932 at only \$2,800,000.

Exports of pork and lard from the United States decreased materially from 1923 to 1934, chiefly because of increased hog production in Europe and the restrictions placed on imports by several foreign countries. With the present increase in production in the United States, a large export surplus of hogs is becoming available.

Concessions have been gained in favor of these products in some of the trade agreements, most valuable of which is that in the agreement with Canada. Canada has granted duty reductions ranging from 10 to 65 percent on bacon, ham, and lard. Under this concession Canada has increased her imports from the United States from \$57,700 in 1935 to \$340,600 in 1937, according to official figures. Indications are that her present imports far exceed those of 1937.

Exports of meat and meat products from the United States have increased to sixteen of the seventeen countries that are participating in the agreements as the result of the definite concessions obtained in favor of these products.

#### IMPROVEMENTS SEEN THIS YEAR

A seasonal slackening of activity in industrial concerns in the State of Indiana during January 1940 is seen as indicating more favorable marketing conditions than might have been anticipated.

According to the survey of the Bureau of Business Research, Indiana University School of Business, the anticipated seasonal business decline failed by far to reach the decline recorded in January 1939.

Some of the indications found in the Indiana University School of Business report published under date of February 20, 1940, and which strongly indicate that Indiana's export business and business in general has enjoyed valuable benefits from the trade agreements follow:

The bureau's preliminary index of business conditions in Indiana for January declined nearly two points from the recovery high of December. The decline was not unexpected, since it was apparent early in January that business was receding somewhat faster than normal from the December peak. Yet the January decline was significant for two reasons: It was relatively small when compared with the average month-to-month change of about four points for last year, and it represented small, scattered declines among many businesses rather than a major slump in a single important industry. It should also be noted that at the level after the decline from the December high the index was still higher than at any time since 1929 with the single exception of last month.

On the whole, the trend of business in the State was mixed. New-car sales, coal production, and livestock sales were seasonally better than in December. Automobile production and electricity output were unchanged after making allowance for seasonal differences; while newspaper advertising, bank debits, department-store sales, building, pig-iron production, and stone output declined slightly. Although new-car sales were better than in December, they did not

keep pace with national automobile production. Coal output was stimulated by the cold weather and was higher than in any January since 1927.

During much of the last quarter of 1939 recovery was bolstered both by war orders and prospective war orders. The prospective war business has been pretty well discounted. From this point the upward swing will depend upon the strength of our domestic recovery and actual war business. With exceptions here and there, our present war business represents less than 10 percent of the total output of the durable-goods industries. What course actual war orders will run in the coming months no one can predict.

#### PAY ROLLS ARE UP 12 PERCENT

With the decline in the rate of industrial production the inventory question has been raised again. Apparently inventories are not yet excessive. But in any case inventories are relative to sales, and the inventory problem arises always after, and not before, a decline in business. At present we have reached a point in inventories which suggests increased sales or decreased production.

A slackening of activity in industrial concerns and a marked reduction in retail-trade employment, following the December expansion, contributed to a decline of 8 percent in total employment between December 15 and January 15. Total employment, however, was 12 percent above January 1939, according to the current report of the Indiana State employment service. Pay rolls decreased 9 percent during the month but were 19 percent larger than last year.

#### Employment in Indiana, January 1940

Industry	January 1940	December 1939	Percent change	January 1939	Percent change
Manufacturing.....	285,242	300,059	-4.9	244,722	+16.6
Durable goods.....	199,132	206,557	-3.6	160,568	+24.0
Iron and steel.....	62,120	62,725	-1.0	48,896	+27.0
Machinery.....	59,585	58,691	+1.5	46,905	+27.0
Transportation equipment.....	31,962	33,889	-5.7	24,432	+30.8
Railroad repair shops.....	5,429	5,500	-1.3	4,387	+23.8
Nonferrous metals.....	8,736	9,130	-4.3	7,187	+21.6
Lumber.....	20,118	23,471	-14.3	17,364	+15.9
Nondurable goods.....	86,110	93,502	-7.9	84,154	+2.3
Textiles.....	24,197	26,605	-9.1	24,624	-1.7
Food.....	22,431	24,592	-8.8	21,892	+2.5
Paper and printing.....	12,248	13,031	-6.0	11,936	+2.6
Chemicals and petroleum.....	12,558	12,711	-1.2	11,913	+5.4
Rubber products.....	7,401	8,057	-8.1	6,938	+6.7
Nonmanufacturing.....	149,884	172,489	-13.1	143,554	+4.4
Retail trade.....	101,481	123,156	-17.6	96,822	+4.8
Wholesale trade.....	24,876	25,939	-4.1	24,288	+2.4
Coal mining.....	10,685	10,364	+3.1	9,827	+8.7
Quarrying and nonmetallic mining.....	1,271	1,636	-22.3	1,651	-23.0
Total, all groups.....	435,126	472,548	-7.9	388,276	+12.1

Manufacturing employment receded 5 percent from December, but was 17 percent above a year ago. The seasonal index for Indiana manufacturing employment, based on the experience from 1930 to 1935, inclusive, shows that a decline of 0.9 percent is considered seasonal for January. An advance of 2 percent in employment of the machinery group was the only gain reported in industrial employment during the month. All groups reported substantial increases over last year. Manufacturing pay rolls declined 8 percent, but were 26 percent above January 1939.

Nonmanufacturing establishments reduced employment and pay rolls 13 and 10 percent, respectively, during January.

#### Weekly pay rolls in Indiana, January 1940

Industry	January pay rolls	Average earnings	Percent change from—	
			Month ago	Year ago
Manufacturing.....	\$7,674,529	26.91	-8.1	+25.6
Durable goods.....	5,668,642	28.47	-7.6	+34.5
Iron and steel.....	1,966,613	31.66	-4.6	+35.8
Machinery.....	1,689,405	28.35	+2.0	+38.9
Transportation equipment.....	1,025,774	32.09	-13.5	+50.3
Railroad repair shops.....	188,135	30.97	-14.4	+21.6
Nonferrous metals.....	221,819	25.30	-15.7	+25.9
Lumber.....	350,056	17.40	-23.4	+18.5
Nondurable goods.....	2,005,887	23.29	-9.4	+5.6
Textiles.....	444,068	18.35	-8.3	+5.3
Food.....	563,938	25.14	-6.0	+8.6
Paper and printing.....	330,567	26.99	-13.8	+2.8
Chemicals and petroleum.....	389,452	31.01	-4.3	+1.0
Rubber products.....	142,087	19.20	-20.7	+2.4
Nonmanufacturing.....	3,162,186	21.10	-10.0	+5.7
Retail trade.....	2,006,279	19.77	-12.2	+8.6
Wholesale trade.....	621,154	24.97	-12.2	-6.5
Coal mining.....	339,569	31.78	-8.7	+16.7
Quarrying and nonmetallic mining.....	21,670	17.05	-38.1	-29.7
Total, all groups.....	10,836,715	24.90	-8.7	+19.0

## RETAIL COST OF FOODS

The retail cost of food in Indianapolis increased 0.4 percent between December 12 and January 16, according to the report of the Bureau of Labor Statistics. This was in line with the 0.3-percent rise for the country as a whole. Advances in the cost of cereals and bakery products, dairy products, and fruits and vegetables were responsible for the increase. The price of flour continued to move up, showing an average gain of over 4 percent above the previous month and about 15 percent over a year ago. The cost of butter advanced contraseasonally. Following the usual seasonal movement, egg prices were definitely lower. Percentage increases during the month in the different classifications were: Cereals and bakery products, 1.2; dairy products, 1.7; fruits and vegetables, 5. Percentage declines were: Meats, 1.9; eggs, 11.2; beverages, 0.1; fats and oils, 1.5; and sugar, 2.4. The cost of all food was 0.5 percent below January 1939.

## INDUSTRIAL PRODUCTION ENCOURAGING

The anticipated reaction of steel production from the boom pace of the past several months did not take place in the Indiana-Illinois district until late in January. During the first 4 weeks of the month, mills operated above 90 percent of capacity. But in the week ending February 3, output dropped from 91 to 73 percent of capacity. The present rate of production is being maintained by a heavy backlog of orders.

The most significant factor in the steel situation during January was the abrupt contraction of new business. Incoming orders generally were below 50 percent of production. Steel producers, however, have not considered the situation discouraging and have been inclined to attribute the lag in new orders to the widespread severe cold weather, to unusually heavy buying in the fourth quarter of last year, and to the fact that demand is seasonally quiet in January and February. It also appears that many steel buyers have drawn on inventories for part of their requirements.

Although substantial, consumer inventories are not considered excessive, which has led to the conclusion in some quarters that output will have to be stepped up in the near future to keep pace with the current rate of consumption. However, there are no immediate indications of a recurrence of a broad increase in demand such as occurred last September.

Continued weakness in scrap prices reflected the uncertainty of the outlook in the steel industry.

Returning again to the consideration of the benefits that have come to various industries and occupations in the State, under the operation of the trade agreements, it is definitely noted that the following manufactures, in addition to those discussed in detail, have made gains:

Wood and wood products, glass and glass products, textiles, including men and women's clothing and garments of all descriptions, cotton and silk hosiery, rayon garments and hosiery, wool apparel, and countless other products, including rubber goods, tires, tubes, and small rubber articles of all descriptions, boots and shoes, musical instruments, including pianos, pipe organs, harps, horns, drums, and band and orchestra instruments of every description, paper and paper products, and practically every type of article produced by the skill and imagination of man.

## NO INDUSTRY IS OMITTED

There is, as far as I have been able to learn, no industry in Indiana that does not benefit directly or indirectly from the concessions on American goods that have been obtained in the trade agreements.

Quoting directly from a report of the State Department, issued in August 1939, concerning the benefits of the trade agreements, I offer the following additional information relative to the benefits that have accrued to the State of Indiana, and that are expected to result in the future:

It has been estimated that almost one-fifth of the raw materials used in the United States comes from foreign sources. An important proportion of the products imported from foreign countries is used in American factories and makes much of their output possible. Ninety-nine percent in dollar value of materials in the rubber industry is imported. The leather manufacturing industry draws upon 22 countries for at least half of its materials. One-third of the raw materials used in the chemical industry comes from abroad. Our textile industries, notably those using silk and wool, rely heavily upon foreign materials. In the processing of nonferrous metals, 14 percent of the semi-finished materials must be imported. Fine machinery, precision instruments, and tools can be made only when certain special steels and alloys are imported. Aluminum, tin, nickel, silk, vegetable fibers, hides and skins, dyeing and tanning materials, cacao beans, paper base stocks, raw cotton, drugs, tobacco, oilseeds, as well as many semimanufactures, are needed by American industry.

## MANY PROCESSING IMPORTS

Data in the Census of Manufactures for 1935 indicate that more than 10,000 persons in Indiana have jobs in factories

working imported raw materials into finished forms. These are employed in industries engaged in the manufacture of such commodities as chocolate and cocoa products, flavoring extracts, spices, confectionery, rubber goods, aluminum products, tin cans and other tinware, paper and allied products, newspapers and periodicals, woollens and worsted goods, and jewelry. Another 10,000 factory jobs are dependent upon the secondary processing of some of the imported materials or upon the use of other imported raw materials and semimanufactures, such as in the printing and publishing industries, the railway repair shops, and in the manufacture of chemicals.

In Indiana there are thousands of employees and active proprietors engaged in wholesale and retail grocery establishments, in eating and drinking places, and in drug stores, whose daily business depends upon imported products used in the foods, beverages, drugs, and cosmetics which these businesses prepare and distribute.

Raw materials for industry and exotic foodstuffs are not, however, the only products which foreign countries are interested in exporting to us, and which it is to our advantage as consumers to take from them. Certain of the products of other countries are more or less competitive with goods produced in the United States. The concessions in trade agreements of benefit to Indiana could not, of course, have been obtained from the foreign countries concerned if concessions had not been granted in return by the United States on some of these more or less competitive products. The concessions which the United States has granted, however, have been made only after the most careful study of all available pertinent information, including the views of interested persons, in order that no hardships might be caused to any established American industry. Increased imports do not by any means imply a reduction in the sale of the domestic products against which they may compete. It is quite likely, in fact, for a variety of reasons which cannot be discussed here, that in most cases the opposite will result, and that sales of the domestic product will increase with increasing imports.

Furthermore, the ability of producers in foreign countries to sell their merchandise in the United States enables those countries to purchase products from Indiana and from other States of the Union.

## INDIANA BENEFITS AS NATION BENEFITS

It would be impossible to enumerate every duty reduction, quota increase, or duty binding that has been obtained to assist the producers and manufacturers of Indiana to find foreign markets for their surplus products, but, as shown above, exports of many of Indiana's products have been and are being aided by the trade agreements. Moreover, since Indiana's well-being is principally dependent upon the domestic demand for its goods, the State is benefiting by improved opportunities created for the export of the products of other States. As the workers in the other 47 States find increased employment in industries producing export commodities, and as the farmers in other regions find increased outlets in foreign countries for their surpluses, their ability to buy the products of Indiana's farms and factories is enhanced.

In fact, any concession from a foreign country that helps farmers or manufacturers anywhere in the United States to ship their surplus production to foreign markets creates a chain of economic transactions throughout this country the total effect of which is to increase purchasing power beyond the volume represented by the original transaction.

Through the trade-agreements program excessive restrictions on the sale of our products in foreign countries are being gradually resumed, and equality of treatment is being substituted for trade discriminations. In this way the program is aiding American producers and exporters to recover and expand their foreign markets and is contributing to the welfare of Indiana and of the whole United States.

## The Domestic Petroleum Industry and the Venezuelan Trade Agreement

## EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. RANKIN. Mr. Speaker, I listened with a great deal of interest to the debate on the amendment relative to crude oil, and the Venezuelan trade agreement. After examining the subject rather carefully I became thoroughly convinced that that amendment should be defeated by all means.

Crude petroleum and fuel oil derived from petroleum, including topped crude and gas oil, have been free of duty under the last three tariff acts—the Underwood Tariff Act of 1913, the Fordney-McCumber Tariff Act of 1922, and the Hawley-Smoot Tariff Act of 1930. By the Revenue Act of



1932 an import excise tax of one-half cent per gallon, equivalent to 21 cents per barrel, was levied on imports of these commodities, except for imports used for supplies of ships in foreign trade or entered in bond for refining and reexport.

The centers of crude petroleum production in the United States are located chiefly in the mid-continent, Gulf-coast areas, and the State of California. The average grade of domestic crude petroleum ranges between 30° and 35° in gravity. Imported crude petroleum, on the other hand, is generally below 20° in gravity.

Imports of crude petroleum from Venezuela, which is much heavier than the average domestic crude, yields chiefly heavy fuel oil and asphalt. Domestic crude petroleum yields relatively larger percentages of the more-valuable products—gasoline, kerosene, and lubricating oils. As a result, the use of imported crude petroleum for the manufacture of the heavier grades of fuel oil reserves the lighter domestic crude for the manufacture of the more valuable products.

The domestic petroleum industry has been on an export basis since its beginning, and in crude petroleum since 1933.

Exports of crude petroleum are substantially comparable in quality with the average grade of domestic production, but lighter than imports. The rising trend in exports of crude petroleum from the United States is due in part to two important factors: First, the increased demand in some foreign countries for military purposes, including storage, and second, the establishment in other countries of a domestic refining industry as a national policy. Japan increased its imports of crude petroleum from the United States from 2,500,000 barrels in 1929 to 16,086,000 in 1939. Exports of crude petroleum to Italy increased from none in 1929 to 5,000,000 barrels in 1939. During the same period exports of crude petroleum to France increased from 4,000 barrels to 16,700,000 barrels. Exports of crude petroleum to Canada, the most important foreign market, increased from 22,400,000 barrels to 28,100,000 barrels. Total United States exports of crude petroleum increased from 26,400,000 barrels in 1929 to 72,100,000 barrels in 1939.

#### CONCESSION TO VENEZUELA ON PETROLEUM

By the terms of the trade agreement concluded with Venezuela, effective December 16, 1939, the import excise tax on crude petroleum, topped crude, and fuel oil was reduced from one-half cent to one-fourth cent per gallon—equivalent to 10½ cents per barrel. In order to safeguard the domestic petroleum industry the quantity of crude petroleum, topped crude, and fuel oil which may enter the United States at the reduced rate may not exceed 5 percent of the total quantity of crude petroleum processed in refineries in the continental United States during the preceding calendar year, as ascertained by the Secretary of the Interior. This 5 percent annual quota established by the trade agreement is approximately equal to the ratio between imports and domestic production of these oils following the levying in 1932 of the one-half cent per gallon excise tax and the present time. All imports in excess of the established annual quota are subject to the full one-half cent per gallon excise tax.

The concession on petroleum granted to Venezuela constitutes the most important consideration granted to that country. United States imports from Venezuela consist chiefly of crude petroleum, topped crude, and fuel oil. On the other hand, Venezuela granted concessions benefiting American farm and factory products which made up 36 percent of our total exports to Venezuela in 1938.

Among the more important American products on which reductions in duty were obtained by the United States are cigarettes, lumber, furniture, and fresh and canned fruits.

Imports of crude petroleum, topped crude, and fuel oil are small in comparison with domestic production and exports. The total quantity of imports in 1938 of taxable crude and fuel oil amounted to 29,700,000 barrels compared with exports of 121,100,000 barrels and domestic production of 1,660,000,000 barrels. This does not include 22,500,000 barrels exempt from excise tax used for supplies of ships in foreign trade, and entered in bond for refining and reexport. In other words, United States imports of these oils constituted only 2 percent of total domestic production for 1938. On the

export side, shipments of these same oils to foreign countries during 1938 constituted 7 percent of domestic production and were more than 300 percent greater than imports.

#### IMPORTS SERVE A DESIRABLE ECONOMIC PURPOSE

Analysis of the imports of crude petroleum, topped crude, and fuel oil indicates that these imports, small in comparison with our domestic production and greatly exceeded by our exports, serve a desirable economic purpose of balancing the supply of certain petroleum products in our home markets.

Venezuela supplies nearly 90 percent of total United States imports of crude petroleum, and the Netherland West Indies supplies over 90 percent of our imports of fuel oil. Imported crude petroleum is not comparable in quality with the average domestic oil, in that it yields much less gasoline and practically no lubricating oil, the more valuable refined products. The chief products of Venezuelan crude petroleum are heavy fuel oil and asphalt.

The calculated gasoline yield from the refining of Venezuelan crude petroleum is about 12 percent; that is, every 100 barrels of Venezuelan crude petroleum yields approximately 12 barrels of gasoline and approximately 55 barrels of heavy fuel oil. Domestic crudes are lighter than the imported product and yield approximately 43 percent of the more valuable product, gasoline, which accounts for about 70 percent of the domestic petroleum industry's annual revenues, and a fuel-oil yield of 25 percent.

The 29,700,000 barrels of taxable crude, topped crude, and fuel oil imported in 1938, nearly all of which was imported from Venezuela directly or indirectly through the Netherland West Indies, entered almost entirely through the ports of New York, Philadelphia, and Baltimore to serve the thickly populated industrial areas of the northern Atlantic Coast States. (Does not include 22,500,000 barrels exempt from excise tax used for supplies of ships in foreign trade, and entered in bond for refining and reexport.)

These imports of crude petroleum produced a calculated supply of sixteen to seventeen million barrels of heavy residual fuel oil. This estimated sixteen to seventeen million barrels of heavy residual fuel oil derived from foreign crude petroleum constituted about one-fifth of a total consumption of ninety to ninety-five million barrels in that area. To attempt to supply the heavy fuel-oil consumption of the industries located in the New England and northern Atlantic Coast States would result in increasing the heavy inventories of gasoline stocks—from which the domestic petroleum industry derives approximately 70 percent of its annual revenue—and, through accumulation of large inventories, have a depressing effect upon the price.

The production of sixteen to seventeen million barrels of heavy fuel oil from Venezuelan crude petroleum, with a gasoline yield of approximately 12 percent and a heavy residual fuel-oil yield of about 55 percent, results in about 2,700,000 barrels of gasoline. The production of the same quantity of heavy fuel oil from domestic crude petroleum, with a gasoline yield of approximately 43 percent and a residual fuel-oil yield of 25 percent, would result in the production of nearly 28,000,000 barrels of gasoline. This addition to our gasoline production, which is more than one-half of 1 month's average domestic supply, would increase excessive gasoline inventories, which is a serious problem for the domestic petroleum industry.

The moderate imports of foreign crude, topped crude, and fuel oil serve a useful purpose by balancing the domestic supply of petroleum products more nearly to demand, due to the much lower gasoline yield and much higher heavy residual fuel-oil yield of the Venezuelan product and the domestic crude petroleum consumed in the thickly populated industrial areas of the northern Atlantic seaboard States.

#### PETROLEUM INDUSTRY BENEFITS FROM TRADE AGREEMENTS

It is significant to note that whereas a concession on petroleum has been granted in only one agreement—the moderate reduction in the excise tax which was granted to Venezuela—concessions expanding opportunities in foreign markets in which our domestic petroleum industry can sell its products have been obtained in 12 agreements. Five countries reduced the duties on petroleum products, four

countries bound the rate of duty against increase, two countries bound petroleum products on the free list, and one country bound the rate of duty and increased the quota. Examples of the various petroleum products affected by more favorable export opportunities obtained through trade agreements are: Gasoline, lubricating oil, petroleum residues for heating, benzine and benzol, lubricating greases, kerosene, and various petroleum oils and greases.

Switzerland granted a concession on petroleum residues for heating purposes, benzine and benzol for motors. Swiss imports of these products from the United States increased respectively between 1935—the preagreement year—and 1938 from \$35,000 to \$1,361,000; from \$1,039,000 to \$2,077,000. Sweden granted a concession on gasoline and that country increased its imports of gasoline between 1934—the preagreement year—and 1938 from \$3,051,000 to \$7,071,000. The Netherlands guaranteed not to change the duty-free status of lubricating oil. Its imports from the United States between the preagreement year 1935 and 1938 increased from \$840,000 to \$1,125,000. Canada, our most important foreign market for petroleum products reduced the duty on lubricating oils, engine distillates, and gasoline. Imports from the United States by Canada of these products increased respectively between the preagreement year 1935 and 1938 from \$2,605,000 to \$3,122,000; from \$7,000 to \$71,000; from \$1,501,000 to \$5,219,000.

The petroleum industry's most important and profitable market is, of course, the home market. There are certain benefits shared by the domestic petroleum industry derived from the trade-agreements program which, though less tangible are nevertheless real. Such benefits flow from an improved domestic market. Imports and exports mean more work for all the people—employed in transportation—railroads, busses, trucks, ships—and in merchandising—stores, markets, insurance companies—as well as more work for the people engaged in the manufacture of the great variety of commodities that are bought and sold. Such activity at home strengthens and increases purchasing power all along the line and creates expanded markets at home for petroleum products.

Prices that our domestic petroleum industry has received for its products have been highest during periods when foreign trade—imports and exports—has moved in large volume. In such periods domestic industrial activity has been brisk and, in addition to higher prices, the petroleum industry has experienced greater demands for its products.

*United States exports of domestic petroleum and petroleum products to trade-agreement<sup>1</sup> countries and to non-trade-agreement countries, 1937-38 compared with 1934-35*

Trade-agreement countries	1934	1935	1937	1938
Cuba.....	\$1,943,459	\$2,469,932	\$4,642,605	\$4,921,219
Brazil.....	7,876,122	8,417,988	10,189,331	8,538,240
Belgium.....	7,451,562	8,037,518	13,343,493	9,115,904
Haiti.....	253,776	221,959	310,940	217,091
Sweden.....	3,716,550	4,714,748	6,386,525	9,887,232
Colombia.....	756,814	498,433	687,780	865,889
Canada.....	35,149,647	38,555,985	51,041,707	50,708,768
Honduras.....	390,268	407,694	312,957	306,563
Netherlands.....	7,732,811	6,688,042	16,314,808	13,035,594
Netherlands Indies.....	872,725	1,082,901	1,301,642	1,470,518
Curacao.....	6,221,631	4,014,530	21,326,346	22,013,477
Surinam.....	59,009	34,673	59,755	75,709
Switzerland.....	64,747	156,252	207,817	949,704
Nicaragua.....	125,712	140,566	208,185	179,337
Guatemala.....	265,494	223,763	707,882	594,042
France.....	23,839,820	22,604,388	28,691,588	39,814,479
Miquelon and St. Pierre Island.....	3,514	4,493	8,988	4,145
French West Indies.....	165,175	121,348	106,648	141,977
French Guiana.....	23,601	20,548	31,363	25,671
French Indochina.....	232,883	468,940	338,826	479,206
French Oceania.....	145,173	233,248	164,524	140,835
Algeria and Tunisia.....	399,798	748,309	368,068	270,864
Madagascar.....	342,764	257,978	384,526	416,531
Other French Africa.....	1,075,561	1,134,664	3,244,160	1,418,180
Finland.....	271,255	306,389	624,915	1,073,402
Costa Rica.....	240,068	185,137	470,531	474,681
Salvador.....	185,470	171,208	307,349	264,989
Czechoslovakia.....	80,178	116,686	955,999	682,569
Total all agreement countries.....	99,885,677	102,038,410	162,739,859	168,075,835
Total all nonagreement countries.....	127,651,582	148,288,239	213,498,798	220,530,457

See footnotes at end of table.

*United States exports of domestic petroleum and petroleum products to trade-agreement countries and to non-trade-agreement countries, 1937-38 compared with 1934-35—Continued*

UNITED STATES DOMESTIC EXPORTS OF PETROLEUM AND PETROLEUM PRODUCTS

	Average value		Change	
	1934 and 1935	1937 and 1938	Value	Per cent
Total, all trade-agreement countries <sup>1</sup> .....	\$100,962,000	\$165,408,000	\$64,446,000	+63.8
Total, all nonagreement countries.....	137,970,000	217,014,000	79,044,000	+57.3

<sup>1</sup> Including the 17 countries (and colonies) with which agreements were in operation during the greater part of 1938. Only 1 of the agreements was in operation throughout 1935, 6 throughout 1936, 12 by the middle of 1936, 15 by the middle of 1937, and 18 by the end of 1938. The last (with Ecuador) only came into force on Oct. 23, 1938, and is therefore not yet included in the above calculations as an agreement country. The new agreement with Canada, and the agreement with the United Kingdom (including Newfoundland and non-self-governing British colonies) which became effective Jan. 1, 1939, the agreement with Turkey, effective May 5, 1939, and the agreement with Venezuela, effective Dec. 16, 1939, bring the number of agreement countries up to 21.

GENERAL NOTE.—Percentage changes have been calculated upon fuller figures in thousands.

Source: Latest records of Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce.

## Benefits to Minnesota From the Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

LEAGUE OF WOMEN VOTERS ON TRADE AGREEMENTS

Mr. ALEXANDER. Mr. Speaker, without entering into a lengthy discussion of the pros and cons of the question of the extension of the reciprocal-trade agreements, I ask consent to extend my remarks by inserting in the RECORD the following pamphlet from the Minnesota League of Women Voters, a good cross-section organization of the women of our State, giving some helpful facts relating to the trade agreements in Minnesota.

MINNESOTA LEAGUE OF WOMEN VOTERS,  
Minneapolis, January 1940.

#### BENEFITS TO MINNESOTA FROM THE RECIPROCAL-TRADE AGREEMENTS

1. What is the significance of foreign trade to Minnesota? Minnesota is both directly and indirectly dependent upon foreign trade for continued economic development. It needs foreign markets for surplus products of its farms, forests, and factories. It shares in the improved domestic market created when, by selling their surplus commodities abroad, other sections of this country increase their purchasing power. Total exports reported in Minnesota fell from \$52,000,000 in 1929 to \$6,000,000 in 1932. The total accountable income of Minnesota fell from \$1,417,000,000 in 1929 to \$870,000,000 in 1932, and cash farm income declined from \$421,000,000 to \$163,000,000 for the same 2 years.

2. What have been the benefits to Minnesota from the trade agreements? Meat products, wheat and wheat flour, and agricultural machinery and implements, are mere examples of exported products of Minnesota for which expanded and more stable market outlets have been obtained.

3. What has been gained for the meat industry? In 18 agreements concessions have been obtained for Minnesota meat packers and livestock farmers. Reduction in tariff rates on lard has been obtained in 10 countries. Assurance against any increase in duties was obtained from 4 countries; and 1 country removed the duty. The United Kingdom increased the annual quota on hams; 12 countries reduced the rates of duty or granted tariff concession on American hams; bacon; fresh, frozen or cured pork, beef, and veal.

4. What concessions have helped Minnesota as a wheat-growing and flour-milling center? Minnesota is benefited by provisions in 11 agreements. The United Kingdom, largest wheat-importing market in the world, removed the duty on wheat, Canada reduced the duty, and two countries granted annual quotas. On wheat flour 7 countries either reduced the duty or gave assurances that existing duties would not be increased. The United Kingdom agreement removed the British margin preferences in 5 colonies.

5. What about agricultural machinery? In 9 agreements concessions have been obtained on agricultural machinery. Two countries reduced the rates of duty on cultivating implements and harvesting machinery. One country completely removed the duty on



these items. Two countries removed the duties on tractors and parts, 4 gave assurances against any increase, and 1 country bound tractors of wheel- and track-laying types on its free list. The United Kingdom agreement provides binding margin of preference in 12 British colonies on agricultural machinery, implements, and parts.

6. What have been the benefits to the dairy industry? Exports of dairy products in the United States in 1929 were valued at \$17,914,000 and at \$6,072,000 in 1932, while imports were valued at \$30,415,000 and at \$13,093,000 in 1932. Although United States exports of dairy products have never been large as compared with total domestic productions and consumptions, exports amounted to \$5,140,000 in 1937, compared with \$4,114,000 in 1936. Studies of nonfarm families show that consumption of milk and milk products rises rapidly as rising income makes possible larger per capita expenditures for food. Studies show that when average annual per capita for food is between \$30 and \$60 consumption of milk is about 125 pounds a year; when \$90 to \$120, it rises to 270 pounds; between \$120 and \$150, to 340 pounds.

Concessions granted by United States on dairy imports under the various trade agreements have been moderate, limited, and very carefully weighted in order to safeguard interests of American producers. Concessions on prepared milk, the principal export of dairy products, was given by six countries, in some cases as much as 68 percent.

7. What has been the result of the most-favored-nation clause? Lower tariff rates on some 600 items formerly extended by Canada to France, but not to the United States, now apply to American commodities. Among these Minnesota is particularly interested in reductions on fresh beef, veal, on wheat, wheat flour, and semolina, macaroni, and on pasteurizers for dairy use. Canada has also given more favorable treatment to American butter and certain types of cheese, and France has given improved treatment to condensed milk and infants' milk foods.

8. Has Minnesota labor benefited from the trade agreements? When foreign countries increase their demand for American products, industry must employ greater numbers of wage earners in order to produce these products. Increased employment in industries manufacturing export commodities increases domestic consumer purchasing power and creates greater employment opportunities for those engaged in supplying the domestic market.

9. Does Minnesota alone benefit as the United States benefits? If there is an increase in the number of cars manufactured in the United States for export, the manufacturing of those cars will increase the purchases of iron ore. Concessions obtained on American products not produced in Minnesota, such as plate glass, typewriters, chemicals, etc., benefit the citizen of Minnesota by creating domestic demand for Minnesota grains, meats, vegetables, and dairy products.

These figures have been taken from recently released State Department releases.

#### FARM BUREAU ON TRADE AGREEMENTS

I wish also to append hereto a telegram from the head of the American Farm Bureau Federation, which in my mind expresses a sane viewpoint regarding the trade agreements extension:

HON. JOHN G. ALEXANDER,

Washington, D. C.:

The last American Farm Bureau Federation convention, representing farmers in 39 States, endorsed without a dissenting vote continuance of reciprocal-trade agreements, all agreements to be approved by Secretaries of State, Commerce, and Agriculture. We respectfully urge your support of House Joint Resolution 407.

WASHINGTON, D. C.

EDW. A. O'NEAL,

President, American Farm Bureau Federation.

It is thus apparent that the trade agreements extension movement has considerable support from two rather divergent groups—the women and the farmers. Of course, there are farm women who are active members of the League of Women Voters, but I assume that the largest part of their membership in Minnesota is made up of women from the metropolitan centers. Consequently, I think they can be said to represent a cross section of the urban viewpoint. Thus we have above the organized views of two widely separated groups which have made a careful and detailed study of the subject of reciprocal-trade agreements and their effect and bearing on the welfare and daily lives of Mr. and Mrs. Average Q. Citizen as well as on the Nation's general prosperity and peace, and they favor extension.

How best we can preserve peace and promote prosperity is the great interest of all of us, and I am thus glad to present the viewpoint of these two great organizations.

## Swiss Cheese and Reciprocal-Trade Treaties

### EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. MURRAY. Mr. Speaker, the Swiss cheese industry of the United States is largely centered in southern Wisconsin. While some other States produce this splendid cheese about two-thirds of it is produced in the green valleys of Dane, Green, Lafayette, and Iowa Counties in Wisconsin. In Bulletin 200, United States Department of Agriculture, and Wisconsin Department of Agriculture, I find that during the last 4 Republican years, in the midst of a world depression, Swiss cheese averaged 22.9 cents per pound. It averaged 18.6 cents the first 6 years of the New Deal, or 23 percent less than the last 4 Republican years. The last 6 pre-New Deal years Swiss cheese averaged 24.4 cents per pound or 31 percent more than the 18.6 cents per pound for the first 6 New Deal years. All dairy products averaged nearly one-third more in the pre-New Deal period than in the days of the New Deal more abundant life.

The following table shows the domestic production and imports of Swiss cheese for the years 1933–39:

Calendar year	Swiss or Emmenthaler cheese	
	Production	Imports
1933.....	40,287,000	10,728,000
1934.....	39,449,000	6,819,000
1935.....	42,622,000	6,259,000
1936.....	40,078,000	6,237,000
1937.....	41,504,000	10,332,000
1938.....	43,084,000	9,904,000
1939.....	(1)	210,558,000

<sup>1</sup> Not available.

<sup>2</sup> Preliminary.

Source: Production Statistics 1931–37 from Agricultural Statistics, U. S. Department of Agriculture, 1939; 1938 data from reports of Bureau of Agricultural Economics, U. S. Department of Agriculture; import data from official statistics of U. S. Department of Commerce.

It will be noted from the above table that some years we imported up to 25 percent of the amount of our domestic production, and for the years 1933 to 1938 the imports have averaged over 20 percent of the domestic production. Of course, the new dealers tell us that just a few imports do no harm. Then they tell us we can hold farm prices up by the Federal Surplus Commodities route—when they spend \$66,000,000 in 1 year to buy up surpluses, and when we import \$868,000,000 worth of competitive agricultural products in 1 year, as we did in 1937. In fact, the \$868,000,000 worth of imports of competitive agricultural products in 1937 exceed the total of \$797,000,000 worth of our whole agricultural exports for the same year, and this was the first time in the history of the United States that this relationship of exports and imports of agricultural products has existed. The exports of agricultural products in 1939 were the smallest in the history of the country, when compared with imports. Our exports of agricultural products under the New Deal have dwindled down to 23 percent of our total exports—an all-time low.

Another interesting phase of these reciprocal-trade treaties is that they were inaugurated to stimulate trade. As far as agriculture is concerned it appears the stimulation is in favor of the foreigners as they have shipped us over 60 percent more agricultural products during the past 4 reciprocal trade treaty years than they have bought from the United States.

Following is a copy of radio address by Mr. Elliott Roosevelt appearing in the January 1940 issue of *The Protectionist*:

[From the *Protectionist* for January 1940]

AMERICA LOOKS AHEAD

(Radio address of Mr. Elliott Roosevelt, November 21, 1939)

Good evening, everyone!

The other night I had dinner in a restaurant and during the course of the meal a waiter came in with a great wheel of cheese.

It was good. It was so satisfying I couldn't believe it. It made me think of the easterner who went into the West and stood on the brink of the Grand Canyon for the first time. As his eyes swept across that infinity of space, he shook his head incredulously. "It's a lie," he said, "It's a lie!"

So I turned to the waiter, who by now was standing near me with the air of a great painter who knows he has just turned out a masterpiece. "Wonderful," I said. "This is wonderful. Where did it come from?"

"Switzerland," he replied.

I told him again how excellent it was. I said, "I'd like to buy one of those myself—a whole one—can you get it for me?"

For a moment he seemed startled. He seemed at a loss. He said, "Why, I'm sure it could be arranged, Mr. Roosevelt. I'll see. I'll speak to the manager myself."

In a moment he returned and said, "Look, Mr. Roosevelt. I'm going to tell you something about that cheese. You won't let it make any difference, will you? You won't stop eating it, will you?"

That was such a strange request that for a moment I couldn't answer. I said, "No."

"Well," he said, "I was fooling about this cheese. It didn't come from Switzerland. It came from Wisconsin—right here in the United States. It's the finest cheese in the world. But we have to tell some of our patrons it's imported or they won't want it. They think anything made at home is cheap."

Here in a sudden burst of confidence, this waiter was touching on one of the strange mental quirks in the people of this country—the mania that most of us have for something foreign—for something imported—something brought in under a high tariff and sold at exorbitant fees. We like to say, "Best wine in the world—straight from Tuscany." We like to say, "This new tweed is imported—just off the boat." We like to feast our eyes on the little label that says, "Made in England," "Made in Japan," or "Made in Germany."

But every time we do this we place a stigma on American ingenuity, on our own native resourcefulness and competence. If we have green pastures here, and cows grazing in them, why isn't our cheese just as good as the cheese from Switzerland? If we have vineyards here, and sunshine, why aren't the sunny fields of California just as health-giving and nurturing as the sunny hillsides of France?

To be guilty of the crime of pride in self or homeland leads to narrowness. To go around making the unqualified statement that American goods are inferior to those elsewhere is sheer ignorance and nothing else. The people who share this view are generally those who never had time to learn anything about the United States because they were always too busy reading about some other country. They know the names of Napoleon's generals but ask them the name of the lieutenant governor of their own State and they can't tell you.

Only the other day I was talking with a hotel man who had just come from a luncheon with another hotel man from Ithaca, N. Y. During the luncheon this visitor had been greatly impressed by the beauty of a certain kind of salad bowl which he saw at the hotel. "It's beautiful," he said, "where did you get it? I'd like to have some like it for our hotel."

"Well," said the other, "I hate to tell you this, because it might embarrass you. But this particular bowl came from Ithaca. There's a factory there that makes them. This factory, as I recall, is just a couple of blocks from your office."

That's the way it generally goes. For some reason, and it may be our imaginations playing tricks on us—most of us have a perverted sense of values. We aren't as bad about this as we used to be. We're waking up and realizing what a satisfying old country we live in after all. But all too often we still place emphasis on a label, "Made in Spain," "Made in Italy." Our own goods are similar to the prophet, who was not without honor, as you recall, save in his own country. And there was the easterner, as you also recall, who decided to make a grand tour of the Western States. In the desert he became fascinated with the Indians, who apparently were weaving beautiful Navajo blankets—before his very eyes. He bought several and took them home, and when he displayed them proudly to his friends, there was the little telltale label on each blanket, "Made in Paterson, N. J."

We say the Swiss know how to make fine cheese—and they do. But we have Swiss in this country—quite a good number. And we also have dairies—quite a good number. If a Swiss and a cow can make a cheese in Switzerland, why can't he make it just as good, just as fragrant, just as satisfying in America? And when I say cheese, I mean everything else, too—Paris styles and Hollywood styles, Montana T-bone steaks and Argentine T-bone steaks, Florida oranges and Spanish oranges.

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I'm not saying one shouldn't eat Spanish oranges. By all means, eat them—if you must. But don't go around making the assertion that Spanish oranges are superior to American oranges until you know what you are talking about.

There's no use denying it. Most of us are still a little in awe of what we call Old World glamor. The mere fact that a cheap pocket hankie comes from some shop on the Rue de la Paix seems to invest it with an irresistible charm.

Handkerchiefs and cheeses and finished products are one thing, raw materials are another. I don't mean that we shouldn't have free and open commerce between nations. That is essential. But the individual who spends his dollar for something that comes from a shop across the Atlantic when he could go down on Main Street and do just as well, is lessening the purchasing power of his country by just that amount. And when a sufficient number of people do this it begins to hurt.

But we are growing up. We are coming of age. And when the day finally comes that we can go to Switzerland and find the natives listening respectfully to the waiters, who whisper, "Sirs, here is a treat—a real treat. This cheese came all the way from America."

On that day, ladies and gentlemen, we shall have arrived.

I hope his philosophy is impressed upon his relatives, and on the new dealers who are giving the market of the American farmer to the cheap labor of other countries.

## The State of Kansas Does a Good Job of Conserving Her Oil and Gas Without Federal Control

### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

STATEMENT BY HON. JOHN M. HOUSTON, OF KANSAS, BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE AT THE HEARING ON HOUSE RESOLUTION 290 AND H. R. 7372

Mr. HOUSTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement I made before the subcommittee of the Committee on Interstate and Foreign Commerce considering legislation on the conservation of petroleum:

Mr. Chairman, I am appearing before this subcommittee to give that which I sincerely believe to be the attitude of the oil industry of the State of Kansas toward the legislation under consideration, as expressed to me in conversations with and in letters from practical operators of my State.

It is my contention that Kansans neither need nor welcome Federal control of their oil industry. They are proud of their development and control of petroleum resources. The conservation laws of Kansas are sound in principle and practice and they are administered equitably.

A system of cooperation between the State authorities and the industry has been worked out which simplifies problems that might develop into menaces if they were handled by a distant, unsympathetic, and uninformed authority in Washington to whom Kansas would be only one item in a long list.

Production questions are determined by men who know the situation and who are part of the community. Kansans have confidence in these men because they know them, and if a mistake is made the case can be presented without long delays and expense involved in a trip to Washington.

When they are doing the work so satisfactorily at home, they can see no reason to call in an expensive outsider who could do the job no better and probably not so well as it is being done now.

Kansas cannot afford to have her oil industry injured by absentee administration. It is an important element in the industrial life of the State.

Mr. Joseph A. Kornfeld, of Wichita, Kans., very ably summed up the views of Kansas oilmen in an editorial in the *Wichita Beacon* of December 24, 1939, as follows:

"A most significant trend of the times is the movement toward administrative control, as contrasted with judicial control. By administrative control in government is meant the operation of functions from a central governmental body not strictly limited by the restrictions of the law of the land. This contrast is the opposition of public law with and over private law, in the sense that the public law places a higher value on the official and



his acts, whereas private law places no higher value on official acts and treats all as equal before it.

"Administrative control as opposed to judicial control resolves itself into the acts of governmental individuals in the sense that power centralized is at once both vague and far-sweeping. Psychologists say that it is impossible for a human being to exercise a power of determination completely impartial and objective; what he does do is the natural result of a combination of his personal environment, prejudices, and temperament. In a legal sense, what he wills has the force of law, and he is, to some extent, freed from the scope and sphere of the laws.

"This is a phenomenon operative under bureaucratic democracy, wherever it exists; in that absolute bureaus, boards, and government administrators may rule by discretion instead of by law. Technically freed from 'hampering' constitutional checks, they may impose their views of expediency in what they consider to be the public interest or the general welfare, until a congressional act either abolishes their department or after a time re-creates it.

"Under such a condition, rights are relegated to the background, the value of property is lessened, the true concept of liberty is diminished, and the private law made less operative.

"Bureaucratic control thus may go, and often does go, off on tangents far outside the legal circumference originally established by law. As the momentum of duties and scope of geographical influence expands at a tremendous pace, centrifugal force often carries regulation far beyond the legal confines of regulation. The policeman, instead of regulating the movement of traffic, for a time steps into the capacity of the driver of the car of industry.

"The need exists for a guaranty of two functions: (1) Guaranty against taking for public use without due compensation, and (2) guaranty of due process of law. These two guaranties must exist if individual rights of property are not to be destroyed. Thus unchecked discretion and undefined ideas of public policy are constant threats to property.

"The Cole oil bill presents the danger of bureaucratic control over the oil industry in that there is no recourse to the acts of the Federal Conservation Director provided for under the bill. The bill provides principally for the prevention of waste but makes no provision for ratable taking, limitation of production to demand, and for correlative rights. The conservation director is empowered with the right to step in in any oil field of the Nation and establish rules after a public hearing is held; the principal danger lies in his exerting those powers not specifically called for in the bill under the prestige of office of a Federal oil director. Opposition to the bill is gaining momentum from the oil-trade associations. \* \* \* States' rights are at stake, as well as the right of free enterprise and initiative."

Mr. Chairman, I would like to tell the subcommittee something about the oil industry in Kansas and what it means to my State.

Kansas oil wells are not great gushers such as have been found elsewhere. They are small wells. The average output per well per day is only seven and one-half barrels. There are few flowing wells in the State. All the oil which the 21,264 wells in Kansas produce must be pumped. That means employment of labor. Kansas, in spite of this high production cost, has been making a substantial contribution to the prosperity and general welfare of the Nation. It was giving employment to 9,470 persons at the oil wells alone in 1937, the latest figures available. The refineries in Kansas during 1937 numbered 3,335 wage earners, receiving a total annual wage of \$5,399,000.

Oil is a leading crop in Kansas. The estimated value of the oil production in the State in 1938 was \$72,100,000. This was one-third of the total value of the leading crops and stock in Kansas during that year, including wheat, cattle, milk, corn, and hogs.

In the 50 years that Kansas has been producing oil, up to January 1, 1939, our total production has amounted to 1,435,000,000 barrels produced at an average value of \$1.48 a barrel. Today, because of competition, largely based upon foreign imports, the value of a barrel of Kansas oil has dropped to \$1.19.

Kansas has not only been producing oil, it has been adding to our reserves by new discoveries promoted by the fairly good price which has been received for our petroleum. During 1938, 43 new fields were discovered in my State with an estimated potential recovery of 65,800,000 barrels, making a net increase in the reserves during 1938 of 6,213,000 barrels.

In Kansas there are 19 companies operating refineries with a crude capacity of 176,800 barrels per day, or 4 percent of the total refining capacity of the United States. The amount of oil which Kansas can refine is greater than the amount that Kansas produces, the ratio of refining capacity to crude production being 111.1.

This industry and the economic values which it represents and vital relationships which exist between it and other branches of the Nation's business has developed on a sound basis.

In addition to the active production element in the industry, others in Kansas have an important interest in the efficient local administration of her conservation laws. About 30 percent of the total farm population of Kansas lives on lands which either produce oil and gas or are under lease for that purpose. The owners of these lands, where productive, derive substantial income from the royalty, or share of the revenue, and where not productive they receive rentals. In addition, they are paid bonuses for signing leases, the amounts varying according to the proximity of the land to oil and gas production or to position on known geological structure considered favorable to the discovery of new fields.

Fortunately, the leasing activity and the development of western Kansas came at a time when the area was badly in need of money.

Independent producers started the "play" and their number increased as one county after another became productive. In the 10 years, 1928 to 1937, inclusive, it has been found by a careful check of the activity over this period that a total of \$40,500,000 came into western Kansas in the form of bonuses for leases and that \$56,500,000 was disbursed for rentals on acreage.

At the beginning of the year 1938 there were approximately 10,250,000 acres under lease in the western part of Kansas—west of range 1. Average rental being paid on that date was 75 cents per acre.

It was the area west of range 1 that was in greatest need of this help. Range 1 is the meridian which passes through Wichita. East of this is the older producing area of the State, whose development dates from 1889. Included in the area west of range 1 and counting those counties through which this meridian passes, there are 61 of the State's 105 counties. They have a total area of 34,009,609 acres; thus, on the first of 1938 approximately 30 percent of this area was under lease. Some of them were as high as 90 percent leased. Some, far from producing fields, were 2 and 5 percent leased; all, however, were sharing to some extent on the huge disbursement of rental money.

The leasing activity began a little back of 1928 in the western Kansas area. In 1927 there was a total of 870,000 acres purchased. This jumped to 1,550,000 acres in the following year. The next year, 1929, was the high point of lease acquisition, with 4,500,000 acres added. In 1937 there were 1,750,000 acres purchased—put under lease—and of this, as of the other figures given in this paragraph on leasing, it is estimated that 95 percent or more was west of range 1.

As one example of the disbursements in counties not yet producing oil, Ford County, with a total area of 692,480 acres, was 30 percent leased at the beginning of 1938. That would mean 207,744 acres and, at 75 cents per acre, the indicated income from rentals is \$155,408 per annum. The total tax on farm lands and improvements for 1937 in Ford County was \$239,821. Still more striking is Grant County. Its total area is 369,920 acres, and on January 1, 1938, it was 80 percent leased. At the 75-cent rental, that would indicate receipts of \$221,952. Its tax bill for 1937 was \$98,388 on farm lands and improvements.

For all the 61 counties west of range 1 and through which that line passes, the total taxes levied on farm lands and improvements for the period October 16, 1937, to October 15, 1938, was \$10,919,274 and the oil "crop"—income from rentals, bonuses, and royalties for the year 1937—was \$19,600,000.

In 1936, when the taxes on farm lands and improvements were \$10,018,367, the oil "crop" amounted to \$15,440,000.

These revenues, incidentally, compare quite favorably with the Federal payments on crops and livestock. In 1936 such payments for all Kansas totaled \$34,718,000 and total oil revenues from the three sources—rentals, bonuses, and royalties—for all of Kansas are estimated at \$18,542,563. In 1937, the oil "crop" went ahead of the Federal disbursements, the figures being \$18,512,000 from the Government and \$22,836,000 from oil. The chief difference is that the oil money did not swell the public debt and does not have to be repaid in any form by the recipients.

The big year for Kansas oil was 1937. Total production for the territory west of Range 1 and the counties through which that line passes was 43,361,350 barrels and the average price was \$1.25.

The several thousand wells that have been drilled left a portion of their total cost in the community in the form of wages paid to labor, mostly spent in turn in the community. Expenditures for food, lodging, clothing for the army of oil operators and their employees; the purchase of supplies of all kinds, including oil and gas, in the numerous towns where leasing and development have been carried on for years; the creation of taxable wealth, helping to bear the cost of government; the payment for shooting rights on acreage where seismograph parties were working—all make up an amount not susceptible of estimation, but undoubtedly quite large.

Kansas has developed these closely integrated phases of her petroleum industry under home rule and local self-government. The people of our State cannot seriously consider changing from a system which has proven so successful and in which they have a representative part to an untried program in which they could not share and the success of which is so highly problematical.

## The Fur Farmer and the Trade Treaties

### EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. MURRAY. Mr. Speaker, the critical problems of the fox farmers of this country are due to, first, the reduction of the tariff from 50 percent to 37½ percent, which went into effect on January 1, 1939, and later reduced to 35 percent, and, second, the war situation, which has caused demoralized foreign markets.

The weakened foreign market pointed the furs toward the American market, which had already been next to ruined by the lowering of the tariff on January 1, 1939. The State Department in late 1939 put a quota on silver fox of 100,000, but again reduced the tariff by 2½ percent.

Wisconsin produces about 54 percent of the foxes of this country. The Seventh Congressional District of Wisconsin is honeycombed with small fox breeders. These people, largely interested in dairying, are ideally equipped to be fox farmers as they have the husbandry and natural livestock experience to make them successful fox breeders.

Since more foxes were imported into this country in the first 2 months of 1939, than during the entire previous year of 1938, that alone is an indication of the damage resulting from the lowering of this tariff.

Reliable fox breeders estimate that the Canadian reciprocal-trade treaties cost them over \$3,000,000 in 1939 alone, or a loss of 30 percent.

The quota of 100,000 is of little value under normal conditions, as the yearly imports up to 1939 have been increased from 21,098 in 1931 to 25,994 in 1937.

If the normal United States consumption is computed at 250,000 furs this is giving away 40 percent of our market. If it is computed at 300,000, that would be giving away 33½ percent of our market.

The following table shows the imports for the period 1929-38:

Imported from—	1929	1931	1933	1935	1936	1937	1938	Total for 1939
Canada.....	622	2,094	848	1,175	6,402	7,959	8,685	-----
United Kingdom.....	23	-----	688	24	7,844	11,656	3,396	-----
Norway.....	-----	-----	-----	-----	1,000	6,188	4,015	-----
All other countries.....	9	4	465	6	543	191	372	-----
Total.....	654	2,098	2,001	1,205	15,789	25,994	16,468	133,251

<sup>1</sup> Of which \$5,000 were from Canada.

The above shows an increase of over 800 percent in imports of 1939 over 1938, enough to ruin any market in the world.

I have personally seen the many small fox farmers of my home district develop their activities from the initial pair of foxes to a business of proportions.

The reciprocal-trade treaties have done an untold injustice to these fox breeders by lowering the tariff so greatly. Not only do I receive communications from my own people, but many others write me about the fox-farm situation, an example of which is shown by the following letter:

GOLD STAR FUR RANCH, INC.,  
Owatonna, Minn., January 31, 1940.

HON. REID F. MURRAY,  
Washington, D. C.

DEAR SIR: By jove, who would have thought it? The Canadian and Norwegian fox ranchers are trying to undermine the quota to get their platina, white-faced, and ring-neck foxes in without duty and not on the quota. What a gyp! Our breeders did not even think of protecting themselves by naming all those color phases separately, because they were honest and knew they are nothing but silver fox in its variations. But the foreigners lay quiet until all was set and then come in with this foolish argument for Hull to fall for—the argument that they are a separate breed of their own, which everyone knows is not true. So, for heaven's sake protect us against that sort of thing, because that will lick us. What we want is as follows:

1. Put the trade treaties back in the hands of Congress.
2. Do not let platinum, ring-neck, or white-faced foxes in without duty; and count them in on the quota. Do not class them under anything but silver fox, because that is what they are.
3. Have the trade treaties cease when they expire in June.

The fact that they pulled this dirty stunt on us gives Congress a good point of argument in favor of a smaller quota and higher tariff, because they were not satisfied with things as they are, but want really to "hog" our markets, and do not care a rap whether or not the American rancher gets a dollar for his pelts or not. This stunt of their's makes us all angry and makes us want to shut them out entirely, which I hope you can do. So spread the news among all the Members, and fight, fight, fight, now, because now is the only time.

Yours truly,

GOLD STAR FUR RANCH,  
W. C. LIDDELL,  
President and Treasurer.

P. S.—January 9 they had a meeting with the Commissioner of Customs. Kindly get to him at once and stop this.

The reciprocal-trade treaties will go down in fox-farm history as one of the most unfair pieces of legislation that has jeopardized one of the infant industries of our country.

## Lincoln Day Address

### EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ADDRESS BY HON. BRUCE BARTON, OF NEW YORK

Mr. HARTER of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. BRUCE BARTON, of New York, at the Lincoln Day dinner of the Buffalo Athletic Club of Buffalo, N. Y., February 12, 1940:

We are met here to honor the memory of an American who was ill-fed, ill-clothed, ill-housed—and did not know it.

He was born in a log cabin without heat, running water, or any modern convenience. According to a philosophy now widely current, this was a hopeless environment; it should have convinced him from the start that he was doomed to failure.

His clothes were of crude homespun, ill-fitting, and worn until the fabric would no longer hold a patch.

His diet of corn pone and bacon lacked essential vitamins. His schooling was limited to a few scattered weeks, under teachers whose own schooling had been meager.

In such circumstances he should have been told that there was no hope. But no one told him this. Instead, he was told that he was fortunate because he had been born in a country where any boy might properly aspire to even the highest success, even the Presidency of the United States.

He was told, also, that self-discipline and hard work were his only path to salvation, and that if he neglected them he would be poor and wretched all his life.

It was generally accepted in those days that the privilege of self-government involved the responsibility of self-support.

The rule of living was the rule of thrift. The first three commandments were: "Eat it up;" "Wear it out;" "Make it do."

He had every excuse for discouragement, self-pity, and revolt. He should have been good material for the Communist Party, an excellent professional delegate to congresses of American youth. As such he might even have been invited to luncheon at the White House.

But no one let him know that the cards were stacked against him. No one suggested that it was useless to try. No one said: "It is too bad you did not come over here in the *Mayflower* because then you would have had a chance. Now it is too late. You were born poor and you will die poor. All the real chances are gone."

Instead, they said: "Root hog, or die." And, though in later life he had his dark moods of spiritual depression, he never seems to have doubted that, given any sort of break, he could and would take care of himself.

The name is Abraham Lincoln. As our distance from him increases his stature looms higher and his shadow lengthens. More and more he comes to be regarded as the greatest American.

In opening my remarks on this note I would not have anyone assume that I am unsympathetic with social reforms. The obligations of government now are very different, and rightly so, than they were in 1812.

"New occasions teach new duties,  
Time makes ancient good uncouth;  
They must upward still and onward  
Who would keep abreast of truth."

Everything government can properly do to adjust the handicaps in the game of life has the cordial approval of all right-thinking men and women. You and I would have no child born in a log cabin, no American, old or young, ill-fed, ill-clothed, or deprived of opportunity for self-respecting employment and the chance to contribute, up to the limit of his talents, to the progress of the community.

But my text tonight is neither the material handicaps of Abraham Lincoln nor the public career of Abraham Lincoln. I propose to speak briefly of the faith of Abraham Lincoln. I seek to remind you of the ancient truth that the life is more than meat and the body than raiment. We need this reminder. All our talk for too long has been of our stomachs and our pocketbooks. We have chattered on and on about the standard of living, when it is only the standard of our inner living—ambition, hope, self-reliance, sacrifice, faith—that makes life worth living at all. We bow low before the golden calf of "purchasing power," and interpret the more abundant life in terms of the second payment on a second car. Our eyes are blurred with covetousness, jealousy, and avarice; and we have almost forgotten that where there is no vision the people perish as surely as where there is no food.



From all this worship of the unreal and unimportant we draw ourselves apart tonight, to restore our perspective and refresh our spirits in reverence for Abraham Lincoln.

Today is the one hundred and thirty-first anniversary of his birth. One hundred years ago he was still unmarried and living in Springfield. He was a member of the Illinois State Legislature and junior law partner of John T. Stuart. I have framed on my office wall the original of the following memorandum in his own handwriting:

"Received of Moses M. Martin as administrator of the estate of Isaac Martin, deceased, the sum of seven dollars & fifty cents, in full for services rendered said estate.

"STUART & LINCOLN.

"OCTOBER 15, 1938."

This was in the days when a dollar was a dollar, and not 59 cents, when a man's estate passed to his children and not to the tax collector, and when a lawyer's duties were quickly performed and cheaply paid because they did not involve interminable wrangling with his government.

As a young man Lincoln once floated down the Mississippi on a raft of logs to be sold in the lumber market of New Orleans. Those logs were cut by rugged men who swung their axes in the wilderness from sunrise to sunset. Most of them, having little ambition or imagination, were not more successful in those good old days, now regarded as teeming with opportunity, than they would be today. They were born poor, worked hard, spent more than they earned, or invested unwisely, and died poor. Only occasionally one of them, looking further ahead, was willing to forego the immediate expenditure of his wages and stake his surplus on a gamble on the future. Such a man bought cheap woodland, hired other men to chop, and by wise management accumulated capital, perhaps a fortune. The lumber built homes; it became ties for railroad tracks spanning the continent; it became ships that carried the flag of the young country across the seas.

The men whose courage and capital shaped the timbers and fashioned the houses and the ships and stretched the gleaming rails across the prairies were once hailed as "subduers of the wilderness," "developers of a continent," "conquerors of a new world," "creators of a civilization."

Of late we have been told that they were only "pillagers of our natural resources," they were "robber barons," they "stripped a continent of its riches," they took all and contributed nothing.

Some years ago, John A. McCall, builder of the New York Life Insurance Co., lay dying. It was soon after the Hughes investigation had shown some glaring inequities in the conduct of the insurance companies, and the New York World was running day after day at the head of its editorial column, "McCall must go. McCall must go."

Smarting under the abuse, broken-hearted by the awful fall from popular esteem to public hate, McCall turned his dying eyes to a friend and exclaimed, "My God, and did I never do anything good for the New York Life?"

Our fathers lived in the age when the men who made America were all good; now we have the age when all they did was bad. So the pendulum swings from right to left, from overpraise to overblame, from pride to cynicism.

Lincoln steered a middle course. He was not much impressed by position or wealth. He once remarked, "I have talked with great men, and I cannot see wherein they differ from others." He contended that God must love the plain people, or He would not have made so many of them. He never lost his sympathies with the poor and distressed. On the other hand, he knew that unless there were opportunity and reward for the self-reliant we should have no progress, for it is ever the strong who must pull and the weak who ride.

Said he (in 1860): "What is the true condition of the laborer? I take it that it is best for all to leave each man free to acquire property as fast as he can. I don't believe in a law to prevent a man from getting rich; it would do more harm than good."

And in the year preceding: "Men who are industrious and sober and honest in the pursuit of their own interests should after a while accumulate capital, and after that should be allowed to enjoy it in peace, and also, if they should choose, when they have accumulated it, to use it to save themselves from actual labor, and hire other people to labor for them. In doing so they do not wrong the man they employ, for they find men who have not their own land to work upon, or shops to work in, and who are benefited by working for others—hired laborers, receiving their capital for it. Thus a few men that own capital hire a few others, and these establish the relation of capital and labor rightfully—a relation of which I make no complaint."

Are these the words of a reactionary with no social conscience? They are the words of one whose tears ran down his cheeks as he reviewed the applications of condemned soldiers for pardon, and who put his hand to the document that set 3,000,000 human beings free.

We honor him as the high, calm, brooding, dauntless spirit that kept alive the courage of our ancestors through their severest crisis and left us a united Nation. We say of him: "He won the Civil War." But in another, though more limited sense, it might be said that Cyrus McCormick won the Civil War. The invention of the reaper came just in time to make it possible for the lesser strength of women and children to harvest the crops and so free the men from the wheat fields for the field of battle. Lack of food and transportation hampered the Confederacy even more than lack of men. Without the reaper the Union armies could not have

been so adequately fed, and the war conceivably might have had a different ending.

Nothing could illustrate more aptly the necessary interdependence of government and industry. Those men, either in government or in business, who minimize this interdependence do the country poor service. We know that without stable government business cannot prosper, whatever the ingenuity or initiative of its managers. We know this because it has been proved in our history. In the days immediately following the Revolutionary War our ancestors found themselves in possession of a country richer in resources than any in the world. Fish and fowl, timber and metals, fertile land and water power—every material asset was here for the creation of quick and widespread prosperity. Yet the letters written at that time reflect demoralization and hopelessness on the part of Americans in private as well as public life. A few years passed, just a very few years, and Thomas Jefferson was able to write to a friend abroad that the country was enjoying almost unbelievable prosperity, that of all lands under the sun ours was surely the most to be envied.

What had happened in that little interval? The same land was here, the same resources, the same people. What miracle had so suddenly banished fear and inspired an almost unlimited hope? Only one thing. In those brief months a stable government had been set up, and George Washington elected President of the United States. The Government had indicated its purpose to restore and defend the national credit, which is the foundation of all business confidence. This rich country, lying prostrate, was transformed into a rich country standing upright, forward looking, strong and self-reliant, because, and only because, of government. Without strong government there can be no business.

Equally it is true that prosperous, independent business is the indispensable support of liberty. Democracy breaks down first, not in its political machinery, but in the economic processes which nourish it. Bad business, unemployment, hopelessness on the part of employer and employee alike—these have been the beginning of the disaster in every country where democracy has been lost.

Abraham Lincoln saw this two-sided picture as clearly as any man who ever lived. There were some greedy, selfish businessmen and bankers in his day, as in every other. When a delegation came to him from Wall Street complaining about the burden of taxation and governmental interference with their business, he gave them short shrift. Unless the Government should succeed in saving the Union, he said, they would have no business. He could utter stern rebuke when private enterprise needed it, but he made no trips around the country denouncing businessmen, or threatening that "if business does not, Government will." He knew that, in the final analysis, the preservation of the Nation depended not on bureaucratic controls, but on the character and self-reliant effort of the people, expressed through their own freely managed activities, big and small.

Never in his long political career did he utter a demagogic appeal. Never did he promise that merely by turning one party of politicians out and installing its opponents in office the people could solve all their problems, or relieve themselves of the obligations of self-reliance and toil. He knew too well the tragic history of such promises. He may have remembered the night when Napoleon stood in his palace in Paris after the defeat at Waterloo, surrounded by a little remnant of what had been his glittering company of courtiers. It was a warm night, and the windows were open. Outside in the street a crowd of common people gathered and cheered Napoleon, and begged him to form them into another army and lead them once more against his foes. Amazed by the demonstration, Napoleon turned to his followers: "Why should they cheer me?" he exclaimed. "What have I ever done for them? I found them poor, I leave them poor."

This is the bitter epitaph of too many of the world's political great. They find the people poor; they promise them an easy abundance, and they leave them poorer, not only by added debt but by the loss of their illusions and their hope. The record of industry, on the whole, is better than the record of government. Business does not find the people poor and leave them poor. Business finds the common man chained to his doorstep with no horizon beyond the limits of his own small town. It leaves him in his automobile, freed from the shackles of time and distance with the whole continent for his playground. It finds the farmer bending over the hoe, or the farmer's wife over the washtub, as their ancestors had done before them wearing themselves into early graves; and it leaves the farmer riding on his tractor, the woman sitting beside an electric washing machine, each one doing more work in a day than used to be possible in a week, and coming to the end of the day untired.

The New York World's Fair, that stunning record of the past and thrilling promise for the future, was not Government's creation, but the child of industry. Henry Ford has had more influence on the breadth and scope of American life than almost any dozen sessions of Congress. There are industries in your own city that have added more to the health and happiness of the people of your State than any session of the legislature. The abundance of life that can be enjoyed on this rich and still young continent is unlimited if American Government and American industry work together in mutual understanding and respect. This truth Abraham Lincoln knew, and by it he profited.

Of late we have been misled and disheartened by the repetition of too many myths. The myth of the simple days, the days when everything was easy as contrasted with the present when problems are assumed to be hopelessly complex. But there never were any simple days. Listen:

"Whatever the cause of the panic the disaster was widespread; bank after bank went under, boom towns in the West collapsed; eastern mills shut down; working people in the industrial centers, starving from unemployment, begged for relief."

To what panic do those doleful words refer? To the panic of the complex days of 1929? No. The panic of the simple days of 1837.

We are incessantly assailed by the myth of the vanished frontier. It was in 1893 that Prof. Frederick Jackson Turner delivered his now famous address at the Chicago World's Fair, pointing out that the census of 1890 had, for the first time in our history, revealed a slackening in the western surge of population; the free land was gone. For more than a generation his address was neglected and almost forgotten, until suddenly it was resurrected to become the theme song of the despairers of today.

What are the true facts? There never was a frontier in the sense that any man or family, regardless of its ability or determination, could move West and find easy fortune. Tens of thousands were born in log cabins in the same year Lincoln was born, and many if not most, of them died in log cabins. The pioneer is a creature not of time but of spirit. The frontier, like the kingdom of heaven, is within us. If America's horizontal frontiers are closed, our vertical frontiers, the possibilities of lifting the whole standard of American life have hardly begun to be explored.

Depressing myths are no invention of the present; they have been always the escape and the alibi of the faint of heart. Abraham Lincoln had no time or patience with them. The Civil War which he and others had hoped would end in 90 days dragged its bloody course across 4 frightful years. All around him men lost their hope; great newspapers cried out against the awful slaughter and called for a truce. Many expressed open and even violent doubt as to whether the Union at such a price was really worth preserving. In their hearts they surrendered, but never he. He had learned from his earliest youth that what is most precious in life must be paid for in hardship, and staying power, and blood. These are his words to the soldiers of the One Hundred and Eighty-sixth Ohio in the fourth year of the war:

"I almost always feel inclined, when I happen to say anything to soldiers, to impress them, in a few brief remarks, the importance of success in this contest. It is not merely for today, but for all time to come, that we should perpetuate for our children's children that great and free government which we have enjoyed all our lives. I beg you to remember this, not merely for my sake but for yours. I happen temporarily to occupy this White House. I am a living witness that any one of your children may look to come here as my father's child has. It is in order that each one of you may have, through this free Government which we have enjoyed, an open field and a fair chance for your industry, enterprise, and intelligence; that you may all have equal privileges in the race of life, with all its desirable human aspirations. It is for this the struggle should be maintained, that we may not lose our birthright, not only for 1 but for 2 or 3 years. The Nation is worth fighting for, to secure such an inestimable jewel."

Those solemn and prophetic words should be a part of the ritual of every American home.

Often disappointed in subordinates, often let down by those in whom he had placed responsibility, he never lost his trust. His clear, firm eyes pierced deep into the souls of men and women and knew them for what they are—none wholly bad, none completely good. But, on the whole, more good than bad.

So he believed in the masses.

So, also, he believed in himself. That he might save the Union, he was willing to humble himself to an extent which made some of his associates burn with anger. When one night General McClellan delivered an unforgivable snub, Lincoln's aides hotly demanded that the contemptuous young general be forthwith removed. Lincoln brushed them serenely aside. "I will hold McClellan's horse," he said, "if only he will give us victories." The self-abnegation denoted no lack of self-respect. On the contrary, he knew himself to be so immensely superior that he could afford to be immensely tolerant. A powerful Senator came to him another night at the White House to demand that he reorganize his Cabinet. The Senator, a friendly supporter, pointed out what was only too clear to every Washington observer, that Secretaries Seward, Chase, and Stanton each believed himself better fitted for the Presidency than his chief. Lincoln refused to take the suggestion seriously. He knew the faults of his advisers, he said; he knew their private criticisms and connivings, but he had no fear. The Senator, recording the conversation in his diary, wrote in some amazement: "He (Lincoln) said with a good deal of emphasis that he was master."

A few months after Lincoln's death, young John Hay, who had been his secretary, was in Washington and paid a visit to this same Senator. Dissensions between the new President Andrew Johnson and the Congress were high, the problems of reconstruction seemed almost too great for solution; Washington was a distracted city. Wrote young John Hay in his diary: "He (the Senator) feels very gloomy. Thinks we are going to the devil. He is a brighter man and an older man than I, but I know we are not."

Lincoln never for one moment allowed his mind to entertain the poisonous idea that America or the American people were going to the devil. He carried the feelings and faith of youth into old age, and this is genius. Buoyed up by the inner consciousness of mastery, he cared little what the uninformed might say or do. Men disappointed him often, but he never let himself grow cynical. Presiding over a land torn by civil strife, he kept his eyes fixed firmly on the hour of reunion which he knew must come.

Inwardly warmed by spiritual fires, he was almost unconscious of being ill-fed or well-fed, ill-clothed or well-clothed, ill-housed or well-housed. He believed in the American people, in the integrity and strength of his own purposes, and in the final victory of the will of God. In this conquering faith he solved his seemingly impossible problems. Insofar as we are worthy to share that faith, we shall solve our lesser problems, also.

Let us then here rededicate ourselves to the service of our country that he, being dead, shall not have died in vain. Let us drink deep of his belief in America, and be ashamed of our doubts. In his own words:

"With malice toward none, with charity for all, with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in \* \* \* to do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations."

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. THOMAS F. FORD. Mr. Speaker, with the main purpose of the reciprocal-trade program the opening of markets for our export surpluses—both agricultural and industrial—no group takes issue. But some, following the exploded theory that a nation is enriched only through its exports and is impoverished by its imports, are honestly worried over imports. It is on agricultural imports that the opposition has centered.

Yet it can be shown and has been shown that there is no basis for such opposition. The fact is that our export trade with the 21 countries with which we now have trade agreements fell from \$3,000,000,000 in 1929 to one-third that in 1933, and has doubled since the trade agreements have been made. Moreover, our export trade with the agreement nations increased 61 percent between the years 1934-35 and 1937-38, while our import trade increased only 35 percent. With the nonagreement countries our imports and exports each increased about 37 percent—a slightly larger percent of imports than with the agreement countries, and a much smaller increase in exports.

#### FARMERS' CASH INCOME INCREASED

Perhaps the best test of the effect on agriculture is a comparison of our farmers' cash income at different periods. In the tragic boom year of 1929 our farmers' income exceeded \$11,000,000,000. At that time farm products in the United States supplied 90 percent of our home consumption of such products. While the farm income fell in 1933 to a little over \$5,000,000,000, the American farmer supplied 93 percent of the home market for such products.

The trade-agreement program has left the farmer in possession of 93 percent of the home market, while the farmers' income has risen to nearly \$8,000,000,000.

How any friend of the farmer can ponder these facts and still claim that the farmer is suffering from the program is beyond the comprehension of most of us.

#### AGRICULTURAL IMPORTS PRINCIPALLY NONCOMPETITIVE

Of course, everybody knows that we have a long and important list of agricultural commodities that we do not produce here and that we regularly import. And yet the opposition has the brazen effrontery to cite the \$795,000,000 of "agricultural" products that were imported in the first 9 months of 1939 without making any attempt at breaking these figures down to show what percentage of these imports are or are not competitive products. Common honesty demands that this be done, and when it is done, the facts disclosed are as follows: At least two-thirds of these products, amounting, roughly, to \$530,000,000, were products that the Smoot-Hawley Tariff Act placed on the free list because they are products that we do not produce at all and must import or go without. Among these necessary imports, entirely noncompetitive, are coffee, rubber, raw silk, bananas, cocoa beans,



tea, carpet wool, sisal. Even the most rabid proponent of a high protective tariff admits that such essential products should be admitted free of duty. Therefore the only possible controversy is confined to the remaining one-third of the agricultural imports.

These include products which we produce but not in sufficient quantities to supply our needs. Practically all are subject to a high duty. But that duty has not stimulated production sufficiently to meet the home demand. Imports are necessary. Then there are products which have different grades or qualities, not produced here in sufficient quantity, which must be imported. The high tariff does not keep them out, because we want and need them. The same is true of certain fruits and vegetables that are produced here only in restricted seasons. We import when a home supply is not available.

#### DAIRY AND CATTLE IMPORTS INSIGNIFICANT

The charge that the dairy and cattle industries are injured by the program has been proven untrue. Secretary of State Hull pointed out in a recent speech that the income of the dairy industry declined under tariff embargoes from over \$1,800,000,000 in 1929 to about half that in 1932, and rose under our trade program to nearly \$1,400,000,000 in 1938. There is no denying that. Nor is there any denying that in 1938 the imports were only one-half of 1 percent.

As to the cattle industry, it still has from 95 to 98 percent of the home market and the one and a half percent admitted under the trade agreements are subject to quota, grades, and other restrictions. Incidentally, those politically minded cattlemen who are attacking the trade program might take a look at their bank accounts, at the high market quotations, at the black ink which has replaced the red ink of the Smoot-Hawley period.

#### PROGRAM HAS STIMULATED EXPORTS

Turning now to the general effects of the reciprocal-trade program, we might ponder on the increase in exports of industrial plants. As I have stated, the exports to trade-agreement countries increased 61 percent; to other countries, only 38 percent. This is from 1934-35 to 1937-38. Turning to the statement of Isador Lubin, Commissioner of Labor Statistics, Department of Labor, I quote this paragraph:

This increase in exports provided a direct stimulus to employment. According to estimates made by the Department of Commerce the number of persons directly employed in the production of exported manufactures increased from 374,000 in 1933 to 673,000 in 1937, an increase of approximately 300,000. This figure takes no account of persons employed in the transportation of the exported commodities, such as railroad, truck, ocean shipping, and longshore workers, and, furthermore, it does not include persons employed in the production or transportation of the raw materials, fuel, and other products used in producing these exported commodities. Hence the increase of approximately 300,000 jobs represents only a part of the employment directly created by the increase in our export trade. Nevertheless, it is a substantial figure, showing that our export trade in manufactured goods has made a substantial contribution to business recovery since 1934.

#### IMPORTS NECESSARY TO OUR LIVING STANDARD

As I said, no one objects to exports. But it is essential to realize that, without imports, it is impossible to keep up a large export trade. Imports and services—shipping, banking, insurance—must in the long run balance exports and services. That is, our credits for exports and services we perform in the way of shipping, and so forth, must ultimately balance our debts for imports and services rendered us. The only alternative is for us to take foreign securities, foreign investments, or gold. We have been taking the gold and have thus accumulated such an enormous quantity that it has become a major problem. This gold, incidentally, came to us not because we pay \$35 an ounce for it, the fact being that the price of gold has been generally uniform in the United States, England, France, and other nations. The gold has been shipped here to establish credits either to pay for the greater value of our exports over our imports or to invest here because under the New Deal this has become the safest country in the world for investment.

I am told that one of our largest apartment houses in the city of Washington is owned by the queen of a friendly little

neutral nation and that many other large buildings here and in other cities are owned by well-known citizens of other nations. Those investments have been made possible through the shipment of gold here and not by larger imports.

#### TRADE AGREEMENTS HELP BOTH INDUSTRY AND AGRICULTURE

My own great State of California has greatly benefited from the reciprocal-trade agreements. They have opened markets for our surplus dried and canned fruits and vegetables and for other agricultural products. And by stimulating industrial production the agreements have opened thousands of jobs, at a time when jobs are the crucial need of our disturbed people. This has only just begun. It is my hope and my belief that with a development of this program, with a steady increase in production, transportation, and consumption, more and more employment will be created. This is essential to the very life of thousands of our citizens who survived the boom of the twenties only to find themselves bereft of their savings and unable to get a new foothold in a rapidly changing scene which left them impoverished in the midst of "surplus" products of all kinds.

To repeat, I wish to again state that the reciprocal-trade treaties have opened markets for millions of dollars' worth of our surplus commodities. By so doing they have given employment to hundreds of thousands of our citizens. They have helped the employer and the factory worker by opening the way for the sale abroad of surplus factory products, while lowering the tariff on essential raw materials. They have helped the farmer in two ways. First, by opening markets for a part of his surplus and thus also preventing a collapse of domestic prices; and they have helped him in an indirect and even more important way by increasing the employment, wages, and purchasing power of his city customers.

Lastly, the program has been of untold benefit to consumers by keeping prices at a reasonable level and thereby raising the standard of living.

### The Reciprocal Trade Agreements Program

#### EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. DITTER. Mr. Speaker, before the Congress today is a bill to extend the authority of the President to negotiate reciprocal-trade agreements for another 3 years. For 6 years we have been operating under this program, and yet no single piece of recent legislation is subject to more confusion, more misunderstanding, and more purposeful misrepresentation than is this program of tariff bargaining. Claims and counterclaims have been indiscriminately made by both proponents and opponents of this bill, many without any basis of fact, and few, if any, designed to clarify the issues posed by this program. Is it any wonder, then, that in a recent Gallup poll, only one out of ten voters in the country had any conception of the philosophy underlying the program?

What is the philosophy underlying the trade-agreements program? In the terms of the act itself it is simply—

For the purpose of expanding foreign markets for the products of the United States . . . by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production.

To achieve this purpose the President was authorized to seek concessions for our products in foreign markets and, in return, to grant concessions to foreign producers on products which we need. The concessions given and received are embodied in a reciprocal-trade agreement and go into effect at the discretion of the President. In a further effort to expand exports the principle of multilateral trade was to be encouraged. This is simply a guaranty of equal treatment in

the American market to goods of all countries which guarantee equal treatment to American goods in their markets. In simplified terms this is what is involved in the unconditional most-favored-nation policy.

Is the Republican Party opposed to the underlying philosophy of the trade-agreements program as expressed in the act? Certainly not. May I quote from a speech by a very prominent statesman to support this claim:

By sensible trade agreements which will not interrupt our own production, we should afford the outlets for our increasing surpluses. \* \* \* We must not repose in fancied security that we can forever sell everything and buy little or nothing. \* \* \* We should take from our customers such of their products as we can use without harm to our industries and labor. \* \* \* The period of exclusiveness has passed. The expansion of our trade and commerce is the pressing problem.

This statement was made by President William McKinley on September 3, 1901. The Republican Party was the originator of the doctrine of reciprocity and throughout the succeeding years has steadfastly held to this principle as the only profitable way for the United States to conduct its foreign trade. Efforts by the new dealers to fasten the tag "embargoists" on the Republican Party is sheer nonsense and only serves to divert the attention of the people from the real issues posed by this program.

Stripped of all misrepresentations and name calling, the issues are:

First. Is the Reciprocal Trade Agreements Act constitutional?

Second. Has the program expanded our export trade?

Third. Have foreign goods been admitted on the basis of need?

Fourth. Has the program been successful in promoting multilateral trade?

The question of the constitutionality of the act hinges on the methods provided for the accomplishment of the aims mentioned previously. These are, first, to authorize the President to enter into trade agreements with foreign governments; and second, to proclaim such modified duties as are required or appropriate to carry out any such foreign-trade agreement. In the first instance, Congress has delegated to the Executive a power which Congress itself does not possess. Is there any provision in the Constitution authorizing the Congress to negotiate agreements with foreign governments?

The Constitution does provide, however, that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." Thus these agreements are based either on a power conferred, but not possessed, by Congress, and are therefore nullities, or they are treaties and must be concurred in by two-thirds of the Senators present. I am convinced that they are treaties and that unless concurred in by the Senate are unconstitutional.

The provisions of many of the agreements concluded thus far have only served to strengthen this conviction. In the first place, a majority of the countries require ratification by their own legislatures. Secondly, in the trade agreements with Cuba, Belgium, Honduras, and Colombia it is expressly provided that the provisions of these "agreements" supersede any inconsistent provisions contained in previous treaties concluded between the two governments. As that great statesman, Senator Borah, said at the time the agreement with Colombia was signed:

We have a treaty with Colombia, which is conceded to be a treaty made in the usual course of negotiating and ratifying treaties. We have a trade agreement with Colombia. Certainly nothing less than an agreement equal in force and effect to a treaty could abrogate the first treaty.

The Constitution expressly provides that—

The Congress shall have power to lay and collect taxes, duties, imposts, and excises. \* \* \*

Under the provisions of this act Congress has authorized the President to raise or lower our duties by 50 percent, but provides no definite standards to guide the Executive in his selection of duties which may or may not be reduced. The delegation of powers by Congress without adequate standards

has long been recognized as unconstitutional and has been so stated by the Supreme Court in numerous decisions.

Why, then, has not this act been tested by the courts? The answer can be found in the act itself, which denies to a manufacturer, producer, or wholesaler the remedy allowed by section 516 (b) of the Tariff Act of 1930. Under this section a manufacturer, who considered himself aggrieved by an assessment, could file an appeal with the Secretary of the Treasury, and if not satisfied could carry his case through the various customs courts and under certain circumstances to the Supreme Court itself. With this right denied, however, it is impossible to prove injury through a reduced duty which is not common with people generally. The only means available for removing this statute from the books or for making it conform to the Constitution is right here in the legislative branch of our Government. In the interests of constitutional government we must pursue one course or the other.

No one will deny that our exports have increased in recent years. In an effort to inflate the value of the program, the State Department points with pride to a 97-percent increase in our export trade from 1932 to 1939. This, they claim, is a result of the trade-agreements program. As is true with so many other statements made in connection with the program, this figure is subject to close scrutiny. When examined closely, we find that from 1932, the low point of the depression, to 1935, before the program went into operation, exports increased 42 percent. From 1935 to 1939, while the program was fully operative, exports increased but 39 percent. Was this due to the trade program or to general world recovery? The larger increase from 1932 to 1935 would certainly seem to indicate that our exports increased primarily as a result of world recovery and would have taken place irrespective of the trade-agreements program.

Agriculture's stake in any program designed to increase our export trade is obvious. No single branch of American production is more dependent on foreign markets for prosperity. In advancing the trade-agreements program proponents claimed that agricultural exports would increase and that "a better relationship between agriculture, mining, and manufacturing would be maintained." What has happened? In preliminary figures issued by the Department of Commerce, agricultural exports in 1939 were actually 1 percent below agricultural exports in 1932, the bottom year of the depression. Over this same period exports of all United States merchandise increased 98 percent. Of more direct bearing on the program itself, we find that agricultural exports in 1939 are 12 percent below agricultural exports in 1935, a year in which agricultural exports were sharply curtailed as a result of the drought in 1934, while total exports increased 39 percent over this period. Is there any evidence here that the farmer has benefited from the trade-agreements program or that a better relationship between agriculture, mining, and manufacturing has been maintained?

Let us look at a few specific commodities. The most pressing problem facing agriculture, and those of us who wish to help the farmer, is the disposal of the huge surpluses of many agricultural products. The four most important of these are cotton, tobacco, wheat, and pork products. Foreign markets are essential for the producers of these commodities. The State Department claims that under the trade-agreements program markets for these surpluses have been found. What are the facts?

Proponents of the agreements program have been unanimous in their praises of the concessions we received on wheat and wheat flour. They point with pride to the increase of over seven times in the quantity exported to all countries from 1935 to 1938. What they neglect to point out, however, is that exports to concession countries increased but four and one-half times, while, over the same period, exports to nonconcession countries increased nearly nine times, or almost twice as much, relatively, as exports to concession countries. Nor do they mention that in 1938 we subsidized the export of millions of bushels of wheat, either in the form of grain or flour, and that a large percentage of the subsidized exports went to countries which granted us concessions. Have the agreements helped the wheat farmer?



Another commodity which is dependent to a large degree on export markets is cured pork. Here it is seen that from 1935 to 1938 the quantity of hams, shoulders, and bacon exported to all countries increased 3 percent. Exports to countries which gave us concessions, however, actually declined 9.5 percent, over the same period, while exports to all other countries increased 4.6 percent. It might be interesting to note that the quantity of total exports of all meat products increased 2 percent from 1935 to 1938. To countries which granted us concessions, however, exports declined 14 percent, while to all other countries they increased 4 percent. Have the agreements helped the livestock producers?

The case of cotton offers further illumination on the agreements program. The trade agreements have had no direct effect on cotton, as it enters all the important world markets duty-free. Cotton does offer, however, an excellent test of the theory often advanced that trade in all commodities would increase whether the subject of concessions or not. If there was any validity to this theory, certainly exports of cotton, in which we hold a dominant world position, should be the first to feel the upsurge. From 1935 to 1938, however, the amount of American cotton entering foreign markets has declined 22 percent, while over the same period foreign mill consumption has increased 10 percent. Has the cotton grower benefited from the trade-agreements program?

And, finally, it is well to examine the figures on tobacco. Here we find that from 1935 to 1938 total exports increased 23.4 percent. Exports to concession countries increased 29.1 percent, while to all other countries the increase was but 22.7 percent. This would seem to indicate that the trade-agreements program had been successful in promoting our exports of tobacco. It is necessary, however, to look a little deeper. Of the six concessions we received, only two represented decreases in duty. One of these concessions was made by Cuba, one of the world's largest tobacco-exporting countries, and the other by Colombia, which annually takes about 100,000 pounds. Further, from 1932 to 1938 exports to all countries increased 19 percent. Exports to concession countries, however, actually declined by 33.8 percent, while to all other countries there was an increase of 33.8 percent. Can anyone say that the tobacco grower has benefited from the reciprocal-trade agreements?

Of even greater significance from the standpoint of surplus removal is the percentage of our domestic production which enters export markets. In 1929 we exported 44.9 percent of our cotton production, 35.3 percent of our production of unmanufactured tobacco, 17 percent of all the wheat produced in this country, and 5.7 percent of our total production of pork products. In 1938, however—the last year for which figures are available—we exported but 28.1 percent of our cotton production, 28.3 percent of our production of unmanufactured tobacco, 11.4 percent of the domestic wheat production, and but one-tenth of 1 percent of our total production of pork products. Is there any indication here that foreign markets for our agricultural surpluses have been improved?

These are but a few examples of commodities which have shown no material gains directly attributable to the trade-agreements program. Proponents of the program can undoubtedly point to examples which show just the opposite picture; but what other four commodities combined annually account for approximately 65 percent of our total agricultural exports? Is any further evidence necessary to show the complete failure of the program in its avowed object of increasing the value of foreign markets for the products of our farms?

The third issue at stake is the expressed purpose of reducing our own duties "in accordance with the characteristics and needs of various branches of American industry." Let us examine some of the reductions made in the agreements concluded thus far. First, cattle; do we need Canadian and Mexican cattle? Does cattle from foreign countries possess a "characteristic" not present in American cattle? Next, milk and cream; do we need milk and cream? Do we produce insufficient quantities of milk to satisfy our domestic demand? Quite the contrary, we all know of the desperate

measures taken by our own dairy farmers to rid the market of unsalable surpluses. Do we need hay, oats, cherries, apples, cauliflower, potatoes, eggs, and many other highly competitive farm products? The answer is obviously "No."

It is only necessary to examine the operations of the Federal Surplus Commodities Corporation in recent years to ascertain just how desperately we need many of the commodities on which our duties were reduced. During the fiscal years 1938 and 1939, the Surplus Commodities Corporation, note the word "surplus," spent \$30,479,112 for removal operations of 20 commodities which in the judgment of the State Department were in such need as to warrant reductions of as much as 50 percent in many cases. Over this same period imports of these commodities were valued at \$92,298,000. Can there be any reasonable doubt that in the administration of this act, the State Department has arrogated powers which were neither granted nor implied by the provisions of the Reciprocal Trade Agreements Act?

And finally, I would like to comment briefly on the fourth issue—have we been successful in promoting multilateral trade? The basis on which multilateral trade is built is the extension and adherence to the unconditional most-favored-nation policy. In order to insure equal treatment for our commerce in world markets, we stand ready to extend the reductions made in the various trade agreements to like products originating from every country in the world. Only by discriminating against our trade does a nation forfeit the privilege of equal treatment in our market.

During the recent hearings on this act numerous attempts were made by members of the minority to ascertain from the Secretary of State and other administration witnesses precisely to what extent we were receiving most-favored-nation treatment from the nations of the world. No direct answer was received, but it was admitted, at least, by Assistant Secretary of State Grady, that—

We have not \* \* \* obtained 100-percent nondiscriminatory treatment in our trade with the world.

Even as regards the nations with which we have trade treaties, we are not even receiving most-favored-nation treatment in fact, although, as Secretary Hull told the committee, they have adopted that policy "in principle." While this may be true, it is nevertheless a fact that on March 1, 1939, trade-agreement countries were parties to 33 clearing agreements, 49 clearing-payment agreements, and 26 payment agreements. Thus, a network of exclusive agreements has been built up around the very markets in which the United States was guaranteed equal treatment. As to non-treaty countries who are receiving the benefit of our concessions, the Secretary of State stated that they are making the most-favored-nation policy "their long-view objective."

Though conceding that discriminations against American commerce still exist, Secretary Hull stated that the State Department was pursuing "a policy of patience and friendly representation" toward nations which were discriminating against us "to move as fast as they can or are reasonably disposed to" toward the ultimate objective of most-favored-nation treatment. The Secretary of State stated that the removal of these discriminations could not be accomplished overnight. However, the fact is that the treaty program has now been in operation for nearly 6 years, and the discriminations are as bad or worse than they ever have been.

The following quotations from the Annual Report of the Bureau of Foreign and Domestic Commerce for 1939 bear out the statement that discriminations are on the increase:

Obstacles to foreign intercourse \* \* \* became perhaps even more numerous and more complex during the past year than in preceding years. \* \* \* Various forms of exchange restrictions imposed by foreign governments have created a problem of obtaining effective payments in dollars quite apart from the ordinary difficulties of securing and holding foreign markets for American products. Not only are restrictions placed upon the free conversion of foreign currencies into dollars, but it may be required also that exchange allotments must be obtained before goods are passed through customs or even before goods are ordered. Imports from the United States are frequently on a different footing from shipments originating in other countries, notably in instances in which clearing and compensation agreements are in effect or in which bilateral trade results in an excess of exports from this

country, and special regulations are sometimes applied to the importation of particular commodities. Transfers of dividends, profits, royalties, and other payments not directly related to trade in goods are often subject to rigid controls. Moreover, the operations of American-owned enterprises in certain foreign countries, involving investments of large proportions, have been placed under severe disabilities.

In the case of barriers to trade in goods, there has been increasing resort to measures beyond the familiar tariff duties. For example, quota systems which stipulate maximum quantities of specified commodities which may be imported from all countries, have become common. \* \* \* The situation has been rendered the more confusing during recent times by political dislocations in central Europe and Asia, and by the formation of trade areas and currency blocs to which access from outside areas is completely or partially closed by the use of extraordinary control devices.

It is apparent that the other nations of the world are not following our leadership in putting into effect the unconditional most-favored-nation policy as regards import restrictions. The President, however, has it within his power to compel nondiscriminatory treatment for American products. He can do this either by withholding the benefit of our treaty concessions from those nations which in fact discriminate against us or, by availing himself of the more drastic powers contained in sections 337 and 338 of the Tariff Act of 1930, providing for penalty duties on imports from nations pursuing unfair practices and discriminating against American commerce.

The efficacy of the first method has already been proven in the case of one nation—Australia—which formerly was found to discriminate against American commerce and was temporarily denied the benefits of our treaty concessions. That nation was not long in removing those discriminations.

I do not believe that anyone can interpret these criticisms as advocating a policy of tariff embargoes. I have made a conscientious effort to propound what I believe to be a fair and honest criticism of the trade-agreements program. To summarize: The act as it now stands is unconstitutional; the program has failed to increase the value of foreign markets for our surplus agricultural commodities; our own duties have been reduced, not according to need as set forth in the act, but according to the whims and beliefs of a few classical economists; and, lastly, the program has not succeeded in assuring equal treatment for our commerce in world markets. After a 6-year test, the trade program has proven its inability to handle the complex problems posed by world conditions. As the difficulties increase, is there any reasonable assurance that they will be met more easily through this program? I do not think so. The results have not been encouraging. The philosophy can be sound, but the methods pursued to put a philosophy into practice have destroyed what might otherwise have been real benefits. I must oppose the extension of the program as dangerous to the welfare of American agriculture and industry.

### Reciprocal-Trade Treaties

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. WOLVERTON of New Jersey. Mr. Speaker, opposition to any further extension of the reciprocity trade agreement program is not based upon disbelief in the principle of reciprocity as a proper consideration in negotiating trade treaties between our Nation and other nations, but is based upon the fact that the administration of the act, under the Secretary of State, has shown an utter disregard of the necessity of protecting our farm and industrial workers from competing with commodities produced in foreign countries by the underpaid and overworked labor of those countries.

If the trade treaties already entered into had been confined to the importation of only those commodities which

we do not grow or manufacture in this country, then, there could be no plausible basis of opposition to any treaty arrangement that would take such in exchange for our own manufactured or grown products, and, for which other nations might have need. Such would be a fair exchange and would constitute true reciprocity.

But, unfortunately, the administration has used the powers delegated to the President without regard to the true principles that form the basis of real reciprocity. Such have been violently disregarded by entering into agreements that have made possible the importation of manufactured and farm-grown products from foreign countries as to which we already have a surplus. In some instances surplus being so great as to create a problem that has baffled solution.

#### RECIPROCAL TRADE TREATY PROGRAM DETRIMENTAL TO FARMERS

For instance, the administration has been at its wit's end to find a method to prevent surplus production of farm commodities. We have seen all sorts of panaceas tried, including crop curtailment, and, as a last resort purchase by the Government of such surplus and distribution to the needy. Up to the present time no substantial remedy has been found even though millions of dollars have been expended in the vain attempt to do so. And, yet, in the face of this condition the administration has negotiated treaties that have made possible the importation of the very commodities of which we already have a surplus. The result has brought additional distress to the farmers of the Nation.

Thus, we find that notwithstanding the fact that the Federal Surplus Commodities Corporation has been engaged in an endeavor to remove the surplus of no less than 20 different farm commodities, the State Department has negotiated reciprocity treaties with foreign nations that have reduced the tariff on the same commodities, thereby making it easier, and, in fact possible, for those foreign countries to send into this country the same commodities of which we already have a surplus. During the fiscal years 1938 and 1939 we spent \$30,749,112 on surplus removal operations and during the same period there were imported into the United States \$92,298,000 worth of these same commodities from abroad.

The damage that has been done to the American farmer as result of the administration's reciprocity treaty program was well and forcibly expressed in the resolution adopted by the National Grange at its annual meeting held at Peoria, Ill. The resolution was as follows:

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

The American Farm Bureau Federation by resolution, in part, demanded:

That no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.

Thus these two great national farm organizations recognize the distress that can result to our farmers by agreements that do not take into consideration the prevailing conditions.

#### DETRIMENTAL TO LABOR

There is also a striking inconsistency between the trade treaties and the national labor policy recently adopted by Congress. In an endeavor to increase the wage level of labor and improve working conditions, we enacted a law providing for minimum wages and maximum hours in industry. The trade-treaty program, in permitting importation of competitive products from foreign countries, where the wages paid are but a fraction of those received by American workers, and where there is no such thing as a 40-hour week or an 8-hour day, has the effect of setting at naught in such cases the beneficial results sought to be attained for our workers by our National Wage and Hour Act.

Likewise, our immigration law and the Asiatic-exclusion law have been nullified to a large extent by the reciprocal trade treaty program. Under the latter, the products of



cheap foreign labor are allowed to be brought in here to displace the products of our own labor. The competition thus created is just as keen and disastrous as if the foreign-made goods had been manufactured in this country under the same adverse wage and working conditions that prevail abroad.

Thus the importation of these foreign-made goods, by reason of the preferential tariff rates provided in the reciprocal-trade treaties, has a tendency to break down our American standard of living. It is this threat that prompted representatives of groups of workers who have been adversely affected by the trade treaties to appear before the Ways and Means Committee of the House and protest against continuance of the reciprocity treaty program.

#### DETIMENTAL TO INDUSTRIAL RECOVERY

It is generally agreed that confidence is one of the most necessary elements of industrial recovery. It can be readily seen that confidence cannot be created where uncertainty exists as to what industry will next be brought into competition with foreign-made goods imported in this country under preferential tariff reductions granted by the reciprocity trade treaty program. The American producer is finding it increasingly difficult to face this severe competition even with full tariff protection, and without it the situation becomes almost hopeless. I hate to think what the result will be when the millions now under arms in foreign lands return to their workshops and start manufacturing goods that will be sent into this country under the reciprocal-trade treaties already in effect. I well remember the disaster that came to our industrial establishments after the last war as a result of an influx of foreign-made goods, and I do not want to see that happen again. Up to the present time the war raging in Europe has saved us from it, but what about the time when the war is over? To contemplate the adverse result on our economic structure is enough to create serious concern.

#### MOST-FAVORED-NATION CLAUSE

One of the most unusual and unexplainable provisions of our foreign-trade policy is that which gives the benefit of any and all provisions of every reciprocity trade treaty, not only to the nation that enters into the same with this country, but also to every other nation of the world (except Germany). In other words, every other nation gains all the benefits without giving up to us anything in return. Such an arrangement violates the most fundamental principle of reciprocity. Reciprocity means exchange. It contemplates giving up something for that which is received. But under our policy as now in effect we give up to one nation in return for what we receive from it, and all other nations immediately receive the same benefits as the contracting nation, and without giving any benefit to us in return. Such a one-sided arrangement fails to even approximate reciprocity and in my opinion is neither sound nor justified.

#### CONGRESSIONAL APPROVAL OF ALL TREATIES

Another fundamental defect in our reciprocity treaty policy is that which makes the treaties negotiated by the Secretary of State effective without the approval of either the Senate or the House. The Constitution seems clear and explicit in this respect. There would seem to be no doubt that all treaties should have at least the approval of the Senate before becoming binding upon our part. There is also much to be said in favor of the necessity of House approval of this particular type of treaty, but certainly there can be no plausible reason to deny the necessity of Senate approval before such treaties become binding on this Nation.

But aside from this constitutional question there is both reason and justice in the demand that all these trade treaties should have the approval of the elected representatives of the people in Congress before becoming effective. Under the procedure by which our reciprocity trade treaties are negotiated no one knows the name or identity of the person or persons by whom the treaties are finally negotiated. Nor is any information divulged to our American businessmen as to what commodities are to be the subject of the proposed treaty. The only information that is made public is the

name of the nation with whom the treaty is being negotiated. This necessitates every individual who has any business that might be affected by a treaty with such a nation to submit a brief explaining why his particular business should not be included in the treaty. And no one knows until the treaty is made public whether his business is included or even been under consideration. A closed-door policy such as this is neither right nor just nor is it conducive to the best interests of industry, agriculture, or labor. I do not believe that unknown and unnamed individuals in a bureau of government should be permitted to negotiate treaties affecting the life and death of American industry and agriculture. Congress, and no bureaucrat, should have the last say as to what is best for America.

In presenting these views I have not set forth all the matters that might properly be the subject of amendments to improve the reciprocity trade policy, but those which I have mentioned are, in my opinion, fundamental and without which I would feel justified in voting against adoption of the pending resolution.

### The Taxpayer Is To Blame

#### EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ADDRESS BY STACY B. D. BELDEN

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a recent address of Mr. Stacy B. D. Belden, secretary of the Delaware County (N. Y.) Taxpayers Association and editor of the Dairyman Press, Franklin, N. Y.

The address is as follows:

If anybody is to blame for the tax structure as we have it today, it is ourselves; we complain to our friends about high taxes, but usually not more than two or three men are ever enough interested to attend even a town budget hearing.

When 2,800 C. I. O. members march four abreast up to the capitol they make an imposing group. Legislators are there to carry out the will of the people. When no one appears on the other side, the spending group naturally exert the pressure.

The entire Government tax budget system is built on a spending basis. Departments are asked not "how little can you get along with during this year of limited incomes," but "how much does your department want?"

Unreasonable extravagances are the result. A winter sports book outlining the best places to ski has just been published at Government expense. I did my skiing in the old pasture. We are gone mad on the subject of recreation.

Our tax structure is built on an agricultural basis of land values, which was fine 100 years ago, but which is now outgrown. State aid has been instituted to help equalize taxes where land values are low.

But with greater State aid has come a stronger centralized government. In the last 5 years 16,000 new State jobs have been created, largely in the fields of mental hygiene.

More than \$1,000,000 a day is being spent to run our Government, \$400,000,000 a year more than the gross income from all the farms in the State. Business firms are leaving the State, leaving the tax burden greater on those left behind.

Westchester County, in New York State, started an investigation. They found the budget called for \$3,000,000 for the park commission. The investigators found the cause worthy, but extravagant, and through their efforts the budget for that commission was reduced to \$170,000. Now there are more than 500 taxpayers' organizations in this State. I am convinced, however, that real money cannot be saved until we turn things upside down in Albany.

The purpose of these organizations is fourfold:

1. To cut taxes by eliminating waste, duplication of effort, and all unnecessary expense.
  2. To know where the dollar is to be spent before it is voted.
  3. To keep the people informed on all tax problems.
  4. To get value and service for each dollar of tax expenditures.
- Complaining about taxes is not enough. The taxpayer must have facts to back him up and a definite, constructive program to place before tax-hearing committees, before he will even be heard. The day of easy money is past.

## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. CHARLES L. GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. GERLACH. Mr. Speaker, Members of the House of Representatives, in voicing my opposition to the reciprocal-trade agreements and to any extension of the Trade Agreements Act unless approved by both House and Senate, I want to make plain that I am doing so without thought of political partisanship. I am speaking solely for my constituents, who must earn a living without regard to politics and whose means of earning that living have been seriously impaired by the present trade agreements.

I want to say that in the short time I have represented my district I have supported many of the policies of the administration which I believed were of definite benefit to the people as a whole. I have always voted solely on what I believed to be the merits of the proposition under consideration, and my record will bear me out. And it is in that belief that I oppose the present trade agreements.

I am in favor of building up our foreign trade, but not at the expense of our domestic welfare. I am not in favor of sacrificing the farmers and laborers of the United States in order to promote foreign trade. We are making this sacrifice under the existing agreements, and I say to you that it is high time we put a stop to it.

It seems to me that our trade with foreign countries flourishes most in periods of domestic prosperity, for it is then that the American laborer and the American agricultural worker have adequate purchasing power—and that is multiplied at least seven times through its extension to national purchasing power—and it is then that we import the largest quantities of those things not grown nor manufactured at home; it is then that we spend most freely for foreign luxuries.

Therefore I say to you that the intelligent way to stimulate foreign trade—exports and imports alike—is to create first a sound domestic prosperity. Anything which improves the purchasing power of the American farmer and the American laborer will encourage foreign trade. But the present trade agreements do just the opposite, for they destroy and impair the purchasing power of a very large percentage of the American people.

Those who favor the trade agreements clamor that the reduced rates granted us by foreign countries make it possible for us to sell more goods to these countries and so increase our foreign market. I agree that this has a logical sound; but is it not just as true that when we reduce our tariffs the foreign countries who are benefited with the reduction expect to broaden their American market? When a Belgium agreement is made reducing the duty on cement shipped into the United States, the Belgians have a right to believe they will ship more cement into the United States. And they do ship more, to the extent that the domestic market is flooded with Belgian cement which can be sold at a lower price than the American product.

There is but one result to this procedure: Consumption of the domestic product drops; there is a decline in the industry; plants are shut down and men are thrown out of work; the loss of money that would have gone to make up pay rolls for these workers means a further reduction in the purchasing power of the American public. For this reason I am opposed to trying to build up foreign trade through destroying the purchasing power of the domestic consumer.

I know this to be fact, for my home district is one of the leading cement-producing districts in the Nation and I have seen the effect of the influx of foreign cement upon the work-

ers in the industry in my district. How could it be otherwise when, according to figures published by the Department of Commerce, Belgian cement under the trade agreements enters our country at a lower price per barrel than the cost of American manufacture?

The same thing is true of the farmer. My home district is one which contains one of the largest potato-producing counties in the country, and the farmers who have been raising potatoes as a livelihood have been seriously hampered by the trade agreements. When a Canadian agreement is made reducing the tariff on potatoes shipped into this country the same thing happens as in the case of Belgian cement. The Canadians certainly expect to sell their potato surplus in the United States and they do so. This takes away from the American potato grower enough of his domestic market to drive potato prices so low that the American grower's purchasing power is greatly impaired. And when this farmer's pocketbook is empty he cannot deal with the merchant, the tradesman, the doctor, and the dentist, and thus all business is down automatically.

My home district is also one of the Nation's foremost apple-producing sections, and here again the influx of the foreign-grown product under trade concessions has caused a tremendous loss to the local grower. So, as I see it, when we increase imports of these farm products into a domestic market already oversupplied, we are driving the domestic price further and further toward the bottom, and this while the Federal Government is spending billions of dollars trying to restore parity prices to the American farmer. To me this does not make sense.

I could offer countless instances of this type, but I have chosen those with which I am most familiar and which most affect the people whom I am here to serve. The same condition exists all over the United States just as it exists in my district. Where we are endangered with the oversupply of imported cement, potatoes, and apples, other districts face the same problems with beef cattle, oil, dairy products, sugar, and many, many other commodities.

I say to you that this is wrong. The best customer American industry ever has had, or ever can have, is well-employed and well-paid American labor, whether it be the industrial worker or the agricultural worker. Therefore we must keep the purchasing power of the American farmer and the American laborer at the highest possible point. The only way in which this can be done is to protect the products of the American agricultural and industrial worker by refusing to allow the foreign product to enter our shores at a price detrimental to the American producer. The American farmer and the American industrial producer are entitled to the American market, and I am firmly convinced that the trade agreements already negotiated have resulted in the decreasing of the American market for all American products. This has brought a lowering of both farm and factory income and of American purchasing power.

There are certain manufacturing interests who are seeking foreign markets for their products and who fail to realize that they are doing so at the expense of the domestic producers of raw materials. I fail to see why they should pursue the foreign market in preference to the domestic market, for in the long run they are paying a very high price for a little foreign trade, a price that is higher than the foreign trade is worth to the United States. I say to you that there is no reason for such procedure when it is a proven fact that the 130,000,000 American people consume an average of 90 percent of all that we raise and manufacture. We therefore should rid ourselves of the destructive reciprocal trade agreements program and make an honest effort to increase our foreign trade through policies that will increase the purchasing power of the American people.

There is one other aspect to these agreements which has a very drastic effect upon the American market, and that is the most-favored-nation clause as it is put into being by the good-neighbor policy of the administration. The fact is that the concessions granted under these treaties are given



not only to the 22 countries with whom the reciprocal treaties have been negotiated, but to 64 additional countries.

I cannot see that it is sensible for us to give concessions to Canada, and under the most-favored-nation clause, allow Mexico, with whom no reciprocal-trade treaty has been made, to claim the same benefits as does Canada. As I see it, the procedure is merely the throwing open of our domestic market to the whole wide world and allowing that market to become flooded over with the cheap foreign products.

It would be well for all of us to remember at this time the advice of President William McKinley, who said:

We should put a tax or duty upon products of foreign growth and manufacture which compete with like products of home growth and manufacture, so that, while we are raising all the revenues needed by the Government, we shall do it with a discriminating regard for our own people, their products, and their employment. Such a tariff stands as a defense to our own productions, as a discrimination in favor of our own and against the foreign, and as an encouragement to productive enterprises, as well as securing fair and reasonable prices to our own consumers.

I say to you that this is impossible under the reciprocal-trade agreements, and I say that they should be taken off our statute books, I do not believe that the power to negotiate such trade agreements should be given to one man, a man who is an appointed official, the people having no voice in his selection. I do not believe that this power should be given to one executive department. I repeat that I am in favor of extending our foreign trade, but not at the expense of 30,000,000 farmers and their dependents, and millions more of factory laborers. I say to you that any policy which affects so large a portion of our population should not be put into effect without the ratification of both Houses of Congress. I do not know of any other major nation with a democratic form of government which allows such trade agreements to become law without legislative approval. For the Congress of the United States to allow it is contrary to the very spirit of our Constitution. Therefore, in conclusion, I say to you that if we are to have any trade agreements at all, the power to ratify these treaties should be returned to the legislative branch of the Government, where it belongs.

### The Trade Treaties

#### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

EDITORIAL FROM THE BOSTON POST OF FEBRUARY 20, 1940

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Post of February 20, 1940:

[From the Boston Post of February 20, 1940]

#### THE TRADE TREATIES

The question of extending Secretary Hull's authority to make reciprocal-trade agreements has been taken up by Congress and strong opposition is likely to develop from various parts of the country, including New England. In order to promote our essential foreign trade by these reciprocal agreements, Secretary Hull has to make it easier for the foreign buyers of our goods to sell their goods here. This means increased competition for some American producers, and naturally they protest.

The main question, however, is, or should be, does the country as a whole benefit by these agreements; that is, do they benefit a larger number than they injure? In the past 6 years we have concluded reciprocal agreements with 16 countries. The total purchases of these 16 countries from all other countries increased only \$90,000,000 from 1933 to 1938, the last year for which figures are available. But in this same period their purchases from the United States increased \$464,000,000. This means that their purchases from all other countries except the United States declined sharply, while their purchases from us increased 63 percent.

That would seem to be a very substantial argument in favor of Hull's policy. The other thing to consider is what did we

have to concede to encourage this increase in trade? We have reduced our tariff rates from an average of 52.6 percent in the period from 1931-34 to 39.3 percent in 1938. That might seem a very substantial concession, but it only brings the average rate of 39.3 percent back to about where it was in the most prosperous period, 1922-30, when the average rate was 38.5 percent.

This good showing for the country as a whole, however, does not mean that every proposal of Secretary Hull is necessarily equitable for all concerned. There are instances where protest is not only justifiable, but may be imperative to save certain industries. But in a broad way his work has brought good results.

### The Military Order of the Purple Heart

#### EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. FISH. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I include the following resolution, in recognition of George Washington's Birthday observance, passed by the Military Order of the Purple Heart and read by the national adjutant at the ceremonies of that order held at George Washington's tomb at Mount Vernon yesterday:

#### RESOLUTION IN RECOGNITION OF GEORGE WASHINGTON'S BIRTHDAY OBSERVANCE

Whereas international relations in the Old World have again relapsed into turmoil and armed conflict, in which some Americans express favoritism and partisanship, which violate American traditions of tranquillity and peace; and

Whereas George Washington, first President of the United States and founder of the decoration of the Purple Heart, gave to us the great heritage of his convictions regarding the neutrality of America in all foreign entanglements: Be it

Resolved by the Ray Workman Chapter No. 50, Military Order of the Purple Heart, in regular meeting assembled on December 26, 1939, That we again avow our reliance upon the international policies of George Washington, in refraining from all political connections and military alliances with Old World nations. This policy is aptly revealed in the following letter to Patrick Henry, occasioned by the insistence of France for our reciprocal aid in her war against Great Britain, because of the aid to us by Lafayette in the Revolutionary War:

PHILADELPHIA, October 9, 1795.

MY DEAR SIR: I persuade myself, sir, that a crisis is approaching that must, if it cannot be arrested, soon decide whether order and good government shall be preserved or anarchy and confusion ensue. My ardent desire is to keep the United States free from political connections with every other country, to see us independent of all and under the influence of none. In a word, I want an American character, that the powers of Europe may be convinced that we act for ourselves and not for others. This in my judgment is the only way to be respected abroad and happy at home.

I am, my dear sir,

Your most obedient and affectionate servant,

G. WASHINGTON.

The Honorable Sir PATRICK HENRY.

And be it further

Resolved, That a copy of this resolution be sent to all schools, the press, veteran and patriotic civic organizations in Chicago, with our felicitations and solicitations for their concurrence and promotion by reading the above quotation as a part of their observance of George Washington's Birthday.

HERBERT J. OKE, Commander.  
LEONARD E. COLE, Adjutant.

Official. December 26, 1939.

Approved by the national executive committee of the Military Order of the Purple Heart in session February 10, 1940, and recommended to each chapter's consideration.

Official:

GEORGE F. BRADFIELD,  
National Adjutant.

Approved:

WENDELL A. LOCHERER,  
National Commander.

The first honor badge provided for the enlisted man in the ranks or the noncommissioned officer in the American Army was originated by Gen. George Washington during the Revolutionary War, at Newburgh, N. Y., which is in my

congressional district. This was known as the Purple Heart Decoration, and was announced in orders on August 7, 1782, at which time Washington said he wished to "cherish a virtuous ambition in his soldiers, as well as to foster and encourage every species of military merit." The first three and only awards were made by a board of three officers, including my great grandfather, Maj. Nicholas Fish.

The Purple Heart Decoration was forgotten after the Revolution, but was revived on the two-hundredth anniversary of the birth of George Washington in 1930. President Hoover ordered its reinstitution in 1932, to be awarded for meritorious service in time of war. Only those service men who were entitled to wear wound chevrons for wounds received in battle can qualify, except under special citations for meritorious service.

The general order by which General Washington established the decoration read as follows:

The general, ever desirous to cherish a virtuous ambition in his soldiers, as well as to foster and encourage every species of military merit, directs that whenever any singularly meritorious action is performed, the author of it shall be permitted to wear on his facings over the left breast, the figure of a heart in purple cloth or silk, edged with narrow lace or binding. Not only instances of unusual gallantry, but also of extraordinary fidelity and essential service in any way shall meet with a due reward. Before this favor can be conferred on any man, the particular fact, or facts, on which it is to be grounded must be set forth to the Commander in Chief accompanied with certificates from the commanding officers of the regiment and brigade to which the candidate for reward belonged, or other incontestable proofs and upon granting it, the name and regiment of the person with the action so certified are to be enrolled in the book of merit which will be kept at the orderly office. Men who have merited this last distinction to be suffered to pass all guards and sentinels which officers are permitted to do.

The road to glory is a patriot army, and a free country is thus open to all; this order is also to have retrospect to the earliest stages of the war, and to be considered as a permanent one.

The Military Order of the Purple Heart, composed entirely and exclusively of veterans who have been awarded the Purple Heart, held its annual dinner and redecoration ceremony last night at the Mayflower Hotel, in Washington, when the decorations approved by the War Department were presented to the members who had not been officially decorated by an accredited officer of the United States Army, by Col. C. A. Dravo, adjutant general of the District of Columbia National Guard.

It is appropriate that the Military Order of the Purple Heart should adhere to the avowed international policies of George Washington, in refraining from meddling in European affairs and that it go on record, as evidenced by the resolution above, as opposing violations of American traditional policies of nonintervention, no entangling alliances, and peace. Keeping America free of such war commitments and foreign wars was the theme used by Senator GUY M. GILLETTE, of Iowa, and Representative RALPH O. BREWSTER, of Maine, at its annual dinner last night.

## Objections to Reciprocal Trade Agreements Law

### EXTENSION OF REMARKS

OF

HON. CHARLES F. RISK

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. RISK. Mr. Speaker, this joint resolution seeks to continue for a period of 3 years more the power granted in 1934 to the Executive to negotiate reciprocal-trade treaties. Already we have entered into 21 of them, and much has been said on both sides of the question as to whether they have resulted in improved economic conditions.

However, let me direct your attention to two objections to the 1934 law that seem to be sound. The first is that in the opinion of many able lawyers the law is unconstitutional in

that it is an unwarranted surrender to the Executive of the obligation of the Senate to pass on treaties with other nations. The fact that these pacts are called agreements does not change their nature. The second is that this law is so drafted as to deny any injured party the opportunity to have its validity tested in court.

Up to 1934 it was accepted without question that the tariff-making power of the United States vested in the Congress. And in some decisions the language is such as to place that responsibility squarely on the Congress. Moreover, throughout the debates in the Constitutional Convention there is demonstrated the insistent desire that all treaties, including those affecting commerce, should be ratified by the Senate. Under our form of government the legislative branch cannot rightfully turn over to either of the others any duty imposed upon it by the Constitution.

These treaties bind the United States to certain tariff concessions for an indefinite period. It is true they may be abrogated at any time, but who will seriously contend that we shall take steps to cancel any one of them while the present administration is in power?

The existing law provides that—

Every foreign-trade agreement concluded pursuant to part 3 shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes in force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

What does this language mean? It does not say definitely that the agreements, as they are called, shall terminate. "Subject to termination" is the term used, but at whose instance? It may fairly be assumed that termination will be effected only at the instance of the President. Under this language the treaty may stay in force indefinitely. And the American people are permitted no representation at hearings, in negotiations, or the final approval.

That this law was drafted in a spirit of avoidance of the Constitution and the fundamental rights of our citizens, no one will deny. It was never intended that a citizen damaged by the operation of this law should have his day in court to test its validity, because no citizen has any standing before the courts on this question. He just cannot get there. The Supreme Court in *Mississippi v. Johnson* (4 Wall. 475) decided years ago that the President cannot be restrained by injunction from carrying into effect an act of Congress alleged to be unconstitutional. So an injured party cannot get into court that way. Nor can he get in in the other manner, namely, by the commencement of a civil suit for damages, because he is unable to name a respondent. So the question of the validity of this law must remain undecided, despite the fact that it has resulted in irreparable damage to many citizens.

One might be justified in doubting the sincerity of this administration on this question. In 1932 the Democratic platform strongly condemned the Tariff Act of 1930 as being disastrous to our economic well-being. But, despite the overwhelming majority, no attempt has been made to repeal it.

Now, as to the wisdom of the law. Can anyone truthfully say that our American workman is getting a square deal by forcing him to compete with cheap foreign labor?

In the last session I introduced a bill designed to relieve our workers from competition with foreign wage scales. The bill simply provides that all imports must have been produced in compliance with the Fair Labor Standards Act of 1938, commonly called the wage-hour law, before admission to this country. My best information is that several of the members of the majority of the Committee on Labor favored this same provision when the wage-hour law was being considered in committee, but for some unknown reason it was not permitted to be inserted in the law.

Mr. Speaker, we should defeat this resolution at this time, but should go further and take steps to regain the legislative power that was surrendered at the time of its passage, to the end that the Congress may have an opportunity to pass upon all trade treaties now in effect.



### Migratory Indigents in California

#### EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. ANDERSON of California. Mr. Speaker, I take this opportunity to again call the attention of the House to an increasingly difficult situation which confronts the State of California. Distressed and impoverished migrants continue to enter my State in search of jobs that are not to be had. The United States Employment Service has for several years advised those looking for work that there are already far more workers in California than there are jobs available.

However, the present Federal migrant-camp program, plus relief grants far in excess of those paid in most other States, combine to act as a powerful magnet on distressed families from the great Southwest. The Farm Security Administration maintains these unfortunate people until they are eligible for State relief, when they become an additional load upon the already overburdened California taxpayers.

Under leave granted me to extend my remarks, I wish to insert here an editorial from the San Francisco Chronicle of February 2, this year:

#### MIGRATORY INDIGENTS HAVE RIGHT TO A CHANCE

The migratory indigents that have swamped California's relief problem come here as American citizens, just as the old-timers and settlers of California came. They have the same right to establish themselves if they can.

The old-timers came for gold. If they did not find it they got jobs if they could. If they could not get work they took to farming, and in a day before there was any talk of irrigation. Some of them made good. Some had a very tough time.

There was no relief agency waiting when the wagon trains pulled into California, or when the passengers and crews went over the side to strike out for land. But they were tough. Only the tough ones got here on the hard haul across the continent, around the Horn, or across the Isthmus of Panama. They came here to better their economic position in life and they used what they found. If they failed, they usually got good-hearted help to try again, or a collection was taken up to pay their fare home to where they came from.

Ninety years later the Americans who want to better themselves and come to California to try are entitled to a chance to adapt themselves to the community and become self-respecting, self-supporting citizens. They have claims upon conscience and humanity, and definite rights. These rights do not include the one of permanently attaching themselves to California's relief grants, which average \$29.76 per month, compared with the \$3.38 Oklahoma grant, or the Texas \$7.90 grant, the high mark for the Ozark Plateau, whence the migrants come.

The migrants have a right to come as American citizens, but they are, properly, wards of the United States, not of California. Washington has shirked its duty in this respect and makes no secret of its opinion that any duty ends once migrants—with Federal aid, meager, but more than they would get at home—have been here long enough to claim residence.

The migrants are entitled here to as good as they get at home. They are entitled to a chance to better themselves, and to an opportunity to acquire any suitable idle lands to make a genuine effort. What land may be available is, frankly, not the best. If they try and fail, it is both generous and economy to pay their fare back to the places they came from.

The point brought out in the above editorial with reference to making suitable land available to migrant families is worthy of serious consideration. The Farm Security Administration migratory camps are only a temporary expedient at best. They do not offer a permanent solution to a relief problem that is growing rapidly more oppressive and that is concentrated primarily in my State.

Why must these needy families travel a thousand or fifteen hundred miles to secure help which should be available to them in their home communities? California has a primary duty to perform in caring for its own citizens, many of whom are in need of public assistance, and simply cannot continue to assume the large proportion of an additional burden which is in reality a national problem.

Members of the California delegation in Congress have been seeking a solution for some time, and we are hopeful of presenting a comprehensive plan to the Congress in the not too distant future. I hope that other Members of the House will give us their wholehearted cooperation when the proper time comes.

### Lincoln Day Address at Knoxville, Tenn.

#### EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ADDRESS OF HON. KENNETH F. SIMPSON, MEMBER OF THE REPUBLICAN NATIONAL COMMITTEE

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks I wish to present a copy of the address of Hon. Kenneth F. Simpson, member of the Republican National Committee, New York State, delivered at the Lincoln Day dinner of the Knoxville Young Republican Club at Knoxville, Tenn., on Saturday, February 10, 1940.

It was just 80 years ago that a relatively unknown candidate—a dark horse—ran away with the Republican nomination for President. Some of the eastern newspapers knew so little about him that they had to send inquiries: Was his first name Abram or Ab-ra-ham? How could the new Republican Party put before the voters at such a critical time just a former one-term Congressman, utterly untried by any administrative or executive office?

Under more pressure, enduring more hardships than any President before him, this "typical prairie lawyer" brought the Union safely through the irrepressible conflict, and before his tragic death showed the Nation the path toward reconstruction and reconciliation, "with malice toward none, with charity for all."

We face this year no crisis as grave as that faced by Lincoln. But this critical election year will not soon be forgotten.

Let us look to the philosophy of Lincoln, so successful in his day, for guidance. And if we cannot find in Lincoln's works an economic or social program that will cure the ills of the twentieth century, we may at least find in him some guide toward the state of mind in which a solution of these ills may be approached; we may find some philosophy about human relations, some insight into the methods of national progress which may be as timely today, as when the first Republican President took office.

In his entire career Lincoln was never to be found in the camp of extremists. An eminently practical politician, he was always willing to compromise unless fundamental principles were involved. He was not afraid to stand for an unpopular issue, if necessary. "Stand with anybody that stands right," he once told his party. "Stand with him while he is right and part with him when he goes wrong."

Lincoln had a deeper faith in democracy than any other man in public life at the time. During the war there were many proposals that he should become a dictator, but he steadfastly refused to consider them. As he stated in his Gettysburg address, he regarded the war as a test of the power of popular government to endure such a crisis. He insisted upon giving democracy a fair test. He made it work.

This man, who rose from so low a station to such a high one by his own efforts, who belonged to the underprivileged one-third of a nation but didn't know it, believed in the necessity of private initiative and self-help. I can best illustrate this by citing a letter written by Lincoln to his stepbrother, John D. Johnston. Johnston was continually hard up. Lincoln often assisted him. Finally, when Johnston wrote to ask for \$80 more, Lincoln's patience was exhausted. He replied, in effect, as follows: "I know you are not a lazy man, John, but you are always idle because you think you won't get enough return from your work. So I will give you no more unconditional grants of money. But I will do this: If you go to work now I will give you a dollar for every one you earn by your own labor in the next 4 months. In that way you will soon be out of debt and you will form a habit that will keep you out of debt."

Lincoln was highly sensitive to the fundamental rights of labor. He could not have been otherwise, for the scars of labor were on his own hands. He once assured an audience of striking New England shoe workers that he was glad they lived under a system of labor in which workers had the right to strike. But with equal vigor he insisted that the rights of property deserved protection. He was against—as he put it—making "war upon capital." He was glad to welcome to his standard in 1860 the support of eastern capitalists.

He didn't call them economic royalists. He did not consider it wrong or antisocial to accumulate wealth. "Capital has its rights," said Lincoln, "which are as worthy of protection as any other rights." He did not believe in ranging class against class.

During Lincoln's Presidency there was hardly a man in the country who had ever read a book or held a musket who did not think he had a better way than Lincoln of running the Government or carrying on the war. The White House was under continual pressure from special interests to adopt this or that beneficial policy—often beneficial only to themselves. While willing to listen to everyone, he turned pressure groups away empty-handed.

Lincoln believed that the world moves forward. If he were here today, he would not advise that we repudiate the accumulated experience of the past 10 years and attempt to restore the pattern of 1928. We all should like to restore its prosperity but we must never try to restore its smugness and its social self-satisfaction. Nor can we afford to restore its indifference to social reform.

The past 10 years have given us an understanding of the need for certain social reforms but we have failed to acquire a clarity of direction. We have been in the position of a patient whose doctor each day changes his diagnosis and prescribes a new remedy. When we were diagnosed in 1932 we were told that we were sick from too much competition. The antitrust laws were suspended. The cure-all was N. R. A. N. R. A. fostered more monopoly in 2 years by governmental decree than natural economic processes could breed in a decade. The administration's own committee—the Darrow committee—set up to investigate the N. R. A., reported that N. R. A. had done incalculable harm to small business.

After N. R. A. was declared unconstitutional, we were re-diagnosed. It seems that the first diagnosis was wrong because the second diagnosis was that we suffered from lack of competition. Now an enlarged Antitrust Division of the Justice Department is prepared to launch upon a new wave of prosecutions. Not that some of these prosecutions may not be justified. That is not my criticism. What I wish to emphasize is the fact that upon such a fundamental matter of policy we have seasawed violently back and forth, from one direction to the other.

As a second instance, you will recall that this administration came into power decrying Mr. Hoover's extravagance. It now spends just twice as much money in 1 year as Mr. Lincoln needed to win the Civil War—in 4 years. Belatedly, on the eve of a new election, it has a few equivocal words to say in favor of economy.

As a third instance you will recall that in 1932 the administration started out on a program whose purpose it was to inflate prices. The price structure was too unstable. It had to be made rigid. The administration has now shifted its stand. Commodity prices are now, it claims, too high and the price structure to rigid.

Bad as is this practice of rushing from one extreme to the other, it is made even worse by the dogmatic fashion in which it is done. When a new policy is decided upon it is handed down as from Mount Sinai. It never seems to occur to anyone to say that if the new policy is so dead right, then the last policy, which was its direct opposite, must have been dead wrong. Lincoln used to have a little story to illustrate the frame of mind of people who simply would not let their pet ideas be questioned. A young man was parading his horse at a Kentucky horse sale to show off its fine points, when a man whispered to him, "Look here, ain't that horse got the splints?" and the young man answered: "Mister, I don't know what the splints is, but if it's good for him, he's got it, and if it ain't good for him, he ain't got it."

It is not merely in our economic policy, but in our political methods that we are adrift. We encourage rather than repress political pressure groups. We have seen the growth of a relief lobby, an A. F. of L. lobby, a C. I. O. lobby, a farm lobby, a sugar lobby, a utilities lobby, a munitions lobby, and so forth.

To quote the words of President Clarence A. Dykstra, of Wisconsin University, "At this very moment our democracy is being challenged by pressure groups who want large portions of political pie regardless of the welfare of the majority of us."

In 1936 hundreds of thousands of dollars were scooped out of labor-union treasuries without authorization by the rank and file. John L. Lewis has openly boasted that he contributed \$500,000 to the Democratic campaign fund in that year. Parenthetically, he now finds that it wasn't a good investment, and he now proposes to sell short the securities he bought. Of course, it is no evil for labor to participate in politics; labor has a legitimate interest there. But labor should participate through the direct and democratic action of the rank and file. It is no more right for the C. I. O. than it would be for the Liberty League or the National Association of Manufacturers to attempt to purchase political favor.

I do not share the belief that the present administration must be criticized only because it has spent large sums of money. But I do say that it has spent the money planlessly and recklessly, like an irresponsible housewife. I do not share the belief that it is wrong for a Federal administration to promote the economic welfare of the people. But I do say that it is wrong for any administration to encourage an attitude of mind that there is no way out of misery. It is wrong to rob our people of all desire for self-

help. It is wrong to take the opposite course from that which Lincoln took in his letter to John D. Johnston.

That does not mean that we must not spend at all. What we need is realistic economy in government, and the realism is as important as the economy. We must strive to get more, in terms of public welfare, for every public dollar spent. There is such a thing as false economy. In the current economy drive Congress beheaded three Federal agencies. They had performed a definitely useful service. Theirs was the job of gathering facts and organizing crucial information to assist in maintaining efficient governmental activity. It would be just as silly to economize by cutting out the index from an outline of history.

I said that the administration was spending recklessly and without a plan. I know of no better illustration of the lack of sound budgeting than the recent appropriation proposal for national defense. The first official administration estimate and proposal was for an immediate appropriation of \$1,300,000,000. The sponsors of this estimate said that it was for indispensable and immediate naval construction. Some Members of Congress had the temerity to question these figures. The request was sliced by half a billion dollars, and, with this slice, the greatest naval disaster in modern times took place—52 paper destroyers, along with a number of cruisers and submarines, were scuttled. The country was told that this tremendous reduction would in no way endanger its security. If the reduced naval budget is adequate to the needs of the Nation, why were these additional destroyers, cruisers, and submarines demanded? The Budget policy of the administration seems to be to ask for much and to settle for less. This reminds me of the story of the gentleman who rushed up to his friend and frantically requested a short-term loan of a million dollars. The friend was aghast and said that he could not possibly advance a million dollars—all he had on him was \$1. Whereupon the borrower exclaimed, "All right; give me the dollar; I am in no mood to dicker."

Now let's get down to brass tacks.

Although there is no one figure in our party's history the humility and humanity of whose philosophy can furnish a better guide to us for 1940 than Abraham Lincoln, yet the tradition and the glory of his leadership will not alone suffice for Republican success this year.

This is not a year when we can take down one of our past party platforms from the shelf, blow the dust off it, revise it a little and offer it in evidence as our statement of party doctrine.

The case against the administration should be thoroughly and simply stated. This is being done by our party spokesmen, articulately and forcefully. It is unanswerable.

But the Republican campaign of 1940 must not be an anvil chorus of abuse and criticism of the New Deal and all its motives and all its objectives.

There are those who claim that by admitting the validity of many of the social reforms of the past 7 years, we are betraying the Republican Party. That was the issue of our primary fight in New York last fall.

Do we betray our party if we approve a measure which limits hours of toil so that a wage earner can get a look at the sun and sky on week days as well as on Saturday afternoon and Sunday? Do we betray our party if we approve a measure which commands that a wage earner be paid at least enough to keep body and soul together? Do we betray our party if we approve a measure which protects the unwary, including the widow and the trustees of infants' and incompetents' funds against the glib patter of a high pressure stock salesman? Do we betray our party if we approve a measure which compels a boss and his hired man to sit down amicably and work out their own problems rather than resorting to strikes and lockouts, the price for which is ultimately borne by the consumer?

Betrayal? Nonsense. Let the truth be known. The Republican Party has too often been betrayed by those in whose hearts and minds there is no compassion or thought for the man behind the plow, the man in the factory, and the man on the street.

We must make an honest and realistic analysis of that which is good and that which is bad in the measures that have been produced during the past 7 years, and firmly determine to preserve the good, reject the bad, and revise, amend, and make workable such as need revision. We must not set the clock back; all we should try to do is to make the clock keep better time.

The clearest, the ablest statement of this point of view that I have seen may be found in a recent magazine article. If I were a college professor I would recommend it as required reading for those who will write the Republican platform for 1940. It is published in the January issue of the American Mercury magazine. Even the title is challenging: "The New Deal Must Be Salvaged."

The Republican Party has no choice. It must look forward. A great deal of water has flowed over the Norris and Boulder Dams. It would be a sorry program that sought to make it flow back.

Let us curb sectional, local, and narrow group loyalties in the interest of national unity. Our program must not be designed to single out any group for criticism or for favor.

A great opportunity for national leadership is here. It must not be neglected. It must not be misused. Let us, in conclusion, as Republicans, highly resolve that we may so set our own house in order and so set our faces to the rising sun, with firm conviction that our cause is just, that the party of Lincoln shall again be the instrument of national salvation.



Senator William E. Borah

EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

TRIBUTE TO SENATOR WILLIAM E. BORAH BY DEAN FRANK A. RHEA AT BOISE, IDAHO, JANUARY 25, 1940

Mr. DWORSHAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following appropriate tribute paid to our deceased illustrious statesman, Senator WILLIAM E. BORAH, by Dean Frank A. Rhea, delivered at the funeral services at the State capitol in Boise, Idaho, on January 25:

One's sense of inadequacy, as well as one's sense of inopportune-ness, acts as a deterrent to words. Wisdom would suggest that silence is the highest tribute one can pay to this truly great man whom the whole world mourns today. And yet, and yet, there are certain things which cry out to be said. The simplicity of the man himself, however, will be a restraining influence in the rush of thoughts stirred within us by a contemplation of his life and service to mankind.

It is of his simplicity that I would speak first. The simplicity of dress, for which he was noted, the simplicity of his manner of living, was not a studied simplicity; it was the very essence of Mr. BORAH's character.

There stands in the hinterland of Idaho a peak which soars above its fellows as the man for whom it was named soared above his fellow men. The peak stands in simple grandeur, its escarpments plain and unadorned, reaching upward into the heavens, the very expression of simplicity and strength. The simplicity of Mr. BORAH was a constant rebuke to the air of sophistication with which the modern world seeks to veil its impoverishment of straightforward thinking. His simplicity was expressed in the clear thinking of the man and in the beautiful diction, in which he knew no equal. The world has much to learn of the beauty and endurance of simplicity.

The next thing of which I would speak is his integrity. Mount Borah stands not merely outlined in simplicity, but it stands firmly against the storms of wind and rain, firmly against the pressure of ice and snow. So did Senator BORAH stand against the winds of popular approval and political expediency. Nor could any pressure from without cause him to swerve from the path he felt to be the path wherein his feet should go. Men differed with Mr. BORAH, differed radically, but when they pronounced him wrong, they knew in their hearts that if he were wrong, he was honestly wrong. In integrity of character, Mr. BORAH stood as firmly as the peak that bears his name.

As we gather here to say our last farewell to him, the doors of our national Valhalla swing gratefully open to receive another of our American immortals. We, in Idaho, feel humbly proud and signally honored that he, who so richly deserved a resting place in the Nation's Capital, chose simply to return to his adopted State, to which he gave unstinted service.

Our thoughts turn naturally to her who was his comrade through the years, whose cheerfulness and unflinching radiance carried him through many dark hours. Some of us will remember a few years ago when the shadows of the valley of death closed in about him, not for himself, but for her whom he loved; as we watched him tread the hospital corridor in anguish of soul, we saw afresh the revelation of the great love he bore her. Among my prized possessions is a letter from Senator BORAH, written just after that, expressing his deep gratitude for Mrs. Borah's recovery. For her, the pathway into the future points alone, but there must come surging in upon her today, wave upon wave of affectionate sympathy, not only from those whom she knows, but from countless thousands whom she can never know save through this tender bond of sympathy. The harassed and perplexed men and women of war-torn Europe will forget their own grief today, and their hearts will turn toward this distant place, while across the vast expanse of space that separates her from them will come this message and this prayer: "Be brave! Be strong! God bless you this day and through the days to come." There comes to mind the lines of Grace Noll Crowell:

"I think that God is proud of those who bear  
A sorrow bravely. Proud indeed of them  
Who walk straight through the dark to find Him there,  
And kneel in faith to touch His garment's hem.  
Oh, proud of them who lift their heads to shake  
The tears away from eyes grown dim,  
Who tighten quivering lips and turn to take  
The only road they find that leads to Him.

"How proud He must be of them! He who knows  
All sorrow and how hard grief is to bear.  
I think he sees them coming, and He goes  
With outstretched arms and hands to meet them there,  
And with a look—a touch on hand or head—  
Each finds his hurt heart strangely comforted."

There are two portentous moments when God speaks to a man. Once, when He endows a man with faculties, or talents, as our Lord calls them in the parable; it may be five, or two, or one. The number is not significant, since God says to every man, "Occupy till I come." The next portentous moment comes with the day of reckoning when a man must give an account of his stewardship. Then happy is the man to whom God says, "Well done, good and faithful servant."

The constancy of Mr. BORAH in the fulfillment of the duties of his life, and the consecration of his talents to the welfare of his fellow men, disclose how diligently he heard God's first word to him with the bestowal of rich abilities, "Occupy till I come," and they assure us that he now happily hears God's second word, "Well done, good and faithful servant!"

God grant that some waiting hand will take up the torch he now lays down! God grant that some now silent tongue will speak the truth as courageously as he spoke it! How straight the heart of youth perceives the lesson of Mr. BORAH's life, as was witnessed by the tribute of a 16-year-old youth in Washington: "God give us men! The time demands strong minds, great hearts, true faith, and willing hands."

I conclude by reminding you of the Christian note of victory in death. As life comes from God, so life returns to God. Though our hearts be heavy with grief, we sorrow not as men without hope. Though tears dim our eyes, we look trustfully and hopefully up into the face of our loving Heavenly Father, and our hearts are strongly comforted by the words of our Blessed Lord, who by His death didst take away the sting of death, "Because I live, ye shall live also."

"God of the Living, in whose eyes  
Unveiled Thy whole creation lies,  
All souls are Thine; we must not say  
That those are dead who pass away,  
From this our world of flesh set free;  
We know them living unto Thee.  
Released from earthly toil and strife,  
With Thee is hidden still their life;  
Thine are their thoughts, their works, their powers,  
All Thine, and yet most truly ours;  
For well we know, where'er they be,  
Our dead are living unto Thee.  
Not spilt like water on the ground,  
Not wrapped in dreamless sleep profound,  
Not wandering in unknown despair  
Beyond Thy voice, Thine arm, Thy care;  
Not left to lie like fallen tree;  
Not dead, but living unto Thee."

There is an ancient prayer which the Christian Church has said for her children through the ages. We reverently repeat it now in behalf of the soul of WILLIAM EDGAR BORAH: "May he through the mercy of God rest in peace, and may light perpetual shine upon him."

The Gillie Lewd-Literature Bill

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ARTICLE FROM OUR SUNDAY VISITOR, HUNTINGTON, IND.

Mr. GILLIE. Mr. Speaker, under leave granted me to extend my remarks, I include an article from a recent issue of Our Sunday Visitor, a Catholic newspaper published at Huntington, Ind. The article concerns H. R. 5757, a bill which I introduced to discourage the publication of obscene literature. This bill has passed the House and is now awaiting action in the Senate Committee on Post Offices and Post Roads. The article follows:

[From Our Sunday Visitor, of Huntington, Ind.]

Two weeks ago we made mention in this column of House bill 5757, which is designed to force publication in all periodicals of the names of their editors and publishers. The purpose of this bill is to identify the publishers of lewd literature. Most of these

publishers try to conceal their identity and even the actual place of publication of their magazine. If they had to reveal their names, they would be too much ashamed to lend themselves to the production and circulation of printed filth. Since mention was made of this bill, many readers have asked for further particulars about it.

The bill has been passed unanimously in the House of Representatives and has now been transferred to the Senate Committee on Post Offices and Post Roads. It has won the support of thousands of individuals who are interested in the N. O. D. L. campaign and of many organizations which have been working for a clean-up in the movies, on the stage, and in the magazine field. Non-Catholics as well as Catholics approve it. Prof. Theodore Grabbner, of Concordia Lutheran Seminary in St. Louis, for instance, pledges support of the bill by the Civic Union of St. Louis when he writes to Representative GILLIE:

"The worst fiction obtainable today in America is being distributed in publications which cannot be traced by any indication on title page or wrapper. In every case the names and addresses are fictitious. As you well know, this material is being distributed by truck, so as to avoid indictment under the Federal law.

"Our organization represents some 40 religious and civic bodies of St. Louis, and we are certainly with you in this fight."

The Gillie bill would make it a criminal offense for any publication to conceal the identity of its publishers, editors, and owners, or place of publication. Violation would carry with it a maximum fine of \$2,500 and imprisonment for not more than 1 year.

We urge all who would reduce the quantity of moral filth distributed throughout the Nation to write to members of the Senate committee and recommend passage of the Gillie bill by the United States Senate at this session of Congress.

We list below the names of the members of the Senate Committee on Post Offices and Post Roads. They may be addressed at the Senate Office Building, Washington, D. C.

Kenneth McKellar of Tennessee (chairman); Carl Hayden, of Arizona; Josiah William Bailey, of North Carolina; W. J. Bulow, of South Dakota; James F. Byrnes, of South Carolina; James C. O'Mahoney, of Wyoming; James E. Murray, of Montana; Dennis Chavez, of New Mexico; Rush D. Holt, of West Virginia; Allen J. Ellender, of Louisiana; William H. Smathers, of New Jersey; James M. Mead, of New York; D. Worth Clark, of Idaho; Pat McCarran, of Nevada; Lynn J. Frazier, of North Dakota; Robert M. La Follette, Jr., of Wisconsin; Styles Bridges, of New Hampshire; James J. Davis, of Pennsylvania; and Clyde M. Reed, of Kansas.

## The Challenge of Individualism

### EXTENSION OF REMARKS

OF

HON. J. ROLAND KINZER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ADDRESS OF HON. J. WILLIAM DITTER, OF PENNSYLVANIA, AT  
URSINUS COLLEGE, COLLEGEVILLE, PA.

Mr. KINZER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include copy of an address delivered by the gentleman from Pennsylvania, Hon. J. WILLIAM DITTER, at Ursinus College, on February 15, at which time the honorary degree of doctor of laws was conferred upon our colleague, the gentleman from Pennsylvania [Mr. DITTER].

Dr. McClure, members of the faculty, and friends of Ursinus, I appreciate the honor of joining with you today in a reaffirmation of our faith in the "good and great traditions of Ursinus." They have been established by the fullness of past experiences. Today they are challenged by restless tides of disappointment and doubt. I believe the future will prove their stability, if their substance as well as their form survives.

More than a hundred years ago the German philosopher Von Humboldt declared that "the object toward which every human being must ceaselessly direct his efforts is the individuality of power and freedom." During the century that followed, this philosophy was the guiding principle in the growth of western civilization, forming the foundation upon which men developed new fields of opportunity and more abundant sources of satisfaction. Far-flung frontiers were conquered by the freedom of individual adventure and by the power of individual ambition.

But a change has taken place. A tendency to disregard this principle and to substitute for it a distinctly inconsistent and incompatible premise is apparent with the demand that power and freedom be exchanged for safety and security. We are in the midst of a confusion of ideas and ideals. At a time such as this I believe it is wise to reappraise the earlier principle as well as the divergence from it and to examine the results of the abandon-

ment where it has taken place. As for myself, I am still persuaded that the full development of the individual in all of his faculties should be the prime purpose of society, and that from the standpoint of the individual himself and from the standpoint of society an irreparable damage will be done if the abandonment is made.

Why is it wiser to adhere to the principle that the well-rounded development of the individual as a personality through his own efforts, so far as is compatible with the rights and interests of other individuals, than to accept the premise that he is but an instrument of society—a property right of the state?

To a large degree the course of our lives is determined by the things that give us satisfaction. What may be pain to one is a joy to another. Experience is purely personal. Each individual has his own sensations. Out of such feelings his idea of life results. His experience is a product of his own sensations. As a consequence, the individual, as a member of society, is the one who must determine those things which give him the maximum amount of pleasure and the minimum amount of pain, and he alone can decide the burden he is willing to carry to secure the benefit which he seeks. Against the background of his own objectives and ideals, his own experiences, each individual can best weight the sacrifices which he believes are necessary and worth while to attain his goal. No one else has his identical experiences and ideals. He determines values. He decides the price he is willing to pay for that which he believes will satisfy him.

Having made his decision the individual must equip himself for the attainment of the object toward which his energies are directed. He must exercise his faculties so that his own personality may develop and expand. Through the application of the mind to the problems requiring thought the intellectual equipment of the individual grows. Through the development of manual skill the productivity of the individual is increased. Day by day the exercise of individual talents makes for growth and improvement, with society reaping the benefit of a larger and fuller life from the increased ability of each individual sower. But the principle of individualism is just as desirable from the standpoint of the state as it is from the standpoint of the citizen. To the extent that the individuality of each citizen is developed such citizen becomes more valuable, not only to himself, but to society as a whole, for society is but the sum total of those who make it up. It has no existence apart from the constituent individuals that compose it. It is not an end in itself. It exists only because of individuals, and its strength is dependent entirely upon the hardihood of those who are a part of it. To the extent that the individual personality of each member of society is developed he becomes a more valuable contributor to the group with which he is identified. To the extent that the personality of the individual is developed there is a greater fullness of life, not only for such individual, but for all others with whom he lives and works and mingles. He becomes a lever for the group.

The restriction of the development of individual personality is justified by some on the ground that limitations must be established in order to permit the possible development of individuals who lack the urge which is indispensable to growth, or to whom the fields of opportunity are said to be closed. It seems to me, if society is to develop, to progress, to meet new conditions successfully, leaders must be developed. If society is to move forward, men of genius must be available, and such genius can only come through the free development of the individual, as those of more marked ability can find avenues of increasing usefulness. I believe that individualism is submerged; we face the danger that mediocrity rather than superiority will dominate the state; that the average level, instead of being lifted, will be lowered; that genius will be restricted rather than expanded. Mediocrity has always had a tremendous antipathy to genius, for, as John Stuart Mill so wisely said, "Originality is the one thing which unoriginal minds cannot feel the use of." As men search for truth, light alone can come by the development of freedom of thought and expression on the part of those who search, and only, as their individual ambitions stimulate their endeavors, can new discoveries be made.

The idea that the primary aim of society is the development of well-founded individuals through the application of their own faculties became a part of the social, political, and economic thought of western civilization in the last quarter of the eighteenth century. In the political field this principle was the main influence that produced the concept of constitutional democracy, for a constitutional democracy is essentially founded on the theory that every citizen must have an equal voice in his own government. That government should be the agent, not the master, of the citizen. Every charter of human liberty from the days of a weak King John has been a victory of individualism.

Our own political philosophy was established upon the theory that the individual should be secure against the will of a man, a mob, and a majority. We placed constitutional limitations upon the will of the majority in order to protect the individual and those who make up minority groups from what otherwise might be the impulsive decisions of those in power, with the constant thought that the individual citizen's rights should never be invaded or despoiled.

In the economic field, the application of the doctrine of individualism has led to the development of the division of labor and of the free market. With this division of labor, each individual has been free to specialize, to utilize, and to develop his own individual skills, his own talents, along those lines in which he is



best fitted and in which his own personal tendencies direct his ambitions. Only where an individual has freedom of choice of the occupation that he wishes to follow can a satisfactory system of labor develop. If society is stultified by the dictates of custom, by unreasonable regulation, or by the regimentation of men, a system of industry founded upon the contribution of individual skills is impossible. In order to have the successful operation of a system of the division of labor, there must be a free market. There must be a place where the goods and services produced by the specialized skills of individuals can be exchanged for the goods and services they require from others. The talent of one is exchanged for the talent of another. Each life is enriched by the exchange.

It is safe to say that the development of the division of labor and of the free market have made possible the tremendous increase in the standard of living in western civilization during the past 150 years. When an individual was forced to use his skills in diverse and divergent directions, he could not possibly use his own natural abilities to their fullest extent, for he was required to produce many things that his own skills did not lend themselves to readily. But when each individual can use his own skills for the production of those things for which he is best fitted, and then exchange the product of such skills for the goods and services that he needs, it makes possible the production of a vastly greater amount of wealth and a fuller and richer life for all.

The free market and the full application of the division of labor go hand in hand, and a free market and the division of labor are dependent entirely for their successful operation upon the development of the individual. When an individual is free to bargain and trade the goods and services produced by his own specialized skills for the goods and services produced by the application of the specialized skills of others, he is given full opportunity to develop his individual talents with the assurance that his skill will inevitably increase the value of his worth in the market place, and give him a greater return for his endeavor than he might otherwise secure.

It seems to me that the best proof of the value to society of the principle of individualism is to be found in the results that have been produced. It has given us the Magna Carta, the Habeas Corpus Act, the Bill of Rights, the Declaration of Independence, the Constitution, the extension of the franchise, free education, religious freedom and toleration, the destruction of feudalism and autocratic privilege, and the expansion of culture on a wider and broader scale than has ever been known before. It has created the wish for better things and inspired the will to obtain them. Above all else, the individual has been magnified. His horizons have been broadened. His ambitions have been challenged. His abilities have grown. His satisfactions have been increased and the abundance of life and the joy of living it have been lifted from the dull drudgery of monotony to new vistas of endeavor. Freedom stimulates adventure. Security invites stagnation.

The accomplishments of individualism have been far reaching. They did not occur overnight. They were the result of perseverance and patience. Time was required for the seed to germinate, for the plant to grow, for the flower to blossom. But there are always those who are impatient for the seed to ripen before the stalk has its full strength. Despite the record of the past, we have those in our midst who insist that greater progress could be made if the supremacy of the state, rather than the sovereignty of the citizen, were established; if individual freedom and power were surrendered for safety and security; if collectivism were substituted for individualism. It is the same philosophy so well described by Mussolini as that "which accepts the individual only insofar as his interests coincide with those of the state." It is the philosophy which is premised on the foundation that the state is all wise and all powerful; that the state exists as an end in itself; that there are no limitations on the intelligence or the integrity of the rulers and no limitations on their competence or their conscience. It is the philosophy that has given to the world a Stalin, a Mussolini, a Hitler. It is the philosophy upon which dictators must depend. It is the antithesis of freedom and liberty. It is a philosophy which dictates what men may plant and how much they may harvest; where they may work and how much they may earn; what they may worship and how they may pray; when they may speak and what they may hear. It is the same philosophy that has always given to the world its days of tyranny and its times of despotism.

I believe one of the greatest dangers incident to this new philosophy is the threat which it holds to our idea of a universal franchise. The franchise has been extended to all citizens. All persons capable of exercising an informed judgment may express that judgment in the management of the body politic. It is the heart of our democratic process. It depends upon the individual, upon his ability to weigh and determine issues; to think things through clearly; to let his reasoned judgment express itself; to make him the master of his own destiny. He is a free agent, neither dictated to nor controlled by the judgment or the will of others. You and I cannot be unmindful of the travesty of the elections that are held by Hitler. They are idle gestures, burlesque performances, meaningless parades. They could not be otherwise, for where the right of the individual is submerged by the collectivism of the state, the right of franchise inevitably must be forfeited so that the will of the master may be supreme.

The new philosophy has placed what I believe to be a dangerous emphasis on security. I would not be misunderstood. I believe that society should assure a sense of security to those upon whom

misfortune has fallen, and also upon those who have suffered from the demands which society makes upon them. On the other hand, I believe that each individual is chargeable with the responsibility of establishing the utmost security for himself and that a policy of paternalism, such as many advocate today, robbing, as it must, the individual of his sense of responsibility, will destroy the vitality, the courage, and the hardihood upon which the strength of the Nation depends. Security is assured to the slave. Freedom is the prized possession of the master. I believe there are still frontiers to conquer. I believe there are resources yet to be developed. I believe there is wealth yet to be mined. I believe there are blessings yet to be found. I believe that these frontiers can be conquered. I believe that these resources can be developed. I believe that this wealth can be mined, and these blessings can be found, only as the spirit of adventure is permitted to be the prized possession of the individual; only as the individual is willing to assume the risk; only as the individual is willing to surrender his insistence upon security as he breaks new ground, marks new trails, sees new vistas, and conquers the summits of new achievements. Decadences always come in the wake of complete security. Progress has always been made by the freedom of adventure.

We look out today upon a troubled world. There is one ray of hope. Its light can be seen where the sovereignty of the citizen continues to defy the supremacy of the state. Individualism has given, and still gives, the world progress and life. Collectivism has given what it always will give, stagnation and decay. If further progress is to be made, it can only be made through the continued development of the individual, not by his subjugation to society and the state. Individualism has freed the minds of men. It has stimulated the thoughts of men. It has challenged the affections of men. It has had the courage to oppose the creeping collectivism which inevitably leads to despotism; the collectivism that stultifies the thought, suppresses the freedom, and crushes the initiative, by which all progress has been made in the past. I cherish the hope that it may have the strength to survive the present conflict, for I believe that it can help in the building of the kingdom of heaven in the hearts of men. That is our task. That kingdom can be built only by "men who possess opinions and a will; men who can stand before a demagogue and damn his treacherous flatteries without winking; tall men, sun crowned, who live above the fog in public duty and in private thinking." The hope that I said I cherish is fortified by my belief that the substance as well as the form of the traditions of Ursinus will survive. That hope is further fortified by my conviction that the morality of individualism will be reestablished as you and I have the courage to be free and the ambition to be of service.

## The National Transportation Bill

### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

RADIO ADDRESS OF MR. FRED BRECKMAN, FEBRUARY 17, 1940

Mr. HARRINGTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include a radio address by Mr. Fred Brenckman, Washington representative, the National Grange, over stations of the National Broadcasting Co., on the Grange hour, from Washington on February 17.

Mr. Brenckman said:

It will be recalled that about a year and a half ago President Roosevelt appointed a Committee of Six to survey the situation confronting the railroads of the country and to prescribe remedies for their ills. One half of the members of this committee was composed of railway executives, the other half represented railroad workers. Other forms of transportation had no representation on the committee, nor was the general public represented.

In due time bills embodying the recommendations of the committee were drafted and introduced in both Houses of Congress. After somewhat lengthy hearings before the House and Senate Committees on Interstate and Foreign Commerce, these bills were favorably reported. The Senate passed a bill representing an attempt to codify the entire Interstate Commerce Act. When this measure reached the House everything but the enacting clause was stricken out, and a new bill was substituted, which was passed after heated debate.

Action on this legislation came so late during the last regular session that there was not sufficient time remaining before adjournment to reconcile in conference the differences between the two bills. However, a conference committee is now engaged in the arduous and difficult task of attempting to compose the many differences between these two bills and to pave the way for final passage.

## LEGISLATION THAT SUITS NOBODY

A curious situation has arisen with reference to the matter. First of all, the President's Committee of Six, which sponsored this legislation, has issued a pamphlet of 43 pages suggesting 36 necessary changes in the Senate bill. Another pamphlet of 91 pages issued by the Committee of Six recommends 27 changes in the House bill. The Interstate Commerce Commission has made a special report dealing with this subject which covers 84 printed pages.

As this report sets forth, the Senate bill, from the standpoint of codification, was produced under great difficulties and is regarded by the Interstate Commerce Commission as "a forced and hurried job." The Commission is of the opinion that any attempt to codify the Interstate Commerce Act should be worked out with great deliberation and that a preliminary report should be issued, setting forth a tentative draft, giving the reasons for all the changes that are proposed. After that, in the opinion of the Commission, all concerned should have an opportunity to submit briefs on this tentative draft, after which a final report should be issued for the consideration of Congress.

It will be seen from this that the legislation in question is far from satisfactory to the Committee of Six, which inspired it. In its present form, it is considered imperfect and unworkable by the Interstate Commerce Commission. It meets with the disapproval of a large percentage of railroad workers; it is likewise opposed by those who are interested in water and motor transportation. There never was any public demand for this legislation, and there is justification for saying that its enactment would be contrary to the public interest.

## GRANGE OPPOSES UNNECESSARY REGULATION

The Grange and many other farm groups are opposed to the proposal contained in both House and Senate bills that the carriers on our inland waterways should be subject to regulation by the Interstate Commerce Commission. The Grange likewise opposes this legislation because it goes farther than the Motor Carrier Act of 1935 toward placing private motortrucks, including the 1,000,000 trucks on our farms, under the regulation and control of the Interstate Commerce Commission.

We maintain that there are only two legitimate grounds upon which the Government could justify itself in attempting to regulate transportation on our inland waterways. One of these grounds would be in the interest of public safety, and the other to protect the public against monopolistic practices. So far as safety is concerned, the Bureau of Marine Inspection and Navigation, coming under the Department of Commerce, looks after that; and when it comes to protecting the public against monopoly, the truth is that no monopoly whatsoever exists among the carriers on our inland waterways, nor in the coastwise trade. The rivers, the lakes and the seas are open to all. These are highways that were created by Nature herself. So, far from breaking up any monopoly among the water carriers, which in reality is nonexistent, the pending legislation takes a long step toward creating a monopoly.

The carriers that are now operating would be permitted to continue, subject to rules and regulations laid down by the Interstate Commerce Commission; but before it would be possible to establish a new service, it would be necessary to secure from the Commission a certificate of public convenience and necessity.

If this bill should be enacted, there would be no new carriers, for the simple reason that the restrictions of the legislation virtually instruct the Interstate Commerce Commission to deny any person or concern a certificate of convenience and necessity if the Commission comes to the conclusion that present transportation facilities are adequate to take care of existing commerce.

This raises the question Who owns the rivers of the United States? It is the people of the country who own them. That being true, why should not the people be allowed to use their own rivers under proper conditions, without let or hindrance on the part of the railroads, the Interstate Commerce Commission, or any other agency?

Most of us remember having heard that when Abraham Lincoln was a young man he made a trip on a flatboat carrying some farm produce down the Mississippi River to New Orleans. What a pity it would have been if it had been necessary for him and those associated with him to make application for a certificate of public convenience and necessity before starting on this trip.

## THE MILLER-WADSWORTH AMENDMENT

If the pending transportation bill should be enacted, it is of supreme importance to those who are interested in the development of the transportation facilities of our inland waterways, and to the public as well, that the amendment sponsored by Senator MILLER, of Arkansas, and by Congressman WADSWORTH, of New York, should be retained. Briefly stated, this amendment provides that in order that the public at large may enjoy the benefit and economy afforded by each type of transportation the Interstate Commerce Commission shall permit each type of carrier or carriers to reduce rates, so long as such rates maintain a compensatory return, after taking into consideration the overhead and other elements entering into the cost of the service rendered. This amendment is so fair and reasonable that it would be nothing short of preposterous if the bill should be enacted without it.

There is justification for saying that those who inspired and drafted the legislation under consideration have lost sight of the fundamental purpose for which Government regulation was established, and that was to protect the public interest. We have drifted so far away from this original and legitimate purpose that the effort of our lawmakers now appears to be to equalize competition

as between different modes of transportation. The truth is that an attempt is being made under the guise of regulation to raise the rates of water and motor carriers to the point where they will be comparable with rail rates. This is not only unsound economically but it is prejudicial to the welfare of the entire country.

## FARMER WOULD BE PENALIZED

Agriculture, in particular, would be hard hit if the proposed legislation should be enacted. Transportation constitutes the heaviest service charge that the farmer has to pay. The farmer pays the freight both coming and going. Last year the farmer received only 39 cents out of every dollar paid by the consumer for food. At the depth of the depression, the farmer's share of the consumer's dollar dropped to 33 cents. While transportation and distribution must be regarded as legitimate and indispensable functions in the affairs of our civilization, the fact remains that when those who merely transport and distribute the products of our farms receive vastly more than the share that goes to the producer, it amounts to the same thing as an economic crime.

Several months ago I filed a brief with the Interstate Commerce Commission on behalf of the Grange, protesting against the proposal that private motortrucks, including farm trucks, engaged in interstate commerce should be subjected to Federal regulation in the interest of safety. While we are, of course, in favor of proper restrictions and regulations to promote safety on the highways, we take the position that this is a matter that is already being looked after by the several States. In addition to this, a survey discloses the fact that not one private truck in ten ever crosses a State line.

## OVERCENTRALIZATION OF GOVERNMENT

Under the circumstances, it is proper to ask why Federal control and regulation should be superimposed upon State control and regulation. With the deficits of the Federal Government aggregating billions of dollars a year, why should this expense be duplicated? Can there be any reasonable doubt that if Washington undertakes to control and regulate the private motor carriers of the country, in due time this will result in a tremendous increase in the number of Federal employees? During the past 7 years the number of civil employees on the pay roll of the Federal Government has risen from 563,000 to 933,000, an increase of nearly 70 percent. During the same period the national debt was increased by more than \$21,000,000,000.

As these facts and figures convincingly prove, the Government has already assumed greater obligations and responsibilities than it is capable of carrying without increasing taxation to the point of confiscation.

The wise rule laid down by Thomas Jefferson, that government should restrain men from injuring one another and leave them otherwise free to follow their own pursuits, should apply in this case.

## Consolidation of Railroads

## EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

## RESOLUTION FROM TOLEDO CITY COUNCIL PROTESTING CONSOLIDATION OF RAILROADS

Mr. HARRINGTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following resolution published in the Toledo (Ohio) City Journal, on December 23, 1939, protesting consolidation of railroads:

## RESOLUTION NO. R. 362-39, PROTESTING CONSOLIDATION OF RAILROADS

Whereas the session of Congress adjourned last July had before it several bills for the rehabilitation of the railroads of this country, none of which provided for the protection of the employees in the matter of consolidations and mergers; and

Whereas Congress was unable to agree upon a solution of this question before adjournment, but did, however, appoint a joint committee of both Houses for the purpose of agreeing upon a bill that would be presented to the new Congress meeting next January; and

Whereas at the closing days of the last session there was introduced an amendment to S. 2009, pending in the House, known as the Harrington amendment, having for its purpose the protection of railroad employees and the public from consolidations and mergers, being introduced by the Honorable VINCENT F. HARRINGTON, Congressman from Iowa, the said amendment reading as follows:

"Provided, however, That no such transaction (consolidation, merger, purchase, lease, operating contract, or acquisition of control) shall be approved by the Commission, if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees"; and



Whereas said amendment was passed by the House of Representatives on the 26th of July 1939 by a large majority, but the bill as amended did not have time to come before the Senate, we feel that the joint committee of both Houses should therefore embody this amendment in whatever bill is agreed upon by their committee, for the following reasons:

1. Information available leads us to believe that any consolidation of railroads would seriously affect the communities along the line of railroad abandonment.

2. For the reason that property values would be reduced, small cities would be isolated, and the citizens of such communities would be required to depend upon bus and truck transportation, which would seriously affect the shipping of farm products raised along such line of railroad.

3. Further information leads us to believe that the consolidations now proposed would lead to the unemployment of some 200,000 employees now working upon said railroads, and other industries cannot at this time absorb this displaced labor.

4. The city of Toledo has for years been known as the third largest railroad center in the United States; if the railroads entering this city are consolidated or merged, it would not only affect real-estate values, due to the many railroad men owning their own homes, it would also greatly affect all business interests as well as displace many of the 25,000 employees who would have to join the ranks of the unemployed: Therefore, be it

*Resolved, by the Council of the City of Toledo, Ohio, That the mayor, vice mayor, and the members of council endorse this resolution in its entirety; and be it further*

*Resolved, That a copy of said resolution and their action be forwarded to United States Senators VIC DONAHEY, ROBERT TAFT, and Congressman JOHN F. HUNTER, also a copy of same be furnished to the Toledo Blade and the Toledo Times for publication.*

Adopted December 22, 1939, recess session.

ROY C. START, Mayor.

Attest:

L. W. DAVIS, Clerk of Council.

I hereby certify that the foregoing is a true and correct copy of a resolution published in the Toledo City Journal December 23, 1939, and adopted by council on December 22, 1939.

Attest:

[SEAL]

L. W. DAVIS, Clerk of Council.

TOLEDO, OHIO, January 26, 1940.

## One Concrete Proposal Concerning Unemployment in Arizona

### EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. MURDOCK. Mr. Speaker, because we as a nation have achieved recovery without diminishing unemployment, we must acknowledge this startling fact, that conditions have so changed in the field of economic production that a mere return of prosperity will not automatically solve our basic problem of employment. Manifestly, in 1939 we were able to produce as much material wealth as we produced in 1929 with about a million fewer employees. Such has been the advancement in technological management, involving machines more and more with fewer men, and such has been the increased use of power on the farm, in the factory, and for transportation that human labor has been greatly displaced. This makes it possible for the Nation to produce more than it has ever produced before with fewer participating in the production thereof. This scientific fact looms as a curse over our Nation today, whereas, by all logic, it ought to be a blessing.

Since economic values are involved in "goods" and "services," and since "goods" are now more easily produced with fewer hands, it seems logical that expansion must take place in the direction of "services." If this be so, the question arises, What are those "services," which an increasing number of our population must be able to render in order to be employed, and how can these citizens be best prepared to render such services? This solution may require some modification in our long-accepted philosophy of economics and business. I will not take the time to develop that matter

further concerning "services," but would like to do so later in a discussion of educational needs.

This Nation has been founded and has grown to greatness and wealth on the basic philosophy of private enterprise and the sanctity of private property. Although, as might be expected, instances of abuse and wrongdoing have shown up throughout our history, it is the business of government to minimize such abuses and wrongdoings and to foster economic progress on the original basis. That is the American way. Of course, we cannot be as individualistic in our present complex society as the founding fathers were in their simple economic society, so we must accept the inevitable and have an increasing degree of governmental regulation. However, our object should be to keep governmental regulation down only to the absolutely necessary level.

Fifty years ago the American citizen who was a rugged individualist declared, "The world doesn't owe anybody a living." We have modified that idea some today, and our theory now is that "the world" does owe each individual something, but we still feel that he must work energetically to collect. Common sense indicates that procuring of jobs for our unemployed ought to encourage their employment in private business having an approved economic and social purpose. This means giving encouragement to business—private business—and the creation of jobs. By this I do not mean that the Government should lend itself as the pliant tool of big business interests who already, because of monopolistic power, have a strangled grip on the American people, but Government should give encouragement to small-business men. I believe the small-business man is the forgotten man.

This Government has helped the most desperate portion of our population in their poverty, and it has extended aid to some of the largest business concerns, but it has heaped tax burdens and hampering regulation upon the small employer. The Government's attitude toward the small-business man reminds me of the indignant words of a great leader, delivered centuries ago, about another matter when he said, "Ye lay upon men's backs burdens grievous to be borne, and ye lift not one finger to remove them." I am not suggesting that we should do away with the social legislation that we have recently put on the statute books because it constitutes such a grievous burden to the small-business man, but I am suggesting that we ought to be more thoughtful of the small-business man, and the Government ought to aid him in every legitimate way.

What concrete proposals can be suggested? I come from the West, from one of the newer portions of the far West, where opportunity should be greatest and where "the world is still in the making." Maybe I have been kidding myself and trying to fool others by telling young people that there is more "pioneering to be done" in that part of our country than the remarkable pioneering which has already been done there. Just take one line of industry for example. One of the basic economic supports for my State is mining. When I went there a quarter century ago, an occasional crepe-hanger predicted gloomily "that the State must go like all other mining States, for the mines would play out." Now I do not believe that for one moment, and even if it were true concerning mining, other industries would come along—have come along—to supplement mining as an economic support. Copper mining has been our greatest mining reliance and bids fair to continue so. It must continue so and must be protected. I would be happier to see some new copper mines being developed along with those now operating.

The small mine operators of Arizona call my attention to certain opportunities and needs. Thoughtful leaders among these men declare that mining, although one of the most basic extractive industries, drawing wealth from the great source of wealth, has been most neglected by all of our legislating during the last few years. They claim that thousands could be profitably employed in private, necessary, productive employment, if hundreds of the best mining men were given encouragement. This encouragement might need to be loans, but more particularly favorable markets, and

that with the revival of mining there would be an increase of purchasing power and a stimulation of all other lines of business accordingly.

Of course, the small mine operators are not thinking directly of the refugees from the Dust Bowl, that is, the transient and desperately poor migratory farm laborers that have recently come into Arizona, for such cannot be used directly in mining. However, leaving them out of consideration for the moment, the small mine operators of Arizona maintain that the Government could entirely eradicate unemployment in Arizona by certain legislation, which legislation would not require direct appropriations from the Federal Treasury. I, myself, believe this, and I would go further and say that it would be possible to give employment to every employable person in Arizona directly; and also indirectly give employment to those recent comers to the far West from the Dust Bowl. As a first move in this direction, I believe the enactment of my bill, H. R. 8206, should be done at this session of Congress. Since I am not a mining man, I am not thoroughly competent to explain this whole matter, and for that reason I am anxious that the Committee on Banking and Currency, to which this bill has been referred, should have hearings on the bill, and let others more competent explain its purpose and possibilities.

### Jobless Tax Rating Gives Pay Stability

#### EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

#### AMERICAN LEGION PROGRAM FOR GREATER REGULARITY IN EMPLOYMENT OF WORKERS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, Nation-wide interest is now being shown by industry and labor, as well as many individuals and organizations, in the adoption of a sound and workable plan to provide regularity of employment for workers in the country.

The American Legion has taken an active leadership toward a solution of this important problem. Its committee on employment-stabilization service has worked out a plan which provides for more regular employment for American workers. Prof. E. P. Schmidt, of the University of Minnesota, economist for the committee, has explained the Legion plan. His statement appears hereafter as it was given in the Washington Evening Star on February 22, 1940.

[From the Evening Star, Washington, D. C., February 22, 1940]

**JOBLESS TAX RATING GIVES PAY STABILITY, ECONOMIST HOLDS—PROF. E. P. SCHMIDT, HERE TO SEE LEGION OFFICIALS, CITES BENEFITS**

Use of employer experience rating in unemployment compensation insurance systems, as a means of promoting the broad objective of employment stabilization, was advocated today by Prof. Emerson P. Schmidt, of the University of Minnesota, who came here to confer with American Legion officials.

Professor Schmidt is serving as consulting economist in the American Legion employment stabilization service, which is seeking nationally to foster programs for making employment for the worker a more regular and assured prospect. He holds that the possibility of achieving a somewhat reduced pay-roll tax rate, by stabilizing employment, spurs employers to find means of avoiding worker lay-offs.

His views were sought on the employer rating system, since this is one of the major elements under consideration here in connection with proposed amendments to the District's Unemployment Compensation Insurance Act.

#### PERFECTED SYSTEM SOUGHT

Members of the Washington Board of Trade, the Merchants and Manufacturers Association, and other District business groups are urging adoption of a perfected rating system in the District meas-

ure to replace the old provision now destined to go into force next January 1 unless the plan is stricken from the law.

An employer rating plan, it has been explained, is a system under which those employers who achieve stability in their pay rolls are given as a reward some reduction in their pay-roll tax as an incentive to continue to strive for job regularity. Four States now have such plans in operation, and the laws of 35 other States provide for use of the plans within the next several years.

"If such a plan is not invoked, what incentive remains for the employer to make any effort to maintain a steady pay roll?" Professor Schmidt asks. "Why would not the employer drop a worker just as soon as he figures it possible, so as to save the amount of the worker's wages and to save on the amount of his annual pay-roll tax? If all employers are required to pay exactly the same tax, year after year, why should they make serious efforts to maintain steady pay rolls?"

#### SEES REAL ACHIEVEMENT

On the other hand, Professor Schmidt finds that in Wisconsin, the only State where the employer experience rating plan has been given a trial of any length, so far, a long list of employers, striving to earn a tax-rate differential, have made real achievements in maintaining steady pay rolls. He cites many cases to prove the point.

In this connection Professor Schmidt explained that the American Legion is developing a national program encouraging employment stabilization. The service has been organized under the national employment committee of the Legion. Statements of actual experiences of manufacturing and mercantile establishments of many kinds, in regularizing employment, are being mailed out to other employers.

"Once the top management of a business or an industrial plant is committed to a labor stabilization policy," he declares, "it is surprising how many ideas will flow from the personnel of the organization to preserve regular pay rolls."

He was asked whether adoption of an employer experience rating system had a tendency to reward the successful operator and to hurt the little fellow.

#### SEES OPPORTUNITY

"No" was his answer. "Take the case of the little-shop keeper who employs but a few clerks and other help. He may keep his pay roll steady and earn the lowest possible rate, just the same as the biggest employer in town."

"In fact, some of the larger employers whose operations have been somewhat seasonal have had to use real thought to achieve pay-roll stability, and some of them have adopted diversified production programs in order to do so. This program can prove of value to the producer as well as to his workers."

In a generalized discussion of the rating systems, Professor Schmidt said:

"According to the Wisconsin Industrial Commission, out of 8,500 employers, 31 percent have never had any benefit payment withdrawals (for former employees) up to June 30, 1939. Approximately 63 percent of the employers had benefit withdrawals of less than 10 percent of the tax contributions made. In 1939, out of 7,200 employers, 39 percent were given reduced rates in spite of the fact that 1938 was a somewhat poor year for business and employment."

"Contrary to many assertions, experience rating may be used to provide more adequate benefits for the unemployed. If seasonal, casual, and technological unemployment can be met largely by experience rating so that much short-time unemployment is eliminated, this will reserve the unemployment funds for long-time or cyclical unemployment. Then, instead of providing for 13 to 16 weeks of benefit payments as most State laws now do, it should be possible to provide for several times as many weeks."

#### "RAIDS" CONDUCTED

"In those States where experience rating has not yet been incorporated in the law, little special effort at stabilization was found. Indeed, in some of these there was found something of a design to raid the unemployment compensation fund. That is, the employer felt that he had helped to build up the fund and his employees might as well get the benefit thereof. So, when business became a bit slack, instead of devising means of keeping the men on the pay roll, he readily laid them off and helped them to collect their unemployment compensation. Obviously, this is not desirable."

"Instances of substantial achievements under experience rating could be multiplied by the dozens. In another instance, a Wisconsin contractor, by combining house construction with lumber yard operations and cement-block manufacturing, has been able to qualify for the 1 percent rate. A building-supplies manufacturer has diversified his line so that now nearly 40 percent of his raw material is fabricated into nondurable products, this furnishing him a cushion when the construction industry hits a toboggan."

"Employers, for the most part, in the past have not made continuity of employment a major goal. Stabilization for many of them is a new objective. Time is required to dislodge long-established habits and while the achievements under the Wisconsin law have been considerable, it may be anticipated that time will bring still more substantial results."



## Seventh Anniversary of the Civilian Conservation Corps

### EXTENSION OF REMARKS

OF

HON. DAVID J. WARD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. WARD. Mr. Speaker, on March 31, 1940, 7 successful years will be the record of the Civilian Conservation Corps. In March 1933 President Roosevelt invited to the White House several men, among them the Secretaries of Agriculture, War, and Interior, and talked with them about discouraged, jobless young men, and waste and destruction of forests and other natural resources of our country.

The President wanted to know if it were possible to put one-half million unemployed young men to work at once. A plan was quickly worked out and Congress passed the Civilian Conservation Act of March 31, 1933. The purpose was to have 250,000 men employed early that summer. On July 1, 275,000 men had enrolled and were soon on their way to the various camps which had been built by the War Department.

The Department of Labor selected the men from State and Federal relief rolls. The Department of Agriculture and Interior furnished the projects.

The act of 1933 stated a twofold purpose—employment of persons on relief and restoration of the country's depleted resources. The act of 1937 again emphasized conservation and set up a threefold program:

To provide employment, to provide vocational training, and perform useful public works in connection with the conservation and development of the natural resources of the United States.

On August 7, 1939, the President approved an act of Congress, which provides for continuation of the Civilian Conservation Corps to July 1, 1943. The conservation projects, 150 types in all, include drainage, erosion control, reforestation, park development, and wildlife conservation, which are of interest, and have added to, the welfare and happiness of the people of my district.

The 1939 Annual Report of the Civilian Conservation Corps gives for a 6 years' period the following figures for the United States:

Total number of men employed.....	2,600,000
Trees planted.....	1,855,000,000
Truck trails and minor roads built.....miles..	106,800
Telephone lines erected.....do.....	73,590
Bridges constructed.....	42,870
Reduction of fire hazards, over.....acres..	2,000,000,000
Building of check dams in gullies.....	4,890,000
Fences built.....rods.....	17,100,000
Forest stands improved.....acres.....	3,406,000
Construction of impounding and diversion dams.....	5,575
Development of springs, waterholes, and reservoirs.....	18,000
Days spent fighting and preventing fires...man-days..	9,375,000,000

At the present time there are 1,500 Civilian Conservation Corps camps throughout the United States, and an average enrollment of 300,000, including young men, war veterans, Indians, and Territorials. We have in Maryland 20 camps, with an enrollment of approximately 3,200, 7 of which are on the Eastern Shore of Maryland. They are Elk Neck State Park, Cecil County; State forest camp, Worcester County; and 5 drainage and soil-conservation camps in Kent, Somerset, Caroline, Dorchester, and Wicomico Counties.

The camp in Wicomico County was recently established for drainage work in the upper reaches of Pocomoke River, the authorization for which was obtained in the 1939 session of the Maryland State Legislature, the State to contribute \$30,000 and Wicomico and Worcester Counties each to contribute \$5,000 a year for 2 years.

The work accomplished by the Civilian Conservation Corps on the Eastern Shore of Maryland has been of inestimable value in reforestation and in serving agriculture by cleaning and clearing out ditches to produce channels of adequate

capacity, and building water-control structures to prevent erosion. Funds expended for conservation work is money well expended. The Civilian Conservation Corps is being administered efficiently and economically. From funds appropriated for operations during the fiscal year 1939, the Civilian Conservation Corps will turn back to the Treasury over \$4,500,000 in savings and unobligated balances.

In addition to the benefits to the Nation provided through the work of the camps, the men in the camps have received valuable practical experience and training which will greatly influence their future lives. Good care, good food, and vigorous outdoor work develop the young men physically while they learn at first hand conservation practices. They receive also vocational education which helps to prepare them for jobs after they leave the camps.

There is a heavy demand for Civilian Conservation Corps camps. A survey conducted during the past year indicated that work projects already suggested by Federal and State departments would keep a C. C. C. of 1,500 camps busy for from 30 to 50 years.

During the past year there were three times as many applications for enrollment in the camps as there were vacancies. An enormous amount of conservation work has been done, but there remain many years of work which should be done; and now that we have a real conservation program in this country, it should be continued. It should be continued also for the reason that it is one of the ways to aid in the problem of unemployment, which is of vital interest at this time.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. W. O. BURGIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

EXCERPTS FROM RADIO ADDRESS OF HON. EDWARD J. NOBLE, UNDER SECRETARY OF COMMERCE

Mr. BURGIN. Mr. Speaker, under leave to extend my remarks in the RECORD on the subject of reciprocal-trade agreements, I include excerpts from a radio address delivered by Hon. Edward J. Noble, Under Secretary of Commerce, which states the matter in regard to trade agreements in a very concise way, as follows:

First, a trade agreement is nothing more nor less than a method of opening the channels of trade between ourselves and another country.

On our farms, from our mines and forests, and in our factories we produce many products which the rest of the world would like to buy and which we should like to sell. When we can sell these goods more smoke comes out of our factory chimneys, more wages go into workers' pay envelopes, more food and other products are bought from farmers, more mines, saw-mills, trains, and trucks run and hum with wage-making activity. Yes; that is what world trade means—more prosperity for all of us.

But note that this profitable activity is called world trade, not world selling. Trading means just what it always has meant—the exchange of goods for goods, as when our grandmothers took their surplus eggs to town and traded them at the village store for groceries. Hence to have world trade we must buy as well as sell. As a nation we must take the goods of another country in exchange for ours.

And this is where a trade agreement comes in.

Each agreement is an arrangement with another country whereby increased opportunities are provided for expanding its purchases of goods from us and for expanding our purchases of the other country's products. It also provides that the trade of one country shall be treated by the other country fairly and equitably relative to the trade of any third country. In other words, it guarantees nondiscriminatory treatment.

You might well say: Why is such an agreement necessary? Why shouldn't our individual traders in each country just go along and trade where and as they can?

It is because our individual traders have been handicapped in doing this that a trade agreement is necessary. It is by helping these individual traders recover their normal opportunities that a trade agreement helps us all.

The reason why these traders have been handicapped lies principally in that mysterious thing called the tariff. But also in such things as import quotas, foreign exchange controls, and other restrictions on trade.

But the truth is that in the last decade or so our tariffs, and tariffs all over the world, have become much too high—higher than necessary to furnish proper protection. With such other restrictions as import quotas and exchange controls added to them, they have become serious barriers to world trade. As a result there has developed throughout the world a tendency toward what is called economic nationalism, a jealous neighbor policy that has been destructive not only to world trade but world peace.

To get rid of these barriers to trade all at once is impossible. But unless we do cut them down enough to encourage trade instead of discourage it, the road to world peace and prosperity may be blocked indefinitely.

So that is what the trade-agreement program tries to do. It is and has been an effort to find a practicable means by which the high tariffs and other restrictions to trade could be modified, so that the exchange of goods between nations could be increased to the profit of all concerned.

To put it briefly, a trade agreement between our country and another is a method of reducing our tariffs on some goods in exchange for an agreement on the part of another country to reduce its tariffs and other restrictions on our goods.

So much for what a trade agreement is. Now, how do we go about making one? Well, here is the way we do it:

The Trade Agreements Act is a law which was passed by the Congress giving the President and the executive departments of the Government the power to negotiate such agreements. It specifically gives the Executive power to reduce tariffs on imports into this country only up to 50 percent of the present tariff rate.

Before we enter into trade-agreement negotiations with a country, public announcement is made of our intention to do so. The trade-agreements work is conducted by the Trade Agreements Committee, an interdepartmental undertaking in which participate the Departments of State, Treasury, Agriculture, and Commerce and the Tariff Commission. This committee is made up of nonpartisan experts, men of experience and judgment in foreign trade who have no interest in anything except what is best for the country as a whole.

As a result of study of the trade and products of the two countries, there is published at the time announcement is made of intention to negotiate a trade agreement a list of products in respect of which we will consider making concessions to the other country.

When these products have been announced in this open and aboveboard manner, so that everybody who produces or deals in these products may know about it, then a date is set when all interested persons may be heard. If you don't think a product in which you are interested should be included in these negotiations you have a full chance to say so. You can appear before the Committee for Reciprocity Information at public hearings in Washington and state your case; or you can file a written brief of your arguments and have them carefully considered. In one way or another everybody affected has a chance to be heard—an equal chance. There are no back-door methods, no chances for lobbyists to exert political pressure, no secret deals or swaps.

Let us take a specific case. Suppose you are a farmer, and that, among other things, you raise juniper berries. So far as I know nobody does raise juniper berries, but suppose you did. Suppose it is proposed to reduce the tariff on juniper berries so that more of them may be sold here by a foreign country. Now that naturally worries you. You think maybe the foreign producer will be able to undersell you and will ruin the market for your product.

As I say, it is natural for you to have these fears. But actually they are groundless. Although juniper berries may be included on the published list of commodities for consideration in trade-agreement negotiations, no decision is made to grant any concession on them until you have had ample opportunity to state your case and until after a thorough and complete study of the situation has been made by experts on the basis of the facts and views you have presented, as well as on the basis of facts and expert advice available from Government sources.

I have seen the trade-agreement organization work, and I can assure you that the most scrupulous care is taken to see that no American manufacturer, farmer, or other producer is hurt. And the figures show that, with the trade agreements with 20 countries now in force, no producer has been hurt, so far as we know.

This is the careful way, the unbiased, scientific way in which these trade agreements are prepared. After all the facts are in and the final lists are in, then we begin the actual negotiations with the other country. Then we know what we want from them and what we are prepared to give to get it. And eventually we strike a bargain or agreement and the deal is made. After that there is just one other main feature. The Trade Agreements Act provides that any tariff concession made to one country as a result of a trade agreement shall be extended to all other countries, except those which are found to be discriminating against our trade or pursuing

policies opposed to the purposes of the act. Thus every new agreement made not only opens up possibilities of increased trade between ourselves and another country, but extends the benefits to our trade with many countries.

You may say, "Well, if all this care is taken to see that no American producer is hurt, and if the figures show that none has been hurt, why is there opposition to the continuance of this program?"

I wish I could answer that question. It is a puzzle to me. All I can think of is that the opposition to this program grows out of the natural fears we all have of competition. We all tend to cry before we are hurt. If you will analyze what is said in opposition to this program, I think you will find it is mostly based on such fears rather than on facts.

So this trade-agreements program, which President Roosevelt and Secretary Hull have so ably sponsored, is essentially a program for reducing the excessively high tariffs and removing the other restrictions which have been choking the trade of nations.

I have never personally met anybody who did not believe, in general, that these barriers to world trade should be modified. Of course, when it comes to reducing the tariff on a particular item in which a man may be interested that is sometimes a different matter. It depends, as the saying is, on whose ox is to be gored.

But I ask you to consider this: If we agree that these trade barriers should come down, then the question is, What is the best way to get the job done? What method are we to follow to reduce our own tariffs so that more people can sell more goods to us and buy more goods from us in return?

Shall we return to the former logrolling methods of tariff making? They are adapted for tariff increases, but not for tariff reductions.

Or shall we continue the method of tariff adjustment which has been tried and found wanting, the so-called flexible tariff provision, under which the rates may be moved up or down, within limits, depending on differences between costs of production at home and abroad? This method requires elaborate cost studies. It is slow, clumsy, and impracticable. Sufficient cost data are sometimes difficult and even impossible to obtain. Moreover, the method assumes that there is one cost at home and another abroad. As a matter of fact, there may be a wide range of different costs.

No; the way to get tariffs down is to get them down with proper safeguards for the American producer. The trade-agreements program does that. It not only does that, but it uses the leverage of those reductions to get similar barriers removed throughout the world. The total effect is an improvement in world trade, from which all profit. Agreements with 20 nations have been negotiated and are now in force. We have had a chance to see how they work. Not only does our Department of Commerce statistics show that our exports in 1938 and 1939 were approximately a billion dollars greater than in 1934, when the program was adopted, but they also show that our exports to countries with which trade agreements have been made increased more rapidly than exports to nonagreement countries.

Yes, the trade-agreements program has justified itself in immediate dollars and cents returns to the American people. But it has done more, much more, than this. It has created the most hopeful way that has yet been devised to restore among the peoples of this earth that interchange of goods and services on which the hope for future world peace and prosperity depends.

For let us make no mistake about it: Economic isolation is one of the roots of world wars and conflicts. Barriers to trade are barriers to the welfare of mankind. When people cannot get goods they fight. If we want to see peace and sanity restored to this world we must maintain the economic framework within which this peace must be constructed. The trade-agreements program offers such a framework.

As President Roosevelt said, it "should be extended as an indispensable part of the foundation of any stable and durable peace." If for your children and your children's children you want this Nation to exert world leadership in the ways of peace, then see that this trade-agreements program is kept intact."

## The Reciprocal Trade Agreements Program

### EXTENSION OF REMARKS

OF

HON. BEVERLY M. VINCENT

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. VINCENT of Kentucky. Mr. Speaker, slightly more than 5 years have passed since Congress on June 12, 1934, enacted the Trade Agreements Act authorizing the President within well-defined limits to negotiate reciprocal-trade agreements with foreign countries for the purpose of restoring and expanding foreign markets for American agricultural and industrial products. The history of that legislation in stimulating and facilitating the reciprocal flow



of foreign trade with its consequent benefits accruing to farmers, workers, businessmen, industrialists, railway and steamship operators, which may be clearly observed from an unprejudiced examination of relevant facts, are such to inspire confidence in the formula for restoring foreign trade established by the act and the skillful administration of it.

Events of recent years have emphasized the need for a less partisan and more constructive national approach to the tariff problem. Yet, periodically during the past few months a small organized group of vociferous critics of the reciprocal trade agreements program, purporting to be friends of the farmer and interested solely in promoting national welfare, but in reality interested only in protecting their own favored position regardless of the larger interests of the Nation and the people as a whole, have attempted to make it appear that the program is injurious to the farmers and to the country. Objective consideration of this liberalized policy of trade between nations on the basis of its economic merits is obscured by criticism of a partisan political nature which should have no place in the determination of important national policies. Some sincerely held views at variance with the program of reciprocal adjustment of excessive trade barriers is to be expected. Honest differences of opinion may reasonably arise, and such differences will command respect. Innuendoes, half truths, and deceptive statistical manipulations, on the other hand, particularly as we now enter a new period of widespread war, requiring that we think in terms of national welfare and work for national interests, can only serve to interfere with our country's economic progress.

I inserted in the Appendix of the CONGRESSIONAL RECORD, volume 84, pages 4026 and 4120, articles exposing the fallacies of a study prepared by the American Good Government Society, adopted and inserted in the Appendix of the CONGRESSIONAL RECORD by the gentleman from South Dakota, Representative KARL E. MUNDT, attacking the trade-agreements program. It was to have been expected, of course, that the authors of the study and the gentleman from South Dakota, Representative MUNDT, would not look with favor upon my articles for the very obvious reason that by pointing out in those articles, that the true facts of the trade-agreements program and an honest appraisal of the results were studiously avoided, the partisan political nature of the attack was clearly revealed.

Subsequently, the gentleman from South Dakota, Representative MUNDT, adopted and inserted in the Appendix of the CONGRESSIONAL RECORD, volume 85, page 858, a later study prepared by the same organization, the American Good Government Society, renewing the attack on the trade-agreements program. It is disturbing, indeed, for those who understand what is really at stake to observe that the authors of this later study, motivated solely with an unholy eagerness to disparage the program, have again had recourse to the same deceptive methods of presenting statistics employed in the previous one, seeking thereby to elicit farm support in upsetting it. It gives me satisfaction to be able to say that, great as has been the attempt in this later study to discredit Secretary Hull's reciprocal-trade policy and undermine his efforts to reverse the trend toward a ruinous national policy of economic self-sufficiency, the points which I made in my earlier articles revealing the absolute lack of basis to support the charges made against trade agreements have not been impugned.

Despite vigorous avowals by the authors that theirs is a "patriotic, educational organization" free from partisan feeling—a laudable purpose if adhered to—it would be difficult to find a study more biased in its assertions, more deceiving in its deductions, and more partisan in its attitude. Just why the authors elected to list total national income during the Dingley tariff period and the Fordney-McCumber tariff period, meanwhile refraining to list figures showing national income during the Hawley-Smoot tariff period and the trade-agreements period, cannot be explained on the ground of unselfish devotion to safeguarding the American farmers' welfare. When it is considered that following enactment of the Hawley-Smoot Tariff Act, which economists generally are

agreed was in large measure responsible for the disastrous collapse of our foreign trade, followed, as such revulsions inevitably must be, by the precipitous decline in national income from \$79,498,000,000 in 1929, the year preceding enactment of that act, to \$44,713,000,000 in 1933, the year preceding enactment of the Tariff Agreements Act, according to figures published by the National Industrial Conference Board; and when it is further considered that farm cash income dropped from \$11,221,000,000 to \$5,278,000,000 between the same 2 years, according to figures published by the Department of Agriculture, whereas estimated national income has increased to \$68,500,000,000 and cash farm income to \$7,625,000,000 by the close of 1939, the partisan political nature of the attack receives an emphasis which is undeniable. Indeed, it would be necessary to step backward a quarter of a century to find a year in which farmers received an equally low cash income as in the year 1932.

#### TRADE AGREEMENTS VERSUS HAWLEY-SMOOTISM

A complete appreciation of the trade-agreements program involves a full understanding of the forces which made its creation absolutely necessary as well in the interest of the farmer as of the Nation.

By the close of the World War international economic relations were in a state of violent disorder. Normal channels of trade and finance had been seriously disrupted. Maladjustments and dislocations in agriculture and industry plagued governments everywhere. The practical necessities of prosecuting the war had forced European nations to replace home production by huge purchases in the United States, which, in turn, forced the growth of our productive capacity, both in agriculture and industry, in a degree far in excess of normal peacetime requirements. Europe emerged from the war heavily burdened with billions of dollars in foreign debts and the urgent necessity of reviving its economic system which had been seriously weakened and disrupted by the long conflict. Figuratively, almost overnight we found our position changed from a debtor to a creditor nation.

The general post-war economic situation—depreciated currencies, the huge financial expenditures necessary to repair the vast destruction caused by the 4 long years of war, and the general social rehabilitation which each of the warring nations were obliged to face—clearly called for the fullest restoration of normal trade relations with foreign countries, an indispensable element for establishing secure foundations for lasting prosperity at home and promoting permanent peace throughout the world. It meant importing more if we expected to continue to sell. Instead, during the decade of reconstruction following the war, under the mistaken view that the mere restricting of imports would serve at once to benefit the domestic producer, we raised tariff duties higher than ever before and higher than the situation fairly justified, meanwhile maintaining our export trade by lending billions of dollars to European nations with which to pay for our exports products. Foreign governments, responding to the policy of extreme protection asserted by the United States, particularly at a time when they most urgently needed to redevelop their former markets abroad, in self-protection seized upon such measures as exchange control and import-licensing systems, in order to protect their gold supply and insure that necessities have priority among imports. Finally, at the end of the 1920's American agriculture, industry, business, and labor paid a stupendous price for the short-lived period of prosperity which resulted from such unstable foreign-trade relations.

In the face of the world-wide economic collapse at the end of the 1920's our national leaders failed to recognize the realities of the situation and compel adoption of a commercial foreign policy appropriate to reverse the critical conditions that had been created, in such large measure, by a foreign policy of extreme nationalism. Instead, we resorted once again to the very same policy which lay at the root of the disaster by adopting a still more exaggerated protectionism in the form of the Hawley-Smoot Tariff Act of 1930. Our country's costly experience following enactment of that act

strikingly manifests the disruptive consequences that embargo tariffs have on our foreign trade and the heavy penalty in terms of want, distress, and human suffering which all segments of our population must inevitably pay when trade between nations is seriously impaired.

By the terms of the act tariffs were raised arbitrarily and capriciously to embargo levels without regard to the larger interests of the country, subjecting those interests to local and sectional considerations. The history of what happened during the years which followed shows conclusively the folly of indiscriminate raising of tariff barriers. Foreign countries which had been profitable markets for American products quickly retaliated by drastically increasing their own tariffs and other trade barriers in order to exclude our products from their markets. The result: Within 3 years, under the combined influence of retaliatory tariffs and other factors, our total foreign trade, including both exports and imports, had shrunk in value to less than one-third of its former amount. Surpluses of farm and other products piled up in warehouses; prices and values collapsed; business was in a state of bankruptcy; factories were closed; and millions of our workers were thrown out of employment, thereby deprived of their only means of earning a living for themselves and their families.

Confronted with a situation such as this it would be idle to expect that a satisfactory degree of lasting economic recovery could be achieved in this country without restoration of our foreign trade. Congress recognized this and the question of method was meticulously considered. Mere unilateral actions, under the conditions which prevailed, to revise such of our own tariff rates as were excessively high, however prudently adjusted, could give no promise of success toward the accomplishment of the purpose sought, for the very obvious reason that it offered no assurance that the complex variety of barriers to our commerce established by foreign nations would be likewise adjusted. On the other hand, it could not have been expected that foreign nations would modify their trade barriers in the absence of reciprocal action on the part of the United States. In view of these considerations, a commercial foreign policy founded upon the principle of reciprocal action to reduce trade barriers alone gave promise of success in restoring and maintaining foreign trade on a high level, thereby promoting economic recovery at home. The practical-minded man desirous to see a fuller measure of prosperity for the United States as a whole will see this. The tariff lobbyist concerned solely in protecting his own interests will never admit it.

Substantial progress has been made in restoring our foreign trade since the policy of mutually profitable trade relations with foreign countries was adopted as a national policy. Agreements have been negotiated with foreign countries which account for nearly three-fifths of our total foreign trade. Valuable concessions expanding sales opportunities abroad have been obtained on hundreds of agricultural and industrial products.

Proponents of the trade-agreements program have never claimed that the Hawley-Smoot tariff was the sole cause of the severe decline of our foreign trade and the widespread economic collapse which followed—though expert foreign-trade observers generally are agreed that the severity and long duration of the depression was in large measure the aftermath of it. Neither, on the other hand, have any claims been made that the recovery which has occurred in our foreign trade since the reciprocal trade agreements program was adopted is entirely the result of the liberalized policy of commercial intercourse with foreign countries which it embodies.

There is no way of disentangling the effects of the many factors which influence the flow of trade so as to permit the presentation of a precise statistical measurement of the degree in which trade agreements have increased our foreign trade. Nevertheless, analysis of the movement of our foreign trade since the program was increasingly being implemented—by the negotiation of additional agreements—amply indicates that much of the progress is directly due to it.

The following study released a short time ago by the Department of Commerce compares the foreign trade of the United States between the two periods—the trade-agreements period and the Hawley-Smoot tariff period.

The contrast between the two is striking. The study reveals that our exports to all foreign countries increased by slightly more than \$1,000,000,000, or nearly 46 percent. As stated previously, there is no way to separate and measure precisely the effect of the many factors which caused this \$1,000,000,000 increase, but the effectiveness of the trade-agreements program in restoring our foreign markets is amply indicated by the fact that our exports to trade-agreement countries increased by 61.2 percent, while our exports to nonagreement countries increased by only 37.9 percent.

*United States foreign trade with trade-agreement countries and with all others, 1937-38—compared with 1934-35*

[Values in millions of dollars]

	Average value		Change	
	1934 and 1935	1937 and 1938	Value	Per cent
<b>UNITED STATES EXPORTS, INCLUDING REEXPORTS</b>				
Total, all trade-agreement countries <sup>1</sup> .....	759.8	1,224.8	+465.0	+61.2
Total, all nonagreement countries.....	1,448.0	1,996.8	+548.8	+37.9
Total, all countries.....	2,207.8	3,221.6	+1,013.8	+45.9
<b>UNITED STATES GENERAL IMPORTS</b>				
Total, all trade-agreement countries <sup>1</sup> .....	793.9	1,073.6	+279.7	+35.2
Total, all nonagreement countries.....	1,057.4	1,448.5	+391.1	+37.0
Total, all countries.....	1,851.3	2,522.1	+670.8	+36.2

<sup>1</sup> Including the 17 countries (and colonies) with which agreements were in operation during the greater part of 1938. Only 1 of the agreements was in operation throughout 1935, 6 throughout 1936, 12 by the middle of 1936, 15 by the middle of 1937, and 18 by the end of 1938. The last (with Ecuador) only came into force on Oct. 23, 1938, and is therefore not yet included in the above calculations as an agreement country. The new agreement with Canada, and the agreement with the United Kingdom (including Newfoundland and non-self-governing British colonies) which became effective Jan. 1, 1939, the agreement with Turkey, effective May 5, 1939, and the agreement with Venezuela, effective Dec. 16, 1939, bring the number of agreement countries up to 21.

GENERAL NOTE.—Percentage changes have been calculated upon fuller figures in thousands.

Source: Latest records of Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce.

#### HONEST APPRAISAL OF THE TRADE-AGREEMENTS PROGRAM NEEDED

The arguments adduced by the authors of the study adopted and inserted in the Appendix of the RECORD by the gentleman from South Dakota, Representative KARL E. MUNDT, are broadly the same in substance as the stock assertions made by other self-styled protectors of the farmers' interests and guardians of the Nation's welfare.

The study adroitly presents a table showing national income during carefully selected tariff periods—the Dingley tariff and the Fordney-McCumber tariff. By studied omissions of material facts and a deceptive twist of phraseology, the authors of the study stoically attempted to make it appear that the United States was more prosperous during the periods of high tariffs following enactment of the two named tariff acts than during the "lower tariff reciprocal agreements."

An answer to the query of just why, after making such a stoical endeavor to disparage the program, figures showing national income during the Hawley-Smoot tariff period and the trade-agreements period were suppressed must be sought on the grounds that a full disclosure of essential facts would have effectively destroyed their arguments.

The inherent fallacy involved in the theory that high tariffs promote national prosperity is nowhere better demonstrated than by our own disastrous experience under embargo tariffs. If the theory was sound, it follows logically that, during the years following enactment of the Hawley-Smoot Tariff Act, which raised tariffs to the highest level in our history, the United States should have reached its golden age of prosperity. The facts, however, show that our Nation suffered the most appalling economic disaster of modern times.



The tariff is an economic problem; it touches every phase of our economic life. To assume that any downward revision of tariffs injures this life is as absurd a position as to assume that the mere imposition of high tariffs serves to benefit it. Tariff duties which restrict imports to a point where foreign commodities cannot be imported or to where they are imported only in fragmentary quantities do not stimulate the growth of our economic life but destroy it instead. For this reason alone it should be evident that if such a highly technical and intricate matter as tariff adjustment is to result in the establishment of protective rates of duty rather than rates which destroy international trade, such adjustments must be scientifically calculated in the light of economic facts, not on the basis of academic theory. Accordingly, the framers of the trade-agreements program developed a system which investigates facts with the deliberation and impartiality characteristic of judicial inquiry.

Contrary to the rash assertions made by antagonists, inquiry reveals that where adjustments of excessive tariffs have been made through trade agreements care has been exercised to preserve unimpaired adequate tariff protection to safeguard vital American interests.

The following tables summarize material facts essential for a proper appraisal of the merits of the trade-agreements program and its effects on the economy of the country.

TABLE I.—National income

Year	Total realized national income	Per capita realized income	National cash farm income <sup>1</sup>	Per capita cash farm income
Dingley-tariff period:				
1899	\$15,364,000,000	\$205		
1900	16,158,000,000	212		
1901	17,170,000,000	221		
1902	18,444,000,000	232		
1903	19,595,000,000	242		
1904	20,090,000,000	243		

<sup>1</sup> Cash income received by farmers from marketings. Government payments are not included; cash farm income from 1897 to 1910 is not available.

TABLE I.—National income—Continued

Year	Total realized national income	Per capita realized income	National cash farm income	Per capita cash farm income
Dingley-tariff period—Con.				
1905	\$21,428,000,000	\$254		
1906	23,165,000,000	270		
1907	24,403,000,000	279		
1908	23,458,000,000	263		
Increase from 1899 to 1907 under the Dingley tariff.	8,094,000,000	58		
Fordney-McCumber tariff period:				
1922	57,171,000,000	520	\$8,518,000,000	\$268
1923	65,662,000,000	589	9,524,000,000	306
1924	67,603,000,000	592	10,150,000,000	329
1925	70,051,000,000	610	10,927,000,000	354
1926	73,051,000,000	631	10,529,000,000	344
1927	73,966,000,000	626	10,699,000,000	355
1928	75,904,000,000	633	11,024,000,000	365
1929	79,498,000,000	654	11,221,000,000	371
Increase from 1922 to 1929 under the Fordney-McCumber tariff.	22,327,000,000	134	2,703,000,000	103
Hawley-Smoot tariff period:				
1930	72,398,000,000	588	8,883,000,000	294
1931	60,203,000,000	485	6,283,000,000	206
1932	46,708,000,000	374	4,682,000,000	151
1933	44,713,000,000	356	5,278,000,000	167
Decrease from 1930 to 1933 under the Hawley-Smoot tariff.	27,685,000,000	232	3,605,000,000	127
Trade-agreements program:				
1934	51,560,000,000	407	6,273,000,000	197
1935	56,254,000,000	441	6,969,000,000	219
1936	65,246,000,000	508	8,212,000,000	258
1937	69,419,000,000	537	8,744,000,000	276
1938	62,286,000,000	478	7,627,000,000	240
1939	68,500,000,000	523	7,625,000,000	238
Increase from 1934 to 1939 under the trade-agreements program.	16,940,000,000	116	1,352,000,000	41

Source: Statistics compiled from published data by the Department of Agriculture and the National Industrial Conference Board.

TABLE II.—United States tariff duties on agricultural products

Item	Unit	Rates of duty			
		Dingley tariff, 1897	Fordney-McCumber tariff, 1922	Hawley-Smoot tariff, 1930	Trade agreements, 1934
Sheep and lambs	Each	75 cents (lambs), 75 cents (sheep less than 1 year old), \$1.50 (1 year old or over).	\$2	\$3	\$3. <sup>1</sup>
Hogs	Pound	½ cent to ¾ cent (approximate).	½ cent	2 cents	1 cent.
Live poultry: Chickens, turkeys, ducks, geese.	Pound	3 cents.	3 cents.	8 cents.	4 cents.
Beef, fresh, chilled, or frozen	Pound	2 cents.	3 cents.	6 cents.	6 cents. <sup>1</sup>
Veal, fresh, chilled, or frozen	Pound	2 cents.	3 cents.	6 cents.	6 cents. <sup>1</sup>
Pork, fresh or chilled	Pound	2 cents.	¾ cent.	2½ cents.	1½ cents.
Bacon, hams, shoulders, and other prepared pork.	Pound	2 cents.	2 cents.	3¼ cents.	2 cents.
Poultry: Dead, fresh, chilled, or frozen	Pound	5 cents.	6 cents.	10 cents.	6 cents.
Lard	Pound	2 cents.	1 cent.	3 cents.	3 cents. <sup>1</sup>
Cream: Fresh or sour	Gallon	16½ cents (fresh)	20 cents.	50½ cents.	28½ cents. <sup>1</sup>
Whole milk: Fresh or sour	Gallon	2 cents.	(2½ cents (fresh milk), 1 cent (sour milk))	6½ cents.	3¼ cents. <sup>1</sup>
Butter	Pound	6 cents.	12 cents.	14 cents.	14 cents. <sup>1</sup>
Cheddar cheese	Pound	Not listed.	5 cents but not less than 25 per cent ad valorem.	7 cents but not less than 33 per cent ad valorem.	4 cents but not less than 25 per cent ad valorem.
Eggs: Chickens', in the shell	Dozen	5 cents.	8 cents.	10 cents.	5 cents.
Barley	Bushel	30 cents.	20 cents.	20 cents.	15 cents.
Barley malt	Pound	1¼ cents.	¼ cent.	¼ cent.	¼ cent.
Corn	Bushel	15 cents.	15 cents.	25 cents.	25 cents. <sup>1</sup>
Buckwheat	Pound	¾ cent.	1 cent.	2½ cents.	1½ cents.
Oats	Bushel	15 cents.	15 cents.	16 cents.	8 cents.
Rye	Bushel	10 cents.	15 cents.	15 cents.	12 cents.
Rye malt	Pound	Not listed.	4 cents.	4 cents.	3½ cents.
Rye, flour and meal	Pound	½ cent.	4½ cents.	4½ cents.	4½ cents.
Wheat	Bushel	25 cents.	42 cents.	42 cents.	42 cents. <sup>1</sup>
Wheat flour	Pound	25 per cent ad valorem.	1½¢ cents.	1½¢ cents.	1½¢ cents. <sup>1</sup>
Oil cake	Pound	Free.	Free.	¾ cent.	¾ cent. <sup>1</sup>
Oil cake meal	Pound	20 per cent ad valorem.	Free.	¾ cent.	¾ cent. <sup>1</sup>
Soybeans	Pound	Not listed.	½ cent.	2 cents.	2 cents. <sup>1</sup>
Cottonseed	Pound	Free.	½ cent.	½ cent.	½ cent. <sup>1</sup>
Hay	Short ton	\$4.	\$4.	\$5.	\$2.50.
Peas, canned	Pound	Not listed.	2 cents.	2 cents.	2 cents (value less than 10 cents per pound) 1½ cents (value more than 10 cents per pound).

<sup>1</sup> Rates of duty established by the Hawley-Smoot Tariff Act have not been affected (reduced or bound against increase) by any trade agreement.

<sup>2</sup> Limited to an annual quota.

TABLE II.—United States tariff duties on agricultural products—Continued

Item	Unit	Rates of duty			
		Dingley tariff, 1897	Fordney-McCumber tariff, 1922	Hawley-Smoot tariff, 1930	Trade agreements, 1934
Tomatoes, canned	Pound	40 percent ad valorem	15 percent ad valorem	50 percent ad valorem	50 percent ad valorem. <sup>1</sup>
Asparagus, canned	Pound	Not listed	35 percent ad valorem	35 percent ad valorem	35 percent ad valorem. <sup>1</sup>
Beans, canned	Pound	2½ cents	2 cents	3 cents	3 cents. <sup>1</sup>
Arrowroot	Pound	Free (in natural state) 1½ cents (flour or starch).	Free	Free	Free.
Sago	Pound	Free	Free	Free	Free.
Tapioca	Pound	Free	Free	Free	Free.
Potatoes	100 pounds	40 cents	50 cents	75 cents	37½ cents from Mar. 1 to Nov. 30, inclusive. <sup>1</sup> 60 cents from Dec. 1 to last day of the following February. <sup>1</sup>
Apples, green or ripe	50 pounds	25 cents	25 cents	25 cents	15 cents.
Peaches, green or ripe	Pound	½ cent	½ cent	½ cent	½ cent. <sup>1</sup>
Pears, dried or prepared	Pound	2 cents	2 cents	2 cents	2 cents. <sup>1</sup>
Pineapples	Crate	49 cents	22½ cents	50 cents	35 cents. <sup>1</sup>
Oranges	Pound	1 cent	1 cent	1 cent	1 cent. <sup>1</sup>
Flaxseed	Bushel	25 cents	40 cents	65 cents	65 cents. <sup>1</sup>
Hides and skins	Piece or pound	Free	Free	10 percent ad valorem and free.	10 percent ad valorem and free.
Flax, hackled	Pound	3 cents	2 cents	3 cents	1½ cents.
Hemp, hackled	Pound	1½ cents	2 cents	3½ cents	3½ cents.

<sup>1</sup> Rates of duty established by the Hawley-Smoot Tariff Act have not been affected (reduced or bound against increase) by any trade agreement.

<sup>2</sup> Limited to an annual quota.

Table I exposes in a striking manner the paucity of the reckless assertion that the trade-agreements program has brought so many American farmers and raw-materials producers to their knees and deprived them of honest income. By the end of 1933, after 3½ years during which Hawley-Smoot embargo tariffs were in force, national income had fallen to \$44,713,000,000 and cash income received by American farmers to \$5,278,000,000. In sharp contrast to this is ranged, by the end of 1939 under trade agreements, an increase in national income to \$68,500,000,000 and in cash income received by farmers to \$7,625,000,000. Was the Nation and were the farmers deprived of honest income by this increase?

If table II, which merely attempts to list a few examples of those products which have been the particular object of attack, is examined in detail, it will be discovered that existing rates of duty on many commodities have not been changed by any agreement. Moreover, passing to an analysis of the rates of duty with regard to those commodities on which tariff adjustments have been made, it will be observed that in many instances the tariff duties, even after being modified through trade agreements, remain substantially higher than they were under the Dingley Tariff Act and the Fordney-McCumber Tariff Act. The facts revealed in table II clearly attest to the thorough study and deliberation which marks trade-agreements negotiations in order to safeguard vital American interests with adequate tariff protection.

#### HAWLEY-SMOOT DID NOT MITIGATE THE DEPRESSION

The claim that the Hawley-Smoot tariff prevented the depression from becoming worse is a perverted justification of the embargo tariffs established by that disastrous legislation. The only evidence adduced to support the claim is the citation of a theory—that when a country devalues its currency, other countries whose currencies are not devalued in the same degree inevitably find their imports from the depreciated-currency country increased and conversely their exports to that country decreased.

It is easy to attach an exaggerated significance to the theory, meanwhile completely ignoring other and more important factors which influence trade. As a practical matter, the theory in actual operation usually has only a minor and indeterminable influence on trade. Experience has demonstrated conclusively that fluctuations in the value of a country's currency by relation to the currencies of other countries constitute only one among many factors which influence a country's export and import trade. Depending upon the extent to which these other factors tend to govern commerce between nations, a devaluation of foreign currencies may or may not affect the foreign trade of a depre-

ciated-currency country to the detriment of the commerce of other countries. To protect American interests against the possibility that a currency devaluation may, at some future date, have an adverse effect upon our commerce each trade agreement contains a safeguarding clause providing for rescission of the agreement if a variation should occur in the rate of exchange between our currency and the currency of the other contracting party which in fact adversely affects our trade.

There can be no escape from the conclusion, if material facts are impartially and fairly examined, that the Hawley-Smoot tariff by intensifying interferences with the movement of foreign trade at a time when the situation sorely demanded measures to stimulate and expand trade on a basis of reciprocity largely accentuated the severity and prolonged the duration of the depression.

#### OUR NATIONAL WELFARE DEMANDS CONTINUANCE OF THE TRADE-AGREEMENTS PROGRAM

The experience of the decade immediately following the termination of the World War has shown in convincing terms that the really serious and lasting destructiveness of war, apart from the loss of human life, lies in the permanent dislocation of the normal markets of trade and in the internal economic collapse and social disorganization which follows.

In the present unhappy world situation the United States must look forward to the day when the present European war, so largely the outgrowth of narrow nationalistic trade practices, whatever its immediate provocation, will be terminated, and prepare now to lend effective aid to the establishment of a sound basis for international economic relations for the purpose not only of rehabilitating the world but also of insuring our own economic progress and welfare. Permanent peace between nations of the world, an indispensable element for maximum and stable prosperity at home, is an illusion unless there can be provided to support it equal opportunity for profitable trade between all nations. The trade-agreements program, with its emphasis on sensible and scientific adjustment of excessive trade barriers and equality of treatment for all nations, is the only commercial foreign policy which gives promise for the establishment of friendly trade relations among the nations of the world. The only alternative to reciprocity in trade is economic nationalism with all the evil consequences which that phrase implies in lowered standards of living, restricted production in agriculture and industry, widespread unemployment, deteriorating factory equipment, idle capital and resources, international animosity, and precariously impermanent peace. Under such conditions there can be no sustained prosperity for any nation, our own included.



To abandon the trade-agreements program at this time would be an unthinkable backward step to the orgy of Hawley-Smoot embargo tariffs or their equivalent. Those who propose such a step have failed to grasp the fundamentals of foreign trade. They presume, against reason and experience, that American producers can reserve the entire domestic market for themselves and continue to enjoy export markets as well. They fail to understand, or deliberately ignore the fact, that extreme protectionism by making it difficult for foreign nations to sell to us, makes it equally difficult for them to buy from us.

Progress and prosperity are the result of expansion, not contraction. It is impossible to expand our trade with foreign countries and thereby promote progress and prosperity at home while subjecting our import trade to arbitrary and capricious tariff regulation.

### United We Stand

#### EXTENSION OF REMARKS

OF

HON. PATRICK J. BOLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ADDRESS OF HON. JAMES A. FARLEY, HARRISBURG, PA.,  
FEBRUARY 3, 1940

Mr. BOLAND. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, chairman of the Democratic National Committee, at the banquet of the Democratic State Committee of Pennsylvania, held at the Zembo Mosque, Harrisburg, Pa., on Saturday evening, February 3, 1940, at 7 o'clock.

#### UNITED WE STAND

It is, of course, a delightful thing for me to attend this reunion with my fellow Democrats of Pennsylvania in the never-ending fight for democracy.

Your loyalty as Democrats has never been questioned anywhere or at any time, and your vigor and perseverance as fighting Democrats have won the admiration of the world. I am not the man to restrain a good fighter, and on the morning after election I am depending on you to show up for work, not with a black eye on your face but with a verified report of two black eyes on the face of the Republican machine.

For 40 years Pennsylvania was a conquered province, subject to all the discomforts of Republican misrule. You were dominated by the Quays, the Penroses, and the Vares. They dictated the personnel of your State government and your Federal delegations, with the natural result that in at least one of your greatest industries the labor situation was a stench in the nostrils of the Nation. Corruption was a commonplace in your public service; favoritism was so recognized that people actually forgot that it was not a normal condition.

Time brought the inevitable reaction. There was a national uprising against the policies and processes that had brought our Nation to the depth of misery with the worst depression that ever came upon the United States. With the advent of liberal sentiment Pennsylvania in 1934 joined the proud procession of States that redeemed the American people from impending bankruptcy.

Perhaps no event of that year caused more consternation in Republican ranks and gave greater satisfaction to our own people than the switch of Pennsylvania—rock-ribbed Pennsylvania—to the Democratic side. The minority party sought comfort in the thought that the overturn of the Grundy bund was a mere flurry in political circles; that the old regime would regain its ascendancy as soon as the people had recovered from their terror at the depression. But to their dismay they found that succeeding elections merely emphasized that the Keystone State was really Democratic. This brief review of the trend and course of your political development brings us down to 1938.

That interruption to the continued democracy of your State was our own fault. It cannot be ascribed to Republican wisdom, or to any revulsion from the ideas and ideals that were the foundations of Democratic popularity. It was a battle thrown away by our own passions. Perhaps some of you may remember my remarks at the Jackson dinner of that year when I said:

"We cannot nurse our private feuds with the calm assumption that Democratic sentiment is so strong that we can afford to withhold support and strenuous effort from this candidate or that candidate. As national chairman, I have often advanced the

theory that primary struggles and rivalries are assets and not liabilities to a party. The striving of ambitious members for the honors of office preserves political organizations from dry rot and decay. It is the natural insurance that no faction nor group shall keep its grip on the party longer than it merits the confidence of its members.

"The other end of that picture is that the vendettas must end when the nominations have been made. Party loyalty is requisite for party success. Discipline is as necessary in the ranks of a political organization as in the files of an army. I have announced with all sincerity and without reservation that the national committee is behind every Democratic nominee. That has to be the guiding tenet of every honest Democrat if we are to continue in power in State or Nation."

What I said then is just as true with reference to the present situation as it was when the primary fight of 2 years ago brought defeat to us in this State. Let me admit in passing, however, that the sin of dissension did not apply to Pennsylvania only.

I think I am safe in saying that practically every defeat the party has had in recent years in debatable States, and in the Nation, was due to our own errors and to disunion in our own ranks. We can all remember with remorse the national-convention fight of 1924. We had the election in our hands. Numerous of my Republican friends admitted that the scandals of the Harding regime had ruined their chances. Yet our able and eminent Democrats so split and battled in that convention that the country was disgusted with us. That struggle put off the advent of Democratic national success for 8 years.

It isn't only a question of party harmony that confronts us now, important though that may be of itself. We have a duty as American citizens that, to my mind, transcends in importance even political loyalty. America looks out upon a world torn by strife and discord. We have seen dictators come to power and rise in authority because people had lost faith in the democratic process. There is nothing that will undermine our American institutions and our American form of self-government more rapidly or more dangerously than poor and inefficient government. At this time, therefore, it is of utmost importance that we do our part as citizens of the Republic in providing an honest, sincere, and able administration of public affairs.

I do not need to tell you that the opponents of the Roosevelt policies between now and November will exert every influence and extend every effort of which they are capable to defeat the Democratic Party. The Republicans have unlimited money for propaganda, and they are counting on disunion in the Democratic ranks to give them the electoral vote of this State.

Now the big question comes, What are we going to do about it? Your registration figures are evidence that we have the votes to preserve democracy in Pennsylvania, and you have here every element that makes for a decisive victory.

Pennsylvania advanced during the Democratic regime; Pennsylvania has gone backward under the present Republican administration.

Democratic Gov. George Earle found when he took over the State house that he had to meet a deficit of \$36,000,000 in the State's finances. The relief cupboard was bare. Governor Earle left office with that appalling deficit wiped out, with relief paid up to date, and there were a few millions as a nest egg for a surplus.

The Republicans presented the issue in their campaign that Earle had been extravagant, and that his emergency taxes were "driving industry out of Pennsylvania." Yet the first session of the legislature under Governor James reenacted every Earle tax, and the new Republican budget was the biggest in the State's history. Naturally the budget was not balanced. Governor James, as an economy gesture, cut the biennial relief appropriation in two. But, I am informed, he has explained that this appropriation will be exhausted next June. This means either an additional appropriation or a deficit that will amount to the staggering sum of \$10,000,000 a month for the ensuing year.

You, of course, know a great deal more than I about the failure of your Republican State administration to meet any of the day's problems successfully. For this reason I do not intend to review the miners' march on Harrisburg, which defeated the proposal to crucify these workmen at the behest of the anthracite-coal barons; nor do I need to do more than refer to the onslaught on labor which resulted in the A. F. of L. and the C. I. O. uniting in a campaign of self-defense.

I have been told that a bill which would have reformed Philadelphia's charter and reorganized its halting, debt-ridden municipal machinery was slaughtered at the request of Mr. Jay Cooke, Mr. Pew's Philadelphia representative, who, I understand, is the minority party's candidate for Senator this year. Moreover, in contrast with the Earle administration's efforts to bring about peace and harmony between Pennsylvania industry and its workmen, Governor James' legislature ripped the State labor-relations act until it was beyond recognition. That legislature practically destroyed the Workmen's Compensation Act, increased maximum hours of women in industry, and authorized a teachers' pay cut in Philadelphia.

Even the Republican press of your State referred scornfully to the session. "Legislation was submitted," said the Philadelphia Ledger, "which had for its purpose putting Pennsylvania back into the same position as when the Democrats swept the Republicans from power in 1934."

The Philadelphia Evening Bulletin declared: "The legislature did not reduce taxes, because it couldn't. It manifested a disposition to throw relief and liquor control back into politics. . . . By and large, it did the bidding of political managers whose concern,

like that of the dominant interests in the 1937 body, was largely the advancement of partisan interests."

The Democratic Philadelphia Record put it even more bluntly, for it said of this general assembly: "It sold out organized labor in order to please certain employers; it sold out the employers by failing to keep the tax-reduction promise. It sold out the unemployed, and it sold out those who believed James' promises about relief."

I don't know just what is the state of the James Presidential boom at present. But I do know the Pittsburgh Press said of the State department of commerce's \$340,000 advertising appropriation—advertising James—that it bordered on "outright dishonesty," and added: "The expenditure of State funds to boost the personal stock of the Governor is a gross misuse of public money."

In hunting about for an alibi for the disastrous results of his administration so far, the Governor has elected W. P. A. as the villain. The argument is practically that if the W. P. A. were to take care of all relief, Pennsylvania could balance the budget without new taxes. There is no doubt about that. He should have added that if all the funds in the Federal Treasury had been turned over to Governor James, the State might even have a surplus.

Casting about for something with which to point with pride, the James administration seeks to be credited with the \$65,000,000 Pennsylvania Turnpike project. It was a Democratic legislature that authorized that project and it was Democratic aggressiveness that got the money from the P. W. A.

I don't think I need go further in describing what a bad investment it was for your State to turn things over to the Republicans.

Pennsylvania has done her part in bringing about the vast improvement in our national situation from the terrible condition in which the last Republican national administration left us. Under Democratic rule our country has weathered the great economic storm and is perhaps, thanks to Democratic policies, the only great nation in all the world unvexed by terrible fears of war; the only nation where people can pursue their usual avocations without dread of what tomorrow may bring.

But, taking it by and large, estimating things as they are as compared with things as they were, we must all be proud and happy with the improvement. It is the duty of us all to see that there is no interruption in the process of putting America back where it belongs. It is your job and my job and the job of every individual who has the interest of his country at heart to do everything possible to continue our orderly progress. And, more particularly, it is our job to do nothing that will encourage the forces that would upset things.

I have no doubt as to the result of the November election, but we must never risk the danger that is always present of losing through overconfidence. It will not do to assume that we are so strong that any of us can spare our efforts. Fortunately, there are many sturdy candidates for the nominations of the national convention, and I anticipate an honest and earnest presentation of their respective claims. I believe I can assure you, however, that there will be no deadlock in the convention, and when the final ballot is taken it will represent the will of our party. It will give us a ticket to which every Democrat will subscribe, in full faith that it is the party's choice; a ticket that will present not only what is best for the Democrats but also best for the welfare of our country.

We have had two terms of a successful Federal administration that have saved the Nation from collapse and disorder. But the work is anything but complete. I am sure that Pennsylvania wants to share in the program of preserving the humane results of the courage, patience, and statesmanship of Franklin D. Roosevelt. I am sure that all of you would contemplate with dismay and indignation a relapse into the old Republican system that almost destroyed us. So it is with confidence that I leave with you a final word. Do your full duty. Your first allegiance is your country; close behind it is loyalty to your party.

The Nation asks you to be faithful to both.

### Prayers for the Polish People

### EXTENSION OF REMARKS

OF

HON. PIUS L. SCHWERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ARTICLE FROM THE COURIER-EXPRESS, BUFFALO, N. Y.

Mr. SCHWERT. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include the following article from the Courier-Express of Buffalo, N. Y.:

ALBANY, February 7.—Gov. Herbert H. Lehman today proclaimed next Sunday Poland Day in the State of New York and called upon residents of the State "to pray for the millions of Poles who are now undergoing untold suffering, misery, and persecution."

The executive's proclamation, issued in response to the request of the New York State Conference of Polish Clubs and the United St. Stanislaus Societies, follows:

"Our country has long recognized thankfully the contributions to her greatness and glory made by Polish patriots. Our history is replete with incidents which give testimony to their accomplishments."

"Accordingly, it is fitting that in the midst of our manifold blessings, among which are national unity, peace, and security, we pause to remember the courageous Polish religious and lay martyrs of the war and the millions of people upon whom again is visited great sorrow."

"Now, therefore, I, Herbert H. Lehman, Governor of the State of New York, do proclaim Sunday, February 11, Poland Day."

"It is proper that this be done at this particular time so that all Americans may observe the birth anniversary of Abraham Lincoln and Gen. Thaddeus Kosciuszko, beloved Polish American Revolutionary War hero, whose memory will always be held in grateful recognition in this country."

"I am confident that Americans, always responsive to the call of distress, will heed the plight of the unfortunate people of Poland, and in their homes, churches, and synagogues will pray for the millions of Poles who are now undergoing untold suffering, misery, and persecution."

### The Threat to Free Speech

### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

RADIO ADDRESS OF HON. SAMUEL B. PETTENGILL, NOVEMBER 12, 1939

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein a radio address delivered by the Honorable Samuel B. Pettengill, formerly a Member of the House of Representatives, and now the chairman of the National Committee to Uphold Constitutional Government, which was broadcast over the Columbia Broadcasting System on Sunday, November 12, 1939.

The National Association of Broadcasters have decided that the American people need a guardian. They have elected themselves the guardian. They did this without our knowledge or consent, but it is now the fact. You and I are now their wards. It is only by their leave that you can now discuss a controversial question over the air waves of America. You can say nothing, you can hear nothing except with their majesties' gracious permission. Papa knows best.

The broadcasters' recent code is a threat against the free speech of a free people. No law authorized their action. No constitution sanctioned it. No election ratified it. They did what Congress itself does not have the power to do. The lords of the air decided that they would decide what you shall hear. They decided that you shall not decide what you shall hear.

As always in cases of this kind, their action is surrounded by sanctimonious reasons why what they are doing to us is a good thing for us. This is old stuff—as old as Caesar and the divine right of kings. Abraham Lincoln, man of the people, knew this game inside and out. Lincoln said, "Tyrants always bestride the necks of the people on the claim that it is for the people's good."

I wish Lincoln and Jefferson were living now—or Andy Jackson or Theodore Roosevelt, or many another who trusted the plain people of this great country, who did not think they needed a guardian. Woodrow Wilson was one of these men. He said, "I do not want to be taken care of by the Government, directly or indirectly. I want only to have right and justice to prevail. I have never heard of any group of men in whose hands I am willing to put the liberties of America in trust."

Ladies and gentlemen, are you willing to hand the liberties of America over to the National Association of Broadcasters, or to the bureaucracy in Washington that regulates radio?

This is government by men, and not by law. Somebody arbitrarily dictates what rights you may or may not exercise. Our forefathers called this tyranny. I predict that the American people are not now going to stand for dictatorship at home which they condemn abroad.

No controversial question can be discussed in Germany unless Hitler consents. No controversial question can be discussed in Russia unless Stalin consents. No controversial question can be discussed in America unless the National Association of Broadcasters or some of the members consent. All three dictate what shall be heard, and who shall speak.

After you remove the camouflage of all the clever reasons why the code is good for you and why papa knows best, these facts remain: Inside wire pullers can alone determine, first, what is a



"controversial issue"; second, how much time shall be spent discussing it, if any; and third, who discusses it, if anyone. I challenge any member of the association to deny that this is the exact fact.

I am speaking on the subject today. But I am doing so by permission only. Somebody, and I don't know who, has consented that I may speak. Somebody, and I don't know who, could withdraw that consent. Then I could not speak. What you and I have today is a permit and not a right. But free speech is the right of all and the gift of none. A gift may be refused; a right may be stoutly held.

This goes to the very root of our free institutions. A subject, not in hand, cringing for a favor from his gracious lord, is the curse of the old world. A citizen standing on a right safeguarded by law, and looking his official in the eye and telling him to watch his step, is what makes a man an American.

Rights and not favors is the whole distinction between freemen and slaves. When our Constitution was before the people in 1787 Jefferson insisted that a bill of rights "is what the people are entitled to against every government on earth." We wrote the guaranty of free speech into the first article of our Bill of Rights. We said, "Congress shall make no law abridging the freedom of speech . . . or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

We recognized that free speech is basic to all other freedoms. For it is the right to criticize one's own government when those other freedoms are invaded, and by communicating with one's fellows to make common cause against the tyrannies that always return. The same truth was stated when the French Revolution overturned centuries of oppression. In the manifesto on the rights of man, appended to the French Constitution of 1791, the men who then fought for liberty, equality, and fraternity wrote these noble words: "The free communication of ideas and opinions is one of the most precious rights of man."

Please note that these brave men always talked about rights, not about favors. It would be no answer to them and it ought not to be to us that some group of invisible and unelected gentlemen behind the scenes gave sweet-smelling assurances that they were all-wise and all-good and would always dispense or withhold their gracious favors with even-handed equity to friend and foe, Tory and Liberal, members of their party and members of the opposite party. They knew better. They refused to live under even a good tyrant.

As Justice Brandeis said in one of his famous opinions: "Experience should teach us to be most on our guard to protect liberty when the Government's purpose is beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers of liberty lurk in insidious encroachment by men of zeal, well meaning, but without understanding."

Let this code stand, and you have set up an "invisible government" over "one of the most precious rights of man," the "free communication of ideas and opinions"—mass communication by radio.

The other day it was announced that a radio station would no longer carry a broadcast called The Voice of Labor. It is controversial. Why shouldn't labor have its radio voice where it may freely communicate its social or legislative program? Who is so wise as to say when labor must be mute? I was glad to note that the Congress of Industrial Organizations announced it would not take this lying down. I have little doubt that the American Federation of Labor will also throw its weight against this invisible government.

Is there to be no "voice of agriculture"? Are the farm organizations, the Grange, the bureau, the union to be denied the right to buy time on the air to advocate measures they are deeply interested in? And what about the great women's organizations interested in social and political reform? Are they to be denied the right to speak their minds?

At the moment the code falls hardest upon Dr. Townsend and Father Coughlin. They are to be snuffed off the air. The millions who want to listen to them are to be denied that right. Again, I say this is tyranny. I do not agree with much that these gentlemen advocate.

But the question now is not whether Father Coughlin and Dr. Townsend's views are sound. The question is whether they shall be denied the right to speak, and the right to be heard. The question is whether all minority groups—now or in the years to come—shall have the right to present their cause at the bar of public opinion, even of a hostile public opinion.

As a leading Catholic journal, America, has said: "It is hard to exaggerate the serious menace to rightful freedom in this double censorship. Today the victim is Father Coughlin. Tomorrow it may be another Washington or Lincoln who strives to denounce a national dictatorship established on the ruins of the American Constitution."

On its face the code has a clever appearance of fairness. A sort of promise is held out that all sides of all controversial questions will always be presented on balanced programs. But no one whose eyeteeth have been cut need be fooled by any offer to give "free time" on balanced programs.

The power to select the speakers is the hidden knife. Every "cause" becomes identified with someone who gives it the electric spark of his personality. Separate the leader from the cause and you give the cause a mortal blow.

In their opposition to slavery, William Lloyd Garrison and Wendell Phillips made an abstract proposition a living thing. To have gagged them would have been all that a Simon Legree could ask.

Take woman suffrage. Can you separate that movement from Elizabeth Cady Stanton and Alice Stone Blackwell? Had they been gagged, the thing they fought for would have been strangled.

Gag Frances Willard and all who fight for temperance and sobriety—that is a controversial question, is it not? What more would the gamblers, racketeers, and their corrupt political allies want than a situation wherein the controllers of broadcasting may secretly decide who, if anyone, shall be permitted to attack them?

Advertisers, station owners, and manufacturers and merchants of radio sets had better wake up. Their interests are at stake. If the American people once get the idea that someone behind the scenes is deciding what they shall not hear, they may tune off, to someone's huge detriment. When the people lose confidence in the program, they will lose confidence in the advertiser. Put the integrity of the editorial page of the air under suspicion, and watch listeners, advertisers, and buyers slip away.

But, ladies and gentlemen, it would be unfair if I were to allow you to assume that the National Association of Broadcasters is wholly at fault in this matter, or that all broadcasters want to control the discussion of controversial questions. The contrary is the case. Many broadcasters are as much opposed to this provision of the code as anyone. Some have already withdrawn from the association in protest, such as Elliott Roosevelt. Others want the code changed and will join in the fight that is going to be made to change it. We have support also within the Federal Communications Commission itself.

There is good reason to believe that the association adopted this code either under hidden pressure or the threat or fear of it. The effort to control radio has been going on a long time. A few years ago the Federal Radio Commission at Washington—believe it or not—actually argued in court that a radio address is not "speech" within the meaning of the United States Constitution. Since then there has been a silent censorship over broadcasters through the power to cancel their licenses, to refuse to renew them, and the short term of the license granted them—until lately only 6 months; now 1 year.

This makes every broadcaster, with his large investment at stake, a constant suppliant for the favor of the Commission. He knows that the Commission may refuse to renew his license if during the past 6 months some Commissioner has not liked something spoken from his station programs. Commissioners have themselves made radio speeches criticizing the programs. That was a "tip-off" as to what programs not to have. In June, without authority whatever, the Commission undertook a direct censorship of international broadcasts. This created such a wave of indignation that they recalled their order, and only the other day the new Chairman of the Commission let the cat out of the bag by giving the new code his implied blessing.

But that is not all. By virtue of his declaration that an emergency exists, the President today has the legal power to close every radio station in America, or to turn them over to a Government agency where they might be exclusively used for Government propaganda as in Germany, Russia, or Italy. He has not exercised that power. I trust he will not undertake to do so. I trust that a once-free people may still be permitted, even as a favor, if not as a right, to criticize governmental policies with respect to war or the problems of peace.

But the sword of Damocles now hangs over the head of every station owner, and here let me make it plain that the sword is exercising its secret power, even though the thread that holds it remains uncut. A loaded revolver held at your heart has power over you even if the trigger is not pulled.

For these reasons, while we utterly condemn the code forbidding the right of Americans to discuss controversial questions by paid radio broadcasts, those who agree with me are not fighting the broadcasters as such. We propose to fight for them and with them to regain the freedom that is rightfully theirs, and to put the radio on the same firm and unassailable foundations before the law, and Government bureaus, as is now enjoyed, after centuries of struggle, by the press and the platform.

Specifically we shall ask Congress at the next session to repeal the power of the President over the radio, except under the emergency of actual war in which we are involved, and then under safeguards against the abuse of power.

Second, that in all cases licenses shall be granted for the full maximum period of 3 years, permitted by existing laws, rather than 6 months or 12 months only, as heretofore. There is not a station owner in America who would not welcome this change.

Third, take from the Commission all power to suspend, revoke, or refuse to renew licenses for any illegal offense other than those which Congress may constitutionally forbid, and then only after an independent court, and not the Commission, has found the licensee guilty.

Ladies and gentlemen, the black-out of freedom is spreading throughout the world. The lights of liberty are being dimmed. Freedom of speech was the first liberty lost under European dictatorships. When that went, all other freedoms followed. Are we moving in the same direction?

This is a new fight in an age-long war. The dictators of today are riding the tumult, but the deep tides of human destiny are against them. Men have always struggled to be free.

Because he insisted on the right to freely speak, Socrates went to his doom. But before he drank the hemlock he said, "I would rather speak in my fashion and die than speak in your fashion and live."

Under the British Stuarts men were burned to death for criticizing the policies of their governments. The Hitlers of that day

required the press to be licensed, so that only those who kissed the royal hand and bowed the obsequious knee might publish a newspaper. It was then that Milton wrote his noble words: "Give me the liberty \* \* \* to argue freely according to conscience above all other liberties."

In France Voltaire said: "I disagree entirely with what you say, but I will defend with my life your right to say it."

And so the torch of freedom has been carried down the centuries. Only in recent years the Huey Long machine, now shown to have been unspeakably corrupt, tried once more to crush a free press. It was then that the United States Supreme Court said that an untrammelled press was intended to be preserved as "a vital course of public information \* \* \* to allow it to be fettered is to fetter ourselves."

We fight today for the same values our fathers fought for. They fought for a free press. We fight for a free microphone.

Men and women of America, are you with in this fight to preserve free radio? If so, write for a copy of this address to the National Committee to Uphold Constitutional Government in New York City, address 205 East Forty-second Street, New York City.

## Reciprocal Trade Agreements Act

### EXTENSION OF REMARKS

OF

HON. EARL R. LEWIS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

ADDRESS BY JAMES M. DUFFY AT COLUMBUS TOWN MEETING,  
FEBRUARY 19, 1940

Mr. LEWIS of Ohio. Mr. Speaker, there is no industry in America that is more dependent upon the protection of its American markets from the competition of competing foreign products for its very existence than the American pottery industry, and no working people employed in any American factories are more dependent upon such protection for their jobs and their livelihood than the potters, and it is very timely and fitting that the president of the National Brotherhood of Operative Potters, Mr. James M. Duffy, should speak on the subject of the so-called Reciprocal Trade Agreements Act at the moment the House is considering the resolution to extend the term of the act, and I quote his speech as follows:

Mr. Chairman, ladies, and gentlemen and members of the Town Meeting of the Air, I greet you. Representing the workers dependent for their opportunities for employment in the American pottery industry we wish to have you know that we most emphatically oppose the continuation of the present alleged reciprocal trade treaty policy.

The workers in the American pottery industry, the products of which actively compete in American markets with the pottery products of the virtual slave wage paid labor of Japan, are conversant with the workings of tariff legislation. Such legislation and the administration thereof means the difference between jobs or idleness to thousands of American pottery workers.

These observations are based not only on our own practical knowledge and experience but upon findings and published reports of the United States Tariff Commission. After a careful and exhaustive study of the competitive conditions which the products of American pottery workers must meet in American markets, the Tariff Commission found that some 40 percent of the household tableware yearly sold in American markets is the product of workers in foreign countries, and 85 percent of such imports are the products of the workers of Japan.

It is hard to understand the hypocrisy and the inconsistency of those who on the one hand allege that they favor effective administration of our Asiatic exclusion law, our restrictive immigration laws, our Fair Labor Standards Act, and yet, will support legislation which results in making impossible the effective administration of the protective laws which I have just cited. Further, it is hard to understand how a group of educated and presumably well-informed persons will seek, under a Democratic administration, a delegation of power pertaining to the raising of revenues and the entry into treaties with foreign countries when such a policy has been bitterly opposed by every Democratic-controlled Congress from the earliest days of the history of our country down to the passing of the Collier bill in 1932. For your information, I might say that prior to 1934 no authorization has ever before been granted, authorizing our entry into trade treaties, unless such trade treaties were ratified by the Senate and approved by the House of Representatives.

The arguments which have been put forth by the State Department proponents of this un-American legislation are based on misrepresentation and the distortion of known facts. The cry-baby appeal of the State Department proponents of these reciprocal-trade treaties reminds one of a 4- or 5-year-old child, who, having stolen a lollipop, fears it will be taken away from him because he sees the parent coming down the street.

Labor opposes this unconstitutional delegation of power because we do not believe in fascism, nazi-ism, communism, or any other foreign isms. We still have confidence in the elected representatives of the American people, and we believe that persons seeking election to the Congress of the United States should either perform the obligations which they assume or should resign and let others who will accept and perform the obligations of office take their place. We are unalterably opposed to appointed officials of our Government taking over the obligations which the elected representatives of our country are obligated to perform.

When the proponents of reciprocal-trade treaties started their propaganda, a year or more ago, to secure the extension of the unconstitutional delegation of power which they now, we trust, temporarily possess, they compared our exports of 1932 with our exports of 1937 and 1938. They knew that before any trade treaties were entered into, other than with Cuba and a few other small nations, our exports had increased from \$1,675,000,000 to \$2,282,000,000. Further, they knew that our imports had increased from \$1,325,000,000 in 1932 to \$2,038,000,000 in 1935. While our exports of automobiles, radio sets, office machinery, and canned fruits increased in value these champions of tariff reductions, through our entry into trade treaties, said but little of the increase in our domestic trade. Our domestic trade from 1932 to 1938 increased from \$30,000,000,000 to more than \$60,000,000,000. Surely an increase in productive or service capacity of \$30,000,000,000 provides more jobs for American workers than did an increase, at the most, of less than \$1,700,000,000, most of which was in increase in values rather than in quantities.

Despite the distortion of facts presented in an attempt to mislead the American people into believing that through our entry into these reciprocal-trade treaties and the reduction of some 30 percent in tariff rates on some 1,000 or more foreign-made articles, an analysis of our imports and exports since these trade treaties were entered into will show that for every possible job secured for American workers we have transferred the jobs of at least 4 American workers to workers in foreign countries.

One must bear in mind when reading these figures that our exports are based upon the value of such articles in our country, while our imports are based upon the value in the foreign country, Japan for instance. There are some articles, most of which are on the free list—coffee, tea, rubber, tin, and raw silk—which we do not produce and will import anyway. Labor has never asked that tariff duties be imposed on articles not produced in America.

Labor seeks the imposition of tariff duties only on those products which are competitive in American markets with the products of American workers and farmers. In other words, we ask for tariff legislation which will protect the job opportunities and living standards of American workers.

This is not a new or selfish policy. It is a policy the effect of which has the support of the vast majority of the American people.

Some 60 or 70 years ago American labor realized that to protect the jobs and the living standards of American workers it was necessary to exclude from the American labor market the competition of the Asiatic coolies. Labor demanded and Congress finally enacted that Asiatic exclusion law, not because of any racial hatred, but solely to protect the wage and living standards of American workers. In later years we realized that we could not assimilate and provide jobs at decent wages for the many millions of European workers landing and settling along our Atlantic seaboard cities. Congress again, almost unanimously, heard the cry of labor, supported by millions of real Americans, and enacted restrictive immigration laws, which again protected the job opportunities and living standards of our American workers.

We submit in all sincerity that the protective values of such laws to American workers are virtually set aside when the products of these excluded workers are permitted entry to American markets at total-delivered costs which are less than American costs of production of competitive products.

Naturally, the question arises, why, in view of the well-known policy of Congress to exclude Asiatic workers and restrict the entry of European workers are the products of these excluded workers permitted entry into American markets at total costs which displace and transfer the job opportunities of American workers to these very excluded workers in their countries, produced under what Congress has set forth in the fair-labor-standards law as substandard?

The answer is a simple one: Greed, money, profits.

The international bankers and the large exporters—there are comparatively few of them—profit through the purchase and sale of foreign exchange. Their principal profit comes from the successful manipulation of price values, of money values, and the keeping of a set of books. They, in themselves, because there are so few of them, have only that political influence which comes through the expenditure of moneys. Naturally, as this is practically their only tool, they know how to apply this tool to secure the best profits for themselves.

Great stress has been laid on the benefits which the great body of American consumers secure through reductions in our tariff rates. Very little has been said of the profits which a few have made



through loss of millions yearly in revenue to our Treasury through these trade treaties. To illustrate this point, I will take a household necessity—sugar. In 1933 or 1934 the United States Tariff Commission found that there was 25 percent less cost in producing Cuban sugar than American sugar. President Roosevelt promptly reduced the duty from 2 cents to 1½ cents per pound. Again, through our entry into a trade treaty a few months later, we reduced the rate to nine-tenths cent per pound. Who are the principal owners of Cuban sugar plantations? The United States Tariff Commission reported that they are mainly some five or six large American bankers or banks. What has been the effect of these reductions as they relate to the prices paid by the American housewife for sugar? The facts are that, despite this reduction of more than 1 cent per pound, the American housewife has paid a higher rate for sugar since the reduction of the tariff duty than had been paid prior to that date. The United States Treasury has lost yearly, I believe, some \$40,000,000 in revenue, which naturally went into the pockets of these few banks or bankers who own these Cuban sugar lands. I might cite other illustrations, but time will not permit.

In closing, I might draw your attention to the fact that history warns us that at the conclusion of the present European and Asiatic wars many of the countries engaged in such wars will be impoverished and will seek to better their economic position by the production of such goods as they may find a market for in foreign lands. Already the labor movement of France and of England have made many sacrifices, which, to our mind, it will take them many years to again secure. We do not believe that anyone with a knowledge of history and having any common sense can believe that the present economic conditions of the United States can be preserved and American wages and American living conditions maintained unless our markets are protected now from the inevitable flood of cheaply manufactured goods and products which will flood our country, the production of impoverished nations driven to destruction by war expenditures.

Let me reiterate our emphatic opposition to Congress delegating to a few appointed officials of the Government that responsibility which they are obligated to perform.

We believe America should continue to be a government by law applicable to all and not, as some would have it, a government of men.

## Reciprocal-Trade Program Has Failed

### EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

Mr. HOPE. Mr. Speaker, you have heard much during the course of this discussion as to the effect of the reciprocal trade agreements program on agricultural imports. I happen to represent a district which is perhaps more interested in agricultural exports than imports, and to me it appears that the most conspicuous failure in connection with the trade-agreements program has been its inability to increase exports of our surplus agricultural products.

When the program was inaugurated this was stated to be one of its principal objectives; and certainly as far as agriculture is concerned, the program must be considered as a failure unless it does result in increasing exports of our surplus agricultural commodities. Unless it can be shown that the program has done something constructive along that line, even its proponents must concede that it has been a failure.

There have been some feeble attempts to show that foreign markets for agricultural surpluses have been reopened under the trade-agreements program, but the facts in the case are all against any such contention. Exports as a whole have increased; farm exports have declined. Thus, total exports from the fiscal year 1932 to the fiscal year 1939 have increased from \$1,908,000,000 to \$2,885,000,000, or 51.2 percent. Agricultural exports, on the contrary, have actually declined from \$752,000,000 to \$683,000,000, or 9.2 percent, over the same period. In fact, agricultural exports, as a percentage of total exports, reached an all-time low, or 23.7 percent, in the fiscal year 1939.

Some may prefer to take the figures since 1935, but they offer little more encouragement. Agricultural exports for 1939, as compared with 1935, show an increase of 2.1 percent. Exports of all commodities, however, show an increase of 38.4 percent.

Total figures, however, do not tell the whole story by any means. In order to understand the real effect of the program on agriculture it is necessary to break down its application to specific commodities. I am especially interested in increasing our wheat exports, because I happen to represent the greatest wheat-producing district in the country.

What has the trade-agreement program done as far as the wheat farmer is concerned? Proponents of the program have talked long and loud about what they have done for wheat. They say that in 1938 we exported over seven times the quantity of wheat and wheat flour which we exported in 1935. What they neglect to point out, however, is that exports to concession countries increased but four and a half times, while exports to nonconcession countries increased nearly nine times, or almost twice as much. Equally significant is the decline of exports from 17 percent of domestic production in 1929 to 11.4 percent in 1938.

Finally the thing that apologists for the trade-agreements program neglect to mention entirely is that most of the recent increase in exports is due to the export subsidy program and not to the trade-agreement program at all. In fact, the export subsidy program was undertaken because of the fact that trade agreements had utterly failed to solve the problem of exportable wheat surpluses.

Thus, during the fiscal year 1939 export subsidies were paid on approximately 94,000,000 bushels of wheat in the form of grain or flour at a total cost of \$25,700,000 paid out of the United States Treasury. An additional 16,735,000 bushels were exported during the months of July, August, and September 1939, with an average subsidy payment of 32 cents a bushel.

Not only does this indicate the utter failure of the administration's trade-agreements program as far as wheat is concerned but it puts the administration in the position of indulging in practices which are the very antithesis of the reciprocal-trade program, and practices which it has wholeheartedly condemned on numerous occasions.

Surely no one can contend that the reciprocal-trade program has been anything other than an utter failure as far as wheat is concerned. Kansas wheat farmers are too smart to be fooled by any arguments which may be advanced to the contrary.

Practically the same story holds good for three other principal export commodities—cured pork, cotton, and tobacco. These, together with wheat, account for from 65 to 70 percent of our total agricultural exports. Iowa corn and hog farmers have been generously regaled with stories of what the reciprocal-trade program was doing in the way of promoting pork exports. What are the facts? From 1935 to 1938 the quantity of hams, shoulders, and bacon exported to all countries increased 3 percent. Exports to countries which gave us concessions, however, actually declined 9.5 percent, while exports to all other countries increased 4.6 percent. Further, exports of pork products, as a percentage of production, declined from 5.7 percent in 1929 to one-tenth of 1 percent in 1938.

It might be of further interest to know that the quantity of total exports of all meat products increased 2 percent from 1935 to 1938. To concession countries, however, exports declined 14 percent. To all other countries they increased 4 percent. Figure out if you can how the trade-agreements program has helped the livestock producer.

What about cotton? The case of cotton offers further illumination on the agreements program. The trade agreements have had no direct effect on cotton, as it enters all the important world markets duty-free. Cotton does offer, however, an excellent test of the theory often advanced that trade in all commodities would increase whether the subject of concessions or not. If there was any validity to this theory, certainly exports of cotton, in which we hold a dominant world position, should be the first to feel the upsurge. From 1935 to 1938, however, the amount of American cotton entering foreign markets has declined 22 percent, while over the same period foreign mill consumption has increased 10 percent. Even more significant is the fact that cotton exports

as a percentage of previous years' production have dropped from 44.9 percent in 1929 to 28.1 percent in 1938.

Like wheat, the only progress which has been made in stimulating exports of cotton is by means of the subsidy program. This program was inaugurated July 27, 1938. During the first 4 months of its existence 4,332,000 bales, either in the form of raw cotton or cotton manufactures, were sold. The subsidy was paid at the rate of 1½ cents a pound, which means that approximately \$32,500,000 has been spent on this subsidy program, exclusive of storage, transportation, and other costs. Yet this subsidy program, like that on wheat, is entirely out of harmony with the whole theory of trade agreements and was resorted to in desperation after the trade-agreements program had been such a tragic failure in promoting cotton exports.

Finally, let us examine the figures on tobacco. Here we find that from 1935 to 1938 total exports increased 23.4 percent. Exports to concession countries increased 29.1 percent, while to all other countries the increase was but 22.7 percent. This would seem to indicate that the trade-agreements program had been successful in promoting our exports of tobacco. It is necessary, however, to look a little deeper. Of the six concessions we received, only two represented decreases in duty. One of these concessions was made by Cuba, one of the world's largest tobacco-exporting countries, and the other by Colombia, which annually takes about 100,000 pounds. Further, from 1932 to 1938 exports to all countries increased 19 percent. Exports to concession countries, however, actually declined by 33.8 percent, while to all other countries there was an increase of 33.8 percent. Even more significant from the standpoint of removal of the surplus production of tobacco is the fact that exports of unmanufactured tobacco in 1929 were 35.3 percent of our total production and in 1938 exports were but 28.8 percent of production.

No doubt proponents of the trade-agreements program can find isolated instances where some minor export commodity has benefited from the agreements. As already stated, however, the four commodities to which I have referred comprise the great bulk of our agricultural exports. As far as they are concerned, this program has been a demonstrated failure; and the fact that it has failed, after a trial of almost 6 years, is surely a substantial basis for opposing a continuation of the program at this time.

Foreign trade is important. I firmly believe that we cannot have agricultural prosperity in this country unless we can increase our exports of our surplus crops. We are getting nowhere, however, under the present program. If we can get rid of it, we will be in a position to approach the matter in a realistic manner and in a way which is consistent with world conditions as we find them today.

### Responsibility Not To Abuse Civil Liberties

#### EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

EDITORIAL FROM THE SAN FRANCISCO CHRONICLE,  
FEBRUARY 14, 1940

Mr. HAVENNER. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include the following editorial from the San Francisco Chronicle entitled "Responsibility Not To Abuse Civil Liberties."

The editorial is as follows:

Never before in the history of the United States has there been such a mobilization in defense of civil liberties. It is a vital cause. Our civil liberties are the foundation of the American system. Our forefathers fought and bled and died for them. They are no less

important to us than our forefathers thought they were important to them. We, too, must guard them with our lives if necessary.

In the very nature of things we must protect the civil liberties of unpopular persons engaged in unpopular causes as jealously as we protect our own. If we do not do this we are undermining our own civil liberties. Civil liberties must extend to all. If they are denied to some the way is opened to deny them, in turn, to the deniers. Exceptions open a fatal course.

The protection of American civil liberties, however, puts a responsibility also on those who appeal for the protection of their own civil liberties. When they abuse their civil liberties they are putting a strain on the system. We have to protect them even in this abuse, if it stays within the law, but they are not helping to uphold the system. It is a paradox that, for the safety of our own, we are obliged to protect the civil liberties of even those who, by abuse, attack the system by this treachery. For the abusers of civil liberties are by that abuse traitors to the cause of civil liberty.

There is another point on which a word needs to be said just now. In our zeal for the safeguarding of American civil liberties have a care lest, in efforts to protect the civil liberties of one group we attack the civil liberties of another group. To do this is another obvious disservice to the cause of civil liberty.

Nothing can be done with the hypocrites who shriek for civil liberties when in their hearts they wish to destroy the whole system. They are congenial knaves and traitors beyond cure. We address this only to sincere Americans. The sincerest zeal sometimes needs a touch of the brake in the interest of the cause zeal seeks to advance.

### The Trade Treaties—Old and New

#### EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1940

LETTER TO HON. EDWARD A. O'NEAL, PRESIDENT OF THE  
AMERICAN FARM BUREAU FEDERATION

Mr. PLUMLEY. Mr. Speaker, by virtue of the consent granted me, I extend my remarks in the RECORD. I desire to place in the RECORD a copy of the letter I wrote to the Honorable Edward A. O'Neal, president of the American Farm Bureau Federation, in response to a telegram I received from him relative to my vote on the so-called trade agreements. I have heretofore, and at possibly too great length, undertaken to make clear my reasons for opposing the enactment of the pending legislation. I do not wish to cumber the RECORD, but I am anxious that my position be made unmistakably clear.

Hon. EDWARD A. O'NEAL,  
President, American Farm Bureau Federation,  
Washington, D. C.

DEAR PRESIDENT O'NEAL: Re your stock telegram to Members of Congress urging support of House Joint Resolution 407.

There is no question in my mind that these agreements are treaties under whatever name, or by whatever means it may be sought to hide the fact, or conceal the legal effect of failure to comply with the provisions of the Constitution.

I am opposed to the delegation of the treaty-making power to the Departments of State, Commerce, and Agriculture, or the violation by them under a claim of right and specious color of authority, delegated by what I consider an unconstitutional act of Congress. In my opinion, they are worthless scraps of paper, as treaties or agreements. I will not vote for their continuance nor will I vote to ratify or condone a violation of what I believe to be the fundamental law. To ask me to do this is both a request for me to violate my oath of office and to stultify myself. I propose to do neither.

Yours very truly,

CHARLES A. PLUMLEY.

The telegram to which reference is made is as follows:

HON. CHARLES A. PLUMLEY,  
Washington, D. C.:

The last American Farm Bureau Federation convention, representing farmers in 39 States, endorsed without a dissenting vote continuance of reciprocal-trade agreements. All agreements to be approved by Secretaries of State, Commerce, and Agriculture. We respectfully urge your support of House Joint Resolution 407.

EDW. A. O'NEAL,  
American Farm Bureau Federation.



## Tolerance and Peace

## EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ADDRESS BY HON. DENNIS CHAVEZ, OF NEW MEXICO

Mr. MEAD. Mr. President, under leave to extend my remarks in the RECORD, I submit a copy of the remarks of the distinguished Senator from New Mexico [Mr. CHAVEZ], delivered before the B'nai B'rith George Washington Day celebration at the Plaza Hotel, New York City, February 25, 1940. The topic of the speech, Tolerance and Peace, recommends careful perusal of the subject which is most effectively presented by the Senator from New Mexico.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a genuine pleasure to be here as your guest today, not only because it again brings me to a great city where I always like to visit, but because I am able to participate with you of the Independent Order of B'nai B'rith in observing the birthday of that great patriot and Father of his Country—George Washington.

As I pass through the streets and public places of New York on my occasional trips here, I am at first overwhelmed by the magnitude of it all, and I am then reminded of the great progress you have made, and the Nation has made, since those early days when Washington and succeeding patriots laid the cornerstone of our democracy.

Although there are impressive examples of our national progress throughout the length and breadth of our Nation, including my own native State of New Mexico, where population and industry and education and culture have been constantly on the increase, it really takes a trip to New York to impress the average American with the immensity of our growth.

We might make some contrast by saying that in the mountains and valleys and wide-open spaces of the West and Midwest we are more likely to be awed and impressed with the great handiwork of God, our Maker, while in the East, and in New York in particular, we are impressed by the work that mankind has done for itself with the tools and genius our Maker has given to us.

No American who travels over his country today—to the east and west and the north and south—can escape a growing reverence for God, a respect and admiration for his fellow man, and a deep-seated love for the country in which we live.

George Washington in his time could not have envisioned all of our great progress, but he did have the vision and wisdom to lay a solid foundation on which our generation and generations yet to come have built and will build to an extent which even we, in this ultra progressive age, cannot even comprehend.

His foundation was that of fundamentals, composed of principles of patriotism and of religious freedom and of peace and tolerance, which are the bedrock of all civilization and of humanity. He knew then as we know now that the things that are worth while in life are the things that endure. And he founded our Nation on that concept.

As we progressed as a people and as a nation, we also had the help and inspiration of many organizations throughout the land which were also grounded on the same firm principles. Among these is the Independent Order of B'nai B'rith, which for nearly a century since its formation on October 13, 1843, has actively contributed to the Americanism which George Washington founded.

Those early founders of your organization had experienced the sharp stings of their new environments, the ignorance of the language, the battle for economic equality, the lack of knowledge of the social status—and yet, with heroic fortitude, a wide grasp of the situation, and with intelligent insight, they worked and watched, day and night, not to build a state within a state, not to establish a sectarian exclusive organization as a menace to the peace or the perpetuity of the Republic, but in aid of incoming future Americans, to educate, stimulate, and encourage, to the end of bringing the Jewish people into close touch, not only with each other but with their fellow citizens of all faiths.

In these respects I believe that the founders of your organization gave you a start in a direction that is not only right but necessary from the standpoint of developing true Americanism.

Ordinarily one might feel that the association or grouping of all persons of a similar faith would tend to create class or racial consciousness, which in a nation like this might lead to factions, and then to misunderstandings and intolerance. But in following that original objective of keeping the Jewish people in closer touch, not only with each other but with their fellow citizens of all faiths,

your organization has helped to cement the cornerstone of our democracy and to develop a national patriotic unity. It has contributed not only to our Americanism but especially to cementing those two great structural parts of our Americanism—tolerance and peace.

We need only to glance at the rest of the world today to see what happens to the peace of mankind when intolerance prevails; and, if we take Europe as an example, we can imagine how easily we could have fallen into the same difficulties here at home, with the many different classes of people who settled here, if we had not founded our Government upon a unity of States, upon a freedom of religious worship, and upon the other principles of our democracy which have enabled it to endure. When we think of it and realize "what might have been," we should really be more than thankful that we had predecessors like George Washington and other patriots who followed him.

Intolerance and war—how potent and full of meaning these words are today. Throughout the ages intolerance has reared its ugly head to threaten the peace of mankind, and today it is again at the bottom of much of our warfare and discord throughout the world. The problem today is the same problem of past generations. It is not simply one of antisemitism, though that is a part of it. There have been and are many scapegoats in the world—the Negroes, the Ethiopians, the Communists, the Fascists, the Spanish, the Protestants, the Catholics, the Jews, the farmers, the workers, and, some would assert today, even the capitalists and the bankers.

As was well said by Morris S. Lazaron in his book entitled "Common Ground"—I quote:

"No nation can endure whose people are divided against themselves, whose groups are self-conscious, jealous of their privileges; whose leaders seek to preserve their personal power; whose thinking is provincial, and whose classes are arrayed against each other.

"So far as Jews are concerned," he says, "it matters very little in the long run what happens to a few thousand or a hundred thousand of them. With us prejudice and persecution are familiar experiences and we are a people well acquainted with sorrow. But it does matter a great deal what happens to America. It matters to us and to our children. It matters to the world. None of us can ride out of the present trouble on the back of anyone else; we shall lose in the end. The task of responsible leadership in America today is to lay before our citizens the larger loyalty to America, which embraces the lesser loyalties of group and class and creed, the larger loyalty, without which the lesser loyalties cannot be saved, nor even the greatest loyalty of all—the loyalty of man to his Maker. It must envision the America that might be and, in a world which flouts democracy and invades and destroys the sanctities which are the inherent privilege of every human being, resolve to realize in ever-greater measure the America of our hopes and dreams."

And I might also add, the America of the hopes and dreams of George Washington.

Recall with me the Biblical story of David and Goliath. It may be applied today to the story of man's fight against prejudice, ignorance, or custom. No greater giant was ever slain than that of bigotry and religious intolerance. No greater beacon light in history was ever kindled than that whose rays brought religious liberty into the world. And no nation has ever contributed more to the slaying of intolerance than has our own America.

And if we are to have peace and prosperity in this Nation during the turbulent times that seem to be ahead for the people of other countries, we must preserve our sense of tolerance at home. In this connection I like to remember the admonition of Woodrow Wilson who, though engaged hopefully in the cause of world peace, warned that there could be no peace unless each nation that wanted peace would engage in the practice of justice itself. If peace was desired, he said, contentment would have to be assured, because there could be no peace with troubled spirits or with a sense of injustice.

Some of you no doubt recall that those words were spoken in 1919 on the occasion when President Wilson was honored by B'nai B'rith with a gold medal award as the man regardless of creed, who contributed most during the year to the Jewish people and to humanity. I am glad to recall this honor to Woodrow Wilson, who was a great leader of my own political party.

But if we analyze his statement in the light of present-day affairs, we realize even more than we did then just how correct was his admonition—that each nation that desired peace would have to practice justice.

As we study the course of world events and wonder what will happen to the United States if things continue as they are abroad, let us develop a firmer resolve to practice justice here at home. And I interpret this to mean more than just the practicing of justice—I interpret it as meaning the justice that signifies tolerance in all things—not just tolerance in religion—but tolerance in all of the social, commercial, industrial, and other activities in which we engage. Though the concept of tolerance is more firmly rooted in religion—it cannot—it must not end there. It must be all inclusive—it must be tolerance that embraces all things within the scope of law and order and good public morals.

And although Wilson was speaking chiefly of our Nation when he spoke of justice and tolerance beginning at home, his remarks are equally as applicable to the component parts of our Nation, and to the individual. We must have tolerance between the States of our Nation, between the political parties, between organization, and between individuals. After all, tolerance really begins in the heart

of the individual, although it may be inspired or accentuated by the social order, or by the organization, or by the patriotism of the nation of which he is a part. It is essential that he set his own house in order and practice justice and tolerance, if he is to expect tolerance in return. It would be hypocritical and suicidal for the individual or the organization to preach tolerance on the one hand and practice injustice and intolerance on the other.

I feel deeply on the subject, not only because I am in public office and have a responsibility to the Nation and to the people of New Mexico, but because I personally belong to a religious faith and race of people, which like other groups, has at times felt the effects of intolerance in the progress of national and world affairs and I might add, a race which on occasions has possessed its share of intolerance. I am of the Catholic faith and my people are of Spanish ancestry, having been among the first to settle in this country under land grants from the King of Spain.

In the south and in the west the Spanish people fought the wild tribes, explored the lands, built homes, and left a race, culture, and heritage which today enriches the basic civilization of our land.

And now in the region settled by the Spanish they still constitute a large proportion of the population along with the other large group, the Anglo-Saxons who have come there since American occupation.

Perhaps you would say that having two peoples living side by side should lead to strife and intolerance. Sometimes it does but not necessarily so. In New Mexico we are divided about equally in numbers, but we are united 100 percent in Americanism, and as long as Americanism prevails we are not concerned with prospects of intolerance.

It is precisely because my people have felt the sting and anguish of intolerance, on those occasions when Americanism was overlooked in the hurry to settle and exploit the West that we out there do not take Americanism lightly or for granted. We know that it is a living principle, and that it must be actively practiced in order to bring results.

Today in New Mexico a new order is being created. Through enlightenment and education the ignorance and prejudices of the past are being wiped out, and instead the new spirit of tolerance, which is nothing more than Americanism in full flower, is creating peace and harmony among our peoples.

Thus we, in New Mexico, are thankful that the principle of Americanism is sufficiently broad that it encompasses all races, all groups, and all religions, and that under it it is possible to harmonize all differences in the spirit of tolerance and peace, and that by maintaining harmony at home we contribute to tolerance and peace and harmony abroad.

And since I am a member of a religious faith and of a class of people who have known what intolerance meant as practiced against them in some degree throughout history, I am in a better position than some to understand just how it starts and grows, and how it must be overcome by patience, by understanding, and by great faith in our religion, and in the enduring principles of Americanism.

Today, for instance, the world is ending a decade or more of intense depressions which have thrown into bold relief the social and economic maladjustments of our times. Because the Jewish people have always devoted much of their great intellect to business, financial, industrial, and economic progress of our Nation it was only natural that the depression found them among the great leaders of those fields. But as the common man began to lose ground in the economic struggle, as unemployment increased, as discontent spread, it was a somewhat natural result that there should be some protests against all persons in charge of our economic machinery—whether Jew or Catholic or Protestant. This is to be expected in all such eras of economic need—for it is a protest of the people, who are crying out for reforms that are sorely needed for the welfare of all classes.

Although this feeling of protest is natural, and beneficial, in that it inspires those reforms and improvements which are needed—such as many of the reforms undertaken during the past few years—we must realize that it is a feeling that is potentially dangerous to any particular group that may be a scapegoat by fanatics and uninformed persons who direct the protests of the people into emotional outbursts and then into a stampede of intolerance.

We must also realize that as long as this possibility of intolerance exists it is all the more important that we keep our own house in order—individually—or as an organization—or as a nation—so that the intolerant appeals of fanatics cannot take root. We must search our own hearts first, and ask ourselves whether we are tolerant in all things. And we must look around us at our organizations and see if they are tolerant. Those who are in the business and financial world today must look to see whether there exist within their ranks persons who are engaging in sharp practice, in domineering methods of control, in predatory action against industrial enterprise, and in favoritism of various kinds that may appear to be discrimination against others. If we find these conditions, let us remember that they are the stones on which the moss of intolerance gathers. Let us cast them out—clean our own houses—and make sure that tolerance is given as well as received.

I think we are on far safer ground in attacking our problems in this way than in closing our eyes to the situation and expect-

ing intolerance to be wiped out overnight by some great victory on the battlefields of Europe. Regardless of where our sympathies may rest in the present European war, I believe that on this day when we honor the Father of his Country—George Washington—we should hear again his words of warning against any foreign entanglements or alliances which might lead us into the conflict. In his great farewell address to the people of the United States, Washington said, I quote:

"Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

"The great rule of conduct for us, in regard to foreign nations, is in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop."

And I might continue by quoting from that memorable address, to emphasize the wisdom of his words, his plea for no foreign entanglements, his insistence upon law and order and peace and Americanism at home as the greatest safeguards to our Republic and to the happiness of individual Americans. Now, more than ever before, do we need to heed his advice, so that we may keep our own house in order and strengthen ourselves for a greater task that may be just ahead, the task of preserving the principles of our democracy for the entire world. If we dissipate our energies by participating actively in the turmoil abroad and divert our attention from problems at home, we may come to our sorrow. To paraphrase that well-known Biblical quotation, "For what doth it profit a man if he gain the whole world and lose his own soul," in this case the soul of democracy, of Americanism, and of all the liberty, freedom, and tolerance that are the foundations of our democracy. And, of course, there is no assurance that we would gain the whole world for peace, even if we should take a chance with sacrifices at home. We did not succeed in establishing permanent peace or permanent democracy for other nations after the World War.

Great men and great Presidents since the time of George Washington have realized the wisdom of his position against entangling alliances; and they have sought valiantly to avoid them. Woodrow Wilson was just as firm in these convictions but unfortunately was drawn into a conflict which seemed unavoidable. And afterward, possessed of a great heart and a great ideal, he believed that in the cause of peace—and peace alone—we might be justified in modifying the Washington doctrine against foreign alliances to an extent necessary to assure world harmony and world peace. In that he failed, as we all know, and it yet remains to be seen whether even that modification of the doctrine of Washington is either possible or wise. We all hope for peace, and we admire those who have ideals of a permanent peace among all nations of the world, but we must face the practicalities of our time and realize our limitations. We can only hope that the steps taken by our great President, Franklin D. Roosevelt, to insure peace at home, will be permanently effective. And in this connection we also may hope and fervently pray that our Government's emissary and representative, the Honorable Sumner Welles, who is visiting other countries in the interest of peace, may find some basis on which America can make a contribution to the cause of peace.

In closing I want to tell you how impressed I was when I recently opened a souvenir edition of the general convention of the Independent Order of B'nai B'rith and saw there on the frontispiece the emblem of your order, the American flag, printed in its natural colors, the red, the white, and the blue. I was impressed because I had just finished reading of the history and the objectives of your organization; and then, as I was closing the book, the front page turned toward me, and there, in its vivid colors, in the small space of a single page, I learned the story of B'nai B'rith more fully than from all the pages and all the words that I had just finished reading.

It is a glorious emblem for your organization and for all Americans—a symbol of the achievements, aspirations, and objectives of a people. Flags everywhere epitomize the romance of history and incarnate the chivalry of the ages. Around the bits of varicolored bunting which the people of each land select as a national flag there cluster thoughts of loyalty, of patriotism, and of personal sacrifice which have enabled the world to move forward toward a new civilization.

May the Stars and Stripes always be the emblem of the Independent Order of B'nai B'rith, to guide and inspire you, just as it was the flag of George Washington and remains the flag of all Americans today.

I thank you.



## Factual Record of Census Inquiries

## EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

## QUESTIONS INCLUDED IN DECENNIAL CENSUS FROM 1790 TO 1940

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a factual record of census inquiries for 150 years and acts of Congress governing compulsion and fixing penalties, showing the type of questions included in each decennial census from 1790 to 1940.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

## FACTUAL RECORD OF CENSUS INQUIRIES FOR 150 YEARS AND ACTS OF CONGRESS GOVERNING COMPULSION AND FIXING PENALTIES

Census of 1790: President, George Washington. Names of heads of families; free white males of 16 years and up (including heads); free white males under 16; free white females (including heads); all other free persons; slaves.

Census of 1800: President, John Adams. Name of head of family and residence; free white males under 10; free white males of 10 to 16; free white males of 16 to 20 (including heads); free white males of 26 to 45 (including heads); free white males 45 and over (including heads); free white females under 10, from 10 to 16, from 16 to 26, from 26 to 45, from 45 up; all other free persons except Indians not taxed; slaves.

Census of 1810: President, James Madison. Name of head of family and residence; free white males under 10, from 10 to 16, from 16 to 26 (including heads of families), from 26 to 45 (including heads), from 45 up (including heads); free white females under 10, from 10 to 16, from 16 to 26 (including heads), from 26 to 45 (including heads), over 45 (including heads); all other free persons except Indians not taxed; slaves.

Census of 1820: President, James Monroe. Heads of families and residence; all inquiries regarding free white males and females as in previous censuses, with same age groups; foreigners not naturalized; male and female slaves grouped in ages as follows: Under 14, from 14 to 26, from 26 to 45, from 45 up; free colored persons in same age groups and sex divisions; all other persons except Indians not taxed.

Census of 1830: President, Andrew Jackson. All heads of families, residence, etc., as in previous censuses; slaves, male and female. Number of deaf and dumb under 14, between 14 and 25, 25 and upward; number of blind; aliens; foreigners not naturalized.

Census of 1840: President, Martin Van Buren. Identification as in previous censuses. All heads of families required to report slaves, male and female, and pensioners for Revolutionary or military service.

Census of 1850: President, Zachary Taylor. In addition to standard identification, age and sex questions, all persons required to indicate color—white, black, or mulatto. Profession, occupation, or trade of each male person over 15; value of real estate owned; married within the year; attended school within the year; those aged 20 and over who could not read and write; whether deaf and dumb, blind, insane, idiotic, pauper, or a convict.

Census of 1860: President, James Buchanan. In addition to identification; residence; number of families; age; sex; white, black, or mulatto; profession, occupation, or trade (both males and females over 15 years of age, all free inhabitants were required to give value of real estate owned, value of personal estate, place of birth, married within the year, attended school within the year; all 20 years of age or over required to indicate whether they could read and write; and all free inhabitants were required to report whether deaf and dumb, blind, insane, idiotic, pauper, or convict.

NOTE.—In the 1860 census Abraham Lincoln reported value of real estate and value of personal estate as did all other persons.

Census of 1870: President, Ulysses S. Grant. In addition to residence; families; names; ages; sex; color; profession, occupation, and trade; value of real estate; value of personal estate; place of birth (as in previous censuses); whether father and mother were foreign-born; if born within the year; if married within the year; if attended school within the year; ability to read and write; deaf; blind; insane; or idiotic.

Census of 1880: President, Rutherford B. Hayes. Identification; house number; dwelling houses; families; all names; color, including Chinese and Indian; sex; age; relationship to head of family; servants and boarders; single, married, widowed, divorced; married within the year; profession, occupation, trade; number of

months each person has been unemployed during the year; whether person is sick or temporarily disabled so as to be unable to attend to ordinary business or duties; if so, what is the sickness or disability; blind, deaf and dumb, idiotic, insane, maimed, crippled, or bedridden; attended school within the year; ability to read and write; place of birth; place of father's birth; and place of mother's birth.

Census of 1890: President, Benjamin Harrison. Full name; dwelling house; number of families in house; number of persons in house; number of persons in family; whether a soldier, sailor, or marine during Civil War (both Union and Confederate or widow of such person; relationship to head of family; white, black, mulatto, quadroon, octoroon, Chinese, Japanese, or Indian; sex; age; single, married, widowed, divorced; married during year; mother of how many children and number living; place of birth; place of father's birth; place of mother's birth; years in the United States; whether naturalized; whether papers have been taken out; profession, trade, or occupation; months unemployed during year; months attended school during year; ability to read and write; ability to speak English; if not, the language or dialect spoken; whether suffering from acute or chronic disease with name of disease and length of time afflicted; whether defective in mind, sight, hearing, or speech, or whether crippled, maimed, or deformed, with name of defect; whether a prisoner, convict, homeless child, or pauper; is home rented or owned by head or member of family; if owned by head or member, is it free of mortgage; if head of family is a farmer, is farm rented or owned by him or a member of his family; if owned, is it free of mortgage; if mortgaged, give post-office address of owner. Exact language from the law signed by President Benjamin Harrison requiring mortgage information in the 1890 census:

"That it shall be the duty of the Superintendent of Census, in addition to the duties now required of him by law, to ascertain the number of persons who live on and cultivate their own farms, and who live in their own homes, and the number who hire their farms and homes, and the number of farms and homes which are under mortgage, the amount of mortgage debt, and the value of the property mortgaged. He shall also ascertain whether such farms and homes have been mortgaged for the whole or part of the purchase money for the same, or for other purposes, and the rates of interest paid upon mortgage loans."

Census of 1900: President, William McKinley. All identification; residence; number of families; number dwelling in house; relationship; color and race; sex; day of birth; age; single, married, widowed, or divorced (as in previous censuses); number of years married; mother of how many children; number of children living; nativity of person; also father and mother; year of immigration; number of years in United States; naturalization; occupation, trade, or profession of each person 10 or over; months not employed; months attending school; ability to read, write, and speak English; home owned or rented; if owned, is it free of mortgage.

Census of 1910: President, William H. Taft. Location; identification; relationship; color; sex; age; single, married, widowed, or divorced (as in previous censuses); number of years present marriage; mother of how many children; how many now living; nativity of person, father and mother; year of immigration; whether naturalized or alien; ability to speak English; if not, give language; trade or profession or particular kind of work; occupation, including nature of industry, business, or establishment; whether an employer, employee, or working on own account; if an employee, whether out of work and number of weeks out of work during year; ability to read and write; whether attended school during year; home owned or rented; if owned, free or mortgaged; whether a survivor of Union or Confederate Army or Navy; whether blind or deaf and dumb.

Census of 1920: President, Woodrow Wilson. Standard identification; location; relationship (as used in previous censuses); home owned or rented; if owned, free or mortgaged; sex; color; age; marital status; year of immigration; naturalized or alien; year of naturalization; attended school anytime during year; ability to read and write; nativity of person, father and mother; ability to speak English; trade, profession, or kind of work; industry, business, or establishment; employer, salary, or wage worker, or working on own account.

Census of 1930: President, Herbert C. Hoover. Standard identification; home owned or rented; value of home if owned, or monthly rental if rented; radio set; attended school during year; ability to read and write; nativity of person, father and mother; language spoken before coming to United States; year of immigration; naturalization; ability to speak English; occupation, industry, class of worker; whether actually at work previous day (or the last regular working day); whether a veteran of United States military or naval forces; which war. Special schedule used for further detail on unemployment.

Legal authority for the 1940 census: The 1940 census (except the housing census) is being taken under the authority of the act providing for the fifteenth and subsequent decennial censuses as passed by the House and Senate in June 1929 and approved by President Herbert Hoover June 18, 1929. The congressional act providing for the 1940 housing census was adopted by Congress August 4 and approved August 11, 1939.

Questions on income: Inquiries respecting income from sales and use of farm products have been a part of the census of agriculture for 20 years. The agriculture census for 1930, for instance, showed that out of a total of 6,288,648 farms, 3,216,117 had incomes from

sale and use of products of \$1,000 and less per year. The agriculture census of 1935 showed that 3,210,224 farms were operated by owners, 2,865,155 by tenants, 48,104 by managers, and 688,867 by part owners, and that the farms operated by owners had values of \$14,824,644,795 and the farms operated by tenants had values of \$10,952,747,497.

The Census Advisory Committee: Assisting the Bureau of the Census in the selection of questions to be included in the final census schedules is the Census Advisory Committee, a group of widely known experts from outside the Government, including Dr. Robert E. Chaddock, of Columbia University; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Paul T. Cherington, market analyst; Dr. William F. Ogburn, of the University of Chicago; Dr. Willard L. Thorp, of Dun & Bradstreet, and economic adviser to the Secretary of Commerce; and Dr. Murray R. Benedict, of the University of California.

*Acts of Congress requiring answers to census inquiries and fixing penalties*

Census	Penalty	
	Respondent	Enumerator
1790 (1 Stat. 101).....	\$20.....	These censuses were taken by United States marshals and their assistants.
1800 (2 Stat. 11).....	\$20.....	
1810 (2 Stat. 564).....	\$20.....	
1820 (3 Stat. 548).....	\$20.....	
1830 (4 Stat. 382).....	\$20.....	
1840 (5 Stat. 331).....	\$20.....	\$500 (not exceeding).
1850-60 and 1870 (9 Stat. 428).....	\$30.....	
1880 (20 Stat. 473).....	Officers and agents, \$500 to \$10,000... Individuals, \$100.....	
1890 (25 Stat. 760).....	Officers and agents, not exceeding \$10,000 and 1 year. Individuals, \$100.....	
1900 (30 Stat. 1014).....	Officials, not exceeding \$10,000 and 1 year. Individuals, \$100.....	
1910 (36 Stat. 1).....	Same as 1900.....	Not over \$1,000 or 2 years, or both.
1920 (40 Stat. 1291).....	Officials, not over \$10,000 or 1 year, or both. Individuals, not over \$100.....	Same as 1910.
1930 (46 Stat. 21).....	Officers, \$500 or 60 days Individuals, \$100 or 60 days, or both.	Do.
1940.....	Same as 1930.....	Same as 1930.

### Dedication of New Salem Post Office

#### EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ADDRESS BY HON. JAMES M. SLATTERY, OF ILLINOIS

Mr. LUCAS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by my colleague [Mr. SLATTERY] at the dedication of the post office at New Salem, Ill., on February 12, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is an occasion of great eloquence.

That statement, of course, does not refer to the simple words which I shall say here. The eloquence of which I speak transcends even the wisdom and oratory of the great leaders on this program today, the illustrious senior Senator from Illinois and the universally beloved Postmaster General of the United States.

It is the eloquence of Abraham Lincoln, which has been speaking to us all day from every log and stone in this splendid reincarnation of the town where the Great Emancipator grew to manhood. I think every man, woman, and child gathered here has heard over the tumult of our celebration, and particularly in its intervals of silence, the voice which now belongs to the ages.

And through our minds have run words which we learned in our school days:

"A house divided against itself cannot stand"; "with malice toward none, with charity for all"; and "Government of the people, by the people, and for the people."

In these surroundings those words take on renewed force and have a new significance, even in our modern American life.

It seems to me particularly fitting that my good friend Henry Horner, whose lifelong avocation has been the collecting of things that were Lincoln's, and whose lifetime record in public and private affairs has reflected the ideals that were Honest Abe's, should be the Governor of Illinois when the United States Post Office Department formally restores Lincoln's New Salem to the map of the United States.

We who live in Illinois have been fortunate in that we have been able to supplement the record of Abraham Lincoln with a wealth of story and legend about our State's most beloved hero. And all of these stories emphasize the two most endearing and enduring traits that marked his footsteps all along the path from log cabin to the White House.

One was the gentle and generous kindness of the man whose religion was to love his God with all his heart and with all his might, and to love his neighbor as himself. The other was his deep devotion to freedom and equality that would brook no compromise in its "firmness to do the right as God gives us to see the right."

In the present hour of national emergency we need both that kindness and that firmness. In a world torn by war and hate we must preserve that true neighborliness toward all peoples which was Lincoln's, but we must stand resolute to maintain our Union against perils from within and defiance from beyond our borders.

In our domestic life we have equally as great a need for the courage that was Lincoln's.

Eighty years ago this Nation rallied to the declaration of Abraham Lincoln that the fundamental American rights of life and liberty must apply to all the people of the United States. Today, under the leadership of another great President, whom I am proud to acclaim as worthy of the Lincoln tradition, we have stated the proposition that equally inclusive in its application to all the people is the third great right listed in our Declaration of Independence, the right to the pursuit of happiness.

In the last decade we have embarked on a great national program that has carried us far on the road to equality and opportunity and security for the common man, whom Lincoln loved so well. America today, as in Lincoln's time, has the choice of holding to that road or turning off on the easy bypaths of compromise.

Abraham Lincoln made his choice in 1858. He spurned the easy path of compromise and went on the hard way to his glorious destiny. Today we have the same choice—a choice which transcends all partisanship and which every American must make for himself. Now, as then, the forces of reaction in all parties are offering arguments of cost and political expediency to sidetrack a program dictated by American principles of justice for all the people.

Now, even as then, America needs the kindly wisdom and resolute courage of Abraham Lincoln. And I am sure that all of us who are here today have caught the eloquent message of New Salem and will return to our several tasks with a richer faith and a deeper devotion to the American people for whom Lincoln lived and died.

### Reciprocal-Trade Treaties

#### EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

RADIO ADDRESS BY HON. ARTHUR CAPPER, OF KANSAS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on reciprocal-trade agreements delivered by me over the University of Chicago Round Table on February 18, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am opposing extension of the Reciprocal Trade Agreements Act because I believe the reciprocal-trade agreement that have been made in the past 5 years have impaired the income and the purchasing power of the American farmer, and thereby impaired to a much greater extent the purchasing power of the American people.

I am in favor of increasing our foreign trade, but not at the expense of our domestic welfare.

Certainly the statistics of our foreign trade for the 5 years following adoption of the trade-agreements program, as compared to the preceding 5 years, do not indicate that agriculture has been helped.

In the 5 years immediately preceding 1934, the imports of competitive farm commodities—those commodities produced in marketable quantities in the United States—averaged \$495,395,000 annually.

In the first 5 years of the trade agreements, these imports of competitive agricultural commodities averaged \$616,149,000 annually; an increase of \$120,754,000, or almost 25 percent, and this in the face of a much diminished world trade.

On the other hand, imports of noncompetitive agricultural commodities—those we do not produce in this country in marketable quantities—decreased from \$574,143,000 annually to \$536,933,000.



This decrease amounted to \$37,210,000 average for the 5-year period, or about 7 percent. Also this decrease was in line with the general decrease in world trade.

Agricultural exports also showed a decrease for the 5 years—in the 5 years before trade agreements—the average was \$982,593,000; for the 5 years of trade agreements, \$748,244,000.

I might also call attention to the fact that since the trade-agreements program became effective, the percentage of our export trade in agricultural commodities has dropped from 39.4 percent in 1933 to 23.7 percent in 1938 (32.1 percent in 1934, 32.3 percent in 1935, 26.3 percent in 1936, 26.5 percent in 1937).

Now, that is the record for the 5 years of the trade agreements, so far as agriculture is concerned; imports of competitive farm products, 25 percent up; imports of noncompetitive farm products, 7 percent down; exports of farm commodities, 25 percent down; percentage that farm exports are of all exports, steadily down.

Now, our trade, foreign and domestic, depends more largely upon purchasing power than upon anything else. The sound way to build up our foreign trade, as well as domestic, is to increase domestic purchasing power.

The purchasing power of the American farmer is a major factor—personally, I believe the foundation—of the purchasing power of the entire American market.

I know that we cannot sell abroad without buying abroad. But I also know what some of the advocates of foreign trade at any price seem to have forgotten—that we cannot buy either at home or abroad without domestic purchasing power.

The record shows that the trade agreements have been accompanied by decreased exports of farm products, by slightly decreased imports of noncompetitive farm products, by greatly increased imports of competitive farm products.

Now, that combination is bound to drive farm prices downward. This in turn means impaired farm-purchasing power, which in turn spells greatly impaired purchasing power for the American people as a whole.

The underlying principle of the trade-agreements program is to encourage imports; we promise countries with whom we make them that they will sell more of their commodities in the United States. And I maintain that the brunt of these increased imports falls upon the American farmer.

Just another point in closing.

For the United States Government to subsidize through payments to our farmers to reduce production through the Department of Agriculture; for the United States Government in effect to subsidize farmers of other nations to produce more for the American market, through the Department of State—I say these two programs as I see it just do not make sense.

I have high regard for Secretary Hull and I give him full credit for his good-neighbor policy, but he is wrong on this reciprocal trade agreements program. I supported this legislation when it was first presented to the Senate because I thought there was a chance it would do something for the farmers who were struggling to get out from under the burden of a troublesome surplus. But the program has proven a great disappointment. It simply will not work. I am for a reciprocal-trade program, but I want one that will work, for the farmers as well as for the manufacturers. The strongest support at this time for the reciprocal-trade agreements comes from the eastern manufacturers. The program has undoubtedly helped some manufacturers, and that is all right, providing it is done on a basis that is fair to other industries. But the Reciprocal Trade Act as now administered trades off the farmer for the benefit of other business interests. I say that is not fair and it is not for the good of the country as a whole. Another reason why I oppose the Reciprocal Trade Agreements Act is that it gives autocratic power to one man. In that respect I think it is unconstitutional. I am for a reciprocal trade treaty program that will include ratification by the Senate, the same as all other treaties receive. The 21 treaties negotiated with other countries the past 5 years were all ratified by their parliament or congress. No other country gives such arbitrary power to its president or secretary of state.

I might add that I have received protests against the Reciprocal Trade Act as now in effect from 53 national, State, and local farm organizations. The farmers are overwhelmingly against it because it works against their industry. They are worse off today than they were when this legislation was enacted.

### Walter-Logan Bill

### EXTENSION OF REMARKS

OF

HON. FREDERICK VAN NUYS

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

### REPORT OF INDIANA BAR ASSOCIATION

Mr. VAN NUYS. Mr. President, recently the Indiana State Bar Association took affirmative action on the so-called

Walter bill in the House and the Logan bill in the Senate. I ask that a summary of that report be printed in the Appendix.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### REPORT OF COMMITTEE ON ADMINISTRATIVE LAW

At the annual meeting of the Indiana Bar Association held in August 1939 the committee on administrative law presented its report which had been carefully considered and unanimously approved and upon submission thereof the same was unanimously approved and adopted by the association.

That report is published in the October 1939 issue of the Indiana Law Journal.

After briefly reviewing the growth and present necessity for administrative law, pointing out weaknesses in our system, citing abuses and outlining suggestions for the efficient functioning of administrative law within the framework of our Constitution that committee in its report submitted the four following recommendations, to wit:

"(1) While recognizing administrative agencies should be free to develop and formulate rules and regulations, it is our recommendation that no rule or regulation which shall have the force and effect of law, shall be made or prescribed by any administrative agency, unless and until it has given reasonably published notice of a hearing and unless it has afforded a reasonable opportunity for public hearing and until such rule or regulation has been published in some manner reasonably calculated to give notice thereof and filed or made of record so as to give access thereto, except in case of public emergency duly declared by the Chief Executive, in which event such rule or regulation shall be approved by such Executive.

"In this connection it is our further recommendation that upon petition filed in a court of competent jurisdiction within a reasonable time from the date any rule or regulation is published and filed or recorded such court may hear and determine whether such rule or regulation is in conflict with the Constitution, or statute under which it is promulgated, or is unreasonable or was capriciously or arbitrarily issued or was promulgated without reasonable notice or opportunity for hearing, in either of which events such rule or regulation shall be unlawful. Such court shall give preference to such petition and shall have no power in the proceeding except to render a declaratory judgment holding such rule or regulation valid or contrary to law and invalid.

"(2) While recognizing administrative agencies should have broad latitude when functioning in an adjudicative capacity in order to effect the purpose of the law which is being administered, it is our recommendation that we adhere to the principles that interested parties should be given reasonable notice of the hearing; that they should be given the right to their day, and a full day, of fair hearing; that the decision shall be based upon the law applied to the facts presented with the right to judicial review to determine whether the decision or order is based on findings and whether such findings are clearly erroneous or are supported by substantial evidence, to ascertain if it infringes the Constitution, statutes, or is otherwise contrary to law.

"(3) While it is recognized that uniformity of legislative practice in making provisions for judicial review may not be practicable, it is recommended that, to the extent reasonably practicable, legislative provisions therefor should be substantially uniform.

"(4) It is our recommendation that legislation appropriate to carry out the foregoing recommendations, with such other provisions as are adequate to permit a proper functioning of administrative law within the framework of our present system of government, be enacted by the General Assembly of the State of Indiana."

This association in unanimously approving that report went on record as being in accord with the spirit and purpose of the draft of Senate bill 915 introduced in the Senate by Senator LOGAN, entitled "A bill to provide for the more expeditious settlement of disputes with the United States and for other purposes."

This committee has reviewed and studied that report and is in accord with its observations and recommendations.

At about the time this association approved and adopted that report, Representative WALTER introduced in the House of Representatives a bill designated H. R. 6324 and entitled "A bill to provide for the more expeditious settlement of disputes with the United States and for other purposes." Although the Walter bill is not identical in wording with the Logan bill, they are in fact companion bills, their terms are substantially similar and the purpose of each bill is the same.

After extensive hearings by the subcommittee of the Committee on the Judiciary of the House of Representatives, the Walter bill was reported out with certain minor amendments with recommendation that it do pass.

Section 1 of the Walter bill is devoted to definitions.

Sections 2 and 3 thereof are devoted to the mandatory requirements of administrative implementation of statutes by means of rules and regulations and to provisions for judicial review thereof in the United States Court of Appeals for the District of Columbia. Section 2 provides that all rules and amendments or modifications or supplements of existing rules implementing statutes affecting rights of persons or property shall be issued only after publication of notice and public hearing and it requires that such rules be published before they become effective, except when the President declares a public emergency exists. It further provides that all rules shall be issued within 1 year after the enactment of the statute being implemented. Section 3 provides that upon petition filed within 30 days from the date any rule is published, the

court, upon proper petition, shall have the power to review the rule to determine whether it is in accordance with the Constitution and the statute under which it has been issued.

Section 4 is devoted to statutory approval and authority for administrative boards and prescribes their procedure. It provides for a uniform procedure for appeals within single-headed administrative agencies and for uniform procedure before multiple-headed agencies. It permits any person aggrieved by a decision of any officer or employee of a single-headed agency to object thereto and to request that it be referred to an intra-agency board composed of three employees of that agency, one of whom must be a lawyer. It requires that within 30 days after evidence is heard and arguments closed that the board shall make written findings of fact and separate decision thereon which shall be subject to the approval or disapproval of the head of the agency concerned.

This section, at paragraph (e), provides that where any matter arises out of the activities of a multiple-headed agency, such matter may be heard in the first instance by a trial examiner, who shall file a written record and his written findings of fact and separate decision, which shall be made in all instances, whether by the examiner or board or commission, after reasonable public notice and a full and fair hearing. This paragraph further provides that at the expiration of 30 days an appropriate decision shall be entered, unless the aggrieved party sooner consents or files objections, in which last event such agency shall not enter its decision without according a public hearing upon reasonable notice to such parties.

Section 5 pertains to judicial review of decisions and provides that a party aggrieved by the final decision or order of a single or multiple-headed agency may have it reviewed by filing a petition within 30 days with the clerk of the United States Court of Appeals for the District of Columbia or the clerk of the circuit court of appeals within whose jurisdiction such aggrieved party resides or maintains his principal place of business, or in which the controversy arose. It further provides that any decision may be set aside if it be made to appear to the satisfaction of the court (1) that the findings of fact are clearly erroneous; or (2) that the findings of fact are not supported by substantial evidence; or (3) that the decision is not supported by the findings of fact; or (4) that the decision was issued without due notice and a reasonable opportunity having been afforded the aggrieved party for a full and fair hearing; or (5) that the decision is beyond the jurisdiction of the agency or independent agency, as the case may be; or (6) that the decision infringes the Constitution or statutes of the United States; or (7) that the decision is otherwise contrary to law.

Section 6 provides that courts shall have jurisdiction and power to impose damages in any case where the decision of the agency is affirmed and the court finds that there was no substantial basis for the petition for review.

Section 7 provides for the continuance of existing judicial remedies, if any, and for the exemption of certain governmental agencies from the terms of the bill.

The principles of the foregoing bill have been approved by the American Bar Association and by the State Bar Associations of California, Colorado, Illinois, Nebraska, Ohio, Oregon, and Indiana, as well as by a number of city bar associations.

This committee believes that it is now proper for this association to take action with reference to the Walter bill (H. R. 6324); and we accordingly recommend:

1. That this association, by the adoption of this report, evidence its approval of the Walter bill as approved by the subcommittee of the Committee on the Judiciary of the House of Representatives.

2. That a copy of this report be transmitted to each of the United States Senators and Members of the House of Representatives from the State of Indiana by the secretary of this association.

3. That the Senators and the Members of the House of Representatives from the State of Indiana be requested vigorously to support and vote for the passage of the Walter bill, to the end that said bill may be duly passed by Congress and become law.

Respectfully submitted.

JOHN RABB EMISON.

## Reformation of Administrative Procedure

### EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ARTICLE BY LUDWELL DENNY

Mr. MINTON. Mr. President, there is pending before the Senate a bill (S. 915) about which there has been a great deal of discussion, the bill to reform administrative procedure. I ask unanimous consent to have inserted in the Appendix of the Record an article by Ludwell Denny, which recently appeared in the Washington News, entitled "Sweeping Legislation."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News]

#### SWEEPING LEGISLATION

(By Ludwell Denny)

The most sweeping but least publicized legislation before Congress in many years will be aired next week if Senator KING succeeds in calling up again the Logan-Walter bill curbing Federal administrative agencies. It has a good chance of passing the House soon over New Deal opposition.

Widely advertised proposals for restricting the National Labor Relations Board, the Wage-Hour Division, and other individual agencies are but pinpricks compared with this plan to reverse the half-century-old development of administrative law and agencies.

Despite the "revolutionary" changes involved, the bill slipped through the Senate last summer by accident and without debate. Later the administration obtained reconsideration, which has been delayed partly because of Senator Logan's death.

The real author of the bill is the American Bar Association's committee on administrative law. The purpose is "to prevent administrative absolutism." It provides for:

Uniform procedure for establishing rules and regulations of administrative agencies, with prior notice and public hearings, and authority for the United States Circuit Court of Appeals here to pass on such regulations; intradepartmental appeal boards; wide expansion of judicial review.

Both House and Senate Judiciary Committees reported the bill favorably after 1 day of House hearings and none in the Senate.

Opposing the bill are most of the Government departments and agencies, the National Lawyers Guild, and various outside experts such as specialists of the Brookings Institution.

The Brookings study of legal and administrative aspects of Federal regulation of business, made by Dr. F. F. Blachly and Dr. M. E. Oatman, was published today. It opposes stricter judicial control of administrative agencies, as provided by the Logan-Walter bill, and also the opposite extreme of increasing Presidential control of such agencies. It approves reform through revision of existing procedures "rather than by radical alterations of the regulatory system."

These Brookings experts deny there is danger of administrative absolutism under the present system.

Senator MINTON (D., Indiana) and other New Deal leaders in the fight against the Logan bill will be able to cite not only this Brookings report but also recent Supreme Court decisions and the interim Acheson report of the Attorney General's committee on administrative procedure.

A unanimous Supreme Court decision in the Pottsville Broadcasting case, written by Justice Frankfurter, a recognized authority in this field, stated:

"To assimilate the relation of these administrative bodies and the courts to the relationship between lower and upper courts is to disregard the origin and purposes of the movement for administrative regulation. \* \* \* Unless these vital differentiations between the functions of judicial and administrative tribunals are observed, courts will stray outside their province and read the laws of Congress through the distorting lenses of inapplicable legal doctrine."

Although the recent interim Acheson report refrained from making recommendations pending public hearings on its investigators' studies and its final report next autumn, it warned against "premature and facile generalization."

Without naming the Logan bill, it expressed "skepticism that a single formula" can control the "various and changing situations." "A too rigid prescription of administrative procedures" often would defeat the purposes of the laws.

This committee was named at the President's suggestion a year ago under the chairmanship of Dean Acheson, former Under Secretary of the Treasury. It has completed preliminary studies of only 15 agencies.

If the New Deal finally is forced to submit to review of administrative rules, it probably will choose partial review by congressional committees rather than by courts. This would be a much modified form of the British system, as suggested by Dean James M. Landis, of Harvard Law School, in his authoritative book *The Administrative Process*.

## Citizens of Tomorrow

### EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ADDRESS BY HON. PATRICK J. HURLEY TO BOYS' CLUBS OF WASHINGTON, D. C.

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address by a



former Secretary of War, Hon. Patrick J. Hurley, at a meeting of the boys' clubs of the Washington area, at Washington, D. C., February 23, 1940, on the subject Citizens of Tomorrow, which affects the interests of the youth of America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure to be permitted to address the boys of Washington tonight.

Your leaders invited me to give you a lot of good advice. I am reminded of the story of the Choctaw girl who had reached that place in school where she was studying Greek history. As a test she was required to write the story of Socrates. When she turned in her work it read like this: "Socrates was a Greek philosopher. He went around giving the people 'a lot of good advice.' They poisoned him." I must escape the fate of Socrates.

You are the citizens of tomorrow. Your thoughts of today will be reflected in your conduct of tomorrow. Your government of tomorrow will be remarkably similar to what you are being taught that it is today.

If you work hard and intelligently today you are laying the foundation for your success tomorrow. Intelligent action, work, is your passport to success. Do not be misled. No one can make you successful. Success will come to you, if it comes at all, because of your own efforts. If you idle away your time today the chances are that you will be an idler tomorrow. If you will work you are almost certain to succeed.

You are to be citizens of that mighty Republic that is known throughout the world as the land of liberty. On a former occasion your speaker of tonight said:

"The Government of the United States has given more happiness to more human beings for a greater period of time than has any other government at any time."

That statement was made at the beginning of the first depression. The correctness of the statement was immediately challenged. Many people at that time denied categorically that the American system assured justice, or liberty, or equality of opportunity to its citizens. There were many who maintained that democracy had failed. Then came a great push to set up some strong central government, collectivism, dictatorship, or plain bureaucracy, all of them being suggested for the purpose of promoting the welfare of the people. The Constitution under which our Republic has been built was then in the dog house. It was said to be a horse-and-buggy contraption, to be disdained by intelligent people. In disparagement of our system of liberty the mayor of a great municipality was quoted as having said "You can't eat the Constitution." That statement was repeated with approval by millions. Of course, anyone capable of understanding Americanism should know that the Constitution was never intended to be eaten. Liberty, justice, and equality of opportunity which the Constitution guarantees to everyone are very desirable, and we believe essential to the general welfare, but we readily admit that they cannot be eaten. We have had a definite swing back toward the spiritual, cultural, and material aspirations of Americanism.

Communists, whose avowed purpose was the destruction of our Government by violence, were very popular in the beginning of the depression. It was smart to be communistic and anti-American. It was considered the height of intelligence to poke fun at our institutions. Now the defamers of Americanism are not so popular. They are being investigated almost but not quite as ruthlessly as if they were American taxpayers. This great change in attitude toward our institutions did not take place because of events within our own borders. The defamers of Americanism continued in their stride until events in Europe and China led a majority of our citizens to renew their faith in the American way and to a realization of the fact that our institutions were in danger. The great majority of the American people are enlisted again under the banner of liberty, justice, and equality of opportunity.

We predict, therefore, that the American system, the rights and privileges guaranteed in the Constitution, will unquestionably descend to you. But the American system that you will inherit has a mortgage against it of \$45,000,000,000. These generous men who have been preaching to you that you are underprivileged have been paying their own salaries and emoluments and supporting their big automobiles out of funds that they have obtained from a mortgage on your future. Do not let anyone tell you that the money that these gentlemen have obtained from the mortgage on your future has been used for your benefit. It has not been used that way. Some of the money, of course, has been used for laudable purposes. Your future has been mortgaged to procure funds to make suitable appropriations to keep well-organized minorities and pressure groups on the right side of the political line-up. Recently your pretended friends who have been saying that you are underprivileged have asked Congress to allow them to increase the mortgage against your future to \$50,000,000,000 so that they will have sufficient funds for "welfare purposes" during the impending campaign.

These gentlemen who are constantly increasing the mortgage on your future also try to dampen your ardor for success by constantly telling you that you are underprivileged. Let us look at this underprivileged idea for a moment. With the exception of insane persons and those convicted of a felony, there is no individual or class of individuals in the United States who under our laws are underprivileged. No one individual has less privilege or more privilege than any other individual under the law. You are not underprivileged, but as citizens of tomorrow you are handicapped by a

\$45,000,000,000 mortgage on your future. That is the most severe handicap that ever confronted a generation of Americans.

LINCOLN

Our tax-supported "welfare leaders" continuously hold Lincoln up to the youth of the Nation as a man who was underprivileged. Lincoln was handicapped, terribly handicapped, but as a free white man he had all the privileges and immunities guaranteed by the Constitution of the United States. Recently I ran across a little poem by Rosemary and Stephen Benet, which illustrates the point I am making, that Lincoln was handicapped but not underprivileged.

NANCY HANKS: 1784-1818

If Nancy Hanks  
Came back as a ghost,  
Seeking news  
Of what she loved most,  
She'd ask first:  
"Where's my son?  
What's happened to Abe?  
What's he done?"  
"Poor little Abe,  
Left all alone  
Except for Tom  
Who's a rolling stone.  
He was only nine  
The year I died:  
I remember still  
How hard he cried.  
"Scraping along  
In a little shack  
With hardly a shirt  
To cover his back,  
And a prairie wind  
To blow him down,  
Or pinching times  
If he went to town.  
"You wouldn't know  
About my son?  
Did he grow tall?  
Did he have fun?  
Did he learn to read?  
Did he get to town?  
Do you know his name?  
Did he get on?"

To indicate that he was not underprivileged, Lincoln aspired to and attained the highest office in the gift of the people. He had a definite purpose in view and that purpose was to procure for the slaves the same privileges and immunities that he enjoyed. Lincoln succeeded in emancipating and enfranchising the slaves. Among every people of the world who have a written language the story of Lincoln's life and Lincoln's achievements is read. There is not within the sound of my voice tonight a healthy boy who is faced with as many handicaps and disadvantages as Lincoln experienced. But the rights and privileges that were the birthright of Lincoln are your birthright. You were born to liberty, to the right to justice and to the privilege of equality of opportunity. You inherited the greatest school system on earth. You inherited the privilege of being the captain of your fate; you inherited the privilege of being a captain of industry or a king of commerce; you inherited the privilege of creating wealth for yourself and for your fellow men; you inherited the privilege of making work for yourself and giving employment to your fellow men. You inherited the privilege of being a leader. You inherited the privilege of contributing to the spiritual, cultural, and material welfare of your fellow human beings. Don't ask your fellow men for help. You should help your fellow men.

LINCOLN'S FOSTER BROTHER, JOHN JOHNSTON

Abraham Lincoln's stepmother had a son whose name was John Johnston. By reason of his mother's marriage to Lincoln's father John Johnston became the foster brother of Abraham Lincoln. They loved each other sincerely and were brothers in every relation, except by blood. John Johnston had better lineage, more successful ancestors than Lincoln. He had a sound body and mind. His chances for success seemed greater than those of Lincoln. Johnston was a failure. He surrendered to his handicaps. The people who do not understand Americanism would call John Johnston underprivileged. During 1851 Lincoln wrote certain letters to his foster brother, John Johnston, which show that Lincoln thought that failure is due to a defect in the person who fails rather than to a lack of privilege. Lincoln realized that the privileges of our institutions were open to both himself and his foster brother, that to avail themselves of the privileges they must work, they must develop their minds. Lincoln did this. His foster brother did not. Let those who call Lincoln underprivileged read these letters and find how completely Lincoln disagreed with them. The first one of the letters from Lincoln to his foster brother is in part as follows:

"At the various times when I have helped you a little, you have said to me, 'We can get along very well now'; but in a very short time I find you in the same difficulty again. Now, this can only happen by some defect in your conduct. What that defect is, I think I know. You are not lazy, and still you are an idler."

In this same letter Lincoln said to his brother:

"You say you would almost give your place in heaven for \$70 or \$80. Then you value your place in heaven very cheap; for I am

sure you can, with the offer I make, get the \$70 or \$80 for 4 or 5 months' work."

In a letter to Johnston dated November 4, 1851, Lincoln said: "Now, do not misunderstand this letter: I do not write it in any unkindness. I write it in order, if possible, to get you to face the truth, which truth is, you are destitute because you have idled away all your time. Your thousand pretenses for not getting along better are all nonsense; they deceive nobody but yourself. Go to work is the only cure for your case."

Lincoln did go to work. His foster brother, John Johnston, did not go to work. Lincoln educated himself. His foster brother remained illiterate. Lincoln developed the splendid mind that God had given him. His foster brother, Johnston, remained ignorant and an idler to the end of his days. Lincoln wanted to work for others as well as for himself. Johnston wanted others to work for him. Johnston wanted a "brain trust" to do his thinking for him and a bunch of bureaucrats to plan his future and taxpayers to work for him so that he could enjoy being a pauper.

When Lincoln fell a victim of an assassin's bullet he was the greatest American and probably the greatest man in the world of his period. Lincoln's foster brother died in poverty, a complainer, who thought he was underprivileged. In light of these facts one fails to understand why those of today who call themselves underprivileged use Lincoln as an example. The privileges of justice, liberty, and equality of opportunity were his heritage as they are the heritage of every citizen of the United States.

Instead of telling you to take up the fight and dare and do, you are being told that it is the duty of someone else to think for you, to provide jobs for you, to work out your future for you, to give you economic security. If all this is given to youth, what is youth going to do?

#### SOCIAL SECURITY

Do not misunderstand me. We have fellow citizens who are handicapped, persons who, by reason of their own defects, by reason of environment, or by reason of unmerciful economic conditions, have been unable to take advantage of the privileges that are guaranteed to all American citizens. These handicapped fellow citizens command our attention. They are entitled to our constructive help. Our Government has inaugurated an extensive social-service system which to the minds of many was long overdue. The elements of that system are in keeping with our free institutions. The fundamental principles involved are approved by all forward-looking Americans. Social security provides principally for old-age pensions for those who have been unable to provide a competence for their own declining years, for unemployment insurance, which provides for those who are unable to keep themselves employed. Also we have labor laws which materially enhance the rights of the worker for sanitary working conditions, reasonable hours, and reasonable pay. The social-security program has not been perfected. It will be perfected and the beneficiaries themselves will be the largest contributors to its success. As citizens of tomorrow, you will approve social security.

#### SELF-RELIANCE

Be warned, citizens of tomorrow. These false prophets of today can never donate to you economic security. Economic security must be wrought in the sweat of those who work. You should doubt all those who preach to you that means can be devised whereby you will be permitted to live by the sweat of someone else's brow. That cannot happen permanently. You should make up your minds that you will live by the sweat of your own brow and that you will create jobs and wealth for your handicapped fellow citizens. Wealth must be produced before it can be distributed. The people themselves must pay for security. The idlers claim everything, but contribute nothing. These people who promise that they will give you economic security and save you from work cannot do it, but they can deprive you of your liberty. We are convinced that these preachers of despair who tell you that you are "underprivileged" and that you should rely on others to create jobs and opportunity for you are closing from your vision the broad and beautiful view of the countless opportunities in every field that American liberty, American equality of opportunity, American justice, American kindness, American courage, and unrivaled American resources hold out to everyone who says "I will." Citizens of tomorrow, do not permit any false prophet to deprive you of your American heritage or your spirit of self-reliance.

### Case of the "Altmark"

#### EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

LETTER FROM JAMES W. RYAN

Mr. MINTON. Mr. President, recently there has been much comment in the newspapers and over the radio about the case

of the *Altmark*. The legal aspects of this case are very brilliantly discussed by James W. Ryan, a distinguished maritime and international lawyer of New York. I ask unanimous consent that his letter to the New York Times of February 25, 1940, discussing the case of the *Altmark*, may be inserted in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of February 25, 1940]

#### CASE OF THE "ALTMARK"—ACTION OF NORWEGIAN AUTHORITIES HELD AGAINST LAW

TO THE EDITOR OF THE NEW YORK TIMES:

It has been international law since time immemorial that public vessels of one country may not, in peace or war, enter the territory of another without the latter's permission. In the case of the *Exchange* (7 Cr. 116) our Supreme Court recognized this rule.

The only exception to it is the special case in which such entry into another country's territory is urgently necessary to protect the former's citizens or property lawfully within the latter's country from an obvious danger menacing them. The danger must be one which the local government is not controlling and which is not the result of any illegal act of the persons endangered.

Our own Navy through Admiral Yarnell recently claimed to be acting within that long-recognized exception when our naval vessels entered ports in China under Japanese domination without permission of the Japanese authorities for the purpose of using any force necessary to protect American citizens and their property endangered by the various military and naval operations in that area.

#### BRITISH CASE UPHELD

The fundamental question in the *Altmark* case, therefore, is whether the British have brought themselves within that exception. After careful consideration of the facts as publicly stated by both sides it seems to me clear that they have.

The captain of the *Altmark* in applying for entry to Norwegian waters concealed the material fact that his vessel was not merely a public vessel as described in her ship's papers—namely, an armed tanker supplying oil to German battleships—but was also temporarily engaged in acting as a prison ship in holding by force a large number of British civilians or sailors from numerous merchant vessels who had been seized on the high seas and had committed no offense or forceful aggression of any kind.

The *Altmark* was functioning otherwise than as authorized by her ship's papers or government commission, and was menacing the safety and freedom of innocent British sailors who were within Norwegian territory. The Norwegian Government was not only doing nothing to remove this danger, but was actually affording the vessel an escort of two Norwegian gunboats.

The case is different from that of the *Sitka*, in which the neutral government, with full knowledge of the facts, granted permission to enter and was therefore bound in fairness to permit her to leave. It is also, of course, different from the *Appam* case, in which the intention was to stay indefinitely in the neutral port.

#### BREACH OF NEUTRALITY

If the Norwegian authorities did not know that the prisoners were on board, the proper Norwegian attitude under international law would be to claim lack of fault because of permission granted in good faith on an application which was fraudulent or concealed material facts. If the Norwegian authorities did know that the prisoners were on board, then, having granted permission to enter with full knowledge of all the facts, it was bound in fairness to Germany, as the local sovereign was in the *Sitka* case, to permit the vessel to leave, but was guilty of a breach of neutrality toward Great Britain by voluntarily permitting innocent British civilians to be incarcerated by force within its territory by a foreign nation at war with Great Britain.

Only merchant vessels have the right under international law of innocent passage in the territorial waters of other countries, and even that right in nearly all cases is incorporated in the commercial treaties between the nations of the world. This right is fully discussed in the case of *Queen v. Keyn* (L. R. 2 Exch. Div. 63—1876).

But no vessel, public or merchant, is exempt from reasonable inspection at the time of entering another country's territorial waters for the purpose of ascertaining whether its passage should be permitted or is innocent.

In the case of the *Altmark* the captain submitted without question to a visit or examination by a boarding party from a Norwegian gunboat. That examination, if conducted with reasonable diligence, should have disclosed to the Norwegian authorities the presence of the British prisoners and the variance between the ship's papers and the service the vessel was actually performing.

#### IN NORWEGIAN WATERS

The *Altmark* case is not one in which international waters are involved, such as the Suez Canal or the Panama Canal, through which the merchant vessel *Duesseldorff* passed last Christmas while in charge of a British prize crew, giving a right of unrestricted passage secured by international treaties. The waters in which the *Altmark* was sailing were within the 3-mile limit claimed by Norway as her territory. It is immaterial, therefore, whether or not the *Altmark* entered the Norwegian port of Bergen or merely stopped or anchored near it.

The admitted use by the *Altmark* of her radio-transmitting equipment within Norwegian territory was a violation of neutrality



and of Norwegian municipal law, and was of itself a circumstance requiring investigation. As the *Altmark* was in naval service, it must have been an important message in code to the German Government giving information regarding the immediately observable military situation or presence in the area of British naval vessels, or regarding the *Altmark's* activities or intentions within the next few days in Norwegian waters, because otherwise the captain would not have risked the known and inevitable penalties from sending it. If it were not for that rule, belligerent naval vessels could in effect use neutral territory as a base of naval information or operations while being protected by the neutral navy against attack by the other belligerent.

It is incorrect to say that the British civilians on the *Altmark* were prize. At the time they were seized by a vessel other than the *Altmark* they were unarmed civilian sailors on several British merchant vessels. Being unarmed, they were not prisoners of war. Nor had they committed any offense or act of aggression, military or otherwise. The captured merchant vessels and their cargoes were prize, but the capturing vessel sank them and did not assert any right to have the crews assist prize crews in navigating the vessels to Germany for condemnation as prize.

The duty of the capturing vessel was therefore to save the lives of the seized British seamen and give them a reasonable opportunity to reach freely a British or neutral port.

The truth appears to be that the *Graf Spee*, the capturing vessel, was holding the British sailors for so many months in order to keep its own location and armed raiding activities secret, and that when the *Graf Spee* was unexpectedly scuttled the captain of the *Altmark* mistakenly concluded that the captured men were prisoners of war who ought to be taken to Germany rather than freed, although there no longer existed the reason the captain of the *Graf Spee* had for keeping their seizure secret.

From any point of view the holding of innocent civilians as alleged prisoners of war for several months on the high seas under miserable conditions on a tank steamship in the vicinity of neutral ports, where the men could have been delivered and freed safely, was a clear violation of international law. That violation continued after the *Altmark* entered Norwegian territorial waters, and its further continuance should have been prevented by the Norwegian Government.

#### NO NECESSITY SEEN

Assuming that the *Altmark* did not enter a port of Norway and was therefore not, strictly speaking, within the 24-hour rule as expressed in the Hague Convention, nevertheless the fact is, according to the official statement of the Norwegian Prime Minister, that the *Altmark*, to the knowledge of the Norwegian authorities, was a belligerent public vessel which had been within Norwegian territorial waters from February 14 to February 16 before the Norwegian naval authorities made the demand, when the *Altmark* arrived at or off Bergen, for leave to revisit her, which was refused by the captain of the *Altmark*.

The *Altmark* could have proceeded on the high seas outside the 3-mile limit during those 2 days, and indeed during all the time until her subsequent stranding at Jossing Fjord. It is quite obvious, therefore, that the *Altmark* was not in Norwegian territorial waters from necessity but because she desired protection from attack by British vessels while proceeding to Germany. A neutral country is under no duty to permit belligerent public vessels to use its territorial waters for such a purpose.

JAMES W. RYAN,

Chairman, American Bar Association Committee on Law  
Protecting Americans and Their Property in Foreign  
Countries and on the High Seas.

NEW YORK, February 23, 1940.

### Mexico and Silver Legislation

#### EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE,  
AND ARTICLES FROM THE NEW YORK TIMES AND THE  
WASHINGTON TIMES-HERALD

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement issued by the Senator from Delaware [Mr. TOWNSEND] on the subject Mexico and Our Silver Legislation; also an article from the New York Times of February 21, 1940, under the heading Soviet Ship Loading Metals in Mexico; and an article from the Washington Times-Herald of February 21, 1940, entitled "United States Is No. 1 Source of Red War Supplies."

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

The buying of foreign silver under the Silver Purchase Act of 1934 is a matter subject solely to the discretion of the American people. Although the process involves the bestowal of large benefits on foreigners who sell silver to us, those foreigners are not asked to make any reciprocal contribution to us. It would seem crystal clear, therefore, that the foreign-silver-buying program was something for this country to initiate or not as it chose, and that its continuance or discontinuance now is something for the Congress of the United States alone to decide. It seems to me highly improper and an impertinence for any foreign country which benefits from our silver buying but which does not reciprocate or compensate such action on our part to interfere with any action Congress chooses to take in the matter. Yet that is exactly what Mexico has been doing and is now doing.

Thus, the Associated Press, according to the Evening Star of Washington, on February 13, 1940, reported from Mexico City that some Mexican Government officials "have said that Mexico was using all her influence in Washington to sidetrack legislation intended to end the American Government's present silver policies."

Mexico's attitude is not that of a country which has been seizing American properties without prompt or adequate compensation. Its attitude is not that of a country which has been receiving from us all sorts of favors on the theory that it is "a good neighbor" of ours. Rather, Mexico's attitude is that of an urchin who kicks his neighbors' shins in the knowledge that said neighbor is too big and too polite to express displeasure or to withdraw favors currently being granted.

From 1934 through 1939, while the Treasury was buying silver hand over fist, Mexico produced silver for which it received approximately \$220,000,000, an average of \$36,666,000 a year. Had there been no American silver program, that silver would have brought Mexico between \$80,000,000 and \$100,000,000 less money than Mexico actually received. The \$80,000,000 to \$100,000,000 has been an unadulterated gift handed over by this country to Mexico. And have we had so much as a "thank you" for it? Quite the contrary. All through these years Mexico's attitude has been one of ingratitude and impertinence, and indeed defiance of international law.

Here is what Mr. Duncan Aikman, veteran newspaperman and author of a recent book, *The All American Front*, states about Mexico's attitude on such matters:

"Mexico, not impossibly, is developing a technique for getting what she wants under the good-neighbor policy \* \* \* the technique of standing on the borders and shouting, 'We dare you to go back on it.'" (As quoted by Leon Pearson in the Washington Times-Herald of February 13, 1940.)

It is no secret that Mexico participated in the agitation for American purchases of foreign silver prior to the passage of the Silver Purchase Act of 1934. Also, last June, Mexico successfully objected to the Senate's vote in favor of my amendment to the monetary bill, a vote designed to end our buying of foreign silver. It will be recalled that last year, when the Banking and Currency Committee was preparing to vote on my bill, S. 785, following public hearings, the Evening Star, Washington, of June 28, 1939, reported that the Mexican Government was "making anxious inquiries" in Washington regarding this country's silver policy.

The statements made on the floor of the Senate by the majority floor leader during the debate over the Townsend silver amendment on June 26 and again on July 28, 1939, clearly reveal the successful results of Mexico's propaganda here to prevent repeal of the law calling for the purchase of foreign silver.

Finally, this year, the committee which held hearings on my bill reported favorably on my proposal to end the buying of foreign silver. The Associated Press on February 13, 1940, gave details of the action of the subcommittee. At the same time it reported the failure of the full committee to endorse immediately the subcommittee's action, because, in the quoted words of Senator BARKLEY, "this matter involves our foreign policy, as well as purchases here by nations who have been sending us silver." After almost a year of congressional delays at the administration's instance, the Associated Press quoted the Senator from Kentucky as again urging consultation of the State and Treasury Departments before acting.

I trust that those Departments will find no further reason for postponing repeal.

Presumably opponents of repeal are only echoing Mexico's sentiments when they force us to buy Mexican silver, "so that Mexico may make purchases of our goods." According to the Associated Press in a dispatch of January 11, 1940, Mexico has asked this Government to "adopt a definitive attitude" toward silver and "maintain a reasonable price" for that metal, so that Mexicans may in turn buy therewith "relatively luxury items, which we can import from the United States, with the advantage for that country that they are precisely those articles which furnish the best results for their producers," whatever that may mean.

The defense of foreign silver buying given by the Senator from Kentucky is reported in the press, as follows:

"We have been increasing our trade with Mexico and South and Central America as a result of wars elsewhere. These nations are buying things from us they formerly purchased from Europe. There is a question of keeping that trade permanently. If we cease buying their silver, the results might be serious.

"It would be perfectly ridiculous to say we will loan you money but won't take your silver in repayment."

If it is ridiculous to refuse to take silver from a country to which we are lending money, is it not equally ridiculous to be lending money to a country which we are already helping by silver purchases? Why not take sea shells? Mr. Eccles thinks they would be just as useful to us, and far less harmful.

Is it not ridiculous to help in any way a country like Mexico, that has long been seizing American property and flouting our interests?

Is it not ridiculous to say that our purchases of foreign silver enable the foreigners concerned to buy our goods, without at the same time admitting that by this process we are simply buying worthless foreign silver with our valuable goods and services?

If buying Mexican and other foreign silver is so helpful in making jobs in our factories here at home, why is it not ridiculous that we pay Mexico only 35 cents an ounce for its silver, when by paying \$1.05 an ounce, Mexico could buy three times as much American goods with the proceeds? Why not be even more ridiculous and pay Mexico 10 times 35 cents an ounce for silver, and so get 10 times as much export business with Mexico?

Or why not simply put Mexico on our pension list, and make it an annual gift of so many millions of dollars, so that Mexico can buy goods from our exporters? I wonder whether the administration would not be frank enough to introduce such a bill on good neighbor Mexico's behalf? It would have a great advantage over the present Mexican silver subsidy; namely, there would be no creation of silver certificates to complicate and endanger our monetary and financial structure at home. Concerning the dangers to the value of our money as a result of the foreign silver-buying program, Chairman Marriner S. Eccles, of the Federal Reserve System, last year warned the Banking and Currency Committee. In his testimony in favor of my silver-repeal proposal, Mr. Eccles stated:

"Well, of course, what we could do is this: We could take anything that a foreigner might give us that we did not need, for instance, and give him our goods. Now, whether it is silver or some other metal or some other product, we could take it as well as we could take silver and, as a result, we would find a foreign market for our goods. Then we could issue money against what we took, whether it happened to be copper or seashells or what not. We could issue money to pay for what we took, or we could give a foreign loan; and the foreigners could spend the money. We would get the export trade that way. The point I am trying to make is that there is no particular argument from a monetary or a credit standpoint to justify our continued purchase of foreign silver \* \* \*

"Silver is almost useless as an international reserve. \* \* \*  
"I did not know of anything that tended to destroy ultimately the domestic silver industry as thoroughly as the present silver program. \* \* \*

"During the period from 1935 to 1937 the annual average of the United States Government purchases was 400,000,000 ounces, whereas, in the previous period, the Government had purchased only an average of 5,000,000 ounces, possibly for subsidiary coinage. \* \* \*

"Now, that, it seems to me, creates a rather serious situation—I mean a continuation of that sort of program—because it tends to make the United States Government the only market for silver. And looking at it from the standpoint of the domestic industry, a program of that sort, of course, could only protect it under the assumption that the United States Government forever would continue such a program. The unfortunate thing, as it seems to me, is that whereas this country was a rather important exporter of silver to other countries, the Silver Purchase Act had the effect of making it almost the sole user and importer of silver."

On the matter of Latin-American countries other than Mexico, few of them produce any silver. Last July I stated:

"Barely one-fifth of the silver bought by this country since the end of 1933 has come from Latin-American countries. Most of the rest has come from the Far East, either directly or by way of Europe.

"Mexico has been the chief, and indeed the outstanding, beneficiary of our silver policy in Latin America. Of the \$237,000,000 we have paid for Latin-American silver since 1933, \$217,000,000 has been paid to Mexico. Only 2 percent of this country's expenditures for foreign silver have gone where they could in some roundabout way promote Pan Americanism outside of Mexico since the Treasury's purchase of foreign silver began. How well the past 6 years' buying of Mexican silver has worked out there, the public may judge for itself."

As an economic measure the Silver Purchase Act has certainly failed miserably. This has been attested by scores of economists and disinterested observers, who are on public record on the matter.

That the law is retained is due solely to the argument we have heard in the Senate that silver buying gives us a convenient instrument of foreign policy. Silver purchases, we are led to believe, are to be regarded as a means of buying good will abroad; as if lasting good will could be purchased.

In reality, what it amounts to is that, in effect, we spend millions of dollars a month—month after month, year in and year out, endlessly—to attempt to buy good will abroad.

From 1934 to date this country has paid foreigners close to \$1,000,000,000 for unneeded silver. Imagine what Congress would do if, instead of resorting to silver buying through inflation of our currency the Treasury had frankly put that \$1,000,000,000 on the Budget, as, for example, \$36,666,000 a year (on the average) to buy good will from President Cardenas. It is an insult to the intelligence of Latin Americans to think that the silver policy will work, and I am not so gullible as to believe it can work.

In addition to protecting Mexico's interests, the defenders of the foreign silver buying probably are also concerned in the program from the standpoint of the inflation-spending nest egg which it thereby is acquiring.

The limit on the public debt has been fixed by Congress at \$45,000,000,000. The actual public debt is very close to that limit. If Congress does not extend the limit, the silver program enables the Government to spend additional money anyway because of the so-called profit or seigniorage which the Treasury puts aside for itself when it pays out silver certificates to foreigners.

The Daily Statement of the United States Treasury for February 9, 1940, shows this unutilized nest egg on hand now amounts to 1,230,000,000 ounces of silver, against which, at the monetary value of \$1.29-plus per ounce, the Treasury may issue nearly \$1,600,000,000 of American currency overnight. The Treasury has now the necessary power and authority to do that.

Every ounce of foreign silver now being bought under the 1934 Silver Purchase Act simply increases that nest egg.

The foreign silver program should be stopped at once. It is wasteful, futile, and dangerous.

[From the New York Times of February 21, 1940]

SOVIET SHIP LOADING METALS IN MEXICO—COPPER FROM UNITED STATES IS BELIEVED DESTINED FOR GERMANY

MEXICO CITY, February 20.—The Russian freighter *Kim* is at present in Manzanillo, in the State of Colima, loading 12,000 tons of copper and lead for Vladivostok, Siberia.

Eight thousand tons of copper were unloaded by the American freighter *Harpoon*, which arrived at that port February 6. The lead has arrived by rail since then. The presumption is that these metals will eventually find their way into Germany by railroad.

Two of the four German ships now at Tampico show signs of activity, indicating attempts to run the Allies' sea blockade. The freighter *Idarwald* is loading coal. The freighter *Phrygia* is bunkering oil at Elagulla terminal, formerly the property of the Royal Dutch Shell Oil Co.

Naval experts concede these ships small chance to get across the Atlantic. Therefore they surmise the vessels may try to cause international complications by tempting British or French warships to attack them within the American safety zone.

[From the Washington Times-Herald of February 21, 1940]

UNITED STATES IS NO. 1 SOURCE OF RED WAR SUPPLIES—MATERIAL BOUGHT HERE FOR FINNISH INVASION

(By John M. Fisher)

Communist Russia is leaning heavily upon American supplies in prosecuting its war with Finland, a survey showed yesterday.

Despite President Roosevelt's recent denunciation of the Soviet as an "absolute dictatorship" and expression of sympathy for Finland, the fact remains the administration has made the United States the No. 1 source of vital materials now used in its invasion of Finland.

#### SOVIET RECOGNITION FACTOR

This situation has been brought about by the following factors: (1) Recognition of the Soviet Government; (2) a commercial treaty according the Soviet Union unconditional most-favored-nation treatment, which means tariff concessions; (3) licensing of armaments for sale to Russia; (4) purchase of Russian gold, which establishes credits in this country; and (5) valuable technical assistance obtained from the United States.

In 1939 Russia imported \$56,638,000 worth of American goods, and, significantly enough, approximately 50 percent of these imports into Russia were made in the last 4 months of the year, which covered preparations for the assault on Finland.

Last year's exports to Russia compared with \$69,691,000 in 1938, when the United States was also the leading exporter to the Soviet Union. The decline is chiefly accounted for by smaller shipments of metal-working machinery.

#### PRINCIPAL ITEM

But such machinery—necessary for armaments—remained the principal item on the Soviet's shopping list in the United States, amounting to about \$29,000,000 in 1939. Soviet purchases also included increased amounts of other war commodities, particularly of copper, molybdenum ore, wheat, and aluminum.

Since Europe's conflagration began last September 1 nearly 90 percent of Russia's purchases in the United States consisted of materials and machinery useful in war industries or of vital need under wartime conditions. A special analysis available at the Commerce Department shows that approximately \$33,000,000 out of more than \$36,000,000 in exports to Russia in the 5 months ended January 31, 1940, consisted of items needed for warfare.



Exports in January amounted to \$11,313,000, compared with \$10,528,000 in December and only \$2,816,000 in January 1939. Nearly all of the shipments to Russia this January consisted of copper and metal-working machinery. A complete break-down for that month is not available, but in the preceding 4 months of the European wars leading exports to Russia were as follows (in thousands of dollars):

	Sep-tember	Octo-ber	No-vember	De-cember
Wheat.....		215	436	172
Gasoline.....	481	686	782	
Molybdenum.....	192	1,945	732	1,906
Aluminum ingots.....	535	283	2	
Refined copper and scrap.....		21	1,544	4,519
Brass and bronze.....		35	564	365
Metal-working machines.....	377	1,096	1,836	1,811
Electrical apparatus.....	22	311	437	758
Total selected items.....	1,608	4,592	6,333	9,531
Total all exports.....	1,785	5,455	7,027	10,528

According to commerce officials, all of Russia's 1939 purchases of gasoline were made in the 3 months ended with November. The Soviet invasion of Finland began on November 30. They said, however, that none of the fuel was aviation gasoline. All of it was shipped from the Pacific coast to Vladivostok in Siberia.

#### PURCHASING AIRCRAFT

The list of arms exports licensed by the Secretary of State shows that Russia has confined its armaments imports from the United States to aircraft and their accessories, indicating that machinery and materials imported sufficed for their own production of munitions and armaments.

Russia led in the amount of exports under license during 1939. Its total armament purchases of \$1,097,015 consisted of \$845,966 in assembled or unassembled aircraft, \$74,514 in parts, and \$176,536 in airplane engines. In January of this year engine shipments to Russia amounted to another \$45,192, comprising all of the arms imports for that month.

The War Department says it does not have any figures on how much other equipment is American made. But it is known that Russia has bought considerable amounts of tractors, trucks, and other motor equipment which could be easily transformed from civilian to military use.

#### EMPLOYED BY RUSSIA

Similarly, the State Department claims no count on the number of American technicians, engineers, and other experts borrowed by Russia from the United States for consultation on industrial and mining developments. But their employment by Russia is a matter of public knowledge. The State Department now thinks that most of these American technicians have left or are leaving Russia. The Army has a military attaché located at Moscow, but there are no officers loaned to Russia, according to the War Department.

How does Russia pay for its huge purchases in this country?

The answer is principally through goods sold to this country, which amount to something less than half of exports to Russia, and through sale of the gold mined by Russia, which is one of the world's leading producers. The United States Treasury has denied until recently that it has purchased any gold from Russia within the last 2 years.

#### UNITED STATES COPPER SEEN BOUND TO NAZIS

MANZANILLO, Mexico, February 20.—The United States freighters *Harpoon* and *Buenaventura* unloaded cargoes of American copper at this Pacific port today. The copper will be reloaded on the Russian steamer *Majakovsky* for transshipment to the Soviet Union. The *Majakovsky* also will take aboard Mexican lead.

It has been recently reported on good authority that the American copper being picked up in Mexico in considerable quantities by Russian ships is earmarked chiefly for eventual shipment from the Soviet to Germany.

### Gold and Silver Inflation

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ARTICLE FROM THE NEW YORK TIMES

Mr. TOWNSEND. Mr. President, the Honorable Marriner S. Eccles, in a letter made public in today's New York Times, has made a very informative statement relative to the Government's present powers to inflate the currency through the issuance of idle bullion which it now holds, and of greenbacks.

Because of the current interest in the gold and silver powers, I ask consent that the New York Times' account of Mr. Eccles' statement be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times]

**ECCLES CITES CURB ON SPECIAL FUNDS—THEIR USE FOR RELIEF NEEDS VOTE OF CONGRESS, HE SAYS IN LETTER TO LASSER—WOULD PREVENT DEBT RISE—WORKERS ALLIANCE HEAD ASSERTS STATEMENT ANSWERS "EXCUSE" FOR LIMITING OF AID**

WASHINGTON, February 25.—Marriner S. Eccles, Chairman of the Federal Reserve Board, said in a letter made public today that the use of the Government's cash resources "for increasing work and consumer buying power" would avoid an increase in the public debt but that "the Government can spend only what Congress authorizes and appropriates" and "consumer buying power in the hands of the low-income groups would not be increased thereby unless increased expenditures were voted by Congress."

His letter was to David Lasser, president of the Workers Alliance, who made it public along with a statement saying that Mr. Eccles' figures "clearly reveal" that the issue of the debt limit as an excuse for not appropriating "sufficient funds for our social needs is a lot of sound and fury signifying nothing."

Mr. Eccles' letter, as given out by Mr. Lasser, was as follows:

"I have your letter of February 5 in which you inquire as to cash resources available to the administration without further legislative authority. You mention specifically the stabilization fund, the power to issue silver certificates, and the Treasury's working balance.

#### STABILIZATION FUND TERMS

"Under the Gold Reserve Act the stabilization fund is available for expenditure under the direction of the Secretary of the Treasury for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund which the Secretary of the Treasury, with the approval of the President, may from time to time determine are not currently required for stabilizing the exchange value of the dollar." I am advised, however, that it would require legislation to apply the fund to meet current expenditures.

"As to silver, I am informed that approximately \$1,500,000,000 would be available by monetizing the difference between what has been paid by the Treasury for the silver and the official price of \$1.29, and that this would not require legislation.

"The Treasury's working balance as of today is approximately \$1,600,000,000. Tentative estimates made in our statistical division indicate that without any new financing the balance will not fall to less than \$1,000,000,000 at the end of the present fiscal year and may be somewhat more than that if sales of so-called baby bonds continue at the volume at which they have been selling of late.

"I understand that prior to the advent of the present administration it was not customary to keep working balances in excess of \$250,000,000 or \$300,000,000.

#### THOMAS AUTHORIZATION

"In addition, as you point out, there is the unused authority under the Thomas amendment, which provides that up to \$3,000,000,000 of currency may be 'issued only for the purpose of meeting maturing Federal obligations.'

"Finally you ask what the economic effects would be of using such funds for increasing work and consumer buying power. The Government can spend only what Congress authorizes and appropriates. To the extent that these funds were used to meet such expenditures, it would avoid an increase in the public debt, but consumer buying power in the hands of the low-income groups would not be increased thereby unless increased expenditures were voted by Congress."

Mr. Lasser in his statement said:

"Mr. Eccles' letter clearly indicates that there are three immediate sources of funds without touching the power of the administration to issue large sums of new currency.

"With regard to the gold stabilization fund I have been informed that the amount available is about \$2,000,000,000 without endangering our own currency one bit. This, together with the silver fund and excess Treasury working balances, makes nearly \$5,000,000,000 available to hurl back the tides of new recession advancing on us and to give purchasing power and work to needy unemployed youth and farmers."

### Bermuda and the American Mails

#### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

EDITORIAL FROM THE CHICAGO TRIBUNE OF FEBRUARY 23, 1940

Mr. REYNOLDS. Mr. President, in view of the recent searching of American mails at the point of British bay-

onets in Bermuda recently, and in further view of the discussions of that particular incident upon the floor of this Chamber, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD the editorial appearing in the columns of the Chicago Tribune of February 23, 1940, entitled "Bermuda and the American Mails."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune of February 23, 1940]

#### BERMUDA AND THE AMERICAN MAILS

Bermuda is the spot where the British blockade, with its censorship of the mails, rubs the rawest. Practically, there is very little difference between a mail seizure at Bermuda and a mail seizure at Gibraltar or any other control point, but it is more irritating to have mail sacks taken from the clippers at this British island off our own coast than it is to have the letters opened at the spot where Great Britain has been trespassing on the soil of Spain for over 200 years.

Bermuda is an American island. It is one of the foreign possessions which have escaped natural historic processes. As British soil it is an illogical survival of an old imperial movement which once flooded over these shores and then receded to seek other continents. Every time the mails of the clippers are removed and the passengers examined, Americans must feel that only by a serious fault of diplomacy does that island remain in its present jurisdiction. Political gravity would drop it into the domain of the United States.

Not until this week did it become known to the public that when the British began taking letters from the Pan American Airways clippers, January 18, the airplane was boarded by marines after the captain of the plane had ordered the censors off his ship. Our Government apparently has accepted the British rule that mails may be opened when there is any suspicion that they contain contraband, such as money or articles which directly or indirectly might reach Germany.

Before the war, Pan American trans-Atlantic ships did not stop at Bermuda. They went directly to the Azores and from there to Lisbon. An independent shuttle service was maintained between New York and Bermuda. When the tourist trade fell off because of the war, the British asked that the trans-Atlantic planes make the Bermuda stop to avoid the isolation the island was beginning to feel. Consequently the ships with their European mails come under the British censorship because the company did the British a favor by making Bermuda a stop on the way across.

If our Government consents to the violation of the mails, it is no concern of the company, although the captain of the first ship boarded resisted as long as he could. The company regards the landing privilege as a commercial advantage which could be withdrawn. If our Government insisted that our mails be delivered intact, they could be carried by way of the Azores to Lisbon. What happened to them after that would at least happen after they had passed into other hands.

Our Government accepts the theory that the mails as conditional contraband may be taken off American planes and American ships, delayed for weeks even when bound for neutral countries, and may be seized as prizes of war. Whatever may be the legalistic arguments pro and con on the contraband issue, it is at least a

sour proceeding when the mail sacks are removed at an island which ought to be an American possession and which has already been paid for.

Whatever may be the transfer problems presented by the debt as a money obligation, nothing of the kind arises to obstruct the transfer of title to pieces of real estate which the debtor owns in our waters and refuses to apply in settlement. A private debtor with so scant a regard for his obligations would be compelled by the courts to pay according to his ability to do so and in the manner he could. Nations are too proud to pay their debts, and their creditors are too silly to insist that they do.

### Veterans' Statistics

#### EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. VAN ZANDT. Mr. Speaker, on February 12 I inserted in the RECORD some interesting and illuminating information concerning the veterans of the World War.

At this time I am supplementing my previous insertion with the following facts and figures showing the average age and death rate of officers and enlisted men of the Indian, Civil, Spanish, and World Wars. The average age of widows on the pension rolls in 1940 is also shown.

The attention of the House is called to the fact that Gen. Frank T. Hines, Administrator of Veterans' Affairs, is authority for the statement that the death rate of World War veterans has now reached the appalling figure of 91 daily and that the last veteran of the World War will die in 1996.

#### Age and death rate in 1940

	World War	Spanish-American War	Civil War	Indian war
Average age of all veterans in 1940.....	47	65	95	80
Average age of widows on rolls in 1940.....	46	61	78	
Average age of emergency officers in 1940.....	52			
Estimated number of veterans dying per day in 1940.....	91	23	4	1

Another interesting table is shown by the following facts and figures concerning the estimated number of living World War veterans at the beginning of each calendar year by age groups:

Estimated number of living World War veterans at the beginning of each calendar year, by age groups

Attained age	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941
25 to 29.....	1,498	259	59	2							
30 to 34.....	813,410	436,769	253,802	95,963	11,400	1,456	252	58	2		
35 to 39.....	2,247,043	2,285,352	2,072,244	1,775,257	1,347,010	789,964	424,156	246,430	93,164	11,068	1,415
40 to 44.....	1,034,479	1,207,569	1,409,047	1,633,453	1,889,357	2,178,021	2,214,839	2,007,845	1,719,757	1,304,669	765,062
45 to 49.....	122,996	248,543	398,842	581,582	786,078	998,664	1,165,744	1,390,251	1,576,923	1,823,976	2,102,565
50 to 54.....	51,165	59,287	68,157	78,568	91,592	117,897	238,515	382,748	557,923	753,698	956,957
55 to 59.....	20,678	24,175	29,244	35,315	42,555	48,354	56,014	64,405	74,254	86,584	111,490
60 to 64.....	8,596	9,893	11,943	13,841	16,101	19,087	22,308	27,002	32,615	39,296	44,620
65 to 69.....	3,157	3,958	4,656	5,680	6,615	7,623	8,773	10,598	12,286	14,287	16,933
70 to 74.....	779	965	1,313	1,700	2,112	2,630	3,294	3,873	4,728	5,501	6,333
75 to 79.....	149	191	256	327	465	591	728	895	1,284	1,598	1,985
80 to 84.....	33	41	44	52	72	96	123	165	212	303	385
85 to 89.....	5	6	6	14	17	17	19	20	24	36	49
90 to 94.....					1	1	2	1	4	4	3
Total.....	4,303,988	4,277,008	4,249,613	4,221,754	4,193,375	4,164,401	4,134,767	4,104,391	4,073,176	4,041,020	4,007,797

Attained age	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
25 to 29.....										
30 to 34.....										
35 to 39.....										
40 to 44.....	244	56	2							
45 to 49.....	410,534	238,326	90,035	10,691	1,365	236	54	2		
50 to 54.....	2,136,345	1,934,814	1,655,710	1,254,902	735,416	394,322	228,655	86,295	10,242	1,303
55 to 59.....	1,116,213	1,301,576	1,507,983	1,743,152	2,008,021	2,037,762	1,842,698	1,574,670	1,191,978	697,802
60 to 64.....	225,704	361,738	526,353	709,554	898,947	1,048,225	1,221,811	1,414,900	1,634,450	1,881,052
65 to 69.....	51,461	68,982	87,826	101,514	120,515	140,515	160,515	180,515	200,515	220,515
70 to 74.....	19,620	23,610	28,354	33,968	38,334	44,167	50,652	58,287	67,903	78,452
75 to 79.....	7,169	8,546	9,792	11,254	13,209	15,292	18,453	22,175	26,551	29,883
80 to 84.....	2,398	2,735	3,238	3,702	4,173	4,726	5,647	6,481	7,439	8,727
85 to 89.....	444	67	78	843	1,003	1,208	1,376	1,644	1,861	2,092
90 to 94.....	5	2	3	4	6	6	7	8	12	13
Total.....	3,970,192	3,931,030	3,890,103	3,847,205	3,802,114	3,752,602	3,700,491	3,645,532	3,587,464	3,526,030

Average age in 1939, 46.



Mr. Justice Black

## EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

EDITORIAL FROM LABOR AND ARTICLE BY ERNEST LINDLEY

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from Labor and an article from the Washington Post written by Mr. Ernest Lindley, relative to recent opinions delivered in the Supreme Court of the United States by Mr. Justice Black.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From Labor of February 20, 1940]

NOW THEY'RE PRAISING HUGO BLACK—FLORIDA DECISION WINS WIDE-SPREAD COMMENDATION, AND PHILADELPHIA RECORD RECANTS HARSH CRITICISM OF THE PAST

A little more than 2 years ago, when President Roosevelt selected Hugo L. Black, then a Senator from Alabama, for a place on the bench of the Supreme Court of the United States, Labor was one of the few papers that approved the appointment. We believe we may be pardoned for calling attention to that fact, because just now almost every editor in the land is heaping encomiums on Justice Black for his decision outlawing third-degree confessions and thus saving the lives of four poor Negro boys down in Florida.

The Philadelphia Record is gallant enough to offer a public apology for what it said about him and it adds this handsome compliment:

"This decision is far and away the most direct, sweeping, and brilliantly written application of the fourteenth amendment to human rights that has come from our highest court."

It points out that famous amendment, adopted right after the close of the Civil War, was designed to force all States to grant all citizens, including Negroes, "equal protection of the laws" and specifically provided that no person should be "deprived of life, liberty, or property without due process of law." But for half a century and more the courts have so twisted the due-process clause as to make it a never-failing refuge for utility corporations and other predatory interests.

Now Justice Black, with the unanimous support of his colleagues, has used the amendment as it framers intended it should be used.

When Labor refused to bend before the blasts of prejudice and propaganda, it was confident time would vindicate its judgment of Hugo Black.

It pointed to the fine record he made in the Senate, and predicted he would make an equally fine record on the bench. He has more than verified Labor's good opinion.

[From the Washington Post of February 18, 1940]

ERNEST LINDLEY SAYS BLACK'S DECISIONS DEFEND MINORITIES

The President suggested a few days ago that apologies to Associate Justice Hugo L. Black may now appropriately be made by the newspapers and prominent citizens who so bitterly attacked Black's appointment to the Supreme Court 2½ years ago.

So far there has been no noticeable rush of apologies. Some northern journals apparently did not even regard as news Black's Lincoln's birthday decision, on behalf of a unanimous Court, overruling the conviction and sentencing to death of four Negro youths for the murder of a white man.

Yet Black's opinion in this case contains some of the most stirring affirmations of the rights of minorities before the law which ever issued from the Supreme Court.

The Court held that these four young Negro men were convicted by confessions wrung from three of them. There was no evidence that they were beaten or subjected to other physical violence. There was evidence that they were frightened and bulldozed until after 5 days of continued questioning, during which none of them was permitted to see or confer with counsel or even with relatives, one of them "broke."

"To permit human lives to be forfeited upon confessions thus obtained would make the constitutional requirement of due process of law a meaningless symbol," wrote Black.

"We are not impressed by the argument that law-enforcement methods such as those under review are necessary to uphold our law. The Constitution proscribes such lawless means irrespective of the end. And this argument flouts the basic principle that all people must stand on an equality before the bar of justice in every American court. Today, as in ages past, we are not without tragic proof that the exalted power of some governments to punish manufactured crime dictatorially is the handmaid of tyranny. Under our constitutional system, courts stand against any winds that blow as havens of refuge for those who might otherwise suffer

because they are helpless, weak, outnumbered, or because they are nonconforming victims of prejudice and public excitement. Due process of law, preserved for all by our Constitution, commands that no such practice as that disclosed by this record shall send any accused to his death. No higher duty, no more solemn responsibility, rests upon this Court, than that of translating into living law and maintaining this constitutional shield deliberately planned and inscribed for the benefit of every human being subject to our Constitution—of whatever race, creed, or persuasion."

It would be hard to find a better text to carry around in your pocket in these days when prejudice and even hysteria are easily aroused against nonconforming minorities.

## BLACK UPHELDS RIGHTS OF INDIVIDUALS

This was not the first time that Black had spoken for the Court in defense of the most scrupulous observance of the due process of law where the rights of the individual are concerned.

A year ago he knocked out the conviction for murder of a Louisiana Negro on the ground that Negroes had been excluded from the grand jury which brought the indictment. Negroes were on the panel from which trial jury was finally drawn. But Black, speaking for the Supreme Court, said this was not enough; that the exclusion of Negroes from the grand-jury panel was a violation of due process.

Black also spoke for a majority of the Court in the case of a young man who had been convicted of counterfeiting. The young man had waived his constitutional right to counsel, but later pleaded that he did so in ignorance. The Supreme Court directed the district court to find out whether the defendant had waived his right "competently and intelligently."

Since Black went on the Supreme Court there have been other decisions involving civil liberties and due process of law. In every one he has voted for the strictest protection of the rights of the individual citizen. This is not surprising to those who examined Black's earlier record, instead of letting themselves be carried away by the outcry over the discovery that he had had an ephemeral association with the Ku Klux Klan. Twenty-five years ago, as solicitor of the criminal court—prosecuting attorney—of Jefferson County, Ala., Black obtained a grand jury presentment denouncing irregular and unconstitutional practices, including resort to the "third degree," by the police of Bessemer.

## MAJORITY COMES AROUND TO HIS VIEW

Black's contribution on the Supreme Court is by no means limited to his stalwart defense of civil rights. In May 1938 the Court, by a divided vote, upheld the right of the United States to tax members of the Port of New York Authority, on the ground that these officials were not performing functions essential to the continued existence of the State government. It was a breach in the earlier Court doctrine, established in defiance of the sixteenth amendment to the Constitution, that the Federal Government could not tax employees of State governments.

In a concurring opinion, Black poured scorn on the attempt of the Court to differentiate between essential and nonessential Government services. He said all State employees could be taxed by the Federal Government under the sixteenth amendment. Ten months later a majority of the Court adopted, in substance, Black's contention.

In May 1938 the Court knocked out the Indiana gross-income tax as applied to sales made in other States and foreign countries by an Indiana corporation. It said that the tax was an impediment to interstate commerce. Black dissented. On January 29, 1940, a majority of the Court upheld the New York City sales tax on grounds nearly parallel to Black's dissent in the Indiana case.

In March 1938, Black and Associate Justice Reed dissented from an opinion in a complicated case involving the liability for fraud of the agent of a surety company. This week, in a nearly parallel case, the Court ruled the other way. The majority opinion, written by Justice Stone, distinguished between the two cases. But the distinction was so fine that Justice Roberts, in dissenting for himself and Justice McReynolds, said, "It is apparent that, under the guise of distinguishing the earlier case, the Court in fact overrules it."

In February 1938, Black, in a lone dissent, said that the Montana law, instead of Federal law, properly had been followed in the trial of an insurance case in a Federal court. Shortly afterward, in similar cases, the Court supported the Black doctrine that State laws should govern. Incidentally, the Montana case was retried in the Federal district court. On review, two members of the circuit court of appeals said the law in Montana was what Black had said it was, and one dissented. The Supreme Court refused to review the case again, which left standing the verdict which Black, as a lone dissenter, had defended.

## HIS DISSENTS LATER BECAME LAW

Few members of the Supreme Court have ever seen their dissents become the law of the land within so short a time. Other notable dissents by Black have not yet become the doctrine of the majority of the Court. Some may never be generally accepted as sound. At times he seems deliberately to have adopted the gadfly's role. He has said, in effect, that a corporation is not a person entitled to the protection of due process under the fourteenth amendment. This seems sensible enough to a layman, but too much law has been spun around the fiction to be cut through with one slash.

Justice Black is getting along very well without the apologies or praise of those who assailed him so virulently 2½ years ago. If he quit the Court tomorrow he would leave a record distinguished enough to make a historian wonder what caused the spasm of hysteria which swept so much of the press and of the Nation in the late summer of 1937.

## The Census of 1940

## EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ARTICLES BY ARTHUR KROCK

Mr. TOBEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD two articles written by Mr. Arthur Krock and published in the New York Times, with reference to the census of 1940.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

IN THE NATION—TROUBLE BREWING OVER THE CENSUS QUESTIONNAIRE  
(By Arthur Krock)

WASHINGTON, February 21.—The intimate questions which the 1940 census takers have been empowered by Secretary Hopkins, with the President's approval, to ask of the American people have already come under the critical examination of Congress. Under the stimulation of Mr. TOBEY, of New Hampshire, a Senate subcommittee has ordered hearings to determine whether, as he suggests, enumerators should be barred from inquiring as to individual incomes and other very personal facts. But unless Congress or the courts come to the rescue, the Federal Government will soon know more than it ever has about the private affairs of its citizens.

The breadth and depth of this year's census appear to be a part of that centralization of government which has been a major contribution of the New Deal. It is typical of the passion for charts and statistics which recently took stupendous form in the S. E. C.'s break-down of insurance-company figures. No one seriously questions the right of government to collect and publish these; they are corporate and properly subject to the inspection of officials and investors in the companies (the policyholders). The proposed census report is very different.

There is a penalty including fine and imprisonment for anyone over 18 years of age who refuses, or willfully neglects or falsifies, answers to questions put by the enumerators. Should any of these publish or communicate any of the information thus received without the authority of the Director of the Census, fine and imprisonment are also stipulated.

## ALL CAN BE PUBLISHED

These provisions would seem to assure a full census and a confidential one. But the trouble with the latter assurance is twofold. Citizens are asked to believe that under no circumstances will their neighbors, the local enumerators, find some way to communicate what they have learned. And, though the census takers may neither publish nor communicate, their superiors can. Also they do. On several occasions the President, by Executive order, has made available to Congress and other Government agencies information marked "confidential" by law. He has the power to do this with the census.

Since the Supreme Court never had cause to define the extent of the powers of Congress in the census, there is nothing to indicate that Congress cannot empower the Secretary of Commerce to ask any questions he decides upon and to enforce a penalty for noncompliance. But Congress can and has limited the extent of the inquiry. Some lawyers hold that the statutes outlining the 1940 census do not authorize some of the questions proposed. Others contend that, if they do, they violate the due-process clause of the Constitution and remove the prohibition against unlawful search and seizure. Thus the questionnaire is being attacked on two legal points which, if the courts get no opportunity to construe, Congress could accept.

This year there are two censuses being taken—one on population and unemployment, the other on housing. No doubt has been cast on the legality of the latter. It is in connection with the former that the legal objections have been raised.

The law organizing the 1940 census restricted the population inquiry to 21 questions. But the amendment authorizing the unemployment census left the questions to the discretion of the Federal authorities. They have exercised it in a way to bring the protests, to arouse the fears that local political machines will get possession of facts which they can use for pressure on citizens and pass on to favored persons for the preparation of sucker lists and possibly more sinister rosters.

## VERY PERSONAL INQUIRIES

There follow some of the census questions which have been attacked as violative of the Constitution, the census statutes, or both; and as perilous to the sources of the information:

Nos. 32 and 33, which relate to 1939 income, and seem to be unauthorized in the law as well as not germane to an unemployment census.

Questions 36 to 50, inclusive, which are supplementary for 5 percent of the population in an effort to make a cross-section. These go into all sorts of personal and family details, and appear discriminatory in that 85 percent of the population are excused from them.

While the legality of the housing census is little disputed, because Congress made it specific and the courts have never questioned the right of Congress to take as broad a census as it may wish, some parts of this schedule have aroused indignation and suspicion. It seeks to discover the number of refrigerators and types of refrigeration, radios, monthly rentals, costs of utilities and fuel, mortgage indebtedness and frequency and amount of mortgage payments. The American people have heretofore taken the view that none of this is a census taker's business.

In his proclamation the President said the census was designed as an "intelligent guide to the future"; and has nothing to do with taxation, military, or jury service, compulsory school attendance, or the enforcement of any law. This is doubtless his firm purpose. But government confidences, especially when locally acquired by many political appointees, may easily come to other uses.

IN THE NATION—THE BASIS OF RELUCTANCE ON THE CENSUS  
(By Arthur Krock)

WASHINGTON, February 22.—The argument over the 1940 census questions, outlined in this space yesterday, involves so definitely the convictions of a large American group that a second analysis of the questionnaire may have interest. While there is as yet no proof that a national majority has shifted from support of the New Deal, its last general opponent, Alf M. Landon, got more than 17,000,000 votes on an attack far weaker than the one now forming, which indicates the existence of an immense critical minority.

Among this group, as in 1932, 1934, and 1936 are great numbers whose opposition to the present administration is merely partisan; many whose objections are unenlightened or selfish; and others who just don't like the President. But the overwhelming preponderance is undoubtedly represented, and will be in November, by citizens who distrust and disapprove of the personnel and methods of the New Deal. Largely from these have come the alarmed outcries against the detail of the 1940 census which have impelled the Senate Commerce Committee, at the urging of Mr. TOBEY, of New Hampshire, to order hearings.

This attitude is based on belief and experience, recently much intensified, that the Government is a poor keeper of confidences and that the constitutional guaranty of certain privacies is not sacred in Washington. In proof of this, memory need revert no further than the unlawful seizure and publication of private correspondence by Justice (then Senator) Black, and the periodic issuance of Executive orders by the President to open to public inspection information gathered by the Government on a confidential basis.

## POLITICAL APPOINTEES NUMEROUS

Also, this is an intensely political administration; the census enumerators were chosen in large part on the request of politicians; and some of the information they have been instructed to obtain from citizens would be very useful in arranging for that planned society which is the goal of many new dealers of the inner circle.

The first few questions in the census schedule are harmless and legitimate: Where do you live; how many in the household; do you own or rent; your sex, age, marital status; educational record; place of birth and previous residence. But in the midst of these are two inquiries which no citizen should be compelled to answer on pain of fine, imprisonment, or both: "Value of home, if owned, or monthly rental;" "color or race." It is conceivable that a political machine or an envious neighbor could make improper use of the first. And since the anthropologists are far from a unit on how to define races except by the color standard, why demand that, for example, a citizen of mixed ancestry (which means nearly everybody) should give an assured answer? Color anyone ordinarily can see.

Then come questions 32 and 33, which would throw open to the enumerator who rings the doorbell—who might be a neighbor, the servant of a corrupt local political machine, or a total unknown—personal facts wholly private in their nature, according to the American concept. Unless Congress withdraws the question, the citizen must tell "the amount of money, wages, or salary received, including commissions," and whether he got an income of \$50 or more from other sources. He must tell these things also with the knowledge that they could easily be passed on to unauthorized persons, twisted to fit a political theory, or exposed to the general gaze if high political authority decided to expose them. And no penalty for the latter, either.

## THE CENSUS GUINEA PIGS

The citizen whose doorbell is rung may also find that he is one of the special 5-percent guinea pigs of the New Deal; that twentieth person on the enumerator's beat who must answer 16 questions not submitted to 19 of his neighbors. He must give the birthplaces of his parents; the language spoken at home in his childhood; and various personal details about previous marriages and divorces. After all this is done, he as well as his 19 neighbors will be expected to furnish facts about how their homes are heated and cooled, the cost of utility service and appliances, and many details about the state of home indebtedness, if any.



If the citizen is less than 14 years old, of course, he need answer very few of the questions, and presumably will not be fined or sent to jail if he declines. Perhaps this generous concession is in deference to the American Youth Congress.

It is interesting to speculate whether, if Congress should fail to curb the questionnaire, or at certain points remove the penalties for failure to respond, there will be any considerable refusal to answer. At other periods of American history the jails would have been full of nonresponders if such questions had been put and the penalties invoked. Among the reasons given by the signers for the Declaration of Independence were that King George III had "sent hither swarms of officers to harass our people \* \* \* and tried [us] for pretended offenses." They remarked also that "all men \* \* \* are endowed by their Creator with certain inalienable rights," and that "governments derive their just powers from the consent of the governed." The inalienable right to refuse to answer some of the 1940 census questions might well be conceded in the spirit of that document.

### Our Cross of Silver

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

EDITORIAL FROM SCRIPPS-HOWARD NEWSPAPERS

Mr. TOWNSEND. Mr. President, I ask unanimous consent that there be printed in the RECORD an editorial entitled "Our Cross of Silver," which appeared in the New York World-Telegram and the Washington Daily News, Scripps-Howard newspapers, on February 22 and February 23, respectively.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Scripps-Howard newspapers]

#### OUR CROSS OF SILVER

We have been studying up on silver again, and our head aches. At the risk of spreading the pain, we submit a few facts, figures, and thoughts:

The Silver Purchase Act of 1934 directs the Treasury to buy silver until either—

1. The market price of silver reaches \$1.29. (That would be one-sixteenth of the pre-Roosevelt price of gold. Remember Bryan and "16 to 1"?) Or—

2. The Treasury's pile of silver (at \$1.29 an ounce) is worth one-third of the Treasury's pile of gold (at \$35 an ounce).

Senator PITTMAN, the leading silverite in Congress, proclaimed that we wouldn't need to buy more than a billion ounces of silver to raise the world price to \$1.29.

What has actually happened?

1. The Treasury has bought more than 2,000,000,000 ounces of silver, yet the price on the London market is around 33 cents. Economists say it would skid much lower if the United States Treasury were not offering 35 cents for foreign silver.

2. The Treasury is farther than ever from the statutory goal of one dollar's worth of silver for every three of gold. (That's because it has also been buying all the gold in sight.)

The odd part is, all this silver and gold we've been buying "doesn't cost anything." It works this way: The Treasury buys a million ounces of foreign silver, pays \$350,000 in cash for it, then prints up \$350,000 in new silver certificates and is right back where it started. Not a penny is added to the national debt. But, say the economists, wait until we try to sell some of that silver and then the cost will show up, because we'll sell at less than we paid.

Senator TOWNSEND has a bill to stop the buying of foreign silver, which was endorsed this week by the 12 bankers of the Advisory Council of the Federal Reserve Board.

The council pointed out that these silver purchases are increasing "the already excessively large bank reserves." In other words, they are a potential source of run-away credit, and of inflation.

Some argue that the silver policy provides purchasing power abroad with which to buy American goods. Well, so did our war and post-war loans to Europe. So did those Latin-American bonds.

It is argued that if we kicked the props from under silver we would ruin Mexico, the greatest producer of silver. And what has Mexico done while profiting from our silver policy? Ask any oilman.

Sponsors of the Silver Purchase Act predicted that it would be a boon to China and to our trade with China. What happened? Our silver policy made a mess of that country's finances, forcing it off the silver standard. And today we are probably buying less

silver from China than from Japan—to finance Japanese purchases of our oil and scrap iron with which to Japanize all Asia.

It seems to us that it is time for Congress to pay heed to Senator TOWNSEND's one-man crusade against this foolishness.

Senator PITTMAN and the other silverites are afraid of hurting the silver interests in their home States. But their concern is with the price of domestically mined silver, for which the Treasury pays the political price of 71.11 cents an ounce. That is an out-and-out subsidy, from which a few big companies, notably the Sunshine Mining Co. of Idaho, profit enormously.

It is apparently useless to attack this domestic subsidy. But let's stop swapping dollars—which means swapping American airplanes and automobiles and typewriters and oil—for more foreign silver to inter at West Point. If we must buy to hoard, let's buy cheaper, more useful materials that might come in handy in a crisis.

### The Career Employees at Mare Island Navy Yard

#### EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. BUCK. Mr. Speaker, in February 1938 I had occasion to speak on the construction record at Mare Island Navy Yard. In the course of my remarks I commented upon labor conditions at the yard and pointed out that its labor market was drawn from the immediate vicinity, including Vallejo, Napa, Benicia, and the surrounding territory. I further stated:

To a very great extent, the employees own their own homes and have a record of 10 or more years employment on the yard. In many cases, those now employed represent the third generation of workers on the yard. That this is conducive to a splendid morale, no one can dispute. The pride of the workers in their handwork is unbounded, and this plays a large part in the surpassing examples of cheaper cost of naval construction. It is not too much to say that the relationship between the supervisors, naval officers, and workers could not be improved upon.

Today I desire to call the attention of the House to data concerning Mare Island Navy Yard employees, which was compiled by the authorities at the yard in January 1940, which fully confirms the statements that I then made. A copy of a list showing the names of employees with service record of over 30 years has been sent to me, and I append that list as a portion of my remarks. In it I recognize the names of many of my friends who have faithfully performed their work for the Government for 30 years or over. This list is a striking indication of a labor situation that is indeed healthy.

Mare Island is recognized by the department and the fleet as an efficient yard. Much of this efficiency is because of the spirit of these employees, which is reflected in the attitude that they have of regarding their jobs as careers. This has led to many instances where the fourth generation of one family is now employed on the yard and there are countless cases of third-generation employees. The efficiency of the yard is no doubt attributable to this esprit de corps which has made it noteworthy as harboring a family of ship-builders.

In the following list are given the names of employees with longest service records. The time recorded includes complete Government service, civil and military. Where military service is included, the data is succeeded by an asterisk (\*).

This information has been compiled from official sources and is believed to be correct.

1. C. A. Fitzgerald, master shop 31, 47 years 2 months.
2. Henry Driscoll, Supply Department, 45 years 11 months.\*
3. N. E. Hanson, chief clerk P. W. Department, 45 years 9 months.
4. Thomas Raines, material engineer, 45 years 4 months.
5. Charles E. Walsh, Labor Board, 45 years.
6. J. B. Buss, drafting, 43 years 8 months.
7. J. T. Moroney, master shop 11, 43 years 5 months.
8. Thomas Vice, survey and inspection, 43 years 5 months.
9. J. L. Ney, shop 72, 43 years 4 months.
10. James A. Brosnahan, drafting, 43 years 3 months.
11. I. M. Hull, shop 31, 43 years 3 months.\*
12. T. J. Cahill, shop 56, 43 years 1 month.

13. A. Reid, shop 72, 43 years\*.
  14. George A. Walker, industrial offices, 42 years 10 months.\*
  15. D. J. O'Connor, ammunition depot, 42 years 6 months.\*
  16. C. B. Helm, ammunition depot, 42 years 5 months.\*
  17. C. C. Smith, shop 63, 41 years 10 months.
  18. W. A. Kirkland, drafting, 41 years 4 months.
  19. C. F. Faber, ammunition depot, 41 years 4 months.\*
  20. James R. Forbush, shop 56, 41 years 4 months.\*
  21. J. E. Benson, drafting (weight), 41 years 1 month.\*
  22. Marcus H. Goshen, chief, planning and estimating, 40 years 11 months.
  23. George C. Huston, master shop 23, 40 years 10 months.
  24. John R. Greig, assistant shop superintendent, 40 years 10 months.
  25. R. W. Carter, shop 56, 40 years 9 months.
  26. M. Hickey, ammunition depot, 40 years 8 months.
  27. M. V. Davis, head accountant (accounting), 40 years 4 months.
  28. A. A. Jennings, junior assistant estimating and planning superintendent, 40 years 3 months.
  29. W. A. Shillingsburg, master shop 72, 40 years 2 months.
  30. G. G. Peabody, master shop 94, 40 years.
  31. A. J. Nesbit, ammunition depot, 40 years.
- NOTE.—The above 31 men in the 40-year bracket have an aggregate service of 1,315 years.
32. J. B. Claxton, master power plant, 39 years 10 months.\*
  33. J. T. Murphy, master shop 56, 39 years 10 months.\*
  34. R. F. Miller, shop 63, 39 years 8 months.
  35. J. M. Droast, shop 56, 39 years 7 months.\*
  36. G. E. Holzhauser, shop 51, 39 years 4 months.
  37. R. E. Moreland, master shop 63, 39 years 1 month.
  38. Joshua Emerson, principal marine engineer, 39 years 1 month.
  39. J. F. Conway, shop 74, 39 years 1 month.
  40. J. B. Danner, shop 94, 38 years 11 months.
  41. Quincy M. Spencer, supply department, 38 years 11 months.
  42. George C. Colon, progress section, 38 years 10 months.
  43. William Herbert, power plant, 38 years 9 months.
  44. L. Kaarsberg, drafting, 38 years 9 months.
  45. R. Newcomb, master shop 71, 38 years 9 months.
  46. George T. Gribner, Jr., foreman, supply, 38 years 9 months.\*
  47. C. B. Cunningham, shop 63, 38 years 8 months.
  48. C. Fritshaw, accounting, 38 years 8 months.
  49. H. H. A. Hay, job-order clerk, 38 years 6 months.
  50. George Hadley, public works, 38 years 6 months.
  51. William Wiley, shop 51, 38 years 6 months.
  52. M. F. Winchell, master shop 17, 38 years.
  53. R. J. Tormey, shop 56, 37 years 9 months.
  54. H. F. Vieregge, shop 31, 37 years 8 months.\*
  55. A. Gholikely, shop 72, 37 years 8 months.\*
  56. J. C. Burns, supply department, 37 years 8 months.\*
  57. R. M. Gibbons, drafting, 37 years 6 months.
  58. Charles Horsted, shop 38, 37 years 6 months.
  59. T. W. Keeshan, shop 51, 37 years 4 months.
  60. J. C. Quinn, shop 56, 37 years 3 months.
  61. R. J. Robinson, drafting, 37 years 2 months.
  62. J. M. Hay, supply department, 37 years 2 months.
  63. C. M. Willis, shop 17, 37 years.
  64. F. P. Young, shop 72, 37 years.\*
  65. W. R. Stephens, shop 38, 36 years 11 months.\*
  66. C. Hubbard, ammunition depot, 36 years 8 months.\*
  67. P. S. Creedon, shop 72, 36 years 7 months.\*
  68. C. C. Coleman, planning section, 36 years 7 months.\*
  69. F. W. Savage, master shop 51, 36 years 6 months.
  70. E. Fougere, Jr., supply department, 36 years 6 months.
  71. R. Ryan, supply department, 36 years 6 months.
  72. F. E. Dunklee, radio engineer, 36 years 3 months.\*
  73. E. H. Ries, public works, 36 years 3 months.\*
  74. M. Hill, shop 72, 36 years 3 months.\*
  75. George S. Dimpfel, Jr., shop 38, 36 years 3 months.\*
  76. A. MacDonell, shop 17, 36 years 2 months.
  77. B. F. McManus, shop 17, 36 years 2 months.
  78. E. M. McCool, shop 38, 36 years 1 month.\*
  79. D. C. Jewett, public works, 36 years.\*
  80. D. C. Jewett, public works, 36 years.
  81. A. Goldberg, shop 31, 35 years 9 months.\*
  82. A. Morris, shop 72, 35 years 9 months.\*
  83. J. F. Volkner, public works, 35 years 9 months.\*
  84. Fred Graff, ammunition depot, 35 years 8 months.\*
  85. E. J. Dorris, foreman, public works, 35 years 5 months.
  86. I. B. Wyman, shop 38, 35 years 5 months.\*
  87. M. Caprini, ammunition depot, 35 years 4 months.
  88. P. L. Maxwell, shop 11, 35 years 3 months.
  89. J. J. Connolly, shop 56, 35 years 3 months.
  90. R. D. Patton, shop 56, 35 years 3 months.\*
  91. William Reay, ammunition depot, 35 years 3 months.\*
  92. C. R. Waters, public works, 35 years 2 months.
  93. Joseph H. Ward, shop 51, 34 years 1 month.\*
  94. J. J. Fleming, shop 56, 34 years 1 month.
  95. Fred A. Ullman, print shop 93, 35 years.
  96. Herbert Gordon, supply department, 35 years.
  97. A. Morrow, shop 31, 35 years.\*
  98. C. A. Triebel, head chemist, 34 years 11 months.
  99. W. W. Carr, shop 11, 34 years 11 months.
  100. J. A. Meeks, shop 72, 34 years 10 months.\*
  101. J. B. Ullman, power plant, 34 years 9 months.
  102. R. C. Whitthorne, drafting, 34 years 9 months.
  103. W. L. Blackmore, shop 56, 34 years 6 months.
  104. T. F. Kelly, shop 17, 34 years 6 months.
  105. B. C. Whiteley, drafting, 34 years 6 months.
  106. A. J. Perry, power plant, 34 years 5 months.
  107. E. J. Bettencourt, public works, 34 years 2 months.
  108. R. H. Demmon, supply department, 34 years 1 month.
  109. C. T. Tyte, supply department, 34 years 1 month.
  110. D. D. W. Smith, commandant's office, 33 years 11 months.
  111. T. E. Branstetter, shop 74, 33 years 11 months.
  112. A. J. Stribling, ammunition depot, 33 years 11 months.\*
  113. Ray Beckwith, shop 38, 33 years 11 months.\*
  114. I. L. Shaw, shop 11, 33 years 11 months.\*
  115. M. M. Metcalf, drafting, 33 years 10 months.
  116. E. Moore, shop 72, 33 years 10 months.\*
  117. W. H. Culver, public works, 33 years 10 months.\*
  118. J. A. McInnis, shop 81, 33 years 9 months.\*
  119. C. A. McDevitt, shop 38, 33 years 8 months.\*
  120. F. C. Sachs, shop 31, 33 years 8 months.\*
  121. F. A. Bade, planning section, 33 years 7 months.
  122. Louis Boss, survey, 33 years 7 months.
  123. H. L. Thurman, shop 31, 33 years 7 months.
  124. J. R. Romeo, drafting, 33 years 7 months.\*
  125. W. J. Murray, shop 11, 33 years 7 months.\*
  126. W. A. Gollnast, master transport, 33 years 7 months.\*
  127. T. J. Montague, sergeant of police, 33 years 6 months.\*
  128. J. G. Watson, shop 63, 33 years 6 months.
  129. J. B. Canham, drafting, 33 years 5 months.
  130. D. B. Brown, principal naval architect, 33 years 4 months.
  131. C. P. Sobey, shop 81, 33 years 4 months.
  132. H. N. Hunt, drafting, 33 years 4 months.
  133. C. J. O'Donnel, shop 31, 33 years 4 months.
  134. W. T. Smart, shop 31, 33 years 4 months.\*
  135. T. M. Lauer, shop 51, 33 years 3 months.
  136. R. R. MacDonell, drafting, 33 years 3 months.
  137. William Dickie, drafting, 33 years 3 months.
  138. R. M. Stow, progress section, 33 years 2 months.
  139. D. M. Pye, power plant, 33 years 2 months.\*
  140. A. A. Ohlson, planning section, 33 years 1 month.
  141. J. C. Hansen, shop 31, 33 years 1 month.
  142. H. D. Austin, chief draftsman, public works, 33 years.
  143. A. P. Hart, public works, 32 years 11 months.
  144. D. L. Barry, planning section, 32 years 10 months.
  145. G. Higuera, shop 81, 32 years 9 months.
  146. J. E. Tucker, shop 31, 32 years 9 months.
  147. J. S. Andrews, shop 72, 32 years 9 months.\*
  148. C. W. Causbrook, progress section, 32 years 8 months.
  149. F. W. Wake, planning section, 32 years 8 months.
  150. D. G. Barry, shop 63, 32 years 8 months.
  151. F. J. McSorley, shop 38, 32 years 8 months.
  152. S. E. Talbot, shop 51, 32 years 8 months.\*
  153. B. A. Brannon, shop 51, 32 years 8 months.\*
  154. M. M. Silveira, shop 63, 32 years 7 months.
  155. B. T. Buss, shop 56, 32 years 7 months.
  156. W. Bellmar, shop 31, 32 years 7 months.
  157. C. M. Wells, shop 11, 32 years 7 months.
  158. J. J. Heffernan, shop 63, 32 years 7 months.
  159. R. C. Littlefield, shop 38, 32 years 7 months.\*
  160. T. B. Pollard, planning section, 32 years 6 months.
  161. J. J. Leonard, shop 66, 32 years 6 months.
  162. B. H. Munro, shop 31, 32 years 6 months.
  163. I. J. Brown, shop 56, 32 years 6 months.\*
  164. A. P. Gros, sergeant of police, 32 years 6 months.\*
  165. J. L. Green, ammunition depot, 32 years 5 months.
  166. E. N. Sanders, ammunition depot, 32 years 5 months.
  167. D. W. Driscoll, shop 11, 32 years 5 months.
  168. G. R. O'Neill, shop 11, 32 years 5 months.
  169. Wm. E. Kreh, shop 51, 32 years 5 months.
  170. A. M. Babbirk, shop 38, 32 years 5 months.\*
  171. A. Bellini, supply department, 32 years 5 months.\*
  172. T. P. Dineen, chief progressman, 32 years 4 months.
  173. R. J. Woods, shop 56, 32 years 4 months.
  174. Oscar E. Setterquist, planning section, 32 years 3 months.
  175. E. Clifford, shop 56, 32 years 3 months.
  176. T. Douglass Fraser, shop superintendent's office, 32 years 3 months.
  177. M. L. Higuera, power plant, 32 years 2 months.
  178. Leo Hicketier, shop 31, 32 years 2 months.
  179. S. Johnson, shop 81, 32 years 2 months.\*
  180. B. Ney, shop 66, 32 years.
  181. G. H. Dinsmore, shop 81, 32 years.
  182. B. A. Barr, shop 11, 32 years.
  183. E. F. DeLaMater, planning section, 32 years.
  184. L. L. Coffey, public works, 32 years.\*
  185. A. Hoffman, drafting, 31 years 11 months.
  186. E. H. Doda, drafting, 31 years 11 months.
  187. M. F. Wilson, supply department, 31 years 11 months.
  188. T. A. Johnson, shop 72, 31 years 11 months.\*
  189. A. C. Trevey, public works, 31 years 10 months.
  190. A. M. Martinez, ammunition depot, 31 years 10 months.
  191. C. E. Zander, shop 63, 31 years 10 months.\*
  192. J. F. Mahan, shop 63, 31 years 9 months.
  193. C. A. Inman, shop 56, 31 years 9 months.
  194. E. J. O'Brien, shop 31, 31 years 9 months.
  195. Thomas Brown, progressman, 31 years 9 months.



196. S. Cartmell, shop 31, 31 years 8 months.  
T. J. Lyon, shop 11, 31 years 8 months.  
Walter Gooding, shop 72, 31 years 8 months.\*
199. Joseph Brosnahan, supply department, 31 years 7 months.  
A. Astley, planning section, 31 years 7 months.  
C. W. Shaw, shop 31, 31 years 7 months.  
H. B. Babcock, shop 23, 31 years 7 months.\*
203. I. H. Whitthorne, shop 56, 31 years 6 months.  
T. L. Rose, shop 31, 31 years 6 months.  
George K. O'Hara, radio office, 31 years 6 months.  
J. F. Upchurch, shop 51, 31 years 6 months.\*
207. W. J. Rowser, ammunition depot, 31 years 5 months.  
S. L. Evans, planning section, 31 years 5 months.  
H. M. Rowe, shop 63, 31 years 5 months.  
W. Holmes, shop 38, 31 years 5 months.  
W. J. Low, shop 31, 31 years 5 months.  
R. H. Cline, shop 51, 31 years 5 months.\*  
A. Frederick, shop 11, 31 years 5 months.\*
214. F. A. Whaley, supply department, 31 years 4 months.  
J. R. Leonard, foreman printer, 31 years, 4 months.\*
216. A. L. Wilson, shop 31, 31 years 3 months.  
John Combs, shop 31, 31 years 3 months.\*  
N. E. Belcher, shop 72, 31 years 3 months.\*
219. William Cavanaugh, shop 56, 31 years 2 months.
220. W. T. Ramey, supply department, 31 years 1 month.
221. F. Schafer, power plant, 31 years.  
C. Kersting, shop 31, 31 years.  
W. B. Banne, shop 17, 31 years.  
A. J. Wood, shop 17, 31 years.  
A. Sacaze, shop 31, 31 years.
226. A. T. Garrison, planning section, 30 years 11 months.  
E. L. Ingham, shop 72, 30 years 11 months.  
A. Werner, shop 51, 30 years 11 months.\*
229. E. G. Caffey, public works, 30 years 10 months.  
F. P. Kruse, shop 31, 30 years 10 months.  
T. J. Walsh, shop 51, 30 years 10 months.  
J. R. Downing, survey section, 30 years 10 months.\*
233. C. Berner, shop 31, 30 years 9 months.  
G. T. Cavanaugh, shop 23, 30 years 9 months.\*  
J. W. McManus, shop 51, 30 years 9 months.\*
236. George R. Harris, shop 51, 30 years 8 months.  
H. P. Goodrich, supply department, 30 years 8 months.  
M. D. Curtiss, supply department, 30 years 8 months.\*
239. J. E. Beesley, shop 11, 30 years 7 months.  
W. F. Smith, planning section, 30 years 7 months.  
E. W. Byrne, power plant, 30 years 7 months.  
H. J. Kennedy, public works, 30 years 7 months.\*
243. N. J. Freund, shop 38, 30 years 6 months.  
J. J. Hess, head physicist, 30 years 6 months.  
W. N. Simons, shop 51, 30 years 6 months.  
A. E. Servente, shop 11, 30 years 6 months.  
R. M. Keaton, public works, 30 years 6 months.
248. G. E. Scow, supply, 30 years 3 months.
249. G. Vetter, shop 17, 30 years 3 months.\*
250. F. O. Jones, supply, 30 years 1 month.

### Demonetization of Silver By Greece

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

REPORT BY AMERICAN COMMERCIAL ATTACHÉ AT ATHENS, GREECE

Mr. TOWNSEND. Mr. President, further demonetization of silver is indicated by a report from the American Commercial Attaché at Athens, Greece, dated January 2, 1940. I ask consent that this item, consisting of one paragraph, be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

A decree just issued orders the withdrawal from circulation of all silver coins of 10 and 20 drachmas denominations during the second half of 1940. Pending the issuance of other metallic currency to replace these coins, the Minister of Finance is authorized to issue paper notes of 10- and 20-drachma denominations in an amount not exceeding 700,000,000 drachmas. There are about 350,000,000 drachmas of 10- and 20-drachma coins now in circulation.

Mark Twain

#### EXTENSION OF REMARKS

OF

HON. MILTON A. ROMJUE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. ROMJUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at a public banquet preceding the first-day sale of the Samuel L. Clemens—Mark Twain—commemorative stamp, Hannibal, Mo., Monday, February 12, 1940:

It is something more than a coincidence that the people of this section of the Nation should gather in distinguished numbers on the same day to pay tribute to Mark Twain and Abraham Lincoln. This morning we observed at New Salem, Ill., the one hundred and seventh anniversary of Lincoln's appointment as postmaster, and tonight we assemble to celebrate the arrival of a new and distinguished member in the family of the famous American series of stamps.

This is an event that you may write in the family Bible, the same as John and Jane Clemens may have done on a November night in 1835 when, with Halley's comet in the sky, their little son, Samuel Langhorne, arrived in their humble home in the nearby village of Florida in this State.

Abe Lincoln and Mark Twain are two of the most characteristic and certainly among the most loved of our noted Americans. Each followed the American ideal of rising to a place of acclaim through character and hard work. One was the devoted leader of our Nation in its period of trial; the other expressed the spirit of the Nation in its age of expansion. They have one great thing in common—a genuine and wholesome sense of humor. Probably at no time in American history has this attribute been of more importance in our national life than it is today. As long as we can keep our sense of humor there is no danger for the safety and welfare of our country.

Samuel Clemens, known the world over as Mark Twain, was about 4 years old when the family moved to Hannibal. Because he spent his boyhood days in this typical American town, among typical American people, you cannot hear the name of Mark Twain without also thinking of Hannibal.

As I stand here tonight in Mark Twain's "little white town," I visualize your wide rolling Mississippi and catch the strains of the echo announcing the approach of the steamboat. I can see the twin smokestacks with their black clouds of smoke, the paddle boxes, flags, and in the pilot house the white-haired captain puffing away—like a true son of Missouri—on his corn-cob pipe. Some of you in Hannibal remember, I'm sure, this picture of early days on the "Father of Waters." You recall this robust America of that authentic American, Mark Twain.

The home town of Tom Sawyer has grown since those days of river glory. How ideal it is that you have preserved the celebrated board fence on Hill Street, Injun Joe's cave, and Jackson's Island where Tom and Huckleberry Finn played pirates together. How fine it is to discover below Holliday's Hill realistic statues of these two boys.

"To be good is noble, but to show others how to be good is nobler—and less trouble," was one of Mark Twain's favorite sayings. What a figure he must have made in the streets of Hannibal, St. Louis, New Orleans, New York, or of Hartford, Conn., where he spent most of his later writing years! Fierce, yet genial, blue eyes alive under heavy brows. A sheaf of wild white hair and a handlebar, Buffalo Bill mustache, and a special river-flavored vocabulary of description and anecdote to help him look and act the part.

We can imagine Twain with his alluring western drawl reciting the talk about "The Jumping Frog of Calaveras County." We can see him orating good-naturedly on the Sandwich Islands, or, when he was rumored dead, sternly instructing a reporter, "Just say that the report of my death has been grossly exaggerated."

Mark Twain's life and work radiated the American essence. Not even Horatio Alger could match this success of roving type-setter to Oxford degree of doctor of literature.

He was of the frontier; self-reliant, tender-hearted, democratic; and he knew and cherished every corner of the country; his native good humor and optimism are classic. In later life, in spite of having no legal obligations when his publishing firm failed, Twain paid off his debt to a penny. And he lived the great American ideal of romance by falling in love at first sight with a portrait of Olivia Langdon, his future wife.

With the writings of Mark Twain, literature in the United States became distinctive American literature. Twain saw with his own eyes the beauties of the surging Mississippi, of the western prairie, and the mountains. He wrote his own thoughts, and he expressed himself in speech that was typically and freshly American. Whether it was in labeling himself during his piloting days as "half horse, half alligator;" whether it was in Huck Finn's saying, "you feel mighty free and easy and comfortable on a raft;" or in Smiley bragging about his jumping frog, "it might be a parrot, or it might be a canary, but it ain't—it's only just a frog." Everywhere Mark Twain was the expression of earthy American sentiment.

I remember a story which Twain told about finding a \$50 bill, which his conscience pricked him to advertise. "I didn't describe it very particularly," he said. "And I waited in dire fear that the owner would turn up and take away my fortune. By and by," he reports, "I couldn't stand it any longer. My conscience had gotten all that was coming to it. I felt that I must take the money out of danger."

Yet Mark Twain had a full existence beyond that of writing what may be termed the "American Declaration of Independence in Literature." He was a trampler of many roads; a thoughtful student in the university of life during those eager, boisterous times of a frontier a day. In this, too, he was typically American—restless, suffering ups and downs of fortune with the same serenity.

In his teens, Twain started off gayly to South America and wound up learning the turns and twists of 1,300 miles of Mississippi, under the guidance of Horace Bixby, whom his life on the Mississippi has made famous. It was from this experience that Sam Clemens took on his nom de plume of Mark Twain. This pleasant-sounding name was even more welcome on the river where it indicated a leadman sounding the safe depth of 2 fathoms.

From then on Twain's life was one of energetic action, recorded in a succession of volumes which dangled at the end of his facile pen. He dabbled in everything—gold mining, journalism, inventions, and publishing General Grant's memoirs. But his real career lay in his speeches and the unquenchable vigor of his writings.

Though Twain looked upon his work as journalism, it was literature. For whatever he thought of himself, Twain was a master at telling a story. Perhaps because he had lived so many in his own life. Not only Tom Sawyer, but Mark, himself, fished in the Mississippi, explored caves, and fed "pain-killer" medicine to the unsuspecting cat.

Certainly Mark Twain is the most generally read and enjoyed of all American writers. What boy has not envied Tom Sawyer's fence-painting strategy? What girl has not played at being Becky Thatcher? These people—Huck and Becky, Aunt Polly, Colonel Sellers, and the hard-boiled Connecticut Yankee—have become as much a part of our history as of our literature.

In his personal recollections, Twain touched other universal aspects of American nature. He is the tired pilot-to-be falling asleep at the wheel; the innocent tourist bothered with barbers, guides, hotels; the friend declining a drink before breakfast because, "first, I am a prohibitionist; second, I never drink before breakfast; and third, I already have had four drinks."

Of all our authors in their lifetime, Mark Twain was the most popular. Whatever he did, wherever he went, this Twain was met with tumult and applause. America took him to heart at once. Aristocratic Europe—its poets and dukes—marveled at him. Not since Charles Dickens had such wide enthusiasm been shown. London had to change its traffic rules whenever he came to town. Strange that the Old World did not resent his satire and defiant New World patriotism. Even the famous George Bernard Shaw ventured praise: "I am persuaded that the future historian of America will find your works as indispensable to him as a French historian finds the political tracts of Voltaire."

Shaw was right about Mark Twain. We have found indispensable the writings of this distinguished representative American who believed firmly that the proper study of mankind is man. "I'm from Missouri" is a proud slogan, since it portrays a man who all his life loved the fair and square and hated hypocrisy and oppression. Long before our present radio comedians Mark Twain knew that a joke about himself was twice as good as a joke about somebody else. Such a sense of humor is a valuable asset. Any man or nation that has this sense of humor is bound to be healthy, wealthy, and surely wise.

When Twain's career was at its height some of his friends were discussing in his absence who was the best-known American. Someone suggested Mark. Another friend added that since it was near his birthday they should send him some message of congratulations. They wrote a few pages of friendly greeting, then discovered they didn't know his address. Finally they decided to address the letter to "Mark Twain, Lord Knows Where." Some weeks later they received a card from Twain in London. The card said, "He did."

The United States mails then, as now, were true to the trust and running on time.

How interesting to recall the last days of this American—playing billiards (one of his favorite pastimes), smoking his pipe, or perhaps reading Carlyle's French Revolution, with the serenity that comes

from the satisfaction of a life well spent. Just a few hours before he died in 1910, Halley's comet again appeared in the sky. The Divine Providence thus seemed to signalize the beginning and the end of a great career. With his death the world lost some of its smile. America mourned for him more than it had for any other literary figure.

What was Mark Twain? His still warm presence among us and on this stamp merits some deeper title than "humorist." Humor that is only funny does not linger beyond an evening's broadcast. Twain's humor bore the thought of a serious man. His nonsense often had good American common sense back of it. In his field Twain had the leadership of a Jefferson, the literary wisdom of a Whitman, and the humor of a Will Rogers. When he said, "Always do right; this will gratify some people and astonish the rest," he was not just joking but telling the truth. If he advised "When in doubt, tell the truth," he was preaching only what he practiced. He was earnest. He was intensely human. He was true to his country and himself. That is why Mark Twain is today one of our immortals.

I cordially invite all of you to be present tomorrow morning at 9:15 o'clock when the first sheet of these new stamps will be sold at the Hannibal Post Office. This stamp concludes the group of five authors in the famous Americans series and discharges a long-felt obligation of the Post Office Department to American literature. I commend this new issue to the people of Hannibal as an honor to their most illustrious citizen; to the people of Missouri as commemorating one of their most famous sons; to the people of America as depicting a figure who with his delightful characters and intriguing stories did so much to lighten the cares and burdens of the young Nation which was then surging upward and onward to a place among the great powers of the world.

## War Exports

### EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

EDITORIAL FROM THE NEW YORK TIMES OF FEBRUARY 18, 1940

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be printed in the RECORD an editorial from the New York Times under date of February 18, 1940, entitled "War Exports."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of February 15, 1940]

#### WAR EXPORTS

A number of points of considerable interest are to be found in the most recent report of the State Department on American exports of war munitions. Total exports of "arms, ammunition, and implements of war" (to use the terminology of the Neutrality Act) were valued in 1939 at \$102,298,298.51. Of this amount almost all was for aircraft and aircraft parts, the unimportant residue being distributed among rifles, artillery, ammunition, high explosives, etc. Evidently, America's role to date as a purveyor of munitions in the strict sense has been closely confined to the field of aviation.

Nearly 70 percent of all the reported munition exports consisted of aircraft to France and Great Britain, with Canada and Australia taking small additional quantities. That the percentage was not higher shows to what extent the arms race during the past year has spread beyond Europe. For in the Western Hemisphere, such countries as Peru found it necessary to buy \$1,084,000 of American military aircraft (without including equipment for civil use); Mexico, \$996,000, and Argentina, \$956,000, while in Europe, purchases by the Netherlands reached a total of \$1,088,000 for the homeland (without including an additional \$2,203,000 for civil equipment and parts), and for its East Indian possessions the significantly very much larger total of \$4,877,000.

Of more importance in many respects for the nearer future are the data on munition export licenses issued by the State Department. Licenses issued to England and France, after the amendment of the Neutrality Act last autumn made possible the resumption of munition exports, reached the sizable total of more than \$200,000,000, of which over \$150,000,000 had not yet been used at the beginning of February. No less noteworthy were the aircraft licenses issued in December and January, covering nearly \$6,000,000 for Norway and Sweden. How much of this is destined eventually for Finland is uncertain.



## A Talk Given on the Ford Sunday Evening Hour

## EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

RADIO ADDRESS BY W. J. CAMERON AND STATEMENT BY  
JAMES B. MCLEISH

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Mr. W. J. Cameron on the Ford Sunday Evening Hour, February 11, 1940. There is also included a statement by Mr. James B. McLeish.

RADIO ADDRESS BY W. J. CAMERON

Today is the ninety-third anniversary of Thomas A. Edison's birth. Since 8 years ago last October, when ripe in years and rich in good works for his fellow men, he left us, his birthday has been reverently kept at Dearborn.

Yesterday, however—Saturday—a notable observance of the day was held at Port Huron, Mich., where the blue waters of Lake Huron and the Georgian Bay flow down through the river St. Clair. In that city Edison lived the formative years of his youth—from the age of 10 to 17—and thither he returned briefly, a young man of twenty, before making the longer eastern flight that brought him to his permanent home in New Jersey. But he never forgot Port Huron. There his immediate forbears lived, and there they sleep. Through his long and deep friendship with Henry Ford, Dearborn knew Edison in the days of his maturity—the approachable, kindly, whimsical, uncannily observant man who had sloughed off most of life's nonessentials and attained a great altitude of peace; but Port Huron knew him as a boy—a boy that played pranks, a boy in restless quest of the meaning of things. He first ventured into the world as newsboy on the local train between Port Huron and Detroit. On his lay-overs at Detroit, he attempted to read his way through the public library from end to end regardless of the subjects of the books.

Twenty-five years ago, a world-famous and aging man, on Henry Ford's special train, Edison made a sentimental journey for old time's sake over the route his work as a newsboy has made historic. As the train stopped at the little way stations people came to meet him who had known him 40 years before, some of whom had bought a paper from him dally. Well, that sentimental journey was repeated yesterday. The old train of the sixties, with its wood-burning locomotive, familiar to all visitors at Greenfield Village, pulled out on its way to Port Huron. There is no use pretending that it ran very fast or that it arrived on time. It didn't. For at every country crossing crowds were standing in the snow demanding that it stop—which it did. Men and women dressed in the styles of the sixties were waiting all along the line. Here and there a faded old uniform was seen. People waved from farmhouse porches. The little way stations were thronged. Groups ran down the right-of-way in the track of the train loathe to see it leave. It was just as when Mr. Edison himself passed that way 25 years ago.

At Port Huron the town was transformed. The harsh rawness of the day was simply beaten back before the amazing warmth of the community spirit. One saw more Paisley shawls, more crinolines and hoop skirts, more tight coats on the men, more strange cravats—and it was apparent that the men of Port Huron had spent the last 3 weeks raising beards (some of which had only reached the state of vague suggestion) to complete the scene as the boy Edison saw it more than 70 years ago. One man never again will criticize the modern styles in women's hats after seeing the best approved styles of the sixties. Port Huron rose splendidly to the occasion; it was a day neither her citizens nor her tens of thousands of visitors will soon forget.

The ceremonies were graced by the presence of that lady who, through nearly half a century of happy wedded life, prolonged the years of Edison and kept him free for his work. Besides many nationally distinguished guests, there were present men past 85, men past 90, who had known the boy Edison and participated in his playful mischief. The day ended with the first showing of the new M-G-M film, Young Tom Edison, with Mickey Rooney in the star part. One of the nicest things of the day was a remark Mickey made at luncheon; said he—"When you see the picture I hope you will not see Mickey Rooney or Andy Hardy, I hope you will only see young Tom Edison." Mickey Rooney deserves all the good things said of him. He simply captured Dearborn when he worked there on the picture. As Mr. Edsel Ford said, speaking of Henry Ford's part in the celebration—"My father did it in honor of his old friend, Thomas A. Edison, and his new friend, Mickey Rooney."

Who can compass in words the work of Edison? He was the light bringer. He was the bringer of power. He was the dis-

solver of separating distance. He was the capturer and preserver and reproducer of all that is worthy and beautiful in sound and form and motion. Wherever he pointed his magic wand, wealth, employment, refinement, help sprang up for millions of men. It is estimated that \$28,000,000,000 of the productive wealth of the United States was created by Edison's ideas, and that \$7,000,000,000 of our annual national income is earned by the continuous employment provided by those ideas, and that one man in every nine employed in the manufacturing, mechanical, and communications industries owes his job to Edison's great mind.

The sight and sound of his achievements are all about us, in the air, on the sea, along the highways of the earth, and in the homes and workshops of men. With it all he left an unstained name—a name still vital with courage and vibrant with inspiration.

STATEMENT BY JAMES B. MCLEISH

James B. McLeish, vice president of the United Electrical, Radio, and Machine Workers of America and president of C. I. O. Local 407, which comprises several units of the Thomas A. Edison Industries in New Jersey, today paid tribute to Thomas A. Edison on the occasion of the great inventor's ninety-third anniversary, which will be observed nationally on Sunday, February 11.

McLeish's statement was issued today in commenting on the radio talk delivered by Congressman ALBERT L. VREELAND, of New Jersey, over the Mutual Broadcasting Co.'s network from Washington. He also pointed out that Local 407 recently passed a resolution urging that February 11 be known as Edison Day.

In speaking of Congressman VREELAND's remarks, McLeish said: "Since the Honorable ALBERT L. VREELAND represents the New Jersey district where Mr. Edison carried on his great work to benefit humanity, perhaps there is no more logical a person to pay tribute to that great man. And may I add that in paying tribute to Mr. Edison, VREELAND has brought before our members forcibly a realization of the great debt we owe the father of our industries."

"We realize that Mr. Edison's work in electricity, his research on the thermionic tube, which was the basis of our present radio tube, is making the generation and distribution of electric power possible, and scores of other inventions have brought employment in the electrical, radio, and machine industries. It is through Mr. Edison's work that millions of us are able to perform work of which we can be proud, since we are able to bring to thousands of people the conveniences, luxuries, and pleasures of electricity and radio."

"The men engaged in electrical industries today could well recall the Congressman's words to more fully realize the debt they owe the electrical wizard. VREELAND said in his talk, 'A recent survey has shown that 1 out of every 9 people gainfully employed in the United States in all transportation, communication, and mechanical industries owes his employment directly to the inventions of Thomas Edison.' \* \* \* As far back as 1931, the industries arising directly from the inventions and discoveries of Thomas Alva Edison represented a total of over \$25,000,000,000. A conservative estimate today would be well over \$30,000,000,000. The inventions of this one man have made the United States the greatest industrial Nation on the face of the earth."

"We can be proud that we are part of that vast industrial picture. We should feel privileged to work on products invented by Mr. Edison. Every one of us in the electrical industries today directly owes a debt to Mr. Edison and recognizes the fact. This was indicated by the recent resolution Local 407 passed."

## America Must Make a Decision

## EXTENSION OF REMARKS

OF

HON. THOMAS R. BALL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

EDITORIAL FROM THE PUTNAM (CONN.) PATRIOT OF  
FEBRUARY 22, 1940

Mr. BALL. Mr. Speaker, under leave to extend my remarks, I wish to include in the Appendix of the RECORD the following editorial from the Putnam (Conn.) Patriot of February 22, 1940:

[From the Putnam (Conn.) Patriot of February 22, 1940]

## AMERICA MUST MAKE A DECISION

As the war in Europe continues, or at least that part of it which affects Finland, America is being pressed more and more for a decision on the question of support. There is little doubt now but that the sentiments of the average person in this country are in favor of Finland in her military dispute with the "red" forces of gigantic Russia. Americans admire the Finns' courage against overwhelming odds and at the same time pity them in their present strife. Now comes the question of support, particularly financial. We feel sure that a considerable segment of opinion in favor of Finland feels that financial aid to that or any other of the war-

ring countries should be extended through private sources such as Herbert Hoover's relief committee and not by the Government itself.

It is not a question of economy, as far as the American people are concerned, but rather from the standpoint of national policy. It has been argued, and logically, that the minute this country extends a loan to a nation at war we will have a direct financial interest in the outcome of that war, and history has told us that financial intervention can easily lead to military intervention. Those in this country who foster this train of thought feel strongly that if we let our sentiments entice us into helping Finland or, in fact, any other country, we are immensely increasing the chances of being drawn into wars which are none of our concern and which we should stay out of entirely.

But however sound this philosophy may be Finland's need for our support increases daily and assistance is vital to the preservation of the little northern European democracy. With this thought in mind, we must look at the picture from the opposite direction. Suppose America did, as a government, go to the aid of Finland. What would be the outcome? We agree with President Roosevelt when he said, in a talk to the Youth Congress, the chances of Russia declaring war on the United States if we helped Finland are "too ridiculous to be worth considering." We agreed with him for this reason: More than a year ago we loaned China \$25,000,000 to help her in her undeclared war with Japan and the Japanese did not make an issue of it. If that country accepted our support of its enemy without controversy, does it seem likely that Russia, which has far less reason to desire any entanglement with the United States, would do likewise?

However, irrespective of what side of this controversy history finally proves right, the fact remains that Americans must take a stand and take it very soon or the chances are that any type of support will be useless in the saving of Finland.

### The Decennial Census

#### EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

#### LETTER FROM THE DIRECTOR OF THE CENSUS

Mr. DUNN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following communication received by me from the Director of the Census with the enclosure accompanying same:

DEPARTMENT OF COMMERCE,  
BUREAU OF THE CENSUS,  
Washington, February 26, 1940.

HON. MATTHEW A. DUNN,  
Chairman, Census Committee,  
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Many false statements and inferences are being circulated concerning the decennial census. For your information there is enclosed a letter which I sent to the New York Times in answer to the more serious misstatements. I have marked certain paragraphs for your special attention, giving the facts on the following salient points:

1. No Federal official can reveal any census information pertaining to any individual.
2. Business organizations and many other groups outside the Government requested inclusion of the income question.
3. The income inquiry does not call for total income. The extent of the question contemplated is absolutely necessary to get a proper measure of unemployment, and Congress itself recognized this necessity by directly calling for income in the 1937 unemployment census. A measure of purchasing power is essential to business for the development of broader markets for its products. For 20 years one of the most vital parts of the census of agriculture has been the question on income of farms.
4. The demand for the housing census came from business organizations outside the Government for facts which would stimulate home construction. Several of the important organizations demanding these facts are listed.

I hope that the enclosed statement will be of assistance to you in answering correctly any inquiries which you may receive from your constituents and in the consideration of census matters.

Very truly yours,

W. L. AUSTIN, Director.

Enclosure.

FEBRUARY 23, 1940.

To the EDITOR, NEW YORK TIMES:

Mr. Arthur Krock's discussion of the coming decennial census in your issues of February 22 and 23 contains so many direct mis-

statements of fact and so many inferences, based upon false assumptions, that I feel impelled to make this statement so that your readers may have the facts.

I regret that Mr. Krock gave the Census Bureau no opportunity to present these facts to him prior to the preparation of his two articles, which do gross injustice to an important statistical department of the Government, which, during 150 years, has established a record which does not justify the implications he makes.

Mr. Krock's two articles contain direct misstatements of fact and improper inferences in the following particulars:

1. That the President has power, by Executive order, to make confidential census information available to other branches of the Government.
2. That Congress in its enactment of 1929, under which authority the 1940 census is being taken (this enactment approved and signed by President Herbert Hoover), specifically limited the population schedule of 1940 to 21 questions.
3. That the question in the housing schedule calling for information on home mortgages is new.
4. That the specific questions included in the 1940 schedules were selected with the approval of the President.
5. That the "income" question in the population schedule is not authorized by law and is not "germane" to the subject of unemployment.
6. That the determination of the specific questions resulted from the pressure of New Deal agencies.
7. That the questions in the supplementary census, to be asked of each twentieth person, involve discrimination, and that they have to do with subject matter not heretofore employed in census taking and not of vital public interest.

As to the right of the President or any governmental agency to publish or make use of any confidential information collected by the census, I quote from the Census Act of 1929, passed by Congress and signed by President Hoover:

"Sec. 11. That the information furnished under the provisions of this act shall be used only for the statistical purposes for which it is supplied. No publication shall be made by the Census Office whereby the data furnished by any particular establishment or individual can be identified, nor shall the Director of the Census permit any other than the sworn employees of the Census Office to examine the individual reports."

Again quoting from section 18 of the same act:

"That in no case shall information furnished under the authority of this act be used to the detriment of the person or persons to whom such information relates."

The same enactment fixes the penalties applicable to the public (all persons 18 years of age and over) for refusal to answer the census inquiries and for intentionally giving wrong information.

The same enactment provides penalties of fine and imprisonment up to \$2,000 or 5 years in prison or both for any census employee "if he shall, without the authority of the Director of the Census, publish or communicate any information coming into his possession by reason of his employment under the provisions of this act."

That it is within the power of the President, by Executive order, as Mr. Krock contends, to set aside an act of Congress or to compel sworn census employees to commit felonies is a new theory in government.

As to Mr. Krock's statement that the congressional enactment of 1929, which is the authority for the present census, specifically limited the questions on the population schedule to 21, I quote from the law:

"Sec. 4. That the fifteenth (1930) and subsequent decennial censuses shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of the Secretary of Commerce."

As to Mr. Krock's charge that the question in the housing schedule calling for facts on home mortgages is new and to his statement that "the American people have heretofore taken the view that none of this is a census taker's business," I call attention to the following, quoted verbatim from the census law under which the census of 1890 was taken (this law was approved and signed by President Benjamin Harrison):

"That it shall be the duty of the superintendent of census, in addition to the duties now required of him by law, to ascertain the number of persons who live on and cultivate their own farms and who live in their own homes, and the number who hire their farms and homes, and the number of farms and homes which are under mortgage, the amount of mortgage debt, and the value of the property mortgaged. He shall also ascertain whether such farms and homes have been mortgaged for the whole or part of the purchase money for the same, or for other purposes, and the rates of interest paid upon mortgage loans."

The census of 1900, taken during the administration of President McKinley; the census of 1910, during the administration of President Taft; the census of 1920, during the administration of President Wilson all included questions on home ownership or rental and, if owned, free or mortgaged. The census of 1930, under President Hoover, called for information on home owned or rented; value of home if owned, or monthly rental if rented, and likewise called for information as to whether or not there was a radio set in the home.

I should like to call Mr. Krock's attention to the census of 1850 under President Zachary Taylor which required all persons to report the value of real estate owned, and to the census of 1860



under President James Buchanan which required all persons to report the value of real estate owned together with the value of their personal estates. In the census of 1860 Abraham Lincoln reported the value of his real estate and the value of his personal estate as did all other persons.

Those who charge that the questions in the 1940 census violate privacy should know that they will not be called upon to give an appraisal of their personal property as in the census of 1830.

As to Mr. Krock's intimation that the questions in the 1940 census schedules were selected under approval or suggestion of the President, I should like to say that, to my knowledge, the President has not seen these questions and to assert that no indication nor intimation as to the selection of questions came from the White House. If Mr. Krock jumped to the conclusion that the President favored these individual questions because of his formal proclamation calling upon the public to cooperate in the 1940 census, he should know that each President since 1900 has, prior to decennial censuses, issued such formal proclamations; that the draft of this message was prepared by Census Bureau employees, in line with the contents of previous presidential proclamations, and then submitted to the Bureau of the Budget and to the Department of Justice for their approval, before going to the White House. The implication that this proclamation was issued in response to criticisms of the contents of the schedules will not stand up in view of the fact that the draft of this formal proclamation was prepared many weeks ago, before any objections to the questions had been registered.

As to Mr. Krock's charge that the "income" inquiry in the population schedule is not in line with the precedent of congressional enactment and that it is not "germane" to the subject of unemployment, I should like to call his attention to the congressional enactment calling for the Unemployment Census of 1937. That law stated that its purpose was to provide information about persons "partially employed or unemployed and their dependents and income." The subsequent census of unemployment contained the question on annual income as required by that law.

Questions on income have been an important part of the census of agriculture for 20 years and the information yielded as to income from sale and use of farm products has been vital in legislative consideration of the farm problem. The 1930 census of agriculture showed that approximately 3,000,000 farms—nearly one-half of all farms—had incomes from the sale and use of products amounting to \$1,000 per year and less.

As to Mr. Krock's contention that income is not "germane" to the subject of population and unemployment I should like to say that wage income is a question relating in a very vital sense both to population and to unemployment. While the returns from this question will be of great service in the form of totals to be used in computing national income, the greatest value appears when they are used as a basis for classifying the population. Business organizations can plan their marketing activities much more effectively if they know in what areas high-income families are to be found, and in what areas low-income families, and also something about the other population characteristics which are found in combination with high and low income.

In other respects the relation between population and income is even more vital and fundamental. The annual increase in the population is now far smaller than it was a few years ago, and the number of children is rather rapidly declining. It has been frequently stated that a disproportionate fraction of these children are growing up in homes with very low incomes and thus receiving inadequate preparation for the duties of citizenship. Income data in the census will show to what extent this condition actually prevails. The income figures tabulated in combination with education will show the extent to which low income might be due to lack of education. Income tabulated in combination with age will show to what extent individual members of the American people are improving their economic status with increasing age, and also to what extent those approaching old age are compelled to get along on lower incomes.

The income question relates directly to unemployment. Under present conditions any statistics on employment which are to be of real use must go further than giving simply the number of those who have no employment whatever. It is necessary in addition to have some measure of the extent of employment of those not strictly unemployed but nevertheless very inadequately employed. The best possible measure of the adequacy of employment is the amount of income which the person receives from it, and when the amount of wage income is tabulated in combination with age, occupation, industry, and other characteristics shown in the population census, it becomes one of the most important of all factors available for the analysis of the unemployment situation.

The income question was used in the test census taken in two Indiana counties last summer, and it met with little resistance and was answered freely.

Mr. Krock's inference that certain questions on the 1940 schedule were included as a result of the pressure of New Deal agencies is devoid of all basis of fact. On the contrary, the very questions to which he registers objection were urged upon the Census Bureau by conservative businessmen and business organizations.

Businessmen, trade associations, chambers of commerce, advertising agencies, and marketing experts have long urged the inclusion of the question on income. Business has always wanted information on wages and salaries to determine the extent of national, regional, and local mass-buying power in the field of con-

sumers' goods. The value of these statistics is self-evident to every businessman, manufacturer, wholesaler, retailer, and others engaged in marketing goods. The fact is that the question on income in the 1940 census does not call for total income. It merely asks how much the person received in wages or salary, including commissions last year up to \$5,000. If he made more, he merely answers "over \$5,000."

The construction of this question, with its \$5,000 ceiling, makes it perfectly evident that its intention is to measure purchasing power for consumers goods and designate zones of high and low purchasing power. Anybody knows that salaries and wages below \$5,000 are expended largely for consumers goods, and that income above \$5,000 is not so expended. The very nature of the question therefore explains its purpose.

A year ago a large group of people prominent in business and economics was called to Washington to examine proposed census questions. This conference expressed particular satisfaction with the questions relating to migration, employment, unemployment, and economic status. Among those who attended this conference were Dr. Louis Dublin, of the Metropolitan Life Insurance Co.; Dr. David R. Craig, president of the American Retail Federation; Mr. Noel Sargent, secretary of the National Association of Manufacturers; Gen. Robert E. Wood, chairman of Sears, Roebuck & Co.; Sidney R. Katz, of the Congress of Industrial Organizations; Miss Margaret Scattergood, of the American Federation of Labor; and Dr. Stacey May, of the Rockefeller Foundation.

Letters and resolutions calling for statistics on earnings of the American people are in the files of the Census Bureau from such organizations as the American Home Economics Association, the National Industrial Conference Board, the Actuarial Society of America, the Population Association of America, also some ministers and church councils, Y. M. C. A.'s, insurance companies, automobile manufacturers, public utilities, labor unions, advertising agencies and market analysts, publishers of magazines and newspapers, and publishers of farm papers. One of these requests came from a conference sponsored by the National Bureau of Economic Research, which includes directors from such groups as the American Engineering Council, the American Management Association, the National Publishers Association, and the American Federation of Labor. This conference reported "the conference went on record as strongly recommending the inclusion of such questions (questions on income) in the Census."

It should also be remembered that this income question was approved unanimously by the Advisory Committee of the Census Bureau, composed of nongovernmental people, and including Dr. Robert E. Chaddock, of Columbia University; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Paul T. Cherington, market analyst; Dr. William P. Ogburn, of the University of Chicago; Dr. Murray R. Benedict, of the University of California; and Dr. Willard R. Thorp, of Dun & Bradstreet.

Demand for the housing census likewise came from business. The organizations and individuals which expressed their desire and need for a housing census included the National Retail Lumber Dealers Association, the National Sand and Gravel Association, the Structural Clay Products Institute, the Metal Window Institute, the National Lime Association, the National Paint, Varnish and Lacquer Association, and others. The National Association of Real Estate Boards passed a resolution requesting Congress to authorize Census questions on housing, home ownership, and home finance. The National Association of Housing officials also petitioned Congress, as did the housing boards of New York State and Pennsylvania. William Green, president of the A. F. of L., called the housing census "a matter in which labor is particularly concerned." Other organizations supporting the housing census were the American Society of Planning officials, the American Public Health Association, the American Home Economics Association, the Associated General Contractors, the United States Conference of Mayors, the American Institute of Architects, the Producers Council, the Construction League of America, and the National Association of Master Plumbers. Hundreds of regional organizations have likewise expressed their interest.

As to the charge that the supplementary questions, to be asked of each twentieth person, involve discrimination and that they deal with subjects not heretofore employed in census taking, I should like to say that the very questions which Mr. Krock regards as invading privacy—requiring women to reveal marital status, number times married, and number of children ever born—have been used in varying ways since 1880 and that the census of 1890 under President Benjamin Harrison and the census of 1900 under President William McKinley and that of 1910 under President Taft called for much the same information.

One other query in the supplementary census calling for information as to whether or not a veteran was employed in the 1930 census under President Hoover, and has been included at the suggestion of the Veterans' Administration and the American Legion.

The only absolutely new question in the supplementary census is that asking whether or not the person has a social-security number and asking the range of deductions made from salaries or wages for social security. As a matter of fact the real reason for asking these supplementary questions of only 5 percent of the population is that most of the questions on it are old and that a sample involving between six and seven million will be sufficient to continue appraisal of the trends previously shown, and we are thus sparing 95 percent of the people the time required to answer these questions. Rather than being a step involving discrimination, it is a step in favor of public convenience.

The censuses of the United States, through 150 years, have made available the most complete and accurate statistical record possessed by any nation. At every decennial census there has been some resistance to new questions, introduced to obtain information called for by the increasing complexity of American life. Fortunately, the public generally appreciates the value of census statistics and cooperates willingly. This is evident from the fact that in all these years it has rarely been necessary to resort to compulsion. It is most regrettable, therefore, that statements and implications not supported by facts should be circulated to impair the efficiency of this once-in-ten-years study which comes more directly home to every one of our 132,000,000 people than any other activity of the Federal Government.

If Mr. Krock fears that the census violates the guaranties of the Bill of Rights, he should remember that the Nation's founders also wrote the provision for decennial censuses in the Constitution and it was they who provided for compulsion in the answering of census inquiries.

Very truly yours,

DIRECTOR OF THE CENSUS.

### The 1940 Census

#### EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. HARTER of New York. Mr. Speaker, the questions which Mr. Hopkins has prepared for use in quizzing the citizen in the 1940 census reach far beyond that which the wording of the law contemplates. We should not be surprised, however, as his activities while heading the W. P. A. show his leanings. These questions might well be expected in a totalitarian state but under our republican form of government they are unthinkable. The united efforts of the Members on the Republican side to save our citizens from being subjected to these very personal questions seem doomed. The very large number of bitter complaints at this further dictatorial direction find clearly demonstrates the righteous indignation which the questions have aroused. Centralization of power is leading us steadily but surely to more and more losses of our standing as a free and unfettered people. I predict that the time is not far distant when the people will see to it that our ever-increasing power in Washington be put in reverse. States' rights demand and entitle us to decentralization rather than more centralization. Economy dictates decentralization; aid for unemployment dictates it; aid for those in need dictates it and business can well benefit.

The census questions are only another stair to the throne of one-man control. The people of Erie County, N. Y., are all too awake to the seriousness of this situation. As evidence of their feeling, I want you to hear a resolution offered at a luncheon held under the auspices of the G. O. P. Women's Council in Buffalo last Saturday. This resolution was offered by Mrs. William C. Uhrhan, president of the Martha Washington Club, at the luncheon of over 500 people—almost all of them women—housewives and women who work in Erie County's industrial organizations. It was unanimously adopted, and reads:

Whereas the heretofore reliable and useful United States census established 150 years ago has been degenerated into a political snooping expedition according to advance publication of questions to be asked in the 1940 census; and

Whereas the intimate personal questions listed in the census forms constitute a flagrant invasion of the privacy and independence of American citizens and families; and

Whereas Federal requirement of accurate answers to all questions is compulsory under threat of fine and imprisonment, a form of inquisition entirely in conflict with the rights and privileges of American citizenship: Now therefore be it

Resolved, That this assembly under the auspices of the Erie County Council of Republican Women does hereby protest this bureaucratic procedure toward total regimentation of the people of the United States by government; and

That we call upon all citizens to repudiate unwarranted political snooping by the Federal Government in the private affairs of the people and to support for election to Federal office only candidates who are pledged to observe the traditional rights and privileges

of American citizenship and who will resist from any quarter efforts to regiment free men and women and undermine constitutional self-government.

### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. EARL R. LEWIS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

EDITORIAL FROM THE POTTERS' HERALD

Mr. LEWIS of Ohio. Mr. Speaker, the action of this House last Friday, February 23, in passing the bill to extend the so-called Reciprocal Trade Agreements Act for another period of 3 years, thereby fastening upon the country for that period of time the policy of trading off American markets for some of our products for the purpose of thereby purchasing foreign markets for certain other of our products, recalls to mind the fact that one of the industries whose American markets are thus affected is the pottery industry. The fact that the people who are employed in that industry are awake to the situation and to the threat to their employment and jobs is clearly shown by an editorial appearing in the Potter's Herald of East Liverpool, Ohio, the official publication of the National Brotherhood of Operating Potters in its issue of February 22, 1940, which is as follows:

#### CONGRESS SHOULD EXPLAIN

The Congress is now considering, upon the demand of Secretary of State Hull and other State Department intellectuals, supported by President Roosevelt, the continuance of the reciprocal-trade treaties.

These trade treaties are contrary to the Constitution, are contrary to the express policy of every Democratic-controlled Congress from 1882 to 1932. They are contrary to and virtually set aside and nullify the protection of jobs and standards of living which American workers received through the Asiatic exclusion law, restrictive immigration laws, and fair labor standards law.

Secretary of State Hull, in serving as Congressman and Senator, bitterly opposed the granting of taxing and treaty-making power to any appointed officials of our Government.

Every leader of democracy, prior to 1933, has publicly opposed this type of legislation.

Daniel J. Tobin, vice president of the American Federation of Labor, president of Teamsters International Union, and chairman, of Democratic Labor Committee in 1932 and 1936, a keen student of world and labor conditions, in a leading editorial in the Teamsters February Journal, says, in part:

"The labor movement is destroyed in most of the countries of the world. That includes the Americas, north and south of the United States. If the war conditions continue for 2 years from now, what is left of the labor movement in the European countries will be destroyed because of the economic destruction due to war. \* \* \* Only those who close their eyes or through their ignorance or blindness to war conditions can fail to see that with the destruction of value in the European countries no matter who wins the war the economic conditions of those countries will be destroyed. \* \* \* The markets of the world will be drawn down and cheap labor will be forced upon all the workers of the European countries so that they can help pay the expenses of this awful catastrophe now obtaining in Europe and Asia.

The hours of labor established by the French workers' union 2 years ago have been totally set aside and instead of a 40-hour week they are now working 52 and 56 hours and will soon be working 60 hours, to meet the demands of a nation engaged in war and in danger of destruction. The trade unionists of England are alarmed and recently held a conference with the leaders of the French labor movement endeavoring to plan some method of procedure to protect the English worker; or let us put it another way—fearing that war will cause the destruction of the conditions which labor enjoys in that country similar to what has happened in France. Does anyone who has any sense believe that the economic conditions of the United States can be preserved and that union-labor wages can continue to obtain here if the world is flooded with cheap-labor products and the country invaded by the products of labor of nations driven to destruction by war expenditures?

In view of the statement of conditions so ably made by President Tobin and the historic policy of the Democratic Party we deem it fair to ask why the change in policy since 1932.



Can it be possible that international bankers, our few exporters, and our automobile, office appliance equipment, and canning trusts have been able to change this historic Democratic policy.

Surely, some explanation should be made for this most unusual change in attitude at a time when it should be apparent to everyone that American markets will soon be flooded with the products of the pauper-wage-paid workers of Europe and Asia.

Your Congressman and your Senator should know your views on reciprocal-trade treaties, the continuance of which jeopardizes your job opportunities and your standards of living.

### Omnibus-Transportation Bill

#### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

#### RESOLUTION OF ESTHERVILLE LODGE, BROTHERHOOD OF RAILROAD TRAINMEN

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks I wish to include the following resolution which I received from the Estherville, Iowa, Lodge of Brotherhood of Railroad Trainmen, regarding the omnibus-transportation bill:

ESTHERVILLE, IOWA, February 18, 1940.

To Our Honorable Representatives, Congress of the United States, Washington, D. C.:

The following resolution was adopted by Esther Lodge No. 352, Brotherhood of Railroad Trainmen at a regular meeting held February 18, 1940:

"Whereas it has come to our attention that the omnibus transportation bill is now in the hands of conference committees in both Houses of Congress; and

"Whereas said bill provides for consolidations, mergers, and abandonment of railroads which, we are informed, would add approximately 200,000 railroad workers to the army of unemployed; and

"Whereas such legislation is in direct opposition to our Government's policies regarding the unemployment situation, one of the greatest problems with which we are confronted, and

"Whereas an amendment, known as 'the Harrington amendment,' has been introduced in Congress by Congressman HARRINGTON, from Iowa, which prevents the Interstate Commerce Commission's approval of consolidations and mergers where unemployment is involved: Therefore be it

*Resolved*, That the membership of Esther Lodge No. 352, Brotherhood of Railroad Trainmen, in regular session this 18th day of February 1940, vigorously oppose the passage of the omnibus transportation bill, or any other transportation bill, without the Harrington amendment; and be it further

*Resolved*, That we respectfully request that our representative in Congress be urged to insist and request that the Harrington amendment be retained in any transportation bill reported out by committees; and be it also

*Resolved*, That in the event said bill or any other transportation bill is reported out in which said amendment is not retained, we respectfully request that our representatives vigorously oppose its passage. Be it finally

*Resolved*, That the secretary of this lodge affix his signature and the seal of this lodge to this resolution, forwarding copies to our representatives in Congress, members of both conference committees, officers of our State legislative board, President A. F. Whitney, and spread a copy upon the minutes of this lodge."

J. E. WEE,

Legislative Representative.

Attest:

O. L. Wee,

Secretary, Lodge 352, B. R. T.

### Missouri Shares in Benefits of Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. C. JASPER BELL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. BELL. Mr. Speaker and colleagues, I wish to call your attention to the specific benefits received by the State

of Missouri under the Trade Agreements Act, the extension of which we are debating today and will perhaps vote on today.

A most interesting statement came to me from Mr. Clyde Miller, district manager of the Bureau of Foreign and Domestic Commerce at St. Louis, Mo. In his statement reflecting the studies made under his direction, and by the Bureau, we can see and appreciate what has been accomplished in Missouri, a State located in the center of our Nation, and which would not be considered a heavy exporter of goods in the sense that States along our seaboard are.

His factual statement reads as follows:

#### THE SIGNIFICANCE OF FOREIGN TRADE TO MISSOURI

The drastic shrinkage of our foreign trade during the depression year, made necessary the trade-agreements program, which was authorized on June 12, 1934, by means of an amendment to the Tariff Act of 1930. Between 1929 and 1933, the year before the Trade Agreements Act was passed, our total exports declined from \$5,241,000,000 to only \$1,675,000,000. More disturbing, our trade had fallen off proportionately more than had the international trade of the world as a whole.

Missouri is both directly and indirectly dependent upon foreign trade for continued economic development and sustained prosperity. It needs foreign markets for the surplus products of its factories, its farms, and its forests. It shares in the improved domestic market created when, by selling their surplus commodities abroad, other sections of this country increase their purchasing power. Total exports reported as originating in Missouri fell from \$49,296,300 in 1929 to \$9,451,200 in 1932. As the volume of exports from Missouri, and the United States as a whole, dropped, purchasing power throughout the State was reduced, large surpluses accumulated, and prices fell. The total accountable income of Missouri fell from \$2,104,000,000 in 1929 to \$1,277,000,000 in 1932, and cash farm income declined from \$354,000,000 to \$149,000,000 between the same 2 years.

However, according to a survey which has just been completed by the Foreign Trade Bureau of the St. Louis Chamber of Commerce, St. Louis alone during the year 1938 exported \$24,600,000 of manufactured goods to 97 foreign countries.

#### BENEFITS TO MISSOURI FROM THE TRADE-AGREEMENTS PROGRAM

Since the Trade Agreements Act was approved, agreements have been negotiated with 21 countries. With so many variables in the economic situation here and abroad affecting the movement of trade it is difficult to determine precisely the extent to which trade agreements have helped in the restoration of foreign markets for American farm and factory products. It is significant, however, that United States exports to the countries with which trade agreements were in force showed an average annual increase of 42 percent in 1936-37 over 1934-35, while exports to all other countries showed an increase of only 26 percent. Annual average exports to trade-agreement countries in 1937-38 were 61 percent above the 1934-35 average; exports to non-trade-agreement countries increased only 38 percent during the same period. Missouri undoubtedly shared in these increased exports.

#### CONCESSIONS OBTAINED WHICH BENEFIT MISSOURI FARMERS

Grains and flour, meat and meat products, boots and shoes, electrical machinery, chemicals and allied products are examples of important products of Missouri for which expanded and more stable foreign outlets have been obtained in trade agreements.

Wheat growers and flour millers of Missouri are benefited by concessions obtained for wheat and wheat flour contained in 11 agreements. The United Kingdom removed the duty on wheat, two countries bound the rate of duty, Canada reduced the duty, and two countries granted annual quotas. On wheat flour, seven countries either reduced the duty or gave assurances that existing duties would not be increased. The United Kingdom agreement removed the margin of Empire preference in five colonies.

Missouri producers of corn and oats are particularly interested in concessions obtained in 8 agreements on corn and corn products, and in 10 agreements on oats and oat products.

The livestock farmers and meat packers in Missouri benefit directly from concessions obtained in 17 agreements on various kinds of meat and meat products. Reductions in the tariff rates on lard have been obtained from eight countries, the duty was removed by one country, and the duty was bound against increase or increased annual quotas were obtained from four countries. The United Kingdom increased the annual quota for American hams and bound them on its free list. Twelve other countries granted some form of tariff concession on American hams, bacon, fresh, frozen, or cured pork, beef, and veal.

#### BENEFITS TO MISSOURI INDUSTRY

Of particular interest to the Missouri manufacturers of leather goods are the concessions obtained on leather and leather manufactures in 19 agreements. Four countries reduced their duties on leather footwear and selected leather manufactures; one country bound its duty on leather footwear; two countries bound their duties on selected leather manufactures; one country gave assurance that the quota would not be decreased on leather footwear; and many other concessions were received on raw hides and skins, upper leather, patent upper leather, and other selected leathers.

Provisions facilitating the restoration and expansion of America's export trade in electrical machinery are contained in 16 agreements. These provisions include reductions in duty, assurance against any increase being made in the existing rates of duty, and removal of the rates of duty on such electrical machinery and apparatus as electrical household refrigerators, telephone and telegraph apparatus, vacuum cleaners, electric heating and cooking apparatus, incandescent light bulbs, power-plant equipment, radios, and on a great variety of other electrical appliances.

Missouri's manufacturers of chemicals and related products benefit directly from the concessions which have been obtained for such articles in 17 trade agreements. Ten countries granted reductions on various medicinal and pharmaceutical preparations; 3 countries reduced and 2 countries bound the duties on biologics. Nine countries reduced or bound the tariff rates on various industrial chemicals. On paints and pigments, 10 countries reduced the duties, 1 country bound its duties against increase, and one bound its duties and increased the quota.

In addition to the direct concessions obtained, there is a most-favored-Nation provision in each trade agreement which automatically extends to American products reductions or limitations on tariff rates granted by the agreement country to countries other than the United States. For example, lower tariff rates on some 600 items formerly extended by Canada to France but not to the United States, now apply to American commodities. Among those Missouri is interested in reductions on meat products, on wheat and flour, on certain leather goods, on electrical apparatus and supplies.

#### BENEFITS TO MISSOURI LABOR

Many thousands of the persons employed in Missouri owe their jobs to the export trade of the State. The trade-agreements program by reopening and expanding foreign markets increases the demand for labor. When foreign countries increase their demand for American products, industry must employ greater numbers of wage earners to produce these commodities. Increased employment in industries manufacturing for export provides enhanced domestic consumer purchasing power and creates greater employment opportunities for those engaged in supplying the domestic market.

#### MISSOURI BENEFITS AS THE UNITED STATES BENEFITS

There is a direct interrelationship between prosperity of any section of the country and prosperity of the country as a whole. Thus, the concessions obtained on American products not produced in Missouri indirectly benefit the citizens of the State by creating increased domestic demand for meat, shoes, wheat, machinery, tools, automotive parts, cotton goods, paints and drugs, and the many other products of Missouri.

Expanding foreign and domestic trade means greater tonnage to be handled by railroad, steamship, and truck transportation industries. This in turn means more and steadier employment in these lines as well as in such service industries as banking, brokerage, advertising, insurance, and warehousing.

As a sample of what industrialists think of the Reciprocal Trade Agreements Act, I wish to call your attention to a letter from Mr. F. Edward O'Neil, president of the Fulton Iron Works Co. His letter is typical of many that I have received from my home State.

Mr. O'Neil's letter reads as follows:

You have no doubt heard of the political agitation to prevent an extension of the reciprocal trade agreement powers of the Department of State.

The important thing is whether or not the policies inaugurated by Secretary Hull in making reciprocal-trade agreements are of value to the wage earners, businessmen, and farmers of the country. It does not take much investigation to show that substantial benefits have accrued to all of these classes.

In St. Louis the question was raised as to what export trade meant to our community. Through the foreign-trade bureau of the St. Louis Chamber of Commerce a complete and detailed survey was made. Over 2,000 questionnaires were sent out. The replies showed that St. Louis exported in 1939, \$24,000,000 worth of manufactured goods and imported between fourteen and fifteen million dollars' worth of articles, most of them being raw materials, such as coffee, cocoa, rubber, etc.

If these figures are typical of other cities, little can be said in condemnation of a policy which has thus helped the exporter and the importer. We in foreign trade are all thoroughly convinced that a large portion of this business represents the results of Secretary Hull's activities, particularly since the figures do not extend into the period of the war in Europe.

A break-down of shipments of exports from the United States to Cuba, for instance, shows the following sources from which the goods originate:

July-September

	Percent
Farmers.....	46.5
Manufacturers.....	39.9
Lumbermen.....	7.5
Miscellaneous.....	6.1

In the first three-quarters of 1939 we exported to Cuba alone over 650,000 tons of commodities, one-seventh of which was rice from Louisiana. In order of tonnage the list is as follows: Wheat flour, lumber, petroleum, chemicals, fruits and vegetables, iron and steel, food meats and lard, textiles, paper, autos and machinery, grains, wire and pipe, and glass.

As a measure of the importance of exports to our national economy it might be mentioned that statistics covering the year ending in June 1939 show that the United States contributed over 36 percent of goods imported by Latin America. This is more than Germany, Great Britain, and France combined shipped to that market. Plainly, this is no minor item in our economic life; nor are the policies which brought this about lightly to be sacrificed to the ambitions of any particular group.

I would like to emphasize that the exporters in this district are fearful of what may be in store for them in this session of Congress when the reciprocal trade agreements program is attacked. We think that any reversal of this policy will be gravely detrimental to the interests of business and labor in Missouri.

This statement would not be complete without calling your attention to the opinions voiced by three great newspapers in my home State. They reflect the public opinion of the residents of my State. Those newspaper-editorial comments I wish to insert are from the St. Louis (Mo.) Post-Dispatch, the Kansas City Star, and the Kansas City Journal.

[From the St. Louis (Mo.) Post-Dispatch of January 9, 1940]

#### LABOR AND THE TRADE AGREEMENTS

An end of Secretary Hull's reciprocal-trade policy and repudiation of the agreements already signed has been demanded by the Wage Earners' Protective Conference, the A. F. of L. tariff group.

Leaders of organized labor, including John L. Lewis, have spoken against these multilateral pacts before this, but hardly in the sweeping terms with which Matthew Woll, a vice president of the federation, has sought to throw the weight of his organization against the administration in this instance.

Of course, it is obvious that some portion of the American working class is directly affected by these pacts. As an example, one can cite the effect of the Czech agreement on our shoe workers.

However, as James M. Carey, president of the C. I. O.'s clerical workers, has pointed out, it should not be forgotten that these so affected are only a handful among our workers. Their loss is more than offset by the reduction in living costs and the general increase in industrial activity brought about by the treaties.

Before pressing these demands, so far articulated only by a minority group in the labor camp, the high commands of both the A. F. of L. and the C. I. O. should ask themselves whether they are ready to adopt a stand that is penny-wise and pound-foolish. In other words, are they ready to raise prices—prices that all their members must pay—for the benefit of only a few holders of union cards?

[From the Kansas City (Mo.) Star, December 26, 1939]

#### THOSE FLOODING IMPORTS

The other day Senator McNARY, of Oregon, declared that the recent wartime depreciation of the currencies of France, Great Britain, and Canada had released upon this country a flood of imports which were competing with American products, and, inferentially, undermining our economic structure.

The latest available figures, however, far from bearing out Senator McNARY's assertion, appear to contradict it. Our imports from Canada in September, indeed, did show an increase of some \$23,000,000 over the corresponding month of 1938. But our exports to the same country rose by nearly \$36,000,000. In the case of Great Britain our imports for that month were higher by \$1,000,000, our exports by \$8,000,000. As for our trade with France, the September imports actually were off four and one-half million dollars, while the exports increased slightly.

In other words, there is no statistical sign of any such "flood" as the Republican leader mentioned. On the contrary, the figures imply that, despite the dislocations of the first month of the war, the trade pacts were continuing to stimulate international commerce and to stimulate it primarily in the form of larger exports from the United States.

[From the Kansas City (Mo.) Journal, January 8, 1940]

#### THE WRECKING CREW

The Republican minority in Congress is ganging up on the law empowering Secretary Hull to negotiate trade treaties and will attempt to establish that these reciprocal agreements have hurt the farmer. Their conduct is consistent with past Republican tariff policy. In the matter of tariffs the Republicans have sold the farmer down the river for half a century while pretending to be his friend.

The Hull treaties represent the first attempt in our economic history to approach the tariff from a national rather than a selfish, sectional viewpoint. Under the old method the group with the most to spend on a tariff lobby got the most out of the tariff law. Mr. Hull has put an end to lobbying, logrolling, and all the other abuses which make the tariff a sordid chapter in our national affairs.

The last Republican tariff, enacted in 1930, was directly responsible for the establishment of foreign-trade barriers against American commerce. It aided in destroying the farmer's market. Hundreds of economists warned against its effects. Even Herbert Hoover signed it reluctantly. But the grabbing, selfish interests had their way. American industry and agriculture, instead of



being protected, were dealt a crushing blow in those early depression years when they needed a stimulant rather than a club.

"The proposed changes in the trade-agreements law include one to require their ratification by Congress. There can be no reasonable objection to that. In the hands of a State Department controlled by special interests, the law could be grievously abused. The main thing is to keep its principle intact, to avoid a return to the old grab-bag system under which Congressmen swapped favors and the tariff emerged in a hopeless jumble."

These statements are conclusive of the consensus of opinion of the majority in Missouri. I know that if submitted to a referendum vote, Missourians would vote to continue the reciprocal trade agreements program because of the benefits which have accrued to our State and the realization of Missourians that only through this program can the artificial-trade barriers erected under Republican administration be eliminated.

### Stream Pollution Legislation

#### EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. ELSTON. Mr. Speaker, within a few days this House will undertake the consideration of a bill designed to control and eliminate so far as possible the menace of water pollution in the United States. This bill (S. 685) sometimes referred to as the Barkley-Spence bill, passed the Senate last year. In the form in which it passed the Senate it was virtually a repetition of a similar bill which passed both Houses in the Seventy-fifth Congress and was later vetoed by the President, solely because of the manner in which it provided for the authorization of loans and grants-in-aid. Not only have the President's objections been fully complied with in S. 685 but on February 15, 1939, the President directed a special message to Congress in which he expressed the hope that at this session of Congress the whole problem of water pollution would receive our attention. In the same message he added that he fully subscribed to the general purpose of the act which he had vetoed and that it was long overdue for the Federal Government to take vigorous leadership on this subject.

S. 685 as it passed the Senate provided for grants-in-aid and loans from the Federal Government to the States or their subdivisions as well as industry. When this measure was first reported to the House by the Committee on Rivers and Harbors the provision for grants-in-aid to industry was eliminated. That committee has now recommended that the provision for grants-in-aid to States and their subdivisions be also eliminated. Hence the bill to be considered by the House will provide only for Federal loans, the same to be made through the Reconstruction Finance Corporation. An authorization for \$700,000 per year for surveys and studies of stream pollution has also been stricken from the new bill in the interest of economy. The only appropriation now sought to be authorized is the sum of \$250,000 per year for expenses incident to the administration of the act. It is contemplated that the act will be administered through the United States Public Health Service. Within that division a board is provided to assist in administration. It will consist of four commissioned engineer officers of the Public Health Service, a majority of whom shall be experienced in sanitary engineering, and the Chief of Engineers of the United States Army.

This bill is the culmination of 26 years of intensive study of stream pollution on the part of the Public Health Service. This agency has been working with the States in the solution of health problems of mutual interest since 1880. Better health has been obtained without infringing upon States' rights. Based upon past experience, Federal and State cooperation is the proper method for handling the problem of stream pollution rather than through full and complete Federal control. S. 685 seeks to handle the stream-pollution question by the cooperative method. Those who object to this measure do so primarily because they claim its provisions are not drastic enough. They would give to the Federal Gov-

ernment the power, through injunction proceedings, to compel every State, municipality, or other public body, as well as industry, to cease stream contamination. A more palpable invasion of State's rights can scarcely be imagined. The willingness of the States to solve the water-pollution problem is illustrated by the rapidity with which they have ratified the interstate compacts essential to enforcement through the cooperative plan. It is further demonstrated by results accomplished during recent years.

Surg. Gen. Thomas Parran, of the United States Health Service, pointed out in the committee hearings that during the last 5 or 6 years a great increase has taken place in the amount of sewage-treatment works which have been constructed, many of which were made possible through Federal grants-in-aid. Data collected by the Public Health Service shows that 55 percent of the urban population of the country is served by sewage-treatment plants, representing an increase of 25 percent in sewage treatment during that period. Dr. Parran testified that more progress has been made in municipal pollution abatement in the United States during the past 6 years than in the preceding 25 years. There has not developed the necessity to resort to the drastic methods proposed, for example, in H. R. 7971, sometimes referred to as the Mundt bill, even if we were willing to assume that Congress would permit, or the American people tolerate, an unprecedented surrender of States' rights. Fancy if you will the spectacle of the Federal Government instituting injunction proceedings against a State, a city, county, or township, and possibly the imposition of a fine or jail sentence against their officers for noncompliance with the edict of a Federal agency. I am not convinced that those who believe in the sanctity of States' rights are ready to adopt that type of legislation.

Machinery for enforcement already exists within virtually every State in the Union. The nuisance of pollution may be abated by injunction proceedings within the States and, in many instances, specific penalties are provided for those who contaminate our waterways. Supplementing these remedies will be the authority conferred upon the States acting together under the interstate compacts authorized by the Seventy-fourth Congress for the purpose of combating the alarming increase in water pollution. The legislatures of the States to which compacts authorized by this act have been submitted have, without hesitation, ratified them. Notable among the compact agreements is the Ohio River water sanitation compact between the States of Illinois, Indiana, Kentucky, New York, Ohio, Pennsylvania, Tennessee, and West Virginia.

A further compelling reason against the necessity for the Federal Government to assume the extraordinary control over the States contemplated by the Mundt bill—even if we were to assume that such power was within constitutional limitations—is the willingness of local bodies and industry within affected areas to cooperate. In his testimony presented to the Rivers and Harbors Committee in support of legislation of the cooperative rather than the coercive type, General Parran further said:

In my view, the States and industries will be glad to have this Federal assistance so that a few years in the future, instead of having a job which is 50 percent done, we shall have a job which is 75 or 80 percent done. And if there still remain a recalcitrant 20 or 25 percent which is not willing to clean up as a result of this type of law, then I think will be the time to consider more stringent regulatory Federal legislation.

General Parran also stated that in New York State alone during the past 6 or 7 years more progress has been made than in all of the years previously, largely as a result of Federal assistance.

Judging from letters recently received by Members of Congress, the objection to S. 685 comes principally from the Izaak Walton League. While this organization favors the objectives of this bill, it objects to cooperative methods. It insists upon drastic Federal control and approves of enforcement by Federal injunction proceedings against the States, their subdivisions, and industry. That the Members of the House may know to what extent legislation similar to S.

685 has been approved, I am appending hereto a list of the groups and organizations referred to in the committee hearings as endorsing it. To this imposing list might be added the States themselves and the countless municipalities or other public bodies, the lives of whose citizens are being menaced by contaminated water. The population of the Ohio River Basin alone is 17,000,000 people. Raw, untreated sewage from localities containing almost 6,000,000 persons is discharged daily into the Ohio River and its tributaries. In addition thereto treated sewage from areas containing 2,500,000 additional persons is discharged into the Ohio River and its tributaries every day. Six million two hundred thousand persons are supplied with water from the Ohio and its tributaries.

The time was when the Ohio River flowed freely and thus created, to a limited extent, a natural process of purification; but it is now a series of navigation dams consisting of more than 50 in number. During low water these dams retard the flow and create a series of pools. Near the larger cities they are open cesspools and from such places these cities derive their water supply. I am sure that the views of millions of people in this and other similar areas in the United States are more to be considered than the expressions of officers of the Izaak Walton League. In his testimony before the Rivers and Harbors Committee, the general manager of this league, when asked as to the membership of the league, stated:

We have about 25,000 members in good standing. We have about 100,000 that call themselves members of the Izaak Walton League, but they are just a little slow in paying their dues.

Obviously, many of the members of this organization do not depend for their water supply upon polluted streams nor does the protest of the organization necessarily reflect the views of the entire membership.

Some opponents of S. 685, although agreeing with the objectives of the bill, have urged its defeat or recommitment for further study. This, I submit, would either kill stream-pollution legislation entirely or defer further consideration for a long time. In the light of the long years of study given this subject by the Public Health Service and the Army engineers, further delay would not only be unwise but highly dangerous. The deplorable conditions existing in many sections of the country call for prompt action. To delay is to gamble with the lives and health of millions of people. If there are any imperfections in S. 685, they may in subsequent years be corrected by Congress, but the entire program for the elimination of stream pollution should not be scuttled because of a difference of opinion as to methods of accomplishment.

ORGANIZATIONS WHICH HAVE INDICATED THEIR APPROVAL OF LEGISLATION  
SIMILAR TO S. 685

Alabama Department of Health.  
American Public Health Association.  
American Society of Civil Engineers.  
American Water Works Association.  
Arizona State Department of Health.  
Arkansas State Board of Health.  
Brewers' Association of Greater Cincinnati.  
Camp Fire Club of America.  
Chamber of Commerce of the United States.  
Cincinnati (Ohio) Board of Health.  
Cincinnati Chamber of Commerce.  
Colorado Division of Public Health.  
Conference of State and Provincial Health Authorities of North America.  
Conference of State and Territorial Health Officers.  
Conference of State Sanitary Engineers.  
Construction League of the United States.  
Dayton Business and Civic Association.  
Delaware State Board of Health.  
District of Columbia Health Department.  
Evansville (Ind.) Chamber of Commerce.  
Florida Section, American Public Health Association.  
General Health Council of Allegheny County, Pa.  
Great Lakes Board of Engineers.  
Great Lakes Board of Engineers and Upper Mississippi River Board of Engineers.  
Great Miami Valley Taxpayers Association.  
Greenup (Ky.) Chamber of Commerce.  
Health Officers (Municipal) Association.  
Idaho Department of Public Welfare.  
Indiana State Board of Health.  
Interstate Commission on Delaware River Basin.  
Jefferson County, Ky., fiscal court.  
Kansas State Board of Health.

Louisiana State Department of Health.  
Louisville (Ky.) Board of Trade.  
Ludlow (Ky.) Business Men's Association.  
Maryland State Department of Health.  
Mason County (Ky.) Health Department.  
Massachusetts Department of Public Health.  
Master Brewers Association of America.  
Minnesota Department of Health.  
Missouri State Board of Health.  
New England State Health Officers.  
New England Water Works Association.  
Newport (Ky.) Chamber of Commerce.  
New York State Board of Health.  
New York State Sewage Works Association.  
Norfolk (Va.) Association of Commerce.  
Ohio Chamber of Commerce.  
Ohio Conference on Sewage Treatment.  
Ohio State Medical Association.  
Ohio Valley Conference of Food, Drug, and Health Officials.  
Ohio Valley Improvement Association.  
Ohio Valley Regional Planning Commission.  
Ohio Valley Water Sanitation Conference.  
Oklahoma Department of Public Health.  
Public Health Federation, Cincinnati, Ohio.  
Sanitary engineering division, American Society of Civil Engineers.  
South Dakota State Board of Health.  
Southwestern Ohio Sportsmen's Club.  
Tennessee Department of Public Health.  
Texas Board of Health.  
Texas State Legislature.  
Texas Water and Sewage Conference.  
Upper Mississippi River Board of Engineers.  
West Virginia State Board of Health.  
Wisconsin State Committee on Water Pollution.  
Thirty-fourth Annual Conference of State and Territorial Health Officers.  
Connecticut State Water Commission.  
American Public Health Association.  
American Institute of Park Executives and American Park Society.  
Youngstown Chamber of Commerce.  
J. Spencer Smith, president of State Board of Commerce and Navigation of New Jersey.  
Boards of health commissioners, Great Lakes and upper Mississippi River drainage basin sanitation agreements.  
American Forestry Association.  
Engineering News Record.  
Indiana Department of Commerce and Industries.  
American Paper and Pulp Association, Association of Newsprint Manufacturers, National Paperboard Association.  
Kentucky State Medical Association.  
Virginia State Board of Health.  
Illinois State Sanitary Water Board.  
Iowa State Department of Health.  
El Paso-Hudspeth County Health Unit.  
San Antonio, Tex., C. K. Quin, mayor.  
Illinois State Sanitary Water Board.  
Ohio State Department of Health.  
Dr. Fred O'Flaherty, professor of leather research, University of Cincinnati.  
Independent Petroleum Association of America.  
Mississippi Valley Association.  
American Mining Congress.  
National Association of Manufacturers.  
Manufacturing Chemists' Association of the United States.  
Anthracite Institute.

Republican Rally, Council Bluffs, Iowa

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

ADDRESS BY A. M. PIPER

Mr. JENSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I hereby include the following speech delivered by Mr. A. M. Piper, editor of the Council Bluffs Nonpareil, at the Seventh Iowa District Republican rally at Council Bluffs, Iowa, on February 8, 1940:

Tonight I step out of character and talk to you face to face instead of through the columns of the Nonpareil. I shall try to summarize and emphasize some of the things I have been saying in print about national affairs.



The function of an editor, as I understand it, is to discuss the news and advocate policies and principles in which he believes. In so doing he stimulates discussion and gets people to thinking and talking about matters that concern them and vitally affect their daily living.

We need to be more concerned about current events and issues. We need to exchange ideas. We should have more discussion of public affairs.

Freedom of the press and freedom of speech are precious rights that we of this era often fail to appreciate. In many lands a meeting like we are holding tonight either would not be permitted or government agents would be present and any free expression of opinion would be ruthlessly suppressed.

I am going to speak briefly about our present national situation as I see it. Then I shall venture to offer some suggestions regarding a few of the "hot potato" issues the Republicans will have to handle in the coming campaign.

The United States is almost the only great nation in which a free election can possibly be held in this year 1940. All of the others are at war or ruled by dictators or both. Our own country has moved toward dictatorship during the last 7 years. It cannot be denied that the trend is still in that direction. Despite some checks and interruptions, more power is constantly being centralized in Washington. Every State is dependent on Federal favors. Every county, city, town, and school district gets the consent and approval of various Federal boards and officials before embarking on any important project involving the expenditure of considerable sums of money. We are losing the ability and with it the power to run our own affairs. Our elected officials appear, hat in hand, before Federal overlords and make obeisance, begging for funds their communities have already paid in taxes or will have to pay in the future.

What is true of our public officials is also true of business firms and individuals. Literally millions of people look to Washington for succor and assistance.

And what about Washington? Any observing person who has been there in recent years or is at all familiar with national affairs cannot but be aware that chaos pervades almost every branch of our National Government. What we have in Washington today is really not a government at all but a heterogeneous collection of conflicting boards and bureaus without efficient administration. Power runs riot. Department heads are often figureheads. Congress is bewildered. Is it any wonder that the confusion in the National Capital is beyond belief? But the President enjoys it. In his Jackson Day address he said it was a lot of fun.

Do you ever wonder if there may be a method in all this madness? I do. I think that subversive forces are at work, secretly planning the destruction of our free institutions and of our national economy.

We have only to look abroad to see what has happened to other peoples whose government finances reached the state toward which we are rapidly moving. Without exception every nation whose budget has gotten out of control has become a dictatorship.

Our national resources developed by a determined, industrious, and intelligent people in 150 years of individual effort have enabled the most extravagant and wasteful administration in our history to function so far without precipitating a catastrophe. But we know that spending at the present rate cannot be continued much longer.

#### NATION'S PROBLEMS UNSOLVED

We also know that the problems that perplexed and dismayed the Nation 8 years ago have not been solved. Anesthetics and shots in the arm have made some of our sufferings less acute but no sound recovery has been achieved. The New Deal has failed.

This fall the American people have the opportunity to start the country in another direction. It is the duty and privilege of the Republican Party to make the issues clear, organize an effective campaign, win the election, and restore sanity and sound government to the Nation. This is a fitting and appropriate year for such a crusade. Just 80 years ago the Republicans won their first election and saved the country from disunion and disaster.

It would be pleasant to recount the progress and development of the United States under 56 years of Republican administrations but I shall forego that satisfaction and turn my attention to the task that is before us. How shall we proceed?

First let me say that it will not be enough to dilate on the mistakes of the present administration and damn the New Deal. We have something vastly more difficult and important to do than that. Something that will require the best brains and the highest intelligence we can muster.

Nor will it be sufficient to promise in general terms to give the people a better administration of their affairs. We must offer concrete, constructive, practical plans to correct mistakes and improve conditions. We must formulate a platform that will inspire confidence. I think it should be brief, couched in words that everybody can understand. It ought to be an optimistic, affirmative, living document worthy of a great party and a great nation. It should present an authentic picture of the great future that can be ours.

We must nominate candidates for the various offices who will command support and create enthusiasm. We have such men in the Republican Party, many of them. The candidates for the Republican Presidential nominations are able, substantial citizens eminently qualified to preside over the Government. Whoever is nominated will be supported with enthusiasm.

We must be prepared to meet the issues boldly and without equivocation. This is no time for weasel words.

I am convinced that the Government's financial situation will prove to be the most important issue of the campaign. It is the most urgent problem before the country. Ruin is ahead if we cannot reduce expenditures and bring the Budget into balance.

No individual, family, or group can have any security as long as the Treasury has a deficit of billions every year. Businessmen cannot make plans and provide new jobs. Workers cannot be sure of holding the jobs they have. Farmers cannot expect stable prices. Owners of life insurance and savings cannot have any idea what their holdings will buy a few years hence. The whole social and financial structure of the country may crash. It will not do for the Republicans to promise to balance the Budget and let it go at that. We must outline pretty definitely how we propose to do it. We must list specific economies that we propose to put into effect.

#### PATRIOTISM DEMANDS ECONOMY

A great deal has been said about economy but I do not believe it has been said in the right way. It should be urged not as a disagreeable necessity but as a patriotic course to pursue. You cannot make me believe that the American people will spurn economy if they are convinced that loyalty to their country demands it.

At the same time we must face the fact that millions of families are dependent on the Federal Treasury for the necessities of life. This situation will not be changed overnight. For a year or so at least the Government in conjunction with States and local communities will have to disburse considerable funds to prevent suffering. We are not going to let people starve. But we can stop waste, demobilize the political bureaucracy that absorbs so much of the relief funds, and see that help gets to all the people who really need it. Relief activities should be organized from the bottom up instead of from the top down, as at present. Here is what I mean. Not long ago the city manager of Cincinnati declared that city could provide more adequate relief and do a better job with half what the W. P. A. was spending there if the money could be handled by local agencies. The same thing is true in practically every community.

Our relief problem is largely due to unemployment. What do Republicans propose to do about that? The only answer is more jobs in private industry. We must release American enterprise from the tangle of oppressive regulations now strangling it. We must give the country a government that will encourage business expansion under reasonable regulations instead of a government that treats businessmen as public enemies.

The National Labor Act must be made fair to both employees and employers. The Securities Act must be amended to release capital for investment. A clear comprehensive plan for the encouragement of business is perhaps the greatest service we can render our country in this campaign.

American youth, many of whom have never had regular jobs, will welcome such a plan and enthusiastically support the party that offers it. Our young folks want something better than the N. Y. A., C. C. C., and W. P. A. They want the kind of jobs a revival of business will provide. It is up to us to convince the country that business will be given a fair chance under a Republican administration. We must stick to our guns on this issue.

#### THE FARM PROBLEM

The farm problem is still with us. It is older than this depression, and it is of primary concern to Iowa and the Middle West. Conditions are better than in 1932 and 1933 but not as good as in 1929, when they were by no means satisfactory. The palliatives now in effect are helpful, but how long will they last? Not even their most zealous proponents know. Certainly the problem cannot by any stretch of the imagination be considered solved when the whole program is dependent upon congressional appropriations for a year at a time. Look at the present situation. The House has just passed a bill reducing appropriations by nearly half. It will be weeks, perhaps months, before the matter is settled.

Farmers must have some better assurance of stability than the whims of Congressmen, most of whom represent districts in which farming as we know it is a minor occupation.

We may as well face the fact that it is not going to be easy to formulate a farm program. But I am convinced of one thing. We must start from where we are today, not where we were 10 or 20 years ago. We must not ask the farmers to surrender the advantages they have gained for something even more uncertain. The Federal Government has started to help the farmers, and it will have to continue to do so. Congress has put its hand to the plow, and it cannot let go.

Farmers constitute the only large group in the country who have practically nothing to say about the prices of what they have to sell. Manufacturers control output and fix the prices of their goods. Merchants regulate the size of their stocks and sell at fixed prices. Of course both have to make concessions from time to time but by and large they keep production and prices under pretty good control. Industrial and other workers are organized and have a great deal to say about their wages.

But the farmer has to read the papers or listen to the radio to find out the prices of wheat, corn, hogs, cattle, and everything else he produces.

Just suppose that Ford, Chrysler, and General Motors had to consult the papers every day to find out what they were going to get for their automobiles. Or International Harvester had to call up the market to find out the prices of corn planters, cultivators, mowers, binders, and tractors.

Farmers cannot control production and fix prices as manufacturers do. There are too many of them, they are too scattered, and what they raise depends on too many uncontrollable factors. Quite naturally they turn to their Government for help. They have

received assistance, and we cannot expect their support if they think farm benefits will be discontinued under a Republican administration. We cannot dodge this issue. The farmers will not be fooled by dissertations on the economy of abundance and by vague promises.

#### RETAIN GOOD FEATURES OF A. A. A.

I don't like the excessive administrative costs, the red tape, regimentation, and some other features of the A. A. A. Perhaps a better plan can be devised. But remember this, Republicans: We haven't thought up anything better yet. Therefore I am convinced that the Republican platform should guarantee continuance of soil-conservation payments, corn loans, and other A. A. A. features that are working satisfactorily, at least until greater markets for farm products can be developed.

Probably some appropriations will have to be reduced. The farmers expect that. They realize the Government cannot keep on going in the red year after year. They will do their share toward balancing the Budget for they are just as patriotic as the rest of us but they do not propose to have all the cuts made at their expense. We must assure them that will not occur.

I now come to a subject which we have ignored and brushed aside too long. I refer to our foreign policy. Our Nation has no consistent foreign policy. The Republican Party must formulate one and tell the country what it is. I do not pretend to be qualified to discuss this important question but I venture a few observations. We want to keep out of the war and we intend to keep out of it. At the same time we are not indifferent to the outcome of the struggle now going on in Europe. We do not propose to send any armed forces overseas but we should not set up obstacles that would prevent the allies from securing needed supplies in this country.

The whole international situation is menacing and we cannot be oblivious to what is transpiring beyond the seas. The United States is a part of the world and must participate in world affairs in a manner consistent with our rank among the nations. Our next President will be called upon to make many crucial decisions. The people have a right to know by what principles he will be guided and these should be set forth clearly in the platform upon which he is elected.

I have mentioned only four or five of the issues that will be debated during the campaign on which we are about to enter. Our national problems are many and great. Some of our people are so discouraged they think our problems cannot be solved. That is not true. The present administration has demonstrated its inability to achieve a solution. That is why we have chaos. But we can solve the Nation's problems if we have the will to do so. I believe the Republican Party will rise to the occasion.

#### BANISH DEFEATISM

Our first task is to drive defeatism out of the country. Republicans have restored confidence and accomplished what seemed to be impossible many times in the past. Under the leadership of Abraham Lincoln Republicans reunited a divided country. After the Civil War Republican administrations guided the country through a great era of reconstruction and expansion.

Some of us here tonight can remember the depression and despair of the nineties. McKinley was elected President in 1896, and by the turn of the century we were on our way to still greater achievements. All of us recall how quickly Republican administrations brought order out of chaos, reestablished sound government, and restored prosperity after the World War. I do not ignore or condone the mistakes of the latter twenties, but I am as sure as I am standing there that if the Republicans had won the 1932 election the depression would have been over and prosperity would have returned long ago.

The American people have been misled during the last 8 years, but they are coming to realize that a Republican administration assures them better business, better living, better jobs, and a better chance for success in whatever occupation they may engage. The majority cannot be fooled all the time. I do not believe they will be deceived this year.

By telling the people the truth, by presenting practical plans to remedy conditions, by nominating candidates of character and ability we can wage such a campaign that victory will be a certainty.

This is our year of opportunity. Once more it is for Republicans to lead the country forward to greater achievements.

### The Democratic Weapon of Investigation and Exposure

#### EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

RADIO ADDRESS BY HON. J. PARNELL THOMAS, OF NEW JERSEY

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following

address delivered by me over station WOR, New York City, February 22, 1940:

American citizens and friends of America, after a year and a half of investigation and public hearings by the Dies committee, one fact stands out above all others—the subversive movements emanating from Moscow and Berlin are on the run. The old subterfuges and the old appeals no longer work. Let no one jump to the conclusion, however, that the emissaries of Stalin and Hitler have gone out of business here or that the work of the Dies committee is finished.

A spirit of public alertness to the menace of these foreign-controlled agencies has become prevalent. It is no longer safe to join this or that innocent-sounding organization without further inquiry into the unseen controls that are manipulating it for ulterior purposes. It is no longer safe to break the laws of this country on behalf of Russia and Germany. The Dies committee has taught the innocent dupes and the guilty lawbreakers as well that it means business in exposing to the light of day the un-American outfits that have so long operated here with impunity and often with the official blessing of the New Deal. All of this has been accomplished without jeopardizing even in the slightest degree the civil liberties that we cherish and without throwing us into a state of national hysteria. True, the Communists and the Nazis have tried to use the Bill of Rights as a shield for their attacks upon America. They have set up a howl that their democratic rights have been invaded. The real truth is that the exposure of the aims and the methods of the Communists and the Nazis has done much to preserve the democratic rights and institutions of our whole people. It may well be doubted whether any greater service has ever been performed for the preservation of the Bill of Rights in this country than the work of exposure.

The odds against the committee have often been great. Every device of misrepresentation, distortion, and smearing at which the Communists and their fellow travelers are so expert, has been used against the committee. There is good evidence for the belief that these same persons have expended at least five times the money the Dies committee has had at its disposal just for the purpose of putting pressure on Congress to bring the work of the committee to an end. The record of the Roosevelt administration is one of a lack of cooperation with the committee and its work. But the country and the Congress have given the Communists, the Nazis, their fellow travelers, and the New Deal forces a resounding rebuke in the overwhelming support which has been given us. The people of this country are at least 85 percent behind the committee. The House of Representatives voted 17 to 1 in favor of continuing the work of the committee.

The Communist and Nazi casualties resulting from the work of the Dies committee have been too numerous to catalog at this time, but certain outstanding examples will serve to show the power of the democratic weapon of investigation and exposure.

The latest of these casualties is William Weiner, the national financial secretary of the Communist Party. Weiner has been convicted for fraudulently representing himself as an American citizen. Weiner testified before the Dies committee that he was born in Atlantic City, and in so doing committed perjury. In addition to being the national treasurer of the Communist Party, Weiner has been the head of the International Workers Order and one of the chief officers of World Tourists. His recent conviction follows that of Browder and Fritz Kuhn.

If the law-enforcing agencies of the New Deal administration do their plain duty, there will be more convictions—scores of them. In that connection, however, I must point out one instance of the shocking situation in which certain new dealers find themselves with reference to the fulfillment of their sworn duty. This month, a Federal grand jury in the city of Detroit returned indictments against a group of Communists and Communist sympathizers for recruiting soldiers for the Spanish civil war on American soil in clear violation of the laws of this country. After a few days, the present Attorney General of the United States, Mr. Robert H. Jackson, threw these indictments out. When we look at the record, the answer to his extraordinary course of action will become plain. On August 4, 1938, the Daily Worker, official newspaper of the Communist Party, carried the following headline: "Peace March Is Endorsed by Jackson." In the article which appears underneath this caption, we read: "The march will be led by more than 200 veterans of the Abraham Lincoln Brigade." Earl Browder, convicted general secretary of the Communist Party, testified before the Dies committee that more than 60 percent of the veterans of the Abraham Lincoln Brigade were members of the Communist Party. We, therefore, have the astonishing spectacle of the present Attorney General of the United States having been one of the endorsers of the parade which was led by veterans of the Abraham Lincoln Brigade. This highest law-enforcement official of the United States Government has disqualified himself to prosecute those who had illegally recruited these Communist soldiers whose parade he publicly endorsed.

On January 23 of this year I announced on the floor of the House of Representatives that the American League for Peace and Democracy would shortly fold up and go out of business. That prediction was fulfilled in a little more than a week. The American league thus became the chief casualty from the work of the Dies committee. A year ago this Communist-dominated organization which professed an interest in peace and democracy was claiming adherents totaling seven and a half million people. When the spotlight of the Dies committee was turned upon it, the American



league could not stand the exposure. The members of the Dies committee were denounced as followers of "sordid procedures" when we exposed the fact that 563 tax-supported employees of the New Deal were listed among the members of the Moscow-controlled American league.

In the case of the American League for Peace and Democracy and also in the case of other transmission belts, the Communists dissolved the organization for the purpose of starting all over again. Already the American League for Peace and Democracy is being followed up with committees for democratic rights and with "keep America out of war committees," the latter featuring the slogan "The Yanks are not coming." The Communist Party, it is evident, has not gone out of the business of running front organizations. It is only changing fronts. Both the policies and the personnel of the old organizations have been carried over into the new. It is clear that the Dies committee must stay on the job to continue the work of exposure.

Today I am going to venture another prediction: The American Youth Congress faces early dissolution. Two weeks ago this Communist-controlled group, professing to represent the interests of millions of American young people, held a gathering in Washington with more than 3,000 delegates attending. At this gathering it was demonstrated beyond any possibility of further doubt that the Communists are in complete control of the organization. From start to finish, in all of its deliberations, this gathering of the American Youth Congress followed out the line laid down for it by the Communist Party and its overlords in Moscow. The voice of the American Youth Congress is and always has been the voice of Stalin. The President of the United States was indulging in a piece of extraordinary understatement when he described one of the Youth Congress resolutions as "unadulterated twaddle." It was something far more definite than that; it was the rigidly prescribed echo of Moscow's foreign policy.

The casualties from the work of the Dies committee are not limited to the front organizations of the Communist Party. Evidence has been presented to the committee which indicates the early dissolution of the Silver Shirt Legion of America. This Hitler-sympathizing, Nazi-aping organization of one of our own little "fuehrers" has not been able to stand the light of full publicity. It has found the going too tough.

At this point I must reiterate that the work of the Dies committee would have been made far easier if the New Deal administration had not so often made itself the official or unofficial sponsor of the very Communist groups which the Dies committee was trying to investigate. I have already cited the instance in which the Solicitor General of the United States, now the Attorney General, Mr. Robert H. Jackson, publicly endorsed a parade led by the veterans of the Abraham Lincoln Brigade. That parade was under the general auspices of the now defunct American League for Peace and Democracy. I can also cite the fact that Mrs. Roosevelt sponsored the leaders of the American Youth Congress when they appeared to testify before the Dies committee. Mrs. Roosevelt entertained at the White House leaders of the American Student Union when they were witnesses before our committee. In December 1939, when the American Student Union held its annual convention in Madison, Wis., and went whole hog for the Communist Party "line," that convention was opened with the reading of greetings from the President of the United States. The National Negro Congress, another of the front organizations named in the Dies committee report, has boasted the prestige of having the Secretary of the Interior, Mr. Ickes, address its annual convention. Mr. Ickes is honorary national chairman of the Spanish Refugee Relief Campaign which the Dies committee report named as one of the Communist Party's front organizations. I could recite a much longer list of the occasions when nationally prominent new dealers have lent their official blessing and prestige to Communist gatherings. For a long time it has been the exception rather than the rule that any gathering of national scope by organizations that are Communist fronts or Communist transmission belts, has not been opened with greetings from the President of the United States or from one of his Cabinet members, or that has not been addressed sympathetically by a New Deal leader.

The final desperate effort to discredit the Dies committee and to prevent its continuation was organized around a series of forged letters. The story of these bogus documents is so well known to the American public that I will not go into it at the present time, except to say that the individuals who secured the forged letters for use on the floor of the House of Representatives have always been well known as ardent new dealers.

But of one thing the American people may be assured. The Dies committee is firm in its determination not to be intimidated or frightened from the course of exposing all the un-American agents who have been striking at the foundations of our Government and society in the interests of Moscow and Berlin. This country and our institutions are still the most promising of all the age-old efforts of man to build a free and prosperous society. Regardless of the political fashions abroad, we do not intend to tolerate communism, fascism, or Nazi-ism here. The American flag and all that it stands for will continue to fly triumphantly after all the alien and modern totalitarian systems of Europe have been forever discredited and have perished from their own failures.

We, as free-loving, God-fearing Americans, intend to preserve for all time to come not only our form of Government but also the blessings of liberty and the infinite possibilities so clearly guaran-

teed under our Government. Let us, therefore, dedicate ourselves anew to the principles of real and true Americanism on this the birthday of the first President of our beloved Nation.

## American Youth Congress

### EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

LETTER FROM ALBERT REESE, OF NEWBURGH, N. Y.

Mr. LAMBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. Albert Reese, of Newburgh, N. Y.:

NEWBURGH, N. Y., February 19, 1940.

I want to congratulate you on being hissed by the right people, who in this case were the left people. This Youth Congress bunkum has annoyed me no end for several years, out of all proportion, no doubt, to its real importance. When Margery was at Barnard College she was president of the dormitories during her senior year (1937-38) and her organization (like every other one there) was constantly under pressure from the very articulate and aggressive Communist groups, which tried to control everything in the way of "public opinion." The native American students, who accepted our institutions as a matter of course, saw no particular reason to make the effort necessary to voting down and sitting on these noisy minorities; the result being that a handful of Communists and fellow travelers would elect Rebecca Leftoverkewicz a delegate to the Youth Congress and Rebecca would lift her strident voice at the conclave as representing "A thousand students of Barnard College," whereas in fact she represented about 20. The same thing happened all over the United States, and the First Lady, who ought to have known better, swallowed them hook, line, and sinker.

What these vociferating youth, demanding a Federal appropriation of \$500,000,000, really need is a sound paddling with 24-inch cypress shingles. Only yesterday one of our best columnists said about the last word on the subject. Discussing the subject of the removal of discipline and authority from the education of children, which supposedly releases their natural goodness and spontaneously creates good ideas, he wrote:

"The fact is, however, that if you remove authority and discipline and tradition, what you create is an unsatisfied need, a vacuum, which is then filled by some other tradition and some other form of authority. Thus you emancipate the young from the alleged tyranny of their own elders and before you know it they are hypnotized by an alien tyranny. You teach them to believe that their own moral and political and religious tradition is an outworn, idolatrous superstition, and before you can say Jack Robinson they are worshipping the idols set up elsewhere." And the idols set up elsewhere do not compare very favorably with the principles we find in the Declaration and the Bill of Rights.

## Water-Pollution Control

### EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. MANSFIELD. Mr. Speaker, for many years intensive efforts have been made to find practical and successful methods for the elimination of pollution in the streams and coastal waters of the United States. Congress has enacted stringent measures for dealing with oil pollution, and in every State in the Union laws have been passed pertaining to pollution of all kinds.

All of these laws have been of a more or less drastic type, providing for fines, penalties, and injunction proceedings. For several decades our court records have been burdened with litigation over attempts to enforce the laws, but no abatement of pollution has resulted. In fact, the record shows

that the greatest pollution is frequently to be found in the States having the most stringent laws against pollution.

Six years ago a new program was inaugurated for dealing with this problem. Fines and penalties, injunctions, and other harsh methods were not applied, but instead loans and, in some instances, grants were made through the P. W. A. As a result, more pollution abatement has been secured within the last 6 years than in all time previous thereto.

These loans and grants were made on the advice of the Public Health Service. The P. W. A. is not taking on any more work of this character, but the R. F. C. has arranged to make such loans as provided in S. 685, the pending Barkley-Parsons-Spence stream pollution abatement bill.

Unfortunately the Izaak Walton League is using its influence to defeat the bill for those loans made from the R. F. C., because the bill fails to provide penalties or punishment of some kind for failure to comply with the law. If the league succeeds the matter will be just as it has been for 20 years or more with stringent laws in every State but unenforced and unenforceable.

The national headquarters of the Izaak Walton League has issued a statement in the form of questions and answers describing the Mundt bill, and advocating that the Barkley bill be defeated. One question and answer in this statement is as follows:

Question. Does the Mundt bill extend the authority of the Federal Government to every little tributary in the country?

Answer. The jurisdiction of the Mundt bill is limited to navigable waters.

Now what is the effect of this provision? One illustration only is sufficient to prove. The Beaver-Mahoning Valley is perhaps the second, or third greatest industrial valley in the United States. Congress has refused to make it a navigable stream. It empties a tremendous amount of industrial waste into the Ohio River which is a navigable stream. It is exempt under the Mundt bill. Hundreds of other rivers would be exempt.

Another question and answer of the Izaak Walton League is as follows:

Question. Would the Mundt bill require pollution to be eliminated immediately upon the passage of the bill?

Answer. No; it outlaws the spread of future pollution immediately, but gives a 2-year period of grace for existing pollution before anything need be done, and states that "a reasonable time shall be allowed for completion of treatment works" which are started within this period. It further provides that when necessity can be shown to the satisfaction of the chief of engineers after a public hearing, that a 5-year extension of time may be granted; and at the expiration of that time, following the same procedure, "such further extension of time as may reasonably be necessary."

This question and answer is entirely misleading, as will be seen by reference to the Mundt bill, H. R. 7971. There is absolutely no reference whatever in that bill to authorize any such statement or conclusion as that embraced in this question and answer. Page 5 of the bill, lines 9 to 14, provides for a 5-year extension of time to discover methods for dealing with those types of pollution for which there is no known remedy. There are only two or three known industries under this head. On page 6, lines 4 to 10, provision is made for cities to have further time where they have exhausted their constitutional limitation of taxation, but both of these provisions are killed on page 11, section 11, lines 7 to 11, in the following language:

SEC. 11. Nothing contained in this act shall be construed to limit in any manner the rights of any person or public body to bring actions for damage on account of the pollution of any waters or for the abatement of such pollution.

The head of the Izaak Walton League is trying to make the Izaak Walton Leaguers believe that he is placing policemen on every corner with a big stick to knock the polluters hell, west, and crooked, and at the same time playing into the hands of the polluters by trying to make them believe that the Mundt bill will not hurt them, which, of course, it will not. It is nothing more or less than a copy of the Izaak Walton League bills that have been enacted in every State, and which is now a dead letter on the statute books of each of the 48 States.

## Wheeler-Lea Bill

### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

LETTER FROM MISSISSIPPI RIVER SYSTEM CARRIERS' ASSOCIATION

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include the following letter from the Mississippi River System Carriers' Association regarding the Wheeler-Lea bill:

MISSISSIPPI RIVER SYSTEM CARRIERS' ASSOCIATION,  
Chicago, Ill., February 21, 1940.

The Honorable V. F. HARRINGTON,  
Washington, D. C.

DEAR SIR: You are doubtless familiar with the situation affecting the present status of the Wheeler bill and the Lea bill, now in the hands of conference committee of the House and Senate.

As you are aware, there are so many controversial features in these two bills that if any action is taken in conference it will undoubtedly be to bring out an entirely new bill, and because of the fact that such a bill will of necessity be substantially different from either of the two bills we are writing to urge that you use your influence to prevent hasty action on such a conference bill, and hope that you will have steps taken so that at least 30 days will pass before this bill is voted upon after it is reported from conference.

It is extremely important that the conference bill should not fail to include the four amendments which were added to the Lea bill when it was passed in the House.

We will appreciate very much your favorable action in this regard.

Very truly yours,

MISSISSIPPI RIVER SYSTEM CARRIERS' ASSOCIATION,  
A. C. INGERSOLL, Secretary and Treasurer.

## What Goes On in Congress

### EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

RADIO ADDRESS BY HON. WILLIAM J. MILLER, OF CONNECTICUT

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me yesterday over the radio:

At the conclusion of my monthly broadcast on January 25, I stated that I would devote the full 30 minutes of this month's broadcast to a discussion of the Reciprocal Trade Agreements Act. It was my understanding at that time that consideration of a resolution to continue this act would be presented to the House of Representatives some time in March, following the enactment of the routine appropriation bills.

For some undisclosed reason the leadership of the House decided to bring this resolution up at once, and it was called up last Monday. Instead of presenting this subject to you as something to be considered later, as I had intended to do, I will have to present it as a matter on which the House of Representatives has already passed.

Officially the resolution to continue the power of the President to negotiate additional trade agreements is known as "An act extending the authority of the President under section 350 of the Tariff Act of 1936, as amended." As you already know, this bill passed in the House by a vote of 216 to 168.

Before going into a discussion of the reciprocal-trade treaties it might make my presentation clearer if I made a few general observations. First of all, I think it is safe to assume that the overwhelming majority of our citizens believe in a protective tariff to a certain extent. By that I mean we believe that the American



workingman, American industry, and the American farmer must be protected from imports coming into this country from nations having low wage scales and poor working conditions. If that be true, the question resolves itself in determining who shall decide what the tariff rates should be and how this determination should be made. While it is true that the question of tariff versus free trade has been a political controversy for years, the decision as to whether or not the present trade-treaty act should be continued for another 3 years is of such importance to the welfare of the country that partisanship should not be a factor in that decision. With the importance of the problem in mind, I reached my decision without political consideration.

Three years ago I was of the opinion that the Reciprocal Trade Treaty Act would work out to our best interest. During the past 2 years I have devoted more time and study to the subject of tariff legislation and trade treaties than I have to any other legislative matter. I recently completed a reading of the 20 volumes of testimony presented to the House Ways and Means Committee while they were considering whether or not this legislation should be continued. I finally concluded that the 22 trade treaties that we have negotiated and signed with 21 nations were not reciprocal; that we were giving away a great deal more than we were receiving, and if the act is to be continued, it should be amended as I will explain in a few minutes.

It was pointed out during the hearings to which I have referred, that the Republican Party, on numerous occasions, advocated reciprocal-trade treaties, and that President William McKinley was a great exponent of such treaties. I would like to point out, however, that President McKinley put certain restrictions on his proposal, which have not been observed in the 22 treaties we have thus far consummated. In discussing the subject of trade treaties, McKinley said, and I quote: "The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people but tend rather to increase their employment." I certainly would favor reciprocity of the kind advocated by President McKinley which goes hand in hand with and supplements rather than supplants the traditional American protective tariff policy with respect to competitive imports.

It has been charged that the existing Reciprocal Trade Agreements Act is unconstitutional. I am not a lawyer, and I cannot say definitely whether it is or not, but I would like to point out to you that the sponsors of this legislation attempted to prevent our courts from ever passing on the question of constitutionality, and this is how it was done: They simply inserted in section 2 of the Trade Treaties Act this apparently innocuous provision: "The provisions of sections 336 and 516 (b) of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this act, or to any provision of any such agreement." The effect of this provision insofar as it refers to section 516 (b) is to take away from American producers the right which they otherwise would have had under that section to litigate matters arising out of trade treaties, including the question of their constitutionality. This particular provision of the act was inserted on the floor of the Senate at the instance of the State Department. It was not considered either by the Ways and Means Committee or by the Senate Finance Committee. The chairman of the Finance Committee [Senator HARRISON] offered the amendment, and it was called to his attention that its effect would be to divest American producers of their right to litigate matters arising out of treaties. His reply was: "That is what we intend to do, since we want no interference or delay from domestic interests."

During the debate on the question of continuing the Trade Treaties Act reference was frequently made to the provisions of the Smoot-Hawley Tariff Act. You will undoubtedly recall that the Smoot-Hawley Act contained a so-called flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent.

In view of the enthusiastic approval given to the reciprocal-trade treaties recently negotiated by Congressman DOUGHTON, chairman of the House Ways and Means Committee, and Secretary of State Cordell Hull, I would like to read to you what these gentlemen said about the flexible provision of the Smoot-Hawley Act. I quote Mr. DOUGHTON: "The administrative features are subversive of our system, idea, and ideals of government, and if enacted into law will be a violation of the fundamental principles upon which it rests. The fathers who framed the Constitution, wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue. The flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent renders nugatory in spirit and practical effect this provision of the Constitution. In my opinion we have gone a long way too far already, in the centralization of power in the executive head of the Government."

Secretary Hull, speaking on the same subject, said as follows: "It is clearly unsound, unwise, impracticable, subversive of the plain functions of Congress, and should be speedily repealed. The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astounding. It is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the countries wrenched from an English king the power and authority to control taxation has there been a transfer of the taxing power back to the head of the Government on a basis so broad and so unlimited as is proposed in this pending

bill. As has been said on former occasions, this is too much power for a bad man to have or for a good man to want."

I think it is fair to say at this point that several tariff rates written into the Smoot-Hawley Act were too high, in light of world conditions, as they existed at that time but it is certainly unfair to say that the Smoot-Hawley Tariff Act brought about the present depression which, as a matter of fact, started 9 months before the Smoot-Hawley Act was even considered by Congress, nor is it fair to claim that the present world war is a result of this act. Both of these accusations were made repeatedly during last week's debate.

During the campaign of 1932 the Democratic Party vigorously attacked the Smoot-Hawley Act, and, in view of this attack, it is interesting to observe that 7 years after that party assumed control of the Government, the act has not been repealed, and 58 percent of the tariff schedules written into the Smoot-Hawley Act are still in full force and effect. It is also well to recall that two-thirds of our imports come into this country duty-free under this act.

As a matter of fact, President Roosevelt, in a speech made at Baltimore, Md., during the 1932 campaign said: "I know of no excessively high tariff duty on farm products; I do not intend that such duty shall be lowered." In spite of that statement, there have been 166 reductions of tariff rates.

It might be well at this point to see just what has been done to the Smoot-Hawley Act by the trade agreements into which we have entered. As a result of our new trade treaties we have donated tariff reductions to 64 countries. These donations are largely the result of the so-called most-favored-nation clause. I'll try to explain just how that clause works out. Let us assume that we enter into an agreement with Canada. We accept from Canada certain concessions and we grant Canada certain concessions in return, but here is where the catch comes in: We have agreed to give to every nation in the world, except Germany (and she is left out because it is claimed that she has discriminated against our trade), the same concession we gave Canada, although we get nothing in return from the other nations. It is exactly as if you and I traded horses; after our swap you couldn't expect me to give everyone else in the community a horse, could you? As a further result of our trade treaties, duties have been reduced on more than one-third of all commodities produced by American farmers and industrial workers. This means there has been a reduction on 1,063 competitive commodities, of which one hundred and sixty-two are strictly agricultural. Does it seem reasonable to reduce the tariff on competitive farm products at the same time our Government is forced to buy up surplus commodities to keep up prices?

Many witnesses who appeared before the Ways and Means Committee believed, and many Members of Congress believe, that if we are to continue negotiating these trade treaties, that they should be approved by the Congress. In that connection it is interesting to note that in every treaty but 3, or in 18 of these treaties, the legislative body of the country with whom we entered into a treaty has had to confirm the agreement before it was effective. The fact that every one of these legislative bodies approved the treaty leads some to believe that there can be no doubt but that they are a good thing for the other countries, whether they are good for us or not.

No one will deny that the so-called logrolling indulged in during consideration of the tariff legislation was an evil; that should be corrected. However, it does not follow that logrolling would be continued if Congress should decide that the reciprocal-trade treaties should be ratified by the Senate, or even by the Senate and House, before becoming effective. The provision requiring ratification of such treaties could be written in a way similar to the provision relating to the recent reorganization bills. The original reorganization plan made it necessary for Congress to either accept or reject the proposed plan in toto. If the same method were used in obtaining approval of the trade treaties, the opportunity for logrolling would be eliminated. While there are undoubtedly some advantages to the reciprocal-trade treaties, it seems that the mere fact that this important function of Government is taken away from duly elected representatives and placed in the hands of appointees of the President should make us stop and consider the advisability of continuing this program.

Prior to 1912 the revenue received from taxes against imports coming into this country was almost enough to pay the total running expenses of the Federal Government. Since then we have instituted the income-tax law, and correspondingly the cost of Government has gone up in leaps and bounds. A great deal has been said by the proponents of trade treaties to the effect that this is the scientific way of relieving the proper tariff rates; that the treaties are drawn up by experts. The fact remains, however, that the same experts who are now advising the State Department formerly advised the proper committees of the House and Senate. In addition to that, a reading of the hearings recently conducted would prove to anyone that there are quite a few qualified experts on tariff matters serving on the House Ways and Means Committee, some of whom have had 20 years' or more service on this committee, and who have acquired a very real knowledge on the subject of tariffs.

It is impossible to cover this subject in 30 minutes. I wish I had time to quote from certain tables which were inserted in the hearings by the Ways and Means Committee. However, almost anything can be proven by figures. Most of the proponents of this trade-treaty legislation used, as the basis of their argument, the fact that our exports had increased greatly since 1932. No one denies the truth of that statement. They further contend that our export trade has increased to a greater extent with trade-treaty

countries than with non-trade-treaty countries. This statement is also correct, but it is well to recall that several of the larger countries with whom we have not, as yet, entered into trade agreements are countries that are and have been, for the past few years, either engaged in war or who have been making preparations for war and aggression. This fact cannot be contradicted, that for the 2 years prior to the adoption of the Trade Treaty Act, our exports to all countries had increased 19 percent from the low point of 1932, but the average yearly increase since the consummation of at least 17 trade treaties has been only 13 percent. Unfortunately a major part of the increase in exports has been due to the huge amount of war material which we have exported to Europe and Japan in the years of 1937 and 1938. In 1937 our exports of war material amounted to three hundred and thirty-nine million three hundred and fifty thousand, and in 1938 export of these same materials amounted to three hundred and five million nine hundred and thirty-seven thousand, which more than offsets the export increases claimed by the proponents of the trade treaties. Certainly the people of this country do not want to base their prosperity on our exports of death-dealing implements of war.

When the trade-treaty program was first proposed back in 1934 we were assured that the American farmer would be the chief beneficiary under its operation. However, agricultural exports have declined over \$104,000,000 while imports of competitive farm products have increased by \$68,000,000 during the time that the trade-treaty program has been in effect. Before the trade-treaty program went into effect our export trade had increased 32 percent or at the rate of 16 percent per year from the low of 1932.

There are corn-processing concerns in the Middle West. In 1939 they turned 78,000,000 bushels of corn into starch. Seven thousand employees were required to handle this corn, each paid a minimum wage of \$5 per day. The mills burn a pound of coal for every pound of starch made, and trains are needed to haul the corn to the mills, and the coal from the mines to the mills. In 1935 we negotiated a trade agreement with the Netherlands. That country owns Dutch East Indies. From those islands there now pours in on us nearly 500,000,000 pounds of starch annually, all of it produced by workers who get 25 cents for a day's work. As each 34-pound lot imported displaces a bushel of corn, one can readily figure the heavy indemnity levied on the American farmer, railroad, and miner.

Then, too, take the case of our sugar industry. In Minnesota we have two beet-sugar factories which have been greatly restricted in their production of sugar, notwithstanding that we consume three times as much sugar as we are allowed to produce. The result is that the sugar acreage we could produce and consume at home is now given over to the production of wheat, corn, potatoes, and other crops of which we have a surplus.

This situation also holds good in many other States. In 1938 the sugar consumption was 6,250,000 tons, and of this amount, 1,800,000 tons came from Cuba. For every 100,000-ton increase in American production of sugar, 25,000 Americans will be given jobs, which means that 450,000 idle Americans could be employed if the beet and cane growers were given a fair chance at the home market. We are told that at least one-third of our sugar requirement must be purchased from Cuba because she is such a good customer of ours. Actually, during the period of 1935 to 1938 Cuban exports to the United States were \$200,000,000 more than her imports.

I could go on citing figures tending to prove that the reciprocal-trade treaties have not increased our commerce but as I said a few minutes ago, figures can be used to prove anything. I would much rather present my opposition to the continuation of this legislation on our own experience in the past and on plain common sense.

Every one of my listeners who can remember back to 1920 can recall the fact that in 1920 and 1921 and 1922 this country was deluged with manufactured goods shipped into this country under the Underwood Tariff Act then in effect; merchandise coming largely from countries with very low wage standards. Only the prompt enactment of the 1922 Tariff Act put a stop to this flood of cheap foreign goods. Is it not reasonable to suppose that when the present war now raging in Europe comes to an end, as it surely must, we will be faced by another deluge of imports from Europe and Asia? Just what position will be ours at that time, if our hands are tied by the reciprocal-trade treaties, effective for 3-year periods?

I have already mentioned that we have negotiated 22 reciprocal-trade treaties with 21 countries and have given concessions to 64 countries as a result of these treaties. About the only countries left with which we can negotiate further treaties are those whose surpluses are largely agricultural materials. Just a few weeks ago our State Department was attempting to negotiate a trade treaty with Argentina and Chile. Several Members of the House and Senate made such vigorous protests to the State Department that these negotiations were promptly terminated and the idea of a trade treaty with either Argentina or Chile deferred until some further date. I cannot understand how any Member of the House or Senate who publicly stated that if the Argentina agreement was negotiated he would vote against the Reciprocal Trade Treaties Act, can now justify his vote to continue the authority to negotiate trade treaties for another 3 years.

The 1934 authority which first asked for the right to negotiate trade treaties was on the plea of emergency. In 1937 the same emergency plea was used, and, in addition to that, it was stated that reciprocal-trade treaties would contribute materially to future peace. I am afraid the record completely repudiates any argument

that trade treaties lead to peaceful relations between nations. More countries in Europe and Asia are now at war than at any time since 1918.

I think it is safe to assume that everyone will agree that conditions which exist at the present time are far from normal. It is difficult to determine exactly what effect some of these treaties will have when peace is restored. Therefore, is it not reasonable to say that no harm could come from suspension of this program for the time being? Is it not much wiser to watch developments and ascertain the result obtained from the 22 treaties we have already negotiated, rather than enter into several new treaties when no one can say just what the outcome will be? If, after suspending this power for 2 or 3 years, the American people decide that the reciprocal trade-treaties method is an improvement over the old method of having Congress write tariff legislation, the authority could again be extended to the President almost overnight. Most of my listeners are familiar with the old procedure whereby hearings were held by the appropriate committees of the House and Senate, and any citizen interested in tariffs was given an opportunity to appear and express his views on the proposed revision of tariff rates. The procedure under the trade-treaty program, however, is not as well known. Under the present practice of the State Department, the only opportunity American producers have to be heard on the terms of the trade treaties is before the actual negotiation and before the terms are known. No hearing is ever held before any agency after a treaty is negotiated. In fact, the terms are not even known to the Congress, much less the public, until they have been signed by the President and thus are binding and effective so far as this country is concerned, and, of course, it is too late for anything to be done, and any protest would be unavailing. These hearings are actually conducted before a group known as the Committee for Reciprocity Information. This group receives written briefs and listens to testimony but has nothing to do with actual negotiation of the treaty. To what extent American producers are given consideration by those who actually negotiate the treaty no one has been able to learn. The Committee for Reciprocity Information is sometimes referred to as the "buffer" committee and, at the most, only serves to give the American producer the formality of a hearing and therefore satisfy the requirements of the act.

At the present time our tariff rates are being determined and life and death powers over American agriculture, industry, and labor are being exercised by a group of anonymous individuals who are not elected by nor directly responsible to the people. It should be understood that the power we have given the President and, in turn, Secretary of State Hull, is the power to destroy any given industry that is in competition with imports from abroad. Assuming that Secretary of State Hull has every qualification his friends maintain he has, and I am ready to concede that he is a loyal American and a fine gentleman, one cannot read his speeches printed in the CONGRESSIONAL RECORD while he was serving in the House and Senate without being convinced that he is and always has been a proponent of free trade. Suppose, for a moment, that in some future administration we had the misfortune to have a Secretary of State without the qualifications of Mr. Hull; it is certainly not difficult to imagine what he could do by way of harm to many of our industries under the power given the Secretary of State by the trade-treaty resolution.

Having considered the trade-treaty program in all of its aspects, I have reached the definite conclusion that it has not been successful in accomplishing its primary purpose of expanding the foreign markets for the products of the United States or its unstated but officially declared secondary purpose of promoting world peace; that it has not been administered in the national interest and that it should not be extended in its present form, and as now being administered, particularly in the face of present and prospective world conditions.

I believe that the present act should be allowed to lapse but, if it is extended, it at least should be modified to provide for congressional approval of trade treaties before they become operative; that a rate-making formula should be included in the act by which trade-treaty negotiators would be bound in making concessions, such formula to be so worded as to prevent reductions in rates below an amount reasonably necessary to give American producers at least an equal opportunity with low-cost foreign producers in competing for the home market.

It should be further provided that no reductions be permitted on foreign farm products when the price of the competitive American product is below parity, and certainly we should restore to American producers the right to litigate matters arising out of the trade treaties, particularly the right to determine the question of the constitutionality of the act.

I realize that there is a great deal of honest difference of opinion as to the effectiveness of the reciprocal-trade treaties. Mr. Taber, national head of the American Grange, for example, expressed strong opposition to a continuation of authority to negotiate trade treaties and the very next day the national head of the American Farm Bureau Federation appeared in favor of continuing the authority with a few minor amendments.

However, it is this very difference of opinion with respect to the effectiveness of the reciprocal-trade agreements among men of experience, which strengthens me in the conviction that we should proceed carefully. It is my frank opinion that the trade agreements are still experimental, and they should be so regarded for a sufficient period of time to allow for the proof of their success or failure. As emergency measures they may have had value, but as



established policy they might well prove to be detrimental to the best interests of our country. Until we are given more conclusive proof of their value I feel we are justified in demanding a return to the constitutional requirement which calls for ratification of trade treaties by the Senate.

I urge my listeners to devote as much time as possible to a study of the working of the reciprocal trade treaties agreement, as this question vitally affects every man, woman, and child in the United States, and it is important that the problem be solved and solved correctly.

In the remaining minute or two I would like to briefly refer to a subject which, judging from my mail, is causing a great deal of dissatisfaction, namely, the proposed census questions. Most of the objectionable questions are to be found in the so-called housing census which was authorized by act of Congress last year. I voted against the housing-census authorization because I felt it was a waste of \$8,000,000. No one anticipated that questions as to income would be asked by the census takers. As a matter of fact, I have been assured by attorneys serving in Congress that there is no act under which citizens could be compelled to answer such illegal questions.

A real effort is being made to compel Secretary Hopkins to modify his questionnaire. I hope this effort will succeed, but as the law now stands, there is a criminal penalty that can be imposed on any citizen who refuses to answer these questions.

## Seven Years of Progress in Agriculture

### EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

ADDRESS BY HON. C. ARTHUR ANDERSON, OF MISSOURI,  
BEFORE THE DEMOCRATIC BANQUET AT EATON, OHIO, ON  
FEBRUARY 24, 1940

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address which I delivered in Eaton, Ohio, on Saturday, February 24, 1940:

Fellow Democrats, I am particularly gratified in being afforded the great honor of addressing this fine gathering of Democrats. My colleague, Senator TRUMAN, of Missouri, was originally scheduled to be your speaker, and I hope that I shall not prove to be too great a disappointment. Senator TRUMAN was looking forward to this occasion with great anticipation, and only his recent illness prevents him from being here tonight. Permit me, on behalf of Senator TRUMAN, to extend his regrets in not being able to address you this evening.

There is more than one pleasant touch to this occasion, for it gives me a chance to see and visit with my former colleague and one of the great congressional leaders of his time, a truly great Democrat, Byron Harlan.

You know, this Congress isn't the same; it was a cold and depressing atmosphere that pervaded the Democratic caucus when the Seventy-sixth Congress convened. A great many of my good friends from Ohio failed to show up. But I understand the people of Ohio thought so highly of them that they didn't want them being preyed upon in Washington, so they called them home. I am sure now, however, that the good people of Ohio have discovered their mistake. We need men like Byron Harlan, and we need them in Congress.

I sincerely hope that the reverses we met at the last election will serve to wake up our party and get us into fighting trim for this November. We cannot—yes, the Nation cannot—afford to risk a Republican victory, which can only mean a “kick-back” to the days when there was no relief for the needy, no security for the aged and unemployed, no stability in our banks, no protection for the rights of labor, no market for the farmer, and no future for the country.

The fruitful gains which have been made can be retained only through a Democratic victory.

It seems that every Republican who has the courage to admit that he is one is a candidate for President. Ohio has the dubious honor of two such scavengers; your junior Senator and your beloved Governor. I don't think Ohio really wants to do that to the Nation. You can't be that sore at the rest of the country. The two esteemed gentlemen I have just mentioned made a great effort to embarrass the administration over a few social-security dollars that strayed away from Ohio, but they met their match in the flawless leadership of President Roosevelt, who demonstrated that the Democratic Party guards the principles of justice and good government as closely as the ballot box.

This will be a historic and momentous campaign of great issues. We cannot hope to consider them all in one brief address. I am going to confine myself tonight to one of the foremost of all the issues, namely, the Democratic Party's agricultural program.

This section of the country has a deep and vital concern in agriculture and it is my firm belief that abandonment of the present agricultural program will be a major, and perhaps fatal, disaster to the American farmer.

Before proceeding I want to say that I have not always condoned or approved some of the things that have been done by the present administration. At times I have been critical of the administration, and I am proud to be known in Congress as quite the opposite of a “rubber stamp.”

However, I am a Democrat, first, last, and always, and the few mistakes we have made represent more progress in themselves than the best efforts of the Republican Party in 10 administrations. This is especially true of the agricultural program of the present Democratic administration.

With all the sincerity I possess I join the farmers of this Nation in solemn supplication that the farm program of this administration be carried on unimpaired.

Farming is one of the most honorable of all professions. Truly, it is a profession and was recognized as such by George Washington and Thomas Jefferson, who both repeatedly referred to it as one of the highest callings in life. Yet when the Democrats were called to power by the people in 1932 the farmer was truly the “forgotten man.” Agriculture had reached its lowest ebb.

Thomas Jefferson, the founder of our party, when speaking of his chosen profession, farming, once said: “As long as agriculture is our principal object, which will be the case while there remain vacant lands in any part of America, popular government is safe. When we get piled upon one another in large cities, as in Europe, we shall become corrupt as in Europe and go to eating one another as they do there.” I think his wisdom and foresight are not open to question.

At another time Jefferson said, in effect, that he feared for the Republic when our free land should become exhausted. His fears apparently were well grounded. Today we are grappling with problems which have been thrust upon us since the closing of our last frontier. There is no free land to turn to. We live in a crowded and complex society. We live in a machine and power age. To survive we must meet and solve its problems. For a long time we were able to dodge the issues by running away from them.

The complete and utter break-down of agriculture during the years of Republican rule and exploitation is, more than anything else, responsible for the vast social and economic repercussions that have shaken our Nation. What a different picture we see today. Farming is definitely on the road back.

It is very interesting to observe that every year for the last 3 years a large number of businessmen in this country have acquired farms for farm purposes. It is estimated that men of this class spent in the neighborhood of \$45,000,000 for farms last year. That seems to be a splendid barometer of farm conditions today.

There has come a great change. No one who studies our times can fail to recognize that we have reached a turning point in our attitude toward agriculture. At last the United States has definitely embarked on a national agricultural policy.

The welfare of any nation is fundamentally dependent upon the proper conservation of its soil resources. History is replete with records of civilizations and governments that have fallen into decay as the result of soil depletion and waste. Fortunately, we have come to realize, before it has been too late, the danger of abusing and neglecting our soil resources. A farm program has been developed under which we are progressing simultaneously toward the two essential objectives of balanced production and soil conservation. More than 80 percent of all cropland has been brought under this program. The Democratic Party has given us the first legislation in the history of this Nation that recognizes the productivity of our soil as a natural resource.

This change in our attitude toward agriculture has come none too soon. If I read my history aright, no democratic nation has yet survived the independence of its farmers and the productiveness of its soil. Time and again a nation would emerge and thrive out of the fresh vigor supplied by its rural areas only to reach a turning point when farms were depleted of their fertility and of their stalwart people. So far as I know, without exception those nations have declined unless something was done to provide salvation for their agriculture.

Seven years ago in the face of utter distress the Democratic Party displayed the courage and practical foresight to master chaos and lay the sound foundations for the splendid farm program we have today. At that time farmers were suffering the privations that had come from such ruinous prices as 5-cent cotton, 32-cent wheat, 19-cent corn, and 3 cents for hogs. By 1932 the annual cash income of farmers had reached the incredibly low figure of less than \$40 per capita for persons living on farms. An engulfing wave of mortgage foreclosures was dispossessing farmers of their homes and lands. Farmers saw their export markets disappear as tariff barriers were built up by the Republicans to destroy foreign trade. Merchants in farming communities were going into bankruptcy and country banks were closing every day. Nothing had been done to bridge the gulf between unmarketable surpluses on the one hand and millions of hungry and idle workers tramping the streets of the large cities in search of work and food. I need not continue, for you people know this too well.

The great recovery and progress that have been brought about in the past 7 years is evident on every hand. Since 1932 the annual cash income of farmers has increased over 80 percent. Farm mortgages have been reduced over \$2,000,000,000. Interest rates have been lowered. Agricultural production has been brought more nearly into balance with industrial production. Farmers are better able to deal with their problems. The country banks have

reopened and their deposits have increased twofold. Rural merchants have had their business restored. Industrial activity has responded to the recovery in agricultural purchasing power. The sales of farm equipment have more than doubled.

The advances since 1932—advances won in the face of bitter and formidable opposition—are the result of hard and unselfish work by the Democratic Party and by most Members of the Congress; by our able Secretary of Agriculture; by the farmers themselves; and by an administration under a President who was never surpassed in understanding and sympathy for the problems of agriculture. More, perhaps, than any other single factor in the success of this program has been the unity among the farmers themselves. The farmers have refused to listen to sectional pleas and to familiar partisan political arguments. So long as this unity continues we will have a sound national program for agriculture.

Unfortunately, the great progress of agriculture during the past 7 years has caused many people to arrive at the conclusion that there remains no serious necessity for further increase in farm income. Anyone who holds such a belief is badly misinformed or is not mindful of the great depth to which agriculture sunk during the years of Republican administrations.

Agriculture today, after all the gains we have made, has approximately 24 percent of the Nation's population and 31 percent of the Nation's children, yet it has only 11 percent of the national income. The need for further advancement is obvious and imperative.

Some people seem to feel that the war will result in a substantial increase in farm prices and that the farm problem will be solved thereby for the time being. There is no basis in fact for such a conclusion.

Agriculture is not profiting from the war in Europe, and it is not likely to profit at any time in the future. For some producers the war has been an economic calamity. Early in the war farm prices rose sharply in a speculative boom, but the anticipation of the speculators was not sustained by subsequent events. The net effect of the war on agriculture has been to shut off a large part of the world market for our farm products. Great Britain and France are using their dollar exchange to buy airplanes and munitions in this country. For farm products they are turning to their colonies and to countries where they can acquire such commodities on credit or in exchange for their own goods. Our trade with Germany has been almost totally cut off. Even our trade with neutral countries has been badly upset by the actions of the belligerent nations. This should be a full and complete answer to those who might hold the false and untenable belief that war brings favorable business conditions. I think we all know now that war brings nothing that is good.

The present farm program represents 7 years of steady progress and solid achievement in the welfare of agriculture and of the Nation. It constitutes a broad, deep-rooted, and sound foundation for the future security and well-being of all the people.

On the other hand, the Republican Party seeks to destroy the agriculture program we have put into effect. They brag about their liberal minds and yet let me point out to you a very lucid expression of Republican philosophy in regard to the farmers of this Nation. I call your attention to an article in Collier's magazine last summer written by Congressman BRUCE BARTON, of New York (he happens to be in a receptive mood for the Presidency also), regarded as one of the liberal and progressive Republicans in Congress, and undoubtedly one of America's outstanding businessmen. He had this to say: "There are more farmers than the Nation needs. The most efficient should be allowed to raise food as cheaply as possible and sell it to the people in the cities at the lowest prices consistent with a reasonable profit." There, my friends, is the perfect example of the Republican's regard for the farmer. They have no sympathy nor understanding that the farmer who makes every penny of his purchases in a protected market should have some opportunity to offset the benefit enjoyed by the manufacturer through protective tariff. God help the American farmer if the Republican philosophy prevails next November.

The farm issue—while it is not the only major issue of the campaign—is certainly one of the most vital of all issues. We of the Democratic Party can justly be proud of our agriculture program that has been built up during two administrations. Our achievements are known to every thinking American. That this is true will be demonstrated next November.

Thank you.

## Great Lakes-St. Lawrence Waterway Project

### EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

EDITORIALS FROM THE SHEBOYGAN (WIS.) PRESS

Mr. KEEFE. Mr. Speaker, for more than 20 years I have actively supported every effort to make the Great Lakes-St.

Lawrence waterway project a reality. For years the people of Wisconsin of all political faiths have urged the ratification of a treaty with Canada to make the construction of this waterway possible.

I am pleased to note that the negotiations with Canada are nearing completion and that as a result this great waterway project will ultimately become a reality and the great Middle West will at last be given the advantages of close contact with world commerce.

One of the leaders of this great movement in Wisconsin is the Honorable Charles E. Broughton, editor of the Sheboygan Press, of Sheboygan, Wis., whose many forceful editorials on this subject have kept the public aroused and informed. I am pleased to be permitted to place in the RECORD for the benefit of the people of the Nation two splendid editorials on this subject recently published in that paper.

The editorials follow:

#### READY FOR THE TREATY

The Great Lakes-St. Lawrence waterway and the power treaty with Canada is near completion, and there is every indication that its approval and ratification is near at hand.

Nothing in your time or mine has meant so much to lake and ocean transportation as the culmination of this great enterprise. It has had the approval of two Presidents, Herbert Hoover and Franklin D. Roosevelt. Mr. Hoover, when he was President, said:

"The St. Lawrence seaway is a project that is very close to my heart and is a sound and worthy undertaking. I came to Toronto quite a few years ago to negotiate a treaty with Canada over the St. Lawrence project, and at that time we thought things would go ahead. It's so obviously an improvement to the North American Continent. Anything that cheapens the cost of transportation is at once a benefit to everybody. It is a project that is nonpolitical and its completion will be a great thing for both the United States and the Dominion."

President Roosevelt, in addressing the officials of the National Seaway Council, outlined his position when he said:

"For many years it has been my sincere conviction that the St. Lawrence project would prove second to none in its direct contribution to the economic welfare of millions of people on both sides of the border. In my message of January 10, 1934, requesting consideration of the earlier treaty, I expressed the belief that fears the St. Lawrence development would work to the disadvantage of other transportation were groundless. I am more than ever convinced of that fact today. Any area which has grown in economic importance becomes a greater market for the products of other regions. More products are exchanged and all transportation agencies participate in the growing prosperity."

After years of labor the United States and Canada have come to an agreement and there is every indication that unwarranted opposition has broken down to the point where admission is made that it will prove beneficial both to Canada and to all the areas in and around the Great Lakes. With the discovery of iron ore in the upper peninsula of Michigan and the digging of the canal in the St. Marys River at Sault Ste. Marie the foundation was laid for a great commercial enterprise. Fleets of schooners became one of the big assets on the lakes, and then followed steam vessels of wood, later followed by steam vessels of steel.

With a treaty such as is now about completed and ready for ratification, the whole transportation system of the country will be revolutionized. Landlocked areas will be opened to the commerce of the world. Michigan, Wisconsin, Minnesota, and the Middle West will all profit as a result of this. The Great Lakes will become a beehive of activity and in addition we will be able to develop a great system of waterpower unequalled the world over.

We have long championed this cause because we realized that it was for the general good of all the people. It will increase transportation by rail and water and it will mean a saving in transportation rates so that our markets can compete in the markets of the world. We will bring the ocean that much closer to our fire-side, and when you are doing that you are benefiting millions and millions of people. It will give added employment on the Lakes and from every viewpoint it will be a godsend.

#### GREAT LAKES COMING INTO THEIR OWN

By a ruling of the Maritime Commission in Washington yesterday Sheboygan becomes an export base to Europe along with all of the ports on the Great Lakes, thus moving us that much closer to the commerce of the world.

In these few words let us visualize, if we can, the attitude of the Atlantic boat lines who have been insisting that a Sheboygan shipper, or for that matter, any shipper on the Great Lakes who wanted a contract rate for his export shipments would of necessity have to agree to ship 100 percent of his shipments over their lines, and that they must be delivered at Atlantic ports.

Under the agreement it is necessary to deliver shipments to ports at Norfolk, Newport News, Baltimore, Philadelphia, New York, Boston, Portland, Montreal, Quebec, Halifax, St. John, or West St. John.

If this maritime ruling is upheld, these contracts will be canceled. For years the Atlantic shipping lines have been insisting that if a Sheboygan manufacturer, for instance, wanted a contract rate for his export shipments he would have to agree to shipping 100 percent of his shipments over the Atlantic lines and having



them delivered to Atlantic ports. If the Great Lakes shipper violated the order of this arbitrary monopoly, his contract would be canceled and he would have to pay a penalty rate on all shipments of the season.

This meant nothing but an effort to defeat the Great Lakes seaway, and the Maritime Commission, sensing the injustice, has issued an order invalidating the present contract. Under the ruling issued yesterday the 33 carriers are given 20 days in which to modify their contracts or face cancellation of the conference agreements under which they were made.

Ohio, Indiana, Wisconsin, and Michigan have been putting up a joint fight, and the ruling will, if sustained by the courts and in fairness it ought to, be of tremendous value to the shippers of the Middle West. It is a victory for every industrial plant, and it is all the more pleasing because the monopoly has been dethroned for the time being.

R. F. Malla of Milwaukee, secretary of the Great Lakes Harbor Association, gave out the following announcement immediately after the receipt of the Associated Press dispatch:

"This is the most important decision in years on matters affecting the Great Lakes, and now makes those lakes a direct foreign trade route. It is a prelude to development of the Great Lakes-St. Lawrence seaway.

"The shipping industry previously had been localized through the contracts to the eastern coast. Now it can go westward and will give unlimited millions of dollars in shipping employment, business, and finance to the Middle West. It means the removal of the shackles of business slavery imposed upon us for the best part of 10 years by the Atlantic shipping interests who gave no service whatever to the Great Lakes."

In the fight that has been going on, the attorneys general of these four States, including Attorney General John E. Martin, have insisted that there was discrimination, and the rulings of the Commission justify the position that was taken at the hearings. Atlantic lines, some time ago, were asked by the Maritime Commission to show cause why their contracts were not illegal, and why they should not be canceled or amended.

The United States Maritime Commission instituted on its own motion on February 17, 1939, an order requiring carriers, parties to agreements of the North Atlantic United Kingdom Freight Conference and North Atlantic Continental Freight Conference, North Atlantic French Freight Conference and North Atlantic Baltic French Conference to show cause why an order should not be entered modifying or canceling the agreements "on the ground that contracts made by them with shippers pursuant thereto are unjustly discriminatory, unfair, operate to the detriment of the commerce of the United States, and are in violation of the Shipping Act, 1916. The matter was heard before Examiner F. J. Horan, representing the Commission with all of the parties present, and the following ruling, which has been sustained by the entire Commission, was rendered:

"The Commission, by its order instituted this proceeding, requiring respondents to show cause why an order should not be entered modifying or canceling agreements on the ground that the contracts made pursuant thereto were unjustly discriminatory, unfair, operated to the detriment of the commerce of the United States, and were in violation of the Shipping Act of 1916. This they have failed to do.

"The Commission should find that respondents have failed to show cause why an order should not be entered modifying or canceling the agreements in question. \* \* \* The Commission should enter an order modifying each of the agreements to provide that the parties thereto shall not, by contract or otherwise, resort to discrimination because a shipper has patronized another carrier operating a direct line from ports on the Great Lakes."

Here is the story of a great victory for the Middle West. It is a story of how a large monopoly for years has throttled shipping on the Great Lakes. Can you imagine boats ready and willing to carry the products of the Middle West to European markets and their forced idleness resulting from an Atlantic boat lines' monopoly? This ruling can be viewed as a great victory. Previously there was a stranglehold upon every shipper because the contract provided that if he were to patronize a carrier operating a direct service from ports on the Great Lakes to Europe by way of the St. Lawrence River there would be a penalty. The discriminatory part was that the shipper would have to agree to sending 100 percent of his shipments over certain lines for delivery at Atlantic ports. The monopoly controlled practically all the Atlantic boats in the commerce of the world.

It is a big day for Sheboygan if we can only sense what this decision means. This morning we went over a mass of material, editorials, and local stories running into columns of print. We recall our early conference at Muskegon and the enthusiasm that Sheboygan manifested at that time, and then, because it seemed a long way off, we forgot to do anything here at home.

Congressman FRANK B. KEEFE, under date of May 5 last, threw his full support back of the St. Lawrence waterway in an address in Congress. At that time Congressman KEEFE filed editorials of the press and an address given by the Honorable William George Bruce, of Milwaukee, chairman of the Wisconsin Deep Waterway Commission, and had them included in the CONGRESSIONAL RECORD. We said editorially at that time:

"Congressman KEEFE has rendered a fine service in bringing this matter to the attention of the Congress of the United States, for it indicates clearly that Sheboygan and the port cities are just as enthusiastic for the deep waterway today as they were 20 years ago when this movement was first launched. It proves that despite

the organized attacks of certain shipping interests the great rank and file are for the deep waterway to prevent unfair discrimination in rates which prevents marketing their goods."

That discrimination in rates is clearly brought home to us today in the ruling of the Maritime Commission that the Atlantic seaboard lines, a great monopoly and working with certain railroads, has discriminated against the Middle West and the area in and around the Great Lakes.

### Colonel Ecker Says

#### EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. JENKINS of Ohio. Mr. Speaker, I am glad to make a few remarks about a good friend of mine who is a prominent Democrat in my district. He has for years been writing a weekly letter to the newspapers of his county. Those letters are widely read, for they are full of wise philosophy. Last week he spoke out in meeting, as it were, and said what he thought of certain New Deal policies. I am glad to read a portion of his letter to which I refer:

Just about now is getting the time for the tree salesmen or the flower salesmen to come around and show you those beautiful catalogs of a cherry bigger than a Rome Beauty apple or a blue spruce about three times bigger than they ever will grow, or the latest, I guess, is hybrid corn. You know I don't believe we would have had any use for a county agent if it hadn't been for hybrid corn, and paying the farmers for not raising something. You know what I would do if I was a Gallia County farmer? Well, I would forget about the Government and look out for myself. I would have plenty of cattle, plenty of sheep—that is, all my farm would stand—some chickens, some horses, and some hogs. I would raise enough feed to keep my stock through the winter; I would raise a crop of tobacco, regardless of what some "white collar" guy told me I could raise, even if I had to bootleg it when it came time to sell it. And to make a long story short, I would run my own business. If I had listened to the advice of what are called experts, I would have been broke long ago.

Why, about 11 years ago a Chevrolet Motor Co. auditor called on me and told me I would go broke within a year because I was not making enough per new car sold. Well, I have made plenty of money by selling two or three times the number of cars any other dealer in a town this size sells and I sell them cheaper, while that auditor that thought he was giving me that expert book knowledge is today on relief. What I am getting at is I don't think it is one darn bit right to let Kentucky tobacco raisers tell us how much tobacco we can raise, when some of them raise as much as 50 acres per farm down there, then want to tell us to raise one-fourth or one-half acre. One man down in Guyan Township who had 7,000 pounds that brought him \$1,500 told me they want to cut him about one-half this year. Sure, tobacco brings us in hard money, and I would surely rebel against such a thing. This thing they call a "base" is all wrong here in Gallia County. Remember I am in favor of the county agent, but I am strictly against Kentucky tobacco raisers robbing our tobacco raisers of enough tobacco to make an honest living. Sure, I would rebel!

### Strangers in Our Midst

#### EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

ARTICLE FROM THE CHRISTIAN ADVOCATE

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Christian Advocate of February 8, 1940:

#### STRANGERS IN OUR MIDST

Laundered socks turned inside out, even as at home, and a home-town newspaper in the guest's mailbox were only two of the bits of friendly service that the late Ralph Hitz used to win cus-

tomers for \$80,000,000 worth of American hotels. He was an immigrant who began his work as a bus boy on \$3 a week and rose to the position of operator of hostleries doing a \$15,000,000 annual business.

We have had other immigrants among us; in fact, if we go back far enough in our history, all of us, except the descendants of the Indians, are immigrants.

In view of this fact it is hard to understand why there must be such an organization as the American Committee for Protection of the Foreign Born, and why this committee has to do some Americanization work on those who discriminate against and sometimes persecute newcomers from abroad—all in the name of patriotism.

"The existence of war in Europe emphasizes the necessity of giving serious and immediate attention to the elimination of certain tendencies in American life which threaten our concept of equality, regardless of race, color, creed, nationality, or place of birth," the committee says.

"Efforts are being made to divide the American people by advocating the deportation of noncitizens and by fostering discrimination and antagonism against the foreign-born. Noncitizens are being denied jobs and are being threatened with registration, fingerprinting, and concentration camps. More than 70 so-called antialien bills pending in the Seventy-sixth Congress indicate the manner in which attacks upon the freedom of noncitizens can be used to destroy the constitutional rights of American citizens as well."

The committee is meeting at Washington March 2 and 3 to work out plans for counteracting anti-foreign-born propaganda, for facilitating the process of naturalization, for securing the passage of remedial legislation, for maintaining American traditions of right of asylum, for preventing the destruction of American families by deportation, by preventing the passage of so-called antialien legislation, for promoting better understanding between native and foreign born.

The writer is heartily in favor of the naturalization of aliens in our midst. But there is a democratic way of doing this and an undemocratic way of doing it—an American way and an un-American way. It seems that Federal Judges John Biggs, Charles Alvin Jones, and Albert L. Watson stated all this pretty well when they declared Pennsylvania's alien registration law unconstitutional. Said they: "Naturalization 'must never be compelled by an act of oppression or tyranny.' \* \* \* While naturalization of aliens residing within our borders is a matter to be encouraged, the desire of the applicant for citizenship should be inspired and engendered by his observation of and experience with the living example of true democracy."

## The Southwest's Playground—Platt National Park

### EXTENSION OF REMARKS

OF

### HON. MIKE MONRONEY

OF OKLAHOMA

### IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. MONRONEY. Mr. Speaker, I want to take this opportunity to call the attention of the House of Representatives to the increasing popularity of the Southwest's national park, Platt National Park at Sulphur, Okla.

While the general attendance at the 25 national parks was increasing by 3½ percent for the fiscal year ending September 30, Platt National Park increased in attendance by more than 25 percent.

A total of 358,240 persons visited Platt during the year, as compared with 286,486 for 1938. This outstanding increase was the largest recorded by any of the 25 national parks and definitely marks the growing appreciation of the public of the Southwest in the advantages of this popular playground and health center.

Situated as it is in the center of the Southwest region of the United States, it serves a wide area. Thousands of people residing in northern Texas, Oklahoma, Arkansas, Louisiana, and Kansas find the health-giving waters and scenic beauties of Platt an ideal place for a vacation.

The nearest national parks to Platt are to be found at Hot Springs, Ark., Carlsbad Caverns, N. Mex., and Rocky Mountain National Park, Colo. With this wide area to be served, there is little wonder that Platt is increasing every year in popularity.

Platt is accessible on wide, paved highways that put it within easy reach of every city and town in Oklahoma in less

than a day. Points in Arkansas, northern Texas, and other nearby States also can reach Platt with ease in a short time.

Mr. Speaker, because of the rapidly growing popularity of Platt National Park, I would like to incorporate in my remarks an article written regarding the park and the city of Sulphur, adjacent to it, by Mr. Jack Diamond, editor and publisher of the Sulphur Times-Democrat:

#### PLATT NATIONAL PARK FOR RECREATION AND HEALTH

Platt National Park, adjoining the southern boundary of the city of Sulphur, Okla., is one of the Nation's greatest health and recreational resorts. Ancient outing place of the red man, it has been beautified under United States Government supervision and dedicated forever to the health and pleasure of all the people of the United States. As evidence that the people appreciate this playground of the Southwest, Government figures show that there were 285,000 visitors to the park in 1937. Almost every State in the Union was represented around the many springs and beauty spots of this noted resort.

The total area of the park is 848 acres, and through its entire length runs the scenic silvery Travertine Creek, with its numerous waterfalls and placid lakes, all fed by the Buffalo and Antelope Springs, two huge nonmineral springs 1,100 feet above sea level at the upper end of the park and yielding approximately 5,000,000 gallons of cold water daily.

#### MINERAL-WATER BATHS

Thirty-two medicinal springs flow health free to all. A course of the baths, drinking the mineral waters will improve the appetite, induce sleep, soothe the nerves, and give anyone a new lease on living. The waters are particularly recommended for stomach and liver trouble, rheumatism, and nervous disorders.

In the modern, well-equipped bathhouses one may take any desired type of health-giving, invigorating bath. No rigorous medical treatment. The cure is in the water that bubbles from Mother Earth in the pure air and the delight in the park scenery.

#### SWIMMING

Swimming is one of the park's most important sports, and adjacent to the park are some of the finest outdoor swimming pools to be found in the State. They are supplied by great artesian sulphur wells, flowing 3,500 gallons of cold water per minute, and are kept in almost perfect sanitary condition. Some of the pools have dance pavilions and cafes so that you may dine, dance, and swim.

Travertine Creek within the park has six or eight dams constructed to form free swimming pools for those who wish to take advantage of them. This stream is fed by two immense pure-water springs. It is great fun to hike along the park trails and then take a plunge into some of these excellent pools.

#### HIKING

Several miles of alluring hiking trails extending the entire length of the park and winding along Travertine Creek always appeal to visitors. They lead to many sylvan nooks and picnic areas where rock tables and cooking ovens make an outing a real joy.

A wonderful scenic drive also extends the entire perimeter of the park. It takes you to the top of Bromide Bluff, where you have a panoramic view out over Travertine Valley and the city of Sulphur. An herbarium of all the park plant life is now available in the park office, where you may see specimens of all the flowers, with description, and directions as to where to locate them on your hikes. In the spring and summer the park is the flower lover's paradise.

#### FISHING

Beautiful Veterans' Lake, adjacent to the park, covers approximately 200 acres and is a fisherman's paradise, stocked with bass, crappie, and other suitable fish.

Lacy's Lake is a beautiful small lake located within 1 mile of the park. It is known to anglers all over the State as an excellent fishing place. It covers about 50 acres and is fed by a huge mineral well.

Rock Creek, Mill Creek, Pennington, and Blue are four of the finest fishing streams in southern Oklahoma, and all of them are within a few miles of the park boundaries.

#### ACCOMMODATIONS

The camping facilities in Platt National Park are unexcelled. Throughout the length of the park there are numerous wonderfully beautiful picnic areas and camping spots, with huge stone tables and seats and cooking ovens, lights, water, and all conveniences for campers. The camps are all under supervision and protection of rangers, and everything is as free as the air you breathe.

There are also many camp cottages outside the park boundaries with reasonable rates. Hotel accommodations are to be had if you do not wish to camp. Restaurants and cafes are plentiful, where good eating may be found at reasonable rates.

Platt National Park is almost in the center of the great Arbuckle Mountain region, and many interesting side trips may be made out to these points and back in 30 minutes. Turner Falls is perhaps the most widely known.

The park adjoins the city of Sulphur, county seat of Murray County, an attractive town of 5,000 population, built on hills overlooking the park and the Travertine Valley. It is reached by Highways 18 and 22. Highway 12 runs 7 miles east of Sulphur and Highway 77 runs 9 miles west. Traffic on these highways turns to the park from Scullin and Davis, respectively. It has complete bus service and is served by the Frisco Railway.



## Reciprocal-Trade Agreements

## EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

## RESOLUTION OF THE OREGON FARM BUREAU FEDERATION

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the Record, I include the following:

RESOLUTION OF OREGON FARM BUREAU FEDERATION ADVISES EXTENSION OF RECIPROCAL TRADE AGREEMENT LAW, PROVIDED PROTECTION IS ASSURED AGRICULTURE AND TREATIES ARE RATIFIED BY THE SENATE

We commend the American Farm Bureau for its statement filed with the Federal Committee for Reciprocity Information concerning the proposed Argentine trade treaty.

We endorse the general policy of the American Farm Bureau Federation with respect to trade treaties under which the Federation supports the principle of trade treaties, but we oppose any specific treaty which has the effect of reducing the price of agriculture and livestock commodities below parity prices. We further oppose the renewal of the Trade Treaty Act unless adequate protection can be assured to agriculture through proper hearing in negotiating such treaties and they be ratified by the United States Senate.

We reaffirm our belief in the principle of the American market for the American farmer.

Since the reciprocal-trade agreements have sacrificed the interests of the producers of numerous specialty commodities such as field, vegetable, and flower seeds, potatoes, bulbs, and nursery stock, we recommend the restoration of the duties on such items.

## Benjamin Franklin on the Farm Problem

## EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

## ARTICLE BY CLIF STRATTON IN TOPEKA DAILY CAPITAL

Mr. HOPE. Mr. Speaker, there are those who have an idea that the farm problem is something new. The following article written by my friend, Clif Stratton, able Washington correspondent of the Topeka Daily Capital, and quoting from a letter by Benjamin Franklin, shows the contrary.

A reading of the Franklin letter indicates, among other things, (1) that England almost 200 years ago had an agricultural surplus problem; (2) that the industrialists of that day, like some in our own time, believed that cheap food and clothing were more important than fair prices for farm products; (3) that existing legislation, then as now, discriminated against agriculture; (4) that Franklin subscribed to the theory that agricultural prosperity was the basis of industrial prosperity; and (5) that he also believed that agriculture and industry should be on an equality and that in order to compensate farmers for furnishing food and other raw materials at less than a parity price, indemnifying payments should be made to farmers out of the Public Treasury.

The article follows:

FARM PROBLEMS DISTRESSING EVEN IN BEN FRANKLIN'S TIME  
(By Clif Stratton of the Capital's Washington Bureau)

WASHINGTON, January 27.—For the benefit of those who believe the farm problem started with the World War, or with Herbert Hoover, or with the New Deal, the following from Benjamin Franklin—written apparently while he was in England and while England had the corn laws which included prohibition of exports of foodstuffs—is reprinted:

"To the Public:

"I am one of that class of people that feeds you all, and at present is abused by you all; in short, I am a farmer.

"By your newspapers we are told that God has sent a very short harvest to some other countries of Europe. I thought this might be in favour of old England; and that now we should get a good price for our grain, which would bring millions among us, and make us flow in money; that to be sure is scarce enough.

"But the wisdom of the Government forbade the exportation. "Well," says I, "then we must be content with the market price at home."

"No," says my lords the mob, "you shan't have that. Bring your corn to market if you dare; we'll sell it for you for less money, or take it for nothing."

"Being thus attacked by both ends of the constitution, the head and tail of government, what am I to do?"

"Must I keep my corn in the barn, to feed and increase the breed of rats? Be it so; they cannot be less thankful than those I have been used to feed."

"Are we farmers the only people to be grudged the profits of our honest labour? And why?"

"Oh, but the manufacturers! the manufacturers! they are to be favoured, and they must have bread at a cheap rate!"

"Hark ye, Mr. Oak; the farmers live splendidly, you say. And pray, would you have them hoard the money that they get? Their fine clothes and furniture, do they make them themselves, or for one another, and so keep the money among them? Or do they employ these your darling manufacturers, and so scatter it again over all the nation?"

## WORKS BOTH WAYS

"The wool would produce a better price, if it suffered to go into foreign markets; but that, Messieurs the Public, your laws will not permit. It must be kept at home that our dear manufacturers may have it the cheaper. And thus, having yourselves thus lessened our encouragement for raising sheep, you curse us for the scarcity of mutton."

"Now, if it be a good principle, that the exportation of a commodity is to be restrained, that so our people at home may have it cheaper, stick to that principle, and go thorough-stitch with it. Prohibit the exportation of your cloth, your leather, your shoes, your iron ware, and your manufactures of all sorts, to make them all cheaper at home. And cheap enough they will be, I will warrant you, till people leave off making them."

"Some folks seem to think they ought never to be easy until England becomes another Lubberland, where it is fancied that streets are paved with penny rolls, the houses tiled with pancakes, and chickens, ready roasted, cry, 'Come and eat me.'"

"You say poor laborers cannot afford to buy bread at high price unless they had higher wages. Possibly. But shall we farmers afford our laborers higher wages if you will not allow us to get, when we might get it, a higher price for our corn?"

"But it seems we farmers must take so much less that the poor may have no much cheaper."

"This operates, then, as a tax for the maintenance of the poor. A very good thing, you will say. But I ask, why a partial tax? Why laid on us farmers only? If it be a good thing, Messieurs the Public, take your share of it by indemnifying us a little out of your Public Treasury."

## Reciprocal Trade Treaty Act

## EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. O'CONNOR. Mr. Speaker, the proposal before Congress to extend the Reciprocal Trade Treaty Act has been widely criticized. In Montana and throughout the West, it is generally believed that the act, in its present form, is operating to the disadvantage of western economic life.

I concur in the criticism the West has directed against this proposed extension of the act in its existing form. I am one of those who feel that, for a long time, we have been much too concerned with affairs outside the United States of America—with helping our neighbors—good and otherwise—and far too little concerned with the problems of our own citizens.

The Trade Treaty Act is one of those efforts to promulgate our "good neighbor" policy. Perhaps it is the chief effort. At least, I have heard it described as the keystone of our foreign policy. I have heard it upheld and opposed on many grounds which, to me, were outside the scope of actual issues involved within it.

For my part, I oppose the extension of this act, as it now stands, on two principal grounds. First, the act is inimical to the best economic interests of our western country. Second, the act is unconstitutional.

Huge stacks of statistics have been submitted for consideration during this congressional argument—just as many intended to show that the act is not helping the American farmer and livestock producer as there have been data intended to prove the act is helping.

If these contradictory figures are not lying, then at least it must be admitted that they are very confusing. The case, apparently cannot be decided on the basis of these sharply conflicting sets of statistics.

But the fact does remain, that whatever success the act has brought about so far as helping producers in this country is concerned, it has not, according to the reports from Montana and neighbor States, helped the West.

Our producers of cattle, sheep, grains, potatoes, sugar beets, and minerals—they have all suffered from the policy encompassed within the reciprocal-trade agreements.

The West does not, and I emphasize here that I do not, individually, complain against the administration of the reciprocal trade treaty law. The integrity of the Secretary of State, a truly respected man, who is chiefly responsible for administration of this law, is not involved at all here. He is in no sense on trial.

I complain against the validity of the law itself. I maintain that the law, as it stands, is unconstitutional. I shall attempt to tell why, briefly.

Under the Constitution of the United States of America, the exclusive power to establish tariffs, which is an exercise of the taxing power, is vested in the Congress.

All the power which the executive department exercises in the making of one of these so-called reciprocal-trade treaties comes to that department by delegation from Congress. Every change in a tariff rate is an amendment of a law. The twenty-odd trade agreements we have entered into, if valid, have amended acts of Congress hundreds of times.

But how can these agreements be valid if they violate the Constitution? It is an accepted principle of law that Congress can delegate to executive or administrative officials power to administer a law in accord with standards or rules set up by it, but Congress cannot delegate power to enact legislation.

The United States Reports, volume 295, page 495, cover the celebrated *Schechter* case. In this case the Court held that the Congress could not delegate its legislative powers in even domestic matters. If it has not such powers in domestic matters, it should follow without saying that it has no such powers in foreign relations matters, and therefore held such delegation invalid and, in so doing, used the following language:

Congress may leave to selected instrumentalities the making of subordinate rules within prescribed limits, and the determination of facts to which the policy, as declared by Congress, is to apply; but it must itself lay down the policies and establish standards.

The conclusion of such reciprocal-trade treaties then is obviously outside the Constitution, under terms of this court decree.

Most outrageous provision of the Trade Treaty Act, however, is its application of the so-called favored-nation clause. This clause operates so that when we make an agreement, exchanging concessions in tariffs with a certain other country, we find ourselves, under this "most-favored nation" interpretation, obligated to extend the same concessions to other countries, whereas, we, in turn, get nothing tangible or definite as compensation. From these other countries we get merely a promise of compensations under certain circumstances.

Is this sort of thing fair, either to our own producers, affected by treaty concessions, or producers in the specific countries with which we have made agreements? To me, it seems not.

In two other ways, I think the present law is a violation of our Constitution.

The Constitution provides that the House of Representatives shall originate all revenue measures, and the Constitution requires that the Senate shall ratify all treaties entered into by the United States.

Reciprocal-trade agreements are an exercise of the taxing power, vested exclusively in Congress, and such trade agreements are definitely revenue bills. They very definitely affect revenues. They most admittedly are treaties.

So, then, on three counts, the trade-treaty law offends against fundamental provisions of our Constitution.

Who is to blame for this unhappy condition? Why Congress, of course. Congress abdicated its rights, under the Constitution, when this law was first enacted.

Now, it is proposed that we reenact an unconstitutional law. This time, if we do so, we share the blame with the executive branch of the Government, because it has requested the enactment a second time. But what an insignificant satisfaction to excuse ourselves, like so many small children, pleading, "They asked me to do it."

So I say again, my opposition to extending the present reciprocal trade treaty legislation is based on its unconstitutionality and on the objections of the western area, including the State of Montana, where the legislation has worked definite hardships.

We have plenty of problems right here in our own United States that we ought to concentrate our attention on. Our own farmers, our own business interests, and our own 9,000,000 jobless workingmen and workingwomen—they all deserve our united efforts in working out solutions to their problems.

We in the United States are our own "best neighbors."

I say, let us start to put our own house in order. We must protect the credit of our Nation. It is America's real first line of defense in a war-crazed world. We must keep our expenditures within our income; we must start to balance our budget; and we must take care of our own people, solve our own problems, and keep our nose out of the affairs of our neighbors.

### Constitutionality of Unfair and Vicious Minnesota Old-Age-Assistance Lien Law Being Tested in Courts

#### EXTENSION OF REMARKS

OF

HON. R. T. BUCKLER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

RADIO ADDRESS BY HON. LEONARD ERIKSSON

Mr. BUCKLER of Minnesota. Mr. Speaker, under leave to extend my own remarks in the Appendix of the RECORD I include the following radio address delivered by the Honorable Leonard Eriksson, of Fergus Falls, Minn., concerning a court case and legal aspects of the efforts to test the constitutionality of the Minnesota old-age-assistance lien law.

In my home State of Minnesota there is a great deal of interest in the old-age assistance and other features of social security as it applies to the States. During the last session of the Minnesota Legislature, a Republican-controlled house and senate passed a vicious old-age-assistance lien law, which provided for the State taking liens on homes and property owned by the pensioners receiving old-age assistance. When the pensioner dies the homestead is taken over by the State in order to get back the money that was paid out by both the State and Federal Governments to the pensioner.

There is widespread dissatisfaction in Minnesota against this vicious law, and at present efforts are being made to test its constitutionality. It so happens that the participants in this test case come from my own congressional district in Minnesota, and the attorney in the case is Mr. Leonard Eriksson, of Fergus Falls, Minn., a former member of the Minnesota State Legislature.



Mr. Eriksson recently spoke on the air on the subject entitled "The Social and Some Legal Aspects of the Old Age Lien Law."

Since this subject is of interest to all the people of the Nation, as well as the people of my own State, I ask the privilege of inserting Mr. Eriksson's speech into the CONGRESSIONAL RECORD. His remarks might make it possible that other States do not make the grave mistake that Minnesota has made in passing such vicious legislation against the good pioneers of our State.

Mr. Eriksson's address delivered over radio station KGDE at Fergus Falls follows:

Ladies and gentlemen, I appear this afternoon through the generosity of our radio station KGDE, in defense of home and old age, and therefore in defense of youth. Our radio station has graciously and generously given this valuable opportunity to Mr. and Mrs. Dimke that they might have a chance to inform the public about their effort to save their home.

A feeling seems to have developed that no one is longer disinterested enough to take an interest in the cause of the poor.

The bold among the poor who dare to move forward for the good of their kind frequently suffer from the envy of those who lack that courage. Man, like Nature, forgets his wounds. It has ever been thus. When Moses had landed his oppressed brethren on the safe side of the Red Sea they reproached him because they missed for a brief day the fleshpots in the land of their oppressors. Freedom and the promised land were ideals submerged by the demands of their stomachs. It is so today. Those who lead the way, or seek to lead the way, to a better life must now, as in all ages past, suffer from the suspicion and envy of even those who will profit from the exploits of those who dare.

Remember Dred Scott, a Negro, who was brought to Minnesota, a free Territory, in 1834 or 1835. Four years later he returned to Missouri, a slave State, where he was reclaimed as a slave. He brought suit in 1848, claiming the rights of a freeman through residence in free territory. That suit was decided in 1857 by the United States Supreme Court, which ruled that under the form of government then existing he, a Negro, "had no rights which the white man was bound to respect, and that the Negro might justly and lawfully be reduced to slavery for his benefit." That decision by the highest Court of the land seemed to shut the door of hope to the black man. We know better now. "God moves in mysterious ways, His wonders to perform," and out of that dreary, discouraging, hope-crushing decision came, only 5 years later, the declaration of emancipation.

Today all weaklings among the common people and the best interests and the best people of our day are offended by the daring attempt of my friends to take their problem to the courts.

The present issue, namely, the fate of our aging people, searches the foundations of our State. That issue may be summarized thus:

Are the aged needy, with their homes, because of their need, to be committed to the supervision of bureaucrats? And is their property, including their homes, to be taken from them or out of their control as the price of their right to live? And shall a political party, legislating for the State, be allowed to establish, out of human misery, a paradise for politicians by providing for more political jobs and more government expense than have ever before been thought of?

We ask, "What is this lien law? What does it do, and how does it operate?" These questions call for an orderly answer.

In 1935, when our legislature was conservative and the Governor liberal, the general old-age pension law was enacted. Under that law these pensions have been paid until this year. The provisions of that law conformed to the requirements of the Federal Government as stated in the Social Security Act. The Federal social-security law, and the rulings of the Social Security Board, required from each State prepared to receive Federal money for old-age pensions a provision in its old-age pension law for a lien "on the estate" of each recipient to secure the repayment to the United States of that money which had been paid from the Federal Treasury. It required no lien against the homestead of the recipient of old-age assistance. The Federal law has not been changed. The 1935 old-age-assistance law of Minnesota met this requirement of the Social Security Act, and provided in addition that the contributions made by the counties and the State should likewise be a lien against the estate of the pensioners. The legislature of 1939 amended this law of 1935, as I shall presently explain, and the issue in question arises out of that amendment.

Proceeding under the authority of this amendment of the old-age pension law, the county agencies of the State on last Monday filed and recorded a lien statement, prepared and approved by the State agency, in the office of the register of deeds in every county, giving notice of the lien claimed by the State against every man and woman on the pension rolls. The amount claimed as secured by the lien thus recorded is the whole amount paid out as old-age assistance, thus including that contributed by the Federal Government. This lien is a mortgage on all property owned and claimed now, and on all property hereafter gotten, by the old-age pensioners, subject only to the rights of existing liens of existing creditors, and subject to some other minor and useless provisions.

The State agency has interpreted the old-age-assistance law, as amended, and under that interpretation the homesteads of the old-age pensioners become mortgaged to the State for the money paid out as old-age pensions on and after January 2, 1940. This lien or mortgage is effected or given to the State, according to this interpretation,

when the pensioner receives and cashes the first pension check in 1940.

Up to this time no mortgage has been held to be good security between a creditor and a debtor unless it represented a mutual agreement between the mortgagor and the mortgagee. In this instance this necessary consent of the home-owning pensioner is wrung from him by the State while he suffers from the need of help to survive by the simple expedient of claiming that the pension check for an amount ranging from \$5 to \$30, when cashed by the pensioner after the lien has been filed and recorded without his knowledge, is his consent. The pensioner had nothing to do with its terms and provisions. The pension check comes through the mail 9 or more days after the lien was recorded. During those 9 days the proceeds of the former checks are all used up and so when this January check comes the old-age pensioner's power of resistance has been exhausted. He feels as well as knows that unless he accepts this pension check his health and probably his life is definitely endangered, for without that check he cannot buy his fuel, his food, or his rough articles of clothing. He cannot eat his house. Indeed he cannot sell his home without the approval of the agency. The cashing of the check mailed to him has become an absolute necessity unless he wants to starve. Life is precious to all of us, including the old-age pensioners. Now the interpretation of the agency is that this is the necessary consent to that mortgage, and that it converts the notice of the State's intention to claim a lien into a legal and effective mortgage on all the property of these old-age pensioners, securing the repayment to the State, not only of the January 1940 pension check, but of all future pension checks.

Chapter 315 of the 1939 Session Laws is the second act amending the 1935 old-age pension law. Time allows the mention of only the most pertinent features of this chapter. One of its provisions requires a pensioner who owns property outside of Minnesota to sell it and live on the proceeds from such sale.

The second important feature of this chapter 315 is that it introduces the use of the word "property" as applied to liens. "Property," unlike "estate," includes the "homestead." Subdivisions 2, 3, and 5 of section 1, chapter 315, provides that "no person shall be paid old-age assistance without first 'giving' the State a lien on all his property situate within the State—and the 'giving' of this lien is secured as I have described it. Thus the words 'estate' and 'property,' representing two different concepts, are both used in relation to the same subject.

Mrs. Dimke insists that the State cannot, any more than any other creditor, deprive her of her rights as wife, in her husband's homestead without her voluntary consent. This, in brief, are the basic issues involved in this test case.

It is not my purpose here to argue the law. My present purpose is fully served by stating the issue and by recalling the historic reason why the home, until now, has been recognized almost as sacred. Our courts have uniformly ruled that in States, such as ours, the individual citizen is the natural supporter and defender of free government, and that consequently in a republic, such as ours, it is good public policy to encourage and multiply the number of home owners. Our own Supreme Court has said that "the whole theory of the law exempting homesteads from debts is based upon the idea that as a matter of public policy each citizen of the Government should have a home where his family may be sheltered and live beyond reach of financial misfortune. The policy of the State is to preserve the home to the family, even at the sacrifice of just demands, for the reason that the preservation of the home is deemed of paramount importance."

This policy has its roots in the struggles of countless generations who have sought the day when they might own at least one little spot of ground on this earth where they might be safe from creditors and misfortune.

This policy has now been suddenly changed, if the present claim of our State is upheld by the court of last resort. The homes of our old friends, who, from one cause or another, may be in need of this life-saving check, will no longer be the "shelter" where they may live "beyond reach of financial misfortune." On the contrary, their homes become, if the Court should sustain this claim of the State, the very place where their financial misfortune will constantly intrude its ugly head to be the unwanted guest of the needy aged at every meal during their every waking hour; and to sleep with them at night.

Under our form of government, consisting of three independent but coordinating branches, each operating within the terms of our written Constitution, it is not inconceivable that this act of the legislature, which is one of these three departments of our State government, may be held to create a lien in favor of the State and enforceable as a mortgage against the homesteads. I merely say that it is conceivable.

But, should that be the decision, the law is nevertheless evil and the legislature which enacted it should, in that event, be required to repeal it, because this act is a throw-back to the Dark Ages when the poor had "to pine (away their days) with fear and sorrow."

This old-age pension law, as now amended, presents a problem of serious import, not alone to the old but to all of us. The pensioners are all of them over 65. Their remaining years will soon have been spent. The biggest problem resulting from this legislation is its effect on the rest of us.

Consider these indisputable facts: The probable average life expectancy of these pensioners is not less than 5 years; the average assistance paid is about \$20 per month per person; the average value of their homes is not over \$2,000, whether free, or in the form of an equity; and the overwhelming percentage of the children of the home-owning pensioners are now, and will continue to be, so

far as we can now judge, unable to refinance these homes when their parents pass on, so as to pay back to the State what it has advanced. Then, it is clear, that in the course of the next 5 years, which is probably the average life expectancy, the amount secured by this lien is \$2,400 in the case of man and wife, and \$1,200 in the case of a single person.

These indisputable facts must satisfy every person that at the end of the next 5 or 10 years our Commonwealth will be the owner of probably 50,000 homes, scattered all over the State. An army of inspectors will be then needed to care for these thousands of homes, whether leased or not. These homes will demoralize the real-estate market in every city and village of the State. Graft and pull will invade every community. The State will suffer intolerable waste and the younger generation will be deprived of hope. In the meanwhile the investigators and the checkers and the statisticians of the county and State agencies, will increasingly invade the home of our old people on the pretense of watching over the use of the homes which are no longer sanctuaries for our old friends where they may withdraw from misfortune but which have become the rendezvous of a new hoard of officeholders.

Does anyone dispute this claim? If you do, I ask:

Have not the investigators of the welfare boards already invaded the homes of the pensioners, telling them where to board, what to eat and wear, and rationing their daily needs to the minutest detail? Has not the control and power of the county and State agencies over the lives of our pensioners produced fear in them to such a degree that our old friends dare not longer to act or speak like free Americans? Do not these investigators, already direct the lives of our needy aged or try to do so? If, then, the homes of the pensioners are also subjected to the control of this new bureaucracy where will the limit be to the cost of this old-age assistance and where will be the limits of the resulting injury to the character of these old people?

Those who voted for this law excuse their actions by two principal claims: First, they say it means savings to the taxpayers; second, they say that those children who do not support their old folks ought not to share in the estate left by their parents.

Both of these excuses are unsound. The lien affects the estate and deprives the children from inheriting it unless they pay the value of the estate. Instead of economy, this law will mean more and bigger waste. Those children, who can, but will not help their parents, can be made to pay. In fact, it is the duty of the agency to make those collections.

Finally, old age is a social problem of growing importance and proportions. That problem cannot be solved by forcing a mortgage on the homes of the needy aged as a price for letting them live poorly a few years longer.

Our doctors have conquered the ravages of sickness and disease to such an extent that our population has been growing older. There are now more people in the group of 20 to 65 in our population, and fewer under 15, than at any time in 20 years. No change in this condition is probable, even if possible, for 20 or 30 years at least. Our population between 20 and 55 has increased by about 19,000,000 since 1920, and this increase is three-fourths of the total increase in our population.

The same forces which have lengthened our average life span from 35 to 60 or 65 in the last 50 years are still at work and will continue to lengthen human life. Thus, in the next half century we will have a population predominantly old. Is it good for the State, whether viewed from the economic or political angle, to allow those years to be years of increasing unhappiness and uselessness to our coming majority? Not long ago more than half of our population was under 20. Today it is the reverse. While our life span has been lengthened, strange bars across the gate of opportunity have been raised so that old age now begins at 40. Jobs are not for those who are 50 or over. Youth insists rightfully on its chance to make a place for itself. Usefulness in industry is reckoned by the clock. Yesterday a man was considered useful, today he is judged useless in our industrial life, because yesterday he was below 65 and today he is over 65. And the statistics show that in 1930 87 percent of all men 60 to 65 were at work, 60 percent of all men from 70 to 75. Today these percentages are infinitely less.

These and many other factors combine to raise this important question: What is to be done for our growing population of ageing men and women who have not, because of economic changes, been able to provide for themselves? Will this problem be more easily or justly solved by impressing their homesteads with a mortgage, wrung from the ageing whose sense of security has already been undermined by the fear of hunger, lack of shelter, and other needs of the body? Will the program represented by this law serve the hopes of the struggling youth? Instead of breeding new hope and sustaining the ambitions of our young people, will not these practices breed instead fear and insecurity to the point where the number of pensioners will so increase that the burden of those who are employable will be unbearable? Youth, after all, must bear the burden. And why should they who are young save for a home when they get more of a pension without one?

The tremendously important social changes wrought during the last 19 years are by no means confined to industry. They, or their effects, are reechoed in disasters found inside our own doorsteps. We observe sadly how those who live in security, free from want, have become during this same period arrogantly selfish and terribly callous to the feelings and the rights of those citizens who have lost out in the race of life. We forget that these toilers, whether as farmers or as laborers, have by their labor "made our country the greatest ever known." Bureaucracy and old-fashioned privilege have joined hands to wrest from the people the control of our Gov-

ernment. Under differently worded slogans, but to the same purpose, these two forces proceed in their common enterprise.

The presence of these thousands of needy aged is due to many causes, all connected with the changes wrought in all fields of national endeavor during the last 20 years or more. The "depression" which still haunts us, drove 2,000,000 men in rural America "from their paternal acres by (the force of) economic necessity," and took \$30,000,000,000 of wealth from those who lived by agriculture. A Nation-wide scourge of poverty and unemployment was suddenly produced beneath which burrow those who seek to erect for respectful recognition a new aristocracy—the aristocracy of the purse. The leaders of this new aristocracy do not yet understand that their own future security depends on the happiness and contentment of the masses. They ignore conditions that are and say, "There is no poverty." But I answer, "Go out among the people; look into the pots of the pantries and into the cupboards of the masses, and you will find that poverty is the lot of a great percentage of the common people everywhere. You will learn how the poor among us get along with old, worn-out shoes and frayed coats 10 to 40 years old, and with food just enough to keep them above the starvation line."

Organized wealth and their apologists pronounce this lien law good because it drives some of these poor old folks off the pension rolls. Some of these old folks love their old homes so much that they prefer to gamble on getting their daily bread. The worshipers of Mammon care nothing about the anguish and unhappy days which their old neighbors suffer so long as their tax is reduced a nickel. But has it become fair, in law or morals, to protect property and not protect human beings from fear and social insecurity?

The Eliphaz who comforted Job, as he sat seemingly forsaken and suffering from the boils of his flesh, is still with us to comfort our old neighbors and to encourage our young people with these taunting words:

"Remember, I pray thee, whoever perished being innocent? or where were the righteous cut off?"

The modern, taunting Eliphaz accuses our old people of being the source and cause of their own suffering, just as Eliphaz accused Job of being the cause of his misfortune, forgetting, as Eliphaz did, that only yesterday these our neighbors "upheld the falling and strengthened the weak hands."

The present economic condition of our State demands that young and old alike fight this law, which, among all the relief laws, penalizes thrift and the needy old people who own a home. To be against this pension lien law is to be right, "let it turn out as it will."

From 1861 to 1865, under the leadership of the Republican Party, the United States fought the Civil War to free the black man from slavery. That war was costly, both in blood and treasure; but it represented the finest ideals of humanity and stands as the grandest achievement in the record of that great party. Is it thinkable that that party, with such a glorious tradition to its credit, will now black out that honorable record by enacting a law which enslaves the souls of our old people, white and black alike, by thrusting upon them, under color of law and economy, the fear and anguish which come from the enforced mortgaging of their homes as the price of their right to exist? The flag of the Grand Army never before beat a retreat when fighting the cause of humanity.

## Gold and Its Power—Part I

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. THORKELSON. Mr. Speaker, the internationalist alone is responsible for the chaotic state in which we find the world, for wherever he is you will find dissension, hatreds, unemployment, poverty, and despair. He has always been a source of trouble and will continue to be until he is denied the use of gold as a weapon to destroy and browbeat nitwitted rulers and weak governments into submission. History will show that it is his fanatical craving for gold and the manner of its use, which is to buy, sell, and bribe, that is largely responsible for his repeated expulsion from many nations.

The power of gold is greatest when nations are in debt, so he creates debt to wield his power. Debt begets despair and when nations are in debt, weak rulers and dupes fawn before the throne of Mammon. The internationalist now has the gold but lacks a kingdom for his throne, and to consummate his desire he wants war.

His ultimate hope is that we will join Europe in another World War to enthrone him, for it is only upon the ruins of nations and our civilization that he can establish a federal world union or super world government, similar to



that of the defunct League of Nations. Nations that survive the war on the side of the victor will, if they subscribe to this union, exchange their sovereign rights for a minor position in this world government, and the vanquished nations, if not destroyed, will be held as vassal states. European nations realize this, so it will be a fight to the finish, with devastation and mutual destruction. The real victorious nations will be those that stay out of the war.

The purpose of this world government is to combine the military force of all member nations as a policing power to enforce its rule upon its members, as well as upon independent nations. It is a grand scheme, and one in which an international socialist crowned as king will emerge as a ruthless imperialistic despot. This is particularly true if he succeeds in placing his own men in command of the military, policing, intelligence, and justice forces.

Such government is not our conception of popular government, for it is not free and will not establish justice. It will not insure domestic tranquillity, but will instead bring about strife. It will weaken or destroy our defenses and ignore the general welfare of the people. Instead of securing the blessing of liberty to ourselves and to our posterity, it will contrariwise restrict or deny liberty to us and enslave our children, so whatever it is, we do not want a "world federal union," now or at any future time.

It should now be clear that the internationalist and internationalistic sympathizers are deliberately planning to involve the United States in the present European war. No better evidence is needed to prove this than the propaganda now launched in the daily press, the movies, and over the air. Incidents blamed upon the enemies will be provided to arouse public sympathy in favor of England and possibly other countries that may be considered appealing to the American public. These incidents no doubt will be built upon destruction of American shipping, property, and possible loss of life. When this happens, bear in mind that it could have been prevented had we remained neutral.

American ships are leaving our ports today with contraband cargo consigned to neutral countries that we know will be intercepted by British Navy patrols and conveyed to British ports, where the cargo will be unloaded. This has been going on for a long time, and what have we done about it? Nothing. The State Department has wasted a lot of hot air in protests to fool and befuddle the American people.

Have we taken any steps to protect our neutral rights? No, indeed; not even in protecting the mail of our own citizens. Piracy is no word for it. Petty thievery is better, for when a power stoops so low as to pilfer a few hundred thousand dollars from private mail it is indeed in a class by itself. The State Department can protect our neutral rights by serving notice on Great Britain that nothing will be sold to England or France until both countries allow American cargoes and American ships to proceed unmolested and free to all neutral ports. Such attitude by the State Department would protect our ships from attack by all belligerents and prevent incidents that might, because of deliberate misrepresentation, be employed to excite public feeling.

There is plenty of evidence to show that the Executive, his private advisers, the State Department, and many ambassadors including the roving ambassador, Mr. House, were intensely pro-English during the World War, and this attitude on their part brought about the resignation of Mr. W. J. Bryan as Secretary of State. This sentiment is the same today, so little can be expected from these sources to keep the United States out of war. It is, therefore, the duty of the people to let it be known in a most forceful manner that they are opposed to war.

It is about time that we begin to use common sense and open our eyes to the true state of affairs. Knowing the ownership of the daily press, little or nothing can be expected from it in opposing war or in stating facts. So it is better to do our own thinking. Now suppose we ask ourselves this question: What can we get out of war? Nothing. We have absolutely nothing to gain, but should we become involved, it will mean the most terrific destruction of life and property in the history of the world. In the end it might mean destruction of this Republic. It is high time

that the people remember that they are the supreme power in this Government, and that Congress represents the people. If anyone attempts to involve the United States in the present European war, the people en masse should demand that Congress impeach such officials and remove them from office. This is within the power of Congress, and it is a power that must be employed to prevent mass murder.

Greed for gold is largely responsible for the turmoil in which we find ourselves and the world today, and there will be no permanent relief until each nation sets aside the gold in its own treasury as credit and security for its own people, to whom it rightfully belongs.

Ownership and control of gold will make war and stop war, and to leave this power in the hands of a few people, national or international, is not only an invitation to war but will in the end terminate in world disaster. These periodical conflicts can be stopped by depriving the international money changers of pseudo-ownership or control and the right to manipulate gold and credit to promote and finance war. It is for this reason that I advocate that they be deprived of this power.

#### GOLD AND POWER

Gold, more than any other metal, possesses the physical characteristics and rarity which makes it particularly useful as a medium to establish value. Much fear has been expressed in the press that gold may become obsolete and useless, but little credence should be placed in such statement, for gold has been the power since the days of Babylon. It is gold that leads to power and it is the control of gold that has made submissive servants of weak rulers. Gold is the weapon of the internationalists, and we are the next victims of this oligarchy. When the final day of reckoning comes, it will be found that our Treasury will be depleted of gold, and make no mistake about that, because when outstanding obligations are liquidated our exchequer will be empty.

Why does gold possess such magic charm? It is because this metal has been accepted by all nations of the world as a standard medium of value that will buy in accordance to its own weight and fineness everything that man needs and wants, except redemption of his immortal soul.

If gold is of no value, why are interests outside of the Treasury and the Governors of the Federal Reserve System holding \$15,788,038,830.64 of gold certificates? Surely no one can deny that these gold notes are the first claim on the gold now protected and stored in the United States Treasury's vaults, and guarded by the United States Army at the taxpayers' expense.

If gold is to become useless, why are the internationalists fortifying their own interests by holding title to this metal? Why are they and their agents defrauding the American people of a property that has been earned by the people, and that rightfully belongs to them? Why have the Executive and the Secretary of the Treasury, under the pretext of an emergency, coerced Congress into setting aside \$2,000,000,000 in gold for their own use? Why did not these gentlemen have Congress set aside \$2,000,000,000 of our commodity or managed money, and leave the \$2,000,000,000 in gold as a protection for our own people and as security for our national currency structure? These are questions of interest to all people in the United States.

Why are foreign investors holding more than \$7,000,000,000 of our private securities upon which earnings are paid to them in gold when the same foreign nations through their banks owe the United States more than \$14,000,000,000 in defaulted war debts, upon which we have received no interest or payment?

[Department of Commerce, Washington, released June 19, 1939]

Secretary of Commerce Harry L. Hopkins announced today that the value of foreign investments in the United States at the end of 1938 amounted to \$7,883,000,000 as compared with \$7,036,000,000 at the close of 1937.

Of the total amount of foreign investments in this country at the close of 1938, \$5,690,000,000 represented long-term investments while \$2,193,000,000 represented foreign-owned dollar balances and other short-term banking items, Secretary Hopkins said.

Estimates of foreign investments in the United States were prepared by Paul D. Dickens of the Finance Division of the Bureau of Foreign and Domestic Commerce.

The value of long-term investments in the United States belonging to foreigners increased \$420,000,000 during 1938 largely as a result of the increase in the average market price of common stocks. Net purchases by foreigners of United States securities during the year amounted to approximately \$49,000,000. The combination of the higher market prices and net purchases resulted in a \$400,000,000 increase in the estimated value of foreign holdings of American common stocks. Direct investments in this country, meaning investments by foreign companies in United States subsidiaries, increased slightly, such investments in 1938 amounting to \$10,000,000. Estimated bond holdings by foreigners increased by \$15,000,000, while holdings of preferred stocks fell off \$5,000,000.

Reports received from 380 United States corporations giving data regarding the foreign holdings of their shares (exclusive of shares held in the names of American nominees) disclosed that the value of common stocks held by foreigners increased by about 24 percent during 1938. The number of common shares held increased by more than 8 percent. Preferred-stock holdings increased 15 percent in market value but declined very slightly on both a number-of-shares basis and a par-value basis.

Approximately three-fourths of the common stocks held by foreigners are shares listed on the New York Stock Exchange, probably because of the desirability of a high degree of marketability. Preferred-stock holdings, while composed of a smaller percentage of New York Stock Exchange issues, have for the last 4 years been showing a higher degree of concentration in issues listed on the New York Stock Exchange.

The number of United States railroad common and preferred shares held abroad increased during 1938 by 12.6 and 3.6 percent, respectively. Holdings of manufacturing and distribution shares of both common and preferred status increased but not as much as did the rails. On the other hand, foreign holdings of petroleum and mining shares, both common and preferred, declined slightly. Public-utility common stocks held in foreign countries increased, while preferred stocks were reduced.

Data regarding foreign long-term investments in the United States were first made available by the Finance Division in 1937 in a comprehensive survey, entitled "Foreign Investments in the United States," which applied particularly to holdings at the end of 1934 when it was estimated that such investments aggregated \$4,357,000,000. Subsequent estimates were placed at \$5,109,000,000 and \$6,108,000,000 for the respective year ends 1935 and 1936. In 1937 long-term investments by foreigners aggregated \$5,270,000,000.

Short-term investments by foreigners in the United States aggregated \$614,000,000 in 1934, \$1,220,000,000 in 1935, \$1,530,000,000 in 1936, and \$1,766,000,000 in 1937.

*Foreign long-term investments in the United States, by types of investment, as of the end of 1938—Estimated value*

Type of investment:	
Direct investments (book value)-----	\$1,685,000,000
Common stocks (market value)-----	2,250,000,000
Preferred stocks (par value)-----	425,000,000
Bonds (par value)-----	580,000,000
Other investments-----	750,000,000
Total-----	5,690,000,000

This Department of Commerce release states that in 1937 foreign investors held \$7,036,000,000 of American securities, and that these holdings increased to \$7,883,000,000 in 1938. We may, therefore, assume that there has been an increase of foreign investments in American securities in 1939 and 1940. This statement does not include United States corporate bonds, which, no doubt, amount to many additional millions.

I received this letter on this subject:

DEPARTMENT OF COMMERCE,  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,  
Washington, February 19, 1940.

MY DEAR CONGRESSMAN: Dr. Paul D. Dickens of our Finance Division has called my attention to your letter of February 19, in which you ask for certain information to supplement that given in our release of June 19, 1939. We do not have sufficient statistical data available to provide an exact answer to your question relative to the gold-clause provisions in the United States corporate bonds held by foreigners, nor do we have any information pertaining to the dates when such bonds were negotiated. We feel quite certain, however, that the major portion of such holdings related to issues that were sold to the public prior to 1934.

The latest statistics which we have available on a bicountry basis relate to the end of 1934. At that time investors to the United Kingdom held \$87,000,000 of United States corporate bonds, and French investors held approximately \$50,000,000 of such securities. Although changes have undoubtedly been made in these portfolios since the end of 1934, we have no reason to believe that these holdings have changed materially in value or that there has been any substantial shift from bonds issued prior to 1934 to bonds issued at a later date.

Sincerely yours,

JAMES W. YOUNG, Director.

We may now understand that \$7,883,000,000 of foreign investments were made when 1 ounce of gold was worth \$20.67 or when \$1 contained 25.8 grains of gold nine-tenths

fine. Gold is now worth \$35 an ounce, but gold in the dollar has been reduced to 15.521 grains, nine-tenths fine. I shall consider these private holdings in my discussion, as there appears to be no authentic record of foreign-owned United States corporate bonds. The Treasury Department apparently knows nothing about it, and the Department of Commerce records show only \$137,000,000 of such bonds.

These \$7,883,000,000, when converted, amount to 381,373,971 ounces of fine gold. Multiplying this with the present price of gold, \$35 per ounce, we find that these foreign-owned American securities amount to \$13,348,088,985, which represents the new international dollar.

Deducting this amount from the \$13,084,652,182.69 of gold leaves \$4,736,563,197.69 balance in the United States Treasury. So it appears that we are not so well off after all. If we now deduct the \$2,000,000,000 in the stabilization fund, which under the present management may be lost, we will then have a balance of \$2,736,563,197.69 of gold in the United States Treasury, which, when converted into the old dollar is \$2,775,863,983 less than what was in the Treasury in 1922. Let us now grant that the Executive and the Secretary of the Treasury possess sufficient ability to save the \$2,000,000,000 in the gold stabilization fund. We will even then have \$1,285,721,108 less gold in the United States Treasury than we had in 1922. We are, therefore, in this position today: When all our own securities are liquidated, we are a debtor Nation with less than \$200,000,000 in gold in the United States Treasury, instead of the \$18,000,000,000 we are supposed to have.

This situation should be of considerable interest to Members of Congress, particularly when we recall that all outstanding gold certificates are payable in gold, and not one of them is owned by the people of this Nation, but instead they are held by interests outside of the Treasury or the Governors of the Federal Reserve banks. This can mean only one thing: When foreign holdings are cashed, and our gold certificates liquidated, no gold is left in the United States Treasury as security for the business structure of this Nation and our people.

The question now arises, Is there any likelihood that foreign investors in American securities will cash in on such holdings? The answer is "Yes," and here is the evidence from the Washington Post, February 19, 1940:

BRITAIN CALLS IN 60 UNITED STATES STOCKS FROM PUBLIC—PURPOSE IS TO INSURE ORDERLY CONVERSION, TREASURY SAYS

LONDON, February 18.—Britain's drive for dollars to pay her war bills today brought a treasury order requiring British owners of 60 selected American securities to turn them over to the Bank of England at current prices.

The order will make the bank owner of a huge block of American stocks. Total value was not made known, although Britons were required at the beginning of the war to register their foreign holdings.

It was estimated just before the war that British investments in the United States totaled £200,000,000, the equivalent of nearly \$1,000,000,000 under the then prevailing rate of exchange.

The treasury order said its purpose was "to insure that realization of securities in American markets shall be orderly and that the total volume of sales from the United Kingdom should continue at about the average volume of recent months."

If this statement is based upon fact and if there was only \$1,000,000,000 British investment before the war, we may assume that the difference of \$6,883,000,000 as listed in the Department of Commerce release has been credited to England since the opening of hostilities. If this is true, as it appears to be, it can only be considered as a deliberate attempt by our own international financiers to finance the present war for England at the expense of the taxpayers of the United States.

It is the duty of Congress to ascertain the manner in which England acquired these securities, whether they were bought, or whether it was only an extension of credit with the securities held by the international bankers of the United States, for there seems to be a definite understanding as to the manner in which these securities are to be negotiated, as this quotation from the same article indicates:

The British action was welcomed here, because so long as British nationals were permitted to undertake dribbling liquidation of their American holdings, this problem has hung over the American markets.



It appears from this statement that the American financial groups, including the Treasury Department, are apprehensive that this credit may be used too rapidly and so bring about a drop in these securities, an attitude that again shows collusion between the British and American internationalists. It is again as it was in 1917, a rape of America.

Had Members of Congress the interest of our own Nation at heart, they should insist that these English investments be credited against the defaulted World War debts, upon which not even interest has been paid.

Those Members of Congress who stood so stanchly by the internationalist and supported the trade treaties may, if they have any interest at all in the United States and in their own people, give a little consideration to this.

The investments to which I have referred were made before the Gold Reserve Act was enacted in 1934, when an ounce of gold was worth exactly \$20.67 in credit or merchandise. Today the same ounce of gold is worth \$35 in credit or merchandise, which is \$14.33 more than 1 ounce of gold bought before the act was adopted.

Let us take an example: In 1933, 100 ounces of gold at \$20.67 per ounce amounted to \$2,067, the price of an automobile. Today, the same 100 ounces of gold at \$35 amounts to \$3,500, which will buy the same automobile and give the foreign buyer \$1,433 in change. Who takes this loss? The taxpayers of the United States. Let us take another example: Before 1934, 1 ounce of gold at \$20.67 was the price of one cow. Today, the foreign buyer will, with the same ounce of gold, buy one cow for \$20.67, but he will, in addition to that, receive \$14.33 in change or credit with his purchase. Is it now any wonder that our manufacturing industries and farm industries are steadily disintegrating?

Are we not the most Santa Clausy good neighbors that foreign nations have ever had? Under our present international monetary system, we give a foreign buyer 69 cents of merchandise free for every 31 cents he spends with us.

The great New Deal majority that supported the trade pacts and even denied Congress the constitutional right to approve these treaties, and the right of protest by American producers, should indeed crawl into a hole and pull the hole in after them. The motion to recommit is so important to industries, to agriculture, and to labor that I shall quote the motion:

Mr. TREADWAY moves to recommit the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to the Committee on Ways and Means, with instructions to report the same back to the House forthwith with the following amendment: "Provided, That no such foreign-trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved by the Congress by law: *Provided further*, That so much of said section 350 as suspends the application of section 516 (b) of the Tariff Act of 1930 (relating to appeal of protest by American producers) to any article with respect to which such foreign-trade agreements have been concluded, or to any provisions of such foreign-trade agreements is hereby repealed; *Provided further*, That the authority conferred under said section 350 does not embrace authority to include in any trade agreement the excise taxes upon the importation of petroleum, coal, lumber, and copper imposed by subchapter B or chapter 29 of the Internal Revenue Code: *Provided further*, That no rate reduction shall be included in any foreign-trade agreement which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost of production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available.

In other words, this motion to recommit asked that trade pacts be handled according to the Constitution, for the protection of the farmers, miners, and producers in the United States against unfair foreign competition.

Did any one of those who voted "no" to this recommitment give the slightest consideration to the fact that for every grain of gold expended in the United States for merchandise we furnish 69 percent absolutely free and without cost to the foreign buyer? That for every ounce of gold spent for merchandise in the United States we give him \$14.33 more than he could buy in 1932, or, in other words, for every dollar of foreign investments to which I have referred, when expended for merchandise, we donate 69 cents.

Those who voted "no" to the motion to recommit voted against the American workers, miners, farmers, and business. They voted for an unconstitutional act, which deprives the people of their constitutional rights as set forth in the tenth amendment. They violated their oath of obligation.

As it stands now, we furnish over 70 percent of all merchandise sold to foreign nations free. This seems incredible, but is nevertheless a fact, so is it any wonder that foreigners have little or no respect for us? Who is responsible for this? Those voters who selected Congressmen to follow the Executive and the internationalist instead of the Constitution of the United States.

## Conviction, and Courage of Conviction

### EXTENSION OF REMARKS

OF

HON. ROBERT L. RODGERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

ADDRESS BY HON. ROBERT L. RODGERS, OF PENNSYLVANIA, BEFORE THE REPUBLICAN CLUB OF FREDERICK, MD., FEBRUARY 22, 1940

Mr. RODGERS of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a copy of an address made by me before the Republican Club of Frederick, Md., at the time of their Washington's Birthday observance, on the evening of February 22, 1940, as follows:

Mr. Chairman, fellow Republicans, ladies and gentlemen, I appreciate the honor conferred upon me in being invited to be with you on this occasion and to have a part in this program. I am glad to come to the historic city of Frederick—in the historic State of Maryland—and especially so in recognition of this historic occasion, the observance of the birthday of George Washington, who has been rightly called the Father of his Country. It is pleasing also that this meeting is under the auspices of that political organization that furnished the leadership to preserve the Nation which Washington so ably and so heroically helped to found. In passing, I believe it also fitting to observe that it has been under the administrations of this same political organization that the United States has experienced its greatest periods of growth, development, and prosperity; and, again, it is this same political organization that is today the hope of the Nation.

It is not my purpose, however, to make a political or partisan speech, but I shall direct my effort with reference to Washington and to certain historical events in the earlier life of our country with their patriotic significance and certain present-day application, and under the caption Conviction and Courage of Conviction.

The career of Washington, his experiences, the services which he rendered were most varied. Active in colonial times—both in peace and war—Commander in Chief of the Continental Armies during the Revolution, deeply concerned and personally active during the chaotic condition of the sovereign States following that war—for 4 months presided over the deliberations of the Constitutional Convention, which brought forth, according to the words of the eminent Gladstone, "The greatest work ever struck off at a given time by the brain and purpose of man"—and, lastly, for 8 years Chief Executive of this new experiment in government.

I wish to refer to the Declaration of Independence and its three subdivisions. First, the preamble, which states, among other things, that "all men are endowed by their Creator with certain unalienable rights. . . . That to secure these rights, governments are instituted among men deriving their just powers from the consent of the governed." This was not only a radical declaration for that time but it was contrary to the age-old and long-accepted doctrine of the divine right of kings, for it said in effect that no accident of birth gave any man or set of men a right to rule over or to impose their will upon other men. It was a challenge not to England only but to every throne and ruling class of the Old World.

Next in order we have a recital of those "facts submitted to a candid world," or, as our lawyer friends today would term it, "a bill of particulars." And, finally, we have the conclusion in which those heroic members pledged their lives, their fortunes, and their sacred honor to the carrying out and perpetuating of the principles involved, and the maintaining of the facts as submitted to a candid world in the bill of particulars. The Declaration was not only made and the pledge entered into but it was signed by the individual members who knew full well that, in the event of failure, in the event of an unsuccessful revolution, they would be arrested, tried, condemned, and executed as traitors to their King.

We should remember that these men were not only patriotic men who had convictions but also had the courage of their convictions. One of the signers to the Declaration wrote in an exceptionally

large hand, so that his signature was outstanding. When some person remarked as to this, he said he wanted King George to be able to read it without his "specs."

The Declaration of Independence was a document preliminary to war. It was a vital piece of practical business, not alone a piece of rhetoric. If we pass beyond the preamble, and continue into the Bill of Particulars, we will find that it is very express and detailed, that it consists of a series of definite specifications concerning actual public business of that day. Not the business of our day, but the business of the Revolution by which the Nation was set up—the business of 1776. Its general statements—its general declarations—can mean but little to us unless supplemented by a similar Bill of Particulars as to what we consider the essential business and issues of our own day.

Liberty and independence do not consist in mere general declarations but consist in the translation of those declarations into definite action. Therefore, we must translate them into terms of our own conditions and of our own lives. In brief, we must file a Bill of Particulars of the year 1940.

The task to which we should continually address and readdress ourselves is the task of proving that we are worthy of the men who drew this great Declaration and who fought and won the Revolutionary War, and try to conclude what they would do under our circumstances.

George Washington, while not a signer of the Declaration, favored and supported the movement. And why? Washington was an aristocrat. He had been a faithful subject of King George. He had served in the King's army with valor and distinction. He was a man of wealth and influence. He had everything to lose and apparently nothing to gain by casting his lot with those who rebelled against the power and authority of the King. Then why did he do as he did? The answer must be because of his conviction and his courage of that conviction—because he was prompted by the virtues of righteousness. His living example of the virtues of unselfish consecration and lofty patriotism should impress us that those virtues were conditions not more vital to our Nation's beginning than to its development and durability—not more vital to his day than to our day.

All that Washington did is bound up in our national life and interwoven with the warp of our national destiny. His universal and unaffected sympathy with those in every sphere of American life, his thorough knowledge of existing American conditions, his wonderful foresight of conditions yet to be, his powerful influence in the councils of those who were to make or mar the fate of a Nation, made him a tremendous factor in the construction and adoption of the constitutional chart by which the course of the newly launched ship of state could be safely sailed. It was he who first took the helm and demonstrated, for the guidance of all who might succeed him, how, and in what spirit and intent, the responsibilities of our Chief Magistrate should be discharged.

We need not attempt to make more secure the immortal fame of Washington or to add to the strength and beauty of his imperishable monument built upon a Nation's affectionate remembrance. Washington has no need of us. But in every moment, from the time he first drew his sword in the cause of American independence down to this hour, the American people have needed him.

It is not important now, nor will it be in the years to come, to remind our countrymen that Washington has lived and that his achievements in his country's service are above all praise. But it is important, and more important now than ever before, that we should clearly apprehend and adequately value the virtues and ideals of which he was the embodiment, and that we should realize how essential to our safety and perpetuity are the consecration and patriotism which he exemplified. The American people today need the example and teachings of Washington no less than those who fashioned our Nation needed his labors and guidance.

Shortly before his inauguration as first President, he wrote a letter to Lafayette in which he expressed his great desire to establish a general system of policy which, if pursued, would "insure permanent felicity to the commonwealth"; and he added, "I think I see before me a path as clear and as direct as a ray of light, which leads to the attainment of that object. Nothing but harmony, honesty, industry, and frugality is necessary to make us a great and a happy people."

When Washington wrote that nothing but these four essentials were necessary to make us a great and happy people, he had in mind, no doubt:

1. Harmony of American brotherhood and unselfish good will.
2. Honesty—that insures against the betrayal of public trust or private confidence.
3. Industry—that recognizes in faithful work and intelligent endeavor a reasonable promise of well-earned returns. Today we more frequently term it "free enterprise."
4. That frugality which outlaws waste and extravagance as the enemies of thrift and promoters of covetous discontent.

Today are we not forced to confess that there are signs of the times that indicate a weakness and relaxation of our hold upon these virtues? By careful and painstaking self-examination, if we find that the wickedness of destructive agitators, the selfish depravity of demagogues have stirred up discontent and strife where there should be peace and harmony, have arrayed mutual interests against each other which should dwell together in hearty cooperation; if we find that the old standards of sturdy, uncompromising American honesty have become corroded and weakened; if we find a disposition among us to turn from the highway of honorable industry to travel the detours of unknown destination; if we find

that widespread wastefulness and extravagance have discredited the wholesome frugality which was once the pride of Americanism, we should then recall Washington's admonition that harmony, honesty, industry, and frugality are "essential pillars of public welfare" and forthwith endeavor to effect the needed change in our course.

Our country is infinitely more than a domain affording to those who dwell upon it immense material advantages and opportunities. In such a country we live. But let us think of a more glorious Nation, built upon the will of free men, set apart for the propagation and cultivation of humanity's best ideal of a free government, and made ready for the growth and fruitage of the highest aspirations of patriotism. This is the country that lives in us. I indulge in no mere figure of speech when I say that our Nation, the immortal spirit of our domain, lives in us—in our hearts and minds and consciences. There it must find its nutriment or die. This thought, presents to our minds the impressiveness and responsibility of American citizenship.

We referred to the fact that Washington was an aristocrat; that he had everything to lose and apparently nothing to gain by taking the action that he did. In order to better appreciate that he fully recognized this fact—that he voluntarily departed from the line of least resistance and thereby assumed great handicaps, difficulties, and obstacles—let us remember, in the first place, the power of the country was not sufficiently centralized to function efficiently in time of peace, let alone during the stress and emergency of war.

The Congress of the Confederation could recommend but could not enforce. Each State could continue to function largely as it saw fit. When Washington took command of the Continental Army there was no uniformity of dress, nor of arms, no uniform drill regulations and but little military discipline. Also, there were an average of only nine cartridges for each of the men in his command.

Not only these handicaps and difficulties, but also the added burdens which followed, for instance:

The treason of Benedict Arnold.

The Conway cabal.

The campaigns and battles that lost the most important position in the country—New York City.

The campaigns and battles that lost the second most important position—that of Philadelphia.

Followed by the winter at Valley Forge.

When Washington went into camp at Valley Forge he had approximately 11,000 men, but without food, without clothing, without shelter, without medical supplies—more than half the Army died before springtime. They lie buried in the grounds about Valley Forge. Their graves, with only one exception, are unknown and unmarked.

History probably would have justified Washington in yielding to the apparently inevitable and making peace on the best terms available, but we do not learn that he faltered even for a moment. As one writer has expressed it:

"When the night of storm was abroad in its fury

And darkness curtained the hills,

When the plow stood still in the fields of promise

And briars encumbered the garden of beauty,

When the brave began to fear the power of man,

And the plous to doubt the favor of God—

There stood Washington pure and firm, stalwart, and imposing

With the courage of his conviction undaunted,

Unflinching in his fidelity to his trust."

No; we cannot conceive of the burdens, the physical exhaustion, the nervous strain, and mental agony which Washington had to undergo. Neither can we conceive what would have been had Washington failed. Then the United States, as we know it, might not have been, and we, or whoever peopled this country today, might have been—probably would have been—subjects of a foreign power and not citizens of a free republic.

But it is to be remembered—and it should give us courage and inspiration—that after Valley Forge came Yorktown, and the newborn star of independence burst asunder the clouds of time and careered to its place in the Heavens, destined in the course of events, in the constellation of nations, to become a star of the first magnitude.

And with us, as individuals, as a community, a State, or a Nation, when the day seems dark, when obstacles appear unsurmountable, when our faith in the future is challenged, let us remember that there have been many Valley Forges in the past that have always been followed by other Yorktowns.

There were times other than Valley Forge when Washington, more than any other one man, was the savior. During the deliberations of the Constitutional Convention, when it was proposed to yield vital principle to temporary expediency, Washington said, "If to please the people we offer those things which we ourselves disapprove, how can we afterwards defend our work. Let us rather raise a standard to which the wise and the just may repair." The counsel and admonition of Washington prevailed and that standard was raised.

The question before us today is, Shall that standard be maintained? That it is in danger, there is no question. We know all too well of the existence of subversive elements within our own land, supported by elements abroad, that would cause the destruction of our constitutional form of government, which would be as fatal to us as a Nation as would have been the dismemberment of the Union in the 1860's.

There are wars and rumors of more wars abroad, and the end is not yet. It must be apparent to the thoughtful observer that there is an issue involved in the conflicts abroad which, if not yet, may



become the chief and final issue. And that is a conflict—a fight to the finish—between Paganism and Christendom, between materialism and spiritualism, between the doctrine of Karl Marx on one hand and the doctrine of the New Testament on the other.

Religion and religious teachings have been denounced as an unhealthy opiate administered to innocent people. We know that even thus far in these conflicts abroad, churches have been destroyed or converted to other uses—priests, preachers, and teachers of religion have been cruelly put to death—bonfires have been made of Bibles, the sanctity of the home has been set at naught. The power and interest of the state is supreme, individuals are not "endowed by their Creator with certain inalienable rights," governments do not "derive their just powers from the consent of the governed."

We cannot conceive that democracy, in the broad sense that we use the term, could long exist outside of Christendom. Therefore it is the object of these subversive elements to destroy Christendom. And we know that totalitarianism cannot exist within Christendom. Therefore our objective is to preserve Christendom. Today, as in the past, as in the days of Washington, in order to meet these present issues we must have conviction and we must have the courage of that conviction.

A minister that I well know quite frequently, in his sermons or public addresses, quotes the lines of verse the title of which is "The Day's Demand." It seems to apply especially well at this point. I do not know the author, but I believe I quote correctly:

"God give us men!

A time like this demands

Strong hearts, true faith, and ready hands;

God give us men,

Whom the lust of office cannot kill;

Men, whom the spoils of office cannot buy;

Men, who possess convictions and a will;

Men, who have honor—and will not lie;

Men, who can stand before the demagogue

And damn his treacherous flatteries to his face.

Stalwart men—sun-crowned

Who live above the fog, in public trust and private life;

For while the rabble, with their thumb-worn creeds,

Their large professions and their little deeds,

Mingle in selfish strife,

Lo! Freedom weeps,

Wrong rules the land

And waiting justice sleeps.

God give us men!"

In that memorable address, known as the Cooper-Union speech, given by Abraham Lincoln in New York City, February 1860, 80 years ago this month, he appealed to the Christian principles, the religious conviction, the moral fiber of the people, and in his conclusion said, "Let us have faith that right makes might and in that faith let us, to the end, dare to do our duty as we understand it."

In brief, he appealed to them to have the courage of their convictions.

On this day, in the midst of the many and perplexing problems that confront community, State, and Nation, as well as the entire world, on this Washington's Birthday observance, in emulation of his conviction and his courage of that conviction, let us, too, have faith that the principles of righteousness must eventually prevail; and in that faith let us, too, dare to do our duty as we understand it.

The courage of Washington remained with him to the end. When the black camel of death knelt at the threshold of his earthly home and summoned him to go on that long journey to that undiscovered country from whose bourne no traveler ere returns, the stout heart of the brave old warrior answered, "I am not afraid to go."

When the body of our martyred President, James A. Garfield, lay in state at Washington there was a floral tribute placed with the casket by the direction of Victoria, widowed Queen of England. With that tribute there was also an inscription, fitting to the close of the life of such a one as Garfield—and I can think of nothing more fitting to quote with reference to the close of the life of Washington than these same words—

"Life's work well done,

Life's race well run,

Life's crown well won."

And it has been beautifully and fittingly said:  
"Providence left him childless that his country might call him father."

## A Wage-Hour Amendment to the Reciprocal Trade Agreements Law Is Necessary

### EXTENSION OF REMARKS

OF

HON. CHARLES F. RISK

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

Mr. RISK. Mr. Speaker, due to the lack of opportunity on Friday last to explain the amendment offered by me to the

resolution extending the life of the reciprocal trade agreements law, as a result of the vote to shut off all debate on amendments after 6 o'clock, p. m., I wish to take this opportunity to present some of the substantial reasons why this amendment should have prevailed and why the Democratic majority should have voted for it instead of defeating it, having in mind the fact that it was defeated by a solid Democratic vote, while the Republicans to a man supported it.

My amendment reads as follows:

*Provided, however,* That no goods, whether subject to the provisions of any existing trade agreement between the United States and a foreign nation or hereafter entered into, shall be received for entry into the United States unless accompanied by a manifest which has affixed thereto a certificate by an American consul that the goods represented by such manifest have been produced in accordance with the provisions of sections 6, 7, and 12 of the Fair Labor Standards Act of 1938 (Public, No. 718, 75th Cong.).

The amendment is admittedly drastic to the reciprocal trade agreements law, yet I doubt if anyone will challenge the contention that the amendment is in complete harmony with the announced objectives of the wage-hour law. The words "announced objectives" are here used advisedly, since there is a grave doubt in the minds of many of our people that the wage-hour law, necessary as it was and had been for some time prior to its enactment, was sponsored by this administration for any reason other than to make a play for what the newspapers and politicians are wont to call the labor vote in the 1938 election. If the administration had intended by the enactment of the wage-hour law to assist in the raising of the standards of living of the American workman, then why has it grasped, maintained, and exercised the power to degrade him by throwing open our markets to the importations of goods produced under conditions intolerable to us in the United States, either because of the substandard conditions under which they are produced or because their manufacture has been exacted under terms and conditions laid down and ruthlessly enforced by foreign dictatorial governments?

The announced objectives of the wage-hour law, contained in that section entitled "Finding and declaration of policy," are "to correct and as rapidly as practicable to eliminate" conditions elsewhere in the same section found to be "labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers."

This amendment provides merely that this Government apply to any foreign country shipping competitive goods in here, the same labor standards as to wages, hours, and child labor as it applies in this country.

According to the most recent tables compiled by the International Labor Office, the average daily wage in 1938 in Japan was 58 cents—this includes male and female, skilled and unskilled—and the hours average 9 and 10 per day. The average hourly wage in Japan, then, is approximately one-eighth of that in the United States. In some European countries the average daily wages are 60, 70, 80, and 90 cents. And even in those countries where the rates of pay are higher, like the Scandinavian countries, Holland, England, and France, they are much below those in the United States.

The argument is advanced that since there has been a rise in exports under the trade agreements, there must necessarily have been an increase in employment of men and women to produce those exports. There can be no doubt of the truth of that statement. But the advocates of the trade agreements program fail to go the entire distance and explain that because of the low labor standards abroad, the cost of production is, as nearly as it is possible to say, not more than one-third of the cost in this country, and that consequently if a given quantity of competitive imports required 1,000 man-hours to produce, there is a corresponding displacement of 3,000 man-hours in this country. If we can manufacture a commodity in sufficient quantity to take care of our needs, that commodity should not be received here for import excepting on some fair basis of equality in the cost of production, which means largely equality in the wage rates paid. Only by such method is it possible to secure any benefits from the wage-hour law in this country. Why should those

well qualified to work in the manufacture or the finishing of textile products be forced to stay on relief?

Why should our people remain idle while the mills in Great Britain, France, Italy, Japan, and other countries are humming merrily along in the production of wools, worsted, cotton goods, laces, and rayons, of which large quantities are destined to land at these shores at prices that cannot be met by producers in the United States?

If the employees in the great shoe industry in this country have a warm spot in their hearts for Hitler, who saved their bread and butter by taking over Czechoslovakia, thus causing the abrogation of a trade agreement with that country that had them up in arms at the injustice of it all, who can blame them? Their own benign Government had abandoned them.

Let us see what the American Federation of Labor thinks about the principle embodied in my amendment. On page 1369 of volume 2 of the committee hearings on this resolution, there is set out the text of a resolution unanimously adopted by the executive council of the American Federation of Labor at its meeting held here in April of 1933. It reads as follows:

Whereas the provisions of reciprocal-trade treaties negotiated by the State Department with foreign nations affect, very vitally, both the economic conditions of American workers and unemployment and there are many organizations, representing thousands of workers, affiliated with the American Federation of Labor which are seriously affected by these trade treaties, and for that reason are deeply interested in their provisions; and

Whereas the economic and industrial interests of these workers demand that the American Federation of Labor exercise all efforts possible to prevent the importation of goods from foreign countries, under the provisions of reciprocal-trade treaties, where lower wages, longer hours, and lower living standards prevail than exist in competing industries within the United States: Therefore be it

*Resolved*, That the executive council of the American Federation of Labor expresses its opposition to reciprocal-trade treaties which discriminate against American workers. We are opposed to reciprocal trade treaties provisions which provide for importation of goods and merchandise which because of low labor costs abroad are sold at a lower price than the same goods and merchandise produced by workers in the United States, where wages and conditions of labor are established on a higher standard than those which prevail abroad; and be it further

*Resolved*, That a committee representing the American Federation of Labor be accorded the privilege of presenting labor's point of view relating to the provisions of reciprocal-trade agreements affecting labor before said agreements are negotiated and ratified.

The American Wage Earners' Protective Conference, which is the so-called tariff group of the American Federation of Labor, takes the position as outlined by its president, Matthew Woll, in an address delivered at Huntington, W. Va., on December 14, 1939. Quoting from that speech:

This group further declared that the principle and policies underlying the reciprocal-trade treaties are inconsistent and in conflict with the principle and practice of the wage and hour law, the Walsh-Healy Act, and the Wagner Labor Relations Act in that through the enactment of labor legislation we seek to improve the standards of work and wages involving a larger labor cost, while in the reciprocal trade treaty policy we encourage the purchase and distribution in America of foreign-made goods and manufactured products made under much inferior and substandard conditions of employment. It has been demonstrated that some 90 percent of our industrial imports would be precluded entry into American markets if the legislative standard of wages of 30 cents an hour and a limited workweek of not more than 42 hours per week would be enforced in foreign countries on the production of those goods produced by foreign workers and sold in the American market in competition with the products of American workers.

Think of that! Ninety percent of the industrial imports would be kept out if our wage-hour standards could be applied. What a boon to men and women hitherto engaged in industrial pursuits and now forced to see some politician in order to get on relief.

And lest there be any doubt as to whether the American Wage Earners' Protective Conference represents the American Federation of Labor, let me refer you to the same volume of the hearings on page 1368, wherein appears a copy of a letter from William Green, president of the A. F. of L., to Matthew Woll, then fourth vice president. The letter is as follows:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., May 7, 1929.

MR. MATTHEW WOLL,  
Fourth Vice President, American Federation of Labor,  
New York, N. Y.

DEAR SIR AND BROTHER: In reply to your letter of April 26, may I first explain that the American Federation of Labor has steadfastly

refrained from giving approval or endorsement to a protective tariff or to a modification or reduction of tariff schedules as represented in the term frequently used, "free trade."

It has been the policy of the American Federation of Labor, however, to cooperate with and assist national and international unions affiliated with the American Federation of Labor in presenting demands to Congress for an increase or decrease in tariff schedules affecting industries in which men and women were employed over which these national and international unions exercised jurisdiction. This means that each national and international union may shape its own policies regarding tariff schedules with a feeling of assurance that the American Federation of Labor would respond to any request made for cooperation and assistance.

This policy will be pursued with regard to the tariff policies pursued by the organizations which you explain are component parts of the American Wage Earners' Protective Conference. Each of these organizations for which you are authorized to speak may feel assured that the American Federation of Labor will assist and cooperate with them in the advancement of such tariff policies as they may formulate and decide upon.

With all good wishes, I beg to remain,  
Fraternally yours,

WM. GREEN,  
President, American Federation of Labor.

There, Mr. Speaker, is the stand of labor on the principle contained in the amendment offered by me last Friday. Frankly, it is difficult to understand the one administration, within itself, through representatives of different agencies of the executive branch, calmly, yet none the less boldly, voicing once more its concern for the common man and sincerity of purpose in governmental action in his behalf.

Unfortunately, the spirit of many of our men and women is well-nigh broken from the buffeting they have received at the hands of representatives of relief agencies. Were it not for that they would be fighting, and fighting hard in opposition to a Government that seems to have lost all sense of proportion in its treatment of the public. But there is a new generation, young and virile, ready and waiting to pierce the veil of secrecy and demand of its Government the reason for the many inconsistencies bordering on hypocrisy.

## So-Called Finnish Loan Bill a Fraud

### EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

EDITORIAL FROM THE MILWAUKEE JOURNAL OF FEBRUARY 17, 1940

MR. THILL. Mr. Speaker, Senate bill 3069, considered by the House today, has been called the Finnish loan bill. There is no guaranty that any of the funds provided for in this bill will go to Finland. This legislation provides for increasing the lending authority of the Export-Import Bank of Washington from \$100,000,000 to \$200,000,000.

Under leave to extend my remarks, I include the following editorial, which appeared in the Milwaukee Journal under date of February 17, 1940:

[From the Milwaukee Journal of February 17, 1940]

#### FRAUD OF THE FINNISH LOAN

Congressman EATON, of New Jersey, said to Congress what needed to be said on this question of authorizing a Government loan to Finland by the back-stairs route of increasing the capital of the Export-Import Bank:

"I, for one, am ashamed of this straddling, evasive Import Bank bill. If we do not want to help Finland, let us say so and why. If we do want to help Finland, let us do it in a straightforward manner, worthy of a great and free Nation."

Everybody else knows, as well as Congressman EATON, that what we are preparing to do is fling a sop to Finland. We do not want to go to war. Nor do we want to turn our backs entirely on Finland. So we will give her the money in a form that Russia cannot legitimately object to, and that will not help Finland unless some other country will do the "dirty work" of translating our non-military loan into military aid through an exchange of goods. If some other country does do that, of course, our hands are still unsold.



It is about as hypocritical and self-righteous a thing as has been proposed and as has made headway in this country in a long time. Twenty millions, assuming that Finland gets the full amount that can legally be loaned her under the bill setting up one hundred millions more for the Export-Import Bank, will not win a war. We know that, and Finland knows it. The money is not even to be spent for the things that Finland needs most. Mr. EATON says it is to go for "powder puffs and carpet slippers." That is not literally correct, of course, but it expresses the idea graphically.

What we say here has nothing to do with the relief work headed by former President Hoover. That is a strictly humanitarian activity involving no question of Government participation. It is the kind of thing any nation should do that has money and a heart. We are talking about the playing of politics with the question of helping Finland win the war.

The Journal laid down for its own guidance last October the policy of noninvolvement in the European war. Then the invasion of Finland occurred to catch the popular imagination. The heroic fight by Finland appealed to our sympathies too. But we could not see that the case of Finland was any different from that of Czechoslovakia or Poland.

To maintain this position in the face of a wave of emotionalism was to invite criticism. The Journal has had its share. But at least we have not practiced the hypocrisy that is now being cooked up at Washington.

Any citizen or any Congressman has a right to advocate military aid to Finland, and in quantity sufficient to win her war. But to pretend to give aid and not give it—the whole thing seems to have boiled down to a slick scheme to get another \$100,000,000 for New Deal lending, at a time when Congress is disturbed over tremendous defaults of loans previously made by these Government lending agencies.

**Dr. William I. Sirovich**

#### EXTENSION OF REMARKS

OF

**HON. MARTIN J. KENNEDY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 27, 1940*

Mr. MARTIN J. KENNEDY. Mr. Speaker, ladies, and gentlemen, on December 17 Dr. WILLIAM I. SIROVICH, chairman of the House Committee on Patents, died in his home in New York City. The shock saddened my holidays, and I am sure it similarly affected the other Members. Representative SIROVICH was elected to Congress in November 1926, from the Fourteenth District of my State.

No more shall we hear that brilliant oratory that held us spellbound, nor shall we know that friendly encouragement he offered. During the 13 years that he served as a Representative I doubt a more keen mind, a wider vocabulary of the ancient languages, or a more remarkable memory could have been found in this House. Nor was there a more benevolent character.

It is ironical that he, who warned us against overwork and of the necessity for lightening our tasks with proper diversion, was himself a victim of that very zeal. He was never idle mentally. He ignored symptoms that would have aroused him if they had developed in a friend. At times he must have had a premonition that his earthly time was short, because during the last two sessions he frequently was on the verge of collapse but refused to give up any of his official duties.

I attended the funeral services and followed the cortege to his last resting place on this earth. Now and then, as I look about this Chamber, I picture in my mind his well-tailored figure, the ever present red carnation in his lapel, his friendly smile, and his overpowering sincerity as he held our attention.

The night before he died he attended a formal dinner of the Rose Sirovich Relief Society, a society named after his mother. I like to think that his last thoughts were of the woman who had borne such a brilliant son.

Dr. SIROVICH was a humanitarian—a physician and surgeon by profession. He attained high rank as a statesman, and he gave all of his legislative ability to bettering the economic conditions of his people, just as he gave his services as a doctor to heal the ills of his people.

His modest home was his office, and when he was not here working as a legislator to correct defects in government he was to be found in his surgery prescribing for and attending old friends who came to his home to have the doctor remedy the defects of the body.

Before he came to Congress Dr. SIROVICH was active in welfare work and at one time he served, by appointment of Governor Sulzer, as a member of a special committee on widows' pensions. On the same committee was Franklin D. Roosevelt, then a State senator. One of the last official acts of Dr. SIROVICH was to pay a visit to the President at the White House, and I can well believe that one of the topics he discussed with the President concerned the welfare of the underprivileged.

As a physician and surgeon, as a Member of Congress, and as an individual he was a great benefactor. His fame grew and his plurality increased each time he stood for reelection to Congress. Probably because of his intense interest in behalf of the less fortunate, Dr. SIROVICH never married. He once referred to himself as the "stepfather of 40,000 orphans," and there are many orphaned children growing to manhood and womanhood who will long remember his unselfish character and kindness.

Those of us who were here on the floor just a minute before the special session adjourned last November witnessed a scene that demonstrated his loyalty. An employee of one of the Government departments had been criticized—unjustly, he thought—on the floor that day, and the last utterance of Dr. SIROVICH was a defense of this employee. He ended his tribute as follows:

It takes a lifetime for a man to build up an honorable character. It takes but a moment to destroy it.

Dr. SIROVICH left his work unfinished, but he left it well done and everlasting. I can only hope that over his grave the winds blow soft and gently and the sun shines warmly, as did his heart beat for the people of all races and creeds.

#### National Defense

#### EXTENSION OF REMARKS

OF

**HON. DOW W. HARTER**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 27, 1940*

ADDRESS BY BRIG. GEN. LORENZO D. GASSER, DEPUTY CHIEF OF STAFF

Mr. HARTER of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Brig. Gen. Lorenzo D. Gasser, the Deputy Chief of Staff, at Akron, Ohio, February 22, 1940:

Before discussing with you tonight the subject of national defense and our present military program, I think it befitting to recall a short but significant statement made by our first President, whose birthday we have today celebrated.

In an address before Congress, delivered December 3, 1793, President Washington said: "There is a rank due to the United States among nations which will be withheld, if not absolutely lost, by a reputation of weakness. If we are to avoid insult, we must be able to repel it. If we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war."

Washington, above all others at that time, had reason to know the hardships, the suffering, and the wastefulness of war. Yet in his great wisdom he warned that there could be no lasting peace and security for a nation which did not equip itself with the means for protection and for the enforcement of its rights as a free state in the family of nations.

It behooves us, therefore, to take stock of our defensive forces periodically and to determine as well as we may whether or not we have the strength to maintain "that rank among nations" to which this country has lifted itself during the 160 years of its existence.

We realize, of course, that the governing factors which shape any nation's military program are its foreign policy, its geographic location, the extent of its possessions, and its economic position in the realm of international finance and commerce.

At this point I want to emphasize that the Army and Navy do not formulate our foreign policy. The leadership in that field belongs to the President, while its confirmation and adoption are the responsibility of the Congress. There is no so-called Army clique or Navy clique influencing the action of the President or of the Congress in such matters.

However, our military program must be based upon our foreign policy and shaped to meet the ever-changing economic and political conditions—the desires and ambitions of all other nations of the world with which we are associated in the so-called family of nations.

Let us therefore examine our military program in the light of present world conditions and in the light of the policies which have been adopted by our Government to meet these conditions.

Today we face the stark reality that Mars rules with undisputed sway over a major portion of the civilized world.

Wars, declared or undeclared, are raging on the Asiatic and the European shores of the two oceans which wash our Atlantic and our Pacific seacoasts. And the progress of modern science has greatly reduced the time and space factors which in the past made these oceanic barriers impressive defensive obstacles.

We are at peace with all the people of the world.

We have announced firmly our intention to maintain a neutral attitude in the quarrels of those at war—declared or undeclared.

At the same time we are determined that our rights as a neutral shall be observed and that our national interests shall be respected wherever they may be encountered.

And we have pledged our word with the 20 neighboring republics of this hemisphere for a neutral guaranty of continental-solidarity, and have made that pledge one of the most important factors in our dealings with other nations. Unlike the Monroe Doctrine, this is a bilateral agreement in which each of the democracies of this hemisphere has an equal voice and assumes equal responsibilities and equal obligations in the maintenance of peace within the confines of this hemisphere and the security of the hemisphere from outside aggression. Based on these factors, what then are our defense requirements?

I know of no better analysis of these requirements than that contained in a speech delivered last year before the Senate by the Honorable MORRIS SHEPPARD, chairman of the Military Affairs Committee, in the presentation of a bill embodying the major portion of the President's program for the increase of the Army Air Corps, and improving the defenses of the Panama Canal. I quote as follows:

"Let us examine our present defense requirements. We cannot draw a line around the sea and land frontiers of the continental United States and say that this alone is what we will defend. It is not so simple as that. The Panama Canal, Hawaii, Puerto Rico, and Alaska are vital links in our defense chain. These possessions are often referred to as outposts. So to designate them is to commit an error. Outposts are usually considered as warning or delaying forces to be withdrawn when they have accomplished their mission. There can be no withdrawal from Panama, Hawaii, Puerto Rico, and Alaska. To permit these strategical areas to fall into the hands of the enemy would jeopardize the security of the continental United States itself.

"The whole defense story, however, has not yet been told. If there is one foreign policy to which the American people subscribe, it is the doctrine that the western world belongs to the western nations, and that freedom and democracy must be preserved on this hemisphere. A violation of the Monroe Doctrine would probably not occur as a sudden, overt act. It could easily take the form of a step-by-step movement, of a peaceful penetration by foreign nationals until definite and powerful minorities would be established, with the result that before military force replaced diplomatic negotiations, hostile nations might already have a foothold in areas that would threaten the most important link in our entire system of defense, the Panama Canal. With the Panama Canal out of commission permanently, or for a prolonged period of time, our Navy as at present constituted would be helpless as the guardian of the two oceans, and our present defense system would collapse. It is to be hoped that it will never be necessary to fight to preserve the Monroe Doctrine and the liberties of this hemisphere, but if we must fight, prompt action will be imperative. Inability to act promptly would in the end necessitate a long and costly war effort. But what is more important, ability to act promptly is the best form of security against the necessity for action.

"If war should occur, existing naval and air bases must be defended, and additional ones occupied. The Army's responsibilities in this respect are not generally understood. Both the Army and the Navy are maintained to provide that great objective mentioned in the preamble to the Constitution, namely: 'the common defense.' Together they constitute the Nation's military power. Each has its function. Each may on occasion be our first line of defense. Each contributes to the success of the other's mission. The Army is responsible for the defense of all permanent naval bases, and also conducts operations in support of the Navy for the establishment and defense of naval bases. When additional bases are needed by the Navy, either in peace or war, the Army must provide for their protection. It is the Army protection that affords

the Navy the freedom of mobility and action essential to the Navy for the accomplishment of its mission.

"With respect to air bases, the ground forces of the Army have much the same relation to aviation as they do to the Navy. Airplanes must have a base, a place to land, and facilities for refueling, re-arming, and reconditioning. Without such a base they are rendered ineffective for continuous action. As in the case of the Navy, the ground forces of the Army must occupy and defend the bases required by our aviation."

In analyzing our present defensive needs and the composition of the minimum in defensive requirements, we must not lose sight of the fact that armies and the cost of maintaining them have changed materially since the day when that small band of ragged, shoeless, and half-starved men emerged from Valley Forge and found ultimate victory at Yorktown.

We must remember that while the art of war, as practiced by Hannibal, by Napoleon, and by other great leaders, has not changed materially, the instruments through which that art is made effective have changed.

During 1917-18 the rate of movement of ground troops was still at an average of 2½ miles per hour, whereas today this average has been increased by motorization and mechanization to 25 miles per hour or more. We have only to recall the fate of Poland to come to the tragic realization that in modern warfare immediate and annihilating defeat faces that nation which cannot parry the initial onslaught of an aggressor employing a highly modernized force supported by mechanized ground elements and modern aviation.

And thus, as distances are decreased by the rapid increase in speed and operating radius of offensive weapons of warfare, so must the sphere of our defensive operations be extended to keep hostile forces from our shores and from strategically vital points on this continent.

Our national-defense plans should be so drawn as to deny invasion of this country by a hostile foreign foe. We must therefore maintain in peace a regular army and a navy properly trained, equipped, and supplied and so disposed that we may reasonably be assured of not only stopping the initial onslaught before it reaches our mainland, but be able to take the offensive in denying enemy bases on land lying within striking distance of this country.

The Regular Army's mission in this plan is to hold these advanced positions. In the Pacific, Alaska is of far-reaching importance as a base for aviation and in denying access to a potential enemy in that area.

The Hawaiian group of islands, 2,000 miles from our shores, with the great naval base at Pearl Harbor, constitutes one of the key defenses to our western coast and to the Pacific entrance to the Panama Canal.

The Panama Canal constitutes a vital link in our defensive armor, therefore the utmost protection must be afforded that important waterway, not only in the immediate vicinity of the Canal, but, likewise, we must have control of the Atlantic entrance, which, in turn, demands control of the Caribbean Sea. It is for this reason that a strong force of the Regular Army, including ground and aviation units, has recently been established on the island of Puerto Rico.

The Regular Army, however, is charged with other missions. After providing for our foreign garrisons, we must maintain in this country a force strong enough for the initial protection of our continental limits against sudden attack, strong enough to reinforce promptly our overseas garrisons, strong enough to control on short notice any threat to the Panama Canal, and strong enough to serve as a base for the creation of our war army.

With these broader missions in view, and with the time and space factors materially reduced, we can no longer base our military program upon any assurance that the oceanic isolation of the United States would afford time in which to bring into being our potential strength against an aggressor.

In evaluating the strength and effectiveness of our present-day Military Establishment to carry out its acknowledged mission, it might be well to trace briefly its development during the past 20 years.

Immediately following the World War, the revision of our National Defense Act divided the country territorially into nine corps areas. This constituted an approximately equal division of our manpower. Under the plan each corps area was to contain 1 Regular Army division, 2 National Guard divisions, and 3 Organized Reserve divisions, making a total of 9 Regular Army, 18 National Guard, and 27 Reserve divisions, the last named consisting of officers only, while so-called corps, army, and General Headquarters units were assigned without regard to corps areas.

While in reality none of these divisional units was complete, and the corps, army, and General Headquarters units were largely missing, still it served as a sound basis for planning. Subsequently the War Department created 4 field armies, each consisting of from 6 to 9 divisions, and such corps and army units as were located within the limits of each army area. This was a forward step in the planning and execution of the training of the larger field units, such as divisions, corps, and armies. However, the program for 18,000 officers and 280,000 men for the Regular Army, authorized in the National Defense Act, never materialized. Economy and the theory that the World War would in effect result in ending recourse to war as a national policy for all nations operated to reduce our Regular Army to a low figure of 115,000 men, while our



war reserves of matériel and munitions were reduced far below the safety point.

More recently, and as a direct result of growing unrest in the international situation, the Regular Army was gradually increased to 165,000, while last year Congress doubled the Air Corps and added a material increase in coast-defense troops for the Panama Canal, bringing the total enlisted strength of the Regular Army to approximately 210,000 men, together with a large increase in appropriations for critical items of equipment and munitions. Last September, due to the critical world situation, the President directed that the Regular Army be further increased to 227,000 men and the National Guard to 235,000. Of this number, 70,000 Regulars are required to garrison the outposts which I have previously enumerated, namely, to defend our naval bases. These missions are purely defensive but vitally important to our national safety.

The plan for mobilizing the Army of the United States, which embodies the Regular Army, the National Guard, and the Organized Reserves is known as the protective mobilization plan, which envisages, first, an initial protective force, consisting primarily of existing units of the permanent establishment and the National Guard, all to be mobilized at peace strength and not later than 30 M. By 120 M this force is to be brought to war strength and missing units activated. This, in effect, will produce a force of 9 Regular Army divisions, 18 National Guard divisions, corps troops for 4 corps, army troops for 2 armies, essential General Headquarters units and harbor-defense troops, and War Department and corps area service command overhead. If the emergency so justifies, the protective mobilization plan envisages four augmentations which would bring into being all of the Reserve divisions, with the necessary additional corps, army, and General Headquarters units at stated periods, so adjusted as to synchronize with the matériel procurement program. The critical part of this plan is the state of readiness of the initial protective force, not only in the units of which this force is composed, their training and leadership, but also the equipment which they must have. Next in order are the units comprising the basic protective mobilization plan, which raises the initial protective force to approximately 1,000,000 men, ready for the field within 4 months, or, as we term it, 120 M.

Here again the critical items of equipment and munitions constitute probably the most important factor in preparedness. The time lag of from 1 to 2 years required in the manufacture of many essential items of equipment renders mandatory the procurement and maintenance of a war reserve in peace to meet our immediate requirements in war. The cost is not great when measured by the great stake involved, namely, the defense of this country. Three hundred million dollars will do the trick.

The next thing of equal importance is training, for without a well-trained Army, properly led, our equipment—no matter how good it may be—will be useless. The Army maneuvers conducted during each of the past 4 years have indicated the necessity for more frequent assembly of the divisions and corps of the Regular Army and for much longer periods than have been financially possible in the past under a system of providing field training for each of the four armies only once in 4 years, and then only for a 2-week period. This system, together with the general lack of corps troops—heavy artillery, engineers, medical regiments, signal battalions, quartermaster truck trains, and maintenance elements—have made it virtually impossible for the mobile combat troops of the Regular Army to be trained as an immediately available, effective, first-line combat force, experienced in the technique of large-scale field operations. Higher commanders and staffs must be given opportunities for training in the technique, tactics, and teamwork involved, and troops must be accustomed to operating in large groups. The purely theoretical training in the Army schools must be supplemented by practical training in the field. There is no known short cut to adequate combat training. The First Division of the A. E. F. arrived in France in July 1917 and entered into intensive training for the first time as a division. It was not prepared to take its position in the line until the following January, even under the forced training schedule of a unit in wartime and practically within sound of the guns on the battle front. Fortunately, under the protection of the Allies, it was given a year in which to find itself, its first operation being launched 12 months after the concentration at Hoboken.

The future problems for our Army visualize no such protected period for overcoming peacetime military deficiencies. We must be prepared from the outset. Modern armies cannot be thrown together hastily and sent into the field with the expectation that they can win battles. Troops must have a comparatively long period of basic training under competent officers and other instructors, who must themselves be highly trained in their specialty and be alive to its relative place in the team of which it is a part. This training for the individual and for the smaller units can be accomplished at the smaller stations, but the training of larger units is a different proposition.

With a view to providing for the training of large units, we have concentrated in southern camps and on the Pacific coast five infantry divisions, corps troops, one cavalry division, and the mechanized cavalry brigade. Before the end of this fiscal year the divisions will have completed their training as divisions and they will be assembled with corps units into two corps for additional field maneuvers. Later the two corps will be concentrated for extensive maneuvers involving all units up to and including an army. National Guard divisions and brigade commanders with their staffs are participating in these maneuvers, as well as a large number of Reserve officers.

The National Guard forms a powerful component of the Army. As stated previously, it constitutes, with the Regular Army, the initial protective force in our protective mobilization plan. The Regular Army is closely identified and keenly interested in its training; in fact, as much so as are the guardsmen themselves. This is but natural, for our mission is the same, and they will be fighting side by side in the next war just as they did during the World War.

The officers of the Reserve Corps are in reality the minutemen in our national defense plans. Not only will they be required to organize and command the additional forces to be raised but thousands of them will be required on M Day to fill the commissioned ranks of the Regular Army and National Guard; also staff and administrative positions in the service from the zone of the interior to include the combat zone. Their training is a vital element in our plans for defense.

The Reserve Officers' Training Corps, which is the product of the military training conducted at civilian educational institutions, as well as the citizens' military training camps, although not a part of the armed forces, are important factors in the training of the youth of this country. Many of these young men enter the Reserve Corps as officers. Those who do not constitute a distinct asset in our great body of citizens, for the training they receive is never forgotten.

This is a rather hasty sketch of the Army's plans for national defense. The program to make it effective is receiving constant study by the War Department. It is in no sense theoretical, but is an essentially practical problem.

Equipment for the Army is adopted only after thorough test. The same is true in the adoption of any type of organization in the Army. If a fighting organization, the build-up is based upon the tactics to be employed to insure the best use of the weapon with which it is armed. If the organization is a supply unit, we study in minute detail the quantity and weight of the supplies, including munitions, required to maintain the fighting elements. The probable requirements of facilities to evacuate the sick and wounded are likewise carefully weighed. The proportion of combat units, namely, the ratio of Infantry to Field Artillery, the amount of Cavalry, the proportion of the force to be designated to man our coast defenses—all these receive careful study. What percentage of our force should be mechanized? The role of the Air Corps and how large should that force be in relation to the balance of the Army. Types of airplanes, and the ratio of bombers, reconnaissance, and pursuit.

In determining all these factors the War Department General Staff is constantly in touch with the experts and specialists represented by the chief of each arm and service and their officers, all of whom form a part of the War Department. The views of all must be obtained. Each presents the requirements of his own arm or service in the most favorable light. The War Department General Staff is the agency that must weigh these varied requirements and make such modification as may be necessary to produce a well-rounded organization. The team is everything, and it must be so organized that its constituent elements will supplement each other. There is no short road to victory in the conflict between nations that are well prepared. The so-called "blitzkrieg" or Douhet theory of warfare has not materialized on the western front, with its much-vaunted, fast-moving mechanized units, supported by great masses of bombardment and attack planes. The highly mechanized ground forces and the fighting planes in the air are indeed powerful and important factors. However, they do not constitute the dominant elements which make success on the battlefield possible. The great battle team is still the Infantry and Field Artillery, which reaches its highest perfection as a team in the Infantry Division, with the additional impetus furnished by the corps, Army, and General Headquarters units.

Unquestionably many of you have heard the doubt expressed as to the need for these measures for national defense. Whom are we going to fight? Will not the nations now at war in Europe and in Asia be so exhausted when the present struggle is ended that there will be no possibility of our interests in the Western Hemisphere being threatened? All I can say is that we heard the same comments 20 years ago. Should we, in the face of an arming world, ignore the possibilities that may confront us at any moment? Can we afford to gamble? You have no doubt heard it charged that the Army wants war. I can say to you that I know of no group of men that view it with more horror. No man in his senses who has participated in such a catastrophe would want to repeat that experience.

In conclusion let me say that any discussion of our system of national defense would be incomplete were we to confine ourselves merely to those elements which I have covered. Behind all of this, and of primary importance, is public sentiment. In a representative form of government such as ours the Army belongs to the people. The obligation of service is a voluntary one, and without the whole-hearted support of our citizens it is doomed to failure.

An educated public opinion is therefore a vital factor in the defense of this Nation. These educators of the public are primarily the men and women who have felt the brunt of past wars in which this Nation has been called upon to uphold its national policies on the field of battle. Those great patriotic organizations which are the outgrowth of former wars from the American Revolution to the World War constitute the leaders in this educational field to the end that in our dealings with other nations we will attain that position to which President Washington referred and bring to our people the realization that "if we desire to secure peace . . . it must be known that we are at all times ready for war."

## A Practical Highway Platform for Tomorrow

## EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

## EDITORIAL FROM BETTER ROADS

Mr. CARTWRIGHT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the current issue of Better Roads, a national magazine published in Chicago:

[From Better Roads for February 1940]

## MEMORANDUM TO CONGRESS

Nearly a quarter century ago Congress enacted a law that established a foundation for main-line road building in this country. The support thus provided has been continuous with gratifying results. The Congress now in session will consider legislation extending Federal aid to highways for another 2-year period beyond the fiscal year 1941. In a sense that is routine legislation, and those who are directly concerned with improving the roads of the Nation can be thankful that sustained Federal participation in the road programs of the States, on one scale or another, is taken for granted. Yet Federal-aid highway legislation passed in 1940 will signify something more. The years we have just passed through have been years of stock taking, which must inevitably be reflected in the action of Congress.

We have witnessed a great period of automotive expansion in the United States. We can only guess at the possibilities of further expansion, yet the facts we have at present, without straining for a peek at 1950 or 1960, point to two very pressing needs—for further intensive improvement of the primary highway system, and for extensive development of the feeder roads that branch off in all directions through the countryside. Enactment of the first Federal-aid highway law gave stimulus and leadership to the organization of main-line road building. Continuance of undiminished Federal highway aid, this year and in years to come, is an act supporting the planning and further perfection of a primary highway transportation system, and the rapid completion of the secondary network that is of major importance in every State.

The main problems of primary-road improvement are different from the problems of 25 years ago. Then the task at hand was getting a system of main roads linked up, and the Federal Government very properly assumed a share in it. Now we have that system, but we have a new task—bringing many of the system's links up to the modern standards required by the traffic using the roads today. The interest of the Federal Government in the development of our primary State highways has grown with every year that has gone by, for with each year the Nation has come to place greater dependence on its highway links.

Congress can be satisfied that primary-road modernization in years to come will be well directed. Intensive studies have pointed to the weak links in the system, where efforts must be concentrated first. Correction of these deficiencies is a normal peace-time need of the Nation, with permanent claim to Federal interest and encouragement.

Four years ago, Congress directed its attention beyond the system of primary highways and provided small authorizations for the improvement of secondary or feeder roads—the first authorizations of this kind to be made in a regular Federal-aid highway act. The States and their subdivisions welcomed this new partner in the attack on a major problem of extensive road development. These first small authorizations were an acknowledgment of the interest of the Nation as a whole in a relatively neglected portion of the rural highway system. They represented a definite investment in national stability and well-being.

The progress record of secondary Federal-aid road building hasn't been spectacular. It couldn't have been with the funds provided, which were cut to 60 percent of the original amount during the past 2 years. The program has displayed all the hesitations normal to undertaking something new. Conflicts over basic policies are still unresolved. Nevertheless the determination to deal with these problems exists. That determination, in which the interest and cooperation of the local communities count for much, will be stiffened if Congress restores authorizations for this purpose to at least the scale of the amounts provided 4 years ago.

A quarter-century ago Congress took a step that has had a profound influence on our highway history. In 1940 it can determine to influence as profoundly the intensive and extensive highway development ahead. Its action on the Federal-aid road legislation will help write a practical highway platform for tomorrow.

## Wheeler-Lea Bill

## EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

## PETITION OF THE NATIONAL LEAGUE OF WHOLESALE FRESH FRUIT AND VEGETABLE DISTRIBUTORS

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a petition of the National League of Wholesale Fresh Fruit and Vegetable Distributors on the Wheeler-Lea bill, as follows:

## PETITION OF THE NATIONAL LEAGUE OF WHOLESALE FRESH FRUIT AND VEGETABLE DISTRIBUTORS

The National League of Wholesale Fresh Fruit and Vegetable Distributors urges upon Congress that action upon any conference report which may be submitted by the joint Senate and House conference committee on the Wheeler-Lea omnibus transportation bill (S. 2009), or any substitute thereof, be delayed for a period of at least 30 days to permit producers, shippers, the interested public, and Members of Congress themselves to study its far-reaching and highly technical provisions. Any report submitted by the joint conference committee must represent a compromise between the numerous conflicting provisions of the Wheeler Senate bill and the Lea House bill with or without the vitally important amendments written into both bills while they were under discussion on the floors of the Senate and of the House.

The National League of Wholesale Fresh Fruit and Vegetable Distributors, being vitally concerned with any legislation which may have the effect of increasing costs of transportation on the necessities of life in which they deal, calls the attention of Congress to the fact that the transportation legislation now under consideration by a joint Senate and House conference committee introduces radical changes in land- and water-transportation supervision and rate-making control. There is no immediate public demand for such legislation and no reason exists for its hasty passage by Congress.

This organization realizes that both the House and Senate bills were introduced and passed as railroad-relief measures, but it is our belief that the railroads will obtain very little real relief from either bill or any combination of the two bills. Possibly some railroads might benefit from restrictive regulation of certain types of water or highway carrier, but we believe they would benefit more by certain reforms within their own ranks.

Your attention is respectfully called to the fact that since these bills were introduced the terminal lines at Kansas City, Mo.-Kans., and at Denver, Colo., have constructed, at a cost of several million dollars, completely duplicated terminal facilities. The Interstate Commerce Commission condemns the Denver situation in no uncertain terms in its findings of January 8, 1940, in I. C. C. Docket 28262. If Congress would require railroads to secure Interstate Commerce Commission approval of investments and expenditures for nontransportation projects it would probably save the railroads more money than they would get in added revenue through throttling competitors.

This organization is convinced that by allowing sufficient time for mature consideration of this important legislation Congress will be performing a distinct service to the public.

Respectfully submitted.

J. R. VAN ARNUM,  
Transportation Secretary.

WASHINGTON, D. C., February 20, 1940.

## Looking Forward—Will Steel Come to Portland?

## EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

## ARTICLE BY DR. E. T. HODGE, PROFESSOR OF GEOLOGY, OREGON STATE COLLEGE

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by



Dr. E. T. Hodge, professor of geology at Oregon State College, which was published in the Sunday Oregonian for February 18, 1940:

[From the Sunday Oregonian for February 18, 1940]

**LOOKING FORWARD—WILL STEEL COME TO PORTLAND—COLUMBIA ESTUARY IS LOGICAL PLACE FOR ITS DEVELOPMENT**

(By Dr. E. T. Hodge, professor of geology, Oregon State College)

It is true, as Napoleon said, that an army marches on its stomach, yet every soldier knows that it fights with steel. This is such an elementary fact that all countries with anything worth while to protect have attempted to make themselves independent of others for steel, or have made military or diplomatic agreements with steel-producing countries.

Countries with less liberty and less wealth than the United States have gone to great expense and thought to create within their own boundaries a steel industry. Japan with no coking coal and no iron ores has a steel industry of such size as to be able to compete with us not only for our foreign markets, but for our domestic market as well. Japan uses Philippine iron ores and United States scrap iron as sources of raw materials.

This accomplishment but emphasizes the possibilities of developing a substantial steel industry on the Pacific coast as discussed recently by national leaders, including the President of the United States. The logical place for such development is the estuary of the Columbia River. Both peacetime needs and considerations of national defense justify such a development, which is economically feasible.

We hear much talk about strategic materials. The military man, however, is as much or more concerned about strategic industries. Russia, for instance, has large supplies of strategic materials, but her military power is very uncertain because of underdeveloped strategic industries, particularly steel. Germany, with a limited supply of strategic materials, makes a bid for world dominion because of the intelligent development, with Teutonic thoroughness, of strategic industries, especially steel.

**CENTRALIZED—NATION'S STEEL PLANTS ARE LOCATED TOGETHER**

The United States has a highly developed steel industry, which is so centralized that all the rest of the United States would be helpless should the "steel center" be injured or cut off from the rest of the country. In any event, most of the United States is a thousand miles or more away from the domestic supply of steel.

War merely emphasizes the industrial functions of peace. A large country, such as the United States, with its steel industry centralized in one area, suffers a hardship and a risk in times of peace as in war, when all steel must originate at one point.

We have been taught that an economic setting determined the location of industries. This was based on the belief that an industry had to be close to a source of raw materials and close to a market. We learn, however, today that other powerful influences hold certain industries to locations, or at least do not permit them to spread to other locations that are economically feasible. This is particularly true of industries that are monopolistic in character.

Consequently, we may conclude that for purposes of national defense a steel industry should be located on the Pacific coast. The question then arises as to whether there is an economic setting on the Pacific coast that would justify a steel industry, regardless of its military values.

Two comprehensive investigations have been made of this problem. The first, in 1918, was at the direction of large financial interests. The other, in 1935, was made by the United States engineers. The writer was associated with both investigations.

The first investigation had blast-furnace production of iron as an objective. To produce iron by blast-furnace methods requires 5½ tons of raw material in order to produce 1 ton of iron. This throws the heaviest cost upon an adequate supply of raw materials. Detailed studies showed that Vancouver Island and Fernie, British Columbia, and Puget Sound, Wash., were sources of a satisfactory coke. Because of possible tariff restrictions, the Puget Sound coal was considered to be the only satisfactory source.

Also because satisfactory fluxes and refractories are available in the Northwest, it was concluded that the proposed plant should be located in the Northwest on tidewater. The iron-ore supply was to be obtained from the Kasaan Peninsula, Alaska; Louise and Vancouver Islands, British Columbia; and from Eagle Mountain in Riverside County, Calif.

The 1918 investigation found an existing consumption of 1,500,000 tons of steel products each year upon the Pacific coast, and concluded that 600,000 tons of steel could be produced and sold by the type of smelting and steel-producing plant that might be established. The conclusion was favorable, but it was arrived at just as the country was entering the war. After the war, other influences made it unwise to proceed with the project.

When the United States engineers undertook an investigation in 1935, they had unusual facilities to obtain, from records not open to others, the actual facts regarding the steel shipped in from the outside to the Pacific coast. The years investigated were 1929, 1933, and 1934, which gave for 1929, 2,693,224 tons, for 1933, 913,492 tons, and for 1934, 1,253,608 tons. The figures cover a "boom" year and a year just following the depth of the depression. Most of this steel was brought in by boat from Atlantic sources. These figures indicate the great dependence of the Pacific coastal area upon distant sources for its essential and universally used steel materials.

An industry producing materials so basic to human, everyday needs is a vast industry of complicated procedures producing mani-

fold products. Consequently, much of the above tonnage consists of a great variety and number of different items.

It is not to be expected that the beginnings of a steel industry on the Pacific coast could economically or practically attempt to produce all our needs in steel. Hence the figures must be analyzed to determine those simple products which we used in large tonnage and which can be made by simple manufacturing processes.

For example, we find that there is imported to the Pacific coast in the average year the following:

Steel:	Tons
Tin plate and ternes.....	240,000
Plates and sheets.....	48,000
Bars and rods.....	89,000
Wire and nails.....	90,000
Pipe.....	98,000
Structural steel.....	75,000
Other simple materials.....	78,000
Total steel.....	818,000
Pig iron.....	90,000
Total iron and steel.....	908,000

It will be noted that pig iron and steel of simple manufacture in the average year nearly equals the receipts of all iron and steel for the "depression" year, but is less than half of the imported products of the luxury "boom" year.

All of the above products are of a type that can be made in a steel plant with rolling, drawing, and spinning machinery. The volume is greater than the annual production of many of such plants in the present steel center.

**MALAYS—TIN MINED THERE AND SHIPPED ACROSS PACIFIC**

The departure from old-fashioned economies is absurdly evident in the fact that the Pacific coast canning industry is supplied yearly with over 200,000 tons of tin plate which has the following history:

The tin is mined in the Malays, shipped across the Pacific Ocean, through the Panama Canal, up the Atlantic coast, and then to a rolling and tinning plant. About half of the iron is mined on the west coast of South America and follows through the Panama Canal to the same plants. Then this manufactured tin plate, made from western materials, is shipped back again to use on the Pacific coast.

In the light of the above evidence as to an existing market for iron and steel, a plan with a capacity of 750,000 tons could safely be established. Such a plant by its existence would enable other iron-working plants to be developed, and they would by their development increase the market for the pioneer plant. Such a plant would be able to save the Pacific-coast consumer the handling and freight charges on the iron and steel he now uses, and in consequence he would use more of it.

The plant of that size would require the following raw materials each year—1,245,000 tons of 60 percent iron ore, 225,000 tons of 81 percent fixed carbon coke, 275,000 tons of 98 percent CaCO<sub>3</sub> flux (or limestone), and many thousand tons of dead burned dolomite or magnesite, chromite and refractory clays.

All of the above raw materials should be available at a low cost of transportation, preferably by ocean carriage. Hence the plant should be located on tidal waters. Such a location has the advantage that the steel products can be shipped not only to the coastal United States but to all foreign countries.

**DOLOMITES ARE FOUND IN PARTS OF WASHINGTON**

To meet the above conditions, the report of the United States engineers indicates sources of iron ore, including Kasaan Peninsula, Alaska; Vancouver, Louise, and Texada Islands; British Columbia, and several huge deposits on the west coast of Mexico and South America, and in several places in California and Nevada. One of these deposits, in El Tofo, Chile, now supplies most of the iron ore used by the Bethlehem Steel Co. plant on the east coast. This ore can be delivered as cheaply to Portland as it is now delivered to Sparrows Point, Md.

Satisfactory coke can be obtained from the Wilkinson field in the State of Washington. This coke has a high ash content, but the ash acts as a flux for the calcareous ores that would be used.

Dolomites occur in northeastern Washington and at Chewelah, Wash., where one of the largest magnesite deposits of the world is located. Refractory clays of superior quality occur in Washington and Oregon. Chromite is widespread along the northern Pacific coast. The cheapest source of limestone is Dall Island, Alaska, though some local deposits are also available.

**DEPOSITS EXIST ALONG COLUMBIA RIVER**

Though the northern iron ore deposits would serve for a time, the main dependence would have to be placed upon southern deposits. Another economic advantage of using such a source of at least part of the raw materials is that it would supply much-needed return cargo for ships in the South American trade, which could then bring noncompeting products to this country in exchange for American lumber and manufactured articles.

Iron ore deposits along the lower Columbia have been surveyed as a possible source of raw material without conclusive evidence that they would be adequate. Private detailed surveys are said to be under way.

Consequently, as mentioned at the outset, the most central location on the west coast for a steel plant with reference to raw materials and the market is the estuary of the Columbia River.

The investigation by the United States engineers was prompted by the need for finding a market for hydroelectric power; hence

attention was given to electric smelting. Electric smelting of iron ore is as yet an unsolved problem.

My friend, Dr. Axel Wahlberg, of Sweden, a noted engineer, who died last November, sent me data in regard to electric smelting of iron ore in Sweden. If there is any country in the world where this industry should have grown, it is in that country, where they would like to save wood for wood pulp and other industries, rather than use it for charcoal for producing pig iron. In the type of furnace used for this work in Sweden it is a well-established fact that charcoal rather than coal or coke is essential to the operation.

Furthermore, Sweden has ore of excellent quality that is highly desirable in the electric smelting process. In spite of this there has been no great development in the use of the electric blast furnace in Sweden.

#### SIZE ALSO A FACTOR IN THE MATTER

The unit size is also a factor in this matter, in that as yet no very large electrical smelting furnaces have been built. Dimensions given would indicate a relatively small daily production of electrically smelted pig iron per unit when compared with our modern furnaces using coke, in which a minimum of a thousand tons per day is the accepted unit.

It seems that Italy, owing to lack of coal and iron ore, is second in the development of electric smelting, and pyritic residues are the materials used largely in their electric-furnace operations.

While the results of the United States engineers' report were unfavorable as to smelting by electric furnaces, it must be remembered that a steel plant uses electric power in all other parts of the operation except smelting. Hence, a steel plant should be not only on tidewater, centrally located as to raw materials and market, but close to a source of a large block of low-cost electricity.

The writer, in the fifth volume of the United States engineers' report just mentioned, called attention to a newly discovered process by which wood waste can be converted into an ideal coke, both for reducing purposes and to make electrodes. The indicated economics of using wood waste revive the possibility that electric smelting may be economically feasible.

Regardless of whether electric smelting is feasible or not, however, the fact remains that much electricity will be needed. All the evidence points to the lower Columbia River as the proper site for an iron-smelting and steel-manufacturing industry. Whether such an industry will come by way of private capital or as the result of governmental promotions, the writer cannot predict. He is of the opinion, however, that a steel industry will soon be established in the Northwest, and probably within the Columbia Valley.

### Relief of Suffering and Distress Abroad

#### EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

#### LIST OF ACTS RELATING TO RELIEF OF SUFFERING AND DISTRESS ABROAD

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the acts of Congress relating to relief of suffering or distress abroad from 1812 to the present time, prepared for me by the Legislative Reference Service of the Library of Congress. This information is of particular importance at the present time in view of the hearings now being conducted by the House Committee on Foreign Affairs on several bills and resolutions relating to the relief of the unfortunate people of Poland, showing a long line of legislative precedent for favorable action at this time. The list is as follows:

[Library of Congress, Legislative Reference Service]

#### ACTS OF CONGRESS RELATING TO RELIEF OF SUFFERING OR DISTRESS ABROAD

Act of May 8, 1812 (2 Stat. 730, ch. 79) authorized the President to purchase and tender "such provisions as he shall deem advisable" to the Government of Venezuela "for the relief of the citizens who have suffered by the late earthquake"; and appropriated \$50,000 for the purpose.

Resolution of March 3, 1847 (9 Stat. 207, No. 10) authorized the Secretary of the Navy to dispatch two ships to carry contributions "to the famishing poor of Ireland and Scotland."

Resolution of February 10, 1871 (16 Stat. 596, No. 28) authorized the President to station naval vessels at ports of New York City, Boston, and Philadelphia "to receive on board for transportation such supplies as may be furnished by the people of the United States for the destitute and suffering people of France and Germany."

Joint resolution of April 1, 1880 (21 Stat. 303, No. 16) authorized the Secretary of the Navy to employ any vessel of the Navy, or to charter a suitable ship, to carry contributions "to the famishing poor of Ireland"; and appropriated any necessary sum of money therefor.

Joint resolution of February 19, 1897 (29 Stat. 701-702), as amended June 1, 1897 (30 Stat. 220, No. 12) authorized the Secretary of the Navy to charter not over two vessels to transport contributions for the relief of "the famishing poor of India"; and appropriated any necessary sum of money therefor.

Joint resolution of April 7, 1897 (30 Stat. 219, No. 8) authorized the Secretary of the Navy to charter an American vessel of 2,400 tons capacity to transport contributions "to the famishing poor of India"; and appropriated any necessary sum of money therefor.

Act of May 13, 1898 (30 Stat. 419, ch. 345), authorized Army officers during the Spanish War to issue supplies and otherwise render aid to "inhabitants of the Island of Cuba who are destitute and in imminent danger of perishing unless they receive the same."

Act of March 3, 1899 (30 Stat. 1069), appropriated \$100,000 for Army subsistence supplies "to be issued to inhabitants of the island of Cuba who are destitute and in imminent danger of perishing unless they receive the same."

Act of May 13, 1902 (32 Stat. 198, ch. 787), appropriated \$200,000 to enable the President to distribute provisions, clothing, medicines, etc., and "take such other steps as he shall deem advisable for the purpose of rescuing and succoring the people who are in peril and threatened with starvation" after the eruption of Mont Pelee in the French West Indies, and requested the President to obtain the approval of the French Government.

Act of January 18, 1907 (34 Stat. 850, ch. 154), authorized the President to distribute any necessary naval stores "among the suffering and destitute people of the island of Jamaica" suffering in consequence of an earthquake and conflagration.

Act of May 27, 1908 (35 Stat. 387, sec. 7), relieved officers of the Isthmian Canal Commission from liability for \$11,205.53 for "materials and supplies furnished to the sufferers by the Jamaican earthquake" of January 14, 1907.

Act of January 9, 1909 (35 Stat. 584, ch. 7), appropriated \$800,000 to enable the President to distribute "provisions, clothing, medicines, and other necessary articles" among the "suffering and destitute people of Italy" suffering in consequence of an earthquake, and authorized the employment of any vessels of the Navy or other vessels for this purpose.

Act of May 13, 1910 (36 Stat. 367, ch. 232), authorized the President to distribute "tents, blankets, and other necessary articles" among the "suffering and destitute people of Costa Rica" suffering in consequence of an earthquake.

Act of February 18, 1911 (36 Stat. 919, ch. 114), authorized the Secretary of War to use an Army transport for carriage to China under supervision of American Red Cross "of supplies donated by the people of the United States for the relief of the sufferers from famine in China," and appropriated \$50,000 for expenses.

Joint resolution of August 20, 1914 (38 Stat. 777), authorized the American Red Cross "during the continuance of the present war" to charter vessels of foreign registry, to carry the American flag, "for all uses in connection with the work of said society." The purposes of the society enumerated in the act of January 5, 1905 (33 Stat. 600, sec. 3), include carrying on a system of international relief in time of peace and applying it in mitigating suffering caused by pestilence, famine, etc.

Joint resolution of September 11, 1914 (38 Stat. 778, No. 40), appropriated \$1,000,000 to enable the United States to fulfill the obligations devolving upon it in connection with its representation of the interests of foreign governments and their nationals, to "extend temporary assistance to other governments and their nationals made necessary by hostilities" in Europe and elsewhere, and "for the care or benefit of citizens or subjects of foreign nations." Acts of March 4, 1915 (38 Stat. 1138), and September 8, 1916 (39 Stat. 802), reappropriated the unexpended balance of this appropriation, for the same purposes.

Act of May 22, 1918 (40 Stat. 558, ch. 80), authorized national banks to contribute to the American Red Cross, and provided that all money so contributed should be used in furnishing aid to wounded soldiers, etc., and "the relief and mitigation of the suffering caused by the war to the people of the United States and their allied nations." [Such contributions were presumably outside the scope of the ordinary corporate powers of national banks; see U. S. Code 12:24.]

The Naval Appropriation Act of July 1, 1918 (40 Stat. 705), authorized the Secretary of the Navy to ascertain and pay "all claims for damages to and loss of private property of inhabitants of any European country not an enemy or ally of an enemy" caused by "men in the naval service during the period of the present war"; provided any such claim does not exceed \$1,000.

Act of February 25, 1919 (40 Stat. 1161, ch. 38), appropriated \$100,000,000 for purchase, transportation, and distribution of "food-stuffs and other urgent supplies" to populations in Europe outside of Germany, German-Austria, Hungary, Bulgaria and Turkey (but including Armenians and other Christian and Jewish subjects of Turkey); expenditures to be reimbursed as far as possible by the peoples thereby relieved.

Act of July 11, 1919 (41 Stat. 130, ch. 4), authorized the Secretary of War to place at the disposal of the American Red Cross any "medical and surgical supplies and supplementary and dietary foodstuffs" no longer necessary for the United States Army, to be used "to relieve and supply the pressing needs of the peoples of countries involved in the late war."



Act of March 30, 1920 (41 Stat. 548, ch. 113), authorized the United States Grain Corporation to dispose of flour in its possession up to 5,000,000 barrels "to relieve populations in the countries of Europe or countries contiguous thereto suffering for the want of food."

Act of December 22, 1921 (42 Stat. 351, ch. 15), authorized the President to spend \$20,000,000 of funds of the United States Grain Corporation for corn, seed grain, and preserved milk to be distributed "for the relief of the distressed and starving people of Russia and for spring planting in areas where seed grains have been exhausted."

Act of January 20, 1922 (42 Stat. 357, ch. 30), authorized the President to transfer up to \$4,000,000 worth of surplus medical, etc., supplies to American relief organizations, without charge, "for the relief of the distressed and famine-stricken people of Russia."

Act of May 28, 1924 (43 Stat. 195), authorized the Navy paymaster general to expend from the naval supply account issues ordered by the Secretary of the Navy "for the relief of sufferers in Japan following the earthquake which occurred September 1, 1923."

Act of February 24, 1925 (43 Stat. 963, ch. 297), approved issuance of Army supplies up to \$6,017,069.03 "for the relief of sufferers from the earthquake in Japan on September 1, 1923."

NOTE.—The President, by a proclamation of August 25, 1906 (34 Stat. 3227), asked for contributions through the National Red Cross Association for relief in connection with earthquake at Valparaiso, Chile. (W. C. Gilbert and W. H. McClenon, October 14, 1937.)

## Gold and Its Power—Part 2

### EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1940

Mr. THORKELSON. Mr. Speaker, in this second part of my discourse on gold and its power, I shall again discuss those who place gold above principle and who drape themselves with a mantle of philanthropy while they partition or divide other people's property. I shall again discuss those anti-Americans who employ the subversionists or the Communists to create dissension and spread hatreds in order to further their own ends. The internationalists being indifferent to nationalistic interest are not patriotic citizens, but are instead, as the name implies, international adventurers who exploit such nations as grant them the rights and equalities of their own nationals. Their power is predicated upon ownership or control by subterfuge or otherwise of gold which they use to sell, buy, and bribe themselves into power.

We have been too lenient with these destroyers and should, for the protection of our Nation and the people, embargo the gold now in the Treasury instead of allowing it to remain as it is, security for the international financiers. It must be understood that gold and money is the property of those of our citizens who are holding claims against this metal in the form of currency, securities, and investments.

The right to designate ownership of gold money or its equivalent is a power that the people did not delegate to Congress, but is instead one of the unwritten powers of the Constitution which the people reserve to the States and to themselves, and Congress is obligated to protect that right.

We, the Members of Congress, give little or no consideration to this unwritten power, in spite of the fact that we have obligated ourselves "to preserve, to protect and defend" this inalienable right of security which the people set aside for their own protection. Members of Congress forget that they represent the people and that their action should in no sense be predicated upon what the President may believe is best, or upon what various Federal departments may think is proper, but should instead rest solely upon the Constitution of the United States, for it is in that document the people of this Nation give orders to Congress. For Members to stand on the floor of the House and say that the Constitution is outmoded is, if nothing else, a woeful display of ignorance. They should bear in mind that the document is not validated by an act of Congress but is instead the fundamental and basic law by which the people command the Congress. Those who are inclined to treat this document lightly should bear in mind that no changes can be made in the document except in the form of an amendment, as set forth in article V.

I heard one of my colleagues say that some parts of the Constitution were outmoded, and for an example he referred to article 2 in the Bill of Rights:

A well-regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed.

I can only say that this article is still in force until it is amended by the people of this Nation, and no act of Congress can incriminate those who bear arms, for they are strictly within their rights. The people have a perfect right to bear arms and protect themselves within their State. Members of Congress should understand that the Constitution is a document which restrains and restricts the power of Congress, and by which the electorate can fire all the Members of the House every 2 years, and in which they could, before the seventeenth amendment was adopted, recall the Senators whenever they pleased, but now every 6 years. The people should now reduce the Senate term to 2 years in order to eliminate "rubber stamps."

I could not refrain, as I recalled debates on trade pacts and on other matters discussed before the House, from deviating from the subject under discussion. I shall now return to the consideration of gold and its power.

Designation of power "to regulate the value of money" is mentioned first in article I, section 8:

Congress shall have the power to coin money, regulate the value thereof, and of foreign coin.

This paragraph is quite clear and bestows the right on Congress "to coin money and to regulate the value thereof," but is in no sense a power to deprive the people of the use and of the security afforded by this standard recognized medium of value.

We may now assume that inasmuch as gold is the only metal that gives standard value to money, it must remain, as the Constitution intended, in circulation and the common property of all people. Congress in 1934, in a most unconstitutional manner, relinquished its right to regulate the value of money when it gave this power to the President and to the Treasury Department. Congress also made it impossible for the United States to comply with article I, section 10, when it deprived the people of the right to own gold money and to be secured by gold in the Treasury of the United States.

Section 10 states:

No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility.

This section is clear also, for it states explicitly that—

No State . . . shall make anything but gold and silver coin a tender in payment of debts.

It should be obvious even to those who now sit upon the Supreme Bench that the use of silver, gold, and its equivalent to pay debts is mandatory.

Rightfully gold and its equivalent in money is earned by and belongs to the people, and they are for that reason entitled to its security. Congress has no constitutional authority to deprive the people of this property or deny them the right, as the document provides, to pay debts with silver or gold coin; yet the people in every State were without their consent deprived of this right.

Perjury is a felony which is as applicable to Congressmen and other governmental officials as it is to civilians who take an oath in performance of duty and violate their obligation.

Gold and monetary wealth are created by such people as are engaged in developing our natural resources and in the manufacture of such products into commodities as we need for our general welfare. Money is therefore a property earned by those who labor on farms, in factories, and in other productive occupations. These various activities are classified as our Nation's industries and should for that reason be entitled to share in the same security as that which is now set aside for the sole protection of the international financiers.

The internationalist is, as I have already said, an insidious destroyer, who, like a parasite which undermines the health

of men, saps the vitality of such nations in which he is allowed the freedom to operate and the use of public wealth to entrench himself at the expense of industrious and patriotic citizens.

The power of the internationalist is in direct relation to national indebtedness. Nations which depend upon imports of raw material and other necessities are in a certain sense at the mercy of those who own and control the gold, for no commerce can be carried on without gold credit. The internationalist, to wield his power, must therefore bring about indebtedness and this is accomplished by internal dissension which will result in strikes and strife. This causes industrial indebtedness of such plants as have not sufficient surplus to absorb losses which are sustained when the factories are closed. They are forced to borrow money, which leaves them under the domination of the bank or the source from which the money is received. This in a sense is the end of industrial independence. It is in this manner the internationalist builds up his local and national power, and it is in exactly this manner that he builds up international power, substituting for local strikes international wars.

This summer, when your Members of Congress mount the rostrum, you, the people, should ask these questions:

First, why did you vote for the Gold Reserve Act, an act that has made it a criminal offense for the citizens of this Nation to own, to be secured and protected by the gold in the United States Treasury?

Second, why did you support a law which deprived the people of ownership of gold and which also repudiated gold securities that were owned by the people?

Third, why did you, as a Member of Congress, after having deprived your own people of protection, bestow the title and ownership of gold on the international financiers?

Fourth, why did you as a Member of Congress support a law which allows foreign nations to buy \$35 worth of merchandise or credit with an ounce of gold that will buy only \$20.67 of merchandise or credit in other nations?

Fifth, why did you vote for trade pacts and treaties under which we, the people, furnish more than 70 percent of the merchandise sold to foreign nations free?

Sixth, why did you vote for the reorganization plan, a law under which you have relinquished your own rights to the executive department, and which is now costing the taxpayers many additional dollars in Federal administration?

Seventh, why have you supported legislation which has created many corporations competitive to private industries?

These and many more questions should be asked when Members seek reelection to office. It is well for the people of this Nation to bear in mind that our industries and business are gradually falling into the hands of the internationalists for 69 percent less than their real gold value. Let no one forget that \$35 an ounce for gold is a subsidy to those who have the gold, and the owners of this metal are not we, the people, but are, instead, the internationalists, who now, as in the past, control international banking.

It is quite true that 70 cents an ounce for silver and \$35 an ounce for gold has stimulated gold and silver mining in the United States, and to that I am not opposed, particularly in view of the fact that our gold production is only about \$25,000,000 per month. I grant that this subsidy is money well spent in the United States and in the development of our own production. What I object to is the money we have expended to stimulate gold and silver production in the world.

I cannot forget that for every ounce of gold which has come into the United States our taxpayers have, in addition to its standard price of \$20.67, paid \$14.33 in merchandise or credit. The taxpayers of this Nation should remember also that for every ounce of silver imported into the United States we have paid foreign nations 30 cents to 40 cents more than the price for which it could have been bought in the open market. I repeat again, I believe we are justified in stimulating our own mineral production, but we are not justified in stimulating and subsidizing world production.

We committed a most fatal blunder when we tied the international dollar to 15.521 grains of gold, for it left us open to exploitation. Did any other nation commit such blunder?

Certainly not, for each and every one of them abandoned the gold standard in order to protect its own industries and to close the door to exploitation of such industries by foreign powers.

The stupidity of our Treasury Department is evident as we observe the condition of the financial structure which is now about ready to fall. Even the greatest optimist cannot laugh off a national debt that actually, if the facts were known, is now \$50,000,000,000. Neither can our sky-gazers treat disparagingly the \$8,000,000,000 of foreign-owned American securities, because they are redeemable in gold at \$35 per ounce, and will, when presented through the proper channels, reduce the gold in the Treasury by nearly \$14,000,000,000. That, if nothing else, should be significant that "something is rotten in the state of Denmark."

Is it possible that our financial structure may collapse as it did in Germany? It surely is, and is so admitted by some of the so-called experts in the Treasury Department. The internationalist is well educated in two lines: He knows how to create indebtedness and cause inflation. I realize that many scoff at this idea, but to those who treat it lightly I can only say that were we compelled to liquidate foreign obligations and outstanding gold certificates today, no gold would be left in the Treasury, and evidence for this may be found in the Department of Commerce Release and in the Treasury's Daily Balance Sheet.

What is the purpose of inflation? It is to debase and destroy a nation's currency so that all prices will tumble to the lowest point. When the currency structure collapses, the internationalists, like birds of prey, return to reap their profit, for a bankrupt nation is legitimate plunder.

A few golden shekels will buy a wad of inflated currency, which in turn buys industries, real estate, and other property, exactly as it was bought in Germany during the inflation of 1923. The stage is set for that in the United States, and do not let anyone fool you by telling you differently, for we are now operating with nothing but purely inflated currency, the value of which is only what it can buy from day to day. To say that it cannot happen here is not facing the issue squarely, for it can and it will happen unless Congress provides some safeguard to protect and keep the gold which is now in the Treasury. According to the daily papers, this was an issue before the Swedish Parliament. Sweden has already taken measures to keep the gold in the country. Why? To protect its own currency, for depletion of the gold reserve can only end in inflation, and that is extremely dangerous to a nation that must depend upon its major supplies from without.

In conclusion, let me briefly discuss the money which we are now using. It is not my intention to describe moneys used by primitive people, but I shall, for its similarity, compare it to the wampum which was used by North American Indians.

I maintain that the legal tender we are now using in domestic transactions, while more convenient, is similar to the wampum used by the North American Indians. It is actually retrogressive and, therefore, may be compared to money used before the horse and buggy days.

Wampum was beads made of shells, which represented money, and was to be had in two colors, black or dark purple, and white. The black or dark purple had double value of the white, but neither had anything but purchasing power.

Legal tender are bills made of paper which represent money and is to be made in various denominations and colors. The numbers printed on these bills represent the value, but none of these bills or legal tender has anything but purchasing power.

It follows, therefore, that wampum and legal tender are alike, for legal tender money, like wampum, is devoid of inherent value and only useful in the United States. It was to overcome this restricted usefulness of money that our present currency was adopted. It was to join hands with progress and facilitate trading that gold was adopted by all nations to represent the value of money. However, with the present legal tender, we are now back a thousand years to primitive wampum, so maybe the Indians were right, after all.



## Side Lights on Finland

## EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

ARTICLE BY EDWARD T. HEALD

Mr. SECCOMBE. Mr. Speaker, under leave granted to extend my remarks in the Record, I include the following article entitled "Side Lights on Finland," by Edward T. Heald, secretary of the Y. M. C. A. at Canton, Ohio:

## SIDE LIGHTS ON FINLAND

(By Edward T. Heald)

## 1. THREE TRIPS

These side lights are based on three trips into or through Finland, each trip being at a different stage in Finnish history. The first visit was a railroad trip from the north to the south of Finland in early September 1916 on my way from America to Russia. Finland was then subject to Tsarist Russia, and I had less the idea of being in Finland than in Russia. I was prevented from enjoying the scenery by the fact that I was intensely occupied with my first experience with a Russian spy, who happened to be one of my seat mates. For some reason he fastened his attentions on me. As my other seat mates one by one sidled away from his obvious attempts to trap us, I became more and more embarrassed as I was finally left alone with my none-too-welcome companion, who kept trying to get me to agree with him about the iniquities of the Russian bureaucracy and the glories of the democratic movement. In the southern part of Finland the window curtains were drawn down so that we could not see the reputed heavy fortifications near Viborg. The second trip was a 10-day holiday trip which was authorized by John R. Mott in July 1917, and on which I was accompanied by Mrs. Heald. This was chiefly by steamer along the picturesque canals and lakes of the interior of Finland, and at that time Finland was still subject to Russia, but it was the revolutionary Russia of the Kerensky regime. The third trip was 9 years later, in 1926, when I attended the world conference of the Y. M. C. A. held at Helsingfors, now called Helsinki, at which time Finland had been established for 8 years in her independence. The 10 days of this trip were spent entirely in Helsinki and its suburbs.

## 2. THE LAY OF THE LAND, CITIES, CLIMATE, LENGTH OF DAYS

The railway trip from Stockholm north through Sweden to Haparanda at the northern end of the Gulf of Bothnia, and then south through Finland, reveals interesting contrasts and resemblances between Sweden and Finland. Both are heavily forested, but Sweden's forests of pine, birch, spruce, and aspen are on thousands of mountains and hills, reminding of Colorado, the railroad constantly crossing dashing mountain streams on high trestles. The pine, birch, and spruce forests of Finland are on flat land dotted with innumerable lakes and swamps. The lakes are variously estimated to be from 10,000 to 60,000 in number, and a large scale atlas shows more water than land in many parts of Finland. This is a great contrast to the flat plains of Poland and Russia, and by the same token much more easily defended against mechanized warfare. We traveled for a week on one of the trim miniature Finnish steamers, with its 8 or 10 neat little cabins, coursing along canals and chains of lakes, in a country reminding of the upper Mississippi River in northern Minnesota or in northern Wisconsin. We could have kept on another 2 or 3 days without retracing our course if time had permitted. Still further north, beyond the waistline, the lakes practically disappear, the forests continue, the country grows rougher and hillier, much like Labrador. This country is very thinly populated and is vividly described by the book *Escape From the Soviet*, by Madame Tchernavin, who spoke at the high school here a few years ago. It took them over 10 days to walk across from Kandalaska to the Finnish frontier, only 70 miles as a crow flies. They did not see a human being or a sign of habitation in those 10 days. The one spot of spectacular scenery was at Imatra Falls, called Finland's Niagara, but more like the rapids above and below Niagara than the falls themselves. Important power plants here offer vulnerable targets for the Russians, whose frontier is only about 75 miles southward, and whose puppet Finnish communist state of Karelia is about the same distance northeastward. We stayed one night at the beautiful Government Hotel, overlooking Imatra Falls, but that is too fast a way to use up holiday funds.

Finland offers another contrast with Russia and the Baltic provinces across the Gulf of Finland. Those countries are also forested in these northern parts, mostly with pine, as are Finland and Sweden, but in contrast there are few lakes, and the country is dirty and dusty while in Finland it is clean and fresh. My first and only airplane trip was from Helsinki across the Finnish Gulf to Tallinn, capital of Estonia. It is about 60 miles across, and a

magnificent picture on the clear sunshiny day we had, the land of Estonia coming into view just as the land of Finland receded from view at our altitude of 1,500 feet over marvelously blue waters.

Finland's greatest asset is her forests. She has been cutting her forests scientifically for 250 years, leaving more feet of timber standing every year. Her greatest exports are furniture made from her forests, pulpwood, and paper made from her trees, and firewood for Petrograd and northern Russia. The latter is floated by barges to Petrograd and stacked in great piles along Petrograd's (now Leningrad's) streets, rising as high as houses. It was Petrograd's principal fuel when I was there. It has to be under way from Finland by the end of July or it will be caught by ice before it reaches Leningrad, which reminds one that Finland's navigation season is short—only five and a half or six months in the south and two and a half in the north.

Also there is a great difference in the working day, which also means the fighting day. At this time of the year it is perpetual night in northern Finland, 2 or 3 hours of daylight in central Finland, and 4 or 5 hours in southern Finland. When I was in Petrograd the winter daylight was from 9:30 to 2:30, which perhaps explains why office hours became established from 10 to 3 in Russia and Finland before the days of electric lights, and custom has continued them into summer and modern days.

Naturally, in fighting an enemy 60 times her size Finland's greatest advantage is in these short winter days. Later, when it will be light enough to read newspapers at midnight without artificial light—I could do that for 6 weeks even at Petrograd—the Russians can keep the fighting going 24 hours a day with their superior forces, and so more rapidly wear the Finns down.

Finnish cities reflect both Scandinavian and Russian influences in architecture, life, and customs, though there is an increasing architectural distinctiveness in public buildings and railway stations, which is uniquely Finnish. Viipuri, or Viborg, which is the first good-sized city north of the Russian frontier, was a neat progressive modern city of about 50,000 when I was there in 1917. It had a fine Y. M. C. A. Hospital for men and women. Tammerfors, the center of the munitions industry, and Finland's chief industrial city, impressed me as being more like an American city than any other on our route between New York and Petrograd. Helsinki, with over 200,000 population, is a handsome city with fine public and business buildings, an imposing waterfront, fine churches, beautiful residential suburbs, and would have been a fine center for the Olympic games in 1940.

These Finnish towns, with their poetical names, Vallinkoski, Villmanstrand, Ruokoletti, Punkajara, Kuokio, Puumaala remind us that Longfellow's *Hiawatha* was inspired by the Finnish epic, *Kalevala*.

## A LOOK AT THE PEOPLE

Racially the Finns have no kinship with the Russians nor the Scandinavians, but they are of the same stock as the Hungarians.

They are to Russia what the Czechs are to Germany; both Finland and Czechia feel themselves superior culturally and politically to their bigger neighbors, while the latter look upon their small democratic neighbors as thorns in the flesh, fit only to be trampled upon and destroyed.

During the week that we traveled Finland's canals and lakes in 1917, chatting daily with the captain, we saw Finland's hatred of the Russians through his eyes. At that time 800,000 Russian soldiers were quartered on 3,000,000 Finns, who were taxed for their support. At the time of our American Revolution we thought it too much for 3,000,000 Americans to be taxed for the support of 10,000 British soldiers. Imagine 80 times that number. They were everywhere. They could commandeer whatever they wanted. We watched them in the market places bargaining off their sugar cubes to the Finns who were not allowed sugar by their Russian masters. Now and then we would see a group of the Russian soldiers flirting with a Finn girl or two. Nothing got the captain madder than this. "Any Finnish girl who keeps company with a Russian soldier is a disgrace to her country. We tell her go along and stay with the Russian. We don't want her to come back." We passed a large building that had its windows and doors barred up. "That is a Russian seminary building," explained the captain. "The Russians built that to train teachers to teach the Russian language to Finns in the common schools. As soon as the revolution occurred we closed that building and it won't be opened again without a fight."

One of the most striking illustrations of the Finnish hatred of the Russians was the statue of Peter the Great, a statue of heroic size looking down on the city of Viborg. Peter's face wears the contemptuous smile of the conqueror. The picture postal we bought of the statue showed a beautiful green grass plot at the base. When we saw it the plot of green grass had disappeared, and all around was a scrap heap of bottles, cans, and trash which the incensed Finns had evidently thrown at the statue since the March revolution had given them equal privilege with the Russians to vent their spite on the Czar's regime.

In no respect did the captain show his wrath against the Russians more than with reference to the Socialist regime, as he called it, then in power, or lack of power, under Kerensky. We cannot deal adequately with Finland's relation to Russia without dealing with Finland's relation to the revolution, and here again the Finns present a striking parallel to the Czechs. Both races are dead against communism or socialism. Both countries represent the most advanced forms of democracy as we know it. The Finns were in the vanguard of the March revolution in Petrograd when the Czar's regime was overthrown. The first of the prison fortresses in Petrograd to break open on Monday night that overthrew the old

regime was the Peter and Paul Fortress, where the Finnish political offenders were concentrated. We met Finns on the streets of Petrograd that night. They proudly explained, "We nee Russkee; we Finlandskke." They each had 2,000 rubles, then worth about \$600, furnished them by the Finnish Revolutionary Committee to take care of them until they got home; certainly an ample amount.

As the Bolshevik influences gained in Russia under Lenin and Trotsky, throwing the social and economic conditions of that country into chaos, the agitation spread up into Finland through those 800,000 Russian soldiers. Our captain exploded about it. "The Finnish Socialists are not Bolsheviks but Scheideman Socialists," he said; "but that is bad enough. Thieving is growing. We used to keep our doors unlocked in Finland; now there are thieves everywhere, and we have to lock them. Most of the thieves are Russian soldiers, it is true, but the effect upon the Finns has been bad. They are losing their habit of hard work. The Finns used to love hard work and long hours. Now they listen to their Socialist comrade. The Finns used to save. Now they spend all they get."

As the revolution rushed to its communistic climax the Finns increased their resistance to it, and in 1918 accepted German aid to drive the Russians out of Finland and declared their independence. It was the same time that the Baltic Provinces across the gulf—Estonia, Latvia, and Lithuania; likewise Poland and Czechoslovakia—freed themselves from Russian and German rule and asserted their independence, all of them becoming democratic republics. The desertion of Czechoslovakia by England and France and Hitler's pact with Stalin have now sealed the fate of all these little democracies until Finland is the only one left fighting for freedom.

When you hear it said that Finland wouldn't have resisted Russia unless England and France had encouraged her, don't believe it. They know if Soviet Russia restores her rule over Finland all is lost—her economic system, her political and religious freedom, and probably her homes and her country. For if Stalin hesitated not to deport and allow to starve two or three million of the Russian Kulaks, the so-called wealthy peasants, who would correspond to our 25- to 80-acre farmers, because they resisted collectivization; if he doomed three to five million Russian peasants to starvation rather than buy grain to feed them or even allow it to be sent in as gifts, rather than admit the break-down of the 5-year plan in agriculture, what reason do we have for supposing that he and the Soviet power politics will be more kind-hearted to the Finns? Personally I think if we could be prepared to arrange for a mass migration of the Finns to Alaska, if and when the fortunes of war doom them to defeat, we would be doing a master stroke of policy for the Finns, for Alaska, and for the United States. Their whole race history provides them for a marvelous adaptability to take over a land of snows and forests such as Alaska. It might be the only way to preserve them as a race.

I don't want to prophesy again—I predicted that the Czechs would fight before giving up their independence. I was not prepared for the depth of treachery by the Allies which was confirmed to me just recently by two unquestioned authorities when France and England warned Czechoslovakia that if she resisted, they would support Germany against her with moral and material means. And Bonnet of France was the leader and spokesman of this treachery. But I don't see how a country of 3,000,000 can continue an indefinite resistance to a country of 180,000,000. As the days lengthen the advantage will be increasingly Russia's until she can overwhelm by pure numbers. I hope this prophecy will be as wrong as the others. The one miracle that can prevent its coming to pass is a political revolution or crack-up in Russia. But those who have studied Russia and Germany as late as last summer think the crack-up will come in Germany before it will in Russia. Still, if there is anything that experience teaches in these countries, it is that the unexpected is always happening.

Everywhere we ran into the determination of the Finns not to speak the Russian language. There were four languages required to be learned by the Finnish navigation laws, said the captain: Finnish, Swedish, German, and English, in the order named, but not Russian. Whenever I spoke Russian they would never answer.

The Russian distrust of the Finns was shown in their not allowing any Finns in the Russian Army except 500 volunteers at the front. They were afraid that the Finns would start a revolution, and in this they were doubtless justified.

This refusal of the Russians to put the Finns into their army is matched by the present policy of Germany not to let the Czechs arm.

When we crossed the frontier from Russia into Finland we felt as if we were suddenly transported from a land and people of turmoil, disorder, chaos, dirt, and noise to a land and people of quiet, beauty, cleanliness, order, and peace. Yet there is no physical boundary except a little creek small enough to wade across.

The old Russian or church calendar, 13 days behind our western calendar, which was still in force in Russia when we visited Finland in 1917, was already abolished in Finland where the western calendar was in use. In counting time  $2\frac{1}{2}$  means a half hour before 2.

In Helsinki, Russian influences were noticeable in the office hours, which were from 10 to 3, in cobblestone pavements, in isvosicks and lamavols wagons, in the character of lettering on stores, and in the habit of promenades.

After the Russian influences, and almost parallel with it, are the Swedish influences. Finland was independent during the first 550 years of her existence until 1157; then under Swedish rule for the

next 550 years until Peter the Great conquered in 1710 to 1716. Thus, the Russians ruled the country only 210 years, or less than half the time Finland has been independent, or half the time she was under Swedish rule.

The appearance of the country, the cities, the civilization, and the culture are more akin to Scandinavia than to Russia. The importance of their sea-faring life is another tie with Scandinavia. The interesting medieval castles scattered throughout Finland, many of them well preserved, were built under Swedish rule. The strongest and most famous of these castles we visited at Viborg. It was built by Torkel Knutson in 1293, when he conquered the Karelian Finlanders. The Finns in America have come mostly from the west and southwest of Finland—and are of Swedish descent.

A third influence is the German. Up until Hitler's pact with Russia the Finns felt very kindly to the Germans, as Germany gave her military aid that helped her gain her independence from Russia. German names are common in Finnish cities, and they figure importantly in the country's leaders, as evidenced by the Mannerheim line.

In religion the Finns are 99-percent Lutheran, the Reformed religion having been introduced by the Swedes in 1528. The headquarters for the Y. M. C. A. world conference held in Helsingfors in 1926 was the imposing Johannes Lutheran Church. The President of the Republic was patron of the conference and welcomed the conference in German. It is interesting that our townsman, Rev. Oscar Mees, has been asked to head up the Lutheran aid in the United States for the Finns. He says it is the first time in our history that all branches of the Lutheran Church in America have united in a project.

The Russian church is hardly to be found, except one fine Russian church building in Helsinki, the Nikolai, which was built by the old regime.

The Y. M. C. A. had a fine building and organization in Helsingfors, established after Finland gained her independence, as the Y. M. C. A. was not allowed under the old regime in Russia. The Helsinki Y. M. C. A. reminded one of an American Y. M. C. A., as did the secretaries. The general secretary had organized the boot-blacks of the city, of whom there were a great many, and helped to equip them, until they were a large and flourishing department.

The Y. M. C. A. delegates to the Y. M. C. A. conference who were Rotarians organized the first Finnish Rotary Club at Helsinki, which meeting I was privileged to attend.

The scheduling of the Olympic games for Finland in 1940 was another example of Finland's enterprise.

The city of Helsinki was closed tight as a drum on Sunday. Prohibition was strictly enforced in Finland in 1926—much more strictly than in Scandinavia, where it was also on the statute books.

Food was scarce and high priced, while rooms were cheap, and this was as true in 1926 as in 1916 and 1917. When I first went through Finland in 1916 I was impressed with the poor soil and hard living conditions of northern Finland, where the summers are too short to grow many crops. There was no fruit for love or money and few vegetables and no butter. When we went into Finland in 1917 I didn't have time to go through the red tape necessary to get a bread permit in Petrograd, and as a result we couldn't buy any bread during the 10 days we were in Finland, but the captain shared his bread with us, which was one reason we spent most of our vacation on a steamer. Our fellow travelers recommended that we patronize the Finnish pensions as being cheaper, so the first one we spied we patronized, but when they brought the bill for one dinner it was equivalent to \$7.50 American money for the two of us, which was the first and last time we ate at a Finnish pension. At Helsinki in 1926 the breakfasts were furnished to the delegates by the Finnish Republic, at the automat restaurants. Breakfasts consisted of a roll and a cup of coffee, and there was no butter on the roll. But my room in a prominent downtown hotel in Helsinki, shared with another delegate, only cost 50 cents each per night. Bicycles were the commonest means of transportation, both in the cities and in the country.

Helsinki presents an imposing appearance as one approaches it by steamer from the Gulf of Finland and it loses none of its imposing effect when you go through its streets. Its apartment buildings are built up solidly to the edge of the country. The suburbs are picturesque and beautiful, usually located around clear blue water lakes.

An Englishman on the same train with me going into Finland in 1917 described the Finns as a gray race with gray minds living in a gray land. When it comes to gray matter in their brains it would appear that the Englishman was right.

The Finns are rightly proud of their culture and their cultural leaders. Our captain praised their national architect, Sarinen; their sculptor, Vallgren, their novelist, Aho; their national epic, Kalevala; and their national musical genius, Sibelius, and his wonderful Finlandia. It is interesting that Finlandia was first introduced into America in 1905 by the Russian Symphony Orchestra.

The Finnish character has exhibited itself to the world in being the only country to keep up payments of interest on her war loans from the United States, not allowing even a desperate war to excuse herself from her obligations. The Finns are a solid, stocky, stolid physical type, much like the Russian peasant. But their carriage is more alert and brisk than the peasant. Women are much in evidence in lines usually considered exclusively men's work, such as conductors on streetcars, street sweepers, etc.

Hitler has said that no nation or race that is so small that it won't fight deserves to survive. The Finns have shown not only



the readiness to fight, but the ability, resourcefulness, and heroism to do so with a success that has amazed the world.

In conclusion, Finland should inspire us again with new conviction, and faith in the democratic process as producing a superior type of individual whether viewed as citizen or fighter as compared with the mass production methods of dictatorial despotism.

No country is more deserving of our moral and material support than Finland.

## The Texas Farm Tenancy Committee Report

### EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

REPORT BY C. M. EVANS, VICE CHAIRMAN OF THE TEXAS AGRICULTURAL WORKERS ASSOCIATION

Mr. PATMAN. Mr. Speaker, permission having been granted, I am inserting herewith a copy of a report made by the Honorable C. M. Evans, vice chairman of the Texas Agricultural Workers Association. Mr. C. M. Evans is director of region 8 of the Farm Security Administration. This region includes the States of Texas and Oklahoma. Mr. Evans and his splendid organization is doing a wonderful job in these two States. His organization receives good cooperation from its borrowers. I do not know of a department in this Government that is doing more for the farmers, who need assistance, than the Farm Security Administration; and I do not know of any organization whose personnel has its heart more into their work than the personnel of the Farm Security Administration at Dallas.

The report referred to, which was made recently by Mr. Evans, is as follows:

REPORT OF THE FARM TENANCY COMMITTEE OF THE TEXAS AGRICULTURAL WORKERS ASSOCIATION

(This report is made by C. M. Evans, vice chairman, in place of Dr. C. H. Hamilton, chairman, who resigned because of removal from the State)

The farm-tenancy committee appointed by the Texas Agricultural Workers Association at its session a year ago gave the major portion of its activities to a series of 14 meetings at which opinion of farmers themselves was surveyed and analyzed. The 14 meetings were held last spring and extended from Willacy County in the Rio Grande Valley to Fannin County in the Red River Valley, and from Hall County in the west to Anderson County in the east. Both landowners and tenants were invited, and attendance ranged up to several hundred. Each farmer present was invited to answer a series of 29 questions which were presented and answered in writing.

#### MOVEMENT OF TENANTS OFF FARMS

One of the first questions was as to whether or not there has actually been considerable movement of tenant farmers off the farm. Eighty-six percent of the answers said that there has been such a movement in their section.

#### BETTER CONTRACTS NEEDED

Questions were then asked as to how a more profitable working relation could be established between landlords and tenants, in order to prevent landlords from setting their tenants adrift. Both tenants and landlords were generally favorable to written rental contracts. Eighty percent of those making answer held that the written agreement would bring about a greater feeling of security on the part of the tenant and would lead to higher returns both for the tenant and the owner.

#### LONGER RENTAL CONTRACTS DESIRABLE

Getting down to the details that should be incorporated in a written rental agreement, 87 percent said that leases should be encouraged for longer terms, preferably from 3 to 5 years. Sixty-eight percent of the tenant farmers were in favor of some sort of legislation but only 37 percent of the landowners. The nearest they came to agreement on legislation was that there should be a legal requirement for a minimum time to be given a tenant before he is forced to quit the farm. Eighty-seven percent of the tenants favored such legislation and 45 percent of the landlords.

#### TENANTS' COMPENSATION FOR IMPROVEMENTS

There was general agreement that tenants should receive compensation for improvements which they make upon a farm. A large majority of both tenants and owners said that the tenant should be permitted to remove equipment that he had placed upon

the farm, such as fences, outbuildings, etc., and in the case of substantial permanent improvements which had been placed there with the landlord's consent, it was agreed that the tenant, upon leaving, should be compensated for the unused value of these improvements. Eighty-five percent of the landlords joined with 93 percent of the tenants in agreeing to this.

#### PROMOTE FARM OWNERSHIP

The one point upon which all agreed most unanimously was that something needed to be done to promote ownership of the farm by the man who works it. Ninety-five percent of the landowners and 96 percent of the tenants said that the Farm Security Administration program of helping good tenant farmers to buy farms should be expanded. This farm-ownership program is now entering its third year. The average loan has been around \$6,000, 73 percent of the loan going for the original purchase price of the land, and about 22 percent for new improvements or repairs.

#### EFFECT OF DRIFT OF TENANTS AWAY FROM LAND

As acting chairman of this farm-tenancy committee, I invite your attention to certain facts which indicate the need for intensifying and expanding the work of this committee during the coming year. The drift of farmers away from the land is already beginning to have results which are far-reaching, not only upon rural life but also upon urban life. During 1938 the number of children of school age in Texas decreased by approximately 2,000. During 1939 the decrease of children of school age amounted to 14,000, or seven times the decrease of the previous year. Only three cities in the State failed to show a decrease in scholastics; these cities, Houston, Austin, and Corpus Christi, apparently growing so fast by reason of new families moving in that their scholastic population remained stable or showed a slight increase. In the city of Dallas the decrease in scholastics last year was 2,000.

#### SCHOLASTICS INCREASE IN RURAL AREAS BUT DECREASE IN CITIES

The number of scholastics in rural areas is still increasing, but the decrease in the cities of Texas is more than enough to offset it. Meanwhile, the cities are continuing to siphon off the farm population and to destroy the source from which they have received their essential stream of new blood in the past. This siphoning off of the farm population is not done intentionally or willingly by the cities. It is the unhealthy result of the growth in large-scale farming which sends displaced farmers to town looking for jobs, mostly in vain, with a large percentage of these displaced farmers going on relief in the cities or taking to the highways as migrants.

#### WORK OF FARM-TENANCY COMMITTEE

Work of the farm-tenancy committee, or of individuals and organizations represented upon it, has stirred up a great deal of public interest during the past year. Many of our leading newspapers have repeatedly called attention to the serious situation created by displacement of tenants. As an instance of interest taken by religious and civic organizations, I invite your attention to the pamphlet recently published by the Home Mission Board of the Southern Baptist Convention. It devotes an entire chapter to the migratory labor situation in Texas and urges cooperation in remedial measures.

Certain members of the State Democratic executive committee have expressed their desire for guidance as to measures which the committee might consider for endorsement and presentation to the people at the next election. The State junior chamber of commerce has made a start toward active and concrete action in an independent way by assisting a young farm tenant near Austin to purchase a farm without down payment and with 30 years' time, inducing an Austin bank to put up \$1,000 on long time to help the purchaser supply himself with suitable livestock and equipment.

A typical example of editorial comment in a rural paper says: "Present lease contracts seldom give the tenant an incentive to maintain and improve the fertility of the soil. Most of the agreements were developed during a period when the soil was exploited as a matter of course."

And the editor expresses his opinion that, "There should be a written contract to the effect that improvements made by the tenant, if with the knowledge and consent of the owner, should be paid for by the owner at termination of the lease. Some of the later contracts are more fair, but if you wait until it is a general custom to make these changes it will be a long time. Proper legislative measures should be enacted before more of our land is destroyed on tenant-populated farms because of unfair contracts."

I present these instances of public interest to indicate that action of some kind or other by uncoordinated individuals or groups is getting under way and that the time is ripe for a well-considered plan upon which all might have an opportunity to unite. And it is obvious that without such a plan, forcefully supported, we will have confusion and futility.

#### GEORGIA FACT-FINDING COMMITTEE

I invite your attention here to the successful operation in Georgia of the Citizens' Fact Finding Committee, which has recently completed its second year of operation. This committee covered a large list of subjects and industries, its scope being much wider, of course, than that of our farm-tenancy committee of the Texas Agricultural Workers Association. The Georgia committee was supported by the congress of parents and teachers, council of church women, State organizations of civic clubs, League of Women Voters, press association, farmers' organizations, and many others. The first year of its work was conducted on a cash budget of less than \$5,000, supplemented by almost twice that sum in goods and

services. The second year's budget was \$30,000, ten thousand received in cash from Georgia individuals, ten thousand from grants and foundations, and ten thousand given by Georgia in goods and services.

The Georgia fact-finding movement is based on confidence in democratic processes and in the recognized principle that in a democracy the driving force must come from the people. It has put out a large number of pamphlets under the general heading of "Let us reason together." I attach the Georgia pamphlet on agriculture issued November 1939. After listing the general problems the pamphlet asks, "What can we do now?" Its answer is, "Often the best intentions are nullified because of diversity of effort. Only one activity is suggested. It is recommended that every one of Georgia's 159 counties pass, adopt, print, and place in the hands of every family a county farm program which is for a period of years to serve as a guide for the county's agricultural families."

#### RECOMMENDATIONS

Goals recommended for the county programs include:

1. Adding an annual cash income of \$100 for every person living on the farm.
2. Making every farm self-sustaining in food and feed, so far as possible.
3. Reducing soil erosion and restoring fertility.
4. Cash income every month in the year through a detailed farm-and-home plan.
5. Greater security for tenants and stable productive investments for landlords through improved written leases, and similar steps to promote security of tenure.
6. Improved market facilities.
7. Duplicating of yields per acre.
8. Cheaper livestock production through improved pastures.
9. Increased timber production on farms.
10. More efficient functioning of farm organizations.

I present this reference to the Georgia movement, not as a recommendation that we do the same but as evidence that other States have seen the need for unified and dynamic action.

My recommendations at this time are:

1. That this committee be continued and enter into a more intensive study of action needed to promote more secure land tenure. Security of tenure upon the land is the essential basis for all agricultural progress. Not only is it essential to progress and welfare of the farmer himself but it is the indispensable foundation of democracy. I need not remind you that industrial and commercial enterprises in general are tending more and more toward monopolistic types, which mean a feudalistic economic organization and have as an inevitable corollary a feudalistic influence in government. The independent small farmer is democracy's last stand.

And let me again invite your attention to the fact that the physical existence of the State depends upon the new population, which is now being supplied only by the farm, and that only through an immediate and effective movement for increased security of the small farmer will we maintain a pool of healthy new life upon which the city may draw to prevent its otherwise inevitable disintegration.

We are now witnessing a flow of farmers to the city, but they are refugee farmers, plucked up by the roots and tossed off the land. Their maladjusted and migratory existence has left them, and the children they bring with them, unfit in body and soul to provide the type of citizenship which in the past has been supplied from the farm which we previously knew, where homes were more stable, where strength of body and mind was built, where loyalty to democratic institutions was a natural inheritance. The present movement is but the polluted death flow of a once vigorous but now stagnant and dwindling stream.

This new group which now comes into the city is tossed up by an agricultural revolution which is wrecking farm homes and family life. Unfit bodies, untrained minds smoldering with discontent and resentment against a system which has cast them adrift, contribute nothing but new sickness, instead of the revivifying stream of healthy blood which our farms once provided, and which they can provide again if opportunity is restored for small farmers upon their own land.

The city must be made to realize that this is a matter vital to its very existence, for success of a land-tenure movement can be achieved only with cooperation of the city's legislators and Congressmen. Urban votes in the Nation outnumber farm votes by 3 to 1, and even in our own agricultural State the town and city have the majority.

I therefore recommend that this committee take special action to bring the above facts to the attention of groups and leaders in Texas cities and to obtain their cooperation in the measures herein suggested.

2. I recommend for specific action at this session of the Texas Agricultural Workers Association that resolutions be presented to Congress setting forth the attitude of Texas landowners and tenants as indicated by the survey of this committee last spring, and urging Congress to expand the present land ownership program in line with this farm opinion.

3. I also recommend that resolutions be directed to the Governor of Texas and to the State legislature inviting their attention to the above-stated facts and urging their cooperation in such ways as may be found practical. In this connection it has been suggested that a Texas land tenure commission be set up, and I ask this committee to make an immediate study of the possible effectiveness of such a commission in providing information and guidance for State action.

## Stream Pollution

### EXTENSION OF REMARKS

OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

LETTER FROM THE SECRETARY OF THE PENNSYLVANIA DIVISION OF THE IZAAK WALTON LEAGUE OF AMERICA

Mr. GRANT of Indiana. Mr. Speaker, under leave to extend my remarks I wish to include the following letter received by me from P. S. Platt, secretary of the Pennsylvania division of the Izaak Walton League of America:

IZAAK WALTON LEAGUE OF AMERICA,  
PENNSYLVANIA DIVISION,  
February 28, 1940.

HON. ROBERT A. GRANT,  
Member of Congress

Washington, D. C.

DEAR MR. GRANT: I want to take this opportunity to express the appreciation of Pennsylvania conservationists for your sincere interest in the stream-pollution issue now before Congress.

You, of course, know that this is not an issue of fishermen against industry. We see eye to eye in the doctrine that water is a common property, and there must be no recognition of the Barkley doctrine, which bestows upon bureaucracy, or special privilege, the right to pollute public waters at the expense of the public.

In scanning the Appendix of the CONGRESSIONAL RECORD page 1002, I note with some amazement the extension of remarks by the Honorable CHARLES H. ELSTON, who appears to be speaking on behalf of the polluters of the Ohio River. In general, this document is typical of the propaganda emanating from organized polluting industry.

Specifically, we take exception to the following of Mr. ELSTON's remarks: In his first paragraph he refers to the Barkley bill as a bill "designed to control and eliminate so far as possible the menace of water pollution in the United States." The conservationists challenge anyone to point out any section of this bill which bestows upon any authority any provisions for control of pollution. In the matter of financial stimulation, the Barkley bill as reported by the House Rivers and Harbors Committee provides absolutely nothing which is not available at the present time.

Reference to this bill's being the "culmination of 26 years of intensive study" is made. What we want to know is when are we going to stop using the stethoscope and start administering the prescription. As a past member of our State sanitary water board, let me say that the "voluntary cooperation" recommended by the supporters of S. 685 is, practically speaking, a myth. This cooperation can be secured very nicely when there is a big stake in the background, as is demonstrated by the testimony of Col. John C. H. Lee, Corps of Engineers, United States Army, in the Senate hearings on the Clark bill, S. 1691, March 1939.

We have a high regard for Surg. Gen. Thomas Parran and are thoroughly conversant with the strides which have been made in the sewage treatment during the past 6 years, but a careful analysis of Public Health Service figures shows that, in spite of the increased treatment, the extension of sewer systems in responsible for an added amount of sewage being dumped into public waters.

We note the reference to the existing enforcement machinery in almost every State. Our only answer to such reference is, What is the result?

To be very frank, we disagree with Mr. ELSTON's statement to the effect that the Izaak Walton League favors the objective of S. 685. If any objectives are stated in this bill, we have not been able to detect them.

There is, in this extension of remarks, an implication that the Izaak Walton League is just another inconsequential minority group. In answer, let me suggest that the league is happy to act as the spokesman for that great unorganized majority of public opinion in conservation affairs. The long list of organizations which have approved the Barkley bill represents practically all organized polluting associations and bureaucracies which hope to maintain the existing status of pollution.

Mr. ELSTON's list includes an error—namely, the American Forestry Association, which, under date of February 24, 1940, states—

"Erroneous reports have been circulated to the effect that the American Forestry Association is supporting S. 685, known as the Barkley bill. \* \* \* With full recognition of the emergency of pollution and a need for its early solution, would it not be better to wait another year without legislation rather than enact an ineffective law? \* \* \* The American Forestry Association authorizes me to suggest that S. 685 and H. R. 7971, together with other bills of similar nature now before the House, be referred back to the Committee on Rivers and Harbors for further study."

"JAMES G. K. McCURE, President."



The philosophy back of the Barkley bill appears to be well exemplified on page 58 of House Document 155, which is the basis for this bill. Speaking of standards of water quality, this document states "stream systems are nature's sewers."

We conservationists are more inclined to subscribe to the doctrine of the late Mr. Justice Oliver Wendell Holmes when he said "A river is more than an amenity—it is a treasure." The Justice was, of course, referring to an unpolluted river.

We certainly do hope, in the interest of the public, that this Barkley bill does not pass. We feel that its passage would be a step backward. When we ask for a loaf of bread, we gladly accept a slice, but we do not like to be sold a stone.

Sincerely yours,

P. G. PLATT, *Secretary.*

### Stream-Pollution Control

#### EXTENSION OF REMARKS

OF

HON. DOW W. HARTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

EDITORIAL FROM THE AKRON (OHIO) BEACON OF FEBRUARY 8, 1940

Mr. HARTER of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Akron (Ohio) Beacon of February 8, 1940:

[From the Akron (Ohio) Beacon of February 8, 1940]

MUNDT, NOT BARKLEY

Senator BARKLEY, of Kentucky, has given assurance that there will be stream-pollution-control legislation passed at the current session of Congress. Unfortunately he is not specific as to the form it will take.

No one need strain himself guessing, however. BARKLEY has a bill in the hopper which, though thoroughly inadequate, ill-advised, and wasteful, is undoubtedly the legislation to which he refers. The differences between it and the Mundt bill, thus far kept from House consideration, represent the disparity between a bad measure and a good one.

The Barkley bill contemplates grants to cities and subdivisions for study of the situation. The Mundt bill calls for expenditure of money to curb the polluting of streams and rivers. It is no coincidence that sportsmen are united in fighting the Barkley proposition, political pork in disguise, and strongly urge the adoption of the Mundt pure-streams bill.

The Akron district, blessed with more contaminated waterways than one would think it possible to find in such an area, would do well to give all possible support to the sportsmen.

### Leading Kentucky Newspaper Doubts Value of Barkley Bill on Pollution

#### EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

Mr. JENSEN. Mr. Speaker, tomorrow this House is to be called upon to decide upon the important question of pollution legislation. Members are receiving communications from conservation and sportsmen's organizations throughout America urging them to vote to recommit the so-called Barkley bill, S. 685, which will be before us for consideration, and, failing in that, to vote for its outright defeat. These same groups urge the adoption of the Mundt bill or the Mundt amendment to the Barkley bill.

The following two editorials from the Louisville Times, published in Louisville, Ky., cast some important light upon this problem and seem to indicate additional reasons why this House should not adopt the Barkley bill at this time. It should seem obvious to all Members that by further committee study and consideration a better bill on the subject of pollution can be prepared than S. 685, which, in the form in which

the committee is bringing it to us, seems to have the almost united opposition of America's leading conservation organizations:

[From the Louisville (Ky.) Times of October 11, 1939]

ERROR OF JUDGMENT

In the argument upon water-pollution legislation there are differing contributors who are not subject to legitimate, or persuasive, assailment as crooks or persons unworthy of consideration. There are honest, intelligent men on both sides.

The Barkley-Spence bill approaches pollution within the formula of State rights, and with the idea of procurement of cooperation between States and cooperation of persuaded polluters.

The Clark-Mundt bill's objective is drastic action by the Federal Government against polluters.

Barkley-Spence bill supporters say the more direct and violent approach would be unconstitutional and that Congress would not pass the Clark-Mundt bill.

Clark-Mundt bill supporters say the Barkley-Spence bill will waste time, pollution increasing, and that eventually—so why not now?—the more drastic law must be passed.

They say polluters' lobbyists, long in that employment, support the Barkley-Spence bill, as the lesser evil, to their employers.

The Cincinnati Chamber of Commerce circularizes the press with argument for the Barkley-Spence bill. It calls supporters of the Clark-Mundt bill a group of highly vocal fishermen.

Regardless of who is right in the water-pollution controversy, the Cincinnati Chamber of Commerce is indiscreet in calling opponents of its bill highly vocal fishermen.

The Izaak Walton League would be no more tactless and no more inaccurate if it should refer to the Cincinnati Chamber of Commerce as a richly provided group reflecting aims of water polluters.

[From the Louisville (Ky.) Times of February 21, 1940]

NEW PUBLIC HEARINGS NEEDED TO REVEAL RELATIVE MERITS OF WATER POLLUTION BILLS

The latest revised version of the water pollution bill opens a new fight upon it, not by polluters, but by an antipollution group.

Something is wrong, obviously, with procedure in Washington. There is inadequacy of information in Congress and outside of Congress as to relative merits of measures pending.

Water pollution—not in the Ohio Valley particularly—presents one of the Nation's gravest problems.

If Congress should pass a bill which would not actually advance pollution abatement, 10 years or more might pass before the public would be aware of its defects.

The Izaak Walton League of America, which wants actual, enforceable, measures against pollution is a respectable national organization which has little money because it is not a business enterprise.

What it has to say, regardless of whether it is right or wrong, deserves attention in Washington, but that is not all.

Congress should know what it's voting about.

Neither House of Congress, apparently, is fully informed.

Public hearings, duly attended by, and reported by the daily press and other vehicles of publicity would be valuable.

Better no pollution bill at this time than one which would not be efficacious and which would cause expense and delay.

Representative MANSFIELD's assertion that the Izaak Walton League "disregards effect of pollution on human health" is ridiculous as well as untrue.

The league and every intelligent citizen value American waters as producers of fish for market and fishing as sport.

Mr. Speaker, when a great newspaper from Senator BARKLEY's own State of Kentucky recommends that the Senator's bill be recommitted to committee for further study, it seems to me that we should avoid hastily passing legislation such as S. 685 until we are sure it will retard rather than advance the menace of water pollution.

### Reciprocal-Trade Agreements

#### EXTENSION OF REMARKS

OF

HON. ALBERT SIDNEY CAMP

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

Mr. CAMP. Mr. Speaker, to my mind the present joint resolution—House Joint Resolution 407—to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which, if passed, will enable the President, through the Secretary of State, to continue for another 3-year period to enter into foreign-trade agreements or reciprocal-trade agreements, is the most important legislation we

have considered or perhaps will consider at this session of Congress. It affects the prosperity of every American, and, to my way of thinking, is the greatest hope we have of reducing unemployment, increasing the income of farm, mine, and factory, and restoring that normal commercial activity and stability that we have so long desired.

There was a time when our foreign trade was of such proportions that the specter of unemployment was unknown and the worry of our cotton and grain farmers was not the question of markets but the problem of supplying the world demand. Ships bearing cargoes of American manufactured goods and agricultural products sailed the seven seas, our ports were beehives of commercial activity, and our people enjoyed a firm and stable prosperity.

In other words, we traded with the world. We brought to our country goods from all over the world, and we sold to the world our entire surplus of manufactured goods and agricultural products.

But something happened to this world trade of ours. Fewer and fewer ships came to our shores. The cotton and grain and other products of our farms began to accumulate in our warehouses and elevators, manufacturers piled up unsalable goods for a while, and then, finding no markets for them, closed down their factories until the American or home market could consume them. Unemployment became prevalent. These unemployed could not buy; the home or domestic market lagged more and more; and we entered upon a period of depression. Our whole people suffered.

I believe the underlying cause of our misery was the recession of our world trade. What caused the loss of our foreign markets and the recession of our trade? I think it can be traced directly to the tariff laws of this country enacted under Republican administrations; the Fordney-McCumber Tariff Act, which was in force during the period from 1922 to 1929; and the iniquitous Hawley-Smoot Tariff Act, which, enacted in 1930, inflicted the final and mortal wound to American world trade. The high tariff wall built by this act simply closed our ports. Our per capita farm income, already lowered and ruinous during the Fordney-McCumber period, dropped from \$294 in 1930 to \$167 in 1933.

In 1933 the new administration at Washington began a study of the causes of the loss of our world trade. The President had called to his aid as Secretary of State a statesman who had given many years of his life to the study of world trade and tariffs and who had foreseen the inevitable result of the iniquitous tariff policy of this Government under the Republican administrations. This quiet and studious man from the rugged State of Tennessee, Hon. Cordell Hull, believed that by making reciprocal treaties with the foreign countries much of our trade could be revived and prosperity gradually brought back. So the Congress passed the act of June 12, 1934, empowering the President to make these reciprocal-trade agreements.

What are these trade agreements? They are nothing more nor less than a method of breaking up the log jam and opening up the trade channels between our country and the other countries of the world.

Some people have an erroneous idea of the meaning of foreign or world trade. They seem to cling to the idea that trading with the world means selling the rest of the world our goods without buying any of theirs. Trading means the exchange of goods for goods—just as the farmer takes his produce to town and exchanges it for the supplies he needs, as the trapper on the frontier used to exchange his furs for food and clothing. So we see that if we will have world trade we must take the goods and products of other countries in exchange for ours. We must buy as well as sell. To revive this trading this administration devised these reciprocal-trade agreements. These agreements make it easier for the foreign buyers of our goods to find a market for their goods here. Each one provides increased opportunities for a country to expand its purchases of our goods, provides that the trade of one country shall be treated fairly by the other country to the agreement relative to the trade of a third country, thereby preventing discrimination.

These trade treaties became necessary because as we built high tariff walls in this country, other countries of the world

retaliated by building high tariff walls against our goods and these tariffs became formidable barriers to world trade. It was found to be impossible to get rid of all these trade barriers at once, but these trade agreements, by reducing our tariffs on some goods in exchange for an agreement on the part of another country to reduce its tariffs and other restrictions on our goods, encouraged trade instead of discouraging it.

These trade agreements are openly and fairly made. Mr. Noble, Under Secretary of Commerce, has given a clear description of the method of their negotiation, as follows:

Before we enter into trade-agreement negotiations with a country, public announcement is made of our intention to do so. The trade-agreements work is conducted by the Trade Agreements Committee, an interdepartmental undertaking in which participate the Departments of State, Treasury, Agriculture, and Commerce, and the Tariff Commission. This Committee is made up of nonpartisan experts, men of experience and judgment in foreign trade, who have no interest in anything except what is best for the country as a whole.

As a result of study of the trade and products of the two countries, there is published at the time announcement is made of intention to negotiate a trade agreement a list of products in respect of which we will consider making concessions to the other country.

When these products have been announced in this open and aboveboard manner, so that everybody who produces or deals in these products may know about it, then a date is set when all interested persons may be heard. If you don't think a product in which you are interested should be included in these negotiations, you have a full chance to say so. You can appear before the Committee for Reciprocity Information at public hearings in Washington and state your case, or you can file a written brief of your arguments and have them carefully considered. In one way or another everybody affected has a chance to be heard—an equal chance. There are no back-door methods; no chances for lobbyists to exert political pressure; no secret deals or swaps.

In the past 6 years we have concluded reciprocal agreements with 16 countries. In the period from 1933 to 1938 the purchases made by these countries in the United States increased \$464,000,000, while the purchases made by these same countries elsewhere sharply declined. Our exports to all foreign countries since these treaties began has increased nearly 46 percent, or slightly more than \$1,000,000,000. The purchasing power from foreign trade has increased our American industrial pay rolls. This has benefited our farmers by increasing our home markets. Let us illustrate with one country only. Between 1929 and 1932 our exports to Canada fell from over \$900,000,000 to less than \$250,000,000. In the year 1938, under the trade agreements, these exports recovered more than \$450,000,000. The loss of over \$600,000,000 in trade to one country alone doubtless had a great influence on the depression in the United States, and the recovery of trade made under the treaty certainly had its effect in contributing to our recovery. To one man, more than to all others, should be given the credit for the adoption of this wise and beneficial policy of our administration. The far-seeing wisdom of this man has been reflected in the negotiation of each agreement. His honesty of purpose, his devotion to duty, his real ability shine out like a beacon in these troublous times. We are grateful for the untiring labor of that Christian statesman and economist, Cordell Hull.

### The Antilynching Bill

#### EXTENSION OF REMARKS

OF

HON. W. F. NORRELL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

EXTRACTS FROM ADDRESS BY ISAAC FISHER

Mr. NORRELL. Mr. Speaker, ladies and gentlemen of the House, so much was said recently while we had the antilynching bill under discussion concerning the treatment of the Negroes in the South, that I have concluded to insert in the Record, with your permission, extracts from an address delivered at Pine Bluff, Ark., recently by Isaac Fisher, prominent Negro educator, upon the occasion of the dedica-



tory services at the Arkansas Mechanical and Normal College for Negroes. This address was delivered upon the completion of two new dormitories and a new library building at the college.

Isaac Fisher now resides at Tallahassee, Fla., and was president of this institution from 1902 to 1911. He is now director of research and publications for the Florida Agricultural and Mechanical College for Negroes. He was for 9 years with Fisk University as editor of the official school publications and prior to going to Florida a few months ago completed his tenth year as editor of the official publications for Hampton Institute for colored at Hampton, Va.

I offer extracts from his address as conclusive evidence of the treatment the Negroes are receiving by the people of Arkansas and the people of the South:

Mr. Freeman, gentlemen of the board of trustees, President Watson, members of the faculty, students, friends, one and all, it is a remarkable thing which you do here today. While certain of the most powerful nations known to history are snuffing out the torch of liberty in many places, a torch that has been held by some of the freest white peoples on earth, and chaining them to bondages worse than death, Arkansas, one of the States of the old South, is dedicating new buildings to give greater liberty and new freedom to the descendants of colored people who saw slavery within her dominion a little while ago.

While the refinements of science are being used to hurl lightning death from the air upon some of the most sacred and classical examples of architectural beauty in the Old World, Arkansas is giving her colored people new structures in which the pursuit of knowledge may be made easier. While some of the world's most eminent white scholars have been banished from the lands of their birth; and made to wander as poverty-stricken and homeless exiles upon the face of the earth because of their race, Arkansas is here serving notice upon the world that it is building a great temple of knowledge for her colored people, in spite of their race, and saying to them, "This is your home; be at peace." These unusual circumstances require more than a perfunctory attempt at oratory.

The college was moved, and it has prospered under this able man until it is known today as one of the most progressive State colleges for Negroes in the entire South; and its president is acclaimed as one of the most highly successful administrators of Negro land-grant colleges. I need not burden you with the statistical story of the meager equipment of earlier years in the Branch Normal College, as compared with the splendid facilities of your new college today. All men and women of Arkansas know the story. My business now is to do what your president wants done today. Of all the persons whom he might have named, he has called me back to dedicate your new buildings to the purposes which were in my heart, purposes which he has made his own and, under God, has brought to fruition.

And now, members of the board of trustees, let me change the person in which I have been speaking and substitute that of the president of this college. It is Dr. John B. Watson speaking, he whom you have so signally honored. These are his words: "As for me, I had it in heart to thank the Governor of the State, the board of trustees of this college, and the people of Arkansas—to thank them in the name of all the colored people here and elsewhere for the splendid buildings you have erected here and for the college you have created here that our colored citizens might have a chance for the best in education. I had it in my heart to let you know that, in gratitude, my people will not fail you, for they are a grateful people; but that, in the years which are ahead, they will give you a loyalty which will help make the State and our country great and ever greater. And these loyal citizens will say for you, wherever they may be, 'God save the Commonwealth of Arkansas.'"

### Reserve Officers a Strong Arm in Our National Defense Set-up

#### EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1940

ADDRESS BY HON. J. BUELL SNYDER, OF PENNSYLVANIA

Mr. SNYDER. Mr. Speaker, under permission to extend my remarks in the RECORD, I include my address before the

Reserve Officers' Association of the United States, February 16, 1940, Washington Hotel, Washington, D. C.:

It is a privilege to be with you this evening and to meet so many who are unselfishly working in the cause of a peaceful, a happier, and more prosperous America.

I am committed to the idea that the best guarantor of peace is a defense establishment, on land and on sea, of such proportions as will compel the respect of foreign nations which otherwise might attempt, in diverse ways, to trespass in directions hostile to our national interests.

In all sincerity, I do not know of any agency which has done or is doing more to sell that idea to the people of America than the Reserve Officers' Association of the United States, and I commend you for it. You are doing a splendid job.

The military history of the United States is replete with evidence of individual heroism on the part of the soldiers and sailors of our country. Unfortunately, however, we have suffered far too great losses of lives and treasure owing to lack of ordinary prudence and foresight against an event that has occurred every 25 years in our history—war.

If we could couple the quality of the individual American soldier and sailor with reasonable foresight and prudence on the part of the Government, speaking for the people, we likely could avoid war in the future.

At least we should be able to bring effective force to bear which would lead to an early and decisive ending. During the several years that I have found it my duty to deal with military matters in Congress I have often wondered why the people who have advanced so greatly along so many lines have been so imprudent, without foresight to avoid war, and to preserve peace.

No reasonable person can question my statement when I say that the United States never has had anything approaching adequate national defense. In searching for the reason for this fact we come to the conclusion that the only explanation is that the American people have not had the opportunity to know about military affairs. Up to the time of the World War, in 1917, it is easy to see why the American people knew little, if anything, of consequence about their Military Establishment. It was because our very small Army and Navy were off by themselves in Army posts or on the ocean.

Since the World War, however, a great change has occurred, and we now find that a clear majority of the American people are in favor of a truly adequate national defense, sufficient to protect us against all eventualities. What is the reason for this change of public opinion and what has caused it?

The men who have largely caused it are our hosts here this evening, the Reserve officers of the Army of the United States.

Their organization, the Officers' Reserve Corps, only has come into being since the World War, but in that short span of time they have, together with their wards, the Reserve Officers' Training Corps, the National Guard, and the Civilian Military Training Camps, turned the course of public opinion to the commendable decision that our best safeguard for peace is a complete and efficient Military Establishment.

This long sought result has been accomplished largely through the voluntary efforts of these patriotic gentlemen and with a ridiculously small expenditure by the Government along the lines of military training. It is quite apparent that 3 or 4 percent of our annual military expenditure will suffice for the training and maintenance of the Officers' Reserve Corps and its accompanying civilian elements. This relatively small percentage is the cost of the skeletonized citizen army that will make up more than three-fourths of the whole Army in case of a national emergency.

In addition to the commendation that we owe to the Reserve officers for their patriotic services, I wish to acknowledge that their organization, at such small cost to the Government, has been very gratifying to me in my capacity as chairman of the House Subcommittee on Army Appropriations.

I wish to assure you that my committee is intensely interested in national defense.

I am proud to be chairman of the committee in the United States Congress for the last 4 years that has been cited by Army officials as doing more to preserve peace and keep our boys on our own shores than any other committee or group. Scores of fancy-named organizations have sprung up in the last few years with glowing titles such as the Organization for Peace and Democracy, Commission to Study Peace, etc. Many of these leaders want to tell us how to adjust our house. But invariably it is just words, words, words.

Yes, my friends, the adjustments and installations that the Army has obtained during the last 5 years spell peace in larger letters than all the other fancy-named organizations combined, save that of our churches, homes, and schools.

I point with pride to the actions and activities of my committee in the last few years to substantiate that statement. We are ready at all times to give every consideration to all proposals submitted by the Commander in Chief of our military and naval forces.

In conclusion, my friends, we must ever remember that it was through the sacrifices of brave men that our country was created and preserved. To them we owe our inheritance. To them, duty of country came next to duty to God.

How strange, how ignoble, would they deem those who now decry the very concepts of patriotism and loyalty; designedly they would leave us a prey to weakness, disunion, and lawlessness.

We enjoy working with the Reserve officers and all similar patriotic groups in building a network that will preserve, protect,

and defend the sacred institutions of the United States of America. I am confident that any recommendations that the Commander-in-Chief of our military and naval forces may deem it wise to present, will find a ready and responsive Congress and a national spirit wholly sympathetic.

To the great host of Americans, who like myself revere the traditions of our country, who believe that we have received a priceless heritage, your acts of service are reassuring and heartening.

May your fine spirit carry on, thwarting the sinister efforts of these hostile to our traditions—inspiring new generations to dedicate themselves to the ideals that we of our generation received from our predecessors.

To you, men of the Reserve officers and affiliated groups, no pleas need be made to foster this spirit. You know and have lived by the code of the soldier. You have put country above self. In a special sense you are fitted to be guardians of the Republic. Inspired by such as you, we shall continue united, strong, and worthy of our inheritance.

I thank you.

### Relief for Poland

#### EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESSANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

Mr. D'ALESSANDRO. Mr. Speaker, as a member of the Committee for the Relief of Polish War Victims, I respectfully solicit the support of the Committee on Foreign Affairs and your approval of House Joint Resolution 430, for the relief of stricken Poland.

This resolution, if passed, will authorize the President, through the American National Red Cross, or such agent or agencies as he may designate, to purchase in the United States and transport and distribute grain, fats, milk, and other foodstuffs and clothing for, and adapted to the relief of, the distress of starving men, women, and children of Poland, and authorizes the appropriation of a sum, not exceeding \$15,000,000, to be expended under the direction of the President, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this joint resolution. It also provides that the President shall on or before December 31, 1940, submit to the Congress, an itemized and detailed report of the expenditures and activities made and conducted through the agencies selected by him under the authority of this joint resolution.

It is understandable enough that there can be no peace in Europe unless the nations of that continent have some faith and confidence in one another. It is easy to understand that Poland could not stand by and meekly submit to Hitler's crushing it. The Poles are a great people. They have a glorious history. Nothing that they have done justified the attack which was made on Poland. They had been assured against aggression. Europe's civilization is much in debt to the great Polish people. They have made a glorious contribution to the advancement of our civilization, yet, today, we see the heel of the aggressor on the heart of Poland. Hitler, notwithstanding his solemn pledge of security given to Poland, aided by Stalin, crushed Poland. Where will the aggression end? What will satisfy the greed and avarice of these two mad dictators?

Everything that we hold dear—religion, liberty, peace, security—they brutally destroyed. The Poles are a peace-loving, God-fearing people, and Poland will rise again.

I have been conscious of this, because when I appear here today, gentlemen, I feel that I am doing so on behalf of the millions of American-Polish people who are now deeply disturbed over conditions in their fatherland.

WASHINGTON, January 31, 1940.

HON. THOMAS D'ALESSANDRO, JR.,

House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: Permit me to assure you again of our deep appreciation of your sympathy in the cause of Poland. Our

country might be suppressed temporarily, but we fervently hope and firmly believe that now, as in the past, right will triumph over might.

Believe me, my dear Mr. Congressman.

Yours sincerely,

GEORGE POTOCKI,  
Ambassador of Poland.

HOUSE OF REPRESENTATIVES,  
Washington, D. C., February 27, 1940.

HON. THOMAS D'ALESSANDRO, JR.,  
House of Representatives, Washington, D. C.

DEAR COLLEAGUE: Thank you for the support you offered today before the Foreign Relations Committee on behalf of my bill, House Joint Resolution 430, calling for relief to Poland.

Your remarks were well chosen and appropriate and show that you are not uninformed on the subject of Poland's history. My knowledge of your work in Congress, however, shows that you have consistently championed the rights of our minority groups.

With kindest personal regards, I am

Sincerely yours,

RUDOLPH G. TENEROWICZ, M. C.

### Landlordism in the United States

#### EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

Mr. BURDICK. Mr. Speaker, in our economic field, when business is lagging and men and women lose their jobs and the unemployment rolls increase, we have too often blamed either one or the other or both of two factors of our present-day business life. We have either blamed capital or labor and sometimes both. Most writers attribute business disturbances to one or the other of these factors. Henry George admitted, in his works, that there was another disturbing element in our national life but did not say that the presence of this—landlordism—was the one proximate cause of unrest, but classified the landlord as another capitalist.

There is a vast difference between a capitalist and a landlord. The capitalist has accumulated wealth either made by himself or others, but it represents stored-up labor. The landlord's holdings represent nothing except title to the actual land. The landlord does not use the land; he does not occupy the land; he makes no improvement upon the land; he makes better arrangements for himself. He leases out the land to someone else to use; someone else improves it; someone else erects buildings upon it; someone else occupies it, and someone else conducts a business there and makes the land valuable. In the meantime, the landlord has done nothing, either in the way of creating wealth or spending wealth where the property is situated.

It is reported to be a fact that citizens of London, England, collect in the United States ground rental from a tract of land, if all together, would be larger than the British Isles, France, and Germany. Those who occupy this land; those who have erected buildings upon it under the lease system; those who pay for city improvements; those who pay taxes upon the improvements, and pay ground rent based upon the strategic location and upon the importance of the business, and the advantages which that locality enjoys are the classes that pay the cost of government which the landlord is not asked to pay. The Government furnishes protection and civic improvements, but does not collect from the landlord the full value of that service. Because the Government does not collect in full for its service the landlord becomes richer, and not only on what he receives as rent but because the value of his ground "increases" when all these advantages are contributed not by the landlord but by the Government at far less than cost.

Let us take, for example, a business block at Fourteenth and F Streets, in the city of Washington. The title to the ground is owned by someone in London. The block is occupied by a



department store erected by the businessman on a lease of 50 to 99 years. Every dollar of improvements is paid by the businessman; the landlord pays nothing. The ground rental of this property is \$1,000 per front-foot. Suppose the property is 50 feet in extent; that would make the ground rental \$50,000 annually.

From this ground rental of \$50,000 the Government takes \$10,000, but the service of government, if spread out equally, would be \$50,000. The Government loses \$40,000 annually and the landlord gains that much for which there can be no possible consideration. The landlord's net profit is in this case \$40,000 annually, and that amount capitalized at 6 percent would fix the value of the property at \$666,000. It is hardly fair to say, however, that the Government has lost \$40,000 on this transaction, for the Government has lost nothing. The \$40,000 which they failed to charge up to the landlord is made up by a countless number of inspection fees, licenses, fees, and what not, until the average businessman does not know whether he is coming or going.

Suppose now the Government would collect \$20,000 of the \$50,000, the landlord would gain \$30,000 annually. In that event, the property would be worth \$500,000. Now, let us suppose that the Government should collect for all of its service, namely, \$50,000, the landlord would then have nothing left, and nothing capitalized on nothing would be nothing. Nothing, therefore, would be the value of the ground—as it ought to be.

When our forefathers came here they did not look for someone to employ them. They had access to a continent of free land; they went to work on that land and provided their own jobs.

The land is still here, but the people living here are suffering. It is not only labor that has suffered but capital as well. Many millions in this country who may have been classified as capitalists 10 years ago are now either living on public or private charity or living on the remnants of their life's savings, their capital.

The trouble is that the title to land has gotten into the hands of the few, and the many cannot use the land. The many have been dispossessed and are on their way to the cities to live on relief. This situation creates more landlords, and the more landlords we get the more certain we are that this democracy will fail. The Roman Empire was once a mighty nation; they had nothing to fear from without. No power on earth could have overcome it except a power from within. That power from within did destroy it; that power was the creation of large estates of land from which the people were dispossessed. The people flocked to the cities—they could not produce for themselves—their land was taken away. They came to the cities, some hungry, some starving, and their number increased until a great majority of the Roman people were in that condition. Weakened at home, Rome fell an easy prey to the fierce German tribes of the north.

We speak of our national defense; in what, I ask, does our national defense consist of more than any one other thing—in the peace, prosperity, and tranquillity of our own people? The President was right when he stressed that matter in his message delivered to this Congress at the opening of this session.

I do not have sufficient information upon which to base a valuable opinion on the world situation, but I am certain that the people of this country will protect our own shores at any cost. I am equally sure that they will refuse to support the cause if our armies and navies attempt to fight a war on foreign soil.

Our job in this Congress is to set our own house in order and give the great majority of our people something to fight for when we ask for their support to defend this democracy. Just ask yourselves one question: What is the mental attitude of a citizen of this country who, with his family, has been dispossessed of his home and is headed for the nearest relief camp, all through no fault of his own?

## Stream-Pollution Control

### EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

LETTER FROM THE SCHUYLKILL RIVER VALLEY RESTORATION ASSOCIATION, INC.

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Schuylkill River Valley Restoration Association:

SCHUYLKILL RIVER VALLEY RESTORATION ASSOCIATION, INC.,  
PHILADELPHIA, PA., February 27, 1940.

HON. FRANCIS J. MYERS,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN MYERS: At a regularly slated meeting of this association held in Philadelphia, February 9, it was forcibly brought to the attention of the membership that the Commonwealth of Pennsylvania has, for reasons not yet satisfactorily explained, refused to offer the sponsor's share of the previously approved W. P. A. comprehensive plan for removal of culm from the Schuylkill River. The State administration has also refrained from exercising its power to prohibit the influx of culm from new sources as recommended by the report of the United States Army engineers.

The people of the Schuylkill Valley are demanding relief from the present intolerably polluted condition of the river; our pleas directed toward duly constituted State agencies have been ignored. We believe this experience to have exploded the mythical philosophy of "voluntary cooperation" and "local administration" of stream-pollution control with jurisdiction in a pure research organization as provided in the Barkley bill S. 685, and urge that your energies be directed toward the defeat of this bill, the passage of which could only result in further bureau aggrandizement serving a futile purpose.

No further studies, research, or investigations are necessary in the solution of this problem. The time for action has come. We believe the Mundt bill (H. R. 7971) to be the only bill now before Congress which offers any plan for a remedy especially since it vests authority in the United States Army engineers, which is the only action-conscious Federal agency as applied to the correction of water pollution. We urge your support of H. R. 7971 in every way possible.

Sincerely yours,

H. C. CONNOR, JR.,  
Corresponding Secretary.

## British Mail Seizures

### EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

Mr. THILL. Mr. Speaker, during recent weeks the American people have become rather incensed over British interference with American ships and mails. It is another demonstration of the action of all belligerents who will do practically anything to strangle their foe.

Many of my constituents have written letters of protest to me regarding Great Britain's actions, particularly with reference to the reported seizure of 2,600 pounds of letters at bayonet point from a Pan American Airways clipper at Bermuda on January 18, 1940.

The following news article appeared in the February 22 issue of the Washington (D. C.) Post. Similar news articles appeared in practically every daily newspaper throughout the country:

[From the Washington Post of February 22, 1940]

BAYONETS USED TO HALT CLIPPER MAIL—CENSORS IN BERMUDA INVOKED  
MARINES WHEN PLANE CAPTAIN RESISTED SEARCH

New York, February 21.—The British began censorship of United States air mails at Bermuda on January 18 by seizing 2,600 pounds

of letters from a Pan American Airways clipper at bayonet point, it was learned tonight.

Capt. Charles A. Lorber, of Baltimore, in command of the flying boat plying between the United States and Lisbon via Bermuda, not only ordered British censorship officials off his craft but also refused to surrender the mail until the British made a show of armed force.

The incident is only part of the story of censorship in the British colony, which has been cloaked in official silence for more than a month.

#### COLONY CENSORS NEWS

Pan American Airways, with head offices here, declined comment when informed that a witness to the incident had agreed to tell the story for publication.

Unsuccessful efforts have been made to obtain details of the censorship set-up at Bermuda, together with the story of the original seizure. News itself is subject to censorship in the British colony because the Government controls all commercial communication.

On January 18 Captain Lorber landed adjacent to Darrells Island, Pan American Airways' Bermuda base, and pulled up to the dock where his passengers disembarked.

#### CAPTAIN STANDS GROUND

A staff of British censors came aboard.

"Captain Lorber," said their spokesman, "We are going to remove your mail."

Lorber protested, "You can't do that. This is a United States vessel."

"Yes, we can," was the rejoinder. "You are in Bermuda waters." Lorber, a veteran of the company's trans-Pacific run, stood his ground.

"The only person I will allow on this aircraft," he said, "is the port doctor, according to custom. I'll do everything in my power to prevent the removal of that mail."

Thereupon he ordered the censorship staff ashore.

As his visitors walked off the craft their spokesman blew a whistle. A launch, containing a group of British marines, put out from shore. As they came alongside Lorber saw each man carried a rifle with fixed bayonet.

Lorber mounted the stairway leading to the flight deck.

The marines clambered up on the plane's hydrostabilizer, entered the doorway above it, and followed the captain to that deck, where the mail bags were stowed.

Lorber glanced at the show of force.

"The situation," he said, "now is obviously out of my hands. May I trouble you for a receipt for this mail?"

Once ashore, Lorber wrote a formal protest against the seizure, signed by him and by George Wardman, Pan American Airways' Bermuda representative.

The censors removed half of the 5,200 pounds of mail, a record load for the eastbound crossing. Retained for censoring were all letters not addressed to England or France. Included among the mail censored were letters destined for Germany, Italy, Sweden, Portugal, the Azores, and other points.

Clipper mail loads have decreased steadily since the censorship at Bermuda, the only point at which the British can censor clipper mail, was established. Westbound as well as eastbound letters are removed regularly by the censors.

No clash of authority has occurred since the first day. The censors are given a free hand, and the American Government has stipulated that certain classes of postal merchandise, to which the censors might object, cannot be consigned to Europe by clipper.

The censorship is so complete that passengers arriving in Bermuda with empty envelopes for air mail "covers" carrying Bermuda stamps for mailing to the United States are required to open them for examination.

In response to the request of some of my constituents I wrote to the Honorable Cordell Hull, Secretary of State, protesting British interference with American ships and mails. Under date of February 23, Secretary Hull addressed a reply to my letter, as follows:

DEPARTMENT OF STATE,  
Washington, February 23, 1940.

The Honorable LEWIS D. THILL,  
House of Representatives.

MY DEAR MR. THILL: I have received your letter of February 20, 1940, in which you refer to protests which you have received from your constituents regarding British interference with American ships and mails. You express the hope that this Department is vigorously protesting such interference and will continue to keep American rights inviolate.

I want to thank you for your interest in these matters and to assure you that the Department is following most closely all developments in connection with the European war in which American interests are in any way involved. As you may know, protests have been addressed to the British and French Governments against their interference with American ships and cargoes and mails. As of possible interest to you, I enclose copies of press releases containing the texts of certain of these protests and also the text of the British reply regarding the mails question. All of these questions are continuing to receive our most careful attention.

Sincerely yours,

CORDELL HULL.

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During the last few days the daily newspapers carried a story to the effect that the Pan American Airways clipper plane would omit Bermuda as a stopping point. Thus one of the sore spots of British censorship would be removed.

If the present war continues for some time to come—and as is most likely it will increase in fury and viciousness as time goes on—there will arise many instances where so-called American rights will be violated. Under such circumstances, what can be done? We certainly do not want to go to war with the nation that offends us. Perhaps all we can do is to withdraw from such offending nation any privileges and courtesies which she receives from this country.

Perhaps further insults to American rights by the belligerents will serve to cool the ardor of those Americans who permit emotionalism to overcome reason and urge the United States to take sides in the present war.

The following editorial from the Milwaukee Journal under date of February 23, 1940, capably discusses British seizure of American mail:

[From the Milwaukee Journal of February 23, 1940]

#### BRITISH MAIL SEIZURES

Seizing American mail at Bermuda at the point of bayonets naturally makes American hackles rise. If it had been done to a British plane by a belligerent which wanted British sympathy, talk would have been heard in London of the British Navy.

An explanation from London sources that the Bermuda incident was due to "a conflict of personalities" isn't very soothing, either. A way to have avoided that would have been an understanding with Washington about what measures would be taken.

Obviously, Captain Lorber had not sailed with instructions from our State Department to deliver the mail if the British authorities demanded it. To do so without waiting until force was invoked might have waived American rights.

Again it must be said that the British adopt undiplomatic, irritating methods for a country which wants our sympathy and aid and, short of military aid, is getting a good deal that it needs from the United States.

We are not going to war over these incidents. But that is a long way from saying we are ready to stand for everything short of open attack on us. Various Senators express different degrees of resentment. Senator PITTMAN admits a right to search our ships voluntarily entering belligerent ports, as the airplane did in stopping at Bermuda, but draws the line against forcing our vessels into such ports for examination. Senator Clark of Missouri has a bill to prohibit our planes from stopping at Bermuda.

Secretary Hull has hinted we might omit Bermuda from the route of the trans-Atlantic planes. Apparently the decision will turn on how valuable the Bermuda stop is, whether in improving the course or in business we pick up there.

Clearly, there should be more definite explanation by the administration, from the President or the State Department, of what American rights are and what is being done to preserve them. The President is charged with the conduct of foreign relations, and there is a great deal of support for a President's course.

The cry in the World War was, "Stand behind the President." Indeed, it was overdone then. President Wilson had not enough indication of American sentiment. Today the situation is reversed and the country has not enough understanding of its Government's policy.

In the meantime British blundering and our indignation may have a silver lining. At the least it is a definite check on those overeager Americans who think we ought to hasten to take sides in these wars we had no say about starting.

#### Privileges of Being an American

#### EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

ADDRESS BY HAROLD E. COCKLEY

Mr. KUNKEL. Mr. Speaker, a few days ago I had the privilege of attending a banquet given by the World War Memorial Association of Palmyra at which Harold E. Cockley made a short address. It struck me as being one of the most excellent expositions of why we should be proud and happy



to be American citizens that I have ever heard. Under leave to extend my remarks in the RECORD, the address follows:

Comrades of the American Legion, fellow members of the Memorial Association, honored guests, and all our friends, greetings and a cordial welcome.

Once again it is my happy privilege to welcome you to this our seventh annual banquet. Not only do I consider it a privilege to greet you in this manner—it is more of a privilege to associate with you and be one of you.

It really is a privilege for all of us to assemble here on this occasion. We didn't have to ask anyone if we could come. What we say and do here as long as we are orderly is pretty much our own business.

We all seem to take a lot for granted and seldom realize just how many privileges we actually do have. We live in good, well-kept homes, comfortably furnished with all conveniences, wear good clothes and we think nothing of it. Nearly all of us have cars which we use every day. Occasionally we plan pleasure trips of four or five hundred miles, we need not secure permits or submit to being searched at boundary or State lines; we come and go pretty much as we please.

We sit at our radios, tune in any station we desire, far or near. Our Government does not tell us what we can listen to, or should we differ or disagree with any of their commentators on any particular issue, we are not censured. We discuss the matter among ourselves and we have the right to let them know our views on it.

We have the privilege of joining civic, social, and fraternal organizations. We have the influence of fine churches of all denominations. And whether we go to church or not you and I would not want to live in a community without them.

We have all types of recreations. Have access to good literature, by which we can keep active, alert, and healthy minds.

Our children attend modernly equipped schools, and we have the assurance that they are receiving every advantage. We have clinics to safeguard their health and teachers in whom we have the utmost confidence, for most of them we know personally.

Some of you here tonight have children in universities or higher institutions of learning, free to select or take up any course that they see fit, without fear of persecution from state or any so-called political groups. How different the picture in a country where a certain dictator holds sway. Probably some of you have read of the purge of Czech students; of the ruthless arrest of hundreds of young men and women, and the cold-blooded execution of some of them by a firing squad in full view of hundreds of their classmates. And all because of their resentment of the political control of their state.

It is hard for us to envisage the brutality of an act like this among civilized people, but it actually occurred just a few months ago in the city of Prague.

Just a few short weeks ago we celebrated Christmas. We decorated our homes, our streets, with a gorgeous display of lights everywhere, and all around us permeated the spirit of good will. I wonder if any of us thought of Christmas elsewhere—of an unfortunate people in the land where another dictator, mad with power, persecuting, trying to stamp out even the name of Christmas, and all that Christmas stands for.

These are just a few of the many privileges that you and I enjoy in our everyday life. You may wonder why I mention them here this evening. Well sometimes it does a fellow good to do a little checking up with himself to find out just how fortunate we really are. And especially is this true to those of us who reside here in the Lebanon Valley. We are a much-privileged people. And so we assemble here tonight, approximately 500 of us, for a good sociable time. Some of you have grown up together, been friends and closely associated with each other since boyhood and youth. Some of you have become friends, and, I am happy to say, through the medium of this organization. Friends and friendships that we are going to appreciate more and more as the years pass by.

We have prepared a program for you here tonight that I am sure will prove interesting, inspiring, and entertaining. I would like to see all of you enter into the spirit of the occasion, and to see comradeship and all-around good fellowship prevail the entire evening.

### Russia's Attack Upon Finland Justifies Aid to Finland

#### EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1940

Mr. PITTENGER. Mr. Speaker, the House of Representatives is now considering a bill which, we are told, will make it possible to render aid to the little Finnish Republic. On various occasions I have made my position clear. I favor aid to Finland because Finland is fighting to preserve the

ideals of western civilization. Finland was attacked by Russia. There is no more heroic story than the defense which this republic has made against overpowering odds. It is entitled to the admiration of the world, and, in my opinion, when history is written, the record of the brave stand taken by the Finnish people will stand out as one of the great landmarks for all time.

The Russian communistic government made its attack on Finland last October. That event meant more than just one powerful, brutal nation trampling upon the rights of a small nation. It meant that the Russian communistic government had started on its way for world domination. The Russian Communists are opposed to religion and to freedom in government. They rule by tyranny and fear. The average individual has no rights which they are bound to respect. Finland is fighting against these tyrannical ideas and ideals, which are contrary to our form of government and to the principles of Christianity.

I do not believe any argument can be made against help for Finland at this time, unless you believe in the doctrine of communism, and unless you want to see that form of civilization take its place as the dominant factor in the years that are to come. Consequently I favor aid to Finland, and I do not care if you call it a loan or a donation, or whether materials that will help Finland win the war are sent from this Republic of the United States to the Republic of Finland. I regret that this Government has not moved more rapidly, because time is an element, and I hope that it may not be said in the future that we delayed aid until it was too late.

We should take another step and we should do it for our own preservation as well as the preservation of anticommunistic governments throughout the world.

We should break off diplomatic relations with Russia, and there should be an embargo against the shipment to that country of any materials from the United States which Russia can use to further her attacks upon the small nations of the world.

I hope, Mr. Speaker, that action may be taken today and the world notified that the United States intends to aid in every way possible the small countries which are in the pathway of communistic Russia.

### "States' Rights" and the Rights of the States

#### EXTENSION OF REMARKS

OF

HON. T. V. SMITH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

ARTICLE BY HON. T. V. SMITH, OF ILLINOIS

Mr. SMITH of Illinois. Mr. Speaker, under leave to extend my remarks, I include an article of mine published in the current issue of the magazine entitled "State Government." This is an organ of the Council of State Governments, itself a clearing house of the major State officials of our Federal Republic.

The article is as follows:

STATES' RIGHTS AND THE RIGHTS OF THE STATES—POWER COMES FROM INFLUENCE; INFLUENCE COMES FROM COMPETENCE, NOT COMPLAINT

(By Hon. T. V. Smith)

"If \* \* \* the people should in the future, become more partial to the Federal than to the State Governments, the change can only result from such manifest and irresistible proofs of better administration, as will overcome all their antecedent propensities, and in that case the people ought not surely to be precluded from giving most of their confidence, where they may discover it most due \* \* \*."—James Madison.

Insofar as States are power organizations, their rights are determined not by dogma but by prowess. This much have we learned

from life. And this lesson is as it should be, according to James Madison. If the States have lost rights in the evolution of the American constitutional system, hawking aloud the ancient dogma of "States' rights" does little to recover what is lost. It only adds the shame of self-pity to the fact of diminished competence.

## I

Indeed it is doubtful whether the dogma of "States' rights" is ever raised until it is too late for the cry to help maintain the genuine rights of States. At any rate, Hegel, the philosopher of State power, has left us a provocative, even if dark, saying to that effect. The Owl of Minerva, as he put it, never takes flight until the shades of night are falling. That means, I suppose, that many politicians have a way of locking the door only after the horse is stolen. Less colloquially, it seems to mean that self-consciousness is the symbol of diminished power, and that a cry for rights is a confession of weakness.

It appears indeed that when New England long ago talked big about "States' rights," the talk was, as we now see, a confession of weakness. Tall talk was trying to substitute for inefficient competition. When the talk migrated to the South and crystallized as a sacred dogma, it betokened, as we now see, an inferior labor system and a state of mind closely approaching self-pity. Whatever power States have lost, or do lose, has its cause obscured rather than clarified by reassertions of such dogma.

Beyond the hue and cry of certain aspirants to the pedestal of statesmanship, however, it is not entirely clear how much power the States have actually lost. If they have lost, and lost heavily, it is due chiefly to the reason assigned by Madison, as quoted in our preview. If rights have been lost and it is desired to recover them, the way is clear—Increase efficiency in competition with the Federal Government. If this cannot be done, little can be done to implement the plaint of the States. In the clinches of history, contemporary as well as past, competence counts for a thousand-fold more than complaint. The States may indeed in sovereignty be as bad off today as some of them pretend. What of rights they have lost, however, have been compensated for in privileges gained. That accounts for the willingness with which the States have lost what they have lost, especially during the depression years. There certainly has been no snatching of power from them; there has, to the contrary, been much beseeching on their part for the privilege of participating in the numerous benefits offered by the Federal Government. There seems relatively little ground for fear or even for discouragement at the course of our recent history in this regard.

## II

For, truth to tell, the States ought not primarily to be power units, anyhow; and so they do not justly and wisely feel as dead loss some compensated loss of power. Much influence remains, after whatever power they may have lost. Take the influence, for instance, that comes from their being the training ground for national statesmanship. It is no news to students of government that more than one-third of our present Members of Congress have had their early training in State legislatures. One-half of the Supreme Court throughout its history have come up through official State training. Nearly half of all Cabinet members from the beginning of the Republic have held State jobs before reaching national eminence. More than 7,000 of our fellow citizens learn each year anew in State legislatures the lessons of tolerance, good sportsmanship, and democratic leadership. This privilege of being the training ground for national responsibility is an enhancement of State influence not to be deprecated save by the ignorant or fearful.

But is it not implied that good men in the past began their service in the State only because in the past the States were more powerful, in relation to the National Government, than they are now? Even if we beg that question, the moral is plain: If power is to catch up with influence, competence must take the place of complaint. And this goes for every department of State government along the whole front of their far-flung enterprises.

## III

Refusing to beg the question, we can say this for the Federal Government in recent years: What it has done has been done not to destroy the States but to save their solvency, to preserve their dignity, to further their integrity.

Federal solicitude for the solvency of the States is no new thing. Alexander Hamilton was the first New Dealer in this regard. Instead of passing by on the other side of the impoverished original States, Hamilton boldly proposed that the new Federal Government, itself in debt some fifty-five millions, should assume the debt burden of the 13 States, some twenty-five millions more (millions then looked like billions now). It was ruin for the Government, shouted all those who made it their business to fear their own fears. So today. Strangely enough, there was not much complaint of the loss of "State rights" then, and not much now, from the shuffling of debts off shoulders that could not bear them to shoulders that could.

Solvency of States saved in recent years, the Federal Government has continued its older policy of helping the States maintain their dignity. To extend the power of the States beyond the State boundaries is no help to the dignity of the State idea in our system. And it is precisely this sort of trial which we inflict when we leave to the States the matter of controlling corporations that outrun the State in scope, if not also in power. By Federal control over interstate commerce in general and by a growing disposition

federally to regulate specifically the great corporations, the National Government has been doing its share to keep intact the dignity of the several States. By such methods culminating in the wage and hour law, we have raised a friendly ceiling over the States and laid a solid floor under State standards of industrial decency.

And, faith, it has not been done a day too soon for the dignity of the States. They are quite helpless before great interstate monopolies that can migrate from State to State like birds of passage, and can even secede from the Nation, as the States are unable to do. Moreover, in dealing with these giants the States are at a great disadvantage in being required by the Constitution to maintain a democratic form of government. The corporations can be feudalistic or even totalitarian, so far as State power is concerned, to say nay to their will to power. They can, and do, as the La Follette committee has revealed, maintain private police forces and stock their arsenals not only with guns and revolvers but with other weapons such as gases.

## IV

In preserving the solvency and maintaining the dignity of the States through trying days of readjustment, the Federal Government has in this generation contributed its share toward the integrity of the States in our constitutional system. There is enough constitutional leeway left between the States and the Nation to call our attention to the role that prowess plays even in constitutional evolution. The question of sovereignty is always a practical as well as a theoretical one. How sovereign, for instance, is a State that cannot secede? Certainly it has only a middle-sized sovereignty. And it proved itself unable through prowess to seize more, when the war of disunion failed. Yet States are not wholly subsidiary; for inside the sphere of their own competency States carry on the most important business without so much as a "by your leave" to the Federal Government. That sounds like at least a middle-sized sovereignty.

Although they are never fully sovereign nor are they yet wholly subsidiary, the States in relation to the Nation present, then, as Woodrow Wilson once remarked, not so much a problem of sovereignty as "a question of vitality."

Beyond all questions of power and even underlying questions of influence, is the role which sentiment plays in furnishing "vitality" and in maintaining integrity. Sovereigns of at least our sentiments, the States carry on an unbroken continuity of morale, whatever may be at any given moment the results of competitive prowess. The increment fluctuates from age to age; but sentiment holds steady for men of States (statesmen). I would not myself know what to do without my States—my Illinois, the State of Abraham Lincoln; and my Texas, the Lone Star State of Sam Houston, that mighty Samson of the Southwest! These States are to me, as yours must be to you, freighted with great memories.

To have the solvency and the dignity of the States maintained through, or even by, the Federal Government is in no sense, it seems to me, to undermine the integrity of the State element under our Constitution. So long as men are proud of their States, the essential influence of the States remains. Though Virginia may not be pregnant this year, as Senator GLASS recently remarked, she remains, nevertheless, the Old Dominion and the mother of Presidents. Sentiment is the true savior of States as regards their inner integrity. This preserved, I do not know why we should not accept with equanimity as one of the facts of fortune any changing status of power which differential prowess may yield at any given time as between the several States, and the Nation as a whole.

## V

The council of State governments seems to me to have been going at the matter in exactly the right spirit and manner. Judicially and realistically, it has seen that the status of the States is not a matter to justify hysteria, nor one to be bettered by plaintive appeal to any dogmas, however ancient or sectionally sacrosanct. It has kept to the fore, however, the problem of the States. It has sought to keep alive the pride of States in meeting their own internal problems. And it has sought particularly and conspicuously to increase State competence in handling the multitude of problems that continually arise in the no man's land between States.

All the Nation now knows, through the warning sounded by the Council of State Governments, how serious is the movement increasing barriers to commerce between the States. Remedial work in this and other danger zones is being furthered through the instrumentality of the council. This problem of near tariffs and other serious State and interstate problems will in the long run require further extension of Federal power or they will beget a new efficiency of action in and between the States. What has to be done will be done—and done in the long run by the agency that does it with the least expense and friction. The Council of State Governments is determined that the question of differential expense and friction is not to be settled by negligence or default. That is clearly right. That assured, we may all, whether as State or as Federal officials, accept with composure the results of a competition of merit between State and Federal units.

## VI

But let me close with a touching story of State loyalty. A Missouri woman living in the little neck which runs down into what might well have been Arkansas, was told by a traveler—perhaps it was the Arkansas Traveler—that her part of Missouri was to be



thrown into Arkansas. She burst out in consternation, which I believe all of us can understand through our smiles: "Oh, not that, sir, oh, no! Not that! We'd all die of chills and fever if you threw us into Arkansas!" And who can say that Missourians wouldn't—wouldn't, I mean, die of imaginative chills, of emotional fever? Arkansas, on the other side, may be a poor State to us ignorant aliens, but you may bet your last dollar that her 2,000,000 citizens love her.

I'm willing to make that the test of my temperature about the health of our States. I'll not despair of our State system so long as one person can be found who'll speak up like that for Arkansas. Do I hear one? One? Why, I hear a State full. Such devotion may not add up to "States rights" but as fulfilled in practice this devotion does spell out the present effective rights of the States. If these be not enough to satisfy Arkansas there remains revolution—or less dramatic but more fruitful recourse to the evolution of superior competence in augmenting the benefits and diminishing the burdens of our common life.

### Seeds Are Sprouting Here

## EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

EDITORIAL FROM THE SHELBYVILLE (IND.) REPUBLICAN OF  
FEBRUARY 26, 1940

Mr. SPRINGER. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include a very carefully written and timely editorial appearing in the Shelbyville Republican, of Shelbyville, Ind., on the 26th day of February 1940, which editorial follows:

[From the Shelbyville (Ind.) Republican of February 26, 1940]

### SEEDS ARE SPROUTING HERE

Gov. Charles A. Sprague, of Oregon, recently wrote letters to the State's congressional delegation, in which he expressed his disturbance at the mounting encroachment of Federal agencies in local administration.

He paid particular attention to the administration of the Social Security Act which, he said, "is a very grave threat to the efficiency and economy of operations within this State." He concluded: "I am further concerned because of the threat to extend this Federal authority over other departments of State government to which the Federal Government makes any contribution. This would include roads and highways, county agricultural agents, vocational education, public health, reclamation, and other departments."

The whole trend of legislation in recent years has been toward the bureaucratic centralization of Federal authority, at the expense of States' rights and local governments. Blanket rules laid down in Washington are automatically applied to the entire country, ignoring local needs, wishes, and problems. Expanding Federal Government has become a definite threat to the financial well-being of the States.

The great Federal electric projects, for example, tax-built, tax-subsidized, and tax-free have seized business which was once done by highly taxed private properties. They have taken millions of dollars worth of property of various kinds, ranging from real estate to automobiles, off the tax rolls. By their very existence these Government pets have prevented private enterprise from expanding and creating new taxable property. So serious has this become that in the T. V. A. area State officials have asked Congress to make up the heavy tax losses that have followed socialization of the private power business in that area. These pleas seem futile—Government does not tax itself.

The menace of bureaucracy is faced by the people of this country. It is the forerunner of state socialism. In Oregon, the State's leading municipal electric system refused to take Bonneville power because it would not have its local power rates dictated by Federal authorities, as well as because it could generate power cheaper than Bonneville could furnish it. It has since developed that Bonneville receded from its demand to dictate rates, but its power was still rejected. Over the Nation there is growing uneasiness at the rapid extension of Federal domination of local rights and property.

One of the most important issues the country faces is statism, socialism, communism, Government ownership, or whatever you wish to call it. Any of them means the vesture of all power in a centralized government. This has always been a destroyer of liberty and democracy. We see it today in Europe's cruel dictatorships. Those who wish to look can see the seeds of it sprouting here.

### A Biased Tribunal

## EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

EDITORIAL FROM THE NORWICH (N. Y.) SUN

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my remarks, I include a recent editorial entitled "A Biased Tribunal" by Mr. P. L. Clark, editor of the Norwich Sun, Norwich, N. Y.:

[From the Norwich (N. Y.) Sun]

### A BIASED TRIBUNAL

Any facts lacking to complete the public indictment of the National Labor Board for subservience to the radical philosophy of C. I. O. are furnished in testimony before the House committee investigating the Board.

The latest admission relates to an informal but effective hook-up between the Labor Board and the R. F. C., whereby corporations asking for Government loans were obliged to wait because the would-be borrowers had been accused of unfair labor practices. This amounts to using public funds, provided by taxation, to compel employers to adopt toward their workers a course prescribed by the Labor Board.

These employers had not been found guilty of unlawful labor practices. It was merely that accusations had been filed. Their guilt or innocence was not a consideration. They were suspect, and that was enough.

Testimony before the House committee revealed the existence of an agreement between the Labor Board and the R. F. C. touching this point. Even if the agreement on its face is defensible, the use made of it by the Board is not.

It will be agreed that the Government should refuse loans to anyone whose solvency is questionable. A violator of law is entitled to no favors. But the Labor Board used its power to hold back loans to firms which had not even been tried for a violation, and whose solvency was not in question.

This is a high-handed procedure. It can be explained only on the theory that the Labor Board, in an excess of zeal for the radical policies of the C. I. O., is always ready to use the strong arm of the Federal Government—of which the Board is an infinitesimal part—to coerce employers who refuse to bow to its autocratic demands. If there is any justice in this, the dictionaries need to change their definition of the word.

How the official mind works at Board headquarters was amusingly revealed in testimony on Wednesday. Robert Condon, an attorney performing "legislative work," was shown to have labeled one of his office files "potential A. F. of L. beefs" and another "A. F. of L. squawks." Condon told the committee that he would not have used such labels had he known they were to become public.

It might pass as merely a joke were the records of the Board not so replete with evidence that in the thinking which prevails in the Labor Board any complaint the A. F. of L. makes is either a "beef" or a "squawk." Only when the C. I. O. makes demands are they accepted as if written on the tablets of eternal truth.

Other testimony given the House committee this week indicates that members of the Labor Board carried on an active campaign to bring witnesses before Congress who would resist proposals to amend the Wagner Act, made by the A. F. of L. and other organizations. If the testimony is true the Board did not hesitate to use taxpayers' money to lobby against legislation which would curb the Board's autocratic power.

The Wagner Act should be amended to make it fair to employers. Two of the present Board personnel, Chairman Madden and Member Smith, as well as Secretary Witt, ought to be removed from office.

We have said this before. Cumulative evidence before the House committee investigating the Board adds weight to the suggestion.

## Some Facts on the First World War

## EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

## ARTICLE FROM THE WAREHOUSE WORKERS' BULLETIN

Mr. GEYER of California. Mr. Speaker, now is a good time to keep in mind the results of war. May we always count the cost before taking any step in that direction.

The Warehouse Workers' Bulletin, the official publication of the Los Angeles Warehouse Workers Union, of January 26 gives us the following food for thought:

[From the Warehouse Workers Bulletin]

## SOME FACTS ON THE FIRST WORLD WAR

## DEATH

Nearly 10,000,000 soldiers were killed.  
Over 20,000,000 more were wounded.  
Prisoners or "missing," nearly 6,000,000 (about half of the "missing" can be counted as dead).

Famine, disease, and pestilence took a total of over 28,000,000 people "among the civil population alone," according to the Swedish statistician, Hersch. Influenza alone took over 15,000,000 lives.

## HOME

Left fatherless as a result of the war were 9,000,000 children.  
War widows numbered about 5,000,000.  
Some 10,000,000 were rendered homeless due to the war.

## COST

Direct net money cost of the war for all belligerent countries amounted to over \$200,000,000,000. For the United States alone, during 2 years, the direct cost was over \$22,000,000,000.

Total indirect costs (property damage, etc.) amounted to about \$150,000,000,000 for all countries.

The daily cost of the war in 1918 was \$224,000,000.

## PROFIT

For every casualty in the World War a profit of 50,000 marks (roughly, \$12,000) was made by the capitalist class, according to Lehmann-Russbuldt, German expert on war.

Profits of leading American corporations ranged from 25 percent to 3,000 percent and more during the war years.

## MILLIONAIRES

Eighteen leading United States companies increased their net profits of \$74,650,000 for the period 1912-14 to \$337,000,000 for the period 1916-18, or almost four and a half times the pre-war average.

The number of known millionaires in the United States increased from about 7,500 in 1914 to about 25,000 in 1918.

## The Spirit of Remonstrance

## EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

## ADDRESS BY HON. JOHN LORD O'BRIAN

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. John Lord O'Brian, delivered before a meeting of the New York State Bar Association on January 27, 1940:

This annual function seems to take on fresh significance with every recurring year. It exemplifies to many of us the spirit of toleration, of urbanity, and magnanimity which in all generations seems characteristic of English-speaking lawyers. Tonight is an

occasion for special rejoicing, because we are paying tribute to a great Court and to a group of men who for many years have devoted themselves faithfully to doing justice and are, in the finest sense of the word, ministers of justice.

If into the atmosphere of this happy occasion I seem to inject a more serious element, it is only because I feel confident that I shall be calling into the open thoughts which many of you have long entertained in the back of your minds. For no serious-minded man in these days can reflect upon the passing events without being acutely conscious and apprehensive over the tragic happenings daily transpiring in Europe and in the Far East, and without trying to formulate in his own mind what should be his individual attitude toward those tragedies. Confronted with the spectacle of a war waged against all traditional forms of religion and with a resurgence of brutal oppression and calculated horror to an extent unknown for centuries, some of us have become seriously disturbed by the activities of those leaders of public opinion who in increasing numbers are urging that these matters are no concern of the Americans, that expressions of resentment are both futile and dangerous, and that any widespread discussion of these happenings might lead to dangerous states of emotion.

It is because as a class we are the true realists that these matters have a special concern for lawyers. We know better than other men that willingness to discuss is the necessary corollary of the right of free speech. When Trevelyan said that, commencing with the thirteenth century, the rise of the common-law lawyer was almost as important as that of the parliament man, he was thinking of the lawyers in every generation as the remonstrants, the protestants, and the active defenders of individual right. That has always been true of the lawyers in America. During the sweeping changes which have been taking place within the last 10 years, certainly no group has been more active, or, may I say, more vociferous, than the lawyers. In all our domestic affairs we have been watchful, critical, and outspoken; yet when it comes to discussion of what is now going on abroad we seem chilled by the same blanket of doubt and moral fog that affects so many of our fellow citizens. This paradox is the more puzzling because we are the most realistic of all professions, the most sensitive to invasion of individual right, and in the past our predecessors have been the most resolute and most uncompromising defenders of that right to express opinion freely and of the right of protest, which are the essence of human freedom.

Whatever the cause, it is undeniable that on all sides influences are at work tending to discourage full discussion of those events abroad which in the long twilight ahead cannot fail to have a deep significance for us.

This subject is a delicate one. To avoid misunderstanding may I say that I am not now speaking of national policy, or as an isolationist or as an interventionist. Those like myself are opposed to America actively participating in the wars now being waged. But like the great majority of Americans, at present without articulate leadership, we are opposed to any policy which would deaden the sense of individual responsibility of the citizen, or which would have a smothering effect upon his instinctive resentment or discourage expression of his sense of moral indignation. The way to secure peace and make it a lasting peace is to face frankly and to discuss freely disagreeable and tragic realities. To some of us it seems that we will make little progress by adopting methods of indirection, by affecting an attitude of unconcern or by countenancing any course which tends to obscure the grave moral issues or encourage our people into an attitude of indifference. The fact that the present attitude of unconcern will weaken and may destroy the position of American moral leadership in the world is now a matter of much less concern than the disastrous effect which these teachings will have upon the moral fiber of the American people themselves.

In recent conversations with leaders of some of our great universities, I was startled to learn that a majority of our young college people seem indifferent to what is going on in Europe, that many of them are actually convinced that America was carried into the last war chiefly by the machinations of selfish businessmen and by the hysteria of a superficial emotion, and further that a number believe that it would have been just as well if Germany had won the last war. These views, if typical, are disappointing and annoying; but a better understanding of history will surely correct these exaggerations. What is more depressing is that like many of their elders, many of these young people seem vastly more stirred up over Mr. Browder and the abstract right of free speech than they are by the spectacle of the heroism in Finland where Thermopylae are daily being reenacted before our very eyes. The generous ardor and spirit of adventure that we associate with you seems, temporarily at least, to be in a state of eclipse. But as lawyers we should be more concerned with the great number of mature citizens who hold some of these same views and who are busily trying to persuade their fellowmen that their safety depends upon closing their eyes to what is going on abroad.

The baleful word "propaganda" seems to have become a sort of national slogan of alibi and escape. On all sides even the best intentioned men resort to it in order to escape the necessity of meeting ideas with ideas, of relying upon the power of persuasion. False propaganda only makes it more difficult to get at the facts,



but the facts are there just the same. Our experience in the Great War showed that the intelligence and native shrewdness of the average American made ineffectual the best devised foreign propaganda. Despite this experience, it is no exaggeration to say that today the constantly reiterated warnings against propaganda are actually producing a new type of intellectual cowardice. Those who constantly repeat these warnings are in reality saying that our individual citizens are incapable of distinguishing between truth and falsehood or between right and wrong and are incapable of controlling their emotions. What a reflection upon the integrity of our citizens and what a travesty on our professed confidence in the intelligence of our people! Nevertheless this constantly expressed fear of propaganda is everywhere interfering with and hampering that public discussion so necessary for an informed and wise public opinion.

Our anxiety over these sinister influences is increased by the conflict between these attitudes and the historical American tradition of individual freedom and individual responsibility. Cannot we lawyers make it clear that willingness to discuss and readiness to meet with ideas the challenge of other ideas is the most fundamental of all attributes of our political philosophy? Our entire system of free public education is based upon it and out of it has developed the American type of government of public opinion. Our people from the earliest days, unconsciously perhaps, have been demonstrating in every generation their faith in the doctrine that the test of truth is its "ability to get itself accepted" in the market place of ideas. And departure now from this attitude brings danger. No one knows as well as the lawyer, trained in the tradition of the common law, that the disintegrating forces in society never cease to operate; that the safety of the state rests always on the sense of right of the individual, upon his sense of personal obligation and upon his readiness to do his duty.

The American political philosophy is not for the timid or the weaklings. All through our history we have been characterized by a willingness to take the risk incident to expressions of conscientious conviction and to live dangerously if occasion demands. For, as Senator Root once said, there can never be any sovereignty superior to the law of morals. It is over 600 years since the earliest of the guaranties of individual liberty were made in the Magna Carta. Ever since that time men of our type, in the drab and wearisome atmosphere of the courts, have been defending the right of the common man to live his own life. As lawyers we must never forget, and we must never let our fellow citizens forget that the right to live in freedom carries with it the duty of remonstrance in times of crisis.

Lord Acton, the most erudite historian of the growth of human freedom, and Abraham Lincoln, with a wisdom born only of his own amplitude of understanding, came to the same view in the end. They were alike in their belief that the one ultimate consideration upon which all men ought to agree was respect for the sanctity, the worth, and the possible dignity of the individual human life. For they saw the individual human being as the embodiment of an invincible spirit of aspiration. John Morley once quoted Cromwell's saying, "What liberty and what prosperity depend upon are the souls of men and the spirits which are the man," adding as his own comment, "Yes, and the historic epochs that men are most eager to keep in living and inspiring memory are the epochs where the mind that is the man approved itself unconquerable by force." The words of that old Victorian liberal seem singularly apposite today. We sometimes forget that this respect for the life of the individual was the essence of the common law and it has been up to now the fundamental basis of our own civilization. At the present day we need more than anything else to remind ourselves that that same respect for the worth and dignity of human life must be the basis for any enduring form of government, for any permanent condition of peace.

In sharp contrast with these fundamental beliefs of ours are the cautionary teachings at present so much in evidence. When we were discussing the modification of our so-called neutrality statute, a pall of obscurity was thrown over the whole discussion by appeals to fears of war. Free expression of opinion was constantly discouraged by false issues and in particular by the assertion that one side or the other were war mongers. Only a few days ago the press reported that the author of a popular drama refused to permit a benefit performance to be given in aid of Finnish relief because such action might create war emotion. In Washington we frequently hear assertions that it is dangerous for Americans to discuss, much less protest, against the brutal tragedies which are exterminating multitudes of innocent people.

But it is our belief that any teaching which, in the guise of expediency, or domestic policy, or foreign policy, tends to smother the expression of common instincts of humanity brings danger to the American people. For whether men attempt to decry it by calling it emotionalism, or sentimentality, or humanitarianism, it is a stubborn fact that, men and women alike, the vast majority of Americans adhere to strong moral standards and are distinctly resentful against wrong. Any person in this country who today can look at the horrors being inflicted upon the innocent human beings in Europe or in the Far East without deeply feeling that typical American sense of resentment, is in spirit already a dead American. Too many of our cautious, well-meaning friends are confusing what they call emotions with the most profound and moving convictions of our people.

That this danger is a real one was vividly shown by the lack of adequate expressions of resentment at the time of the murder of our fellow citizens on the *Athenia* and again during the time of the ghastly events in Poland. At times it seemed as if many of our people were bystanders silently watching a film spectacle. At present it is again in evidence in the effort of some of our leaders to

discourage our Government from giving aid of any kind to heroic Finland. In times of crisis the expression of moral resentment becomes more than a right; it becomes a duty, and any public policy which ignores that truth is an inadequate policy.

The same cry of caution, born of expediency, was heard recently when the leaders of this administration protested against the infamies being perpetrated in Poland. But here our leaders rose above partisan considerations of policy and they spoke the authentic voice of the real America. They correctly interpreted the conscience of those great silent masses of our people who, chastened by the discipline of daily toil, have always been the first to distinguish right from wrong in public policy. For the whole American structure is built on the premise that the ordinary man may be trusted to judge of fair play and to make his own decision between right and wrong.

Most, if not all, of us approve the action of our Government in withdrawing our ships from the war zones abroad and of preventing our citizens from exposing themselves to the same dangers. But our moral frontiers are another matter. They must never be withdrawn and we must never appear to acquiesce in the action of those brutal powers which have brought such inhumanity into the civilized world. To those forces we are eternally opposed, and we can never express too often or too forcibly our hostility to the spread of their influence. This is said not in criticism of any action of our national administration, for we are in full accord with it in its foreign policy up to this time. On the contrary, speaking in the tradition of those lawyers of the common law who defended individual freedom, we are seeking to strengthen the support of those leaders at Washington who believe that the safest foreign policy as well as the safest domestic policy is a policy determined on the basis of the sense of right and wrong held by the average American. For the self-respect of America is identical with the requirements for self-respect in the individual. There must be some way short of participating in war by which our citizens can make clear their sense of moral indignation, and whatever happens let us see to it that we do not stultify ourselves. American distinctive achievements in the field of foreign policy in the past have frequently been the result of independent as well as courageous action. For many of us the highest aspiration of America in the field of foreign policy was expressed in the protest which Secretary Stimson made against the action of Japan in Manchuria. At the time many derided this as a futile gesture; but who can now deny that the present moral collapse of the world is due in part to the fact that leaders of other nations put aside that sense of moral conviction which was so clear to every truly patriotic American and adopted in its place measures based only on expediency?

Those of us who hold these views have no dogma to assert, have no panacea to suggest, have no foreign policy to dictate. We need give no advice to foreign nations. There has been too much of that. Our concern is only with the moral values and moral sense of America. Whether or not our individual expressions of resentment and protest be immediately effective is not the question. The enduring life of this Nation depends, above all things, upon a willingness to discuss and a willingness to express courageously our resentment against wrongs perpetrated on helpless humanity. As has often been said, America is not an abstract formula of government and it is something more than a place. It is a moral tradition and there is in that American moral tradition nothing of neutrality as between right and wrong.

Every true lawyer lives in the hope that when his career comes to an end man will say of him, in homely, old-fashioned phrase, that he lived in the "great tradition." To be a part of that tradition does not require success in professional achievement. Many leaders of lost causes are there immortalized. The only test is whether one has made a distinctive contribution to his time. In bygone generations those who truly earned this distinction were in every instance men sensitive to wrong and ready to defend the unfortunate under all circumstances. Are we now a part of this tradition?

I suggest, my fellow lawyers, that in these difficult days our supreme duty is to show a willingness to discuss what is going on in the world, to cut away from the shibboleths and clichés, to get down to the underlying moral issues. In doing this we shall be reminding our fellow Americans that in this country individual conscience is the basis of the state, and that the only way to help to bring about a lasting peace is to proceed in accord with the free and willing expression of the conscientious convictions of our citizens.

And the world at large will know with definiteness and have no excuse for misunderstanding the true spirit of the American people.

### Anticonservation Legislation Supported by Politicians Versus Antipollution Legislation Supported by Conservationists

#### EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

Mr. MUNDT. Mr. Speaker, on Thursday and Friday of this week this House must decide the stand it is to take on the

national problem of pollution. Within the past few days you have received frantic appeals from the Cincinnati Chamber of Commerce and from spokesmen for other pollution offenders urging you to support S. 685, the so-called Barkley bill, and asking you to defeat H. R. 7971, which I introduced to deal with the pollution problem.

#### A REAL TEST OF CONGRESSIONAL CREDULITY

It is easy to understand why cities and industries or chambers of commerce in which polluting groups are in control should oppose H. R. 7971, because it proposes an effective method of regulating the pollution evil. It is easy to understand why the polluter should not want to clean up; it is because it is more profitable and convenient for him to pollute than to clean up that so many of America's best streams and rivers are now virtually open sewers, serving as a menace to human health and a flowing graveyard for fish and animal life. But it strains the credulity of every Congressman when these polluters circularize Congress and testify before our committees in favor of S. 685. Either the polluters have lost their sanity or S. 685 has lost its sting. An examination of S. 685 reveals the answer. The polluters are still sane. But they are trying to coax Congress into voting for a bill dealing with pollution which would tend to protect them in their nefarious practice of polluting the public waters of America. In fact, the so-called Barkley bill, S. 685, concludes its final section with this telltale and truthful confession:

This act may be cited as the Water Pollution Act.

Too true, unfortunately; too true.

#### S. 685 SHOULD BE RECOMMENDED; NEW HEARINGS ARE WARRANTED

Mr. Speaker, I realize that it would not be in harmony with good legislative practice and that it would not be consistent with fair play with my colleagues to attempt to offer H. R. 7971 as a substitute for S. 685 by the device of striking out all after the enacting clause of the Barkley bill. I have no desire to put Members "on the spot" with their constituents and with their consciences by asking them to make a snap judgment in accepting or rejecting H. R. 7971 as being preferable to S. 685. However, I do believe it to be both fair and wise to urge that S. 685 be recommitted to committee, so that open, public, and deliberate hearings may be held on H. R. 7971, and all other legislation dealing with pollution. In this way we can proceed with a little less speed and a lot more intelligence to a desirable solution to the pollution problem. We must be sure that if we do not make headway in pollution control, that we at least do not play into the hands of the polluters and retard pollution control in America. The best guaranty of this is to recommit S. 685.

#### MUNDT AMENDMENT OFFERS A COMPROMISE COURSE

The committee substitute to S. 685 which will be offered the House is the same old, toothless S. 685 which criticizes pollution vigorously and then condones it with \$250,000 per year worth of expensive adjectives. It adds nothing which will help eliminate pollution. It discontinues the former subsidy of \$750,000 per year to State health boards which was originally proposed, and it also discontinues all grants-in-aid for pollution-control works.

In order that this House may have the opportunity to vote for a constructive step toward pollution elimination I am going to offer the following amendment to the committee version of S. 685:

Immediately after subsection (c) of section 2 of the committee amendment add the following subsection:

"(d) (1) After date of enactment of this act no new sources of pollution, either by sewage or industrial waste, shall be permitted to be discharged into the navigable waters of the United States and streams tributary thereto until such time as the division shall have reviewed and approved treatment works established to produce such reduction in the deleterious effects of such sewage or industrial wastes as the division determines are necessary to assure that such wastes will not be injurious to human health or to any form of life, including aquatic life, or to migratory birds as defined in the Migratory Bird Treaties of August 16, 1916, and March 15, 1937; and

(2) The discharge of new sources of water pollution without review and approval of the division as required under the foregoing provisions is hereby declared to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance may be brought in the name

of the United States by any United States attorney, and it shall be the duty of such attorney to bring such an action when requested to do so by the division, the Surgeon General, any duly constituted interstate agency dealing with control of water pollution, any State agency dealing with control of water pollution, any State health authority, or any incorporated municipality. Such action shall be brought as an action in equity and may be brought in any court of the United States having jurisdiction to hear and determine equity cases."

I believe Members will find this amendment to be both reasonable and sensible. It simply proposes to give some pollution-discouraging effect to S. 685 by outlawing all new sources of pollution after date of enactment of S. 685, should this bill become a law. I still deplore the ineffectiveness of S. 685 in its approach to the pollution problem, but by the addition of my amendment to stop new sources of pollution we shall, at least, stop aggravating the problem while we are studying it. We shall at least be writing in one section of the bill to meet the desires of conservationists and sportsmen and to dampen the ardor of polluters for S. 685. In fact, we shall be applying the control features of H. R. 7971 to new sources of pollution and applying the "study the problem" philosophy of S. 685 to existing forms of pollution. Perhaps that is a happy compromise; at least, it would be a start in the direction of pollution control. I am authorized by the Izaak Walton League of America and other major national conservation organizations which have been fighting the pollution problem for years that with this amendment added to S. 685 they are willing to support it and to ask Members to vote for it. Without at least adding an amendment to outlaw new sources of pollution, however, these great conservation groups remain firm in their opposition to S. 685 and urge all Members wishing to serve the cause of clean streams to join in recommitting S. 685—the so-called Barkley bill—back to the Rivers and Harbors Committee where hearings may be held and the conflicting viewpoints resolved into a revised piece of legislation which will do more about pollution than to criticize it at the expense of the American taxpayer.

As indicative of the national importance of this legislation on the pollution problem and of the serious and sincere determination of national conservation groups to avoid passing an outright subterfuge such as S. 685, supported and advocated by America's worst polluters, I submit the following letter from the American Forestry Association. Each Member of Congress apparently received this letter written for the precise purpose of emphasizing that this great conservation organization does not support the Barkley bill but that it is definitely in favor of recommitting the whole pollution problem to committee for more extensive open hearings. Joined with the American Forestry Association in this stand is the Izaak Walton League of America, the American Wildlife Federation, the American Audubon Society, the American Wildlife Institute, the National Parks Association, the American Association for the Advancement of Science and other groups of similar significance and integrity. Certainly such a concerted demand merits fair consideration by the Members of this Congress.

THE AMERICAN FORESTRY ASSOCIATION,  
Washington, D. C., February 26, 1940.

MEMBER OF CONGRESS,  
Washington, D. C.

DEAR SIR: The House has for early consideration two bills, the primary purpose of which is identical, viz., "to prevent the pollution of the navigable waters of the United States." Upon passage of House Resolution 249, pending since July 10, 1939, the House will be authorized to consider S. 685. This bill passed the Senate on May 1, 1939, and the House Committee on Rivers and Harbors submitted amendments and a special report on February 20. The other bill of major importance is H. R. 7971.

Obviously, only one law can be enacted. Yet the supporters of each bill vigorously declare for the merits of one and decry the weaknesses of the other. Each group voices a statesmanlike and public-spirited desire to correct the evil of polluted waters, with its Nation-wide threat to public health, aquatic life, outdoor recreation, and the permanent beauty of our natural heritage in lands and living waters.

Erroneous reports have been circulated to the effect that the American Forestry Association is supporting S. 685—known as the Barkley bill. Without reference to any bill, the directors on May 17, 1939, adopted the following resolution:

"That the American Forestry Association favors the principle of State control of the pollution of waters with the aid of Federal studies and Federal contributions rendered through the agency of the United States Public Health Service."



With full recognition of the urgency of the pollution problem and the need for its early solution, would it not be better to wait another year without legislation rather than enact an ineffective law?

The directors of the American Forestry Association authorize me to suggest that S. 685 and H. R. 7971, together with other bills of a similar nature now before the House, be referred back to the Committee on Rivers and Harbors for further study. I trust this will meet with your approval.

Respectfully yours,

JAMES G. K. McCLOURE, President.

Mr. Speaker, the amendment which I shall propose to S. 685 will change that bill from a pollution-continuing measure to a pollution-discouraging measure. I hope my amendment may be adopted so that this week we can take a forward step in the regulation and elimination of pollution in this country. If no such amendment is adopted, I trust this body will vote to recommit S. 685 to committee in the interests of conservation progress.

### War Records of Dies' Foes

#### EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 23, 1940

EXCERPT FROM THE WEEKLY WASHINGTON MERRY-GO-ROUND

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpt by Pearson and Allen from the Weekly Merry-Go-Round of February 11, 1940:

#### DIES' OPPONENTS

During the torrid debate on the resolution to continue the Dies committee the charge was freely made that those opposed to the resolution were lacking in patriotism.

However, some of the dissenters had brilliant war records, notably, BRADLEY and McGRANERY, of Pennsylvania; FRIES, of Illinois; GEYER and IZAC, of California; HOOK and TENEROWICZ, of Michigan; and WALLGREN, of Washington.

Izac's record is particularly unusual. An Annapolis-trained lieutenant in the Navy, he was awarded the coveted Congressional Medal of Honor by President Wilson for one of the most daring feats of heroism in World War annals.

Lieutenant Izac was captured when his ship, the U. S. S. *President Lincoln*, was attacked and sunk by a German U-boat. Later, while being transported on the sub to a prison camp, he obtained information of such importance on the movements of U-boats that he determined to escape and give it to American naval authorities.

His first attempt was unsuccessful and almost fatal. According to his citation, he "jumped through the window of a rapidly moving train (en route to the prison camp), at the imminent risk of death." A fusillade of gunfire by guards missed him, but he was badly injured by the fall. Recaptured, he was beaten and kicked into insensibility.

One of his captors broke the stock of a heavy army rifle over Izac's shoulder. When he recovered from this mauling he made a second and successful bolt for liberty, "breaking his way through barbed-wire fences and deliberately drawing the fire of armed guards" so that others might escape in the confusion.

Izac made his way through the mountains of southwest Germany, living on raw vegetables, and swam the River Rhine at night almost under the noses of German sentries before reaching the allied lines.

### St. Lawrence Seaway and Power Project

#### EXTENSION OF REMARKS

OF

HON. PIUS L. SCHWERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

STATEMENT BY THE NIAGARA FRONTIER PLANNING BOARD

Mr. SCHWERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement in

opposition to the St. Lawrence seaway and power projects submitted by the Niagara Frontier Planning Board at the budget hearing held in the city of Albany, February 12, 1940:

NIAGARA FRONTIER PLANNING BOARD,  
City Hall, Buffalo, N. Y.

To the Honorable Members of the Finance Committee of the Senate and the Ways and Means Committee of the Assembly of the State of New York:

GENTLEMEN: I appear here on behalf of and by the direction of the Niagara Frontier Planning Board, an official State body created by chapter 267 of the Laws of 1925 of the State of New York. The board consists of the six mayors of the cities of Buffalo, Niagara Falls, Lockport, Tonawanda, North Tonawanda, and Lackawanna, and six supervisors, representing the counties of Erie and Niagara, appointed by the chairman of the boards of supervisors of these two counties.

In my capacity as chairman of this board, having been selected by this body to preside over their deliberations, I hold a brief for and officially represent the 1,000,000 taxpayers who live and carry on their modest affairs in western New York. We also speak for a large number of organizations which are cooperating with us in opposition to the St. Lawrence seaway. Amongst these are:

The Central Labor Council of Buffalo, which has recently changed its name to the Federation of Labor of Buffalo and Vicinity; every labor union having to do with the port of Buffalo and Great Lakes and Barge Canal shipping; the great railroad brotherhoods; the United Mine Workers of America and many other labor unions; and other organizations.

We are here to protest the allocation by the State of New York of any part of the hard-earned tax money that we pay toward the support of the State to help foist upon the State of New York such an extravagant and harmful project as the St. Lawrence seaway and power scheme.

For nearly 10 years the State has been appropriating each year \$80,000 to \$100,000 for the support of the misnamed Power Authority of the State of New York. During the last 9 years approximately \$1,000,000 has been provided to this agency to make reports and to carry on propaganda in favor of the St. Lawrence seaway. I would like to call your attention to the fact that the jurisdiction of this body is limited to the development of plans for the production of power in the St. Lawrence River and that it has no jurisdiction in relation to the development of any other power project using public waters anywhere else throughout the State of New York. This is the reason that we have used the phrase "misnamed." A more proper designation for this body would be the "St. Lawrence seaway and power project propaganda agency."

We not so much are concerned over what may appear to some to be the small amount of \$80,000 included in the Governor's recommended budget for the support of this agency as we are in the implications contained therein and the harmful result to the State of New York and our country as a whole if the plans which they have been so vigorously supporting eventually materialize.

The engineering staff of the Niagara Frontier Planning Board, which, by the way, is wholly supported by public appropriations, has for many years been making studies of the costs of this project and its economic consequences. Our review of the estimates of cost, prepared by the joint board of engineers appointed by the Governments of the United States and the Dominion of Canada, shows that in case the single-stage development at Barnhart Island is to be constructed (and this is by far the most economical of any one of the many plans studied by this board), the costs will be so great as to send a cold chill down the spine of every taxpayer in the United States from Maine to California and from Florida to Seattle.

We are not going into details, but we are, however, ready to submit to any impartial body without fear of challenge our considered conclusion that the cost of this project to the United States as a whole, over the period of years required for amortization—eliminating entirely the \$90,000,000 to be contributed by the power authority of the State of New York and the substantial contributions toward the cost that will have to be made by the Dominion of Canada—will amount to at least \$484,000,000. This figure does not include any annual charge for operation and maintenance but does include approximately \$100,000,000 agreed contribution by the United States to be paid for Canadian labor and materials.

The taxpayers of the State of New York pay each year 26 percent of the Federal tax burden. This means that if the St. Lawrence seaway and power project becomes a reality, the taxpayers of the State of New York will be surcharged with the extra burden of providing over \$125,000,000 in additional taxes to be paid to the United States Treasury.

The trouble is that this is not the half of it. If the State of New York were to be benefited through the development of this project in like measure, we might be glad to assume this extra burden. We are a wealthy State and have already invested many millions of dollars for improvements which we consider to be worth while. We, for instance, have invested \$260,000,000 in the barge canal which we are even now seeing improved. We have even built elevators at Oswego. Some of us don't think much of the idea; still the State has invested a good many hard-earned dollars in this elevator business.

The State has invested many millions of dollars in port terminals and many of our local bodies, like the Port Authority of Albany and the Port Authority of New York, have done likewise. The State of New York has also spent hundreds of millions in the development of our system of State highways—a good investment. The State is amply able to invest \$90,000,000 in this venture and in addition assume an increased Federal tax burden of \$120,000,000

more, if, by any stretch of the imagination the plan could be proved to be of the slightest benefit to the State.

The trouble with this Alice-in-Wonderland scheme is not only that it will render superfluous many of the facilities that the State of New York and its citizens have so adequately provided to handle the flow of traffic between the center of our country and the seaboard at the ports of Buffalo, Oswego, Albany, and the great port of New York, but that it will also be an unfair blow below the belt to the security of American labor, transportation industry, and to thousands of our citizens whose livelihood is dependent upon the prosperity of such labor and business.

The computations of our engineering staff have been checked by the traffic experts and economists of the American Association of Railways, the Lake Carriers Association, the New York State Waterways Association, and by practical operators on the Great Lakes and barge canal. They prove that, if the claims of the advocates of the seaway materialize as to the amount and character of the tonnage which will bypass New York State to and from the seaboard via the Welland Canal and the other Canadian canals to be built in the St. Lawrence largely through the use of our funds, it will mean a loss of over \$35,000,000 a year to New York State labor employed on the Great Lakes, railroads, canals, highways, and at the terminals and ports and in allied businesses and industries, and to the families dependent upon this traffic for their livelihood.

According to the claims of the proponents of this seaway, for instance, upward of 68 percent of the tonnage now transferred at the port of Buffalo would be bypassed through the Welland Canal and St. Lawrence route with resultant serious loss of business to allied industries. Frankly, I have yet to be shown a single substantial benefit that would come to the State of New York through the building of this seaway and would warrant the assumption of this additional Federal tax burden of \$125,000,000 by the taxpayers of the State.

It may be claimed by some that the building of this seaway will permit the production of such a quantity of low-cost electrical energy, through the use of the waters of the St. Lawrence for a hydroelectric development, as will justify the State in undertaking this project. Granting, for the sake of argument, the most rosy estimates of the St. Lawrence Power Development Commission of the State of New York in its report to the Governor and legislature in 1931 that such power can be produced and sold to the citizens of up-State New York at a saving of \$7,500,000 annually under the cost of producing an equivalent amount of power by steam plants, where does this leave us?

It leaves us with a \$35,000,000 loss and only a \$7,500,000 gain. To us it certainly seems a foolish thing for the taxpayers of the State of New York to assume an additional Federal tax burden of \$125,000,000 for the purpose of constructing the St. Lawrence seaway in order to insure that they will suffer a net loss of \$27,500,000 a year, the difference between these two amounts.

The Niagara Frontier Planning Board is not opposed to the development of hydroelectric power on the St. Lawrence or anywhere else in the State. We, however, demand that such power development be definitely and permanently divorced from the seaway project.

In conclusion, and in compliance with the suggestion that those who appear at this hearing make definite recommendations in respect to items in the budget, we respectfully request the total elimination of the item of \$80,000 for the support of the Power Authority of the State of New York, the leading propaganda agency for the St. Lawrence seaway project.

We further respectfully request that no future appropriations be made for this agency until after a thorough investigation has been made and concluded by a nonpartisan, unprejudiced committee or committees appointed by the State senate or assembly into the economic effects of the construction of said proposed seaway upon the State of New York. And in case such committee or committees are appointed, we would esteem it a privilege if we might be permitted to appear before them and submit complete and detailed data through competent witnesses in proof of the great harm to the best interests of our State that will result from the construction of this seaway.

NIAGARA FRONTIER PLANNING BOARD,  
C. J. HAMLIN, Chairman.

### Comparative Per Capita Cost of Government by 10-Year Intervals

#### EXTENSION OF REMARKS

OF

#### HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

TABLE BASED ON STATISTICS FROM ANNUAL REPORT OF THE  
SECRETARY OF THE TREASURY AND THE STATISTICAL  
ABSTRACT OF THE UNITED STATES, 1938

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a comparative

table showing the per capita cost of Government by 10-year intervals, from 1790 to 1940.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative table showing the comparative per capita cost of government by 10-year intervals, from 1790 to 1939-40, based upon statistics on expenditures and population found in the annual report of the Secretary of the Treasury and the Statistical Abstract of the United States, 1938

[Compiled Oct. 10, 1939, by Paul O. Peters, Syndicate Trade Press, Washington]

10-year interval	Population from census	Expenditures in dollars	Per capita cost
1790.....	3,929,214	\$4,345,424	\$1.53
1800.....	5,308,483	11,000,069	2.07
1810.....	7,239,881	8,652,479	1.19
1820.....	9,638,543	19,421,553	2.02
1830.....	12,866,020	17,075,774	1.32
1840.....	17,069,453	29,035,815	1.70
1850.....	23,191,876	44,756,737	1.93
1860.....	31,443,321	72,411,658	2.30
1870.....	38,558,371	328,786,783	8.52
1880.....	50,155,783	301,109,391	6.02
1890.....	62,947,714	377,448,536	6.00
1900.....	75,994,575	621,395,005	8.17
1910.....	91,972,266	915,131,593	9.95
1920.....	105,710,620	6,900,697,632	65.28
1930.....	122,775,046	4,706,138,122	38.41
1939-40.....	130,000,000	13,110,000,000	100.84

<sup>1</sup> Appropriations authorized by 1st sess. 76th Cong., for fiscal year ending June 30, 1940.

NOTES.—The per capita costs of government include the following items: Civil and miscellaneous needs, War Department, including rivers and harbors and the Panama Canal; Navy Department, expenditures for Indians, pensions, postal deficiencies, interest on public debt, public debt retirement since 1915, and postal expenditures exclusive of postal deficiencies.

Care of Indians assumed large proportions about 1836 when expenditures mounted to \$4,615,141. In 1938 the expenditures for Indians accounted for \$33,378,389. Pensions began to appear in the expense account of the Government as early as 1789, the amount that year being only \$175,000. In 1938 pensions took \$402,779,033 in Federal funds.

Interest on the public debt was by comparison an insignificant part of the Federal expenses for many years. In 1940 the estimate for this item is \$1,050,000,000, and where debt retirement has loomed large in other years, but \$100,000,000 has been set up in the 1940 Budget for debt retirement. In 1938, \$628,186,746 was spent by the Post Office Department, exclusive of postal deficiencies, amounting to \$44,253,861. Emergency relief expenditures in 1938 amounted to \$1,996,000,000. Veterans' benefits, other than pensions, cost \$170,000,000 in 1938.

### Proposed Loan to Finland

#### EXTENSION OF REMARKS

OF

#### HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

RADIO ADDRESS BY HON. WILLIAM H. KING, OF UTAH

Mr. BROWN. Mr. President, I ask unanimous consent that an address delivered by the senior Senator from Utah [Mr. KING] over station WOL on February 26, 1940, on the Finnish-aid question, be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, in this period which many persons claim has developed the highest civilization ever enjoyed by the world, tragic conditions exist in many lands which may qualify such claim and demonstrate that the goal of peace, justice, and liberty is far distant. Sanguinary conflicts exist in Asia where millions of human beings are starved, bombed, and butchered by a government which is receiving military aid from this Republic. Japan has built a powerful military machine and one of the largest navies in the world, and thus becomes a potential enemy to this Republic. And yet we are annually furnishing her supplies of the value of millions of dollars and thus aiding her in her merciless and devastating crusade against the people of China.

In Europe Communist Russia, and the Nazi regime, controlled by Hitler, have entered into a conspiracy to destroy democratic nations, and to superimpose upon Europe and other countries a military, materialistic, and indeed Godless authority, which seeks to crush individualism and destroy the liberty of millions of people. Austria and Czechoslovakia have been destroyed and brought under the iron rule of Nazi-ism. Poland has been crushed and her mutilated body divided between communistic Russia and the Nazi Government of Germany. Estonia, Latvia, and Lithuania



breathe only as Stalin wills. The democratic nations of Europe see in bolshevism and nazi-ism relentless and merciless foes which seek their destruction. Wherever democracy exists, and freedom brings peace and joy to individuals and peoples, the dark shadow of communism and nazi-ism is before them. The efforts and resources of democratic peoples are diverted from the paths of peace, and largely devoted to preparations to resist the aggressions and assaults of the Soviet regime and the Nazi Government which, as I have indicated, are determined to destroy individualism, democratic nations, and the fruits of modern civilization, and to superimpose upon the world their hateful and debasing philosophy. The communistic Stalin Government, with its 180,000,000 of people, extending from the Pacific Ocean to the Baltic Sea, true to its purpose to destroy democratic governments everywhere, is engaged in savage assaults upon democratic, civilized, and Christian Finland.

Communism cannot permit democracy to live side by side with it—indeed, it is a foe to democracy everywhere, and will not be content until liberty-loving people are brought under its control. For that reason, Finland, a progressive, independent nation, must be destroyed.

For more than a thousand years the Finnish people have inhabited the territory we know as Finland. They have developed a high degree of civilization, and in their lives and in their Government they realize the fruits of genuine democracy.

Hundreds of years ago they were converted to Christianity and organized their lives and their political institutions along liberal, progressive, and, indeed, Christian lines. For 800 years they were associated with Sweden, not as a colony or dependency, but, as has been said, as an integral or equal part of the Swedish Kingdom. As all know, the Finns are not Slavs, but are more closely allied to the Nordic race. While maintaining their own language and culture, they were receptive to the democratic and spiritual influences which guided Christian and democratic nations of Europe. I should add, however, that during the Napoleonic period Finland was separated from Sweden and Czar Alexander of Russia and Napoleon brought Finland under nominal Russian rule. However, the Finns maintained their characteristics, their high degree of civilization, their democratic institutions, and resisted all attempts to affect an amalgamation or union, spiritually, politically, or otherwise, with the czaristic government. In 1917 Finland declared its independence, and recognition by many states was promptly accorded it. It adopted a democratic constitution, the general principles of which were not dissimilar to those of this Republic. During the intervening years it has maintained its independence and made remarkable progress materially, culturally, and spiritually. It occupies a most important position geographically, and in a sense is a key for the protection of the Scandinavian states. It has an area of 147,000 square miles and a population of 3,800,000 people. More than 60 percent of its inhabitants are engaged in agriculture and 16 percent in industry and manufactures. Approximately 13 percent are in commerce, transport, and other occupations. More than 62 percent of the land is owned by individuals and more than 90 percent of the land consists of small holdings. Thirty-eight percent of the area is still owned by the government.

Notwithstanding the severity of the climate, the snow and the cold, its inhabitants have made great progress in the development of their country. Cities of importance have been built and railroads and other means of communication meet the requirements of the growing and progressive population. Schools and educational institutions have brought to the people a high degree of culture, and less than 1 percent of its inhabitants over 15 years of age are illiterate. Finland has produced great artists, musicians, poets, writers, statesmen, and scientists. It has been in the van of every liberal and progressive movement and is entitled to the respect, indeed affection of all peoples who love liberty and justice and who are animated by the spirit of the Christian religion.

Communism finds no fertile soil in Finland, and the achievements and peace and happiness of the Finnish people under democratic institutions have undoubtedly aroused the anger, jealousy, and hatred of Stalin and his communistic abettors.

Notwithstanding the fact that the Bolshevik Government pledged itself to respect the independence of Finland and to recognize the boundaries of her territory, Stalin launched his wicked and cowardly attack by land and sea and sky.

I should add that in 1932 a nonaggression pact was entered into between Stalin and the Republic of Finland, and in 1934 it was renewed. Among other things, it provided that any dispute which might arise between the two countries should be settled in an amicable way. The treaty was to remain in force until 1945.

It should be noted that both Finland and the Soviet Government were adherents to the Kellogg-Briand Pact, which solemnly declared that the parties to the same condemned recourse to war and renounced it as an instrument of their national policy toward each other. And further that the settlement or solution of all disputes or conflicts, of whatever nature or origin, which might arise, was never to be sought except by pacific means.

Notwithstanding these solemn engagements upon the part of the Bolshevik Government, it wantonly assaulted Finland. It has marshaled tens of thousands of soldiers and launched attacks upon cities, towns, and hamlets; upon schools, hospitals, and peaceful noncombatants. It has ignored every rule of war and adopted savage and barbarous methods for the destruction of Finland and the annihilation of its people.

History will not record a more heroic and glorious defense of home and country than that which has characterized the Finnish people. The American people, and indeed the people in all countries

where there is liberty and freedom, have been thrilled by the courage and heroism of the Finnish people. Their indignation has been aroused at the course of Stalin and his Bolshevik methods to destroy a peaceful, God-fearing, and democratic people. The Finnish leaders attempted in every honorable way to avert a conflict and made concessions which were infringements upon the sovereignty of their country in order to avert a conflict which they knew would be attended with most sanguinary and frightful results.

They are fighting for their country, for their homes, for their families, for liberty. They have offended no one; they gave no occasion whatever for communistic assaults; they are standing like those at Thermopole, holding back the hordes of Asiatic benightedness. Finland has earned the admiration—indeed, the affection—of all democratic peoples; it is fighting for civilization and the ideals of Christianity. It is the view of an overwhelming majority of the American people that Finland should secure help, because the Finnish people are fighting the battle of western civilization against the enemies of freedom and Christianity, and against a godless and Bolshevik philosophy.

Finland is not fighting alone for her people, she is defending the cause of civilization, justice, and liberty. She is defending the weak and oppressed wherever they may be found. She is a living symbol of a cause which incarnates the hopes, aspirations, and desires of all who seek peace, happiness, and salvation. It seems to me that democratic nations should realize that not only their ideals but their interests are involved in this contest, and yet our Republic is aiding Bolshevik Russia. We are furnishing her with gasoline and other supplies which are important to her in her remorseless efforts to destroy Finland. During the past few months we have furnished her with more than 1,300,000 barrels of gasoline, of a high octane content, which has been employed in bombing helpless men, women, and children of Finland. And I might add in passing, that we are receiving millions of her gold which costs her but \$12 per ounce and paying her at the rate of \$35 per ounce.

It must be apparent that if Finland is destroyed the Scandinavian States may be the next victims of communistic attack, and in such attack Hitler may, and doubtless will, collaborate with Stalin.

We may not close our eyes to the dark clouds which hover over democratic nations. Many believe that republican institutions and democratic governments, are more in danger today than they were in 1914 or in many preceding periods. Certainly communism and nazi-ism, mortal foes of liberty and democratic governments, will wage unrelenting warfare to accomplish their destruction. In this crisis the overwhelming majority of the American people believe that effective aid should be rendered to Finland. They desire that credit should be extended to the Finnish Government in order that it may purchase not only food, but whatever supplies are essential to aid in repelling the attacks of the Bolsheviks.

The American people will not be satisfied with a mere gesture of good will and sympathy to the heroic Finns. They desire that important contributions shall be made by individuals and by groups to aid Finland in obtaining the necessary supplies for the defense of her territory. They desire that credit shall be extended by our Government in order that the Finns may be able to secure munitions and supplies imperatively needed if the hordes at their doors are prevented from triumphing. There should be no delay in affording help to those who are defending their country, as well as the cause of justice and liberty.

Finland's manpower is limited and her resources may not be sufficient for a protracted contest. She needs help and support now. Sweden, as I am advised, has already contributed to Finland more than \$25,000,000 in cash, and supplies and material of the value of \$70,000,000, with no limitation upon the use to which the same might be put.

There are no legal or moral restrictions upon our Government that would prevent aid to Finland in this dark hour. Our Government may extend credit to be employed by the Finns for any purpose that will aid the cause which she is defending. The measure which passed the Senate, providing for the extension of credit by the Export-Import Bank for nonmilitary purchases in the United States, does not adequately meet the situation or provide the aid which should be given by the American people and by our Government to save from destruction a democratic nation and nearly 4,000,000 of people. Already, we know, hundreds of thousands of Finns have been driven from their homes, and succor and support, food, and clothing and medicines are imperatively required. Moreover it is apparent that the Bolsheviks, with their inexhaustible manpower, will launch more formidable attacks not only upon land but from the skies. Finland therefore must, if she is to continue the contest, receive immediate help from the people of the United States and from the people of other nations. A voice should be heard everywhere—"Finland shall not be destroyed. Democratic institutions shall not perish at the hands of an autocratic and godless regime."

When the people of the United States were struggling for liberty, France generously rendered help; and the cause of the oppressed in all ages has appealed to those who love liberty.

As was said by an American poet:

"Is true freedom but to break  
Fetters for our own dear sake?  
And with leathern hearts forget  
That we owe mankind a debt?  
No; true freedom is to share  
All the chains our brothers wear  
And with heart and hand to be  
Earnest to make others free."

## The Democratic Party—Its Mission, Past and Present

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

RADIO ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. BARKLEY. Mr. President, on February 19, in the city of Boston, the senior Senator from Massachusetts [Mr. WALSH] delivered over the radio a very able address on the subject The Democratic Party—Its Mission, Past and Present. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is with pleasure that I accepted several weeks ago the call of the Democratic State committee of Massachusetts to participate in its radio forum for the discussion of Democratic policies and accomplishments.

The special subject suggested for me to discuss tonight is what I conceive to be the more important differences between the major political parties—namely, the Democratic and Republican Parties.

It is the solemn duty of all citizens to strive for the general social, economic, and political betterment of human life and happiness. The chief medium through which that betterment may be effected is the State. It would be an unfortunate day for our country when men lose their respect for the effectiveness of the State to fulfill the State's first duty, that of furthering the well-being of the citizen. The State should be first and always the guardian of the unalienable rights of the citizen and the promoter of the general welfare of the human family. That political organization or party is best for the citizen and the State which most intelligently and adequately secures and preserves these rights.

It is but natural, therefore, that there should be in the actual working out of the many problems of the Government sincere and legitimate differences of opinion as to what policies or what principles are more conducive than others to the general welfare of the people. These indicate the importance, the responsibility, and the differences in the political parties.

In my opinion that political party and those political leaders who will apply principles of natural justice and truth to the concrete facts can best render this service and thereby secure and preserve an abiding faith in the capacity of our form of government to serve society. Because we believe the Democratic Party is best equipped to render this service is the reason for our membership in it. Our party must continue constantly to equip itself to meet these requirements.

Something more than political platforms or party principles or promises is of supreme importance. From the viewpoint of the fair-minded citizen the important consideration that concerns him is to know clearly and unmistakably the kind of political philosophy that leaders and candidates of political organizations represent. Herein must lie the difference between political parties and herein does lie today the difference between political leaders.

After all, what the average citizen, the man with no self-interest to serve, is concerned about is getting to be less and less a knowledge of the political label that a candidate bears or even a knowledge of political platforms and more and more a clear, distinct, and thoroughgoing knowledge of party leaders' convictions on the major issues before the American public. In addition, and what is even more important, they seek to learn that their political leaders or candidates who seek their suffrage are free to serve their countrymen without direct or indirect control or restraint exercised by any self-interested group.

Let us in the light of these basic principles turn to a discussion of the two major political parties in this country—thus we can best discern just what has been and is the difference between the two parties and what is the call to the Democratic Party as a governmental instrumentality for promoting the public welfare.

Of necessity I must speak briefly concerning the aims, ideals and responsibilities of the Democratic Party. However, I shall speak of them in no narrow and blind partisan spirit. I shall not claim for the Democratic Party a monopoly of all the virtues.

It has seemed to me that if I were required to encompass in a single phrase or sentence the underlying distinction between the two great parties in our country I should say that in the Republican Party the major emphasis has been on property rights and in the Democratic Party the major emphasis has been on human rights. The Republican Party's long control of the political machinery of the Government has made it ultraconservative and the servant of vested and selfish interests. This is but natural. The danger ahead for the Democratic Party is, if it long remains in power, that it may

go to extremes in its liberal and reform measures and approach the dangerous threshold of extreme radicalism.

Through the years I believe the Democratic Party has been more responsive to the natural inborn aspirations of the masses for the improvement of their lot. It is the Democratic Party, over the long years that has been thinking most constantly of the needs of the lowly and the suffering and toilworn people and when given the opportunity has translated these thoughts into action. The defense of the rights, the champion of the causes and the extension of hope and cheer into the lives of the underprivileged has ever been one of the missions of our party.

The Democratic Party, even in the years when it was out of office and was the minority and the opposition in the Congress, was ever vigilant in exposing the abuses of privilege and the exploitation by the powerful few. It was ever working for social justice in the best sense of that term. Indeed, the Democratic Party rendered exceedingly effective service to the country during the long years it was out of office, in constructive criticism and in powerful measures for reform. Many who are not disposed to favor or support the principles of the Democratic Party, concede this valuable and useful service to the country.

Under the present situation in American politics, the people make the political issues. The ever-changing economic status of the people from one of apparent prosperity of the depths of recurring depressions and those continuing problems relating to their personal liberty and the equality of their economic opportunities constantly bring to the surface issues that vitally concern them. It is the first duty of public men and political leaders to respect this concern and I believe the Democratic Party has responded more promptly and sympathetically to this demand of the people than the other major political party.

In my judgment, since the depression began in 1929 the voters have made the unemployment problem and the general business depression prevailing throughout the country the dominant political issue in American life. The voters believe that the calamitous conditions which brought about this depression should have been foreseen and preventive measures invoked by the Government long before the economic structure of the country collapsed. It was this conviction on the part of the voters that swept the Democratic Party into power in 1932 and has continued it in power ever since.

In assuming power the Democratic Party immediately undertook an extensive program of reform and recovery. Such a broad and comprehensive program involved the setting up of a large number of new Government agencies, expenditures of vast sums of money and the regulation, never before attempted, of the activities both of the individual and business.

All this naturally led to differences of opinion and criticism. The claim has been made that the attempted reforms were inaugurated too rapidly and in some cases were too sweeping, that unnecessarily large sums of money have been spent for relief and pump-priming and that waste and extravagance has resulted.

I don't think any partisan of the present administration would claim that the stupendous task undertaken has been immune from some complaints. One fact, however, stands out boldly: That the objectives have invariably been praiseworthy is not seriously disputed and that the majority of the American people in each succeeding election since the inauguration of these policies has continued to register general approval of these objectives and the achievements thereunder.

You who are listening to me are familiar with many of the measures that have been undertaken by the Democratic Party to promote economic recovery and social betterment, as well as to end abuses of long standing. The regulation of the stock exchange; the safeguarding of the people's savings by rigid bank regulation and insuring of bank deposits; the protection of the worker against sweatshop wages; securing for the employee his inalienable right of collective bargaining; a reasonable living wage to unorganized workers; more jobs for the unemployed through Government edict lowering sharply the weekly working hours; generous Government loans to industries in financial difficulties; industry freed from sweatshop competitors; decent living homes for people of meager incomes; sectional advantages in industry abolished by uniform hours of employment and uniform minimum wages in all parts of the country; to the aged, the orphaned, the crippled, and the blind a guaranty against pauperism through social-security legislation; unemployed youths, millions of them, trained in C. C. camps and through agencies of the National Youth Administration; food, clothing, shelter, and employment to the needy—these achievements mark a new era in our political and national life.

In effecting such drastic reforms and undertaking such new and untried activities sometimes they have been attended with bureaucratic excesses and public irritation. Our party has now the duty to correct and modify some overreaching methods of administration and possibly some modifications of certain remedial laws. There is no indication anywhere of a general repudiation of the objectives sought. Whatever criticism from the opposing political parties have been generally directed toward the methods of administration.

Let us proceed to polish and perfect the long record of reform we have made, which of necessity had to be done in haste and which in operation would inevitably show defects and possible injustices. Our party must now prove that it is capable of performing this new task, the task of perfecting what it was necessary to do and necessary to do in haste. We should do it with as much harmony and cohesion as possible, without asking any member of our party to surrender his individual and intellectual integrity for



some particular phase of legislation or administration. If we have the constructive ability to recognize that we may have made some mistakes in administration and method—any other attitude would indicate a claim to be superhuman—and that we are incapable of recognizing mistakes and correcting them—we may emphasize and consolidate the gains made and go forth with renewed vigor and confidence to future victories.

We Democrats cannot escape the fact that there is a particularly heavy responsibility and duty on our party at this time—living, as we are today, in most troubled times, with wars and threats of war and political and economic upheavals throughout the world. We are faced today with grave dangers at home and abroad. Our party is in entire control of the Federal Government. We must live up to the high responsibilities that are imposed upon the Democratic Party—which, briefly stated, should with fixed determination prevent our participation in wars not of our making and strive mightily to solve successfully our unsolved domestic problems.

This is no time for mutiny; no time for secession. The task is unmistakably ours. Whatever honest differences of opinion we entertain, let them be directed to the formulation of a sound and sane policy that in the end will strengthen the Democratic Party, preserve democratic institutions, and redound to the general welfare of our citizens.

As we view the war perils in Europe and the governmental problems that confront us at home, and as we approach the political campaign which lies ahead of us, let us be mindful of the underlying realities of our national life. Let us remember that we stand today a united people in the most favored land on the face of the globe, with its vast resources, both God-given and man-made. Let us remember we live under the most democratic and stable government in existence.

Let us remember we are going forward under resolute and courageous Democratic leadership, and let us resolve to continue Democratic leadership.

## Naturalization and Citizenship

### EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

RADIO ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask to have inserted in the Appendix of the RECORD an address delivered by me on the subject Naturalization and Citizenship over the radio in Boston on November 16, 1939, to aliens seeking naturalization.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been invited to discuss over this radio tonight the subject of naturalization and citizenship. I am not interested in urging any alien residing in the United States to become a citizen. An alien who needs to be urged, or at least to have pressure exerted upon him in order to become a citizen, will not make a good American citizen. The purpose of my talk is not to urge negligent and unwilling aliens to take the necessary steps to enjoy the privileges, and assume the duties of American citizenship. Rather, it is to encourage the willing and anxious aliens who desire American citizenship and to point out to them that the method of procedure is not as difficult as many assume.

It is gratifying to know that most of our alien population have a real appreciation of the benefits and blessings that America offers to them and their children. At times I think the foreign-born who have experienced absence of civil and religious liberties in the countries of their birth have a greater understanding and appreciation of the free institutions of America than those of us who have inherited them and accept them as a matter of course. It is the old story—the things most appreciated in life are those that are equipped through toil, suffering, and sacrifice. The alien is able also to make contrasts, practical contrasts, from his own experience and those of his forbears, and therefore most of them are appreciative of and anxious to become citizens of this Republic.

My talk tonight is to assure you, our alien residents, that the process to citizenship is an easy one, to point out to you that the difficulties and fears you entertain are greatly overestimated. America welcomes all resident aliens to citizenship, and its desire is to make your change of status from alien to citizen as easy as possible. America merely asks that you give her the affections of your heart that have been developed largely by reason of the knowledge of the personal freedom, the equality of opportunities, and other priceless rights that America gives to the alien and his children in contrast with the land of the alien's birth.

Something more than finding it easier to obtain a livelihood in America than in a foreign land is required of him or her who seeks to change his citizenship to that of America. America expects you to realize fully the rights and privileges her citizens enjoy, to evaluate the freedom, security, and other opportunities to live in America as freemen and with the least degree of bondage that is possible. America expects the alien to seek the high privilege of American citizenship because he is convinced of her superior governmental institutions and of her superior exaltation of this dignity of human beings and her protection of the inalienable rights of men and women, however poor and humble, who live under her protecting flag. Once the alien understands and comprehends what America offers, what America guarantees to all her children, he may be assured that America knows that his heart, his affections, and his sympathies will be for America above every other country in the world. America does not ask you to forget your fatherland, to lessen your pride in the achievements and accomplishments of the men and women of your race in the past. She does not even ask you to surrender your language. America recognizes that the Almighty has not given all the gifts and virtues that humanity possesses to one race, to one nationality, to one nation. She asks you to preserve and bring into the life of America the noblest and best traditions of your race and of your fatherland. Because of the wise political philosophy of her founders and because America has been free from the long-continued and apparently never-ending feuds of Europe, America feels that she can give the alien and his children more than the fatherland in the way of personal, civil, religious, and political freedom and also in the opportunity for material advancement and progress.

America does not claim to possess all the leaders who have contributed to the progress of civilization or the spiritual values of the world. There is no foreign country that cannot through the centuries, point to outstanding scholars, statesmen, soldiers, and saints who have contributed abundantly to the progress and advancement of the human family. America hopes and believes that she has retained and preserved, more than any other land, all that is best and noblest in the advancement of the human family. Unless you are satisfied that the God-given inalienable rights to live, to worship God according to the dictates of conscience, to enjoy freedom of speech, freedom of the press, enjoyment in the largest measure of security, as well as the enjoyment of one's possessions earned by the sweat of his brow, and enjoyment to a high degree of that great national virtue called justice—you should not undertake the duties and responsibilities of American citizenship.

Those who fail to understand the benefits, privileges, and blessings of the free institutions of America are false to themselves and their native land in undertaking to transfer their citizenship to America. America does not seek or want a citizenry of impostors. America wants the heart and affections of the aliens because she believes and claims that in return she can give the alien, as a member of the human family, more of the things of real value in life (not riches) but a larger measure of personal opportunity and freedom than any other land. If these noble and patriotic sentiments guide and prompt the alien to seek American citizenship, he will be welcomed to the fullest enjoyment of American citizenship and enjoy all the rights, privileges, and opportunities that she guarantees equally with those whose ancestors have lived in this Republic since its inception.

I have always felt that the transfer of citizenship by the alien to American citizenship was altogether too much a matter of form and that it ought to be a ceremony approaching as nearly as possible a sacramental religious act. I do not mean that it should be difficult, but I do mean that it should be solemn and profoundly impressive. To those upon whom citizenship is bestowed, as well as those who already enjoy American citizenship, the process of naturalization—the term used in bestowing citizenship upon a foreign-born alien—may appear complicated. It is not intended to be such. The naturalization laws are of a general nature and are cheerfully explained by officials of the Federal Government who are connected with the Naturalization Service. There may be some delay in becoming naturalized. This is necessary in order that unworthy, undeserving aliens should not be speedily inducted into the full enjoyment of American citizenship. For this reason residence requirements, certain character requirements, and to some extent certain educational requirements must be complied with. It is not difficult to meet these requirements. If one cannot meet the basic character requirement, America does not want a citizen who possesses proper requirements to be penalized by association with and denying of rights by those born in other lands who lack the necessary character requirements.

The process of naturalization is exceedingly easy and simple. In fact, many believe too easy. Of all persons applying for citizenship, considerably less than 3 percent are refused because of lack of one or more of the several requirements. You must be able to speak the English language, unless physically unable to do so. This does not prevent your retaining the language of your kith and kin in the old land. You must be able to sign your name to your citizenship application. Indeed, the requirements are meager. The whole procedure of filing the necessary papers and waiting for the necessary length of time for investigation by Government officials is a judicial one. The judges who preside in the naturalization courts are sympathetic, and in no respect are they, or should they, be severe or contemptuous. They are and should be gratified to know of your ambition to enjoy the privileges and assume the responsibility of American citizenship.

Time does not permit a detailed discussion of the requirements for naturalization. Full information on the subject of naturalization can be obtained from civil and Federal organizations interested in the promotion of Americanism, or at the clerk's office of the superior court of our State courts, or the United States courts. I regret that the law requires the payment of a fee to be naturalized. I personally have urged and succeeded in reducing this fee from time to time. It should only be a nominal fee. After naturalization comes registration, which means being enrolled by name in the office of the registrar of voters in the city or town where one resides. Naturalization papers give you the right to enjoy all the privileges of American citizenship, but in order to enjoy one of the highest and greatest of the rights of American citizenship, the right to vote in elections, it is necessary to register as a voter in the city or town where you reside. All American rights are available to the naturalized alien. The process of registering in order to vote is simply for the purpose of having honest elections and correct and honest records of those entitled to vote, and therefore prevent illegal, dishonest, and corrupt election of officials.

I conclude by urging all of our aliens who have the right disposition, whose residence in America has made them realize the value of our free institutions and has given them the understanding of the benefits and privileges America offers its citizens as compared with other lands, to seek the earliest opportunity to become citizens of this Republic. Let me add that citizenship is a priceless privilege. The Federal Government urges no one to become a citizen. It welcomes to citizenship all those who seek it with the proper disposition and attitude. All aliens, then, who desire to secure a full participation in the life of our country should seek, at the earliest opportunity, American citizenship. Do this not because of mere material benefits that America offers to you and yours, but because of the dignity, the freedom, the liberty, the inalienable rights and the opportunities for peace, position, and happiness that American citizenship bestows upon you.

### Life Insurance

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

LETTER BY HON. JOSEPH C. O'MAHONEY, OF WYOMING, AND  
BULLETIN OF THE AMERICAN LIFE CONVENTION

Mr. MALONEY. Mr. President, throughout his services in the Senate, and particularly since the beginning of the studies of the Temporary National Economic Committee, of which he is the chairman, the senior Senator from Wyoming [Mr. O'MAHONEY] has been an exponent—both in and out of this Chamber—of the principle that the powers of government should be exercised to encourage free private enterprise.

Many Senators will remember his speech upon this floor during the last session in support of his amendment to a bill then pending, the purpose of which was to prevent Government competition with private enterprise. That amendment was adopted by this body.

During several weeks past there has been a disposition to attribute to the Temporary National Economic Committee, or at least to the Securities and Exchange Commission, which is represented on that committee, a purpose in the present study of life insurance to lay the basis for some form of Government competition with that industry. There has been no basis for these reports, and it has, I think, been a fortunate thing that the Senator from Wyoming, by several statements, has undertaken to clear the atmosphere, and to demonstrate that the reports which have been in circulation are based upon fear and not upon fact.

Those of us who serve with the Senator from Wyoming know that his purpose, at all times, has been to pursue an objective study of the entire economic system for the purpose of eliminating acknowledged abuses, and of making it unnecessary for government to interfere with the ordinary affairs of our citizens.

The point of view of the Senator with respect to life insurance has been very well set forth in a letter which he wrote on February 10, 1940, to Col. C. B. Robbins, general counsel of the Life Convention, which, with the bulletin issued by

Colonel Robbins, to which the Senator's letter was in answer, I think, should be published in the Record. I ask unanimous consent that that may be done.

There being no objection, the letter and bulletin were ordered to be printed in the Record, as follows:

UNITED STATES SENATE,  
Washington, D. C., February 10, 1940.

Col. C. B. ROBBINS,  
Manager and General Counsel, American Life Convention,  
230 North Michigan Avenue, Chicago, Ill.

DEAR COLONEL ROBBINS: My attention has just been called to the special bulletin, No. 789, dated January 31, 1940, in which you make certain comments upon my letter to Hon. EDWARD T. TAYLOR commenting upon the special bulletin of the American Life Convention issued on December 1, 1939.

It was my purpose in writing that letter to make clear to the public and to the insurance industry that unsubstantial fears were being disseminated through the medium of your bulletin, fears that have had no basis in anything that the Temporary National Economic Committee has done and in nothing that has been published or released by its members. Your bulletin of January 31, while accepting the statements contained in my letter, is open to the same criticism as the former bulletin in that it likewise disseminates fears which are not founded on any act or release of the committee.

You say in your new bulletin, "The statements contained in the pamphlet referring to the apparent intention of some members of the committee to recommend absorption by the Government of industrial life insurance, Federal regulation, and a change in our agency system, were not made following any statement by any member of the committee, but were the only inferences that could be drawn from the testimony of witnesses produced by the Securities and Exchange Commission and examined at great length in regard to those matters." May I say that the inference of which you complain is your inference and not the inference of any member of the committee. You speak of "the apparent intention of some members of the committee," but it is clear from your paragraph, which I have just quoted, that this intention is "apparent" to you, not as the result of any statement that has been made or any release issued by the committee, but by your inference. It occurs to me to suggest that the American Life Convention might well consider it is advisable to draw inferences which it deems antagonistic to the best interests of life insurance and to disseminate them broadcast without any attempt to verify them. No recommendations or suggestions with respect to life insurance have ever been discussed, either formally or informally, at any meeting of this committee or of the Securities and Exchange Commission.

The balance of your Bulletin No. 789 is likewise open to misinterpretation and is not based upon any act, any recommendation, or any inference drawn by the Temporary National Economic Committee. You quote a press dispatch sent out from Washington late in December, and you refer to it as a "release." The fact that you do not describe it for what it was, namely, a story sent out by a news organization, and that you refer to it as a "release," is calculated to give the impression that it had some official character. It had no official character. It was not a release of the Temporary National Economic Committee or of the Securities and Exchange Commission, and the Temporary National Economic Committee had no knowledge of it and no responsibility for it.

Three suggestions were reported in this story to have been advanced. Let me discuss them separately:

The first was "amendment of the Federal Bankruptcy Act to give the Government jurisdiction over insurance-company failures." No testimony to date has been presented to the Temporary National Economic Committee with respect to the application of the bankruptcy laws to insurance companies. It is possible that before the study is completed there may be some testimony with respect to certain failures. Such a study, however, is clearly a part of the fundamental problem of investment.

The second suggestion was "creation of a form of fund insurance similar to the Federal deposit insurance for banks." No testimony has been given to the committee on this subject, and none is contemplated. It is not on the program of the committee in any form, and, as a matter of fact, Securities and Exchange Commission experts have expressed to me the doubt as to the practicability of such a proposal.

The third suggestion was the "establishment of an even more comprehensive control system patterned after the Federal Reserve System for banks, or regulation under an administrative body such as the Securities and Exchange Commission." Again, no testimony on this subject has been heard by the committee and none is to be presented. The committee has at no time assigned any such subject to any of the agencies associated with it for study or report.

I have no hesitation whatever in saying that none of these suggestions has any basis in any action by the committee or in any recommendation to the committee, a fact which might easily have been ascertained by you by the mere expedient of addressing a question to me. That you have chosen rather to place the authority of your office and of the American Life Convention behind the circulation of a press report, frankly, seems rather amazing to me, for instead of arousing the fears of persons associated with the insurance industry you could easily have helped to alleviate them.



Now with respect to your statement that "It is regrettable that Senator O'Mahoney did not mention the matter of State as opposed to Federal supervision \* \* \*." May I call your attention to the fact that insurance companies have in times past been very active and vigorous in contending that life insurance is a national business and should not be subject to State regulation. In your original bulletin of December 1, 1939, you cited two Supreme Court cases, namely, *Paul v. Virginia* (8 Wall 168), and the *New York Life Insurance Co. v. Deer Lodge County* (231 U. S. 495), in order to support the contention that insurance contracts are not within the jurisdiction of the Federal Government over interstate commerce. It is interesting to note that in both of these cases which were taken to the courts by the insurance companies, it was the contention of the companies that insurance is within the commerce clause and, therefore, subject to Federal supervision. The *New York Life Insurance Co.* in the latter case retained the distinguished Harvard scholar Dean Roscoe Pound, to bring all the power of his intellect and knowledge to bear to support the argument which the company was making that life insurance is a business of such magnitude and importance that it should not be regulated by the States.

Inasmuch as insurance companies were the first to suggest Federal jurisdiction over the business, I am at a loss to understand why you should tremble at the thought.

Let me again express to you my conviction that there is nothing in the study of life insurance by the Temporary National Economic Committee in the slightest degree inimical to the insurance industry. The purpose of this committee is not to attack any business or any individual, its only objective, as I have repeatedly stated, is to develop fundamental facts with respect to our economic conditions in the hope of making the system of free, private enterprise more effective. To use the words of President Roosevelt in his message of April 29, 1938, when he recommended this study, may I not say to you that, in my opinion, "It should appeal to the honest common sense of every independent businessman interested primarily in running his own business at a profit rather than in controlling the business of other men."

Sincerely yours,

JOSEPH C. O'MAHONEY.

[Special Bulletin No. 789, American Life Convention, Chicago, January 31, 1940]

LETTER OF THE HONORABLE JOSEPH C. O'MAHONEY TO REPRESENTATIVE EDWARD T. TAYLOR, OF COLORADO, DISCUSSING THE AMERICAN LIFE CONVENTION PAMPHLET "LIFE INSURANCE SHOULD BE SUPERVISED, REGULATED, AND GOVERNED BY LAW IN THE STATES"

Herewith enclosed will be found copy of a letter written by the Honorable JOSEPH C. O'MAHONEY, United States Senator from Wyoming, and chairman of the Temporary National Economic Committee, to Representative EDWARD T. TAYLOR of Colorado. Attached to the letter will be found copy of special bulletin issued by the American Life Convention on December 1, 1939, transmitting the pamphlet entitled "Life Insurance Should Be Supervised, Regulated, and Governed by Law in the States," and also a copy of letter written from this office to the various convention State vice presidents at the time the pamphlet was transmitted to them.

Senator O'MAHONEY makes frequent reference both to the letter of transmittal and to the pamphlet itself, and severely criticizes certain points made in both. Senator O'MAHONEY's statement in paragraph 4, page 3, of his letter to the effect that the convention letter stated that the "Securities and Exchange Commission has 64 investigators at work" is inaccurate. What the letter said was that we were informed that the Securities and Exchange Commission had 64 investigators. That was the information which came to this office from a reliable source at the time the letter was written. Of course, we had no means of knowing accurately how many investigators the Securities and Exchange Commission actually had out, nor does it seem to us that the number is as important as the activities of those they did have out.

The letter is very interesting and very illuminating as to the attitude of the chairman of the Temporary National Economic Committee on the various matters discussed in the pamphlet issued by the American Life Convention. Senator O'MAHONEY's statement that he is in favor of private enterprise will receive the unqualified approval of every life-insurance company, and his further statement that the committee has no intention of attacking the agency system under which life insurance is written, and that there is no intention on the part of the committee to recommend absorption of industrial-life business by any governmental agency, will receive enthusiastic approval among life-insurance men.

It is regrettable that Senator O'MAHONEY did not mention the matter of State as opposed to Federal supervision, which was the whole purpose of the pamphlet, the observations contained in it as to the conduct of the investigation being merely incidental.

I am quite sure that Senator O'MAHONEY's invitation to the life-insurance companies to present to the T. N. E. C. "its own story in its own way" will be gladly accepted by the companies.

The statements contained in the pamphlet referring to the apparent intention of some members of the committee to recommend absorption by the Government of industrial life insurance, Federal regulation, and a change in our agency system, were not made following any statement by any member of the committee, but were the only inference that could be drawn from the testimony of witnesses produced by the Securities and Exchange Commission and examined at great length in regard to those matters.

The following release, sent out from Washington late in December, purports to give the views of members of the T. N. E. C. concerning Government regulation of life-insurance companies:

"Members of the Federal monopoly committee disclosed that they have been considering informally several possible methods for Government regulation of life-insurance companies.

"They have not agreed on any recommendations, but they contend that committee hearings during the last year have shown that some form of regulation should supplement existing State laws.

#### THREE SUGGESTIONS ADVANCED

"Members who favor some form of Federal regulation said that they would not advocate supplanting State jurisdiction, but rather would suggest Federal authority over matters which are beyond the jurisdiction of any one State.

"Among the suggestions which they said have been under consideration are: (1) Amendment of the Federal Bankruptcy Act to give the Government jurisdiction over insurance-company failures.

#### PRINCIPLE OF F. D. I. C.

"(2) Creation of a form of fund insurance similar to the Federal deposit insurance for banks. It would give the Government opportunity to require uniform accounting and make possible the disclosure of any irregularities.

"(3) Establishment of an even more comprehensive control system patterned after the Federal Reserve System for banks, or regulation under an administrative body such as the Securities and Exchange Commission.

"Proponents of Federal control contend that life companies are engaged in many respects in the same business as banks, yet are permitted much greater freedom of operation. Most of the evidence which the S. E. C. has presented to the committee has been designed to show that State regulation is inadequate."

C. B. ROBBINS,

Manager and General Counsel.

## Policy of the United States in the Finnish-Russian War

### EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

RADIO ADDRESS BY HON. PRENTISS M. BROWN, OF MICHIGAN

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very excellent and instructive address delivered over the radio last Monday night by the junior Senator from Michigan [Mr. Brown] in the forum conducted by the Washington Evening Star, on the policy of this country in the Finnish-Russian War.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The foreign affairs of the United States have been conducted with such sound judgment and ability by President Roosevelt and Secretary of State Hull that there is no substantial group in the United States who disagree. The purpose of our policy is to keep out of trouble. The neutrality law of 1939 does just that. Those who said that if we adopted the Neutrality Act we would be marching down the road to war now find us marching the other way. The only authority that can get us into war is the American people. Wise national leadership knows that it can best serve the American people by influencing public sentiment away from involvement. The Neutrality Act has accomplished its purpose. It has influenced sentiment against participation in Europe's struggle.

Let us examine the evidence. At the outbreak of war the Gallup poll asked this question: "If it appears that Germany is defeating England and France, should the United States declare war on Germany and send our Army and Navy to Europe to fight?" That was in September 1939. Of those contacted in the scientific manner by which public opinion has many times been successfully tested, 44 percent said, "Yes, we should go to war." Last week the same question was put. Those for war had dwindled to 23 percent. Those against war had increased from 56 percent to 77 percent. We are not marching down the road to war. We are marching up the road to peace. Wise national leadership has greatly aided. The Neutrality Act of 1939 has satisfied our people. They can do and are doing what they desire to do, giving all aid possible under our neutrality to those nations we consider to be the friends of democracy and peace.

The American public is definitely pro-Ally, anti-Hitler, and definitely pro-Finnish and anti-Russian. American public senti-

ment wants the Government and the people of the United States to do what can be done within the rules and limits established by international law. An embargo upon the shipment of arms and ammunition would have been a mistake. We were outraged at the outbreak of war. We have an interest in peace. We supposed the Allies had appeased Hitler and were astounded at his utter disregard of his promise at Munich when he said Germany had no further demands in Europe. Our people wanted to show their abhorrence for one who had plunged the world into war and menaced our Nation. If we had by law prohibited our people from doing what a neutral lawfully can do, public sentiment, I fear, would have inundated the country with a demand for participation. But when the people feel that we are doing what is reasonably possible within our neutrality to aid the democracies of Europe, they are content. We know of the prohibition of the use of American ships and the prohibition of American travel in the war zones. We are satisfied that no incident can arise that would give substance to a demand for war.

The isolationist's Bible was the famous book, *Road to War*, by Walter Millis. It is interesting to call attention to the fact that the author in a recent magazine article said that the isolationists were largely concentrating their energies on keeping the United States out of the last war instead of the present one. He asks the question:

"Would a complete Hitler victory produce so direct a threat to the United States that we should risk life and wealth to prevent it?"

I say, no. He further asks:

"If the menace is not great enough for that, is it not at least sufficient to justify our lending economic aid to the Allies even at the cost of unpleasantness from the Nazis?"

This latter rhetorical question sums my own thought up in a sentence. The Neutrality Act permits the American people to give such economic aid as we can in safety, without violating the accepted principles of international law. We are not now neutral in thought and we never were since Hitler violated the promises he gave at Munich. Our morality can never condone, let alone approve, the brutal course he took toward Poland. No President can tell us, as was done in 1916, that we must be neutral in thought. We are not.

Repression of thought or of individual liberty of action as distinguished from governmental action would be unfortunate. Liberty of thought with respect to our international affairs is most desirable. The evidence I have given of the subsidence of the war spirit as shown by the two polls is proof of my contention. What then should be our view and our attitude toward the brutal attack by Russia on heroic Finland? I answer; the widest possible aid from government and from citizen within the limits of our neutrality. Within those limits what can we do?

Since the 1st of February after a series of defeats, the power and weight of Russian arms have been used in an effort to break through the Mannerheim line on the Karelian Isthmus in southeastern Finland. At the present time it is not known what the result will be. The prevailing sentiment in America is so strongly pro-Finnish and anti-Russian that some impatience is exhibited in the public press, and doubtless exists in the public mind as to the delay in getting aid such as our Nation can give to the hard-pressed Finns.

I want to discuss this general subject of Finnish aid tonight. There is no doubt that the American people are opposed to military intervention by it in any of Europe's quarrels. Our experience in the last war and the unfortunate results of the Versailles Treaty which, some believe, aided in creating the conditions which brought on the present war, were greatly disappointing to us. We ask ourselves the question, What was all our effort worth? It only postponed the struggle. It did not remove the basic causes.

Another outstanding fact has increased our determination to remain out of the struggle. It was the practical repudiation of Europe's debts to us. I look upon the \$11,000,000,000 we lost as something in the nature of an insurance premium against war. If it keeps us out, perhaps it was money well spent. But our predominant sentiment is strongly pro-Ally. There is no question but that our neutrality bill was intended and does favor the Allied cause although no one can say it is not strictly in accord with accepted international law.

The Finnish situation is different. They have paid us and are the victims of brutal aggression. I have heard no one defend the Russian position in the United States Congress. What we can do about it is another question.

International law, insofar as it attempted to regulate and control war practice, was torpedoed and sunk when the submarine became a material factor in warfare. International law is now a legal shambles. The structure is in ruins. Those guilty of the grossest breaches forget their own crimes and point the finger of scorn at others whom they charge with violations. In the *Altmark* affair, there seemed to be three features that all can agree upon. Norway did not do its full duty as a neutral; Germany was using neutral waters for war purposes; England violated the neutrality of Norway. In other words, all three violated the generally accepted tenets of international law as it was, before it became a dead letter.

Applied to the Finnish situation the principal reason why we have not made a direct loan of a substantial amount for military purposes is because of our desire to stay within what we understand to be international law. There is no doubt but that a loan for military purposes, for the purchase of munitions of war, would be a violation of international law. But this question naturally arises when one nation flagrantly violates international law, such as has Russia by attacking Finland without a declaration of war, and

deliberately violates a solemn nonaggression pact as Russia violated its pact with Finland by invading that nation—whether such nation by its action is not outside of the pale of international law. Should it be allowed to invoke the law's protection? Cannot the world take the position that such a nation is comparable to an outlaw who has plundered, killed, murdered, and thereby is not entitled to the protection of law thrown about a law-abiding citizen? That was something of the idea back of the League of Nations. A good case for such a justification can be made and would justify any action that our Nation might take.

But I say to the friends of Finland in America—and there are over a hundred million of them—that if we took the attitude I have just expressed and gave direct military aid to Finland, there is no question that we would be considered to be at war, and this I do not believe our people want. Nor do they desire to violate our own interpretation of international law. Therefore, when the Senate Banking and Currency Committee and the Senate Foreign Relations Committee, together with representatives of the executive departments, considered my original bill for \$60,000,000 unrestricted grant to Finland, they found and convinced me that some revision was necessary. This was done. The bill passed the Senate and is now pending in the House of Representatives, where it is expected that it will pass within the present week.

The opposition to the bill is two-sided. It comes first from those who say that we should not make any loan whatever to Finland and that anything we do is a violation of our neutrality. Let me answer that briefly by calling attention to the fact that the present Chief Justice of the Supreme Court of the United States and former Secretary of State, whose attainments in the field of international law are well known through his long experience in international affairs, headed the United States delegation to the Habana Conference in the year 1928. Upon the exact point at issue the Habana agreement of 1928 provided as follows:

"The neutral state is forbidden—

"(a) To deliver to the belligerent directly or indirectly or for any reason whatever, ships of war, munitions, or any other war material.

"(b) To grant to it any loans or to open credits for it during the duration of the war. \* \* \*

"Credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibition."

That convention was agreed to by our Government and was ratified by the United States Senate in accordance with our constitutional practice. No one denies that the bill which the Senate passed is strictly within that declaration. It seems to me that this is a clear and authoritative denial that our action, if the bill passes, will be in any way unneutral or in violation of international law. This provision of the Habana convention and our agreement to it convinced me that the proposal of a nonrestricted military loan would be in violation of our declared policy. The only loophole by which we could have justified a direct military loan from our Nation—our Government—as distinguished from a voluntary loan by our people, is by adopting the view that Russia and Finland are not at war. Many students of international law contend that our Government can and should adopt that view. I cannot. I think the majority of the Members of the Senate do not have that view. Finland and Russia are at war.

The second source of opposition was from those who contend that the bill does not go far enough, that no loan will be made, and that if made it will not do any good. Those who so contend entirely overlook the fact that the Federal Loan Administrator has repeatedly stated before three committees of Congress that he considered Finland a good risk; that Finland would pay. Mr. Jones said:

"I believe Finland will pay her debts. The Finnish people always have, and I believe they always will."

Asked if they would pay in the event there was no Finland, he replied:

"If they are not able to pay now, they will pay later, I believe."

In the event Russia defeats Finland, this does not mean the end of a Finnish Republic. A victory for the Allies will again mean a free Finland.

Those who argue that no loan will be made overlook the fact that the President, on January 16 last, sent a message to Congress calling attention to Finland's perfect record in the payment of her debt, calling attention to the widespread desire on the part of the people of the United States to assist Finland in financing the purchase of agricultural and manufactured products, calling attention to the fact that there would be early occasion to consider applications for loans in Scandinavia, and urging Congress to increase the capital of the Export-Import Bank so that such loans could be made. Does anyone doubt but that the President and the Federal Loan Administrator are both desirous of carrying out the wishes of the American people in this respect? They have already authorized a \$10,000,000 grant to Finland under the limited capital of the Export-Import Bank and have in plain language asked for additional capital so that they might go further. To contend that President Roosevelt and Federal Loan Administrator Jones are not minded to do all that can be done with reasonable safety is to deny the import of their plain language.

The second ground taken by these opponents of the Finnish loan bill is that the restriction in the bill will prevent any effective aid to Finland, that what Finland needs is soldiers, shot, shell, airplanes, and tanks. Of course, we as a Government, cannot send them soldiers without being at war. Many citizens not only from the United States but from other countries, particularly from the Scandinavian countries, have enlisted, and the



number is daily increasing. Let us see what the restriction of the bill is. It says that we shall not make a loan for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act. I have that list before me. It would take more time than I have to read it. It is better for me to detail what can be bought that will be of aid to the Finnish people. It must be remembered that the manpower of Finland, including those up to the age of 45, are in the army and their productive power thereby greatly decreased. Taking the year 1938, and I assure you it is typical, the three highest exports in value from the United States to Finland were cotton, oil, and cereals. If they needed these commodities before the war, they need them a great deal more now when their manpower has been mustered into military service. All of these and, of course, other food products, may be purchased under this bill.

The important needs of the army, I am reliably informed, are divided into four classes—transportation, foods, and medicines, general supplies, shelter and personal equipment. In transportation the army needs horses, mules, harnesses, saddles, wagons, railroad engines, rolling stock, motortrucks, automobiles, and, most important, oil and gasoline. You must remember that including transportation in Finland is largely by water. They have 2,500 miles of interior water navigation. Motorboats, rowboats, pontoons, steel for bridges are all needed and may be purchased under this bill. In communication there is telephone and radio equipment. In the line of foods and medicines, there are all foods, including forage for the horses and mules, hay, oats, etc. There are first-aid kits, splints, surgical instruments, medicines of all kinds. In shelter and personal individual equipment canvas tents, blankets, sleeping bags, mittens, socks, shoes, boots, earmuffs, all clothing, civilian gas masks, binoculars, parachutes, all of which may be purchased in the United States under this bill. Finally, in the line of general supplies, there are searchlights, which are badly needed for the spotting of airplanes, sound detectors, barbed wire, which is most valuable for defensive purposes, and many other articles too numerous to mention. All of these things not only may be purchased but they are essential, and their supply under this bill will leave funds and credits which the Finns have with other nations available for the purchase of shot and shell, or gun and plane, which we cannot under our law furnish.

So the claim that this is a mere gesture, that the money will do Finland no good, is without foundation. The American people can assume that this administration will loan and that this bill will do just what it is designed to do; it will give Finland \$30,000,000 worth of vital and essential aid.

But I think we should do more. It should be done by the American people. Much has been done and much more can be done. I am in thorough sympathy with Major General O'Ryan's organization, Fighting Funds for Finland, and I urge upon all the friends of Finland in America to contribute as liberally as they can to this organization. Contributions here in Washington can be made to the Riggs National Bank, and throughout the country in designated similar institutions. This is the field where the private citizen is unrestricted. The Senate, by resolution, has invited such aid by loan. By gift we can do more. No tenet of international law, no rule of neutrality prevents a citizen from either giving or loaning funds for any purpose whatsoever. The American spirit of fair play, our sympathy and our appreciation can be given full expression in the form of gifts to the fighting funds for Finland.

Others may view without emotion the spectacle of the mighty Russian nation, the most extensive in the world, with the largest standing army in the world, attacking a small, peaceful, inoffensive nation. I can not. Russia outnumbers Finland in population almost 50 to 1. Without the slightest provocation, on a demand for cession of territory and the establishment of naval and military bases which no nation could grant and retain its self-respect, this modern barbarian power—and I cannot call it else—launched its attack in the dead of winter, when the way over Finland's lakes was open. A fervor of patriotism has so far enabled this little nation to stop—nay, repeatedly, to defeat the Russians. Their stand has aroused the admiration of the world. Their fight is purely defensive. Their sole objective is the defense of their nation, their government, their homes, and their people.

The danger to us now seems remote. But let the unholy doctrine of these Communists who control the most extensive country in the world, with a population of 180,000,000, succeed in Finland, and it is then but a step to Sweden, to Norway, and to Denmark. They may stop there for a breathing spell, but the menace will then grow to plague the selfish but thoughtless German who unleashed and encouraged this unchristian monster. It is not difficult to vision a result in Europe that will leave Germany, England, France, and others with their youth sacrificed; their economic condition prostrate, in debt so far that repudiation is the only way left. That is the opportunity these cultures are waiting for. Christianity and civilization as we know them may be no more in the Old World. I do not predict it. Finland now holds the front for Christendom. Sweden, Norway and Denmark, England and France, prostrate Austria and the Czechs, and even Italy are doing much to aid them; let not powerful America fail them. Our Government will do all it can within our neutrality; more must come from the American people. The courageous Finn has exposed to the world the weakness of the Bolsheviks. Let us do all within our power to aid them.

## Lincoln Day Address

### EXTENSION OF REMARKS

OF

### HON. STYLES BRIDGES

OF NEW HAMPSHIRE

### IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me at Albuquerque, N. Mex., on the 14th instant.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On Monday, we celebrated the birth of an American whose very name is a cherished part of our national tradition. To those of us who are Republicans, the memory of Lincoln is more than dear. It is an inspiring challenge which we, as the inheritors of his party, must carry forward.

We always think of Lincoln as a great humanitarian. Love of humanity was his outstanding quality. From it sprang his passionate devotion to the cause of freedom. But both were tempered with a homespun wisdom.

Lincoln was not only an idealist, but a realist endowed with good, hard common sense. He knew what it was to struggle for existence. But the abundant life he sought for men was not one planned and distributed by the Government, but one which assured them the reward of their labors and the opportunity to rise as high as they are able.

"The legitimate object of government," he declared, "is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do for themselves, in their separate and individual capacities. In all that the people can individually do as well for themselves, government ought not to interfere."

Thus, Lincoln sought not the extension of the Government, but to extend to men of every race, creed, and color the ideal upon which this Nation was founded—freedom of each to seek his own destiny. In the dark days through which he guided the Nation, he saw its problems in terms of human life and happiness. That is the standard by which human progress must ever be measured.

But there is a vast difference between true humanitarianism and experiments conducted according to blue prints of theorists in the name of the ill-fed, ill-housed, and ill-clad. They may be designed to achieve for the underprivileged all that the planners consider is good for them. They must show the road to Utopia—on paper. But the real test is not the "social objective," however noble, but the result in terms of human welfare and progress.

At the beginning of the New Deal crusade three groups in particular were the object of their solicitude and promises—the unemployed, the worker, and the farmer. Eight years later, as the American people go once more to the polls, the problems of unemployment, labor, and agriculture are no less pressing than when the New Deal first took office. The man who is out of work, the farmer, and the worker are beginning to realize that the New Deal has not only failed to solve their problems but that they themselves have paid most dearly for New Deal experiments conducted on their behalf.

First, there is the New Deal policy of spending under the plea of helping those in need.

From the time that it took office in 1933 to the end of the last fiscal year, on June 30, 1939, the New Deal had spent nearly \$48,500,000,000. For the last fiscal year before the New Deal took office expenditures amounted to less than \$41 for each man, woman, and child. For the fiscal year 1939 this rose to \$70.65 per person. Taxes have been the highest in our history. In 1933 the Federal Government collected \$16.54 per capita. In 1939 this rose to \$43.21 for each person. Today the interest on the Federal debt alone is greater than the total expenditures of the National Government for any year in its history up until 1917, with the one exception of the year 1865, during the Civil War. In less than 8 years the Federal debt has risen \$22,000,000,000. In 1932 the share of each American of the debt was approximately \$158. Today it is, roughly, \$316.

It is almost impossible for any man to conceive of the meaning of the figure 42,000,000,000. And yet if such a debt were to be paid off at the rate of half a million a day, 360 days a year, it would take over 222 years to pay the forty-two million alone, to say nothing of interest. And yet we are still spending, as we have for years, at that same rate of a half million, not every day, but every hour of every year.

Obviously you and I cannot begin to pay this gigantic debt which we have accumulated within so short a time. The New Deal is sure to be remembered by future generations of Americans primarily for the heritage of debt which it bequeathed to them.

And yet, although we are leaving nearly half the price of our extravagance to be paid by posterity, you in New Mexico, along with the rest of our people, are bearing the burden of terrific

taxation which falls upon rich and poor alike. Not only has it crippled business and eaten into the buying power of the Nation but it reaches even into the relief check, depriving those in need of food and clothing. It is estimated that approximately 20 cents of the dollar spent by the poorest family in the land goes in hidden taxes paid on the bare necessities of life. For the average family it is nearer 30 cents out of every dollar, and for those who are well-to-do it is even higher. Thus these hidden taxes are paid by farmer and worker alike, adding to the cost of living of every citizen, whether he realizes it or not.

This is but one of the ways in which the New Deal, which has set itself up as the friend of the underprivileged, has actually hurt them most of all. The wealthy can afford these hidden taxes. It is the man who is unemployed, it is the poorly paid worker with a large family of little ones, it is the farmer who is struggling to make both ends meet who can afford them least. It is the little man, the man who is just starting out on a business for himself, who is taxed and regulated out of existence.

Lincoln, who began life so humbly, knew the value of money. He would have regarded a government which by its spendthrift policies places so heavy a burden upon those least able to pay as oppressive and one that must be curbed. The freedom we must seek today is freedom from the shackles of stifling taxation and the burden of increasing debt.

Then there is the New Deal campaign against business, which, strangely enough, has been carried out in the name of the underprivileged. But who has suffered most from this hostility? Businessmen have suffered surely. It has hurt industry, of course. Yet those who have suffered most have been the worker, the man who is unemployed, and the farmer.

Let me illustrate by a recent experience of mine. The dining room of the Senate Office Building is frequently crowded during the noon hour. One day I had taken the last vacant table. I had nearly finished when two gentlemen came over and, apparently not recognizing me, asked if they might sit down. One, evidently an investigator for some Government agency, was telling his friend how he went into the offices of various companies and took what he wished from their files.

"Don't they object?" asked the second.

"Oh, no," replied the first. "They figure we'll be easier on them if they give us whatever we want."

"With so much power, there's certainly plenty of opportunity for abuse," remarked his friend.

"So what?" was the reply. "What if we do abuse our power? Abusing a company is not like abusing an individual, is it?"

By this time I had finished my lunch and left the table, despite a temptation to stay and enter into the conversation. I wanted to point out that the abuse of an individual may affect but one person, while the abuse of a corporation touches many lives. It may affect not only the heads of that company but the lives of all those it employs and of their families. It may affect the lives of workers and their families who are engaged in every business dependent upon that industry. If such an abuse adds materially to the expense of production, if it results in the reduction of the wages of workers in that industry and in others dependent upon it, thus cutting their purchasing power, it will affect other industries and their workers and their families as well. If it forces the company to raise the price of its goods, it reaches into the pockets of every consumer. In short, it touches not only the head of that company but the lives of countless hundreds who have even the slightest connection with that business or apparently none at all. Government hostility toward business may be unjust to the successful head of a corporation which has been able to save for the future. But it is cruel to the man who is deprived of his right to work and kept dependent upon the Government for existence. It is cruel to the worker who is deprived of that long-awaited and much-deserved increase in wages. It is cruel to the thousands of young people who graduate from our schools each year and start out in search of jobs with high hopes but are unable to find them.

Lincoln believed it the duty of the government of a free people to assure a genuinely free economy as the first and best hope of preserving the opportunity of the individual to rise according to his abilities. To him the stifling of individual initiative and enterprise would have been too high a price for a people to pay for any administration, however attractive the picture it paints of Utopia. He would have maintained that men are not free if they are harassed, restricted unnecessarily, and regarded with suspicion or distrust by those who administer the affairs of government. The freedom of men to reap the fruit of their labors and to go forward so long as they do not interfere with the rights of others is a freedom that needs to be reasserted today.

But this is something that New Dealers, for all their boasted social objectives, cannot or will not see. Considered in these terms, no group of our people has paid a higher price for the New Deal than have the unemployed. Who is the victim when Government hostility toward business keeps them out of work? The unemployed. Who suffers most when capital is idle because men hesitate to invest due to uncertainty as to what the Government will do next? The unemployed. Finally, who suffers the most from the extravagant bureaucracy that has been set up to administer relief? The taxpayers—and that includes all of us—pay the bill, of course. But is not the group that is hurt the most the unemployed themselves, who see so much of the money appropriated for their relief dissipated in costly administration and not in-

quently allocated for political advantage rather than on the basis of human need?

The worker, too, has paid dearly. Who is most hurt when the money taken from him in the name of social security is spent on pump-priming projects? The worker. Who is the victim when Government taxes upon business must come in large part from his pay envelope? The worker. Whose job is endangered when Government competition with business causes it to lay off men? The worker's. And, last but not least, who suffers when his union is arbitrarily destroyed by a board presumably established to assure his right to genuine collective bargaining? The worker.

To Lincoln it would be obvious that the unemployed and the worker are paying too high a price for any benefits—actual or theoretical—that they may receive under such an administration; and that they cannot be truly free under such conditions. As he would not have them the slaves of other men, so he would not have them the wards of the state.

The American farmer, like the worker, has had to pay the price of New Deal policies toward other groups. He, too, has been taxed to support the unemployed who have been kept on relief by the administration. When industrial strife has added to cost of production, he, too, has had to pay a higher price for industrial goods. When some 10,000,000 of our people are barely subsisting, when taxes consume money that would otherwise go into wages, there can never be sufficient purchasing power for those who live in the cities to buy enough or pay enough for agricultural products. The farmers cannot be prosperous under such conditions. Contrary to New Deal philosophy, purchasing power cannot be increased by Government subsidy, which is looked upon as a redistribution of wealth but which in reality is more likely a slow destruction of wealth. Increased buying power can come only from two sources—a revival of business, which adds to the total wealth of our people, and a reduction of taxes, so that less of their income will be eaten up by the Government, leaving more for them to spend on themselves. Yet this simple economic truth seems to be beyond the comprehension of new dealers.

Yet the reduced buying power of the rest of our people is not the only consequence of New Deal policies from which the farmer has suffered. He, too, has been the object of special attention from the administration, and once again the very measures put forth in the name of helping him are among his most serious problems. Today he is at the mercy not only of the Department of Agriculture, but the Department of State as well. The A. A. A. has succeeded in adjusting agriculture to a program of regimented restriction and scarcity at home. On the other hand, under the reciprocal-trade program, the farmer has steadily lost his foreign markets, and has had to compete with an ever-increasing inflow of competitive agricultural products from foreign countries.

According to the report of Secretary of Commerce Hopkins, the total volume of American exports to foreign countries for the years 1938 and 1939 was about the same—a little over \$3,000,000,000. Yet the farmers' share dropped from over \$763,000,000 to approximately \$578,000,000 during the first 11 months of the year, a decrease of over 24 percent. On the other hand, the importation of foreign farm commodities increased nearly 14 percent.

Secretary Hopkins gives an interesting reason for this. It was due, he says, to the improvement in business this year, which made necessary the increased importation of foreign raw materials, to keep our factories busy. And Secretary Wallace has announced that it is vital to maintain rigid curbs on farm production at home. Between the two, it would seem that the American farmer is not to be allowed to increase production to meet the demands of American industry for raw materials. The benefits of any revival of business, apparently, is to go to the farmers of other lands. I ask you, my friends, does this make sense?

Perhaps no group of farmers have suffered more from these policies than those engaged in the raising of grains and livestock. Our exports of grain dropped in value from two hundred and fifteen million in 1938 to ninety-three million in 1939. This meant a loss of over thirty-six and a half million dollars to wheat farmers alone. In 1938 we imported approximately 10,000,000 more pounds of cattle hides than we exported. But in 1939 we brought into the country over 80,000,000 more pounds of cattle hides than we sent to other nations. In 1939 we imported nearly 130,000,000 pounds of wool, or almost three times as much as in 1938.

The result of this trend of increased imports and decreasing exports over a period of years is clearly reflected in the prices which the farmer has received. Wool brought the lowest price since 1935. Here are the average cash prices received for wheat: 1937, \$1.23; 1938, 88 cents; 1939, 57 cents—the lowest since 1933. Barley and oats also brought the lowest prices since 1933. In 1937 the farmer received an average of approximately \$1 a bushel for corn. In 1939 this dropped to 45½ cents a bushel—the lowest since 1934. Can it be mere coincidence that so many prices have dropped steadily ever since the reciprocal-trade treaties began?

True, negotiations for a new treaty with Argentina broke down. But surely it was not the fault of Secretary Hull. Do you know that the State Department offered to lower the duties on linseed, canned meats, wool, hides, tanning materials, and other animal products? True, there was to have been a quota on many of these, but that quota was to be set above the average shipment of these Argentine products to this country in recent years. Moreover, there was to be no limit to the amount that could be brought in over and above the quota at the present rate of duty,



under which the Argentinians have done very well indeed during the past few years. And, although negotiations have been temporarily suspended, there is nothing to indicate that these concessions will not be made if the power of the State Department to make them is renewed without check.

An example of restriction at home and increased imports from abroad, is furnished by potatoes. A few years ago, rigid restrictions were placed upon their production. Remember the specially stamped sacks in which we bought them for a while, and the proposed penalties for "bootleg" potatoes? It is significant that last year, when we reduced our production of potatoes by approximately 13,000,000 bushels, we increased our importation of foreign potatoes by nearly 12,000,000 bushels.

You do not need to be told what all this has meant to the farmers of corn, wheat, potatoes, cattle, and sheep in New Mexico and to the grain and livestock farmers throughout the country.

Lincoln was a firm believer in a "moderate, carefully adjusted protective tariff, so far acquiesced in as not to be a perpetual subject of political squabbles, changes, and uncertainties." He knew that if the farmers and workers of America are to be free from the unfair competition of cheap foreign labor, if they are not to be dragged down to the peasant level, they must receive such protection from their Government.

Such are conditions today that no relief or subsidy check from the Government can remedy, no eloquent expression of sympathy for or promises to the ill-fed, ill-housed, and ill-clad can compensate. The American people are awakening more and more to the fact that the New Deal has failed not only in its promises not only to bring about recovery but to aid those who need it most.

The unemployed are not content to be wards of the Government. What they demand is the opportunity to work for themselves and their loved ones, and to take their rightful place as self-respecting and creative members of their communities. After nearly 8 years they have learned to their bitter disappointment that they cannot expect this from the New Deal.

The farmer is not content with subsidy checks for not producing. He resents the attempts to regiment his farm from Washington and to restrict his production. His common sense tells him that he can succeed only under a government which encourages an economy of abundance instead of one of enforced scarcity, which protects the domestic market that is rightfully his, and which makes it possible for him to compete for the markets of the world. He knows that he has not had such a government under the New Deal.

The true friend of the unemployed is not the administration which hands out the largest relief checks but the one which makes it possible for them to go back to work in private industry. The true friend of the worker is not necessarily the administration that writes the most laws and appoints the greatest number of officials to care for his interests, but the one which makes it possible for him to have full-time employment under decent conditions at increasing wages. The true friend of the farmer is not the administration which hands out the largest subsidy checks and sends out the greatest number of officials to tell him how to run his farm and what he may or may not plant, but the one that makes it possible to expand his markets, to improve and develop new uses for his products, to raise them less expensively, and to get a higher price for them.

The Republican Party offers no tempting panaceas as the solution to the problem of unemployment, labor, or agriculture. It knows that progress is not measured in terms of social and economic theory but rather in terms of the happiness and prosperity of the individuals who, together, are the American people. It knows that the test of the solution to unemployment, labor, and agriculture is not the amount of class legislation written to benefit any one group or the number of Government officials delegated to solve their problems but the extent of prosperity of our people as a whole.

The Republican Party stands pledged to the revival of our system of free economy as the only way of progress. It stands pledged to the removal of every obstacle to employment and production and to lend every encouragement to expansion and to the creation of new wealth. This—and not social and economic theory—will be the standard against which we will measure legislation, present and future.

That is why we intend to ease the burden of taxation upon all of our people. That is why we stand for the revision of the Wagner Labor Act in the interests of industrial peace and progress and of true freedom and justice to employer and employee alike. That is why we will revise the Securities and Exchange Act to encourage every legitimate investment. That is why we will take the American Government out of competition with the American people. That is why we will protect the American market as the birthright of the American farmer and worker by returning to Congress its constitutional power to ratify the treaties, and by seeing to it that competitive foreign goods are not sold in this country below the American cost of production.

Such a program carries forward the tradition of the party of Lincoln, a party born to further human freedom. It carries forward the American tradition of progress through the release of human energies. Under it capital and labor, industry and agriculture will not fail to go forward, not as classes but as Americans, to new heights and to a happier and more prosperous day for all of our people.

## Relief Expenditures in San Antonio, Tex.

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

REPORT OF SOCIAL WELFARE AND FACT-FINDING COMMITTEE,  
BEXAR COUNTY, TEX.

Mr. BARKLEY. Mr. President, I have received a copy of a report by the Social Welfare and Fact-Finding Committee pertaining to certain conditions in the city of San Antonio, Tex., and, inasmuch as it is thought to be typical of conditions that may exist in other similar cities with reference to social and economic conditions and the matter of relief expenditures, I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### REPORT OF SOCIAL WELFARE AND FACT-FINDING COMMITTEE

The Social Welfare and Fact-Finding Committee held its first meeting after the preliminary appointment meeting on September 20. The committee was made up as follows: F. M. Frasher, Franz C. Groos, Theo M. Plummer, Dr. G. A. Pagenstecher, Leo M. Dubinski, Gus P. Menger, L. E. Fite, Robert E. Kingston, H. Van De Walle, Mike Pleniazek, and W. B. Tuttle.

The committee decided to make an investigation of the amount of expenditures being made in Bexar County by the Federal, State, and local governments for relief purposes, this to include employment by the W. P. A., the C. C. C., the N. Y. A., the issuance of surplus commodities, and other relief.

In order to expedite the investigation each member of the committee was assigned a definite field to look into, and requested to make a report in writing as to his findings. The committee met each Wednesday night for several weeks and heard the reports of the various members, and considered the data furnished in these reports.

Just prior to October 11 the committee requested representatives of the San Antonio Social Workers' Association to appear before it and present such information in regard to relief work, and in regard to the needy people in the city, as they deemed proper.

On Wednesday, October 11, the representatives of the San Antonio Social Workers Association appeared before the committee, being represented as follows: Brother Herbert F. Leles, president San Antonio Social Workers Association; Mrs. Val Keating, associate director of State W. P. A. Employment; Mrs. Clare Green, supervisor of City-County Family Welfare Agency; Mrs. Augusta L. Barnes, executive secretary of the American Red Cross; Mrs. Nora Kelly, supervisor of Santa Rosa Clinic; and guest speaker, Dr. G. W. Hudson, second-year interne, Santa Rosa Clinic, pediatric department.

Information was generally obtained from the agencies listed, and is believed to be substantially correct, although there were conflicts in reports from different branches of the same agencies, and the figures vary even from day to day.

The findings of the committee are as follows:

The total amount of money now being spent in Bexar County by public agencies, nearly all Federal, for relief and for made work is approximately \$7,000,000 per year, exclusive of farm subsidies. The largest part of this expenditure was by the Works Progress Administration, which on September 27 had 9,720 qualified applicants, mostly unskilled, representing about 39,000 people. The funds allocated to the W. P. A. permit the employment of only approximately 4,922 cases, leaving about 49 percent that cannot be employed. The actual pay earned by those employed is about \$43 per month though it is intended, at least in theory, to be \$53.76 per month for 130 hours' work.

For the year ending August 31, the W. P. A. expenditures were approximately as follows, including administrative expense which is partly relief:

Labor	\$3,562,929	
Nonlabor (mostly supplies)	432,359	
		\$3,995,288
Sponsors (local governments and Army):		
Labor	87,868	
Nonlabor	775,748	
		863,616
Total		4,858,904

Plus perhaps \$400,000 by Army sponsors not reported.

The second largest relief item is the free distribution of surplus commodities furnished by the Federal Government and distributed

through the State department of public welfare. The total distribution at retail values for the year ending August 31 were:

Food.....	\$474,999.74
Clothing.....	404,314.50
Total.....	879,314.24

to an average of 7,482 cases, or 33,682 persons per month, at a cost of \$9.79 per case per month, which is, of course, inadequate for the sustenance of a family, even if the ration was balanced. The average Texas case in 1938 was \$14.65. Greater quantities of commodities could have been secured if funds had been available for proper storage. Cars of eggs worth \$2,500 each have been shipped elsewhere for the lack of approximately \$40 per car for storage. Likewise, cars of butter worth \$6,000 have been lost for lack of \$200 for storage. The greatest losses cannot be estimated; they are those cars of food that are not offered to this county because its attitude is known from previous experience. This may explain why the average State case is 50 percent more than in Bexar County.

Old-age assistance: 4,616 persons in Bexar County received \$15.50 each, or \$71,548, in August, which, if this is a typical month, is at the rate of \$858,576 a year. These figures vary from month to month.

Civilian Conservation Corps: 992 Bexar County boys were paid a total of \$29,760, or at \$30 a month; \$22 each, or \$21,824, was paid direct to their families and \$3 each, or \$7,936 to the boys. If this was a typical month (September), the yearly total is \$337,120.

National Youth Administration: 745 Bexar County boys and girls were paid \$14.26 each, or \$10,623, in September, which, if typical, is at the rate of \$127,476 a year.

Student aid: 586 Bexar County students in higher grades, in addition to N. Y. A., are paid \$6 per month each, or \$42,192 per year, for lunches, bus fare, etc.

Unemployment compensation: Neither the local nor the State office apparently had any figures by counties, and the best guess is that 2,500 cases, or 10,000 people, in Bexar County receive about \$50,000 per month, or \$600,000 annually.

Summary	Cases	Persons	Amounts <sup>1</sup>
Work Projects Administration (only 4,922 cases employed).....	9,720	39,000	\$3,995,289
Surplus commodities.....	7,482	33,682	879,314
Old age (part State).....	4,616	4,616	858,506
Civilian Conservation Corps.....	992	4,000	337,100
National Youth Administration.....	745	745	127,476
Student aid.....	586	586	42,192
Unemployment compensation.....	2,500	10,000	600,000
	26,641	92,629	6,839,877
Less probable duplications.....	8,641	26,629	-----
	18,000	66,000	-----

<sup>1</sup> Federal only.

The probable duplications are principally in the Surplus Commodity case load, viz: While W. P. A. employed are seldom eligible for commodities, the unemployed are, and are therefore in both W. P. A. and Surplus Commodity figures above. There are about 5,000 such W. P. A. cases, or about 21,000 people, and the same applies in less degree to other classifications.

We omit the sponsors' costs because some are not available, and they are mostly material and nonrelief labor, or for work that would be done regardless of W. P. A. We took no account of farm subsidies, nor war pensions, nor retirement pensions, nor of about 50 cases monthly at about \$60 each of old-age insurance, which are not relief. There are also under way about \$11,000,000 of slum-clearance projects.

Except for old-age and some Surplus Commodity cases, those aided are mostly able-bodied people, and Government agencies by no means cover the field of distress, or even the most helpless and deserving cases. Types for which the governments make little or no provision, and which must depend on private charity, are illness, including permanent tuberculosis; crippled; widowhood; dependent children; broken homes; families with the breadwinner sick, disabled, imprisoned, or otherwise economically helpless; etc. These must depend mainly on private charity. Nowhere does the Federal Government provide food (except the small, unbalanced ration of the surplus commodities), rent, fuel, etc.

The committee investigations of the methods of distributing relief benefits develops the fact that in all cases, excepting those applying for old-age pensions, an applicant must register at the office of the city-county family welfare agency in the old DeZavalla School at Austin and Eighth Streets.

The city-county family welfare agency is at this time financed by the county commissioners, and it has the duty of registering applicants and investigating each case after registration. The investigation bureau has an average record of upward of 9,000 cases, of which approximately 7,500 are active. Of these, on October 1, there were as follows:

Alien employables.....	2,248
Alien unemployables.....	585
Latin American citizens.....	2,239
Latin Americans.....	5,072

There is an insufficient number of persons employed by the City-County Family Welfare Agency in registration and investigation work. During the past year Bexar County provided approximately \$18,000 toward this work. The office employs approximately 50 people, including 6 outside workers. This 50 is made up of 19 people employed by the county, 11 to 15 by the State, and about 15 young people who are in the office for filing and errand work and are supplied by the N. Y. A.

The original set-up contemplated one case worker to only 150 relief clients, and the load has grown until today there are approximately 1,250 cases for each worker. For this reason the workers are only able to grant interviews several weeks after applications, and to contact clients for investigation once in about 6 months, instead of once every month as originally planned. This is why there is so much complaint about the time required for an applicant to be given help. They need 35 case workers instead of 6, which would mean an average of about 220 cases per worker. A case worker can handle about 150 temporary or shifting cases, and about twice this many permanent and semi-permanent cases.

The rations distributed are issued through a commissary, which as a method is very inferior to the stamps and purchases through stores, as explained in the next paragraph. Nonperishable food supplies are issued monthly, and perishable food twice a month. The list of commodities supplied over a year's period might provide a fairly well-balanced ration, but no attempt is made to store and regulate the issuance of the various commodities, and as a result important food items are often lacking, and the commodities issued are not of a type to properly provide sustenance. It must be remembered that surplus commodities are surpluses bought by the Government to stabilize certain prices, and are given away only incidental to relief, and no effort is made to have a balanced ration; even if balanced it would equal in quantity only about 1 week per month necessary supplies. In addition some of the supplies are perishable and many of the people on relief have no facilities for keeping them, butter and fresh fruit and vegetables, for instance.

The committee has investigated a plan now in the experimental stage by the Federal Surplus Commodities Corporation as a substitute for the unsatisfactory commissary method of distribution, and approves it. Orange-colored food stamps are sold for cash to registered persons and are used at stores for purchasing food supplies. The object of purchasing the orange-colored stamps is that a 50-percent bonus in blue stamps is given with them. The blue stamps are good only for the purchase of those commodities which are listed as surplus by the Government. Blue stamps are also issued free without the purchase of orange stamps to those persons who are eligible for surplus commodities. This is simply a different and better way of distributing surplus commodities than by the commissary method. The plan has several advantages. It does away with the commissary and saves the beneficiary long trips to obtain his supplies. It further enables the beneficiary to obtain perishable foods in smaller quantities and all foods in far greater variety. It is also beneficial to the merchants as it does not upset the economic distribution system.

From the reports submitted by the San Antonio Social Workers Association it would appear that there is a great deal of malnutrition, particularly among the children of Latin American extraction, and that many cases of disease can be traceable directly to malnutrition and its complications.

In this connection the committee investigated a proposed plan for setting up a W. P. A. project in the schools to provide lunches for underprivileged children, but it was found that such a project would have to be applicable to all children whether underprivileged or not, and it was reported that the school board had investigated the conditions and found that there were approximately 2,000 children in serious need of additional food, and that it was not considered possible to put on a project which would involve all school operations to relieve these 2,000 children. It was also reported that private agencies which could discriminate between cases of necessity and others had in the past taken care in part of this situation.

It is the committee's understanding that the county has the legal power to furnish funds for relief purposes, including investigation of relief cases and the administration of the necessary organization. The Federal Government requires very little of the States and local governments, so little in fact that it should be done. This division, however, causes confusion and friction out of all proportion to the amount involved. The public pays for it all and will get a better job if the Federal Government does it all and has all the authority and responsibility.

An investigation of the needs of rural population developed the fact that in the eastern part of the county a large number of families, normally self-supporting, were in serious distress on account of the 2-year drought which had prevailed, and that representatives of these families in most cases did not have the means of coming to San Antonio and getting on the W. P. A. rolls, or of coming to San Antonio for ration issues; and that in some cases, by reason of being landowners, or land renters owning tools and animals, they are not eligible for either W. P. A. or agricultural relief although now in dire necessity.

During the past few years there has been a considerable development of low-wage industries in San Antonio which have in part helped support the Latin American population. Recently changes in the labor and hour law have caused the abandonment of some



of these industries, the removal of others to other locations, and the replacement of hand labor by machine in others, so that the opportunities for industrial employment have been greatly reduced.

The committee finds that in San Antonio and its suburbs the Latin American population is the most serious problem. San Antonio formerly was the home of a great many persons of Latin American extraction who played a leading part in making the cotton crop in Texas. Many of these families left San Antonio in the spring and traveled south to the Gulf, and then worked north with the cotton crop as far as Oklahoma and the Panhandle, east to the Mississippi. Each member of the family in many cases picked cotton, and the families were able to earn enough money during the summer and fall to return to San Antonio and live through the winter. The tremendous shrinkage in the cotton acreage and crop in Texas resulted in the concentration of many of these people in San Antonio without means of support, and has placed a burden locally of taking care of the machinery that formerly served a large part of the Southwest.

In addition to this, the shrinkage in cotton production has caused the elimination of the tenant farmer and the hired hand in many cases; and these persons and their families have also drifted to San Antonio where there is little chance of getting employment.

They are largely of two classes, neither of which makes them properly classed as San Antonio unemployed or as a local responsibility. The two classes are: First, those who live here but have always been transient farm labor operating from the Rio Grande to Missouri and the Mississippi, as explained above; and, second, farm labor of other countries that is now unemployed because of Federal policies and which has drifted into this city.

The Latin American population constitutes a large racial minority, and at its present rate of increase will soon become a racial majority in San Antonio. The schools already are crowded with children of Latin American extraction. This committee believes that there are many Latin Americans in San Antonio for whom there is no opportunity for gainful employment in the near future. For that reason it is believed that consideration should be given to the redistribution of population, and that some of these families should voluntarily return to the small towns and farms from which they have come, and that other families should be repatriated.

We wish to stress the fact, and emphasize it, that this committee has no unfriendly or racial feeling whatever toward Latin Americans; on the contrary we feel that their problems are our problems, but that changing agricultural and industrial conditions have caused a concentration in San Antonio and reduced their opportunities for employment, and that the fact is undeniable that there are many more Latin Americans than can be gainfully employed, and that thousands of them are aliens who are ineligible to W. P. A. work, and it is understood that alien populations are not supported by relief in France, England, and other countries, including Mexico. It is understood that American citizens going into Mexico are not permitted to become public charges. It therefore seems only fair that the matter of repatriation be considered carefully both by the city of San Antonio and the Mexican Government.

The press from time to time has carried statements that the Mexican Government desires the repatriation of Mexicans and that it was making lands and other facilities available for this purpose. It is recommended that the city of San Antonio seek to cooperate with the Mexican Government in connection with such relief repatriation.

The committee finds that the citizens of San Antonio are now contributing approximately \$250,000 per year to organizations of a character usually supported by a community chest fund, and the committee is unanimously of the opinion that it would not be possible to raise any considerable additional amount of money for relief work by voluntary private subscriptions.

The committee makes the following recommendations:

1. That an attempt be made to get an increase in W. P. A. allotments, and to provide projects so that the number of persons who can receive W. P. A. work employment will be increased.
2. That an effort be made to secure the adoption of the food stamp plan in San Antonio so that food supplies may be obtainable with better regard to a balanced and varied diet in quantities proportionate with other cities, and with greater ease by persons in need of them.
3. That an attempt be made to secure highway funds for road and bridge construction under the jurisdiction of the county authorities, so that work may be given to rural distressed citizens in the localities in which they live; and that the food-stamp plan be made available to these rural citizens to supplement their resources until such time as they may be able to make sufficient crops to support themselves.
4. That an attempt be made to bring about a reduction in the number of those in need of relief by the return of people who have migrated to San Antonio recently to their former home communities; and by the repatriation of aliens and their families.
5. That the local authorities make available sufficient funds to carry on the registration and investigation work in San Antonio and in Bexar County, so that persons in need of assistance will not have to wait an unduly long period while their cases are being investigated, and so that persons already receiving assistance may be

checked at frequent intervals, to the end that where there has been a change in conditions so that assistance is no longer necessary it may be discontinued.

Respectfully submitted,

Social Welfare and Fact Finding Committee; W. B. Tuttle, L. E. Fite, Robert E. Kingston, G. P. Menger, Theodore M. Plummer, Gustav A. Pagenstecher, F. M. Frasher, Mike Pleniazek, Leo Dubinski, Franz C. Groos.

## The Late Senator Borah

### EXTENSION OF REMARKS

OF

### HON. FRANCIS T. MALONEY

OF CONNECTICUT

### IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

#### ARTICLE FROM TIME MAGAZINE

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD an article on the late Senator BORAH which appeared in Time magazine on January 29, 1940. It is a splendid article; and, although it does not measure up to the admiration and effection I felt for the great Senator from Idaho. I should like to see it preserved, in order that those who come after us may know as much as possible about the distinguished man who served his country so long and so faithfully and so well.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time Magazine of January 29, 1940]

#### MAN IN A TOGA

Once he was a farm boy in Illinois, hating the black soil and the toil, reading the Bible and Shakespeare, yearning for Thespian grace and glory. He was a student in Kansas, boning for the law and persuading his roisterous fraternity fellows to pay a farmer for four stolen turkeys. He was a starveling lawyer, writing orations for practice in the hot, sandy afternoons, galloping his horse to and from a young man's fun in the Kansas night. He was the smartest sprig in Idaho, taking up for downtrodden Chinese, farmers, Mormons, while he served the corporations which owned the mines, the timber, and the Republican Party in the State. He was the bridegroom of blonde Mamie McConnell (whose papa was Governor of Idaho). He was a renegade Republican, going down with the Democrats and Bryan and 16-to-1 silver in 1896, striding back unchastened to the Republican Party in 1900. He was a theatrical, compelling, black-maned orator, bewitching the people into making the legislature send him to the United States Senate in 1907. Thereafter, until he died last week, he was BORAH of Idaho.

Last week the Capitol Plaza in Washington was white with snow. Through the windows of suite 139 in the Senate Office Building the trees, a-nod with ice, beckoned WILLIAM EDGAR BORAH to his customary walk in the Plaza park. But first, he had a little work to do.

In his inner office he was alone, save for the familiar things around him—the tidy desk, his old couch, black beneath a knitted blue shawl, two white pillows and an Army blanket, which he sometimes wore like a toga on cold afternoons in the park, on the wall a framed copy of Stanzas on Freedom, by James Russell Lowell, on the mantel two ancient lamps and a cane carved of wood from Borah Peak in Idaho. The secretaries in the outer office heard his full, fluid voice; the Senator was reading, aloud and twice over, some document which he wanted to memorize. Thus read, it would join his vast store from the Bible, Shakespeare, Britain's Burke and Fox and Pitt, Massachusetts' Daniel Webster, Emerson, many and many another remembered page.

Although no issue of moment was to come up, he attended the brief (20 minutes) Senate session that day. In the afternoon he read his mail and inquired about a Negro woman who had asked him to get her a job. He requested his young clerk, Charles Corker, to pick him up in the park around 4:30 and motor him home. "Are you sure you have the time?" twice asked BORAH, of Idaho, mindful that the stripling had prelaw classes to attend. Reassured, overcoated (without the blanket), the Senator trudged out of the office, along the echoing basement corridor, across Delaware Avenue to the park. His frail frame was stooped. His mane, still growing grandly down to his collar, was greying. Behind him on

the whitened ground he left the mark of his 74 years—the long, slurred footprints of one who has shuffled through the snow.

Next morning a child's voice on the office telephone asked how Senator BORAH was. A secretary wanted to know who was calling. "Oh," said the voice, "I'm just a little girl that talks to him in the park."

## DEATH WATCH

BORAH, of Idaho, was dying. He lay abed in apartment 41 at No. 2101 Connecticut Avenue, where he and childless Mrs. Borah had lived for 13 years amid the fruits of her ambulant, acquisitive curiosity—oriental tapestries, shawls, prints, screens, chests, scores of elephant figurines carved in white, green, blue, black, pink. That morning he had risen punctiliously at 7:30, in dressing gown had paused at the door of his wife's bedroom to chat with wispy, gray-blond "Little Borah."

To her he was Billy. She had survived the first, sometimes difficult years, with him when he was W. E. BORAH, of Boise, seemingly so engrossed in the law that he often had little time for his bride and home. She was with him when he burst on Washington, flamboyant in his Stetson hat and the long, square-cut, double-breasted coat which looked like a shortened topcoat above his baggy pants. Now "Little Borah," and all Washington, knew that lone-going WILLIAM E. BORAH would be indeed lost without her. She listened happily as he reported that his doctor had examined him and pronounced him sound. He went off to a bathroom. He did not return. "Little Borah" found him on the floor, unconscious, felled by an unpredictable, irreparable hemorrhage of the brain.

In coma, broken by intermittent fits of consciousness and one call for his wife, he lived through 4 days and 3 nights. The Chaplain of the Senate prayed, quoting the comfort of the Twenty-third Psalm: "Yea, though I walk through the valley of the shadow \* \* \*." On his last day, the Senate could bring itself to meet only for 6 minutes, gave up its usual week-end recess, and voted to convene next day—a Saturday. On Friday night his gray, weeping secretary, Miss Cora Rubin, who had worked for BORAH 30 years, telephoned reporters on deathwatch in the Senate press gallery: "The Senator passed away peacefully at 8:45 \* \* \*."

The flags on the Capitol dome dropped to half staff in the flood-lit night. All the tired phrases of tribute and condolence, worn nearly meaningless by necessitous convention, were heard in Washington. But now real tears gave them meaning. The death of no other man could have moved the Capitol just as BORAH's did. In the Senate he left 10 colleagues of 70 or more. None was his close friend; lone BORAH had no such intimate. But they grieved. "There was only one BORAH," mourned the only NORRIS of Nebraska. "His life and public service will write his proud epitaph," said snow-haired HIRAM JOHNSON, of California. "A very old friend \* \* \* a very great American," said Franklin Roosevelt, berating himself for his recent barbs at the great isolationist. Weepy ARTHUR VANDENBERG, of Michigan, Nevada's PITTMAN, SHIPSTEAD, of Minnesota, said in radioed memoriam: "He was a serious, intense, and lonely statesman \* \* \* the Constitution's most stalwart and effective friend since Daniel Webster. \* \* \* There is none to take his place!"

"I am the resurrection and the life, saith the Lord."

Over a gray casket, the Chaplain of the Senate bowed. His hands brushed the calla lilies on the top, his right hand raised in benediction. Brief (22½ minutes) but solemn was the state funeral for BORAH, of Idaho.

From the Chamber of the Senate went Franklin Roosevelt, his Cabinet, Chief Justice Charles Evans Hughes and his robed colleagues, the Members of Senate and House. From the galleries filed Eleanor Roosevelt, 150 Idahoans, a lone little girl in blue overalls and a bright red sweater. "Little Borah" left the lobby room, just off the Chamber, where she had chosen to wait out the service after one brief look beforehand at the casket. The doors of the Senate Chamber swung shut and were locked; inside, until the journey to Idaho and the grave began, was left the body of BORAH.

## The Late Joseph H. Chitwood

## EXTENSION OF REMARKS

OF

## HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

ADDRESS BY HON. JAMES P. WOODS

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an appraisal of the

life and career of Joseph H. Chitwood, formerly United States district attorney for the western district of Virginia, delivered on the occasion of his funeral by a former Member of Congress, the Honorable James P. Woods, Roanoke, Va.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today I am sadly complying with a last request made of me by a friend of nearly 40 years' standing. I render him the poor service of dropping a flower and a tear upon the grave of his memory. I have never had and never expect to have a more loyal or devoted friend. Should it have been demanded of him that he yield his right arm for my welfare, unhesitatingly would he have stretched it forth for the sacrifice—and I likewise for him.

The local press has already accounted briefly his career and his achievements and the well-merited public distinctions that have come to him. With unflinching courage, fidelity, and with signal ability he has discharged each of the many important trusts committed to him. I am reliably informed that his last public office—the United States district attorneyship—ranked among the very few highest efficiency records in that entire Federal department—a tribute alike to him and to the subordinates under his direction.

His father having been a Confederate soldier, he was mindful of the travail of misrule Virginia had suffered since the Civil War. This intensified his antagonism for the party responsible, and at the age of 13 he began and continued making political speeches with dauntless courage, perhaps with some prejudice, and unflagging zeal for his party.

A man of positive character and convictions, he held hypocrisy, dissimulation, and equivocation in contempt. There was never any doubt as to where he stood on public questions. He was a partisan, but in the larger sense, because he felt that through his party he could best accomplish his patriotic purpose and best promote the highest interests of his State and Nation. He was a politician, but likewise in the larger sense, in that he recognized politics as the science of government whose highest and most beneficent aims can be achieved only by party organization. He was impatient with and perhaps prejudiced against the principles and political theories of the opposite party, not as a rule against its personnel, among whose members he numbered some of his warmest friends. But above all he was a patriot. He loved Virginia, and to him whatever seemed her highest welfare marked the pathway of his duty, and however rugged the way and at whatever sacrifice he followed it with rare zeal and unhesitating courage.

As a lawyer his mind was unusually alert and had proper opportunity favored him he would have become eminent as a trial lawyer in the State courts, as indeed was his achievement in the Federal courts. He regarded his office as district attorney not as a mere reward for party service but as imposing upon him a serious personal duty which he faithfully discharged by conducting the Government's case in practically all Government criminal trials; and it was usually woe to the prevaricating criminal who submitted himself to his searching cross-examination and closing argument. Easily discouraged and pessimistic in the preparation of civil cases, nevertheless when he reached the actual trial he exhibited a resourcefulness, confidence, and courage born of a firm conviction of the justice of his cause.

As a citizen, while abstemious and economical in his personal expenditures, he was every ready to contribute of his substance and his talents to every cause he considered worth while. On several occasions he was the largest city contributor to his party campaign funds. His friendship attachments throughout the State were strong, reciprocal and deservedly so. His private life was exemplary. He was faithful to home, to friends, to every trust, and ever exercised a tender devotion to his loved ones. To the graces of rare scholarship and gentle culture he added in full measure the fundamental—alas, so-called homely—virtues of speaking the truth, paying his debts, and dealing justly and liberally with his clients and fellow men, without which no man can achieve true greatness.

As today with moistened eye we each look back over his life of earnest devotion and signal achievement, to the charm of his personality, and above all else see it crowned with a Christian character—the only thing worth living for, the only thing worth dying for and the only thing worth a true man's striving to attain—it gives us the confident assurance that he lives again. In it all we read a great truth so fully exemplified in his life—that serving is the highest form of living.

To his family, owing to his liberality, he leaves only a substantial competence, but he leaves them the rich legacy of an untarnished name, and to all of us the priceless testament of a worthy example.

Roanoke City, and especially Franklin County, loved him, and so long as beats the great heart of that old county will the bosoms of her children thrill with pride at the speaking of his name. In his generation she had no son really greater.

"Green grow the turf above thee, friend of my better days.

None knew thee but to love thee, none names thee but to praise."



## Second Regional Conference of American States

## EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

ADDRESS BY HON. JOHN G. WINANT AND THE DECLARATION  
OF HABANA

Mr. THOMAS of Utah. Mr. President, last November, on the occasion of the twentieth anniversary of the first International Labor Conference, which was held here in Washington in the fall of 1919, I was one of the speakers. A week later, on November 21, 1939, the second regional conference of American states convened by the International Labor Organization opened in Habana, Cuba. The object of this conference was to consider common social and economic problems of the American republics which are members of the International Labor Organization, and specifically to consider the action taken to make effective the recommendations of the first of these regional conferences of the Americas—that held by the International Labor Organization in Santiago, Chile, in January 1936.

There were present at this conference in Habana representatives of 19 American republics, including the 16 which are members of the International Labor Organization. Not only were the governments represented, but there were also representatives of employers and labor. Among the subjects discussed at the conference were social insurance, protection of women and children, and problems of migration and settlement.

Because this conference contributes to the solidarity of the American republics and helps more firmly to cement the ties of friendship between them, I ask unanimous consent to have inserted in the Appendix of the RECORD the closing address made by the Director of the International Labor Office, Hon. John G. Winant, a citizen of the United States, who discusses, among other matters, international trade problems which have a definite bearing on our reciprocal trade agreements program here in the United States; also the "Declaration of Habana," which was adopted at this second regional conference of the International Labor Organization, and which serves to supplement in the field of labor relations the Declaration of Lima and the Declaration of Panama.

There being no objection, the address and declaration were ordered to be printed in the RECORD, as follows:

ADDRESS BY JOHN G. WINANT, DIRECTOR OF THE INTERNATIONAL LABOR  
OFFICE

May I begin by joining with every speaker who has come to the rostrum by thanking the Cuban Government and its people for their generosity in making possible this conference in a time difficult for them and of world uncertainty. They have rendered a great service not only to the peoples of the Americas, but to the world membership of the International Labor Organization in permitting us in spite of war to carry forward the great plus sign of humanity—the everlasting story of the dignity of man.

In listening to the speakers on the director's report, I was struck with the seriousness of approach and careful preparation of the addresses made. May I acknowledge with very real humility the kindly references made to the director? Robert Louis Stevenson, who was at home in the Americas and a friend of the common man, once said that we had to learn in life when we got a cake to say "Thank God" and when we got a blow to say "Just so, well hit." That has always been the spirit in which the director's report has been discussed. If I have any criticism of the debate it is that you have been over generous in failing to criticize errors of omission, but I want you to know that I have not been unmindful of the information you have contributed to the discussion in the conference, and that that information forms an essential part of the documentation necessary for the completion of the report.

In reply to the 28 speeches that have been contributed by workers, employers, and government delegates from 14 different countries, I have tried to find some common denominator, some expression of opinion and conviction that carried through the entire debate, and, yet, I feel its unity is expressed rather in the spirit

of approach and in the universal recognition that the well-being of man under a democratic form of government is our primary objective. As was so eloquently stated, "our opportunities for service to humanity were never greater," and our chance to realize them depends "upon our ability to recognize that the progress of the nations is measured not upon the production of wealth and privilege for a few but by the social well-being of all the people." And, in accepting the premise that lasting peace is based on social justice, we realize that peace is not the resultant of war, but rather a positive and living relationship among men and among nations—it is good will formalized into friendly foreign policy. In the long struggle "to create a continent conscious of democracy and interpreted as justice in the service of men" we have accepted a democratic procedure which means "full representation of all parties concerned, free discussion, and the majority rule." \* \* \* there is the same evidence of the existence of a real parliamentary sense in this conference, as in the conferences which have been held now for 20 years in Geneva. In other words, the democratic spirit and method may be said to have proved themselves in the international as well as in the national field. It is perhaps not too much to say that our presence here means that we see in the continued and intensified application of this spirit and method the best, indeed the only hope for the future."

In our discussions we have rejected in the international sphere policies of both political and economic domination, and in our attempt to obtain practical living democracy within the nations, we have looked to the welfare of the individual, believing that "the state exists for the individual and not the individual for the state." The acceptance of these concepts of political philosophy automatically rejects the idea of trade based on unfair exploitation of raw materials and cheap labor without regard to social consequences. This does not reject reciprocal-trade agreements based upon an equitable exchange of goods. It is because we have realized the importance of such agreements that the Office has completed and will soon publish a study of the effect of international trade upon the standard of living of the workers. In this study we find that with few exceptions the countries which experienced the greatest changes in imports and exports experienced also the greatest changes in employment and in pay rolls. Those whose foreign trade fell off most in the great depression had the worst unemployment and wage reductions, and those whose foreign trade increased least in the recovery showed the smallest improvements in employment and wages.

In discussing American relations, one of the speakers said, "either make of the Americas a mother country with 20 colonies or make of America a model association of 21 free republics which will respect and help one another to obtain progress for all the peoples of the New World." It was the opinion of the speaker, and I believe the unanimous opinion of the conference, that we want "a model association of 21 free republics." I only refer to this because I believe that it is of the greatest importance that we give support to those men of good will in all the countries of the Americas who want a genuine reciprocity of relationships.

The same speaker, who stated that politics cannot be a creative force unless based on objective realities, would, I am sure, agree that here in the Americas lies our greatest hope today for international, political, and economic cooperation. There may be dangers, but disregard for small nations is not centered in the New World.

I have never come into this hall without a sense of gratitude to those silent members of this conference whose martyrdom is pictured in the great painting which hangs over the speaker's desk. Only this week we commemorated their sacrifice. It was those students of '71 who made possible the right of peaceable assembly which we have enjoyed here, the freedom of discussion under which we have conducted our business, and the support of a free press which has reported our findings to our constituencies at home. In your presence here you have extended these rights of full and free citizenship to the international field. I have also been reminded of another group of students who, recently, in an oppressed European country, forgetting themselves, were able to look down the decades as they faced a firing squad, and I have been deeply conscious that the fight for those underlying principles which are the foundation of political democracy continues in our day, and it behooves us to see that the guards of democracy go armed and alert. And so as we press forward along the frontiers of social and economic democracy, let us not forget that all we do is based necessarily upon political democracy—that political democracy which, as one of the speakers said, depends upon a faith born out of sacrifice and martyrdom, and the end of life giving is not yet. Already we have learned that "the International Labor Organization can flourish only in a world in which democratic peoples have a voice."

The conference yesterday by formal action pledged its complete support for the continuation of the work of the Organization. The words of that statement are themselves impressive, but its full warmth and meaning can only be realized by those who have followed the entire debate on the report and have heard speaker after speaker express the reasons for his belief and indicate what it is that his government, his group, or his countrymen demand from the Organization, and what they count on as the result of its work.

One of these speakers has said that "we have an affectionate regard for the International Labor Organization." If it be so, it is because we have reached out to every corner of the earth in an effort to blot out slavery, to release from bondage the indentured servant, to lift the standard of the peon and the peasant, to protect womanhood, to bring to maternity protection for mother and child, to cut down accidents, to wipe out industrial disease, to introduce job security and old-age security, to encourage the right of freedom of association and to do all that lies within our power to see that all

people everywhere have a fair chance to realize the wants of mankind for food, for clothes, for shelter, and for reasonable medical care, so that they may live in health and decency and may have that degree of security that will insure peace of mind.

We have tried to coordinate sound economy with social advance, to find ways and means to enable all people to share in the benefits of scientific progress both by cutting down the load on labor and shortening the workweek.

We have made available the services of our experts in appraising the accumulated experience of all countries of the world in the development and application of labor legislation. We have pointed out that administrators should be aware of the fact that legislation is not enough, but must be implemented and made effective through proper administration, that administration may be defined as legislation in action. In our organizational procedure we have taken advantage of the advice of interested groups, and we have recognized the need of Government intervention where such intervention has been decided by the people themselves in the public interest.

In order to bring about in the shortest time possible the material and moral betterment of the laboring classes of the American Continent, we must extend to the agricultural worker of the Americas the protection already gained by the industrial worker. In some cases this means giving to agricultural workers the assurance of freedom of organization and of civil liberties already won by urban workers. In some cases it means extending to impoverished peasants technical knowledge and aid in marketing that will permit an increase in their standard of life. In still other cases it may mean turning agricultural wage earners into independent farmers. Recognizing that land ownership on a small-acreage basis has been a steady influence in the development of democratic institutions in North America, we must view with sympathy the efforts in Latin America to establish land tenure on a similar basis of small proprietorship.

We agree with the statement that "it is imperative that organized labor should have a determining voice in fixing the terms of the peace settlement which follows the present war," and we are trying to do our share in preparing the way for the transition from wartime to peacetime economy.

With all the patient hard work accomplished here, I am certain that we all realize that the conference is simply a beginning, a pointing of the way; that actual accomplishment will ultimately rest upon the action taken within the countries represented here and the degree of protection and assistance rendered to the people by your governments. Your debates have outlined not only the progress already made in the Americas but also the special fields of interest where the International Labor Organization can be of use. It will now be our duty to accept this charge and work with you in the months to come, and in the doing of it may memory often carry us back to the waters of the Caribbean—the sea which washes the shores of this lovely and hospitable island.

#### DECLARATION OF HABANA ADOPTED BY AMERICAN MEMBER STATES OF THE INTERNATIONAL LABOR ORGANIZATION NOVEMBER 30, 1939

Draft submitted by the resolutions committee on the proposal of Messrs. Marino López Blanco, government delegate, Cuba; Herminio Rodríguez, government adviser, Cuba; Antonio Villalobos and Enrique Jiménez, government delegates, Mexico; Francisco Posada, government delegate, Colombia; José Domenech, workers' delegate, Argentina; and José de Camacho, workers' delegate, Colombia.

The representatives of the governments, employers, and work people of the American Continent, having met at Habana on November 21, 1939, in accordance with the generous invitation of the Cuban Government at the second labor conference of American states which are members of the International Labor Organization, adopts the following solemn declaration which may be cited as the Declaration of Habana, 1939:

"Whereas, as is declared by the preamble to the constitution of the International Labor Organization, lasting peace can be established only if it is based on social justice; and

"Whereas the existence of conditions of labor involving injustice, hardship, and privation to large numbers of people is calculated to produce unrest so great that the peace and harmony of the world are imperiled; and

"Whereas the International Labor Organization has determined to continue the quest for social justice in peace and in war; and

"Whereas these efforts of the International Labor Organization are completely compatible with the spirit of the Declaration of Lima of December 24, 1938, and the Declaration of Continental Solidarity adopted at Panama on October 3, 1939, and with the desire to set the world an example of a whole continent determined to resolve its differences without recourse to violence; and

"Whereas in view of the constructive policy which it has adopted the International Labor Organization has an essential part to play in building up a stable international peace based upon cooperation in pursuit of social justice for all peoples everywhere: the representatives of the governments, employers, and work people of the American Continent,

"Proclaim their unshaken faith in the promotion of international cooperation and in the imperative need for achieving international peace and security by the elimination of war as an instrument of national policy, by the prescription of open, just, and honorable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and the scrupulous

respect for treaty obligations in the dealings of organized peoples with one another; and pledge the unwavering support of the governments and peoples of the American Continent for the continuance with unimpaired vigor of the efforts of the International Labor Organization to accomplish its high purpose of achieving social justice."

### Domestic Allotment Certificate Plan for Cotton

#### EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

RADIO ADDRESS BY TOM W. CHEEK

Mr. LEE. Mr. President, last Saturday Mr. Tom W. Cheek, president of the Farmers' Union of Oklahoma, delivered over the National Broadcasting Co. network a very fine speech in support of the domestic allotment certificate plan for the relief of the cotton farmer and in support of the bills which are now pending before the Agricultural Committees of the Senate and the House. I ask leave to have his speech printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### To the Farmers' Union Radio Audience and Friends:

The National Farmers' Union cotton committee extends to you fraternal greetings. To the National Broadcasting Co., we want you to know we appreciate this privilege which makes it possible for us to reach all the farmers with our educational program.

As chairman of the National Farmers' Union cotton-commodity committee, I have been requested to talk about our cotton bill which was introduced in the Senate and House in the last session of Congress. In the Senate it is S. 2434 and was introduced by Senator JOSH LEE, from Oklahoma. In the House it is H. R. 6671 and was introduced by Congressman CARTWRIGHT, from Oklahoma, who is chairman of the Oklahoma congressional delegation.

The bills propose to amend the 1938 Agricultural Adjustment Act and has to do with the marketing of cotton produced and consumed in the United States. This proposed legislation has the proper mechanics set up and provided for which will bring the money to the farmers' pockets for that portion of the crop consumed in the United States.

Each farm family producing cotton will get a domestic allotment; the total sum of which will equal the amount used and consumed in the United States. Approximately six and a half million bales is the amount we use and which is needed for home consumption. However, this figure would be materially increased when the farmers' purchasing power is restored. It is estimated that we would consume 11,000,000 bales of cotton here in America if we only had the purchasing power. We have a great capacity to consume in America. A great capacity to produce has been developed by the genius mind of invention. Applying this to our great priceless deposits of natural resources we are capable of producing five times more than we need to supply every person in America with an annual supply of abundance.

So I ask, Are we going to allow the machine to be the master and a curse of mankind, or are we going to make it our servant, bringing forth the blessings of abundance to all?

We have before us the problem of equitable distribution of our newly created wealth. It is our job to set up the mechanics which will solve the problem of distribution and at the same time put a floor under the income of farm families by recognizing the family unit as the major part of the farm plant.

We have 2,325,360 farm families who produce cotton annually. We checked and found that there are 403,257 farm families who have produced 2 bales or less amounts on the average for the last 10 years. We provided in our bill that all of you will get parity or cost of production for all of your cotton crops if you stay within the range and don't exceed 2 bales per family. If you have averaged less than 2 bales, you may produce up to 2 bales and get full parity or cost of production. We estimate that this would double your income from cotton.

The next group who produces more than 2 bales and who does not exceed 5 bales, or 2,500 pounds of lint cotton, would receive full parity or cost of production if they stayed within the average range maintained in the last 10 years. There are 763,459 farm families in this group.

In the next bracket there are 200,173 families who raise more than 5 bales but who do not exceed 6 bales. They would get full parity for 5 bales, but for the sixth bale the value of the allotment certificate would be reduced 15 cents on the dollar. The same ratio of reductions would apply to the 7-bale man, the 8-bale man, and the 9-bale man. Allotment certificates for those raising 10 bales and



above would be valued at 10 cents on the dollar. This would mean that you large producers would get 10 percent more than you are receiving now for your cotton on the world market price.

For illustration, the small cotton farmer who has raised 5 bales or less, according to his historical production for the last 10 years, would receive an allotment certificate on full parity or cost of production, whichever is higher, and not a benefit payment of 75 percent of parity. You who have been producing more than 10 bales would receive exactly the same certificate allotment value on your first 5 bales as the small producer. The big producers are graduated down in their certificate value to 10 percent of that which they receive on the first 5 bales. This will take up and use all the cotton consumed in the United States.

Where are we to get the money? These allotment certificates are sold to the manufacturers of cotton goods; the value of the certificate is based on the difference between the current market price the farmer receives and parity or cost of production, whichever is the higher. If cost of production or parity is 16 cents a pound and the current price is 8 cents, you would receive 8 cents in your certificates, which would bring the price of your cotton up to 16 cents a pound. If the current world market was 12 cents a pound, Middling cotton, the value of your certificate in that case would be 4 cents a pound, or a total of 16 cents on your domestic allotment.

The method for raising these funds with the certificate plan is provided for in the bill and would mean that we would not need to depend upon appropriation out of the Federal Treasury to pay a subsidy to farmers.

No need for increasing the price of cotton goods materially to the consumer. The spread and profit between the farmers' hand and the consumers' lap is so broad that it need not be reflected in the price to the consumer. For instance, we farmers get 8 cents a pound for lint cotton in the bale, and when we purchase a pound of this cotton back in the finished product, like a cotton shirt that weighs 1 pound, we pay \$1.25 per pound for our cotton in the finished product. Other cotton goods which the consumer buys have this same enormously wide margin of profit. Taking this into consideration, we see that it need not materially increase the price to the consumer.

We estimate that when this bill is passed in 1940 it will increase the farmers' purchasing power approximately \$325,000,000, without costing the taxpayers one thin dime.

Where will you sell your cotton when this amendment becomes a law? Just where you are selling it now or where you choose to sell it—through your own cooperative or in the open competitive market, as many of you are doing now.

Somebody asked why we don't make it apply to all other farm commodities. Because we all recognize that it takes a different machine and different mechanics to produce, harvest, and market the different commodities. Who ever heard of a doctor prescribing and mixing together all kinds of medicine known to the healing art and giving it for a case of appendicitis? The good doctor knows there are different medicines that must be administered for different ailments. A potato digger cannot be used in harvesting or combining wheat. The difference is just as wide between wheat and cotton. This bill is set up to do the job for cotton. We provided in the last section of the bill that any other commodity may be brought under this plan when the producers of that commodity so desire and by two-thirds vote express to the Secretary of Agriculture their desire to become a beneficiary of the act. The same mechanics will apply readily to the wheat commodity, and we believe the same law and mechanics will apply to the rice commodity. We believe the same plan may be worked out for many other commodity groups.

If we are practical and realistic in these things, we will go about solving the problem in a practical and realistic way, and we will all help each other solve our problems in an equitable and practical manner. These plans have been laid before the Congress and we are working on the job every day.

There is nothing mysterious or confusing about the domestic allotment plan. Members of Congress can readily see the many advantages of this cotton amendment embodied in Senate bill 2434 and H. R. 6671. The Agricultural Committee of the Congress can be informed and convinced in 1 hour's time that the plan is equitable and will work. We are asking the Members of Congress to give this important legislation due consideration at the earliest possible moment, that it may be put into operation for the marketing year of 1940.

These measures have been sponsored by dirt farmers themselves with the aid of the best legal counsel. We believe that farmers with practical experience are better qualified to work out their legislative problems than those who speak loud and long, pleading the case of the farmer and whose historical past proves that they are motivated by selfishness and their only desire is to farm the farmers. Politicians only hinder the farmers instead of helping them. We all know there is a wide difference between a politician and a statesman.

Another very important bill is our wheat bill, S. 2395, introduced in the Senate by Senator WHEELER, from Montana. Mr. Glenn J. Talbott, chairman of the National Farmers' Union wheat commodity committee, will explain this bill over NBC from this station the fourth Saturday, 23d day, in March. I want you all to hear the wheat bill explained. It carries the same domestic allotment certificate plan as the cotton bill and protection of the family size wheat farm is its major objective. May I say here that we are pleased to tell all the farmers in America that the wheat farmers have pledged their loyal support to our cotton bill and we cotton farmers in turn have pledged our loyal support to the wheat bill. We are playing the part of good neighbors. It is encouraging to

me, and I am sure it will be an inspiration to you, to know of this pledge being signed in the presence of and by our trusted leaders from the cottonfields in the South and the wheatfields in the North. We are determined that there shall never be another dividing line between the farmers of the North and the farmers of the South—that the Mason and Dixon Line is no more.

We ask all farmers to join in this crusade that justice may be done to agriculture. Duty impels all farmers to join in one common bond of brotherhood our own class organization. Together we can accomplish wonders. Without this we will make a dismal failure. This job is your job, as men and women who toil in the fields, who sow and reap, that the Nation may live. Collective and intelligent action of farmers of this great country can bring a blessing and abundance to all. I am pleading with you all to join in your own class organization, assume and share the responsibilities with us, that we may all share peace, prosperity, and happiness.

The National Legislative Committee has appealed to all co-operatives, all local unions, and to the membership in general to furnish a national legislative fund which will enable us to fight your battle for you. Every cooperative in the Nation should do its full share. It is you we are fighting for.

You and I know it is the day of organization and cooperation. Our own organization is leading the way. By collective action and 38 years of hard work we have gradually built a great militant organization. We have not submitted to a compromise of our fundamental principles and become a "yes man" organization. We are a veteran organization which claims the distinction of always working for the interest of the general welfare. In Oklahoma our membership is nearing 16,000 paid-up members for 1940, and they are still rolling in. We know that our first duty is to help the busted farmers who have lost their homes through no fault of their own while they were sowing and reaping and producing an abundance of newly-created wealth each passing year. We have done our job well in the field of production, but we have not solved the problem of distribution. You and I know that it is our duty to assume the responsibility and do the job as men and women should do.

Let us not be slackers and shirk our full duty. Pay dues in our own class organization, continue to build cooperatives by giving loyal support to our association, and keep our membership up in both the State and National Farmers' Union. Let us not patronize the other fellow who is in competition with our cooperatives. Let us not quibble over little frivolous things and try to find fault with everything that the others may try to do in our cooperative and local unions. One ounce of sincere cooperative effort is worth a million pounds of knocks. Let us all pray for a normal rainfall and a bountiful harvest in 1940. Let us not be carried off our feet by political propaganda. This is a campaign year you know. Let us take glittering generalities and political promises and measure them with the records of the past and cast our vote for the general welfare and the good of the order.

If you desire a copy of this broadcast just drop a card to the national secretary, J. M. Graves, Oklahoma City, Okla. If you enjoy hearing the Farmers' Union program every fourth Saturday of each month send a card, letter, or telegram to the National Farmers' Union, Oklahoma City, Okla.

You will be hearing us every fourth Saturday on NBC network, 11:30 a. m. to 12:30 p. m., central standard time. Write your Congressmen and Senators and thank them for their loyal support in the past and ask them to support our legislative program which is now before Congress.

Thank you for taking time to listen to this broadcast.

## Foreign Commerce

### EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

ARTICLE BY HUGH S. JOHNSON

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article entitled "Foreign Commerce," from the pen of Gen. Hugh S. Johnson, which article I clipped from the Washington Daily News some time ago.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN COMMERCE

(By Hugh S. Johnson)

WASHINGTON, November 16.—Japan is going to get an absolute embargo right in the neck if she doesn't respect American rights in China, where our stake is less than \$100,000,000. Our trade with Japan is about \$500,000,000 a year. Five years of that embargo would cost us about \$2,500,000,000 to protect that \$100,000,000.

A leading item of that export is cotton of which Japan takes a big slice of all exports. Cotton surplus is a terrible problem for the South. To save that Chinese \$100,000,000 might cost southern agriculture alone much more than that. Those who own the Chinese investment could stand the loss much better.

American rights are being kicked around elsewhere. In Mexico they amount to also \$500,000,000, already battered down from almost \$700,000,000.

Japan doesn't seize American properties, she just restricts American business. Mexico does both.

It is part of our policy to build up our Latin American trade. Much of this fruitful white man's country is just as capable of amazing development as our own was in its virgin state. Our country grew so amazingly because floods of foreign capital came here for investment. It came because we respected foreign rights and also paid our debts.

#### UTTERLY IMPOSSIBLE

Our Government's plan to put a pulmotor on the lazy economics of Latin America is to procure the investment of large sums of American private, possibly public, capital to develop these marvelous countries. But how can private capital venture or the political trustees of public capital risk it in countries that do not respect foreign rights and do not pay their debts?

It is utterly impossible. All Latin American countries do not confiscate property as Mexico does, but all are invited to do so if our Government is not as insistent there as it is in China that foreign rights be respected. Some Latin American countries pay their debts, but why should they if our Government doesn't insist on that, too, as an incident of trade?

If pan-American development is our principal policy, why should we get so tough with Japan and threaten to sacrifice so much for a relatively insignificant interest in China and do almost nothing on what appears to be our principal stake and brightest hope of all, the Americas in the Western Hemisphere?

#### WAR, NOT COMMERCE

It is possible that the gesture toward Japan isn't really a matter of trade at all, that it is really something that we are doing in our apparent silent partnership with Great Britain, and that it has more to do with war than commerce.

We seem to have gone into the sacrifice business in a big way. We are willing to sacrifice several hundred thousand tons of American shipping in the Atlantic Ocean, more than the subs have sunk for all nations, to avoid diplomatic disputes over the freedom of the seas, when we could avoid them equally well without so much sacrifice. We would make an annual sacrifice of \$500,000,000 in our Japanese trade to save our \$100,000,000 stake in China. We may not be willing to sacrifice our \$500,000,000 stake in Mexico, but we are not doing anything to preserve it, even though not doing anything risks the sacrifice of many more hundreds of millions in other Latin American countries and our bright prospects of building up the Western Hemisphere trade for all the Americas.

This business of foreign trade is of deadly importance. It is the only certain way of putting our millions of unemployed back to work and sustaining markets for our vast and unmanageable agricultural surplus which has crucified our farmers for 20 years. There are methods less than war but more than mere words to persuade Mexico, too. It is only necessary to withdraw active American support of the Cardenas Communist government.

### Tariff Making Before the Hull Trade Program

#### EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

ARTICLE BY C. P. IVES

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an article appearing in the Baltimore Sun of February 22, 1940, entitled "Before the Hull Trade Program."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of February 22, 1940]

BEFORE THE HULL TRADE PROGRAM—A CASE HISTORY OF HOW TARIFF MAKING, OLD STYLE, ACTUALLY WORKED OUT IN PRACTICE

(The forces in Congress resisting extension of the Hull Trade Agreements Act are largely the forces responsible for the Hawley-Smoot tariff of 1930. A study of what followed that tariff is therefore in order.)

(By C. P. Ives)

WASHINGTON.—Mr. Willis C. Hawley, who was backing a certain tariff bill announced in the newspapers of June 1, 1930, that "the pending bill when enacted into law will not only benefit our own

people, but also enlarge our foreign trade." Inasmuch as there is a considerable movement in Congress now for a revival of much the methods by which Congressman Hawley's and Senator Reed Smoot's tariff bill was finally enacted, a test by subsequent events of Mr. Hawley's claims for the bill may be appropriate.

The Hawley-Smoot tariff bill became law on June 17, 1930. In May, 1,028 of the soundest economists in the country had warned President Hoover against signing it. They had expected a man of his scientific training and international experience to heed what they considered the overwhelming testimony of both science and experience against the pending bill. But Senator Smoot suspected that the economists were mere academic visionaries; and while President Hoover did not go into that, he rejected the tariff views of the economists for those of Mr. Hawley and Mr. Smoot.

#### HOW THE RATES ROSE

As the economists had realized, however, something more than a mere recession was already upon the country. The United States, geared since the war to a world creditor position, was geared, too, into an intricate mechanism of world trade. This gearing persisted despite the high tariffs imposed by the Fordney-McCumber Tariff Act of 1922. In any test of Mr. Hawley's theories of prosperity, therefore, it will be useful to compare the Hawley-Smoot schedules with those of the Fordney-McCumber Act.

The United States Tariff Commission had naturally been interested in that same point. It estimated that the rates on agricultural products were raised 71 percent beyond the earlier act—the Hawley-Smoot tariff, it is to be remembered, was part of the Republican compensation to the farmer for refusal to enact the various debenture and equalization fee plans propounded for his relief in the twenties. On wood and its manufactures, the rates went up 31 percent. Other increases were as follows: Wool and its manufactures, 20 percent; shoes and boots, 20 percent; leather, 17 percent; earthenware, 17 percent; cotton manufactures, 15 percent; sugar, 12 percent; hides and skins, 10 percent; chemicals, 7 percent. There were, in all, 3,221 dutiable items in the 1930 act as against 2,840 in the law of 1922.

Now a national business system, geared to world trade as the American economy was in 1930 (and still is), is necessarily dependent on a certain amount of international good will toward those who run it. Inasmuch as Mr. Hawley had predicted that the new tariff would enlarge our foreign trade, one would have expected a new friendliness among our foreign traders.

But it didn't develop that way. On the contrary, the expressions abroad upon the new American tariff were rather unprecedently unpleasant. And they began much before the bill was finally enacted. Pleas or protests against the pending schedules were received during the discussion of the bill from the following fairly representative list of foreign countries or regions: Argentina, Australia, Austria, the Bahamas, Belgium, Bermuda, British India, Czechoslovakia, Denmark, the Dominican Republic, England, Finland, France, Germany, Greece, Guatemala, Honduras, the Irish Free State, Italy, Japan, Latvia, Mexico, the Netherlands, Norway, Paraguay, Persia, Portugal, Rumania, Scotland, Spain, Sweden, Switzerland, Turkey, and Uruguay.

#### PRESS REACTION

Nor were the reactions of foreign countries to the new tariff limited to the polite and formal representations made through governmental agencies. Responsible French newspapers called it a declaration of economic war and an economic blockade. It was "the most terrible blow against the economic life of the world," in the view of a Swedish journal. A Spanish editorial pictured the United States as "trampling on fair competition and on the peaceful spirit of international relationships." A paper in Germany—pre-Hitler Germany, mark—called the new tariff act a "monster of economic folly."

The reaction was not, finally, limited to expostulation, journalistic or diplomatic. While Mr. Hawley's tariff bill was still pending, Canada observed from the special vantage of a neighbor the handwriting on what was to become a new tariff wall. She busied herself immediately with defenses. "Those who raise prohibitive tariffs against our products must expect that we will extend favor to our own customers—the British—rather than to them," said Finance Minister Dunning, anticipating rather clearly the Ottawa conferences of 1932, at which the British commonwealth nations agreed as far as possible to keep their trade to themselves. A new and clearly retaliatory tariff bill went through the Canadian Parliament in May while our bill was still pending. Exactly what these Canadians and other foreigners were talking about was indicated by the trend in our imports from 1930 through 1931. Imports of leather goods dropped in value 55 percent; Canada, France, Germany, and the United Kingdom being the principal sources of these goods. Imports of wood and its manufactures, principally from Canada, dropped 45 percent in value. Earthenware imports, taken largely from Belgium, Germany, and Czechoslovakia, dropped 45 percent. The imports of hides and skins which we had been taking from Argentina, Canada, New Zealand, the United Kingdom, and Uruguay dropped 45 percent. Other drops, together with the usual origin of the products were as follows: Wool and its manufacture, Argentina, Australia, China, New Zealand, the United Kingdom, 42 percent; shoes and boots, Czechoslovakia, Switzerland, the United Kingdom, 40 percent; agricultural products, Argentina, Canada, Italy, Mexico, Spain, and Uruguay, 36 percent (with a drop in exports, as will be seen, of 46 percent); cotton manufactures, Egypt, France, Switzerland, the United Kingdom, 34 percent; chemicals, Germany, 26 percent; sugar, Cuba, 19 percent.

To be sure, the actual extent of these declines in value was modified somewhat by the fact that a general price drop was in progress



all over the world during the period. It amounted on an average to some 15 percent in the United States and from 12 percent to 15 percent abroad. But with this reservation, the decline in value of all our imports in the period was 32 percent. A hint of the relative extent of this decline may be gathered from the fact that, with our own figures included, average imports of seven major commercial countries (France, Germany, Italy, Switzerland, United Kingdom, Canada, United States) were off only 26.5 percent in the period indicated.

#### OTHER REPRISALS

With Canada leading the way in reprisals, some 70 other nations enacted tariff laws in the 2 years after enactment of the Smoot-Hawley Act. And it is interesting to correlate the enacting countries with those against whose products the Smoot-Hawley tariff had proved especially discriminative. Thus Argentina, against whose farm products we had erected barriers, raised tariffs against auto parts, wood and films, all previously taken from the United States. Australia, hit by our new tariffs on wool, raised her tariff against our gasoline, boards, auto parts, and farm products.

Belgium, hurt by the new duties on earthenware, struck back at imports of American automobiles. Canada, affected in farm, wood, leather exports, retaliated against American automobiles and farm products. So the procession went on, with new tariffs affecting us directly in China, Cuba, Czechoslovakia, France, Germany, Italy, Mexico, New Zealand, Spain, Sweden, Switzerland, the United Kingdom, and Uruguay—all countries touched vitally by our new legislation.

And of course the fundamental rule of world trade—nonetheless fundamental for being ignored or denied by the high protectionists—is that you can't sell if you won't buy. So the statistics on American exports after 1930 complement with painful exactitude the figures on our declining imports. American exports specifically discriminated against by the new (and some old) foreign tariffs dropped in value from 1930 through 1931 as follows: Cotton (sold to the United Kingdom), 56 percent; gasoline, 56 percent; automobiles, 54 percent; petroleum and its products, 45 percent; grains, 45 percent; typewriters, adding machines, 43 percent; agricultural products in general, 43 percent; wood, boards, etc., 43 percent; wool and its manufactures, 40 percent; tobacco leaf, 24 percent.

In all, total United States exports dropped 37 percent from 1930 to 1931. But the total exports of seven major commercial countries (France, Germany, Italy, Switzerland, United Kingdom, Canada, United States), with our own figures included, dropped on average only 26 percent. Again general price recessions are to be acknowledged. But again it is to be noted that the American decline is greater than the average decline of seven major commercial countries, though that average includes our own figure.

#### TARIFF MAKING, OLD STYLE

Against the whole panorama of world economic disorder from 1929 on, it is of course impossible to assign specific responsibility for such losses to the legislators who passed or the President who approved the Hawley-Smoot tariff. Other factors were involved, other influences felt. But it does seem evident that Mr. Hawley (whose "Who's Who" sketch explains that he is "regarded as an authority on taxation and tariff") guessed wrong when he promised that the Tariff Act of 1930 would "enlarge our foreign trade." And certainly many Americans can understand, if they cannot wholly accept, the late Dr. James Harvey Rogers' description of tariff making, old style, in America:

"Small, corrupt, but highly organized bands, represented by a group of paid lobbyists for whom no one but their employers has any feeling other than contempt, and who are united among themselves by the sole bond of intense personal interest in the loot that they are seeking, raid continually the public pocketbook \* \* \* That may be bearing on pretty hard, but the forces Dr. Rogers describes are now at work in Washington against Mr. Hull and the new Trade Agreements Act.

### Transportation Bill

#### EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

LETTER FROM EDWARD P. FARLEY

Mr. TRUMAN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a letter published in yesterday's Evening Star on the pending transportation bill now being considered in conference.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Evening Star of February 28, 1940]  
ARGUMENT MADE FOR WHEELER-LEA BILL—COORDINATION OF RAIL AND WATER FREIGHT RATES HELD DESIRABLE

TO THE EDITOR OF THE STAR: The Wheeler-Lea bill, now in conference between the Senate and House of Representatives, takes from the Maritime Commission and gives to the Interstate Commerce Commission the authority to regulate domestic water carrier rates. In some quarters misunderstanding has arisen from this provision of the bill. It appears that the misunderstanding results from four general charges: 1. That regulation by the Interstate Commerce Commission constitutes further Government interference with business; 2. that regulation will tend to increase rates; 3. that the Interstate Commerce Commission is a "railroad" body, and as such will be "biased" in favor of the railroads; and 4. that domestic ship operators are opposed to the bill. These charges can be cleared up in a few words as it seems that they were made without knowledge of all attending factors.

First, the Government, through the Maritime Commission, already exercises regulatory control over domestic water rates, so the Wheeler-Lea bill is not new legislation in the sense that the Government is moving in to do something that it has not been doing. No extension of Government authority is involved. The bill simply considers water and land transportation as integral parts of a national common-carrier system which, in the public interest, requires unified regulation.

Since water and land services are competitive to a degree, and since each has its place in our national economy, there obviously is merit to the claim that the rates of each should be coordinated with the rates of the other so both will stand in proper relation to each other. Every one concerned, shippers, consumers, shipowners, railroad security owners, employees, all profit by a fair and stable rate structure, and the general public is better served by the elimination of uneconomic and unfair practices.

Unified regulation was a dominating factor in transferring water-rate regulation from the Maritime Commission to the Interstate Commerce Commission. In addition to this, there was another strong reason for the transfer. The Maritime Commission is primarily concerned with foreign-trade shipping, which is subsidized, while the Interstate Commerce Commission's chief interest is in maintaining adequate transportation facilities at home, having no responsibility for foreign-trade transportation. The Maritime Commission has a gigantic task in promoting and developing a foreign-trade fleet, mapping out routes, building new ships, granting subsidies, and, possibly, operating Government-owned lines. Domestic rate regulation is another large task, one which, in comparison with the Interstate Commerce Commission, the Maritime Commission is not geared to undertake. The whole issue reduces itself to that of choosing which of two Government agencies is to regulate domestic water rates. It is not a question of deciding whether we are to have water-rate regulation, for we already have it.

Second, the general charge that Interstate Commerce Commission regulation will of itself tend to increase domestic water rates has one of two implications: Either the Commission will unjustly allow unreasonable increases or the present rate level is too low to sustain the industry as an efficient part of our transportation system. The judicial integrity of the Commission should not be subjected to general insinuations. Its sincerity and integrity have kept the support of the public for more than 50 years. On the other hand, as present rates will not permit the replacement of older tonnage as it becomes obsolete, who in good faith can object to an increase sufficient to make necessary replacements to assure continued operation of a vital public service?

Third, the broad charge that the Interstate Commerce Commission is a "railroad" body, and therefore "biased" in favor of railroads, has little merit. The Commission is composed of honest and capable public servants, and its record warrants the assumption that it will continue to act in the public interest and as directed by Congress. Its standard of fair and impartial administration is in keeping with that of our courts, and its acts in administration of the law are reviewable by the courts.

Fourth, domestic shipowners, operating the great preponderance of tonnage in strictly common-carrier service, have urged this legislation for many years. I have represented them at congressional hearings, and their support is a matter of record. Marine interests opposing the Wheeler-Lea bill are affected little, if any, by its provisions, except inland waterways.

EDWARD P. FARLEY.

FEBRUARY 21.

### The "Altmark" Incident

#### EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

STATEMENT BY THE NORWEGIAN GOVERNMENT

Mr. WILEY. Mr. President, on February 26 the distinguished Senator from Indiana [Mr. MINTON] inserted in the

Appendix of the CONGRESSIONAL RECORD a letter from James W. Ryan, a lawyer of New York, relating to the case of the *Altmark*.

On February 26 the New York Times published the statement of the Norwegian Government on the *Altmark* situation. I ask unanimous consent that the statement of the Norwegian Government be inserted in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE NORWEGIAN GOVERNMENT'S OFFICIAL STATEMENT ON THE "ALTMARK" MATTER, BROADCAST IN OSLO OVER THE NORWEGIAN STATE RADIO SUNDAY EVENING, FEBRUARY 25, 1940

As already known, the Norwegian Government handed a protest to the British Government on the 17th of this month against the violation of Norwegian neutrality by British naval forces during the night between February 16 and 17, when they boarded the German state vessel *Altmark* in the Joessingfjord. (The *Altmark* is indicated in official list of ships belonging to the German Navy as a Tross schiff.) By this action 7 Germans lost their lives and some were wounded, while about 300 British prisoners on board the *Altmark* were transferred to the British warships and taken away. The British Foreign Minister admitted that a technical violation of Norwegian neutrality had been made and declared that the action had been undertaken with the full assent of the British Government. He pointed out that the Norwegian Government ought to have subjected the *Altmark* to a most careful search at Bergen, and that the British Government would be grateful to receive detailed information as to how the examination had been conducted and as to the facts which were discovered. He went on to say that the investigation seemed to have been very superficial and that the Norwegian Government thus had failed to fulfill her obligations as a neutral. On the 20th of February, in the afternoon, the British Minister in Oslo gave the Foreign Minister, Dr. Koht, an account of the conversation between Lord Halifax and the Norwegian Minister in London on the 17th in connection with the Norwegian protest in the case. After having collected further information in the matter, the Norwegian Government have now brought to the knowledge of the British Foreign Minister through their Minister in London that the *Altmark* was visited by a Norwegian torpedo boat in Norwegian territorial waters off Kristiansund north on the 14th, just after she had entered Norwegian waters. On questions put by the Norwegian commanding officer, the captain of the *Altmark* declared that the ship was on her way from an American port (Port Arthur, in Texas) to Germany.

The *Altmark* was armed with small antiaircraft guns for purposes of self-defense; the guns, however, had been dismounted before the ship entered Norwegian territorial waters. The ship carried the Reichsdienstflagge, indicating that she belonged to the German Government. Some distance farther southward the ship was hailed again by another Norwegian torpedo boat. Among other questions, the captain of the ship was asked whether there were any persons on board belonging to the armed forces of another belligerent or seamen resident in, or nationals of, another belligerent country. To these questions the captain answered "No." When the *Altmark* later on was hailed for a third time by a Norwegian warship north of Bergen, the captain refused to have the ship searched on the ground that she had already been visited and that she belonged to the German Government. As the *Altmark* was an auxiliary of the fleet and consequently had the same immunities as a warship, the Norwegian authorities were not, according to international law, entitled to make further investigations, nor were they entitled to prevent the ship from continuing her voyage through Norwegian territorial waters. It must be emphasized that the *Altmark* has not called at Bergen or at any other Norwegian port or anchorage as the British Government seem to have supposed. Consequently there can be no question of applying the 24-hour limit in this case. Neither the Hague Convention No. XIII nor the Norwegian Neutrality Rules of 1938 stipulate any time limit as far as passage is concerned. The transport of prisoners through neutral waters by a belligerent state's warships or prizes is not contrary to international law. This is recognized theory of international law. Norway has neither the right nor the duty to interfere and investigate whether there were prisoners on board, nor eventually to release the prisoners during the ship's passage. As the *Altmark* did not call at Norwegian ports, the Norwegian Government have had no reason to make up their mind as to what would have had to be done with the ship or the prisoners if such call had taken place. Generally speaking, it can be said that the Norwegian Government in this case would have endeavored to fulfill all international obligations.

The British Government themselves have strongly insisted upon the right of passage for belligerent warships through neutral waters. This was done, for instance, in their observations of May 23, 1939, to the Norwegian neutrality rules. The Norwegian Government have pointed out to the British Government that it was their duty to observe the rules of international law correctly to both sides, and as to these rules there can be no doubt. When it is emphasized on the British side that the prisoners were badly treated and that Norway should have taken the humanitarian aspect into consideration, the Norwegian Government would like to add that they can understand the British feelings at the thought of British

prisoners being on board. However, in the opinion of the Norwegian Government it would be necessary for a neutral state to be able to refer to a definite rule in a treaty or recognized international law if they were to take action against the belligerents or to interfere in a case between them. The Norwegian Government have further expressed the hope that the British Government, in the light of the information given, would feel convinced that the Norwegian Government strictly have observed international law in this case. If, however, the British Government should maintain their view, the Norwegian Government would propose that the differences of opinion between the two Governments should be submitted to arbitration. The form of procedure would have to be agreed upon by the two Governments. The Norwegian Government have suggested that in their opinion the questions to be put to the arbitral tribunal might be formulated as follows: Was Norway, according to international law, entitled and obliged to—

(a) Visit and search the *Altmark*, and in doing so to establish whether there were prisoners on board?

(b) Prevent the continued passage of the *Altmark* through Norwegian waters? and

(c) Demand the handing over of the British prisoners on board the *Altmark* and if necessary to release them by force?

If any of the questions (a) to (c) are answered in Norway's disfavor, did this, according to international law, entitle Great Britain to take action by using force against the *Altmark* in Norwegian territorial waters and to release the prisoners as actually happened?

## False Standards

### EXTENSION OF REMARKS

OF

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

ARTICLE BY DR. JOSEPH F. THORNING

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "False Standards," written by Dr. Joseph F. Thorning and published in the magazine *Light*.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the magazine *Light*, Brooklyn, N. Y., for February 1940]

#### FALSE STANDARDS

(By Joseph F. Thorning, Ph. D., Litt. D.)

How does the move you propose affect Hitler? In the minds of millions of people, this question is rapidly becoming the touchstone of all public morality. The Soviet Union, Mexico, and the Dies committee are judged in the light of their impact upon nazism at home or abroad. Numerous policies are no longer decided upon their own merits; the sole consideration that counts is whether their end results will be benefit or injury to Nazi Germany.

American judgments about the Soviet Union, for example, can be dated before or after August 23, 1939. As long as the Soviet Union, brutal though it was, preserved itself free of the taint of nazism, the master of Moscow was courted, flattered, and praised by the self-styled "liberals" of the United States. For 20 years little moral indignation was excited in these circles about murder, starvation, and oppression in Russia. The most ordinary comment upon the extinction of millions of souls was that of Walter Duranty: "It takes plenty of broken eggs to make an omelette." The liberals were resigned to totalitarian fury as long as they could persuade themselves and others that the Soviets were merely "going through a transition period, painful to a few kulaks and intellectuals, but on the whole justifiable by the hoped-for results." Confronted with undeniable cases of barbarity and inhumanity, the friends of the Soviet Union had a single, calm excuse: "The Soviet experiment is in its infancy. These incidents are growing pains. Rome wasn't built in a day."

#### TYRANT STALIN

These explanations, curious enough, no longer have currency. They never had any validity. Long before the Nazi-Soviet pact, it was clear that Josef Stalin was, if anything, a more unscrupulous tyrant than Adolf Hitler. The latter was bad enough, ruthless, mendacious, cunning, and overbearing. Stalin added to all this the vice of hypocrisy. The despot of the Kremlin, although exercising a dictatorship bloodier than that of Ivan the Terrible, was able, thanks to the naïveté of his friends in America, to pose as the leader of the world proletariat.

How many remember with what enthusiasm American leftists hailed Stalin's so-called constitution as the "most democratic instrument in the world"? Subsequently, the farce of elections was reported in the press, unrelieved by any substantial saving



sense of humor. With a gravity becoming a Minerva, Mrs. Vera Micheles Dean, so-called research expert of the Foreign Policy Association, discussed the terms of the Soviet charter as if it were something designed to function in the realm of reality. The discussion is diverting rather than enlightening today.

#### "LIBERALISM" RETREATS

Of course, the Friends of the Soviet Union in the United States have disbanded. This was announced by Mr. Corliss Lamont in the first week of January 1940. He was starting the new decade right. At the same time he tried to establish that his leftist organization had been "dormant" for 2 or 3 years. The fact is that the order to "abandon ship" did not ring out until sovietism had become identified with unpopular nazi-ism. It took Hitler only a few days to "smear" Stalin.

A similar transformation took place with respect to leftist public opinion and Mexico. As long as the bandits south of the Rio Grande confined themselves to attacks on religion, the ravishing of nuns, and the preaching of atheistic doctrine they were the pets and darlings of American self-styled "liberals." But a revulsion of feeling occurred when it was established that Gen. Lazaro Cardenas was willing to sell stolen oil to Nazi Germany and Fascist Italy. Even the United States Department of State became excited. A few worthless notes and protests emanated from Washington. The talk did not descend into the arena of action, but Mexico was warned that United States purchase of silver might stop unless property rights were respected. The excitement has since died out somewhat, because, due to the British blockade, it is no longer possible for Cardenas to "play ball" with Hitler. There is plenty of "hot oil," but there are no German ships available to transport it to Hamburg. Nevertheless, it was the Fuehrer who gave the Mexican dictator his first black eye.

#### APOLOGETIC "LIBERALISM"

In the meantime, the "liberals" have begun to moderate their criticism of Mussolini. Why? Because Il Duce is evidently not tied to the chariot wheel of Nazi conquest. Fascist Italy has an independent, self-contained foreign policy. Theoretically speaking, the axis policy is in a state of suspended animation. Numerous Leftists flatter themselves that they may be able to win the Italian dictator to a position of outright hostility to Hitler. As a result, Mussolini has a much more favorable press in the United States. He is now represented as a wise, farsighted, realistic ruler. Even by the cartoonists Il Duce is now pictured as a personage with some tincture of humanity.

The greater the distance, politically, between Berlin and Rome, the less the Nazi pitch defies. At the moment, Italy is probably quite as totalitarian as ever, but it is totalitarianism with a distinction. Stalin did Mussolini a big favor in helping to create the Berlin-Moscow axis.

#### THOMPSONANIA

Generalissimo Francisco Franco is another beneficiary of the new understanding between the Kremlin and the Wilhelmstrasse. Prior to the second World War, the self-styled liberals had always glibly assumed that "Franco Spain would be chained to the axis." One year ago, Dorothy Thompson was waxing hysterical about the dangerous potentialities of the "cultural pact" between Spain and Germany. Her overstrained imagination pictured German bombing planes in the Canary Islands and Nazi submarines operating from the great Spanish port of Vigo. Of course, the Italian aviators would never leave Palma de Majorca! Today, that Thompsonesque vision is exposed as the bad dream it was. The sharpest eyes have been unable to descry German submarines sneaking in and out of Cadiz, Vigo, or Bilbao. Long since, the Italian flyers returned to Italy. The Spaniards have complete and supreme jurisdiction over their territory both in the peninsula and overseas.

The neutrality of Generalissimo Franco has been perfect. Friendship has been reestablished, largely due to the generous attitude of leaders on both sides, between the French Republic and the Spanish State. The so-called cultural pact between Berlin and Madrid has lapsed. General Franco meant what he said when he claimed that his movement was a crusade against bolshevism. He hasn't changed his course. He doesn't condone the invasion of Finland by the Soviets as do the American members of the Leftist Brigade that fought for Largo Caballero and Indalecio Prieto. Franco is still anti-Marx, anti-Moscow, and anti-Stalin. If Germany ever makes any overt move to lend military assistance to the Soviet Union it is a safe prediction that Spain will be found in the opposite camp. If and when that possibility is realized, the American foreign-policy experts may discover that Franco is almost as amiable as Mussolini. All he has to do to win instant popularity is to make a stand against Hitler. It is as simple as that.

#### AMERICA AWAKENS

MARTIN DIES and his committee did not make the front page of American newspapers with his exposures of communism until Herod made friends with Pilate, that is to say, until Hitler and Stalin shook hands. To be sure, the Dies committee could always count on good space for its investigation of the pro-Nazi groups in the United States. But inquiry into the Third International was not popular until it had been tarred with the brush of nazi-ism. Every student of the problem knows that communism was just as obnoxious before as after August 23, 1939. The connection of Earl Browder and Josef Stalin was clear. The dictatorial methods of the latter were never a matter of reasonable doubt. The Kremlin's interest in world revolution, although soft-peddled as a measure of

expediency, was never really slackened. Stalin's stake in the American Communist Party was known. But there was no field day for investigators into leftist revolutionary circles until nazi-ism could be added to the charge of tyranny and dictatorship. Conspiracy was not conspiracy unless Hitlerian.

#### PASSPORT PROSECUTIONS

One or two examples throw light upon this attitude. Nicholas Dozenberg once held the position in the American Communist Party now held by Earl Browder. More than any individual he was responsible for the foundation of the Third International in the United States. He also served for many years as a member of the intelligence unit (secret service) of the Soviet Russian Army. In many of his activities he enjoyed the advantages conferred by an American passport. Prior to the Nazi-Soviet pact his immunity from prosecution seemed complete. All that is now changed. Nicholas Dozenberg is under indictment. On two counts, a grand jury has found a true bill against him, each specifying that Dozenberg entered this country with a passport that allegedly had been obtained by fraud.

Earl Browder, Communist Party secretary, was charged in a recent indictment with having used Dozenberg's name and naturalization papers as his own in obtaining a false passport in 1921. Note the date! Agents in the Department of Justice had 18 years in which to discover the alleged fraud. Why the inaction for almost two decades? Why did it require the Hitler-Stalin friendship to galvanize the forces of law and order in this country? Is it possible to detect forgers only when they are revealed to be Nazis or semi-Nazis? Is Hitler the pivot upon which justice revolves? Does immorality radiate from Berlin alone? If so, we are being treated to the spectacle of new standards of ethics. It is a curious situation to find that a criminal is not a criminal unless he can be found holding hands with Hitler.

#### COMMUNISTIC REGISTRATION

Nicholas Dozenberg is not the only case in point. On December 27, 1939, two Russian citizens, Boris Nikolsky and I. A. Ilyin, officers of Bookniga, Inc., a Soviet propaganda agency, were fined in a New York Federal district court after pleading guilty to willful omission of material information from a registration statement filed with the State Department under the Foreign Agent Registration Act. Defense counsel announced that the company would be dissolved immediately, its stocks of magazines and books disposed of as quickly as possible, and that its president, Boris Nikolsky, would return to Russia. This is swift, decisive action. It shows that the Soviets themselves realize that, however much immunity they may have enjoyed in the past, they cannot live down the link with Hitler. It will be interesting to watch the future career of Mr. Ilyin, one of the chief Soviet propagandists in America and still treasurer of the Amtorg Trading Corporation, the Soviet trading agency, which distinguished itself by efforts to secure arms and munitions for Leftist Spain.

#### FUNDAMENTAL ETHICS

One solid conclusion can be drawn from this analysis. It is that we have an obligation to judge every movement on its own merits. Soviet Russia was vicious long before it came to terms with Nazi Germany. Stalin was an autocrat, in theory and in practice, before August 1939. Joachim von Ribbentrop, for all his diabolical cunning, could not teach the Communist authorities any lessons in brutality or antidemocracy. Soviet militant atheism was bad before it appeared "in shining armor" side by side with Nazi paganism.

Soviet Russia, whether courted by London, or Paris, or Berlin, is a base, treacherous ally. Earl Browder, overshadowed by the swastika, is none the less brandishing the hammer and sickle. Communism is an inferno as wide and long and deep as the pit of nazi-ism. Human rights are swallowed up in both ideologies. The true norm of morality, for Catholic and non-Catholic, is the natural law. Those who believe in God, whether Protestant, Jew, or Catholic, will maintain the real pivot of morality, the Ten Commandments.

#### Philippine Islands

#### EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

EDITORIAL FROM THE NEW YORK TIMES OF FEBRUARY 28, 1940

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be printed in the RECORD an editorial concerning the future of the Philippine Islands which appeared in the February 28 edition of the New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of February 28, 1940]

#### THE PHILIPPINE ENIGMA

The expansionist wave which reached its crest around 1900 has receded down a long stretch of beach since that time, as our Philippine High Commissioner, Francis B. Sayre, makes clear in the interview he gave in Manila on Sunday. Forty years ago we seemed to be subduing an unwilling Filipino nation. Now most of the reluctance to the consummation of Philippine independence in 1946 appears to originate in the Philippines.

It is Mr. Sayre's frankly expressed opinion that the movement toward Philippine independence has gone too far on both sides of the water to make reversal possible. The only kind of dominion status the Filipinos would accept, he believes, would be of the sort the United States could not grant. He doubts that it is longer "practicable for any nation to undertake to maintain and defend the kind of far-flung military empires which developed during the eighteenth and nineteenth centuries." Empires cost money in these latter days. Mr. Sayre doesn't believe that American taxpayers will be willing to pay the cost of the ships and men necessary to defend an empire over the Philippines.

Commissioner Sayre is in sharp disagreement with former High Commissioner Paul V. McNutt, whose proposal to reopen the Tydings-McDuffie Act, held out the possibility that the islands would be permanently retained under the American flag. It does seem that any step of this sort should wait upon the formal request of the Commonwealth government. Ultimate independence is a promise made to the Filipinos long ago. It is not for us to break the promise. Before 1946 the world situation may have changed so much that Philippine independence, like everything else, will be seen in a different light. It may have changed so much that the independence of small nations will be permanently real and secure, and not merely a fiction or a happy chance. But this we cannot anticipate. Nor can we easily reshape our policies to meet a future which is as formless as the bosom of the Pacific itself.

### Reformation of Administrative Procedure

#### EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ARTICLE BY ALFRED JARETZKI, JR.

Mr. MINTON. Mr. President, at the last session of the Senate I submitted for insertion in the RECORD an article by Mr. Alfred Jaretzki, Jr., on the administrative-law bill, which was in conflict with the rule of the Senate as to printing in the RECORD matter of a certain length without an estimate. I now have the estimate for printing made. I send the article and the estimate to the desk and ask unanimous consent that the article may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The article is as follows:

[From the Louisiana Law Review for January 1940]

THE ADMINISTRATIVE LAW BILL—UNSOUND AND UNWORKABLE  
(By Alfred Jaretzki, Jr., member, committee on administrative law, Association of the Bar of the City of New York)

A careful analysis of the American Bar Association bill on administrative law shows it to be fatally defective. It is poorly drafted and is fantastic in its application to many of the situations which are embraced within its scope. It is based upon an a priori approach to a problem that can be dealt with adequately only after a careful study of the actual working of the many administrative agencies whose functioning it attempts to regulate. That the bar association committee which drafted this bill was equipped to make any such study is doubtful, and there is at any rate no evidence of any such investigation having been made or attempted.<sup>1</sup>

<sup>1</sup> An interesting document prepared by F. F. Blachly of the Brookings Institution in cooperation with the bar association committee, entitled "Working Papers on Administrative Adjudication," may be considered a first step in this direction (75th Cong., 3d sess. (1938), committee print). But these working papers, far from affording any reasonable basis for the bill in question, and while not prepared for the specific purposes of the bill under discussion, upon examination will be found to indicate clearly the impossi-

The fundamental objectives of the bill are ably set forth by Col. O. R. McGuire, chairman of the American Bar Association special committee on administrative law, in an article published in the March 1939 number of the Louisiana Law Review.<sup>2</sup> Colonel McGuire has voiced the need for a reform of Federal administrative processes, while giving recognition to the importance and necessity of the administrative agencies in today's complex industrial and economic development. But there is required a careful balancing between the desire to safeguard the rights of individuals and the necessity of providing for efficiency in the unfortunately, but necessarily, ever-increasing activities of the Federal Government.

As to the general provisions of the bill, namely, public hearing before administrative rule-making, judicial review of rules, improved machinery for intradepartmental appeals and provision for more extensive judicial review of administrative decisions, the conclusion is reached in this article that it is unlikely that any single procedural machinery can be devised which will operate satisfactorily with respect to all of the many and varying activities of the numerous administrative bodies. Nor is a uniform procedure found to be desirable. Many of the matters covered by the bill call for differences in treatment, both in theory and in practice. Furthermore, it must be recognized that, while improved procedural machinery is a matter of great importance, in many aspects satisfactory relief can only be had by substantive changes in the statutes under which some of the administrative agencies operate. There is real danger that faults of substance will be overlooked if too much reliance is placed upon reform in practice and procedure.

Possibly because of the prestige of the American Bar Association the bill in question was, with some changes, reported favorably by the Senate Committee on the Judiciary without a hearing,<sup>3</sup> by the House Committee on the Judiciary after a perfunctory hearing only,<sup>4</sup> and passed by the Senate by unanimous consent without debate,<sup>5</sup> only to be recalled in like fashion upon the insistence of the administration leader of the Senate in whose absence the bill had passed in the first instance.<sup>6</sup> Testimony that this bill is opposed by all Government agencies which it affects<sup>7</sup> and telling briefs in opposition filed with the House Committee on the Judiciary by a number of the agencies<sup>8</sup> seem for the most part to have been disregarded. It can hardly be doubted that a rising tide of hostility to the acts of many administrative agencies and to the legislation under which such agencies are functioning is in no small way responsible for the uncritical acceptance of the bill.<sup>9</sup> Furthermore an affective campaign has been carried on in behalf of the bill which it seems has led many sympathetic with the general objectives of the bill to endorse it without adequate scrutiny in the belief that it is the result of careful and considered study on the part not only of the bar association committee on administrative law, but on the part also of a number of distinguished individuals whose names are loosely associated with the bill.<sup>10</sup> That this committee, as from time to time constituted, has made valuable studies

bility of applying a uniform standard of procedure to the Federal administrative agencies as a group in the manner attempted.

A subsequent analysis prepared by Professor Blachly of the bar-association bill for use of the House Committee on the Judiciary reaches this conclusion:

"This bill has very far-reaching implications which can only be appreciated by applying its provisions to some five or six hundred situations established by statute where actions of the Federal Government affect individuals. Such a detailed examination shows that many of the provisions of this bill are in opposition to principles of constitutional law as developed by the courts, to the whole system of administrative law that Congress and the courts have been developing for over a century, and are incompatible with sound administrative action." (Printed as part of the hearings before subcommittee No. 4 of the Committee on the Judiciary on H. R. 4236, H. R. 6198, and H. R. 6324, 76th Cong., 1st sess. (1939) 156.) This paper is an invaluable document in connection with any study of the subject matter of the bill.

<sup>2</sup> McGuire, the American Bar Association's administrative law bill (1939), 1 Louisiana Law Review, 550.

<sup>3</sup> S. Rept. No. 442, 76th Cong., 1st sess. (1939).

<sup>4</sup> H. Rept. No. 1149, 76th Cong., 1st sess. (1939). See also Hearings on H. R. 4236, supra, note 1. A number of the documents printed as a part of these hearings were received too late for consideration by the subcommittee.

<sup>5</sup> July 18, 1939, S. 915.

<sup>6</sup> July 19, 1939, motion to reconsider. August 1, 1939, motion agreed to and bill returned to Senate calendar.

<sup>7</sup> See statement of Chester T. Lane, Hearings on H. R. 4236, supra, note 1, at 14.

<sup>8</sup> See briefs and letters filed by Federal Trade Commission, Department of the Interior, Department of Agriculture, Department of War, Treasury Department, Federal Communications Commission, Federal Power Commission, and Veterans' Administration, all printed as part of Hearings on H. R. 4236, supra, note 1. See also Sellers, The Extent to Which S. 915 or H. R. 4236 Would Affect the Work of the Department of Agriculture (1939) (7 Geo. Wash. L. Rev. 819, 923).

<sup>9</sup> This hostility is evident in both the Senate and House committee reports.

<sup>10</sup> The report of the Senate Committee on the Judiciary, supra note 3, at 14, and the report of the House Committee on the Judiciary, supra note 4, at 8, each state, "It is doubtful if there has been legislation proposed in a century which has had more extended and careful study than that given to this bill."



on the subject of administrative law will not be questioned.<sup>11</sup> But a consideration of the ambiguities of the bill and of many of the statements made in the accompanying report,<sup>12</sup> leads to the belief that no very careful attention could have been given to the actual bill itself.

The particular draft of the bill discussed here will be that passed by the Senate.<sup>13</sup> Applying with a few exceptions to all the one hundred and thirty-odd administrative agencies of the Federal Government, the bill is procedural in that it provides (1) for public hearings upon all rules to be issued by any administrative agency, (2) for court review to test the validity of any such rule in a proceeding for a declaratory judgment, (3) procedure for intra-departmental review of decisions in all single-headed agencies, and (4) procedure for review by Federal appellate courts of all final decisions of administrative agencies. Being procedural, its sponsors seem to have thought it self-evident that uniformity among the many administrative agencies was not only desirable but feasible in respect of the matters covered by the bill. Any doubts expressed in this regard are lightly dismissed by likening those entertaining such doubts to the practitioners at early common law who insisted there should be a separate writ and procedure for each action.<sup>14</sup> No attempt seems to have been made to determine whether such uniformity was desirable or possible by study of the actual application of the bill to specific situations.

Before proceeding to a discussion of the main sections of the bill, it will be illuminating to consider briefly the exceptions to its operation and the comments on these exceptions contained in the report of the American Bar Association.<sup>15</sup> It is provided that the act shall not apply to any matter relating to the conduct of military or naval operations. In addition there are excluded trials by courts martial, the conduct of the Federal Reserve Board, the office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the Interstate Commerce Commission, the Department of State, the Department of Justice, and any matter concerning or relating to the internal revenue, customs, patent, trade-mark, copyright, or longshoremen and harbor workers' laws. Furthermore, the act does not apply to any case where the aggrieved party was denied a loan or may be dissatisfied with a grading service in connection with the purchase or sale of agricultural products or has failed to receive appointment or employment by any department or independent agency. It is also provided that sections 2 and 3, those applying to public hearings on the issue of rules and to the judicial review of rules, shall not apply to the General Accounting Office.

The exception as to the conduct of military or naval operations was limited to times of war or civil insurrection in the original bill sponsored by the bar association. It was apparently only upon the vigorous protest of the War Department that any such limitation would completely hamstring the operations of the Army and Navy that the exception was extended.<sup>16</sup> A plea by the Treasury Department that at least the operation of the Coast Guard be excepted from the bill was, however, rejected.<sup>17</sup> The original bill excepted matters relating to the conduct of foreign affairs, but on protest from the Department of State that the procedure of the Department, developed since the inception of the Federal Government, would in large measure be completely nullified by this bill which had no justifiable application to most of the operations of the Department of State, including such matters as the issue of passports and visas, the entire State Department was eliminated from the application of the act.<sup>18</sup> In like manner the Federal Trade Commission was not excepted from the original provisions of the bill nor from the bill as reported by the Senate Committee on the Judiciary, but the Commission was apparently able to persuade the House committee that the Federal Trade Commission was operating satisfactorily under a procedure that had been developed over a period of years and that was in many respects considered a model for administrative agencies.<sup>19</sup> The bar association bill contained an exception relating to Indian lands made out of deference to wishes of members of the Oklahoma bar, but apparently these wishes were not controlling with the Senate or House committees. The House Committee on the Judiciary further suggested the ex-

emption of all Federal lending agencies from the scope of the act instead of mere exception of cases where the aggrieved party was denied a loan.<sup>20</sup>

In explaining these exceptions<sup>21</sup> the report of the American Bar Association committee on administrative law states that the general counsels of the Federal Reserve Board, office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation insisted that these agencies dealing with finances of the country should be excluded. There is no statement of the reasons for the exclusion or any indication that the functions and operations of these bodies were given any special study. In the light of this experience it would seem that other agencies of the Federal Government have cause to regret their failure to protest to the American Bar Association against the application of the act to themselves.<sup>22</sup> Internal revenue, customs, patents, trade-mark, and copyright matters apparently were excluded from the operation of the act in deference to the wishes and demands of the American Bar Association's committees on taxation, customs, patents, etc. It would appear that these committees were satisfied with existing procedure. Here again it would seem that direct or indirect contact with the actual functioning of particular agencies led to the conclusion not to interfere with existing practices. While it is true that there exists judicial review of administrative decisions on tax matters, there is no public hearing on the rules and regulations issued by the Treasury Department in respect of internal-revenue matters nor would it seem feasible that there should be. And the suspicion arises that there must be numerous other agencies of the Federal Government which in like manner are not adaptable to the provisions of the bill. One wonders whether the Coast Guard might not have qualified under the exemption granted to the conduct of military or naval operations and whether the bar association committee had in mind the particular problems of the Veterans' Bureau which operates under a statutory procedure deliberately made quite peculiar to itself, Indian land matters were excluded due to requests made on behalf of some members of the Oklahoma bar. This is stated to be a local matter excepted from the operation of the act in deference to the suggestion of those most interested who seem satisfied with the present status of such matters. Satisfaction with existing procedure would seem a reasonable basis for exception to the act were it made a principle of universal application and the result of determination reached after study. The Interstate Commerce Commission is apparently exempted from the bill, in spite of the fact that the scope of the review in its case is quite narrow, because of the possibility of some overhauling of the substantive law relating to at least some of the work of the Commission. This is a recognition not generally shown by the proponents of the act that there may be some relationship between the substantive powers and duties of an administrative agency and the appropriate procedure relating to such agency. Exceptions of the denial of a loan, dissatisfaction with a grading service, or failure to receive an appointment only emphasize the wide scope of the act not only in respect of the agencies involved, but in respect of the particular actions affected.

#### SECTION 1. "DEFINITIONS"

Section 1 of the act contains a series of definitions, most of which are not contained in the original bill of the Bar Association. To some small extent these definitions are helpful, but, unfortunately, the most important definition, that of "decision," which in turn is dependent on the definition of "controversy," is so difficult to understand that, as will be seen later, it adds only more confusion to an already ambiguous bill. The insertion of appropriate definitions would be of great assistance.

#### SECTION 2. "IMPLEMENTING ADMINISTRATIVE RULES"

Section 2 of the bill<sup>23</sup> provides that after its enactment administrative rules and all amendments of existing rules implementing or filling in the details of any statute affecting the rights of persons or property shall be issued by the head of the agency and by each independent agency charged with the administration of any statute only after publication of notice and public hearings.<sup>24</sup> "Agency" and "independent agency" are defined to mean, and will hereafter be referred to as, single-headed and multiple-headed administrative bodies, respectively; i. e., a department of the Government, as distinguished from a board or commission. All such rules are to be published in the Federal Register within 10 days after approval and are not to become effective until such publication, except when a public emergency is declared by the President. Administrative rules under all statutes thereafter

<sup>11</sup> See reports of the special committee on administrative law: (1934) 59 A. B. A. Rept. 565; (1936) 61 A. B. A. Rept. 720; (1937) 62 A. B. A. Rept. 789; and especially (1938) 63 A. B. A. Rept. 331.

<sup>12</sup> See Report and Draft of Bill of the Special Committee on Administrative Law of the American Bar Association to the Chicago meeting, January 1939. A number of the statements contained in the report and annotations to the draft bill, referred to later, do not correctly reflect the text of the bill itself. An abbreviated report together with the draft of the bill are also found in (1939) 25 A. B. A. J. 113.

<sup>13</sup> S. 915, 76th Cong., 1st sess., print of July 27, 1939, attached as an appendix to this article.

<sup>14</sup> Senate report supra, note 3, at 9. McGuire, supra note 2, at 568; also McGuire, Have We a Government of Laws or a Government of Men? (1939) 73 U. S. L. Rev. 331, 334.

<sup>15</sup> S. 915, supra, note 13, at § 7 (b); American Bar Association draft, supra, note 12, at § 6 (b).

<sup>16</sup> Hearings on H. R. 4236, supra, note 1, at 102.

<sup>17</sup> Hearings on H. R. 4236, supra, note 1, at 104.

<sup>18</sup> Hearings on H. R. 4236, supra, note 1, at 50.

<sup>19</sup> Hearings on H. R. 4236, supra, note 1, at 63. A similar amendment was proposed by Senator WHEELER and adopted by unanimous consent, 84 CONGRESSIONAL RECORD 9976 (1939).

<sup>20</sup> H. Rept. No. 1149, supra, note 4, at 1.

<sup>21</sup> American Bar Association report, supra, note 12, at 47, 48.

<sup>22</sup> In view of the fact that Colonel McGuire is counsel in the General Accounting Office it may be presumed that the exception of the General Accounting Office from the operations of secs. 2 and 3 of the act were made in the light of experience with the operations of the General Accounting Office, and such knowledge, as it is suggested, should be obtained with respect to all the agencies affected by the bill. That the balance of the bill is made applicable to Colonel McGuire's own department is certainly a tribute to his personal faith in these provisions.

<sup>23</sup> Sec. 1 of the American Bar Association's draft, supra, note 12.

<sup>24</sup> Both the Senate and House reports, supra, notes 3 and 4, at 10 and 4, respectively, state that public hearings are required only if requested. This, however, is clearly erroneous. See also American Bar Association, report, supra, note 12, at 21.

enacted are to be issued within 1 year after the date of the enactment of the statute, subject to the adoption thereafter of further rules. (In the original bar association bill the period for the enactment of rules was 90 days after the enactment of the statute.) In respect of an existing rule, any person substantially interested in its effects may petition for a reconsideration of any such rule, after which public hearings are to be held in the manner provided for the original adoption of such rule. A sound provision is included giving immunity in case of reliance in good faith upon a rule later rescinded or declared invalid.

In the original bar association bill this section contained a rather doubtful provision authorizing and requesting the Supreme Court of the United States to prescribe uniform rules of practice and procedure for the hearings of all claims and controversies within the jurisdiction of the administrative agencies. In later drafts this provision was appropriately transferred to another section of the act and it was finally eliminated in the bill as approved by the Senate and House Committees on the Judiciary and as passed by the Senate. The draftsman of the Senate committee report, however, seems to have been oblivious of this deletion as the report twice makes mention of the provision authorizing the Supreme Court to issue uniform rules of practice and procedure, in one case as one of the four basic purposes of the bill.<sup>25</sup>

It is difficult to understand just what is the scope of the provision governing the issue of rules "implementing or filling in the details of any statute affecting the rights of persons or property." The definition states that "'administrative rules' include rules, regulations, orders, and amendments thereto of general application issued by officers in the executive branch of the United States Government interpreting the statutes they are respectively charged with administering." This so-called definition is really no definition at all but an addition to the scope of the language with respect to administrative rules in section 2 of the act, and by including the words "regulations" and "orders" only adds confusion. The bar association draft of this section was substantially the same, except as to the definition and except for a provision which wisely excepted rules relating to hearing procedure from the operation of the section. Under the bill as passed, then, it would seem that many, if not all, rules relating to hearing procedure may be held to be rules implementing or filling in the details of a statute affecting the rights of persons or property and consequently to require publication of notice and public hearings before their issuance.

Must the agency issue rules determining who is entitled to be heard at any such public hearing and, whether or not the agency must issue such rules, if it does so, may it be only after publication of notice and public hearing? It is provided that "any person substantially interested in the effects of an administrative rule in force on the date of the approval of" the act may obtain a reconsideration of any such rule after publication of notice and public hearing. Is the meaning of the words a "person substantially interested" left to the reasonable discretion of the agency? If so, must it issue rules and regulations implementing or filling in the details of this provision and must it hold public hearings before issuing any rule on the question of who is entitled to require public hearings? Obviously every administrative agency must issue a host of procedural rules, both in respect of hearings and otherwise. It would hardly seem sound that the issuance of such rules should be subject to the rigid requirements of the bill in respect of notice and public hearings. Possibly some such provisions might ultimately be held not to be covered by the terms of the bill under a "reasonable" interpretation of its terms, and it might even be that the courts would leave the extent of its application to the reasonable interpretation of the administrative agencies. However that may be, it would have been distinctly helpful had the bill been more specific in this respect.

It should be noted that the exception in the case of a public emergency declared by the President relates only to the publication of rules in the Federal Register and does not permit the waiving of the requirement of notice and public hearings. However, in view of the fact that the bar association report and annotations and the reports of the Senate and House Committees on the Judiciary consistently treat this exception as relating to the necessity of notice and public hearings as well, the language of the bill may presumably be considered a mistake of draftsmanship.<sup>26</sup>

Whatever may be the meaning of the provision that "administrative rules under all statutes hereafter enacted shall be issued—within 1 year after the enactment of the statute subject to the adoption thereafter of further rules from time to time as provided in this act," the extension to 1 year from the bar association period of 90 days is certainly a great improvement. It seems to have been the intent of the framers of the bill to impose an affirmative duty on all administrative agencies to issue rules by way of explanation or otherwise under all statutes which may hereafter be enacted.<sup>27</sup> But

this is far from clear under the language of the bill. What is the meaning of the words "subject to the adoption thereafter of further rules"? Does that mean that notwithstanding the provision for the enactment of rules within a year, rules may be enacted after the expiration of a year or does it mean that the rules enacted after the expiration of the year may only be supplemental to or amendatory of rules enacted within the 1-year period? If the latter is the case, does it then mean that rules are to be declared invalid by the courts if not enacted within the scope of this provision?<sup>28</sup> If it does mean that rules enacted after the expiration of the year's period may only be supplemental or amendatory to existing rules, the absurd result would follow that if a rule were duly promulgated within a year, then at any time after the expiration of the year an amendatory rule could be promulgated providing just the opposite; whereas if no rule had been issued within the period of a year, then thereafter no rule of any kind could be issued on that subject.

A further question is presented as to whether more than one reconsideration may be demanded in respect of any rule, if requested by divergent parties. The bill is silent in that regard. Is this a subject in respect of which the administrative agency may issue rules; and, if so, the question of public hearings with respect to such rules is again raised. Probably the framers of the bill are correct in their belief that as a practical matter there will be no tendency to abuse the privilege of asking for reconsideration. Nevertheless, the effect of this provision is so sweeping, applying as it does to all rules of administrative agencies of no matter how long standing, that it would seem that there might at least be something in the nature of a statute of limitations preventing the right to demand reconsideration of rules outstanding for more than a certain period. In this connection it should be noted that there is no provision for rehearing of rules promulgated after the enactment of the bill, and accordingly it is logical to assume that it was not intended that there should be more than one rehearing on rules promulgated before the act becomes effective. If it is the purpose of the bill that there should be one public hearing with respect to every rule, then should not logically the right of reconsideration be granted only in respect of rules which have been issued without public notice and hearing? Under existing practice, in some cases voluntarily and in others by specific statutory requirement, many rules and regulations have been issued upon public notice and hearing. And, finally, what is the effect of the requirement of a reconsideration of any existing administrative rule in the manner provided upon a rule already issued under a law requiring greater procedural formalities, including, say, findings of fact on the part of the rule maker?

Even in their theoretical approach to the subject, there seems to have been no attempt on the part of the sponsors of the bill to distinguish in its application between the substantive functions of the various agencies involved. The agencies affected by this bill carry on a variety of quite distinct functions. Thus the Securities and Exchange Commission, among other things, regulates the issuance of securities, stock exchanges, over-the-counter markets, public utilities, and trust indentures as well as conduct of persons in relation to such matters, the Procurement Division of the Treasury exercises proprietary functions incident to the ownership of property on the part of the Government, the Post Office Department carries on the business of delivery of mail for remuneration, the Veterans' Bureau administers relief, and the Department of the Interior leases lands not primarily for profit but for public service. Other differences which have been pointed out by Professor Fuchs<sup>29</sup> involve the character of the parties affected, the character of the administrative determination, and the character of the enforcement which attaches to the resulting regulations. Is it to be expected as a matter of course that when issuing rules in these different types of situations the same procedure should uniformly be followed? A rule making unavailable some minor privilege under certain circumstances is quite different from one whose violation may result in a penitentiary sentence. In matters affecting health the occasional urgency of action and the technical nature of the questions arising tend to minimize the need of formality in rule-making procedure.<sup>30</sup> Rules governing the use of radio for purposes of promoting safety of life at sea and in the air must frequently be adopted in short order and cannot be made the subject of extensive public hearings.<sup>31</sup> Rules issued by the Securities and Exchange Commission providing complicated form of registration in respect of both the issuance and listing of securities are of so technical a nature as not readily to lend them-

<sup>25</sup> See sec. 3 of the bill which provides for a declaratory judgment nullifying any rule for failure to comply with sec. 2.

<sup>26</sup> Fuchs, *Procedure in Administrative Rule Making* (1938), 52 Harv. L. Rev. 259, 266.

<sup>27</sup> *Id.* at 268.

<sup>28</sup> See letter of Federal Communications Commission to chairman, Committee on the Judiciary, House of Representatives, House hearings, supra, note 1, at 109. In this letter the Federal Communications Commission states that it has been its policy whenever such action seemed practicable and expedient to hold public hearings before the adoption of rules; that many of the Commission's technical rules are of such a character as to render of no practical value the holding of hearings in which any interested party might participate; and that in many cases the Commission has found helpful the conference method in which experts representing interested groups have cooperated with the Commission in the adoption of the best rules and regulations governing the particular matters under consideration.

<sup>29</sup> See Senate Report, supra, note 3, at 6, 13.

<sup>30</sup> American Bar Association report, supra, note 12, at 1, 2, 22, 23, 25; Senate report, supra, note 3, at 10, 11; House report, supra, note 4, at 4.

<sup>31</sup> The American Bar Association report, supra, note 12, at 1 states: "Sec. 1 [sec. 2 in the Senate bill] requires every Federal administrative agency to implement, by rules and regulations, statutes administered or enforced by it." See also pp. 21 et seq. and Senate report, supra, note 3, at 10 et seq., and House report, supra, note 4, at 3 et seq.



selves to the procedure of public hearings, even if certain other types of rules issued by that Commission, may.<sup>32</sup> On the other hand, existing statutes, as in the case of the Bituminous Coal Act of 1937<sup>33</sup> and the Food, Drug, and Cosmetic Act of 1938,<sup>34</sup> require in many instances a much greater degree of formality in connection with the issuance of rules and regulations than that provided in the bar association bill which is designed to provide minimum standards only.<sup>35</sup>

Furthermore, it should be noted that no distinction is made between rules which may be issued under statutes giving such rules to all intents and purposes the force and effect of law<sup>36</sup> and rules which have no legal force but constitute merely interpretations made by administrative agencies of the statutes under which they may be acting.<sup>37</sup>

As to general principles: While there is great force in the theoretical arguments in favor of public hearings before the promulgation of administrative rules, and undoubtedly in many instances there are great practical advantages as well, it is doubtful whether in most of the cases covered by the sweeping scope of the bill the benefits to be achieved will outweigh the disadvantages. The theory of a public hearing is that there will thereby be insured due consideration of all points of view and perhaps that the spotlight of publicity will exercise a wholesome influence on the regulatory bodies. Experience has shown that this is not always the case. On the one hand hearings are often perfunctory, on the other hand they frequently develop antagonisms which are not conducive either to sound legislation or beneficial cooperation between agency and the particular persons affected, and in either event time is often wastefully consumed. This results in a reluctance on the part of many persons whose experience might be helpful in the formulation of rules to appear at public hearings. Some administrative agencies have developed the practice of calling upon persons interested or expert in the subject matter with which they have to deal for consultation, or such consultation may result from the initiative of interested persons or groups. In informal conferences and discussions of this nature there can be a very great measure of cooperation and mutual help between Government agencies and private persons.<sup>38</sup> A conscientious administrative body can and will obtain from the individual or group subject to its jurisdiction as much cooperation and assistance as is feasible in ways more effective than any public hearing and will combine the information so obtained with its own expert knowledge and experience. Conversely, an agency which wishes to act arbitrarily cannot be compelled to exercise its rule-making discretion impartially and fairly by any requirement of the formality of a public hearing. Nothing in this bill or in any other bill could effectively require the rule-making authority to give proper weight to any evidence adduced at any hearing if that authority were determined to disregard or minimize certain evidence and to act arbitrarily. Moreover, the medium of a public hearing in the hands of arbitrary and unfair persons can effectively be used as a weapon to coerce individuals and to stifle any real opposition to proposed measures. The weapon of publicity thus given to an administrative body in connection with public hearings is an extremely powerful weapon which, if abused, can far outweigh any possible advantages from public hearings. Examples of this type, both in respect of hearings before congressional committees and administrative bodies, are too well known to require specification.

It is not suggested here that the principle of public hearings in rule-making should be completely abolished. It is merely suggested that such procedure has disadvantages which in many instances completely outbalance its advantages and that these advantages and disadvantages must be weighed in the case of each agency in relation to the objectives of the particular agencies and the actual functioning of such bodies. Nor is it to be expected that uniform procedure will be found desirable in respect of all types of rule-making within a given agency. While to some extent the development of variations between the requirements of the different acts under which the agencies function may have been on a hit-or-miss basis, it is fair to assume that in the main the subject of adaptability to the particular problems received reasonably adequate consideration in the formulation of the respective laws governing the various agencies. This does not mean that it would not be wise to review these laws and the practices established thereunder with a view to improvement of

procedure. Possibly in some cases where public hearings are not now provided for, a reconsideration will lead to the conclusion that public hearings are desirable or, on the other hand, that in some instances where public hearings are now required a reconsideration may lead to their elimination. A fair expectation would be that any such survey would conclude that in some instances public hearings should be mandatory, in other instances within the discretion of the rule-making authority and possibly in still other instances only upon request.<sup>39</sup>

### SEC. 3. "JUDICIAL REVIEW OF RULES"

Section 3 of the bill<sup>40</sup> provides that the United States Court of Appeals for the District of Columbia shall have jurisdiction, upon petition filed (it does not say by whom) within 30 days from the date of publication of any administrative rule, to hear and determine whether any such rule is in conflict with the Constitution of the United States or the statute under which it is issued and to enter a declaratory judgment to such effect. The grounds for holding any such rule invalid are violation of the Constitution, conflict with a statute, lack of authority conferred upon the agency issuing such rule, or failure to comply with section 2 of the act (which deals with the procedure for rule making.) The defense of the rule is vested in the Attorney General of the United States.<sup>41</sup> Any such petition is to receive a preference, and the court may refer such petition, and any reply, for the taking of such evidence as shall be material and relevant thereto. If the rule is held invalid it shall thereafter have no force or effect except to confer immunity for action taken thereunder in good faith. If, on the other hand, the rule is upheld, this does not prevent the redetermination of its validity or invalidity in any suit or review of an administrative decision or order in any court of the United States.

Thus the constitutionality or validity of a rule may be challenged in a proceeding in which there is no controversy in the ordinary legal sense, and a determination of this character is to be binding against the administrative agency but not against the petitioner. This probably results in giving the United States Court of Appeals for the District of Columbia the power to declare unconstitutional a rule issued by one of the Government agencies without any review by the Supreme Court of the United States. This is so because the Supreme Court has repeatedly declared that it will not take jurisdiction in a case in which no actual controversy is involved, and being a constitutional court it cannot be compelled to do so.<sup>42</sup>

Needless to say, while the challenge to the constitutionality of a given rule need not in a particular instance be a challenge to the constitutionality of the statute under which it has been issued, nevertheless in many if not most cases a determination of the constitutionality of the rule will involve a determination of the constitutionality of the statute involved.<sup>43</sup> The bill does not give the court power in a proceeding for a declaratory judgment to hold unconstitutional the statute under which a challenged rule has been issued. It is probable, therefore, that a judgment declaring a rule to be invalid will be binding only as to such rule and that the statute under which the rule has been issued will continue in full force and effect. But even if the bill does not give directly to the district court of appeals the power to declare invalid an act of Congress in a proceeding for a declaratory judgment, as a practical matter this power will in many respects exist anyway because the power to declare unconstitutional all rules issued under a given statute must, if it does not completely nullify the effect of any such statute, go a long way toward doing so. That confusion will result is obvious.

It would seem useless to speculate about the possible variation of circumstances under which there could exist (of course only until the matter was finally disposed of in some case recognized by the courts as an actual controversy) a valid act of Congress under which all regulations could successfully be challenged. A rule under a

<sup>32</sup> See also Feller, *Prospectus for the Further Study of Federal Administrative Law* (1938), 47 Yale L. J. 647, 659-661.

<sup>33</sup> 50 Stat. 72 (1937), 15 U. S. C. A. sec. 829 (a) (1939).

<sup>34</sup> 52 Stat. 1055, 21 U. S. C. A. sec. 371 (e) (Supp. 1938).

<sup>35</sup> No exception is taken to these divergencies. They are merely pointed to as examples of differences which may require divergence in treatment.

<sup>36</sup> Securities Act of 1933, secs. 3 (a, 11) and (b), 7, and 10 (d), 48 Stat. 906, 78 and 81 (1933), 15 U. S. C. A. secs. 77c (a, 11) and (b), 77g, and 77j (d) (Supp. 1938).

<sup>37</sup> *Sanford's Estate v. Commissioner of Internal Revenue*, 60 S. Ct. 51, 84 L. Ed. 53 (U. S. 1939).

<sup>38</sup> Greater flexibility is secured through this method, which is particularly desirable in the case of the newer agencies where rules must frequently be amended in the light of greater experience. Prompt changes of this kind made by the Securities and Exchange Commission at the request of individuals and groups have been of great practical value.

<sup>39</sup> In this connection it is interesting to note the conclusions stated by Professor Fuchs in his interesting article, *supra* note 29, at 280: "Certainly there will never be a time when it will be possible to assert that the details of rule-making procedure, or even the 'basic requirements of fair play' in such procedure, should be the same in all the varied circumstances that arise. Many regulations, even where private interests are affected, should continue to be issued on the basis of administrative knowledge or after merely informal investigation; others will call for systematic consultation with affected parties or regularized opportunities for such parties to be heard; still others, perhaps, will involve adversary proceedings in which parties are accorded virtually the status of litigants."

<sup>40</sup> Sec. 2 in the American Bar Association draft, *supra*, note 12.

<sup>41</sup> It would seem preferable that the agency itself, rather than the Attorney General, should defend the rule. See also note 60, *infra*.

<sup>42</sup> *Muskrat v. United States*, 219 U. S. 346, 31 S. Ct. 250, 55 L. Ed. 246 (1911); *Liberty Warehouse Co. v. Grannis*, 273 U. S. 70, 47 S. Ct. 282, 71 L. Ed. 541 (1927); *Piedmont & N. Ry. Co. v. United States*, 280 U. S. 469, 50 S. Ct. 192, 74 L. Ed. 551 (1930); *Electric Bond & Share Co. v. Securities and Exchange Commission*, 303 U. S. 419, 58 S. Ct. 678, 82 L. Ed. 419, 115 A. L. R. 105 (1939).

<sup>43</sup> Chairman WALTER of the House Subcommittee on the Judiciary seems to feel that in a proceeding under the bill there must be assumed the constitutionality of the statute under which a challenged rule has been issued (*House Hearings, supra*, note 1, at 41). But this hardly seems a tenable construction.

particular statute might be held invalid because of the unconstitutionality of the statute, while another rule under the same statute continued in full force and effect for failure of challenge within the 30-day period. To the extent that the particular provisions of a statute were to be effective only as supplemented by rules, such statutory provisions would of course be completely nullified by declaratory judgments invalidating the rules. To the extent that particular provisions were not so dependent they would not be nullified and would remain effective for all purposes except their administration by Government agencies through rule-making and processes dependent thereon.

There remains the question of the wisdom of the provision for judicial review of rules issued by administrative agencies, irrespective of the very serious objection because of constitutional limitations. The objective stated in the American Bar Association report<sup>44</sup> is to provide a means of challenging the validity of regulations that affect the public by a simplified procedure without delay and at nominal cost. To this objective little if any exception can be taken. The question, however, remains of the feasibility of the provisions made for declaratory judgments. Unfortunately little that is helpful appears in the bar association annotations to its bill. The House and Senate committee reports pass over this question, and there is no substantial comment by Colonel McGuire in his article in the *Louisiana Law Review*. Perhaps it is from lack of confidence in this procedure that recourse thereto is limited to 30 days after the publication of a rule and the expectation is expressed that such jurisdiction will be invoked only in limited instances.<sup>45</sup> It is felt by the proponents of the bill that the fact that the jurisdiction is there will be sufficient for most purposes.<sup>46</sup>

A somewhat fuller discussion of this particular proposal appears in the 1937 report of the special committee on administrative law.<sup>47</sup> If preventive justice by way of injunction against future official acts under an unconstitutional statute is expressly upheld by the Supreme Court of the United States where the individual interest is clear and immediate, why cannot this result be achieved by provision for a declaratory determination where present individual interests are threatened by exercises of administrative rule-making power? So runs the argument. But it must be remembered that the courts will only entertain proceedings for injunctions of this character where the jeopardy to the petitioner is clear and immediate and where, in consequence, a substantial controversy involving a definite state of facts is presented.<sup>48</sup> It is precisely because of the absence of a requirement of such clear and immediate interest that the doubt exists as to the advisability of the remedy by declaratory judgment. It is feared that in many cases a court attempting to act under this section would either pass upon the validity of a rule without the necessary factual background or would be led into burdensome and yet necessarily incomplete consideration of many possible factual variations. That the proposed procedure runs contrary to the long-established tradition of the common law is no adequate answer to a legitimate attempt at improvement. Testing the validity of statutes in actions for declaratory judgments is a procedure of growing acceptance in State courts, but even so it is doubtful whether there has been sufficient experience to warrant its application on so broad a scope as under the present act. Conditions under Federal laws are in many respects quite different and of much wider application than under State laws. It would certainly seem sounder to proceed cautiously with its application, in the first instance with respect only to a relatively small number of agencies or types of rules chosen with respect to their particular adaptability to such procedure.

#### SECTION 4. STATUTORY APPROVAL AND AUTHORITY FOR ADMINISTRATIVE BOARDS AND PRESCRIBING THEIR PROCEDURE

Section 4 of the bill<sup>49</sup> provides for intradepartmental appeals in respect of action taken by administrative bodies. Two categories of procedure are established, the one for single-headed agencies and the other for independent agencies.<sup>50</sup>

It is provided that there shall be established from time to time in each single-headed agency such intradepartmental boards, consisting of three members, as may be necessary and desirable. Where intra-agency boards already exist, they are to be reestablished and to function in accordance with the act. At least one employee designated for each such board shall be a lawyer and shall act as chairman of the board. No member of a board who has participated in a particular case or in the preparation, draft, or approval of any rule which may be involved shall sit in appeal of the case of application of the rule. It is then provided that when any person is aggrieved by a decision of any official or employee of any independent agency, such person is entitled to have the controversy referred for hearing and determination to an intra-agency board constituted as above provided. Whether or not a trial de novo is required before the intra-agency board, where there has already been a hearing

before an individual examiner, is not clear. If not, the relationship between the two proceedings gives rise to a host of complications not covered by the bill.

In the bar association bill the right of appeal is granted in sweeping terms to any person aggrieved by "a decision, act, or failure to act" (including any regulatory order) by any official or employee of such single-headed agency. In the bill as amended the word "decision" is defined to mean "any affirmative or negative decision, order, or act in specific controversies which determines the issue therein involved" and "controversy" is in turn defined to mean "any dispute or disagreement concerning any claim, right, or obligation for or against the United States and any refusal to grant any license, permit, or other privilege."<sup>51</sup> At the hearings before the intra-agency board a written record is to be taken, a copy of which is to be furnished to the aggrieved person upon his request. Any person having a substantial interest in the controversy has the right to intervene. Within 30 days after the evidence and arguments have closed the intra-agency board is required to make written findings of fact and a separate decision which is to be subject to the approval, disapproval, or modification of the head of the single-headed agency concerned or such person as he shall designate in writing to act for him. (Under the section of the bill following, any such decision is subject to appeal by the individual to the United States Court of Appeals for the District of Columbia or to one of the Circuit Courts of Appeals.)<sup>52</sup>

Provision is made for the issue of subpoenas and reference is made to the taking of depositions, although no provision is made therefor. No provision for stay pending appeal is provided, but redress is given when the matter in controversy is such that the delay incident to the hearing and decision would create an emergency contrary to the public interest and there is administrative action or inaction prior to or without such hearing and determination resulting in the destruction of the property or damage to the aggrieved person. Curiously enough no redress is provided in the event of injury resulting from any action or inaction where no emergency has warranted such action or inaction.

It will be noted that the bill provides in respect of intradepartmental boards created for single-headed agencies that at least one employee designated for each such board shall be a lawyer who shall act as chairman of the board. This seems too sweeping a provision. The value of having at least one lawyer, presumably familiar with legal proceedings, on most boards can be understood and perhaps no objection should be made to such a requirement on principle, even though the question arises as to whether any investigation has been made as to how many boards which may now be functioning effectively will have to be reestablished by such a provision. Has any consideration been given, for example, to the question of why there should be a lawyer on the Board of Tea Appeals,<sup>53</sup> or upon a board established by the Bureau of Marine Inspection and Navigation?<sup>54</sup> In any event, that the lawyer need be chairman of the board is quite another matter. It may well be that in many cases the qualifications of the lawyer will be such as to make him the logical contender for this post, but even lawyers should be willing to admit the possibility that one of the lay members of such a board might have superior qualifications of intellect, judgment, and leadership which would make him preferable as chairman. Surely this is a matter which might be left to the agency itself for solution. The further provision that no member of a board who has participated in the preparation, drafting, or approval of any rule which may be involved shall sit in the application of such rule seems questionable. That no member who has participated in a particular case should sit in appeal on such case will certainly be generally accepted, among lawyers at least. But why a person who has participated in the preparation of a rule should be disqualified from taking part in a determination of the application of such rule is indeed difficult to understand. Again the provision that a decision must be made within 30 days after the termination of the proceedings is drastic and unreasonable. There can be no doubt of the strong desirability of early determinations. But that a determination can be made in each case, many of which must necessarily involve complicated questions of both law and fact, within 30 days after the evidence and arguments are closed, is not to be expected. Such expedition is neither required of nor practiced by most courts.

The procedure in respect of independent agencies is different from that of single-headed agencies, but the language of the subsection dealing with this is so confused as to defy accurate analysis in many respects.<sup>55</sup> It is stated that "where any matter arises out of the activities of any independent agency, it may be provided by rule that such matter may be heard in the first instance by

<sup>51</sup> See definitions in sec. 1 of the bill. Note, however, that in the very next sentence of sec. 4, the bill refers to "receipt of a registered letter notifying \* \* \* of the decision, act, or failure to act," lapsing into the language of the original bar association draft.

<sup>52</sup> The bar association report, supra, note 12, at 3, states that the agency is given no appeal from the decision of its own board, but inasmuch as the head of the agency has the power to approve, disapprove, or modify the findings of fact and decision of the board, this comment is not understood.

<sup>53</sup> This agency passes upon the quality of tea. See 29 Stat. 606 (1897), 21 U. S. C. A. § 47 (1927).

<sup>54</sup> This agency passes upon the qualifications of pilots, masters, engineers, etc., and administers the Steamboat Inspection Laws. See 46 U. S. C. A. § 224 and §§ 391 et seq. (1923).

<sup>55</sup> Sec. 4 (e) of the bill.

<sup>44</sup> American Bar Association report, supra, note 12, at 26.

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

<sup>47</sup> (1938) 63 A. B. A. Rep. 334-336.

<sup>48</sup> *Willing v. Chicago Auditorium Assn.*, 277 U. S. 274, 48 S. Ct. 507, 72 L. Ed. 880 (1928); *Piedmont & N. Ry. Co. v. United States*, 280 U. S. 469, 50 S. Ct. 192, 74 L. Ed. 551 (1930); *Ashwander v. Tennessee Valley Authority*, 297 U. S. 288, 56 S. Ct. 466, 80 L. Ed. 688 (1936).

<sup>49</sup> Sec. 3 of the American Bar Association draft, supra, note 12.

<sup>50</sup> See definitions, p. 7, supra.



one of its trial examiners." Precisely what is meant by the words "where any matter arises out of the activities of any independent agency" is far from clear. The previous paragraphs of section 4 have dealt with intra-departmental appeals and so it might be logical to expect that the matters referred to in this sentence are actions of the independent agency calling for review. However, it is probable that the matters referred to are not limited to appeals, but include also such matters as the independent agencies may by rule<sup>46</sup> refer to trial examiners in the first instance, in line with existing practice. The bar association committee report would indicate an intent to regularize the existing practice of the appointment of trial examiners by independent agencies.<sup>47</sup> Provision for trial examiners is made purely voluntary under the bill and apparently would involve only such matters as may be covered by rules of the independent agency. Certainly no independent right of appeal such as is provided in the case of single-headed agencies is given to an aggrieved party in respect of an act of an independent agency or of one of its employees. However, where any such matter is heard, either by a trial examiner in the first instance or by the independent agency itself, there is stipulated a full and fair hearing after public notice<sup>48</sup> in the manner provided for in the earlier paragraphs of the section.

It is provided that the independent agency shall at the expiration of 30 days "enter such appropriate decision as may be proper" unless the aggrieved party either consents thereto or objects to the findings of the examiner, in which event there must first be a public hearing upon reasonable notice. This obviously does not make sense and the proviso with respect to consent of the aggrieved party, which did not appear in the original bar-association bill, must have crept in by error. But it is not clear whether the agency is bound by the findings of fact and separate decision of the trial examiner or whether it may disregard these and enter such decision as it in its discretion may deem appropriate. The provision for a public hearing before the entry of the decision by the independent agency where the aggrieved party objects to the findings of fact and decision of the trial examiner, but not where no such objection is made, would indicate that the decision entered by the agency must correspond to the decision of the examiner. But if this is so, there is no right of review or appeal whatsoever on the part of the independent agency from a decision of its own trial examiner adverse to it.

Where the independent agency has less than three members it is provided that an intra-agency board shall be constituted in the manner provided in the previous paragraphs of this section, upon which the members of the independent agency may serve at their election. But it must be remembered that there is no mandatory function for the board of the independent agency unless the agency itself voluntarily sets up a procedure of hearings before a trial examiner. By inference, hearings may in the first instance be before members of the independent agency itself or a board, if the membership is less than three. There is no provision for the taking of a written record in any proceeding before a trial examiner or members of an independent agency, for the issue of subpoenas, or for intervention. Whether or not it was expected that such and other procedural provisions would carry over from the earlier subsection of section 4 is not clear.

It should be said that the objectives of section 4 are sound. There can be no doubt as to the imperative need for improvement of the judicial process within the administrative agencies themselves. Whether, however, the act goes too far in the extent to which review is provided and whether or not it is possible or desirable to legislate so broadly in respect of so many administrative agencies without a study of the effect of such legislation on each agency is another question. This subject, together with the provisions of the bill defining the scope of administrative action subject to review, will be discussed in connection with a consideration of section 5 of the bill, which provides for judicial review of administrative decisions. Both sections are dependent upon the definition of the word "decisions" for the scope of their application.

#### SECTION 5. "JUDICIAL REVIEW OF DECISIONS OR ORDERS OF ADMINISTRATIVE AGENCIES"

Section 5 of the act<sup>49</sup> provides for judicial review of final decisions or orders of administrative agencies. Any party to a proceeding before an administrative agency as provided in section 4 of the act, who may be aggrieved by the "final decision or order" of the agency, may appeal the "decision" at his election to the United States Court of Appeals for the District of Columbia or to the circuit court of appeals within whose jurisdiction he may reside or maintain his principal place of business or in which the controversy arose. Appearance is to be made on behalf of the United States by the Attorney General.<sup>50</sup> The court may affirm or set aside the "decision" or may direct the agency to modify its "decision" or the case may be remanded for further evidence. Any "decision" of any agency "shall be set aside if it is made to

appear to the satisfaction of the court (1) that the findings of fact are clearly erroneous; or (2) that the findings of fact are not supported by substantial evidence; or (3) that the decision is not supported by the findings of fact; or (4) that the decision was issued without due notice and reasonable opportunity having been afforded the aggrieved party for a full and fair hearing; or (5) that the decision is beyond the jurisdiction of the agency or independent agency as the case may be; (6) that the decision infringes the Constitution or statutes of the United States; or (7) that the decision is otherwise contrary to law."<sup>51</sup>

There can be no doubt as to the sweeping character of the provisions of the original bar association bill which provided in respect of the single-headed agencies for an appeal to a board from any decision, act, or failure to act, including any regulatory order, of any official or employee of any such agency and for court review of any final decision or order of either single-headed or independent agencies. So sweeping, indeed, was this provision that it was necessary to provide that nothing in the act should apply to "any case where the aggrieved party was denied a loan, or may be dissatisfied with a grading service in connection with the purchase or sale of agricultural products, or has failed to receive appointment or employment by any agency or independent agency." As has been seen, the act passed by the Senate has limited the scope of permissible appeal by definition of the word "decision," but whether by accident or design the reservation above quoted still remains and for the purposes of this discussion must be considered as a part of the bill in endeavoring to interpret its language. But while the definition of decision, from which a right of appeal is given, would seem to narrow in some respects the extent to which appeal may be had from administrative acts, it cannot be said that this definition in any manner clarifies the matter. Quite the contrary. "Decision" means any affirmative or negative decision, order, or act in specific controversies which determines the issue therein involved." This by itself might be capable of analysis, even though the language itself is not very artistic. However "controversy" is in turn defined to mean "any dispute or disagreement concerning any claim, right, or obligation for or against the United States and any refusal to grant any license, permit, or other privilege." The words "refusal to grant any license, permit, or other privilege" are clear, if sweeping in their extent. Again, the expression "any claim \* \* \* against the United States" perhaps presents no difficulty of understanding, although very broad in scope. A "right \* \* \* against the United States" would presumably be the equivalent of a valid claim. The expression "any claim or right for the United States" is perhaps not good English, but if interpreted to mean "any claim or right of the United States" can also be understood. What, however, is an obligation either for or against the United States? If it means an obligation of or to the United States even this, except in an extremely narrow sense of the word "obligation," is rather difficult of application.

As has been seen, the extent to which an appeal may be had as of right to an intra-agency board established under Section 4 of the bill with respect to single-headed agencies and from such agencies to the appellate court, is measured by the definition of the word "decision." Inasmuch as it would appear that under this bill proceedings within independent agencies may only be instituted to the extent permitted under their own rules, this definition will affect independent agencies only in relation to court appeals. The right of appeal under existing statutes is not affected, but as will be seen the appeal given under the bar association bill provides for a broader review of fact on the part of the appellate court than in the normal review of actions of administrative bodies under existing statutes.<sup>52</sup>

That there should in many instances be a right of appeal from administrative action is self evident, and that there is opportunity for improvement of the administrative processes in this respect probably no practicing lawyer would deny. The question raised here is only as to the extent to which such right of appeal should be granted. Obviously administrative processes could not function satisfactorily if the right of appeal were given in respect of every minor administrative determination. It would seem that the bar association bill, even as amended by the Senate, goes too far in this direction and is altogether too indiscriminate in the nature of the acts from which an appeal may be taken. It is a difficult task to draw any satisfactory line, so difficult indeed that to some degree this should perhaps be left to administrative rule-making insofar as intradepartmental appeals are concerned. It will certainly be apparent that any departure from the general practice of permitting appeals as of right only from final orders, intended to reach the more informal determinations of administrative subordinates, can be made only after careful factual study of the particular agency in respect of which the legislation is intended to operate.

Under the bar association bill it would appear that a decision by the Procurement Division of the Treasury Department that a

<sup>46</sup> Must rules of this kind be issued only after notice and public hearing? See discussion, p. 9, supra.

<sup>47</sup> American Bar Association report, supra, note 12, at 35.

<sup>48</sup> This slip, calling for public notice instead of public hearing, can be traced back to the original bar association draft. American Bar Association report, supra, note 12, at 29.

<sup>49</sup> Sec. 4 in the American Bar Association's draft, supra, note 12.

<sup>50</sup> See note 41, supra. It is suspected that hostility to the administrative agencies is responsible for these provisions.

<sup>51</sup> It will be noted that the word "order" is used only in the headnote and in the beginning of the first sentence of the section. In the Bar Association draft the words "decision or order" are used throughout. Quite apparently, in the bill as passed by the Senate the word "decision" is intended to and would naturally be interpreted to mean a decision as previously defined, and the inclusion of the word "order" in the two places is merely a careless hold-over from the original draft.

<sup>52</sup> See discussion, p. 27 et seq., infra.

low bidder lacks the technical or financial qualifications necessary to undertake a contract would be subject to appeal.<sup>63</sup> Heretofore it seems there has been no right of court review in respect of situations involving the disposition of public lands in the nature of voluntary grants, but such class of claims might be held to come within the definition of the bill.<sup>64</sup> If it should appear wise that so substantial a change be made in existing procedure, certainly such conclusion should be reached after adequate consideration and not merely as the result of a dragnet provision in the bill.<sup>65</sup> As is stated in the brief of the Department of Agriculture:

"Under the proposed statute, an intradepartmental board would be set to work not only to review the revocation of a poultry dealer's license or the refusal of a sheep-grazing permit, but to appease a resident on a resettlement project who had been denied a renewal of his lease or a department employee who had been refused special parking privileges, and so on."<sup>66</sup>

It is indeed possible that decisions with respect to the personnel of a given agency may come under the scope of review. For, while there is excepted from the provisions of the act any case where an aggrieved party "has failed to receive an appointment or employment," no such exception applies to the discharge of any employee, the failure to receive promotion, dissatisfaction with grading, and so forth.

At the present time there is no right of court review of proceedings of the Veterans' Administration. The statute goes so far as to provide that:

"All decisions rendered by the Administrator of Veterans' Affairs under the provisions \* \* \* of this title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decisions."<sup>67</sup>

Obviously major reasons of policy dictated these provisions.<sup>68</sup> But whether or not these provisions and the policy which dictated them are sound, it must be clear that the existing law was enacted with special reference to particular problems and that it should not lightly be discarded without any consideration whatsoever of these problems. Other instances where Congress has in the past apparently concluded that special circumstances required special treatment are in relation to the Civil Service Commission, dealing with matters of government personnel;<sup>69</sup> the Bureau of Marine Inspection and Navigation under the Department of Commerce, having the power to suspend or revoke licenses of pilots, masters, engineers, etc., and to administer the Steamboat Inspection Laws<sup>70</sup> and the boards of special inquiry appointed by the Commissioner of the Immigration and Naturalization Service of the Department of Labor, which deal among other things with deportation cases.<sup>71</sup> In none of these cases do direct appeals lie to the courts.<sup>72</sup> Surely an administrative determination dealing with questions of safety of life at sea does not ipso facto call for the same degree of judicial review as proceedings for the suspension of a member from a stock exchange. And while employees of the Government are entitled, through access to boards of review, to protection against the possibility of capricious acts of their superiors, there seems to be no need to involve the judiciary in the adjustment of problems of this sort. In any event, these are matters for individual consideration which cannot be dealt with soundly by blanket legislation.

On the other hand, certain matters of importance which might under existing procedure come before the board of an independent agency would probably not be appealable under the terms of the act. Thus an order of the Federal Power Commission fixing rates of depreciation<sup>73</sup> would not be reviewable under this act because it could hardly be deemed to involve a "dispute or disagreement concerning any claim, right, or obligation for or against the United States" or "any refusal to grant any license, permit or other privilege." On the other hand the refusal of the Securities and Exchange Commission to grant an exemption from the operation of

the utility act<sup>74</sup> or to permit the withholding of confidential information from a registration statement<sup>75</sup> would come within the scope of the court review granted. The distinction would seem to be the arbitrary consequence of the haphazard language of the bill, rather than the result of any deliberation in respect of the particular classifications involved.<sup>76</sup>

As has been stated, section 5 is intended to give the courts a greater scope of review than had been customary in respect of administrative agencies. The words "clearly erroneous" have been taken from rule 52 of the new Rules of Civil Procedure of the Federal District Courts, on the basis that the power of the court to review findings of fact of an administrative agency should be at least as great as its power of review in respect of findings of fact of a trial judge without a jury.<sup>77</sup> The annotations to the bar association draft in several places speak of the power of review given by section 5 as permissive, but it is difficult to interpret the language of the act as other than mandatory.<sup>78</sup> To the extent that court review or relief is sought by an individual outside the provisions of this act, the scope of court review of any administrative determination will not be as great. Such court review outside the provisions of this act may be the result of a voluntary choice of remedies on the part of the individual or because of his inability to qualify his case as an appeal from a "decision" as provided in the bill.<sup>79</sup> Instead then of accomplishing uniformity there results in this respect a serious lack of unity where uniformity would be desirable. Whether or not a court could review the factual basis of a given controversy within a particular agency, would depend upon the procedure elected by, or in some cases forced upon, the appellant.

The question of the extent to which the courts should be permitted or required to review the factual determination of administrative agencies is one as to which there is sharp divergence of opinion and on which much has been written. It will, therefore, serve no purpose at this time to more than touch upon the theoretical aspects of this subject. It should, however, be pointed out that to the extent that section 5, taken in conjunction with section 4 of the act, grants the right of appeal in respect of a large variety and vast number of administrative acts which have not heretofore been subject to review by the courts, the additional burden placed upon the courts by the provision for a more extensive review of the facts is very great. It may be pointed out again that there is here as elsewhere real occasion for a detailed examination of the many agencies covered by the scope of the act. It is quite possible that a review of the actual operation of the various agencies may disclose that the activities of some in particular lend themselves to greater court supervision than others, aside from any general view as to whether greater or less supervision is desirable. For example, some decisions of administrative bodies involve in part at least purely administrative determinations, while others are purely judicial in that they involve only such considerations as would normally come before a court. A decision of the Securities and Exchange Commission refusing approval of the acquisition of securities or utility assets under section 10 of the Public Utility Act of 1935, involving a determination, among other things, that such acquisition would either unduly complicate the capital structure of the holding-company system of the applicant or would be detrimental to the public interest or the interest of investors or consumers or the proper functioning of such holding-company systems would come within the former category,<sup>80</sup> while an order expelling an individual or firm from the Stock Exchange would probably constitute an adjudication involving no administrative determinations. Without reaching any conclusion on this subject, it may merely be suggested that there would be ground for distinction in the treatment of these two classes of cases on review.<sup>81</sup>

There would seem to be fairly general agreement that the administrative process needs improvement and that a tendency to arbitrary action on the part of many administrators must be firmly checked. Many believe that unless the power of administrative bodies is curbed by the courts this country is headed for despotism, if indeed such state of affairs does not already exist. Others conclude that unless democratic government can become more efficient through the operation of administrative agencies fascism will result. The one group emphasizes the present threat to individual liberties, while the other group, recognizing and deploring this situa-

<sup>63</sup> House Hearings, supra, note 1, at 106.

<sup>64</sup> Id. at 74.

<sup>65</sup> Under the Sugar Act of 1937 a hearing is required in connection with the making of quota allotments and not required in connection with the determination of the quota itself. House Hearings, supra, note 1, at 87. Presumably this distinction would hold under the definition of the word "decision," which in this respect is an improvement over the original bar association bill which, without consideration of the particular subject, would have permitted an appeal from the determination of the quota itself as an act by an officer or employee of a single-headed agency.

<sup>66</sup> House Hearings, supra, note 1, at 37.

<sup>67</sup> 48 Stat. 9 (1935), 38 U. S. C. A. § 705 (Supp. 1938).

<sup>68</sup> See *Armstrong v. United States*, 16 F. (2d) 387, 389 (C. C. A. 8th, 1926), for discussion of like provisions of an earlier statute.

<sup>69</sup> 37 Stat. 555 (1912), 5 U. S. C. A. § 652 (1927). *Eberlein v. United States*, 257 U. S. 82, 42 S. Ct. 12, 66 L. Ed. 140 (1921); *Golding v. United States*, 78 Ct. Cl. 682 (1933).

<sup>70</sup> 46 U. S. C. A. §§ 224, 391 et seq. and § 731 (1928). *Williams v. Potter*, 223 Fed. 423 (C. C. A. 2d, 1915).

<sup>71</sup> 39 Stat. 887 (1917), 8 U. S. C. A. § 153 (1926).

<sup>72</sup> Collateral attack, where permitted, and habeas corpus proceedings in deportation cases involve court review of but limited scope.

<sup>73</sup> 16 U. S. C. A. § 797 (Supp. 1938); 1 Fed. Reg. 691 (1936).

<sup>74</sup> 49 Stat. 810 (1935), 15 U. S. C. A. § 79c (Supp. 1938).

<sup>75</sup> 48 Stat. 901 (1935), 15 U. S. C. A. § 78x (Supp. 1938).

<sup>76</sup> Under the language of the bill refusals are appealable in rather broad measure, but affirmative orders are only appealable if they fall within the narrow definition of the word "controversy."

<sup>77</sup> American Bar Association report, supra, note 12, at p. 42.

<sup>78</sup> Id. at 3, 42, 43.

<sup>79</sup> This latter contingency could not have arisen under the bar association draft.

<sup>80</sup> Grave questions are presented as to the wisdom of granting so broad a discretion to an administrative body without setting up adequate standards, of the feasibility of this type of regulation, etc. But these questions are not answered by providing a wide scope of judicial review of the findings of fact involved in any such determination.

<sup>81</sup> See Duffy (1937), 23 A. B. A. J. 844, for suggestions that administrative, legislative, and judicial functions should be distinguished, and full court review be allowed in the case of judicial functions only, and also Fuchs, Concepts and Policies in Anglo-American Administrative Law Theory (1938) 47 Yale L. J. 538, 553.



tion, takes a longer-range point of view in fearing an ultimately much greater threat to individual liberty if administrative processes are unduly curbed. The courts cannot shoulder the burden of protecting the individual from the acts of administrative agencies. The problem can be met only through reform within the agencies themselves. An increased rather than lessened responsibility in such agencies will contribute to this result. On the other hand, the placing of too great a burden on the courts might ultimately lead to a complete break-down of the judicial system. In this connection there must be recognized a tendency, not entirely conscious, among many of those who would curb administrative agencies by judicial process to attempt in some degree to nullify indirectly the objectives set by statute for these administrative agencies. And it may be said with justice that a large measure of support for the so-called procedural reforms of administrative process arises out of a deep-rooted antagonism to the legislation under which the administrative agencies are functioning.

#### SECTION 7. "EXCEPTIONS AND RESERVATIONS"

Subparagraph (b) of section 7, dealing with specific exceptions, has already been discussed.<sup>81</sup> The first paragraph of the section<sup>82</sup> significantly enough provides that nothing contained in the act shall operate to modify or repeal any rights or procedure as now provided by law for any person to have his controversy with the United States heard and determined in any district court or circuit court of appeals of the United States. This provision is frankly explained in the bar association report on the bill<sup>83</sup> as being due to the insistence of members of the bar association who wanted to retain all existing procedures open to individuals until such time as the procedures provided for in the new bill had been placed in operation and proven their worth. This reluctance on the part of members of the bar association to accept the provisions of this bill as substitutes for the presently existing rights of individuals can readily be understood, but does not show any great confidence in the proposed legislation. As far as the bar association members are concerned the trial and error method may be substituted for action taken only after investigation, provided only it does not affect the rights of the individual. What effect this procedure might have on the operation of the administrative agencies would appear to have been to them a more theoretical and less pressing question. Nor is it meant here to disapprove of the trial and error method within limited scope. Quite the contrary, it is believed that appropriate procedure for the accomplishment of the main objectives of the bar association bill should involve not only a thorough study of the operations of the agencies to be affected by the bill, but also a trial of certain of the resultant proposals by applying them first to particular agencies. If these provisions are then found satisfactory in operation, they can readily be extended to other agencies insofar as they may seem applicable.

#### CONCLUSION

The foregoing discussion leads to these conclusions: Whatever may have been the scope of the theoretical studies of administrative law which preceded the bar-association bill, there is no evidence of any adequate consideration of the detailed application of the proposed legislation and of its effect on the operation of the many agencies is affected. As a result the proposed bill is vitally defective. A thorough study is needed of the operations of each of the many Federal administrative agencies to determine to what extent the principles of the proposed bill may properly and effectively be made to apply. Thereafter a bill should be drafted, or the present bill redrafted, with detailed consideration given to the particular application of its provisions in each instance.

As to the general objectives of the bill, namely, public hearing before administrative rule making, judicial review of rules, improved machinery for intradepartmental appeals and provisions for more extensive judicial review of administrative decisions, it may be said that it is unlikely that any uniform procedural machinery can be devised in most of these matters which will operate satisfactorily in respect of the varying activities, both in a given agency and as between the different agencies, of the many administrative bodies. The method for public hearing before the issuance of rules has its disadvantages as well as advantages. In reference to particular applications, in some instances the one and in some instances the other predominate. Public hearing before rule making should not be universal but should only be required in the particular type of case where it is found to be advisable and, generally speaking, not in respect of minor rules. An attempt to provide for court review of rules is faced with a very serious obstacle in the probable inability as a general rule to secure a United States Supreme Court determination in this type of proceeding. At best it is a procedure which should initially have fairly limited application and should not be made applicable to rules of lesser importance. Improved procedure for intradepartmental review of administrative action and greater opportunity for appeal by aggrieved persons are generally accepted as desirable. But if the Federal administrative agencies are to be permitted to operate effectively and efficiently, great care must be exercised in the application of any such legislation to the specific activities of the various agencies. Uniformity in this respect would seem absolutely impossible. As to the extent of court review of administrative acts, it is the belief of the writer that in the main the increased scope of review provided in the bar

association bill is not desirable. This subject, however, like the others, is entitled to be considered in the light of the particular type of act which the court may be called upon to review, and it is not impossible that in relation to certain types of administrative activity a broader scope of review on the part of the courts may be found to be desirable.

## The Present Situation of Our Foreign Relations

### EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 29, 1940

#### PROGRAM OF THE AMERICAN FORUM OF THE AIR

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD a radio discussion participated in by the Senator from Nevada [Mr. PITTMAN], the Senator from Iowa [Mr. GILLETTE], the Senator from Wisconsin [Mr. WILEY], and me on February 18, 1940, on the subject of the present situation of our foreign relations.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Announcer McCORMICK. This is the American Forum of the Air. Listeners from coast to coast once more are invited to hear another forum broadcast emanating from the broadcasting studios of the Department of the Interior Building in Washington, D. C., presented by WOL in cooperation with WOR. The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational radio programs which present both sides of national problems, temperately discussed by leaders of various schools of thought.

Tonight's American Forum of the Air will be presented in two parts. Under the direction of the chairman, Theodore Granik, pioneer in educational radio discussion and newspaper columnist, you will first hear the formal presentation of opinion, followed by an extemporaneous panel discussion. And now your chairman, Theodore Granik.

Chairman GRANIK. Thank you, Mr. McCormick.

As the war of nerves throughout the world continues, amid the march of soldiers and the clang of steel, anxious Americans continue to watch developments with a mingling of fear and apprehension and hope. What, they ask, should be America's position in this drama of world events?

One need but read this morning's press to obtain a cross section of the haunting picture of horror that is modern war—armies equipped with the latest means of destruction, being unleashed to make a shambles of great civilized areas.

Headlines today report a British raid on the *Altmark*, with a German retort declaring unrestricted submarine war on all Allied shipping and on all neutral ships in Allied convoys or blockade control harbors. And we pause to wonder how this will affect American vessels.

We read also of little Finland's heroic struggle, and of her commander's appeal to his forces to hold firm to their new defenses. And while our sympathies are with this brave country, many urge caution lest we become involved in foreign entanglements.

What then is our position in this world of unrest? The week's developments made it clear that one of the great diplomatic dramas of United States history was beginning. The dispatch to Europe of President Roosevelt's trusted diplomat, Under Secretary of State Sumner Welles, brought on a thousand rumors. The reason was announced: "This visit is solely for the purpose of advising the President and the Secretary of State as to present conditions in Europe. Mr. Welles will, of course, be authorized to make no proposals or commitments." Later, Secretary Hull stated that because of the war, and its effect on neutrals, the United States had begun informal diplomatic conversations with neutral governments.

He made it clear that these conversations involved no world plan for peace. But they were preliminary inquiries looking toward the establishment of a sound international economic system, a worldwide reduction of arms. Their chief aim was to provide economic stability after the war.

And while these European moves have been taking place attention again has been focused on United States-Japanese relations. Members of the Senate Foreign Relations Committee have expressed varying views on the question of imposing embargoes on exports to Japan.

The committee is expected to discuss shortly two pending embargo proposals—one by Senator KEY PITTMAN, of Nevada, chairman of the committee, and the second by Senator LEWIS B. SCHWELLENBACH, of the State of Washington. Qualified approval of some form of embargo has come from several Senators. Others

<sup>81</sup> See pp. 4-7, supra.

<sup>82</sup> American Bar Association draft, supra, note 12, at section 6.

<sup>83</sup> Id. at 47.

are opposed, stating that it would be an unneutral action that might invite reprisals, while still others state that future developments would determine their final decision.

As these and other international problems affecting United States foreign policy continue to occupy the spotlight of attention, we present a discussion tonight on the present situation of our foreign relations.

We are privileged to present the views of four distinguished Members of the United States Senate: Senators KEY PITTMAN and SCHWELLENBACH, of whom I just spoke, and Senators GUY M. GILLETTE, of Iowa, and ALEXANDER WILEY, of Wisconsin.

The first part of tonight's program will be devoted to short presentations by each of our speakers. Immediately following they will engage in an informal panel discussion.

We invite your letters and comments on tonight's presentation. And now for our opening speaker, Senator PITTMAN.

#### ADDRESS BY SENATOR KEY PITTMAN

The European war so far has been chiefly a war in the air and upon the seas. Great Britain and France have been bending their efforts to reducing Germany's morale and power through a blockade of both her exports and imports. To the destruction by the submarine has been added destruction of merchant vessels and even warships from the air. To the horrors of this destruction have been added floating mines strewn along the coasts and throughout all shallow waters. Over 500 ships have been sunk and many lives have accompanied these sinkings. And yet not a single American vessel has been sunk and not a single American life has been lost during this vast destruction.

Even the most optimistic as to the efficaciousness of our neutrality law could not imagine the remarkable situation that exists today with regard to our shipping and our citizens traveling on the high seas.

There is no doubt that some bitterness exists in Germany and in Russia against the United States, and yet Germany has made no violent protests against our Neutrality Act. There is no doubt that she desired to receive arms, ammunition, and implements of war through Russia and other contiguous neutral countries and was deeply disappointed that the law was repealed so that Great Britain and France might equally obtain arms, ammunition, and implements of war through purchases in the United States. And yet Germany was largely compensated for being deprived of the special privileges with regard to arms, ammunition, and implements of war through the prohibition of American vessels from carrying merchandise to her enemies and the extending of credit to Great Britain and France.

Our ships are engaged in commerce in all parts of the world except with the belligerents and with those neutral countries included within the combat area. Our shipping is increasing in those areas where our vessels are permitted to engage in commerce.

We are suffering some losses and annoyances through the arbitrary action of Great Britain in carrying our vessels into her ports for search for contraband. This is one of those illegal acts that belligerents engage in by reason of intense fear and violent desire to take every advantage of their enemies. Such illegal acts invite retaliation and the commission of other illegal acts that constantly bring danger to the United States. I am sure that the British Government will abandon the illegal practice of taking American vessels into her ports. If this is done, then there will be no excuse for Germany to submarine our vessels on the high seas.

It is natural that in the heat of intense warfare the legal rights of neutrals should frequently be imposed upon. We went to war in 1917 by reason of the unlimited submarining of our vessels on the high seas. I am sure that we will not go to war again for such cause. And yet it does not follow because we are unwilling to send our soldiers abroad to fight for our rights that we will do nothing to induce belligerent countries to respect our rights. The law of retaliation and reprisal has existed since the beginning of time and does now exist. We have provided for retaliation in our tariff acts against governments who discriminate against our commerce and our citizens. We have the power of retaliation against every country in the world.

We are complaining against Great Britain now on the grounds that she is violating our rights under international law. We are protesting to Japan and have long protested against her violation of the rights of our citizens in China under the Nine Power Treaty. We have the right, and in fact, it is the duty of our Government to make such protests. It may become necessary for our Government to do more than protest. If our grounds of protest are sound, then retaliation to enforce our rights would be both legal and sound. Our Government should not be deterred in protecting the rights of its citizens by fear of a remote chance that some power may declare war upon us. No sane government today would declare war on the United States. There is no government today that can successfully bring war to the United States. Any declaration of war would simply submit such government to economic destruction and seal its fate as a belligerent. We are in as happy a position today as is conceivable while war rages in Europe and in Asia. We may have to retaliate but we know that there is no necessity of sending a single American soldier to either Europe or Asia.

Chairman GRANIK. Thank you, Senator PITTMAN. You are listening to the American Forum of the Air presenting a discussion on the present situation of our foreign relations. We now present Senator GUY M. GILLETTE, of Iowa.

#### ADDRESS BY SENATOR GUY M. GILLETTE

Ladies and gentlemen, 2 or 3 weeks ago I introduced in the Senate a concurrent resolution pursuant to section A (1) of the

Neutrality Act recently passed. It was designed as the preliminary step to the President's issuing a proclamation finding that a state of war existed in the Far East.

It was my intention tonight in the time allotted to me to discuss the reasons which impelled me to offer that proposal in lieu of the suggestions that had been made by my distinguished colleagues here tonight, the chairman of the Foreign Relations Committee and Senator SCHWELLENBACH, of Washington.

Yesterday I started to dictate a little preface to the remarks I intended to make and by the time I finished the preface, my time was used up, and I haven't the speech prepared on the subject that I intended to discuss, and the reasons, I hope, will appear in the further remarks that I will make.

It is hard to conceive of a more comprehensive subject than that chosen for tonight's forum discussion, the Present State of Our Foreign Relations.

I do not believe that there has ever been a time when the importance and even tenseness of our foreign relations had a wider field for interest and inquiry than at the present. There have been, of course, more delicate situations, fraught with greater immediate menace to our peace and security, but never a time when in so many quarters of the globe wars, actual or threatened, with their concomitant economic, financial, and political pressures involved our national interests so closely and so widely, and where the picture changed daily or even hourly with such startling kaleidoscopic effect.

There is Europe, with the great powers of Germany, France, and England engaged in a titanic struggle, the outcome of which will be determined largely by the economic strangulation of one side or the other; with the necessary curtailment of neutral shipping and trading; with the precarious position of the low countries of Belgium and Holland; and the difficult situation of Switzerland at the other flank of the so-called western front; with the tight-rope neutrality position of Italy and Spain; with the temporary destruction of Austria, Czechoslovakia, and Poland; with the pitiful situation of Finland, fighting against the overwhelmingly superior resources of the Soviet Union; with the Damocles sword of war and possible destruction hanging by so slender a thread over Sweden and the other Scandinavian constitutional monarchies; with the rapid gathering of tremendous war forces and powers in the Balkans and around the oil and grain resources of Rumania, Hungary, Turkey, and the smaller states of that region; with the rapid transportation to this danger point of the soldiers of Australia and New Zealand.

Crossing the boundary we see Asia, with the truce between Japan and the Union of Soviet Republics for the temporary cessation of their hostilities on the North China front, but with such deep-seated antagonisms of political and economic interests that cannot but insure the truce to be, indeed, a temporary one and dictated solely by immediate necessity; with the 2½-year inhumane attempt on the part of Japan to annihilate and destroy the Republic of China; with the well-known fact that Japan is insisting now, and will insist on a complete new order in the Far East; with her flagrant disregard of treaty and treaty rights, and her scores of acts of aggression against the cosignatories of her treaty engagements; with the very real impending threat against the Dutch East Indies, and the strategic Malay Straits; with the conditions existing in the Caroline Islands' mandates, and the rapid approaching time of our engagement to foster Philippine independence; with the rapid consolidation of public opinion in India behind Ghandi and his tremendous organization.

Leaving Asia and passing to Africa, we see the British interests there strongly involved in the Empire's wars, and the continuing struggle for the control of the greater reservoirs of resources of both manpower and material in north and north central Africa.

Now, turning to our own side of the Atlantic Ocean, we see the continuous threats to the safety and solidarity of the North and South American republics, with the rapidly changing conception of the Monroe Doctrine and its purpose; with the ever-present incentive for Asiatic and European powers to secure by any means possible air bases within striking distance of our vital Panama Canal; with the communistic governmental philosophy making real headway in some of our Pan American nations; and coming even nearer home, we see the people of Canada disturbed against their own will and judgment as to their possible fate should the war tide turn against their mother country of England; and with the largely undeveloped but immense strategic value of Alaska and the Aleutians always a goal to excite the cupidity of aggressor nations expanding under the powerful impelling force of economic necessity.

With all this world picture which I have tried to draw, I am very frank to say that I believe it to be unwise, unseemly, and possibly embarrassing for Members of the United States Senate, and some of us members of the Committee on Foreign Relations, to discuss publicly specific situations and policies that are before our State Department now for immediate solution and action. I do not mean to imply that there is need for curtailment, and I personally would resent any attempt at curtailment, of the full American right of reasonable knowledge of the actions of its governmental agencies, with the full right of expression of opinion; nor am I forgetting the immense value of public discussion in the forum, on the platform, over the radio, and in editorial and press columns in order that we might have the concrete conclusions of our enlightened citizenry. But we have a State Department, composed, I believe, of some of our highest and best men, and I personally am convinced that I should do or say nothing to make their tremendous problems more difficult of solution, particularly by some careless or thoughtless remark that I might make. This strong conviction on my part



has changed this little talk of mine, which I had intended to be a discussion of my own resolution, looking to the putting into effect of our neutrality law in the far eastern war, into a general delineation of the whole world picture which I have just now tried to draw.

Chairman GRANIK. Thank you, Senator GILLETTE. And now, as our third speaker in tonight's forum on the Present Situation of Our Foreign Relations, we present Senator LEWIS B. SCHWELLENBACH, of the State of Washington.

ADDRESS BY SENATOR LEWIS B. SCHWELLENBACH

What the world most needs today is simple, common honesty. The best standard by which to judge the honesty of nations as well as men is whether they keep their word. Broken promises, broken pledges, broken treaties have contributed more to the present world disaster than has any other single factor. These breaches of faith have not been limited to any single nation or group of nations. I do not deprecate the importance of economic needs in the present situation. However, if the nations of the world had kept their word during the last quarter century many of these economic factors would not today exist. Had Germany and Russia believed that England and France would keep their promises to the smaller nations, they would have never dared to plunge the world into its present condition.

What are just a few of these broken promises? England and France made their first mistake in repudiating their financial promises to us. By that act they made certain that we would not again rush to their defense. Hitler knew that. Hitler relied upon it. France made its mistake when it broke its promise to Germany to disarm after Germany had been disarmed. Hitler used that to get his power in Germany. England made its mistake when it broke its promise to China when Japan took Manchuria. England and France broke their promise to Ethiopia. Since then treaty breaking, promise breaking, and word breaking have been the rule instead of the exception. International morality reached the lowest point since the seventeenth century. The present war is the natural and logical consequence.

Our people want peace. We want peace not only for ourselves but for the entire world. We want that peace to last. We hope when the present war ends to play some part in establishing a lasting peace. To my mind that hope will be barren unless we can enter into such a peace conference with a record clear of the taint of treaty breaking on our own part. The only leadership we want to give the world is moral leadership. We must have our own hands clean if we try it.

Are our hands clean today? Unfortunately, they are not. We, too, are violating a treaty just as sacred and just as important as any ever written.

What treaty are we violating? In 1921, in an endeavor to reduce naval expenditures among the great powers, the Washington Conference was called. Its chief purpose, in the beginning, was the limitation of naval armaments. The most important accomplishment of the Conference, however, was the adoption and signing of the Nine-Power Pact. In that pact we joined with seven other nations in agreeing to respect the territorial and administrative integrity of China.

This was not the first contact our Nation had had with China. For 125 years we have been sending over missionaries to open schools, colleges, hospitals, and churches. In 1899 we intervened in China and insisted upon the open-door policy. We insisted that our rights in China be recognized and that no other nation could create a sphere of influence there. During the World War China readily complied with President Wilson's request and declared war upon the Central Powers shortly after we entered the world conflict. When that war ended, however, China profited not at all. The net result, so far as China was concerned, was that her old rival and enemy—Japan—was given all of the German rights in China. In retaliation of that, and with disappointment with the way she had been treated by her allies, the Chinese people commenced their effective boycott against Japanese goods. It was an effective boycott. Its success struck vitally at the economic structure of Japan. It must be remembered that then Japan did not have her diversified foreign trade; her merchant marine had not been built to the strength it now occupies. To Japan, Chinese trade was of vital importance. By the time of the Washington conference on Armistice Day, 1921, the Chinese boycott had reached a state of well-nigh perfection. In that conference we asked Japan to agree to a naval program which meant economy for us and also lessened the danger to us in the Pacific. In consideration of Japan's agreement in the naval side of the conference, we induced China to discontinue the boycott. In payment for this action on China's part, we wrote into article I of the Nine Power Pact the agreement "to respect the sovereignty, the independence, and the territorial and administrative integrity of China." All nine of the nations agreed to it. China, relying entirely upon her trust in us, surrendered her most effective weapon. China believed her sovereignty and independence, administrative and territorial integrity, would be respected by the nations of the world. Yet today China suffers and her territorial integrity is being destroyed. We, for the profits involved, are aiding, abetting, and cooperating in that destruction.

We today are Japan's most important ally in her war with China. Were it not for the assistance of the United States, Japan's China campaign would probably have collapsed many months ago. Japan is a nation without the necessary materials of war. Japan has no oil with which to operate her airplanes, her tanks, her trucks, her automobiles, or even her battleships. We furnish 65 percent of that which she secures from the outside world. We furnish 90 percent of the scrap iron and steel with which she manufactures

her munitions. We furnish 90 percent of the copper for her munitions. We furnish 99 percent of her other metals for alloys for munitions preparations. She must have metal-working machinery—our contribution is 67 percent of that. We furnish 64 percent of the automobiles and parts which Japan is using in China.

It is true, we furnish no soldiers—we do, however, furnish the materials for the munitions which those soldiers use. We furnish no airplane pilots, but we furnish the gasoline to propel the airplanes. We furnish no tank or truck drivers, but we furnish the tanks and the trucks, the gasoline to operate them, and the oil to lubricate them. We are in the Japanese-Chinese War right up to our necks. We are Japan's No. 1 partner. China is being destroyed. We are making the profits.

But don't for a minute think that we are not taking a chance. You mothers and fathers whose boys are coming into military age need have no false sense of security coming from the belief that we can play this game of profit-sharing permanently without risking the lives and bodies of those young men you love. Every month, every week, every day, we make possible the prolonging of the far eastern war, to that extent do we enlarge the danger of ultimate world conflict, from the ravages of which we can hardly hope to escape. Every dollar of profit enjoyed by the American oil producer, the American scrap iron and steel shipper, the American machinery manufacturer, may ultimately be paid for by the life of an American soldier, the family of whom now thinks that he is safe.

No one can deny that in this matter our duty is clear. Every substantial poll of public opinion shows that at least 75 percent of our people recognize this duty. That duty is to comply with our treaty obligations and stop our citizens from further violation of the Nine Power Pact. Common honesty, common sense, and cold-blooded logic require that we do no less.

Chairman GRANIK. Thank you, Senator SCHWELLENBACH. And now as the concluding speaker in the first half of tonight's forum presentation on The Present Situation of Our Foreign Relations, we present Senator ALEXANDER WILEY, of Wisconsin.

ADDRESS BY SENATOR ALEXANDER WILEY

Mr. Granik, my colleagues of the Senate, and ladies and gentlemen, I interpret the subject, The Present Situation of Our Foreign Relations, as an opportunity, in the few moments that I have at my disposal, to interpret or define what our foreign relations should be, having in mind our national background and particularly the foreign-relations policy laid down by the founders of this country.

It is always well in discussing any issue to seek to tie to a principle. Washington and Jefferson laid down such a principle for the guidance and direction of America. It was not simply for their generation but also for our generation. Jefferson might have phrased it this way: "Let us trade with Europe and consult with Europe, but never get mixed up politically with Europe." He said: "Peace, commerce, and honest friendship with all nations—entangling alliances with none."

Right now we have representatives on the high seas, and it is interesting to note what the President of this Republic said in 1933 when the question of cooperation with the League came up. He reaffirmed Jefferson's doctrine, and it is my prayer that he means what he said. He said: "We are giving cooperation to the League in every matter which is not primarily political."

And the previous President, President Hoover, said that he believed in selective cooperation—that is, cooperation in nonpolitical fields and in preserving freedom of action in political matters.

The situation in Europe today presents a direct challenge to this policy. Are we going to follow it? In sending Sumner Welles to Europe are we sending him as a political observer or a political meddler?

If it is as a meddler in European affairs, we are playing with fire. Fortunately, the constitutional provision that all treaties must be ratified by the Senate presents a pretty strong protective measure. It is my hope that the administration will not find itself like the ignorant poker player who sat down with poker sharks—deprived of all he possessed.

If there is anything to learn from Europe in relation to Europe's conduct of international affairs that would prove beneficial to us, let us learn; but make sure that we are not furnishing the stakes in trying to teach them how to play international poker, which they have been mixed up in for centuries.

That does not mean that we are unsympathetic, that we would not, if called upon, render "aid and assistance," but it does mean that we do not want to get mixed up with "entangling alliances," which would cripple our American values.

In our foreign relations, America has stood for international law, for the sanctity of treaties, and for international morality.

Right here is probably as good a place as any to impress upon my listeners the distinction between official or governmental action and the action of individuals or nationals of a government. This is illustrated very clearly by the international rule that when two governments are at war a neutral government cannot give credit or a loan to a belligerent without violating international law. But there is no prohibition in international law against the nationals of a nation that is at peace making donations or loaning money to a belligerent. In some instances there may be a domestic prohibition such as is contained in our neutrality law.

It is my sincere hope that those who at the present time have the leading role in looking after our international affairs will always bear in mind the principle that I have mentioned above and which Washington so cogently phrased in his farewell address to the American people.

This attitude does not make us isolationists. It does make us men with vision who do not want to mix up in foreign "deals,"

ideologies, wars, when it is to our detriment and the destruction of our heritage. It takes the position that if we are anxious to aid a righteous cause we can do so very properly within our own borders, clearing up the economic maladjustments which exist here.

Our foreign policy in the Far East is a little bit different from that which we have been discussing in relation to Europe. It is different because we have a Nine Power Treaty with eight other nations, which relates to China. Also we have insular possessions in the Pacific and have an interest in the Philippines. Yet the basic rule of conduct laid down by our fathers still can prove a guide for us in the present Chinese-Japanese situation.

How are we going to handle our differences with Japan? Are we going to think in terms of retaliation, economic, or otherwise, such as has been discussed here this evening by the Senator from Washington? Does retaliation ever get you anywhere? We can be firm and yet kind. We can take a position for principle and yet be friendly. And more than anything else, we can manifest an understanding of the fact that it never pays to act hurriedly in international affairs, especially when other nations are wounded. So I say, before we take any definite action in relation to an embargo we should think the problem through. At best, an embargo would be a measure of doubtful assistance to China, and it would arouse antagonism on the part of Japan. An embargo by us would mean a reprisal by Japan. I believe that much the same result can be effected by legislation, having in mind simply taking care of America's needs—legislation that will keep, here in American, stuff—basic materials—which we need. Legislation would then be based upon America's needs and not a challenge to Japan.

I hope that the present situation of our foreign relations means that we are going to abstain from participation in foreign quarrels; that we are determined to maintain a policy of nonintervention in the internal affairs of other nations; that we will restate to the world that we believe in international morality, international law, the sanctity of treaties, and arbitration as a method of settling international disputes.

I hope also that no one—especially our folks who have a tendency to become internationally minded—will claim that America's self-interest lies in forgetting the ancient landmarks. We must not permit our warm American sympathies or our impetuous dislikes or any hysterical tendencies to unbalance our judgment.

Chairman GRANIK. Thank you, Senator WILEY. This concludes part I of tonight's presentation.

Announcer MCCORMICK. Immediately following station identification we shall continue with the extemporaneous discussion. This is the Mutual Broadcasting System.

Announcer MCCORMICK. This is the American Forum of the Air, originating in the broadcasting studios of the Department of the Interior Building in Washington, D. C., and presented over the Mutual network by WOL in cooperation with WOR. We return you to the chairman, Mr. Granik.

Chairman GRANIK. And now, as part II of tonight's American Forum of the air on The Present Situation of Our Foreign Relations, we again present our speakers in an informal panel discussion.

They are Senator KEY PITTMAN, chairman of the Foreign Relations Committee; Senator GUY M. GILLETTE, of Iowa; Senator LEWIS B. SCHWELLENBACH, of Washington; and Senator ALEXANDER WILEY, of Wisconsin. Senator SCHWELLENBACH will open the discussion.

Senator SCHWELLENBACH. During the course of his remarks, Senator WILEY referred to the trip which is being taken now by the Under Secretary of State, Mr. Sumner Welles. I would like to submit this question to both Senator PITTMAN and Senator GILLETTE. During the time I have been in Washington I have become acquainted with Sumner Welles and have watched him work. I think, if there is one man in this country who can listen and keep his mouth shut, it is Sumner Welles, and I have no feeling of fear of Sumner Welles' going over to Europe and involving us in any European difficulties, because, in my opinion, there could be no better choice in the United States of a man who would go over and get information and give none than Sumner Welles, and I would like either Senator PITTMAN or Senator GILLETTE to discuss their idea as to whether or not there is anything we need fear as the result of Mr. Welles' trip.

Senator GILLETTE. Senator SCHWELLENBACH, speaking for myself, if I were to choose among my acquaintances throughout the United States, Sumner Welles would be my choice as an emissary for the mission on which he is engaged. I think it is scarcely right to assume that he would, or could, having the temperamental characteristics that he has, take any step, make any statement, make any visit, make any commitment, that would involve this country in difficulty. For one, I am mightily pleased that we have a man of his caliber, his ability, his astuteness, and his acumen over there as an observer to give us the benefit of anything that he may discover on his return.

Senator WILEY. Senator SCHWELLENBACH, anything that I said could not be interpreted, I hope, as any reflection on Sumner Welles. I do not know the gentleman personally. I know that he is a man of great ability and common sense, and I am sure squares with the description just given by my colleague, Senator GILLETTE. My thought, however, was simply this, and I am sure I am expressing the hope and the prayer of a large percentage of our people, that he is going simply as an observer, that there is no thought that we are going to try to suggest or interfere or meddle.

Now I would like to direct a question to Senator SCHWELLENBACH. I want to preface it, first, by saying that I think our own

Government officials have been handling this Japanese-Chinese situation very well. I think they have handled it with dignity and judgment, and they have done well to protect the rights of our people the way they have. But I would like to ask this question. If we put an embargo on, what is their interpretation of the effect of it upon the situation in the east?

Senator SCHWELLENBACH. May I ask first if you mean the effect in Japan itself or upon the war between Japan and China?

Senator WILEY. Both. You have described what you thought the economic effect would be, but what effect would it have on Japan so far as we are concerned, and what effect on China?

Senator SCHWELLENBACH. Senator WILEY, during the course of your remarks you talked about the necessity for care and the desirability that we take no action which would result in retaliation. I am in thorough accord with that position, and I certainly haven't acted hastily in the consideration of this particular subject. As a matter of fact, I had the resolution which I introduced last summer on my desk 2 months before I introduced it. I talked to everybody whom I could find who I thought knew anything about the far eastern situation. I don't think there is any substantial danger involved in taking the position for which I contend.

You suggest that we ought to pass a law which would keep out of Japan certain goods, that we keep them in this country. That is precisely what I propose. I propose it on the ground that we have a treaty responsibility not to send them. We agreed with these other nations to respect the territorial and administrative integrity of China, and all I propose is that we stop our citizens from breaking that treaty, and I don't think it is going to result in any retaliation on the part of Japan. At the same time, I think it is going to result in the stopping of the war between Japan and China and a settling of affairs in the Far East, and that it presents much less danger than continuing to furnish the major portion of Japan's war supplies.

Senator WILEY. I realize, Senator SCHWELLENBACH, that you have expressed, I believe, the attitude of a great many people in this country, but there are others who believe—and I say this so everyone will give it thought—that if we should put an embargo, it would amount to a slap in the face to a friendly nation, and Japan then would declare war on China; it wouldn't be an undeclared war such as it is now, and it being a declared war, Japan would blockade Chinese ports, shut out all imports, and apply marshal law wherever Japanese armies are, and Japan would then see that foreigners were excluded from China, would see that all foreign settlements were taken over.

Japan would do to China what we did to the South when we blockaded it. As it is now, we haven't that blockade.

To me such a situation would not help China; it would not be conducive to friendly relations between our country and Japan, and it would be putting fuel on a fire that we want to put out.

Mr. GRANIK. Senator PITTMAN, would you care to comment?

Senator PITTMAN. I do not feel that it would make any difference whether Japan were to declare war or not. As far as China is concerned, all exports to China, except by way of Burma, are blockaded now, without the responsibility of declaring a blockade. It would make it totally immaterial whether they declared war or did not declare it, as far as China is concerned. However, a nation when it declares war, assumes certain responsibilities which Japan does not want to assume.

Belligerents haven't any natural rights over neutrals in war any more than they have in peace, except that the customs through years have recognized that they are in a harder position than the neutrals, and therefore we give them certain privileges over the neutrals.

Japan can't search our ships on the high seas today. If she declared war against China, she could, and we would have to suffer that privilege to Japan. Japan can't blockade a port of China today because she hasn't given notice to the world that she is at war with China. Whether you use a subterfuge to keep scrap iron from going to Japan or not is totally immaterial, except that I don't like the method of subterfuge.

I agree with Senator SCHWELLENBACH that the establishment and maintenance of honesty in the world today among governments is essential to our evolution. I don't think you can do it through fear. I don't think you can accomplish it by ducking the responsibility of protesting against the wrong. Much as I fear war, I think there are some things worse than war. I think life in China today is worse than war. I think life in Russia today is worse than war.

Mr. GRANIK. Senator GILLETTE?

Senator GILLETTE. Mr. Granik, I think that 99 percent of the American people feel just as Senator PITTMAN and Senator SCHWELLENBACH have clearly expressed themselves tonight in the abhorrence of the situation in which we are placed as partners in the nefarious enterprise in which Japan is engaged. But I would like to ask either of these Senators this question: Having in mind that, so far as the record is concerned, Japan and China are friendly neutral nations, so far as we view the matter at the present time, do either of you have in mind any historical case in which one nation has passed legislation of a distinctly punitive nature against a friendly power?

Senator SCHWELLENBACH. I will answer that, Senator GILLETTE, in this way. I am not willing to recognize that a resolution such as I proposed could properly be classified as distinctly punitive. All I am contending for, and all I am arguing for, is that we keep our word. For a definite consideration which I described in the opening remarks I made, we entered into an agreement with China, and that



was that we would respect her territorial and administrative integrity. That is being destroyed and we are furnishing the materials with which it is being destroyed, and all I am proposing is that we pass legislation which would stop our citizens here from participating in a war and continuing a practice which results in the Nation itself breaking an agreement which was solemnly made with China, and I don't consider it punitive as against Japan at all.

I haven't any feeling one way or the other at all with reference to China or Japan. It is simply a matter that we made a promise, and I think the time has come when some nation in the world has to stand up and say, "We at least are willing to keep our agreements," and "We at least are willing to keep our word."

Senator PITTMAN. May I ask the Senator from Iowa a question? He has asked me one. I assume that the Senator from Iowa knows from general information, as all of us know, that the Secretary of State has been for many months protesting to Japan against discriminations against our citizens in China; isn't that true?

Senator GILLETTE. Undoubtedly.

Senator PITTMAN. Do you support those protests?

Senator GILLETTE. Unquestionably.

Senator PITTMAN. Then isn't the logical proposition that if the protests are not obeyed to bring some pressure to bear?

Senator GILLETTE. Without a doubt.

Senator PITTMAN. That is all I have to say.

Senator GILLETTE. Now, I will ask the distinguished chairman a question along the same lines. I think there could be no doubt that you and I are in complete agreement with the attitude that the State Department has taken. In fact, you know it to be a fact, and I know it to be a fact, that our Secretary of State has maintained a uniform series of protests on every incident that has occurred in the Far East to maintain our position and demand our rights.

Now, the Senator just referred briefly a moment ago to the fact that a nation at peace, a nonbelligerent, could not under international law impose a blockade, and yet the Senator himself just previous to that stated that the blockade of China was so effective that there it would have no effect even if it was imposed at the same time. And doesn't the Senator know that every Chinese port, with the exception of a small portion of Hong Kong, is blockaded at the present time, as a matter of fact, by Japanese armies and Japanese diversion of all imports to her own use?

Senator PITTMAN. It is not a legal blockade under belligerence, because our ships go and land there. The only difference is our ships land at Hong Kong and they take the stuff away after it gets into Hong Kong.

Senator GILLETTE. It is a blockade in effect.

Senator PITTMAN. It is not a legal blockade.

Senator WILEY. It is a subterfuge blockade, but we are not in favor of subterfuges.

I think we have reached the crux of this argument. I want to ask Senator PITTMAN now what he thinks America should do. If we protest it, what further should we do?

Senator PITTMAN. I have stated in this little brief statement here that I think the maintenance of treaty rights is absolutely essential to morality in the world and the prevention of chaos. If you haven't got treaty rights, then you have nothing except force, which is going on in the world today. To what extent you should jeopardize your own people in a fight to maintain treaty rights is a matter that will always be submitted to the sound discretion of the people who are responsible for our citizens. I don't agree that every step is a step to war. I don't think the protest against the wrongs of the Japanese has taken us to war. I don't think that the use of our tariff acts which we have against Germany on account of their discriminations has brought us into war with Germany. I think there are certain things that a dignified, courageous man can do to show that he does not believe in dishonesty. Just how far that can go, I am human, you are human, I don't know. The responsibility of a legislator, of course, is very much greater than that of the individual, and I recognize that responsibility.

Senator WILEY. Senator PITTMAN, I believe that you have partially answered my question, but I am sure our listeners still would like to know what in your mind would be the specific step that America should take. Here we have a number of protests. Here we have a situation in the Far East where Japan is fighting for empire, fighting for a place to get raw material, to get open markets. Now, she is an island empire like England. I suggested in a talk I gave in the Senate of the United States back on January 23 certain things that I thought could be done in relation to this matter. Personally, I feel that America around the table could use more force than by the blind force of the "big-stick" method. I still think that Japan has statesmen who will reason and think, and I would suggest that.

I suggest also that if Japan is in need of these basic materials—and we are told that America needs them—we don't have to violate what Senator GILLETTE has suggested might be a violation, the rule that obtains with friendly nations. We could simply restrict those shipments because of our own personal need. But I am satisfied that there is no sentiment in America that even if Japan violated the Nine Power Treaty rights of China in this country, that that would be the basis for putting our 130,000,000 people into war.

Senator SCHWELLENBACH. Senator GILLETTE started out in his main discussion by saying that he had intended to write a speech

and he only got the preface written yesterday afternoon. I suggest we give him half a minute to give the speech he intended to write yesterday afternoon.

Senator GILLETTE. Senator SCHWELLENBACH, that generosity affects me deeply. The offer of a half minute shows the conclusion on the Senator's part, having heard me in the Senate a number of times, that a half minute will cover all of the speech that I have to deliver.

In return for that kindness, I am going to ask Senator SCHWELLENBACH one more question. Senator, during the last special session, we put on the statute books the so-called Peace Act of 1939, generally known as the neutrality law. In that law we notified the world of our position on various matters, shipments, and transshipments, extension of credit, and so on, in the event that a state of war exists. Do you see any reason why we should not take the steps necessary to define that a state of war exists in the Far East, as everyone knows that it does, and put into effect that neutrality law which we have served on the world as notice of what our attitude will be when belligerency exists? Is there any reason why that shouldn't be done?

Senator SCHWELLENBACH. Yes; there are two reasons. In the first place, it isn't necessary under the neutrality law to put it into effect. You remember that there are two provisions under which either the President or Congress shall declare the neutrality law effective, one that a state of war exists between two or more nations; and, second, that the peace and security of the United States is affected by commerce therewith. There isn't anything to indicate that our peace and our security have been affected by the war in China. As Senator PITTMAN said, our ships actually go in there today, and they unload, and with one exception there hasn't been any difficulty so far as the shipping part of it is concerned. The treatment comes after the cargoes are unloaded.

The second reason is that it certainly would be of no benefit to China, and probably would be a very positive benefit to Japan, to make the neutrality law effective; that is, Japan has the money and the ships with which to come and get the things they want to get in this country, as they could do under the cash-and-carry provisions of the law. It would simply deprive us of sending that small amount of assistance we now send to China and would hurt China and help Japan.

Senator GILLETTE. May I add in answer to the very able presentation of the Senator that that situation existed undoubtedly up until recently, but the situation as presented so forcefully by Chairman PITTMAN just a moment ago, that there is an actual, effective blockade at the present time, is proof to me that the impact of the imposition of the neutrality law on China at the present time would not be as disastrous as you anticipate.

Senator WILEY. Mr. Granik, I would like just to read at this time a statement from Washington's Farewell Address which was taken out of the Saturday Evening Post today. He said as follows: "Excessive partiality for one foreign nation, and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil, and even second, the arts of influence on the other."

Senator SCHWELLENBACH. Didn't George Washington also advocate the keeping of agreements and the respect for commitments and obligations?

Senator WILEY. He did, but in 1798, after we had signed an agreement with France, he also stated that we should not keep that agreement because it would get us into war. You remember that, and as the result we didn't make a loan to France from 1798 which we should have done in accordance with our agreement. He recognized that the safety of America was the big thing.

Chairman GRANIK. Thank you, gentlemen.

You have been listening to the American Forum of the Air, presenting a discussion on The Present Situation of Our Foreign Relations.

Our speakers were Senator KEY PITTMAN, of Nevada; Senator LEWIS SCHWELLENBACH, of Washington; Senator GUY M. GILLETTE, of Iowa; and Senator ALEXANDER WILEY, of Wisconsin.

And now for a final word from Mr. McCormick.

Announcer MCCORMICK. Another broadcast in this season's series of the American Forum of the Air comes to a close. These programs emanate from the studios of the Department of the Interior Building in the Nation's Capital.

The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational broadcasts which present both sides of national problems.

In the interest of education, there are printed and distributed, free of charge, the entire proceedings of this broadcast. When requesting copies by mail, kindly enclose 5 cents to cover postage and mailing. Address your requests to station WOL, Washington, D. C.

This program was arranged and directed by Theodore Granik, radio and newspaper commentator, who presided as chairman. Next Sunday at this same time Mutual will bring you another forum, which you are invited to attend. Address your comments to Mr. Granik, in care of radio station WOL, Washington, D. C.

Stephen McCormick speaking.

This is the Mutual Broadcasting System.

Senator George W. Norris  
EXTENSION OF REMARKS  
OF  
HON. JOHN E. RANKIN  
OF MISSISSIPPI  
IN THE HOUSE OF REPRESENTATIVES  
Wednesday, February 28, 1940

SPEECH OF HON. JOHN M. CARMODY

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I insert an address delivered by Hon. John M. Carmody, Administrator, Federal Works Agency, before the Nebraska State Water Conservation Congress at Hastings, Nebr., on November 27, 1939, in which he pays a just tribute to Senator GEORGE W. NORRIS.

The matter referred to follows:

Ever since the Colonies freed themselves from monarchical control, the fundamental struggle has been to determine whether the elected representatives of the people should represent all of the people, or just property. Nowhere in the United States is that distinction more clearly understood than right here in the heart of the Middle West. For almost a hundred years legislative and social progress has had its roots in the liberal thinking of the settlers of these broad plains.

Men will come and men will go, but history will record that no man has stood more steadfastly for these ideals than your own Senator GEORGE W. NORRIS. He has been above party; he has been above every influence that in any way would detract from bringing to the people those benefits of government to which they themselves are so clearly entitled. He has been a Senator in the finest sense, because not only has he served his own State, but he has included in his thinking the people of the whole country. It is inconceivable that any type of government but a democracy could have achieved the distinction of having such a man as GEORGE W. NORRIS among its leaders for 40 years.

A leader in a democratic country does not and cannot stand alone. The fact that Nebraskans have chosen for so long a period to be represented in the highest councils of the country by such a progressive man is not only a tribute to Senator NORRIS but is a token of the intelligence and foresight of the people of Nebraska themselves. I am sure that Senator NORRIS would be the first to agree that his achievement is not only of his own making; it is based on the integrity and liberalism of his supporters here in this State. The light which he sheds for the Nation through his work in the Senate is more than his own; he is the lens which magnifies the collective idealism of his constituents in this State. In the democratic form of government, political leaders give the people their only means of getting a proper reflection of their spirit into the councils of the land. Even such a fine constituency as you have here in Nebraska seldom finds a beacon so luminous as Senator NORRIS; but you have certainly proved to the people of the country that once such a man is discovered, his hand will be upheld and his prophecy accepted, even in his own State.

Truly Senator NORRIS may be called one of America's greatest prophets of liberalism; for the test of any prophet is the extent to which the ideas he pioneers become accepted generally. It is rare indeed that a prophet is also a man of action who can lead the fight for his ideas; but in Senator NORRIS we have that combination.

It is hard for us to realize that just 10 years ago the fight which Senator NORRIS was leading to make available to the people of the country the magnificent resources of the Tennessee Valley was for the second time being thwarted by a President of the United States. It is hard for us now to imagine the difficulties under which that fight had to be made before Senator NORRIS had the opportunity to work with a President who shares his liberalism and his ideals.

While the Nation as a whole is more familiar with the achievements of Senator NORRIS in the Tennessee Valley, you who have been participants in the battle here in Nebraska know that nearest to his heart has been the best development and use of the waters of this State for the people of this State. As a dramatic proof of the wisdom of the program for which Senator NORRIS has been fighting, the droughts of the last few years have come just at the time when the irrigation projects were under construction. This fall there are few of your citizens who have not been convinced, either by Senator NORRIS or by Nature, of the necessity for the proper conservation and use of your waters. Let us not forget that his was the foresight.

You remember the slow disillusionment of the ardent pioneer who followed the railroad and settled on your great plains. The spirit that was bold against the Indian, persevering in the erection of sod houses, gradually broke in the fight for water. The research

of your scientists at your great university told you that crops should be diversified; but you learned through sad experience that there was not enough water for that necessary diversification. Corn and wheat, wheat and corn were planted year in and year out, but little or no alfalfa. And always, to use Senator NORRIS' expression, you were "on the ragged edge, waiting for rain."

In 1914, under President Wilson's administration, Senator NORRIS secured a congressional appropriation of \$10,000 for a study of the water resources in Nebraska. The people of Nebraska themselves raised money to help in this study. You probably remember that the first report was discouraging; but Senator NORRIS was unflagging in his drive. In 1922 he introduced into the Senate a resolution calling for an appropriation of \$5,000 for a reinvestigation. By the time it got through the House of Representatives and became a law, however, it merely authorized the Bureau of Reclamation to make an additional investigation if money was provided from other sources. Once more the people of Nebraska raised from their own funds the necessary money for the report.

In June 1924 Senator NORRIS introduced a resolution and got it passed through the Senate, appropriating \$300 for expenses of a visit to Nebraska of the Committee on Irrigation and Reclamation of the Senate. After the visit, hearings were held on Senator NORRIS' bill providing for irrigation in Nebraska. Many of you here probably remember the testimony of Mr. McConaughy and Mr. George P. Kingsley, as well as that of Senator NORRIS, back in 1925. Senator NORRIS' bill proposed to have the Treasury lend some forty million dollars for the purpose of building reservoirs and canals necessary for this irrigation. His bill was passed by the Senate, but the cooperation which he received from the House of Representatives was insufficient to get the bill passed there. Nebraskans probably know this story better than I do.

The plan at that time, as many of you know, was to build the Plum Creek reservoirs and irrigate from them as well as directly from the river at flood stages. The hitch came when it was found that the reservoirs would produce power; and here the liberalism of Senator NORRIS was once more put to the test. There is little doubt that he could have got the passage of the bill by the House if he had been willing to do away with the power aspects of the project, or to turn over the power practically free to the private power companies. In other words, if he had been willing to deprive the people of Nebraska of the power which the water generated, the Electric Trust, as he called it in those days, would have allowed the people the privilege of irrigating their own farms; but Senator NORRIS would not make such a compromise at the people's expense.

As the fight developed, the opposition of the private power companies became more and more an obstacle, rearing its head in many different forms. Even local railroads, which stood to benefit by the prospering agriculture the project would develop, were forced to reflect the opposition of the eastern money interests that controlled them and the power companies, too.

When it was proposed in Congress to appropriate \$10,000,000 for levees to check the Mississippi River, Senator NORRIS pioneered in a proposal that the Federal Government pay half the cost of dams on the tributaries of the Mississippi which would hold back the floods.

From President Hoover on down, however, the Government engineers were still wedded to the levee system and refused to be guided by that foresight of his that is now the accepted way of handling our great river systems—by combining the use of tributary storage dams with levees. His experience with Republican Presidents during the twenties led him finally to write: "Before we can get things of this kind enacted into law, we have got to have an administration—I mean a President—who has some sympathy with such things. With a President who believes in big business, who does not want to do anything contrary to the wishes of big business, I do not see how we can get this project started."

So it was not until President Franklin D. Roosevelt was elected that this great irrigation project could go forward. And it was not too soon. Crop failures were becoming more frequent, landowners were becoming fewer, and it was more and more difficult to hold young people on the farm. In 1933 your State legislature passed senate file 310, allowing for the creation of irrigation and power districts. Many districts were created, and most of them applied immediately to Washington for financial assistance.

As you will probably remember, Senator NORRIS urged from the beginning that the applications from the two chief districts taking water from the Platte River be considered together. In the rush of the early days, this did not seem feasible; but I think there are few now who do not realize that Senator NORRIS' suggestions were wise, and if they had been followed would have led to a more economical solution. As it was, the projects which were not opposed by the power companies were the first to get allotments, and it was only after many trips and much persuasion on the part of the friends of Tricounty that their allotment was finally made in 1935.

With the approval of Tricounty's application, and the growing realization, both here and in Washington, that the several districts should be treated as aspects of the same problem of water conservation, steps were taken for a cooperative and unified solution. Immediately the power companies went to the courts and attempted to enjoin such a solution. You are familiar with the long, hard fight, the delays and costs resulting from the court fight;



but in the end the people's right to borrow money from the Government and to build for their own protection was upheld.

Then came the fight on the diversion of water from the Platte River and the resulting decision in your State supreme court that certain parts of the Tricounty project could not be served with water from the Platte.

Although the Sutherland district went to New York and employed what it thought, and what P. W. A. thought at the time, was one of the best engineering firms in the country, costly engineering mistakes were made and time was lost. But now, to a large extent, those mistakes have been corrected and the Sutherland project is ready for operation. The Loup, Middle Loup, and North Loup districts are now in operation. The farmers in the valleys of the Middle Loup and North Loup already this year have received benefits from their projects. The people here in Hastings are already receiving hydropower. It is coming now from the Loup district, but with the completion of the Kingsley Dam will come from Tricounty.

I have taken the trouble to recall to you the long struggle over a quarter of a century for these projects so that you may not forget them in the joys of the harvest. The fight has been hard, the victory great; but the fight still goes on. If the trustees of these projects were to consider them merely as private businesses, then half the victory is lost. Of course, the first objective was water; but just as Senator Norris was unwilling to sacrifice the incidental power which belonged to the people, so now the trustees should be unwilling to sacrifice any of the incidental benefits which naturally come from such large public undertakings.

It is not enough to consider these projects as providers of water or even as providers of power. They should be considered as a basis for a better life for the people of Nebraska. They should be a means whereby you extend progressive and humane principles. Not only should they provide for the conservation of water to add to the farmers' wealth, but the power they produce should be made available to the maximum number of people in your State. It should be made available to them at prices they can afford to pay, and it should be their insurance against private monopoly and private greed. Moreover, the Nebraska projects should set a standard of public administration that will itself be a yardstick for administrative policy, efficient public operation, proper relations with employees, and recognition of their right to bargain collectively and to deal with management.

It is important for all of us to bear in mind that if these projects are to be called successful, and open the way for other such projects here and elsewhere, they must pay back the loan which they have secured from the Public Works Administration. It is to everyone's advantage that these projects be so managed as to pay back every cent they have borrowed.

If you are to go on now in the spirit of Senator Norris, the leader who made these projects possible, you must show a true responsiveness to the people, to the irrigator, to the power consumer, to labor, and to all the many interests that have a stake, or should have a stake, in your development, so that it will serve all its purposes well. My suggestion is that you cannot be progressive, you cannot be liberal in water conservation unless you are liberal and progressive in your power policy and in your labor policy, and in all the relationships with the people in Nebraska in the conduct of your enterprise. In this you have only to follow the lead of Senator GEORGE NORRIS. You have only to look at his record to find that he is not merely a power liberal nor labor liberal nor conservation liberal nor relief liberal. GEORGE NORRIS believes in the continued progressive extension of democratic principles—that is, in the continued effort to make this country a better place for all of us.

### Railroaders Will Lose Jobs

#### REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. VAN ZANDT. Mr. Speaker, more railroad men are to lose their jobs if the projected St. Lawrence waterway treaty with Canada is confirmed by the Senate of the United States.

This project, if ever completed, will transfer from the American owned and operated railroads millions of tons of cargo to foreign-owned ships. Now this cargo is handled from our great inland Lake ports to sea ports by our own railroads. At present this business requires thousands of railroad employees, yet it is proposed that under this treaty foreign-owned ships, flying foreign flags and manned by foreign crews, will supplant our own American citizens now engaged in the great railroad industry.

The many thousands of railroad employees in my district, the home of the largest railroad shops in the world, speak to

you today through the medium of the accompanying resolution, in which they unalterably oppose the approval of the St. Lawrence waterway project.

BROTHERHOOD OF RAILROAD SHOP CRAFTS OF AMERICA,

ALTOONA WORKS LOCAL NO. 42,  
Altoona, Pa., February 27, 1940.

DEAR SIR: The members of the Altoona Works Local No. 42 of the Brotherhood of Railroad Shop Crafts of America are opposed to any subsidized projects, where the taxpayers furnish the money for some private concern to reap a harvest. Therefore we are opposed to the bill which was introduced in the House and Senate reviving the St. Lawrence waterway project.

Whereas there has been a recent revival of the St. Lawrence waterway project; and

Whereas a more inappropriate time could not have been chosen for renewing the proposal, which the United States Senate has already turned down, in view of another staggering Budget that has been just presented to Congress; and

Whereas the Brookings Institution, after an impartial and scientific examination of the scheme in all its bearings, could find no possible benefits to this country from an outlay that might exceed half a billion dollars; and

Whereas, under the guise of a public-works project designed to prime the pump of business, it is extravagant in conception and foredoomed to constitute an annual drain upon the resources of this country and would result in the placing of an additional burden of taxes on the taxpayers; and

Whereas the passage of this project would be at the expense of two basic American industries, bituminous coal, in which Pennsylvania is so much interested, and the railroads, which transport it; and

Whereas the loss of revenue to the railroads would entail permanent unemployment to thousands of railroad workers and, consequently, to thousands of coal miners and other workers in this district who are taxpayers and citizens of the State of Pennsylvania; and

Whereas the citizens of these areas affected would be taxed to support a new competitor: Therefore be it

Resolved, That the Brotherhood of Railroad Shop Crafts of America Local No. 42, Altoona, Pa., go on record condemning the St. Lawrence waterway project.

Very truly yours,

G. H. AKERS, General Secretary.

### Bituminous Coal Act, 1937

#### EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

ARTICLE BY ARNOLD GERSTELL

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following article by Arnold Gerstell, of Philadelphia. Mr. Gerstell is thoroughly familiar with the iniquities of the Bituminous Coal Act. In the following article he forcefully disclosed one abuse practiced by the Bituminous Coal Division of the Department of the Interior, of which the Congress should be aware. Here is another illustration of the dangers of bureaucracy and of government by edict instead of by law:

TARIFF AS YOU GO

(By Arnold Gerstell)

As everyone knows, the power to impose a tariff is, at one and the same time, the power to tax, to inflict penalty, to levy tribute, or to confer favor capriciously.

Wittingly or otherwise, Congress, in passing the Guffey Act of 1937, granted a tariff prerogative to the Bituminous Coal Commission. Then, in 1939, when the President scrapped the Coal Commission under the aegis of the Reorganization Act, he passed this power singly into the hands of Mr. Ickes. The latter lost no time in setting up in his Department of the Interior a Coal Division through which to put into execution the authority thus fortuitously received second-handly from Congress.

Now he is about to exercise the tariff power he found capsuled in the act. He hopes to begin in April. It is possible, of course, that he may be delayed by the courts, but lacking downright mutiny on the part of the public, it is most probable that Congress alone can stop him.

But however that may be, the thing which is at the moment beginning to kick up a public interest is exactly how and where Mr.

Ickes comes by a tariff power under a mandate to regulate the coal industry. The query is, Just where does the rabbit set?

First, it must be borne in mind that the real price paid for coal by the consumer is made up of two parts: (1) The f. o. b. mine price, plus (2) its cost of transportation from pit mouth to point of consumption—the freight rate.

Every user of coal, except possibly those who employ it only for calefaction, knows a freight rate when he sees one. It is something he has to pay willy-nilly. Except in the case of water-borne coal or coal trucked, it is nothing over which he can either bargain or dicker. He has to pay the rate per ton specified in the bill of lading. Any railroad that tampers or trifles with a freight rate, lacking formal authority of the Interstate Commerce Commission, is subject to criminal prosecution.

In the archives of the I. C. C. are listed hundreds of thousands of freight rates. When compiled, grouped, filed, and duly issued they become tariffs applicable, publicly and openly, to all traffic moving over common carriers.

And it does not merely happen that they are called tariffs. As a matter of precise fact, that is exactly what they are—tariffs, groups of rates, charges, tolls, and fees applied on the movement of goods from one point to another.

In this connection, however, it is to be remembered that these particular tariffs are imposed as a system and thus are different in scope from tariffs which, in a wider sense, may be arbitrarily imposed with a lack of uniform system such, for instance, as tariffs to foster trade, coercive tariffs, retaliatory tariffs, and tariffs intended to compel obedience. It is rather the tariff power as it falls in the latter category that has been entrusted to the tender mercies of Mr. Ickes.

The rabbit in the woodpile is to be found in part 2, sections (a) and (b) of the Guffey Act.

Listen carefully:

"All minimum prices \* \* \* on coal for shipment into a consuming market area shall be just and equitable as between producers within the district \* \* \*. The district boards shall, under rules and regulations established by the Commission, coordinate [prices] in common consuming market areas upon a fair [as between the producing districts] competitive basis. \* \* \* Such coordination, among other factors, but without limitation, shall take into account the various kinds, qualities, and sizes of coal and the transportation charges upon coal."

Now what is the design worked into this verbal crocheting? To get at that in a reasonably intelligent fashion it is necessary to know something of the framework in which all these things are to take place.

The base of the edifice as set up in the act rests upon the establishment of 23 coal-producing districts, each circumscribed by metes and bounds. Next, these 23 districts are shuffled and grouped geographically into 10 minimum-price areas, 2 or 3 of which latter lap over even into Canada.

Next, it is required that within each of these price areas, such prices shall be established as will yield to the mines of the several producing districts embraced in the price area, a minimum return which shall not be less than the weighted average cost of production in the area.

So far, so good. But wait a minute. After all that is done, something else takes place. And here, if your interest still holds, watch your step. The deck, so to speak, is again reshuffled and the United States—certain parts of Canada included—is once more split up into 187 destination market districts. Be careful now. Don't slip off the trail. "Producing districts," "price areas," and "destination market districts" you understand.

All right, in each of the market districts the prices of coal to the consumer at destination; that is to say, the f. o. b. mine prices, plus the transportation charges, are to be "coordinated" so that each of the producing districts in the price area shall receive, not only a price not lower than the weighted average cost in the producing districts of the area, but also a fair share of the business available in all destination-market districts.

Well, how is that to be done when coal shipped, perhaps, from a dozen producing districts moves into a single-destination district under maybe a dozen different freight rates?

There is, of course, but one answer. Obviously, the transportation charges must be manipulated. But how is that to be done when it is a crime to monkey with a freight rate? Easy. Don't touch the freight rate, but instead, either fictitiously jack up the f. o. b. mine price on coal in the producing district which goes to market on a low freight rate and then artificially submerge the f. o. b. mine price on coal originating in the producing district which reaches the destination market district of a high freight rate, all to the end, nevertheless, that the required average mine price be maintained.

And that, if you please, is "coordination" under the Guffey Act. In short, rob Peter to pay Paul and confer always upon the consumer the honor of holding the bag. But before proceeding further and getting down to the real meat in the case, it may be well to go back a bit so as to finish on the line.

In 1927, in the famous Lake Cargo case, the Interstate Commerce Commission reduced the freight rate on coal from the Pittsburgh district to lower Lake ports from \$1.66 to \$1.46, thereby widening the freight differential as between coal produced in the Pittsburgh field and that produced in the southern field by 20 cents a ton.

For many years preceding 1927 the freight rate to lower Lake ports on southern coal was 25 cents higher than on coal from the Pittsburgh district to the same ports. When the I. C. C. reduced

the Pittsburgh rate from \$1.66 to \$1.46 and at the same time denied to the southern carriers the right to meet the cut, the total differential as between Pittsburgh and the southern coal to lower Lake ports became 45 cents.

This reduction in the freight rate on Pittsburgh coal had nothing whatever to do with derivative revenues of the railroads. It was based on an entirely different concept. In justifying its action the I. C. C. said: "Considering the economic conditions prevailing in the Pittsburgh district, we therefore rule \* \* \*." Thus, solely to adjust an economic condition, the I. C. C. arrogated to itself the right to lay tariff against the southern section of the country in order to depress the economic conditions prevailing therein to a level of those prevailing in the northern fields.

In short, the I. C. C. then attempted to assume the power to legislate prosperity to one part of the country and adversity to another by the imposition of a tariff on intersectional traffic.

Immediately the courts granted the southern carriers an injunction, and the 20-cent rate reduction granted to coal producers in the Pittsburgh district was suspended. However, before the case reached the Supreme Court, the I. C. C. issued an interim tariff whereby the total differential as between the Pittsburgh district and the southern field was compromised at 35 cents.

The coal shippers, having no alternative, used the rates so fixed, and when the case came up for final hearing the Supreme Court refused to rule on its broader aspect, holding that the shippers had prejudiced their case by accepting the interim rates as established. The Court accordingly held that the question involved was moot, and the case went out the window.

And now, down the same alley, comes Mr. Ickes, of the Department of the Interior, panoplied under the Guffey Act with the empurpled power to manipulate coal freight rates; in other words, to lay a tariff, isolated in such manner as he may list, on 187 sub-regal sections into which he has chopped up what we fondly imagine to be the United States of America.

Will he get away with it? Congress alone can supply the answer.

## Omnibus Transportation Bill

### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

LETTER FROM THE BUREAU OF TRANSPORTATION AND PUBLIC SERVICE OF THE NEW BEDFORD BOARD OF COMMERCE, NEW BEDFORD, MASS.

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a letter from the bureau of transportation and public service of the New Bedford Board of Commerce, New Bedford, Mass., to Hon. BURTON K. WHEELER, chairman of the Senate Committee on Interstate Commerce, on the Wheeler-Lea transportation bill.

The letter is as follows:

BUREAU OF TRANSPORTATION AND PUBLIC SERVICE  
OF THE NEW BEDFORD BOARD OF COMMERCE,  
New Bedford, Mass., February 19, 1940.

Re omnibus transportation bill, S. 2009.

Hon. BURTON K. WHEELER,

Chairman, Senate Committee on Interstate Commerce,  
Senate Office Building, Washington, D. C.

MY DEAR CHAIRMAN: In behalf of the business, commercial, and port interests of New Bedford, Mass., the New Bedford Board of Commerce and the general port development committee of the New Bedford-Fairhaven harbor district, bring to the attention of the joint House and Senate conferees now considering the pending omnibus transportation legislation passed by the House and Senate at their last session, bill S. 2009, their views regarding the following proposal:

#### REGULATION OF WATER CARRIERS

These parties are opposed to the inflexible or rigid regulation of the coastwise and intercoastal steamship lines, and in particular the port-to-port rates thereof, by the Interstate Commerce Commission, unless specific provisions are made for their regulation by experienced men in water transportation, and the arbitrary fixation of such port-to-port rates on any rail-rate basis is prohibited.

With respect to the regulation of either contract or private water carriers, these parties record their strong opposition thereto, believing that such restrictive legislation for those special types of water carriers is wholly unnecessary and would only result in substantially increasing the cost of important necessities of life, such as coal and petroleum and its products, which now constitute a



large proportion of the water-borne commerce of the port of New Bedford. Such commodities move in special types of equipment, independently owned or chartered, and do not involve that degree of competition with common water carriers which would make necessary the restrictive regulation thereof that is proposed by the legislation now under consideration. Moreover, any restrictive regulation of contract or private carriers by water would only prove harmful to the New England ports and shipping interests.

Of the two legislative measures now before the House and Senate conferees, these parties favor that passed by the House, excluding, however, those portions to which these parties have expressed their objections as stated above.

Very truly yours,

A. H. FERGUSON, *Manager.*

### Stream Pollution

#### EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. ALLEN of Pennsylvania. Mr. Speaker, under consent granted me by the House to extend my remarks in the RECORD, I include two articles regarding water pollution in the United States and the legislation covering this problem which is before us today.

One of these articles is by J. N. "Ding" Darling and Mr. Phil Platt, secretary of the Izaak Walton League of America, in defense of the league, and the other contains similar statements in support of the Izaak Walton League by such eminent Americans as Calvin Coolidge, Herbert Hoover, Dr. Henry Van Dyke, and President Franklin D. Roosevelt.

In connection with the water-pollution issue now before Congress, it has been brought to my attention that spokesmen for the Barkley bill, S. 685, who appear to be more concerned over the welfare of entrenched bureaucracy and those who use public waters as their private sewers than they are in consummation of a plan to redeem these waters, have publicly denounced the Izaak Walton League of America as "obstructionists" and have at various times referred to this worthy organization as "a minority group of highly vocal fishermen." In contradiction to such inferences, either implied or publicly stated, it is my conviction that the league acts as spokesman for that overwhelming unorganized majority of public sentiment which believes in an orderly program of conservation of the Nation's natural resources as the fundamental basis of our future prosperity and well-being.

In support of this contention, I submit herewith a recent statement made to the Izaak Walton League by that eminent and highly revered conservationist, J. N. Darling, former Chief, United States Biological Survey:

#### MY CREED

The Izaak Walton League is my church.

Its creed is my creed.

I believe in it sincerely.

I have no more doubt about the permanent existence of the Izaak Walton League as the backbone of conservation than I have that the Church of God will live.

It will take work.

The more work you put into it, the stronger the Izaak Walton League will be.

J. N. ("DING") DARLING.

#### WHAT OTHERS SAY ABOUT THE IZAAK WALTON LEAGUE

Calvin Coolidge: President Coolidge was greatly pleased with the work of the Izaak Walton League. He wrote the following letter of commendation in which he said, among other things:

The Izaak Walton League, appealing to every lover of the out-of-doors, has proved itself an effective educational force for intelligent conservation in this country. \* \* \* I take pleasure in endorsing the efforts of your organization to stimulate a wider appreciation of, and participation in, the unexampled opportunities for outdoor recreation afforded by our country.

Herbert Hoover: When Secretary of Commerce, Herbert Hoover said of the league:

The Izaak Walton League has become the greatest force in the country for the protection and development of opportunities for outdoor life. As our people increase in numbers and in leisure we must have stimulation to health, and above all the moral value that comes from association with nature. Every member of the league is a further soldier in our ranks fighting an organized battle for this vital thing in the Nation.

Franklin D. Roosevelt:

The campaign for the conservation of our renewable natural resources, particularly our wildlife, must be based upon a dedication to unselfishness. The individual who expends his efforts to assure the perpetuation of our forests, our natural scenic inheritance, and our fish and game, cannot hope to retain these privileges for himself alone. He must of necessity share them with others. \* \* \* All who love forested heights populated with game, clean streams and lakes stocked with fish, and magnificent vistas of unspoiled natural beauty, must inevitably wish the Izaak Walton League of America well in its self-appointed task of guarding these treasures.

Dr. Henry Van Dyke:

It stands for a great idea—something large and fine and generous and strong—the united and unselfish effort of American men and women, lovers of nature and outdoor sport, to conserve our country's heritage of natural beauty and to protect her native birds and beasts and fishes from wanton, wasteful extermination. This is a patriotic, humane, and it seems to me, religious purpose. God gave us this glorious land not to despoil and ruin, but to love and cherish, to keep beautiful and fruitful and full of attraction and opportunity for that open-air life which will help us and our children to ward off the dangers and diseases of modern civilization. That is the object of the league, and that is why it must live.

### Flood Control

#### EXTENSION OF REMARKS

OF

HON. JOE B. BATES

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. BATES of Kentucky. Mr. Speaker and Members of the House, I realize that there is an economy wave that is pretty hard to overcome in this body at this time, and I for one have no desire to get in the way of that drive for economy. I think it is necessary and I think we should practice it, but I just wonder if, out of anxiety to economize, it might not be possible to forget the essentials and maybe make our acts destructive rather than economical. I am thinking now of the great Ohio Valley from Pittsburgh to Cairo, and the numerous towns on both sides of the river, and of the fear the citizens of these towns have of "Old Man River" swooping down on them in the nighttime and destroying their property, their health, and, in many instances, their lives.

I speak of the Ohio because I am more familiar with it than with any of the other rivers of the United States and because I am more partial to that section than any other section of the United States. To my way of thinking, it would be good business economy to preserve the people in this valley and their industries to the exclusion of all other governmental activities. I may be biased in my thinking along this line because I live on the bank of this river myself and it borders my district for a distance of more than 100 miles. However, I invite you to consider this from the viewpoint of national defense, for which we all seem to have a craze at this time. Imagine a state of war existing and during that war the visitation of one of these destructive floods down this great river with Pittsburgh and vicinity having all its steel and other industries put out of commission; the same thing happening to the mills at Wheeling, W. Va.; Ashland, Ky.; Portsmouth, Ohio; Newport, Ky.; and all the other towns along the river. Then add to that the various chemical plants, powder plants, and other industries that would be put out of commission for 30 to 60 days because of one of these floods; and, in addition

to that, the trunk lines of the C. & O., B. & O., and N. & W. railways being put out of commission by this same flood. What more could happen to paralyze this whole United States than for a thing like this to happen?

I do not think you could do a thing more destructive to the citizens of the United States or to the national defense of the United States than to fail to supply funds in an amount that can be wisely spent by the War Department. Their engineers estimate that they can spend \$63,000,000 profitably in the Ohio Valley alone this year, and the Appropriations Committee has fixed the total for the United States at \$70,000,000—just \$7,000,000 more than the amount the engineers figure they can spend wisely in the Ohio Valley alone.

It is my firm conviction that the Congress of the United States will not be economizing when, through their failure to appropriate money, they retard a program designed to protect millions of American citizens.

### Wheeler-Lea Bill

#### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

LETTER FROM THE MERCHANTS' ASSOCIATION OF NEW YORK

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a letter from the Merchants' Association of New York to members of the joint Senate and House conference committee considering the Wheeler-Lea transportation regulation bill:

THE MERCHANTS' ASSOCIATION OF NEW YORK.

New York, February 7, 1940.

Senators: BURTON K. WHEELER, HARRY S. TRUMAN, VIC DONAHUE, WALLACE H. WHITE, JR., CLYDE M. REED.

Representatives: CLARENCE F. LEA, ALFRED L. BULWINKLE, ROBERT CROSSER, WILLIAM P. COLE, JR., CHARLES A. WOLVERTON, CHARLES A. HALLECK, PETER G. HOLMES.

DEAR SIRS: The Merchants' Association of New York desires at this time to reiterate its strong opposition to those provisions of the Wheeler-Lea bill (S. 2009) which would regulate water carriers in domestic commerce by placing them under the supervision of the Interstate Commerce Commission. We urge that no conference report be made on the bill, but that if one is made, no action be taken on it by the Congress for a period of at least 30 days, to permit the Congress to have the benefit of an expression of views from producers, shippers, and the public on its very technical and far-reaching provisions.

In a previous communication under date of July 20, 1939, we stated the reasons for our opposition to this legislation. Our conclusions in this respect are, if anything, more firmly established, as the intervening time has further proven them to be correct. We stated then and repeat now that this legislation appears to represent largely the viewpoint of the railroads, and that it has been prepared without adequate study and consideration of the needs of the coastwise and inland maritime interests of the country or of the general public. No opportunity for such a study has been afforded.

The association in its protest of July 20 last stated:

"No adequate, comprehensive, and impartial investigation of the transportation system and problems of the United States has been made. We strongly urge, therefore, that Congress do not enact the Lea bill or S. 2009, but instead that the House act favorably on House Resolution 226, which provides for a House committee to investigate and report on the transportation systems of the country involving all forms of transportation, the effect of existing transportation laws and the methods of their administration. Following such a thorough investigation and subsequent report Congress can proceed, on a fact basis, to establish regulations applicable to all forms of transportation with the assurance that such regulations are adequate, fair to all transportation interests involved, and also are in the interests of industry and the public generally.

"We oppose the enactment of the Wheeler or the Lea bill or any compromise legislation regulating water carriers at this session of Congress, because it is the conviction of this association that placing domestic water-borne commerce under the regulation of the Interstate Commerce Commission is unwise and illogical, and will inevitably tend to increase rates on domestic water-borne traffic, with a corresponding adverse effect on various national in-

dustries which require, to compete with foreign suppliers, the availability of inexpensive forms of transportation. In this connection it should be noted that since the enactment of the Intercoastal Shipping Act, intercoastal freight rates have increased approximately 30 percent, a large part of which increase can be directly ascribed to governmental control of intercoastal shipping."

These criticisms are supported by the letter issued under date of January 29 last, by the legislative committee of the Interstate Commerce Commission, submitted to the joint Senate and House conference committee now drafting a report on the Wheeler-Lea bill. The Commission criticizes the Wheeler bill, stating in effect that while codification of the Interstate Commerce Act is desirable there is need for so many changes in the Wheeler bill as to justify the making of another effort in that direction at some future time. The Commission explains that the Wheeler bill was produced "under difficulties" and was necessarily a "forced and hurried" job. It expresses the belief that if sufficient time and attention could be given to the preparation of the Wheeler bill, a better product would result.

The letter of the legislative committee of the Commission indicates clearly that, at least so far as the Wheeler bill is concerned, without any public demand and, in fact, without any public need, admittedly imperfect, compromise legislation changing drastically the basis of rate making for both water and inland transportation is being rushed through Congress.

Domestic water-borne transportation is a subject of such vital importance to the port and to the business of New York that we respectfully urge you to oppose this unnecessary legislation which can only result in increasing transportation costs to all the people.

Yours sincerely,

THE MERCHANTS' ASSOCIATION  
OF NEW YORK,  
By S. C. MEAD, Secretary.

### Third-Term Resolution?

#### EXTENSION OF REMARKS

OF

HON. THOMAS A. FLAHERTY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

EDITORIAL FROM THE WASHINGTON POST

Mr. FLAHERTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from today's edition of the Washington Post:

[From The Washington Post of February 29, 1940]

#### THIRD-TERM RESOLUTION?

It may be impossible to restrain political-minded legislators who are determined to raise the third-term issue in the Senate. But responsible Members of that body might at least reflect upon the futility and impropriety of passing an anti-third-term resolution.

The business of Congress is to enact national legislation and not to nominate or to prevent the nomination of candidates for the Presidency. One may search the Constitution in vain for any grant of power to either the Senate or House to prescribe the number of terms that a President may serve. In the absence of any such power the Senate can best preserve its dignity and prestige by leaving the question of a third term for President Roosevelt to the President himself, the Democratic Party, and the American people.

In 1928 the Senate went out of its way to pass a resolution aimed at President Coolidge, even though he probably had no intention of seeking a second Presidential nomination. That move was obviously inspired by politics. It drew support only from Democrats and insurgent Republicans. Now the support for an anti-third-term resolution is coming from Republicans and dissident Democrats.

If such a resolution is pushed to a vote, its chief effect will be to stultify the veteran Senators who recorded their votes 12 years ago. Everyone knows that such a resolution would be an expression of partisanship rather than principle. It would not necessarily mean that its supporters favor adherence to the two-term tradition under any and all circumstances, but only that they do not want President Roosevelt in the White House for 4 additional years.

Of course, a Senate resolution does not become a law. It is merely an expression of sentiment on the part of individuals who happen to be serving as national legislators. There seems to be no question that the Senate lowers its prestige when it chooses this method of entering into a strictly political controversy.

No doubt some Members of the Senate are sincerely convinced that no President under any circumstances should be allowed to remain in the White House more than 8 years. The logical course



for them to take is to sponsor a constitutional amendment forbidding third terms. Much can be said both for and against such an amendment, but discussion of the issue on this basis would at least have a ring of sincerity that is lacking in anti-third-term resolution movement.

The two-term tradition appears to have a strong hold upon the American people. It rests on the sound belief that no individual is indispensable in a democracy. Leaders who covet continued popular esteem and goodwill in this country must not even create a suspicion that they would like to perpetuate their power indefinitely. They have an obligation to abide by the spirit as well as the letter of American democracy. If any leader forgets this obligation, he exposes himself to severe discipline at the hands of the electorate.

Congress would do well to recognize, however, that this is a question for the people to decide. Opponents of the administration have complained bitterly when the President has encroached upon the powers of Congress. That in itself should induce them to think twice when they are tempted to indulge in legislative interference with the free choice of a Chief Executive.

### Migratory Farm Families—What Can Be Done for Them

#### EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. LEAVY. Mr. Speaker, Mark Twain has been quoted as saying that everybody complained about the weather but nobody did anything about it.

Today, after 6 years of discussions and reports of conditions in and growing out of recurring droughts in the Great Plains area, we are just about where we were when dust from the seared acres was blown more than a thousand miles eastward and dimmed the skies over the National Capital. Certainly so far as effectively combatting the effects of the gross waste of the meager water supplies of the Great Plains, we have made but little, if any, progress.

#### SECRETARY ICKES SUGGESTS SOUND POLICY

It is true that in 1939 the Congress appropriated \$5,000,000 for a water-conservation program in the Great Plains, but that was a mere drop in the bucket for effective conservation in an area that extends from the Canadian border to the Rio Grande. It was barely enough to start a few projects for which plans were ready in the northern Great Plains, and I most heartily concur with the view expressed by Secretary of the Interior Ickes in a letter to Senator HAYDEN, of Arizona, dated January 18, 1940, that at least \$5,000,000 annually should be appropriated for continuation of the Great Plains program. Likewise I favor the Secretary's suggestions that not less than \$50,000,000 to \$60,000,000 a year in reimbursable funds shall be provided for construction of Federal reclamation projects.

You may ask why a Member of the Congress from a Pacific Coast State should be so concerned with water conservation in the Great Plains. Aside from the interest I have as the Representative of a district in an arid region in the problems of States similarly affected, I can assure you that the States among and west of the Rocky Mountains can testify to at least one outstanding effect of the droughts on their social and economic well-being. And that revolves around the westward migration of farm and other families who have fled the Great Plains region and are seeking irrigated land on which to make a fresh start in life.

#### WESTERN MIGRATION

My attention has been called to an article in the Washington Post of February 27, in which a migratory labor problem on the Atlantic seaboard is described. The Farm Security Administration estimates that from 10,000 to 20,000 migrant families will progress northward from Florida this spring in search of employment. Multiply this number 5 to 10 times and you will be able to picture the problem that confronts the far Western States.

While the movement of farm families from the Cotton Belt has been due in a large extent to agricultural readjustments resulting from power farming, the records show that westward migrations have been largely keyed to the intensity of the droughts in the last decade. At my request, Commissioner John C. Page, of the Bureau of Reclamation, has provided me with certain facts with respect to the droughts and the effect on westward migrations, which are summarized thus:

The United States Weather Bureau describes the recurrence last year as "the most severe autumn drought in history," following what experts of Nebraska and Kansas colleges assert was the worst "summer drought damage since 1934."

For the July–November period, 1939, the number of persons in need of manual employment from the Great Plains States entering California was 50 percent greater than the total during the first half of the year.

For the entire year 1939, the number of such migrants entering California exceeded the total for 1938.

Based on school enrollment statistics, specialists of the Department of Agriculture have made preliminary estimates that approximately 155,000 migrant families entered the 3 Pacific Coast States and Idaho from January 1, 1930 through May, 1939.

Available data show that the greater number of these families were directly from the Great Plains States, and that many more from that area stopped temporarily in other States en route.

By States the migrant families enumerated as arriving during the first 9 years of the decade were apportioned somewhat as follows:

California: 110,000 with 98.7 percent of schools reporting.

Washington: 18,900 with 87.5 percent of schools reporting.

Oregon: 19,400 with 81.3 percent of schools reporting.

Idaho: 6,790 with 55.1 percent of schools reporting.

Later figures reveal that in the Pacific Northwest the school-survey families represent only 63 percent of the total and that 460,000 persons all told moved into the Pacific Northwest in 9 years. Idaho alone reports a net gain of 80,000 men, women, and children through migrations.

Allowing for an undetermined number who have moved out of the area, who have been settled on farms or who have secured gainful employment, it is estimated that there are now on the Pacific coast around half a million homeless men, women, and children.

#### MUST EXPAND FEDERAL RECLAMATION

The Federal reclamation program has been advanced with all the vigor available funds would permit. Yet the area of newly irrigated land available for settlement has been woefully inadequate to meet the demands of the normal increase in agricultural population of the West without consideration for the vast number of newcomers.

It is not suggested that all of the migrants reaching the coast could be settled on irrigated land, even if a sufficient area were available. However, the record shows that in the cities and towns that have grown up in the wake of reclamation developments, the population supported is three times that of the farms. Here would have been opportunities for the employment of mechanics and other skilled and unskilled labor who have moved westward and whose plight has swelled the relief burdens.

Lack of water-conservation facilities in the dry areas of the Great Plains has resulted in continued losses of population, with consequent depreciation of tax values that have affected the economy of States and counties.

The Great Plains water-conservation program inaugurated in 1939 was a start toward reducing the necessity for further extensive migrations from the States most disastrously affected by the droughts. Appropriations, however, were sufficient to start projects in only three States to the northward. Without further funds, relief cannot be given areas most seriously affected by the 1939 recurrences.

While westward migrations are not a phenomena, the movement in recent years of distressed families, following the droughts, has presented a most pressing problem for the

States that have felt the impact of the new arrivals. Federal relief expenditures have soared and the burden on the States and localities has been greatly increased.

The number of new arrivals in the West from 1930 to 1934 approximated the totals that had come in during the early twenties, but following the severe damage of 1934 there was a substantial upsurge. This continued until 1937 after which there was a slight recession. But with the low precipitation of 1939, the flight from the Great Plains was renewed.

#### THERE IS A DRY CYCLE

Dr. J. E. Weaver, University of Nebraska, in December 1939, predicted "the most ruinous drought in the history of the midwestern Dust Bowl next summer," asserting that even with good rains year after year it would take 50 years to restore the Great Plains area by "normal means."

More recent reports of the Weather Bureau are that while recent snows have been helpful, the moisture received has not been sufficient to replenish the sadly depleted supplies for the subsoil.

Winter wheat on December 1, 1939, was 59.4 percent of normal, compared with a previous low on that date of 68.9 percent in 1932. Pasture was seared, requiring extensive feeding readjustments, gardens and truck crops were destroyed, and there was a serious shortage of domestic and stock water, the Weather Bureau reported.

In the States of the Great Plains area, the rainfall in the fall months of 1939 was from 25 to 50 percent of normal, with the drought most severe in southwestern Nebraska, eastern Colorado, western Kansas, and the Panhandles of Oklahoma and Texas. Actual precipitation in the six States almost wholly in the Great Plains, compared with the normal record and the deficit for September, October, and November was as follows:

State	Normal	Actual	Moisture deficit
	Inches	Inches	Inches
Kansas.....	6.09	1.75	4.34
North Dakota.....	3.26	1.46	1.80
South Dakota.....	3.63	2.16	1.47
Oklahoma.....	8.12	3.36	4.76
Nebraska.....	4.53	1.15	3.38
Texas.....	7.83	4.59	3.24

Except for southern California, Utah, Arizona, Nevada, and western New Mexico, the West and the Great Plains had the driest fall months on record. Generally in the West, the precipitation averaged 50 percent of normal. In the eastern Washington area it was 25 percent.

#### RELIEF COSTS ARE STAGGERING

A review of available information as to the costs to the United States Treasury as a result of the droughts reveals:

In 285 counties which lost most heavily in population from 1930 to 1935, Federal aid from 1933 to 1936 was from \$119 to \$175 per capita.

In 119 counties where the drought appeared less severe in its effects, the Federal aid was only \$58 per capita.

In the 11 Mountain and Pacific States, which have borne the brunt of migrations of distressed farm families, Federal relief expenditures by the Work Projects Administration and its predecessor agencies was 20 to 25 percent more than the normal population would require.

In the Federal reclamation areas of the West, the relief costs have been one-third of the load in the nonirrigated areas.

There is a striking unanimity in estimates of the number of farm families from the Great Plains area who have fled the droughts and sought a chance to root themselves to the soil farther west.

Farm Administrator Will W. Alexander, in the spring of 1938, placed the number of families that had moved into the 7 far Western States from 1934 through 1937 at 58,400.

Representative Dewey Short, of Missouri, president of the National Rivers and Harbors Congress, speaking before the National Reclamation Association at Denver in November

1939, quoted the Department of Agriculture as estimating that—

From 1934 to 1939, 75,000 farm families immigrated into the 7 far Western States—few have been able to settle permanently and the rest had to depend on seasonal agriculture and relief.

#### SOME FIGURES FOR CALIFORNIA

Taking these figures, substantiated by detailed reports of the border patrol of the California Bureau of Plant Quarantine, as shown by the accompanying table for the period from July 1, 1935, to November 30, 1939, it is a safe estimate that more than 100,000 farm families, or approximately half a million men, women, and children, from the Great Plains area have come into the Western States in the last decade.

Persons "in need of manual employment" entering California by motor vehicle from Great Plains States, July 1, 1935, to Nov. 30, 1939<sup>1</sup>

State	Total, 4 years 5 months	July-December 1935	1936	1937	1938	January-June 1939	July-November 1939	Total, 11 months, 1939
Oklahoma.....	79,810	7,561	22,989	21,709	13,212	5,386	8,953	14,339
Texas.....	36,563	3,631	8,304	8,723	8,684	3,508	3,713	7,221
Kansas.....	15,209	2,238	3,900	4,484	2,209	858	1,520	2,378
Colorado.....	12,121	1,584	2,249	3,702	2,428	895	1,263	2,158
New Mexico.....	11,439	1,578	2,440	2,680	2,457	1,068	1,218	2,284
Nebraska.....	9,913	1,258	3,019	3,024	1,403	415	794	1,209
Montana.....	4,569	834	969	1,102	858	133	673	806
South Dakota.....	3,570	468	1,067	1,164	526	136	209	345
North Dakota.....	2,965	532	912	834	387	83	181	264
Wyoming.....	2,764	337	738	659	491	139	400	539
Total <sup>2</sup> .....	178,923	20,021	46,587	48,081	32,655	12,619	18,924	31,543

<sup>1</sup> Data collected by border inspectors of bureau of plant quarantine, California Department of Agriculture.

<sup>2</sup> For 4 years (July 1, 1935, to June 30, 1939) total from Great Plains States was 51.3 percent of persons checked at border stations from all sections of the country.

<sup>3</sup> Total, including December 1939, 20,930; for 12 months, 1939, 33,549. Figures by individual States for December 1939 not available.

#### FEDERAL GOVERNMENT MUST AID WESTERN STATES IN MIGRATION PROBLEM

That the Western States have been unable to absorb all of these newcomers and place them where they would have an opportunity to rehabilitate themselves is beyond dispute. Similarly, it is a fact that without opportunities for employment, they have swelled the relief rolls and contributed materially to increasing drains on Federal, State, and local resources.

To meet the problems that has been thrust upon the Great Plains and Western States by droughts and migrations, there appears this threefold solution:

First. Expansion of the Great Plains water conservation program to halt further migrations from the farms of the region and aid in combatting effects of the continuing droughts.

Second. More adequate appropriations to expedite completion of Federal reclamation projects under construction that will provide irrigated land for settlement of migrant farm families already in the West.

Third. Speeding of construction of facilities to provide supplemental water for established agricultural areas that will be able to absorb some of the newly arrived families.

PRESIDENT ROOSEVELT SHOWS HOW COULEE DAM AND COLUMBIA BASIN WILL CARE FOR 500,000 PEOPLE

The urgency of action is attested by the remarks of President Roosevelt in a radio address on the night of January 19, 1940, in connection with the White House Conference on Children in a Democracy. Apropos of the subject I have been presenting, the President said:

Last April \* \* \* I referred to our concern for the children of the migratory families who have no settled place of abode. I spoke casually to the press today about a study I am making. Up in the State of Washington we are spending a great many millions to harness the Columbia River, to put a great dam up there which will pump the water up onto a huge area of land capable of providing a living for 500,000 people—irrigated land, today a desert—which can be made a garden with the process of modern science. Who ought to go there? Are we going to treat that 2 years from now just as we treat the average irrigation project? Will it be a contract with the Government to pay out the loan over a period of years on the basis first come first served?

I have read a book; it is called *Grapes of Wrath*; and there are 500,000 Americans that live in the covers of that book. I would



like to see the Columbia Basin devoted to the care of 500,000 people represented in Grapes of Wrath.

Migratory families, the situation of their children—children who have no homes—families who can put down no roots, cannot live in a community—that calls for special consideration. But I am being practical. I am trying to find a place for them to go. This means, in its simplest terms, a program for the permanent resettlement of at least 1,000,000 people in the Columbia Basin and a lot of other places. And remember that the money spent on it, after careful planning, is going to be returned to the United States Government many times over in a relatively short time.

### Blundering With Gold

#### EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. CRAWFORD. Mr. Speaker, permit me to approach the subject of gold once more from a hard-boiled, business point of view. I see in our 20,000-ton golden calf and its shrine in Kentucky, an expensive idolatry, not a business proposition. I am as anxious as anyone to see some business use found for the metal; but I do not want to see this Congress or Nation laboring under any illusions as to what can be done with it. Let us stop blundering our way through these money problems, perpetuating generation after generation the paradoxes and illusions which blighted the work of the old British recoinage commission and for which civilization is still paying through the nose. Nothing can be gained, much can be lost, by procrastinating to a time in the not distant future the careful and thorough consideration of the whole policy which the distinguished gentleman from Missouri [Mr. WILLIAMS] has very tentatively suggested might be undertaken.

I certainly do not see how anyone, in the light of either theory or experience, can justify this gold policy as needed to help encourage and expand our export trade. There is too much opinion afloat that our domestic prosperity hinges on dumping our soil fertility and resources abroad. If that be true we are a helpless colossus indeed. But it is not true. In the United States, at least, it is foreign trade that does the hinging, while domestic trade furnishes the fulcrum. Or, to shift our metaphor, the domestic hen lays a foreign egg, not the foreign egg a domestic hen. Foreign trade, Mr. Speaker, is the tail, not the dog.

There are few, if any, authorities who have given as careful study to this subject of foreign exchange as have Professors Graham and Whittlesey, whose treatise on our Golden Avalanche has just come off the Princeton Press. I submit that there is certainly no support for our present policy in this book. Its contents are a trenchant challenge to attempts to justify any further purchase of foreign gold, and it certainly appears that we are involving ourselves in an increasingly serious dilemma by continuing our present metal-buying policy, particularly as respects gold.

An adequate consideration of the principles and outstanding lessons of experience in metallic coinage would take more time than I can give it here. But since the Senate Banking and Currency Committee is at long last launching an investigation of these matters, it seems of some importance to place in the Record a refutation of certain fallacies, as they appear to me, which are current in discussion, and certain points which have recently been made by the most careful and informed students of the problem of metallic standards.

I hope the Senate investigators will give particular consideration to the recent work of Dr. Murad, professor of banking and finance at the University of Southern California. This little book, *The Paradox of a Metal Standard*, may not be the last word on the relation of coinage to prices and values. To me, certainly, the author's conclusion that there can be no such thing as a standard of economic value seems

a quite unacceptable defeatism. But Dr. Murad has rendered a yeoman service in pointing to the paradox in current theories of coinage as related to a standard of value.

#### A STANDARD OF VALUE

Let me try to indicate the basis for my belief that this paradox can be traced to confusion between the very words "price" and "value." By this confusion, it appears, we are unwittingly assuming what is by no means established, viz, that price and value are identical. Indeed, it will be generally conceded that price and value have seldom proved to be identical in practice, for we are continually experiencing what is being termed "disparity" in prices. With reference to what does this "disparity," as between farm and factory prices, for example, exist? Were prices in no way "disparate" in the pre-war period, 1909-14? Or in 1926? By what standard has it been determined that they were at "parity" in any particular year, month, day, or instant? Other standards of physical measurement are changeless in time. What possible rational justification is there, then, for the idea that price relations should or can remain at the same "parity," yet without reference to any fixed standard of value?

It has seemed almost impossible for the human mind to shake off what has been called the "money illusion" to the effect that the value of money is a constant, unchanging standard so that price and value are identical. From this fallacy of circular reasoning, or using our conclusion as a premise, we have been assuming that the market price of some particular commodity—or even of several or all commodities—can be arbitrarily selected and pegged—or averaged, if an index is used—as representing a "standard" in economic value; whereupon the effect, upon price, of money supply on the one hand and of the commodity market on the other hand, is abrogated for that "standard" commodity—or commodities—and it is enthroned as a "standard of value" upon which, by virtue of mere fiat, all other economic values become contingent and are correctly priced quite as if they were being bartered.

If there is some peculiar logical basis which does not apply to other commodities for applying this exceptional reasoning to gold or silver, the test of time has failed to reveal it. Merely coining or arbitrarily defining gold as money or as a standard of value—"monetizing" it by law—does not transform it into either a standard of value or a suitable medium of exchange. If there is any one lesson to be drawn from economic history, it is that the fixing of prices by law is impossible in the long run; and we are at long last discovering that the notion that precious metals are an exception to this rule only leads to a paradox.

The fallacy of this money illusion has arisen, it seems to me, in a false analogy between standards in weights and measures on the one hand and the so-called standard we have attempted to employ for economic values on the other. For example, we do not in fact, as is the case in selecting the gold standard for economic values, take some natural class of objects, such, for example, as the feet of men, attribute to them some intrinsic value as to length, and proceed to assume that the average, or the greatest common divisor, of all existing lengths in human feet is the standard foot value for all measurements of length. There could be no possible useful system of measurement based on such a shifting standard. Even more absurd would be the idea that the standard of length could be similarly arrived at by averaging the lengths of everything with which the community happened to be concerned at any particular period of time. Yet that is the vague and indefinable idea of a standard in economic value which our price system is alleged to represent according to the concept of a so-called general price level as representing the value of money.

But if physical standards of measurement are not an arbitrary selection of a natural entity of any kind, by what process are they selected? Measurable physical properties do not, of course, exist apart from concrete things. While our understanding of the things about us is thus subject to the limitations of our senses, we are nevertheless continually attempt-

ing appraisals and comparisons in order to orient and conduct ourselves relative, for example, to the special characteristics of concrete things in our environment. Doing this in a way which will enable us to remember and compare our experiences relative to different times and places, so that we may anticipate the future and act accordingly, that is, act rationally, requires that spatial dimension be set up as an abstraction and a wholly arbitrary portion of it be fixed upon as a spatial standard.

Thus we are compelled to define what we mean by a straight line before we can begin to divide it up into parts of significant size for our purposes as in considering length in concrete objects. This definition of a straight line cannot be arbitrary. It must correspond to reality to be significant and useful. But its division can only be arbitrary because that division is merely for the purpose of creating a universal basis for numerical comparisons which have only a psychological significance. Reality in environment is not numerical; not finite. It is universal and continuous. It is infinite. Its enumeration is a peculiarly human device which exists nowhere else in nature.

When making these physical, measurable comparisons—say, for example, of length—we have to settle first on the physical things we are comparing both in time and in space. We may, perhaps, be considering merely those things within our range of vision at some moment. For purposes of the intended comparison, this is our so-called universe. The simplest unit of length by which comparisons within this universe may be expressed numerically, would obviously be the greatest common divisor of all the lengths we are comparing. Literally, of course, such a divisor would become small as the number of things measured and compared became large; because it is not possible for numerous concrete things to correspond naturally to any precise unit as a common divisor. But our needs and abilities in measurement have practical limitations and we, therefore, fix for use as a permanent, general standard to cover all times and places, an arbitrary quantity of such size that it need not be either divided or multiplied by any excessively large number in order to come within our ordinary needs for a standard common divisor. This does not avoid error. It only reduces error to negligible proportions for our purposes.

As to economic values, however, it is painfully apparent that in our price system we have not attained a standard of accuracy such that its error in representing something we are calling value is of negligible proportions. Length values have been brought to the point of negligible error, but economic values have not. We have discovered what a straight line is, and can measure length, but we have not yet discovered what economics is so as to define it clearly, and we certainly cannot measure economic values consistently until we do. Nor can we, when this discovery has been attained and defined, measure such values by prices on the bland assumption that money, or gold, is a standard of value; nor can we set up a money control system on the theory that the needed price standard is merely a common divisor of the price figures concerned in any given period of time. Precisely as we have not defined the standard of length value as the greatest common divisor—or the mode, or median, or harmonic, arithmetic, or geometric mean, if I may run the gamut of statistical methodology—of all lengths in existing bovine animals, or in gold nuggets, so we cannot arbitrarily define the standard of economic value as in any way dependent upon the particular economic characteristics of cattle or of gold.

We cannot and do not standardize the whole simply by a part thereof. We are compelled to abstract its qualities in order to measure them. Length is a pure abstraction. So must economic value be defined, abstractly, before it can be standardized correctly for numerical measurement by prices. Qualitatively, a standard must check with reality; but quantitatively it must be wholly arbitrary in order to be universally applicable; and it can be useful only if it is thus applicable.

Standards of value for use in enumerations or calculations of any kind must conform to the same mathematical rules

for all systems of quantitative measurement. Prices are no exception; and I shall hope that the brief explanation here attempted will make it possible to comprehend the false and the true analogy between the expression of economic values by prices and the numerical expression of values in all other systems of measurement such as those based on ordinary weights and measures.

#### GOLD IN MONETARY CONTROL

In attempting to apply these principles to our monetary problems, let me say that while I do not feel that coinage can be neglected in any monetary program it is today very much subordinated in importance to the problem of banking and fiscal reorganization, with which I shall not attempt to deal in this discussion. I would, however, like to contrast the statement of the gentleman from Missouri with that of the Reserve Board itself as to its powers of control. Said he, in his statement of February 1 in the Record, if inflation "should develop to any alarming extent, the Federal Reserve bank, through its open-market operations, its control over discount rates, and reserve requirements, could check such a tendency."

Said the Board, in its annual report for 1938:

The ability of the banks greatly to expand the volume of their credit without resort to the Federal Reserve banks would make it possible for a speculative situation to get under way that would be beyond the power of the System to check or control. The Reserve System would, therefore, be unable to discharge the responsibility placed upon it by Congress or to perform the service that the country rightly expects from it.

We must, of course, agree with the gentleman that "a liberal expansion of credit"—that is, of money supply in the form of demand deposits for use in private industry—"would stimulate industrial activity, increase employment, and lead to general improvement and progress." But, except by the dead-center mechanics of public debt which has served chiefly to create an annual interest charge greater than the whole Budget when the last Democratic administration took office, we are not getting that expansion, and I should like the gentleman, as administration spokesman in the House on this matter, to offer us a statement of the administration's way out of this dilemma. Under our present banking laws, for which the Democratic Party is chiefly responsible, the very conditions which the expansion of bank credit "would stimulate" are prerequisite for its expansion. Are we not using treadmill reasoning in our analysis of cause and effect under existing financial organization?

Let me ask the distinguished gentleman from Missouri to tell us also how we are to reconcile his assertion that this administration has "placed title to all gold"—it is rapidly nearing that goal—"in the United States Treasury," with his contention that "if these gold certificates, which represent \$15,500,000,000 of their assets, were withdrawn from the Federal Reserve banks without anything to take their place, it, of course, would completely and absolutely destroy their solvency and result in disaster." Does not this set up a legalistic duplicity in ownership?

To me this duplicity is matched in our fiscal history only by that of the present administration's whole system of accounting, by which it has contrived, with the device of guaranteeing obligations of certain Government accounts camouflaged as corporations, to evade the restrictions which Congress has placed on the public debt. A government which condemns holding-company camouflage for the purpose of evading taxes, sanctifies it for the purpose of spending taxes, it seems.

It should require no profound understanding of this allegedly mysterious subject to realize that these bank "assets"—gold certificates—must either be a legal fiction or else the gold itself is not the Treasury asset which the gentleman's statement as to title is calculated to make the public believe it is. To me it seems quite plain that the ostensible dependence of our banking, that is, of our money system, on this golden calf in the Treasury, which is rapidly taking on the character of a white elephant, is purely a legal fiction which can be changed at any time by a change in law. This seems perfectly obvious from the fact that, under the law as it is



now, the Executive, in both the Federal Reserve System and the Treasury, can manipulate and change that relation in several ways, specifically, for example, by changing reserve requirements. The basis of the solvency or insolvency of the whole system is therefore a pure legal fiat and not really a matter of gold at all.

Let us ask the distinguished Member to join us in examining his Missouri bubble in the control of credit by central banking. Our Federal Reserve notes tell us, on their face, that they are "legal tender redeemable in lawful money." As the fiat now stands they may be issued in the sum of \$40,000,000,000, which is two and one-half times the present holdings of virtually \$16,000,000,000 in gold certificates by the 12 Federal Reserve banks. Now the courts have held repeatedly that legal tender is lawful money (*Bronson v. Rodes*, 74 U. S. 229; *Perry v. State*, 61 Southern 400; *Vicks v. Howard*, 116 S. E. 465). Were member banks to expand their deposits with the Reserve banks to the legal limit, and the latter came to hold all of this \$40,000,000,000 in lawful money in the legal reserve of 35 percent against such member-bank deposits, those deposits could probably reach the sum of \$114,000,000,000. This sum in turn, representing the reserve, averaging about 17 percent, which must be held by member banks against their demand liabilities to their depositors. Those liabilities, which are our money supply against which checks may be drawn, are, it would appear, potentially restricted to the modest sum of not quite \$700,000,000,000. As business needs expanded the ratio could then be legally reduced to 10 percent by Executive decree and this restriction—to a mere \$700,000,000,000—be raised to \$140,000,000,000 more than a trillion dollars. This, Mr. Speaker, is the limitation, so-called, imposed by the law on the executive administration of our money system—if we lean wholly on those banks within the Federal Reserve System and acquire no more gold.

Outside the law it is interesting to note the astronomical possibilities of national income. Even at a mere  $2\frac{1}{2}$  to 1 ratio to the above legally possible deposits, representing the velocity of money, our income would approach \$3,000,000,000,000 annually. Under these conditions even the New Deal might balance the Budget; but meanwhile what becomes of the theory that gold serves to make our money "sound"? The possession of gold is, as laws now stand, an actual threat to the stability of the purchasing power of the dollar.

There can scarcely be any material disagreement with the distinguished gentleman from Missouri in his statement regarding foreign exchange as he presents the facts in the Record for February 1. But, Mr. Speaker, "I'm from Missouri" as to the interpretations he offers for these facts. And let it be noted, in passing, that policies and legislation will be guided by these interpretations.

The gentleman, indeed, disclaims, as do the rest of us, any profound understanding of this matter; but he admits that our policy has, in fact, been followed by a "rather alarming increase" in our gold holdings. He then proceeds to offer an interpretation of the market for gold which, in view of our price-pegging operations, certainly inspires me with wonderment and awe at what must be a much more profound understanding than I have as to the forces which determine price in a market. To me, if Uncle Sam is arbitrarily offering to buy an unessential, high-priced, easily transportable commodity, without limit at from two to six times its cost of production, it could not be expected that anyone else could buy that commodity anywhere at substantially less than your Uncle is paying; and Uncle will get all of the production and most of the existing supply except the insignificant proportion which is actually needed even at that fictitious price.

The dream of governments, says our distinguished friend from Missouri, has been to acquire gold. But the dream of all other governments today seems to be to let the United States Government do the acquiring as rapidly as the gold can be fed into its Kentucky mausoleum without arousing public suspicion of our gullibility. Witness the South African control of production by an excess-profits tax which forces

the richer veins to lie in the mines unworked—we might say, earmarked for exploitation when we have recovered from our dream and left the market free to decline to a price at which the metal can be coined.

Mr. Speaker, it takes more profundity of understanding than I have to see why this gold would be less valuable to us if we simply bought title to the lodes in Russian and South African mines and left the metal, earmarked there, to stimulate our shipment abroad of the fertility of our farms and our other products and resources along with the munitions necessary to destroy them and restimulate this so-called trade. Indeed, the metal might be much more valuable to us if thus earmarked in the mine, because it would be more difficult subsequently to earmark it into the coffers of the bankrupt nations of Europe as a war loan or for rehabilitation after the war; and we would—to judge from past experience—be just that much better off.

As a "hoss" trader, I have always thought that if the other fellows figured I was willing to pay an excessive price for a "nag," none of them would part with him for less than that price while waiting for my final purchase. So it now seems to me a strange illusion that brings anyone to assert that the price we are paying for gold is not bringing the metal to our shores, to be interred as an economic corpus delicti, or that this so-called trade is not a burden on the American people which cannot be ameliorated by any future manipulations. The publication of the story of our golden avalanche by Professors Graham and Whittlesey appeals to me as a convincing presentation of this situation, and I offer additional reasons for thinking that this gold can never be of any real use unless and until its price is much lower.

Why is it, Mr. Speaker, that neither this Nation nor any other is coining platinum? I submit that a primary reason is that, like gold at \$35 an ounce (domestic, bullion price), the price of platinum is too high. Personally, my "longing" for platinum is more intense than for gold, and I will warrant that if the gentleman from Missouri were offered an ounce of it he would prefer it to the same measure of the yellow metal even at the latter's fictitious, pegged price. But that does not validate platinum as a standard of value or make it coinable. It seems certain that we will continue to encounter the same old difficulties with circulation of gold coinage as long as we insist on "free" coinage; i. e., on "monetizing" the metal at par or putting as much metal in the coin as we can obtain for the coin when used as money. As we do with all our small denominations, so we must clip or debase the gold coin to start with; and its metal must not be so high-priced as to invite further clipping after coinage. Thus, at present levels in agricultural prices, if the market for gold bullion were allowed to fall to \$10 per ounce, then a dollar could be coined at near the size of a dime and still be materially below par in its gold content. Obviously, too, the old size for a half eagle—\$5—would contain less gold than it would buy. These conditions would afford a reasonably safe coinage.

Let me say, however, that even at a lower price—unless it became so low as materially to displace silver in coinage—gold can be used only in limited quantity; for as modern communication and transport is perfected it becomes increasingly inconvenient and relatively expensive to trade with coins of high value as against the use of checking accounts. I think it an obvious implication of the banking developments outlined in the article by Mr. Vest, assistant general counsel to the Reserve Board, in the Federal Reserve Bulletin for February, that the money of the future is destined to be, even more than it is now, nothing but a transferable credit on the books of a national system of depositories and clearing houses. The present administration worked in accord with this trend when it sequestered our gold; but then, by characteristically undoing with its left hand what it had done with its right, it pegged the price of gold at a high level when it should have been lowered as near as feasible to the then current production cost so that the metal might be recoinced and put back into use.

There is nothing incomprehensibly profound, then, about the proposition that coinage is today suitable for use only in small denominations. The basic reason for this lies in the

fact that a coin has upper and lower limits as to the physical size which makes it a useful implement in trade. If the metal in bullion form is priced on the open market so high relative to agricultural prices that a coin of convenient size—not smaller than a dime—can only be used in transactions involving a relatively large real value, then the margin of safety in coinage—that is, the spread between the market price of the bullion and the standard weight for minting—becomes too small relative to the value of the coin. Because of the necessity for this narrow spread to prevent counterfeiting—or the equally unsound alternative of free coinage—every fluctuation in the price of the bullion makes its coinage likely to encounter serious circulation difficulties, on the one hand from private attempts to obtain seignorage—which may force free coinage—or, on the other hand, as the market price of the metal comes to exceed the face value of the coin, by melting or by hoarding or by removal to communities where it will bring more as money than as metal.

These difficulties are complicated by the fact that fluctuations in the market for a rare metal are excessively related to and affected by the very use which requires a reasonably stable price, namely, use for coinage. Except for metals of relative abundance and wide commercial use with an open market price suitable for change coins, the bullion market cannot but be controlled by the effect of the rate of buying for coinage by a great organization such as the United States Government. If the metal be bought up at a rate greater than that at which it is actually circulated as money, its price must become unsettled and highly speculative in the long run.

Coinage difficulties are further enhanced manifold, and coinage of precious metals often rendered wholly impracticable, at a high price for the bullion, by the violent fluctuations in the value of all money; that is, in prices generally that go with the boom-bust business cycle. Here the problem of price levels, as affected by extensions of bank credit, enters. This seems to me the critical problem of our economic and political dilemma, but I cannot attempt to discuss it here. The point simply is that it is not solved by fixing a standard in metal at a high price or, indeed, at any price.

Even in foreign exchange, trade in gold, if it be extended beyond the significance of mere small change, as it were, in strictly current accounts, only postpones the evil day of reckoning with those shifts in relative money values arising from shifting trade conditions. This makes any disturbance in exchange rates only worse when it does arrive. To me this seems the obvious lesson to be drawn from repeated breaks in the standard at which gold is used in international trade, with its devaluations and exchange controls. Assuredly, there can be no controllable international monetary stability in the face of domestic instabilities and disparities in the several rigid and flexible price levels. The effectiveness of stabilization funds, such as it has been, has not been established by the use of gold as a backing for them. The one great American use for gold is for burial purposes in Kentucky. The metal, as a matter of legal fiction, preserves the perquisite of the banks to issue credit in the very operations which unsettle prices, and therefore foreign exchange rates, rather than render them stable. Let me repeat, this chaos in exchange arises in the law and not in any intrinsic property of gold if, as, and when properly used in coinage.

All that glitters, in "hoss tradin'," is not gold. Even the gold miner, Mr. Speaker, is grubstaked with grub; and it is around the price of grub, not that of gold, that human life is organized to conduct its greatest industry, its production of the end product of all industry, the human life cycle of birth, growth, reproduction, and death. Let us make no mistake about that.

We are faced, then, with one or more of several difficulties if we attempt to coin gold while its bullion price is high relative to agricultural prices: First, an impossible inflationary advance in agricultural price levels—ultimately involving all prices—so as to cheapen gold bullion in terms of real values; or, second, a constantly recurring series of difficulties, as the price of gold bullion fluctuates on a free market, with melting

to sell as gold or counterfeiting, or free coinage, to get seignorage; or, third, a pegged market with necessity for continuous purchase and hoarding by the Government of a much larger supply of gold than can be used in coinage that is actually circulating; or fourth, if used in its various fictions in foreign trade, gold can only serve to continue present troubles with "hot money," and so forth, by distracting attention from the real remedies for these difficulties.

#### DEMOCRATIC DILLY-DALLYING

I have undertaken here to challenge the administration to produce these real remedies for our dilemma instead of attempting to pass the buck to the Republican opposition which is not in office. As to my own ideas, I have only indicated that our real problem lies in the field of banking as it affects money supply. In this connection I am at a loss to understand why those in office, and therefore responsible for our fiscal policies, have not heeded the words of Woodrow Wilson respecting currency problems as quoted in the Federal Reserve Bulletin for January. Let me here repeat those words in part:

There is a sense in which a democratic country forces statesmanship upon every man of initiative, every man capable of leading. \* \* \* We cannot shut ourselves in as experts to our own business. We must open our thoughts to the country at large and serve the general intelligence as well as the general welfare.

Mr. Speaker, if this is a sound standard for democratic statesmanship, why has the administration allowed months to elapse before lifting a finger to develop the investigation for which funds were given the Senate Committee on Banking and Currency last summer? Can it be that that investigation is a mere camouflage for procrastination in "seeking the best solution for our currency difficulties"? I again use President Wilson's words. Does the administration seek to delay "giving the discussion of such matters such publicity" as might "enable men of every kind and calling," specifically, Mr. Speaker, the voters in next fall's election, to "take an intelligent part in the discussion" and so use their franchise to control the wisdom or folly of existing policies?

If there be no attempt thus to "frame" public opinion for the coming election in favor of gold buying, public debt, and trade agreements as an economic panacea, then why, pray, does the President shut up, in the passionate anonymity of the White House, such an expert on our monetary problems as Dr. Lauchlin Currie? Why are we not only giving no heed to his published work on the Supply and Control of Money in the United States, but also proscribing any public consideration thereof? Is not the obvious reason for this conspiracy of silence simply that the policy of pump priming by formation of public debt as a source of money supply, flies directly in the face of the counsels of this student? Let me quote what Dr. Currie wrote in his monograph as published by Harvard University before he fell among the money changers:

The most perfect control could be achieved by direct Government issue of all money, both notes and deposits subject to check. The merit of this proposal lies in the fact that it divorces the supply of money from the loaning of money.

This, Mr. Speaker, is a proposal which can well be compared with the principles of the Legal Tender Decisions which were so bitterly opposed by the Democratic Party. Do they still oppose this proposal? Does it not, indeed, harmonize rather with the ideals and ideas of Jefferson and Lincoln than with those of the New Deal?

There were statesmen in those days to whom public debt—the "loaning of money" to the Government—was anathema. Jefferson even went so far as to advocate a constitutional amendment to prohibit all public debt under all circumstances. Where would our present policies be if that rule had been written into the Constitution? Would they not be following the clearly conceived public interests as Abraham Lincoln administered them in the hour of the Nation's travail, rather than the muddled concepts of free coinage and fractional reserves built up by the Democratic Party since the Civil War as it has fallen under control of Tammany and



other metropolitan party politics in the overstuffed cities of the North?

Whenever we have been furnished a fetish—

Said Mark Twain—

and have been taught to believe in it and love it and worship it and refrain from examining it, there is little evidence, however clear and strong, that can persuade us to withdraw from it our loyalty and devotion.

What, Mr. Speaker, is the fetish that has brought confusion even into the most expertly trained minds in economics? What is it that justified Dr. Jacob Viner, close counselor to the Treasury, in his recent address as retiring president of the American Economic Association, to refer to the "vague and imperfectly communicable processes of thought" and the "traditional unintelligibility" of the discussions by which "economists repeatedly expose their divided counsels"?

Let me quote you, in closing, the words of Mr. John Maynard Keynes, now counseling the British Empire, to the use of forced saving in its death struggle with the fetishes of autocracy. Addressing a distinguished committee of the League of Nations, including Mr. W. W. Reiffler, who is also a trusted expert of our Treasury Department, Mr. Keynes said, in dealing with a report on Statistics Relating to Capital Formation—I quote from the Economic Journal of September 1939, page 574:

We have been, all of us, brought up, like the members of this committee, in deep confusion of mind between the demand and supply of savings and, until we rid ourselves of it, we cannot think correctly.

Verily, Mr. Speaker and fellow Members of this august body, the blind are struggling with the blind for the privilege of leading humanity, not to its destiny but to its fate.

### Reciprocal-Trade Treaties

#### EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

EDITORIAL FROM THE PHILADELPHIA EVENING PUBLIC LEDGER

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Public Ledger:

[From the Philadelphia Evening Public Ledger of February 26, 1940]

#### MISBEGETTEN POLITICS

Opponents in Congress of the Roosevelt administration's reciprocal trade policy are about ready to concede that they cannot do much about it. Party lines were drawn as tight as possible on the issue in the House of Representatives. Amendments to the number of a couple of dozen were put up and duly knocked down. Then the House voted by 216 to 168 to extend for 3 years the law under which reciprocity treaties have been concluded with 22 nations.

The Senate acts next. The antiadministration forces still hope at least to weaken the policy by passage of one or more of the same amendments as were proposed in the House. But, though party politics will be played in the Senate as they have been in the House, there is no sign that the policy will be substantially weakened, much less defeated.

The first mistake the opposition made on this issue was to base the controversy on partisan politics pure and simple. The interests which have a stake in the foreign trade of the country had reason to resent this attitude—since obviously foreign trade cannot easily be labeled Republican or Democratic. The second mistake has been the failure to produce a substitute for the administration's policy. Senator VANDENBERG made a good try, but his program clearly could not be shaped up and adequately discussed during the present session of Congress.

There are many who will regret that the administration and New Deal forces were permitted to make a political issue of trade policy during this political session. It is an issue on which they are least vulnerable, for the policy has had consistent support even in conservative and (yes, say it, Tory) quarters. Thoughtful and in-

formed observers—politics aside—will shed few tears over the defeat of the misguided opposition, even though it gives "that man" an opportunity to claim a victory.

### American Democracy and Free Enterprise

#### EXTENSION OF REMARKS

OF

HON. CHESTER H. GROSS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

ADDRESS BY H. W. PRENTIS, JR.

Mr. GROSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address at annual dinner meeting of Chambersburg Chamber of Commerce, Chambersburg, Pa., February 28, 1940, by H. W. Prentis, Jr., president, Armstrong Cork Co., Lancaster, Pa.; president, National Association of Manufacturers; and director, Chamber of Commerce of the United States:

Before launching into my subject, it seems to me that a bit of prefatory comment is in order. Like many other Americans, my mind has been numbed by recent events abroad. The portentous implications of the present conflagration leave me shaken and sick at heart. I am indeed thankful, therefore, that in this crisis American industry has taken a clear and positive stand: It opposes all war. It opposes any step that would involve us in conflict. It opposes profiteering. It agrees that partisanship ends at the water's edge. It will continue to work for national unity, no matter how sadly that unity may have been clouded in recent years by the sinister specter of rising class consciousness.

So with wars and rumors of wars all about us, it seems well to turn our attention tonight to some of the critical domestic problems that are now being crowded out of the public mind by spectacular news from the battle fronts. As a matter of fact, America is in far more danger today from disintegrating influences within than it is from any foreign enemy. Hence, the responsibility of business leadership in respect to domestic affairs is just as pressing as our patriotic duty to support every reasonable step in behalf of adequate national defense. With a world at war it is doubly imperative that constitutional representative democracy, private enterprise, and religious freedom—the inseparable foundations of personal liberty—be kept vital and unimpaired in an America at peace.

I plead guilty to the indictment that I think lies against most American business and professional men, namely, that we have taken for granted now for two or three generations the ineffable blessings of personal freedom that presumably were guaranteed us by the Constitution, and have done little or nothing to try to re-enforce and maintain them. We have been so busy making money, so busy exploiting the resources of the country, that we have just assumed that we could let political affairs take their own course, and have washed our hands, to a large degree, of what went on in Harrisburg or Washington. Then when I read and study—far more carefully in these last 5 years than ever before—how your ancestors and mine fought and struggled to set up this Nation of ours one-hundred-and-sixty-odd years ago, I stand abashed and ashamed at the very small segment of my time that I have given to the service of my country.

Do not misunderstand me. I am not fatuous enough to think that any single individual can accomplish much, if anything. I do know, however, that if a million businessmen were willing to devote a definite amount of their time to the study of our governmental and economic problems, and then get up on their feet and express their opinions to the same extent that most of us have applied ourselves to our businesses and to our recreations, there would be a real change of sentiment in this country very quickly.

As one reads the early history of the United States, he finds that practically every one of the men who helped establish our Nation would be termed today an "economic royalist," a man engaged in some business or profession. Most of those leaders were educated either by old Dr. Small at William and Mary College in Williamsburg, Va., or else at the Boston Latin School in Boston. They all were steeped in the philosophy of our representative democratic government and were prepared to defend it with their minds and lives if necessary. How many of us have been similarly educated? How many present-day American businessmen really have any political philosophy? We have been trying to live without one for two generations, and now we are finding out that we cannot do so successfully.

The principles on which our Government was based were summarized with exceptional clarity by John Locke. His conclusions directly guided the founding fathers of this Republic. The Lockian philosophy of government simmers down to three propositions: First, that all just powers of government are derived from the consent of the governed; second, that the function of government is

to make possible the greatest degree of individual responsibility and initiative; and, third, that the State may properly function only for the protection of life, property, peace, and freedom.

Opposed to this, the Anglo-American concept of government, is the collectivistic philosophy of Rousseau, developed and popularized in its more radical form by Marx, Engels, and Lenin. In America its basic ideas are fostered by many estimable but misguided persons under the banner of the "New Liberalism." Such people want planned economy, but do not wish to go the whole distance on the road to Moscow. Their philosophy is the very opposite of the philosophy under which our Government and economic system were established. They hold that it is the responsibility of the state to remove every obstacle that prevents any individual's development and opportunity for living an abundant life. The collective social will of the people acting as a mass is the dominant power at all times under the collectivistic philosophy. Hence the individual is the servant of the state—not the state the servant of the individual as maintained under the Anglo-American idea of government.

Of all current delusions the present tendency to place unbounded faith in the mystical power of government to cure our economic ills and bring about a heaven on earth, is the delusion that has the least foundation in human experience and history. When one considers the age-long struggle of the human race and of the Anglo-Saxon peoples in particular, to achieve personal freedom as we have known it hitherto in America, it is hard to understand why the man in the street is so willing nowadays to deify the state and look to government for help at every turn in his existence. There are undoubtedly many reasons for the marked change in this respect that has come over the American people since the Civil War. The dizzy advance of science, the rapid introduction of new processes and new products, better means of communication, preoccupation with material things rather than with the ideas and principles that underlie the facts of human existence, and the weakening of religious faith—all have tended to make men feel insecure and seek safety in the bosom of the deified state. Politicians being always willing to help the taxpayer with his own money have naturally welcomed this tendency.

Yet, after all, what is government? Simply mortal men no better and no worse on the average than the rest of us. These men get together from time to time in offices and halls, make speeches and confer with each other, study papers and memoranda, receive suggestions and give orders, hear complaints and answer them. Clerical assistants handle a lot of papers and file letters. Sheriffs and marshals, tax collectors and policemen, sailors and soldiers, constitute the rest of the official entourage. The men that make up government eat and drink, have aches and indigestion like everybody else. Some of them work hard, some do not; most of them, like the average citizen, would rather play golf, fish, or go to a ball game than work. Yet, as Walter Lippmann says:

"In the prevailing view they are the agents of destiny. . . . They are to understand, to forecast, and to administer human purposes and to provide a design of living for the unborn. Surely, greater love could no man have for the wisdom of his rulers than this, that he should put his life entirely in their hands."

Few Americans know anything about the foundations of freedom. Our heritage has indeed a long and honorable history behind it. In the early fourteenth century—200 years before the German Reformation—John Wycliffe, whose bones were later burned as those of the first British heretic, rendered three outstanding services to the English-speaking people: First, he organized the great middle class—the farmers, laborers, peasants, and yeomen—into conventicles or congregations to discuss religious questions. Out of these conventicles came the Englishman's passion for the right of free assembly. The town meeting of New England, which played such an important part in the establishment of representative democracy in America, was one of the ultimate fruits of Wycliffe's work. And even you and I, as we assemble here tonight, owe that privilege in large measure to what he did among the humble people of Great Britain 600 years ago.

Wycliffe's second great service was to translate portions of the New Testament and to circulate those translations throughout the length and breadth of England. In this day and age, you and I can have no idea of the thrill that the English peasant experienced as he pored over the Word of God in his own tongue and felt for the first time that he could hear the voice of the Lord Himself speaking. From this religious experience there came the conviction to the ordinary Englishman that no intermediary, no human being, no government, can stand between a man and his spiritual responsibility; that there are some things that every human soul must think out for itself. Thus Englishmen came to believe that the Bible was really their charter of liberty. They grasped and asserted the right of free interpretation of the Scriptures. Transferred later to the political arena, the consciousness of that right led directly to the great doctrine of the right of private judgment, which, in turn, abolished persecution and censorship, set the human mind free, and made the individual citizen, with his consent to be governed, the foundation stone of modern representative democracy.

In the third place, Wycliffe asserted that the sacraments of the church mean nothing unless the individual who accepts them knows what he is doing and what they signify. In other words, man is a free individual with personal moral responsibility in matters of faith. This was one of the outstanding characteristics of the early settlers in America. They came to the shores of a new continent impregnated with the principles of personal moral re-

sponsibility, the right of private judgment, and the right of free assembly, which, together, filled them with a fervent passion and unshakable belief in the inward spirituality of the individual. They based their political philosophy and their economic system on the religious concept that there is something about the human spirit that is sacred; that there is a place in the human soul that no government and no man may justly enter, where reside those inalienable rights that the Declaration of Independence later thundered so eloquently to the world. Thus, in a very real sense, our republican type of government is the political expression of Christianity.

In our educational institutions in the last 30 years, we have given up, to a large degree, the study of political philosophy and classical history, where we find recounted again and again the same experiences that we are going through today. If you read the speeches reported by Sallust, for example, made during the Catiline Rebellion in ancient Rome, about the plight of the poor farmer, about the crushing power of the rich, and how wealth should be redistributed, you will find the forerunners of the very same ideas that you and I have heard advanced on so many occasions during the last 5 or 6 years in this country.

Few Americans realize the very intimate relationship that exists between our business system and representative democracy. Our governmental system is not a pure democracy and never has been a pure democracy. The founding fathers knew that a pure democracy had never been successful anywhere. Hence they set up a republic instead—in other words, a representative democracy with a written constitution. Their system included free private enterprise and religious liberty. Those three factors together constitute the tripod on which our freedom in America depends. History proves incontrovertibly that if any one leg of that tripod is undermined, the whole structure of liberty soon crashes to earth.

We all know what happens when representative democracy is destroyed. Dictatorship—the totalitarian state—takes its place. But many of us do not realize what happens if private free enterprise is undermined. The only alternative to free enterprise is state socialism or the same thing, under the more innocuous designation of "national economic planning." That phrase makes a strong appeal to many shallow-thinking Americans, because we are an industrial nation, and have long been accustomed to plan ahead as individuals and corporations in respect to our business problems.

But let us follow through that national economic planning idea: If the Government begins to plan our economic affairs, sooner or later it must tell every one of us where we can work, how much we can produce, what wages we shall pay, what we can purchase, when we can buy, and at what price. That result is inevitable, because once you begin to interfere with the natural functioning of free enterprise and concentrate the responsibility for our national economy in the hands of government, one control will necessarily lead to another control, and the final outcome is inevitably state ownership of the means of production. Stalin admitted frankly in 1934 that without abolishing private ownership of the means of production a country cannot have planned economy.

Now, once you set up state socialism, what becomes of political democracy and particularly religious freedom, civil liberty in general? Naturally, if a small group of people, no wiser or better than the rest of us, calling themselves "government," were planning as they saw it for the greatest good of the greatest number, they could not for one moment tolerate the throwing of a monkey wrench into their carefully laid program by any citizen, no matter how well intentioned he might be. Otherwise their well-laid plans would soon be brought to naught. Consequently, they could not tolerate the interference of any opinion-forming agency, whether it were school, press, radio, or church. Hence, under national economic planning you would have eventually just what you see in the dictator-controlled countries of Europe today—the suppression of all teaching, except that which is in line with the ideas of government officials, censorship of the press, the end of freedom of expression, and the destruction of religious liberty. And so, once you knock the props out from under any one of the three legs of the tripod of human freedom, you inevitably destroy human liberty.

For many years those who would bring about State socialism by peaceable means have advocated this formula: Select a time of great political and social unrest; then discredit in every possible way those in power during the preceding era of prosperity; blame the ensuing depression on those leaders; then under guise of emergency, enact legislation that prevents confidence from returning. Finally, having destroyed the only basis on which private free enterprise can flourish, say to the unthinking public: "We are extremely sorry to do it, but inasmuch as private individuals will not create prosperity, the State, greatly to its regret, must step in and do so through active intervention in agriculture, in industry, in banking, and in commerce."

Now just go over the history of events of the past 5 or 6 years and see how closely that pattern has been followed. I am not for 1 minute asserting or implying that those in charge of the public administration of affairs in this country are Socialists or Communists. But I do believe very firmly that the pattern of events that has been followed, if continued to its logical conclusion, will lead inexorably to State socialism.

And that is why I, just an ordinary businessman like all the rest of you, have become so deeply concerned as to where present tendencies in government are leading us. For 9 years now we have



been incurring heavy Federal deficits. Our national debt has increased almost \$25,000,000,000. Concurrently we have had much interference with free private enterprise, much restrictive and experimental legislation that has tended to hamper confidence and create public fear.

On the other side of the ledger, I think it is only fair to say that we have also experienced an awakened sense of social stewardship on the part of industrial and professional men generally. We have been led to see and realize that we are to a very real degree our brother's keeper in industry; that we must raise our eyes beyond our immediate daily business problems and think about the social implications of the decisions that we reach in respect to our specific businesses, if we want our system of representative democracy, free private enterprise, and civil liberty to continue.

While I do not agree with the methods employed in many instances, I do think we have made real progress in respect to old-age pensions, unemployment compensation, slum clearance, labor relations, and the elimination of certain abuses in the marketing of securities. But, inevitably, as in most movements of this sort, the pendulum has swung very far to the left; and our problem today is, without the sacrifice of such progress as has been made, to see to it that as excesses are corrected the pendulum does not swing again too far to the right and produce serious reactions in the future.

One of the most deplorable results of the last 5 or 6 years is the development of class consciousness and class hatred on a scale never before witnessed in this country. That should be a matter of the gravest concern to every good American. One of the reasons why the publicity campaigns of the United States Chamber of Commerce and affiliated organizations make such a tremendous appeal to me is that they are designed to check the growth of class consciousness. No representative democracy can long endure in the face of acute class cleavage. For representative democracy is a way of life, a pattern of thinking, a mode of conduct, a willingness to play ball with the other fellow even when his ideas prevail at the ballot box rather than your own. It is something that has taken hundreds of years for the Anglo-Saxon people to acquire. The chief reason why a republican form of government in Spain, in Italy, and Germany has not been successful is that those nations have not had the background of training we have had. If class consciousness continues to increase in this country, sooner or later pressure groups, each trying to secure for itself certain specific benefits from the Public Treasury, will destroy representative democracy and personal freedom by creating financial and social chaos.

Now, over and against the point of view that holds that the only solution of our economic difficulties lies in a heightened degree of state control, which, as I have tried to point out, will ultimately lead to state socialism and the destruction of human freedom, let me quote Dr. Harold G. Moulton, head of the Brookings Institution in Washington: "The restoration of the free flow of money through the capital markets into the expansion of productive plants and equipment is the central problem in economic reconstruction; the expansion of capital required to replace depreciated and obsolete equipment and to raise standards of living even back to the 1929 level is sufficient not only to provide outlets for available money savings but also to absorb all our unemployment."

This is the opinion of a nonpartisan, dispassionate economic authority, and to that statement I personally subscribe most heartily. When you stop to realize that in the years 1926, 1927, and 1928 an average of \$4,600,000,000 per annum was poured into new corporate enterprises in this country, and at the peak of such prosperity as we enjoyed in 1937 the amount so invested was only \$1,200,000,000—a little more than one-fourth of what it averaged in the 3 years I have just mentioned—it shows to what extent fear, lack of confidence, whatever you choose to call it, has hampered and crippled the old American spirit of initiative, courage, and resourcefulness. American citizens, for the first time, so far as I know, for any extended period in our history have tended to keep close to shore and think more about the security of principal than about the willingness to risk that principal in the formation of new enterprises and the expansion of existing enterprises, thereby creating more employment. If the American people through the efforts of chambers of commerce and business organizations in this country, can only be made to realize the fact that restored confidence will set the wheels of industry turning once more, then, barring war, we can look forward to an era, I believe, of unusual prosperity.

On the other hand, we are faced with the fact that last year \$107,000,000 of taxpayers' money was spent by various governmental departments for the spreading of the particular ideas of those presently in power in reference to our national problems. As we all know, there has never before been such an expenditure of public funds for propaganda purposes. I was appalled to note the other day that this was being done in spite of a law passed in 1913, which, to the best of my knowledge, still stands on the statute books, in which it was distinctly stipulated that no part of any appropriation should be used for publicity purposes unless by specific authority of Congress. Faced with that situation, all patriotic citizens, and particularly businessmen, are doubly called to apply themselves intelligently to the development of any and all legitimate means by which this tremendous propaganda of government can be effectively countered, and the thinking of the American people guided into sound channels.

Fortunately, I believe that the time has now come when all of the educational effort that can be put forth in behalf of a sound philosophy of government, in behalf of a sound system of eco-

nomic enterprise, and in behalf of the maintenance of civil liberties, will fall on more fertile ground than has been available at any time since 1930. The ears of millions of American people have been unstopped, and the eyes, apparently, of millions of voters that have been clouded by propaganda in recent years, have been opened. It seems to me we can only interpret the vote of the electorate in 1938 as indicating that the American people desire business baiting and industrial strife to cease; that they desire government and industry and labor to join hands in order to get our 10,000,000 unemployed back to work. Today public opinion is in a state of more favorable flux toward business than it has been for a decade. But by that very fact you and I, if we are wise, will guard well against overconfidence, laziness, complacency, and stupid reaction.

We must admit that economic and social conditions have changed substantially in the past 50 years. As machines have grown more complex, individual skills have had to become more highly specialized. Obviously it is more difficult for a worker to pass from one sort of employment now than it was 50 years ago. Today multitudes of men are qualified for one type of industrial job and no other. The substantial investments required for the complicated machinery of mass production have resulted in increased concentration of industry geographically. Access to the land has become physically more difficult for the factory wage earner. The corporate form of organization with the high liquidity of its securities has probably aggravated to some extent the peaks and valleys of business cycles.

Hence, businessmen, if they are to fulfill their historic mission as preservers of human freedom, have a peculiar burden of responsibility. Research must be fostered; production methods must be steadily improved; the fruits of such effort must be passed along in the form of higher wages and reduced prices not merely under stress of competition but as a matter of enlightened self-interest. Markets must be kept free; fair methods of competition must replace unfair procedures. Unethical practices must be eradicated by voluntary effort, for businessmen must always come into the court of public opinion with clean hands. Collective bargaining—when desired by workers—must be willingly carried forward.

Industry and business must be so organized as to provide opportunity for budding ability, wherever it may be found. Men in supervisory positions from the humblest assistant foreman to the highest executive must be trained to lead rather than to drive. Every worker must be thoroughly educated in the technique of his job. Constant effort must be made to disclose and explain the economic problems of the individual enterprise to its workers. Suggestions from every employee of high or low degree must be encouraged. The hazards of accident and occupational disease must be eliminated so far as it is humanly possible to do so. Constant consideration must be given to improving every factor that makes for comfort, happiness, and peace of mind, not only for the man in overalls but for the white-collared office worker as well. Thus if contented and capable individuals are developed at every level in the organization, there will be management from the bottom up, not merely from the top down. Such procedure, in my opinion, is the essence of industrial democracy under the American system of private free enterprise.

So, as an American citizen, I do hope that all who are charged with the responsibility of guiding the affairs of industry in this country, will be farsighted enough not to try to turn the hands of the clock back in respect to those social and economic questions which we would have been well advised to have dealt with years ago, and which I believe we would have dealt with had we been reared and educated in a different atmosphere. We have never had to fight for freedom. For two or three generations we have not known what it means not to be able to get up and talk as we please, to think as we please, to worship as we please. We have grown smug and soft and complacent. That is why we did not pay attention to many of these worthy social objectives which you and I know, not only as businessmen but as decent, patriotic Americans, are desirable and proper.

In a book by Owen Wister that recounted his long friendship with Theodore Roosevelt, the author recounts this incident which took place in 1895: "How long do you give the Government at Washington to last?" I asked Roosevelt and Henry Cabot Lodge as we sat lunching. Those two students and writers and makers of history, well versed in the causes that have led to the downfall of the empires, kingdoms, and republics that have had their day and gone into the night, were both silent for a moment. Then one of them said, "About 50 years." Which of the two set this limit, I do not recall. I remember only that the other did not contradict him.

That took place in the year 1895. Forty-four of those fifty years have elapsed. No one can tell now what these next 6 fateful years hold. I know this, however, that if you and I and millions of other American citizens will accept our individual responsibility in respect to the conduct of public affairs in this country; if you and I will accept the responsibilities of social stewardship in our own business enterprises; if you and I will try to think soundly and then have the courage to express our ideas publicly without fear, then I believe that this Government of ours will exist not only for 6 years but for generation after generation. But if you and I do not accept our responsibility; if we just let things drift as they have drifted for many years gone by; if we fail to take a deep and abiding personal interest in our country's social, political, and economic problems, then ultimately our system of government and private enterprise will disappear along with our personal freedom.

As you leave this gathering tonight, I hope you may go with these words of Herbert Spencer's ringing in your ears: "How infinitesimal is the importance of anything I can do, but how infinitely important it is that I should do it!"

### Wisconsin's Cheese Industry

#### EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

ADDRESS BY COL. ALFRED J. LA GRANDEUR

Mr. BOLLES. Mr. Speaker, the precarious situation of the farmers in the State of Wisconsin is very clearly stated in the following address of Col. Alfred J. La Grandeur, of Somerset, Wis., on Wisconsin's cheese industry:

MINNEAPOLIS.—"Practically speaking, it is high time that sedatives now being administered to the farmers be discontinued and practical and logical means to improve their financial condition be applied," bankers were told at the luncheon meeting of district 1, Wisconsin Bankers Association by Col. Alfred J. La Grandeur, of Somerset, Wis.

"As bankers and businessmen we are vitally interested in any rational plan that will increase the income of the farmers in general and the dairy farmer in particular. We know that it is impossible to continuously operate at a loss, and remain in business. It should be our duty to help promote a rational plan that will keep the American cheese-dollar at parity," explained Colonel La Grandeur.

"Since 1921 the Wisconsin dairy farmer has not been able to exchange his American cheese dollar at par. The nearest he came to parity was in 1928, when his cheese dollar brought 82 cents for farm-family maintenance and 95 cents for farm-production materials. Even with what are considered good prices, on December 1, 1939, his American cheese dollar was worth only 74 cents in exchange for commodities bought for farm-family maintenance, and 63 cents for materials used in farm production.

"We should not overlook the fact that over 50 percent of the farm income in Wisconsin is derived from milk. In 1938 the milk produced in Wisconsin was 11,598,000,000 pounds."

Proposing a price increase as a solution to the dairy-farmer problem, Colonel La Grandeur said, "One cent a hundred pounds added to the present price of milk would mean \$1,159,800 additional income to Wisconsin dairy farmers. If they receive a price for milk that would enable them to purchase commodities for home use and farm production at a par value, then farmers selling milk to the factory manufacturing American cheese would receive an additional \$7,500,000 annually, and the dairy farmers of Wisconsin as a whole would receive \$28,995,000 additional income annually. They could greatly reduce their mortgages and purchase the goods and materials they need so badly. This would tend to increase local business, jobbers and manufacturers would benefit more labor would be needed, and the great army of unemployed would be reduced," asserted the speaker.

In explaining by what means the Wisconsin dairy farmers' income could be increased, Colonel La Grandeur said, "We must begin by giving the consuming public a natural cheese, which was taken away from them some 20 years ago, when a Federal ruling was passed prohibiting the interstate shipment of natural American cheese containing more than 39 percent moisture. This reduction cut the remuneration to the dairy farmer because the price of cheese did not advance sufficiently to compensate for the additional amount of milk necessary to produce it. The reduction in the moisture content made this natural cheese dry, tough, and crumbly in its fresh stage. Because the majority of the consuming public prefers and demands a mild, soft, creamy cheese, the consumer sales dropped off sharply. A decrease in retail sales followed and the jobbers' market for natural American cheese was practically closed. The only large buyers left were the ones interested principally in the manufacture of processed cheese and cheese foods. They took this dry cheese, ground it, blended it, seasoned it, and added emulsifying agents in order to produce a mild, soft, palatable cheese somewhat similar to the natural American cheese prior to the reduction of moisture law. They could do this because this regulation does not apply to process-cheese foods, which contain more than 39 percent moisture. The public was practically forced to purchase this processed cheese and cheese foods as the nearest substitute to the type of natural American cheese they desired."

"In 1920, when the law became effective, Wisconsin produced 70.4 percent of the cheese manufactured in the United States; in 1937 only 29.9 percent, a loss of over 20 percent in natural cheese. In 1929 the processors used 13.9 percent of all the natural American

cheese produced in the United States; in 1937, 51.6 percent; an increase of over 300 percent in 8 years. In 1933 Wisconsin passed a law permitting the manufacture and sale of natural American cheese with a higher moisture content. During the latter part of 1938 and the early part of 1939 the Federal Government sent agents to the various States to purchase samples of cheese for analysis. Samples containing more than the 39 percent permitted for interstate commerce were purchased in Arizona, Colorado, Illinois, Kansas, Nebraska, New Mexico, New York, Ohio, Oklahoma, Texas, and Utah. Most of these States formerly looked to Wisconsin for the finest quality soft, moist palatable natural American cheese. Wisconsin is left with the process manufacturer as the principal buyer of natural American cheese."

Quoting Ralph D. Ammon, director of the Wisconsin Department of Agriculture, in his report to the assembly committee on agriculture on March 29, 1939, Colonel La Grandeur said:

"No. 2 problem for the industry is that competitive buying seems to be disappearing. About 75 percent of the cheese is bought by five large concerns. In some cases it is suspected that these concerns have agreed not to bid for each other's factories. If this is true, a factory is forced to continue to sell to one buyer, because the others do not compete for the product of that factory. Competitive selling of natural cheese is also somewhat limited because most of the large distributors have a processed product the sale of which appears to be more lucrative."

Colonel La Grandeur urged those present to discuss the problem with farmers and merchants to help get a square deal for the Wisconsin dairy farmer.

### Private Industry Does Not Use the Unemployed— America Must End Private Dictatorship

#### EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

ARTICLE BY BENJAMIN MARSH

Mr. COFFEE of Washington. Mr. Speaker, by permission of the House, I am inserting in the Appendix of the CONGRESSIONAL RECORD an interesting article. The article was written by Mr. Benjamin Marsh, director of the Peoples' Lobby, and contains much factual material on the basis of which the Peoples' Lobby is supporting several bills pending in Congress designed to overcome or alter the conditions against which that organization has been heatedly inveighing. I commend its reading to those who are interested in economics.

### PRIVATE INDUSTRY DOES NOT USE THE UNEMPLOYED—AMERICA MUST END PRIVATE MONOPOLY DICTATORSHIP

(By Benjamin Marsh, director of People's Lobby)

Secretary of Agriculture Wallace in December last year stated:

"With full use of mechanical power we can produce our present supplies of farm products with 5,000,000 fewer people living on the land and our present supplies of city products with 20,000,000 fewer people living in the cities.

"With matters as they are the 7,000,000 breadwinners among the 25,000,000 people with marginal opportunities are earning not more than 10 to 15 cents per hour of employable time. Most of these people are anxious to work and if given an ordinarily decent opportunity could turn out several times as much per hour as is now the case."

Mr. A. F. Hinrichs, chief economist of the United States Bureau of Labor Statistics, in January this year asserted:

"One may say with certainty that the unemployed cannot be absorbed immediately.

"There is no evidence to suggest that business is passing up orders because of its unwillingness to hire workers. \* \* \*

"It is almost equally certain that private enterprise cannot employ the vast majority of the unemployed workers within the next year.

"Only once in American history have we put as many as 4,000,000 people to work within a period of 1 year."

### LARGEST REEMPLOYMENT THIS YEAR WILL BE ONE AND A HALF MILLION

"Even disregarding the doubts of many business analysts as to whether the volume of productive activity in the closing months of 1939 can be carried forward in the first half of 1940, the most optimistic forecast of gains of employment for this next year (1940) would be in the order of one and one-half million people."

This means that a year from now there will be at least 8,000,000 people able and nearly all willing to work who won't be able to work producing the things they need because the private owners of



factories and those who have the funds to start factories and the private owners of banks, of mines, of transportation, and of distributing agencies will not employ them, except on their own terms as to capitalization and profits.

#### SIXTY BILLIONS SPENT IN 7 YEARS

The Temporary National Economic Committee recently reported: "The American economic machine is stalled on dead center." That is where the Old Guard Republicans often brought it.

During the past 7 years, however, the Federal Government has spent about \$60,000,000,000, of which nearly half has been borrowed. Mr. Corrington Gill, Assistant Commissioner, Work Projects Administration, in his recent book, *Wasted Man Power*, says: "More than \$12,000,000,000 have been appropriated by Congress for unemployment relief over the last 7 years."

"Four more billions of dollars have been appropriated for public works to stimulate private employment," but he quotes the figures of the committee on economic security that the average number of people unemployed in 1938 was 12,138,000.

Mr. Gill holds:

"Most of the 11,000,000 unemployed are jobless because the economic system has entered a period of chronic underemployment due to the deficiency of private investment opportunities."

"The Federal Works Agency must be geared to meet this situation, to provide two to four million jobs, which in an earlier period were provided by private enterprise. \* \* \*

"Such a program serves two purposes—it puts surplus labor and capital to work, and it sustains and stimulates private enterprise."

#### DO FARMERS OR OTHER WORKERS BENEFIT BY PUMP PRIMING?

A large part of the Federal Government's expenditures during the past 7 years, have gone to "prime the pump" of private industry, to protect money lenders, and to enrich landowners, chiefly in cities.

The 11,000,000 unemployed clearly do not benefit from pump priming under private ownership of the pumps.

Despite the many billions of dollars spent on pump priming and relief, from 1933 to 1938, the average number of people unemployed in 1938 was only 1,037,000 less than the average number in 1933—13,175,000.

The one and a half million farm families needing relief, clearly do not get any benefit from priming the pump for the private owners, but do most independent farmers?

The Secretary of Agriculture reports:

"The average farmer who before the war had about 60 percent as great an income as the nonfarm person, today has less than one-half as much income per capita as the nonfarm population."

"In saying this, I am counting as part of the farmer's income the living which he gets off the farm, as well as the soil-conservation and parity payments."

Dr. M. L. Wilson, Under Secretary of Agriculture, last December stated:

"Even in relatively prosperous times the less productive half of our farms produces only about a tenth of the marketed crops," also "there are counties in which whole communities subsist on a per capita cash income of less than \$25 per year, much of which is provided by public assistance of one kind or another."

Of the 3,657,496 farmers receiving net payments under the 1937 agricultural conservation program, over half got less than \$40, and over nine-tenths got less than \$200, while the average payment in continental United States was \$82.62.

Ninety-four persons in continental United States (exclusive of sugar growers) received over \$10,000 apiece, including the King Ranch, of Texas, which was paid \$112,140.

About half the farmers in the United States didn't get any payment; and if all of these had gotten something, the average for all farmers would have been much less.

There has been improvement under 1933 and 1939 amendments to the law, but no vital changes.

#### PROPERTY OWNERS GET BENEFIT OF PUMP PRIMING

The Bureau of Domestic and Foreign Commerce of the United States Department of Commerce published in 1938 a report, *Income in the United States, 1929-37*, which shows that property owners got the major benefits from priming the pump.

It reports the income of different classes in the United States, and we take the figures for 1933 and 1937 for comparison.

Agriculture, \$3,316,000,000 and \$6,223,000,000.

Income received from ownership or control of property—that is, as dividends, interest, net rents and royalties, and profits from private business, but not including bonuses and quarter-of-a-million-dollar salaries the big shots voted or paid themselves in 1937.

The amounts for the 2 years are \$15,720,000,000 and \$22,603,000,000. Total compensation of employees, wages, and salaries (including the quarter million salaries), \$29,596,000,000 and \$46,728,000,000.

Dividends, \$2,209,000,000 and \$5,010,000,000.

In 1933 the income of all farmers was 7.1 percent of the national income paid out, and although it nearly doubled in the 4 years, it was only just under 9 percent of this national income in 1937.

Farmers' income increased during this 4-year period by \$2,907,000,000, while dividends increased by \$2,801,000,000, almost as much.

There is a big difference, however, that some 20,000 stockholders got about one-third of all dividends paid, and the equal increased income of agriculture, was divided among millions of farmers.

In 1933 wages paid in mining, manufacturing, construction, steam railroads, Pullman, railway express, and water transportation, were \$7,271,000,000, and in 1937, \$14,037,000,000.

There were about 11,600,000 people working in these 7 occupations.

A comparison of the increase in income of stockholders, farmers, and workers in these seven occupations from 1933 to 1937 shows it pays to own the pump that is primed.

	Percent
Stockholders.....	127
Farmers.....	87.6
Labor.....	93

Stockholders' share in the increase of national income from 1933 to 1937 was nearly one-half larger than farmers' share, and more than a third larger than the share of labor in these seven occupations.

Stockholders got a much bigger cut of the national income in 1937 also.

In 1933 they got 4.9 percent, and in 1937, 7.2 percent.

Stockholders' share of the national income in 1937 was 47 percent, nearly half, larger than it was in 1933.

#### WHO OWNS THE PUMP WE PRIME?

Mr. E. D. Kennedy, writer of the business and finance section of *Time*, and later on the editorial staff of *Fortune*, wrote a book last year, *Dividends to Pay*, which gives a pretty good answer to the question, "Who Owns the Pump We Prime?" He says:

"In 1929, 1,349 corporations made 80 percent of the net income of all corporations. There were 456,000 corporations that year."

That is, less than one-third of 1 percent of all corporations got four-fifths of the net income of all corporations.

Mr. Kennedy reports that 24 top-notch corporations, each of which had in 1929 a net income of \$30,000,000, or over, had that year a total net income of \$1,745,000,000, and in 1937 of \$1,516,000,000—nearly nine-tenths as much.

Here is his boiled-down statement of ownership of the pump we prime:

"Invariably around 20,000 big stockholders, some of whom collect annual dividends of \$1,000,000 or more, collect more than one-third of all the dividends."

"Business in this country has become a question of the survival of the least competitive."

The big owners and the controllers of these corporations are the real dictators of America.

They determine how much shall be produced, regardless of what Americans need.

Last year industrial production was only a little over two-thirds of what it should have been to maintain even the inadequate average of 1923-25.

This year it will be about the same—possibly a little better, but not much.

A large part of the capitalization of nearly every major corporation—railroads, steel corporations, motor companies, chemical concerns, flour mills, packing establishments, textile mills, telephone companies, and banks—is watered stock, or represents the capitalization of past profligate profits.

Big dividends, hundreds of millions of dollars every year, are paid to the owners of this watered and unjustified stock.

Some years they pay smaller dividends than others, but the few people who control all these corporations determine how much shall be produced, and what the standard of living of the American people shall be, and not only what shall be produced, but usually what wages shall be paid.

This is inevitable under private ownership, for government can't compel the owner of a factory, or of any other enterprise, to keep on producing if he doesn't see a profit.

We must end private monopoly, dictatorship, under which the standard of living of tens of millions of Americans is gradually sinking, squeeze the water out of water-logged enterprises by heavily taxing speculative land values, repeal profiteering tariffs, and end the patent racket. The Government should insure the operation of basic industries to meet the needs of all the American people.

The only way to raise the standard of living of all Americans is to increase production, and to pay wages or prices so producers can buy what they produce out of current income.

Farmers must receive costs of production at least on the domestic consumption, but that domestic consumption will be continuously reduced if we continue maintaining eight to nine million potential producers in idleness.

War loses some of its horrors for those, and there are millions in America, facing a life of subsidy enough only to prevent starvation.

Every major mechanized nation in the world today, except America, is operating its economy under vigorous Government control.

We are the only such nation subsidizing private owners of industry, of banking, of land, and of other natural resources, and of transportation, to maintain false values, pile up profits and restrict production at the expense of the world's largest army—the army of Americans unemployed—and of those who are permitted to produce by the grace of the relatively few owners.

That is the essence of private monopolistic ownership as operated now in the United States.

Since private industry doesn't use the unemployed, America must end exploiting private-monopoly dictatorship.

## The N. Y. A. Proves Itself

## EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. ALEXANDER. Mr. Speaker, yesterday at the University of Minnesota a rally of 1,000 Federal-aid students and others gathered to support protests against the proposed cut in our appropriation for the National Youth Administration.

On last Saturday the Student Daily in commenting on this meeting carried an editorial which presents some points which it seems to me we must admit as being not only timely and logical, but also irrefutable. I wish especially to call attention to the statement in the last sentences of both paragraphs 2 and 3.

And then do not overlook the forward-looking expression contained in the next paragraph. In fact, I suggest that you cut that paragraph out and carry it with you to be referred to on frequent and varied occasions, because in how well we support and promote that viewpoint, is bound up the story and the answer to the question of how well we will protect and promote in the final analysis the existence of not only our great free educational institutions, but also what is more important, the question of the very future of freedom and liberty themselves as incorporated in democratic, constitutional, representative government such as we all cherish; and it further involves what is also somewhat important to most of us, and that is our peace and security now and in future years and for that matter the peace of our fellowmen throughout the entire world. Indeed, whether you realize it or not, education and its widespread encouragement and promotion in this and other practical forms is one of four cornerstones which must be laid if we are ever to enjoy peace and the fruits thereof.

Herewith I submit the University of Minnesota editorial, supplemented by a news item from the same periodical under date of February 6:

[From the Minnesota Daily of February 24, 1940]

## UNITED STATES YOUTH PROGRAM AT STAKE

At the student rally next Wednesday afternoon 1,000 Federal-aid students will gather to support protests against the proposed \$15,000,000 cut in congressional appropriations for the National Youth Administration. They will be there partly because if the measures now before Congress are not stopped one-third of the university's 1,000 N. Y. A. students stand to lose their monthly checks, and so would be forced to quit school, since only students unable to finance themselves in any other way are accepted on N. Y. A.

Partly, however, these students will gather to reaffirm their belief in a youth program—a program that sponsors education as the way out. Other nations operating under different ideologies have met their youth problems by sending their unemployed young people into labor camps or their young men into the army.

Much has been said of the scholastic records made by N. Y. A. students. If educational values are to be accepted as standards of accomplishments, as Americans have long believed, the records speak well for the present youth program. According to a study made recently by Malcolm M. Willey, university dean and assistant to the president, and Miss Dorothy Johnson, director of the employment bureau, the scholastic average of the 991 N. Y. A. students at the university in 1938-39 was 1.973 in comparison with a 1.3111 average for all students during the same period.

It must be borne in mind that N. Y. A. students work for their checks. Whether or not these students are entitled to the privilege of making their way through college by tax-paid jobs is a social question. Two centuries ago only idealists dreamed of free public grade schools. When those came high schools were still only for the well-born. Few people would advocate free college for all students today, but many are beginning to see the social value of making college possible for capable young people from all classes of society. Supplying these young men and women with ideas today will make less likely the need for supplying them with food tomorrow out of public funds.

When the N. Y. A. student rally is held next week N. Y. A. students will not be alone in their protests of appropriation cuts, but will be supported by thinking young people and by eminent educational and social leaders throughout the Nation.

[From the Minnesota Daily of February 6, 1940]

## CAMPUS FIGHT AGAINST N. Y. A. CUTS CONTINUES—DISSENTERS POINT TO HIGH AVERAGES OF STUDENT WORKERS

The rising tide of protest against cuts in Federal N. Y. A. appropriations gained force yesterday with release of a report showing N. Y. A. students ranking just under a straight B average and well above the average of the student body as a whole.

The study was made by Malcolm M. Willey, university dean and assistant to the president, and Mrs. Dorothy Johnson, director of the employment bureau, with the assistance of Rodney M. West, registrar.

It shows the scholastic average of the 991 students receiving N. Y. A. assistance during the 1938-39 school year was 1.973. The scholastic average of all students for the same period was 1.311. Non-N. Y. A. students were slightly below the all-university average with an honor point ratio of 1.263.

"It is thus evident," Dean Willey said, "that the outstanding scholastic achievement of the N. Y. A. group is one factor in lifting the scholastic average of the student body as a whole."

"And," he added, "very few, if any, of these students can remain in school without N. Y. A. financial assistance."

A detailed check of the records shows that during the spring quarter of 1938-39 only 10 N. Y. A. students out of 991 had minus honor point ratios—that is, with less than a D average.

"Unless, in spite of their poor record for the spring, these 10 achieved a C average for the year, they were not reappointed," Dean Willey said. "A C average is a requirement for continued appointment to the N. Y. A. program."

## The Mundt Amendment to S. 685 in the Form Approved by Committee Members

## EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. MUNDT. Mr. Speaker, in yesterday's RECORD I announced my intention of offering an amendment to the committee version of S. 685 when it came before us for amendment under the 5-minute rule. The purpose of my amendment was to give strength to the Barkley bill by providing legislation to prevent the introduction of new sources of pollution into the navigable waters of America and thereby put S. 685 in such form that the conservationists of this body and of this country could support it with full knowledge that at long last they were taking a definite, forward step in the correction of the pollution evil.

After conferring with members of the Rivers and Harbors Committee, including the gentleman from New York, Mr. GAVAGAN, the gentleman from Illinois, Mr. PARSONS, the gentleman from Iowa, Mr. HARRINGTON, the gentleman from New York, Mr. CULKIN, the gentleman from Oregon, Mr. ANGELL, and others, they advised me that they would offer no objections to my amendment provided certain changes were made in its wording. I am happy to announce that such a compromise was effected and based upon it and following the adoption of my amendment I am urging all Members of the House to vote for S. 685 as it will then be constituted.

So that all Members may know the exact language of my proposed amendment in the form in which it was agreed upon by the Members above referred to and by others interested in promoting conservation legislation, I am herewith inserting the full text of my amendment in the form in which I shall offer it on Friday, as S. 685 is read for amendment. I hope that this amendment will have the ready support of the great majority of this body and that it will be adopted so that we may all join in voting for S. 685 in its then amended form.

Amendment by Mr. MUNDT to committee substitute to S. 685: Immediately after subsection "c" of section 2 of the committee amendment, add the following subsection:

"(d) (1) After date of enactment of this act, no new sources of pollution, either by sewage or industrial waste, shall be permitted to be discharged into the navigable waters of the United States and streams tributary thereto until and unless approved by the Division; and



"(2) The discharge of new sources of water pollution without review and approval of the Division as required under the foregoing provisions is hereby declared to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance may be brought in the name of the United States by any United States attorney, and it shall be the duty of such attorney to bring such an action when requested to do so by the Division, the Surgeon General, any duly constituted interstate agency dealing with control of water pollution, any State agency dealing with control of water pollution, any State health authority, or any incorporated municipality. Such action shall be brought as an action in equity and may be brought in any court of the United States having jurisdiction to hear and determine equity cases."

### Assistance for the Polish People

#### EXTENSION OF REMARKS

OF

HON. PIUS L. SCHWERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

ADDRESS BY DR. FRANCIS E. FRONCZAK

Mr. SCHWERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address before the Committee on Foreign Affairs of Dr. Francis E. Fronczak, health commissioner of the city of Buffalo, N. Y.

Mr. Chairman and members of the Committee on Foreign Affairs, there is no substitute for experience. For the past 2 days we have been listening to witnesses giving testimony on the conditions in Poland and the countries where the Poles, exiled from their native land, are living today. You have heard the description of the historic past of this country, of its present pitiful martyrdom; and no doubt all of you were sympathetic to this country and in your minds you had a prophetic vision of its joyful restoration. Poland, to the knowledge of the many here present in this very room, is considered to be a young country, existing since 1918, when, as a matter of fact, it is one of the oldest countries on the continent of Europe. Already the historian, Jordannes, wrote of the country in the second century, for Sarmatia, described by him, was the origin of the country inhabited by the Poles of the present day.

We have listened here today during the remarks on the condition of Poland, that it is a country of discoverers, inventors, men of science, and men of art, but we are not interested in these phases at this moment. We are interested in saving the 35,000,000 men, women, and children who lived in Poland as recently as September 1, 1939, who have occupied an area of 150,000 square miles. We have heard from eyewitnesses what has been happening since that unhappy and uncalled-for September 1. In order to know, one must study, and one who studies can understand, and only he who understands can judge, and I shall endeavor to present to you in the few moments at my disposal the condition of this country today, and the future of that country and, more than that, the future of Europe and of the entire civilized world, what within a short time will happen unless conditions are immediately ameliorated and corrected.

I have been asked what are my connections with Poland. My forefathers came from Poland almost 70 years ago. I was born in Buffalo. During the World War I was a high officer in the United States Army and, by special orders of the President of the United States, Woodrow Wilson, Secretary of State Lansing, and Secretary of War Baker, I was directed to report to the Polish National Committee in Paris in 1918. At that time I was president of the Polish Central Relief Committee of the United States. As a member of the Polish National Committee (of which committee Ignace J. Paderewski was also a member—Paderewski the patriot, the humanitarian, the statesman, the artist—a man beloved by the entire cultured world), I worked as the director of physical, mental, moral, and material welfare. This Polish National Committee, located in Paris, was the provisional government of Poland recognized by the Allied Powers, and my position was equivalent to that of a minister or secretary of a social welfare department. I was in charge of the medical service of the Polish Army in France and wherever they were distributed outside of Poland. I was in charge of the expatriates and of the prisoners of war captured by the Allies from the Central Powers. At the end of the war, by order of Mr. Davidson, the executive chairman of the American Red Cross, and Colonel Olds, the European representative of the American Red Cross, I was appointed the high commissioner of the Red Cross to Poland and eastern Europe and the medical consultant of this great organization.

I saw Poland at that time from the western frontiers to beyond the marshes of Pinsk in the east, and from the Baltic Sea to the southeastern corners of that country at the Rumanian boundaries. The conditions I saw at that time were heartrending, and

yet today, we see the same country in a manifoldly worse condition than it was in 1918, 1919, and 1920. The people of this country of 35,000,000 population have been dispersed throughout Europe. Men, women, and children have been torn away from the bosoms of their families, have been separated, and today they may be found in Rumania, in Hungary, in Bulgaria, Yugoslavia, Italy, France, Denmark, Lithuania, Estonia, Latvia, and the Scandinavian countries—taken away from their homes, which have been destroyed—permitted to take only the clothing they had on their backs at the time they were ordered to leave their homes, with a minimum amount of food, no warm protection against cold. They are today exposed to climate which at times is as low as 20° below zero. As a matter of fact, the winter of 1939 and 1940 is said to be the most severe in the century, by result of which these people are dying from all kinds of respiratory diseases, tuberculosis, typhus, typhoid fever, and various types of dysenteries, scurvy, rickets, communicable diseases of all kinds. These people dispersed throughout Europe are not only "one-third unhoused, unfed, and unclothed," but almost the entire 100 percent are dying from malnutrition, from lack of food, from lack of medical supplies, from lack of fats (including cod liver and halibut oil). They are without any medical supplies or hospitals to take care of them, for the hospitals have been destroyed. I have full information of conditions from physicians, surgeons, and superintendents of Polish hospitals distributed through that unfortunate country. There are no immunizing agents such as serum or vaccine to prevent certain diseases or to cure them. In other words, in a few months you will hear of the greatest morbidity and mortality existing amongst civilized people that the world has ever seen. The potable waters are contaminated, these people are bound not only to suffer with the various diseases and conditions I have mentioned, but the death rate will be terrific.

As one who is interested in public-health work from many angles, I can speak from experience and from results which always follow such conditions. Being a colonel in the United States Army and being for a short time retired, I was again recently reappointed by the order of the President, under the defense act, to the Reserves in the Army, subject to call to active service. As I said before, I have been connected with the American Red Cross here and abroad. I am a member of the faculty on preventive medicine of the University of Buffalo, and health commissioner of a city of 600,000, namely, Buffalo, and I know what is bound to come after the conditions prevailing in Poland today. Unless the American people, through the Congress of the United States, come to the aid of this country at once, these people are doomed to extermination. Many of them are killed today by mass executions, thousands die by being incarcerated in concentration camps, and millions exposed to the weather, to lack of food, are dying today. The greatest force you have in your hands is public opinion, and the United States Congress and the American people can force those so responsible for these conditions to stop them. Within the last few days I have spoken with former members of the Polish Parliament, and men who were in the Polish Army, physicians who served in both civil and military work, and their stories are all alike. Help now—or if you delay there will be no one to bring help to.

I have read the several bills introduced before the House, and I believe that one consolidated bill should be introduced by the chairman of this committee, Congressman BLOOM. This bill should not only include appropriations sufficient to take care of the immediate needs of these people but of their needs for several months; and this bill should also contain a provision for appointment by the President of the United States of a commission, which will coordinate the activities of the various organizations which are bringing some help in certain parts of Europe at the present time. There are several organizations working in Europe today or endeavoring to work: The American Red Cross, the Polish Relief Committee under former President Hoover, the Colonel Donovan-Paderewski Committee, the Polish-American Council, and the hundreds of smaller organizations, clubs, and parishes, which are collecting funds, but have so far been unable to coordinate their activities. Only a coordinating committee can do this thing. I have discussed this matter with the American Red Cross; I have discussed this matter with members of these various organizations; and last Saturday the Polish-American Council, of which I am the director, all have agreed that only such a commission appointed by the President and with the force of expression and influence of this country will be able to bring about a stop to conditions which never before have existed in the history of the world.

May I say this: My attitude is not, Do I love Poland, the country of my fathers, and that I would hate very much to see these things come to this unfortunate country? Do I have a great interest in Europe and the countries of Europe, who are bound to become victims of the diseases, especially epidemic diseases, and of the political and economic conditions which will follow what is now existing in Poland? I am interested in the United States as much as I am interested in conditions in Poland and Europe. Remember that diseases and germs of diseases know no boundaries. Disease germs jump any frontier; and beginning in Poland and the countries north, east, and south of Poland, they will cross to the United States; and we must also remember that we are now having an invasion of serious epidemics of diseases in the United States. As an American citizen, I appeal not only for help for Poland and the countries which have been raped by certain nations of Europe, but I am appealing for this our beloved country, which is exposed to a very, very serious danger from epidemic diseases.

## Continuation of Civilian Conservation Corps Camps

## EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 29, 1940*

## RESOLUTION OF THE EXECUTIVE COUNCIL OF THE WISCONSIN CONSERVATION CONGRESS

Mr. BOLLES. Mr. Speaker, under leave to extend my remarks, I wish to include the following resolution adopted by the executive council of the Wisconsin Conservation Congress on February 4, 1940, for continuation of C. C. C. camps:

Whereas it has been called to the attention of the executive council of the Wisconsin Conservation Congress that on or before July 1, 1940, 3 of the 12 C. C. C. camps delegated to the Wisconsin Conservation Commission as work agencies and under the custodianship of the Federal Forest Service for the promotion and development of conservation work in Wisconsin are to be discontinued; and

Whereas this council believes that the C. C. C. camps have been one of the greatest Federal adjuncts in assisting the conservation commission and the people of Wisconsin in furthering their present conservation program in fire suppression, fire prevention, fisheries work, game management, and kindred conservation activities; and

Whereas it is the consensus of opinion that the allotments to the Federal Forest Service for game management, which is a State function, and the continued building of fire lanes and roads on national forests, which, under the present policy of unrestricted travel has worked undue hardships on the State from the standpoint of law enforcement and game management, be reallocated and used for the purpose of continuing the C. C. C. camps and, further, that the wage scale of the supervisory help in the camps be commensurate and in keeping with the wage scale paid by State and private industry for the same type of work; and

Whereas under the present system it has been impossible for the State to locate small units of C. C. C. help at strategic positions for fire suppression, and other necessary conservation work: Now, therefore,

We, the executive council, representing the Wisconsin Conservation Congress of the 71 counties, at a meeting duly called and held in the city of Madison this 4th day of February 1940, do hereby petition the Congressmen and Senators of the State of Wisconsin to protest the discontinuance of any C. C. C. camps; to support the reallocation of funds to insure their continuation; and recommend the drafting of broader administrative policies for greater utilization, efficiency, and mobility of these camps.

## Victory for Reciprocity

## EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 29, 1940*

## EDITORIAL FROM THE PHILADELPHIA EVENING BULLETIN OF FEBRUARY 26, 1940

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Bulletin of Monday, February 26, 1940:

[From the Philadelphia Evening Bulletin of February 26, 1940.]

## VICTORY FOR RECIPROCITY

Reciprocity in trade scored a substantial victory in the House of Representatives with the passage of the measure extending Secretary Hull's power to continue his policy.

Administration forces were able to defeat amendments which would have crippled the State Department's authority to make pacts with foreign countries, and Secretary Hull can continue to press forward along the road he has been traveling for years.

The defeated amendment to have the pacts subject to ratification by the Senate would in effect have destroyed the Hull policy. The same logrolling which disgraced so many tariff bills in the past

would again have been started and the reciprocity pacts would have emerged from the Senate, if at all, in well-nigh useless, distorted form.

Restrictions in the present act guard against the protective system being broken down by simple decree of the State Department. No article which was not free of import duty when the Trade Agreements Act was passed can be made free by the Secretary of State. He is further not permitted to lower tariffs more than 50 percent.

Even if some of the optimistic claims put forward by the supporters of the reciprocity pacts be discounted, these agreements can still be credited with facing the realities of our foreign trade. The United States cannot, if it wishes to promote its exports, completely disregard the necessity under which outside nations lie of sending us their produce and manufactures. International trade implies exchange of products, not simply giving outside nations goods and receiving only gold.

The passage of the bill renewing the authority of the administration to continue its reciprocity policy will have a heartening effect on efforts elsewhere to liberalize international trade relations. It will be evidence that we are ready to cooperate in restoring an orderly and stable world at the end of the war. It will be an indication that when Europe is ready to promote economic peace, we, the most powerful economic unit in the world, will not refuse our encouragement.

## Parity and Parity Payments of Agricultural Products

## EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 1, 1940*

Mr. MURRAY. Mr. Speaker, Webster says "parity" means equality, equivalent position, or equal value. When now used in connection with agriculture it means the relationship between the price which the farmer receives for the products he sells and the price he pays for the products he purchases as compared with the relationship between these prices for the basic period from July 1909 to July 1914. These years were selected as the years when agriculture, industry, and labor were operating under more normal conditions than have ever prevailed since that time.

The crops and products named to come under the act were corn, wheat, cotton, tobacco, and rice. Dairy farmers or their spokesmen, beef-cattle farmers or their spokesmen, and other agricultural groups did not choose to include their products in this list, which has since been termed the "basic commodities."

From the time of their inception it has been very evident that if the handling of basic commodities was to give a general improvement to agriculture it would be necessary to include a very high percentage of the farm products produced in the country. The fact that the present five basic commodities represent only between one-third and one-half of the value of the national agricultural production is, no doubt, one reason that the present program has not achieved the results which could have been expected of the program if producers of all crops and products had been willing to subscribe to the program. If a larger number of crops and farm products had been included as basic commodities, there would never have been the changes and sectional adjustments in crops we have witnessed. We would not have seen the new crops and new systems of farming spring up as we have. For example, Texas has had at least a 500-percent increase in cheese production, and this on farms that had many times been under crop control as a result of the basic commodity set-up in the State. In other words, there are very few benefits to be secured for general agriculture of this country unless a larger percentage of the farm crops and farm products are included in the program. Nor is there, in all fairness, grounds for complete disapproval of this part of the program by an individual or a group not willing to cooperate in making his crop or product one of the basic commodities.

There was a general feeling among the dairymen of my district in 1934 that milk should be included as a basic commodity. A general meeting was held, and the farmers felt



that if other products and crops were to be listed as basic commodities for parity payments they should, in fairness, vote to make milk a basic commodity and in return become eligible to parity payments for their product. In keeping with this sentiment expressed in 1934, and since at subsequent meetings and by subsequent resolutions, a bill (H. R. 6500) has been introduced by my distinguished colleague the gentleman from Wisconsin [Mr. MERLIN HULL]. I have lent my support to this bill, and while, up to this time, the bill has not had the consideration of the agricultural leaders in Washington which I feel that it deserves, I still feel it should meet with favorable consideration.

I am including a table which will give the people of this country an opportunity to see where the parity funds, appropriated since 1935, have been disbursed. After studying this table one must come to the conclusion that we cannot keep voting funds for only three crops of consequential national proportions. We find cotton, for example, which represents about one-tenth of our national agricultural values, receiving \$96,389,000, or 45 percent of the total disbursements of \$211,997,000.

We find \$60,190,000, or 28 percent, distributed to corn, grown in what is termed the richest, most productive land in the world. We find \$1,795,000 distributed to rice, a rather insignificant crop as far as national average production of only \$35,000,000 is concerned. Tobacco prices have made the allocation of funds for this crop unnecessary.

#### IF THE PROGRAM IS TO SUCCEED

This program can never accomplish any great results until a larger percentage of the agricultural products and crops are included, and if this is not accomplished, public sentiment will destroy the program.

In the meantime, it is well for every Member of Congress to realize that according to the present law Congress can appropriate funds for full parity to producers of corn, wheat, cotton, tobacco, and rice.

The States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut are not included in the list, and it seems that these States did not receive any parity payments whatsoever for any of the years.

#### FACTS SHOWN IN THE TABLE

There are other significant facts shown in this table. It shows very clearly that some States seem to know well where the United States Treasury is located and have a key to fit the door. For example, Texas alone in 1935 received 24 percent of the parity-payment funds, 27 percent in 1937, and \$28,615,000, or over 13 percent, in 1939, or one-sixth of all parity payments disbursed. Why the farmers of the rock-ribbed coast of New England should be called upon to pay taxes to furnish funds in such abundance to a rich State like Texas might be difficult to explain. In fact, it is difficult for me to realize that all the Congressmen from Texas—except the gentleman from Texas [Mr. KILDAY]—could give their stamp of approval to the reciprocal-trade treaties which have reduced the income of Wisconsin farmers by millions with the 42-percent reduction in the tariff on cheese, when their State has had such a large percentage of the public money during these years. It is significant also to note that 10 States received over one-half of this total money. Also note that the States which have been getting the largest amounts of money from this source did not feel the pinch of the free-trade approach of the New Deal reciprocal-trade treaties and voted in favor of the continuation of this ruinous program. However, we did observe that many Members of Congress were very desirous of dragging oil and other products of their districts out of the clutches of these same reciprocal-trade treaties.

In other words, it is easier—while it lasts—to extract money from the Public Treasury than it is to give the farmers of this country all the same consideration among their own group and equal consideration with the nonagricultural groups of our country.

Estimated payments under the 1935, 1937, and 1939 price-adjustment programs<sup>1</sup>  
[In thousands of dollars]

State and region	1935 cotton	1937 cotton	1939				Total
			Cotton	Corn	Wheat	Rice	
New York.....					206		206
New Jersey.....					25		25
Pennsylvania.....					771		771
Total North-east region.....					1,002		1,002
Illinois.....	2	15	23	11,449	2,057		13,529
Indiana.....				4,880	1,810		6,690
Iowa.....				18,228	608		18,836
Michigan.....				475	918		1,393
Minnesota.....				5,098	1,690		6,788
Missouri.....	585	2,235	2,193	3,727	1,540	1	7,461
Nebraska.....				7,877	3,047		10,924
Ohio.....				3,606	1,967		5,573
South Dakota.....				1,718	2,668		4,386
Wisconsin.....				1,304	108		1,412
Total North Central region.....	587	2,250	2,216	58,362	16,413	1	76,992
Delaware.....					119		119
Maryland.....					487		487
Virginia.....	68	345	235		312		547
West Virginia.....					44		44
North Carolina.....	1,725	6,443	4,437		76		4,513
Kentucky.....	24	110	103	325	279		708
Tennessee.....	1,106	4,292	3,525		179		3,703
Total, East Central region.....	2,923	11,190	8,300	325	1,496		10,121
Alabama.....	4,690	10,758	9,040				9,040
Arkansas.....	3,206	11,785	8,970		8	330	9,308
Florida.....	131	275	230				230
Georgia.....	4,383	10,542	8,220		9		8,229
Louisiana.....	2,745	6,052	5,200			781	5,981
Mississippi.....	5,830	13,445	12,580				12,580
Oklahoma.....	1,265	8,488	5,090		2,890		7,930
South Carolina.....	3,015	7,581	5,890		5		5,895
Texas.....	9,892	34,174	24,850		3,440	325	28,615
Total Southern region.....	35,157	103,100	80,070		6,352	1,436	87,858
Arizona.....	336	1,570	1,505		63		1,568
California.....	576	3,255	3,508		854	355	4,717
Colorado.....					935		935
Idaho.....					1,781		1,781
Kansas.....		3	2	1,503	9,879		11,384
Montana.....					2,926		2,926
Nevada.....					25		25
New Mexico.....	190	834	788		215		1,003
North Dakota.....					7,341		7,341
Oregon.....					1,480		1,480
Utah.....					300		300
Washington.....					2,315		2,315
Wyoming.....					246		246
Total Western region.....	1,102	5,662	5,803	1,503	28,360	355	36,021
Hawaii.....	13	64				3	3
Less undistributed.....							
Total.....	39,756	122,138	96,389	60,190	53,623	1,795	211,997

<sup>1</sup> Payments under the 1935 program were made mostly in 1936; those under the 1937 program mostly in 1938; and those under the 1939 program mostly in 1939.

Agricultural Adjustment Administration, Feb. 24, 1940.

## Procedural Rules Governing Indian Claims in the Court of Claims

### EXTENSION OF REMARKS

OF

HON. WILL ROGERS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

STATEMENT BY HON. JOHN COLLIER

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Hon. John Collier, Commissioner of Indian Af-

fairs, before the subcommittee of the Senate Committee on the Judiciary, in re S. 3083, a bill to amend the judicial code in certain cases:

#### GENERAL ESTIMATE OF THE BILL

##### 1. Background of the bill

S. 3083 is an amended version of S. 2164, a bill introduced in the first session of the Seventy-sixth Congress which proposed new substantive and procedural rules to govern pending and future Indian claims in the Court of Claims. In his report on this bill the Secretary of the Interior stated that parts of the bill were very undesirable and other parts obscure and debatable. To eliminate some of the more objectionable features of the bill he proposed certain amendments, some of which have been incorporated in S. 3083. Even though amended, the bill remains, in the opinion of the Interior Department, an undesirable treatment of the troublesome question of Indian claims.

##### 2. Need for Indian claims legislation

The Interior Department has long recognized that legislation was necessary to provide a satisfactory method of disposing of Indian claims. The present method of securing separate jurisdictional bills for particular claims, followed by litigation in the Court of Claims, is expensive to the Government and to the Indians and does not insure either a fair or final solution even of such cases as do reach fruition in this process.

Any general legislation on Indian claims should be directed toward (1) improving the efficiency of the process of disposing of Indian claims and (2) insuring just and final settlement of Indian claims. Toward this end this Department has from time to time made various proposals to Congress.

##### 3. Effect of S. 3083

The enactment of S. 3083 would hinder rather than aid the accomplishment of the purpose of achieving an efficient, fair, and final disposition of Indian claims. It is admitted that the bill was provoked by the recent sizable judgments obtained by the Shoshone and Klamath Indians and seeks to avoid a repetition of such judgments in the case of other Indian tribes. In order to do so, the bill proposed (1) a broad requirement for the set-off of gratuities; (2) a denial of the just compensation for the taking of property defined by the Supreme Court; and (3) a denial of the intent and effect of certain jurisdictional acts. Far from disposing of the claims, the enactment of this bill will undoubtedly mean the return to Congress of the aggrieved claimants for special legislation to exempt them from the application of the act. And their demands, especially for just compensation under the United States Constitution, will have merit.

##### 4. Figures on Indian recoveries

The fear of large recoveries against the United States, which prompted the proposal of S. 3083, is not justified by the history of Indian recoveries. Of the 126 tribal claims against the United States decided by the Court of Claims over nearly 60 years, 84 have been dismissed, and in only 30 have there been money judgments for the Indians. These judgments have totaled only \$28,506,223.97, although the total amounts claimed by the tribes amounted to billions of dollars. The total amounts claimed by Indians should never be a determining factor in Indian claims legislation, as these amounts have no relation to ultimate recoveries.

This is due not only to lack of legal merit in many of the claims but to the offset of gratuities spent by the Government for the claimants. In an estimate made in 1935 of the claims of 24 tribes, the gratuities amounted to half the total amount claimed. (Hearings before the subcommittee of the House Committee on Appropriations on the second deficiency appropriation bill for 1935, at page 678.) In the period between 1929 and 1935 in every case but two where the jurisdictional act provided for offset of gratuities and where a recovery was won, the case was dismissed because the recovery was exceeded by the set-offs.

#### SECTION 145-A

Section 145A provides that in pending and future Indian claims (a) there shall be offset all gratuity expenditures except (1) expenditures prior to the events upon which the cause of action is based; (2) expenditures under the act of June 12, 1934 (48 Stat. 984); and (3) expenditures under emergency relief appropriation acts, and (b) these gratuity expenditures shall be treated as payments on the claim as of the date they were made.

##### 1. The set-off of gratuities

The set-off against a claimant of gifts made to him by the defendant is found nowhere else in the law outside of Indian claims. It has been adopted there not because of any legal justification but as a practical device to reduce the obligations of the United States to Indian claimants. Gratuities are funds expended by the United States to carry out its governmental function of administering Indian affairs and civilizing the Indians. The expenditures may or may not have been actually beneficial to the Indians; sometimes they were hurtful; in most cases they were made without the Indians' consent. It usually is fiction to call them payments upon a claim, as they were not made as such and were often made before any claim was formulated. Moreover, treating them as payments upon a claim means that tribes injured by the Government are called upon to pay for Government expenditures rendered without cost to tribes who escaped injury. Therefore section 145-A must not be

considered as establishing a right to which the Government is entitled but must be recognized simply as providing a shield to protect it from paying full compensation for wrongs inflicted.

However, the policy of providing for the offset of gratuities has been heretofore established in individual jurisdictional acts and in section 2 of title 1 of the act of August 12, 1935 (49 Stat. 571). The present section has two advantages over past legislation. It provides a uniform rule for all cases and it liberalizes to some extent previous law by virtue of the three limitations on gratuity expenditures suggested by the Interior Department and now included in the section. Accordingly, I do not object to so much of section 145-A as defines the expenditures which may be considered as offsets in Indian claims.

##### 2. Application of expenditures as of date made

The provision that gratuity expenditures shall be applied as of the date they were made, to be applied first to the payment of accrued interest and then to the principal, introduces a new rule in the set-off of gratuities. The provision would have effect only where interest is required on the principal sum due the Indians. In the absence of interest the date of reducing the principal is immaterial. There are only two situations in which interest may be added to the principal sums due in Indian claims. These are (1) where the treaty or agreement calls for interest, and (2) where the court finds that to render just compensation for property appropriation an increment must be added to the value of the property to produce the full equivalent of that value paid contemporaneously with the taking.

From the statements made in justification for this provision, it appears that it is intended as a device to reduce the recovery where an award of just compensation would call for interest over a period of years and that it is not aimed at the cases where interest is required by treaty or agreement. I believe the provision should not apply to the latter cases, for if it did, it would in effect alter the terms of payment required in the agreement. Moreover, in these cases the amounts involved are ordinarily not so large as in the property appropriation cases and there is not, therefore, the same practical compulsion to reduce the recovery. As a device to reduce recoveries in the property appropriation cases the provision should be considered in connection with section 145-B, which deals with reducing recoveries in these cases, and I believe it belongs, if anywhere, in that section.

In view of these considerations I urge the omission from section 145-A of the provision dealing with the application of gratuities and its consideration only as part of 145-B. To accomplish this the following amendments should be made in section 145-A:

1. Strike out all the words beginning "and, in computing the amount" in line 6, page 2, of the bill and ending with the word "principal" in line 11, page 2.
2. Strike out the words "together with the dates of expenditures" in lines 18 and 19 of page 2.

#### SECTION 145-B

Section 145-B provides that in any pending or future Indian claims in the Court of Claims for the appropriation of property by the Government, the Court of Claims shall have jurisdiction under the claimant's jurisdictional act to render judgment only for the value of the property at the time of the taking and shall include no increment to the value except for a maximum period of 6 years prior to the commencement of the action.

##### 1. Effect of section 145-B

The effect of section 145-B is to deprive Indian tribes of just compensation under the fifth amendment of the Constitution of the United States for their property appropriated by the Government. The United States Supreme Court has repeatedly held that where the Government takes property by an exercise of eminent domain the just compensation required by the Constitution is the value of the property at the time of the taking plus an amount sufficient to produce the full equivalent of that value paid contemporaneously with the taking. *Jacobs v. United States*, 290 U. S. 13; *Phelps v. United States*, 274 U. S. 341; *Seaboard Air Line Co. v. United States*, 261 U. S. 299.

This rule was applied to the taking by the Government of the land of the Shoshone Tribe for settlement thereon of Arapaho Indians in the case of *Shoshone Tribe v. United States* (299 U. S. 476), where Justice Cardozo wrote:

"\* \* \* Finally the fact is unimportant, there having been an appropriation of property within the meaning of the fifth amendment that the jurisdictional act is silent as to an award of interest or any substitute therefor (*United States v. Creek Nation*, supra, pp. 110, 111). Cf. *Yankton Sioux Tribe v. United States* (272 U. S. 351, 359). Given such a taking, the right to interest, or a fair equivalent, attaches itself automatically to the right to an award of damages" (at 497).

The same rule was applied in the case of *United States v. Klamath Indians* (304 U. S. 119) to provide just compensation for the taking of tribal land for an exchange of lands with a railroad company. As the necessary additional amount to be added to the value of the land at the time of taking the court allowed interest on the value from the time of taking to the date of judgment.

##### 2. Position of the Interior Department

The Interior Department cannot endorse legislation denying to the Indian tribes their constitutional right as defined by the Supreme Court. Such legislation invites controversy and challenge,



and would in the end net the Government nothing but delay and annoyance.

This legislation would violate two basic constitutional rules: The first, that the determination of just compensation is a judicial function which cannot be exercised by Congress; the second, that just compensation for the taking of property under eminent domain is the value of the property at the time of the taking contemporaneously paid in money. Unless Indian claims are litigated in accordance with these constitutional rules, the litigation can reach no conclusive nor respected outcome. When the United States seeks to protect itself from an adverse judicial decision by legislating to prevent its wards from suing in accordance with constitutional principles, it not only fails in its duty of good faith but postpones the time of reckoning. Until the Supreme Court itself determines that the claim of an Indian tribe does not come within the eminent-domain rule of compensation, it is certain that the tribe will not cease to seek the measure of compensation due it.

The bill itself recognizes that section 145-B is open to challenge on grounds of its constitutionality by its provision that if the section is declared invalid the consent of the United States to suit is withdrawn and the jurisdictional act is repealed. This means that if the Court of Claims or the Supreme Court finds that the just compensation due under the Constitution exceeds the restrictions of section 145-B the court must abrogate its judicial function of determining just compensation without legislative interference (*Monongahela Navigation Co. v. United States* (148 U. S. 312)) and must deny the claimant just compensation or have its decision a nullity.

Since the Interior Department is opposed to denial to the Indian tribes of such compensation as the Supreme Court may determine to be just compensation under the Constitution, it cannot endorse section 145-B simply because it has been amended to permit interest for a 6-year period. Although this was one of the proposals for amendment of the section referred to in the Department's report on S. 2164, it was not favored. It does not remove the constitutional objection and it introduces a purely arbitrary limitation on the recovery of just compensation. It was suggested, no doubt, by the 6-year statute of limitations on the presentation of private claims to the Court of Claims (28 U. S. C. A., sec. 262). But there is no proper analogy between a statute limiting the time within which private suits can be brought and a statute limiting a recovery of just compensation by Indian tribes. An Indian tribe is not privileged to sue in the Court of Claims on its treaty rights unless Congress passes a jurisdictional act. Delay in passage of such an act is not attributable to the tribes; many of them have agitated their claims before Congress for many years before the act is passed. When passed, the acts contain their own limitations on the time within which suit can be filed. In this respect the Indian tribes are on a similar footing to that of married women, infants, and lunatics who are exempted from the 6-year limitation, but who must sue within a prescribed period after their disability ceases (28 U. S. C. A., sec. 262).

The furthest this Department can go to meet the practical consideration that arises from the fact that Indian property was appropriated in most cases many years ago, with possible interest recoveries resulting large, is to accede to the proposal, referred to in this Department's report on S. 2164, that interest be charged on gratuities from the date expended wherever interest may be allowed as part of just compensation in appropriation cases. This proposal is the equivalent of a provision authorizing the application of gratuity expenditures as of the date made to the principal sum due. If it were adopted in substitution for the present section 145-B, it would supersede the provisions governing application of gratuity expenditures in section 145-A, which could then be omitted, as previously recommended. It should be noted that since interest on gratuities amounts to a deduction from the principal sum itself of the expenditure when made, such a provision would go further than the provision now in section 145-A which calls for the deduction of gratuities first against accrued interest. I know of no legal objection to provision by Congress for the set-off of gratuities in such manner as it deems best.

#### SECTION 145-C

##### 1. Clauses (a) and (b)

This department recommended in its report on S. 2164 that clauses (a) and (b) of section 145-C be eliminated. These clauses remain in S. 3083. They provide that no jurisdictional act shall be construed "(a) to prejudice the nature or merits of the claim in any respect, or (b) as a recognition of liability of any kind, nature, or character."

The reason advanced by the Department of Justice to justify these clauses is that Congress does not intend by the passage of a jurisdictional act to affect the merits of the claim but intends only to provide a forum. This is, of course, normally true. The Supreme Court has stated that the function of a jurisdictional act is to provide a forum and that the act in question did not recognize a liability in the Government (*Shohone Tribe v. United States*, 299 U. S. 476, 493; *United States v. Mille Lac Band*, 229 U. S. 498, 500).

However, it is appropriate and essential in some types of claims for Congress to recognize a liability by the passage of a jurisdictional act. These types of claims are those not based on the violation of any law, treaty, or agreement of the United States but based upon that sort of injury which the Court of Claims has described as political rather than judicial in nature. Among such claims

are: (a) Claims based on the taking without compensation of the aboriginal right of use and occupancy of land, the ownership of which by the Indians was never formally recognized by the Government; (b) claims based on wrongs more comprehensive, including massacre, starvation, and wholesale appropriation carried out upon Indians by or with the active or passive consent of the Government; and (c) claims for the reformation of treaties on the ground of fraud, duress, or mistake of fact.

There are, at the present time, a number of such claims outstanding which Congress has referred to the Court of Claims for determination. Jurisdictional acts submitting such claims include the acts for the California Indians (May 18, 1928, 45 Stat. 602); Alaskan Indians (June 19, 1935, 49 Stat. 388); Nez Perce Indians (Feb. 20, 1929, 45 Stat. 1249); Ute Indians (June 28, 1938, 52 Stat. 1209); Warm Springs Indians (Dec. 23, 1930, 46 Stat. 1030); and Western Oregon Indians (Aug. 26, 1935, 49 Stat. 801), and possibly acts for the Pillager Indians (Mar. 30, 1931, 46 Stat. 1487); and the Saginaw-Chippewa Indians (June 25, 1910, 36 Stat. 829). The effect of clauses (a) and (b) in section 145C may be to render useless the foregoing acts upon the argument that unless these acts constitute some recognition of liability by the United States there is no basis for judicial decision by the Court of Claims.

In addition to the foregoing types of cases, clauses (a) and (b) of section 145C may adversely affect such an act as the jurisdictional act for the Menominee Indians (Sept. 3, 1935, 49 Stat. 1085), which establishes a measure of damages in the event the court finds mismanagement of the property of the Indians or other injurious action of the part of the United States. It may be argued that the statement of the measure of damages constitutes a recognition of liability in view of the fact that damages might otherwise not be provable or recoverable because of their speculative nature in such a case as the Menominee claim presents.

All the jurisdictional acts and the claims thereunder which may be adversely affected or made inoperative by clauses (a) and (b) of section 145C cannot be pointed to with assurances in view of the uncertainty as to the proper scope and application of these clauses. However, this Department is convinced that these clauses will undo much of the progress so far made in many Indian claims after the expenditure of considerable time and effort in the passage of the jurisdictional acts and the preparation of the claims thereunder. The result may well be the return of the claimant to Congress for the necessary legislation.

The provisions of the jurisdictional acts which would be seriously affected by this section are often the result of careful study by Congress of the legal and moral merits of the claims. The legislative history of the California jurisdictional bill indicates that Congress was repeatedly advised of the lack of a strictly legal or equitable basis for the claims and that recovery for the claims, morally compelling, must depend on the exercise by Congress of its political function of recognizing liability for such claims.

##### 2. Recommendation of Interior Department

In view of their adverse effect, the Interior Department recommends that clauses (a) and (b) of section 145-C be not enacted and that it be left to the Court of Claims to determine whether and when Congress has intended to recognize a liability in the United States for wrongs inflicted. The Court of Claims, being a legislative and not a constitutional court, may pass upon a political, as distinct from a legal or equitable, claim when it is clear Congress intended to authorize it so to do by the terms of the jurisdictional act (*Iowa Tribe of Indians v. United States*, 68 Ct. Cls. 585).

This Department raises no objection to the remainder of section 145-C.

#### SECTION 145-D

This section is intended to limit review of pending and future Indian claims in the Court of Claims to review by certiorari only. Historically jurisdictional acts for Indian claims consistently provided for appeal as of right to the Supreme Court. After the passage of the act of February 15, 1925 (43 Stat. 939, 28 U. S. C. A., sec. 288), which provided for review of Court of Claims cases only by certiorari, Congress amended various jurisdictional acts to restore to the Indian tribes the privilege of appeal as of right to the Supreme Court. Examples of these amendments are the Crow amendment (act of August 15, 1935, 49 Stat. 655), the Klamath amendment (act of May 15, 1936, 49 Stat. 1276), and the Chippewas in Minnesota amendment (act of June 22, 1936, 49 Stat. 1826). In various subsequent Indian jurisdictional acts Congress also provided specifically for appeal as of right to the Supreme Court notwithstanding the provisions of the 1925 act. Such provisions are found in the Wisconsin Chippewas Act of August 30, 1935 (49 Stat. 1049), the Menominee Act of September 3, 1935 (49 Stat. 1085), and the Red Lake Act of June 28, 1938 (52 Stat. 1212). Therefore, in those cases where Indian tribes now possess the privilege of appeal as of right it is the result of the deliberate and considered judgment of Congress.

The provisions for appeal as of right are the result of considerable experience with Indian claims and are not without good reason. Indian claimants have no other appellate review. Decision by the Supreme Court alone gives finality to a claim long agitated and involving large governmental and tribal interests. Appeal to the Supreme Court has proven a guarantee of fair dealing with the Indians and of authoritative statement of the legal obligations of the Government. The advantages of such an appeal appear to this Department to outweigh any disadvantages and, therefore, the Department recommends that section 145-D be eliminated.

# Who Pays the Supertax for Extra National-Defense Expenditures?

## EXTENSION OF REMARKS OF HON. JAMES E. VAN ZANDT OF PENNSYLVANIA IN THE HOUSE OF REPRESENTATIVES Friday, March 1, 1940

Mr. VAN ZANDT. Mr. Speaker, the supertax of 10 percent on income "informally" suggested by President Roosevelt as a means of raising the additional \$460,000,000 to cover the cost of extra national-defense expenditures will reach into the pockets of the already overburdened taxpayers represented by the great middle class of the country if the President's idea is adopted.

This "soak the middle class tax" will necessitate each individual, after figuring his net income tax, to add 10 percent for extra national-defense expenditures.

The first question that arises in the minds of all of us interested in adequate national defense is whether or not the responsibility of financing national defense belongs to the great middle class or should be borne equally by all classes of citizens.

National defense is for the benefit of all citizens, and therefore it is only just and proper that this obligation should be shared equally by all classes.

The second question that confronts us is the necessity for this supertax, which in reality is class legislation.

The situation, to my mind, demands a thorough and comprehensive analysis of our national-defense needs, and the thought has had my careful attention for many months.

Under our present national-defense program, there is conflicting authority, waste of money in purchases, and duplication of efforts, all of which results in an enormous cost to the taxpayers of our Nation.

On January 10, 1940, I introduced House Joint Resolution 417, providing for the establishment of a National Defense Commission, for the purpose of surveying the national-defense resources and requirements of the United States, including the advisability of adopting a permanent, progressive national-defense policy, the establishment of a Department of National Defense, a National Defense Planning Board, and for other purposes.

This resolution has been referred to the House Committee on Rules, whom, to my way of thinking, could make a contribution to the common defense, general welfare, and domestic tranquility of the United States of America by favorably reporting this resolution to the House at an early date.

In support of House Joint Resolution 417 and in defense of the great middle class of this country, the following table is offered, which contains information based on the 1930 census and the income-tax year of 1934. This table discloses the various groups making up the great middle class, and upon the shoulders of whom will fall this supertax.

	Total number of re- turns	Under \$5,000 group	Over \$5,000 group	\$1,000 to \$1,500 group	\$1,500 to \$2,000 group	Popula- tion
Alabama	22,548	12,353	10,195	3,660	1,973	2,646,248
Montgomery	2,053	1,193	860	338	178	66,202
Birmingham	7,726	4,798	2,948	1,450	721	259,678
Arizona	11,792	5,678	6,114	1,948	1,135	435,573
Phoenix	3,904	1,826	2,078	631	308	41,118
Tucson	1,812	852	960	283	206	32,506
Arkansas	12,951	7,764	6,187	1,907	1,303	1,854,482
Little Rock	3,585	2,429	1,156	680	366	19,418
California	308,652	163,990	144,662	57,948	32,095	5,677,251
Sacramento	6,581	3,354	2,564	1,158	703	93,750
San Francisco	64,242	38,669	25,533	15,021	8,313	634,394
Los Angeles	118,071	59,127	58,944	26,655	10,715	1,238,048
Colorado	30,320	15,366	14,954	5,347	2,495	1,035,791
Denver	16,787	9,397	7,390	3,330	1,465	287,861
Connecticut	90,912	55,210	35,702	23,429	9,015	1,006,903
Hartford	27,738	10,938	4,865	4,984	1,841	164,072
New Haven	10,639	6,145	4,394	2,550	1,120	162,655

	Total number of re- turns	Under \$5,000 group	Over \$5,000 group	\$1,000 to \$1,500 group	\$1,500 to \$2,000 group	Popula- tion
Delaware	10,847	6,213	4,634	2,101	1,012	238,380
Wilmington	7,701	4,604	3,097	1,599	738	106,597
District of Columbia	78,613	62,550	16,063	21,215	14,392	486,869
Florida	32,443	15,386	17,057	4,026	2,677	1,468,211
Miami	5,171	2,555	2,616	663	501	40,425
St. Petersburg	1,870	679	1,191	193	126	2,908,506
Georgia	36,944	21,556	15,388	6,080	3,346	270,366
Atlanta	15,595	10,344	5,251	3,138	1,587	445,032
Idaho	7,690	3,379	4,311	1,527	487	1,847
Boise	1,345	739	606	323	106	7,630,654
Illinois	296,248	184,414	111,834	64,924	31,357	71,864
Springfield	3,511	2,039	1,472	763	301	3,376,438
Chicago	178,488	117,625	60,863	43,122	21,882	3,238,503
Waukegan	1,224	849	375	352	131	33,499
Indiana	70,232	43,766	24,466	16,274	6,704	364,161
Indianapolis	18,941	12,882	6,559	4,538	1,798	114,946
Fort Wayne	4,799	3,266	1,533	1,398	464	2,470,939
Iowa	50,677	25,978	24,699	9,719	3,920	142,559
Des Moines	1,047	549	498	196	89	1,880,999
Kansas	34,466	13,872	20,594	5,029	2,235	64,120
Topeka	2,909	1,692	1,277	751	258	2,614,589
Kentucky	24,212	20,628	13,584	7,220	3,390	11,623
Louisville	13,567	8,665	4,902	3,203	1,414	2,101,593
Louisiana	35,990	17,829	18,161	5,840	2,910	458,762
New Orleans	18,936	9,065	8,971	3,583	1,620	797,423
Maine	21,156	10,652	10,504	4,062	1,666	70,810
Portland	5,022	2,948	2,074	1,168	531	1,631,526
Maryland	74,470	50,460	29,010	15,386	7,736	804,874
Baltimore	41,918	26,170	15,748	9,420	4,279	4,249,614
Massachusetts	240,430	152,281	88,149	59,605	25,635	781,188
Boston	44,483	31,616	12,867	14,014	6,947	4,842,325
Lowell	3,465	2,076	1,389	948	390	100,234
Fall River	2,938	1,533	1,405	605	243	115,274
Michigan	135,189	83,086	52,103	30,796	13,377	78,397
Lansing	2,520	1,523	997	477	219	78,421
Detroit	67,947	47,052	20,895	18,598	8,112	1,568,682
Minnesota	65,244	38,859	26,385	15,696	5,957	2,563,953
St. Paul	14,157	9,047	5,110	3,850	1,426	271,606
Minneapolis	26,172	16,651	9,251	7,272	2,472	464,356
Mississippi	12,400	6,249	6,159	1,682	1,174	2,009,821
Jackson	1,642	1,074	568	297	168	48,282
Missouri	95,356	57,568	37,788	20,881	9,672	3,629,367
Jefferson City						21,506
Kansas City	19,981	13,776	6,205	4,621	2,256	396,746
St. Louis	45,645	27,841	17,804	11,626	4,987	821,960
Montana	13,038	7,904	5,134	2,901	1,420	537,606
Butte	2,122	1,522	600	598	294	39,532
Nebraska	27,497	13,052	14,445	4,800	2,094	1,377,963
Lincoln	3,363	1,686	1,677	615	251	75,933
Omaha	12,224	7,523	4,701	3,038	1,185	214,006
Nevada	5,389	3,527	1,862	1,207	876	91,058
Reno	1,512	793	719	231	153	18,529
New Hampshire	18,355	10,816	7,539	4,587	1,714	465,293
Concord	1,712	1,118	594	482	184	25,228
New Jersey	207,099	137,973	69,126	46,457	22,819	4,041,334
Trenton	4,584	3,117	1,467	1,020	518	123,358
Newark	20,337	13,220	7,117	5,573	2,387	442,337
Jersey City	16,206	12,025	4,244	5,291	2,439	316,715
New Mexico	7,519	3,032	4,487	963	615	423,317
Santa Fe	615	303	313	97	68	11,176
New York	798,268	514,197	284,077	189,239	85,889	12,588,069
New York	195,636	102,007	93,620	30,800	19,550	6,930,446
Buffalo	30,421	19,918	10,503	8,934	3,450	573,076
Albany	8,792	5,821	2,971	2,227	949	127,412
North Carolina	32,632	19,438	13,193	5,674	2,954	3,170,276
Raleigh	1,764	1,224	540	374	179	37,379
North Dakota	9,099	4,305	4,794	1,302	732	680,845
Fargo	1,355	1,075	767	333	143	28,619
Ohio	206,290	128,693	77,606	48,648	20,505	6,646,697
Columbus	11,755	7,395	4,360	2,680	1,129	290,564
Cleveland	38,695	25,663	13,032	11,202	4,714	900,129
Dayton	9,516	6,055	3,461	2,406	890	290,564
Oklahoma	37,006	20,010	16,996	5,640	3,533	2,396,040
Oklahoma City	8,802	5,148	3,654	1,539	834	185,389
Tulsa	8,133	5,216	2,917	1,364	970	141,258
Oregon	22,793	13,147	9,646	5,781	2,248	953,786
Portland	13,581	8,820	4,761	3,943	1,506	301,815
Pennsylvania	344,020	221,031	122,989	85,618	36,585	9,631,350
Harrisburg	4,584	2,912	1,672	1,097	448	80,339
Altoona	2,639	1,700	939	755	295	82,054
Philadelphia	94,867	61,268	33,599	24,500	10,976	1,950,961
Pittsburgh	36,810	23,712	13,098	8,267	4,218	669,817
Rhode Island	30,641	18,418	12,223	7,407	2,940	687,497
Providence	24,704	15,063	9,641	6,124	2,331	252,981
South Carolina	13,896	7,955	5,940	2,220	1,405	1,738,765
Columbia	2,339	1,567	772	481	282	51,581
South Dakota	8,260	3,979	4,281	1,392	762	692,849
Sioux Falls	1,518	845	673	316	126	33,362
Tennessee	39,995	26,189	13,806	8,072	4,102	2,616,556
Nashville	8,939	6,051	2,888	1,939	924	153,866
Memphis	11,122	7,300	3,822	2,270	1,200	253,143
Texas	116,146	55,918	60,228	16,859	9,736	5,824,715
Austin	224	85	139	25	20	53,120
Dallas	16,097	8,955	7,142	2,631	1,420	290,475
Fort Worth	5,953	3,124	2,829	905	466	163,447
Utah	12,017	1,825	4,192	2,206	1,165	507,847
Salt Lake City	6,622	4,566	2,056	1,273	656	140,267
Vermont	6,548	4,583	1,965	2,064	738	350,611
Burlington	934	635	299	264	102	24,789
Virginia	45,653	29,120	16,553	8,862	4,670	2,421,851
Richmond	28	13	15	2	3	182,929
Norfolk	143	3,635	2,880	1,077	590	129,710
Washington	53,432	30,940	22,392	11,407	5,251	1,593,396
Seattle	23,027	14,361	8,660	5,343	2,564	365,583



	Total number of re- turns	Under \$5,000 group	Over \$5,000 group	\$1,000 to \$1,500 group	\$1,500 to \$2,000 group	Popula- tion
West Virginia.....	31,500	20,307	11,193	7,384	3,354	1,720,205
Charleston.....	4,125	2,608	1,517	718	471	60,408
Wisconsin.....	92,493	50,373	42,120	18,463	8,549	2,939,006
Madison.....	4,042	2,282	1,760	775	371	57,899
Milwaukee.....	35,284	21,056	14,228	8,368	3,715	578,249
Wyoming.....	7,439	4,206	3,233	1,529	753	225,565
Cheyenne.....	1,230	808	422	279	137	17,361

### As Ye Sow, So Shall Ye Reap

#### EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. STYLES BRIDGES, of New Hampshire, at the Lincoln Day banquet under the auspices of the Garfield County, Okla., Republican Committee, Enid, Okla., February 13, 1940:

There is a Biblical saying, "As ye sow, so shall ye reap." No one realizes the truth of the saying better than the farmer. Obviously, he does not plant wheat and look for potatoes. He does not plant weeds and then expect corn. He knows what crops to expect from the seed he has planted.

It should also be obvious that the same truth applies to nearly everything in life. You cannot spend like the proverbial drunken sailor and long remain solvent. You cannot have more by creating less. You cannot sow the seeds of hatred and dissension and reap confidence, cooperation, and harmony.

Republicans this week are throughout the country observing the anniversary of the birth of the Great Emancipator. I should like to contrast his struggle to keep the Nation together with the accomplishment of the New Deal of dividing it—of its stirring up of class hatred.

In his Jackson Day speech Mr. Roosevelt gave a lecture on how to be a great man. What mockery it is that the new dealers should profess their admiration for a man who gave his life for national unity—when national disunity has been the achievement of the New Deal.

Recently I read a startling comparison of the last 7 years, 1933 through 1939, during which the New Deal has been in office, with the same period of the previous decade, 1923 through 1929.

In 1933-39 Government revenues from taxation averaged 21 percent more than in 1923-29, while expenditures rose more than 250 percent. By the end of 1939 the national debt was nearly 300 percent higher than in 1929. Are you one of a family of four? If so, your family's share of the debt has increased from \$502 to \$1,703 in the last 10 years. There is one other startling increase—the number of strikers, which rose from less than four and one-half thousand to over a million.

But debt and taxes and strife are practically all that has increased with the population during the last 10 years. Here are a few of the decreases: Wholesale prices, down 21 percent; factory pay rolls, down 24 percent; industrial production per capita, down 21 percent; national income per capita, down 33 percent; new construction per capita, down 57 percent; and new corporate financing, down 84 percent.

Such, my friends, are the pluses and minuses we must check up, not to the world-wide depression, but to the years of the New Deal as compared with the corresponding years of the 1920's. Such are the inescapable facts.

I am well aware that the President, only a few days ago, cited figures to show that the over-all governmental debt—that of the Federal Government, State, city, and county—totaled no more than the over-all debt when he assumed office. The new dealers have been bandying this story around Washington for 2 or 3 years and I am surprised that the President is just now getting hold of it.

We know, of course, that the Federal Government in the past 7 years, has absorbed a lot of the debt of other governmental units and particularly, has absorbed a lot of their functions. But that the over-all debt is the same—that it has simply been a case of transferring the debt from one governmental unit to another, is not a fact. The statisticians can make figures perform miracles but you and I know of the many instances in which a State, county, or municipal government, after having their debt eased by the

Federal Government, have gone out to run their local debt up again. We know they have been pressed on to more and more spending by the New Deal.

But there was still another question which the President touched upon but did not develop. That is the contention that the country's total debt, private and governmental, is even less today than when the New Deal came in. In this contention you have the philosophy of the New Deal—to move in and absorb private industry and private credit. That private debt has gone down means that private industry has gone down. To the extent that private debt has gone down and governmental debt has gone up the Government has moved into the field of private business. I have long contended that our danger is not one of the country going bankrupt as we understand the word. Our danger is that the expanding governmental debt will lead the Government into complete control of our credit structure. This means a socialized state.

I will agree with the President that business is now on the upgrade. But this improvement began when the Congress checked the New Deal rampage last year.

The recession of 1937 was not due to decreased Federal spending, as Mr. Roosevelt insists. It was due to the disorder in the country which the New Deal promoted—such as the sit-down strikes and attempts to pack the Supreme Court.

We have sown the seeds of reckless extravagance and we have reaped the harvest of the greatest debt in history. For the fiscal year 1940 alone Congress appropriated nearly half a billion more than for the 20 years of 1890 through 1909. For this 1 year alone it appropriated over three times more than for the years 1862 to 1866, which represented the cost of the Civil War, the greatest war in our history until 1917.

Today as Europe rocks with another war, the American people are one in their determination to not become involved. We would do well to remember that our entry into the war—which, pray God, will never come—would bring about the economic and financial ruin of the Nation, to say nothing of the cost in human suffering.

Today Federal expenditures are 13 times what they were in 1916. Today the Federal debt is approximately 40 times what it was in 1916.

Over and above the management of fiscal affairs, new dealers have several mathematical weaknesses. One is their tendency to subtract rather than to add to our national wealth.

The whole New Deal program seems to be based on a philosophy of work less, manufacture less, plant and harvest less. This is the philosophy behind the theory of overproduction and surpluses. Thus the attempts to limit production both in industry and agriculture to our present capacity to pay out of our present national income, instead of seeking to increase the purchasing power of our national income and to raise our ability to pay and to consume to our ability to produce. And, strange to say, this program of scarcity has been put forth in the name of the more abundant life. The result, my friends, is the fact that the one-third of the Nation of whom the President spoke so eloquently as ill-fed, ill-housed, and ill-clad are still underfed, underhoused, and underclad. The result is the fact that we still have some 10,000,000 unemployed. The result is that we are not producing anything to achieve a higher standard of living for all of our people. How could it be otherwise?

Another mathematical weakness of the New Deal is a fondness for division, but an inability to multiply. Having restricted our national income in almost every conceivable way, new dealers then set out to divide what remained.

Vast sums for relief and subsidies—begun as temporary emergency measures—threaten to become a permanent policy, because nothing is done to remedy conditions which make it necessary to continue these vast expenditures indefinitely. Taxes have been imposed, not for the purpose of revenue but to achieve a redistribution of the national income in keeping with the theories of New Deal planners. The Government has adopted the theory that if it taxed money away from one group, thus decreasing their purchasing power, and gave it to another group, to increase their buying power, it could raise the total purchasing power of the Nation. Too often we have been satisfied to divide work, rather than seek to create more of it.

As the result, we have spent billions on relief and subsidies, without providing a decent standard of living for those who received these meager benefits. We have taxed away money that would otherwise go to putting men to work and to raising wages in private industry. We have redistributed the national income to a certain extent, but have added little to it. Thousands of workers are subsisting on part-time jobs instead of enjoying full-time employment.

Obviously, my friends, there must be enough to go around before it can be divided. The truth, of course, is that we haven't enough national income, enough purchasing power, or enough work at the present time to furnish sufficient jobs, sufficient income, and sufficient buying power for all of our people. Our national income at present is still under \$70,000,000,000. On the basis of our population of 130,000,000, this is less than \$538 per person. That, my friends, is not enough. But it can only be raised through the creation of new wealth through new jobs. There is no other way, the mathematical formulas of New Deal planners to the contrary.

Probably the most vicious feature of this philosophy of taking from some and giving to others has been the division of our people into those who have and those who have not. The United States Government has led the ill-clad, ill-housed, and ill-fed to blame their plight upon the so-called economic royalists. They have been led to believe that those who hold office will remedy matters, not by helping them to clothe and house and feed themselves, but by taking from the selfish "princes of privilege" and giving to them. Thus

we have sown the seeds of jealousy and hatred and have reaped a harvest of suspicion and dissension.

One of the most curious phenomena of this policy has been the New Deal campaign against business and businessmen as a group. I was talking recently to an ardent new dealer. When he began his tirade against industrialists in general I replied with several specific examples of prominent businessmen who did none of the vicious things he ascribed to them as a class. Oh, yes; he conceded, there were individual businessmen who were socially minded and just in all their dealings; but they were the exceptions that proved his rule. As a group they were a bad lot. They might lead model private lives, they might be leaders in their communities, but in their business lives it was a different matter. I gathered from his argument that he believed that most businessmen lead a Dr. Jekyll and Mr. Hyde existence; that they may never beat their wives; they may be kind to children and dumb animals; they may even be generous in giving to philanthropic causes; but the moment they walk through the door marked "private" to their offices in the morning they suddenly become ruthless Simon Legrees. From 9 in the morning to 5 or 5:30 in the afternoon they are different men.

But the inconsistency of this gentleman was revealed a few minutes later, when he remarked, "What this country needs is a good businesslike administration." I asked him how it was, if the nouns "business" and "businessmen" stood for everything evil, that the adjective "businesslike" could possibly be one of praise. He mumbled something about it applying to the admirable qualities of business such as efficiency and changed the subject.

Added to a fundamental policy of scarcity, this hostility toward business has served further to retard investment, reemployment, and expansion in industry. It has helped to restrict purchasing power, and thus to keep farm prices down.

The New Deal philosophy of scarcity goes against the grain of the average American farmer. He does not mind hard work, for he is accustomed to labor from sunrise to sunset. He loves the beauty of the rich field on which the ripened grain waves in the breeze. He enjoys the satisfaction of reaping a successful harvest as the reward for all his labor. He asks not to be paid for not producing, but merely a fair price for his products.

Such a philosophy should go especially against the grain of you in Oklahoma, in a State whose motto is "Labor Ever Conquers." One of the last States to be settled, one of the youngest in the Union, many of your early settlers, many of those who helped build unsettled territory into this great State in such a short time, are still alive today. In selecting this motto, they demonstrated that they knew that labor is the source of progress. By their accomplishments, they demonstrated what ideals dedicated to this principle can achieve. If we have but the courage and the will to labor diligently today, we shall conquer the difficulties which now beset us.

This promotion of scarcity is part of the New Deal plan to control all production, to regulate supply and demand, prices and wages in industry and agriculture alike. The charts of New Deal planners call not for freeing the farmer, the worker, or the businessman, but for molding his life according to what the new dealers think is best for him. The result has been the erection of a great supergovernment of bureaucratic boards and bureaus. They are responsible to no one, but vested with vast powers to make rules and regulations which may mean failure to a businessman, destruction to a labor union, and ruin to the farmer.

In no field has this government by bureaucracy been a more dismal failure than in the case of agriculture. Any farmer—even a poor one—could have told the new dealers that crops are not grown or harvested according to blueprints. Almost any farmer in Oklahoma knows local conditions better than the swivel-chair farmers of the Department of Agriculture in Washington. Secretary of Agriculture Wallace is one of the numerous new dealers whose ideas have undergone a radical change since they came into power. In 1920, he wrote in his farm paper: "If it cannot be stopped in any other way, Congress should enact a law imposing very severe penalties upon any Government official who undertakes to influence either crop production or crop prices. The business of the Government employee should be administrative."

Such a program is bad enough in itself, but taken together with the encouragement of agricultural imports from foreign countries, it has been disastrous. We set out to be a good neighbor, and indeed we have been—to the farmer of other lands, but at the expense of our own farmers at home.

One of the best examples is furnished by wheat. In 1939 the American crop was over one hundred and twelve and one-half million bushels less than in 1938. Our exportation of wheat to foreign countries fell over 16,000,000 bushels, and we imported over 9,000,000 bushels from other nations.

Just before the first of the year, the Department of Agriculture announced that due to serious drought the Department of Agriculture had been forced to suspend its wheat and flour export program to all countries except the Philippine Islands. It added that if drought continued appreciably longer, the crop this year would be millions of bushels below that of 1939.

For years we have been taught by the Department of Agriculture to think in terms of wheat surpluses. And yet, at the same time that this announcement was made, it was stated, "There is no burdensome surplus of wheat in the United States at the present time." What is the outcome of all this? More of our foreign markets for American wheat lost to Canada and the Argentine. More millions of bushels of wheat coming into the United States from these countries that should be raised at home.

And yet try to tell Secretary Wallace that his program of restriction is a failure.

Another example. American production of corn in 1939 was nearly 10,000,000 bushels below the 1938 level. Our exports sank over 112,000,000 bushels, a loss of approximately seventy-three and one-half million dollars to the corn farmer in this country. Argentina was the chief gainer, for she has increased her production accordingly.

In 1938 we exported over 7,000,000 more bushels of oats to foreign nations than came into this country. Imports were negligible. In 1939 our production of oats was reduced by over 9 percent. At the same time we imported nearly two and one-half million more bushels of oats than we sent to other nations. It was our exports which became negligible.

Is it any wonder that the President is said to be contemplating a trip through the Grain Belt to bolster up support in an election year?

The farmer raising cattle has not fared much better. In 1939 we imported over 87,000,000 pounds of beef and veal, an increase of approximately 12,000,000 pounds over 1938, while some 665,000,000 head of live cattle were imported, an increase of over 100 percent over 1938 and an all-time record. Most of these came from Mexico, and the best that can be said for them is that they consumed some American corn that might otherwise have gone to waste. But who can deny that this corn might have been sold abroad had it not been for the New Deal policy? Who can deny that the corn might have been eaten by American cattle, had they been raised, as well as by cattle from Mexico?

Thus, the American farmer is today caught between two fires. The Secretary of State, as well as the Secretary of Agriculture, holds the power of life or death over American agriculture.

Here is another example of broken promises and reversal of attitude on the part of new dealers.

In October 1932 President Roosevelt, in a campaign speech in Baltimore, declared:

"I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

And yet 126 duties have been reduced on agricultural imports, in many cases to the full limit allowed by law of 50 percent.

In 1930, when much less drastic powers were proposed, Secretary Hull, then a member of the Ways and Means Committee, declared:

"The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is undoubtedly unconstitutional and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited. \* \* \* As was said on a former occasion, 'This is too much power for a bad man to have or for a good man to want.'"

And Chairman DOUGHTON, of the Ways and Means Committee, who is now bending every effort to secure the renewal of the reciprocal-trade powers of the State Department, declared:

"We have gone a long way too far already in the centralization of power in the Executive head of the Government. \* \* \* And if this bill is enacted into law he will have the power of life and death over industry, of manufacturing enterprises, and complete autocratic power affecting agriculture. My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus. It is too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States. In fact, with all this unrestricted and unlimited power, he would be in a better position to overthrow our form of government and proclaim himself king than was the First Consul of France, the great Napoleon, when he overthrew the French Government and proclaimed himself Emperor."

One can only wonder what Secretary Hull and Representative DOUGHTON would have said in 1930 had the Republicans proposed such a wholesale delegation of power as the administration now asks to have renewed.

We sowed the seeds of what Secretary Hull termed in 1929 "bureaucracy gone mad," and we have reaped the harvest of dwindling agricultural exports and steadily increasing competitive farm imports.

The Republican Party will not attempt to outpromise the New Deal during the campaign. We will not offer tempting panaceas of riches without work or short cuts to utopia. But we can and will offer them the opportunity to work, to reap the fruits of their labor, and to rise through their initiative and ability. This is all that Americans have asked in the past, and this is all that the vast majority of them ask today.

We can and will offer them an administration that will, by drastic economy, ease the burden of taxation which is now retarding recovery by lowering purchasing power, and by preventing higher wages and expansion in industry. It will be an administration that devours as little as possible of their earnings in the name of helping them.

We can and will offer then a government dedicated to an economy of plenty, one which will seek to raise the national income in the only way it can be raised, by making possible the creation of new wealth; one which will seek to aid the underprivileged not by robbing the successful but by providing them with the opportunity to be successful in their own right.



We can and will offer them a government that will release the brakes which have held back recovery, not only oppressive taxation but all unnecessary restrictive regulations, all attempts at dictation and coercion, and the hostility of those who hold public office.

We can and will offer a friendly administration which will seek, not to regulate the lives of its citizens but to free them that they may go forward in any honest endeavor.

We can and will offer an administration that will protect the standard of living which Americans have achieved and will yet achieve by the sweat of their brow from the unfair competition of cheap foreign labor abroad by submitting any and all treaties to ratification by the United States Senate as provided in the Constitution, and by seeing to it that foreign goods are not sold in this country below the American cost of production. We can and will offer them an administration that will encourage the American farmer to win a fair share of the markets of the world.

Under such an administration, my friends, the American people will not need to seek to have prosperity bestowed upon them by the Government. They, like the hardy folk who settled Oklahoma, like previous generations of Americans who have gone before them, will conquer by their labors far more than we today would dare to hope or dream.

### Federal Reclamation Program in the State of Washington Should Include Cut-over Lands

#### EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

STATEMENT BY HON. MARTIN F. SMITH, OF WASHINGTON, BEFORE THE COMMITTEE ON APPROPRIATIONS

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the Record, I include the following statement made by me February 14, 1940, before the Committee on Appropriations:

STATEMENT OF HON. MARTIN F. SMITH, REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. JOHNSON of Oklahoma. I see your point, and I am very sympathetic with your project, and also all reclamation projects in the West, and I did not know what water meant to the West until I visited many of those reclamation projects. It is the lifeblood of the West.

Mr. SMITH of Washington. Out in the West our people all appreciate the value of the assistance which has been rendered by the gentleman from Oklahoma.

As a Representative from the State of Washington whose district does not include a Federal reclamation project, I feel that I can present a detached view as to the importance of more rapid advancement of the Federal reclamation program.

Your committee is doubtless familiar with some phases of the situation that has been precipitated in the Pacific Northwest by the heavy migrations of distressed farm families from the Great Plains and other sections. Despite warnings broadcast by Federal and State officials that there was no irrigated or other productive land available for settlement and no employment, the wave of migrations has continued. Although the peak appears to have been reached in 1937, reports indicate that droughts in the Great Plains in 1939 are again spurring the westward movement.

In a letter to Senator CARL HAYDEN dated March 25, 1939, the Secretary of Agriculture reported that only 6,000 of 21,000 farm families arriving in the Pacific Northwest between 1930 and 1935 had been able to settle on going or subdivided farms. He suggested that "no great percentage of the migrants will be entirely self-supporting in the immediate future." Since 1935 the number of migrant families has exceeded the volume arriving in the first half of the decade. As the limited areas available for settlement were largely taken up by the early arrivals, the latecomers have tried their best to make a living in seasonal agriculture, but have been dependent principally on relief.

The rural sections of western Washington, as well as its cities and towns, have felt the burdens incident to the migrant problem and have looked to the very early completion of such undertakings as the Roza Division of the Yakima project and opening of the first units on the Grand Coulee as a means of providing relief.

There does not appear any other early solution of the difficulty, and when we appeal to the Federal Government for more rapid progress in advancing reclamation construction we are seeking an assured way of lifting the relief burden now resting on the Federal Treasury.

According to tabulations prepared by the National Emergency Council and Office of Government Reports, the Works Progress Administration and its predecessors—the Federal Emergency Relief and Civil Works Administrations—have expended in the State of Washington a total of \$168,115,000 since July 1, 1933. In the last fiscal year the Work Projects Administration, as it is now designated, expended \$35,240,000 in the State.

Concrete information is not available as to what proportion of these expenditures were due to the migrant farm families unable to find land on which to settle and become self-sustaining, but there is no question but that they added materially to the load. The Farm Security Administration, in direct expenditures and in loans principally to newly arrived families, expended more than \$2,000,000 in the fiscal year ending June 30, 1939.

In my district we are interested in expansion of the Federal reclamation program to include the reclamation of cut-over lands. It is felt that the clearing of these areas will offer opportunity for settling many of the families from the Great Plains area.

I hope to see authority given the Bureau of Reclamation to investigate the possibilities of reclaiming the cut-over areas. There are many thousands of acres in western Washington and other sections of the Pacific Northwest that can be made available for settlement at relatively low cost, but the job is too extensive for private initiative.

With the normal increase in our population, plus the migrations that are continuing, we will need all the land planned for development under the current Federal reclamation program and more. In fact, the Government will find it advantageous to expand the water-conservation program in the Great Plains area to lessen the necessity for migrations from the drought sections.

### Report on the Farm Security Administration's Program in the Fifth Congressional District of Kansas

#### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

REPORT BY MR. C. B. BALDWIN, ACTING ADMINISTRATOR OF THE FARM SECURITY ADMINISTRATION

Mr. HOUSTON. Mr. Speaker, permission having been granted, I am inserting a copy of a report made by the Honorable C. B. Baldwin, Acting Administrator of the Farm Security Administration, on that agency's program in the Fifth Congressional District of Kansas.

This report is an encouraging one from the standpoint of the loaning agency and the statement that the Kansas borrowers are making satisfactory progress in the repayment of their loans speaks well for the resourcefulness and business acumen of our people.

The report is as follows:

DEPARTMENT OF AGRICULTURE,  
FARM SECURITY ADMINISTRATION,  
Washington, February 28, 1940.

Hon. JOHN M. HOUSTON,  
House of Representatives.

DEAR Mr. HOUSTON: We have just completed a Nation-wide survey of the progress being made by Farm Security Administration borrowers, and I felt that you might be interested in the figures for the Fifth District in Kansas.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 336 standard rehabilitation borrowers in your district had an average net income last year of \$672.31 per family, as compared with \$482.84 in the year before they came to F. S. A. for help. This represents an increase of 39 percent.

Moreover, these families increased their average net worth, over and above all debts, from \$707.46 before they came into the F. S. A. program to \$1,224.79 at the end of the 1939 crop-year, a gain of 73 percent.

In other words, these families not only have added \$189,342 to the wealth of their communities but they also have increased their annual incomes by a total of \$69,348. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the district.

At the same time, the survey showed that the borrowers in your district already have repaid \$69,119 into the Federal Treasury as

installments on loans totaling \$375,131. The typical rehabilitation family in your district has borrowed \$1,024.95 and already has repaid \$188.85. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else, and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems which have been growing steadily worse for more than a generation, it is financed out of relief appropriations; and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it, few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged \$112.52 per family, or a total of \$41,182 over a 4-year period. Several years of severe drought in Kansas have made the need for grants particularly urgent in this State.

Often it has been necessary to work out an adjustment of the family's old debts before rehabilitation could be successful. Local farm-debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totaling \$238,658 have been negotiated for the farmers in your district. This represents a scale-down of 28.8 percent. As a direct result of these adjustments, \$8,589 in back taxes has been paid to local governmental agencies.

In helping rehabilitation borrowers to plan their farm operations we always urge them to get away from one-crop farming and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your district produced \$74,554 worth of goods for home consumption last year, as compared with only \$44,652 worth before they came into the F. S. A. program.

These families canned 50,406 quarts of fruits and vegetables last year, or an average of 138 quarts per family. They also produced 169,140 gallons of milk for home consumption, an average of 462 gallons, and 15,361 tons of forage, an average of 42 tons. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in your district are now operating an average of 201 acres, or an increase of 29.75 acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of F. S. A. is to help tenants and sharecroppers get more secure land-tenure arrangements, so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 228 tenants in your district have obtained written leases in place of verbal agreements.

In making the survey, our field workers found that there are 242 families in your district which are eligible and in need of rehabilitation loans, but have been unable to get them because of our limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable him to purchase family size farms of their own.

While it has been necessary to confine loans to certain counties, because of the limited funds available, we had made 10 such loans in your district, totaling \$96,415, up to the end of the last fiscal year. This year we are expecting to make about 10 Bankhead-Jones loans in your district, totaling approximately \$90,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program, I hope you will let me know.

Sincerely,

C. B. BALDWIN,  
Acting Administrator.

## Republican House a National Need

### EXTENSION OF REMARKS

OF

HON. CHARLES A. HALLECK

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. HALLECK. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. JOSEPH W. MARTIN, JR., of Massachusetts, at the annual beefsteak dinner of the Columbia Club at Indianapolis, Ind., on February 19, 1940:

It is a great pleasure to be here with this historic and honored Columbia Club at its dinner. It is doubly a privilege because I am aware of the fine services you have rendered the Republican Party in the past, and of your great importance in the coming Indiana campaign.

There is another reason why this opportunity to attend the Columbia Club banquet is an event of special significance to me. The Hoosier State has a place of paramount importance in the Union as a Commonwealth whose decisions have great political significance. Down through the years it has been a political axiom that the party that carries Indiana in a national election is half way along the road to success.

My own feeling is, the Republican Party is already far along the road to victory. Indiana will have a prominent place in that victory procession next November.

You have heard about the "three empty chairs" at the recent Jackson Day banquet in Washington. That was the hundred-dollar-plate banquet. No common folks like us were there, of course, because we can't afford that much for a single meal, even with a "plateside chat" thrown in. On that occasion a certain distinguished gentleman, who may or may not be a Presidential candidate in the next campaign, had a lot of fun making wisecracks at the expense of the three Republicans invited to that Lucullian feast but who didn't go, one of the three being me.

The famous fisherman to whom I refer had his banquet companions in stitches by declaring that apparently the three absent Republicans didn't want to go to heaven with the Jackson Day dinner bunch. Of course, he was mistaken. As I mentioned recently in Kansas, I should be delighted to get to heaven with any crowd; I think, however, the gentleman was quite correct in his assumption of an impending expiration of his administration. Of course, all ordinary mortals do have to expire before they go to heaven. Apparently the New Deal administration believes that such is to be its early fate. We have no objection, of course, to the New Deal administration hoping that when it expires next January it will be heaven-bound.

I have noticed in looking over your club magazine, the Columbian, for January, that this organization is affiliated with a large number of other clubs of a similar character throughout the United States.

It is clubs of just this sort, carrying on from year to year, while State and National administrations come and go, that are a great political power in this Nation. They exercise a very helpful and important influence upon our political and social life.

We need no mystic seer to gaze into a crystal ball to foretell that the Republican Party is well on its way in, and that the New Deal is well on its way out. The indications all point to that result. Seven years of contradictions, of broken promises, of inconsistency, of futile economic experimentation, of waste, extravagance, and corruption, have had their effect on the people of this Nation. The voters do not want another 4 years of the sort of administration that has torn this country from end to end with sectional and class dissensions and hatreds, that has doubled the Federal debt, that has had an unbroken chain of annual deficits, that has continually increased taxes, and that has no plan by which to rescue the Nation from the depression, except the old, futile, discredited formula of tax and squander, spend and elect.

America is sick and tired of being told that white is black and that black is white, only to find out later they are both in the red.

You have been hearing a great deal in the last few months about Government debts being "investments"; about Government losses being gains; and when facts and figures refute the "befuddled" and befuddled Hyde Park mathematician, you are then told that the public debt has not increased, because it has now been hooked up by White House calculators with the private debt. As some newspaper recently said—

"Our governmental cash position is strong, due to a new system of loose-leaf, loose-thinking, and loose-figuring bookkeeping, which is just a lot of good clean fun until we change auditors," and have to pay the bills.

But now let's look at this private debt, which the White House tries to hook up with the public debt in an attempt to prove that



the New Deal administration has been one long march toward thrift, economy, and prosperity.

I could give you many quotations from speeches made by a certain optimistic gentleman back in 1932 when he was a candidate for the Presidency. He then had some very pointed and positive things to say about checking a growing Federal debt, reducing deficits, lowering taxes, and achieving economy in government. But what he said in 1932 when he was a candidate apparently ceased to mean anything after he was elected. I shall not bore you by repeating promises and platitudes which apparently were merely a part of the stage props for campaign performances only to be discarded and forgotten as soon as the election had been won.

After facts and figures had been brought out to demolish the strange calculations evolved at Hyde Park, the administration came back with a long explanation that the private debt was meant to be included in these funny figures in order to make the result appear that the debt had not increased since the New Deal went into power in 1933.

Of course, our private debt is lower than it was in 1932 because investment is stagnant. It is because businessmen, frightened by the hostility and the punitive policies of the administration, have been afraid to venture into the field of industry and commerce. It is because businessmen have been browbeaten and bullied by political bureaucrats into ceasing or curtailing operations and because high taxes are eating up the purchasing power of the people.

In the years before 1938 there were a few of us in the Congress who carried on in the hope and the faith that the country would return to a common-sense basis of government; that the New Deal experimenters and misty-eyed theorists would finally fade from the scene; and that the Republican Party, as usual, would come back into power and have to pick up the broken pieces of the Federal finances, repair the damage that had been done, and set the Nation back on a sound foundation once more.

Let me say to you tonight that the faith of that little band of Republicans in the Congress was justified in 1938 and will be fully confirmed next November.

We have been filled with courage and hope, we Republicans, since the elections in 1938, and it is my opinion, just between you and me, that the result of those elections is what started the new dealers to thinking about going to Heaven.

In 1938 we almost doubled the Republican membership in the House of Representatives. Having done that, we have been able to check somewhat the Nation's speed down the road to ruin with the New Deal. In many instances we have prevented the administration from getting legislation further to centralize the Government in the hands of the executive department in Washington.

The Republican Party can claim much credit for this. It required a Republican balance of power to tip the scales in favor of good government on many of the measures that came before the Congress.

In the last Congress, my very close personal friend the gentleman from Indiana, CHARLIE HALLECK, was the lone Republican from Indiana. His fine judgment and forceful oratory, combined with his courage, made him outstanding in our little army. In 1938 you sent to join him ROBERT A. GRANT, of South Bend; GEORGE W. GILLIE, of Fort Wayne; FOREST A. HARNES, of Kokomo; NOBLE JOHNSON, of Terre Haute; GERALD LANDIS, of Linton; and RAYMOND SPRINGER, of Connersville. This was as fine a delegation as represented any State, and all contributed in the writing of a record which has given the Republican Party and the country a new hope. Upon their record these men should be reelected, and I trust they will be.

I come tonight, my good friends of the Columbia Club, particularly to urge your cooperation in the election of a Republican House.

Without minimizing in the least the need for a Republican Chief Executive, I do not hesitate to say to you that I think it is fully as important to control the House of Representatives as to elect a President. It is in the House of Representatives the Republican record will be written. There will be unfolded the political philosophy which will bring back sanity to Government; which will give private enterprise a chance to function again; which will bring order into our financial affairs; which will give to the American people a new confidence that will result in a resumption of our normal activities; which will bring jobs to our 9,000,000 of unemployed and an opportunity to the boys and girls who, at present, after leaving school face a bewildered world which offers them no future.

As I said a while ago, in the elections of 1938, by a gain of 80 additional Republican Members, we restored to this country the two-party system and gave it the benefit of an effective opposition.

I believe it is universally admitted by men and women of all shades of political opinion that these Republican gains of 1938 have been a genuine benefit to this Nation. As leader of this minority group, I am grateful for Indiana's contribution.

The Republican minority in the House has stuck to the policy of constructive action. We have not hesitated to favor any administration proposal we believed right, and we have not hesitated to oppose most vigorously proposals which we were convinced would harm rather than help the country.

We have constantly kept in mind the millions of unemployed. We fully realize that if we are to preserve real Americanism, if we are to prevent the seeds of communism and other evil doctrines from sprouting and flourishing among our people, we must put our unemployed back to work at decent American wages; we must give our youth their fair chance; we must find a practical way in which to relieve the farmers of their distress; we must restore unity and harmony between different sections of our country and different classes of our people.

We have not been content with simply passing judgment on administration proposals. We have outlined and vigorously fought for a definite set of principles which we believe will restore real Americanism and real prosperity.

This program set forth May 22, 1939, answers completely the chorus of the administration propagandists that the Republican Party has no definite objectives. I want now, with your indulgence, to read this 12-point plan, and to ask you if it is not a program of principles which deserves the support of the American people:

1. Keep the United States out of war.
2. Move immediately to curb unnecessary, wasteful, and reckless spending.
3. Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.
4. Revise the remainder of the Federal-tax structure to eliminate or modify provisions retarding business recovery.
5. Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.
6. Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer, and the duties of both toward the public in order to end present paralyzing discord.
7. Define specifically the area of governmental competition with private enterprise so that business may be able to create jobs with some certainty as to the future.
8. Restore American markets to the American farmer and wage earner, and develop new markets for agricultural products.
9. Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.
10. Create a special committee of Congress to inquire into the effect of the reciprocal trade agreement policy on American industry and agriculture.
11. Clarify Federal rules and regulations so industry and business may know what to expect.
12. Reject all experimental legislation not clearly helpful in promoting recovery or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.

Some of these objectives have already been achieved. As a talented young Indiana writer, Charles Baird, recently wrote in one of his newspaper columns, the Republican strategists are counting heavily on Indiana's 14 electoral votes in the Presidential election next fall. As he said, we are predicting that Hoosier voters will elect Republicans to the State house and to the United States Senate, and that once again the State of Indiana will have a solid Republican delegation in the House of Representatives.

I think it is worth while to point out that in 1938 when you revolted against the New Deal and retired six Democratic Congressmen, you also elected a secretary of state and a majority of State representatives on the Republican ticket, and restored scores of court houses and city halls to G. O. P. control.

The genuinely remarkable nature of the 1938 Republican gains becomes most apparent when we analyze the election by counties. If it is true that the party strength can best be measured by the number of court houses under its control, the outlook is, indeed, bright for us.

There have been some remarkable changes in the voting results in Indiana since 1932 and 1936. On the basis of the State-wide congressional vote in the 1936 election, the Republican candidates carried only 27 of Indiana's 92 counties—about 30 percent.

In 1938, however, the Republican candidates had majorities in 59 counties. This represented a gain of 32 counties, and gave the Republican Party control of 64 percent of the counties in this State.

The same spectacular gains are revealed by a study of the mayoralty vote in the various Indiana cities.

The Republican tide which gave us our great national victory in 1938 still is flowing. Our recent special elections, as well as widely scattered local elections, show that this Republican tide will continue to rise throughout the coming campaign.

All Republicans, antinew dealers, and others who believe a change is vital to the preservation of our constitutional Republic can face the 1940 campaign with intelligent optimism.

As I have said, in 1938 we increased our representation in the House from 89 to 169, and gained 8 seats in the Senate.

We elected Governors in 18 out of 27 contests, recapturing such important States as Massachusetts, Connecticut, Rhode Island, Pennsylvania, Ohio, Michigan, Wisconsin, Iowa, Kansas, Minnesota, Colorado, Idaho, South Dakota, and Oregon.

In New York State, in the race for Governor, we polled more than 49 percent of the total vote officially counted and reported.

While electing eight new Senators, we retained three Republican seats we already had in the Senate. We missed two more seats with 49.8 percent of the total vote in both Indiana and Iowa; and a third, with 48.4 percent of the total vote, in Illinois.

In our special elections since 1938 we have not lost a single Republican district.

In 1938 the popular vote for Congress in 38 States, not including the solid South, was—Republican, 16,970,928; Democratic, 16,500,612.

Compare these figures with the 1936 results in the same congressional contests. In that year the Republicans got 16,529,047 and the Democrats 21,312,490.

In other words, we turned a Democratic majority of 4,783,000 into a Republican majority of 470,000 in 2 years. That tide, as I have said, still is moving our way.

We can win in 1940, and we will win, if there is a real intention to do so on the part of those who are in the front lines of the county and congressional campaigns in the States.

The prospects for a Republican House are bright. We need 50 more seats to carry control. When it is remembered that 43 of our candidates who were defeated in 1938 polled more than 47 percent of the total vote, and that 22 others polled between 45 to 47 percent of the total vote, you can realize that here are 65 districts to be carried with an increase of only 5 percent in the Republican vote.

On top of this an increase of 10 percent in the Republican congressional vote would give us 29 additional seats, over and above the 65 which are within the 5-percent group.

This is the outlook. The important figure to keep in mind is that an increase of 10 percent in the Republican congressional vote over 1938 will give us 94 additional seats in the House.

From these figures you can readily see how small an upward surge would be needed to give the country a real working majority of Republicans in the House.

If we will get out and work from now until the polls close; if we will put the best we have into that work; if we will realize that we are working to save constitutional government, to save ourselves, and those who come after us, from a ruinous burden of Federal debt, from inflation or repudiation; if we realize that we are fighting to preserve Lincoln's "government of the people, by the people, and for the people"; if we go forth determined to take the iron heel of a bloated political bureaucracy off the neck of this Nation, we will win.

And so, then, let me give you this closing word. Let us set our eyes on the goal of next November. Inspired by the righteousness of our cause, nerved by the necessity of saving this Nation from ruin, encouraged by the gains we made in '38, let us put everything we have on the ball and turn in next November a smashing victory at the polls. Let us take high resolve to put this country back on firm foundations, to restore prosperity to this constitutional Republic. Let's turn out of power and out of office those who would use the plight of their Nation for purposes of political expediency and who are willing to fatten on the substance of the people.

On to November and victory!

### War-Propaganda Resolution

#### EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

Mr. THILL. Mr. Speaker, I have today introduced in the House of Representatives a resolution to appoint a special committee to investigate war propaganda in the United States. The resolution proposes an investigation of, first, the extent, character, and objects of war-propaganda activities in the United States; second, the dissemination, written or oral, from foreign countries or from within this country, of propaganda or news items, radio broadcasts, motion pictures, or other media which is calculated or intended to draw the United States into a foreign war or to create internal strife; third, any and all activities of belligerents, individuals, groups, organizations, or corporations which have for their purpose, direct or indirect, to involve this Nation in war; and, fourth, all other questions in relation to war propaganda that would aid Congress in any necessary remedial legislation to protect and preserve the neutrality of the United States and to keep this Nation at peace.

The proposed committee is to consist of seven members, who will be appointed by the Speaker of the House of Representatives. A report of the committee, representing the result of study and investigation, is to be submitted to Congress before January 3, 1941.

The seriousness of the situation resulting from the dissemination of war propaganda in the United States cannot be overemphasized. Much propaganda material appears in the newspapers; it is heard over the radio; it is mailed to the office and the home; it comes to the desks of Members of Congress every day. How much of this information is false cannot be gaged by the average person. Needless to say, much of this propaganda is a skillful misrepresentation of facts; some of it has an element of deceit in it; some of it is a deliberate statement of untruth, and most of it can be characterized as a vicious and vile fraud upon the American people. We, as Members of Congress, should take immediate steps to eradicate this evil.

The minds of American citizens are being warped by propaganda emanating from foreign sources. There is a sly invitation to enter into war, hidden beneath every sympathetic call to give belligerent nations assistance in one form or another.

No one knows how many agents of belligerents are posing as lecturers and journalists for the purpose of shaping American foreign policy. Russia alone has spent millions of dollars in its campaign to spread its doctrine of communism in the United States, thereby infusing false doctrines, creating distrust, and producing a spirit of unrest in this country.

Under an act of Congress approved June 8, 1938, Public Law No. 583, Seventy-fifth Congress, third session, all agents of foreign governments, companies, or individuals are required to register with the State Department and give full information as to their activities and remuneration. As of July 12, 1939, 351 such agents had registered. Tremendous damage to our desire for peace can be done by such paid propagandists. Malicious propaganda, like a deadly poison, slowly infuses into the blood stream of our national life. It warps our judgment and paralyzes our thinking. If American thought ever needed an antitoxin, it needs it now. Americans in general are unaware of the insidious nature of such propaganda and the deleterious effect it has upon them. Only in the future will all Americans realize how they are again being drawn into an international game of war which costs us tremendous amounts in lives, dollars, and human suffering.

Even now our determined spirit of neutrality is being scoffed at and questioned by certain Europeans. Our sympathies are appealed to. Our great and rich Nation is applauded by those who a few years ago called us Uncle Shylock. If we are ever to act against such insidious propaganda, that time is here today. False and corrupt information must be brought to light and be fought with truth. We need an exposé of deceptive propaganda, which perpetrates the lowest type of fraud upon an unsuspecting and peace-loving people.

The American citizens suffered severely during the last war, and the sick and ailing veterans show us stronger than words, that we are still suffering from the effects of that war. One of the chief factors that led us into the World War was propaganda. Let us avoid a repetition of that mistake. Today the American people, through the medium of the radio, stand as spectators before the horrible fighting waged across the waters. As Americans, we are asked to contribute to this hateful spectacle in order to save a principle. What principle? "To make the world safe for democracy?" No stirring slogan has yet been devised which appeals to Americans sufficiently to again get them aroused sufficiently so they will take up arms and go to war. But the propagandists will try by fair means or foul to induce this Nation to wage war for some high-sounding cause. This is the very thing American citizens must guard against.

War propaganda aims to have organizations and individuals condone the necessity and desirability of war on the part of one belligerent. We Americans must vigorously counteract this propaganda. We want no part of war and its hateful consequences. We must fight with all our hearts to remain neutral and at peace.

### The American Spirit—Black-out or Revival?

#### EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon.



STYLES BRIDGES, of New Hampshire, at a banquet under the auspices of the Wyoming Republican State Central Committee, in Casper, Wyo., Saturday evening, February 17, 1940:

Once upon a time—I have it from no less an authority than the President that this is how every good story should begin—once upon a time there were a people who had left the Old World or were the descendants of those who had crossed the seas to build a new nation in a New World. To many today they must seem a strange people, for they had the courage to brave unknown dangers in the wilderness. They had faith in themselves to conquer whatever difficulties they might meet through their initiative, their energy, their hard work, and their thrift. They asked only the chance to work and to rise as high as they were able through their own abilities and labor so long as they did not interfere with the same right and opportunities of others. They fought a revolution and established a government of their own to assure them this right and opportunity. But from bitter experience they were afraid of too much government. And so, instead of permitting the government to limit their rights and powers, it was they who limited the powers and functions of the government. To assure that no man or group of men in public office should become too powerful they established a system of checks and balances between the three great branches of the Government. The powers which they did not bestow upon the Chief Executive or the Supreme Court they reserved for themselves to exercise through their representatives in Congress—among these the power to write legislation, to levy taxes, to control their currency, and to negotiate treaties with other nations. They had faith in themselves to go forward under a free government and a free economy, to create abundance where there had been scarcity, and to achieve a higher standard of living for all. What they demanded of government was to make it possible for them to go forward by their own abilities.

So successful were these people that within 150 years they had built the greatest nation on earth and had achieved the highest standard of living in the world. They now have a telephone for every 7 persons in the country, an automobile for every 4, and a radio for every 4.9 persons. Great Britain ranks second with a telephone for every 17 people and an automobile for every 18.

All over Europe tonight, cities are blacked out. We in America do not fear an air raid, we may turn on electric lights at will without fear that it will attract a foreign invader. And yet we cannot sit back complacently and thank a merciful Providence that we are not as other men. For the last 7 years have seen the attempted blackout of much that America and her people have symbolized in the past. For 7 years they have been encouraged to depend upon the Government instead of themselves. Instead of being encouraged to save they have been told that debt is the way to prosperity. Instead of encouraging them to work more and produce more, the Government has subsidized idleness and forced them to create less.

Nor have our civil liberties failed to fall under the shadow of New Deal bureaucracy. Free speech has been blacked out for employers, by the National Labor Relations Board. The right of collective bargaining for many workers and the right to a fair trial, under accepted rules of evidence and procedure has been blacked out by most of the New Deal agencies. The right of appeal to the courts has in many cases been denied.

Instead of a limited government of laws responsible only to the people they have had an irresponsible Government by decree from the President and countless officeholders who were never elected at the polls. Everyone lives in apprehension and uncertainty, because these political bureaucrats hold the power of life or death over our farms, our factories, and our industries. They may devalue our currency, make rulings with the force of law, and conclude trade treaties with other nations whenever it suits their fancy. Our people have been restricted, harassed, and coerced by officials, many of whom are hostile to entire classes of our people.

For 7 years we have lived in an atmosphere of bitterness and dissension. The have-nots have been pitted against those who have, class has been arrayed against class, one section of our country has been urged to go into competition with other sections.

In reply to the President when he suggested that the South declare its economic independence from the rest of the Nation, the Charleston News and Courier printed a significant editorial. Now, there is no State in the Union more loyal to the Democratic Party than South Carolina. Yet this stanchly Democratic paper voices the feeling of Americans all over the country, regardless of party. I quote:

"The South can build factories. Why does it not? The people are afraid of his government. They are afraid of him, afraid of his laws, in terror of his new, his strange, his multifarious forms of taxation, of the competition of his government with concerns in which they might invest. They see Government building houses and renting them. Why should they put their money into houses and lots? They see Government developing electric power. They steer away from purchase of bonds and shares in private corporations selling electric current.

"They are afraid to take a mortgage on a farm, for they are not sure how long Government will permit it to be tiled. For the same reason they hesitate to buy lands. They cannot lend money at 6 percent, for Government, as a lender, underbids them. They behold Government borrowing billions and practically compelling many of the banks to lend it. They interpret him as an advocate of currency inflation, and that means debt repudiation.

"Before their eyes is the evidence every day that if they buy shares in any industry, they who have sweated, sacrificed, and

saved, Government may destroy its values. Yes, Mr. President; thousands of our people have thousands of dollars lying idle in banks. There was never before a plethora of the stuff. Our people, those who have money, are not only without faith in government but are rapidly coming to believe that government is their enemy, and that they prefer to have their properties in hock than under the club your Government swings over them."

There, eloquently but simply stated, is the result of 7 years of New Deal attempts to spend us, reform us, and regulate us into the more abundant life; industries blacked-out because of punitive taxation for reform instead of revenue; opportunities for investment blacked-out because of the competition of Government spending and lending; the values of property, savings, and investment all under the threat of a black-out if Government spending leads to bankruptcy and inflation, or even if the President decides to use his powers to devalue our currency further and to print more money, thus bringing about inflation by Executive decree.

All this in itself would be enough to stifle the energies of our people, to prevent a revival of our economy. But add to it the feeling of entire groups of our people that those who hold office are hostile to them, that the administration in power is their enemy, and you have blacked out one of the first essentials of a democracy—the trust of the people in their government. For no people are free to go forward without confidence in those who hold public office. That is one of the purposes of representative government, whereby the people choose their officials at the polls.

There has been a black-out of savings and profits that might have gone into expanding business and absorbing the unemployed, caused by the New Deal taxes levied to finance its extravagance. New Dealers would have you think that this has gone to relieve human suffering. But in January 1933 the Federal Government had 563,000 employees. For the fiscal year ending that June it collected a little over \$2,000,000,000 in revenue. In 1940 there are 933,000 Federal Government employees. The Government is now collecting well over five billions a year in revenue. Approximately \$800,000,000 goes to support the alphabetical boards, bureaus, agencies, and commissions which the New Deal has created. They also account for some 100,000 of the 370,000 additional Federal employees. But the regular departments of the Government have also purged themselves—including the White House. In 1933, when President Roosevelt took office, White House costs were \$369,000. For the fiscal year 1941 the President requested over three and a half million—an increase of nearly 1,000 percent. The President, in making out his Budget, cut the estimates for farm and relief appropriations. But he asked for an increase of over \$600,000 in his own department over this year. This may not seem like much, but the increases in White House expenses each year since Mr. Roosevelt has been in office over the cost in 1933 add up to nearly five million. Such an amount is, of course, lost in the shuffle of the billions that the New Deal has spent. But five million would keep 5,000 families on relief at \$1,000 a year. Moreover, despite the cuts he made in the 1941 Budget, President Roosevelt asked for between fourteen and fifteen hundred new jobs in Washington.

When the Republican Party goes into office, it will begin to economize by starting cutting at the top. A Republican administration will black-out some of the soft jobs held by political bureaucrats at your expense, with money paid in hidden taxes by the man who is unemployed, worker and the farmer, as well as from the so-called economic royalists.

There has been a black-out of the right of the businessman to run his business as he sees fit, provided that he does not interfere with the rights of others, a black-out of the right of the farmer to run his farm as he thinks best.

The New Deal has attempted to black-out even the most elementary and obvious rules of economics. It has tried to spend its way to recovery; to achieve the more abundant life by producing less; to raise the national income by redistributing it instead of adding to it; to regulate the economic lives of 130,000,000 people from Washington. As a result, it has nearly succeeded in blacking out our system of free economy.

Such are the powers of the bureaucracy to dictate at home. However, its sway extends no less over our foreign trade. In 1934, the reciprocal trade treaty program was approved as a part of an amendment to the Tariff Act of 1930. It was inaugurated, the law reads, "for the purpose of expanding foreign markets for the products of the United States, \* \* \* of assisting in \* \* \* restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public \* \* \*." After 6 years, the reciprocal-trade program is subject to renewal once more; and an honest evaluation of its results must conclude that, far from accomplishing all that was promised for it, the treaties have cut down our markets, both at home and abroad, thus reducing our purchasing power and prolonging unemployment and depression.

These noble purposes of the program were to be achieved "by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production." So far so good. But here is the catch: "so that foreign markets will be made available \* \* \* by affording corresponding market opportunities for foreign products in the United States." Here is the theory that we cannot expect to export unless we are willing to import an equal amount. It proposes, therefore, to open the American markets deliberately to foreign nations, on the theory that we will thereby enable other countries to buy more from us and thus promote world trade. It is all very beautiful and idealistic in theory. But it presumes

that we will get back, in foreign purchases in this country, the money that we spend on their commodities. It completely ignores the fact that the United States has the highest standards of living in the world, her prices are higher, and that foreign nations, having taken our money, will buy elsewhere if they can get the same thing more cheaply. The United States is unexcelled in industrial development. Therefore other nations are willing to pay a higher price for industrial products in many cases the best in the world. They can buy agricultural products elsewhere. On the other hand, many countries have little but farm products to export. Therefore, if we are to adopt a policy of importing as much from these countries as we export, the increase is bound to come in agricultural imports. At the same time, by restricting production at home, as we have done under the various New Deal agricultural programs, we cut off our opportunities for the exportation of agricultural products and encourage foreign production. After other nations have seized these formerly American markets, it is difficult indeed to recapture them.

These facts are revealed by a comparison of our agricultural export and import figures in 1938 and 1939. In 1938, our agricultural exports were over eight hundred and twenty-seven and one-half million dollars, and were over 27 percent of our total exports. In 1939, they fell to six hundred and fifty-five and one-half million, and constituted only 21 percent of our total exports. This was a drop of one hundred and seventy-two million in a year, or a decrease of nearly 21 percent in agricultural exports. At the same time, agricultural imports increased from nine hundred and fifty-five and one-half million in 1938 to be nearly one billion, one hundred and eighteen million in 1939, an increase of over one hundred and fifty-five million and a quarter, or more than 16 percent. Although agricultural products constituted less than one-quarter of our exports, they were nearly half of our imports. Thus, the farmer has received the worst of these so-called reciprocal-trade bargains, particularly in the West.

You in Wyoming raise cattle. In the treaty with Canada the duty on cattle was reduced. In 1939, 754,000 head of cattle were imported into this country—an increase of 330,000, or nearly 78 percent, over 1938. In 1939 the amount of hides and skins imported jumped to almost two hundred and twenty-three and one-half million pounds—an increase of well over 200,000 pounds, or nearly 172 percent, over the year before. In 1939 we imported nearly 151,000,000 pounds of meat products—an increase over 1938 of more than two and one-half million pounds.

You in Wyoming raise sheep. The duty on wool was reduced in the treaty with England, although two-thirds of our imports of wool come in duty-free. Last year we brought into the country nearly 246,000,000 pounds of wool, an increase of more than 138 percent over 1938.

An example of the one-sided philanthropy with which these trade agreements are negotiated is furnished by the treaty with Great Britain which became effective January 9, 1939. We reduced 444 rates. The United Kingdom reduced 156. We made a reduction of 50 percent—the limit allowed by law—on 121 rates. They reduced 9. We made a reduction of between 40 and 49 percent on 68 rates. They reduced 6. We made a reduction of between 30 and 39 percent on 92 rates. They reduced 15. And so on down the line. The result? In the first 5 months alone after the agreement went into effect our imports from Britain had increased \$17,000,000, while our exports to Britain had dropped by thirty-two million. Since then increased armaments and the outbreak of war have entered into the picture.

Call such a policy a Good Samaritan program if you will, or call it a sucker program, whichever you like, but do not call it reciprocity.

Such a policy cannot be trusted to protect the American standard of living. It is diametrically opposed to all attempts to raise wages. The Democratic New York Times, despite its support of the trade treaties, actually recognized the truth of this when it declared editorially:

"A law that attempts to fix minimum wages even in the healthy industries, to cover even relatively skilled and organized workers by fiat (law) on a broad scale, logically requires a regulation of imports as the next step to keep it from breaking down."

The same applies equally to agricultural prices. If we are to protect the standard of living of American farmers and workers, we must protect the way in which they earn their daily bread from the competition of cheap foreign products sold in this country below the cost of American production. If the farmer is to be given an opportunity to compete with those of foreign lands, restrictions which prevent his producing and exporting for foreign consumption must be removed.

If the reciprocal-trade program is to be continued, our first consideration is the protection of the American farmer and worker, and not a policy of economic internationalism aimed at world free trade. We cannot assure the American people this protection if we are to continue to make concessions to all the world in each treaty while receiving concessions from only one, which is what we are now doing under the most-favored-nation clause. Adequate hearings before the negotiation of treaties and the right of appeal at all times must be assured by law. Hearings are now entirely at the discretion of the President and the State Department, and the right of the citizen to appeal if he has been injured was abolished altogether. And, finally, the people should have the opportunity to approve these treaties through their representatives in Congress, who are charged with the responsibility of negotiating treaties by the Constitution.

The Republican Party stands for the release rather than the restriction of the initiative, the energies, and the abilities of the American people. Through their toil and their talents, the American people have built the greatest nation on earth. Through them they will not fail to achieve even higher attainments in the future.

The Republican Party stands for the reestablishment of representative government; government by cooperation rather than by coercion and repression. We will restrict not the rights of the people but the powers of political bureaucrats over the rights of our citizens. Freedom of speech and press will not be denied to any individual. Those who exercise these inalienable rights will not be reviled, smeared, and accused of base motives by those who hold public office merely because they dare to criticize the administration. We stand for a government responsible only to the people rather than by arbitrary regulation of irresponsible bureaucrats who never stood for election, and we propose to reorganize Government agencies to establish rules of evidence and procedure comparable to those of the courts, in order that the citizens may be assured of justice and a fair trial. We pledge ourselves to return those powers which have been surrendered or delegated away, such as the control over our currency, to the people through their representatives in Congress.

The Republican Party pledges itself to the revival of our system of free economy through the removal of every obstacle to recovery. When Harry Hopkins became Secretary of Commerce he had a series of cards printed and distributed with words, "Does it help recovery?" But somehow this slogan aroused the anger of sensitive new dealers, who regarded it as a personal insult and who saw to it that the cards were gradually removed. No one has heard anything about them for some time. But we Republicans will not need to have such cards before our eyes to serve as a reminder. We propose to gage all legislation, both present and future, by this test of recovery. By doing away with Federal extravagance we will reduce the burden of taxation which is crushing the backs of all our people. We will use the Wagner Act, the Wages and Hours Act, and the Securities and Exchange Commission for the purposes for which they were intended and not for the purpose of regulating all hours and wages, of coercing employer and employee alike into our own pet social and economic patterns, and controlling all investment. We will encourage an economy of plenty for industry and agriculture alike for the present economy of enforced scarcity, knowing that there is no other way to achieve a more abundant life.

In short, the Republican Party will assure the people of an administration whose purpose is to serve them rather than to regulate their lives, an administration to which they can look with confidence as their friend. There will be no blitzkriegs against any group of our people or their form of government, no black-outs of the way in which they earn their daily bread.

Never before has there been a difference of fundamental philosophy between the two major political parties in the United States. Never before have they differed on the underlying principles of a free government and a free economy. Never before has one political party been able to claim that it was the champion of the American way of life. And yet that is the issue today. That will be the issue when the American people go to the polls this fall.

Let us humbly dedicate ourselves to this great cause, and united in the spirit of a crusade, achieve the victory not merely of a political party but of the American people and the American way of life.

## Omnibus Transportation Bill

### EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

LETTER FROM THE CHAMBER OF COMMERCE OF FALL RIVER, MASS.

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a letter written by the Chamber of Commerce of Fall River, Mass., to the Senators and Representatives of Massachusetts, protesting against the Wheeler-Lea transportation bill.

The letter is as follows:

CHAMBER OF COMMERCE,  
Fall River, Mass., February 21, 1940.

HON. JOSEPH W. MARTIN, JR.,  
Washington, D. C.

DEAR CONGRESSMAN: Believing that Senate bill 2009, known as the Wheeler-Lea omnibus transportation bill, if passed in its present form, will probably result in materially higher transportation costs via the water routes, the curtailment or possible abandonment of these water routes, which are available to us and to which we are



entitled as a port city; and would further probably result in increased consumer costs on such necessary commodities as coal, fuel oil, gasoline, other petroleum products, lumber, and general cargo, the directors of the Fall River Chamber of Commerce desire to be recorded in the CONGRESSIONAL RECORD as opposed to this measure.

We urge the use of your influence with the conference committee, now considering this bill, to postpone any action for at least 30 days, to permit producers, shippers, the interested public, and Congress itself to study the bill's far-reaching effects.

Yours truly,

FRANK W. DUNHAM, *Manager.*

### The Victory March of '40

### EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, at the Republican rally in Chicago, Ill., on Tuesday, February 20, 1940:

No one can come to a Republican meeting in Illinois without a deep appreciation of the part your great State had in the founding and development of our real American party. You not only gave us our immortal leader, Abraham Lincoln, but through the years you have rallied loyal and aggressive support for the steadfast Americanism of Republican policies.

Tonight we assemble to inaugurate a new campaign—a campaign fully as important to our country as the one led by Lincoln.

Lincoln saved the Union and dedicated the country to free labor and free opportunity. In 1940 the Republicans will save the country from financial bankruptcy, chaos, and despair.

#### NEW DEAL FAILURES

We find today 9,000,000 unemployed men and women—4,000,000 of our young people between the ages of 18 and 24, who never have had a regular job; the national debt fast approaching the limit of \$45,000,000,000 set by law; taxes higher than they have been since the World War; and, worst of all, no one has any confidence our situation will improve so long as present national policies prevail.

These are the "accomplishments" of 7 years of New Deal spending and reckless experimenting. No party with such a record can go before the American people and expect to get a mandate to continue. The American people are aroused for the safety of their form of government. They will not be fooled again.

These are the reasons we can confidently expect this year the election of a Republican President and a Republican House in Washington, and I am sure Illinois will contribute magnificently toward these historic achievements.

#### URGES REPUBLICAN HOUSE

May I plead especially tonight for the election of a Republican Congress. While I do not minimize the importance of a Republican in the White House, I say it is fully as important that we have a Republican House of Representatives. Elect a Republican House and this Nation will at once surge forward with new confidence and security.

In 1936 you elected six Republican Representatives; the distinguished and able LEO ALLEN, who is toastmaster of this fine party and a member of the powerful Rules Committee of the House; EVERETT DIRKSEN, an aggressive, eloquent, and brilliant member of the Appropriations Committee; LES ARENDS, who ranks high on the important Military Affairs Committee; RALPH CHURCH, who is second on the powerful Naval Affairs Committee; CHAUNCEY REED, who is an influential member of the Judiciary Committee; and NOAH MASON, who lately has performed a great patriotic service as a member of the Dies committee investigating un-American activities.

In the 1938 elections you increased your Republican delegation to 10, adding 3 men and 1 woman. All have won high rank and prestige in these 2 busy years. JESSIE SUMNER has had a great work to do on the Banking and Currency Committee, which handles many pressing monetary issues; ANTON JOHNSON is a hard-working and very effective member of the Committee on Agriculture; ROBERT B. CHIPERFIELD is on the highly important Foreign Affairs Committee; and WILLIAM H. WHEAT has made a fine impression upon his colleagues through his excellent judgment and keen mind and is headed for an important and responsible assignment.

This delegation is splendidly situated and is well equipped to represent the interests of Illinois in the new order of common-sense government which will be in evidence after January 1941.

I urge you to keep all of these districts Republican, and I am sure Illinois will make a substantial contribution to the additional 50 seats which we need to insure a Republican House.

#### RECALLS 1938 GAINS

I need not remind you that in the 1938 congressional elections the Republican Party once more became the majority party in the 38 States outside of the deep South.

In that great landslide we elected Republican Governors in 18 out of 27 contests.

In total popular vote for Congress, we beat the opposition by almost 500,000, after wiping out a Democratic majority of 5,000,000 in 1936.

We turned out bungling and extravagant New Deal administrations in such important States as Massachusetts, Connecticut, Rhode Island, Pennsylvania, Ohio, Michigan, Wisconsin, Iowa, Kansas, Minnesota, Colorado, Idaho, South Dakota, and Oregon.

The mere roll call of these States recaptured in 1938 gives you the measure of the tidal wave of Republicanism which today is sweeping over this country.

In the 1938 congressional vote we carried 1,123 counties in this vast two-party area, as against only 885 counties carried by the Democrats.

Thus, Republican workers already are in actual majority control of 3 out of every 5 counties in the 38 States outside of the deep South. And you people here in Illinois know how even this sweeping tide of Republicanism was augmented in your own local and judicial elections during 1939.

But there is an obscure fact of even greater significance in the 1938 election returns—the fact that 43 Republican seats in the House were lost by a margin of less than 3 percent of the total vote, and that 22 other congressional districts were lost by a margin of 5 percent or less.

This means that if we had put in only a little more effort to increase the total Republican vote by 5 percent, we would have gained 65 more congressional seats 2 years ago.

Does anybody in touch with the thought of America today question that we will carry all these districts next November?

Since the 1938 elections we have had two more New Deal Budgets, and two more stupendous deficits. We have had more administrative bungling, more official temporizing with destructive communism, and with other groups who oppose the whole American scheme of life and government.

#### ENDED RUBBER-STAMP CONGRESS

America took new hope, and business registered a strong upward surge of confidence when the full sweep of the Republican landslide was realized in November 1938.

That election ended the New Deal's irresponsible scheme of rubber-stamp legislation. A vigorous and united opposition in Congress since has demanded that every piece of legislation be examined carefully. Since January 3, 1939, there has been no more "must" legislation from the White House.

And a new spirit of prudence was manifest almost immediately in the enactment of spending bills. We were not strong enough to eliminate all waste, extravagance, and reckless experiment; but we were strong enough to head off many new follies. And after the 1940 returns are in, we will be strong enough to command a dollar's worth of honest public service for every dollar of Federal expenditure.

We will be able to root out waste, favoritism, and disgraceful political racketeering in Federal spending.

We will be in a position to stop squandering on vast socialistic experimental schemes. As Lincoln said, "this Nation could not endure permanently half slave and half free," so do I say tonight, that this Nation cannot endure permanently with the Federal Government running half the business in competition with the other half.

These collectivist experiments have cost our people dearly during the last 7 years, and to pay for them the New Deal has mortgaged our whole national wealth and production for generations to come.

But the American people now are all through with failure and futility. They are determined to get back to work.

#### A CONSTRUCTIVE PROGRAM

However proud Republicans may feel over these strong and immediate checks upon the more reckless phases of new dealism during the 1939 session, there are still other accomplishments on the positive and constructive side of our party's ledger.

Early in the 1939 session of Congress, we set forth a 12-point program for solid American progress, and many of those 12 points already have been achieved.

We forced repeal of the destructive taxes on undistributed profits, and to that extent freed private enterprise from at least one set of demoralizing shackles.

We appointed a special committee of House Republicans to weigh our real needs in national defense; and that committee's report of last February is now the accepted standard of American popular judgment as regards defense needs. The report insisted that national-defense programs must be consistent with our traditional

policy of noninvolvement in the endless wars and bitter intrigues of Europe.

The first plank in our platform in Washington today is "Keep the United States out of war." We deny that our first line of defense is on the Rhine, or anywhere else in Europe. I repeat, on the contrary, that our first line of defense is at the farm gate and the factory door.

Our domestic problems must be solved; every energy of government must be directed to domestic economic recovery so our 9,000,000 unemployed can get real jobs in private industry at honest American wages. Unemployment in the cities and distress on the farms are the real dangers before us. Let us face them like red-blooded Americans.

#### POLITICAL RACKETEERING IN RELIEF

In cooperation with a group of sincere and patriotic Democrats, we were able to expose to the full view of the American people the shameful corruption and disgraceful political racketeering in the administration of Federal relief. We insist that the relief dollar must go to the needy, not half of it to political "pay rollers" and the precinct henchmen of greedy bosses and machines in the larger cities.

A decent standard of public assistance, faithfully administered and honestly supervised for the general welfare rather than for narrow partisan advantage, would not carry with it the daily threat of national insolvency and bankruptcy.

#### SUPPORTED HATCH BILL

Republicans in the House gave decisive support to the enactment of the Hatch bill last session. This law makes it illegal for Federal officeholders to take active part in any political campaign. It marks a long step away from the corrupt spoils system which has so widely degraded public administration in America since 1933.

We already have seen the Hatch Act made the object of New Deal sneers and jeers at the Jackson Day dinner in Washington several weeks ago. But I assure you we have not yet heard the last of this great moral force for clean, decent, and businesslike Federal administration.

#### PUMP PRIMING A FAILURE

We joined forces with the constructive Democrats to defeat the gigantic \$3,800,000,000 spend-lend program, which was only another gamble in Alice-in-Wonderland pump priming.

In the so-called Government reorganization bill we fought for, and we won, adherence to the time-tested constitutional principle of checks and balances in government. We eliminated many proposals for dangerous powers of dictatorship and one-man rule over the quasi-judicial agencies.

#### AN INSTANCE OF ROOSEVELT "ECONOMY"

Incidentally, I may point out that this New Deal reorganization scheme, which was offered to the country in the name of efficiency and economy, has not produced any economy.

Since the first reorganization order was issued by the President last April, the Federal pay roll has increased by more than \$100,000,000 per year.

#### RESISTED COMMUNISM

With our augmented forces, we have been able to turn back the persistent New Deal campaign of propaganda against the Dies committee. Twice we have rallied decisive Republican votes to continue this truly patriotic investigation of destructive un-American activities.

As a result of disclosures before the Dies committee, Congress already has strengthened our legal curbs against hateful alien communism and fascism. It has tightened up the compulsory deportation laws, and removed much discretionary authority in this field from the confused and coddling administration of the Labor Department.

When the 1940 elections are over Communist agitators and their fellow travelers will no longer be pampered pets in the Nation's Capital.

There is room in this land for only one "ism," and that is true-blue Americanism.

#### A CONSTRUCTIVE FARM PROGRAM

We have recently appointed a special committee of House Republicans to survey the failure of the New Deal farm programs, and to map a long-range course of agricultural reconstruction.

In this work our first principle is that farm programs can never succeed save when they are in harmony with the deep traditions of American independence and freedom.

Our second principle is that solid business recovery never can be achieved so long as American agriculture lingers on the brink of bankruptcy. We must give the farmer a larger part of the national income.

Our committee of inquiry is composed of members from every principal farm section, and Illinois is well represented on that committee.

Open hearings have been held in the various States. By this method we have asked the farmers themselves to participate directly in the vital work of program making; and in this effort we have received a most encouraging response and a wholehearted cooperation.

We believe that the American farmers in the field know better the problems of agriculture than the starry-eyed collectivists of the White House inner circle.

#### AGRICULTURAL IMPORTS

The American farmer has been the first victim of the New Deal's misguided internationalism. Meats, grains, dairy products, fruits, vegetables, and fats are all under great pressure from abroad—with every American farmer compelled to offer his products in his own home market in direct competition with the low living standards of Europe and Latin America, or with the rice-and-water peasants of the Orient.

During the first 10 months of 1939—the latest figures available—the United States imported 664,339 head of live cattle. Isn't that a fine record for the greatest meat-producing country in the world?

During the same 10 months we imported 136,552,000 pounds of dressed and canned meats.

This figure includes 78,000,000 pounds of canned beef, which, you will recall, President Roosevelt himself insisted was "infinitely better" than the home product.

He regarded it as so far superior that he insisted the Navy purchase the foreign beef for all the United States Fleet, and ordered the Navy to reject all offers of United States beef in competition with the "superior" foreign importation. You can guess how such policies in the White House help American agriculture.

But that is not all. During those same 10 months of 1939 we imported from other lands no less than 9,310,000 bushels of wheat and 17,000,000 pounds of wheat flour.

We also imported 2,612,000 bushels of oats, 48,000,000 pounds of potatoes, 47,000,000 pounds of canned tomatoes, and 197,000,000 pounds of unmanufactured wool.

Why, with huge surpluses and inadequate prices at home, should such mountains of competitive farm products be imported from abroad?

It would require a whole hour here merely to read the complete list of competitive farm imports last year. But these few items will indicate to what extent our rich American market has been given over to imported agricultural products.

Our farmers deserve better treatment from their Government at Washington, and I have seen many evidences during the last year that they are prepared to demand it at the polls next November. No real recovery can come to American agriculture until this crushing flood of cheap foreign imports is checked.

And here is another amazing story of interest to our farmers:

During the last 2 fiscal years the Federal Government spent \$30,000,000 for a list of some 20 different surplus farm products for free distribution, but during those same 2 years this country has imported these same 20 products to the value of \$92,298,000.

How long do you guess it will take at this rate to clean up our domestic surpluses? Every time we distribute a dollar's worth of these surplus commodities from the home market we import more than \$3 worth of the same items from some foreign land.

That is a typical example of the contradictory policies of the New Deal.

#### A CHALLENGE TO PATRIOTISM

Business recovery has been retarded all along the line by the failures and blunders of new dealism.

The people of the United States want to get back to work. They want honest bookkeeping, honest budgets, and honest Americanism once more.

They are convinced that this country can be put on the high road to real prosperity only by the constructive policies of the Republican Party.

Representative government cannot function properly so long as all decisions rest with the Chief Executive.

Nor can this mighty land, with its widely varied interests, be operated successfully by an army of bureaucrats manning a battery of mimeographs in Washington.

We must turn away from the ruinous philosophy of scarcity and recall to the national service the sound Republican doctrine of plenty. Only in this way may we assert anew our abiding faith in the fundamentals of our American life—in thrift and prudence in government; in the security and bounty of private enterprise; in the regular constitutional order of progress under law.

This is the great job of reconstruction before us. America cries out for vigorous, intelligent leadership toward common sense in government.

America wants to be American again.

Our people want real jobs at real American wages—not a perpetual dole.

We have the resources and the manpower necessary for a great and sustained prosperity. All we need is an administration in Washington in harmony with our deepest American ideals of freedom, security, progress, and peace.

These are the lights of our Republican faith today. Let us hold them high and men and women of all parties will rally to our standards.

So long as we hold Abraham Lincoln's boundless faith in the common people we may go forward in supreme confidence that in such a crusade of patriotism our legions cannot fail.

Forward to the victory for Americanism.



# Bonneville Project—Rapid Marketing of Power Due to New Rural and Industrial Development in Southwest Washington

## EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

STATEMENTS BY HON. MARTIN F. SMITH, OF WASHINGTON,  
BEFORE THE COMMITTEE ON APPROPRIATIONS

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statements made by me February 14, 1940, before the Committee on Appropriations:

STATEMENTS BY HON. MARTIN F. SMITH, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF WASHINGTON

Mr. SNYDER. Mr. SMITH, the committee will be very glad to hear such statement as you desire to make in reference to the projects in which you are interested.

Mr. SMITH of Washington. Mr. Chairman and gentlemen of the committee—War Department for civil functions—I am grateful for this opportunity to make a brief statement in behalf of the request for \$100,000 for the construction of two new turbines at the Bonneville Dam project. The project on the Washington side of the Columbia River is located in my district, and it is an enterprise in which I have had a very keen interest from its very inception.

When we initiated the project originally there was a doubt in the minds of some Members of Congress and citizens outside of Congress in regard to the marketing of the power which would be generated at the Bonneville Dam.

I am highly gratified, as I know you gentlemen are, at the very satisfactory progress that has been made in finding a market for that power which is being developed on the Columbia River. In fact, the success we are having has far exceeded our expectations.

Mr. SNYDER. How many units have been completed?

Mr. SMITH. We have two units completed and contracts have already been signed for the sale of that power. In addition we have contracts which would consume the entire output of two additional generators.

Mr. SNYDER. There will be four generators, all told?

Mr. SMITH. When those four are completed. Of course the project as a whole contemplates 10 generators.

Dr. Paul J. Raver, Administrator of the Bonneville Project, has already called attention to the fact, I believe, that if the construction of two additional turbines could be expedited 3 or 4 months it would result in revenues to the Government of \$500,000 which we will otherwise lose if the construction is not expedited.

In other words, by providing an additional \$100,000 to the Secretary of War, which he has asked for, to speed up construction, by the investing of \$100,000 sooner than was intended, we will make a saving of a large amount of revenue to the extent of \$500,000. I would consider that that would be a very wise investment to make and I hope you will give it very careful consideration.

Mr. SNYDER. That would be paying a dividend larger than the average bank pays?

Mr. SMITH. It certainly would. That is about all I want to stress at this hearing, Mr. Chairman, because I am scheduled to appear before the Interior Department subcommittee on appropriations, which has jurisdiction of the entire Bonneville project. I expect to make a rather extended statement there this afternoon in behalf of estimates for the construction of the additional transmission lines and the project as a whole.

Mr. SNYDER. Do you have any idea, when this project is completed, say, in 3 years, how many years it would be before it would be liquidated as a whole?

Mr. SMITH. It is going to be much sooner than the 40 years during which we expected to amortize the entire project.

Already we have applications on file totaling 614,000 kilowatt-hours. The ultimate capacity of Bonneville is 518,000 kilowatt-hours.

The contracts already entered into will yield a million-dollar revenue for the fiscal year 1940 and a revenue of \$2,200,000 for the fiscal year 1941. If we construct these two additional turbines, that will increase the amount to \$9,000,000 gross when we shall have completed the entire project, and it is expected that out of that there would be a net revenue of between three and four million dollars annually, which would make it economically one of the soundest projects in the entire country.

Mr. TERRY. The committee realizes the fine work you have done in behalf of this project, and we listen with great respect to what you have to say about it.

Mr. SMITH. I want to thank the distinguished gentleman from Arkansas, who has been very helpful in regard to this project.

This is a project in which I am deeply interested, because nearly all of the transmission lines will cover my district. In fact, the people of southwest Washington, whom I represent here in Congress, will be the direct beneficiaries of the Bonneville Dam project, and already every one of the nine counties in my district has formed public-utility districts under the State law and are applying for Bonneville power.

I can truthfully say that the people in my district are very public-power minded, and this will mean a great deal, especially to the residents of the rural districts, and also it is bound to result in a great industrial development. As you are aware, the plant of the Aluminum Corporation of America has entered into a contract at Bonneville for 20 years, yielding a revenue to the Government of \$10,000,000, and that plant is located 2 miles west of Vancouver, one of the principal cities in my district. The Sierra Iron Co. has signed a similar contract to yield approximately \$10,000,000, its plant to be located near the municipal terminal No. 2 at the edge of the city of Vancouver. These are going to furnish wonderful pay rolls for the people of southwest Washington.

I thank you very much, Mr. Chairman, for giving me the opportunity of presenting the matter to you this afternoon.

Mr. SMITH. Earlier this afternoon I appeared before the Subcommittee on Appropriations for the War Department for the civil establishment and urged that \$100,000 additional above the Budget estimate be provided to expedite the construction of units 3 and 4 at the Bonneville Dam project on the Columbia River in my district, which would result in increased revenues if that is done of \$500,000, as I pointed out to the committee, because the contracts have been applied for and entered into for the purchase of that power.

REQUESTS BY THE ADMINISTRATION OF THE BONNEVILLE PROJECT—  
INTERIOR DEPARTMENT

I now want to present to your committee facts in support of the Budget estimates and the sums which have been requested by the administrator of the project. Quite a number of years ago when the Bonneville project was first initiated I had the privilege of introducing the original bill which came before the Rivers and Harbors Committee, of which I am a member, and of which one of the members of this committee, the gentleman from California [Mr. CARTER], is a member, and was at that time. The fear was expressed by some members of the committee when we authorized the project that we might not be able to market the power. I am very gratified, as I know the members of this committee are, after the amounts of money that we have expended in constructing the dam and the progress we have made to date, that those fears have proven to be unfounded.

Those of us who believed that there would be a market for the power have had our judgment vindicated, because the applications to date at this early time, when we only have two generators completed, exceed the entire capacity output of the project after completion of the 10 generators. The present applications on file, we are informed by Dr. Raver, total 614,000 kilowatt-hours, while the ultimate capacity of Bonneville is only 518,000 kilowatt-hours.

The project is located on the Columbia River, on the Washington side, in my congressional district, and my district is going to benefit very materially from this project. Our people who have not been served by the private companies, particularly those residing in rural communities, are very eager and anxious to utilize the power from Bonneville.

Consequently, in the nine counties of my district, public-utility districts have been established, and in five of these counties we have Rural Electrification projects, in Grays Harbor, Cowlitz, Lewis, Skamania, and Mason Counties.

With more than 2,000 men employed on the project in six southwest Washington counties, more than 55 percent of the clearing for the Bonneville transmission lines right-of-ways has been done, Work Projects Administration officials have announced.

A new W. P. A. allocation of \$919,000 has been made to continue the project for another 6 months. Matching the W. P. A. allocation will be a Bonneville project allocation of \$271,000.

If the present working schedules can be maintained under employment quota restrictions, clearing of the Bonneville transmission lines right-of-ways will be completed this year, W. P. A. officials have predicted. The completed project will comprise a clearing totaling 7,200 acres over an area 242 miles long.

Heading the list of W. P. A. workmen now employed on the clearing project are 668 in Cowlitz County, followed by 465 in Lewis County, 209 in Pacific County, 204 in Skamania County, and 214 in Clark County.

The Bonneville power administration joined Pacific and Wahkiakum County public-utility districts this week in the purchase of the electric system of the West Coast Power Co. in the southwestern corner of the State. The acquisition will become effective March 1. In the interim, the purchase must be approved by the Federal Power Commission.

Acquisition of the \$565,000 utility property involves four steps: First. Purchase by Bonneville of approximately 80 miles of high-voltage transmission lines, more than a mile of submarine cable across the Columbia River, four substations right-of-way easements, franchises, and other property for slightly more than \$150,000.

Second. Purchase by Pacific County public-utility district, for \$300,000 of three West Coast's generating plants and its low-voltage power-distribution lines serving retail customers in and around Naselle Junction, Ilwaco, South Bend, and Long Beach in the southern portion of the county.

Third. Purchase by Wahkiakum County public-utility district, for \$120,000, of one generating plant and distribution lines serving the communities of Skamokawa, Cathlamet, Puget Island, and surrounding areas.

Fourth. Agreement by Bonneville to resell for \$33,750 a portion of the high-voltage lines purchased from West Coast to the Pacific public-utility district, the transaction to be contingent upon final approval of plans for construction of a heavier circuit along the same right-of-way.

Mr. LEAVY. In every one of those rural-electrification projects, that is absolutely a new market?

Mr. SMITH. An entirely new market, developed as a result of the Federal program.

Mr. LEAVY. Consumers that never had electricity before?

Mr. SMITH. That is true, Judge LEAVY.

Mr. LEAVY. So that it could not be a case that it was charged that it was taking away from private utilities that operated in that territory any customers?

Mr. SMITH. Not at all. It is not in any case a duplication, but an entirely new market that has been opened up and will be served by Bonneville.

Mr. LEAVY. And then you have a substantial municipal plant in your district, too, do you not, at Centralia?

Mr. SMITH. We have one at Centralia and now we have one at Aberdeen, two very large and substantial projects, and we are acquiring several smaller projects.

Mr. LEAVY. And is there not a real activity there now, particularly since the European war, in the pulp industry, and the pulp industry is a substantial power user?

Mr. SMITH. That is very true; and the pulp industry is in the most prosperous condition for many years, partially due to war conditions, as you say.

Mr. RICH. Is that because we are not eager to import pulpwood from Finland and Russia?

Mr. SMITH. That is one of the reasons.

Mr. RICH. Do you not think that since that has been a great help to you in Washington, to aid and assist in the pulpwood industry, and I have listened to men from the State of Washington say that you could grow pulpwood enough from the States of Washington and Oregon to supply this country with paper—

Mr. SMITH. I believe that the latter is probably true.

Mr. RICH. If that is the case, do you not believe that you should support a tariff on pulpwood, coming into this country, that would protect the industries of the States of Washington and Oregon?

Mr. SMITH. I would say to the gentleman from Pennsylvania that as he well knows, and as I know also, the fact is that we have had no tariff on pulp and paper for many years—a quarter of a century.

Mr. RICH. Do you not think we ought to put it on?

Mr. SMITH. It has been duty free, and I have introduced myself, a bill, an antidumping bill, to amend the Antidumping Act of 1921, and to restrict the importations into this country, and to tighten up and plug up the loopholes in the Antidumping Act of 1921.

Mr. RICH. Why do you not just say that we will put a tariff on so that our American producers can compete with all foreign competition, and then that in the same way, if they do bring anything in here, why we will get something to help defray these expenses that you want to build Bonneville, and other things that you are interested in?

Mr. SMITH. I would be very glad to consider that subject with the gentleman from Pennsylvania, and have it come before the House for consideration, but Bonneville is self-liquidating and will pay its own way.

Mr. LEAVY. Mr. Smith, are you generally familiar with the projects that the Bonneville administration has in line for the fiscal year 1941, and of course you know your district, you know your territory very well, as well as the south end of Oregon.

Mr. SMITH. I do.

Mr. LEAVY. And into Washington and eastern Oregon?

Mr. SMITH. I would be very glad to testify in regard to that.

Mr. LEAVY. And in your own judgment, with your years of experience out there, there is no doubt but what there is a real need for the construction of these transmission lines?

Mr. SMITH. There is a real present need, and which has existed for some time, for each and every one of these projects.

Mr. LEAVY. And the private lines in all of that territory that you have mentioned are not such continuous lines, of such capacity, as to be able to carry this load that would be generated at Bonneville?

Mr. SMITH. They are not. For instance, there is the line that goes from Chehalis, in Lewis County in my district, to Puget Sound, which accounts for \$2,100,000 of the estimate by the Bureau of the Budget, and that would connect up with the Bremerton Navy Yard, as a part of our national-defense program.

There is an item of \$1,700,000 for substation addition at Vancouver and Bonneville on account of the added industrial load.

I might say, incidentally, that the new plants of the Aluminum Corporation of America and the Sierra Iron Co., each of which will yield revenue to the Government of \$10,000,000 over the 20-year terms of the contracts, are located at Vancouver, in my congressional district.

Mr. LEAVY. These are entirely new industries?

Mr. SMITH. Entirely new industries, which will furnish two of the largest industrial pay rolls in southwest Washington.

Then we have the line from Chehalis to Raymond, within my district, \$350,000; and a substation extension, \$1,320,000, of which \$600,000 is to defray the cost of building the substation to serve the Aluminum Corporation of America. We have subtransmission

low-voltage lines to serve cooperatives, of which, as I say, we have five in my district—R. E. A. projects—a total of \$2,000,000, of which \$1,000,000 is to be expended within my district.

Then we have the line running from Pasco to Colfax, an item of \$2,652,000, which is not in my district but is in Congressman HILL's district. I note the presence of Congressman HILL, so will not go into that except to say that you have in that district the same conditions prevailing that you have within my district so far as the outlying communities, the rural communities, are concerned.

Mr. LEAVY. I happen to be familiar with it in general, with the large extensions in rural electrification there.

Mr. SMITH. The installed hydro capacity, just as in western Washington, is far below that of the rest of the State, and, in fact, it is only about one-quarter of the remainder of the State. You have that much greater capacity already installed in other parts of the State to serve the rural communities, and, of course, the saving will be substantial to those farmers. They will be able to buy wholesale from Bonneville for 5 mills per kilowatt-hour, and the payment to the private companies now is 1.4 cents—nearly three times. It has been estimated that that would mean a saving on about 100 kilowatt-hours used per month, \$1 per month, \$12 a year, and, if they cook with electricity, \$24 per year, which I contend the wife of the farmer is just as much entitled to enjoy as the wife of your urban resident; and that will result, probably, in a saving of \$24 per year.

Mr. LEAVY. And again here it is a matter of not taking away existing customers, but caring for the needs of new customers.

Mr. SMITH. That is very true, as these rural-electrification projects are to serve new users, who have been neglected by and not served in the past by the private companies. Now, Mr. Chairman and members of the committee, I want to urge very strongly that there be no reduction in the Budget estimates, and that the committee seriously consider providing the additional sum which was requested by Dr. Raver, the Administrator.

Mr. JOHNSON of Oklahoma. How much was that?

Mr. SMITH. I think the entire sum is approximately \$9,000,000.

Mr. LEAVY. He submitted Budget estimates of \$9,000,000.

Mr. SMITH. The more we can expedite and speed up the completion of this project, and the building of these transmission lines, the sooner the Government is going to get its money back. It is all coming back into the Treasury, because it is absolutely self-liquidating, and this is one project for which we have to make no apology. This is a sound, economically feasible business proposition, and nobody can find any flaws in it.

Mr. JOHNSON of Oklahoma. I realize that that is true, but every witness who has come before this committee today and in the past has asked for additional appropriation above the Bureau of the Budget estimate. If this committee should grant all of the requests made by Members of Congress we would be probably twenty-five to fifty million dollars above the Bureau of the Budget estimate in this bill, and we cannot do it. The fact is that the Appropriations Committee has passed a resolution that every subcommittee must bring their bill in within the Budget.

Now, if you can make any suggestions where we can make cuts in some places and help with this project, I would be glad to hear that suggestion.

Mr. SMITH. That is very difficult to do, I will say to the distinguished gentleman from Oklahoma, whose sympathy we appreciate very much, and the assistance you have rendered in the past to our entire western region, but we do say that there is a distinction because in this case the money which we invest comes back to us with interest, and comes back into the United States Treasury with interest, and therefore I think that it is different from some of the other projects where Members are asking for increases where there is no immediate or remote return to the Treasury of the United States Government.

Mr. JOHNSON of Oklahoma. I see your point, and I am very sympathetic with your project, and also all reclamation projects in the West, and I did not know what water meant to the West until I visited many of those reclamation projects. It is the lifeblood of the West.

Mr. SMITH. Out in the West our people all appreciate the value of the assistance which has been rendered by the gentleman from Oklahoma. Thank you, gentlemen, for your courtesy.

## Water Pollution

### EXTENSION OF REMARKS

OF

HON. DOW W. HARTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

Mr. HARTER of Ohio. Mr. Speaker, all of us realize that there is a crying need for legislation upon the subject of water pollution. Moreover, from the discussion that has occurred yesterday and today and through long consideration of a proper bill in the committees, both in the House and in the Senate, we know that it is a highly controversial matter.



Nearly all legislation is the result of compromise, and while this bill does not go as far as I would like to see it, if the proposed Mundt amendment is accepted, I shall support the bill.

All of us know that many of the natural resources of this country were defiled and wasted in the generations that are passed. Most of us are eager to right those wrongs as far as we can. Doubtless it is too much to expect that we could at one fell swoop eliminate all industrial and municipal waste and sources of pollution in this country, but at least we can, as the Mundt amendment proposes, prevent new sources of pollution being created, whether by industry or political subdivisions of government.

I repeat that while this bill is not the legislation that many of us would like to see enacted, it is a great step in the right direction.

### Have We Gone Forward or Backward?

#### EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY ROBERT C. BASSETT

Mr. JOHNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Mr. Robert C. Bassett delivered at La Crosse, Wis., on February 19, 1940, entitled "Have We Gone Forward or Backward?"

About 5 years ago the United States Supreme Court discarded its dignity, buried its Blackstone, sold out to Wall Street, thumbed its nose at the White House high command, ignored our dictator's daily instructions which it found on its desk that morning—and declared the N. R. A. unconstitutional. Immediately the great White Father, minus his customary fireside composure but speaking still as the Nation's oracle, issued the horrible pronouncement which we use to this day when we seek to frighten our grandchildren—that this Nation had gone back to the "horse and buggy" days! And the famous Presidential grin faded before the thought of this hideous fate.

Today, just 1 week after our celebration of the one hundred and thirty-first birthday of our first Republican President, and our last great war President—it is fitting that we meditate upon the terrors of this fate from which we are being saved—fitting that we discover what manner of men were these who put the horse before the buggy instead of the cart before the horse, a seemingly lost art.

Today, as we face the great decision of 1940, it is fitting that we contrast the new motorized deal with the ideals and administration of that great "horse and buggy" President, Abraham Lincoln!

First and foremost, you must choose between the personal dictatorship of our Hyde Park fuehrer and Lincoln's devotion to the American constitution. You must choose between Roosevelt's mandate to Congress to pass laws regardless of their constitutionality and Lincoln's government of the people, by the people, and for the people. Choose between the inverted pyramid of centralization and bureaucracy and the "horse and buggy" theory of States' rights and unity. Contrast the New Deal's pastime of taking the Government apart to see what makes the wheels go round, contrast the New Deal's brand of state socialism and the New Deal's spreading wings which foster the grip of communism upon the imagination of our American youth, with Lincoln's fundamental philosophy that that government governs best which governs least. Contrast the muck and mire of the sale of public jobs and the prostitution of the unfortunate W. P. A. worker and the political army of over 1,000,000 job hunters built by these modern mechanized Messiahs against the original honesty of civil service as established by "horse and buggy" Republicans of Lincoln's character. It is a long step from the life tenure given to United States district judges by Republicans under Lincoln's successor, President Grant; a long step from the independence and freedom and dignity of the United States Supreme Court to the more modern method of packing the Supreme Court bench, either by congressional authority or by personal choice; a long step to this newest rape of justice, to this newest attempt to hire a wet nurse for the pet projects of the White House; a long step to this devastating and deplorable attempt to place nine Charlie McCarthys upon the bench of the most important judicial tribunal in the annals of modern history. Such is the stuff of which dictators are made.

Do you want state socialism or do you want the American constitutional right to own and hold property? Do you respect the "brain trust" theory of restricting output or the freedom and right

to work and to earn? Do you prefer scarcity or do you prefer plenty? Do you choose the permanent depression of this new era of regulation or the prosperity of the "horse and buggy" era of free enterprise? Do you want the blessings of the Federal whip hand of T. V. A., A. A. A., and N. R. A., or do you want the privately owned grocery and sawmill and buggy factory of Lincoln's day. Is it possible that the farmer would choose Roosevelt's reciprocal-trade agreements, inviting farm imports, selling both the manufacturer and the dairy farmer "down the river," in place of the steady advancement of the American farm and factory under the protection of the Republican tariff? Do you prefer the modern villified businessman, the modern government which wants to rule, or, if it cannot rule, to ruin; do you prefer the New Deal philosophy of working less, manufacturing less, planting and harvesting less, or do you prefer that free enterprise which for 150 years has given to America the highest standard of living known to any nation on earth? In contrast to Lincoln's two big feet, which have always been planted solidly on the ground, I ask you to dream a while over the modern mentality of our New Deal masters, who first gave the farmer seed to plant, then paid him for planting it, then paid him for plowing up what he planted, then paid him for killing little pigs that were to eat what he had been planting if it hadn't been plowed up, then permitted prices to go to a bottomless pit, then enacted reciprocal-trade treaties so that farm imports could put 40,000,000 acres of American farm land out of production, and then, finally, in a great culminating stroke spent millions of dollars to irrigate the western prairies so that more farm land could be put into cultivation? No one in the "horse and buggy" days could have been that crazy.

Today we have learned the motorized madness of mass and class hatred in place of Lincoln's homely philosophy that a house divided against itself cannot stand. We have learned the struggle of capital and labor; we have learned of strikes, of bloodshed, fostered, increased, promoted for votes by our New Deal friends, unfair to honest labor and unfair to employer alike, in place of industrial peace and quiet. We have learned of such great statesmen as Secretary Ickes and his venomous hatred of the Nation's 40 first families, and the trail of blind poison which he has left all over the Nation, in place of Lincoln's love for his fellow man and for a union of government. We are now taught a new theory of bleeding the employer to his financial death, of hatred by the employee for his employer and his fellow employees, in place of the "horse and buggy" theory of saving a little and putting it aside for a rainy day. Today we are offered the hymns of hate of a Russian or a German in which the Bible has itself become horse and buggy in place of the second commandment and the brotherly love of Christ. From Lincoln we have heard:

"Let us have faith that right makes might. And in that faith let us to the end dare to do our duty as we understand it."

From the modern leader in Washington we have learned the meaning of that mob robbery known as the sit-down strike, and the unfortunate weakness of Mme. Fannie Perkins for that irresistible Communist Harry Bridges; we have learned that we cannot have confidence and faith in our Government; no longer wish to do our duty as we see it.

But we cannot stop here. We must take time out to laugh at the old-fashioned accounting system of a balanced Budget, in place of which we are offered waste, "boondoggling," debt, and taxation. How quaint was Lincoln's idea that he must pay for the war as he went along when we contrast it with Roosevelt's system of Houdini finance—of "putting it on the cuff." How quaint to think of Lincoln in the same class with that great boondoggler who has spent more than all his "horse and buggy" predecessors put together, that great man who laughs at the fact that it took 27 Presidents 130 years to spend what he has spent in 8. Against the "horse and buggy" Clayton-Bulwer Treaty on the Panama Canal we have the Passamaquoddy and the Florida ship canal, where \$9,000,000 is to be spent only to prove to the engineering experts in the White House that the water is going to run backward after the canal is built. Where is our sense of humor? Why don't we laugh at the sad mouth and the furrowed brow of the Civil War President, laugh at his concern and thought over the welfare of his own people, when all we have to do is forget the past and watch our own new dealers working night and day to solve the problems of Europe and Asia, with nothing at all to do in our own country? Confucius say: "The eyes of the fool are on the ends of the earth."

But rejoice, for those eyes have given us today a permanent emergency. In place of the split-log cabins of Lincoln's forests, we now look at \$10,000 of nice dog houses down in Mississippi built by W. P. A. money, with an individual shower bath in each house for each dog. Lincoln walked miles to return a penny to a storekeeper; Roosevelt is now spending nearly \$10,000,000,000 a year, each year enough to meet all needs of Government for 87 years of our past "horse and buggy" history, to cover the cost of national expansion, cost of the War of 1812, the Indian wars, the Mexican War, and the Civil War. Roosevelt is spending \$1,500 a minute, a figure which, I must admit, is an error today, in view of the fact that he has just announced a tremendous saving in one of his departments which reduces the \$1,500 to \$1,499.92 per minute. Today we are building \$300,000 bear houses in Pittsburgh, so that the bears can enjoy the more abundant life, while men and women and children are ill-clad, ill-fed, ill-housed. We are building \$10,000 lily ponds in California with W. P. A. money, so that the frogs can jump from lily to lily, and back to lily again.

In New York, Illinois, Connecticut, Massachusetts, Rhode Island, New Jersey, and Delaware we have employed 10,788 men in

December of 1936 on mosquito-control projects under ice and snow—like looking for the little man upon the stair, who after all, just wasn't there. Lincoln split rails and built houses so that the frontier could keep moving; Roosevelt thinks it is a great job to play at work today, to rake leaves across the street and the sidewalk and then rake them back again, so that the leaves can keep moving. To think that the first "horse and buggy" Jackson Day dinner was held to celebrate the extinction of the national debt, while the last modernized Jackson Day dinner (at which a few Republicans were mouthed over for dessert), celebrated the reaching of the legal maximum of a \$45,000,000,000 debt, and prepared to ask for five billion more.

And while the poor man of Lincoln's day saved his pennies, the poor man of today pays taxes to the Government; taxes for the medicine given to his pregnant wife; to a sales tax on the coffin of a beloved one; taxes before birth and after death; taxes which take one-quarter of every man's earnings, every year, and give them to the Government to squander; taxes for rich and poor to pay 25 cents of every dollar for rent; hidden taxes, 53 of them in a loaf of bread; 63 of them in an overcoat; 148 hidden in every pair of overalls. Under Lincoln you worked 6 days a week for yourself and gave the Sabbath to God; under the New Deal, you work 2 days for Roosevelt, 3½ days for yourself, and you give the Sabbath to Charlie McCarthy and Jack Benny; confidentially, however, they tell me Roosevelt is considering an order cutting Benny and McCarthy off the air; there seems to be some dispute as to who should take God's place on Sunday. We raise our hands in horror because Spain forces every able-bodied man to work 15 days a year for the government on government projects, yet today Roosevelt's system of taxes forces every able-bodied man to work 75 days to produce enough earnings to pay his annual tax bill to the Government. We must not forget candidate Roosevelt's oft-quoted statement of October 19, 1932, at Pittsburgh, when he said:

"Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain."

We cannot forget it, because the man who made it has forgotten it. We cannot forget it, because the farmer and the small-business man and the laboring man must realize that if the Government confiscated every man's income over \$5,000 for the first 7 years of Roosevelt's administration, the total amount would pay only 44 percent of his 7 years' expenditures. We can't forget it, because we realize that the New Deal and its extravagance, its waste, its "boondoggling," is sucking the livelihood of every American man and woman, poor and rich, unto the next and to the next and to the next generation. Lincoln left the children of his generation a united Nation; we are leaving the children of our generation an unpaid mortgage.

We cannot stop here. We cannot forget that Lincoln gave us a government to live under; the New Deal has given us a government to live on. Jobs and homes were part of the "horse and buggy" era; unemployment and relief are part of today. Horse sense gave us employment, the New Deal has given us mass pauperism, the tragedy of unemployment, the destruction of the individual self-respect of these vast multitudes of men and women who are forced to play at working. We are told that we must be ashamed to remember the "horse and buggy" struggle of the pioneer in the fields and the forests; but aren't we more ashamed to remember that in 1933 Roosevelt took office with 12,000,000 unemployed, and in 1939, after spending \$45,000,000,000 to put these men back to work, he wound up with 15,000,000 unemployed, and millions more on relief than in 1933? It certainly cost a lot of money to put 3,000,000 men out of work. Lincoln prayed to the Almighty; Roosevelt planned it that way, although, for some unaccountable reason, we don't hear so much any more about planning it that way. And to complete the job of creating tragedy, Roosevelt has gone further afield from the sound Republican "horse and buggy" system of pensions and bonuses to the aged and veterans and established that great farce of an insolvent social security, which only robs the old and the unemployed and fills a "boodle barrel," into which the Government can dip for frequent overdrafts. Today the future of this Nation lies in hands which can continue to rule only so long as they can keep the hearts of America's unfortunate men and women heavy with the fear of starvation, with the fear of the present and the future, with jealousies and rivalries suckled from the breasts of untruth.

And then I give to you to accept or reject the "horse and buggy" doctrine that America should enter no entangling alliances with foreign lands, against the bursting pride of our Roosevelt who declared that the eastern frontier of this Nation lies on the western boundary of France, against his shame-faced underhanded selling of arms and war secrets to allied nations, against his desire for the plumes and pride and prancing that become the possessions of a war dictator.

Do we choose suppression, or do we choose free speech? Do we choose persecution or a free press? Do we choose the life of a man devoted to the shackling of free business enterprise, devoted to whipping at the post the American man and woman who has had the courage and independence to stand on his own two feet, rather than to feed at the public trough for livelihood and sustenance, or do we choose the life of a man devoted to the freeing of the slave? Do we choose restrictions and personal hatred or the right of assemblage guaranteed to us by the Constitution? Do we choose tyranny, or do we choose merciless publicity which has always kept us free?

I offer you contrast, patience against purge, tolerance against tyranny, charity against venom, gentleness against hate, old-fashioned virtues against motorized madness. I offer you Lincoln's great thought, "Malice toward none," against the vote-getting New Deal machine which has pitted father against son, neighbor against neighbor, worker against employer. Shall we forget that the Republicans gave the seventeenth amendment to the Nation and the senatorial vote to the people, and remember only the leadership of the great white father who conducted his unsuccessful senatorial purge throughout the elections of 1939? My friends, we have come a long way from the "horse and buggy" days of reconstruction and forgiveness and of extending the hand of friendship to friend and foe alike.

Lincoln stands before us, guided by the right; Roosevelt stands before us guided by his daydreaming imagination of a personal mandate from the people. In the one hand, humility; in the other, colossal conceit. We look, on the one hand, upon the philosophy that you can only fool some of the people some of the time, to the new fireside policy of fiddle, fiddle, and fool 'em forever. In Lincoln we had confidence; with Roosevelt we started with faith, slid down to hope, and now are being run on charity. In Lincoln we remember that sober, worried face, with the suffering of humanity weighting him down, never a smile; our motorized President we remember with a grin, a flip of his chin, the devil may care, believing that he alone is qualified for leadership in this Nation. Lincoln has become part of America; of the other, who has tried to make America part of him, we are inclined to recall the words of Sir Walter Scott:

"Breathes there the man, with soul so dead,  
Who never to himself hath said,  
This is my own, my native land?  
Whose heart hath ne'er within him burned,  
As home his footsteps he hath turned  
From wandering on a foreign strand?  
If such there breathe, go, mark him well;  
For him no minstrel raptures swell:  
High though his titles, proud his name,  
Boundless his wealth as wish can claim,—  
Despite those titles, power, and pelf,  
The wretch, concentred all in self,  
Living, shall forfeit fair renown,  
And, doubly dying, shall go down  
To the vile dust from whence he sprang,  
Unwept, unhonored, and unsung."

And so, rather than revile, let us thank our motorized "gas and oil" President and his thought—that there had been a "horse and buggy" era when things were done differently—a great and valuable lesson to modern Americans, and one which has been learned in a way which we have every reason to believe the President did not intend. Let us thank Roosevelt for the few fine deeds he has accomplished—all by "horse and buggy" methods.

Modern America, under the Republican Party, is learning its lesson as did the Kansas wit who gave us this parody on the Gettysburg Address:

"Six years and 7 months ago F. D. R. brought forth on this continent the New Deal, conceived by the brain trust, and dedicated to the principles of communism.

"Now we are engulfed by a huge public debt and are taxed and regimented more than this Nation or any nation so deceived and so desecrated should long endure. We are opposed by parasites who would continue this raw deal.

"We have paused to contemplate the remains of our once sound prosperity and to give our best efforts that the spark of liberty might live. It is altogether fitting and proper that we should do this.

"But in our natural lives we cannot expatiate, we cannot liquidate, we will not repudiate this debt. Our children, infants, and yet unborn will struggle here far beyond our time attempting to win back their heritage we neglected to defend.

"The world will little note or long remember what we say here, but our future and theirs depends on what we do here.

"It is rather for us, as citizens, to end this undeclared war upon our free institutions which these termites are now waging. We must dedicate ourselves to the great task before us, the task of relieving so far as possible the debt burden being placed upon our children by the New Deal gang, and see to it that this gang shall not hold office again, that this Nation in 1940 shall have a new birth of freedom and that government of the people, by the people, and for the people shall not perish from the earth."

We have the courage to take America into our hands. We have the courage to travel back from the depression into sanity and solvency. We have the intestinal fortitude to want to balance the Budget and then to go out and balance it. We have the ability to take the Government out of business. We can give back to the farmer his natural market. We can restore industrial peace and decent collective bargaining by showing capital and labor that they need each other. We have the courage to grant reasonable relief to those who are still victimized by the depression and yet the courage to insist that those who are sound in mind and body care for themselves. We believe that the Constitution of the United States has not been outgrown. We have the men who are unselfish enough to keep us out of European and Asiatic wars. We have enough sense of humor to make America laugh and kick the New Deal jackass out of the country. We can again restore the American people's faith in government based upon soundness



and not intrigue and logrolling. We will take over this job of repeal, of hands off, of letting America follow her own natural free choice.

If we can, and if we have the courage, then we are offering to America a program for 1940.

We must maintain the Constitution, the balance of power, financial sanity, personal liberties, the job of this Republic for which great lives have been sacrificed, both on and off the battlefield. We must not permit them to condemn young America to the salt mines of Communist Siberia, or to an abject subservience to the lashing whip of some tyrant's tax collectors.

Where is the red blood of young America which flowed too freely in 1776 to give us freedom and the Constitution—which poured upon the battlefield of 1865 to preserve freedom—and which drenched foreign soil in 1898 and 1917 to make democracy safe for posterity? That blood is coursing in your veins and mine, calling upon us to fight, put there by Lincoln at Gettysburg, when he said:

"The world will little note nor long remember what we say here; but it can never forget what we did here. It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us; that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, and for the people, shall not perish from the earth."

### Reciprocity Vote

#### EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

EDITORIAL FROM THE MINNEAPOLIS TIMES-TRIBUNE

Mr. KNUTSON. Mr. Speaker, under leave to extend my remarks, I present an editorial entitled "Reciprocity Vote," which recently appeared in the Minneapolis Times-Tribune, which speaks for itself:

[From the Minneapolis Times-Tribune of February 26, 1940]

#### RECIPROCITY VOTE

The resolution extending the reciprocal-trade policy for 3 years passed the House and now is before the Senate. The House vote, 216 to 168, was much closer than the party line, and a number of Democrats from the farm States voted "no." The States of Minnesota, Wisconsin, North and South Dakota, and Montana cast 1 vote for the resolution and 23 against it, including 1 pair. That vote is fairly indicative of sentiment in the Northwest. These are farming States. The trade pacts too often have traded off the farmer, and continuation of the policy threatens him with still more serious injury. The interests of the cities are tied up closely with those of the farm.

The House vote for the 5 States mentioned included 18 Republicans, 2 Democrats, 2 Progressives, and 1 Farmer-Laborite. The lone vote for the trade pacts was cast by a Republican, Mr. ALEXANDER, of Minneapolis.

Votes against the resolution should not be interpreted as disapproval of reciprocity in principle. They were cast after the House had rejected safeguarding amendments. The present law, which is to be extended, gives absolute power to the State Department to change any of our import duties by bargains with foreign powers. Congress has yielded its constitutional power over treaties and tariffs.

When the flexible tariff law was passed in 1930, Secretary Hull, then in Congress, said it was undoubtedly unconstitutional, and quoted the phrase that it was "too much power for a bad man to have, or for a good man to want." Yet that law put limits on the President's power to raise or lower duties. It made a yardstick rule. Congress to that extent retained control.

As the resolution goes before the Senate, one of the gantlets it will run is an amendment to provide a yardstick, thus denying power to the State Department to reduce duties on competitive farm products. The need for that already has been seen. One illustration offered by Mr. KNUTSON, of Minnesota, was that of starch. Since the pact with the Netherlands in 1935, 500,000,000 pounds of starches from the Dutch West Indies have been brought in, each 34 pounds of it displacing a bushel of corn that otherwise would be used by our own starch factories. Another amendment is aimed at the most-favored-nation feature. In the pacts so far concluded, each concession we make to one nation is automatically extended to all other nations with which we have that type of trade treaties. The amendment would make each pact bilateral, a bargain between the United States and one other power,

not a world-wide concession. A third amendment to be offered would subject each pact to ratification by the Senate. That is a constitutional right of the Senate when treaties are made, and the pacts are in fact treaties, no matter what they are called.

The Senate is more heavily Democratic than the House, but some of the western Democrats there will stand on the side of the farmer, as in the House. There is a chance that some of the qualifying amendments asked for by the farm organizations will be adopted. The farm States have a right to expect their Senators to stand and fight for them.

### Wheeler-Lea Transportation Bill

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

LETTER FROM THE MINNEAPOLIS JUNIOR ASSOCIATION OF COMMERCE AND RESOLUTION OF THE CITY COUNCIL OF MINNEAPOLIS

Mr. ALEXANDER. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include therein a letter which I have received from the Minneapolis Junior Association of Commerce regarding the report of the conferees on the Wheeler-Lea bill, and also a resolution from the city of Minneapolis opposing the Wheeler-Lea bill, and asking 30 days' time in which to consider the conference report when it is brought up:

MINNEAPOLIS JUNIOR ASSOCIATION OF COMMERCE,  
Minneapolis, Minn., February 27, 1940.

Congressman JOHN G. ALEXANDER,  
House Office Building, Washington, D. C.

DEAR JOHN: I am advised that the conferees on the Wheeler-Lea bill will submit their revised transportation bill to both Houses within the next few days. It has also been brought to our attention that an attempt will be made to pass this amended bill within 24 hours after it is brought out of the committee.

I am writing to reaffirm the position of our organization in relation to this bill; first, that we are opposed to any measure that will tend to raise transportation rates in this section of the country; second, we are opposed to any measure that will curtail the advantages of waterway transportation; third, since we believe this matter of transportation cost to be one of public interest, we would request that at least 30 days be given to study the conferees' report so that the full effect of the proposed legislation can be studied and analyzed. There is no reasonable excuse for trying to rush through legislation of this type that is so apt to affect a basic economic principle to the detriment of the Middle West.

Extending you my best personal regards, I am,

Very truly yours,

TOM W. VON KUSTER, *President.*

CITY OF MINNEAPOLIS,  
OFFICE OF CITY CLERK,  
February 27, 1940.

HON. JOHN G. ALEXANDER,  
House of Representatives, Washington, D. C.

DEAR SIR: Attached you will find copy of action of the City Council of the city of Minneapolis, Minn., at a meeting held February 23, 1940, protesting passage of the so-called Wheeler-Lea bill.

Very truly yours,

CHAS. C. SWANSON, *City Clerk.*

(Resolution protesting passage of the so-called Wheeler-Lea bill)

Resolved by the City Council of the city of Minneapolis, That whereas the proposed so-called Wheeler-Lea bill contains many controversial provisions, we consider it unwise to pass it without giving the public and legislators an opportunity to thoroughly study it;

That whereas this bill in effect would increase freight rates to shippers and consumers, and would be of questionable aid to those transportation agencies which it seeks to aid;

That whereas the bill was introduced as and is generally known as a "railway-aid measure";

That whereas there is no public demand for this legislation; in fact, there is widespread public opposition to it, as evidenced by scores of resolutions passed by agricultural, business, and other organizations since the legislation was first proposed;

That whereas this legislation, if enacted, it is claimed, would eventually put more than 200,000 railway employees out of work;

That whereas to approach this type of legislation by way of codification at this time is a job that cannot adequately be handled without study and consideration—it is too big a job to be disposed of quickly;

That whereas the proposed legislation, in its present form, presents an extremely difficult problem in that it presents a situation in which a Senate bill is superseded by a brand new bill passed by the House which strikes out everything in the Senate bill but the enacting clause, in view of the wide divergencies that exist as a result of this procedure, it is recommended that no action be taken by Congress at this time but that sufficient time be given to the proposed legislation to assure that there will be no misunderstanding of its effect and that it is designed to accomplish the results sought;

That the city council hereby petitions its Senators and Representatives to delay consideration of the Wheeler-Lea bill, S. 2009, sufficiently to give the people of Minneapolis opportunity to appear before them to present their case.

## Regulation of the Bituminous Coal Industry

### EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

EDITORIAL FROM THE PHILADELPHIA INQUIRER OF FEBRUARY 28, 1940

Mr. JOHNSON of Illinois. Mr. Speaker, on February 23, 1940, on leave to extend my remarks in the RECORD, I commented upon the protestations via a petition of over 5,000 consumers of coal in the Rock Island-Moline-Davenport area against the application of the Bituminous Coal Division of the Department of the Interior.

Also was included an editorial from the Moline Dispatch which vigorously opposes this new governmental regulation. It appears that western Illinois is not the only section that is voicing the protests over this new imposition upon the people.

I therefore submit an editorial from the Philadelphia Inquirer of February 28, 1940. This editorial certainly speaks volumes in itself:

[From the Philadelphia Inquirer of February 28, 1940]  
GUFFEY COAL ACT MAKES ICKES CZAR

As Secretary Ickes prepares to exercise his enormous powers as czar of the soft-coal industry under the Guffey Act, supporters of the movement to repeal that dangerous law are redoubling their efforts.

Much more than the fate of this single great industry, so important to Pennsylvania, is involved. The autocratic control of coal authorized by the Guffey Act points straight to eventual Government ownership and operation of that industry.

Should this unfortunately take place, other huge natural resources would face, first, similar regimentation of their operations and then the threat of being taken over by the Government. Tendencies in that direction are only too easily developed.

As Representative ALLEN of Pennsylvania puts it: "If coal surrenders, the path is cleared for encroachments in other fields. In the fight now being waged against the Guffey Coal Act, the time-tested American system of free business enterprise is at stake. One has only to read the speeches of Mr. Ickes to verify the truth of this statement."

The fact is, of course, that administration of this oppressive law could not possibly have been placed in worse hands.

In Mr. Ickes' first public statement after becoming head of the Bituminous Coal Division, mine owners perceived indications of a coming further extension of bureaucracy, with an ironclad control of production, under which buyers would lose their freedom to select the types of coal most suitable for their uses.

The Guffey Act directs the Government to eliminate unfair trade practices, prevent wasteful competition, and virtually to insure a profit to the soft-coal industry by fixing prices.

The first two objects are wholly proper and within governmental powers. But Government price-fixing has never worked yet. Wherever attempted it has invited a long train of evils. Agriculture provides one of the sad object lessons.

When it is considered that hundreds of thousands of different price schedules have already been filed, the magnitude of such a task is realized.

Secretary Ickes is empowered to establish prices in 187 different marketing districts, taking into account the varying freight rates and the costs of the different kinds of transportation, by the railroads, motor trucks, and waterways.

The Interstate Commerce Commission is supposed to have exclusive jurisdiction over freight rates and the imposing of differentials as between one section of the country and another.

But, as Arnold Gerstell points out in the current issue of the Black Diamond, Mr. Ickes, under cover of his blanket powers conferred by the Guffey Act, can exercise the authority to manipulate transportation charges; indirectly, it is true, but just as effectively and as oppressively, if he sees fit, as if he were the actual dictator of freight rates.

If coal from a certain producing district is moving to market on a low freight rate, there is nothing to hinder Czar Ickes from jacking up the price at the mine. Or he can arbitrarily lower the mine price on coal which reaches its market district bearing heavier freight charges than apply elsewhere.

This, well observes Mr. Gerstell, is "coordination" under the Guffey Act. "In short, rob Peter to pay Paul, and confer always on the consumer the honor of holding the bag."

When the I. C. C. some years ago attempted to enforce prosperity for one section of the country and adversity for another by imposing what amounted to a tariff on intersectional coal freight traffic, it was brought into court.

Southern railroads obtained an injunction against a 20-cent reduction that had been given to coal producers in the Pittsburgh district.

Later the southern parties at interest accepted a compromise, so the main issue was never decided by the Supreme Court. But now, as Mr. Gerstell remarks, "comes Mr. Ickes, of the Department of the Interior, down the same alley, panoplied under the Guffey Act with the power to manipulate coal freight rates; in other words, to lay a tariff, isolated in such manner as he may list, on 187 sub-regal sections into which he has chopped up what we fondly imagine to be the United States of America."

Here is the nub of the whole matter: Hitherto Congress has been particularly careful to safeguard the rights of each freight shipper as best it could. But "coordination" of coal prices, under the provisions of the Guffey Act, will inevitably have the effect of wiping out all the I. C. C. elaborate differential relationships that now apply to the shipment of soft coal.

The Guffey Act should be junked and serious consideration be given to the bill introduced by Representative ALLEN to restore initiation of prices to the mine owners, but with adequate safeguards of the public interest. The Guffey Act is unfair to all concerned, besides embodying a vicious principle.

It should be replaced by a law that would give the soft-coal industry a chance to work out its own salvation, without official compulsion and bungling interference but with due regard for the consumers' welfare.

## Des Moines River a "Dead Sea"—Fish Dying

### EXTENSION OF REMARKS

OF

HON. KARL M. LECOMPTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ARTICLE FROM THE DES MOINES (IOWA) REGISTER OF FEBRUARY 28, 1940

Mr. LECOMPTE. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following article from the Des Moines Register of February 28, 1940, entitled "Des Moines River a 'Dead Sea'—Fish Dying":

[From the Des Moines (Iowa) Register of February 28, 1940]

#### DES MOINES RIVER A "DEAD SEA"—FISH DYING

The Des Moines River from Des Moines to Keokuk, Iowa, has become an elongated "dead sea," and the only hope that any fish have survived lies in the possibility that some may have retreated from polluted river areas into small tributaries.

A. H. Wieters, Iowa State sanitary engineer, Tuesday said that recent tests made along the river revealed the areas tested did not contain sufficient oxygen to support fish life.

Because of low water, pollution, and an ice sheet of 2 months' duration, thousands of fish have died in the stream between Des Moines and Keokuk, he said.

"Fish are smart enough to get out of the polluted areas if they possibly can do so," Mr. Wieters said. "Some may have gone up the river's small tributaries, where the situation is not so bad."

Charles D. Reed, United States meteorologist, declared he doubted that there would be a break-up in the smothering layer of ice now covering the river until about March 10.

The ice break-up in the northern part of the river, he added, would not come until much later.

Recent thaws, Mr. Reed said, have been of little help to fish in the river, because most of the water has passed downstream on top of the ice sheets, opening the ice in but very few places.

Only good spring rains and a thaw can bring much change in the Des Moines River, health and conservation officials said.



Erie County Council of Republican Women,  
Buffalo, N. Y.

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY HON. STEPHEN BOLLES, OF WISCONSIN

Mr. HARTER of New York. Mr. Speaker and Members of the House, our colleague the gentleman from Wisconsin the Honorable STEPHEN BOLLES, addressed a luncheon sponsored by the Erie County Council of Republican Women. Congressman BOLLES' speech was timely and to the point. His message to the hundreds gathered at the Hotel Statler in Buffalo last Saturday follows:

Madam Chairman and members of the Erie County Committee of Women's Clubs, I thank you and Congressman HARTER for inviting me here today to speak a few brief minutes in a city which, for a few years, I called home. For those years and their seething activities as a newspaper editor, I have the most pleasant memories.

We no longer question woman's place in politics. She is no longer the victim of the learned, pompous, superior lecturer, who so czaristically said, "Her place was in the home," admitting her only into the realm of expert dishwashers and diaper changers.

I am here in New York State, the home of that little wisp of a woman Susan B. Anthony, and her partner, the pleasingly plump Elizabeth Cady Stanton, who did more than any other two women of this world to make it possible for you to meet here today as a part of our body politic, eager to do things for Government and participate as citizens of these United States.

The mystery of human life is almost as great as it ever was. Why we have girls has never been answered yet, and, again, no man, nor woman, for that matter, has ever proposed anything better for the scheme of the human race. But no matter what the attitude, we cannot escape her. She is more than half of the population, and when we say "there's a woman at the bottom of it," we are sure we must be right, because the very nature of things makes it so. She accepts man and takes all his worldly goods that go with him.

Up to within the last half century, all the literature of the world wherein women figured was of love and hate, of courtship and marriage, struggles, and perils to Bertha the beautiful sewing-machine girl; of knights fighting for jeweled hands of scullery maids; of women of the streets and the town; of a Molly Pitcher with her brother soldiers; of women of the court and weeping Cornelias and queens and intrigue and sometimes of a Medici and assassination. She taught music, was a governess, played as servant maid, taught school, and sometimes sold stamps in the post office or was a great social hostess.

She had not emerged into business. Fifty years ago there was scarcely a woman employed in a bank and few were on newspapers. There were no women real-estate agents, no operators of a business except in a few isolated cases where stern and husky widows succeeded to a dead husband's affairs. No Presidents' wives wrote newspaper columns.

She had been in poetry; she was supposed to be a tender thing twining herself around a husband or waiting in hope, sometimes in despair, for a husband. She does that yet but she is not restricted to that channel alone for an outlet to her activities. There was no boss then. When she married the job of boss immediately changed location.

She has not fundamentally changed. She is the same creature of poetry now that she was a hundred years ago, better looking and better equipped. The banks are full of her; the scriveners with trousers have given way to skirts—as much as there are left—at typewriters. She is everywhere. She is the boss as often as she is the bossed. She has transformed offices into neat places once disorderly and jumbled. She is loyal. She fights for her boss as a mother fights for her children. Most of the time the girl knows more about the boss and his worries and work than the wife. She, the girl, the professional and business woman, is the keeper of secrets, and I have never known one to betray an employer. In my own business, the first women were employed to set type. She was a mechanic then. We understood women had to have light work. Light work—when she had been a pioneer—carried her half of the yoke of the team in a new country and lugged babies around for centuries. Now she fills and overflows the newspaper offices.

So, therefore, recognizing as I do your keen understanding of political economy, of your responsibility, and of your knowledge of transpiring events, I shall arrogate to myself no attitude of a

teacher in what I have to say. This is America. We must preserve it. It isn't perfect. Confucius says:

"The illustrious ancients, when they wished to make clear and propagate the highest virtues in the world, put their states in order. Before putting their states in order, they regulated their own families. Before regulating their own families, they cultivated their own selves. Before cultivating their own selves, they perfected their souls. Before perfecting their souls, they tried to be sincere in their thoughts. Before trying to be sincere in their thoughts, they extended to the utmost their knowledge. Such extension of knowledge lay in the investigation of things and seeing them as they really were. When things were thus investigated, knowledge became complete. When knowledge became complete their thoughts became sincere. When their thoughts were sincere, their souls were perfect. When their souls were perfect, their own selves became cultivated. When their selves were cultivated, their own families became regulated. When their families became regulated, their states were put in order. When their states were in proper order, the whole world became peaceful and happy."

Can we make such a land as this of Confucius?

We have a great task. We must abolish war. Before we can abolish war, we must abolish greed. Before we abolish war, we must put away hate. Before all you mothers and sisters can tell me as a Member of Congress, "Keep us out of war," you must purify your own souls from prejudice. You must be really neutral. Congress passed a neutrality act. It isn't neutrality. It will not work. I voted against that act.

I do not want war. It has never settled the world's troubles. We as a people are determined to keep out of war. Fifty thousand overseas headstones, whitening the hillsides of France, thousands in veterans' hospitals here at home, graves of service men in every city, village and town cemetery, cry out either in voice or by example against this Nation ever going again into war to save a world for democracy or for any other excuse. On Armistice Day I stood at the ceremonies at the Tomb of the Unknown Soldier in Arlington—the soldier whose name is known only to God. In the fogging morning I could see the ghostly faces of a multitude of mothers, faces uplifted, wondering if that boy who went to war and never came back, was their son, a member of that great phantom army whose parade shall never be returned. We shall not repeat this scene.

One of our troubles is that we have adopted a new vocabulary. The old one is discarded by the uncombed-haired, crack-brained economists of our time. They speak mostly of democracy. I wonder if any of them know what is a democracy. The United States never was a democracy; is not now. It is fast getting to be a bureaucracy. Neither George Washington nor Abraham Lincoln ever spoke of America as a democracy. This appellation is of comparatively recent origin here. The word is not in the Declaration of Independence. It is not in the Articles of Confederation nor the Ordinance of 1787. It does not appear in the Constitution. The word is not used at all in any of the famous State papers. It does not appear in the speeches of Webster nor of Charles Sumner.

The Constitution, in section 4 of article 4 of the Federal Constitution, expressly provided that the United States "shall guarantee to each of the several States a republican form of government." This is a republic with a republican representative government, and not, nor ever has been, a democracy, as the term democracy is so glibly and so misunderstandingly applied. Not even Jefferson, founder of the Democratic Party under the name of "Republican," used the term "democracy."

The best example at this moment of bureaucracy is the extra-curricular census with the series of inquisitorial questions where a government attempts to discover for itself the intimate personal affairs of an individual citizen. But, more than that, the Government pretends to impose a penalty. It is a direct violation of the Bill of Rights. Away back yonder William Pitt, in his great speech on excise, said:

"The poorest man may in his cottage bid defiance to all the force of the Crown. It may fall; its roof may shake; the wind may blow through it; the storms may enter; the rain may enter—but the King of England cannot enter. All his forces dare not cross the threshold of the ruined tenement."

But under the census law the agents of the New Deal Government may demand entrance to put upon the people an inquisition of questions.

A great jurist, Justice Matthews, of the Supreme Court, said: "Arbitrary power enforcing its edicts to the person and property of its subjects is not law, whether manifested as the decree of a personal monarch or of an impersonal multitude."

I hope there will be a rebellious attitude against these census questions and that the courts shall have the opportunity to settle this question of our rights.

Now, my friends, while we are shedding tears for Finland and are thrilled by this new epic being written by a little people against a monster of tyranny, let me tell you that airplanes flying over Finnish cities are made in America; the bombs they drop are made here; other munitions and guns in tanks made here, and all of them paid for by the American Government and the American people.

We have bought a billion dollars of Russian gold. It is buried out in the ground at Fort Knox. Russians can mine gold under the cheap labor at around \$12 an ounce. We pay \$35. The profit has been about \$23 an ounce to Russia or near \$500,000,000, and

with that money to the credit of the Soviet. With that cash here, Stalin buys airplanes, bullets, guns, and can shoot Finland into a slaughterhouse.

Are you proud of that? Do you like that? Do you want this to go on? Well, that's a part of the New Deal idea. If you do not like it, kill the New Deal by organizing to make a clean-up in November.

You are the hope of America. Do not get yourself bewildered just because you live in an age of radio waves, scientific investigation of everything from the ant to dinosaur eggs; Harold Ickes; an age of nuts and bolts and monkey wrenches; tangled electric wires and T. V. A. power; Jimmie Roosevelt; long-distance music, trucks, and busses; jitterbugs, slot machines, and roadhouses; Jim Farley and adding machines, tabloids, clipper airplanes, soil erosion; W. P. A.; Chinese bandits; Soviet Russia; quick divorce; My Day; moving-picture actors; traffic signals; rotogravures; racketeers; bureaucrats; foreign debts; advice to the lovelorn; farm mortgages; Hitler; Stalin; Ma Perkins; Mussolini; Finland, Argentine beef; and Canadian cheese and furs; and the Ten Commandments waiting to be repealed.

My friends, America is safe from without. No conquerors of the United States have yet been born. The temple of liberty here erected by Washington, preserved by Lincoln, is not to be destroyed from a totalitarian Europe or by an Asiatic horde. If that temple is destroyed, if its facade is marred, it will be from enemies nurtured and suckled from within our gates, nurtured by spineless officials and a Congress with angworm backbones.

America should be careful, watchful, determined. We should now be even more emphatically committed than here in America, groups preaching war or attempting to use America as a propaganda field for any foreign nation or alien doctrines, should be summarily submerged. America must not be used as a breeding ground for poisonous snakes of communism.

We are doing some work in Congress to combat this subversive activity. There is no room here for these groups. We need the room for American citizens.

You can keep all your ideals and yet be practical. Your great task is to keep American in the American way. We made that way. It is ours. It does not need repairing and patching with discarded European notions.

That American way is:

1. To recognize the individual as against collectivism.
2. To continue the profit system which built up our industry. (It is a profit-and-loss system now.)
3. By natural laws of business and production put the 10,000,000 unemployed into profitable jobs and see that both employer and labor have a square deal.
4. To live within our means and spend no more than we take in.
5. Govern as a republic and not as a system of bureaucracies.
6. Keep our fingers out of the buzz saw of foreign entanglements.
7. Preserve the American market for American products.
8. Be ready to defend our shores against any invasion.
9. Provide for the aged and underprivileged.
10. Give opportunity for youth by opening factories and taking the shackles from business.

There are others, all of which are collateral to these 10. We must have a rebirth of that American spirit. The women of the Nation must be leaders.

The first step is to elect a Republican Congress. That will be the Seventy-seventh. There is luck in odd numbers. Send back Mr. HARTER. You may be proud of his record. Return Mr. ANDREWS and clean the slate with a solid Republican delegation from New York.

Then put someone in the White House who will not use the American people as laboratory specimens on which to experiment; a President who will not have a Perkins, an Ickes, a Hopkins in a Cabinet, and no Earl Browders sitting on the White House doorstep.

You have had 7 years of this experiment. The famine in Egypt lasted 7 years. The spending in the United States has lasted 7 years. We have a debt of forty-five billions. We have as many out of work as there were in 1933. We have 980,000 pay rollers.

The time is here, the clock has struck the hour to take the high-road of America and put into power a set of sound principles—the American way.

### Wisconsiniana

#### EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

WORDS OF THE MARCH SONG BY H. J. KENT

Mr. MURRAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the words of the march song LXXXVI—App—71

Wisconsiniana, by Mr. H. J. Kent, one of the leading citizens of central Wisconsin.

The sentiment expressed in this march song is indicative of the spirit of the great State of Wisconsin:

#### WISCONSIANA

I

Wisconsin! When the Bourbons from the throne  
Consigned to doom the Reynard's loyal breast,  
O glori'us land, what fate to vengeance sown  
Regales the northern coursers of the West!  
Beyond your bluffs a wonted rendezvous  
Constrains the wrath that balked the feudal sway;  
Yet surge the souls that pledged the mighty Sioux—  
Their stanchless cause no mastery can stay.  
Aguard on the ramparts of Freedom's domain,  
She rouses the westerly gales;  
Their thundering concourse the warriors enrein  
When tyrannies threaten her vales;  
Extending her sweep to the tempest's career,  
She rallies the salient crest:  
Wisconsin's valiant hearts revere  
Her home, the free Northwest!

II

Wisconsin! When the planters from their shires  
Assailed the torch of Concord's gen'rous hand,  
O sov'reign State, what boon to grateful sires  
Confers to us the guerdon of their stand!  
Upon its hearth a sacred heritage  
Assures the zeal that spurned the rebel call;  
Yet glow the hopes that bore the Union gage—  
Their guileless faith no mockery shall gail.  
O resolute goddess, O Justice divine,  
We tender our mother's appeal;  
The fruits of our toil to her fortunes assign,  
The truth of her compact reseal;  
Shall privileged endeavor the colors uprear  
And carnage her tribute attest?  
Wisconsin's valiant hearts revere  
Her home, the free Northwest!

—H. J. Kent.

WAUTOMA, WIS.

### Times Have Changed Since Cleveland Lived in the White House

#### EXTENSION OF REMARKS

OF

HON. FRED BRADLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

Mr. BRADLEY of Michigan. Mr. Speaker, verily times have changed since Grover Cleveland lived in the White House. When Cleveland wanted to take a vacation, he either went fishing down the Potomac or duck shooting out on the Chesapeake. His vacation pleasure craft was an old-fashioned rowboat that did not cost the taxpayers a dime. Today the present occupant of the White House is returning to the United States from a vacation in which he used a \$10,000,000 cruiser and a whole fleet of auxiliary aerial and naval craft.

Mr. Speaker, this reminds me that our present occupant in the White House has now traveled a grand total of nearly 10 trips around the world, or a total of 181,112 miles on the high seas since he was inaugurated into office. In fact, it seems safe to say that the President seems always to need a vacation and in this case, his thirty-second vacation, it again means a trip at sea with a chance to read and relax, and at the same time study naval problems of national defense, and perhaps erecting a defense against answering that seemingly all-embarrassing question, "Will he run again?"

While this exhibition of waste is going on, I am reminded that just before the President sailed on this last fishing expedition, he vetoed a bill that would have increased the pay of village mail carriers to a minimum of \$1,200 a year. There are only 8,000 of these servants of the people, and the total sum involved in the proposed bill was but \$178,320. The Chief Executive seemingly would rather spend the public's money on fishing trips and vacations than see these underpaid Government workers adequately provided for. I



believe the mail carriers could have been helped for less than the cost of this fishing trip.

Yes, Mr. Speaker, even Mr. Hoover, so much maligned by the new dealers, was himself guilty of the expensive relaxation of an occasional solitary trout-fishing expedition in the cool waters of the Rapidan. In fact, it was he who ordered decommissioned and sold, in the interest of economy, the famed Presidential yacht *Mayflower*.

I am also reminded that the White House expenses in general have been mounting skyward for several years, since "Hoover's extravagance." As an example of what the expenses have been and are today, I submit the following table, by fiscal years:

*White House expenses, including Executive Office as reorganized*

1933	\$369,000
1934	359,000
1935	453,000
1936	425,000
1937	502,000
1938	479,000
1939	2,370,000
1940 (Budget estimate)	2,972,000
1941 (Budget estimate)	3,573,700

These are the totals being spent by the Executive Office of the President, who, when a candidate in 1932, promised, October 19, at Pittsburgh:

I shall approach the problem of carrying out the plain precept of our party, which is to reduce the cost of current Federal Government operations by 25 percent.

Thus, Mr. Speaker, old Omar said:

The Moving Finger writes; and, having writ,  
Moves on: nor all your piety nor wit  
Shall lure it back to cancel half a line,  
Nor all your tears wash out a word of it.

Verily, times have changed since Grover Cleveland occupied the White House.

### The Pink Bollworm

#### EXTENSION OF REMARKS

OF

HON. MILTON H. WEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

RADIO ADDRESS BY HON. RICHARD M. KLEBERG, OF TEXAS

Mr. WEST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of the gentleman from Texas [Mr. KLEBERG] on the subject of the pink bollworm:

My fellow citizens of the radio audience, may I first thank the National Grange and the National Broadcasting Co. for this opportunity to talk to you. My subject, the Pink Bollworm against the United States of America, is one well worth attention, whether you be engaged as a professional man or woman, as a cotton farmer, lawyer, merchant, an industrialist, a laborer, or a child going to school, or a young citizen going to college.

The pink bollworm is a caterpillar or worm in one stage of his life and in another a fragile moth, light almost as gossamer, practically incapable of flying in the direction he would like to fly and wafted easily with the wind in whatever direction the wind happens to be blowing. Scientists denote the pink bollworm either as *Chloridea obsoleta* or *Heliothis armigera*, formidable Latin appellations these two. The parent moth lays eggs from which the young ones hatch out. They bore holes and penetrate the flowers, buds, and young bolls of cotton, causing them to drop off the plant. It is with reference to the pink bollworm's present location in Mexico and the United States, and his present determination to invade the cotton fields and cotton-producing area of the United States, that I talk to you today.

#### DESTRUCTIVE NATURE OF PEST

At the outset, may I state that there are some 166 different pests which attack cotton, according to the United States Bureau of Entomology. Of these, the pink bollworm is by far the most dangerous and destructive, so much more so that the pink bollworm is considered more destructive than all of these various pests combined. Everyone from the cotton producing area of our country

knows the damage that can be and is wrought by the boll weevil, which came into our country through the same gateway where the pink bollworm is at present entrenched. If he manages to force his way, and he will unquestionably do so, unless the Congress provides funds adequate for control methods now utilized by the Bureau of Entomology, we in the United States, will be the only great cotton-producing country in the world afflicted by both the pink bollworm and the boll weevil.

The pink bollworm has been known to entomologists for many, many years. He made his first appearance in North America in Mexico in 1917. He was imported in some cottonseed for planting purposes from Egypt. This seed was planted in what is known as the Laguna district in Mexico. This area is located some 350 miles from the border of the United States. The pink bollworm first appeared in the United States in the Presidio or Big Bend area of Texas in 1918. Careful investigation showed that the pink bollworm moth drifted by wind currents from the Laguna district in Mexico to this point in Texas. This discovery was made by stretching nets between captive balloons, which nets enmeshed this moth up to elevations in excess of 2,500 feet in the air.

Time is too short to go too much into detail, but, suffice it to say, that control methods employed by the Bureau of Entomology and cooperating farmers were shown competent in preventing the spread from areas in Texas, New Mexico, and Arizona to major cotton-producing areas in the United States. These just-mentioned areas have winds during the time of the year when the pink bollworm is in the moth stage, which, in the main, blow away from rather than toward the cotton-producing sections of our country. In 1936, however, the pink bollworm was found in the Matamoros area of Mexico just across the river known as the Rio Grande from Brownsville, Tex., and it is because of this present location of pink bollworm infestation that those of us who have made a study of this dangerous insect pest fear the possibility of his successful entry into the cotton-producing Southern States.

If the pink bollworm should get into the major cotton-producing parts of our country, the additional cost of production due to his ravages would, in my candid and earnest opinion, put those sections out of the cotton-producing business. In the South, where cotton is produced, merchants of all kinds do the major part of their business during the cotton picking and harvesting season. That is the time when all bills are paid—to dentists, doctors, and others. That is the time when new automobiles are bought. That is the time when employment and wages are at their height. Cotton gins, oil mills, compresses, trucks, railroads, ships, cotton merchants and buyers are all going full speed ahead. What if there were no cotton produced in these areas? Patently, cotton farmers would turn to those lines of production to which their lands, the climatic conditions, and location are best adapted. In the main, this would mean livestock, dairying, and hogs. Sugar beets, corn, wheat, etc., are likewise possible of profitable production in large areas where cotton is now produced, but in the main livestock would, in my opinion, command their first attention.

If these farmers turn to livestock it means that 90 out of every 100 men once employed in the planting, cultivation, and harvesting of cotton would be out of jobs. It means that every cotton gin, oil mill, and compress would close their doors and their employees would, in the main, seek places on the relief rolls. This would mean much additional money for relief. At the outset more than 1,000,000 would lose their present means of livelihood, with consequent cost to taxpayers wherever they are located in our country. In the main, in the South school teachers are paid from the general-tax fund of the respective States. Schoolhouses are built by the establishment of school districts, independent and otherwise, in which districts bonds are sold, etc. Tax delinquency and failure to meet bonded indebtedness would immediately become the rule rather than the exception. Business failures would perforce follow in the wake of such a disaster. The economic dislocation by the shifts in production inevitable from cotton to other lines of production would destroy the northern and northwestern and eastern dairy industry and seriously impair, if not destroy, the corn- and wheat-producing sections. The result to all lines of business occasioned by the loss of purchasing power on the part not only of the cotton farmer but of all farmers would be immediately felt by all kinds of industry and business in our land. For instance, in 1935, by careful estimate, 40 out of every 100 persons gainfully employed in all manufacturing industries in the United States were employed by industries which utilized cotton as an essential part of their manufactured products. The loss of American cotton and its byproducts to these industries opens another tragic field of thought. American money would go out for the purchase of foreign cotton.

#### APPROPRIATION SHOULD BE ADEQUATE

This is enough of the detail to such thoughtful minds as I know an American radio audience accustomed to this program possesses. Wherever you are, it is to your interest to inform your Congressman and Senators as to whether or not you think it is worth while to appropriate \$800,000 in addition to the \$526,000 contained in the agricultural appropriation bill for pink bollworm control, which is now being considered in the United States Senate. We have established records of the successful work being done looking to control and final eradication of the pink bollworm by the United States Bureau of Entomology. So there is no guesswork involved concerning the use to which the money will be put, nor should there be any doubt concerning the importance of the requested increase.

In summation, the pink bollworm in China, it was estimated, cost that country from eighty-five to ninety million dollars' worth of cotton in 1938. In other countries he is known to be responsible

for a curtailment in production of from 50 percent upward. His destructiveness in some small spots where severe infestations have been found has been known to amount to nearly 100 percent. The pink bollworm not only destroys by killing the flower and the square and the boll which he penetrates, causing these to either fall off or fail to mature, but where cotton bolls partially opened and the cotton is picked he ruins the staple and the quality.

It seems perfectly clear that we must prevent the dissemination of the pink bollworm over the Cotton Belt. The infestation in South Texas must be eradicated or controlled. Continued consideration should be given to the continuation and improvement of the measures now in effect, namely, the sterilization of seed, burning of cotton waste, the cleaning up of fields of all living cotton as soon as possible after picking, and the retardation of the planting date in the spring. This last so that when the pink bollworm is in the moth stage he will find little or no cotton blooming or in fruit. Fortunately, the pink bollworm's life span while in the moth state is of very short duration, and the measures of control just described have been found thoroughly effective both in controlling against the spread of the pest as well as in some instances resulting in complete eradication where no reinfestations from other sources have occurred. Plans are going forward looking to the working out of a system of cooperative attack by both the Governments of the United States and Mexico on the pest in Mexico. But surely we should leave no stone unturned to safeguard us against the catastrophe which we in this country face if this destructive insect gains a real foothold in the major cotton-producing areas of our country.

#### BOLLWORM CAN BE STOPPED

We know that where he is now found he can be decisively retarded and finally defeated. Climatic conditions, flat topography of the country, farm implements and tools, tractors, etc., and farmers who fear and know this insect make the present battleground the best place in our country to conduct this fight. It will be a different story if the pink bollworm reaches those sections of the country where cotton farming on hillsides is under the auspices of the Negro and the mule, and where tractors, etc., are not adaptable. This is not like the war in which Napoleon figured against Wellington, where Wellington lost many battles but finally won the war. This is a war where to lose one battle, which is a continuing one, means the loss of the war. So I earnestly urge your intelligent interest and attention to the dangers which surround this invasion. We run graver risks from this insect enemy than we do from invasion from any foreign foe today.

### Labor, the Organ of a Million Workingmen, Approves My Resolution for a Referendum on Overseas Wars

#### EXTENSION OF REMARKS

OF

#### HON. LOUIS LUDLOW

OF INDIANA

#### IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

Mr. LUDLOW. Mr. Speaker, labor has a vital interest in the peace movement. No other element in our complex civilization is quite so deeply concerned in the elimination of the causes of war as the toilers of the land. It is upon them that war's heavy hand is laid most relentlessly. Others may evade the hardships of military service through exemptions provided for executives, farmers, and persons of specialized qualifications, but for workingmen, generally speaking, there is no loophole. They comprise the mass of the eligible fighting population. They have to take it on the jaw.

Workingmen furnish the great bulk of the Nation's cannon fodder. War breaks up their happy homes, tears them away from their loved ones, and sends them forth to be shot or to be blown into bits or to be strangled with poison gas, and does not give them or their families one single, solitary word to say about it.

Labor, the largest, and by all odds, the ablest and most influential of all the publications that speak for organized labor, the organ of a million workingmen, approves my proposed amendment to the Constitution, which would give the people of America a right to vote on proposals to send our boys overseas, to fight and die in foreign wars. The following editorial appears in the March 5 issue of that publication:

#### EDITORIAL PRESENTING THE VIEWS OF LABOR

Twenty-three years after the United States entered the World War, the people are being let in on the secret of just how we were maneuvered into that conflict.

After careful editing, some of the contents of the files of the State Department are being published.

We see Bryan battling for peace, until he lost heart and resigned. His successor, Lansing, crafty international lawyer, wished to get us in from the start. Colonel House harbored the same design. Woodrow Wilson was for neutrality, but all his sympathies were on the Allies' side, and he was toying with the idea of entering the conflict during the very months that Democratic politicians were urging the voters to elect him because he had "kept us out of war."

The people were never asked what they thought about the matter. Just a few men, most of whom had never been elected to any office, discussed and finally decided this most momentous question. A similar group could do the same thing today, tomorrow, next year.

In other words, the people of this country have practically no control over the conduct of their foreign affairs.

Congressman Louis Ludlow says there should be a referendum before a declaration of war, unless some foreign power invades this hemisphere. What's wrong with that idea? Isn't it better than the present undemocratic set-up?

### Propaganda of the Interior Department

#### EXTENSION OF REMARKS

OF

#### HON. WESLEY E. DISNEY

OF OKLAHOMA

#### IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

#### STATEMENT OF MR. RUSSELL B. BROWN, OF THE INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

Mr. DISNEY. Mr. Speaker, Russell B. Brown, general counsel of the Independent Petroleum Association of America, representing that organization, the Mid-Continent Oil and Gas Association, the American Petroleum Institute, and a number of other industry associations, in his appearance before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives, in opposition to H. R. 7372, Monday, February 26, made the following statement, discussing propaganda of the Interior Department:

Take this bill, examine it from the first word through the concluding sentence. What can be done under the terms of the bill itself to prevent waste? Outside of employing men to administer under salaries that may be ascertained by reference to other laws, nothing can be done under this law until someone not now known to you prescribes some regulations not now known to him defining some activity now uncertain.

The declared purposes of this bill are beautiful. They express desires and ideals that have grown out of years of experiences by men who have had to sacrifice a great deal that we might have a great and valuable industry, whose estate the proponents of this measure now want to administer; but the powers defined do not follow the purposes declared.

Since the full powers created by this bill are lodged in the Department of the Interior, we think it well to examine the attitude of those who appeared in various places in support of such measure.

It has been conclusively shown by previous testimony adduced before this committee that H. R. 7372 originated in and was drafted by and is now being sponsored by the Interior Department.

The witnesses for the Department have appeared, in small part, before this committee, but the primary witnesses for the Department, who have ignored this committee and the Congress, have appeared before the American public (1) under the cloak of anonymity; (2) unsworn; (3) not subject to examination and cross-examination; (4) using false and fictitious facts and incidents; (5) employing the facilities of dramatics, sound effects, etc.; (6) sent out under the guise of entertainment; (7) engaging in propaganda, at Government expense, to influence Federal legislation, in possible defiance of the Hatch Act, recently enacted by Congress.

In brief, the sworn witnesses of the Department deny responsibility for the policy involved in the act.

The unsworn witnesses, who engage in fictional propaganda, are the real sponsors of the act, and the claimed necessity therefor is predicated upon false and nonexistent hypotheses that are anonymously spread by radio broadcast to the American public.

Because of the illuminating nature of the Interior Department's self-exposure in the Department's program of radio broadcasts, it will be outlined for your careful examination.

The report of the energy resources committee of the National Resources Committee transmitted by the President to Congress under date of February 15, 1939, contains the following significant paragraph:

"Whenever the general public becomes sufficiently impressed with the threatened shortage of petroleum products and the possible



risers in prices for motor fuel, then the complex problem of regulating the oil and gas industry is likely to be transferred to the Federal Government."

I have emphasized the word "impressed" because this seems to be the inspiration for, as well as the procedure followed by, the Interior Department in attempting to bring about a demand for this legislation. This probably explains why reason and information have been asked to give way to emotion and fear.

This bill did not come without warning or without a sponsor. I now call your attention to the propaganda calling this bill into existence and urging its support. Here, too, we set forth the Interior Department's conception of waste so clearly that none can misunderstand it.

For your convenience I now present for the record the official revised script of four radio broadcasts of the Interior Department.

We also have noted in these broadcasts such hysteria and melodramatic emotionalism that we feel it would be dangerous to trust the control of a great industry to any governmental agency which is willing to display such a lack of balance and calm in its discussion of so important an economic problem as is involved in the conduct of the petroleum industry.

These programs, as is repeatedly indicated in the scripts, were intended to persuade citizens to bring pressure to bear upon Congressmen in favor of regulation of petroleum production by the Interior Department.

In the efforts thus to influence legislation program No. 24 of the Interior Department in its series entitled "What Price America?" on Saturday, July 15, 1939, attacked the petroleum industry over the Columbia Broadcasting System. The essence of this program was the promotion of fear. The official revised copy of the script in its directions for music, sound effects, and statements indicates that clearly. In the opening of the attack, the direction for the music is "up wildly and fade," while the sound direction reads, "Suggest utter confusion and hysteria of a population in and under. Automobile horns in hectic symphony."

Then come in the following utterances one after the other:

"DOCTOR. I'm a doctor. I must get there at once. A woman is dying.

"ATTENDANT. Sorry, Doc. We haven't a drop of gasoline in the station."

(Sound: Fire siren.)

"FIREMAN (shouting). It's the schoolhouse! And we can't move our fire engines.

"TRUCK DRIVER (through filter). Listen, Boss, I'm carryin' perishable goods—fruit and vegetables—on this truck. How am I gonna get them there before they spoil?

"TICKET AGENT. The Twentieth Century Limited can't leave this station, Madam. You'll have to get to New York by stagecoach.

"FARMER (surprised). Well, I'll be doggone. I can't use my tractor. I can't plow my farm.

"HUSBAND (ordering wife). Get the children. We'll leave the house and find a restaurant where they cook with a coal stove.

"DISPATCHER (droning via radio). All airplanes are grounded. All airplanes are grounded.

"BOSS. You men needn't report to work tomorrow. This plant's shutting down. Can't run our machines without oil."

(Sound: Telegraph key. In and under.)

"TELEGRAPHER. S O S. S O S. Steamer America calling. Stopped in midocean. One thousand aboard. Send help at once.

"MAN. Get some candles, Martha, or we won't have light.

"ADMIRAL (dictating). To the Navy Department: Fleet unable to leave port for Pacific coast as ordered." (Fade) "Guns useless without oil. Awaiting further word on"—

(Crowd up and fade.)

"VOICE. Preposterous, ridiculous, bunkum, rot? No, America. Silly, imaginative, extravagant? No, indeed, America. Our entire modern civilization depends on oil. It is absolutely irreplaceable. Dissipate this one natural resource of ours, and that danger is our danger. It would creep upon us slowly, however, softly, so we would not notice at first. (Suddenly) America, the seeds for such a calamity already have been sown \* \* \* are continuing to be sown now."

In the same broadcast is given an imaginary picture of Titusville, Pa., when the first oil well was brought in. With all the incitements to hysteria, we find phrases like this:

"Second VOICE. Gas is blown off into the air—gone forever.

"OILMAN (coming on). Who wants gas? I'm interested in oil, not gas!

"Third VOICE (quietly). Don't you realize that it's the pressure of gas that forces up the oil? Waste that gas and you lose oil. [Warning] "Soon there won't be any more oil coming out of your well."

Teamsters are pictured as dumping their oil when they are stuck in the mud. "There is plenty more." Dams are cut to let oil barges and rafts rush down stream, smashing some of them and wasting hundreds of gallons of oil.

One of the most unfair presentations is the following:

"VOICE. Meanwhile, America lights its homes with kerosene lamps and thinks it's wonderful. Kerosene is what oilmen are after—and curse loudly a bothersome byproduct."

"Third OILMAN (angrily). That darn gasoline—more trouble than it's worth!

"WORKER. What'll we do with it?

"Third OILMAN (impatiently). Throw it away. Do anything, but get rid of it.

"WORKER (suddenly). I know. Tomorrow's the Fourth of July.

"Second OILMAN (waiting). Yeah?

"WORKER. Why not dump that gasoline in the river; get all of the other oilmen to do the same. Most of 'em are doing it anyway.

"OILMAN (interested). Yeah?

"WORKER. Then we'll put a match to it and let it burn. What a sight!

"OILMAN (laughing loudly). Sure. Sure. That's fine! At least that gasoline will give us a laugh. Go ahead. It'll be patriotic."

[Laughs fading.]

The intent of these broadcasts to arouse fear and then anger in the minds of listeners is shown repeatedly in the various programs. In this program No. 36 the narrator tells a shoe black that oil is used to make shoe polish, and that oil is being wasted. The shoe black, in the script, is portrayed as interested, surprised, worried, aroused, angry, and again aroused. The shoe black was the brain child or the Charlie McCarthy of the Interior Department, and they caused him to react as they wished. The shoe black in Negro dialect declares that he is a citizen, and for the purpose of the broadcast he represents the citizens of this Nation whom these programs seek to interest, surprise, worry, arouse, and make angry, so that Congress may give the Interior Department control of the petroleum industry.

The narrator in this broadcast makes his charge of waste in petroleum production to a locomotive engineer, to Mrs. Murphy, to a service-station attendant, to a politician, as well as to the shoe-black, seeking to influence each of these against the petroleum industry in the interest of a bill like H. R. 7372. The desired effect on the radio's listeners is set forth in the effect on the five characters addressed by the narrator. Here they are:

"SHINE. Ah'm sure that smart people livin' all over the country—[quickly]—and there's lots of 'em—they ain't gonna let that oil be wasted like it is fo' long.

"ENGINEER. Men like me have got to make their voices heard. We can't afford to waste our oil.

"MRS. MURPHY. I'm thinkin' that ladies like me, who cook on oil and gas stoves, who need oil to make a kitchen a kitchen, they're not going to be quiet about this. They're goin' to be sayin' we don't want to see oil wasted any more than we want to see good food wasted.

"ATTENDANT. I've got it; I'll help! That's what I'm goin' to tell everybody I know. I'm gonna tell 'em the facts like that man told me—tell every guy that stops, whether he stops for gasoline, water, or free air. I'm gonna tell 700 people a week, we gotta conserve our oil not only for ourselves [fading] but for our kids!

"POLITICIAN. If this oil-conservation problem is so important that oil reserves have already been set up to protect our Navy, then I'm going to see what I can do to protect my constituents—the everyday oil users. What's more, if it's legislation that we need to conserve our oil, I'm going to lend my support to securing such legislation."

It would be amusing if it were not so tragic to note that in this same program No. 36 the narrator, according to the official script, says: "I'm speaking for the Department of the Interior, principal guardian of your natural wealth—it wouldn't let me say anything that wasn't so. (Sincerely.)" The word "sincerely" is a part of the script. This is immediately followed by a statement that our present known oil reserves will last only about 13 years, or possibly 17, and then, addressing an imaginary Mrs. Murphy, he says: "You've a Congress that represents you. You can do something about the waste of oil—the waste in production, the waste in treating crude, the waste in storage, the waste in transportation, the waste through fire losses."

Just how the Interior Department will be able to stop or reduce any of these so-called wastes is not shown. All of them involve incidental waste. Nothing can be produced without some waste. Nothing can be treated without some waste and so with storage and transportation. Waste from fire losses has long been negligible. Nevertheless Mrs. Murphy is supposed to get in touch with her Congressman and tell him that the Interior Department should take over the oil industry because of these wastes.

Here is the way this broadcast seeks to build up public opinion in support of legislation such as H. R. 7372.

"NARRATOR (beginning). Your Department of the Interior; that's the Department that looks out for most of your natural resources.

"VOICE. What's it been doing?

"NARRATOR. It's been working on this problem. Only if it's to do a real job of conserving your oil resources for you, it's got to be given the power by Congress.

"VOICE. There ought to be something that can be done.

"NARRATOR. There is. One way is to create a body in that Department of the Interior to fight the waste of oil for us."

Then the narrator pictures an Interior Department official, after such a law had been passed, addressing the industry thus: "Well, if you won't stop this waste, then we the people will institute legal action to make you do it. Our oil must be conserved."

This "we the people" has a famous precedent. Many years ago the Nine Tailors of Tooley Street published a petition which began with these words, "We the people of England."

Possibly the most notorious of these broadcasts is program No. 46. Here sound effects represent the gushing of many wells while ghosts of the past come back to speak at the narrator's call. One of these, an imaginary Ebenezer Floyd, is supposed to be a small oil producer in Pennsylvania. He tells of overproduction and waste in 1907 and then takes a leap into the future and, supposedly speaking in 1939, says: "Why, I can look ahead and see when we will have no oil in this country. These are the days to watch out and see that intelligent methods are used in getting the oil out of the ground.

Jumping Jehosophat, what have you got a Congress for? What good is legislation unless you use it to conserve your oil?"

Since Mr. Floyd's alarm in 1907 concerning the early exhaustion of our petroleum reserves, we have produced approximately 20,000,000 barrels of petroleum and still have known reserves of approximately 20,000,000,000 barrels. Through improved recovery methods we are getting more gallons of a better grade of petroleum products from every barrel of oil. We have eliminated much waste that was once considered inevitable and by the double method of improved production technique and larger utilization we have greatly increased the life of every oil field in the country. The Interior Department appears, according to its broadcasts, to be utterly unaware of all this.

Authority for these broadcasts is apparently assumed by Bernard C. Schoenfeld who signs himself "chief script writer, Radio Section" in a letter published in the National Petroleum News for Wednesday, January 31, 1940, which I now present to you.

The fact that there exists such a section with a chief has serious significance. The relation of a Radio Section to the proper work of the Interior Department is not clear. What is clear, however, is that this section, in some respects at least, has been devoting itself to an improper assault upon American industry and especially upon the petroleum industry.

That these broadcasts have, in some degree, accomplished their purpose is indicated by a letter (no doubt one of many similar ones received) which an official of the Interior Department selected to read in the course of an address made at a meeting of distinguished university alumni, since the opening of these hearings. This letter, written by a person who seemed sufficiently impressed with the shortage of petroleum products through the methods above indicated, was selected as the sort of response they sought and the type of mind to which they appealed. That you may understand the use to which the letter was put, I am quoting from the address I just mentioned.

"In this connection let me read you a letter that reached my office a few months ago: 'Dear Uncle Sam, I am only 8½ years, but the waste of oil that is going on is terrific. And I depend upon you to help us citizens to stop it.'

"I am happy to inform this particular worried citizen, and others, that under the Connally Hot Oil Act of 1935, administered by my Department, steps have been taken to bring some order into the oil mess. However, the question of conservation of oil is primarily up to the States \* \* \*"

A few days ago we celebrated the birthday of Thomas A. Edison. An entire Nation paid tribute to the genius who blessed the world so greatly by his efforts. Yet many of his inventions appear crude and wasteful in the light of his later improvements. His progress could have been greatly hampered by such a section as this now lodged in the Department of the Interior. For a few hundred dollars per year we could hire a man who, given the freedom of the radio as was given this section, could have held the work of this great man up to the ridicule of the uninformed of America until his name might have been jeered instead of cheered as it now is.

So the laughter and mockery with which Deborah Read greeted the young Benjamin Franklin as he strolled Philadelphia's streets with his bread under his arm might have been multiplied a million times until it destroyed one of the greatest careers of our history if the radio had existed then and had some willful agency in the Government of that time so used it.

These broadcasts are dishonest. The arrangement of words—the inflection of voice—the melodramatic effects are all designed to create a false impression. Some European countries use this method to dominate a nation, but this is something new in the United States.

There is a law which provides for punishment of any officer or employee in the United States who indulges in actions to influence legislation. Here is the way that law reads:

The United States Code, title 18, section 201: "Use of appropriations to pay for personal service to influence a Member of Congress to favor or oppose legislation.

"No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers and employees of the United States from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

"Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section, shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than \$500 or by imprisonment for not more than 1 year, or both." (July 11, 1919, ch. 6, sec. 6, 41 Stat. 68.)

This law is an expression of legislative opinion on propaganda by Government employees designed to bring about legislative activity.

How could the oil men of the country support a measure such as that before us, giving to some subordinate in the Interior Department power to compel the industry to accept its regulations to

prevent what it might be pleased to denominate waste, when they have heard the Interior Department's authorized representatives blare to the world its false accusations.

The domestic petroleum industry recognizes that it may expect to meet sincere critics all along the road and is prepared to meet them and to profit from any constructive proposals. It also recognizes that it may expect to meet unfair criticism. It is, however, too much to ask that it stand silently by when an unfair critic, clothed in respectability through employment by the Government and given thus a voice of authority, uses his place as a perch from which to launch dishonest assaults upon the industry. Still worse is it when the very evidence of progress made by the industry is made the basis for these attacks.

A person willing to do these things, or to approve them, or to permit them, in order to obtain legislation for control of the petroleum industry might be willing to do more.

It must be said to the credit of the Columbia Broadcasting System, over which these programs were broadcast, that, since the exposure of the propaganda by the National Petroleum News, it has discontinued their programs and has announced that hereafter it will itself prepare the script for any future Government broadcast.

If the Interior Department broadcasts should be successful and achieve their purpose, they would have effected an unprecedented change in our American system of government. It would mean a bloodless revolution, with the transfer of authority over our industrial life from free enterprise to Government dictatorship. The precedent thus established might be followed with other industries until the business life of the Nation was regimented from top to bottom, even as it is today in some other countries of the world. It would be a form of communism or totalitarianism. This Department does not seem to have understood the ideals of the administration itself in regard to propaganda as set forth by President Roosevelt in his recent address to the American Youth Congress when he told the delegates:

"You have a right, peacefully and openly, to advocate certain ideals of theoretical communism, but as Americans you have not only a right but a sacred duty to confine your advocacy of changes in law to the methods prescribed by the Constitution of the United States; and you have no American right, by act or deed of any kind, to subvert the Government and the Constitution of this Nation."

Here the President has clearly indicated the manner in which, if the people desire, they may change their system of government. To do this obliquely and by indirection in some such manner as is being practiced today by the Interior Department through its advocacy of a Federal oil-control bill is not in harmony with the sound doctrine proclaimed by the President.

RUSSELL B. BROWN.

## Short on Vital Materials

### EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1940

ARTICLE FROM THE WASHINGTON POST

Mr. SHANLEY. Mr. Speaker, it seems eminently appropriate to include a provocative article on vital war materials, especially when that document comes from authoritative sources.

The article that follows was in this morning's Washington Post under an Associated Press byline:

UNITED STATES SHORT ON NINE MAJOR WAR MATERIALS—MINING EXPERTS AGREE AMERICA IS DEFICIENT ON METALS AND MINERALS

New York, February 14.—Mining experts agreed here today that the United States is deficient in resources for seven essential war metals and two war minerals.

These reports were made to a symposium of the American Institute of Mining and Metallurgical Engineers. Some of these metals are so important, engineers declared, that their lack in some European countries and their control by others made the present European war inevitable, even omitting some of the other reasons for fighting.

The United States is not so badly off; but, nevertheless, China, which can be cut off at any time, is a main source for two of these war essentials, India a third, Asia Minor another, and Italy and Spain a fifth.

The seven metals are:

Tin: On which an army's canned food depends. The United States produces but 1 percent of its tin, and the source is the Far East.

Nickel: One-half of 1 percent produced by the United States, with Canada the main supply source.

Manganese: United States production, 5 to 10 percent of its needs. Supply, Russia, Cuba, and Brazil.



Chromium: Home production, 1 percent. Sources, Turkish Asia Minor and Rhodesia, the latter a British source already cut off from the United States.

Tungsten: Essential for tools to make munitions. United States, production 40 to 50 percent. China furnishes the rest.

Mercury: For fulminate caps for projectiles. United States supplies 50 to 60 percent, and the rest comes from Italy and Spain.

Antimony: For bearings of mechanized Army and alloy for bullets. United States' production, 10 to 15 percent. China, Mexico, and Brazil the other sources.

The two minerals are mica, for electrical equipment, and quartz, for military radio. The United States supplies about 20 percent of its own mica, with the rest coming from India and Brazil. America has virtually no quartz and gets its supply from Brazil.

J. W. Furness, Chief of the Economics and Statistics Bureau, United States Bureau of Mines, said that as soon as one nation controls a lot of mineral resources, and limits their distribution under a highly nationalistic policy, war is inevitable.

D. F. Hewett, Chief of Metalliferous Deposits of the United States Bureau of Mines, gave examples. Great Britain, he said, has prevented exploitation by foreign nations of manganese on the African Gold Coast and chromium in Rhodesia. They may only buy from Britain. He said America's Rhodesian supply has been cut off lately.

Other experts declared one reason Russia wants Finland is to place Russia almost on top of the Swedish iron mines, which supply 50 percent of Germany's iron. The mines are in northern Sweden, are the richest iron ore in the world, and Germany gets this by rail across northern Norway and thence down Norway's coast.

At present, said the engineers, this rich cargo travels inside Norway's 3-mile territorial-waters zone.

### Don't Fool Yourself

#### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

Mr. HOFFMAN. Mr. Speaker, appearing before the House Labor Committee, Lee Pressman, general counsel for the C. I. O., who is doing as much as anyone in America to further the cause of the Communists, stated, in substance, that there was no real demand for amendment of the National Labor Relations Act. He classified me as a reactionary and as one unfavorable to labor.

Some day he and those who think with him will learn that Pressman and his kind are the real enemies of labor. Certainly, joining with Secretary Witt, of the Labor Relations Board, to instigate and then carry on a strike against the Inland Steel Co., because it would not sign a contract, a strike which brought about violence and threw thousands of men out of work and made their families dependents, was not of benefit to labor. It was rather in the interest of those ghouls who feed, and sometimes live in luxury, upon the sums which they filch from the pockets of workers.

That action was rather in the interest of the Communists and labor racketeers to which Pressman's activities so often contribute.

Anyone who reads knows that there is in this country an overwhelming demand that the National Labor Relations Act be amended, the present Board abolished. Literally hundreds of editorials have been published demanding the amendment of this law. Two of the more recent ones are typical. One comes from a daily published at Sturgis, Mich., in the Fourth District, by Mark P. Haines, who reflects the views of the average patriotic, fair-minded American in the smaller cities and towns. He writes:

[From the Sturgis Daily Journal of February 26, 1940]

AFTER THIS, WHO CAN DEFEND THE N. L. R. B.?

To the long list of the Labor Relations Board's incongruous activities, including the roles of investigator, prosecutor, judge, and jury, there must now be added that of legislative lobbyist.

The astounding story of the Board's efforts, fortunately futile, to block loans from Government agencies to employers who had incurred its displeasure has already been spread on the records.

Now from the lips of unwilling and interested witnesses comes the sordid tale of a campaign organized by the Labor Board to prevent adoption of any amendments to the Wagner Act that would weaken its arbitrary powers.

On frequent occasions when the N. L. R. B. has been under fire for rankly unjust and arbitrary rulings it has pleaded that it had no other course under the law; that its sole job was to administer the act as it stood.

Unquestionably the Wagner Act does confer enormous authority on the Board, which it is eager to retain. But it has continuously and grossly abused this authority.

These abuses have been perpetrated under cover of the law. In some cases the Board has been called sharply to account by the courts. In too many instances the Board has got away with it by invoking its blanket powers.

But there is not even the color of legality in the gross impropriety the Board is now shown to have committed in its systematic attempt to influence legislation by Congress for its own selfish ends.

A letter from the former Secretary of the Labor Board, placed in the House committee record recently, stated: "We intend to conduct meetings, radio forums, and similar activities throughout the country as part of a campaign to convince Congress and the people that there is no need to amend the Wagner Act at this time."

To supplement this "educational" campaign, the Board appointed a group of lawyers to round up witnesses who would testify as they were told before a Senate committee. On discovering that one prospective witness favored giving employers the right to petition, an agent of the Board crossed his name off the list. One of the greatest threats to democracy consists in the tendency of so-called independent governmental agencies to become self-perpetuating bureaucracies.

If it had done nothing else—and it has done plenty—to warrant its abolition, the N. L. R. B.'s undercover activities to influence legislation in its favor would be enough to impel Congress to rip these unfaithful servants out of office and junk the wretched law that brought such a board into being.

The other comes from one of the greatest of American dailies, the Chicago Tribune, which reads:

#### CONGRESS AND THE LABOR BOARD

The administrative record of the National Labor Relations Board has not been fully examined as yet. The Smith investigating committee has been given another appropriation to continue its work and its reports should furnish the material for the amendment of the Wagner Act.

From the published transcripts of these committee hearings, from court records, and from the protest of employers and employees alike there already has been compiled a history of a high-handed administrative bureaucracy which, in a relatively short time, has established many new records for arbitrary treatment of persons and organizations over which it has been given or has assumed control.

The Labor Board is unique in the diversity of its invasions of rights and privileges and in the plenary character of the authority it undertakes to exercise, some of it, according to the ruling of the Supreme Court, being legally derived from the act itself.

Congress, according to the Court, has deprived citizens of legal redress against certain rulings and findings of the Board. These findings have been made final and the only redress is political. Congress has made the Board its own court of last resort in certain instances and, that having been done, only Congress, in the opinion of the Court, can restore the judicial protections. The opinion makes amendment in this particular imperative. If this is an error of Congress it can be corrected by Congress.

Other intolerable faults in administration, in conduct and behavior which have not gone up as yet for final judicial decision, can be removed by amendment. There are lower courts' decisions holding that the Board's examiners have denied citizens the right of fair trial. The Board itself has tried to throw the responsibility upon regional officials, who, whatever the Board members may say, certainly did nothing more than act in the spirit in which the Labor Act has been administered generally.

Regional executives who were partisans in labor controversies in which they played the triple role of policeman, prosecutor, and judge, who set out to get this or that individual and to aid favored interests, to throw out one labor organization and put another in, and to deny impartial hearings to persons and organizations not liked by authority, were not acting contrary to the disclosed trend and purpose of the Board itself.

The excuse has been offered that lack of experience led to errors in procedure and that this was almost unavoidable. The excuse does not hold water. Until the consequences began to embarrass Mr. Madden and his associates under investigation no real attempt was made to stop the major abuses. If a subordinate official was tough with a proscribed employer, management, or union, he knew that he had the silent approval of his superiors. Although the correspondence examined by the Smith committee gives many instances of premeditated violations of ordinary rights, it does not disclose that offenders were vigorously disciplined, rebuked, or set on the right track.

It would be foolish for the Board to continue to defend its methods by such evasions. It knew what was going on, and until the disclosures became sensational it did not make changes in its procedure. It organized a high-pressure lobby to fight amendments to the Labor Act in a fashion which many of the Congressmen think was a punishable offense under law forbidding such activities.

The Labor Board, until it found itself in a very bad position, defended its administration in all respects and contended that any amendment to the law was proposed merely for the purpose of breaking it down. It is admitted now that the Board has been un-

able to find what it calls a formula for the adjustment of the principal labor controversy with which it deals, the conflict between the C. I. O. and the A. F. of L. The American Federation declares that a formula has been found, but that it is one of persistent injustice to the older labor organization.

Condemnation of the Board is nowhere more explicit and thoroughgoing than in the evidence submitted by Mr. Green and the other executives of the A. F. of L. These explicit accusations demonstrate how well the Board has undertaken to repay the campaign contributions of John Lewis to the New Deal and how actively it was endeavoring to retain for the New Deal the support which Lewis now pretends to have withdrawn for reasons which do not appear as he would have them. The record is full of reasons why he should and probably will continue to remain a boss in New Deal politics.

Limitation upon employer rights imposed by the law under court interpretation of it and by the acts of the Board itself includes the unconstitutional prohibition of free speech which is denied the officials of companies when collective bargaining is being considered by the employees. The Board edict that a management may not express an opinion in such instances has not yet had a final court review, but Congress need not wait for that. The authority which the Board presumes to find in the law can be specifically taken away. The investigation of the operation of the law and of the conduct of the Board has already presented many reasons for the correction by Congress of these abuses before they go to still further extremes.

How long will we sit here inactive, refusing to do the will of the people, or, appearing to do it, camouflage the real issue by changing the Board membership and adopting of amendments which accomplish nothing?

In March of 1939 I introduced a bill to amend the act which contains most of the amendments which will finally be adopted. Among these amendments was one which would do away with the present personnel of the Board. Another which would free the employee from coercion from any source. Another which would speed up the procedure. Another would separate the investigatory and prosecuting departments from the judicial department of the Board. Another would bar the use of hearsay and rumors and permit a judicial review of the evidence when one was found guilty of a violation of the law. Still others make it impossible for the Board to deny to those who appear before it a trial, such as all Americans are accustomed to believe one charged with an offense is entitled to have. This imposing upon a single agency "the multiple duties of prosecutor, judge, jury, and executioner" was recently condemned by the Circuit Court of Appeals for the Seventh Circuit.

It is very evident that it is more than probable that, unless some action is taken soon, the act will not be amended at this session of Congress. For that reason I have filed a discharge petition, and if the Members of the House really want revision of the act at this session they can get it, so far as the House is concerned, by signing this discharge petition, the number of which is 23.

### Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

STATEMENT BY SECRETARY CORDELL HULL BEFORE FINANCE COMMITTEE

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by Hon. Cordell Hull, Secretary of State, before the Finance Committee of the Senate, on Monday, February 26, 1940.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the Finance Committee, the hearings which begin today before your committee relate to a piece of legislation which is of extraordinary importance to our Nation at this time. It has a direct and vital bearing on our domestic economic prosperity and on world peace.

When I appeared before the Committee on Ways and Means I presented a formal statement dealing comprehensively with all important phases of the problem, and I shall not now take your time going over the ground thus already covered. However, I should like to make some additional remarks, especially with reference to some points which were raised in recent discussions.

I am glad to note that there is now scarcely any inclination anywhere to question the proposition that adequate foreign trade is indispensable to full and stable prosperity for our Nation, which requires the fullest possible development of both the domestic and the foreign markets. There is overwhelming evidence to show that, when our exports shrink seriously, the country's production, trade, prices, values, employment, incomes, and therefore purchasing power are adversely affected. This is true of agriculture, manufacturing industry, transportation, mining, and all other phases of our economic life. There is also overwhelming evidence to show that all these determining factors of our national prosperity are favorably affected by an expansion of exports. We are living in a period in which our vast home market must be supplemented by foreign markets for our ever-increasing surpluses. Satisfactory disposition of such surplus production has become an indispensable factor in our permanent progress and our sound and balanced prosperity. Of equal significance is the growing realization in our country of the close connection between trade and peace.

Let me recall briefly the background against which the trade-agreements program was enacted by the Congress 6 years ago. Trade between countries, involving the bread and butter of millions and affecting the political stability and contentment of millions, declined enormously. The peoples of the world had traded with each other in 1929 to the amount of \$69,000,000,000. By 1932 this trade had fallen to twenty-seven billions. This meant that millions of workmen were out of work and their families were in desperate need; millions of farmers and producers of other raw materials were unable to sell the results of their labor except at a miserable price. Governments were compelled to make enormous relief expenditures. They resorted to any type of measure which promised to relieve this unemployment and distress irrespective of its effects on the rest of the world. In other words, the background of circumstances leading to the enactment of the trade-agreements program was a most disturbing and rapid falling apart of the commercial and financial structure of the world, caused in large measure by the ever-rising barriers to trade raised by all countries, in which course our own Nation was, unfortunately, an outstanding leader.

All countries were stricken, and few more seriously than the United States. Within 3 years our exports declined from five and two-tenths billion dollars to one and six-tenths billions. This loss of more than three and five-tenths billions dollars' worth of export business spelled havoc and tragedy throughout the land. Of itself, it would have been enough to throw out of gear the whole machinery of our national economic life. Combined with other factors, it brought this country face to face with the gravest economic emergency in our national history.

Between 1929 and 1932, inclusive, national income fell from \$80,-800,000,000 to \$39,500,000,000; cash farm income, from \$11,200,-000,000 to \$4,700,000,000; nonagricultural employment alone from 36,200,000 to 27,800,000; wages and salaries in manufacturing industries from \$15,800,000,000 to \$7,400,000,000; wholesale prices from a level of 95.3 to a level of 64.8. Agriculture was bankrupt; industry was bankrupt; and even the banks were bankrupt, hundreds of them having failed.

That emergency could not be met fully and successfully, unless, at the same time that we were putting into effect far-reaching and necessary domestic measures, effective means were also found to restore our foreign trade. This could only be done through reciprocal reduction, on the basis of equal treatment, by us and by other countries of the unreasonable and excessive trade barriers which were strangling commerce. Since other governments possessed the means of prompt action in dealing with trade matters, it was essential that our Government devise for itself an instrument of similar action.

This was done through the enactment of the trade-agreements program, which has enabled the executive branch of the Government to engage, within the limits of policy strictly prescribed by the Congress, in vigorous action for the restoration of our foreign trade. In that vital task, working against great difficulties, we have achieved a gratifying measure of success. During the period of operation of the trade-agreements program our exports expanded markedly, in sharp contrast with their steep decline during the period of operation of the Hawley-Smoot embargoes. This revival of export business has been an important factor in bringing about the recovery which has occurred in agriculture, in industry, in employment, in prices, in values, in the national income, and all the other elements of our national prosperity.

Between 1932 and 1939 national income rose from \$39,500,000,000 to about \$70,000,000,000; cash farm income from \$4,700,000,000 to \$7,625,000,000; nonagricultural employment from 27,800,000 to 33,700,000; wages and salaries in manufacturing industries, from \$7,400,000,000 to \$12,600,000,000; wholesale prices from a level of 64.8 to a level of 77.1.

In enacting the trade-agreements program the Congress was not making a definitive determination of a long-range and permanent tariff and commercial policy for this country. What was created in 1934 was a temporary agency, designed to meet the imperative needs of an abnormal situation and calculated to aid in bringing about conditions in which a permanent policy would become feasible.



Grave emergency conditions, resulting from the tragic errors of the past, existed in many phases of life here and abroad. The trade and other economic policies of the period following the World War were, in effect, instruments of intense and destructive economic warfare. Largely under their influence, there occurred a growing weakening of social stability within nations and an ominous deterioration of international morality and of political relations among nations. There was no hope of arresting these fatal trends, unless friendly and mutually beneficial trade relations were to supplant the existing system of economic warfare.

The trade-agreements program enabled us not only to promote directly our domestic recovery through an expansion of our foreign commerce, but also to take a position of leadership in efforts to check the spread of suicidal economic nationalism and to build a firm foundation for the kind of international trade relations which are indispensable to the maintenance of enduring peace—without which there can be no sustained prosperity for our Nation or any nation.

It was not to be anticipated that the immense task involved could be accomplished overnight. The destructive forces released by the disastrous policies of the past were too powerful to be overcome easily or swiftly. Substantial progress in this direction was made since 1934. That progress has been interrupted by the outbreak of new widespread wars. Whether what has already been accomplished will be completely wiped out or whether it will, after the termination of hostilities, serve as a foundation and a powerful impetus for further progress will depend, in a decisive measure, upon what our country does now.

Most of those who oppose the extension of the Trade Agreements Act propose no substitute for it, except a return—open or disguised—to the Hawley-Smoot regime. That would be where we would find ourselves if the act were permitted to lapse or if its effectiveness were to be destroyed by the adoption of crippling amendments.

It requires no imagination, but only recollection of what happened under the Hawley-Smoot Act in 1930-32, to visualize what would be the result of a return to a policy of virtual embargoes and attempted self-containment at any cost. Our people are not likely to forget how, 10 years ago, the proponents of ever higher tariffs made solemn promises to the farmers, to the workmen, to the businessmen, to the Nation as a whole, that increasing prosperity would follow the prohibitive tariff schedules which they were placing on our statute books—nor how those promises were fulfilled in bankruptcy for the farmer, in staggering unemployment for labor, in a collapse of prices and values for the businessman, in distress and despair for the entire Nation. Our people are not likely to forget the contribution which the enactment of the 1930 tariff made to the intensification of economic warfare among nations, to the growth of trade barriers, to vicious spirals of resentment, ill will, and retaliation.

Other opponents of the trade-agreements program are putting forward proposals which, in the guise of an allegedly "more realistic" approach to the whole problem of foreign trade, would go beyond the extremes of the Hawley-Smoot policy and would commit this country to the use of exchange controls, quotas, and all the other devices which in recent years have disrupted and retarded international trade. To abandon the trade-agreements program and to substitute for it a system of this kind would be to destroy the only policy which in recent years has offered effective resistance to a spread of these destructive practices. It would be equivalent to committing our Nation to a course of far-reaching economic regimentation, since the experience of other nations shows clearly that, in an effort to make extreme trade controls function effectively, regimentation has to be constantly extended to other phases of business activity and of economic life in general. It would be a starkly realistic approach, not to an effective promotion of our foreign trade, but to governmental control over business activity on a scale never before attempted in this country, and to a policy of plunging this country into destructive economic warfare—from which no nation ever emerges the gainer.

The trade-agreements program has enabled us to expand our foreign trade without subjecting it to the strait jacket of extreme Government control. Under it our trade has increased far more markedly than that of any other of the commercially important nations.

The program has been devised and carried out as a means of creating conditions in which free enterprise can function most effectively. Reversion to a policy of extreme protectionism or substitution for the trade-agreements program of a policy under which we would adopt all the instruments of economic warfare that have been so disastrously prevalent in the recent past, would not only wipe out our recent trade gains, but would impose upon our people a further national loss of staggering proportions. Our Government would be compelled to adopt most costly and difficult measures of relief and adjustment and to regiment the country's economic activity. And the most astonishing thing is that courses of action which must inevitably lead to these results are proposed and advocated by the very people who like to regard themselves as the real proponents of free enterprise and nonintervention of Government in economic life.

This is the crux of the whole issue. The question of the survival or disappearance of free enterprise in our country and in the world is bound up with the continuation or abandonment of the trade-agreements program.

The record of what has been accomplished under the trade-agreements program toward opening and enlarging trade opportu-

nity for all groups of our producers in both the foreign and the domestic markets is an open book. So much has already been said on this subject that I shall refrain at this stage from going into details on that score. My associates and I will be glad to furnish you with the fullest data. But I should like to raise this question: Who would be helped and who would be hurt by the abandonment of the trade-agreements program or by the adoption of the proposals which have been made to limit its scope and impair its effectiveness?

Would our agriculture be helped or hurt by abandonment or impairment of the trade-agreements program?

In the agreements which have been negotiated, important foreign markets have been kept open or expanded for our producers of lard and other hog products; cotton, tobacco; wheat and other grains and grain products; fresh, canned, and dried fruits and vegetables; and others. Surely, these producers would not be helped—on the contrary, they would be grievously injured—if they were to be deprived of these advantages.

Abandonment of the program would be hurtful to them in several very important ways: First, it would lose for us the additional leverage which the agreements now give us in defending the interests of our exporters in connection with the trade dislocations and distortions growing out of war conditions. Second, it would sacrifice the immediate and uninterrupted export benefits we are obtaining in markets not seriously disturbed by the war situation. Finally, it would involve sacrifice of the many ultimate advantages that the concessions would give to us in reexpanding our shipments to war-disturbed markets when hostilities cease.

In the trade agreements we have made some limited reductions in duties on certain products. So carefully have these adjustments been made and so painstakingly have they been safeguarded wherever need for safeguards was demonstrated, that these duty reductions have not inflicted any injury on any group of producers. No satisfactory evidence to the contrary has been brought forward, for the simple reason that no injury to our producers has, in fact, occurred. On the contrary, there is ample evidence to show that these very producers would be hurt, not by the continuation but by the abandonment of the program.

These producers, as all producers, are vitally concerned with the state of our domestic market. They can sell their output at remunerative prices only when the purchasing power of our people is at a sufficiently high level. But our national purchasing power and, therefore, the state of our domestic market are vitally dependent upon the condition of our foreign trade.

In the course of our negotiations with other countries, we find, on occasion, that moderate and adequately safeguarded reductions of duties on some commodities are sufficiently attractive to other countries to enable them, in return, to make valuable concessions for our exports, and thus help us to expand our domestic market. Let me refer again, as a good illustration of this, to the assertions of alleged injury which have been heard in connection with the moderate and carefully safeguarded duty adjustments on some dairy and cattle products.

Look at these facts: The cash income of the dairy industry, which had fallen, between 1929 and 1932, from \$1,844,000,000 to \$991,000,000, rose by 1938, to \$1,398,000,000. The cash income of the cattle industry, which had fallen from \$1,495,000,000 in 1929 to \$621,000,000 in 1932, rose, by 1938, to \$1,144,000,000. The prices of dairy and cattle products have gone up substantially in recent years.

Surely our dairy and cattle producers would not be helped if we were to restore to the Hawley-Smoot levels the few duties that have been reduced, and, in doing so, wipe out the concessions secured for our exports. Surely, these producers would be among those most hurt by the resulting painful contraction of the domestic market. Surely they have not so soon forgotten their experience from 1929 to 1932.

Would our manufacturing industries be helped or hurt by abandonment or impairment of the trade-agreements program?

The problem in this field is fundamentally the same as that with respect to agriculture. This country is the world's largest exporter of manufactured goods. In the trade agreements already concluded, important foreign markets have been kept open or enlarged for the producers of automobiles and trucks, tractors, agricultural, industrial, and electrical machinery; cash registers; typewriters and various office appliances; rubber tires and other products; cotton and other textile products; lumber, wood manufactures, and papers products; hides and leather products; petroleum products; glass and glass products; iron and steel products; copper and copper manufactures, and many others.

Surely, these producers would not be helped if they were to be deprived of the valuable advantages which have been secured for them. Surely, they would not be helped if we were now to give up the means provided by the trade agreements for defending their interests abroad.

Nor would the industries with respect to whose products duty reductions have been made in the trade agreements profit by the abandonment of the program. They might derive shortsighted satisfaction from seeing duties on their products restored to the Hawley-Smoot levels, but they would pay for this doubtful satisfaction with a decline of their business activity, which would inevitably result from a return to the embargo policies of the early thirties.

And labor—would labor be helped or hurt by the abandonment or impairment of the trade-agreements program?

Labor has just as direct and definite a stake in foreign trade as has any other group of our population. The state of employment and the level of wages obviously depend on the volume of business activity. When foreign markets decline, the result is increased unemployment and lower wages for those employed in the exporting industries. When the domestic market contracts as a result of loss of foreign markets, the results are still more unemployment and still lower wages throughout the economic system.

With the domestic market amply safeguarded, as it has been under the trade-agreements program, labor has been a direct gainer from the increase of our exports of manufactured goods. Such exports rose from \$624,000,000 in 1932 to \$1,523,000,000 in 1938. At the same time our dutiable imports of finished goods were \$170,000,000 in 1932 and only \$232,000,000 in 1938.

The trade-agreements program has increased employment mainly in industries that pay wages well above the average for American manufacturing industry. In a number of our most important industries, the exports to countries that have made concessions on the products of such industries account for a far greater percentage of increase in employment than the exports to other countries.

I should now like to touch briefly upon two questions of procedure which have been raised in connection with the trade-agreements program. The first relates to the most-favored-nation principles; the second, to the functions of the Congress in connection with the program.

Would our foreign trade be helped or hurt by the abandonment on our part of the most-favored-nation principle?

The importance of that principle to us arises from the simple fact that most-favored-nation treatment, or the rule of equality, is the only practical and effective means of safeguarding our exports from destructive discrimination on the part of other countries, and of making possible the maximum recovery of trade through promotion of triangular and multilateral flow of commerce. This fact has long been recognized in our country, as well as the fact that we cannot secure such treatment for our exports, unless we are prepared, in return, to grant it to other countries.

It was in recognition of these basic facts that President Harding and Secretary of State Hughes made the favored-nation principle in its unconditional form an integral part of our commercial policy. It was in recognition of these same facts that the principle was included in the Trade Agreements Act and has been applied in the carrying out of the trade-agreements program.

When we grant most-favored-nation treatment to the country with which we conclude a trade agreement, we receive in return an assurance of similar treatment. When we extend to other countries the benefit of the duty adjustments made in a particular agreement, we do so on explicit condition that these other countries give our trade substantially the same type of treatment. We reserve the right to withhold or withdraw these benefits from countries which do not give our trade such treatment. The result so far has been that the volume of our exports thus safeguarded from serious discrimination has been several times greater than the value of our imports on which we have generalized concessions made in the trade agreements.

Had we neglected to provide for our trade the safeguards against adverse discriminations abroad, which can be effectively assured only through the use of the rule of equality under the most-favored-nation principle—had we failed to do everything in our power to strengthen this necessary means of promoting the increase of world trade, criticism directed against us on this score would have been understandable. Instead, we are being criticized for steadfastly insisting upon these necessary safeguards, abandonment of which would subject our commerce to the constant danger of finding itself hopelessly handicapped in foreign markets.

I come, finally, to this question: Would our foreign trade and our national interest be helped or hurt if the Trade Agreements Act were so amended that individual agreements be made subject to Senate ratification or congressional approval?

Judicial opinion is uniform to the effect that both the delegation of authority of the kind contained in the Trade Agreements Act and the practice of concluding Executive agreements are entirely consonant with our established constitutional practice. Over 1,000 Executive agreements on a large variety of subjects have been concluded in the course of our history. It seems eminently clear that trade agreements should not be regarded as treaties requiring Senate approval. You will find in the recent hearings of the Ways and Means Committee a thorough brief on the matter by the legal adviser of the State Department, Mr. Hackworth.

In the Trade Agreements Act the Congress retained—as it should at all times—definite and basic control over tariff policy. It carefully prescribed the policy, the methods, and the limitations of the trade agreements program and entrusted to the Executive the duty and responsibility of administering and carrying into effect the provisions of the act. In proceeding on this basis the Congress recognized fully that the needs of the abnormal and rapidly changing conditions with which we have been faced require a means of prompt and effective action at a time when all other important nations possess such means of action. Trade channels today shift or are shifted more rapidly than ever before. If we are not in a position to act, with relative speed and certainty, to protect our trade opportunities in other countries and to adjust, as circumstances may require, the trade opportunities we afford other countries, our trade will inevitably be handicapped to our own disadvantage.

The experience in connection with the negotiation of the 22 agreements that have been concluded offers an ample proof that the

method we have pursued has served us well as a means of effective action; and that the authority under the Trade Agreements Act has been exercised with caution and moderation and with strict regard not only to the national interest, but also to the needs and problems of the individual branches of agriculture and industry directly involved.

The only result of the requirements that individual trade agreements be made subject to congressional approval or Senate ratification, under existing conditions, would be to make the program entirely unworkable. That would inevitably hurt our foreign trade and, through trade, our Nation's economic well-being.

We are now in a period when, as a result of the new and widespread wars, the need for means of prompt and effective action on the part of the Government in the promotion and defense of our foreign commerce is even more imperative than it has been hitherto. We are in a period in which our economic policies and action may have a determining influence upon the developments, which, after the cessation of hostilities, will shape the future world.

If we were now to abandon the program, we would reduce to practically nothing the efficacy of the existing trade agreements as a means of safeguarding our exports from the inroads of wartime restrictions. The need for keeping alive the principles which underlie the trade-agreements program is crucial now, during the war emergency, and will be of even more decisive importance after the war. Even a temporary abandonment of the program now would be construed everywhere as its permanent abandonment. Unless we continue to maintain our position of leadership in the promotion of liberal trade policies, unless we continue to urge upon others the need of adopting such policies as the basis of post-war economic reconstruction, the future will be dark, indeed. The triumph or defeat of liberal trade policies after the war will, in large measure, be determined by the commitments which the nations will assume between now and the peace conference.

At the termination of hostilities there will be an unprecedented need throughout the world for vastly increased production of useful goods of every kind. Only if this vital need is met can our country and all countries hope for full employment and higher living standards. But production, employment, and living standards cannot be restored and expanded unless the nations decide from the outset to direct their policies toward as rapid as possible a reestablishment of mutually beneficial international trade. Otherwise the economic life and the political stability of the world after this war will rest upon even more precarious foundations than those upon which they rested after the last war.

Had the nations of the world, including our own, followed at that time commercial policies conducive to the fullest practicable development of mutually beneficial international commerce, world trade would undoubtedly have expanded on a healthy basis far beyond the limits actually attained, and a foundation would have been laid for stable economic prosperity for all nations. Instead, the nations sought escape from their difficulties in constantly creating greater barriers to trade, the effects of which were obscured for a time by the unhealthy stimulation of reckless borrowing and lending of the twenties. But the ravages of the great depression, the years of only partial recovery which followed, and finally the supreme tragedy of the new wars have brought retribution for the mistakes and follies of the first decade after the World War.

Must all this be repeated again, perhaps in an even more acute form, after the present war? That may well be the case if we now turn our backs upon the policy which, under our leadership, has offered in recent years the only hope of promoting trade among nations in such a way as to rebuild the foundations of economic prosperity within nations and of stable peace among nations. Were we to do this, we would inflict upon ourselves and upon the world an incalculable injury.

After the World War, through the policies which we then pursued, we helped to create a situation in which the entire economic structure of the world rested upon shifting sands, with nothing in sight but inescapable disaster. The policy which we have pursued for the past 6 years, if we only have the wisdom to continue it, will enable us to place the whole weight of our country's influence behind a determined effort—in which, I am sure, we shall have the cooperation of other nations—to rebuild international relationships in such a way that our Nation and all nations can prosper and be at peace.

## Production of Electric Power

### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ARTICLE BY SAMUEL A. CARLSON

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Tri-County Herald, of Jamestown, N. Y., written by Samuel A. Carlson,



who for many years was mayor of that city. The subject of the article is the public generation and distribution of electricity. His city is a very fine example of what can be accomplished in that line.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Tri-County Herald, Jamestown, N. Y., February 16, 1940]

COLUMN OF INDEPENDENT THOUGHT

(By Samuel A. Carlson, Mayor Emeritus)

Secretary Ickes, of the President's Cabinet, made the statement some time ago that one-half of the corporate wealth of America is concentrated in the hands of 200 corporations, and that these corporations are dominated by not more than a few hundred men.

These men exercise a controlling power over the entire economic and industrial life of the Nation. A large percentage of this wealth represents public utilities and insurance holdings. And when we are told by the daily press that every publicly owned undertaking means tax burdens, let us not overlook the fact that the average citizen pays more in private tax assessments to these utilities and insurance corporations than he does for all the scores of services which he receives through Government channels.

When the late notorious Insull and his associate utility magnates swindled the American people by imposing billions of dollars in exorbitant charges for services, we did not hear Mr. Wilkes or any other champion of the so-called "free enterprise" policy talk about the encroachments of communistic influences.

Newspapers are continually harping about cheap electricity being supplied to consumers by the T. V. A. at the expense of the taxpayers of the Nation.

An unbiased examination of all the facts will I think convince anyone of the falsity of these charges. No doubt there have been some blunders in connection with this T. V. A. project just as there have been in any similar undertaking under private control.

It has been stated on the floor of Congress that one of the effects of the T. V. A. development has been a reduction of electric rates throughout the entire Nation in a sum exceeding \$1,000,000,000 annually. This fact alone justifies every dollar that has been invested for public benefits in this region. We must not overlook the fact that every consumer of electricity is either directly or indirectly a taxpayer.

In a letter published in the CONGRESSIONAL RECORD, January 29, 1940, Mr. L. J. Wilhoit, chairman of the Electric Power Board of Chattanooga, Tenn., stated that that city paid \$10,850,000 for the private power distribution system, and that this sum was \$3,140,000 more than a new system could have been duplicated for.

This liberal sum was paid not only to avoid expensive litigation but to reimburse every stockholder for his investments in the private corporation. Mr. Wilhoit further states that the rates now paid by the city to the T. V. A. for power includes 12½ percent cost which the T. V. A. in turn remits to the States, counties, and cities for losses in taxes formerly paid by private corporations, and that all cities in the valley are making similar contributions for tax purposes.

Notwithstanding these tax contributions, which are included in all electric bills to consumers, the people of Chattanooga are saving in reduced rates the sum of \$3,000,000 every year as compared with the rate formerly paid by the private company, even after the city had made adequate allowance for operation, depreciation, interest, and the annual amortization of bonds.

In this connection I may also state that, according to reports recently made in Congress, the total revenue of the T. V. A. system, which is now \$16,000,000 annually, provides for a sinking fund to reimburse the Government for all original expenditures in the development of power utilities in the Tennessee Valley after having given the industrialist, the farmer, and city dweller the benefits of low-cost service in place of excessive taxes previously paid to private corporations in the form of exorbitant rates.

Yet, strange as it may seem, there are good citizens who regard staggering expenditures of public money in battleship construction for foreign wars as a perfectly proper tax burden, but that expenditures of far less sums for self-sustaining utility systems affording cheap electricity for the people is considered by these same citizens as a dangerous step in the direction of communism.

## Embargo on Shipment of War Materials to Japan

### EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

### LETTER TO REAR ADMIRAL HARRY E. YARNELL AND REPLY

Mr. SCHWELLENBACH. Mr. President, there are pending in the Foreign Relations Committee of this body two resolu-

tions involving the embargo of shipments of war materials to Japan. One was offered by the Senator from Nevada [Mr. PITTMAN], the other by me. The question has been raised by some that the adoption of such a resolution would be at the risk of war. No one can deny that the man in this country best qualified to pass upon this question is Rear Admiral Harry E. Yarnell. He for many years commanded our Asiatic fleet. Believing him to be our outstanding authority on the question, on February 21 I sent him a letter which I now ask to have inserted in the Appendix of the RECORD. His reply, dated February 26, is of extreme importance and interest. I ask that it be inserted in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 21, 1940.

Rear Admiral HARRY E. YARNELL,

Naval War College, Newport, R. I.

DEAR ADMIRAL YARNELL: As you may know, I have introduced Senate Resolution 143 providing for embargo of certain materials now being shipped to Japan, which shipment, in my opinion, is a violation of the obligation of our Nation and our citizens under the Nine Power Pact. I am enclosing for your information a copy of that resolution.

Many people, both in and out of Congress, are in sympathy with that sort of a resolution to be enacted by the Congress. However, they are fearful that the adoption of such a resolution by the Congress would be likely to result in involving us in war with Japan.

It occurs to me that it would be of extreme value in the light of your experience in the Far East and the confidence that Members of Congress have in you to have an expression of opinion from you upon that question. If you can consistently do so, I would appreciate such an expression and, further, such explanation in reference thereto as you might see fit to give. I would appreciate it, further, if you are willing to give an expression of opinion upon the question, if you would indicate whether or not I might feel free to make public your reply to this letter.

Yours very truly,

LEWIS B. SCHWELLENBACH.

NEWPORT, R. I., February 26, 1940.

Hon. LEWIS B. SCHWELLENBACH,

United States Senate, Washington, D. C.

MY DEAR SENATOR: Your letter of February 21 has just been received. In it you ask whether in my opinion, the adoption of Senate Resolution 143, providing for embargo of certain materials now being shipped to Japan would be likely to involve us in war with that country.

Personally, I do not think so. Japan is at present engaged in a major war which has resulted in a stalemate with no end in sight. It would be suicidal for her to engage in another major war with a powerful enemy.

Is there not, however, a larger question involved and that is: To what extent should a self-respecting nation refrain from asserting its rights and the defense of its interests through fear of the consequences?

In civil life it has been found that "appeasement" does not work in dealings with lawbreakers and gunmen. The experience of recent years has shown that also it is of no avail in dealing with nations whose rulers decide on a course of action against harmless neighboring nations involving death and misery to millions of innocent people in total disregard of treaties, international law, or the dictates of justice and humanity.

We have rights in China acquired by treaty through our intercourse with that nation for the past 150 years. We have never demanded special privileges but only equal rights with any other nation. As a result of our fair attitude we have today the friendship of the Chinese people, an asset that cannot be disregarded.

For the past 2½ years there have been many cases where our rights in China have been violated or openly flouted. American properties have been occupied or destroyed, missions bombed, and our citizens insulted with few steps having been taken to recompense the sufferers or even to express regret. Evidently there is a belief in Japan that no danger of a war exists with the United States through their actions against our rights and our citizens.

As for our interests in the Far East, the question arises whether our Nation can afford to see the domination of that great area by a power inspired by the ideals of fire and sword that have had full sway in China during the present war. Success in this adventure will entrench the Japanese Army in control of the government for many years, and as time goes on, will lead inevitably to the acquisition of more territory by force of arms.

There are in the United States today two widespread but contradictory opinions: first, sympathy for the democracies as opposed to the aggressor nations, and second, the determination to keep out of the present war.

The decision as to when our vital interests will require more active assistance to those nations whose ideals of government are similar to ours will become more pressing as time goes on. We will face an uncertain and dangerous future if the democratic nations of Europe, and China, are defeated in the present war.

When nations realize that aggressive warfare does not pay, that the time has passed when territorial conquests bring welfare to

the conquerors, there may be a return to reason and a willingness to decide international differences by conferences rather than by the sword.

By a policy of friendship, Japan could have dominated the markets of China through proximity and her ability to sell more cheaply than competitors. Unfortunately those enlightened statesmen in Japan who believed in and advocated such a policy were overthrown by the Army. As a result, untold death, misery, and destruction have resulted in China and the Japanese people have been saddled with a debt that will require years of toil and privation to overcome.

Very sincerely,

H. E. YARNELL.

## The Farmer and America's Future

### EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the able Senator from Ohio [Mr. TAFT] at Springfield, Ill., on February 24, 1940, on the subject *The Farmer and America's Future*.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of Illinois, you are in the midst of a great agricultural district, one of the greatest in the United States, and you are naturally interested in the problems of agriculture. I have tried to work out to my own satisfaction a definite position on the principal political issues before America today and present my position tendency to avoid the discussion of specific issues, but certainly no headway can be made toward the solution of any problem unless there is a frank and full argument on the merits and demerits of specific proposals. The recent report of the Republican program committee sets forth in definite terms the views of that committee on the principal issues. It will stimulate clear thinking, on which the Republican Convention can formulate a sound, constructive platform. Every Republican speaker can help along that end by a discussion of specific problems.

In the case of agriculture this is peculiarly necessary, for the solution of the agricultural problem is more difficult than any other of those which we face. Furthermore, it is one of the most serious, certainly the most serious after the problem of unemployment. All statistics show that the national economy is out of balance. The farmer is not receiving for his products prices equivalent to the prices which he has to pay for the goods he buys. It is a matter of pride to me that when the new dealers looked for a period in which industry and agriculture were in balance they selected the years 1909 to 1914, when the Government had been under Republican leadership for 12 years, and most of which selected period my father was President of the United States.

Other methods of calculation show that the farmer today gets much less for an hour's work than the average city workman who has a job. He has to pay more for what he buys in terms of hard work than does any other group in the population, and a good deal more than he himself had to pay in the early days of the century. Whether this is due to the tariff, the dislocation caused by the World War, the tendency of distribution costs and city wages to become frozen at artificially high levels makes very little difference. The farmer is at an actual disadvantage, and this disadvantage, if we look back at some years before the depression, does not result entirely from the general stagnation of industry. The farmer is not as well off as the man in the city who has a job. We may remember, however, that he is a good deal better off than the millions in the cities who haven't any jobs.

The farmer is particularly affected by the depression. His condition depends on the prices of raw materials. The depression and unemployment have reduced the demand for these farm products, whereas farm production does not decrease as does industrial production. Farming is a way of life, and the farmer must go on producing if his family is to go on living.

When the farmer is at a disadvantage, the entire country is concerned to see that that disadvantage be removed. From an economic standpoint, we cannot have prosperity while one of the basic industries is substantially depressed. Economic prosperity depends largely on the prosperity of the farm, just as farm prosperity depends on employment and normal activity in industry. It is somewhat difficult to give priority in importance—like the old riddle, whether the chicken or the egg comes first. But if prosperity is to

be permanent, it must be general, and the continued depression of a basic industry as great as agriculture will ultimately drag down the entire structure.

From a social standpoint, the welfare of the farmer is even more important to the country. The strongest and most virile people of the United States are still on the farm. The farmer, with 12 percent of the national income, raises and educates 30 percent of the boys and girls of the country. We look to the farm population to provide new life and strength to the body politic. The basic principles of American democracy are more firmly established in rural America than anywhere else. The qualities of thrift, independence, and self-reliance cannot be destroyed in this Nation while the farmers have a substantial voice in determining public opinion. It is essential that the farmer be not pauperized; that he be given an equal place in our economic life with those who engage in other occupations.

The agricultural problem is not a partisan question. Both parties and the leaders of both parties are vitally interested in assisting the farmer to overcome the handicaps imposed by present conditions. The farmer is primarily concerned that the party returned to power shall approach his problems with a real sympathy toward his position, a willingness to consider plans that are proposed even though they be new, and a determination to find a correct solution. Last year I campaigned throughout the 80 rural counties of Ohio, a State which stands fourth in agricultural production and has very much the same type of agriculture as Illinois. It was the most pleasant campaigning I have ever done, because the audiences were eager to have American issues discussed on their merits. Nothing will defeat the spread of communism and fascism and all the other "isms" as much as the preservation and building up of rural America.

#### NO PANACEA FOR THE FARM PROBLEMS

All are anxious to solve the farm problem. But the practical difficulties are great, and our experience with the experiments already made does not indicate that they will provide a permanent solution. Comparing farm prices on August 15, 1933, with August 15, 1939, just before the outbreak of war, we find that wheat had fallen from 74 cents to 54 cents; rye from 58 cents to 34 cents; corn from 72 cents to 45 cents; cotton, in spite of the tremendous acquisition of 10,000,000 bales by the Commodity Credit Corporation, had fallen from 8.80 to 8.70. The present low price of hogs is ruinous and a disaster to the Corn Belt. On August 15, 1933, none of the farm-control plans except cotton had even begun, so that 6 years shows no substantial improvement in the price of basic crops, in spite of billions of dollars spent by the Government. Livestock prices, on the other hand, had improved considerably in value during those 6 years, but this is hardly attributable to New Deal measures, for there has not been recently any attempt to limit directly the production of livestock. In fact, in referring to an increase in cash income from meat animals, the Secretary of Agriculture, in his 1939 report, says: "This recovery was due chiefly to an increase in the domestic demand for meats, the basis of which was an increase in national income and increases in pay rolls and employment." It is certainly not a partisan attitude to question the effectiveness of the programs pursued up to this time.

There is no panacea for the farm problem. Agriculture consists of a large number of separate industries, each one having its own problems and requiring special consideration. To limit corn production in Illinois and build it up in the South, to build up one branch of farming at the expense of another, to improve conditions in one section of the country at the expense of conditions in another, does not result in any net improvement. Heretofore the emphasis has been placed on the decrease of production. If we could increase the markets, it would be obviously a much better solution, because it would greatly increase the gross farm income.

#### 1. INCREASE THE FARMER'S MARKET

First of all, therefore, the effort of the Government must be to increase the farmer's market. We can at least assure him the American market for his staple products. We can impose adequate tariffs on agricultural products produced elsewhere. Under the reciprocal trade-treaty policy, the present Government has been steadily reducing tariffs on agricultural products, notably livestock, and even where protected by quotas this importation has an effect in demoralizing the domestic market.

I believe the reciprocal trade-treaty policy should be modified so that no tariff on any product can be reduced below the cost of production here and abroad. After the treaty is made, it should be referred to the Tariff Commission, and no new rate should go into effect until the Tariff Commission certifies that the remaining tariff will remove any advantage the foreign product has because of lower production costs or currency depreciation.

In the second place, we should give full support to the efforts which the Department of Agriculture is at last making to find new uses for the products of the American farm. Four laboratories are being constructed to carry out this chemurgic plan. We have seen cotton come to be used in the manufacture of tires and roads; soybean products in the manufacture of automobile parts; skimmed milk in the manufacture of textiles. The development of the Herty paper process in the South may well establish a new industry, and enable this country to produce much of the pulp and paper which now have to be imported. This is a slow matter, but in the long run it may be one of the most important things that can be done. An encouraging start has been made and should be pursued as rapidly



as possible. New industries such as these, however, must have a sympathetic, rather than a hostile, attitude on the Government's part.

In the third place, the Government should take a more active part in encouraging increased markets for farm products abroad. Under normal conditions, export subsidies are not desirable, but in the process of adjusting those crops which have always depended upon export for a large part of their market, such export subsidies may be necessary. I believe we should further pursue the realistic policy of making every kind of deal to dispose of American farm products. This barter policy also may not be the best in the long run, but under war conditions international trade is bound to be largely a matter of negotiation between national governments, and we might as well do what we can to dispose of American surpluses even at prices below the American price.

Finally, there can be nothing so important as increasing domestic demand by a return to normal conditions of prosperity in the United States. It has often been pointed out that when farm income is high the national income is high, but it is also true that high farm prices almost invariably accompany a general condition of prosperity in the United States. If 9,000,000 people could be restored to jobs, there is little doubt that we would be a long way on the road to a solution of the farm problem. The farmer is therefore interested in those policies which will stimulate private industry, for 9,000,000 men can only be put to work in private industry. The farmer is vitally interested in the adoption of policies reducing the excessive regulation of prices, wages, hours, and every other kind of business activity. He is interested in assuring a stability to investment by balancing the Government's Budget and returning to sound and stable currency. He is interested to see that the Government no longer pours out vast billions which the farmer, as well as every other citizen, is going to have to pay back in increased labor and increased taxes. He is interested in the elimination of Government bureaus and the cutting down of Government activities which compete with private industry. Following previous depressions, the number of people employed in this country has been steadily increased by a Government policy which encouraged and assisted men to go into new business and to develop big industries out of small industries; which kept open the channels of trade against private monopoly and Government interference, so that every citizen had an incentive to apply the qualities of thrift, hard work, energy, and genius to the development of new industry and the creation of more jobs.

#### 2. CUT MIDDLEMAN'S MARGIN

Similar to the increase of the farmer's markets is the improvement of distribution methods by which those markets can be reached. The cooperative movement has made great strides, and cut down the margin between the producer and the consumer. It should be encouraged still more by legislation and by sympathetic Government assistance. The Government might well interest itself still more in the problems of marketing and distribution in our large cities. The present commissioner of markets in New York, Mr. Fellowes Morgan, has worked constantly and successfully in reducing the tremendous cost of distributing farm products through the great city of New York. The elimination of artificial control and expensive practices can increase the farmer's price at the same time that the consumer has less to pay.

The only permanent solution of the farm problem satisfactory to the farmer lies in the increase of the farmer's markets and improved distribution. But temporarily there is a surplus problem, and plans to prevent a surplus are practical necessities in the case of particular crops.

#### 3. ARBITRARY PRODUCTION CONTROL UNSOUND AS PERMANENT POLICY

I question the soundness of the production-control plans of the present administration. They proceed on the assumption that it is impossible to attack the problem by increasing markets. They represent a suicide theory under which we must have constantly decreasing production in every field of agriculture, mining, and industry. Nearly all production-control plans in the past have broken down, and in the end have made the situation even worse for the producer. We saw that result with rubber in the East Indies, coffee in Brazil. The limitation on the production of cotton in the United States has built up the cotton industries of other countries, and permanently destroyed a large part of our cotton market. The administration today is seeking international agreements to limit production, but the history of such agreements in the past gives little reason to hope for their success.

We hear a good deal about the democracy of these plans under which the farmer votes to continue them or not to continue them. There is nothing bona fide in these votes. There is no real contest conducted except on the Government side through Government propaganda. The ordinary farmer has no practical alternative except to cast an affirmative vote. It is extraordinary that under such circumstances any production-control vote has ever failed to carry.

I do not believe that the present plans can be abandoned overnight, but I do think that we should work toward their gradual abandonment. There may be some fields in which a control of production can work out effectively. I am thinking particularly of the California situation in which the production area is small at any given season, and easily controlled, and where the result of overproduction is even more disastrous to the grower because the high freight cost may wipe out every cent of his return.

Another device which should certainly be continued for reasons other than production control is that of soil-conservation payments. Such payments probably tend to reduce temporarily the total production of farm products, at the same time building up the soil so that such production may be greater in the future. There is a question whether in the long run soil-conservation payments decrease production. Considering all crops raised and all branches of agriculture, I very much doubt it.

#### 4. RETIRE MARGINAL LANDS

A better method of reducing production permanently and at the same time raising rural standards of living is the retirement of marginal acreage, either through the purchase of land by the Government where it can be bought at low prices, or by leasing. If the money spent on agriculture in the last 7 years had been used to buy land at \$20 an acre, we might have retired many millions of acres and substantially removed any surplus problem. I realize it is not so easy to buy large quantities of land and return them to the public domain, but if production is to be reduced, it is far better to do it by the purchase of land on which a man can hardly support his family, rather than by cutting down the productivity of the best land in the United States. In some sections the purchase policy might be combined with reforestation to conserve the soil and finally build up a paper and pulp industry in the United States. I know that in Ohio and Illinois, any method of reducing production is better than the limitation of corn acreage.

A substantial objection to any direct production control is the regimentation which it necessarily involves. It cannot be administered without a detailed regulation of every farm, and the allotment to each farmer of an acreage allowance based on some historical or other factor. Conditions in the farm industry are constantly changing, and any such attempt to fix present activity on what has been done in the past penalizes the efficient farmer and penalizes initiative. It requires a vast swarm of Government agents checking acreage and arguing with the farmer. The Department of Agriculture has increased its employment from 26,000 in 1933 to more than 100,000 today. Whatever plan is adopted, I am convinced it must be one which does not involve an individual regulation of every individual farm. Whatever good might be done is more than balanced by the deprivation of liberty and freedom, which is the very cornerstone of our Republic.

#### 5. PRICE FIXING UNSOUND

The present administration, whether it admits it or not, has taught the people to believe that prices can be fixed by Government. In my opinion, price fixing cannot be an effective policy except under a completely totalitarian state. In a free country the law of supply and demand in the end prevails over any government fiat. A high fixed price for wheat simply means that the market for wheat would be largely destroyed. The bootlegging of wheat would exceed the bootlegging of liquor under prohibition. I quite agree with Secretary Wallace, who said on February 15 before the House Committee on Agriculture: "On the whole, fixed price programs seem to represent a desperate effort to avoid budgetary difficulties by making it possible for farmers to obtain reasonable incomes through market prices. I have nothing but sympathy for their objectives, but I have not yet found any price-fixing proposals that do not involve some grave objections." If the Government once undertakes to fix the price of basic commodities, it cannot stop until it fixes the price of related commodities. Under the original A. A. A. we saw Government control begin with wheat and cotton and go on finally to peanuts and potatoes. You cannot fix prices without regulating practices and margins and profits until every step of the business process is subject to some Government bureaucratic regulation.

#### 6. SOUND LOANS AND EMERGENCY PRICE PEGGING

The wisdom of the policy of Government loans on farm products depends on many different considerations. Certainly there should be adequate machinery to make sound loans to enable farmers to carry crops over from the time they have harvested to some other season when prices may not be demoralized. Where a bumper crop threatens to depress the price to a point well below what is known to be normal, loans certainly should assist the farmer to a larger carry-over of that crop for 1 or perhaps 2 years. But if the policy is to be a real loan policy, then the loans must be made at a price somewhat below the market price of the product, as other sound loans are made.

If loans are made at prices equal or above the market price, they are not really loans at all, particularly when the producer is not obligated to pay them back. The making of such loans is merely a method of guaranteeing a minimum price.

If prices do not happen to recover, the Government must acquire the surplus itself at a price above the market. Such a loan policy as a permanent policy is subject to the same objection as Government price fixing. Thus the loan policy in cotton has resulted in the accumulation of about 10,000,000 bales of cotton by the Commodity Credit Corporation at a cost of \$500,000,000, the disposal of which presents an almost insoluble problem.

Some weeks ago I said at Des Moines, Iowa, that the corn-loan policy would not work in the long run. I was glad to read in Secretary Wallace's statement to the House Committee on Agriculture on February 15 that he entirely agrees with this statement. He points out that the effect of a high price pegging loan program will be to raise domestic prices, increase production, and thereby make it impossible to liquidate high loans without incurring large losses. "Any loan program," he said, "can be swamped by continued excesses of production. Furthermore, the excessive and unnecessary use of

credit aggravates maladjustment and only defers for a brief time the inevitable reckoning in appropriations to cover loan losses."

Evidently there is some ground for the apprehension which both Secretary Wallace and I have in reference to this corn-loan program. Although the price of corn is being pegged, the price of hogs, which is most vital to the corn producers, is now the lowest since 1934. With hogs selling on the Chicago market at an average of slightly above \$5 per hundred pounds, there can be no profit to the corn raiser no matter how much corn is stored in Government bins or on the farm. It is folly to say that any substantial benefit is being derived by loaning to the farmer 57 cents a bushel on his corn and compelling him to market his hogs at a net to him of not more than \$4.50 per hundred. A final market for most of the hundreds of millions of bushels of corn now stored must be found in the price of hogs. Whatever the farmer gains through his corn loan this year is being lost by low hog prices. Undoubtedly, in an emergency, when the bottom drops out of the market, the Government may temporarily guarantee minimum prices through loans or otherwise, but such a program must be approached with the greatest care, because politics being what it is, it is always easy for the Government to accumulate products, but it is very difficult to find the time when politics will permit the surpluses so acquired to be disposed of. We should certainly work toward a condition in which price fixing, production control, and high Government loans amounting to price guaranties can be abandoned.

I showed at the beginning of this address that the farmer was at a decided disadvantage in receiving less for his work than other groups in the population. So long as that condition exists, I believe that a subsidy to the farmer is justified. This is particularly true when we consider that large payments are being made to the cities for relief. I do not think that this subsidy can continue to be as much as the combined agricultural appropriations in recent years; just as relief appropriations are being reduced.

The best form of subsidy is the soil-conservation payment, combined with incentive payments for the raising of crops not now produced in sufficient quantity in the United States. Soil-conservation payments accomplish some temporary reduction in cash crops and an improvement in the soil, besides the direct cash benefit to the farmer. Incentive payments build up farm income, and work toward a permanent solution of the present lack of balance. They should be administered without reference to the past history of any farm, but on a set schedule of payments for acreage placed in particular crops.

But such soil-conservation payments should not be confined to a limited number of crops. If there is to be a subsidy it should be spread over all phases of agriculture including the dairy farmer, the poultry farmer, and the livestock farmer.

#### M'NARY-HAUGEN PLAN PERMANENT

There is, finally, a special problem with those crops like wheat and cotton, where the price is likely to be determined by the foreign market, although the farmer must buy everything on the American level.

I believe that a device can be developed along the lines of the McNary-Haugen bill which will enable the farmer to retain the foreign market at one price while receiving an American price for most of his crop. I believe such a device can be worked out without imposing Government control on every individual farmer. It should not involve any direct subsidy. If it can be successfully worked out, as I think it can, it is the most important feature of a permanent farm program. In manufacturing industries surpluses are frequently disposed of abroad at a loss. The same thing can and must be done where we are dependent on foreign markets to consume the normal output of American farms.

Where extraordinary surpluses develop, the Government should assist in taking those surpluses off the market to a reasonable extent, and for a brief period of time. When such a purchase policy is adopted, the disposal of such surpluses to persons on relief through the food-stamp plan is certainly a far better method of surplus disposal than the broadcasting of surplus commodities, hit or miss, which preceded the adoption of that plan. But the whole policy of Government purchases of food products should only be used in emergencies, and should be restricted to the amount necessary to relieve completely abnormal conditions.

I have tried to outline a sound agricultural program, based primarily on the increase of agricultural markets, rather than fancy patent-medicine schemes to avoid the inevitable law of supply and demand. The program of the present administration cannot be abandoned overnight, but we should work as rapidly as possible to a sound basis for Government action. Government intervention in emergencies can still be resorted to, but the New Deal has been in a perpetual state of emergency. The New Deal has completely failed to cure the unemployment problem and to raise farm prices. It leaves us with a lower standard of living than we had 10 years ago. In spite of power beyond any that any government has ever had, in spite of billions of dollars more than any peacetime government has ever enjoyed, it admits its failure by its constant demand for more power and more funds. There is only one way to escape a perpetual emergency, and that is to adopt sound principles of finance, sound policies to aid agriculture, sound principles to promote industry.

The Republican Party is willing and anxious to sit down with the farmers of the country and work out solutions of their problems which will work, emergency or no emergency. It is determined to restore the farmer permanently to equality with other groups, and restore the America of today to the prosperity and happiness of the America of other years.

## What Would Lincoln Think?

### EXTENSION OF REMARKS

OF

HON. JAMES M. SLATTERY

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ARTICLE BY HON. HENRY HORNER, GOVERNOR OF ILLINOIS

Mr. SLATTERY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "What Would Lincoln Think?" written by Governor Horner, of Illinois, and published in the Christian Science Monitor of February 10, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of February 10, 1940]

#### WHAT WOULD LINCOLN THINK?

(By Henry Horner, Governor of Illinois)

When I was asked, for reasons known to the editorial mind, to write a few paragraphs on this subject, my immediate impulse was to decline. Who was I to say what a man who lived under conditions radically different from those which prevail today would think of the world of 1940? How could anyone make even a good guess? The mere attempt seemed to be arrogant presumption.

My impulse was strengthened by the recollection of efforts of this kind which I had observed in a good many years of study of Lincoln's life. I had seen one writer try to prove that Lincoln today would have been a Communist, while another was sure that he would have been the principal pillar of unrestrained individualism. I had watched one group cite his example in behalf of prohibition and another point to him as an advocate of so-called personal liberty. And so on almost without end. I had smiled and resolved never to indulge in pure guesswork myself.

But as I reflected, I began to see that while one couldn't plot the exact course which Lincoln might take if he were confronted with a definite modern problem, it still might be possible to write with some assurance about the general attitude which he would assume if he were alive today. Unless we misread his character completely—and I do not believe that we do—he would surely be found adhering to certain points of view.

I cannot believe, for example, that Lincoln could have condoned the racial and religious discrimination so evident in much of the world today. The same ugly forces now manifest made themselves felt in his day. The Know-Nothing Party was built on nativism and religious prejudice, and in the decade before the Civil War the Know-Nothing Party was a power in politics. Many a politician bowed to its strength, either joining the movement or letting it be known that he was not unfriendly.

But not Lincoln. In 1855, when the party was at the height of its power, and when he himself was adrift politically, he confessed in a letter to an old friend that he did not know how his own party affiliation might be described. But he added: "I am not a Know-Nothing; that is certain."

There is nothing in Lincoln's life to indicate that this was not a deep-seated, enduring conviction, and much to indicate that it was. Are we not justified in assuming, therefore, that Lincoln would stand today where he stood in 1855? In my opinion, the question answers itself.

In the second place, if Lincoln were alive today I believe we would find him as sanely national in his outlook as he was in his own lifetime. Blocs based on class or sectional differences would have appealed to him in vain. I do not mean that he would have shut his eyes to class or sectional distinctions. As a political leader aspiring to Douglas' place in the United States Senate he recognized the validity of sectional interests, and disclaimed any intention of reducing "to a dead uniformity all the local institutions of the various States." Similarly with economic matters. He knew that Kentucky, with an economy which rested on tobacco, was bound to be essentially different from Illinois, where corn was the great staple. He knew also that labor and capital had interests which were not always identical, and he realized that to ignore points of difference was stupid.

Still he was convinced that the Union—the whole Nation—transcended local interests and must come first in case of real or imagined conflict. If Lincoln were alive today, I believe he would sympathize with the special interests of the farmer, the laborer, and the capitalist, and that he would not be unmindful of the divergences between the cotton-growing South and the industrial East, or between urban and rural areas everywhere. But I am sure that his outlook would remain broad, and that his decisions would be arrived at with one question ever dominant in his mind: "What is best for all the people of the whole Nation?"

Finally, I am sure that we would find Lincoln unshaken in his faith in democracy. No matter how questionable any other assertion about Lincoln's possible attitude may be, there can be no doubt



that belief in the overwhelming superiority of democratic government was as inseparable from him as life itself. I like to think of him as he stood in Independence Hall on Washington's birthday in 1861, en route to his first inauguration, quietly telling his audience that he had "never had a feeling, politically, that did not spring from the sentiments embodied in the Declaration of Independence," framed and adopted in that very building. Nor was it the mere matter of separation from the mother country, he went on to say. What had appealed to him so strongly, and what filled him then with deep emotion, was that promise of the Declaration "that in due time the weights would be lifted from the shoulders of all men, and that all should have an equal chance."

To Lincoln democracy was more than a framework of government in which the people choose their own officials and make laws through their own representatives. It was that, to be sure, but it was also a social system which raised no artificial barriers; which gave every man, no matter what his origin, an opportunity to advance as far in whatever direction as his ability warranted.

To Lincoln, moreover, this was a matter of the deepest personal concern. He himself had come into the world with no artificial advantages, but there had been no barrier to his rise to the highest, most honorable position in the country. These are personal matters about which men as reserved as Lincoln rarely speak. There was one occasion, however, on which he spoke his conviction, and what he said reveals more clearly than any other utterance the fervency of his faith in democracy. For that reason, and also because few are familiar with it, I quote the passage here. The time was the fourth year of the war, the audience a regiment of Ohio volunteers:

"I almost always feel inclined," Lincoln said—and we can imagine that he spoke slowly and quietly—"when I happen to say anything to soldiers, to impress upon them in a few brief remarks the importance of success in this conflict. It is not merely for today, but for all time to come, that we should perpetuate for our children's children that great and free government which we have enjoyed all our lives. I beg you to remember this, not merely for my sake but for yours. I happen temporarily to occupy this White House. I am a living witness that any one of your children may look to come here as my father's child has. It is in order that each of you may have through this free government which we have enjoyed an open field and a fair chance for your industry, enterprise, and intelligence; that you may all have equal privileges in the race of life, with all its desirable human aspirations."

In a word, only in a democratic government were the opportunities symbolized by Lincoln in the White House possible.

Broadly liberal, sanely national, fervently democratic—this was Lincoln in his lifetime, and this Lincoln would be today. No American can hold to a better creed.

### 1940 Census Questionnaire

### EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

BRIEF BY HON. CHARLES W. TOBEY, OF NEW HAMPSHIRE

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the *RECORD* the brief filed by me with the Committee on Commerce of the Senate in support of Senate Resolution 231, relating to the 1940 census questionnaire.

There being no objection, the brief was ordered to be printed in the *RECORD*, as follows:

First. These questions 32 and 33 are illegal, because they are not authorized by Congress.

Section 204, title 13, of the United States Code, 1934, providing for the taking of the fifteenth and subsequent decennial censuses, reads as follows:

"The fifteenth and subsequent censuses shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of the Secretary of Commerce. (June 18, 1929, ch. 28, sec. 4, 46 Stat. 22)."

Section 21 of the Census Act of June 18, 1929 (ch. 28, par. 21, 46 Stat. 26), provides that the act entitled "An act to provide for the fourteenth and subsequent decennial censuses, approved March 3, 1919, and all other laws and parts of laws inconsistent with the provisions of this act are hereby repealed."

The above referred to 1929 act governs the 1940 decennial census; and, according to the old legal maxim "expressio unius est exclusio alterius," it follows from the usual and ordinary rules of construction that no other classification is to be read into the statutes

in disregard of that restrictive clause. Nowhere in the 1929 statute is there a provision in conflict with section 204.

Officials of the Census Bureau have concentrated their efforts in an attempt to stretch the meaning of the words "population," "unemployment," and "distribution" as used in the restrictive clause of the 1929 act, attempting to broaden these words beyond their ordinary sense and customary meaning.

They have even contended that income is included within the term "unemployment" on the ground that an act of Congress passed in 1938 providing for a restricted census of employment specifically authorized questions on income and used the word "income."

The census officials have admitted that their sole authority for the scope of questions comes from the 1929 act and not from the 1938 act, and, of course, this posterior act cannot be used to shed light on the intent of Congress in an anterior one, and if any meaning at all is to be drawn from the specific mention of income in the 1938 act it is that Congress, feeling the need to mention income to authorize questions on that subject and recognizing that such was a field not included in the ordinary sense of the word "unemployment," took pains to make its intention clear.

Second. These questions 32 and 33 are in violation of the Constitution.

Article IV of the Bill of Rights provides that: "The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated."

This inhibition against unreasonable searches and seizures is not limited to protection against search or seizure by force, but is alike a protection against demands by Government agents for unreasonable production of information, documents, or papers.

The Supreme Court of the United States in *Interstate Commerce Commission v. Brimson* (154 U. S. 447), states: "We said in *Boyd v. United States* (116 U. S. 616, 630)—and it cannot be too often repeated—that the principles that embody the essence of constitutional liberty and security forbid all invasions on the part of the Government and its employees of the sanctity of a man's home and the privacy of his life." The Court then added, "Of all the rights of a citizen, few are of greater importance or more essential to his peace and happiness than the right of personal security, and that involves not merely protection for his person from assault but exemption of his private affairs, books, and papers from the inspection and scrutiny of others. Without the enforcement of this right all others would lose half of their value."

Third. It is not fair to the people for the Senate, without protesting, to allow locally and politically appointed, temporary employees of the Government to demand from their neighbor citizens such private information under threat of penalty of fine and imprisonment. It is a recognized right of the people to petition to the Congress for a redress of grievances. The people have done so and are doing so, in protesting against these personal questions, and have expressed justified apprehension that the method used to gain such information will result in embarrassment and injury to them. Many of their letters to me have given illustrations of such betrayal of confidence in the past, and I have read a number of these letters into the *RECORD*.

To sum up, I respectfully submit that in order for the committee to report unfavorably on S. Res. 231 it must be prepared to satisfy the Senate that the questions therein are: (1) Authorized by Congress, and (2) constitutional, and (3) fair to the people.

On the other hand, if the committee reaches the conclusion that the income questions are either: (1) Unauthorized by Congress, or (2) unconstitutional, or (3) unfair to the people, then it logically follows and it is clear that the committee should report favorably on the resolution.

### Review of New Deal Administration

### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

RADIO ADDRESS BY HON. CHARLES L. McNARY, OF OREGON

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the *RECORD* a radio address delivered by the senior Senator from Oregon [Mr. McNARY] on March 3, 1940, on the American Forum of the Air program.

There being no objection, the address was ordered to be printed in the *RECORD*, as follows:

Seven years of the New Deal leave our major national problem of unemployment still unsolved.

They leave our farmers without either sufficient markets or satisfactory prices.

They leave our heavy industries in stagnation; our business enterprise in a strait jacket and the ranks of organized labor in the throes of internal strife.

Instead of fulfilling the New Deal promise of a more abundant life, these 7 years have served only to clamp down more tightly upon the American people the hardships of a temporary depression as a permanent way of living.

Our vast army of unemployed, our huge Federal deficit, the boundless waste and extravagance in Federal expenditures, the lack of coordination and efficiency in Federal administration, and the constant playing of politics—these are some of the yardsticks which measure the extent of the New Deal failure.

Seven years ago the American people, with a faith that finds no parallel in American history, entrusted the welfare of our Nation to the New Deal leadership. No administration ever started out under more promising auspices.

Partisan politics were adjourned. The President was given greater power than any President of the United States ever possessed in peacetime. Congress wrote blank checks for him; it turned over to him many of its fundamental prerogatives. And not until flagrant abuse of executive authority made action imperative did Congress move to reclaim the constitutional authority it had so ungrudgingly surrendered.

Let me give you some of the melancholy details of the desperate situation which confronts the American people after 7 years of the New Deal.

More than 9,000,000 unemployed disconsolately tramp our streets. The Nation has been reduced to a lower standard of living than it enjoyed 10 years ago.

Creation of new enterprises is at a virtual standstill, and sorely needed plant modernization and expansion have been deferred until such time as the blight which the New Deal has cast upon industry can be removed.

Organized labor is divided into two hostile camps, with its annual income lower despite higher hourly wage rates.

Cash farm income for the 7 New Deal years average only \$7,247,000,000 a year, compared with \$9,046,000,000 for the preceding 7 Republican years, and the basic problems of agriculture are no nearer solution than before the administration's exercise of sweeping controls over farms and farmers.

The flow of new investment capital has virtually dried up at the source, and funds which normally would have gone into new enterprise have sought safety either in bank vaults or low-interest Government bonds.

Youth is discouraged and discontented as it finds the doors of economic opportunity barricaded by the sluggish condition of American enterprise.

Our people are staggering under the greatest tax burden in the Nation's history, whereas their annual average per capita income has been reduced to \$464 for the 7 New Deal years compared with \$570 for the 7 preceding Republican years.

Government expenditures, excluding postal receipts and debt retirement, reached a total of \$9,210,091,000 in 1939 compared with \$3,863,544,000 in 1933, when the Republican Party temporarily retired.

Our national debt has been almost doubled under the New Deal until it now stands at more than \$42,000,000,000, not including nearly \$6,000,000,000 of obligations guaranteed by the Federal Government.

What, you may well ask, is responsible for such a condition in the richest nation in the world and among a people who have led all others in initiative, enterprise, ingenuity, and the vigilance with which they have guarded their liberty?

The answer is plain. It lies in the false New Deal economic philosophy that abundance can be produced by creating artificial scarcity; that the Nation can become rich and prosperous by wasteful and extravagant spending of the people's money; that our profits system is outmoded and outworn and can only function if the Government itself undertakes to keep it operating. As the Republican program committee succinctly states:

"The primary reason for the economic failure of the New Deal goes beyond detailed errors in legislation, administration, and the selection of Federal personnel. It lies in the fact that, despite the ideals it has expressed for social America, the New Deal leadership has almost completely misunderstood economic America. It has sought to advance its social liberalism through economic policies which, historically and in their current effect on American enterprise, are profoundly reactionary."

In this misunderstanding of economic America; in its false theory of a vanished economic frontier; in its deliberate discouragement of savings; and in its flair for rash experimentation, the New Deal committed blunder after blunder; was guilty of a whole series of unforgivable errors.

It began to undermine our traditional Americanism by placing emphasis upon collectivist values instead of individual values.

It fostered the belief that security was a greater boon than liberty.

It sought to substitute ideals of dependence for self reliance.

It reached out for more and more legislative authority at the expense of our constitutional system of representative government.

It substituted a government of men for a government of law.

Propaganda was resorted to in an effort to convince the American people that affairs in Europe and Asia were of more importance to the American people than our urgent domestic problems.

Spending and financial profligacy replaced a sane policy of economy in government and reduction in taxation.

Our industrial and agrarian life suffered grievously by the substitution of the long-exploded doctrine of semifree trade for the American doctrine of the protection of American industries against pauper and coolie wage levels.

In sharp and refreshing contrast to all this, the Republican Party takes the position that the well-being of the American people depends upon the Government remaining unreservedly loyal to a political system of representative self-government.

It believes that this system must be safeguarded alike against insidious minorities and intolerant majorities by a balance of power.

It rejects the New Deal philosophy of defeatism and abundance through scarcity.

Instead, it reaffirms its faith in our historic system of free enterprise under regulation adequate to safeguard the common good against betrayal by special interests.

It believes that abundance cannot be achieved by scarcity but by plenty, and that plenty can be had, not by idleness, but by real work in private industry at a living and not a subsistence wage.

It stands for adequate relief for every man, woman, and child in need; it favors the use of Federal funds for this purpose to the full extent that need requires. But it advocates returning the administration of these funds back to the States and localities, under proper Federal safeguards, to the end that relief may be given with greater promptness and greater efficiency and that politics may be banished from the entire relief set-up.

Nevertheless, it regards all relief as only a temporary palliative and not a cure for the ills of unemployment with which this country is afflicted.

It believes that our unemployment problem will be solved only when the present bureaucratic fetters are removed from industry and business so that it can go forward again at its accustomed pace and provide real jobs at decent wages for all those who now must look to Government for their daily bread or starve.

It believes that the farm dollar should be interchangeable with the industrial dollar. This happy condition prevailed during the Republican administration from 1909 to 1914, which period the New Deal considers the yardstick of good times, and which is frequently referred to as the "golden age" of agriculture.

The Republican Party, the party of peace, the party of hope, the party that looks forward and not back, holds firmly to the belief that under its guidance American enterprise can find profitable expansion, offer more investment opportunities for savings, provide more jobs for workers in factories, larger incomes on farms, and security for the unemployed and our senior citizens.

We are convinced that all these desirable and necessary advancements can be effected far more readily by the Republican Party than by the New Deal on the basis of its asserted achievements during the past 7 years, or than can be accomplished by it in the 10 months remaining of its existence, or in the 4 additional years for which it is striving with all its might and men and means.

However, the Republican Party faces the future unafraid and with supreme confidence of an overwhelming victory in the fall of this eventful and turbulent year.

## Inland Waterways

### EXTENSION OF REMARKS

OF

HON. JOHN E. MILLER

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ADDRESS BY COL. R. A. WHEELER

Mr. MILLER. Mr. President, I ask leave to have printed in the Appendix of the RECORD an address delivered on January 25, 1940, by Col. R. A. Wheeler, resident member of the Board of Engineers for Rivers and Harbors, at Raleigh, N. C., before the Engineers' Institute, on the subject of the Contribution of Inland Waterways to Transportation. The address is an instructive and thorough discussion of the subject.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The topic assigned to me on the program is the Contribution of Inland Waterways to Transportation. I am glad to be addressing my remarks on this subject to engineers, especially to such a representative gathering of engineers as sits facing me here today, because I see the appraisal of the role played by inland waterways in the general transportation scheme as essentially an engineering problem.

Naturally, the first thing we always want to do is to reduce any problem to its simplest terms; but, unfortunately, there is no simple equation that will represent all the factors in this problem. If



there were, it would have been solved long ago. Transportation is not a homogeneous material that you can measure by the yard. Railways, highways, waterways, airways, and pipe lines have no common denominator. They don't serve the same purposes nor obey the same physical or economic laws. We can, however, clarify the issue by pointing out at the start that transportation is but a means, not an end in itself. Commerce requires transportation, and transportation must be made to serve commerce efficiently and economically if we are to progress in a material way. If any particular class of carrier is to prosper it must be conceived soundly in the first place and managed efficiently enough to earn the profit necessary for its existence. If it is to maintain its usefulness it must adjust itself so as best to serve the various needs of agriculture, industry, and trade. It is from that angle, primarily, that the Army engineer organization I represent approaches the problems of river and harbor development. If we keep that broad concept in mind it is easier to see just where inland waterways fit in as an essential part of the transportation picture.

According to the latest figures issued by the Interstate Commerce Commission, freight transportation for the entire country for 1938 was performed by the following agencies:

	Percent
Railways.....	62.8
Highways.....	8.6
Pipe lines.....	14.3
Inland waterways.....	14.3

The percentage for inland waterways evidently includes commerce on the Great Lakes in deep-draft vessels. Recourse to the Annual Report of the Chief of Engineers, United States Army, for a further break-down of these figures, indicates that about 4 percent of the total freight movement of the country took place on inland waterways other than the Great Lakes. The significant fact in these figures is that while the total national traffic was declining from more than 588,000,000,000 ton-miles in 1937 to less than 466,000,000,000 ton-miles in 1938, commerce on the light draft inland waterway channels increased from less than 17,000,000,000 to almost 18,000,000,000 ton-miles.

Now, there are several obvious reasons why this kind of water-borne tonnage has consistently held its own or continued to grow in the face of strong competition and general business recession. Certain inherent differences distinguish barge freight service on inland waterways from other carrier services in the matter of low cost. It is not subject to taxes for right-of-way, since it does not possess and does not require exclusive right-of-way in order to function. If it develops that there is an excess of transportation service on any particular water route, some of the equipment can be shifted to another water route without disrupting the general business set-up and without incurring an economic loss from scrapping a costly right-of-way. Without doubt, the basic consideration in the low cost of barge service is the fact that all the people own the channels through which it operates and the benefits of this low cost are shared by everybody, just as the ownership and benefits of low-cost postal service are shared by the entire people. If the water-borne tonnage is permitted to develop freely in the volume for which the capacity of the waterway has been designed and provided, the cost of the channels per ton-mile of freight transported will be extremely low. Savings made by use of waterways are so substantial and are found to be distributed so widely and generally down the line from producers, carriers, shippers, and distributors to consumers that they more than offset the public expenditures. Commercial statistics indicate that thrifty business foresight is especially stimulated during hard times to take advantage of low-cost water transportation when available and to stock essential materials for future needs. The progressive completion of additional links of standard waterways and their successive inclusion in the system increase the average length of water haul and continually place new markets and new sources of raw materials within economic reach of each other. Another impetus toward increased use of water routes is the rapid advance in perfecting, adapting, and modernizing floating equipment and motive power, water terminal facilities, and operating practices. Indeed, to the landlubber who thinks of river navigation as a sort of hazardous adventure, the smoothness, speed, and efficiency of operation of a modern tow of from 2,000 to 8,000 tons cargo and more, between ports such as Pittsburgh, Chicago, Minneapolis, New Orleans, and Houston, would come as a revelation. The extension of joint barge-rail and barge-motor-truck connections deep into areas tributary to river ports has not only made these benefits available to a large portion of the United States, but has resulted in a combination service surpassingly flexible and complete.

Growth of water-borne traffic is retarded, on the other hand, by a number of factors. Barge transportation is slow, sometimes irregular, and subject, in northern latitudes, to seasonal interruption by formation of ice in the channels. Completion of the principal links in the system to dependable navigable stages at all seasons has been slow. This not only has been discouraging to shippers but has rendered the cost of service, low as it is, more than it should be. Business is conservative. It requires a considerable period of time for supplementary terminal facilities to gravitate to waterside and for industry generally to learn how to take advantage of new connections and new routes and methods of transport. It is perfectly natural that conflicting transportation interests, all bidding for the job of carrying the country's freight, should clash; natural that they should use every legitimate means within the

scope of their power and resources to prevent the establishment of traffic on a competitive route. This is to be expected under our American system of free initiative and enterprise. But since I am talking to you, as engineers, about the contribution of inland waterways to transportation, I must point out, in passing, that you can't with one hand, by artificial expedients, hold adapted tonnage away from river routes provided to carry it, and then with the other hand point to the absence of water-borne tonnage as any logical indication of the value of the waterways.

There is of course no fixed, static volume of transportation to be arbitrarily apportioned among the various types of carrier. A low-cost carrier does not obtain its tonnage solely by diversion from a high-cost carrier. To a considerable extent it creates its own traffic. Some commodities are so necessary, or so perishable, or in such universal demand, or of such high intrinsic value that they move at any time and at almost any cost. Other commodities move neither so freely nor so far if the cost of movement is high. Still other commodities are of such low value or so generally available that they will not move at all unless provided with a very low-cost outlet to market. The cost of moving such basic commodities affects the price of practically everything we use. Essential industries (and I use the term in its broadest sense to include farming, mining, and the like) need low-cost transportation of such commodities as ore, pulpwood, logs, coal, petroleum, grain, stone, sand, gravel, sulphur, and crude chemicals. And low-cost transportation means water transportation—make no mistake about that. When I say low cost, I mean genuinely economical, taking into account all service costs and including provision and maintenance of the channels, locks, and everything else essential to navigation. Needless to say, that statement does not refer to construction projects not yet ready for commerce, nor to outmoded improvements now ready for abandonment. It refers to completed links in the waterway system, such as the Ohio, Monongahela, Illinois, Mississippi, Warrior, Atlantic-intracoastal, and Gulf-intracoastal improvements, which were thoroughly investigated and soundly conceived in the first place; and then properly designed and equipped for the service they are required to perform.

A glance at any general map of the United States reveals the greatest natural system of inland and coastal rivers and tidal estuaries in the world adapted to improvement and interconnection as continuous waterways. Since the job was undertaken by the War Department more than a hundred years ago, almost 30,000 lineal miles of various channels have been under improvement of some type. The Annual Report of the Chief of Engineers of the United States Army, covering these activities, is available to the public. According to law, it gives a detailed report of every river or harbor improvement authorized or adopted by the Federal Government. As a consequence, it includes the history, traffic records, physical and fiscal data of some thousand projects, encompassing every type of improvement from the most insignificant snagging operation to the multiple steamship locks at Sault Ste. Marie. However, most of the waterway money, technical skill, effort, and care of our organization are expended on some half a hundred principal improvements, totaling about 4,200 miles of high-grade modern standard channels varying from 8 to 14 feet deep, which handle almost all of the inland water-borne commerce of the country.

Although we have developed to a high degree of efficiency certain of our waterways, we have not yet taken as full advantage of our favorable topography as have most of the other enlightened nations. Artificial canals and interconnections, built at public expense, to promote the free movement of essential low-grade commodities are and have been for many years prominent features of all the continental transportation systems of Europe. Almost daily news dispatches indicate the extensive and indispensable use of waterways by the warring nations. This Nation has not been forced by necessity or by the competition of other countries to adopt the most practical economical way of doing things. But the time is approaching when we shall have to do just that, if we want to continue our national prosperity.

Thanks to the foresight of Congress, the War Department has formulated during the course of many years, and in cooperation with engineers of the other departments of the Federal and State Governments, a thoroughly studied general plan of development of national water resources which is undergoing constant modification and adjustment to the demands of public use. Whenever a local improvement is requested, if it appears meritorious enough to secure favorable congressional action, it is tested first of all for its worthiness as a part of the national scheme. Simultaneously and in coordination with the survey of topographic, hydraulic, and geologic features, and the preparation of a plan of improvement, a broad economic survey and traffic canvass of the territory is conducted to determine the amount and the extent of the benefits to be expected and the collateral damage that may be involved. The economic study usually covers considerably more territory than the physical survey because the economic effects are commonly more extensive. I stress the importance of making the economic studies in parallel with and by the same personnel that does the field work and structural design, because each one affects the other, and the final plans are usually the result of the compromises familiar to all engineers seeking the most favorable balance among conflicting requirements.

During the course of the investigation by our district and division engineers of proposed improvements open hearings are held to bring out public sentiment and the views of all interests affected. The reports are then referred to the Board of Engineers for Rivers

and Harbors which was created by law for the specific purpose of advising Congress on the merits of the proposals. The Board, which is composed of seven selected officers of wide experience, is assisted by a staff of engineers and economists qualified by training and experience to make the necessary critical analyses. Only after full consideration of all available information does the Board prepare its recommendation to the Chief of Engineers, who in turn makes appropriate review of all recommendations that have been submitted and transmits them, with his own comments and recommendation to the Congress.

Transportation and defense are currently the leading topics for discussion at the National Capital. It is unfortunate that so much of the information broadcast in the magazines, over the radio, and at public gatherings reflects a strictly partisan approach to transportation problems. The ethics of partisanship and propaganda does not require that justice be done to both sides, and confusion results. It is as unfortunate as it is remarkable that so little of what is written or heard about this vital question is contributed by engineers. Engineers try to do justice to both sides. It seems to me that no other group of men could possibly be better fitted by temperament, training, and experience to dig down through the mass of survey records, statistics, estimates, guesses, and outright propaganda; to throw off the influence of particular affiliations and sympathies that tend to warp men's judgment, and to reach and expose to light the bedrock facts upon which to build a sound policy. Certainly there is no greater, finer, higher opportunity open to the profession for disinterested public service.

The engineers' function in transportation includes structurally sound design, safe construction, and economics. This function carries a responsibility for economic soundness of projects and policies. Notwithstanding the professional modesty characteristic of engineers, it is well known generally how conscientiously and efficiently they do their work. So it seems almost superfluous to say that a large part of the analysis of proposed river improvements is devoted to the study of the economic aspects as a basis for our recommendations upon whether or not they are in the public interest.

For use as a yardstick the only sound criterion is whether the provision of low-cost carrier service will result in an economic public benefit. If the project does not afford the public a clear opportunity to enjoy benefits substantially greater than all the costs, the carrier costs, the so-called hidden costs, and all the damages involved, it is not recommended. Most proposed improvements are, in fact, reported unfavorably. Even when a project is clearly justified, when low-cost water transportation has already been provided as a means to increase industrial output, and the opportunity to save money on freight bills has thus been made available, there is no compulsion, legal or moral, that can be brought to bear on shippers to make them use it. It can only be pointed out that when they have it, and do not use it, they are simply paying two prices for one service.

Strange things can happen temporarily to the soundest economic set-up under the guise of competition. However, there is no need for engineers to become unduly exercised or to attempt to do much about temporary competitive expedients. If they fly in the face of that reliable old economic law if supply and demand, they ultimately adjust themselves. It is the same with artificial handicaps and restrictions imposed in repeated but futile attempts to make equal things that are essentially unequal.

The Army engineer organization has a very comforting philosophy about that. We are not trying to build in synchronism with fluctuating business cycles, nor, for that matter, with fluctuating economic creeds. We are trying to build with a long-range view to the future prosperity and security of the country, knowing that waterways adequate to meet national demands cannot be provided nor equipped after an emergency has arisen. In the long run, national commerce is going to find its way in representative volume to the means of transportation best suited to its particular needs.

### American Road Builders' Association

#### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ADDRESS BY RAYMOND H. COMBS

Mr. MEAD. Mr. President, the address of President Combs, of the National Rural Letter Carriers' Association, before the American Road Builders' Association on January 20, 1940, is of especial interest to Members of the Congress, for the reason that it pertains to a subject that touches every section of the country, and affects the lives of both our rural

and our urban populations. In it also can be found a potent reservoir for work opportunities for our unemployed.

Farm-to-market or community roads provide a sound program of useful public instruction which will enhance the value of our agricultural lands, improve conditions for our farm population, and provide wider marketing facilities for those who reside in our industrial centers.

I ask unanimous consent to have the address of President Combs published in the Appendix of the Record.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and gentlemen of the convention, ours is a subject of such enormity as to challenge the imagination of every forward-looking American, and I am highly honored to be permitted to contribute a segment of thought in your important symposium.

We feel that there is a natural bond between your group and ours, in that you represent the fingertips of the road-building industry and we represent the fingertips of the Postal Service. More than this, you and I, as missionaries from the grass roots, enjoy intimate contact with rural people which enables us to accurately interpret their desires and sympathies with the merit of their contentions.

You devote your lives to building roads, and we devote ours to being grateful for this service.

According to the best information available, there are approximately 3,000,000 miles of highways in this country, of which 425,858 are Federal-aid and State primary roads.

Thus it will be seen that the great reservoir from which the road-building industry must draw its sustenance in the future are the unsurfaced, farm-to-market, feeder or community roads.

Within the area covered by these roads is to be found not only the opportunity for construction but the people who hold it within their power to give the "go" or "stop" signal on the roads program.

And so it readily will be seen that finance, science, and society are interrelated to such a degree that it is imperative that each shall be given appropriate emphasis in developing a well-balanced road program.

We must never lose sight of the fact that roads are built to serve people; and as Texas Highway Commissioner Harry Hines so appropriately informed a committee of Congress recently, where he said: "Farm-to-market roads really touch the lifeblood of our country. Yes; and there is something mighty human in those heartrending stories where a doctor could not get through the roads at night; kinfolks who died because the family was unable to get them to a hospital for an emergency operation; rural families marooned for days, unable to get supplies or to market their milk, butter, and other perishable products, which arrests our attention. It's a little hard sometimes for those living under modern conditions—steam heat, taxicabs, cafes, hotels, hospitals, doctors, nurses—to visualize the suffering and hardship of unimproved rural life, where many unspoken prayers are rendered on a rosary of tears."

May I be pardoned for mentioning here that while we have been in convention assembled today more than 32,000 rural letter carriers, imbued with the spirit embodied in their motto, which is "Service With a Smile," and motivated by an indomitable will to uphold the tradition as expressed in the slogan, "The Mails Must Go Through," have been traveling 1,392,000 miles through snow, ice, sleet, and storm, with the temperature far below zero, in many parts of this country.

Yes; roads and road building are intensely human after all.

It is pleasing to note that since initiating the Federal aid to feeder roads in 1936, most of the States have now perfected the legal machinery to permit them to participate in this program, and they now are utilizing the money appropriated for this purpose. As was to be expected in a project encompassing 48 States with varying highway laws, some difficulty seems to be appearing regarding specifications and selection. If specifications for feeder roads call for a higher type or more expensive road than the community itself feels necessary to care for their needs, naturally there will be resentment from the people. This, of course, can be avoided by fitting the roads to the needs of the community in which they are to be built.

Some officials take their road problems to the people through hearings, where those most interested are afforded an opportunity to canvass their needs and get a clear understanding of what the official or engineer is attempting to do. This is a thoroughly democratic procedure and should be encouraged.

Again quoting Commissioner Hines, of Texas, who says:

"Outstanding in significance have been the hearings before our highway commission monthly, year in and year out—a constant plea by county courts, judges, and commissioners, chambers of commerce, including city and town officials, desiring all-weather road facilities out to their customers, as well as large delegations of farmers—500 in one delegation last month—pleading for a paved road to move their milk, butter, livestock, grain, and other products to market—likewise to permit the school busses to move. Why, gentlemen, some of our district schools have 10 to 12 school busses hauling the children through the mud, snow, and ice at this particular time. It isn't a light matter to have our little boys and girls dumped in a ditch full of slush and mud when a school bus slides off the dirt road."



Exploring this thought further, who is better qualified to advise a State highway department concerning the type and specifications of a feeder road than the county engineer or local road officials who are domiciled nearby?

This problem can and will be solved through the cooperative effort of all interested parties.

Congress, in authorizing money for community roads, used the following language: "Said sums to be expended on secondary or feeder roads including farm-to-market roads, rural-free-delivery mail roads, and public school bus routes."

Here again we find different methods of selection in the various States.

This emphasizes the need for cooperative effort to the end that as much uniformity as possible be had in designating feeder roads in conformity with the intent of our legislators as quoted in a preceding paragraph.

I think we all realize this is a tremendous undertaking but through meetings such as this where highway officials from all States congregate we feel certain that plans will be developed where feeder road Federal-aid money will find its way to feeder roads and not be diverted to State primary roads or to grade-crossing eliminations. Here, again, who is better qualified than you gentlemen and local highway officials who are on the ground, so to speak, to advise the State highway department concerning the selection of feeder roads.

You may be certain that the rural letter carriers of this country, who travel and have an intimate knowledge of these roads, stand ready at all times to render enthusiastic cooperation.

The Federal Government collects each year from the highway users in the form of gasoline and excise taxes approximately \$350,000,000, and there would seem to be no good reason why this money, in its entirety, should not be used for the benefit of the same highway users in the form of more and better roads.

You and I are cognizant of the fact that many miles of primary roads become obsolete each year but this should not militate against providing all-weather surfaces for feeder roads that are in a deplorable condition. Rather should it supplement the argument for additional funds.

It should be quite well recognized today the community road improvement is the most popular road program in the country and can be the means through which will be generated the enthusiasm and power necessary to carry a well integrated and intelligently planted national road program to success. We must harness this enthusiasm and power. You and I know that this cannot be accomplished unless careful thought and attention are given to these community roads.

In the first place we must see to it that the spirit of democracy has an opportunity to function, keeping in mind that democracy means not "I am as good as you are" but "You are as good as I am." We must also be watchful that no opportunity is lost to dramatize the program.

For example, if we are faced with the choice of tearing up and reconstructing a road previously hard-surfaced or the construction and surfacing of a nearby road that is practically impassable we may find it expedient to look after that impassable road first, because it is difficult for the layman to understand why he should be left to wallow in the mud while the money that would take him out of the mud is being expended for the reconstruction of what he considers a pretty good road.

This brings to mind the country school teacher who asked her class to write 100 words on motoring. One little farmer boy wrote: "We went out motoring. Got stuck in the mud. The other 91 words is what Dad said."

You and I know that a traffic count is an important factor in gaging whether or not a road already hard-surfaced should be widened and modernized but it is not of such relative importance in determining whether or not a mud road should be improved. This is to emphasize the fact that the development of feeder road improvements is different than the development of a modernization program for roads that have heretofore been improved.

In studying the national picture regarding feeder or community roads we immediately are faced with the fact that the mileage of dirt roads is tremendous and if we expect to make any measurable headway we must have more money allocated for this purpose. In spending this money for feeder roads we can be happy in the thought that it not only provides an economically sound investment which will be repaid in the decreased cost of operation of motor vehicles and improvement of real estate values, but will be a stabilizing force in the social fabric of rural America.

Perhaps more important than these will be its contribution to the relief of unemployment because it is generally recognized that road improvement furnishes the best and most permanent form of project to lessen the relief load.

In conclusion permit me to say that my experience in dealing with the personnel of the Bureau of Public Roads, from its chief down, the members of the Senate and House road committees, with State highway department officials and engineers, with county highway officials and engineers and with local highway officials and engineers, leaves with me the firm conviction they are an exceptional group of men, imbued with a sincere desire to develop in this country a road program that will serve the needs of the country. And permit me to say further that I deem it particularly fortunate that an opportunity is accorded for all agencies interested in roads to coordinate and correlate their activities through the American Road Builders Association.

## Humane Shelter at Memphis, Tenn.

### EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ARTICLE BY CLARK PORTEOUS

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Memphis Press-Scimitar of February 28, 1940, concerning the humane shelter we have there, and the resulting reduction of cases of rabies thereby.

This statement will be enlightening. Ever since this building was erected—which was done partly with W. P. A. money and partly with city money—it has been subject to much levity at the hands of the press and public men. It has proved to be a very valuable institution in Memphis. It is a splendid protection against rabies; and most of the statements made about it are pure figments of the imagination, with no basis in fact on which to rest.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Memphis (Tenn.) Press-Scimitar of February 28, 1940]  
FALSE: SOUTHERN LADIES GIVE THEIR POODLES SHOWER BATHS AT HUMANE SHELTER—TRUE: HUMANE SHELTER DOES REAL WORK; CUT RABIES DEATHS HERE SINCE 1935

(By Clark Porteous)

Memphis is justly proud of its fine humane shelter at 463 North Front, which has saved lives and cut the number of Pasteur treatments from a high of 282 before the shelter to a low of 64 last year. There hasn't been a single Memphis death from rabies since the shelter opened September 1, 1936.

But the old "boondoggling" libel of the Memphis Humane Shelter just won't remain in its grave. It first popped up 4 years ago, while the shelter was being built by W. P. A. and the city, just before the Presidential campaign in which President Roosevelt defeated Alfred M. Landon.

The attacks on the new humane shelter were soundly refuted then.

#### STRAY DOGS PICKED UP STEADILY

Now falsehoods directed at the shelter have started again—this time in the House of Representatives in Washington.

Representative DEWEY SHORT, Missouri Republican, in an attack on the \$5,000,000 census item in the deficiency appropriation bill, made the following statement in Congress:

"It is an utterly amazing, shocking, and perfidious proposition to place before a body of intelligent men.

"New dealers built a \$50,000 dog pound in Memphis, Tenn., so that southern ladies could give their poodles a shower bath.

"Think of that! There are some very fine people in my district who do not even have a shower bath. But we are not as dirty as some new dealers and do not stink as badly as Harry Hopkins and his crew.

"I can tell you what my constituents will tell these census takers. They will say, 'It is none of your damned business.' And you'll have to build a prison on every 40-acre plot if you plan to jail others who will refuse this information."

First, Mr. SHORT is wrong about the cost of the project. Memphis used W. P. A. funds to reduce rabies. The shelter cost \$19,000, with W. P. A. putting up \$13,000 and the city supplying \$6,000.

As for showers, there just aren't any in the simply built, sanitary and efficient shelter. The only way a dirty stray dog can be cleaned before it is put in its cage is with a plain rubber garden hose.

In March of 1936, the New York Times dealt lightly with the shelter, mentioned shower-bath facilities and straw bedding for dogs. News stories told of modernistic design, curtained windows, spacious runways, and individual rooms.

H. I. Phillips, a syndicated humorist, sang the praises of the dog pound in hundreds of newspapers, joked about it being a "puppy's delight." These statements were refuted.

Later, Col. Frank Knox, newspaper publisher and Republican candidate for Vice President, spoke of marble showers for dogs. Again the statements were refuted, that time by CLIFFORD DAVIS, now in Congress himself.

Mayor Chandler, who was in Congress with Representative SHORT when the W. P. A. appropriation for the shelter was made, today answered his former colleague, as follows:

"I know that the facts of this W. P. A. project for protection of human life were made very clear in Congress in 1936. But under

the immunity permitted by the Federal Constitution to a Member of Congress, there is no way to keep unprincipled people from misrepresentations."

Dr. S. L. Wadley, epidemiologist for the city health department, said, "Of all the money spent in Memphis by the Government, the money for the humane shelter was the best spent."

Dr. Wadley said the last death of a Memphian from rabies—one of the most horrible deaths known to doctors—was in 1936, before the shelter opened. A child bitten in Memphis died of rabies in February 1935. During the 3 years before the shelter opened there were six rabies victims in Memphis.

Dr. Wadley recalled that there was a makeshift shelter at the city stables on High Street before the new shelter opened. He said the dogs were all kept in one pen and people complained about their dogs being placed there, reporting that some developed hydrophobia after they returned from the pound.

#### THE FALSEHOODS ARE STARTED AGAIN

Dr. Wadley attributed the remarkably fine record in rabies reduction for Memphis to steady work of picking up stray dogs by several small animal patrols operated from the shelter. He recalled that before the new shelter, whenever the newspapers reported a rabies case, there would be a drive to pick up stray dogs, with penal-farm trustees doing the work.

Dr. Wadley said he hoped to see the ordinance changed further so that dogs will not be allowed on city streets unless on leashes.

Attorney Charles Crabtree, chairman of the humane board, termed the statement of Representative SHORR "ridiculous," cited the rabies record as proof of the good work of the shelter.

Following is the total number of Pasteur treatments to prevent rabies given by the city, at a cost of about \$7 each, since 1933. Note the reduction starting in 1936, year the shelter opened:

1933	264
1934	282
1935	280
1936	131
1937	70
1938	120
1939	64

Following are the number of dogs found to have had rabies:

1932	115
1933	113
1934	113
1935	145
1936	62
1937	20
1938	59
1939	19
1939	1 cat

Mayor Chandler said he would reappoint the humane board, which operates the shelter under supervision of Commissioner Joe Boyle, within a few days, with the exception of Mrs. Frank Sweeney, who has left Memphis. Commissioner Boyle is meeting with the board at 2 p. m. today to get acquainted with the set-up.

Members of the board, other than Chairman Crabtree, include Mrs. W. R. King, Ed Holcomb, C. C. Cartwright.

Dr. L. M. Graves, superintendent of the city health department, and Commissioner Boyle, ex officio members.

### National Employment Program

#### EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

LETTER FROM JOHN THOMAS TAYLOR ENCLOSING PROGRAM ADOPTED AT LAST NATIONAL CONVENTION OF THE AMERICAN LEGION

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from a letter addressed to me by John Thomas Taylor, director of the national legislative committee of the American Legion, together with the national employment program as set forth in the report of the committee on employment, which was adopted by the American Legion National Convention at Chicago in September 1939.

Colonel Taylor's letter, as well as the accompanying partial report, set forth the vexing problem of unemployment, with

particular emphasis upon the employment dilemma of the middle-aged and older worker.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,  
NATIONAL LEGISLATIVE COMMITTEE,  
Washington, D. C., February 15, 1940.

Honorable JAMES M. MEAD,

United States Senate, Washington, D. C.

DEAR SENATOR: Your letter of February 8, enclosing copy of S. J. Res. 80 and S. 1904, which you introduced on March 22, 1939, deserved an earlier reply, but due to the fact that I have been away from the office a great deal my correspondence has suffered.

Both of these measures contain proposals in which the American Legion is very much interested. With regard to S. 1904, the American Legion has complained to some of the departments that by fixing a minimum age of 35 for certain positions they automatically bar World War veterans.

This fixing of minimum-age limits on certain positions which automatically bar World War veterans resulted in the adoption of a resolution at the Los Angeles National Convention (1938), which requested legislation "making veterans of the World War eligible (provided they are otherwise qualified) for the position of post-office inspector, regardless of age."

With regard to S. J. Res. 80, of course, the American Legion has considerable of an employment program, including the following:

(1) Conduct a National Employment Week for Workers Over 40 during the first week in May 1940.

(2) Favoring a Federal-State program that will offer a retraining and training program as the means of reinstating these employable citizens (all citizens over 40) to their regular employment, and

(3) Pointing to the inconsistency of the United States Government in urging private industry to hire workers over 40, while at the same time refusing employment and promotion in Government service to those over 40, and urging adoption of rules in the Government service "making possible the employment and promotion of American citizens over 40 with the desired qualifications."

So that you may have some idea of the extent of the employment program adopted at the last national convention held at Chicago in 1939, I enclose herewith the summary of proceedings of the twenty-first annual national convention.

Very sincerely yours,

JOHN THOMAS TAYLOR,  
Director, National Legislative Committee.

#### REPORT OF COMMITTEE ON EMPLOYMENT

Resolution No. 280. Subject: National employment program, was adopted as follows:

"Be it resolved by the American Legion in convention assembled at Chicago on September 25 to 28, 1939, That the following shall be the national employment program for the ensuing year:

"1. Reaffirm that action taken by past national conventions that employment shall be a major program.

"2. Continue and increase our efforts and financial expenditures for the reemployment and vocational training of men over 40.

"3. Conduct a National Employment Week for Workers Over 40 during the first week in May 1940.

"4. Reaffirm our endorsement of a rigid enforcement and extension of civil service with adequate preference for veterans.

"5. Increase the use of field secretaries in aid of the employment program.

"6. Regularly devote one page of the monthly magazine and the columns of the National Legionnaire to articles on employment and veterans' preference.

"7. Vigorously press a program of employment stabilization.

"8. Sponsor a national conference of outstanding leaders of finance, industry, labor, and agriculture to endeavor to secure a permanent solution of the unemployment problem."

### Proposed Loan To Finland

#### EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ARTICLE BY DAVID LAWRENCE

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by David Lawrence, published in the Washington Evening Star of March 1, 1940, on the proposed loan to Finland.



There being no objection, the article was ordered to be printed in the RECORD, as follows:

**LOAN MARKS MILESTONE IN POLICY—PRECEDENT SET IN COURSE OF ALLEGED ISOLATION**  
(By David Lawrence)

Many years from now the congressional action just completed in making available a loan of \$20,000,000 to Finland will look far more significant than it does today. For, in the midst of a war for its very existence, Finland has received an outright governmental loan which ostensibly is to be used for purchase of food, but which actually will be a net addition to Finland's financial resources in its fighting with Russia.

The obligations of neutrality—a very doubtful term these days—caused Congress to refrain from naming Finland as the borrower, and the artificial device of increasing the funds of the Export-Import Bank was used to achieve the same purpose.

This may appear to be legalized subterfuge, but in a world wherein nations fight each other with all the weapons of war and yet obtain the advantages of peaceful commerce by refusing to sanction a formal declaration of belligerence, neutral governments are similarly compelled to adopt diplomatically conceived instrumentalities.

**DECEIVES NO ONE**

No one is deceived by the process. The Russian Government knows what the America Congress has done. So do the people of Finland. The President of the United States has even gone so far as to express publicly his belief that 98 percent of the American people sympathize with Finland in its struggle to retain independence.

Finland, of course, will have to comply with the formalities. She will buy foodstuffs with the money made available by the Export-Import Bank, but she will rearrange her domestic purchases so that money ordinarily used to buy food will go into the coffers of the Finnish treasury to buy munitions. Just how the Finns will rearrange their credits is their own business. The American Government will ask no questions and will, of course, have no authority over what the treasury of Finland does with all its financial resources.

The salient fact remains that America has helped Finland at a critical time. Finland won her way into the good graces of the American people not only by her democratic processes, but by honoring her debt obligations to the United States.

**IS PRECEDENT ESTABLISHED?**

So far as Nazi and Communist observers may see, the United States Government has backed up its expression of moral support with material aid to Finland. Does it mark a precedent for the future? The political generals here on both sides insist that America will never enter the war, but can it be as certainly asserted that the United States will not some day extend financial aid to other nations similarly hard pressed?

Already there is talk of a relief appropriation for Poland, but this is plainly a humanitarian measure. Congress is being importuned by Republicans and Democrats to come to the relief of the millions of human beings who are starving in the conquered areas of Poland. Germany refuses to extend aid, insisting that the British blockade cuts off supplies needed for her own people.

Former President Hoover has told a congressional committee that America, in his opinion, should appropriate money for the aid of the starving Poles. His view will help to keep the question from becoming tangled in partisan politics, which happened in some respects with reference to the Finnish loan.

**SWEDEN MAY BENEFIT**

Congress is in a mood to hand out a few millions here and there for humanitarian reasons, and some day it may be in a mood to lend large sums to Norway and Sweden if they should find themselves attacked. The probabilities are that even some of the increased authorizations just voted through the Export-Import Bank will be used in substantial ways to help Norway and Sweden to buy munitions and prepare for potential developments in Scandinavia if the Finns are conquered.

So whether America likes it or not, she has become involved in the world-wide struggle for the preservation of democracy, and while nobody is even remotely suggesting that the United States will ever send an army overseas again, American credits are bound to flow abroad in support of the cause of democracy. The Finnish loan makes a precedent that cannot possibly be erased and marks a milestone in America's course of alleged isolation.

**Peace or Participation**  
**EXTENSION OF REMARKS**  
OF  
**HON. ROBERT R. REYNOLDS**  
OF NORTH CAROLINA  
IN THE SENATE OF THE UNITED STATES  
*Monday, March 4, 1940*

EDITORIAL BY HON. JONATHAN DANIELS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL

RECORD an editorial entitled "Peace or Participation." This very able editorial expresses most forcefully my attitude pertaining to the European situation. The editorial was written by Hon. Jonathan Daniels, editor of the News and Observer at Raleigh, N. C., as a result of a letter directed to him by Mr. W. T. Couch, of Chapel Hill, N. C.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Raleigh (N. C.) News and Observer]

**PEACE OR PARTICIPATION**

THE EDITOR, THE NEWS AND OBSERVER,  
Raleigh, N. C.

DEAR SIR: In a number of editorials since the outbreak of the present European war, the News and Observer has advocated the maintenance of strict neutrality. I believe that if the policies you have advocated are followed, this country sooner or later will be actively fighting in a great and terrible world war.

I wish to ask you a few questions, which I think will clarify this issue.

1. What neutrality laws would be violated by the extension of governmental credits to Finland sufficient for that country to buy whatever armaments and munitions are necessary for her to defend herself? Please remember Russia has not declared war on Finland and Finland has paid her debts to the United States. I cannot limit myself to the advocacy of aid to Finland; but it seems to me that for anyone, even those who wish to keep strict legal neutrality, aid to Finland by our Government should be recognized as desirable.

2. But can we afford to stop with aid to Finland? Do you think it is impossible for Germany and Russia, one or both, to win the present war?

3. Do you believe this country could live at peace with Europe and Asia dominated by Hitler's Germany or Stalin's Russia, one or both? Do you believe the possibility of victory for communism and nazi-ism over about half the people of the globe is not of enough consequence to make it imperative for this country to take sides, before taking sides is too late?

4. What hope is there for the development and maintenance of international morality at any time in the future if the most powerful nation on the globe, the United States, refuses to consider and act on the moral problems involved in the present conflict?

5. Do you believe any European country would be willing to pay any attention whatever to anything the United States has to say at the end of the present conflict if we do not carry our part of the burden while war is going on? And how long will we live at peace with a Europe that pays no attention to our interests?

In my opinion the course you advocate is the worst one possible. If the people of the United States, through their Congress, made it known to the rest of the world that they will support to whatever limit is necessary France, England, and Finland in the present conflict, there would be no hope of victory for the other side. It is possible that a commitment by this country to furnish supplies would make Germany and Russia see their present course as hopeless and bring the war to an end within a short period. In any case, whatever Germany and Russia might do, the furnishing of supplies by this country would certainly shorten rather than prolong the war—unless we assume that Germany and Russia, without our active participation in furnishing supplies, are strong enough to make victory for them probable.

Look at this problem coldly and selfishly as you please. Answer these questions and see where they take you.

If Germany and Russia win this war and if there is any interval of peace, it will not be long before this country will be fighting them and using the tremendous armaments which it is now building up. Why not give these armaments to that side with which we have some hope of living in peace and accord? If we do this, they may not need our men. If we do not do this, before it is over we will furnish both supplies and men.

Sincerely yours,

W. T. COUCH.

Chapel Hill.

The editor of The News and Observer is glad of the opportunity given him by the letter from Mr. Couch, head of the University of North Carolina Press, who, as a man of intelligence and good will, represents the views of many Americans. But it is well to emphasize at the beginning that the Chapel Hill publisher and the editor of The News and Observer are miles apart.

The editor of The News and Observer is opposed to any American entry into this war.

On the other hand, Mr. Couch has already reached the point where "I cannot limit myself to aid to Finland." He suggests that it is "imperative for this country to take sides, before taking sides is too late." But he feels, apparently, that we can take sides as supplier and financier without sending men, and that as such participant without risk of life we should have respect and prestige in the world at the end of the war.

The News and Observer believes that if we go to war we will go to war not only with our treasure but our youth, and that we shall buy in blood the same old profitless disillusionment upon which we spent treasure and blood in the last one.

But to answer Mr. Couch's questions:

1. The News and Observer is not interested in the violation of any "neutrality laws" but in violations of neutrality itself. It is not concerned with technicalities of war declaration but with the horror of war's actual existence. As a matter of personal sympathy the editor of the News and Observer is as ardently on the side of

the Finns as he has been on the side of the Ethiopians, the Chinese, as millions of Americans were on the side of the Boers. But individual sympathy is one thing; official national aid by America to one side in a war is another. Mr. Couch cannot limit himself to advocacy of aid to Finland. He would go further. And that way beyond aid is war.

2. The obvious implication of Mr. Couch's second question is his will to enter the struggle to defeat Germany and Russia. Again as a personal feeling the editor of the News and Observer with Mr. Couch prefers the Allied cause to that of Germany and Russia. But he does not believe in the possibility of "victory" for anybody in large-scale modern wars. Did the Allies win the last war? Did democracy?

3. Mr. Couch's question is for the long future. The question as to whether we can live at peace in the future is unimportant compared to his disregard for living at peace now. Wise men wish peace for their children. The News and Observer does not believe they prepare for it by making war themselves upon no matter what high moral pretensions. We fought a war to end war. Did we end it?

Furthermore, Hitler and Stalin are mortal. And neither communism nor nazism are in any true sense Russian or German. Both grew in the aftermath of war in nations where they had not held power before. We might very well—and quickly—create fascism in the United States by fighting fascism and communism abroad, and get communism here as our own share of victory or defeat.

The theory that the Germans, because now Fascist, and the Russians, because now Communist, are men of special wickedness is another aspect of the German theory that the Jews are evil and the Germans good. All peoples—all nations—have good and evil in them. France a century ago went from royalty through terror, through dictatorship, limited monarchy, the commune, to the republic. The devil does not live forever under any one roof—or flag.

4. What hope is there for the development and maintenance of international morality if the United States does not keep its peace, and in peace strengthen its democracy as example for a world in chaos? We undertook before to help reshape the world in terms of international morality. This present world is what we shaped.

5. At the end of this war, if, despite the pressure of emotional men, the United States shall have kept its peace, it will, in a weary world needing help, not only be stronger than it was in the councils of vindictiveness with which the last war ended, it will also stand as proof that there is no victory for any but those who follow the paths of productive peace.

Mr. Couch believes that if the course of the News and Observer in its will to stay out of this war is followed, "this country sooner or later will be actually fighting in a great and terrible world war." That may be the end before us all. But Mr. Couch would hurry us into that war now. He only deludes himself when he thinks we could run to war with supplies and money and keep our men at home. If that were possible, it would be contemptible. If we are going to war to save the world, as Mr. Couch in fact proposes, we cannot go as pawnbrokers and peddlers. We must go as men. How much respect would there be for us in the role of this safe supplier Mr. Couch conceives at the end of the war? We were "Uncle Shylock" to our own allies at the end of the last one, though we sent our men as well as our money. What term would there be for us among nations bled white if we should go, as Mr. Couch thinks we might, into full partisanship but in such a way that "they may not need our men?"

If we go to war, we go to the limit. Don't make any mistake about that. War would be not only airplanes from Hartford and dollars from Washington but also boys from Raleigh and Chapel Hill.

Finally—

The News and Observer is for peace.

It believes that peace cannot be preserved unless official neutrality is preserved and that every official act which is unneutral in fact is a step to war.

If war comes, as it may under the pressures of emotional men, the News and Observer does not believe that the United States, or any combination of nations, can by war save democracy, by war end war, by war destroy fascism or communism, by war create goodness or decency on this earth.

The road to war is an old road. It leads to death and nothing else. Sir Gallahad in the modern world must ride with the four horsemen of the Apocalypse. And he can destroy peace a good deal easier than he can save the world.

### Gold and Silver Purchase Programs

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ARTICLES FROM THE WASHINGTON TIMES-HERALD AND THE WASHINGTON EVENING STAR

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Leon Pearson

which appeared in the Washington Times-Herald of February 19, 1940, and an article from the Washington Evening Star of February 20, 1940.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Times-Herald of February 19, 1940]  
(By Leon Pearson)

Like the chance outcome of daisy picking—she loves me, she loves me not—are matters of state often decided. So it was with the most important monetary measure so far this session of Congress.

The tide of opinion was going one way. Senator BARKLEY made a telephone call, the tide was reversed, and all Mexico breathed a sigh of relief.

The Senate Banking and Currency Committee was debating Senator TOWNSEND's resolution to put an end to purchases of foreign silver. This would have been a body blow to Mexico, which supplied nearly half (\$31,000,000) of the total United States buy (\$70,000,000) in 1939.

TOWNSEND had strong support from Members of both parties. The purchases were regarded as a waste of money, with little benefit to this country and large benefit to Mexico. And why be charitable to Mexico? One Member went so far as to urge passage of the measure as a retaliation against Mexico for oil expropriation.

Such sentiment caused the subcommittee to take favorable action at its 10 o'clock meeting in the morning. At 10:30, the full committee met, and sentiment seemed to be sweeping in the same direction. Up rose Senator BARKLEY, administration leader, and excused himself. He went into an adjacent office, picked up a telephone, and called the Treasury.

Morgenthau was out of town. He got Acting Secretary Dan Bell. "This Townsend bill," said BARKLEY, "has just been passed by the subcommittee, and is about to be passed by the full committee. I've been trying for a day and a half to find out what you people think of this bill. How about it?"

Bell told BARKLEY that the President was opposed to the bill, that he wanted power to continue foreign purchases of silver. Bell said he hoped the committee's action might be headed off.

BARKLEY went back to the committee room, reported the opinion of the President, and asked for delay. It was granted.

This action was cabled to Mexico, where officials breathed more freely, hoping for something better than daisy plucking at the next turn.

[From the Washington Evening Star of February 20, 1940]

#### GOLD IMPORTS INCREASE SLIGHTLY FOR WEEK

Gold imports totaled \$55,216,779 in the week ended February 14, an increase of about \$600,000 from the previous week.

The Commerce Department said the imports included \$5,569,978 from Russia, the first direct shipment from that country in about 2 years. The shipment drew considerable attention when it was unloaded from the Russian vessel *Kim* at San Francisco.

Other principal shipments included \$7,040,193 from Norway, \$6,759,270 from Sweden, \$3,733,306 from the United Kingdom, and \$28,056,587 from Canada.

Gold deposited under earmark at the Federal Reserve banks by foreign central banks and governments declined \$15,105,735 during the week to a total of \$1,110,250,000.

Silver imports amounted to \$962,315, about the same as the preceding week, and included \$185,162 from Canada and \$585,368 from Mexico.

Exports were \$1,882 of gold and \$19,127 of silver.

### Silver-Purchase Program

#### EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

EDITORIAL FROM THE RENO (NEV.) EVENING GAZETTE

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the State of Nevada, published in the Reno Evening Gazette of February 15, 1940, endorsing my bill on silver-buying repeal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Reno (Nev.) Evening Gazette of February 15, 1940]

#### FOREIGN SILVER FOLLY

Again the administration has stepped in to oppose those who would discontinue the purchase of foreign silver, of which this country has already acquired more than 1,800,000,000 ounces, every ounce of which is a menace to the future price of American silver.



To discontinue the purchase of this foreign metal, the administration spokesmen say, would disturb our trade relations with some of the Latin American states, notably Mexico. Thus, it appears, it is the administration's policy to continue to buy their trade and their alleged good will at the expense of the taxpayers of America and the silver miners and operators of the metal-mining States.

For years the National Government has been spending tremendous sums to move out of this country the great surpluses of wheat, corn, and cotton, because their very presence here operates to depress both the present and future prices of those commodities. Especially these surpluses are a menace to future prices as every agricultural producer knows. On the other hand, however, the administration is pursuing a directly opposite course with respect to silver. In the face of the well-known law of supply and demand, and the operation of that law upon future prices, it is piling up billions of ounces of silver, more than four-fifths of which was mined abroad, to afflict hereafter the American silver industry by depressing the price of its product.

The Townsend bill to discontinue these foreign purchases should be passed. By advocating this sensible measure, Senator TOWNSEND is better representing the silver industry of America than some of its pretended spokesmen.

### St. Lawrence Waterway

#### REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 29, 1940

Mr. MARTIN J. KENNEDY. Mr. Speaker and Members of the House, yesterday in the city of Albany, the capital of my State, a mass meeting was held at which more than 80 groups were represented. These groups embraced every form of commercial activity in my State and the purpose of this gathering was to voice a formal protest against the consummation of the proposed Great Lakes-St. Lawrence deep waterway treaty.

I would like the Members of the House to know that on January 17, 1940, I introduced H. R. 360, which is now pending before the Rules Committee. My resolution provides for an inquiry of all matters pertaining to the Great Lakes-St. Lawrence deep waterway treaty, because I am firmly of the opinion that this treaty should not be made, and, further, if it is made it should be made only as a result of current information after consideration of all the problems involved.

I would respectfully ask each Member of the House to read my resolution for the reason that it suggests by its questions the many controversial points at issue which should be clarified before this treaty is seriously considered for ratification.

At this point I would like to mention a few of the organizations who are actively opposed to this treaty: New York State Chamber of Commerce, Albany Chamber of Commerce, Buffalo Chamber of Commerce, Troy Chamber of Commerce, Maritime Association of the Port of New York, Niagara Frontier Planning Board, New York Waterways Association, Albany District Port Commission, National Coal Association, West Side Association of New York, Association of American Railroads, Harbor Carriers of the Port of New York, Long Island Association, New York State Retail Fuel Merchants' Association, American Merchant Marine Institute.

I would also like the Members of the House, as well as the Senate, to read the individual views of Senator ROBERT F. WAGNER, of New York, submitted to the Senate under date of January 10, 1934. At that time, the proposed treaty on this subject failed ratification by the Senate and nothing

has developed in this matter which warrants the reversal of the position then taken by the Senate.

On January 23, 1940, I addressed a letter to the Secretary of State expressing my personal views on this treaty and directing his attention to the fact that the neutrality of the United States might be seriously questioned because—

In reference to what should be the paramount aspect of these negotiations, i. e., the effect upon our neutrality, it is obvious that the British Empire, now a belligerent country, would have so enhanced its war resources by this proposed treaty that our own neutrality might be open to serious criticism.

We must be mindful of the fact that Canada is a dominion of the British Empire. That country is presently interfering with the United States mails and ships. Its response to your courteous notes of protest against such interferences was not the response of a country with which at this time we should conclude such a treaty as is proposed.

My dear Mr. Secretary, no possible harm could come to the national welfare of the United States by such a reasonable postponement of this project as I have suggested in my letter of January 17, but there is real cause to fear the effects on our neutrality that might follow the signing of a treaty with a country now at war, to build a seaway entirely within its borders on money to be loaned by the Treasury of the United States.

In view of my letter of January 17, as well as the above considerations, I respectfully renew my request for a suspension of all negotiations on the St. Lawrence-Great Lakes deep waterway.

As the advisability of making this treaty is being bitterly debated in many public forums, it is important that the Members of Congress keep an open mind on the subject so that every piece of valuable information may be carefully weighed and considered. I believe the following editorial taken from the New York Enquirer of February 26, 1940, expresses the thoughts and wishes of many of our citizens:

#### LET THE FACTS BE KNOWN

Representative MARTIN J. KENNEDY of New York has introduced in the House a resolution calling for a comprehensive and thorough investigation by the House Committee on Interstate and Foreign Commerce, of the Great Lakes-St. Lawrence waterway project.

The proposed undertaking, to be carried out jointly by the United States and Canada, has many serious aspects, as far as this Republic is concerned. The need of securing a true understanding and evaluation of its complexities is of vital importance to the American people, for whom it has political, economic, and financial considerations which call for the closest scrutiny and the exercise of the highest statesmanship.

It is to be hoped that the Kennedy resolution will be speedily adopted and put into operation. The New York Representative has performed a timely national service by his wise initiative. There would be no justification in our entering into a compact with our northern neighbor, for the materialization of the project, without being fully cognizant of its meaning to the United States. Unfortunately, it would seem that our consummating a treaty with Canada under blindfolded conditions is desired in certain quarters.

The Great Lakes-St. Lawrence waterway project is not new. It has been under discussion for many years. A treaty between this country and Canada with regard to it was rejected by the United States Senate in 1934. At the present time negotiations for another treaty are going on between Washington and Ottawa.

The New York Enquirer is opposed to this Republic involving itself in such a perilous international undertaking.

In view of our past experience, Uncle Sam will be expected to make the major financial and other sacrifices, and unless the British imperial outpost north of us gets the very best of the bargain there will be no Canadian-American treaty covering the project.

It is certainly an extraordinary thing that this Republic should be asked to become a partner in a water route which will be almost completely upon Canadian territory, whose sole outlet to the sea will be altogether under Canadian jurisdiction, whose capabilities, by reason of its shallowness, will be restricted to smaller-type vessels, and whose shipping facilities will be available for only 7 or 8 months a year, by reason of adverse climatic conditions.

Allow me to thank you for your interest in this proposition and to express the hope that nothing will be done in the matter of the making of this treaty, at this time, because I believe it would be a useless expenditure of money,

but, more than the wasting of the money, is the possibility that it might affect our neutrality. The neutrality of this country is the closest thing to the heart of every American.

### What Recovery

#### EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

Mr. HOPE. Mr. Speaker, the Department of Agriculture recently published some interesting figures showing changes in farm population and farms, total cash farm income, cash income per farm, and cash income per farm person for the three decades 1910-39. Here in a simple five-column table agricultural statisticians have condensed 30 years of American farm history. The table shows the marked upswing in farm income during World War years, the precipitous post-war drop, the slow but steady rise during the 1920's, the impact of world depression on American agriculture, the temporary increase during the first 5 New Deal years, and the drop since 1937.

Column 1 shows the trend in total United States cash farm income. Total farm income, excluding benefit payments, in 1939, the last New Deal year, was \$7,600,000,000, compared with \$5,300,000,000 in 1933, the first New Deal year. Total farm income was \$11,200,000,000 in 1929.

Column 3 shows the trend in cash income per farm. Cash income per farm was \$1,102 in 1939 and \$785 in 1933. This compares with \$1,784 in 1929.

Column 5 indicates the trend in cash income per farm person. Per capita farm income was \$238 in 1939 and \$167 in 1933. Cash income per farm person in 1929 was \$371.

TABLE I.—Cash income from farm marketings—total, per farm, and per capita—United States, 1929, 1933, and 1939

Year	Cash income	Number of farms Jan. 1	Cash income per farm	Farm population Jan. 1	Cash income per capita
	Million dollars	Thousands	Dollars	Thousands	Dollars
1929.....	11,221	6,290	1,784	30,220	371
1933.....	5,278	6,720	785	31,693	167
1939.....	7,625	6,920	1,102	32,059	238

Source: The Agricultural Situation, December 1939, p. 17.

While these statistics indicate some recovery from the world depression which struck world agriculture with particular force, they do not reveal any sign of a full and sustained recovery. Thus total farm cash income in 1939 was only 68 percent of the predepression level. In other words, total cash income in 1939 was 32 percent below 1929; cash income per farm was 38 percent below; and per capita farm income was 36 percent below the 1929 point.

That United States farmers are not as well off under the New Deal as formerly is shown if one compares farm income during the 7 years 1926-32 with the 7 years 1933-39. The 7 Republican years include 3 years of world depression and the 7 New Deal years include 5 years of recovery and 2 of depression. Cash farm income for the 7 Republican years averaged \$9,046,000,000 a year, compared with \$7,247,000,000 a year for the New Deal period. Average annual income per farm for the period 1926-32 was \$1,432, compared with \$1,062 for the period 1933-39. Average annual income per farm person for the Republican period was \$298, compared with \$228 for the New Deal years.

TABLE II

	Republican years 1926-32	Democratic years 1933-39 <sup>1</sup>
Average yearly total farm income.....	\$9,046,000,000	\$7,247,000,000
Average yearly income per farm.....	1,432	1,062
Average income per farm person.....	298	223

<sup>1</sup> Including benefit payments: Average total farm income \$7,670,000,000; average income per farm, \$1,124; and average income per farm person, \$271.

Source: Computed from data in The Agricultural Situation, December 1939, p. 17.

Nor have New Deal production and marketing controls, commodity loans, and ever-normal granaries succeeded even in stabilizing farm income. Cash income per farm and per farm person in 1939 was approximately the same as in 1935. In the 2 years 1938 and 1939 farmers lost everything they gained between 1935 and 1937.

What can American farmers expect if the rate of progress since 1933 is maintained? In other words, how long will it be until the American farmer will get back to the income position which he occupied under Republican administrations? The figures which I have given indicate that by 1948, if recovery continues at the rate since 1933, the farmer will have regained his 1929 level. At the same rate of recovery farm income ought to equal \$15,000,000,000 by 1958. It will be 11 years until farmers' cash income from wheat gets back to the 1929 level. Cotton producers, however, will have to be more patient, because it will be 43 years until they receive as much as they did in 1929.

There is one offsetting factor, however, which may tend to slow up this rate of recovery. If the New Deal continues to spend in excess of receipts at its 1933-39 rate, the gross public debt in another 10 years will reach \$70,000,000,000 to \$75,000,000,000.

### Presidential Spending From Washington to Roosevelt

#### EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

TABLE SHOWING PRESIDENTIAL EXPENDITURES, PREPARED BY THE NEW YORK SUN

Mr. MICHENER. Mr. Speaker, there is no more important question before the American people today than that of Government finance, spending, and deficits.

In this connection it is most interesting to give consideration to the record of all Presidential administrations from Washington to Franklin D. Roosevelt, inclusive.

Therefore, pursuant to permission given me to extend my remarks in the RECORD, I include the following:

TABLE SHOWS SPENDING OF AMERICAN PRESIDENTS

(Article prepared by Washington Bureau of the New York Sun)

This table sets forth the complete financial record of every President of the United States from the adoption of the Constitution in 1789 to date. The figures given up to 1939 show the actual receipts, expenditures, and deficits recorded in the annals of the Treasury Department and certified to Congress in the Annual Report of the Secretary of the Treasury. Figures for 1940 and 1941 are the estimate presented to Congress by President Roosevelt in his Budget message.

The totals show that Franklin D. Roosevelt, in 8 years, has spent 58½ percent as much as all of his predecessors put together in 144½ years. He received in taxes in these depression years 44 percent as much as all of his predecessors together have collected, and he has almost exactly doubled the national debt.



President	Number of fiscal years served	Receipts	Expenditures	Surplus (+) or deficit (-)	Public debt at end of administration
George Washington	8	\$32,665,765	\$34,088,506	-\$1,422,741	\$83,762,172
John Adams	4	34,984,839	34,262,668	+722,171	82,976,294
Thomas Jefferson	8	113,400,835	72,424,289	+40,976,546	65,196,318
James Madison (War of 1812)	8	130,311,080	176,473,974	-46,162,894	127,334,934
James Monroe	8	171,895,953	147,237,899	+24,658,054	90,875,877
John Quincy Adams	4	94,831,286	65,427,037	+29,404,249	67,475,044
Andrew Jackson	8	252,061,371	152,969,098	+99,092,273	336,958
Martin Van Buren	4	102,219,579	122,325,262	-20,105,683	5,250,876
Harrison and Tyler <sup>1</sup>	4½	104,430,540	108,904,688	-4,474,148	15,925,303
James K. Polk (Mexican War)	4	123,139,658	175,477,220	-52,337,562	63,061,859
Zachary Taylor	1	43,603,439	39,543,492	+4,059,947	63,452,774
Millard Fillmore	3	163,993,174	140,088,047	+23,905,127	59,804,661
Franklin Pierce	4	282,172,928	255,154,264	+27,018,664	28,701,375
James Buchanan	4	197,716,370	272,933,490	-75,217,120	90,582,417
Abraham Lincoln (Civil War)	4	763,026,123	3,352,380,410	-2,589,354,287	2,677,929,012
Andrew Johnson	4	1,825,248,490	1,578,557,655	+246,690,835	2,545,110,590
U. S. Grant	8	2,670,905,586	2,253,386,783	+417,518,803	2,107,759,903
Rutherford B. Hayes	4	1,225,899,968	1,032,268,057	+193,631,911	2,019,285,728
Garfield and Arthur	4	1,474,023,408	1,027,742,757	+446,280,651	1,578,551,169
Grover Cleveland (first administration)	4	1,474,159,137	1,077,629,099	+396,530,038	1,249,470,511
Benjamin Harrison	4	1,536,450,844	1,412,315,899	+124,134,945	961,431,766
Grover Cleveland (second administration)	4	1,316,948,887	1,441,674,184	-124,725,297	1,226,793,713
William McKinley (Spanish-American War)	4	2,076,208,146	2,093,918,534	-17,710,388	1,221,572,245
Theodore Roosevelt	8	4,676,747,262	4,655,450,515	+21,297,447	1,145,315,372
William Howard Taft	4	2,794,065,060	2,799,211,874	-5,146,814	1,193,047,745
Woodrow Wilson (World War)	8	24,375,781,688	46,938,280,143	-22,562,478,455	23,976,250,608
Warren G. Harding	2	8,116,239,632	6,667,235,429	+1,449,004,203	22,349,687,758
Calvin Coolidge	6	23,959,941,899	18,585,549,136	+5,374,392,763	16,931,197,748
Herbert Hoover	4	11,453,002,513	15,490,476,696	-4,037,474,183	22,538,672,164
Total of all Presidents up to F. D. Roosevelt	144½	91,586,076,130	112,203,367,065	-20,617,290,935	22,538,672,164
Franklin D. Roosevelt	8	40,089,857,957	65,628,526,692	-25,538,668,735	44,938,577,622
Grand total, all Presidents	152½	131,675,934,087	177,831,893,757	-46,155,959,670	

<sup>1</sup> Up until 1843 the fiscal year coincided with the calendar year. In the administration of President Tyler, however, it was changed to run from July 1, to the following June 30, thus making President Tyler accountable for 4½ fiscal years instead of 4.

## Research on Sugar Plants

### EXTENSION OF REMARKS

OF

HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

ADDRESS BY DR. E. W. BRANDES

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject Research on Sugar Plants and Some Practical Adaptations, delivered by Dr. E. W. Brandes, principal pathologist in charge, Division of Sugar Plant Investigations, Bureau of Plant Industry, Department of Agriculture, before the second general meeting, American Society of Sugar Beet Technologists, at Denver, Colo., on January 5, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The title selected for this informal talk is Research on Sugar Plants and Some Practical Adaptations. That is a broad subject and gives the opportunity to speak at length, but I will limit my remarks to a half dozen lines of work sponsored by the Division of Sugar Plant Investigations during the past two decades. An appraisal of the value of this research to American agriculture will be recapitulated, showing that in this period a total approaching \$1,000,000,000 of conserved capital and added national wealth is directly attributable to it, and indirectly many millions more have gone to "good neighbors." Nor are the results to be evaluated only in monetary units, since at present a half million of our people who might otherwise be on relief have means of livelihood because of this research, which, relatively, has cost little.

The realistic view demands that these benefits be credited as net gains with no deduction for compensating factors, such as possible other uses of the land and labor or possible income of any kind derived indirectly. We have a long-established firmly rooted domestic sugar industry. That is a sufficient reason for the successful efforts to make it more efficient. Nor are the ramifications of these contributions to national wealth limited to the producers who benefited directly by the results of this research, as these producers in turn constitute a market for American goods greater than that which might come from potential producers elsewhere.

In comparison with other sugar-producing areas, the United States has made much progress in the improvement of the sugar plants during the past 20 years. In that period there has been a series of interruptions in growth of the several sugar industries, in the main resulting from natural causes adversely affecting the plants themselves. These natural causes, chiefly plant diseases, more than any other factors, have threatened the continued existence of the industries. Their impact on the industries and their effects on growth have varied in duration and degree and have been different in character.

Intimate knowledge of these natural causes as they affect production units represented by plantations or farms is required if reliable interpretation of production statistics is to be made. Broad interpretations of production trends without such intimate knowledge, especially of extensive areas, are likely to be imperfect. The interruptions in productivity of our sugar industries during the past 20 years were characterized, for example, by practical collapse in Louisiana and the South, violent and unpredictable annual fluctuations of output in the western beet areas, and curtailment, lesser in amount than in Louisiana, followed by temporarily retarded recovery in Puerto Rico.

The ominous nature of the situation in the South in the period from 1918 and culminating in 1926 was apparent to all without need for intimate knowledge of the cause. But reaction to it by observers was not unanimous and the differences lay in ability to ascribe the cause and visualize the chances of any remedial measures. A well-known economist immediately sounded the death knell of the industry and no prudent financing institution was willing to risk a dollar on it. The income of sugar farmers in Louisiana dropped to such a pitiful figure that the State's leading adviser in agriculture complacently drew attention to the fact that a minor poultry industry was more profitable. However, a small group of growers was persuaded that the natural cause of the calamity could be determined and that some control could be found, and they met the challenge rather than passively submitting to what many took to be inexorable force. They seized upon the hope of remedial measures then offered and those in prospect, and with indomitable will literally lifted themselves by their own bootstraps. The remedy offered was a botanical specimen unprepossessing in appearance, which elicited some amused if not derisive comment at first, even by the man who later with self-effacing public spirit contributed the same means of salvation to thousands of his neighbors. He lost his own plantation because the remedy came too late.

Reduced to simple terms, the recent decline of the Louisiana sugar industry was due to the unnoticed introduction of a virus disease of sugarcane, mosaic, which met an unprepared industry not provided with adequate research facilities. The lesson in unpreparedness cost the industry more than can be measured in money. Adjustment of whole communities to a calamity bringing universal loss of revenue brought the gravest personal and family problems and, because of the lack of other enterprise to turn to, an unwholesome resignation. In the end, after costly delay, a reasonably satisfactory solution was found in the improvement locally of sugarcane varieties by breeding for resistance to dis-

ease and adaptation to our climate and soils. This involved an elaborate program of scientific work after literally combing the world for breeding material. Details of the main and accessory projects by a dozen specialists have been reported in numerous publications, and need not be enumerated here.

The practical adaptation of this research is shown by the production figures which indicate that beginning with the year 1927, when the first new variety was increased to acreage reflected in the statistics, there has been a constant rise as variety succeeded variety in the gradual development of better sorts by breeding. The actual increase in production was from less than 50,000 to nearly 500,000 tons of sugar, the acreage in cane for the tenfold increase being only about double. (Some of the acreage planted in 1926 was not harvested.)

A similar visitation of disease caused by the same or related viruses occurred in Puerto Rico, where studies were begun by the Division of Sugar Plant Investigations earlier than in the Gulf States. Because of great local variation in weather, indirectly affecting the efficiency of natural dissemination of the virus, the problem in Puerto Rico resembled that in Louisiana only in part. In some districts it is possible by a system of almost constant roguing to grow susceptible varieties of cane even today. Because of the expense and potential danger, that is not a wholly satisfactory system and requires further attention. Other districts representing a large percentage of the total area in cane required substitution of resistant varieties.

The history of discovery and development of resistant varieties for Puerto Rico was analogous to that on the mainland, except that, due to more exacting demands of climate in the latter area, finding suitable breeding material required a more thorough search. Without the background of fundamental research carried on by the Division, the sugar industry in Puerto Rico would be in a far less flourishing condition today and the same can be said of the relatively new industry in Florida, which faces other unsolved problems because of its position intermediate between Tropical and Temperate Zone conditions. Parenthetically, the sugarcane virus-disease problems the world over and their solution by "variety revolution" or other means received their present conception, and the inspiration and methods of control, because of the appropriations by Congress of money for this research.

Beyond mere repair of the disease injury, the improved tone and tempo of sugarcane yields so easily perceived in many plantations of Cuba and the West Indies generally, South American countries, and to some extent in Africa, Oceania, and Asia, even the little industry in southern Spain, trace a measure of their current impetus to this research. Twenty-two countries have safely received improved plant material for which the Division acted as a clearing house, whatever its origin, by maintaining a quarantine station. Encouragement lent by the improved performance of the resistant or tolerant varieties led, by natural reasoning, to consideration of further improvement by other means and has resulted in substantial gains to levels never before reached, this in the face of a declining world price of sugar. The sum total of benefits to humanity by conservation of effort and in lessened cost of an indispensable commodity would be a staggering amount.

To arrive at the estimate of American dividends paid by this research, we credit to it all production with plant material released by the Division used where sugar production had quite failed, owing to low yield, and a part of production on lands that, because of low yield, were jeopardized but not actually abandoned. On the latter the significant increases in production since the improved, disease-resistant varieties have been planted are very great and are just as directly attributable to this research.

In addition, we credit the capital investment in factories, machinery, plantation railways, and specialized implements and equipment in the areas definitely marked for abandonment or already abandoned. If solutions had not been found for these field problems, all fabrication equipment would have had junk value only. On that basis we boldly assert that the Gulf States sugar and sirup industries owe to this research over a period of 14 years \$350,000,000 and the present employment of 60,000 workers, with an average of 3 dependents each, or a total of 240,000 persons.

The increased per acre production in Puerto Rico, beginning in 1919 when the first mosaic-resistant variety was supplied, has been steady and has now reached over 100 percent. While the prompt clarification of the perplexing disease problems, the early resistant varieties, and guidance were directly contributed by the Division of Sugar Plant Investigations, continuance of the work by local research institutions and added improvement must be recognized; therefore, one-half of the annual increments in per acre yield since that date, a total of \$225,000,000, is the claim. In this industry, which, as a whole, was not threatened with extinction, credit for salvage of capital investment is relinquished, except for factories supplied by the worst-affected 70,000 acres and the workers thereon, respectively \$10,000,000 and livelihood for 25,000 workers. That these workers and dependents, 100,000 people, would have found other gainful employment in the present depressed period for the agricultural industries is less likely than the alternative, enlistment in the army of unemployed.

This record of the southern sugarcane industry laid prostrate by a virus disease finds counterpart in the ravages of sugar beet curly top in western United States. The effects of the disease have been grave enough and so widespread in many years of the decade preceding 1934 as to bring about sharp decline in the average acre-yields of a whole State. In such years of disease outbreak, the factory records reveal that average acre-yields in some districts have dropped precipitously from the expected 15 tons or more to 5 tons

or less. Such figures, based on harvested acreage, obviously give no record of thousands of acres abandoned.

As throwing light on the impact of curly top on the beet-sugar industry, one may trace the history of sugar-beet culture in western reclamation projects or other agricultural areas in the West—such as the Truckee project, Salt River project, Delta and other Utah areas, the San Joaquin Valley of California, the Yakima Valley of Washington, and many others. The story is much the same for all—introduction of the crop, a brief period of fine prospects, and finally crop failure because of curly top, and ultimate abandonment of sugar-beet growing by farmers.

The history of factories erected with high hope and welcomed by farmers on the irrigated lands as providing a market for the pivotal cash crop in the agricultural program also portrays the emergency situation that curly top brought about. Each venture represented the investment of upwards of one-half millions dollars. The subsequent history of these beet-sugar factories is a drab picture of idle years or, at best, sporadic activity as one season's crop or another by some vicissitude of climate managed to escape a disease epidemic. A factory erected in the Yakima Valley operated only a few days in a single season, then was closed and eventually dismantled. Curly top practically made the beet-sugar industry in western United States lead a gypsy existence in its futile quest to find some reasonably secure areas in which to grow the sugar beet.

No business could long continue under these conditions and by 1929 the western beet-sugar industry was at its lowest ebb and bankruptcy was imminent for many enterprises.

But these failures of capital to yield returns, the losses of original investments, and the collapse of many ventures in spite of constant outlay of new capital, signify far more than mere money losses. In essence, they are faithful indices of far-reaching and profound effects upon the agricultural population and on the agricultural system of the West. On the human side, they involve disappointment, wastage of human effort, and wreckage of farm families. Wherever a factory was forced to stand idle because the sugar-beet crop failed because of curly top, the livelihoods of not the fortunes of several hundred farmers around the factory were jeopardized.

In 1929, Congress recognized the emergency situation and appropriated a considerable sum for investigation of the beet-leaf hopper and the virus it transmits. These funds for research on the disease have permitted an augmented attack on the whole problem and prompt capitalization on all the promising leads developed by earlier research of this Division. It was possible in 1931 to demonstrate the first progress in the development of curly-top-resistant varieties. By 1933, steps were under way to increase the seed of a variety that was introduced in 1934, under the designation "U. S. 1," for use by farmers.

Since that time, other curly-top-resistant varieties have followed in quick succession—U. S. 34, U. S. 33, U. S. 12—each representing an improvement in curly-top resistance and adaptation. The industry has fully cooperated to bring each of these improved varieties promptly to the growers, as is shown by the record that of about 300,000 acres subject to curly top, 235,000 acres were planted in 1939 with varieties arising from this research, and much of the remaining acreage was planted with curly-top-resistant varieties in some degree akin to Government releases.

The removal of the threat of failure to the beet crop, through the continued improvement in resistance of beet varieties, is signalized by the rebuilt factory in the Yakima Valley—erected on the foundation of a factory formerly dismantled—the erection of new factories in California, Utah, Idaho, and the reentrance of the sugar beet into districts of California, Nevada, Idaho, Utah, New Mexico, and western Colorado.

It cannot be said that curly top is vanquished, because with severe exposure in the worst years it still takes some toll and prevents the crop from delivering the maximum which soil and climatic conditions might warrant. Beet farmers may now plant these new varieties with confidence that the crop will be carried through to a reasonably high yield in spite of disease, and they look forward to new and even better adapted varieties as further research fits the curly-top-resistant types to the great range of conditions encountered in the broad expanses of our sugar-beet areas.

If one seeks to appraise the benefits of this research effort, which has involved a dozen or more scientific workers and has had the wholehearted cooperation of the industry, he must take into account the dire condition into which curly top had forced the western producers. He must also have enough confidence in the American way of life to want American industry not only to be maintained but to grow.

The capital investment in farm lands, farm equipment, irrigation systems, factories, factory equipment, transportation, and power facilities directly concerned in sugar-beet production and beet-sugar manufacture in the United States as a whole may be placed at \$350,000,000. The capital investment in important subsidiary industries which furnish supplies and services to the beet industry and the livestock industry directly concerned in utilizing sugar-beet byproducts as feed would greatly increase this figure. Nearly one-fourth of this entire investment, amounting to between \$80,000,000 and \$100,000,000, was jeopardized. Is it not fair to credit the research which turned the tide from bankruptcy to a surge of growth and development, as typified by the recent \$25,000,000 expansion of the western industry, with saving and safeguarding a major share of this national wealth?



Moreover, progress in agricultural research refuses to confine itself to the narrow limits of the single problem-reaching solution, but it serves as a leaven for a whole agricultural complex. The farmer with a promising crop is the one who gives it good culture, he secures the means whereby he can fertilize his crop, he arrives at the position which enables him to devote acreage to legumes to rebuild his soil. One finds specific illustration of the intimate coordination of research in the yoking of the division's research on curly top with its investigations on sugar-beet-seed production. Dependence upon Europe for seed, a condition which lasted nearly a century, was recognized by many informed and able men as imprudent, but attempts to remedy this incongruous situation were sterile until seed of the curly-top-resistant varieties were produced commercially by the "American" method. The linking of two objectives in our program secured, in no small measure, the practical adaptation of this research.

Investigation sponsored by this Division had shown that sugar-beet seed could be efficiently produced in the United States by a new method which differed radically from the conventional European method which was lavish in its requirement of hand labor. Our investigations revolutionized the methods so that today we produce sugar-beet seed in the United States by short occupancy of the land in much the same way that winter wheat is produced, abundant use of machines dispensing with the hand-labor gardener methods of Europe.

With the advent of curly-top-resistant varieties, the efficient method for increase of seed had been perfected by our investigations. We can be justifiably proud of the record that every pound of curly-top-resistant seed used on American farms has been home-grown. In 1939, more than 6,000,000 pounds of curly-top-resistant seed were produced. The American method of sugar-beet-seed production has also found use with improved varieties arising out of breeding work of commercial companies and with leaf-spot-resistant varieties coming from other research projects of this Division. In 1939, the total sugar-beet-seed production in the United States reached a high of nearly 14,000,000 pounds, just a small amount below our total domestic requirements.

History has repeated itself and Europe is again engulfed in war. But, in contrast to 1914, when the American industry was almost totally dependent upon Europe for the seed to plant the sugar-beet crop, we enter 1940 with a full-fledged sugar-beet-seed industry which had its origin in American research and, in a way, was a byproduct of the investigations on curly top.

The files of the Bureau of Plant Industry of 1915, 1916, and 1917 give a vivid picture of that hectic period of World War days when, by dint of the strenuous effort of the Department of Agriculture, the Department of State, and only by the consent of the British Government, passage through the blockade of Germany was secured for meager amounts of sugar-beet seed, absolutely essential if a sugar-beet crop was to be grown in the United States. Such seed as filtered through came in under bond that it would not be resold, and a bond that the sacks would be returned was exacted. Such are the grim realities of wartime, where such an item as return of gunny sacks could determine whether an American food crop could be grown.

With the growth and functioning of an American seed industry, which is providing better seed to the American farmer than any that can be imported, and as a credit to American research and American ability to capitalize on research findings, the beet-sugar industry has freed itself from this foreign noose.

When the present European war largely cut off European supplies, the beet industry's house was nearly in order and seed supplies assured. Certainly by 1941 it is possible for all branches of the beet-sugar industry to have adequate home-grown supplies.

What appraisal is fair for the benefits that the domestic sugar-beet enterprise has contributed and will continue to contribute to our national welfare? As was not the case in the World War period, the beet-sugar industry can now, if demand for sugar requires, expand to do its part in supplying the Nation's food—an impossibility 25 years ago because of the throttling effect of lack of adequate seed supply.

In direct benefits, the sugar-beet-seed enterprise returns to farmers about \$1,100,000 annually and a new source of farm income has been created.

#### PROMISING RESEARCH IN PROGRESS

Among the numerous projects under way but not yet practically adapted in the sense of large-scale translation into commercial practice, the work on cold tolerance of sugarcane and on black root and leafspot of the sugar beet are examples of research that may soon be capitalized upon.

The improvement of Temperate Zone sugarcane to meet the hazard of unseasonably early cold has taken more definite form since the discovery in central Asia of cold-resisting wild cane in 1936. Progress has been made in overcoming the problems of cross-breeding due to the very different time of blooming of parent canes. Utilizing the reversed seasons north and south of the Equator, the male parent was planted in the Northern Hemisphere, the female parent in the Southern Hemisphere, and while blooming simultaneously pollen was sent by airplane to cross-pollinate plants in the Southern Hemisphere. The seed was shipped by air to Washington and planted there and in Florida and Louisiana. The first-generation hybrids bloomed in the United States at a season intermediate between the two parents. To make backcrosses between the hybrids and commercial cane it was necessary to advance artificially the blooming time of the latter from late December to late September. This was accomplished by using a photoperiod house at Canal Point, Fla., a device that created au-

turn light conditions in summer and accelerated the blooming by 3 months. Thousands of the second-generation seedlings will be ready for cold-resistance tests in 1940, and many are of good type and appear promising for sugar-production tests in 1941.

The traditional acceptance of the idea that the eastern sugar-beet region is one of high cost compared with the Intermountain and Pacific regions, and that the regions are unequally dependent upon protection afforded in various ways, including geographic location, may have some basis in two bugbears. These are difficulties of establishing and maintaining stands because of black root and difficulty of practical control of leafspot, which is a problem in parts of the West also. There is no need to doubt that with intensive experimental tests of principles already well crystallized in control of black root, as seed treatments, rotations that starve the pathogenic organisms plus other field sanitation measures, and with adequate consideration of the separate needs of different districts in the humid area, the disheartening toll taken by this disease complex can be greatly lowered. Because of local environmental differences in the districts of the humid area, a cure-all applicable everywhere should not be expected and therefore more intensive tests are needed.

The leaf-spot-resistant sugar beet variety U. S. 217, released in 1938, has demonstrated a high degree of resistance and under exposure to the disease has shown decisively better performance than the European brands with which it has been compared. Where leaf spot was not a factor the variety has been exceeded in root yield, and hence in sugar per acre, by certain improved tonnage types. A new leaf-spot-resistant release, U. S. 200 X 215, produces greater tonnage than U. S. 217, with practically equivalent sucrose percentage. To produce this variety, two inbred strains, which in themselves, regardless of leaf-spot resistance, approximate European brands in performance, were intercrossed in order to take advantage of first-generation hybrid vigor. Tests in 1938 showed the resistant variety exceeded the nonresistant check, taken as representative of European brands, by 333 pounds of sugar to the acre. The variety has as yet been produced only on a limited scale, something over 200,000 pounds of seed being available for 1939 commercial plantings.

It will be noticeable to you that the foregoing remarks have been limited to citing research activities of the Division of Sugar Plant Investigations. I am more conversant with details of those activities than with the numerous contributions to progress by others and it is with no intention to slight their valuable basic steps, or parallel or accessory work on the same problems, that illustrations of practical adaptation of research were selected from those sponsored or vigorously pushed by the division.

The *raison d'être* of this talk is to emphasize in an impersonal way an idea that should be quickly recognized by biologists; the increasing control over living plant forms and their environments because of advances in biological and other science. Economic implications in the illustrations cited, with understanding of their extensive or limited use, are very great. The basis of the sugar industries is the mutable sugar-producing plant and very impressive are these recent demonstrations of opportunities to quickly change the character of plants in different producing areas with attendant changes in costs of production. Advances in plant breeding, unpredictable as to their impact upon the national economy, just as improvements in mechanics or chemistry, are sometimes far reaching and are likely to throw into confusion the calculations of economic planning.

### Earl K. Long's Statement

#### EXTENSION OF REMARKS

OF

#### HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

#### STATEMENT BY GOVERNOR LONG OF LOUISIANA

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Governor Long, of Louisiana, printed in the American Progress of Hammond, La., in the issue of Friday, March 1, 1940.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the American Progress, Hammond, La., March 1, 1940]

EARL K. LONG'S STATEMENT—GOVERNOR LASHES INTO ENEMIES WHO KEEP UP THE SLANDERING AND BLACKGUARDING—KNOWING THEY CANNOT KEEP THEIR FAKE PROMISES OF \$3 LICENSES, \$30 PER MONTH PENSIONS, AND THE REST OF THEIR DOPED-UP CLAPTRAP, THE SAM JONES GANG NOW STARTS ITS SMOKE SCREEN TO TRY AND COVER UP THE RUN-OUT THEY WILL TAKE ON THE PEOPLE

I have just noted from the press that the hot-lunch program will be stopped; also the newspaper comment that this was strictly

a vote-catching scheme. This is not so. I shall continue the hot-lunch program even if I have to call a special session of the legislature to raise the funds to carry out the \$1,000,000 voted by the last session, and of which only \$100,000 has been used.

No man in the public history of this State has ever been vilified, and blackguarded, continuing even after defeat, as I have. Those opposed to me politically have paraded and stampeded every city, town, and hamlet in this State, and have libeled and blackguarded my friends, in and out of office. As to those who did not support them, and who hold public office, they have threatened impeachment, recall, or other reprisals. Hitlerism or czarism is not any comparison to the lengths they will go. They promised the State central committeemen that they will keep their jobs, or promised new jobs, and raises in salaries, and threatened to blackguard them. They have practiced every form of political trickery known to the human race.

They brag about the "great landslide" of Sam Jones as a candidate for Governor, when actually he received less than 19,000 majority, which is slightly over 51 percent of the votes. They try to talk about honest elections, when it is a known fact that never in the history of this State was money used to swing an election as it was by my opponents in this one. Around the polls they had fists full of it. It dangled from the hands of some of their supporters like apples on the trees. The newspaper headlines were full of every conceivable misleading, twisted, or warped imaginary thing that could be brought to attention. They pictured and photographed as great leaders any people who helped to bring about the accomplishment of the election of Sam Jones; men like Joe Fisher, who are ex-convicts and today have not regained their freedom; the same people whom they listed as dangerous and suspicious crooks, 7 or 8 months ago, and against whom everything bad could be said. They enlisted the aid of lottery gamblers, dive-runners, and everything to gain their point. They still libel me and picture me as ruthless, crooked, and corrupt, when, as a matter of fact, the reason I lost the election was because I refused to tell falsehoods and hold out promises to the people that I knew were impossible to fulfill and, if carried into effect, would wreck the faith and credit of the State. In no campaign in the history of the State were the pay rolls ever held to the low level which my administration held them. Supplies for all departments were bought at the lowest reasonable cost and discounts possible to obtain. Anyone with a thimble full of sense knows that when they can get 14 men who are on the various State pay rolls to vote for their man for secretary of state, something crooked, some promising, some bribery, and other corruption and skullduggery have taken place. Now, they attempt to have the same committee meet 1 week and 1 day later and reverse the action taken by them without any cause whatsoever, when every lawyer from Baton Rouge to Philadelphia (and return to Dalcour) knows that the ministerial duty of the committee to select a nominee for secretary of state has been performed and is now final. This could only be done by additional promises, political trickery, falsifications, skullduggery, threat of blackguarding, and prosecutions or nonprosecutions. Sam Jones and his advisers are bringing about worse conditions in Louisiana than were ever brought about in any State in the Union. They do not want clean government; what they want is simply the government. God have mercy on the people, the State, and its institutions.

In this campaign there is not a man or a woman with the gumption of a good 12-year-old child who does not know that Sam Jones and those on his ticket told every conceivable thing that could be imagined to gain victory at the polls, with slight regard for the facts and the truth.

Their ardent admirers and supporters admit openly that it would be impossible for this man to lower the old-age pension to 60 years and give every man or woman \$30 per month; to cut the automobile tag to \$3 when today it furnishes slightly over \$4,000,000 and it will cost over \$6,000,000 to halfway maintain our road system. This \$3 automobile tag would bring in less than \$1,000,000. Everybody knows that to give the school teachers 12 months' salary, and increase the bus drivers' pay, the severance tax would have to be increased. They further know that this crowd will not increase it, but have pledged to decrease it instead. Since the second primary they have amalgamated with every political side that they called objectionable, that they called crooks, that they called thieves and grafters, all to carry out their objectives of ruthless, premeditated skullduggery, persecution, etc., against the few men against whom they have not been able to find one scintilla of wrongdoing, crookedness, or that such men have used this State or any of its finances to better themselves financially.

I have told the people, since the day I became Governor of this State, that I had done no wrong, as a private individual or as a public official, either as Lieutenant Governor, Governor, or in any other public office that I had held. Just 1 week or 10 days before the election, for the psychological effect, it would certainly seem that the Federal investigators returned from Washington and made headlines again in the papers to scare, stampede, intimidate, and harass the citizens of this State; and gave out a statement against one of the leading officials and politicians in this State, and continued to give out statements up to 2 or 3 days after the election. Every precedent in Federal prosecution has been violated, except in the territory in the north central part of the State where publicity before indictment and arrest was suppressed, and properly so, by court order. After they can do no more good, or harm, they return to Washington and take credit for the Jones victory in Louisiana. That the Federal Government had a right to come into a local State primary election for party nominations and take charge and throw

its influence for or against any one group of candidates was never heard of in any State in the Union before this time.

The Federal district attorney for Shreveport and the northern district goes so far as to give out a statement as to the rules and regulations, etc., as he sees it, regarding the State Central Democratic Committee, in order to influence and aid one particular side. The rulings he gave out he knows, and everyone else knows, to be erroneous, incorrect, and untrue. Even the law west of the Pecos or south of Orleans could not have been so strained or stretched.

Three or four days before the election, the district attorney of the northern and central Louisiana district had subpoenas issued for hundreds of election commissioners, officials, etc., which was never heard of before. In my opinion, this was strictly to intimidate, to browbeat, to harass and lessen their enthusiasm and activity for their cause during the election. Included in this group was one of the most prominent public officials in this State, whose term of office was extended by a State-wide vote of the people, a man who is supposed to have great political influence, and who is known to be a very retiring, timid individual, who dodges a fight or a contest every time he has the opportunity.

There never was an election where the rights and privileges of people were so trampled on, so unscrupulously raided as we saw in this second primary. In one precinct of the State the Sam Jones commissioners actually prevented sick people from voting and gave as their reason why these infirm people should be denied their God-given right to have a voice in Government as consisting solely of the fact that they were sick. Did you ever hear of such high-handed, terrorizing tactics? Imagine a State where people are thrown out of polls simply because they are sick. Is this the kind of Government that Sam Jones stands for? Is this an example of his great "ideals" and "honesty"?

The Sam Jones-controlled parish executive committee, acting upon the advice of the very Sam Jones attorneys who are counseling him in his efforts to manipulate his man into the office of secretary of state, flatly refused to promulgate the returns from that precinct. And this in the face of the fact that had all the votes in controversy been discarded, Philander G. Smith, who was actually nominated by a majority of the votes in the ward, would still have had a majority without these discarded votes. In short, this committee declared the party nominee to be the candidate who received a minority of the lawful votes cast for police juror in that ward.

I do not see how a conscientious and unbiased individual, who supported this opposition crowd, could still have any respect or confidence in them as politicians or men, since all these various things have taken place before, during, and after the election.

The opposition leaders make the statement that, as I was defeated at the polls for the office of Governor, therefore, I should not be secretary of state. As a candidate for Governor, I received over 265,000 votes. The man they hope to put in received 165,000 as a candidate for secretary of state and was defeated for that office. They now try through any means at their command to put him into the office of secretary of state, left vacant by the death of the late, lamented E. A. Conway, and their argument is that a man who received 100,000 more votes than their candidate should not have the job—such hypocrisy! I say and have said, when I was an independent candidate for Lieutenant Governor, that this State would be better protected and safeguarded if a few independent people were in the cabinet of every Governor, and for this reason I asked Earle J. Christenberry to withdraw and leave the important office of the State treasurer to the opposition, to give some assurance that the funds and finances of the State might be better protected and in order that less unrest would exist when the opposite political faith was watching.

At this time I realize that some traitors have left the ship. I have no hard feelings against them; in fact, they have my prayers, the poor, weak, pitiful things.

To those good people who voted for me, and to those who thought they were doing right by voting against me, I want them to know that I cannot be browbeaten, bribed, or blackguarded into doing anything that I think is wrong or inconsistent with my sense of duty.

I shall stay in and fight for what I think is right as long as God gives me the vigor to subsist. I want to do as I did over 20 years ago when I entered politics with my brothers in Winfield and with my brother, Huey P. Long, as a candidate for public service commissioner in 1918.

I wish to thank the good people throughout this State for the fight they put up for me on February 20. They were the finest and truest friends any man ever had. They did not forsake me—I will not forsake them. Stand by your guns and fight for what you think is right. Though we have received a temporary setback—our cause is just, our cause is right, and in the end right must prevail. I do not care how much the newspapers lie, how many blackguarding editorials they print, how many suckers sell out or get out, how many hirelings they employ to put out propaganda or how many loud and sneaky thieves they put on who would plunder every dollar there is in the State treasury. The only regret I have is that it cannot be I alone who will pay the cost.

I said upon entering this campaign "better is a little with righteousness than great revenues without right." In leaving the Governor's office I still say this is my theme song and always will be.

The experiences which I have gone through as Governor for the past 6 months and in this campaign, and especially during the past 10 days since the election, cannot be estimated in dollars



and cents. I could write five volumes on the subject and still would be telling only half of what I have learned in watching and knowing humanity at its lowest and highest.

I am sincerely sorry that everyone cannot share in the knowledge of my experiences with human nature.

I have been through the mill. I know I am right in the course I have pursued. I sleep with my conscience. I am the captain of my soul.

With best wishes and sincere regards to the citizenry of Louisiana, I am

EARL K. LONG,  
Governor in Temporary Defeat.

### The Money Problem

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

PETITION OF MULTNOMAH (OREG.) CIVIC CLUB

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following petition from the Multnomah Civic Club, of Portland, Oreg.:

MULTNOMAH CIVIC CLUB,  
Portland, Oreg., February 6, 1940.

PETITION TO CONGRESS

To the Honorable FRANKLIN D. ROOSEVELT, President of the United States.

To the PRESIDENT OF THE SENATE and the SPEAKER OF THE HOUSE OF REPRESENTATIVES, and

To the OREGON DELEGATION IN THE HOUSE AND SENATE.

Greeting.

DEAR SIR: We, the undersigned, respectfully petition Congress that they appoint a special committee of the House and Senate, giving them ample finances, to study the problem of the national and international situation as to money and credit and their uses and abuses, beginning with the Revolutionary War period and on down to the present day.

We ask this because it now develops that we have 64 percent of the monetary gold stock of the entire world, hidden away under guard in our vaults in Kentucky, where, according to a prominent official of the Federal Reserve Board, "The question of its value is very, very doubtful, and its value in the future is entirely unpredictable."

We believe that the time has come when the findings of this committee should take the form of a complete plan to rehabilitate the whole situation as to money and credit.

Let us quote a few of the ideas of worth-while men that this time is fully come. Dr. Gustave Cassel, Sweden's most noted economist, says, "Monetary stability is what human happiness most requires."

Woodrow Wilson once had a wonderful idea when he spoke as to the merits of an "honest dollar." We thought we had this once, but after the experience of the last 10 years, we are beginning to wonder if our dollar is not entirely dishonest; seeing that all the powers of government are not enough to keep it from constantly appreciating until the whole basis of commerce and business is out of control.

Our President, in a radio speech on October 22, 1933, said, "It is the Government's policy first to restore the price level. When we have done that we shall then seek to establish a dollar which will not change its purchasing and debt-paying power during the succeeding generations." But, alas, it has done neither, by the last reports of both banks and Treasurer.

When the committee has determined the thing which ought to be done, their findings should be given the widest publicity, so that the people will have something solid beneath their feet upon which to act.

In this connection we desire to suggest that the personnel of the committee be not dominated by either a banker or representative of what, for lack of a better term, we call, big business, seeing that it is these good gentlemen that have done their best who have brought us into the crisis we are now in.

The reasons we are reappealing to Congress at this time are:

First. When we have practically all the gold in the world—which we shall have within a year if the present rate of increase continues, and it will continue if the wars in Europe and the Orient continue—the nations of the world will be forced to seek credit of us which we shall have to grant or else see all of our commerce stop, and our people subjected to conditions that are much worse than they now are. The lack of gold in other countries will simply force us to do this and result in driving us into the war to protect our credit, and make it possible to recover our loans.

Second. If our cash-and-carry law is to be continued, it will be necessary for us, even before we shall have all the gold, to send our real wealth, in the form of commodities, abroad, accepting for them gold that our own bankers now say is questionable insofar as its value is concerned, either now or as to the future.

Third. Involved in this question of credit and money we believe is the whole question of unemployment, with all its accompanying evils. For 10 years, in spite of the heroic efforts of the Government, for which they are to be highly commended, the situation seems to be getting steadily worse. In fact, the unemployment condition seems to be in direct ratio to the inflation of reserves in the Federal Reserve bank, as well as the terrible development of idle money in the savings and commercial accounts, which are now greater than ever known. In fact, it is beginning to be quite plain that the whole Nation is suffering from a very acute disease that has always been the forerunner of disaster in nations that are gone. We have become a nation of hoarders of money instead of a nation of users of money. It is not too much to say that this condition is the very tuberculosis of nations.

In this connection it should be noted that the tendency of the times is to take the men and women that have ability and wealth-producing power out of the channels of production and to place them in the channels of mere handlers of the wealth that the small and feeble produce. The very worst form of this tendency is the constantly increasing numbers being taken up in the manufacture of munitions or machinery that is used only in war, all of which is merely increasing our worthless gold stock and helping to ruin our profitable and worth-while trade in real wealth production. It only fills the vaults in Kentucky instead of the hungry stomachs of the needy.

Fourth. At our \$35 an ounce price for gold, we have caused an epidemic of gold seeking all over the world, but worse outside of our borders than in them. Of the ten billion increase during the last 6 years, only one billion has been domestic; while the foreign has accounted for the other nine billions. This nine billions has been paid for by good United States securities and commodities, a direct loss to our real wealth we could ill afford to make, to get more questionable gold. This is so bad that one of our great magazines has published an article, the gist of which is that we are really subsidizing international wars by our price of gold.

In view of all this it is plain that if our people must go to war, or if they must go through the ordeal that they have been going through for the last years they have a right to know what the reason is and all about it.

Such a report is absolutely necessary at this time to keep our people from being led astray by the "isms" that are afloat everywhere due to similar causes. We are told that "there are only a half dozen men in the whole world that really understand money and credit." It is quite apparent that some of those who are supposed to understand money and credit understand only the game of getting what the other man has, in the way of money, by issuing their own credit.

If we must all be involved in this cataclysm of war and poverty, we are at least entitled to know what it is all about. First, if industrial initiative can be preserved and special privilege abolished and a natural and free economy set up in place of the situation we have, the goal will be worth fighting for, and the people will do themselves and their cause honor in the fighting, but within such investigation and report the people will fall into the same ditch that the money manipulators have, and disaster will result.

We therefore earnestly beseech you that no foreign loans or other obligations be made until such report has been made and the people given a chance to express themselves upon it.

W. A. BOODY, President.  
ROY S. SEARLE, Secretary.

### The Aviation Industry

#### EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 26, 1940

ADDRESS OF ROBERT H. HINCKLEY, CHAIRMAN, CIVIL AERONAUTICS AUTHORITY, AT HONORS NIGHT DINNER, INSTITUTE OF THE AERONAUTICAL SCIENCES, NEW YORK, JANUARY 26, 1940

Mr. BAILEY. Mr. President, a few days ago I obtained unanimous consent to have printed in the Appendix of the RECORD an address by Hon. Robert H. Hinckley. Subsequently I was informed that the matter would occupy approximately two and three-fourths pages of the RECORD, and would cost \$125. It was suggested that I ask consent a second time to have it printed in the RECORD. I now ask

unanimous consent the second time, on the ground that the address is on the subject of civil aeronautics by the chairman of that activity, and is a very valuable source of information to the Senate. May I have consent?

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

Every time I see a great airliner in port or in flight I think of it as the end product of thousands of hours of painstaking work in scientific laboratories. The curve of the wings, the N. A. C. A. cowling, the adjustable pitch propeller, the delicate yet dependable instruments filling the panel, the lightness and strength of the metal covering and internal structure. I think too, of the marvelous efficiency of the motors and of the high octane fuels, of the quality of lubricants, of the radio system and of the passenger comfort. But never do I forget that the place of origin of this modern miracle was Kitty Hawk, N. C., and that the original creators were two brothers who knew how to use the scientific method. Neither do I forget that you meet each year to report new discoveries and thus honor the men who closed an age-old debate on December 17, 36 years ago. They proved that men could fly. Their achievement was one of those revolutionary scientific demonstrations that smash centuries of so-called hard-headed logic.

One of your distinguished members suggested to me that I "express some basic ideas about aeronautical engineering, research, and applied aerodynamical science." I appreciate the compliment. However, I am not going to venture out beyond my own depth into the sea of science.

There are certain things about science which a sensible administrative official must understand. He must have a healthy respect for the problems which science has solved, and an eagerness to use these solutions wherever they will further his work.

In public work, just as in private enterprise, a large proportion of your actions can be based upon precise scientific knowledge. And I hope you realize that every public official is extremely grateful for this, because each time he can turn to a formula he can act promptly and confidently, avoiding the turmoil of controversy and debate.

As you well know, we depend on formulas devised by you to solve problems of design, of airworthiness of airplanes, of reliability of communication systems and the like, and the list of scientific facts on which we can lean is growing all the time. But in a dynamic activity such as aviation, new problems are arising also. You can tell a city council, for example, what kind of paving formula to put into the runways at an airport; but can you tell them precisely how long those runways should be so as not to be obsolete in 20 years? You see, that city council may be facing a formula of its own—a mathematical pattern of interest and sinking fund with relation to the bonds it sold to build the airport.

I do not mean by this either to state or to imply any criticism of science for not always being able to see into the future. Rather, I want to take you away from your science and into those realms of government—and there are more of them than you might realize—where for various reasons there are no calipers for objective measurement, and decisions must be based upon opinion.

I want to talk to you as businessmen and as citizens, rather than as scientists. You are businessmen, in the sense that your own work depends, broadly, upon the welfare of the business of aviation. I have been a businessman much longer than I have been a Government official. But my brief public experience has been a revelation to me, showing me problems in public administration that I never dreamed of in my own business.

A public job is both a wonderful and a terrible thing. You are at the very hub of activity in your field, with a considerable amount of power over it. Your own success will be measured by how well your job gets done.

And then you run into this no-man's land of science, where there are no objective yardsticks, where human opinions and human emotions color every judgment. For example, how far shall we carry Government assistance to aviation? How far centralized control? At what point shall we abridge the rights of the individual flyer for the sake of the public? Shall we also abridge his flying freedom to protect him against himself? Shall we set up rigid standards both for air-line pilots and air-line equipment, or how far shall we trust private industry? What is our obligation toward operators who come running to us with minor problems and ask us to regulate, regulate, regulate? How far shall we go to eliminate competition? What is wasteful competition? What is the regulatory relationship between the Federal Government and the various States? Shall we promote airports and trust the planes to follow, or promote planes and trust the airports to follow, or both, and how much of each? Right now we have the problem of determining how much the larger airports of the country, where many scheduled air liners land, are to be restricted so far as their use by private owners and small commercial operators is concerned.

These are just a few of the questions that pop at us, and for which we have no scientific answers. Of one thing we are sure: We do not know all the answers. We want to sit down and hear everybody who wants to be heard, and determine a common-sense course of action.

I am going to talk about Government in aviation. Of course, I mean democratic government. I am going to describe for you a number of our difficulties. It would not be necessary to endure these difficulties if this country was run like modern-day Ger-

many or Russia. In those countries the all-high merely would issue a decree which said, "This is how it will be; let there be no further discussion."

None of us, in the United States wants this method. Each of us wants a voice in what is to be done—and wants the right to discuss it, as loud, as long as he wishes. In short, we want individual liberty.

Well, we all pay something for every blessing we enjoy; and we pay for democracy by wide-open discussion and wide-open handling of the public business. We have our own crystal-clear way of meeting our problems. If we want, for example, a continuing permanent policy in aviation, all we have to do is to demonstrate the public desirability of that policy. That may be a little trouble. It may entail explaining ourselves a great many times, and living somewhat in a goldfish bowl. That is what we pay, in a democracy, for individual freedom.

Take conservation. The American people believe it is wise, and are willing to spend public money for it. Any time they change their minds, they can stop.

Aviation is no different from conservation or any other public activity. You have to prove your case. But if you do prove it, your program is safe no matter how any election goes, or who is at the helm.

Those of us in this room are all wrapped up in aviation. But I am going to talk about government, because we must serve aviation in a way that will strengthen, instead of weaken, the bigger thing, which is our form of government.

We can fairly assume that the Civil Aeronautics Authority has as cordial and cooperative a relationship with the industry it supervises as any Federal agency has in its respective field. The Civil Aeronautics Authority is only 18 months old, so that everybody still can remember clearly how and why it was created. We all remember that aviation awoke one morning to the realization that it was in a desperate condition. "Chaotic" is the way a congressional committee described it. Unbridled, ruinous competition had frightened off investors and ruined many operators. Government services to the industry were scattered in small segments through numerous unrelated Federal agencies. And so aviation requested one central authority with which it could deal. The Civil Aeronautics Authority was that authority.

Since that time we have had to plot and travel a new course somewhere between old-fashioned, dog-eat-dog, laissez faire competition and the other extreme of absolute monopoly. We have had to guide and service the fastest growing public utility the country has ever known in a way that would maintain competition and private initiative. Nobody could give us a formula for that, and it's a big order. The industry itself should remember that.

I don't mean the industry should not criticize. Constructive criticism is good medicine for governmental bureaus. Bureaus have an inevitable tendency to grow smug. Their officials tend to lose their sense of responsibility to the public—to feel they know more than those with whom they deal—to resent being questioned.

Their values get distorted and they are sometimes short on humility. Sometimes the need for a regulation disappears, but the regulation does not. It is kept alive by the bureaucrats who seek to perpetuate themselves, or fall victim to the easy habit of inertia to any and all change. The best insurance against such dangers is for us to keep the door always open to recommendations and criticisms.

On the other hand the matchless self-confidence with which uninformed critics can tell us the answers to our most vexing problems in a few well chosen words is wonderful to behold. I have shied away from talking to you tonight about applied aerodynamical science because I know that, as scientific men, you have a habit of wanting to know a speaker's scientific background; and you might very properly say to yourselves, "What are his technical qualifications?" I imagine most lay speakers who appear before you feel the same hesitancy that I feel. But I can assure you that people in general, whether qualified or not, have no hesitancy about telling public officials exactly how to run the most complex public functions.

Only a short time ago a well-known political figure without any knowledge of scientific matters advised the President of the United States that certain governmental agencies had only ornamental use. Among these governmental agencies he included the National Advisory Committee for Aeronautics. Yet, I am sure that an objective study of the evidence would show that, for every dollar expended by the Government through the National Advisory Committee for Aeronautics, many dollars were returned in cash dividends.

Another example of this tendency to make hasty judgments because of a particular bias and lack of knowledge was called to my attention recently. One of the greatest banking figures in America, in addressing the Congress on Education for Democracy, bitterly criticized the current "tendency toward over-legislation in the United States." On the same newspaper page was another statement by an ex-candidate for the Presidency of the United States, crying out with equal violence that there ought to be a law. Speaking as an independent oil operator, he charged that the oil crisis was due to (I quote), ruthless and arrogant big business refusing to cooperate with conservation authorities (end of quote). Believe it or not, he urged the President to call a special session of Congress to enact legislation for strict control of the oil industry. So we have two men of similar political convictions, one bitterly criticizing over-legislation in general and the other demanding more Government regulation in his own behalf.



The tendency to make hasty judgments in terms of personal bias runs through human experience the world over. It is a basic right of free people to stand up and declare what is wrong with things, even though they may not know what they are talking about. According to the democratic theory, if you have no scientific answer, then the sum of the answers of all people concerned is better than the answer of a small group or clique.

I do not know to what extent the Institute of Aeronautical Sciences will extend its field to include the problems which we might classify under the general heading of "Human behavior." I know that the solution of such problems is very difficult. I know that the units of measurement in these fields are few and that the methods for making such measurements are being developed. But that is no reason for ignoring them, and I note with commendation that you have on your program workers in the field of medicine. These workers play a very important part in aviation, although they may not have developed as many formulas or units of measurement or exact methods of measurement as are needed in that field. Every field you conquer means fewer headaches for administrators.

By saying that we welcome criticism and want a great many people to express themselves, I do not mean that we want to pass a lot of rules. We do not want to pass a single regulation that is not absolutely necessary. We recognize that a pioneering activity such as aviation needs especially to be left free from overregulation. Daniel Boone would have had a hard time making his reputation under a modern bureaucracy, what with nonresident hunting and fishing licenses in each State, and knowing what game was in and out of season, and having to pass examinations on marksmanship, swimming, and meteorology.

This may sound ridiculous, but if we take down our hair and talk facts, some of our own rules can produce at least a chuckle. We say with great solemnity, in print, that no private aircraft shall take off unless it has enough gas and oil (taking into account the wind and other factors) to reach its intended destination. We actually have that rule. We have another which declares that the wheels of a private plane must be blocked or roped, or its parking brakes fully on, before its motor is started. Now, consider what happens to a fellow who has a plane with foot brakes and a self-starter, but no parking brakes. He must block his wheels before starting his motor. But he isn't going anywhere unless he has somebody else there to take away the blocks, or unless he puts on power and jumps the blocks because it's against the rules for him to leave his ship with the motor running. And if you are a woman flyer and become pregnant, you must stop flying immediately because you are deemed to be in an abnormal physical condition.

I am not even saying these rules are bad. They may be absolutely necessary. I mention them merely in order to say, like the fisherman, "If you think these are good, you ought to see the ones that got away."

I wish every man seriously interested in aviation could sit officially with us for awhile and watch the steady procession of people coming to us and asking us to pass more regulations. Everybody is opposed, as a general principle, to much regulation. He is opposed, that is, until some particular thing comes along that goes his own way, and then he cries out that there ought to be a law.

This problem is common in government. This year's census is an example. Thousands of organizations and groups have been pressing the Census Bureau to ask the public their particular questions. These range from the cosmetics people, who seriously want to know the number of blondes, brunettes, and redheads, to the cemetery people, who want to know whether you own a burial plot. The Census Bureau has refused to ask more than about 3 percent of the questions submitted, yet I will predict that nevertheless it will be criticized for too much snooping into people's personal affairs. So the governmental aspects of aviation aren't much different from the governmental aspects of other things. Our concept of this situation is that we should hear everybody concerned, and gather very complete evidence; but that the Civil Aeronautics Authority's working relationship with the industry—particularly since the whole field is new—should be kept as fluid as possible, with mandatory regulation at a minimum.

Another point. Just as we would like to keep the industry as free from excess regulation as possible, we also would like to avoid the creation of new governmental machinery to do work that can be done just as well—and often perhaps better—by private facilities.

This policy touches another danger point in governmental bureaus. We recognize clearly that an acquisitive tendency often is present in government; that bureaus seek to gather unto themselves entirely complete facilities for a given function, so that they will be entirely self-sufficient, and not have to depend either on other bureaus or outside facilities. Thus they are in complete control.

We do not want this complete autonomy for the Civil Aeronautics Authority. And because the statement sounds very pious and a little too good to be true, I hasten to add that we are not motivated by piety, but by some common-sense observations.

Someone in the administration said recently that private enterprise is judged by its successes, while government is judged by its failures. And that philosophy is behind this policy of ours.

For example, I have heard the charge hurled repeatedly at this administration that it has not accomplished anything basic in

low-cost housing. Now, the construction industry itself is a vast thing, and has had this problem before it since the turn of the century; yet I never have heard it similarly accused. Rather, the public will wait during long years of failure until some industrialist finds the practical answer, and then heap honorary degrees and riches on his head.

If I might make so bold, the same is true about aircraft with nonstall and nonspin characteristics. We have them now, of course, but their arrival was exceedingly tardy and beset by all sorts of controversy which is far from ended even yet.

I am not complaining about these things. I am merely stating facts. Industry can make a thousand mistakes and be remembered only for the thousand-and-first success. Government cannot. This causes the constant temptation in government to drift with the tide. On one extreme it may mean the piling up of restrictive rules just because people ask for them, and on the other extreme it may mean doing nothing. When in doubt, say "no." There is safety in doing nothing. I may make a mistake, and government is judged by its mistakes. So, I'll find a reason against this proposal and stop it. It may be that a one-eyed aviator can't fly. If I say he can, and 200 of them do it without accident, then I was right; but if one of them crashes, I did wrong. No, sir; one-eyed aviators must not be permitted to fly. I, as a Government official always open to criticism, can't take a chance.

Perhaps you can see, then, why we turn willingly to non-governmental facilities whenever we can for much research, aircraft testing and servicing, pilot training, and the like. They then will share the responsibility with us, and help us to avoid the bureaucratic sickness.

Of course, the Civil Aeronautics Authority has to take the lead. It has to create the set-up. One of our biggest problems right now is how much of our authority we can properly delegate, and it's another of those fields of pure opinion. We are working on it, along with numerous other problems such as, shall we subsidize feeder lines, shall we promote safe-type aircraft, and what is our relationship with aviation authorities of the various States.

I believe we all will agree that one of the basically important things to the industry is the number of people who own and fly aircraft. Several months ago I asked our people a few questions in this field, and I was startled to learn that nobody ever had compiled the answers. I merely wanted to know the statistical story of those who buy private planes—how long they keep them, whether their second planes are better—that sort of thing. The great achievements of the commercial carriers give us in general a pretty rosy picture over the last couple of years, and it is something of a jolt to make such a simple inquiry in the private field and draw a blank.

Well, our people have done some rather elementary research since that time, and I want to tell you about it. We made a cross-section study of the private ownership of airplanes in this country during the past 8 years. We found that the average life of a private airplane was 6 years. But we made the very unpleasant discovery that the life of an airplane owner, as an owner, was far shorter than the life of his first plane.

In short, four out of five of all those who bought their first planes during this period had got rid of them within a mean period of 2½ years, and had not bought others. Over half had disposed of them in 2 years, and one-third had got out of the ownership field in 1 year.

Let's put it another way. Approximately 15,000 new noncommercial owners bought airplanes during the years 1931 to 1936, inclusive. Yet so many dropped out that the net total increase in private owners for the same period was less than 300. Less than 20 percent of airplane purchasers continued their ownership longer than the 7-year period of the study.

The "mortality" of ownerships is so great today that 2,900 new owners must be found each year to maintain the present total without increase.

What is the answer? We don't know. It may be, as some would say, too much bureaucracy—too many logbooks and inspections, too much required practice. It may be too few airports, so that a flyer's destinations are limited. It may be any of a score of things or, more likely, a combination of several.

At any rate, aviation as a whole must diagnose this trouble, and cure it. We hope that all of you will go to work on it with us.

One thing we already have done, of course, is to arrange for the training of thousands of new civilian pilots. We feel certain that if you create a great many new flyers you are going to produce, inevitably, a considerable number of new owners.

I have been speaking in general terms about our problems and policies. Perhaps if I tell you the story of the civilian pilot-training program I can apply these policies specifically.

America, traditionally, depends for its national defense largely on its civilian facilities. Instead of building military roads, we build great commercial highways, knowing full well that these highways can be used in case of a national emergency including, of course, war. The same holds true for our steel mills, our textiles, our chemical plants, and even our airplane-manufacturing plants.

Because of the development of totalitarian states with their aggressive policies, it may be that we have put too much dependence on civilian facilities. That I do not know, but I am sure that we must at least have those civilian facilities. This holds especially for the field of aviation, for I am quite sure you will admit

that the airplane is changing the world as no other single instrument of our day. But it holds not only for the airplane as a machine, it holds for the human material that must control this machine. Moreover, it takes longer to train a pilot than it does to build an airplane.

It seemed, therefore, desirable to kill two birds with one stone—to develop civilian facilities, including pilots and civil aircraft factories, as a defense measure, and at the same time to advance use of the airplane and knowledge about the airplane through civilian activities. If by any happy chance we do not have to defend ourselves, there will be nothing but profit, because the expansion of our civilian facilities is long overdue.

How did we go about meeting these two problems? First, we prepared a plan of action within our own organization. Then we discussed it with State aviation officials, with officials of our educational systems, including the Office of Education, with the operators of private commercial schools and the builders of civil aircraft. We did not forget the Army and Navy, because our defense services have had years of experience with pilot training. Naturally, our original plan was considerably altered as the result of the advice we got from all these interested groups. We wanted that advice. That is the policy of using the consensus of interested viewpoints, where we have no formula.

But in order to test it out, we obtained from the National Youth Administration \$100,000 to conduct a group of experimental courses at 13 colleges in various parts of the country. Three hundred and thirty students were enrolled, of whom 97 percent finished their training and received certificates of a private-pilot grade.

Following the completion of the experimental course, we called in the operators of the commercial schools who had been conducting the flight training, and the college officials who had been directing the ground schools. We obtained from both groups valuable suggestions for the improvement of our original plan.

As the result of this careful preparation, we were able to go before congressional and senatorial committees and present objective evidence of the desirability and workability of a much larger program. This program is now being carried on in 437 colleges and universities throughout the country and the territorial possessions. That is the policy of using the nearest thing to a scientific approach that was immediately available.

Congress wisely provided that at least 5 percent of those we train in this larger program should come from noncollege young people. We have met this requirement by arranging for the training of 700 young people, or approximately 7 percent of the total to be trained, by commercial operators and to be supervised largely by local committees of interested citizens. Wherever a State has a director or commissioner of aviation, he has been asked to supervise this part of the program for his State. In other States the training has been turned over to chambers of commerce who, in turn, have called on their aviation committees to perform this public service. That is a policy of simple democracy, of not limiting this opportunity to college students alone.

Now, what has been the response of students to this opportunity? There is enough money in this program to permit 10,000 young people to learn to fly this year. Each of those who qualifies for flight training has to put up a \$40 fee of his own money. Yet the 437 colleges and the 75 noncollege stations were literally swamped with applicants. We do not know what the total of applications was, but we are confident that if we had had the facilities it would have been no trouble at all to enroll 50,000 young people. In one university there were 1,200 applications for a quota of 30 places in the course.

The demand did not stop there. When we started ground schools for those who had qualified, 3,600 additional college students enrolled and started ground training, even when assured they cannot have flight instruction this year. These 3,000 are being carried by the universities and by their own funds, without cost to us.

The situation in the noncollege group is even more startling. Here, it now appears, at least 10,000 applicants between 18 and 25 years of age will pay \$10 each for the privilege of taking a ground course and competing for 700 places in the flying course. They are doing this with their eyes open to the fact that 93 percent of them will have to fail. Their enthusiasm is so inspiring that a number of chambers of commerce have raised private funds to increase the local quotas.

It should interest you to know also that every applicant for flight training must present the written consent of his parent before he is allowed to enroll in the flight-training course. This last provision alone is in dramatic contrast to totalitarian states where parents are punished if they in any way interfere with the wishes of youth to follow the proposals of the government.

It seems to me, then, that our procedure in the flight training is in line with the best democratic philosophy. The Authority did not hesitate to tackle it, did not play safe in fear of failure. It obtained the advice of all the interested groups in the field of aviation and education instead of depending on the decision of a few agency officials. It reached out to educational and flight-training institutions where facilities were already set up, instead of creating bureaucratic units of its own that it could supervise with an iron hand, without interference from anyone else. It showed confidence in these local units by leaving to them many details of administration and operation. It has made participation on the part of those institutions, on the part of the students themselves, and even on the part of parents purely voluntary. It has avoided the selection and hiring of thousands of employees directly responsible to a centralized organization. It has not bought thousands of new airplanes

and other equipment, nor has it established scores of offices to house new employees. In short, it largely has relegated to local groups with existing facilities the task of carrying out a new enterprise to meet a public demand.

The same policies have been followed in our pilot selection research program. This enterprise has been turned over to the National Research Council, an agency of the National Academy of Sciences. The National Research Council was originally set up by President Lincoln, and reorganized under President Wilson, to serve the Government in research whenever requested. A distinguished committee of scientific men has been appointed by the Council to give direction and advice to workers in university laboratories who will conduct researches on problems of selection and training of pilots. Thus, the existing facilities in many of our best universities have been made available to us.

I know that I have slighted much of the work being carried on by the Civil Aeronautics Authority by describing, in some detail, the organization and operation of the civilian pilot-training program, but it seemed to me that the newness and, to some extent, the novelty of this program offered an excellent illustration of the way a service agency can operate and avoid the pitfalls of bureaucracy.

I hope you will not feel that my detailed recital of some of the problems of public administration was intended to bring you a tale of woe. The clash of free opinion is tremendously stimulating. The wheels of Uncle Sam's big wagon may creak pretty loudly at times, and it may break an axle now and then, but it does keep moving forward at the head of the entire human parade.

Every good citizen's responsibility is to help keep it out in front, where its very leadership will be a constant reminder to the people of other nations who are following, for the moment, governmental philosophies with which ours must compete.

It seems to me that a scientist has a greater responsibility in this respect than the average man. He may be making life fuller and richer for all of us in the long run, but in the meantime he is making it more and more complex by providing strange new mechanisms that only time will show us how to use wisely.

That is why I have tried to take you into my office and let you see the parade of the problems for which we have no formulas. There is, of course, a better way, if only it could be done. That would be for each of you to spend a little time in Government service and get this story first-hand. I think it might be of benefit to you, and I know it would be of great benefit to the country.

## Americanism

### EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

ADDRESS BY HON. BERTRAND W. GEARHART, OF CALIFORNIA, TO WASHINGTON LODGE NO. 15, BENEVOLENT AND PROTECTIVE ORDER OF ELKS

Mr. GEARHART. Mr. Speaker, unanimous consent having been given by the membership of this body, I present the text of an address which I delivered to the members of Washington Lodge No. 15, of the Benevolent and Protective Order of Elks, on last Wednesday night, the 23rd day of February 1940, and ask that it be spread upon the pages of the CONGRESSIONAL RECORD of his day's proceedings. The address was broadcast over the facilities of radio station WOL.

The address follows:

Exalted ruler, brothers, and friends of the air waves, in accordance with the expressed desire of the grand exalted ruler of the Benevolent and Protective Order of Elks, the brothers of Washington Lodge No. 15 are gathered tonight to pledge anew their allegiance to the United States, and to express again their abiding faith in those principles upon which our beloved country is founded, those principles under the influence of which our country has grown to be in the incredibly short space of 150 years the greatest and mightiest of all of the nations of the world.

There is no prouder title that can be achieved under any flag than American citizen. To be an American is to be free, to enjoy liberty, to live in amity with one's fellows, to know the true meaning of fraternity. The priceless privileges which have become the birthright of every American citizen, be he rich or be he poor—the principles that give us liberty and make us free—are in number great but all of them, taken together, can be described and referred to collectively simply as Americanism.

Because Americanism can find its highest expression only under the blessings of a continuing peaceful relationship with all of the world, the members of the Elks, determined that the processes of civilization shall not be interrupted, are at this moment gathered



about their flag-draped altar on this solemn occasion to demand again that America keep out of the war which rages in Europe.

The question of war and peace has always been a matter of deep concern to all of the people of all of the nations of the world, to Americans no less than to others.

And well it might be. The horrors, the miseries, the distress, and despair which follow in the wake of war have too often been the bitter experience of mankind.

In these days when the world is filled with trouble, when many of the great and small nations of the world are in death's embrace, it is well that the sober-minded, patriotic, thinking people of the United States take counsel in their effort to keep America out of the war which rages overseas.

All over the United States earnest-minded people have bound themselves together in organizations of different kinds and under different names for the sole and only purpose of preventing, by all honorable means, the involvement of our country in the bloody contest which threatens to envelop the entire world.

To this high resolve the almost three-quarters of one million members of the Benevolent and Protective Order of Elks have pledged their support. Our country will remain out of this conflict over there, our youth will be spared the sacrifices incident to war, if the influence of this mighty patriotic and fraternal order can prevent the tragedy of our involvement.

The members of the Elks are rendering an invaluable service in the cause of peace for America, a service so timely and so necessary in these troublous moments that I am happy indeed to commend them—loyal citizens that they are—for their self-sacrificing endeavors in a noble cause, for, most certainly, they are in this instance laboring in a most righteous campaign.

I despise war.

Though I hate it more than any other human activity, I do not want to be understood as one believing that war is always bad and that it is never necessary. Out of righteous wars much good has come. One must not forget that it was out of the bloody crucible of heroic sacrifice that America, with all of its blessings, was born. Without that war in which our forebears fought—and many of them died—there could not have been a United States of America.

But the Revolutionary War was a war in which American rights and American privileges were involved.

Elks are not pacifists. I am not a pacifist. Quite the contrary, as my participation in the World War emphatically discloses. Just as my paternal ancestor of the Revolutionary War days took his stand at the side of General Washington more than 160 years ago, I hold myself—as does every Elk—in readiness to answer the call and to fight for our country whenever its existence is threatened or the priceless privileges of American citizenship are challenged. No true American could do less than that.

It is because I know that no American's freedom—no American's liberty—is threatened; because I know that the peace and dignity of the United States is not at all involved that we are raising our voices to demand that America keep out of the war that rages over there.

It is nought but a gigantic real-estate deal that is in process of adjustment and settlement—a stupendous maneuver for power in European politics for which the blood of Europe's youth now flows.

The outcome of this, Europe's newest adventure in power politics—whatever it may be—will not affect America's destiny, America's future, one whit, unless we permit ourselves to be drawn into the vortex.

Why, every thinking American inquires, should we send our boys over there to die—to be mutilated or maimed—on European battlefields that some king be made more secure on his throne, that certain heads of states may add to their power.

The reason they fight is of their own making. It was their greed, their craving for power, that precipitated the conflict. It should be their armies, not ours, that should bear the brunt of it.

The determination of those shameful issues—the turning of the victory one way or the other—is not worth the expenditure of one American dollar; least of all, not worth the sacrifice of one American life.

Is there an obligation resting on the shoulders of the American people to right every wrong, stamp out every evil, adjust every inequality, eliminate every injustice that may raise its ugly head in every corner of this far-flung world?

Have we not enough wrongs to right, enough evils to stamp out, enough inequalities to adjust, enough injustices to eliminate right here in our own country to keep us reasonably well occupied in the days immediately to come without running around the world looking for something to do?

Cannot we serve America well, humanity best, by governing ourselves well, by solving correctly and with promptitude the manifold problems of America, the governmental problems with which we are daily beset?

Dictators decry democracy. They sneer when free institutions are referred to. They contend that self-government is a farce, that the people—upon whom democracy depends—are incapable of governing themselves.

Let us prove to the world, and to the dictators in particular, that democracy and self-government can be made to work. Let us prove to the world that democracy will work by making it work.

If we will but do this, America will become again the "hope of the world," an inspiration to all of the downtrodden, enslaved people of this world to resist their tyrants, to destroy their oppressors, to regain their lost liberties through a renewed confidence in the kind of institutions that make men free.

It is no easy task governing America well. But if we can make the administration of public affairs reasonably efficient—just in its human relationships—helpful in its objectives, historians will speak well of us when they take up their appraising pens.

And, best of all, Americans will have remained free, their capacity for self-government vindicated. Dictators, discredited in the light of the contrasted ideology, will be toppled from their high positions of power, power built upon the shifting sands of falsehood, pretention, and deceit.

And in such a contest with dictators the life of no American boy would be sacrificed, no blood would be spilt, no American home sorrowed, no wives widowed, no children orphaned, no mother's heart broken.

Americans, awake. Our job today is to keep America out of Europe and Europe out of America.

If we can but keep our emotions in leash, our sentiments under control, our feet upon the ground, we can keep America out of this war.

No aspiration could be nobler than that.

### Odd Fellows Demonstration

#### EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1940

ADDRESS BY HON. WILBURN CARTWRIGHT, OF OKLAHOMA

Mr. CARTWRIGHT. Mr. Speaker, by permission granted to extend my remarks, I insert herein the following speech delivered by me to all the Odd Fellows lodges of Baltimore, Md., at the Odd Fellows demonstration in the Grand Lodge room of the temple, on the evening of Wednesday, February 27, 1940:

Fellow Odd Fellows and friends, I am delighted to be here at the invitation of your Grand Master, Hon. Leonard Mason. When your gracious invitation arrived I wondered what I could say on so propitious an occasion as this great demonstration of an ancient and honorable fraternal body that could be called a real contribution.

With a large part of the world at war and hate filling the air and the press as both sides turn loose their verbal and written vitriol—with many problems still besetting our own grand and glorious country—the natural tendency is to be pessimistic.

In view of the long and magnificent history of the Odd Fellows and the tremendously helpful force it has always exerted, I felt that this gathering would be the last place for a pessimist to find a warm welcome. So I determined to be myself. You know, I have always been an optimist. Perhaps one is not always warranted in taking an optimistic view of things. But who will deny that the rainbow is a cheering sort of hallucination, or whatever you may call it? Anyhow, I have been rainbowing for 10 these many years and determined to keep right on turning on the pleasing colors today despite all that is going on here, there, and everywhere—clear down to Jericho and back again.

If anybody else scheduled to speak from this rostrum insists on viewing with alarm, well and good. All of us cannot get exactly the same squint on things. As for me, I propose to try to keep my own little corner bright by letting in such light as may be available.

Some folks seem inclined to smile when the term "Odd Fellow" falls on the ear. Well, let them smile—or laugh raucously if it pleases them to do so. A good laugh never yet hurt an Odd Fellow, and if some ignoramus who knows nothing of the history and noble work of this group sees something funny in the name it may help him to let off steam. May he live to be able to laugh many more times. Indeed, a good laugh is about as fine a tonic as man or woman can take; that is, next to a full dose of optimism. And I guess a really healthy laugh, based on something worth the effort is apt to promote a feeling akin to optimism.

You know, I came up through a pretty hard road myself. When I first saw the light of day the country in the vicinity of my home was still rather rough. If there were any silver spoons around in

that section the supply must have been exhausted before I arrived, for when I attempted to reach in and pull one out of my mouth it just was not there. Work started early for me and just naturally kept right on—and I am still at it.

But I saw the rough country develop into a great farming and industrial area and am happy to say that development is still going on and is certain to continue long after my course is run. That is one major reason why I have always been an optimist. It has been my privilege to come in contact with large numbers of persons from all walks of life. Some of them have been unlovely and unpromising, but the vast majority have been square shooting, straight-thinking folks, and they were bent on contributing something worthwhile to their communities and our fair country. That did not tend to make me pessimistic, as you may readily understand.

In due course I ran across the Odd Fellows—not to mention other beneficial and fraternal groups—and found them working for mutual helpfulness all along the line. That naturally tended to confirm me as an optimist. So if I still insist on being a fool optimist even when the clouds are lowering and things are awry here and there, bear with me. The thing that has become congenial with me is something I cannot help. Besides, there is a lot to that old saw about every cloud having a silver lining; about it always being darkest just before the dawn. Try that one on your trusty harmonica and then join in the laugh.

A plague on all pessimists. Why, who could look into the faces of the good people comprising this assembly and fail to see hope, faith, and charity written as plainly as pen or brush could make them? If you folks are not all optimists I am almost willing to cease being one—for a moment. In fact, I would not hesitate to make a bet with the rankest pessimist within the hearing of my voice—if any there be—that he could not muster enough buddies here today to form even half of a bass quartette. So away with them.

We came here today to meet a lot of congenial souls and to be happy. If any Member hid a cold sponge in his vest pocket before entering the hall, he would do well to sneak out the side door and cast it to the four winds before his dereliction is discovered. Many of these genial souls can work up indignation a foot thick on short notice when their cause is just. And when indignation gets that thick its executorial power is something to contemplate with fear and trembling. If the shoe pinches anyone within hearing, this would be a fine time to do a fade-out and get rid of the incriminating evidence, lest that indignation start mounting and pillory the culprit in his tracks.

Now, if there are any present who did not find themselves attracted to this demonstration to have a happy time let them raise their right hands. Everybody else in this presence would like to get one good look at anyone who would choose an occasion of this kind to be a Gloomy Gus. Well, I see no rush of hands. Everybody seems to be grinning from ear to ear. Thank God for a good healthy grin—it is one of His best medicaments.

Why shouldn't I be an optimist? Even the Chamber of Commerce of the United States has suddenly reached out and donned the garments of optimism. Only a few days ago the national chamber took its stand squarely where I have been standing for a long time. Welcome to the ranks of the optimists, big business. You have been a bit gloomy off and on for a number of years. Now you have looked out the window, discovered there really is a rainbow and come right over lock, stock, and barrel. Just think of the fun you have been missing all this time while fussing and fuming. The rainbow has been hanging there all the time, if you had but brushed the mote from your eye.

The national chamber has good ground for becoming an optimist. It finds all the business indicators pointing to a prosperous 1940. They are happy about it—just as we are happy to be here today, to get to know each other a little better. Seriously, however, it is most encouraging when organized business, which all must concede has taken a terrific licking over a period of years, feels warranted in rushing into print on a Nation-wide basis with a formal announcement that the outlook for business and industry this year is improving. It is good news for business and industry, for employer and employee, for everybody from coast to coast.

But I saw it first—that is, the warrant for optimism. What I have said antedates the announcement of the Chamber of Commerce of the United States. To me there was no question but the good old United States of America was coming back strong—the stronger the better. You know, our great Nation is the same size as before the depression hit it more than 10 years ago. There are more people in it than at that time, and they are just as good people. Its resources are all still intact. The native genius of the people has not diminished. You just cannot keep a great nation down. It may be troubled and hesitant for a time, but it is as certain to rise again as is the sun to shine.

It has been a pleasure to meet with you. The great order you represent had its American start in Baltimore. When a demonstration is held our eyes naturally turn toward the monumental city. Here the American founding fathers laid the foundations of a structure that was to diffuse friendship and helpfulness in all directions. That beneficent influence continues to spread in an ever-widening circle, blessing humanity wherever it goes, promoting good citizenship and happiness—and optimism.

I thank you.

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## Little Monuments to the Roosevelt Depression

### EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

EDITORIAL FROM THE CHICAGO TRIBUNE OF FEBRUARY 24, 1940

Mr. HOFFMAN. Mr. Speaker, a concrete example of the effect of some of the policies of the New Deal is given in an editorial of the Chicago Tribune of Saturday, February 24. That editorial is as follows:

[From the Chicago Tribune of February 24, 1940]

#### LITTLE MONUMENTS TO THE ROOSEVELT DEPRESSION

A number of readers have written to us about the article in last Saturday's Tribune by our real-estate editor on the wrecking of buildings in Chicago during the last 7 years. The article was illustrated on the back page with pictures of 19 important buildings which had been razed during the New Deal depression, and either had not been replaced or had been replaced by one- or two-story taxpayers.

Some readers felt that we should have told the facts about the "large amount of new building during the Roosevelt administration," as one letter phrased it. Accordingly a comparison of the volume of building in Chicago under the New Deal and under the preceding national administrations is presented in a chart on the back page of the Tribune this morning.

The chart emphasizes and supplements Mr. Chase's article. He showed that more buildings had been wrecked [since 1933] than had been erected. The graph establishes that the amount of new building has been smaller than in any national administration in more than a half century.

During the Roosevelt administration the average annual volume of building in Chicago was \$18,000,000. This compares with \$83,000,000 per year under President Hoover, \$297,000,000 per year in the Coolidge-Harding administrations, and \$83,000,000 per year during President Wilson's two terms, including the war years, when it was a patriotic duty to refrain from building if you didn't have war orders requiring it.

In 1939, the best of the Roosevelt years, the value of new construction in Chicago was \$41,000,000, and this figure included at least eleven million under Government subsidy. This was the lowest peak year in any President's term during the present century.

The average of \$18,000,000 worth of new construction per year under the New Deal compares with \$95,000,000 per year under President Taft, \$54,000,000 per year under President Theodore Roosevelt, although the panic of 1907 and the ensuing depression held down the figure, and even \$24,000,000 under President McKinley, although the Chicago building trades at the time were suffering from racketeering by Skinny Madden and there were many strikes, one of which in 1900 was of record duration. It lasted all year.

The average of \$18,000,000 worth of new building in Chicago for the first 7 years of Franklin D. Roosevelt's administration compares with an average of \$30,000,000 per year in Grover Cleveland's second term, during which occurred the panic of 1893 and the following depression, which was the worst down to that time. In President Benjamin Harrison's administration, which separated Cleveland's two terms, \$47,000,000 worth of building per year was done, including the old Masonic temple, which was wrecked last year, and the Great Northern Hotel, which is now being taken down.

In Cleveland's first term, building averaged \$20,000,000 per year. To find a period when so little building has been done as under the New Deal we have to go back to the Garfield and Arthur administrations. The population of Chicago then had just crossed the 500,000 mark.

That building construction has been in a state of paralysis during the Roosevelt administration there can be no question. The New Deal propagandists talk of the many millions which have gone into fine new Chicago structures and of Washington's helpfulness to the construction industry. True, the New Deal has underwritten home building on a shoestring, has subsidized other building, and has advanced money on distressed property. Each of these activities will involve losses eventually to be paid for in income taxes, and meanwhile the resulting total building volume is by all past standards of measurement a drop in a bucket.

All other building, except of a necessitous sort, has been stopped in Chicago at a time when the flow of new capital into business generally has also been reduced to a trickle. The construction industry, like the others, has been held back by the higher costs of production, extortionate taxes, and tyrannous regulation which the



New Deal has placed in the way of earning a profit. The shacks which the auto-parking companies put up to shelter their employees and the two-story taxpayers on skyscraper sites give mute testimony about the state of business. They are monuments to the Roosevelt depression.

## Americanism Versus Internationalism

### EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio speech delivered by me over the Columbia Broadcasting System, Saturday evening, March 2, 1940:

The subject of my remarks this evening, Americanism versus Internationalism, describes the difference between the foreign policies of the Republican Party and the Roosevelt Administration. The Republican Party has and will continue to uphold the traditional American foreign policies proclaimed by George Washington, of neutrality, nonintervention, and no entangling alliances, and adhered to by Thomas Jefferson and all of our Presidents down to the World War.

Before discussing this vital issue, I shall digress to make some observations regarding the inspired submarine propaganda. Once again the submarine bugaboo has been let loose in order to keep the war hysteria stirred up and to excite American citizens by inspired tales of submarine activities and outrages near Puerto Rico and off the Atlantic coast. Today's report of an alleged submarine attack on the British steamer *Southgate* is obviously part of a carefully planned propaganda program to influence American public opinion by the use of periodical submarine scares in the Caribbean Sea.

Our naval ships keep darting hither and thither after phantom and mysterious submarines, but none have yet been actually verified. Admiral Leahy, the Governor of Puerto Rico, was reported as saying if these fictitious submarine accounts continue there will soon be news items of flying submarines having been seen over our coastal cities.

The day before the repeal of the arms embargo the British ship *Couimore* was reported as having been sunk by a German submarine off our coast, but when our destroyers sought to locate the victim it had vanished, only to turn up later in a British port.

We are in the midst of war hysteria and poisonous propaganda, aimed to break down our will for peace. The propaganda machine has, however, already shot its bolt with the mystery submarines, which leaves the American people cold. It is time to develop a bigger and better bugaboo, and a more effective hobgoblin.

Unfortunately some of the submarine propaganda emanates from the White House. A few months ago it was announced from the White House that a foreign submarine had been sighted about 20 miles off Key West, Fla., by Navy patrol vessels. President Roosevelt has further excited the American people by the silly secrecy in connection with his mysterious fishing trip.

If there were submarines in the Caribbean, he should not have risked any argument with them, as they are apt to shoot first and ask questions afterward. However, if they are wholly imaginary submarines, that is quite a different matter. Suppose a phantom submarine had fired a phantom shell at the Presidential fishing boat. Would our honor have been impugned? It would be hardly fair to involve America in war over a fishing junket. What a war slogan that would be—make the Caribbean safe for F. D. R.'s fishing!

Dr. Virgil Jordan, president of the National Industrial Conference Board, in a speech before the Foreign Policy Association in Philadelphia last week, predicted that President Roosevelt would be a candidate for a third term on a platform of national emergency and pacification of Europe; that within a year the Army, Navy, and air forces of this country would be actively engaged in hostilities in Europe and Asia; that American industrial life would be completely in the hands of political agencies; and that increasing internal disorder would be suppressed by armed force, espionage, censorship, and suspension of civil rights and civil processes.

Dr. Jordan remarked that he hoped the catastrophic events of which he spoke would not happen, but added that he thought they would, because there are so few people in this country who now realize that they can happen and are happening, and who are now willing to make any personal sacrifice or take any risk to try to prevent them from happening.

That Dr. Jordan has based his conclusions on firm foundations can be readily ascertained by reference to the parrotlike statements made by Ambassadors Kennedy, Bullitt, and Davies, who, on returning to the United States from abroad, proclaimed that it was

essential that President Roosevelt be reelected in order that his foreign policies might be carried out in Europe.

Peace-loving Americans should carefully examine those foreign policies and determine for themselves where they led us in 1917 and where they are leading us now.

I am not in the confidence of President Roosevelt regarding his foreign policies, nor is any Republican Member of the House or the Senate. I am not disclosing any state secrets when I say that President Roosevelt has deliberately scrapped the traditional custom and practice of all prior administrations, Democratic and Republican alike, of nonpartisan cooperation and consideration of our foreign policies.

He has from almost the outset of his rule insisted on being the sole dictator of our foreign relations, and has ignored the minority members of both the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate consistently and with studied indifference. This course of action is a complete and tragic change from the traditional nonpartisan approach and consideration of international issues. It is bound to be a dangerous and a disastrous departure from American practice and ideals, an evil and ruinous experiment, and an apple of discord where unity and cooperation should exist.

President Roosevelt is alone responsible, and the international seeds of discord he has sown will plague the American people until there is a return to our traditional American policies and customs.

President Roosevelt is an internationalist, and was one 20 years ago when he campaigned as Vice President for the League of Nations. I do not impugn his motives; he has a right to be an internationalist, and the Democratic Party has no monopoly of them. We have a few and just as determined and outspoken internationalists in the Republican Party, such as former Secretary of State Henry L. Stimson and Nicholas Murray Butler. President Roosevelt, however, is the avowed and recognized leader of the old pro-Leaguers, who believe it is our moral duty to stick our nose into the eternal disputes and wars of the Old World.

President Roosevelt's views and statements are a matter of record. He has urged Congress to give him power to lay economic sanctions, to determine the aggressor nations, to repeal the arms embargo, to lend money to foreign governments, to quarantine certain nations, and has urged other acts short of war but leading directly into war.

In addition, he has attacked heads of foreign governments, ably seconded and abetted by members of his own Cabinet.

He not only led the fight, but used every weapon and every influence of his high office to repeal the arms embargo, which served notice on the world that we were taking sides in the European war and jeopardizing American neutrality and peace. I still maintain that was the first step toward intervention and involvement of America in war.

The repeal of the arms embargo was effected by the strong-arm methods of President Roosevelt, and the false and already repudiated promises of large purchases of cotton, tobacco, and foodstuffs from farm districts. Repeal was only consummated by the practically solid vote of the solid South, where the two-party system, unfortunately, does not exist, and where the League of Nations has had its stronghold.

I have taken some pains to detail the foreign policies of President Roosevelt and the internationalism of the new dealers so that the record may be clear to the American people, who must decide this vital issue affecting their security and the lives of their sons.

I am an isolationist from all foreign wars but not an isolationist from arbitration, limitation of armaments, relief for humanitarian purposes, and peaceful settlement of international disputes. I wish Under Secretary of State Sumner Welles success in his efforts to restore peace in Europe, and hope that his peace trip is not a mere political gesture on the part of the President.

I do believe and predict that in case of failure of these peace efforts President Roosevelt will discard his lip service to keeping out of war, like Woodrow Wilson, Colonel House, and Secretary Lansing, and will lead the pro-Leaguers, internationalists, and interventionists in an open campaign to finance Europe's wars by sending arms, ammunition, and airplanes, and, if necessary, to turn our Navy over to the British. Henry L. Stimson, a Republican internationalist, has already openly urged naval participation.

I agree with Dr. Jordan's prediction and believe by midsummer the campaign will be going at full blast and in all its fury, with the floodgates of war hysteria and propaganda wide open. I look for a campaign of provocation and war hysteria, increasing in volume and intensity during the summer months.

Let no American underestimate the power and influence of President Roosevelt and his skill in the use of mass propaganda, emotionalism, and war hysteria. For 2 years he has been determined to use the entire force and power of America to quarantine certain nations. He is ready to seize the first opportunity and almost any pretext to inaugurate his campaign for internationalism and intervention.

Personally, I prefer to have it out in the open, and the sooner the better. This is by far the most important issue in America, transcending all party lines. There should be no pussyfooting or shadow boxing on keeping America out of foreign wars.

There can be no compromise on this issue. I propose, as a World War veteran, to give no quarter nor ask any from the internationalists and interventionists who are leading us to war. I intend to insist on a clear-cut, straight-out antiwar plank in the Republican national platform, and for making the fight for Americanism against internationalism.

The American people should be given the right to express their sentiments—and will—on the war issue in the 1940 campaign, as they did on the League of Nations in 1920.

I repeat, I hope Mr. Welles will succeed in his peace mission. However, I fear his chances are slim, with no American Ambassador at Berlin and in view of the attempts of the administration to delay the *Bremen* from sailing and the placing of countervailing duties on German goods. For over a year President Roosevelt and his Cabinet have been denouncing Hitler and Mussolini in violent and provocative language. For the first time in our history foreign policy has been based upon hatred, threats, and attacks on the forms of government and rulers of foreign nations. It is the most amazing departure from American tradition, and has created war hysteria at home and hatred abroad.

The Saturday Evening Post, in an editorial, had this to say: "For a year and a half the President of the United States has been talking war. He began it with the quarantine speech in Chicago in October 1937, saying there was no escape for us through mere isolation or neutrality, and that the peace-loving nations must make a concerted effort to quarantine and stop the aggressors."

Under the leadership of President Roosevelt, the Democratic Party is the party of internationalism, and is rapidly becoming the war party in the United States.

Believing that we are already on the road to internationalism and war, I am appealing to the radio audience, irrespective of party affiliations, to write their Representatives in Congress to sign the petition I have filed (petition No. 24) to bring up for consideration my resolution providing for a national referendum before conscription of American citizens for service in foreign wars outside of the American Continent and our possessions—House Joint Resolution 408.

This resolution differs materially from the Ludlow war referendum, which is opposed by the veteran organizations as jeopardizing our national defense and interfering with the constitutional right of Congress to declare war. My resolution does not require a constitutional amendment. It can be adopted by a majority vote in the House and Senate before adjournment next June if the American people will take the trouble to write their Representatives in Congress.

I am convinced this resolution carries out the sentiments and wishes of 90 percent of the American people to keep America out of foreign wars. Already numerous important and powerful organizations have volunteered their active support. It far transcends all party lines, and I have been assured of the cooperation of Representative Louis Ludlow as well as a large number of Members of Congress who have opposed the Ludlow war referendum resolution. My proposal in no way interferes with national defense or the constitutional right of the Congress to declare war.

I am giving you the Macedonian cry of "Come over and help" by writing or wiring your Representatives to sign my petition to permit the American people to vote whether their sons shall be drafted for foreign service in our armed forces outside of the Western Hemisphere or the Territorial possessions of the United States.

Every day my office receives letters from all sections of the country asking what can we do to promote peace and keep America out of war. My answer is to appeal to you this evening to exert your influence and express your will to your Representative in Congress, and request him to sign petition No. 24 to let you and the American people vote whether the youth of our country shall be drafted to fight another futile war in foreign lands.

Let us resolve to unite in an antiwar program of Americanism against internationalism, and millions for defense but not one dollar to send American soldiers to foreign lands to fight other people's battles.

### The Government in Housing

#### EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

ADDRESS BY HON. WILLIAM B. BANKHEAD, OF ALABAMA

Mr. SPARKMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address to the Central Housing Committee by the Honorable WILLIAM B. BANKHEAD, Speaker of the House of Representatives, at Washington, D. C., February 17, 1940:

Mr. Chairman, members, and guests of the Central Housing Committee, this meeting today is highly opportune, because it is time for us to summarize what we have accomplished during the past 7 years in our program of providing this Nation with better housing and of making home ownership more secure. It is time also to analyze those accomplishments, to gather our forces, and to rededicate our services toward our common goals. The exhibit before

us, Your Government in Housing, which you have prepared for use at the fairs, is a convincing demonstration of the progress that has been made under this administration. It offers promise of still greater accomplishment, as the result of increasing cooperation between the many agencies of the Government which are concerned with housing and, in turn, of the cooperation of the Government with the vast resources of private industry.

More than a million desperate families who were saved from dispossession of their homes know, of course, that their Government aided them to rehabilitation. Officials of thousands of institutions acknowledge the help they were given when their mortgages were without a market and their assets frozen. Business and civic leaders know the Government's part in halting the collapse of all property values and some of the constructive things that have been done to bring better shelter to all groups of the Nation's citizenry. But there is still no general realization of the full scope of our accomplishments in the housing field since 1933. Few know either the magnitude of the salvaging job done during the depression or the firmness of the foundation that has been laid for constructive housing development in every part of the country and the revival of home building on a tremendous scale.

Compared with what has been accomplished in the last 7 years, the entire earlier record of the country in those directions is insignificant. With the development of industry and the growth of great urban centers the problem of adequate housing for the great mass of Americans became increasingly serious, but attacks on that problem were confined largely to discussions and conferences. It will be remembered that in 1930, when the whole issue had become more acute than at any time in our history, when foreclosures had reached record-breaking proportions and threatened the very foundations of home ownership, months of effort were spent in a conference on housing. Proposals and counterproposals were considered and embodied in reports comprising 13 printed volumes. Out of it all, about the only definite accomplishment was an act providing for the establishment of a reserve system to which the home mortgage lending institutions of the country could turn for protection and for money to meet mortgage demands without the necessity of sweeping foreclosures. And even that act came too late, for the country's mortgage structure already was collapsing.

I bring this record to light only to emphasize what we faced when we took over in 1933, to outline clearly the progress we have made in meeting problems belatedly acknowledged, and in overcoming them, and thus to renew our faith that we can achieve the goals which are clearly in the minds of all of us here. These goals are concretely put in the keynote of your exhibit:

"To reduce costs of home financing and safeguard home ownership; to enable more families of average income to own homes; to improve existing homes both in cities and on farms; to abolish slums; to stimulate credit; to encourage the building industry; and to make it possible for Americans to live as Americans should."

Now that we are progressing steadily toward our major objectives it is difficult to realize the conditions that existed only a few years ago. Our first task then was to halt the avalanche of foreclosures which had mounted to 1,000 a day and which threatened to destroy all sense of property values. But Congress and the administration proved equal to the emergency—the direst emergency this Nation had ever faced. The Government directly refinanced over 1,000,000 distressed home owners—the average delinquent 2 years in both principal and interest, between 2 and 3 years in arrears on taxes, and utterly without private credit—to the extent of more than \$3,000,000,000. It disbursed nearly \$1,000,000,000 to distressed banks and trust companies, more than \$750,000,000 to frozen building and loan associations, \$190,000,000 to finance and mortgage companies, more than \$160,000,000 to insurance companies, and more than \$750,000,000 to individual mortgage holders and estates in exchange for defaulted mortgages. By giving those institutions a large measure of liquidity, it allowed them to extend leniency to millions of home owners in addition to those whose mortgages were directly assumed by the Government itself. And a vast floor was placed under the entire real-estate market.

It would have been futile, of course, to stop with the refinancing of distressed mortgages. It was necessary to make future mortgages secure and to protect the savings of the Nation's thrifty people which always have been used to finance homes. The Government not only vitalized and expanded a reserve system for home-financing institutions but extended protection to the investors in those institutions by insuring their accounts. It extended home-financing facilities to all sections of the country which were not adequately served, and thus laid the groundwork for the housing development which was to follow.

To spur a still-lagging private industry in the building of new homes and the improvement of old, the Government began insuring the mortgages of private institutions. The year just ended produced the largest volume of residential building since 1929, approximating 450,000 to 475,000 urban dwelling units—a significant figure if we recall that at the bottom of the depression only about 50,000 urban dwelling units were constructed. Billions of dollars have been spent in the construction of new homes and the purchase and improvement of existing homes, because Government initiative led private industry to the housing well. Moreover, the owners of these new homes and of the rehabilitated structures of today are in a very different category from the home owners of yesterday. We have established an unbiased agency to which the average citizen, ignorant of the pitfalls and dangers of home buying, may turn for a measure of protection never before available to him. For the first



time in our history the basis of security for financing has been extended to cover such hitherto disregarded essentials as general planning, subdivision, school and store facilities, accessibility to work, efficiency of planning, economy and soundness of construction, and general stability for long-term amortization.

Largely through this emphasis on essential fundamentals, private industry is today producing well designed and constructed homes within the means of families with incomes of \$1,500 or less.

It has not been long since most home owners were owners in only a technical sense, staggering under a mortgage burden that allowed few ever to possess their properties debt free. Short-term straight mortgages were carried for only a few years and were renewable only at heavy fees; on top of these were second and third mortgages, bearing extortionate charges. But under the leadership of this administration there has been developed a new program of home ownership based on long-term, amortized, direct-reduction loans bearing the lowest interest rates in the Nation's history—a program which swept away second and third mortgages and saved home buyers hundreds of millions of dollars in interest alone. Not only were financing charges on homes reduced, but the standards set by Government-sponsored programs began to give American home seekers the kind of home they deserve.

While stimulating private industry to meet the needs of those of average income, the Government at the same time turned to the problem of slums and began to deal with the blighted areas which were the inevitable result of the unplanned growth of our great urban centers, decaying sections which are the forerunners of slums. It provided financial assistance through legally constituted public housing agencies, usually local housing authorities, to assist in the development of low-rent housing and slum-clearance projects which local authorities design, build, and operate on a rental basis. We all know the familiar quotation that "one-third of the Nation" lacks adequate housing, but this knowledge does not hide the truth that we had failed miserably in this country of ours to provide decent or even livable accommodations for those of low income. This administration took the first concrete step to overcome conditions which were a reproach to our civilization. Commitments aggregating two-thirds of a billion dollars already have been made to communities in 33 States, which will mean over 180,000 new, comfortable, decent homes for people who have been forced to live under conditions of which America has become at last aware, ashamed, and determined to end. And not only have homes been provided and a tremendous lift given to the construction industry, but the way has been pointed for private investment to go and do likewise.

Throughout all of America's increasing housing consciousness in recent years the major emphasis has been upon improving urban housing and wiping out city slums. This apparent lack of concern over the condition of the Nation's rural homes arises from the fact that rural housing is scattered over sparsely settled areas and, no matter how dilapidated and substandard it may be, it does not present the startling, ugly totals of congested urban slums.

Through years of abuse of our soil resources the earning capacity of much of our rural land has been depleted to a point where, even in periods of high farm prices, it is insufficient to support minimum standards of decent housing. This is particularly true of the South, where it has been said that approximately one-half of the farm population is housed in substandard dwellings. Public interest in the rural aspect of the slum problem must be awakened in order that the Federal Government may assume a responsibility comparable with its program for urban housing. Under pending legislation, a hundred thousand homes would be produced.

We have provided a cooperative credit system for agriculture, including funds for the construction and improvement of farm homes, which has loaned money to farm tenants, sharecroppers, and farm laborers to allow them to become farm owners. Some \$2,595,000,000 of farm mortgages have been financed, and today some 800,000 farmers are living in their homes because of aid granted by the Government. Some 750,000 farmers have received rehabilitation loans averaging \$350 each. About 140 rural-community projects are being operated under Government direction. And, in addition, grants for bare subsistence have been made to 200,000 families in extreme distress in farm areas devastated by drought, flood, and similar catastrophes. Like their cousins in the city, inhabitants of rural sections have been relieved of the burden of extortionate interest rates. To the farm owner and to the farm-home seeker also a new day has come.

It is with some pride that I review this recent history of ours, for I have been a Member of all the Congresses which enacted the major laws which have made possible these far-reaching programs—the Home Loan Bank Act, the Farm Credit Act, the National Housing Act, the United States Housing Act, and the Farm Tenancy Act. Knowing the lack of public realization of what has been accomplished, it is difficult to refrain from detailing more of our common story. It is sometimes difficult, too, not to stand on the record and be satisfied with what we have accomplished. The very volume of our accomplishment has made conspicuous the opportunities that now, more than ever, challenge our attention and demand remedial measures. These are the concern of every one of you meeting here today, and they have been your concern since the beginnings of the Central Housing Committee.

I do not intend to trace the entire history of this committee. Suffice it to say that President Roosevelt from the outset of his administration had sought coordination of the various governmental activities, as expressed in recent reorganization measures—first, through the National Emergency Council, and later through the National Resources Board, which he asked to submit a program for the coordination of projects of Federal, State, and local

governments. Proceeding on this basis, the Resources Board, in its 1934 report, directed attention to the many agencies and organizations in the housing field and the need of coordinating their efforts.

This report led to joint meetings of representatives of all housing interests, public and private, and the setting up of a Committee on Coordination. The committee, representing seven major agencies, found many other agencies of the Federal Government—even the War and Navy Departments—directly or indirectly concerned with housing construction or finance. It reported that information was lacking among executive officers of Federal agencies interested in housing as to what other agencies in the same field were planning or doing; that there was a reservoir of unused general and technical information and experience, which had been accumulated at public expense, whose translation into more fruitful accomplishment was dependent upon new avenues of release and cooperative action; and that no procedure existed which was designed to unify the activities of Federal agencies concerned with housing or to correlate and capitalize the results of their labor in research, planning, and administration.

The committee agreed that by taking the proper steps much expense could be saved, efficiency could be increased, overlapping and wasteful duplication largely eliminated, serious gaps filled, and unused resources put to work. It stressed the need of coordination, not superimposed but as a responsibility to be assumed, with a clear program, a simple flexible organization, and an intelligent leadership to insure a free exchange of the information obtained at public expense, and a proper unification of plan and objective.

As the outcome of these recommendations, and with the approval of the President, the Central Housing Committee became a going concern under its own power before the formal reorganization and realignment of agencies began. We can bridge the details of its many self-imposed tasks since 1935 when we look around today and witness not only the administrators of these housing agencies gathered together but likewise their principal technical assistants—not agency by agency but in specialized groups. And what is also significant, here also are interspersed leaders from other construction agencies and their technicians. I do not have to be told, Mr. Chairman, about the fruits of this movement, about the things that have been done, and are being done, for the common good. Even lacking your outstanding accomplishments the mere bringing together of executives in the different branches of the one field for discussion of their mutual problems, comparison of their procedures, and pooling of their technical resources cannot but lead to results of value to the Government as a whole.

One striking instance of this is apparent to all of us seated at these tables. In your exhibit the keynote is what the Government is doing for the home owner and the tenant, in city and country, and the names of the contributing agencies are not even mentioned.

Mr. Chairman, I have been following your own commendable procedure in emphasizing the whole by subordination of its component elements. Although to this point I have been addressing myself primarily to agencies concerned with housing construction and finance, my interest has been caught by the bringing together of housing people and technicians drawn from other agencies whose experience may bear on your housing problems or whose work may be helped by current cost-cutting developments in the housing field.

It is gratifying to learn that such working contracts have been established between the housing groups and many of the other governmental departments where specialized interests overlap, and the presence at this table today of leaders from these departments is, I hope, an indication that such contacts may increase and be of benefit to all concerned, even beyond the field of housing. This kind of an executive undertaking, with its possibilities of administrative economies, as well as of larger returns from appropriations and of increased efficiency, is something that the legislative branch can appraise and appreciate.

In this connection it may serve to point a moral if I tell you of another example of coordinated efforts which your versatile and resourceful chairman emeritus promoted. For decades the development of the National Capital was retarded for lack of adequate authorizations and appropriations—a situation due largely to the lack of any basic, coordinated program. The demands of diverse agencies and interests converging on Congress from many angles usually confused the issue or afforded an out when pressure was strong for funds in other directions. Some agencies having to do with the District flourished while others languished. A classic product of the period was the success of one group in bridging the Rock Creek Valley, while another interest was beginning to fill it. In the early twenties a Committee of One Hundred was organized to reconcile differences of opinion and approach on Washington problems and to develop coordination of effort. National and local civic and professional groups cooperated, 11 agencies of government were brought together, and a balanced, well-organized program was presented to the Congress. Within 2 years authorization and appropriations followed, and in the relatively brief span of 15 years nearly all of the desired objectives have been achieved by collective agreement.

Each administrator may feel that he has his own particular legislative mandate to pursue, but Members of Congress are not insensitive to conflicting policies or to programs which are not integrated, and I have cited a case history which has definitely proved the value of working "one for all, and all for one." If you can do as good a job in the organization of a national housing policy as in the setting up of this exhibit, you should go far.

I have called attention to the establishment of working contacts with the public. We cannot deal with such contacts solely as channels of outgoing influence for the accomplishment of your various programs. Interagency needs and advantages to agencies are trifling in the aggregate when compared to the needs of, and potential advantages to, the public we serve in its elements of the family, the body politic, and industry. All of which means that the fruits of research, and of experience as well, should be made available to those sections of the public in the form in which it will be of greatest applied value. Mistakes, frankly acknowledged and analyzed, may be as fruitful as your most-prized achievement, and both can be made to serve the man who is putting his all into a home; the municipality struggling to correct conditions; and the cross-roads carpenter-builder, whose capability and capacity concern a huge portion of our population.

The Central Housing Committee has been doing its work so modestly that, I am frank to say, it has engaged my interest as a wholly new type of procedure—of coordination by cooperation—in the direction of efficiency in administration; and I can see that it serves to bring together what you have well termed "working teams" in a manner that reorganization measures have not and cannot touch.

To produce results such cooperation must be wholehearted and must extend from the administrators down through the organization. Committees which produce justify their existence and warrant support; deadwood has no justification anywhere. I am especially impressed by the active interest and participation of agency administrators, notwithstanding the demands upon their time; but I know, and so do you, that the full measure of achievement can be realized only when every representative of every agency concerned with housing is working in complete harmony with every group contact. Harmony, I might add, is not a matter of organization but of spirit, and there is no substitute for personal interest or effort.

I cannot refrain from saying that since today you have unveiled your organization as well as your exhibit, I shall make it my business to keep in touch with your work; and I shall receive with keen interest submissions which bear evidence of having gone through the mill of the central housing committee.

Every goal you seek is possible if you have within you the strength that comes from unity. All I have to suggest is an extension of your good beginnings. What you have accomplished should serve as an incentive to greater achievements, the welding of one strong program by all the talent and energy and patriotism that is within you. For your work in the past your Government is grateful, but the future holds for you the gratitude of the whole Nation if you can accomplish the housing of all Americans as Americans should be housed.

## Money Disbursements of Wage Earners, Etc.

### EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1940

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial taken from the Washington Daily News of Wednesday, February 28, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### IN ONE EASY LESSON

The instructive exhibit which appears alongside this column is taken from a 358-page book just published by the United States Department of Labor and entitled "Money Disbursements of Wage Earners and Clerical Workers in Five Cities in the Pacific Region, 1934-36."

We commend it to the careful attention of thoughtful citizens. It is only part of a footnote prepared "for the reader who prefers an algebraic statement of the adjustment procedures followed" by the book's authors. It may, however, convey a rough idea of what a benevolent Government is doing to simplify and clarify the statistical material gathered by its bureaus and offered for the enlightenment of its grateful people.

In time, no doubt, other great national problems will be given similar treatment. Once they are all stated in elementary formulas like those above, with each weight varying appropriately from one economic level to another, it is apparent that our troubles will be over. Well, almost over.

Having glanced at this exhibit, you probably will exclaim: "Why did I ever think it was difficult to understand the Money Disbursements of Wage Earners and Clerical Workers in Five Cities in the Pacific Region, 1934-36?"

Don't be too hasty. Remember that what we present here is only a portion of only one of the book's 358 pages, and is intended only for the reader who prefers an algebraic statement of the adjustment procedures followed. Others, including the possible reader who does not prefer an algebraic statement of the adjustment procedures followed, will find the entire book a useful companion during the long winter evenings and short summer evenings as well. It may be obtained by sending 35 cents to the Superintendent of Documents, Washington, D. C., and asking for bulletin No. 639, United States Department of Labor, Bureau of Labor Statistics.

Mr. President, the stimulus producing this editorial is "The instructive exhibit" which was printed as a cartoon opposite the editorial, and which carried the following note:

News Cartoonist Talburt is on vacation. Hence this funny picture.

Those of us, like the editor, who are dependent upon others for much of our work can sense the consternation produced by the absence of the usually splendid and intelligent cartoon.

Here is the funny picture. Let us see what this funny picture is. The editor tells us:

It is only part of a footnote prepared "for the reader who prefers an algebraic statement of the adjustment procedures followed" by the book's authors.

It is, in fact, merely a symbolized statement explaining a statistical technique and meant for others trained in statistics. To me and the editor, such scientific symbols always seem funny; but are they? The age of laughing at the tools which scientists use in arriving at the result of their research we thought had passed. The funny picture is merely a footnote explaining a paragraph which in turn is found in an explanation of a table exhibited in the appendix.

The report from which the footnote is taken is a 109-page report dealing with a study of the money disbursements of wage earners and clerical workers in five cities in the Pacific region, 1934-36. The rest of the 358 pages of the book gives tables and other information gathered from which the report was compiled.

Society is complicated, and a study of money phases of society will, of course, be a complicated study; but we will no more understand society and solve its problems without study than will man master a disease without research. I know that the editor could not be thoughtless about these matters, but those who accept his deductions may be extremely thoughtless.

I pay 10 cents a week for the privilege of reading this editor's writings, and until February 28 I never felt that I did not have my money's worth. The editorial of February 28 left me with a feeling that I had been actually cheated. I do not want my money back, and I do not want to argue with the editor, because I know I am "licked" in that before I begin; but, as one public servant to another, can we not chat about this report and editorial?

Let us see if we cannot get at least something more significant out of the report even "in one easy lesson" if we read it to gain knowledge rather than to make fun. I am tempted to start out my comment on "In one easy lesson" with the phrase, "In one easy editorial," but I will not.

A study by the Bureau of Labor Statistics on Money Disbursements of Wage Earners and Clerical Workers in Five Cities in the Pacific Region, 1934-35, furnishes us with much-needed information. Far from confusing the average reader, as inferred in the editorial, the Bureau of Labor Statistics, in simple language, makes the following points with abundant clearness:

1. The average current expenditures of the families of wage earners and lower-salaried clerical workers in each of five cities on the Pacific coast ranged from \$1,469 in San Diego to \$1,657 in San Francisco (p. 7).
2. The families studied did not include any who had received direct relief or work relief during the year, or any in which the worker had less than 30 weeks of employment (p. 3). In other words, they are a relatively favored group.
3. In general, families of wage earners had more than \$2,000 of income only if they had two wage earners (table 4, pp. 15-16).
4. In every city more than one-quarter of the families operated at a deficit. In Los Angeles the proportion was more than 36 percent (table 11, p. 39).



We are all, of course, interested in the farmer. From the editorial, one would not discover that the report in question shed any light on his problem. Here is what I found from the report:

5. Families spend more for food than for any other item. In San Francisco, an average of \$550, or one-third of the income, is spent for food (p. 9). Of the families that have an income of less than \$400 per person (table 3, pp. 128 ff.), nearly half were unable to spend enough money for an adequate diet at minimum cost (table 15, p. 49).

From the public viewpoint, this information is important. It shows that agriculture need not despair, but also that its improvement depends upon urban buying power.

Everyone is interested in automobiles. The editorial failed to credit the Bureau with a helpful study, yet in the report I find:

6. Automobile ownership is especially common on the Pacific coast (p. 8). At even the lowest financial levels studied more than half the families in Los Angeles, for example, own cars (p. 220). This is good news to my colleagues from Michigan and other automobile centers. But then I find on the same page (table 13) that there is no market, even for second-hand cars, until families have the means to expend \$700 or more per adult person annually. Of the automobiles owned by the families studied in 1936, more than seven-eighths were 5 years old. Cars of more recent manufacture were not bought in even one-third of the cases until families had expenditures of \$700 per person. And thus we might continue for a long time.

I should say the editorial does state that the algebraic symbols it cartoons appear as a footnote. It is, in fact, a footnote in a technical appendix addressed to technicians. The symbols which were found so ludicrous are a brief method of describing the processes used by the Bureau of Labor Statistics. They are simple and easily understood by those who are likely to try to do another such job, or to readers who have the training to criticize the technical accuracy of the Bureau's results. I suggest that my colleagues look at page 2 of the United States Government Printing Office Style Manual (abridged), January 1939, if they want another useful example of a type of "short hand" with which every Congressman and printer is familiar, but which is Greek to the layman.

Actually, I wish to commend the Bureau for including in the report under discussion an exact statement of what it has done and how it has done it. The editor of every newspaper knows that the validity of a story must be judged in large part on the basis of its sources. Many students and critics of government reports have justly complained that government documents present conclusions without telling how they have been arrived at. Fortunately, there has been a growing tendency to include precise descriptions of sources of information and methods of procedure in government reports. Statistics and statistical methods can be made to yield us today's lampoon, but also they may help us to find tomorrow's solution to some of our problems.

### Interview With Msgr. Joseph F. Smith

#### EXTENSION OF REMARKS

OF

HON. L. L. MARSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

Mr. MARSHALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following interview by Msgr. Joseph F. Smith, pastor of St. John's Cathedral at Cleveland, Ohio, granted on the occasion of his 75th birthday and published in the Cleveland Plain Dealer of February 8, 1940:

Between thoughts of the next world, Msgr. Joseph F. Smith, pastor of St. John's Cathedral, yesterday discussed President Roosevelt, Cleveland, communism, prosperity, and war.

It was the seventy-fifth birthday anniversary of the vicar general of the Cleveland Catholic diocese, who rose to the head of

the parish in which he was born when it was known as the bloody fifth ward.

Any trepidation the reporter had about discussing controversial topics at his first meeting departed after greetings were exchanged on the second floor of the cathedral house.

#### AGAINST THIRD TERM

What did Monsignor Smith think about a third term for President Roosevelt? That was easy. "I'm against it," the prelate said, definitely, his rotund body reclining in a simple, frame rocker. "No man is so important for us to feel it is necessary to give him a third term. We have a thousand men to select from who, with good management and wise advisers, can give us all we could hope for from our Government.

"It is dangerous to break down precedent of 150 years."

Monsignor Smith attacked the President's spending policy as interfering with, rather than bringing prosperity.

The monsignor said he believed the country was solving its difficulties and that he saw no reason why we could not have prosperity in the near future that will equal the very best periods in our history.

#### MUTUAL CONSIDERATION NEEDED

"For prosperity there must be a mutual consideration on the part of industrialists and labor unions," he said. "The hope for understanding might have been developed much better without all the Federal and State legislation of recent years."

Differences in those matters can best be settled by sitting around a table and discussing them "face to face," he said, adding that the laboring man essentially is honest, but has not the opportunities or education to grasp a situation as quickly as the industrial leader.

Communism will not take root here as long as there is freedom of religion, in the opinion of Monsignor Smith.

"Russian communism, dominated by hatred of religion, is the natural result of abuse of religion in the old Russian Empire," the monsignor said.

### The British Navy Is the Biggest Racket Since the Roman Legions

#### EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

ARTICLE BY ASHBY WILLIAMS

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a very timely and enlightening article entitled "The British Navy Is the Biggest Racket Since the Roman Legions." This is a contribution by a distinguished member of the bar of Washington, D. C., Attorney Ashby Williams, as follows:

The Roman Empire, in its heyday, embraced all of Europe except that part occupied by the Germans, all of North Africa, and the western part of Asia. This vast territory was acquired by Rome as a result of the development of the Roman legions, and was retained by her by the Roman policy of "divide and conquer," that is, by fomenting discord among those who resisted its power. The result was that for approximately 700 years all these peoples paid tribute to Rome, and a favored group of Roman citizens lived in wealth, luxury, and idleness, while the great masses of the Roman people lived in poverty or slavery.

Great Britain, for the past three centuries, and particularly during the past 175 years, has been conducting the same kind of racket, except that while the Romans conducted their racket with the Roman legions the British have conducted their racket with the British Navy, and have maintained it by the same policy of fomenting discord amongst those who are not partners in their racket.

Great Britain has acquired one-fourth of the territory of the globe. This she has acquired and maintains through her Navy. Through her Navy she has developed a merchant marine which enables her to levy tribute in freight rates and commercial advantages not only against her possessions but against other countries whose goods are carried in her ships because they cannot compete with her racket.

The state which sustains a normal relationship with other states, relying upon hard work and economy as the guiding principles in the administration of its assets, needs no build-up to justify its existence and policy. On the other hand, a state which is engaged in a racket must justify its conduct in the eyes of its neighbors, or suffer a destruction of its racket. It is for this reason that we find that the British have, through the years, become most astute in the propagation of ideas intended to justify their racket in the eyes of the rest of the world.

For many years the British were obliged to rely exclusively upon their own means to justify a toleration of their racket by the rest

of the world, and as a result thereof they became the most astute propagandist in the world. Their most effective propaganda—at least so far as America is concerned, since most of us are of the same blood, religion, and habits as the British—has consisted in spreading the notion that whatever Britain did, by way of conquest, colonization, and trade exactions, redounded to the moral enlightenment of those people upon whom it imposed its will and levied its tribute. To the unthinking mind this is a powerful argument, but in reality it is wholly devoid of justification. The reason for this statement is as follows: A state which seeks to impose its will upon another, upon the ground that it is right and moral to do so, assumes, first of all, that it alone possesses the power to determine what is right, and, in the second place, its will is imposed, not because it is right, but because the state has the might. Such a state is, therefore, both an egotist and a hypocrite.

In the struggle for life, a state may impose its will upon another, but in such case it can never be said that it is done because it is right. It can only be done because the state has the power, and does it from necessity, whether right or wrong.

Mr. Chamberlain in a recent address in London wound up by saying: "May God give us the might to do what is right." In this one statement we find all the egotism and all the hypocrisy of the British racket.

While the propagation of the notion that the exploitation of other peoples by the British was in the interest of morality has been subtle and insistent, it has not been the only idea she has sought to propagate in defense of the racket. Of particular interest also has been the propagation of the idea that the British always live up to their obligations, a fact unsupported by evidence and the idea that the British are always fair and just to their adversaries, an idea wholly without foundation.

A study of British action will demonstrate that the extent of her perfidy is governed exclusively by the degree of her plight or the extent of her avarice. I can remember when the British killed thousands of innocent South Africans and took their country after gold was discovered. Before my time she had employed the same methods to acquire the riches of India. It is hardly conceivable that the other British possessions were acquired with the permission of the peoples involved.

It is possible to demonstrate that the capacity for propaganda cultivated by the British over a long period of time in defense and in justification of their racket has completely blinded the American people to the extent and character of the racket which has been, and is being, conducted by the British. This demonstration consists of the following: If you ask one hundred wholly uneducated people, people without any knowledge of history, geography, or philosophy, what their sentiments are, from 80 to 95 of these people will reply that they are all for the British. This in itself is sufficient to demonstrate that what they think and what they feel is not the result of any independent judgment based upon an examination of the facts of history, but upon what they read and hear spoken, this being in the main wholly pro-British and anti-German because of the propaganda mentioned above.

To what extent have we been suckers to the British racket?

The people in this country have paid tribute to the British from the very day that the first man landed at Jamestown. I do not ask you to accept my statement as to how the British exploited the Americans prior to 1776. In the Declaration of Independence Mr. Jefferson enumerated 27 abuses and usurpations imposed upon the people of these colonies by the British Government. Singularly enough, included in this number is one "for cutting off our trade with all parts of the world." Moreover, unlike the British and the American propagandist, Mr. Jefferson did not indulge in the erroneous assumption that these abuses and usurpations were imposed by the Government in England rather than by the people themselves, as will be observed by reading the next to the last paragraph of the Declaration of Independence.

After this Government was launched on its course, the British, in maintaining their sea racket, asserted the right to stop our ships on the high seas, search them and remove persons from them. I am very grateful that the Americans of those days had the hardihood to go to war rather than submit to such an affront. Nevertheless, I cannot forget that the British came up the Patuxent River, crossed to Bladensburg and marched into Washington, burning the Capitol, the White House, etc. The attitude of the British had not changed from the time Mr. Jefferson wrote the Declaration of Independence, because in that famous document he had said in 1776, speaking of the British sovereign, "He has plundered our seas, ravaged our coasts, burned our towns, and destroyed the lives of our people."

Now, I see that Great Britain has assumed the right to inspect the mail from this country direct to neutral countries, and is stopping our ships to take the mail off and examine it; she is taking our ships into waters which the Congress of the United States has forbidden them to enter, and is detaining them to suit her convenience; she is stopping our ships from neutral ports and searching to determine whether or not they carry exports having their origin in Germany, and if so, removing them.

In addition to the things I have enumerated, things which are open, obvious, and defiant in a much more subtle way, Great Britain, in the conduct of her racket, is levying tribute upon every American citizen. This she is doing in the following way: By making it impossible, due to the conditions, trade arrangements, and freight rates to and from the various parts of the British Empire, for the United States to maintain a merchant marine, with the result that much of the freight transported from and to this

country is carried in British ships, the British receiving the profit. Britain covers one-fourth of the territory of the globe, embracing about one-fourth of the people of the globe, and she owns about one-third of the world's shipping. Most of her population of about one-half billion have a standard of living far below that of Americans.

There is one other instance worthy of notice in which we played sucker to the British racket. During the World War we spent approximately forty or fifty billion dollars and lost, in dead and wounded, approximately 500,000 men. To what end, may I ask you, was this great sacrifice made? Certainly not for the benefit of America. As a result of this extraordinary sacrifice, at the end of the war, the British racket not only continued but hundreds of thousands of square miles of territory and millions of other helpless people were sacrificed to this British racket, which continued in full career.

What do I mean by the British racket? I do not mean simply that Britain has a great navy or that she owns great possessions. What I mean by the British racket is the British imperialism, which makes of England not a country sustaining a normal population and existing normally as a result of hard work and economy. The racket consists in the fact that England, through the possession of a great navy and the control of the seas, has actually exploited a great part of the world to the enrichment of the Empire, particularly England. The racket consists in the fact that she has been able to impose upon her possessions trade arrangements which have resulted in tribute to England, and in connection therewith, and because of the favorable trade situation occupied by her, the development of a merchant fleet with which no other nation on earth, including the United States, can compete.

The normal population for England would be approximately 10,000,000 people. I understand about 40,000,000 people live there. This is due to the imperialistic policy of England, just exactly like the imperialistic policy of Rome which resulted in subjugating and exploiting most of Europe, all of north Africa, and a part of Asia for several centuries for the benefit of imperial Rome.

Within itself such a policy of imperialism, imposing the will of a few upon the many and exacting tribute from the many for the benefit of the few, is destructive of world peace and harmony.

Geographically England is a part of Europe. Politically she is not. If England were a part of Europe in the true sense, Europe's problems could be solved. But it is impossible to solve any problems in Europe so long as the British racket continues, because European powers who are able to do so are bound in self-defense to destroy the British racket or become strangled by it.

The parallel between this rise, the exercise and the destruction of the Roman racket, and the rise and what now appears to be the destruction of the British racket, is a most striking and interesting one.

The only people in Europe whom the Romans could not conquer were the Germans. Gibbon speaks of the "war-like Germans, who first resisted, then invaded, and at length overturned the western monarchy of Rome." Therein, it seems to me, lies a deadly parallel proving that history repeats itself. Germany, much more than ourselves, has been paying tribute to the British racket, and if I am able to determine anything from current events, it seems quite apparent that a united Germany has decided to destroy the British racket once and for all and restore some semblance of order to Europe.

The British Navy is useless without the British merchant marine, and without the British merchant marine there would be no use for the British Navy. At the rate that merchant tonnage is now being destroyed, merchant tonnage not only of Great Britain but of all nations, the time cannot be far distant when the British racket will be destroyed. It is to be devoutly hoped that a sufficient number of men in public life, familiar with history, geography, and, to some extent, with philosophy, will correctly inform themselves in regard to the extent and vice of this British racket, so as to prevent British propaganda from again enlisting the enormous resources and manpower of this country in another effort to strangle the rest of Europe in the interest of the British racket.

The British racket has gone on so long and the British propaganda has been so successful in concealing its true nature, or morally justifying its existence, that the British themselves have lately had the effrontery to come out in the open and publicly defend their racket.

I refer particularly to the recent address at Chicago of Mr. Lothian, the British Ambassador, who unblushingly advocated the continuance of the racket on the ground of its moral benefit to the world, and urged the American people to become a partner in its preservation, although, mark you, not in its profits. In similar vein Mr. Churchill, in a recent address in London, had the unmitigated gall to advise Belgium, Holland, and other small neutral nations to join the British in the preservation of this racket, and Mr. Chamberlain, in trying to minimize the effect of Churchill's inept suggestion, had the pious effrontery to say that Britain would defend Holland and Belgium against aggression whether they asked for it or not. In other words, the British have actually convinced themselves that the British racket is a moral world crusade.

I oppose the British racket, and would like to see it destroyed because I do not want to see this country continue paying tribute to this racket, as it has done during all of its past history, and is doing today, tribute in men, tribute in money, tribute in property and service, tribute in disrupted foreign commerce, tribute in domestic and international moral disorganization, tribute in



the loss or destruction of liberty, tribute in the loss of everything we hold dear; and to what end? To the end that Britain may carry the goods of the world and take a rake-off from every pound for the benefit of a small group of Englishmen.

**Letter From George Washington Dennis, of  
Charlevoix, Mich.**

**EXTENSION OF REMARKS**

OF

**HON. FRED BRADLEY**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 4, 1940*

Mr. BRADLEY of Michigan. Mr. Speaker, we have heard it said many times, and unquestionably with justification, that many of our citizens have lost heart and now prefer to become wards of a paternalistic Government.

This morning I received a letter from one of my constituents which proves that this feeling of despair is not universal in our land. His attitude is that of millions of other sound, substantial citizens living in our rural communities. His letter which follows should be a word of encouragement to us all.

DEAR FRED: I received the little booklets all okey. Don't have any trouble on my little 47-acre farm. Can keep about 25 head of cattle on the alfalfa I grow on the 47 acres; don't need any county agent's advice. Just want to be let alone by these smart fellows.

I have owned my farm 41 years. I know best what to grow on it. Plenty stock, and keep the cow dung right on it, and when I want money from the bank, I always have milk on my pant legs and shoes; that's the security I put up and it always gets the dough. But, Fred, we've got to make a change. Things have gone far enough. We've got to make more babies and less mobiles and tractors. The killing of 25,000 people a year won't last always; these were every one consumers, they had better be on a farm than in the road in a car making Henry Ford more money. Put all idle men on a piece of tax-title land and farm it with his hands and a pair of horses, and he will sleep better at night. Fred, we've got to go back while there's a few left.

GEORGE WASHINGTON DENNIS.  
Route 1, Charlevoix, Mich.

Mr. Speaker, we shall never have a surplus of the George Washington Dennis spirit—such spirit is the backbone and hope of America.

**War Propaganda in Submarine Scares**

**EXTENSION OF REMARKS**

OF

**HON. LEWIS D. THILL**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 4, 1940*

Mr. THILL. Mr. Speaker, many thousands of dollars contributed by American citizens were spent in speeding three destroyers and a Coast Guard cutter to the supposed aid of the British steamer *Southgate*. Apparently the *Southgate* had issued a false alarm when it sent out the wartime signal S S S, signifying a submarine attack. Seaplanes of the neutrality patrol sighted the *Southgate*, and it was unharmed. After sending out the S S S signal, which proved to be unfounded, the *Southgate* might at least have sent another signal calling off the searching party and preventing needless expense to the American people.

In the absence of any logical explanation of the behavior of this belligerent steamer in sending out a false distress signal, might it not be assumed that it is another attempt to propagandize the American people and make them conscious of a supposed submarine menace in American waters?

The following news item which appeared in the Sunday Star, March 3, 1940, discusses the mystery surrounding this incident.

[From the Washington (D. C.) Sunday Star of March 3, 1940]

**U. S. NEUTRALITY PATROL SEEKS EXPLANATION OF U-BOAT ALARM—  
SOUTHGATE IS UNHARMED; INDIGNATION EXPRESSED AT SILENCE  
DURING HUNT**

SAN JUAN, PUERTO RICO, March 2.—The United States neutrality patrol tonight sought an explanation of the apparent false alarm sounded last night by the British steamer *Southgate* in reporting she was being attacked by a submarine off the Virgin Islands.

After sighting the seemingly unharmed 4,862-ton *Southgate* today, seaplanes of the neutrality patrol prepared to take off again tomorrow to continue their investigation.

The patrol pilots seek some clue as to why the *Southgate* sent a distress signal and then kept silent while American vessels and planes spent a night and a day vainly attempting to learn her fate.

Some indignation was expressed over the *Southgate's* failure to make her safety known. It was estimated that thousands of dollars were spent speeding three destroyers and a Coast Guard cutter to her aid.

**FINDING OF SOUTHGATE FAILS TO SOLVE MYSTERY OF CALL**

Navy patrol plans which found the British freighter *Southgate* apparently unharmed yesterday left Washington officials puzzling over a new mystery of the war at sea.

Still unanswered were the questions whether a belligerent submarine was operating on this side of the Atlantic and had actually attacked the *Southgate*, or whether the message of distress early last night represented merely the latest of a series of baseless maritime scares that have occurred since the European war started.

Disposing of the possibility that an American submarine had been mistaken for a German U-boat, the Navy established that no United States submersible was in the vicinity—about 130 miles northeast of Puerto Rico.

**NO EXPLANATION**

Hours after the ship was located there was no explanation from her master for the wartime signal, S S S, signifying a submarine attack. The *Southgate's* wireless ignored requests for information, presumably because of unwillingness to betray the vessel's position should a hostile war craft be nearby.

In accord with procedure followed since the neutrality zone was created last fall, the Navy likewise maintained a protective silence, declining to divulge where the *Southgate* was found in midmorning.

**PROPAGANDA, FISH CHARGES**

Representative FISH, Republican, of New York, said that the report of the attack on the *Southgate* "is obviously part of a carefully planned propaganda program to influence American public opinion."

In an address, prepared for radio delivery, Mr. FISH said that "A month ago another British ship was reported as having been the victim of a German submarine off our coast, but when our destroyers sought to locate the victim it had vanished, only to turn up later in a British port."

"Unfortunately, some of the submarine propaganda emanates from the White House," Mr. FISH declared. "A few months ago it was announced from the White House that a foreign submarine had been sighted about 20 miles off Key West, Fla., by Navy patrol vessels."

**Let's Put America Back to Work**

**EXTENSION OF REMARKS**

OF

**HON. CHARLES HAWKS, JR.**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 4, 1940*

**ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE**

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Senator STYLES BRIDGES, of New Hampshire, at the Lincoln Day banquet of the Lincoln Club at the Shirley-Savoy Hotel, Denver, Colo., Friday evening, February 16, 1940, as follows:

On Monday we celebrated the birth of a man whose name has become an American watchword. At that time the hearts of grateful Americans went out in gratitude to the man who united the Nation in her hour of need.

But the spirit of Lincoln is not something to be remembered each February. It is something that must live in the hearts of Ameri-

cans if our priceless heritage is to be preserved. We, as Republicans, must hold ourselves particularly responsible for the advancement of all that Lincoln symbolized.

The Nation has known many dark hours; but with indomitable courage and faith in themselves to surmount the difficulties that beset them our people have pushed ever onward.

A little over a hundred years ago, during the great depression of 1837, the great philosopher and poet, Ralph Waldo Emerson, wrote: "Society has played out its last stake. It is checkmated. Young men have no hope. Adults stand \* \* \* idle in the streets. None calleth us to labor."

During the last 10 years many Americans must have felt almost as despondent at times as did Emerson in 1837. After 10 years of depression we are still faced with mass unemployment, idle factories, idle funds, and idle farms. We are still faced with want and stagnation in the face of the greatest potential capacity to produce of any nation in the history of the world. It has been estimated that 10 years of depression have cost us over \$200,000,000,000 of our national income. That is a staggering sum beyond our understanding. Add to it 10 years of heartache and suffering, of hopes that have been shattered, of bitter disillusion and discouragement, and one begins to realize the tragic cost of this longest and deepest depression in our history.

The right of a man to work, to reap the fruits of his labor, and to care for his loved ones is his right to the pursuit of happiness. The right of a man to rise as high as he is fairly able through his talents and his labors is the right of opportunity Americans have always held so dear. The release of the creative energies of men is essential to the progress of the human race. And yet today millions of men are engaged in artificial work, of little value to themselves or anyone else, in order to earn their subsistence from the Government. Millions of workers are struggling to support their families on part-time work. Millions of farmers are dependent upon checks from the Government for taking land out of cultivation and for not producing. Is it any wonder that we have not achieved the more abundant life?

It is a primary duty of the Government of free men to assure them their right to work. And yet, after 7 years in office, the New Deal has failed to guarantee this right, not only to the unemployed but to millions of workers, farmers, and businessmen alike. After 7 years in office, it has no solution except more restriction of production and more subsidies to compensate for lack of work, subsidies raised by burdening present generations with oppressive taxation and future generations with staggering debt. An administration that is content to continue year after year to hand out subsidies without helping to put men back to work in the factory, the farm, or the mine is like a doctor who continually keeps his patient doped with morphine to ease the pain without attempting to cure him. Eventually the patient is in danger of suffering either from an overdose or of becoming chronically addicted to the use of the drug. America today is suffering from an overdose of New Deal policies.

But we need not become chronically addicted to the necessity of Government spending if we are given an opportunity to use our energies and our productive power to work to create a more abundant life for ourselves and a higher standard of living for all of our people. But America cannot go back to work in spite of the administration in Washington, or without its encouragement. She must have the active cooperation of all who hold public office.

Idle men can be put to work only through a revival of industry. Our primary duty to the unemployed is to make it possible for an expanding economy to provide them with jobs. But there is something else we can do besides providing them with temporary necessary relief. It is something that has been too much neglected. We can help the unemployed to fit themselves for the requirements of industry. We are approaching a point where there is an actual shortage of skilled labor in certain fields. Billions of the taxpayers' money have been thrown away on boondoggling experiments and pump-priming projects. You remember, for example, Passamaquoddy and the Florida ship canal. Far away as they were geographically, you in Colorado help to pay for them and other such projects. A group of women on the W. P. A. are now engaged in a survey to discover the location of the feminine waistline. You are helping to pay for that, too. If some of that money thus spent had been spent helping men and women on relief to learn useful trades and professions, they would be better prepared to take jobs in industry as they become available today.

If idle funds are to be put to work to employ idle men, the Government must adopt a program to encourage every legitimate investment. Today Government spending has taken the place of private spending in field after field. Private spending must be revived as the means of financing business if our system of private economy is to endure.

The Securities and Exchange Commission was established presumably to prevent fraud and speculation. Yet actually it has become an important reason for the lack of private investment. The cost of registering new securities with the Commission is far too high for the average company. The penalty for omitting required information is in itself enough to frighten away many who cannot afford shark lawyers.

During 1 week in January, the Securities and Exchange Commission announced a series of rulings placing new restrictions on the issuance of securities. The climax came when Chairman Jerome Frank announced on January 25 that the Board would begin to apply the famous death-sentence clause in the 1935 Utility Holding Company Act sometime in February. This was the provision that

was twice defeated in the House and passed the Senate by a margin of 1 vote. The compromise which emerged from the conference established no standards. It was so ambiguous as to give the Board almost unlimited powers in interpretation and administration. In all, over 1,600 companies will be affected.

The electric light and power industry alone is a \$12,000,000,000 industry that has functioned so well as to be the envy of the world. Today it is at the mercy of a board of five men. The S. E. C. must be preserved as an instrument for the prevention of fraud. But if our system of free economy is to be revived, if private capital is to be encouraged to finance business, the S. E. C. must not be allowed the power of life and death over the financing of industry.

If investment is to be encouraged, our entire tax structure needs to be revised not only to remove all deterrents but to encourage expansion and reemployment in business. Present surtax rates should be drastically reduced. They reach a maximum of 75 percent today as compared with 20 percent in 1926.

Today the investor is discouraged, because it is a case of "heads you lose, tails I win." He bears the losses by himself, but if he should make a profit, the Government gets most of it. This situation must be remedied before idle funds and idle factories can be brought together to put idle men to work. Actually, the Government will gain as well, because increased business will bring increased receipts at lower rates.

If business is to be put back to work, other steps are also necessary. The United States Government must be taken out of competition with its citizens. The Wagner Labor Act must be amended in the interests of industrial justice, peace, and progress. The hearings before the House committee reveal only too clearly why the Labor Board has not only failed to assure genuine collective bargaining to the worker but has widened the breach between capital and labor within the ranks of labor itself. The resulting industrial strife has not only worked hardship upon employer and employee but has added to the cost that you and I and every other consumer must pay. The Wagner Act—and this applies to every New Deal agency—must be administered by officials from whom the citizen is confident of fair and impartial treatment. They must be men who use their office to serve the interests of all of the people and not to conduct experiments upon society and our economic system. Only thus can confidence be restored in Government and business encouraged to go forward. Only thus can a revival of business bring higher wages and full-time employment to labor.

A revival of industry is no less important to agriculture. The farmer cannot go back to work, to producing to capacity instead of restricting his crops, unless the rest of the American people are able to consume and pay enough for farm products. But to this problem the New Deal has added others. It has harnessed the farmer with the Triple A, enforced a policy of scarcity, and attempted to tell him how to run his farm from the Nation's Capital. It was Jefferson who declared:

"Were we directed from Washington when to sow and when to reap, we should soon want bread. \* \* \* When all government, in little as in great things, shall be drawn to Washington as the center of all power, it will become venal and oppressive."

The American farmer today is realizing the truth of this prophecy, uttered by the great founder of the Democratic Party which the New Deal party has ignored. After 7 years of restriction and regimentation, millions of our people are unable to buy as much food as they need, while the farmer is faced with shrunken markets and disastrously low prices.

The farmer must be freed from the strait jacket in which he has been placed by the New Deal planners. A farm program worthy of the name must be constructive, rather than destructive, based upon use rather than waste. It must be administered not by dictatorial decree but in the democratic way of the greatest possible self-government by voluntary cooperation. At the same time the farmer must be helped by the Government to place agriculture on a businesslike basis through improved methods of marketing and distribution as well as production. It must encourage the further development of cooperative marketing. It must stimulate the development of new industrial uses of farm products—an ever-widening field of potential markets for the farmer.

I have spoken so far in terms of groups of our people. And yet what affects one class of our citizens is of vital concern to every other group, for the welfare of each must depend upon the welfare of all. Whatever hurts one class of our people is bound to react upon others. The sooner we realize that industry, labor, and agriculture must hang together if they are not to hang separately, the sooner we learn that self-government and voluntary cooperation for the common welfare are the democratic alternative to coercion and regimentation by the Government, the sooner we shall achieve the democratic solution to our problems which alone can bring recovery and progress.

I wish also to speak tonight of two issues that are now facing the Congress which affect the lives of every American citizen and which are of particular concern to you in Colorado.

The first is the law authorizing the negotiation of the reciprocal trade agreements by the State Department which expires on June 12 unless it is renewed by the Congress.

In attempting to build up their case to show the blessings of these treaties, new dealers generally compare recent figures for imports and exports with those of 1932—the bottom of the depression. But this does not give an accurate picture, for the simple reason that the reciprocal trade program was not inaugurated until 1934, and did not become effective until 1935. By the time this



program was inaugurated our exports had increased by nearly one-third over 1932, while imports had increased over 14 percent. By the end of 1935—as the reciprocal trade treaties were just beginning to take effect, our exports had already risen over 42 percent above the 1932 level. Thus we were on the road to a substantial revival of foreign trade before the treaties began to do their work. In 1936 we had the first unfavorable balance of trade since 1893. By 1938 our volume of world trade was actually slightly lower than in 1932.

Proponents of the treaties are also fond of comparing imports from and exports to countries with whom treaties have been signed and those with nations with whom no agreement has been concluded. Here are some interesting figures on that. Let us take the first 8 months of 1939, to eliminate the effect of the war, and compare them with the same period of the year before. Exports to trade agreement countries fell 18 percent, while those to nonagreement countries rose over 14 percent. Imports from trade-agreement countries rose 15 percent, while imports from nonagreement countries rose 9.5 percent. During this period, at least, it would seem that the United States was faring better in the case of the countries with whom no treaty had been signed.

But the real burden of these treaties has fallen upon agriculture. Agricultural exports for the fiscal year 1939 fell \$69,000,000, or over 9 percent, from the level of 1932—the bottom of the depression. Moreover, agricultural products comprised only 2.3 percent of our total exports—in terms of percentage, the lowest for which we have any year on record.

Not only has agriculture been hardest hit, but the West has borne the brunt. In 1938, 424,000 head of cattle—exclusive of those for breeding—were imported. In 1939 the number rose to 754,000. In 1938 over 104,000,000 pounds of unmanufactured wool were brought into the country. But in 1939 the amount was nearly 246,000,000 pounds. In 1938 the number of pounds of hides and skins imported was a little less than 182,000,000. But in 1939 it was nearly three hundred twenty-three and one-half million which came in from foreign countries. Think what this means to the farmers in Colorado and throughout the West raising sheep and cattle. Think of the amount of American farmers that have been displaced by such a policy. Where can they turn for protection from the competition of peasant labor abroad, if not to their Government?

Under the present reciprocal trade program, tariff, taxation, and treaty-making powers—which are vested by the Constitution in the representatives of the people—have been surrendered to the President and to his Secretary of State. These concessions are extended—without the approval of Congress—not only to the nation with whom the treaty is concluded, but to countries which have made no concessions in return, indeed to all the world. This may further the goal of our idealistic Secretary of State, Mr. Cordell Hull, which is to bring about free trade throughout the world, but it does not make for the protection of the American farmer and worker. Under the program, Americans are denied all right of appeal to the courts of the Nation, a right which was guaranteed to them under the Tariff Act of 1930. The right of the individual to appeal to the court for the protection of his rights, and to test the constitutionality of a law by which he is injured, is one which Americans have always prized as essential to the preservation of their liberties. This is but one of several instances in which the right of appeal has been denied to our people by the New Deal.

New dealers would have you think that the Republicans brought about the world-wide collapse of 1929 and the depression which followed—and probably the present war indirectly—by the Tariff Act of 1930. That is no more true than that Secretary Hull's trade pacts achieved world prosperity and preserved world peace. But that is not the question. The point is that the interests of the American farmer and worker and businessman have been sacrificed in an attempt to bring about free trade. I readily admit that there has been more heat than fact in the discussion of the reciprocal treaties. But this applies to the proponents as well as to the opponents of the pacts.

However, there is this one fact that stands out like a shining light. It is that the proponents of the treaties cannot successfully argue that the treaties thus far have accomplished any good. Their contention is that when the present European conflicts are over then these treaties will work wonders—that it is because of a disordered Europe that they haven't worked wonders up to now.

I insist that we can't be shaping our economy for the day when peace reigns over all Europe. We have never known the time when there was not conflict over there.

The Republican Party from its inception has stood for the safeguard of the standard of living of the American people by an adequate protective tariff. It must do so today. It must assure them that competitive foreign products will not be sold in this country below the American cost of production. It must provide them with ample opportunity for hearings before the treaties are negotiated, and the chance to appeal to the courts at all times. It must return the power to ratify all treaties to the representatives of the people in Congress. And last but by no means least, if America is to go back to work all treaties must be negotiated upon the basis of true reciprocity, of mutual concessions and benefits.

The second question which Congress should face at this session is the result of its surrender of its control over our monetary system to the President. He may not have planned it that way

when he embarked upon the program of foreign purchases of silver and gold, but such has been the flood of these metals into the country that we now have nearly 3,000,000,000 ounces of silver and approximately \$18,000,000,000 worth of gold. By coincidence, the record achievement of eighteen billions in gold—which represents over two-thirds of the world's supply—came close to marking the sixth anniversary of the day that President Roosevelt, when he devalued the dollar, invited the rest of the world to send it over for \$35 an ounce. In about 3 months our gold hoard has increased by \$1,000,000,000. Treasury officials are lying awake nights wondering not only what to do with it but where to put it, because the recent flood has filled the Treasury's depositories almost to capacity. If gold continues to pour in at the present rate we may have to build another Fort Knox.

Today we have over two-thirds of the world's supply of gold—the greatest hoard of it ever known in history. Since the devaluation of the dollar, we have accumulated more gold by actual weight than we produced in this country from 1793 to 1939. We have increased our hoard by more than twice as much as the entire world produced from 1493 to 1850. Think of it!

What will happen when the war is over if we find ourselves in possession of nearly all of the world's supply of gold is a situation which administration officials do not like to face. Many of them concede that silver and gold alike will be of little value then.

The threat of such a possibility to you in Colorado and in the other mining States should be obvious. But it is a threat no less for all the American people who have paid so dearly for it. It seems to me I remember something about a legendary king who wanted everything he touched to turn to gold and was granted his wish—but he didn't enjoy doing so for long.

What we are doing now is to provide a temporary boom to the rest of the world, at the expense of the American people—as long as their supply of silver and gold lasts. The day of reckoning will come when we have stripped the rest of the world of these metals and are left holding the bag.

No one questions that we can and should protect our American miners of silver and gold. But it is to their interest as well as to the interest of all the American people—and, in the long run, to those of the entire world—that this fantastic policy be stopped. It cannot be done completely all at once without disrupting the currencies of the world; but it can and must be accomplished gradually if monetary values in the United States as well as in other nations are to be preserved.

We can put America back to work only by returning to sane and sound fiscal and economic policies.

We can put America back to work only under an administration that will seek to substitute freedom for regimentation, justice for arbitrary abuse of public power, opportunity for restraint, and tolerance for animosity on the part of those who hold office toward entire classes of our citizens. There is no other way to put idleness to work, to replace scarcity with abundance.

If we are to put America back to work, we can do so only by releasing the stifled energies and initiative of our citizens. No people are any stronger than the individuals who compose its people. If we release the potential powers of 130,000,000 people long famous as the most energetic and enterprising in the world, there can be no limit to the heights we may attain.

The true American tradition of individualism is not, as many new dealers would have you think, a philosophy of each man for himself and the devil take the hindmost. It is, rather, progress through the contribution of every individual to the welfare and prosperity of all. The strength of a free people will depend upon their unity in the common cause of going forward together.

Together we can and will work out the solution of the problems that beset us. How can new dealers talk of surplus labor when there is so much to be done? Together we can and will put Americans back to work in the achievement of a higher standard of living for all of our people and in the building of a better America, an America that is once more the envy, the inspiration, and the hope of the world.

## Anthony Wayne Memorial Parkway

### EXTENSION OF REMARKS

OF

### HON. GEORGE W. GILLIE

OF INDIANA

### IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

### EXCERPTS FROM RESOLUTIONS AND TELEGRAMS

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include several excerpts from recent resolutions and telegrams from various civic, historic, and memorial bodies in Fort Wayne, Ind., endorsing the Taft bill (S. 2441), which provides for a Federal survey of the military route of Gen. Anthony Wayne, preliminary to the

construction of a memorial parkway through Ohio and Indiana, and of a permanent shrine to General Wayne in Fort Wayne:

[Indiana Anthony Wayne Memorial Commission, February 3, 1940]  
The State Anthony Wayne Memorial Commission endorses United States Senate bill, 2441, providing for a survey of the proposed General Anthony Wayne Memorial Parkway, survey to include an estimate of the cost of construction of an appropriate national parkway on this route, and plans for designing and constructing a permanent memorial in the city of Fort Wayne, Ind., to Gen. Anthony Wayne.

BESSIE K. ROBERTS, *Chairman*.  
WALTER E. FREDERICK, *Secretary*.  
A. J. MCANDLESS.  
A. W. KETTLER.  
CARL J. SUEDHOF.

[Fort Wayne Anthony Wayne Memorial Commission, February 7, 1940]

The Fort Wayne Anthony Wayne Memorial Commission, appointed by the mayor by act of city council, in meeting held February 7, 1940, endorsed Senate bill S. 2441, introduced by Mr. Taft, May 17, 1930, which provides for a survey of the proposed General Anthony Wayne Memorial Parkway, and for plans for designing and constructing a permanent memorial in the city of Fort Wayne to Gen. Anthony Wayne.

Carl J. Suedhoff, chairman; Josephine Zimmerman, acting secretary; H. F. Gerdorn; E. W. Waltke; Earl Moss; Louis A. Warren; John C. Trier; W. C. Swartley; Edward B. Henslee; Mrs. William J. Gross; Bessie K. Roberts.

[Allen County-Fort Wayne Historical Society, February 6, 1940]

The Anthony Wayne memorial committee of the Allen County-Fort Wayne Historical Society endorses Senate bill No. 2441, introduced by Senator ROBERT H. TAFT, of Ohio, May 17, 1939, providing for a survey of the General Anthony Wayne Memorial Parkway and the location of a suitable and permanent memorial to Gen. Anthony Wayne in Fort Wayne.

Members of the committee are Dr. Jessie C. Calvin, chairman; Willis Richardson; Verlin J. Harrold; Roy Welty; John Craig; Robert C. Harris; Mrs. Hilda Thompson; Kathryn Troxell; and Mary Catherine Smeltzley.

Mrs. HILDA THOMPSON, *Secretary*.

[Eastside Community Association, Fort Wayne, Ind., February 9, 1940]

The executive board of the Eastside Community Association, of Fort Wayne, Ind., endorsed Senate bill No. 2441, introduced by ROBERT H. TAFT, May 17, 1939, which provides for a survey of the proposed General Anthony Wayne Memorial Parkway and for plans for designing and constructing a permanent memorial in the city of Fort Wayne to Gen. Anthony Wayne.

E. W. WALTKE, *President*.

[Fort Wayne Woman's Club, February 19, 1940]

The Fort Wayne Woman's Club, an organization of 800 women affiliated with the General Federation of Women's Clubs, at meeting of the board of directors on Tuesday, February 13, endorsed the Taft bill, which provides for a Federal survey of Anthony Wayne's military route and for a permanent memorial in Fort Wayne.

Mrs. WALTER JONES, *President*.

[The Fort Wayne Council of Community Associations, representing 17 Fort Wayne, Ind., community associations, February 27, 1940]

FORT WAYNE, IND., February 27, 1940.

HON. GEORGE W. GILLIE,

*House Office Building, Washington, D. C.*

DEAR SIR: Whereas the city of Fort Wayne owes its beginning to the signal military achievements of its founder, Gen. Anthony Wayne, and the historical importance of the site upon which the city of Fort Wayne was established, October 22, 1794, is enormous; and

Whereas this site at the headwaters of the Maumee had been, for centuries, a post of extraordinary importance to the Miamis, and had been their crossroads and Glorious Gate; and

Whereas President George Washington early recognized the ancient Miami stronghold at the junction of our rivers as a post of extraordinary importance to the Union and perceived the vital necessity of its being brought securely under American control; and

Whereas Gen. Anthony Wayne succeeded in the military assignment here with which President Washington commissioned him, after two earlier attempts had failed; and

Whereas General Wayne bulwarked here a fort commanding the headwaters of the Maumee which symbolized an American sovereignty that was to prevail; and

Whereas General Wayne's victory over the British and Indian forces here had the effect of preserving the entire western country as an important part of the American Republic, which otherwise would have lost this country to the British Empire; and

Whereas considerations of patriotism and the obligations of each generation to conserve and bequeath historic heritages are important factors of maintaining a national culture and civilization; and

Whereas a site of such extraordinary historical importance is worthy to be appropriately and permanently memorialized by the entire population of a republic eternally in the debt of the heroic Wayne and his courageous soldiers; and

Whereas the Federal Government has displayed a gratifying interest in the proposal to create such a memorial and has created a Federal Anthony Wayne Commission pursuant to act of Congress; and

Whereas the Governor of the State of Indiana and the mayor of the city of Fort Wayne have each created State and city Wayne memorial commissions to cooperate with the Federal Commission and in general to further the project of constructing such memorial; and

Whereas the natural first step in all such cases is a governmental survey to locate sites, make surveys of ground, and determine the general nature of memorial structures for the purpose of submitting to Congress recommendations of the necessary appropriations; and

Whereas there has been introduced into the Congress of the United States by Senator ROBERT H. TAFT, of Ohio, a bill listed as S. 2441, authorizing and directing the Department of the Interior to make such a survey, specifically designating that a suitable and permanent memorial "in the city of Fort Wayne" is to be included in such survey; and

Whereas the State commission appointed by the Governor and the city commission appointed by the mayor, as well as numerous unofficial bodies and organizations, have endorsed the said Taft bill, S. 2441, and urged its enactment by the Congress of the United States: Now, therefore, be it

*Resolved*, That the Fort Wayne Council of Community Associations, representing citizens throughout the city of Fort Wayne, Ind., does hereby add its endorsement to the said Taft bill, S. 2441, and does petition the Congress of the United States to enact said bill in furtherance of said memorial to Gen. Anthony Wayne.

Sincerely,

FORT WAYNE COUNCIL OF COMMUNITY ASSOCIATIONS,  
By HERMAN F. GERDOM, *President*.  
CHESTER W. KEEN, *Secretary*.

## Discriminatory Freight Rates

### EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ARTICLES BY J. LACEY REYNOLDS

Mr. BOREN. Mr. Speaker, I want to present a series of four articles from the Tulsa World with reference to the inequality of freight rates between geographical areas of the United States.

Mr. Reynolds, who is the author of these articles, is a young man of keen intellect and thorough methods. I feel this timely information on this very important subject deserves the careful study and attention of every Member of Congress. I particularly feel that the author of these articles presents a viewpoint which is worthy of careful examination and thoughtful consideration.

The articles are as follows:

WASHINGTON, D. C.—The Temporary National Economic Committee will delve into the interterritorial freight-rate problem in hearings slated to begin some time next month, it was learned today.

The study will deal with the broad effects of discriminatory freight rates on regional competition, and will demonstrate, by concrete cases, how the South, Southwest, and West have been hampered industrially.

The coming hearings should be of tremendous benefit to these regions in their struggle for a lowering of the general freight level, particularly at this crucial stage of the fight.

The Temporary National Economic Committee's preliminary work is being done under auspices of the Federal Trade Commission, with the aid of transportation experts borrowed from other governmental agencies.

The discriminatory freight-rate problem is a major phase of the Trade Commission's general study of competition and the relative efficiency of big and little business. In developing this theme



Federal trade economists ran into the regional freight-rate situation and could not ignore it because of its bearing on the general economic picture.

The Temporary National Economic Committee investigation is expected to prove what southern business and political leaders have long argued, namely, that discriminatory rates can blight the economic development of whole regions of the Nation, and can be used by powerful interests to subjugate vast areas and populations.

The significance of the T. N. E. C.'s undertaking cannot be overestimated because of the bearing it is likely to have on the all-important investigation of railroad class rates in the South, Southwest, and West, which is being conducted simultaneously by the Interstate Commerce Commission.

Announcement of the T. N. E. C.'s plans comes at a time when the Interstate Commerce Commission investigation is threatened by opposition of hostile interests from within and without the South.

Veterans of the southern freight-rate fight say that the Interstate Commerce Commission investigation represents the culmination of their long campaign. It must continue if the campaign succeeds, they insist.

To understand the relationship between the T. N. E. C. study and the Interstate Commerce Commission investigation, and particularly the urgency of the latter, it would be well to review the whole southern freight-rate fight to date.

Long-time discontent over the high level of southern freight rates came to a head May 26, 1937, when the Southeastern Governors' Conference, consisting of the chief executives of eight southeastern States, filed a complaint with the Interstate Commerce Commission.

The complaint, which later became known as the Southeastern Governors' case, alleged that freight rates on a list of some 30 commodities moving from the South into the rich northern and eastern markets of so-called official territory, were higher than rates on this traffic moving similar distances within official territory.

The Governors said, in effect, that their industries had to pay more to get their products to market than did their competitors located within official territory.

The Governors' case was given tremendous impetus by publication of a study of discriminatory interterritorial freight rates by the Tennessee Valley Authority, which was sent to the White House on May 28, 1937, only 2 days after the Governors' case was filed.

This study, titled "the Interterritorial Freight Rate Problem of the United States," showed that the general level of freight rates in the South was more than 30 percent higher, and in the Southwest nearly 75 percent higher than in official territory.

When the Governors' case was decided late last fall, a majority of the Interstate Commerce Commission granted the South reductions ranging up to 45 percent on 11 of the commodities involved, and dismissed the complaint regarding the remainder.

Despite the division within the Commission (the vote was 5 to 4, with two commissioners not participating), the decision was hailed as a great victory for the southerners in their fight.

It was a great victory indeed, but southern freight-rate experts were quick to point out that it did not begin to solve the South's fundamental freight-rate problem. They asserted that the class-rate investigation which the Commission had instituted on its own volition in the meantime, carried the real hope of the South, as well as other less-favored regions.

The Commission ordered its own class-rate probe last year after a southern freight-rate bloc in both Houses of Congress had succeeded in putting into the transportation bill a freight-rate amendment.

The amendment directed the I. C. C. to investigate the situation, but as yet it has not become law. The bill was not reported out of conference committee before Congress adjourned last August, and, indeed, it still remains there but is slated to be reported out soon.

Incidentally, final enactment of the transportation bill is expected to bolster the determination of the I. C. C. to continue its investigation, despite the opposition of certain interests in the South as well as the North.

The Southeastern Governors' case is deficient as a remedy for the discriminatory freight-rate situation for a number of reasons, southern rate revisionists assert. First, it covered only a comparatively few commodities. It has been estimated that the commodities on which relief was obtained represented less than 3 percent of the volume of production in the South from the standpoint of value.

Secondly, the southern industries involved were established industries. Although no effort is made to minimize the importance of obtaining equal freight-rate treatment for established industries, nevertheless the case was not comprehensive in that it afforded no relief—except insofar as it constituted a precedent—for new, struggling industry, or for future industry.

Thirdly, the rates involved were chiefly on raw materials and semi-finished products or heavy goods, not high-class finished products. Many southern economists insist that if the South is to attain a balanced development and permanently emerge from its low-wage, low-income status, it must also encourage and promote industries which will produce finished products—watches, perfumes, chemicals, ceramic products, glassware, and like articles. Only this will permit the necessary recasting and rebalancing of the whole economy of the region.

Finally, the Governors' case had little effect in pulling down the high general level of southern rates. The reductions were excep-

tions to the general level and did not involve a substantial lowering of that level.

Where the Governor's case was weak in these respects, the I. C. C.'s class-rate investigation is strong. The range of commodities is infinitely more comprehensive in the investigation. Practically all southern industry—and not merely established, going industry—is affected.

Furthermore, industries turning out finished products moving under so-called class rates are the main concern of this study, and not merely processors of semifinished goods or producers of raw products. Also the general pattern of freight-rate construction is at stake and not merely a few deviations from that pattern.

In this latter connection, southern revisionists point out that a revision of the general system of rates is the crux of the whole freight-rate problem.

Under the present system, the burden of the high general level of rates falls on new industry, and new industry is the main hope of the South and Southwest.

New industry must bear the greater burden involved in the high general level, until it has attained sufficient size and volume to obtain an exception from the general rate level by filing a Governor's case.

Since the class-rate investigation is the only method of obtaining a revision of the general freight level of the South and Southwest, and since that level must be reorganized if new industry is to be given the chance which it enjoys in the North, the investigation must be prosecuted to the fullest, it is said.

Members of the southern freight-rate bloc in Congress recall that the T. V. A.'s study of interterritorial freight rates gave impetus to the Southeastern Governors' case affording a broad, general background against which the technical maneuvers could be successfully executed.

They hope fervently that the coming T. N. E. C. study will do the same for the I. C. C.'s class-rate investigation.

WASHINGTON, D. C.—Senator LISTER HILL (Democrat, Alabama) charged today that the Southern States Industrial Council and allied raw material and heavy-goods industries of the South were attempting to "sabotage" the Interstate Commerce Commission's all-important investigation of class rates.

Having obtained fairly low competitive freight rates for industries which it represents, the council is, in effect, attempting to block freight-rate reductions for other industries in the South—present and prospective, he said.

HILL, a leader in the fight of the South and Southwest to obtain tariffs which will enable these regions to compete with the industrial East, was vigorous in his denunciation, asserting that the council was "seeking to profiteer from the South's freight-rate fight, at the expense of other southern businessmen."

In his attack, he was joined by Representative ROBERT RAMSPECK (Democrat, Georgia), leader of the House freight-rate bloc; Senator A. TOM STEWART (Democrat, Tennessee), Representative LYLE BOREN (Democrat, Oklahoma), and other Congressmen from the South and Southwest.

RAMSPECK scored the council's attitude toward the I. C. C. investigation as "selfish," and said it showed "a reckless disregard for urgent needs of other industry in the region."

The Southerners' ire was aroused by proceedings of the council's transportation forum, held at Atlanta last month, as reported by C. E. Widell, of Nashville, chairman of the organization's transportation committee. Incidentally, a similar meeting is to be held at Birmingham in the near future.

Commenting on the I. C. C. investigation, Widell wrote: "Except for the political aspect of these cases, it is felt that little, if any, need actually exists for such drastic ventures into the field of our rate structures as contemplated in the pending proceeding."

Senator HILL quoted Widell as saying that "the subject is not of such serious proportions as to justify the widespread proceedings as instituted by the Commission."

Considerable sentiment was reported among the representatives of "basic industries"—industries producing primary raw materials or semifinished products—against "the wisdom at this time" of the class-rate investigation.

Widell also said there was "great apprehension that any drastic reduction in class rates throughout the South, Southwest, and western trunk-line territories would result not only in virtual bankruptcy for most of the roads of these territories but ultimately would lead to institution of further investigations of the basic commodity-rate structure in these sections in the effort to find sources of additional income for southern and other carriers hard pressed to meet outstanding obligations."

Senator HILL described this as an attempt to "pooh-pooh out of existence the very obvious discriminations suffered by the South."

Discussing the forum's reference to the political aspects of the freight-rate problem, HILL recalled that this is also the battle cry of northern interests opposing the South's fight for freight-rate equality.

"If the council is successful in sabotaging this investigation," said the Alabamian, "the ordinary businessman, the worker, and the farmer of the South will consider it a stab in the back at a crucial moment when they are about to obtain freight-rate equality and the right to develop industrially."

"I warn the council that the deep-seated determination of the people of the South, Southwest, and West to attain their rightful place in the economic sun is not to be trifled with at this time," he said.

"Testimony before a Senate subcommittee studying the regional freight-rate problem last year disclosed that the South already enjoys low commodity rates on raw materials destined for northern markets. We have competitive rates on lumber, logs, brick, sand and gravel, pig iron, coal and coke, and other such commodities, for example.

"But on semifinished products our rates to the North were somewhat higher, and on high-grade manufactured products ridiculously higher than rates for similar distances within the North.

"This picture must be kept in mind if we are to understand what is happening to our economic set-up under the present freight-rate structure. For it means we are exporting most of our raw materials—our irreplaceable natural resources—to the North. As long as we permit this without balancing it off with other types of production, we shall continue to bear somewhat the same colonial relation to the North as India bears to England.

"For no more compensation than the crumbs from the table," Senator HILL continued, "we are shipping our raw materials north to be manufactured into finished products when we could more economically do the fabricating in our own region and thus make the tremendous profits involved, for distribution to our own businessmen and workers."

He said he believed there was no basis for the council's apprehension that transportation charges on raw materials would have to be increased if rates on finished products moving under class rates are reduced to northern levels.

"I believe northern manufacturers want our raw materials, and for that reason have countenanced the low rates necessary to move this traffic," HILL said. "As their lesser resources are exhausted, they will continue to need our raw materials, and will, therefore, not insist upon increasing transportation charges on them."

The Senator also pointed out that the South's great extractive industries are absentee-owned, and said that it was "highly improbable that their northern proprietors would urge freight-rate increases that would diminish their profits.

The Alabamian recalled that the Southern States Industrial Council supported the Southeastern Governors' case, which was decided last fall in favor of the South.

"That case concerned rates on a relatively few raw materials and semifinished products," the Senator asserted. "The relief which we obtained there is welcomed, and the council is to be congratulated on its support, but it must recognize that the South is also interested in rate reductions on finished products.

"Thus we will assist the small struggling businessman now engaged in this type of manufacture, and also encourage new industry of this kind to establish there, for the benefit of the region as a whole."

The I. C. C.'s investigation of class rates, under which most finished products move—particularly those produced by the smaller struggling industries—is necessary if the South is to become more than a colonial producer of raw and semifinished materials, he said.

"The idea of opposing an investigation of class rates which are admittedly discriminatory against the South and West on the theory that their readjustment might disturb existing low rates on raw materials seems absurd to me," commented Representative RAMSPECK, in connection with the council's stand.

"It indicates a defeatist attitude toward the future of the South, or a desire that the South be kept as a section devoted primarily to agriculture and the sale of its natural resources as raw products.

"It forecloses the opportunity for the proper development of industries making finished products," he continued. "It seems to me that those advocating this policy must be doing so solely upon a selfish basis and with a reckless disregard for the urgent need for industrial expansion of the South."

Senator HILL was chairman of a special freight-rate committee of the Senate investigating the interterritorial freight-rate problem last session.

In concurring in the views of HILL and RAMSPECK, Senator STEWART pointed out that a majority of the representatives listed as attending the council's Atlanta transportation forum—22 out of 40—were representatives of railroads.

"One of them was a district freight agent for the Pennsylvania Railroad," said STEWART. "Naturally, we could not expect much assistance in our fight from a railroad which is exclusively eastern and which operates not a foot of line in the South."

## Nebraska's Seventy-third Birthday

### EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

ARTICLE FROM THE LINCOLN (NEBR.) STAR

Mr. STEFAN. Mr. Speaker, Friday, March 1, marked the seventy-third anniversary of the admission of my State of

Nebraska into statehood, and I feel that the record will not be complete without making some mention thereof. The statehood anniversary of my State has always been an important event so far as I am concerned due to the fact that my birthday anniversary occurs on March 1. I feel it has been a great privilege to have been a citizen of the great State of Nebraska for over 50 years and to have the privilege to represent the third district of my great State in this House of Representatives. Mr. Speaker, Nebraska is a great State and has a great history. It has contributed much toward the great story which can be found in the long history of our great Republic. J. E. Lawrence, editor of the Lincoln Star, has recently written some interesting things about Nebraska's admission to statehood, and with the permission of the Speaker and the Members of this House, I include the Star article in my remarks in order that this interesting story of my State can be preserved for the record:

#### THESE PLAINS

Seventy-three years ago Friday, in the White House in Washington, the pen of President Andrew Johnson traced itself upon the parchment paper of an Executive proclamation. It was the climax of a struggle which had precipitated bitter congressional debate between slavery and abolitionist advocates. For on March 1, 1867, Andrew Johnson signed his name to a document which made Nebraska a member of the Union of States—the thirty-seventh to be admitted.

#### DEFINING ITS BOUNDARIES

The boundaries for the new empire, which was carved out of the remnants of the Louisiana Purchase, were set forth in the customary technical language of the survey. With only slight variations, the survey lines described follow the present boundaries. The only changes made were to the northwest and the north, where a shift in the winding channel of the Keyapaha River deprived Dakota Territory of a 5-mile strip and added that much to Nebraska. Along the east, also, the changeable and turbulent Missouri, shifting its course during spring floods and eating into the adjoining bluffs, made minor changes.

#### TRULY BREATHING SPACE

But on that day the relatively few thousands here, and many more in older settled States, saw in the admission of Nebraska to statehood the opportunity to pick up life again where there was unlimited cheap land, which, during a trial period of 13 years, had demonstrated its fertility, and its ability to produce crops. The hunger for land then strangely was no less acute than it is today. The Homestead Act had been passed, and became effective in 1862.

#### WAITING FOR WAR'S END

In the immediate following year the western movement was restrained because so many men, young men, had been drawn into Army service. But between 1863 and 1870, in the interim during which Nebraska became a State, there were 103,000 entries under the provisions of that Homestead Act, embracing approximately 12,000,000 acres of land. Much of that lay within the boundaries of the new State. Much of it now represents the very choicest farming land in this section of the plains, land that has been farmed continuously for 65 to 70 years, and from which has been taken immense quantities of grain.

#### TIDES OF MIGRATION

That amazing and colorful influx of people is set forth so clearly by the census figures. Two years after Nebraska became a territory, in 1856, the population figure is given as 10,716. There is no reason to cast doubt upon the authenticity of that census, although the difficulties under which it was taken must be recognized. People were on the march. The long caravans which wound along trails leading over the prairies, increasing in size and numbers as a result of the fever of the gold rush, increased the population during the summer months because some of those headed for California gave up and remaining here. But the winters, particularly the winter of 1857, when the cold was most bitter, inspired an exodus of hundreds of settlers. And the thin fringe of civilization spreading westward was subjected to frequent change through heavy loss of life as a result of epidemics and sickness.

#### NEARLY FIVE TIMES

In 1860, 7 years before Johnson's proclamation, the official census gave Nebraska 28,841 people. That period from 1861 to 1865 was one of great anxiety here on the plains. The able-bodied men capable of bearing arms had been drawn into military service. Their departure for the South, in this instance for Missouri, encouraged a new boldness on the part of the Indians. Throughout all the Territory there were recurring rumors of Indian uprisings, and protests flooded into Washington against leaving the settlers here exposed to attack by hostile tribes. As a result, there was little gain in population until the close of the war in 1865. Then the men mustered out headed West. In 1870, 3 years after Nebraska had become a State, its population embraced 122,993 people.

#### DELAYED FOR DAYS

All of the pride of those settlers, who had been clamoring for recognition as a State, was put to a test. Although Johnson



signed the proclamation on the 1st day of March, it was not until 2 weeks later that it was published officially in the Territory. In the issue of March 14, 1867, of the Brownville Advertiser, it appears in full, without any comment or explanation.

#### SEWARD WAS PRESENT

The circumstances surrounding that ceremony which made Nebraska a State was somewhat vague. Johnson signed the proclamation in the presence of William H. Seward, at that time Secretary of State, and a prominent member of Abraham Lincoln's Cabinet. Also in Washington on that March day were John M. Thayer and Thomas W. Tipton, who had been designated as Senators to represent the State, and T. M. Marquette, who had been chosen Congressman. Apparently they were not present when Johnson gave the final flourish to his pen.

#### EVENTFUL 12 MONTHS

Momentous developments were taking place in the United States in 1867, as well as on the plains, where their echoes were muffled by lack of communication facilities. On the same day Andrew Johnson signed the Nebraska proclamation, the Reconstruction Act received the approval of Congress to usher into the war-ravaged South the era of carpet-baggers. There was no let-up for Congress. The Thirty-ninth Congress terminated its labors on March 4, and on the same day the Fortieth Congress was organized with the latest State, Nebraska, included in its membership.

#### FOUNDATIONS LAID HERE

On the closing day of March there transpired an event which had its inception on the prairies. President Johnson announced the ratification of a treaty with Russia, under the terms of which the United States bought all of Russia's North American possessions for \$7,200,000. As a forerunner to that purchase, the Russian crown prince had been brought to Nebraska territory and entertained at a big-game hunt.

#### CONTINUING REPERCUSSIONS

That first year of statehood for Nebraska contained all of the elements of a paradox. In middle May, Jeff Davis was admitted to ball in the sum of \$100,000, supplied by Horace Greeley and others. Early in June, the Archduke Maximilian, titular emperor of Mexico, was shot by order of the Mexican Government, after remonstrances by the United States had compelled France to withdraw its support from Maximilian. Then in August, President Johnson required Stanton, the Secretary of War, to resign, a request which Stanton first refused, and which was followed by action of the President to suspend him and to name General Grant as his successor. In the closing days of December an effort in the House of Representatives to impeach President Johnson failed by only the narrow margin of three votes, and on the closing day of the year it was announced that the national debt was \$2,740,000, of which \$1,120,000 was bonded, and the remainder was made up of greenbacks, treasury notes, and fractional currency.

#### SCARCELY A RIPLE

News traveled slowly, and distances were great. Only the most abbreviated accounts of these developments appeared in the press of the territory of the State. And these prairie settlers were not greatly interested. They had their own problems. Their first thought was food, shelter, and the most primitive necessities. Time was of no importance except in the race to procure the most desirable home site and to conquer the land in advance of the coming of winter. Few years produced greater changes at home and abroad than that first year of Nebraska statehood, but here people were engaged in the most homely tasks of settlement.

### Reclamation Has Been Successful—It Should Be Greatly Expanded

#### EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

Mr. LEAVY. Mr. Speaker, back in the seventies a military commission reported to President Grant that it was costing a million dollars for each Indian killed in the efforts to pacify the warring tribes of the West. It recommended that land be provided where the red man could become self-supporting.

The change in policy that followed saved the Federal Treasury hundreds of millions of dollars—billions in terms of today's money values—and thousands of lives. The vast majority of the Indians are now happy and contented.

#### COSTS OF RELIEF PROGRAM

The Federal Government is today confronted by an analogous situation. In the 7 years ended June 30, 1939, the Work

Projects Administration and its predecessor agencies have expended more than two and a quarter billion dollars in the 17 arid and semiarid States of the West.

In some years the outlays have approached a million dollars a day.

A large part of these modern-day expenditures are directly traceable to recurring droughts in the Great Plains area and the concentration farther west of a half million men, women, and children in homeless farm and other families who have fled thence in search of irrigated land or opportunities for employment.

#### RECLAMATION PROVIDES PERMANENT SOLUTION

The appropriations proposed for the Bureau of Reclamation in the pending bill are a step toward providing for a permanent solution of the problem and a means of reducing the Federal outlay for relief. The disturbing feature, however, is that at the rate funds are made available, the acreage that can be offered immediately or in the near future for the settlement of families who have migrated westward is wholly inadequate.

Further, the absence of a provision in the measure for continuing the Great Plains water-conservation program precludes opportunity to halt or eliminate much of the westward movement from that area.

Let us take stock for a minute.

A few facts may be illuminating:

First. In the 11 States of the Mountain and Pacific groups, to which the bulk of the drought refugees have fled, Federal relief expenditures have been 20 to 25 percent higher than the normal population would seem to justify.

Second. In the reclamation areas of these States the relief expenditures have been only one-third the outlay required in nonirrigated sections.

Third. In the drought counties of the Great Plains, Federal aid has been three times the per capita costs in areas less seriously affected.

Fourth. Few bona fide reclamation farmers have been on relief and in the exceptional cases where they have required assistance, unusual circumstances made appeals necessary.

#### NO CRITICISM OF RELIEF EXPENDITURES

There can be no fair criticism of the manner in which the present administration has met the emergency and expended huge amounts for relief in the West or other sections of the country. It was confronted by demanding circumstances and it used the only weapons available.

Had plans been in hand for the conservation of water resources in the Great Plains area, the necessity for the exodus of so large a number of families would have been obviated. Similarly had we been sufficiently forehanded and had prepared for rapid expansion of the reclamation program farther west, we would have been in a position to provide for the settlement of a much larger number of homeless farm families.

As it is, the reclamation of the arid West for homemaking opportunities has proceeded as rapidly as appropriations would permit. But it takes time to make investigations, prepare plans, secure materials, and build modern water-conservation projects, and bring new land into cultivation.

#### WHAT LARGER RECLAMATION EXPENDITURES WOULD HAVE DONE

Let me ask, however, if less than one-fourth of the Federal relief expenditures in the 17 States had been made available to supplement reclamation construction funds provided, what would have been accomplished?

And answer, we would have brought into cultivation land with adequate water supplies for the settlement of 60,000 to 75,000 families.

In cities, towns, and villages that are dependent on reclamation developments would have been found permanent employment for many thousands of wage earners who have been uprooted in communities to the eastward by depopulation of farming areas and who have joined the westward treks.

We would have provided supplemental water for many areas irrigated by private capital that are now threatened by shortages and which, when rehabilitated, would provide employ-

ment and settlement opportunities for large numbers of additional families.

We would have conserved practically all of the meager water resources of the Great Plains area.

Employment would have been given for many more thousands of wage earners at construction sites and in the production of raw materials and the fabricating plants of the Middle West, the East, and the South.

All these are what would have been accomplished had a small part of Federal relief expenditures in the West been diverted to permanent improvements for the conservation and utilization of the limited water and land resources of the area.

But the wheels of the clock cannot be turned back, so we must look to the future.

Why not take a leaf from the costly experiences of the Federal Government which resulted in a change in the policy of dealing with the Indians?

Will it not be far more economical to root these deserving farm families in the soil instead of continuing them on the relief rolls with little chance to become self-supporting?

#### PRESENT APPROPRIATIONS INADEQUATE

At the present rate of appropriations, 20 years will be required to complete some reclamation projects. In the meantime, without irrigated land on which to place the newcomers already in the West and others who are following, the problems will multiply and the drain on the Federal, State, and local treasuries will continue.

As a strictly business proposition, I would suggest the Federal Government could well afford to advance \$100,000,000 in reimbursable funds annually for the next 5 years in order to expedite reclamation construction. The returns to the Federal Treasury in dollars and cents and the saving in relief expenditures for the future would far more than offset the outlay.

#### RELIEF EXPENDITURES IN 17 WESTERN STATES

I desire to submit for the record a compilation of the Federal relief expenditures in the 17 arid and semiarid States by the Work Project Administration, the Works Progress Administration, Federal Emergency Relief, and Civil Works Administration for the fiscal years 1933 to 1939, inclusive:

##### Mountain and Pacific States:

Arizona	\$55,092,863
California	597,481,483
Colorado <sup>1</sup>	130,856,313
Idaho	50,383,386
Montana <sup>1</sup>	103,800,718
Nevada	13,634,492
New Mexico <sup>1</sup>	57,503,004
Oregon	80,861,453
Utah	58,365,017
Washington	168,116,452
Wyoming <sup>1</sup>	25,483,274

Total Mountain and Pacific States..... 1,341,578,457

##### Great Plains States:

Kansas	144,627,612
Nebraska	102,471,131
North Dakota	84,651,043
Oklahoma	189,197,441
South Dakota	100,793,541
Texas	296,425,852

Total Great Plains States..... 918,166,620

Grand total (17 States)..... 2,259,745,077

<sup>1</sup> Partly in Great Plains.

Mr. Speaker, the problems that have come from the droughts and westward migrations of distressed farm families are or should be well known. The difficulties and demands on the West for irrigated land have been accentuated in recent months by an increasingly large movement precipitated by the drought conditions of 1939. We in the West, who have seen the almost countless thousands of deserving Americans seeking a little productive land on which to make a fresh start, have looked upon reclamation as a constructive, economical, humane approach to a solution.

#### RECLAMATION NOT A PARTISAN ISSUE

In the West there has never been any politics in the advocacy of reclamation expansion, even before the crisis, with which we are now confronted. There has been glory enough for all in its achievements. Since both major political parties and their leaders have repeatedly given the policy their unqualified endorsement, we had supposed no one would seriously suggest halting or curtailing the program.

Especially has this feeling prevailed since the waves of migrations from the drought regions have created an unending demand for land in projects under construction and in other areas for which other water may be conserved and utilized. I may recall to your minds that to the three Pacific Coast States and Idaho alone there have come in the last decade more than 150,000 families, most of them with a farm background.

#### DR. GLENN FRANK SEEKS TO HAVE REPUBLICAN PARTY OPPOSE RECLAMATION

Consequently, it was something of a shock to read in the newspapers a few days ago that the Republican program committee, headed by Dr. Glenn Frank, had asserted:

It is difficult to see the justification of extensive reclamation of land at a time when we are resorting to elaborate programs to reduce the output of good land already under cultivation.

Ordinarily a sufficient answer would be found in the pressing demand for irrigated land on which to settle the scores of thousands of homeless farm families already in the West and to provide homes for the expansion of the normal population of the region. But, since a political flavor has been injected, let us see what has been the attitude of the leaders of the Republican Party in the past toward this constructive national program.

You are doubtless aware that President Theodore Roosevelt led a coalition of Republicans and Democrats in the Congress into enactment of the reclamation law of 1902. Succeeding Presidents of both parties gave it their support. Some 15 years ago conservative Calvin Coolidge was confronted by suggestions that "these projects should be stayed until agricultural production adjusted itself." In a letter to the American Mining Congress in September 1924, Mr. Coolidge wrote:

These criticisms lie on the lack of understanding that these projects take many years for development; that they furnish but a small portion of the increased food supply required even by our increased population; that utilization of their supplies lies in the development of the West itself.

Previously Warren G. Harding had held that it would be "good business" for the Federal Government to provide for the irrigation of 20,000,000 additional acres in the West and expedite completion of projects "long under way."

Former President Herbert Hoover wrote the governors of Western States in 1930 that "the arguments of opponents of reclamation will find satisfactory answer" if the "fundamental facts are properly appraised." He pointed out that "only 1 percent of the farm commodities raised in the United States are produced on Federal reclamation projects and 90 percent of the quantity so produced is locally consumed."

As late as November 1938 Mr. Hoover took occasion to reiterate his approval of the construction of Grand Coulee and declared:

I will rejoice when it is completed. Certainly no Republican administration is going to drop that project for a minute.

#### FRANKLIN ROOSEVELT A REAL FRIEND OF RECLAMATION

While Federal reclamation has received its greatest impetus under the administration of Franklin D. Roosevelt, the Democratic Party has not sought to arrogate to itself entire credit for the progress made. The present occupant of the White House, however, has taken cognizance of objections registered by persons ill informed as to the needs and objectives of the program.

At Cheyenne, Wyo., in September 1937, he took issue with the assertion that reclamation would make available unnecessary lands. He referred to the number of people—families—who could not make a go of it on poor land and who



were forced to move to avoid starvation. He emphasized the exodus of farm families from the drought region and their migration westward in search of irrigated land.

The situation is far more critical today than it was when the President spoke at Cheyenne in 1937. The need for expediting the reclamation program is even greater. Thousands of additional families have multiplied the problem and recurring droughts are driving many more from the Great Plains.

On the night of October 13, 1937, the President asserted Federal reclamation as a part of a national land-use program was not in conflict with crop-control objectives. He explained:

Crop control relates to the total amount of major crops grown in the whole Nation on all cultivated land, good or bad—control by the cooperation of the crop growers with the help of the Government. Land use, on the other hand, is a policy of providing each farmer with the best quality and type of land we have or can make available for his part in that total production. Adding new land for diversified crops is offset by abandoning poor land now uneconomically farmed.

#### SUBMARGINAL FARMS MUST GO

The Department of Agriculture estimates there are 86,000,000 acres of land in farms in the United States that are submarginal or unsuited for crop production. The Land Planning Committee of the National Resources Board has found there are 40,464,300 acres in the arid and semiarid States that should be retired. Of this latter 10,067,000 acres are classified as cropland.

In all, the Department of Agriculture, under its program, has purchased approximately 10,000,000 acres of submarginal land and taken it out of crop production. From an acreage standpoint the additional area the current Federal reclamation program will bring into production will be less than one-third that which has already been retired.

#### RECLAMATION CROPS DO NOT ADD TO FARM SURPLUS

Let me point out that when the reclamation projects under construction are completed the total acreage that will have been brought into cultivation will be less than 2 percent of the country's area in cultivation in 1939. Of the exportable surplus crops that have contributed to the distress of agriculture in other sections of the country—cotton, corn, and wheat—reclamation projects produce surprisingly little.

Only a few projects grow cotton—all in the southern area—and but 2 percent of the country's total production is grown on land reclaimed under this program.

Less than one-tenth of 1 percent of the Nation's corn and six-tenths of 1 percent of the wheat are grown on these projects.

The great bulk of the crops produced, as President Hoover pointed out, is consumed in the project areas.

What is shipped eastward can be marketed only when the farms near the great consuming centers are not in season. Freight rates offer an effective barrier to competition with the farm products of other sections.

Instead of providing competition for the agriculture of other sections of the country, Federal reclamation areas provide a market for crops not produced under irrigation and for the manufactured goods of the industrial centers to the eastward.

#### RECLAMATION AREAS PROVIDE DOMESTIC MARKET FOR FARM SURPLUS

Well-authenticated figures show that over a 10-year period the West as a whole purchased annually an average of more than \$100,000,000 worth of hogs and pork products from the farms of the Middle West.

The cotton produced in California, Arizona, and New Mexico, even when processed, would not be sufficient to supply the needs of the West and it offers an ever-expanding market for the textile products of the cotton fields and industries of the Southeast.

Cotton and cotton products required by the West over and above the volume produced in the area have an annual value of \$97,000,000.

No tobacco is grown on irrigated land or anywhere in the West and the section's requirements of this product have an average annual value of \$81,995,000.

#### ARID WEST THROUGH IRRIGATION GIVES EAST ONE OF ITS BEST MARKETS

In an 11-year period—from 1925 to 1935, including both depression and predepression years—the West purchased automobiles and trucks of an annual value of a quarter of a billion dollars.

Two out of every three dollars of new wealth created in the West and used for insurance premiums go to the financial centers east of the Mississippi River.

Based on figures for a typical year—1936—from my home State of Washington, it has been estimated that insurance companies east of the Mississippi have an annual net premium income from the 11 Mountain and Pacific States of \$373,000,000.

When you consider that the population of these 11 States has increased 300 percent since the Federal reclamation program was inaugurated in 1902, you may get some definite idea of the contribution the national irrigation policy has made to the Nation's economic development. The reclamation-project areas themselves, with a population of a million persons, have an annual purchasing power of more than \$200,000,000 that is expended in the agricultural and industrial sections of the Middle West, the East, and the South.

The fact that the population of cities, towns, and villages dependent on reclamation projects is three times that of the farms suggests the collateral benefits that arise from the developments and the opportunities for employment in urban areas that will follow expansion of the reclamation program. Their purchasing power, added to that of the farms, will be reflected in an enlarged domestic market for American agricultural and manufactured products.

#### HYDROELECTRIC POWER IN RECLAMATION PROGRAM

Let me turn for a moment to the hydroelectric-power feature of the Federal reclamation program. I will not go into details of the economics of this development. I take it for granted that it is generally recognized the conservation of water for irrigation and power, where feasible, offers an opportunity to reduce the cost of reclaiming land and assure return of the outlay to the Federal Treasury. At the same time it permits urban communities dependent on irrigation developments to participate in reimbursing the Government.

The record of Boulder Dam in the 3 years it has been in operation is evidence of the demand on the Pacific coast for increased power facilities. Installations of generating equipment are ahead of schedule and both public and private agencies are seeking its enlarged output. The production of 2,500,000,000 kilowatt-hours in the calendar year 1939 exceeded the entire output of all electric plants on the Pacific coast 25 years ago.

In the Pacific Northwest recent developments in the demand for power from Bonneville presages a market that will absorb the entire production of both Bonneville and Grand Coulee within 10 to 20 years. Low-cost power is in demand from private utilities, from industries, from rural and urban consumers, and utilization of Columbia River power for processing minerals in the Pacific Northwest enters into the national defense.

#### ELECTRIC ENERGY RESULTING FROM IRRIGATION WILL MAKE AVAILABLE ESSENTIAL MINERAL IN THE WEST

Preliminary estimates made by metallurgists show that the Northwest has heavily mineralized areas that are capable of supplying the country with many of the strategic materials vital to the national defense that are now imported. The economical recovery of these minerals depends to a large extent on low-cost power for processing purposes. Using aluminum as an example, it has been forecast that the high alumina clays of Washington and Idaho are sufficient to provide 50,000 tons of the finished product annually for 30 years. As aluminum is a strategic material of which the United States now imports 80 percent of its requirements, the importance of developing a domestic supply is obvious.

To produce 50,000 tons of aluminum annually would require approximately one-seventh of the ultimate capacity of Grand Coulee. Another important mineral resource in the Northwest is magnesium. With a potential production of 50,000 tons of magnesium from the large deposits of magnesite, the power

requirement would be equivalent to that for the production of aluminum.

While magnesium is not listed as a strategic material, it is essential for the construction of streamline railroad trains, airplanes, automobiles, trucks, and machinery where a light, durable metal is required.

In all, Dean Drucker, of Washington State College, has estimated there are in the Pacific Northwest ores and raw materials or which can be economically imported which will require for processing purposes approximately 45 percent of the ultimate firm power to be produced at Grand Coulee.

The significance of the entry into the Pacific Northwest of the Aluminum Co. of America and the Sierra Iron Co., with contracts for substantial blocks of Bonneville power, will not be lost. The fact that consumption of electric energy in the area increased 700 percent in the last quarter of a century tells its own story. The demand in the next 20 years, when the last unit of Grand Coulee is scheduled for installation, will not have to exceed 50 percent of the growth since 1912 to absorb the entire output of Grand Coulee and Bonneville.

NO NATIONAL POLICY HAS A BETTER RECORD THAN FEDERAL RECLAMATION

Federal reclamation as a national policy has been vindicated in all of its aspects by its achievements over a period of 38 years. It is a constructive, nonpartisan, economical undertaking that has for its major purpose the creation of homes where millions of Americans may become self-supporting on farms and in the cities, towns, and villages that follow in the wake of irrigation developments.

I take it that no serious consideration will be given to suggestions—whatever the source—that Federal reclamation be curtailed. On the other hand, in order to stop the continued drain on the Federal Treasury incident to homeless farm and other families already in the West, there must be constructive steps to expedite completion of the program.

In these days of a troubled world, the opportunities afforded by Federal reclamation will fill an urgent need for the West and aid in solving many of the Nation's problems resulting from the loss of foreign markets.

### Humanity United

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

ARTICLE BY O. M. THOMASON

Mr. ALEXANDER. Mr. Speaker, in the following article by O. M. Thomason, entitled "The Power of Empty Pockets," the writer points out about the same truth as the philosopher, Kant, in his Critique of Pure Reason, does at one paragraph in which he holds the view that man, if he will work together with his fellow men, unselfishly, can attain any objective, including health, security, and prosperity, or to put it in a more familiar phrase, life, liberty, and happiness.

And it is also very true, as Mr. Thomason points out, that all artificial differences such as race, religion, and political subdivisions must be submerged in the cement of a common salvation—not only economic salvation, but social, political, and in every other way.

Someone may say that there is a difference between the sort of economic security and contentment which Mr. Thomason is talking about, and happiness. Still it must be admitted that he is right, inasmuch as it is a very difficult matter for starving unemployed people to enjoy much happiness. In other words, before much happiness can be discovered, gaunt stomachs must be taken care of.

The following essay is a good illustration of the truth that implanted in our humanity is a something, a something

deeper, higher, broader, nobler than humanity itself. It is ever reaching out for that which will bring content, peace, happiness, fulfillment. This is witness to man's greatness—the divine within, seeking the eternal, the divine. The works of real men are evidence of the search, and on that basis I commend the following to your consideration with the hope that we may reason and go forward together, as Mr. Thomason says, to a new union for humanity, to a united humanity, in which we practice as well as preach that great truth expressed by the forefathers of this Republic that all men are created free and equal, even to the point of a humanity united.

#### THE POWER OF EMPTY POCKETS

(By O. M. Thomason, Willernie, Minn.)

The time has come when all men who want to survive must get together, stick together, and vote together, or they will go down and out together.

All artificial differences, such as race, religion, or political party, must be cemented by a common interest in a common cause—the economic salvation of all.

Businessmen, professional men, white-collar workers, preachers, farmers—all those directly connected and interdependent—must consolidate, cooperate, and concentrate to achieve plenty instead of poverty. They must become crusaders for a cause, for a right—the right to live decent lives and the freedom of enterprise.

Quit thinking of helping the unemployed by finding them jobs that don't exist, and think about saving yourselves.

The great American middle class—the bulwark of Americanism—is in danger of utter destruction by the power of the empty pocket. It—the middle class—is being definitely pulverized between the millstone of monopoly and the millstone of poverty. When the middle class is destroyed our civilization will be gone.

#### ECONOMIC STRESS GIVES RISE TO DICTATORS

Economic stress opens the door to dictators. As long as economic stress exists, even though you knock down a kaiser, a Hitler will rise in his place; overthrow a czar and a Stalin will step into his shoes. The power of empty pockets is the weapon with which absolutism mounts the peoples' necks.

#### TRADE AND MONEY

When a customer clicks a coin on your counter you do not ask him where he got it, whether he earned it digging ditches or inherited it from a great-uncle, whether it was paid him for writing a poem or he found it in a pirate's cache. All you want to know is, is it good money? And remember that money was not handed down from Mt. Sinai, nor was it brought, as some seem to think, by the stork. Money is a man-made convenience. Common sense will tell you that if commerce expands, money must increase, and that if money does not increase commerce will contract, shrink, disappear.

As long as there's idle factory capacity, unused resources, hungry people, and unsold goods there's not enough money in circulation—at the right place. Just as the quantity of blood in the body of a man must be greater than that in the body of a child, so as industry expands, as population increases, and the potential standard of living rises, there must be more money in circulation. Money is a conveyance and the more goods you have to convey the greater must be your vehicle.

#### INDEPENDENT MERCHANTS, LISTEN!

Remember, you independent dealers in standard merchandise, that near-empty pockets drive shoppers to chain and cut-rate stores, which means your ultimate extinction. Remember, that many who 10 years ago phoned to have it sent out, now crowd around bargain counters.

The greatest power in this land is the power of the empty pocket. It can and does paralyze industry, smash enterprise, jam bankruptcy courts, fill jails, and drive millions into shacks, onto highways, and relief rolls. It can change a nation of home owners into a nation of dole takers and beggars.

Until you free the masses—your customers—from actual poverty, no independent businessman is free from the dangers of bankruptcy. You must break the chains of party politics—any party politics—if you would be free from machine control and corruption.

Until you learn to cross the party line you'll never cross the poverty line. Voters of the Nation unite; you have nothing to lose but your poverty; you have plenty to gain.

For years you've been exchanging votes for promises. You pledged your vote for a promise to be remembered at Washington. When your Congressman got to Washington he "remembered" to remind you to do it again.

To achieve plenty instead of poverty we must unite the divided; must form a new union, the union of humanity. We must unite on the Declaration of Independence, the Bill of Rights, and the Constitution of the United States—must reaffirm the Americanism of Washington, Jefferson, Jackson, and Lincoln.

#### LIFE, LIBERTY, AND HAPPINESS

We must recognize that all reforms, whether social, political, economic, or monetary, necessary to make democracy work can be made within the framework of the American system; that under



the guarantees of the Constitution it is possible to enjoy the right of happiness, which rests on economic security.

The chief instrument of such happiness is that of goods and services—food, clothing, and housing. As to how much such goods one may enjoy should depend upon the capacity of the community to produce. Experts agree that this Nation can produce three times over what it now does. The reason it does not produce more is because of empty pockets.

#### TECHNOLOGICAL FACTORS

It is also agreed that, due to technological progress, it is quite impossible for industry to supply through wages, salaries, and even dividends, enough money to buy at a profit all it can produce. There is not need at the machines for all unemployed, even to supply all with needed goods. Such unemployables, if they are to live and industry is to thrive, must consume products; hence money must find its way into their pockets. On that there is universal agreement.

#### IT'S ON THE "HOW" THAT DIFFERENCES ARISE

It's on the "how" to get it there that differences arise. Don't argue and divide over that. Make Congress find the answer or get out.

It is agreed that more circulating money is necessary. As to whether it should be "raised" by this tax or that tax, whether by higher wages or lower prices, or whether by emitting into circulation among unemployed and unemployables, tax-free and interest-free money, there is also a difference of opinion. We must stick to the one point—more money—more money in circulation, not hoarded, either in banks or bedticks.

We must refuse to be alarmed at the thundered warnings of the dangers of inflation such new money would cause. That would depend on whether such money was "managed" and controlled or wild-catted by excited bankers. But with the dollar at 1326, as it is today, and a commodity price level of around 70, there is need for some money inflation. Increased wages, higher farm prices, and other raw materials can cause inflation on the sound theory that such additional money has entered costs and must be recovered in price.

But interest-free money (in the form of annuities for the aged, say) is not necessarily inflationary, since it has not been carried along on price tags. It makes its first appearance at the merchant's counter. Any tendency for its mere presence in larger quantities, manifested in brisker demand, to up prices would be counteracted by a corresponding increase in production. Under free competition the law of supply and demand would come to the rescue. Furthermore, since costs had not been increased, upped prices would not be a commercial necessity. This would destroy monopolistic control.

The value of money is one thing—the amount stamped on a coin or bill. The purchasing power is another. The latter is determined by the relative quantity of goods and circulating money, including the latter's turn-over speed. But turn-over is not the factor it is credited with being in price inflation. Volume is the determinant. But volume is constantly being diminished by "fixed" or dead-end costs and time lag, hence must continually be replaced with new money. Then there's the larger factor of expanding commerce, which requires more money.

#### HAS CONGRESS KEPT FAITH WITH THE PEOPLE?

Congress has the power to fix weights and measures, and to regulate the value of money. To fix one and not regulate the other is as farcical as having a steel tapeline with rubber sections in it, or as having a surveyor's chain with coil springs between the links, or a bushel measure with a false bottom in it. If a farmer borrows money to buy seed wheat at a dollar a bushel then has to repay the loan in dollars bought with 33½-cent wheat his bushel weight has increased from 60 pounds to 180 pounds. If he borrows money to buy a farm at \$300 an acre, then because wheat, corn, and hogs go down, land falls to \$100, he is buying 3 acres and getting only 1.

Certain well-meaning men yelled to high heaven because the gold content of the dollar was changed, but they are mute as the Sphinx over the day-by-day change of the purchasing power of the dollar by the "money changers." Determining the proper amount of circulating money (to avoid inflation or deflation, and to effect the needed reflation), is a technical function. Congress should make a mandate to maintain a stable dollar and place the responsibility in the hands of disinterested functionaries. All they need to do is watch the price level and keep it steady by regulating the dollar's power to buy by maintaining its quantity with desired goods.

But we must not become entangled in the mechanics of the problem. A babel of voices, each one demanding a different remedy, supplies politicians with alibis. We must strip them of all shields and force them to get results or get out. If they want to resort to crackpot or Utopian schemes, let them. If they want to continue our system of debt money then we must insist that they quit screaming about debt. Since all our money aside from silver certificates, silver dollars, and minor coins, and our United States notes—less than \$2,000,000,000, is debt or borrowed money, we must go deeper in debt all the time. If all our debts, National, State, municipal, county, township, corporate, and private, were paid, there wouldn't be a thin dime in circulation. Under a debt economy the greater our debt the greater our prosperity, silly as that sounds. If our statesmen insist on that kind of economy they should not worry about the results.

#### STABILIZATION OF PRODUCTION AND INCOME

Dally men rise in Congress to thunder "where's the money to come from?" and "back to the Constitution." If they would get back to the Constitution they would find where to get the money. They would find that it's their duty to "regulate" the value of money and to regulate it, means just what it says. You cannot regulate the speed of an automobile with a drunken driver's foot on the accelerator. To regulate the speed you must regulate, not fluctuate erratically, the flow of gas. The quantity of goods and the supply of money must be synchronized.

If that had been done nearly \$400,000,000,000 of wealth that never saw the light of day would have been produced in the past 18 years. Even in the "prosperity" period of 1922-29, due to non-use of productive powers, we lost \$113,000,000,000. In 1929-36 we lost \$200,000,000,000 and since then have lost by the same dunder-head method another one hundred billion, making a stupifying total of four hundred billions. At a cost of \$100,000 a mile that sum would have built a 2-lane concrete highway 150 times around the earth and 2,500 miles out into space toward the moon.

That production may more nearly equal need, the power to consume must be greatly increased—that is, the monetary national income must be augmented. To this end annuities, heritage dividends, pensions, or whatever name you desire to call it by, must be paid to the aged as well as all others rejected by industry. As to the minimum age, whether 50, 55, or 60, that is a controversial matter again. Obviously, however, an age not low enough to take up the slack of unemployment would be farcical. Let lawmakers take their chances.

It may be mentioned, however, that the amount paid, which should include needy widows, the blind, cripples, and others who are dependent, must aggregate the Nation's capacity to produce. The capacity to produce will increase as effective demand (need backed by purchasing power) increases. At first, before industry and agriculture get under way, \$100 a month might be large. After production and processing struck their stride, \$200 might be small. Production and consumption must be correlated so as to keep prices stabilized. To make such a program effective, money must be put into circulation at the bottom. This is on the sound economic theory that every person who consumes goods is an asset to business. Intelligent businessmen recognize that dead people (after the undertaker, the gravedigger, and maybe the tombstone dealer are through) are of no value to industry. Neither are broke people.

In our childish fear of getting "too much" we not only destroy existing goods but potential goods as well. We cast longing looks back to some income peak of 10 years ago and sigh for its summit again. Any glance we make to the future is on no higher level than 1929. We never look on a normal incline. A business bulletin for February last calls the production level of 5.5 below 1929 near normal. It describes the employment level of 7 percent below 1929 as "near normal conditions under full recovery." Why should full recovery of 1940 be only the normal of 1929?

#### NATIONAL INCOME SHOULD BE \$140,000,000,000

The national income of 1863 was \$4,000,000,000. That may have been normal then, but would have been decidedly sub-normal in 1880 when actual production was twenty billions. Should they have sought to return to the "good old days" of 1863? In 1914 production was \$40,000,000,000. Should we have waited for a return to the twenty billions of 1890? Well, silly as it is, that is just what we have been longing for since 1929. Indeed, it is what we actually did in 1932. In 1929 production was eighty-one billions. In 1932 it was down to less than forty billions. Surely it is time to change fool killers.

If from 1929 we had followed the past 85-year trend we should now be around a \$90,000,000,000 a year income, measured in the dear dollars of 1935, or one hundred and forty billions measured in the 100-cent dollars of 1926. Full functioning of manpower, machines, and resources would make such gains normally possible. The increase in population of half a million a year and the rising standard of living make such gains desirable. We should go on up, and up. Instead we beat our brows against the walling wall, howling for a return of 1929. "Full recovery" is a snare and a delusion.

#### CALL TO A MODERN CRUSADE

But this shall not continue. There is rising on the wreckage of past dreams and nightmares a new trend, based on a new idea. It is ready to spring into activity. It will be a tidal-wave crusade that will sweep the land. The millions who have been telling Congressmen "how" are going on a "sit-down" strike and demand that Congress find the "how." Various names have been suggested and slogans proposed. The Union of Humanity—a Crusade of Plenty for All—Divided We Starve, United We Eat, are some of them. But the names or the slogans are not the vital things. It is the spirit of determination to find a single point on which all can agree. As a result of many letters over the past 2 years I may summarize as follows.

We're going to quit dividing over plans on "how" to get "what" we need. It is agreed that the "what" we want is physically possible, and what is physically possible can be made financially possible. Our puny minds cannot grasp the possibilities within the reach of man, if he will unfetter stored-up energy and direct it in productive channels. We must free our minds from the cave-born incubus that man must be punished for some secret sins of his ancestors—that he must deny himself his sacred heritage, a

heritage arising out of the collective labors of the human race—a dividend flowing from stored-up values—a security that would free man from drudgery and let his timid mind follow his cunning hand in the performance of more and greater miracles.

"Humanity United" does not come with a blueprint. That's the social engineer's job. It comes to tell the engineer to roll away the stone—to break the chains of slavery, and let the prisoner free. We insist that none can be free as long as some are slaves. We deny that some are born with saddles on their back and others with spurs on their heels and whips in their hands. We deny that color of skin, accent of speech, or religious training makes one whit of difference in human rights.

We would expunge from our vocabulary such meaningless phrases as "foreign trade," "raids on the Treasury," "Government extravagance," "balanced Budget," and similar ghosts dangled by partisans to divide, and to bewilder the people. All such spooks would vanish overnight if people had sufficient buying power to consume the capacity output of industry, thus broadening the tax base and lightening the tax burden. We will not be led astray by the foolish phrase "finance production" but will insist on consumption being first financed, knowing that production will promptly respond.

#### THE HUMAN HERITAGE

We will not be diverted from our objective by the hue and cry over subversive doctrines and dangerous "isms." We would "plow under" all un-Americanisms by destroying the soil in which they grow—poverty. Remove needless poverty from this land of potential plenty and all radicalisms would be laughed out of existence. It is when young men are jobless, old men are homeless, and children are hungry that men listen to the seductive voice of the agitator.

We insist that it is the right of every person to have equal access (limited only by the same rights in others) to the means of acquiring the necessities, comforts, and even luxuries of life—to share equally in the heritage of the human race. To abridge such rights is the highest of crimes. To demand and struggle for such rights are the noblest of acts. On this point we agree.

#### ACTION WANTED, NOT LOBBIES

We will not send lobbyists to Washington to back-slap and hobnob with lawmakers—and opposing lobbyists. Such men become career lobbyists, making of the job a vested interest, a lifelong profession. We cannot expect them to get what we want, when by that very act they end their soft jobs. They like it too well in Washington. They know which side of their cocky is sugared.

On the contrary "Humanity United" will do its own lobbying—do it in each Congressman's home district—do it on his constituents. No bales of petitions and floods of telegrams will go to Washington to be burned in the Capitol furnace. He'll not know what's going on back home. He can't keep his eye on thousands of voters and his ears tuned to their speech as he can on one handshaker down there. He'll have plenty to worry about, and he won't know the answer until the votes are counted. We'll keep the pressure point on his reelection nerve center like a spinning drill on steel.

#### HOME CONSUMPTION AGAINST FOREIGN WARS

Human freedom rests primarily on material security, and material security springs from capacity production and consumption. Capacity consumption at home will eliminate the need for foreign markets (except actual surpluses to be exchanged for goods not produced at home). We work ourselves into a frenzy over a mere 2 or 3 billion dollars in exports when our own people could easily consume an additional 64 billion. We'd have little to export if our own people had the money to buy what they need and want. This would destroy the chief cause of international aggression and lift from men's bent shoulders the burden of armaments. It would bring humanity nearer the goal dreamed by poets and philosophers when " \* \* \* war drums throb no longer, and battle flags are furled in the parliament of man, the federation of the world."

But why pile Pelion on Ossa? The possibilities are unlimited if man will only use the key that unlocks the Pandora box, not of ills, but of blessings. That key is a simple device called money. It is man-created and can be made by him adequate or inadequate—can be made wings of freedom or chains of slavery.

#### PUT HER THERE!

On the wreckage of a thousand defeated causes "Humanity United" is rising. The Crusader, like Job of old, lays his hand over his mouth on all the intricate details as to "how." He simply says, "Brother human being, we can agree, we do agree on one thing. Let's stick to that—the enjoyment of all the good things modern civilization can produce. Put her there!"

Humanity United is devoted to representative constitutional democracy and spurns totalitarianism both in government and business. It seeks no special favors but universal rights. It strives for a united humanity, knowing that no chain is stronger than its weakest link, and that no nation is more secure than its most insecure citizen. Its Bastille Day is election day and its bullets are ballots.

Humanity United is streamlined and of simple organic mechanism, following the cellular system. Each cell consists of 10 memberships of 10 families. Each membership will receive the United Voice to keep members advised as to the political behavior of Congressmen.

No high salaries will be paid officers and speakers, lest Humanity United become a vested interest and a private racket. We will keep

the organization poor, so its leaders will strive to achieve its aims, instead of making the organization an end within itself.

Political platitudes and unctuous promises will fall on deaf ears. Shiftily side-stepping and clever face saving will bring down the political ax. Only straight from the shoulder, open and above-board acts will count. And no self-appraisal will be accepted. The record, the roll call, the fight on the floor will be the only evidence accepted in this court.

Politicians must bring home the bacon and the hams, too, or prove that they did more than "pair" in favor or whisper "Yea." We have no special detailed plan to put over. That's what we elect Congressmen for—to find a plan, a full plan, not a half plan, not a makeshift. If they fumble the ball, that will be their hard luck.

Hands across the Nation! Shake!

## Farm Representation

### EXTENSION OF REMARKS

OF

HON. OSCAR YOUNGDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

LETTER FROM J. C. ERP, PRESIDENT, MINNESOTA FARMERS UNION

Mr. YOUNGDAHL. Mr. Speaker, under leave to extend my remarks in the RECORD, I present a letter received from J. C. Erp, president of the Minnesota Farmers Union, in regard to farm group representation, concerning which I spoke in the House on February 20, 1940:

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,  
MINNESOTA DIVISION,  
Canby, Minn., February 27, 1940.

Congressman OSCAR YOUNGDAHL,  
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: The article published in the St. Paul Dispatch February 22, 1940, entitled "Thatcher, O'Neal Hit by Youngdahl," was brought to the attention of the State Board of Directors of the Farmers Educational and Cooperative Union of America, Minnesota Division, an existing Minnesota corporation, organized under the laws of the State of Minnesota December 6, 1929.

For your information, the members of the Farmers Educational and Cooperative Union of America, Minnesota Division, at their annual convention held at Granite Falls, Minn., last November approved of the nonpartisan cost-of-production bill, Senate file 570, the Frazier-Lemke farm-refinancing bill now pending before Congress; also the membership by resolution went on record strictly opposing the Reciprocal Trade Agreements Act that permits importation of agricultural products at the expense of the American farmers.

M. W. Thatcher has not been authorized to represent the Farmers Educational and Cooperative Union of America, Minnesota division, or its members; but instead the members went on record endorsing Mr. Edward E. Kennedy as their Washington legislative representative.

Very truly yours,

J. C. ERP,  
President, Minnesota Farmers Union.

## Seven Eventful Years

### EXTENSION OF REMARKS

OF

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

Mr. NELSON. Mr. Speaker, today marks the end of the seventh year of the Roosevelt administration. The significance of the numeral 7, as it appears in history, profane and sacred, is frequently stressed. Twenty years ago in this House I mentioned this, in connection with the story of Pharaoh's dream and its interpretation of the 7 kine and 7 ears of corn, as told in the forty-first chapter of Genesis. At the end of another 7-year period of another President, we may well recall this story, and also the question Pharaoh asked of his



servants, "Can we find such a man as this, a man in whom the spirit of God is?"

In order to appreciate the great benefits which have come to the people of the United States during the 7 years that Franklin Delano Roosevelt has been in the White House, it is not necessary that we make any lengthy review. All that we need do is to make of our own world, be it large or small, a window and see for ourselves. If in town or city, take note of the happy, contented people on the streets and compare in memory the troubled and distressed looks characteristic of the crowds to be seen at the beginning of the present administration. If in the country, attend a meeting of farmers and their families and make similar comparisons. If this is not convincing, study the faces of the unfortunate people of Europe, as shown in pictures published in the press of America. Do this and thank God that your home is here.

In the past I have quoted prices received by farmers during the last year of the Hoover administration, so shall not take time to do so now. In fact, farmers would like to forget those ruinously low prices.

Without going through the long list of laws, many of them suggested by the President, without citing bank failures to show how much better off the average man is today than he was before the beginning of this administration, I would ask that everyone honestly take stock of self. Where there was fear and hopelessness, we today find hope and homes. Never under any other administration was so much thought given to the happiness and well-being of the family. It is safe to say that there are few if any homes which do not today enjoy added comforts and conveniences made possible during the last 7 years. For example, we have the thousands of well-lighted farm homes, occupied by light-hearted people.

One picture will portray a situation familiar to many. No longer are there great groups of eager and distressed depositors milling about the doors of closed banks. Instead, in cities, towns, villages, and countrysides, we see thousands of boys and girls, young men and women, entering beautiful, safe, and substantial school buildings, buildings affording facilities for the upbuilding of minds and bodies. To summarize, in 7 years open schoolhouses have replaced closed banks.

I recall that in the last campaign complaint was heard to the effect that the White House had become the town hall of the people. Dignity and reserve, austerity, if you please, was no longer so much in evidence. Common people found access. In answer to this criticism, I would say that I can imagine no greater compliment. The Presidency belongs to the people and should be answerable to the people. Under the present administration big business has carried no secret key to the White House.

Speaking of the White House, it is a noteworthy fact that never before have "top hats and tails" had as little influence and overalls and aprons as much as during the present administration. To clearly understand what we owe the present administration we have to take but two looks, one back to 7 years ago today, the other to Europe as it is today, at this very moment.

Referring to the first inauguration of President Roosevelt 7 years ago today, a Washington correspondent of the New York Times of yesterday said:

Few people who lived in Washington will ever forget the New Deal's natal day. That day dawned a dark one in every respect. The great depression hung over the country like a darkening cloud. Banks were closing literally by the hundreds. Life savings in bank accounts and securities were being blown away like so much dust. Homes and farms were going on the auction block in ever-increasing numbers. In certain sections citizens were beginning to grow desperate. Word reached Washington that morning of hungry people raiding a food store in one community in the Southwest. In another State, only a few days before, irate citizens had forcibly stopped a foreclosure sale, and in another they had actually dragged a judge from the bench and threatened to tar and feather him for carrying out the State law in declaring the forfeit on a farmer's mortgage.

Speaking of the present, we read in the morning papers of the death of more than 100 persons on a British boat, on which Nazi planes had dropped bombs. In the same paper is another story to the effect that 393 merchant ships, 171 of them neutrals, have been lost during the first half-year of what it is feared may prove to be the second terrible world war in the memory of men not yet old. Also pictured in the press of this morning is a once proud German pocket battleship, lying in shallow water, awaiting the junkman. Elsewhere men are shown in trenches or busily engaged in making more. Contrast those scenes with more pleasant pictures here at home where the trenches and ditches that are being dug are for sewer systems, waterworks, and similar improvements making for the health of the people. Soon, too, with the coming of springtime in America, men will be busy, not on battlefields, but in fields on farms, where plows will be turning furrows of peace where the harvest will be grain, not graves.

Under President Roosevelt many fine things have come. I believe, though, that the cause nearest his heart, and it is also the cause nearest to every mother's heart, is peace.

Some there are who would berate or ridicule the President's effort toward peace. I recall a cartoon showing a great bewhiskered monster uttering the words, "Well, I'll be!" as, peering over a mountain-sized cannon-equipped tank, on which he ruthlessly rides, he sees, practically underneath the tank, a determined man, pushing with all his might. This, says the cartoon, is F. D. R.

So sincere is President Roosevelt's heart desire for peace that I believe he would willingly sacrifice his political life, if not actually his own life, if to do so would make possible abiding peace. Because of the none-too-friendly thought which the cartoon mentioned seems to express, I would add that while "over there" they are burying their dead, we here in America, happy land of the free, ought to be burying our differences. Instead, in too many quarters there is political exaggeration and agitation. Even the taking of the census seems to be no exception. One might be led to believe that the call of the census enumerator, Uncle Sam's carefully chosen representative, a man or woman sworn to make public no information given, might be the signal for a one-man, or one-woman, rebellion. Rather, should we be thankful for the privilege of being recorded as citizens of the most-favored Government in the world; thankful that the enumerator who, in April, will call at our homes, does not come ordering the husband or grown son of the family to active and immediate military service; thankful that the mothers are not handed food ration cards commanding that bread be saved in order to buy bullets.

A favorite cartoon, and I believe it is also a favorite of the President, shows Mr. Roosevelt with a firm and much exaggerated jaw. I am glad if this truly characterizes the present occupant of the White House. A man not afraid, he has not hesitated to acknowledge mistakes. Of course, he has made mistakes—made many—but, fortunately, he has not made the fatal mistake of attempting nothing.

More than 7 years ago, in his speech accepting the Democratic nomination in Chicago, Franklin Delano Roosevelt said:

I pledge you—I pledge myself—to a New Deal for the American people.

The 7 administration years which this anniversary marks represent the most momentous, the most forward-looking, and the most helpful 7-year period not only in the history of our country but of all countries.

This morning, marking a continuous custom inaugurated on his inauguration day, the President, in a solemn religious ceremony and in a Washington church, which he loves to attend, again asked God's guidance. So, as recorded in the forty-first chapter of Genesis, and as Pharaoh asked of his servants, may it be asked of ourselves, "Can we find such a one as this, a man in whom the spirit of God is?"

## Unemployment

## EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

STATEMENTS BY THE EXECUTIVE COUNCIL OF THE AMERICAN  
FEDERATION OF LABOR AND JOHN L. LEWIS

Mr. ANGELL. Mr. Speaker, unemployment is still the most acute domestic problem of the Nation. I desire to call attention to the statement of the executive council of the American Federation of Labor made at Miami, Fla., on January 30, 1940, and the statement of John L. Lewis of the United Mine Workers of America at its convention in Ohio in January 1940. These statements are as follows:

MR. GREEN AND MR. LEWIS AGREE UPON ONE THING

Unemployment still is the most acute domestic problem of the Nation. No orderly and intelligent effort has yet been made to determine the facts with regard to its causes, its extent, its cure. As a nation we have not hesitated to spend billions for the relief of those who are unemployed, but we have neglected to take the necessary steps to reduce and end unemployment.

At this time there are not enough jobs in private industry to go around. This is largely due, in our opinion, to the fact that lack of confidence has stunted business growth and expansion. We demand that those in authority take whatever steps may be necessary to restore business confidence.

We urge that all Government actions that tend unnecessarily to discourage business expansion cease and that a positive effort be made to encourage greater industrial activity. We have learned the lesson that when opportunities for profit diminish opportunities for jobs likewise disappear.—The executive council of the American Federation of Labor, at Miami, Fla., January 31, 1940.

As the current year opens, the Democratic Party is in default to the American people. After 7 years of power, it finds itself without solution for the major questions of unemployment, low national income, mounting internal debt, increasing direct and consumer taxation, and restricted foreign markets. There still exists the same national unhappiness that it faced 7 years ago. Labor and the people are losing confidence. They fear for the future, and rightly so.—John L. Lewis, chairman of C. I. O., to the United Mine Workers of America Convention at Columbus, Ohio, January 24, 1940.

## The Farm Program and Farm Progress

## EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5 (legislative day of Monday, March 4), 1940

## MEMORANDUM AND TABLES SHOWING FARM PROGRAM

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum and some tables with respect to the farm program and farm progress in the United States.

There being no objection, the memorandum and tables were ordered to be printed in the RECORD, as follows:

## THE FARM PROGRAM AND FARM PROGRESS

Looking ahead to 1940, farmers are hoping for a continuation of the improvement in agricultural conditions which has taken place during the course of the past 7 years. Reviewing their condition, they recall the 12 years of agricultural decline between 1920 and 1932 and most vividly the despair of 1932. The farmers have fought their way up from that devastating year of 1932 and feel certain that, given a continuation of the national farm program, they will

be able to make further progress in 1940 toward a permanent agriculture in the United States.

They feel this hope and confidence in continued progress toward this goal not because fundamental agricultural difficulties have disappeared but because, through the national farm program they have the necessary help for dealing with their difficulties.

In 1932 farmers were burdened with mountainous surpluses of many farm products for which there was no need at home and no sale abroad. Now, through the use of acreage allotments, marketing quotas, and commodity storage loans, they are able to produce and market these crops according to needs for domestic consumption, foreign demand, and for adequate reserves.

In 1932 there was appalling waste of farm products that were needed but were regarded as surplus only because hungry people who needed them had no money to buy them. Now, through surplus removal provisions of the farm program, surpluses of this kind are being used, benefiting the needy and improving the farmers' markets.

In 1932 farmers did not have enough income to take proper care of their land and they were forced into mining the soil through overcropping and overgrazing in an effort to produce more to compensate for lower prices. Now, through production adjustment to eliminate needless soil waste and by treatment of land to control erosion and maintain and improve fertility, they are making real progress in conservation.

In 1932 farm families were losing their homes through wholesale foreclosure, and interest rates on agricultural credit were higher than they could pay. Now they have a complete Federal agricultural credit service at reasonable rates of interest.

In 1932 a large percentage of farmers were unable to pay interest and taxes and most farmers had no money to buy goods that make business and jobs and cities and towns. Now farm families again provide an important market for city goods and services and make an important contribution to national income and national welfare.

The measures that have been taken in the last 7 years in the formulation of the national farm program have made it possible for farmers to work together on a Nation-wide scale in cooperation with Government to protect their income, their land, and their homes and at the same time to contribute to the welfare of all the people.

## MORE FARM INCOME—GREATER SECURITY ON THE LAND

Farmers had nearly twice as much income in 1939 as in 1932. (See table I.) Cash income rose from \$4,682,000 to \$8,518,000. Farm prices increased from 65 percent of the pre-war level to 95 percent. The exchange value of farm products increased from an average of 61 percent of the pre-war level in 1932 to 78 percent in 1939.

From 1932 to 1939 both farm income and prices paid by farmers increased, but farm income made a more rapid advance so that in 1939 farmers were able to buy about 99 percent as much of the things they needed as in 1929. (See tables II and III.)

Since 1933 the number of forced farm sales has declined approximately 69 percent. The number of farm bankruptcies in this period declined 70 percent. The Nation's total farm-mortgage debt has been reduced by more than \$2,000,000,000 from the early 1930 level.

## MOST FARMERS COOPERATE IN FARM PROGRAM

The extent of cooperation of farmers is one of the best measures of success of the farm program. Nearly 6,000,000 farmers are in the program. Under the provisions of the Agricultural Adjustment Act about 80 percent of the farm land and 70 percent of the privately owned range land were included in 1939 participation. (See table V.)

## CONSERVATION ACCOMPLISHMENT OUTSTANDING

Many phases of the farm program contribute to the conservation of the Nation's agricultural resources. Through the adjustment provisions of the program more than a quarter of a million acres of land have been shifted from soil-depleting to soil-conserving uses. Included in soil-conserving uses were fifty-five and one-half million acres of new seedings of soil-conserving crops, fourteen and one-half million acres of contour farming, contour listing, and controlled fallow, construction of 292,000,000 feet of terraces, and construction of more than 16,000,000 feet of contour ridging on pasture land.

Up to June 30, 1939, a total of forty-eight and one-fourth million acres of farm land in 82,000 farms were covered by 5-year agreements with the Soil Conservation Service. These agreements provided for complete farm plans for erosion control and good land management. (See table VI.)

Soil Conservation Service demonstration areas now include sixty-eight and three-fourths million acres. There are 217 soil-conservation districts, organized under State laws, covering an area of 120,000,000 acres. Within these districts there are more than a million farms. Another 100 districts are in the process of organization. (See table VI.)

Range livestock producers have carried out an extensive program of range conservation, cooperating with three agencies of the Department of Agriculture administering portions of the farm program. Range-improvement practices were employed on approximately 190,000,000 acres under the 1938 A. A. A. program.

Under the supervision of the Forest Service, grazing on more than 80,000,000 acres of national forest lands is regulated with the assistance of range committees made up of livestock producers.



The Soil Conservation Service has constructed more than 4,000 ponds, largely on range land. A. A. A. payments have assisted producers, mostly range producers, to construct 25,000 ponds. These ponds control floodwater and store it for livestock.

#### RECORD ADVANCE IN FOREST CONSERVATION

The greatest advance in the history of reforestation and conservation in this country has been made during the last 7 years. About 12,000,000 acres have been purchased or approved for purchase—more than two and one-half times as much as in the preceding 22 years. Approximately 125,000,000 trees, produced largely in Forest Service nurseries, have been planted on 131,000 acres of national-forest lands.

Under the supervision of the Forest Service in the Prairie States forestry project, 127,000,000 trees in 11,000 miles of plantings provide protection for 3,000,000 acres of land.

In the farm-forestry program of the Soil Conservation Service 314,000 forest trees were planted on farm lands in 1938. Under the A. A. A. program of 1938, more than 55,000 acres of farm land were planted to forest trees.

One important reason for the remarkable progress in conservation has been the help of the Civilian Conservation Corps, working largely under the supervision of the Forest Service and the Soil Conservation Service.

Protection of Federal, State, and private forests from fire has occupied a total of four and three-fourths million man-days of actual fire fighting during the time the C. C. C. has been in existence. Since 1933 they have planted one and two-thirds billion trees, built 22 forest nurseries, and carried out forest-improvement work on three and one-half million acres of established forest lands.

In soil-conservation projects, C. C. C. camps have completed work on one and one-fourth million acres of farm land under 5-year agreement for complete plans of erosion control and farm management.

#### DESTITUTE FARM FAMILIES BECOME SELF-SUPPORTING

Because of the national farm program 600,000 farm families who were on relief or near relief status have again become self-supporting. The Farm Security Administration has combined rural rehabilitation loans with assistance in developing farm- and home-management plans. Of the \$360,825,429 loaned up to December 1, 1939, a total of nearly \$107,000,000 has been repaid. (See table VII.)

By the end of September 1939 low-cost medical plans were available to more than 65,000 families in 26 States. Up to January 1, 1940, a total of 231,626 farmers had received the benefit of community-service loans enabling them to share the cost of expensive farming equipment which they could not buy individually. For this purpose the Farm Security Administration assisted in the formation of 11,675 small cooperatives.

By January 1, 1940, camps established for migratory workers accommodated 2,520 families and additional units to accommodate 3,261 families were under construction.

By the end of this fiscal year, June 30, 1940, loans will be made enabling more than 13,000 tenants to purchase farms of their own. (See table VIII.)

#### WIDESPREAD PROGRESS IN IMPROVED LAND USE

In addition to the progress under the adjustment and conservation features of the farm program improved-land use has been brought about on 8,500,000 acres of submarginal land purchased and developed principally for forestry and grazing.

In the dry-land areas this submarginal land, unsuited to continued cultivation, is being turned back to grass and made available to nearby farmers to help them shift more to livestock production and away from the uncertainties of cash crop production.

An important part of the efforts in the Western States toward a more permanent type of agriculture is the development of small water facilities to supply needs for livestock and, in some cases, to irrigate a small portion of a farmer's or rancher's land.

#### CONSUMER PROTECTION PROVIDED

The chief provisions of the farm program helping to stabilize market supplies and prices of farm products provide protection both for consumers and producers.

The ever-normal granary reserves which make the surpluses of good years available in years of crop failure are made possible by commodity storage loans and crop insurance of wheat. (See table IX.)

Forty-six million dollars were loaned to 64,000 wheat producers on 84,000,000 bushels of their 1939 crops.

Premiums totaling 10,741,000 bushels of wheat had been paid in up to October 19, 1939, by 296,505 wheat producers for insurance on the crop to be harvested in 1940. (See table X.)

In the corn-loan program, 271,315 producers stored 257,127,595 bushels of the 1939 crop under loans totaling \$146,562,729.

#### BETTER FARM INCOME MEANS BETTER CITY BUSINESS

Many phases of the farm program have contributed to the protection of farm income. Adjustment in line with market needs, commodity storage loans, marketing quotas, and marketing-agreement programs to regulate the flow to market, removal of surpluses from congested markets—all have played an important part.

Protection and improvement of farm income is essential both to agricultural welfare and to the national welfare. The buying power of farm families is necessarily limited to the exchange value of their products. Parity payments made to producers cooperating in the farm program have helped to bridge the gap between market price and fair exchange value and have helped to maintain the ability of farm families to purchase city goods and services.

The export programs for wheat and cotton have helped to protect farm income and at the same time have helped to protect the interests of United States farmers in the world market.

With the help of the wheat export subsidy 118,000,000 bushels of wheat were sold abroad in the 1938-39 marketing year—an amount equal to a little more than 20 percent of the world wheat market normally supplied by United States producers during the 1920's.

With the help of the cotton export subsidy, more than 6,000,000 bales of cotton have been sold for export since July 1939, compared with only about three and one-half million bales for the entire previous marketing year.

One of the important elements of a sound farm program, essential to agricultural stability and security is adequate credit at reasonable rates. This also is important to greater net income through reduction in financing costs.

From May 1, 1933, to January 1, 1940, individual farmers and their cooperative organizations obtained \$5,951,000,000 in loans and discounts from institutions under the supervision of the Farm Credit Administration.

To the close of 1939 the Rural Electrification Administration of the Department of Agriculture has made total allotments of \$273,000,000 for the construction of 260,000 miles of line to serve 600,000 farm families. Already 400,000 farms have been connected to Rural Electrification Administration sponsored lines, the greater majority of which are cooperatively managed. The number of electrified farms in the United States has more than doubled from 1935 to the present time. Approximately 25 percent of American farms were electrified by January 1, 1940, compared with 10.9 percent on January 1, 1935. (See table XI.)

#### FARM SURPLUSES FEED THE NEEDY

More than 1,300,000 producers are directly affected by 45 marketing-agreement programs which help to protect and improve the incomes of producers of fruits, vegetables, and dairy products. The farm value of crops and of fluid milk handled under marketing-agreement programs approximated \$300,000,000 in 1939.

Expanded domestic distribution and consumption of farm products has been brought about through two types of programs. Direct purchases to remove surpluses from congested markets provide supplies distributed through State relief agencies. The food order stamp plan, by putting increased buying power into the hands of needy families, speeds the flow of surpluses through the regular channels of trade.

Direct purchases in 1939 removed a total of 1,700,000,000 pounds of surpluses for distribution to needy families. A total of more than 6,000,000,000 pounds has been purchased during the 6 years of this work. (See table XII.)

One of the most important phases of surplus-removal programs is the accomplishment in supplying food for undernourished school children. During the 1938-39 school year, donation of surpluses made possible free lunches for more than 800,000 undernourished school children. Efforts to expand this program this school year resulted in 1,250,000 undernourished children receiving free school lunches daily during December 1939.

#### DEFENSE AGAINST INSECTS AND DISEASE STRENGTHENED

While all the new efforts were being made in the field of agriculture, other important work, established earlier, has not been neglected. In fact it has been increased.

Efforts under general legislation enacted in 1937 in cooperation with State and local agencies to protect crops from grasshoppers are estimated to have saved crops valued at more than \$100,000,000 each year.

During the last three seasons, crops on more than a million acres have been protected from Mormon crickets through cooperative efforts.

Expansion of operations for control of black-stem rust of small grains, blister rust of white pines, and peach virus diseases, has brought these diseases under control in large, important areas and has given worth-while employment to thousands of men certified through relief agencies.

Since the appearance of pink bollworm of cotton in some of the Gulf States in 1933, a new insect has been on the list of important ones for which control measures have been provided.

In 1934 infestations of screwworm in new areas in the South-eastern States caused the death of thousands of animals. Special funds provided for an educational and control program which has reduced losses to a minimum.

Eradication of cattle ticks, begun in 1906 in cooperation with States affected, has been so speeded up that now only 1 percent of the original area remains under quarantine.

Bovine tuberculosis-control work, begun in 1917, had by 1934 resulted in 53 percent of the counties of the country being accredited. Additional funds made available have so speeded up this work in the last 5 years that the number of accredited counties has increased from 53 percent to 99.8 percent.

Testing of cattle for Bang's disease control with funds provided in 1934 has resulted in practical eradication of this disease in 209 counties in 17 States.

The national poultry-improvement plan, started in 1934 to increase poultry-production efficiency by disease control and improved breeding, now has active participation through 42,591 breeding flocks and hatcheries in 44 States.

#### NEW EFFORTS TOWARD NEW USES FOR FARM PRODUCTS

Expansion of the efforts to provide additional outlets for farm products through the development of new industrial uses has been made possible through funds provided for four regional research laboratories. This work is important to agriculture, not only to

provide broader markets but to offset the effects of the development of products that have displaced farm products.

Expansion of research in the field of production and marketing and of educational work of the Cooperative Extension Service also has been made possible by congressional authorization as a part of a broad program for the improvement of agricultural conditions.

#### PRODUCER AND CONSUMER SERVICES IMPROVED

Both producers and consumers are benefiting from new legislation of the period since 1932 strengthening marketing regulation.

The Commodities Exchange Act provides for supervision of futures trading in the important agricultural commodities to prevent market manipulation and insure fair practice.

The Food, Drug, and Cosmetics Act has greatly strengthened legal provisions protecting the public against misbranding, adulteration, and deception.

The Packers and Stockyards Act, as amended, now includes protection in the marketing of live poultry against unreasonable charges that would affect both the price paid the producer and the price charged the consumer.

The new Federal Seed Act prohibits misrepresentation of field and garden seeds handled in interstate commerce.

#### TOWARD PERMANENT AGRICULTURAL IMPROVEMENT

Through county and community planning, the provisions of the farm program are being directed toward a permanent, well-balanced agriculture.

Farmers are furthering the democratic ideals of the Nation, not only through their administration of the farm program locally but through planning by democratic processes for a permanent agriculture, with local, State, and Federal aids all applied toward the same objectives, in harmony with natural and social conditions.

TABLE I.—Farm cash income, 1932–39

Calendar year	Farm cash income		
	Income from marketings	Government payments	Total
1932	4,682,000,000		4,682,000,000
1933	5,278,000,000	131,000,000	5,409,000,000
1934	6,273,000,000	447,000,000	6,720,000,000
1935	6,969,000,000	573,000,000	7,542,000,000
1936	8,212,000,000	287,000,000	8,499,000,000
1937	8,744,000,000	367,000,000	9,111,000,000
1938 <sup>1</sup>	7,599,000,000	482,000,000	8,081,000,000
1939 <sup>1</sup>	7,711,000,000	807,000,000	8,518,000,000

<sup>1</sup> Preliminary.

TABLE II.—Cash farm income<sup>1</sup> by commodities, calendar years 1932 and 1938

Commodity	1932	1938 <sup>2</sup>	Increase, 1938 over 1932	Percent increase
Corn	\$110,000,000	\$269,000,000	\$159,000,000	145
Wheat	200,000,000	396,000,000	196,000,000	98
Oats	31,000,000	43,000,000	12,000,000	39
Barley	14,000,000	38,000,000	24,000,000	171
Rye	4,000,000	8,000,000	4,000,000	100
Rice	15,000,000	34,000,000	19,000,000	127
Cotton (seed and lint)	461,000,000	647,000,000	186,000,000	40
Tobacco	115,000,000	294,000,000	179,000,000	156
Potatoes	90,000,000	128,000,000	38,000,000	42
Dairy products	991,000,000	1,398,000,000	407,000,000	41
Meat animals	1,158,000,000	2,180,000,000	1,022,000,000	88
Poultry and eggs	514,000,000	699,000,000	185,000,000	36

<sup>1</sup> All income figures in this table exclude Government payments.

<sup>2</sup> Preliminary.

TABLE III.—Average annual prices received by United States farmers, 1932 and 1938

Commodity	Unit	1932	1938 <sup>1</sup>
Wheat	Bushel	\$0.382	\$0.561
Corn	Bushel	.319	.504
Oats	Bushel	.157	.237
Barley	Bushel	.221	.366
Rye	Bushel	.281	.338
Buckwheat	Bushel	.434	.544
Tobacco	Pound	.105	.197
Cotton	Pound	.085	.086
Potatoes	Bushel	.592	.558
Hay (all)	Ton	6.22	6.82
Apples	Bushel	.602	.83
Hogs	Hundredweight	3.34	7.74
Beef cattle	Hundredweight	4.25	6.53
Veal calves	Hundredweight	4.95	7.92
Lambs	Hundredweight	4.46	7.02
Rice	Pound	.418	.642
Chickens	Pound	.118	.15

<sup>1</sup> Preliminary.

<sup>2</sup> Includes unredeemed loan wheat at average loan rate.

<sup>3</sup> Includes unredeemed loan corn at average loan rate.

<sup>4</sup> Dec. 1 price.

TABLE III.—Average annual prices received by United States farmers, 1932 and 1938—Continued

Commodity	Unit	1932	1938
Butter	Pound	.208	.209
Eggs	Dozen	.142	.203
Milk (wholesale)	Hundredweight	1.27	1.73
Sheep	Hundredweight	2.19	3.51

TABLE IV.—Number and amount of loans made May 1, 1933, through Dec. 31, 1939, including Federal land banks, Land Bank Commissioner, production credit association, emergency crop loans, and drought-relief loans

[Farm Credit Administration]

State and district	Total	
	Number	Amount
1—Maine	18,956	\$20,078,801
New Hampshire	3,647	3,581,866
Vermont	12,207	12,559,554
Massachusetts	11,108	\$17,250,855
Rhode Island	1,971	5,126,867
Connecticut	9,183	16,636,977
New York	55,567	79,276,692
New Jersey	15,098	23,621,753
Total	126,727	178,133,365
2—Pennsylvania	49,723	42,094,020
Delaware	3,522	2,489,615
Maryland	18,648	25,683,890
Virginia	87,302	42,749,004
West Virginia	13,242	11,849,828
Puerto Rico	17,676	14,444,221
Total	190,113	139,310,578
3—North Carolina	251,865	78,366,676
South Carolina	217,204	61,317,056
Georgia	232,575	74,741,484
Florida	35,542	38,584,654
Total	737,186	253,009,870
4—Ohio	92,587	112,144,714
Indiana	86,646	119,861,967
Kentucky	74,010	63,342,838
Tennessee	107,236	55,071,414
Total	360,479	350,420,933
5—Alabama	85,481	40,113,418
Mississippi	172,904	64,253,742
Louisiana	138,476	46,741,295
Total	396,861	151,108,455
6—Illinois	102,643	237,514,340
Missouri	106,082	86,044,769
Arkansas	194,747	50,464,355
Total	403,472	374,023,464
7—Michigan	94,632	87,629,910
Wisconsin	138,631	169,737,543
Minnesota	177,659	218,051,257
North Dakota	235,940	143,043,401
Total	646,862	618,462,111
8—Iowa	83,274	273,698,897
South Dakota	161,621	125,289,976
Nebraska	114,629	185,630,380
Wyoming	15,993	33,921,751
Total	375,517	618,451,004
9—Kansas	152,876	179,192,776
Oklahoma	110,964	82,416,616
Colorado	53,082	71,753,015
New Mexico	29,924	38,313,771
Total	346,846	371,676,178
10—Texas	361,120	328,827,295
11—Arizona	8,237	24,392,750
Utah	19,782	41,050,391
Nevada	1,359	16,311,998
California	79,474	280,541,852
Total	1,109,009	1,362,363,043
12—Montana	79,088	103,624,124
Idaho	34,312	83,428,020
Washington	32,542	65,864,534
Oregon	23,020	93,908,101
Total	168,962	346,824,779
Grand total	4,223,244	4,092,611,076

<sup>1</sup> Loans not allocable to particular States are shown in another table.



## APPENDIX TO THE CONGRESSIONAL RECORD

TABLE V.—Participation in A. A. A. programs, by States and regions, 1933–38

State and region	Number of contracts accepted by Agricultural Adjustment Administration				Number of payees under the agricultural conservation program		
	1933	1934	1935	1936 <sup>1</sup>	1936	1937	1938
Maine.....		7	10		6,624	10,740	14,876
New Hampshire.....	21	211	139		2,778	5,397	5,216
Vermont.....	18	572	376		5,858	6,522	8,730
Massachusetts.....	448	1,282	1,372		3,016	7,366	7,583
Rhode Island.....		10	7		142	514	598
Connecticut.....	856	2,241	2,372		3,610	4,962	4,758
New York.....	909	2,777	2,262	551	38,454	50,367	44,761
New Jersey.....	192	493	426	121	4,084	12,290	12,567
Pennsylvania.....	7,085	10,667	11,277	3,783	40,673	58,525	60,648
Northeast region.....	9,529	18,260	18,241	4,455	105,239	156,643	159,737
Illinois.....	24,074	142,984	120,776	16,634	116,678	71,489	114,760
Indiana.....	24,091	111,689	91,478	16,725	103,330	69,544	182,224
Iowa.....	3,719	177,738	152,008	2,170	165,316	121,218	143,604
Michigan.....	14,006	56,681	46,479	8,903	106,090	101,783	121,549
Minnesota.....	22,380	103,404	93,826	3,072	130,078	115,564	137,412
Missouri.....	25,089	134,324	124,088	110,799	133,761	111,017	128,945
Nebraska.....	84,100	125,709	120,419	28,191	96,892	78,679	80,834
Ohio.....	28,600	105,121	88,378	14,889	112,925	86,444	112,222
South Dakota.....	49,681	108,024	108,076	2,827	86,463	84,094	101,794
Wisconsin.....	8,135	57,636	50,990	189	152,711	132,325	150,742
North Central region.....	233,875	1,123,370	996,518	104,399	1,204,244	972,147	1,194,086
Delaware.....	687	912	1,494	740	3,982	5,931	9,678
Maryland.....	7,745	11,445	11,377	6,184	16,075	17,346	25,498
Virginia.....	10,818	46,665	63,834	5,531	62,284	70,040	101,675
West Virginia.....	972	4,950	4,226	899	16,004	28,718	40,286
North Carolina.....	50,933	154,519	212,679	758	194,691	192,240	291,144
Kentucky.....	4,076	105,738	133,128	3,103	174,403	190,800	240,471
Tennessee.....	48,693	101,550	119,861	1,584	154,190	158,340	256,172
East Central region.....	123,924	425,779	546,599	18,299	621,629	663,415	964,924
Alabama.....	140,382	126,910	173,656		200,491	192,500	291,232
Arkansas.....	99,339	102,201	124,796	50	191,472	174,200	276,000
Florida.....	4,515	9,904	16,108		23,060	25,800	41,298
Georgia.....	97,000	120,479	174,643	20	168,525	152,000	261,034
Louisiana.....	61,990	66,764	87,115		122,225	127,000	186,003
Mississippi.....	107,729	97,473	111,421		223,860	203,300	312,579
Oklahoma.....	116,112	153,896	196,248	26,115	148,920	141,800	240,470
South Carolina.....	68,166	86,128	106,742		115,607	93,000	167,089
Texas.....	264,766	281,596	360,117	16,291	329,907	327,200	596,731
Southern region.....	959,999	1,045,351	1,350,846	42,476	1,524,067	1,436,800	2,372,406
Arizona.....	813	2,341	2,588	55	2,637	3,293	4,691
California.....	2,634	11,311	11,861	1,189	20,640	49,708	61,752
Colorado.....	11,959	35,738	37,636	8,882	30,595	39,309	40,989
Idaho.....	14,785	31,059	28,134	5,746	19,514	19,357	19,768
Kansas.....	94,216	171,135	154,032	76,815	101,375	103,858	109,995
Montana.....	39,257	45,602	44,917	7,972	33,364	44,413	44,899
Nevada.....	304	565	528	26	1,290	1,414	1,569
New Mexico.....	3,393	6,372	7,680	1,496	15,306	19,127	17,361
North Dakota.....	104,672	122,934	126,604	1,077	117,946	103,776	107,282
Oregon.....	7,092	13,042	11,434	4,021	14,643	23,627	28,749
Utah.....	5,647	17,425	16,742	1,655	14,838	15,866	15,031
Washington.....	11,514	16,961	15,400	4,426	15,096	21,003	26,027
Wyoming.....	2,389	7,442	7,260	1,387	7,921	11,777	11,872
Western region.....	298,585	481,947	464,796	115,947	395,735	456,468	489,476
Alaska.....					34	126	40
Hawaii.....					4,413	5,305	688
Puerto Rico.....		10,403	22,779	6,076	25,086	53,000	67,439
Insular region.....		10,403	22,779	6,076	29,533	58,431	68,167
United States.....	1,625,912	3,105,110	3,399,779	291,652	3,880,447	3,743,904	5,248,796

<sup>1</sup> Winter wheat and rye contracts made before Jan. 6, 1936.

TABLE VI.—Soil Conservation Service selected activities and participation, by States, as of Dec. 31, 1939

State	5-year agreements		Demonstration areas (acres)	Soil-conservation districts		Land-utilization projects (acres)	Water-facilities program (Western States only)		
	Farms	Acres		Number of farms	Acres		Ponds	Wells	Springs, etc.
Alabama.....	3,032	563,860	519,825	59,401	6,799,360	130,676			
Arizona.....	340	2,600,109	19,955,455			10,454	200	16	24
Arkansas.....	3,164	468,126	326,245	149,396	6,753,020	192,718	318	1	16
California.....	1,272	174,528	248,870	1,100	16,812		23	9	46
Colorado.....	1,034	1,485,696	2,869,460	12,060	2,206,409	627,588	1,006	11	90
Connecticut.....	105	16,392	72,000			11,698			
Delaware.....	66	8,364	45,210			4,850			
Florida.....	244	28,606	37,940	3,347	250,000	583,956			
Georgia.....	1,991	336,035	253,333	154,258	18,138,041	212,573			
Idaho.....	807	274,862	148,280			130,812	5	21	301
Illinois.....	3,891	514,727	214,081	621	107,766	40,000			
Indiana.....	2,326	231,717	92,799			54,418			
Iowa.....	3,449	481,817	195,073			1,902			
Kansas.....	1,516	465,667	371,257	18,959	1,366,246		166	7	3
Kentucky.....	2,144	339,933	83,880			72,616			
Louisiana.....	2,467	2,869,250	226,941	107,740	11,656,465	31,093			
Maine.....	111	15,637	30,000			19,103			

<sup>1</sup> Indicates estimated figures.

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TABLE VI.—Soil Conservation Service selected activities and participation, by States, as of Dec. 31, 1939—Continued

State	5-year agreements		Demonstration areas (acres)	Soil-conservation districts		Land-utilization projects (acres)	Water-facilities program (Western States only)		
	Farms	Acres		Number of farms	Acres		Ponds	Wells	Springs, etc.
Michigan	220	16,275	102,048	1 5,266	540,000	82,904			
Minnesota	1,488	220,273	138,882	3,600	496,120	92,084			
Mississippi	2,265	411,545	327,396	1 53,518	6,920,220	124,647			
Missouri	5,618	616,891	231,397			11,043			
Montana	320	107,745	72,239			1,908,394	144	2	17
Nebraska	1,955	394,465	104,434	1 4,338	718,402	127,687	288		4
Nevada	74	5,168	114,990	1 478	6,423,680				
New Jersey	705	84,769	71,190	1 5,996	533,310				
New Mexico	748	2,819,197	29,299,760	1 1,908	2,930,056	743,205	326	48	71
New York	1,545	211,477	205,230			92,354			
North Carolina	6,412	735,459	492,258	1 103,401	9,771,040	98,335			
North Dakota	388	106,442	100,280	1 3,790	2,599,360	955,459	127		4
Ohio	4,032	456,822	260,444			38,363			
Oklahoma	6,359	975,319	524,742	1 101,870	16,382,876	83,904			
Oregon	415	258,252	112,320			231,520	11	6	230
Pennsylvania	2,125	236,203	273,926	1 10,912	1,270,983				
Puerto Rico			2,231,040						
Rhode Island						12,909			
South Carolina	3,822	546,167	282,795	1 92,800	9,265,360	148,207			
South Dakota	777	352,182	238,600	1 1,698	1,267,767	774,979	278	5	13
Tennessee	806	133,459	64,829			75,318			
Texas	6,758	1,811,803	765,621			110,445	163	20	2
Utah	248	59,588	2,656,540	1 2,700	2,835,760	69,062	2		8
Vermont	152	29,058	65,250						
Virginia	2,407	392,537	291,800	1 33,234	6,168,053	43,509			
Washington	525	300,749	82,950			243,604			257
West Virginia	1,751	263,824	180,750			13,042			
Wisconsin	1,973	303,585	235,289	1 10,235	2,648,816	196,114			
Wyoming	422	446,872	2,377,573			420,335	824	31	54
United States	82,269	22,671,452	67,595,222	1 821,626	118,065,922	8,821,880	3,881	177	1,149

1 Indicates estimated figures.

TABLE VII.—Rural rehabilitation loans and grants to individuals by States and Territories cumulative as of Dec. 31, 1939  
[U. S. Department of Agriculture, Farm Security Administration]

State and Territory	Number of families receiving loans 1	Amount of loans certified 2	Number of families receiving grants 1	Amount of grants certified 2
Alabama	35,528	\$15,107,631.02	50,736	\$1,618,736.61
Arizona	1,821	1,492,615.49	7,731	723,158.20
Arkansas	38,867	13,540,128.74	58,459	1,152,489.78
California	5,751	7,281,099.98	29,515	2,761,865.48
Colorado	13,479	11,614,168.32	12,139	1,875,926.09
Connecticut	390	502,385.02	107	11,166.75
Delaware	123	92,955.35	70	9,878.16
Florida	14,651	5,534,158.85	11,084	537,590.66
Georgia	29,085	13,833,296.94	31,853	1,224,783.18
Idaho	5,364	6,010,998.21	5,098	424,235.01
Illinois	31,560	8,253,420.51	14,906	1,199,818.98
Indiana	12,485	6,809,822.18	2,598	204,945.87
Iowa	16,576	8,416,818.92	9,480	718,225.81
Kansas	18,150	12,527,401.78	31,788	6,754,468.88
Kentucky	13,560	4,137,629.10	25,935	1,652,953.46
Louisiana	48,787	9,218,796.78	11,111	323,443.65
Maine	3,830	5,232,437.25	524	72,709.65
Maryland	750	565,612.36	281	28,656.53
Massachusetts	665	664,445.62	313	26,994.07
Michigan	12,788	5,868,452.24	5,237	540,827.39
Minnesota	39,855	9,015,221.23	19,937	2,308,653.94
Mississippi	31,160	13,518,806.76	50,921	1,131,528.35
Missouri	61,445	14,412,884.14	76,662	4,953,700.72
Montana	7,461	9,008,568.50	19,855	4,844,798.77
Nebraska	14,757	12,639,377.70	28,285	7,085,610.76
Nevada	536	647,293.12	91	8,002.50
New Hampshire	1,306	1,017,788.79	272	36,337.71
New Jersey	1,163	1,070,886.50	535	86,223.73
New Mexico	20,282	3,446,387.14	7,071	785,063.63
New York	4,695	3,946,507.63	1,765	296,023.15
North Carolina	14,631	7,662,974.11	11,239	461,730.36
North Dakota	26,039	9,241,162.76	52,584	19,650,018.19
Ohio	25,404	7,664,695.11	9,066	721,506.92
Oklahoma	30,678	17,034,778.99	70,417	4,693,446.98
Oregon	4,376	4,423,559.23	5,012	374,161.01
Pennsylvania	4,410	2,239,479.21	1,372	162,954.32
Rhode Island	216	201,101.32	162	19,553.28
South Carolina	15,037	8,581,771.32	16,665	819,715.37
South Dakota	30,491	13,071,218.95	55,876	23,703,405.09
Tennessee	12,680	3,297,985.54	6,350	266,753.32

1 Includes 343,639 families who received both loans and grants. Thus 1,306,204 families have received rural-rehabilitation loans, grants, or both.

2 Includes rural-rehabilitation loans to individuals from emergency-relief and water-facilities funds and excludes loans to cooperatives, loans for tenant purchase or for construction of farmsteads (lease and purchase).

3 Includes cash grants to individuals for subsistence and for sanitary facilities, and voucher payments for purchase of commodities for issuance to migrant farm families

TABLE VII.—Rural rehabilitation loans and grants to individuals by States and Territories cumulative as of Dec. 31, 1939—Con.

State and Territory	Number of families receiving loans	Amount of loans certified	Number of families receiving grants	Amount of grants certified
Texas	61,803	29,787,537.51	50,380	3,032,953.84
Utah	5,452	5,070,793.64	4,476	409,414.93
Vermont	1,111	1,083,120.02	427	39,720.46
Virginia	10,135	3,798,209.36	766	98,414.75
Washington	4,697	5,920,492.05	7,860	858,959.34
West Virginia	9,264	2,975,844.58	4,776	346,188.06
Wisconsin	34,625	8,063,125.04	49,204	3,706,617.94
Wyoming	5,109	7,508,807.15	5,162	873,156.02
Hawaii	51	\$41,191.00	0	0
Puerto Rico	20	9,850.00	242	0
Virgin Islands	349	44,821.00	0	\$7,395.00
United States total	783,448	343,150,547.06	866,395	100,652,910.65

TABLE VIII.—Tenant purchase loans (from tenant purchase funds) as of Dec. 31, 1939

[U. S. Department of Agriculture, Farm Security Administration]

State	Number of borrowers	Total amount approved
Alabama	556	\$2,247,849.75
Arizona	6	43,231.00
Arkansas	449	1,864,177.30
California	40	324,899.70
Colorado	37	314,224.00
Connecticut	4	25,565.00
Delaware	10	41,383.00
Florida	53	220,238.00
Georgia	584	2,293,417.51
Idaho	19	187,040.00
Illinois	148	1,462,526.23
Indiana	87	797,681.55
Iowa	108	1,887,335.30
Kansas	87	730,868.45
Kentucky	174	1,320,100.80
Louisiana	248	1,356,791.30
Maine	10	31,571.10
Maryland	28	160,374.90
Massachusetts	4	21,501.00
Michigan	61	433,006.00
Minnesota	118	992,039.19
Mississippi	634	2,296,871.79
Missouri	215	1,361,478.10
Montana	13	124,612.00



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TABLE VIII.—Tenant purchase loans (from tenant purchase funds)  
as of Dec. 31, 1939—Continued

State	Number of borrowers	Total amount approved
Nebraska.....	75	\$685,711.24
Nevada.....	2	5,430.00
New Hampshire.....	3	15,689.30
New Jersey.....	8	58,036.75
New Mexico.....	15	120,249.95
New York.....	51	276,709.89
North Carolina.....	419	1,954,872.56
North Dakota.....	56	343,811.15
Ohio.....	105	839,831.34
Oklahoma.....	295	1,718,297.72
Oregon.....	17	148,455.27
Pennsylvania.....	76	452,651.47
Rhode Island.....	1	4,447.00
South Carolina.....	363	1,460,754.65
South Dakota.....	53	405,400.55

TABLE VIII.—Tenant purchase loans (from tenant purchase funds)  
as of Dec. 31, 1939—Continued

State	Number of borrowers	Total amount approved
Tennessee.....	277	\$1,566,597.76
Texas.....	621	3,915,708.78
Utah.....	6	48,805.00
Vermont.....	4	31,750.00
Virginia.....	172	879,842.35
Washington.....	24	163,651.89
West Virginia.....	50	298,801.25
Wisconsin.....	64	498,555.00
Wyoming.....	6	46,650.00
Hawaii.....	48	220,157.00
Puerto Rico.....	32	166,015.00
United States total.....	6,628	36,855,275.84

TABLE IX.—Commodity Credit Corporation—Statement of loans and commodities owned, Jan. 31, 1940

Commodities	Disbursements	Total credits <sup>1</sup>	Loans held by Commodity Credit Corporation	Loans held by banks	Total outstanding	Total collateral held
<b>Cotton loans:</b>						
1933-34 cotton.....	\$103,684,117.86	\$103,684,117.86				
1934-35 cotton.....	309,740,512.55	309,732,372.63	\$8,139.72		\$8,139.72	
1935-36 cotton.....	3,655,821.87	3,640,844.38	14,977.49		14,977.49	
1937-38 cotton.....	263,669,980.78	263,626,346.63	43,634.15		43,634.15	
1938-39 cotton.....	63,275,987.70	20,902,790.40	42,373,197.30	\$114,838,597.48	157,211,794.78	\$3,854,872
1939-40 cotton.....	38,262.86		38,262.86	1,049,024.76	1,087,287.62	24,291
Total.....	744,064,683.42	701,586,471.90	42,478,211.52	115,887,622.24	158,365,833.76	3,379,163
<b>Cotton pool loans:</b>						
1933-34 cotton pool.....	38,991,041.76	38,991,041.76				
1934-35 cotton pool.....	12,424,800.06	12,424,800.06				
Total.....	51,415,841.82	51,415,841.82				
<b>Corn loans:</b>						<i>Bushels</i>
1933-34 corn.....	121,276,173.81	121,276,173.81				
1934-35 corn.....	4,323,793.32	4,323,793.32				
1935-36 corn.....	8,772,862.22	8,772,862.22				
1936-37 corn.....	46,031.82	46,031.82				
1937-38 corn.....	21,865,887.14	21,860,112.90	5,774.24		5,774.24	
1938 corn.....	16,598,416.59	15,303,640.11	1,294,776.48		1,294,776.48	2,246,746
1938-39 corn.....	139,465,612.61	34,556,306.85	104,909,305.76		104,909,305.76	166,999,794
1939-40 corn.....	1,942,977.91	182.40	1,942,795.51	48,858,455.79	50,801,251.30	89,237,664
Total.....	314,291,755.42	206,139,103.43	108,152,651.99	48,858,455.79	157,011,107.78	258,484,204
<b>Tobacco loans:</b>						<i>Pounds</i>
1931-35 tobacco.....	8,686,399.01	5,636,245.61	3,050,153.40		3,050,153.40	16,541,225
1937 tobacco.....	935,625.43	925,476.92	10,148.51		10,148.51	882,131
1939 tobacco.....	35,087.25	11,757.57	23,329.69		23,329.69	470,500
Total.....	9,657,111.70	6,573,480.10	3,083,631.60		3,083,631.60	17,893,916
<b>Turpentine and rosin loans:</b>						
1934-35 turpentine and rosin.....	7,280,887.19	7,280,887.19				
1938 turpentine and rosin.....	12,286,765.73	4,860,761.74	7,426,003.99		7,426,003.99	<sup>2</sup> 22,931
1939 turpentine and rosin.....	8,949,543.52		8,949,543.52		8,949,543.52	<sup>3</sup> 565,670
Total.....	28,517,196.44	12,141,648.93	16,375,547.51		16,375,547.51	<sup>2</sup> 6,140,007
<b>Fig loans:</b>						<i>Tons</i>
1937-38 figs.....	83,914.91	83,914.91				
1938-39 figs.....	124,998.41	124,998.41				
1939-40 figs.....	51,128.41	5,274.51	45,853.90		45,853.90	2,009
Total.....	260,041.73	214,187.83	45,853.90		45,853.90	2,009
<b>Peanut loans:</b>						
1937-38 peanuts.....	5,360,107.55	5,360,107.55				
1938-39 peanuts.....	7,113,752.19	7,113,752.19				
1939-40 peanuts.....	810,021.96	136,830.40	673,191.56		673,191.56	11,456
Total.....	13,283,881.70	12,610,690.14	673,191.56		673,191.56	11,456
<b>Prune loans:</b>						
1937-38 prunes.....	2,357,068.91	2,357,068.91				
1938-39 prunes.....	397,224.23	391,561.68	5,662.55		5,662.55	17,837
Total.....	2,754,293.14	2,748,630.59	5,662.55		5,662.55	17,837
<b>Raisin loans:</b>						
1937-38 raisins.....	1,327,719.97	1,327,719.97				
1938-39 raisins.....	2,985,043.87	1,168,550.57	1,816,493.30		1,816,493.30	56,310
Total.....	4,312,763.84	2,496,270.54	1,816,493.30		1,816,493.30	56,310
<b>Wheat loans:</b>						<i>Bushels</i>
1938:						
Form A.....	12,976,821.31	10,843,657.03	2,133,164.28		2,133,164.28	
Form B.....	34,097,220.73	34,062,462.09	34,758.64		34,758.64	3,548,361
1939:						
Form A.....	2,101,228.85	182,540.51	1,918,688.34		1,918,688.34	
Form B.....	6,129,439.97	1,673,346.23	4,456,093.74	97,225,001.58	101,681,095.32	147,640,378
Total.....	55,304,710.86	46,762,005.86	8,542,705.00	97,225,001.58	105,767,706.58	151,188,739

<sup>1</sup> Includes amounts charged-off and credits for outstanding balances of loans against commodities taken over by Commodity Credit Corporation.<sup>2</sup> Gallons.<sup>3</sup> Barrels.

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TABLE IX.—Commodity Credit Corporation—Statement of loans and commodities owned, Jan. 31, 1940—Continued

Commodities	Disbursements	Total credits	Loans held by Commodity Credit Corporation	Loans held by banks	Total outstanding	Total collateral held
Wool and mohair loans:						Pounds
1938 wool and mohair	\$3,311,701.52	\$3,311,701.52				
1939 wool and mohair	38,409.47	25,920.72	\$12,488.75	\$175,760.10	\$188,248.85	1,125,422
Total	3,350,110.99	3,337,622.24	12,488.75	175,760.10	188,248.85	1,125,422
Butter loans:						
1938 butter	31,646,113.30	31,646,113.30				
1939 butter	3,071,028.09	2,282,296.93	788,731.16		788,731.16	3,904,846
Total	34,717,141.39	33,928,410.23	788,731.16		788,731.16	3,904,846
Date loans	61,302.00	61,302.00				
Pecan loans	470,726.19	175,127.34	295,598.85		295,598.85	2,005,174
Hop loans	1,488,569.66	420,422.45	1,068,147.21		1,068,147.21	5,170,700
Rye loans	567,072.00	51,300.52	515,771.48		515,771.48	1,364,824
Total commodity loans	1,264,517,202.30	1,080,662,515.92	183,854,686.38	262,146,839.71	446,001,526.09	

Commodities owned by Commodity Credit Corporation:

Cotton	bales	6,867,231
Corn	bushels	86,018,394
Tobacco	pounds	174,475,210

\* 1939 tobacco collateral purchased transferred from notes receivable to commodities owned by Commodity Credit Corporation.

TABLE X.—Crop-insurance participation by States

State	1939 program				1940 program
	Policies issued (number)	Premiums paid (bushels)	Acreage insured	Indemnities paid (bushels)	
California	992	73,872	111,954	243,122	164,897
Colorado	1,387	78,493	72,285	169,662	124,841
Delaware	79	851	1,754	668	9,176
Idaho	1,641	74,412	125,613	56,308	147,420
Illinois	12,170	194,726	286,883	57,390	244,463
Indiana	11,146	149,486	173,573	146,244	311,577
Iowa	4,657	62,381	81,659	126,065	92,912
Kansas	14,950	813,061	932,499	1,727,752	2,862,709
Kentucky	(1)	(1)	(1)	(1)	15,903
Michigan	5,048	33,111	54,134	38,851	136,361
Minnesota	10,280	175,132	254,787	145,616	256,974
Missouri	15,783	213,608	389,086	167,091	352,377
Montana	5,133	673,942	537,720	605,020	147,383
Maryland	986	10,911	23,035	7,103	31,348
Nebraska	13,250	540,186	476,428	1,251,265	1,248,753
Nevada	38	504	659	3,341	1,303
New Jersey	29	190	380	170	1,288
New York	652	1,030	8,758	14,924	9,493
New Mexico	109	13,398	9,193	24,044	6,244
North Carolina	(1)	(1)	(1)	(1)	2,010
North Dakota	28,050	2,048,428	2,148,492	1,328,815	769,785
Ohio	10,269	141,430	135,769	100,290	287,853
Oklahoma	8,639	291,416	503,109	475,924	976,376
Oregon	661	64,781	95,515	100,214	235,011
Pennsylvania	2,301	15,815	30,456	7,387	72,786
South Dakota	10,772	738,941	515,881	1,506,281	453,982
Tennessee	(1)	(1)	(1)	(1)	4,973
Texas	3,667	421,377	376,772	1,022,669	706,064
Utah	442	23,019	33,603	59,141	24,484
Virginia	916	7,347	15,386	3,811	20,980
Washington	1,342	86,970	168,956	83,488	329,646
West Virginia	1	19	37		
Wisconsin	183	1,219	1,187	6,437	3,097
Wyoming	311	29,053	23,418	77,066	77,490

1 No participation in 1939 program.

TABLE XI.—Rural Electrification Administration allotments by States as of June 30, 1939

Name of State	Total amount allotted	Total miles <sup>1</sup>	Total consumers <sup>1</sup>
Alabama	\$4,485,050	4,934	17,280
Arizona	578,000	460	1,553
Arkansas	4,607,500	4,823	17,577
California	1,736,500	1,322	3,705
Colorado	2,902,000	2,576	8,301
Delaware	895,037	847	2,571
Florida	1,467,000	1,478	5,161
Georgia	11,076,615	10,445	47,422
Idaho	1,884,750	1,638	5,184
Illinois	12,069,630	10,882	34,416
Indiana	14,476,195	13,694	60,261
Iowa	14,184,128	12,546	34,421
Kansas	5,126,651	5,167	13,036
Kentucky	7,389,720	6,810	27,588

TABLE XII.—Rural Electrification Administration allotments by States as of June 30, 1939—Continued

Name of State	Total amount allotted	Total miles	Total consumers
Louisiana	\$2,464,100	2,538	9,063
Maine	91,000	69	386
Maryland	629,000	387	1,414
Michigan	10,726,000	9,029	33,156
Minnesota	14,656,736	12,708	35,893
Mississippi	6,001,700	6,559	25,069
Missouri	9,646,200	9,109	29,769
Montana	1,918,600	1,697	5,402
Nebraska	10,112,200	8,801	22,807
Nevada	222,000	84	102
New Jersey	420,300	387	1,337
New Mexico	705,000	597	1,547
New York	1,375,000	1,412	6,062
North Carolina	4,984,359	4,912	20,878
North Dakota	1,606,972	1,493	4,242
Ohio	12,804,025	11,795	42,211
Oklahoma	5,859,000	6,238	19,015
Oregon	804,000	673	2,372
Pennsylvania	5,351,200	4,525	16,783
South Carolina	3,127,328	3,419	13,424
South Dakota	698,500	607	1,855
Tennessee	8,154,058	6,509	35,240
Texas	15,962,685	17,712	53,982
Utah	559,000	417	1,529
Vermont	142,000	104	636
Virginia	5,635,800	5,165	19,460
Washington	1,792,700	1,645	4,826
West Virginia	503,000	427	1,533
Wisconsin	12,566,800	9,095	28,198
Wyoming	1,565,800	1,221	3,634
Total for United States	223,903,830	206,776	710,306

1 Figures represent estimates in construction loan contract.

TABLE XIII.—Purchases and expenditures by the Federal Surplus Commodities Corporation by commodities, for the fiscal year ended June 30, 1939

Commodity	Unit	Quantity purchased	Total cost
	(1)	(2)	(3)
Apples, fresh	Bushel	555,694	\$596,604
Beans:			
Dry	Pound	76,409,500	2,090,313
Green	Bushel	33,620	17,854
Beets	Bushel	322,339	135,467
Blackberries, canned	Case	76,960	134,600
Butter	Pound	122,286,750	34,704,169
Cabbage	Pounds	118,962,085	1,102,370
Carrots	Bushels	152,102	72,299
Cauliflower	Crates	21,448	17,968
Celery	Crates	30,837	44,242
Corn, fresh	Bushels	17,730	4,608
Corn meal	Barrels	859,918	2,509,001
Cotton, raw baled	Bales	29,190	1,024,418
Cotton containers	Number	197,095	17,650
Cotton ticking	Yard	3,798,441	328,409
Eggs, shell	Case	107,697	532,134
Grapefruit	Box	1,954,533	2,100,333
Mesh bags	Number	640,870	62,625
Grapefruit juice	Case	2,419,029	2,966,999



TABLE XII.—Purchases and expenditures by the Federal Surplus Commodities Corporation by commodities, for the fiscal year ended June 30, 1939—Continued

Commodity	Unit	Quantity purchased	Total cost
	(1)	(2)	(3)
Milk:			
Dry skim.....	Pound.....	13,997,211	\$706,931
Paper bags.....	Number.....	13,156,975	92,964
Evaporated.....	Cases.....	73,600	172,147
Fluid.....	Quart.....	61,265,821	3,349,251
Onions.....	Bushel.....	232,785	168,176
Oranges.....	Box.....	1,834,279	2,937,792
Mesh bags.....	Number.....	460,000	41,958
Peaches:			
Dried.....	Pound.....	10,480,954	772,500
Fresh.....	Bushel.....	5,959	6,924
Pears, fresh.....	Box.....	295,299	400,552
Peas, fresh.....	Bushel.....	2,898	2,808
Plums, fresh.....	Box.....	32,355	25,269
Potatoes:			
Sweet.....	Bushel.....	378,086	193,073
White.....	Bushel.....	2,264,499	1,417,929
Prunes, fresh.....	Bushel.....	13,743	21,927
Raisins.....	Pound.....	20,190,000	946,814
Rice.....	Pound.....	12,758,000	383,049
Sirup, cane.....	Case.....	36,784	88,182
Tomatoes:			
Canned.....	Case.....	66,701	88,949
Fresh.....	Bushel.....	109,237	73,327
Wheat cereal.....	Barrel.....	340,015	1,200,573
Graham flour.....	Barrel.....	314,996	1,110,585
White flour.....	Barrel.....	908,299	3,603,552
Total.....			66,367,863

### Civil Liberties

#### EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. NORRIS. Mr. President, on the 29th day of February the Senator from Washington [Mr. SCHWELLENBACH] delivered over the Mutual Broadcasting System an address entitled "The Relation Between Alien Legislation and Civil Liberties." I desire to read one paragraph of that address. Among other things, the Senator from Washington said:

No objective in mankind's progress has been more difficult of achievement or retention than political freedom. The common man has always desired political freedom for himself. He has, however, been slow to remember that his own freedom ultimately depends upon the equal freedom of all, even those whose views of government he may, upon occasion, dislike and even profoundly detest. It was only after centuries of struggle that the common man realized that political democracy was possible only if the right of all men, without regard to race or religion, to express their political opinions freely and publicly was scrupulously safeguarded.

I ask unanimous consent that the entire address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Hate and fear. It is through these two emotions that dictators gain power. Place in the hands of an ambitious leader the means of instilling these in the minds of a people and you take the first step toward bondage. In Germany, it was hatred for and fear of the Jews that made Hitler strong. In Russia, it was hatred for and fear of the church which led to Stalin's ruthlessness. It is always so. We in America want no dictator. We want none of Hitlerism nor Stalinism.

That is why we must resist any effort to create hatred for or fear of any class or group here. I don't care what may be their race or religion or social or economic status. Once we set apart any group as our common enemy to be hated or feared, we endanger the rights and liberties of every citizen in the land.

There are pending in Congress four dozen bills directed against aliens. I hold no brief for aliens. Certainly they must not be

granted favors over American citizens. But the danger lies in singling them out as the objects of legislative disfavor. Whether we like it or not we are all the descendants of aliens. No one with good sense—no one with true devotion to American ideals can justify whipping up popular sentiment against them just because they don't have the right to vote.

I know how easy it is for political self-seekers to condemn aliens. It is perhaps the best vote-getting argument in present-day politics. The politician can beat his breast and proclaim his loyalty to America. He can tell the unemployed man that he is out of work because some alien has a job. He can urge the immediate deportation of all aliens. Of course, he won't tell where the aliens are to go or how ships will be provided for their deportation. He has two objectives. One, to instill fear and hatred against the aliens. Second, to raise the false hope that by following his leadership work may be obtained by citizens who so much want it.

The tragedy of it all is that apparently neither the politician nor those who listen realize he is sowing the seeds of discontent that will inevitably bring despair and disaster to all our people.

You say I am exaggerating. Let us look for a minute at H. R. 5643, which provides for concentration camps for aliens. You say that can't be true. Surely here in free America no Congressman would advocate concentration camps. This is not Germany. Unfortunately, it is true. Let me read you an excerpt from this bill:

"Any alien (in certain classes), where deportation or departure is not effectuated within 90 days after the date the warrant of deportation shall have become final, shall be taken into custody and transported to such place of detention as may be designated by the Secretary of Labor and confined until such time as deportation may become feasible."

What does that mean? Simply this—we have several hundred aliens who are subject to deportation. Through no fault of their own the countries from which they came have been destroyed. They may be from Poland, Monrovia, Bohemia, Albania, or one of the other countries which has been wiped out in the last few years. They can't be deported. There is no place which will receive them. So this law says they shall be confined "until such time as deportation may become feasible." That time may never come. It may mean life imprisonment. Do you want laws of that kind upon the statute books of free America?

Maybe you say, after all, they are only aliens. Why should we Americans worry about them? If that is your attitude, I want Abraham Lincoln to answer you. Let me quote from what he once said: "Familiarize yourselves with the chains of bondage and you prepare your own limbs to wear them. Accustomed to trample on the rights of others, you have lost the genius of your own independence."

We have before us another bill under which any alien who even in private conversation favors any change in our Government shall be deported. He need not advocate force and violence. He need not be a Communist or Nazi. He just needs to be critical of our Government or the administration in power. You may again say, "Why should we let aliens remain here who criticize our Government? They are only aliens after all." If you say that, I am going to ask Thomas Jefferson to answer you. In his original draft of the Virginia bill for the establishment of religious freedom he said, "The opinions of men are not the objects of civil government or under its control." Do you think that Thomas Jefferson or any other of the original patriots would countenance measures which are today being advocated? If they had, we would never have enjoyed a democracy here. We still would be English colonies.

I think the height of politics was reached on January 3, 1939, when H. R. 999 was introduced. That bill provided, "That after December 31, 1939, every alien in the United States shall be forthwith deported." The author of that bill knew it could never be enforced. All of our ships and all of our machinery of government could not make it effective.

I do not criticize men who advocate things such as this. I pity them. I do not fear them. Their proposals are too outlandish. I mention this bill only because it indicates the trend—a trend which involves a deep-seated danger so far as our future is concerned.

My appeal is not on behalf of the alien; it is on our own behalf. We don't dare permit these emotions to be kindled in our midst. The fate of any individual alien who might be injured by such legislation is not important as compared with the fate of our own people who will ultimately be injured thereby.

We in America inherit a treasure. That treasure is not in gold or land or other resources. It is the treasure of liberty. The right to be free, the right to think and to speak and to print and to worship—these are our inheritances. He who strikes at them strikes at our democracy itself. He who would restrict and limit the rights of any within our shores endangers the right of all within our shores. He who would ask us to hate and fear our neighbors, just because they are not citizens asks us to light a fire which might well consume us all. He may wrap around himself the cloak of patriotism. He may attempt to charm with impossible promises, but he cannot deceive those who truly understand American democracy, because the hate and fear he teaches is foreign to it.

The spirit of American democracy is a spirit of tolerance. Fortunately, we in America have in our hands the tools with which we may make that spirit effective. The tools of our democracy are

contained in the first 10 amendments to the Constitution. They are known as the Bill of Rights.

It must not be forgotten that the very nature of these tools of democracy is such that they cannot be misused, exploited, or even neglected for long. They cannot be permitted even intermittently to lie dormant. Their nature is such that neglect and nonuse causes them to atrophy and die. Untiring alertness is the price which must be paid for their preservation.

We live today at a time when the need for this untiring alertness is greater than at any previous period in our Nation's history; this for the reason that right now three factors have merged.

1. For a full decade we have undergone a condition of depth-reaching depression. This could not have helped but to have weakened the resistance of our people. False doctrines of government acquire much more attractive color to a depressed than to a prosperous people.

2. The last two decades have seen the acceptance by the peoples of many nations of political doctrines which are the direct antithesis of those in which we believe.

3. At the moment most of the powerful nations of the world either are at war or on the verge of war. This results in a situation in which all of the nations participating feel it essential that every possible effort be made by them to influence the attitude of our people toward them and their enemies.

The concurring of these three factors presents to us the greatest danger, so far as our civil liberties are concerned, that this Nation has ever seen. Our Government and our people must necessarily afford protection against improper activities conducted from outside sources. We cannot afford to permit our actions to be controlled directly or indirectly by those who represent governments other than our own. We must, however, take care that in our desire to defend against improper outside activities we do not run the risk of destroying the civil liberties of our people, and by so doing destroy our very democracy itself.

Each one of us looks upon himself as a patriotic American citizen, interested only in the future welfare of our Nation and our Government. We are inclined to look upon those of whose theories we disapprove as being enemies of our Government and its future welfare. What is hard for you and me to understand is that if we prevent them from stating their point of view, we, at the same time, deprive ourselves of the protection of the tools of democracy upon which we rely for the protection of the doctrines we espouse.

No objective in mankind's progress has been more difficult of achievement or retention than political freedom. The common man has always desired political freedom for himself. He has, however, been slow to remember that his own freedom ultimately depends upon the equal freedom of all, even those whose views of government he may, upon occasion, dislike and even profoundly detest. It was only after centuries of struggle that the common man realized that political democracy was possible only if the right of all men, without regard to race or religion, to express their political opinions freely and publicly was scrupulously safeguarded.

We in America must not permit these centuries of struggle on our behalf to be wasted by the creation of fear and hatred toward our alien groups.

## O'Mahoney Amendment to Reciprocal Trade Agreements Act

### EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5 (legislative day of Monday, March 4), 1940

TEXT OF O'MAHONEY AMENDMENT AND EDITORIALS AND LETTER FROM THE BALTIMORE SUN

Mr. O'MAHONEY. Mr. President, on Wednesday last I appeared before the Finance Committee to submit an amendment to the joint resolution now pending there (H. J. Res. 407) extending the Reciprocal Trade Agreements Act for another 3-year period. That amendment has since been offered in the Senate.

On March 1 there appeared in the Baltimore Sun an editorial replying to the argument I made at that time. To that editorial I made response by a letter which appeared in the Baltimore Sun of this morning. To this letter the editor of the Baltimore Sun has made an additional reply.

I ask unanimous consent that my amendment, the two editorials referred to, and my letter may be printed in the Appendix of the RECORD in the order I have already mentioned.

There being no objection, the amendment, editorials, and letter were ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. O'MAHONEY to the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, viz: At the end of the joint resolution insert the following new section:

SEC. 2. No. foreign-trade agreement hereafter entered into under the authority delegated to the President by such section 350, as amended, no amendatory or supplementary agreement hereafter entered into under such section, and no duties and other import restrictions specified in a proclamation issued by the President to carry out any such foreign-trade agreement or any such amendatory or supplementary agreement, shall take effect until the Congress, by law, has specifically approved such agreement, and the duties and other import restrictions so specified to carry out such agreement.

[From the Baltimore Sun of March 1, 1940]

#### MR. O'MAHONEY THINKS THE TRADE ACT UNCONSTITUTIONAL

Senator O'MAHONEY's behavior in the court-pack fight and as T. N. E. C. chairman has been, in general, so reassuring that it is a pity to see him go wrong on the Trade Agreements Act. For administration Senators on the Finance Committee had little difficulty in showing the holes in his plea for provisions requiring congressional approval of trade agreements negotiated from now on. And it is probable that a majority of the Senate will see the same holes if his proposal comes to a vote.

Senator O'MAHONEY's attack upon the constitutionality of the trade-agreements program rests on alternative and conflicting formulas. First of all, he says the agreements are really treaties and so subject to ratification by the Senate. Next he says they are revenue acts and so subject to the authority of the House of Representatives. Without waiting to resolve the conflict thus set up, he proposes a cure broad enough to reach either flaw.

But if, as the Senator thinks may be possible, the agreements are really treaties, then his own proposal seems equally unconstitutional. It admits the House of Representatives to authority over treaties, and it reduces the vote required in the Senate from the constitutional two-thirds to the mere majority of ordinary legislation. If, on the other hand, the agreements are revenue acts, which should originate in the House, then it would be interesting to know just what it was that happened in the House last Friday, when the Members voted 216 to 168 to extend the Hull program for 3 more years.

But Senator O'MAHONEY argues that the House was not passing on the agreements later to be negotiated by the President's agents in the State Department. And that is perfectly true. But if the Senator really means that Congress cannot delegate to executive or administrative agencies specialized jobs under specific mandate as to how the jobs are to be done, then he invalidates a considerable share of the legislation passed since the Interstate Commerce Commission was set up in 1887, to say nothing of earlier enactments.

No one should minimize, of course, the danger of undue expansion in executive and administrative authority and power. What we have been seeing in the Smith committee hearings on the N. L. R. B. is evidence enough of that danger. But there is a middle ground between the abuses revealed by the Smith committee and the notion apparently held by Senator O'MAHONEY that the Congress itself ought not merely to legislate but to administer its legislation. It is a ground already occupied by a long series of provisions under both Republican and Democratic administrations for securing flexibility in the tariff. It is the ground marked out by the Supreme Court of the United States when it said of one such provision: "If it is thought wise to vary the customs duties according to changed conditions at home and abroad, Congress may authorize the Chief Executive to carry out this purpose."

[From the Baltimore Sun of March 5, 1940]

MR. O'MAHONEY REPLIES—THE SENATOR FROM WYOMING FURTHER EXPLAINS HIS OPPOSITION TO THE RECIPROCAL TRADE AGREEMENTS ACT

TO THE EDITOR OF THE SUN:

Sir: I have read your editorial of March 1 commenting upon my argument to the Senate Finance Committee on the Reciprocal Trade Agreement Act. It is clear, however, that before writing the editorial you had not read my argument. May I not therefore take the liberty of briefly summarizing it?

The Constitution of the United States says in so many words (par. 2 of art. VI): "This Constitution and the laws of the United States which shall be made in pursuance thereof and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land."

The Constitution also provides in section 7 of article I that "All bills for raising revenue shall originate in the House of Representatives."

The Tariff Act of 1930 was a revenue law enacted in accordance with the latter provision. When it was approved by the President it became, under the first provision above quoted, a part of the supreme law of the land.

It is perfectly obvious therefore that the customs duties fixed in that statute can be altered only by an instrument of equal dignity, that is to say by a treaty or by another law.



The State Department contends that reciprocal-trade agreements are not treaties though they are international compacts. If the State Department and, incidentally, the editor of the *Baltimore Sun*, are correct in this contention, then, obviously, a trade agreement which is not a treaty cannot change the customs duties fixed by a constitutional law of Congress.

The only other way to change these customs duties is by law, and, since customs duties are taxes, and the measures which fix them fall within the category of "revenue-raising measures," they must, under the Constitution, originate in the House of Representatives.

But the trade agreements do not originate in the House of Representatives. They originate in the State Department, and the Members of the House of Representatives, to whom the framers of the Constitution committed the responsibility of originating all revenue measures, do not know what changes are being made under the Trade Agreements Act until the changes are effective. That, I contend, is a perfectly plain violation of the intent and purpose of the Constitution.

If the Congress of the United States can constitutionally delegate to the Executive the power of modifying one form of revenue law, what is there to prevent it from delegating the power to change all other forms of revenue law? If the Congress can constitutionally delegate to the Secretary of State the power to modify customs duties, by what authority would you argue that Congress could not delegate to the Secretary of the Treasury the power to modify the income tax rates?

Now, then, with respect to your statement that my argument "rests on alternative and conflicting formulas," let me say again that you have not read the argument. I do not contend that all international compacts are treaties. Executive agreements have been made and recognized as wholly valid throughout our history, but there is a clear difference between Executive agreements and treaties. Executive agreements deal with ministerial details and not with broad questions of public policy. Executive agreements cannot alter law. Only treaties or another law can do that.

Whenever the President makes an agreement with a foreign country which alters a law it cannot become effective, under the Constitution, until ratified as a treaty.

On the other hand, however, if a reciprocal-trade agreement deals only with the modification of customs duties, and does not involve any other question of public policy or alter any other treaty, clearly the Constitution would be satisfied if the agreement should be approved by an act of Congress passed in both Houses.

To put it in another way, a trade agreement which deals only with modification of customs duties would amount to a recommendation by the President to the Congress for a new law, and all questions of the treaty-making power could thus be eliminated.

May I not venture to add another word? Let us not confuse the question of reciprocity on its merits with the constitutional question of how in our country, under our form of government revenue laws may be constitutionally changed. In a world in which the whole principle of popular government is being submerged, it seems to me to be of the utmost importance that the United States of America shall stand out as the unconquerable defender of the principle that the people, through their representatives, and not the Executive shall make the laws which the people must obey. We cannot defend democracy by abandoning it.

JOSEPH C. O'MAHONEY.

Washington, March 2.

[From the *Baltimore Sun* of March 5, 1940]

SENATOR O'MAHONEY GOES IN DEEPER AND DEEPER

Elsewhere on this page this morning Senator O'MAHONEY, of Wyoming, questions our comment that his argument against the trade-agreements program rests on "alternative and conflicting formulas." Our comment was based on the Senator's feeling that the trade-agreements program is in violation (a) "of the constitutional provision that treaties with foreign governments shall be made by and with the advice and consent of the Senate"; and (b) of the constitutional provision that all revenue measures shall originate in the House of Representatives.

Now, agreements which violate the treaty provisions of the Constitution must be treaties. By the same token, agreements which violate the revenue provisions of the Constitution must be revenue measures. If these two interpretations of the trade agreements are, as the Senator suggests, complementary and harmonious, then the defects which he detects in the agreements under either interpretation must be curable by the legislation which he proposes.

As a matter of fact, the legislation which he proposes provides for approval of future trade agreements by mere majority vote of the two Houses. This obviously does not meet the constitutional provision that treaties are to be ratified by a two-thirds vote of the Senate, the House being denied any authority whatever. If Senator O'MAHONEY's letter to us is thus a formal notice that he abandons his earlier view that the agreements are treaties, we welcome it. We welcome its implicit assurance that the Senator will not be found during the debate supporting amendments which rest on the notion that the trade agreements are really treaties.

But it should not be overlooked that Senator O'MAHONEY's amendment does not meet, either, the second constitutional provision, cited by him, that all revenue measures shall originate in

the House of Representatives. "The trade agreements," says the Senator, quite accurately, "do not originate in the House of Representatives." But his proposed amendment does not require that they originate there for the very good reason that it is not administratively practicable that they originate there.

If, then, Senator O'MAHONEY's proposal reaches neither the treaty violation nor the revenue-measure violation which he outlines, it seems fair to say that actually, in the Senator's view, the trade agreements not only are not treaties but are not, in the exact sense, revenue measures. Just what are they, then, in the Senator's view? To judge by the amendment which he proposes, supplemented by his letter of this morning, they seem to occupy a shadowland about halfway between treaties and "Executive agreements," with enough of the flavor of "revenue measures" to require congressional action roughly like that required on a revenue measure.

But this is really a new and adventurous essay in constitutional speculation. More cautious we prefer the view of the State Department that the trade agreements represent a mere valid and familiar delegation of legislative power to the Executive. With the Supreme Court decisions supporting this view from Field against Clark to U. S. against Curtiss-Wright, the Senator is as well acquainted as we are or as are counsel for the State Department. If this delegation is valid, asks the Senator, "what is there to prevent (Congress) from delegating the power to change all other forms of revenue law?" Of course, there is nothing, except the voters, the wisdom of the Congress itself, and, finally, the Supreme Court of the United States, which distinguishes in matters of delegation between domestic and foreign affairs. As the Court, through Mr. Justice Frankfurter, was saying only the other day, "It is always easy to conjure up extreme and even oppressive possibilities in the exertion of authority. \* \* \* But to conjure up is not, happily, to legislate."

We fully appreciate the dangers Senator O'MAHONEY mentions in his last paragraph; and we gladly recognize the special force of such an argument from one who played the Senator's part in the Court-pack controversy. But let us point out that there are two dangers, not one, in the "confusion of the question of reciprocity on its merits with the constitutional question." There is, perhaps, the danger that those who see the merits will forget the Constitution; there is also the danger—to which we do not say the Senator has succumbed—that those merits will be purposely obscured in quite irrelevant constitutional arguments. For "any requirement of ratification would have made it altogether impossible to hope for any successful development of the program of reciprocal agreements," as Senator O'MAHONEY himself was saying in 1937. It is quite possible that constitutional quibbling, however honest, will play into the hands of special interests whose real motives for wishing to kill the trade program are not constitutional at all.

## Reciprocal-Trade Agreements

### EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5 (legislative day of Monday, March 4), 1940

ARTICLE BY THOMAS W. LAMONT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the *RECORD* a very illuminating article in *Collier's Weekly* for March 9, written by Mr. Thomas W. Lamont, entitled "Trade Is a Two-Way Street."

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

[From *Collier's* for March 9, 1940]

TRADE IS A TWO-WAY STREET

(By Thomas W. Lamont)

As a lifelong Republican, I am impressed with the importance of renewing the legislation for the Hull trade agreement. Further, I venture to express the hope that my Republican friends will avoid making a party issue of this pending measure. I can understand the attitude of those who are not convinced of the lift the Hull agreements have given to our foreign trade and who therefore may not support this policy. But for the Republicans to take a partisan stand against this manifest effort to expand our commerce would, I submit, place the party in an untenable position. It would jeopardize the success of any Republican administration that might win office next November, for the reason that the next 4 years for America must be made to produce expanding, not dwindling, trade.

In arguing for the trade agreements, I shall not resort to elaborate statistics. I know that the State Department's figures as to the favorable working of the agreements have been challenged on some points, but I have no reason to doubt that the Department's compilations are substantially correct. Yet one has to go behind statistics alone and look at basic principles and larger issues. The real question is: Shall we or shall we not make every reasonable effort to maintain and upbuild our foreign trade?

Among all the criticisms of the trade agreements, I have not yet seen one that even began to prove that the operation of the treaties has been detrimental to America's national interests. Naturally, our trade with all of the 20 countries now bound by agreements with the United States has not yielded spectacular results. But which one of the critics has stopped to figure to what low point our trade might have dropped if the agreements had not been in existence? I doubt whether the public at large has any realization of the extent to which in the last few years normal trade relations over the world have been dislocated and international trade cut down. Indeed it was a lucky thing that, before the world began to turn completely topsy-turvy, we made a vigorous start on this trade-agreement plan for maintaining and increasing America's foreign commerce.

We Republicans are rather inclined to pick holes in the whole theory of trade agreements, seeming to think they are a brand-new invention of the Democratic Party, and therefore of the Evil One. Yet I have noted that even the Democrats have been apt to quote President McKinley as in favor of special trade arrangements. This was his attitude in 1897:

"By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus. A system that provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing."

Now, frankly, I can hardly bring myself to believe that William McKinley, the high priest of protection, was ever strongly in favor of lowering tariffs very far, but certainly he was on sound ground when he wound up his appeal to an overwhelmingly Republican Congress by declaring that "we must not repose in fancied security that we can forever sell everything and buy little or nothing." And that brings me to my next point.

How many of us, either Republicans or Democrats, ponder enough upon our sins in the whole blind and inconsistent tariff policy that we have followed—both parties—in the last 20 years? In my boyhood days and up to almost the end of the World War, America was a debtor country. For that reason, quite aside from the question of protecting and building up infant industries as an offset to lower wages and poorer living standards abroad, it was natural and proper that America should seek a favorable balance of trade. We had to, as a means of paying the interest we owed on money borrowed abroad, and paying for ocean transportation, insurance, immigrants' remittances, etc., all of which were a heavy debit burden. Therefore the Republican protective policy on the whole, despite many inequalities, worked well. So well, in fact, that the Republican Party grew to believe that if adequate protection had proved sound for development of industry in our infant years, therefore, when as a country we had reached maturity, we should ask for even higher protection. And even the free-trade or low-tariff Democrats began to be bitten with the same bug. The appalling thing that happened was that both political parties and the country at large utterly failed to adjust its policies to America's radically altered position, its spectacular change from a debtor to a creditor nation.

It was about 1916 that America's situation reversed itself. We bought back our debts, we began to build ocean carriers, we undertook more insurance for our own account. As creditor instead of debtor the natural course would have been for us straightway to begin cautiously to lower our tariffs and to encourage imports, to follow President McKinley's advice and to make trade more of a two-way street. Such a gradual change of policy on America's part would not for a moment have meant a diminution of our prosperity. It would simply have helped to put foreign nations where, by having a chance to sell us more goods, they would become profitable customers of ours on a vastly increased scale.

Well, as a matter of fact, what did we do? Loosen up? Let the bars down? Encourage foreign trade through a reasonable lowering of tariffs, and so encourage foreign nations to become better customers?

Not at all. First came the Fordney-McCumber tariff in 1922, which jacked our duties up to an all-time high. Indeed, William McKinley, Thomas B. Reed, and all those old worthies of the gay nineties would have realized, had they lived to see the sorry spectacles, what small-town folks they were in the matter of high tariffs. The foreign nations, not having the wherewithal under the higher tariffs to pay for what they needed to buy from us, found our money markets ready lenders. Thus for several years in the twenties there was a specious show of a very lively export business from America, built in part on the quicksands of overlending.

In 1927 I respectfully protested, in some remarks before the International Chamber of Commerce at Washington, against this easy-mark policy by Americans. It had first started with well-planned loans to European nations that were solvent and utilized the loans for constructive purposes. Then it finally developed into a scramble for unwise loans to many South American countries, and to the extension of many short-time, unsecured credits to various central

European powers, much of which has not been repaid. What we had tried to do was to get the foreign peoples to buy our goods on the strength of lending them money to pay for them. We were unwilling to let them pay for them by selling to us on a liberal scale, and thus let us carry out our proper role as a creditor nation, help increase all-around world trade, and build our own prosperity on a firm foundation.

But America had not yet learned its lesson. In 1929 a tariff bill was introduced in Congress for the declared purpose of assisting the farmers. They were properly complaining. For, although they were getting lower and lower prices for their farm products, they had to pay higher and higher prices for heavily protected articles of manufacture. For generations, during the period when agriculture in this country was constantly developing new and fertile areas and when the foreign demand for its products was almost unlimited, it was all right for us, as I have indicated, to pursue the policy of strong protection for the industries that we wanted to build up; and, in general, with the growth of those industries farmers themselves prospered. But long before 1929, what with the overstimulation and overproduction of farm products here, and the falling off of the heavy World War and postwar demand for such products, a radical change had occurred. The farmers were getting the short end of the stick. And naturally they set up an outcry.

Thus it was not unnatural that consideration should be given to the demand for tariff protection on farm products. But, of course, when the subject was once broached Pandora's box flew wide open and all sorts of industries began clamoring for higher duties. The result was the hodge-podge Hawley-Smoot tariff of 1930. That was the last straw. That act did indeed raise our tariff barriers as never before and in many directions constituted almost an embargo on foreign goods. But its far worse consequences were its evil effects on the whole world of international trade. A score of nations, looking across the oceans and seeing that the most powerful country on the globe, with its immense resources, had felt it necessary to build up higher tariff barriers immediately followed America's example. And there developed the vicious circle of higher tariff barriers all around, quotas, embargoes, and so forth, with the resultant break-down in international trade that we have witnessed throughout the last decade, which unquestionably has been one of the factors contributing to the rivalries and bitterness preceding the outbreak of European war. And among the ill effects of all the demoralization were the intensification and prolongation of our own domestic business and industrial depression. No one will for a moment lay upon the poor old Hawley-Smoot Tariff Act the chief responsibility for all this confusion in the world economy, nor in our own, but it had a sizable finger in the pie.

Another development upsetting to foreign trade has been the overwhelming mass of the world's gold supply that has piled up in America. Our gold holdings amount to almost \$18,000,000,000, over half of the gold in the world.

We continue to siphon from the other nations of the world a good part of their gold resources for which we have no use. To cap that, as a measure of reprisal because of their incapacity to find enough dollars to pay their war debts to our Government, we have maintained a loan embargo against governments like Great Britain and France, so that American nationals are not permitted to lend them any money to be used here in part payment for their purchases. In other words, we are sitting on the top of this heap of gold with nowhere to go with it unless we seize and develop every chance to increase our foreign trade and by loosening trade restrictions, and to encourage imports as well as exports. That is our only recourse. A whole book could be written on this heavy gold problem of ours, but it must be obvious that it has a direct effect and an important bearing upon all our foreign-trade policy.

In fact, we may well ask ourselves what sort of world we are going to find ourselves in after the war ends. We may be sure that it will be a groggy one and hard to keep on its feet at all unless we take this time to encourage our foreign trade on the greatest scale possible—our own foreign commerce and international trade generally. That is the reason that I advocate so strongly the continuation today of the Hull trade policy. I do not contend that the Hull agreements are perfect. Of course, they are not. And I have no doubt that the six New England Governors and others in opposition are entirely sincere in their conviction of the temporary disadvantage of these trade pacts to some of their local industries. It is always true that somebody has got to have his toes trod on a bit. But in the long run, under expanding international trade, those very industries that now complain will benefit from their share of the greater purchases that will eventually come from abroad and from a more prosperous people here at home. Thus our only sensible course is to make every effort to welcome a flow of trade not with our own country alone but all over the world. With this flood coming in, all the ships now stranded on high-sand tariff barriers will be floated off and there will be prosperity all around.

These, then, are my general reasons for hoping that these enlightened trade arrangements will be gradually expanded. So far as I can see, they seem to represent the one tangible effort made during the thirties to dam the tide of intense nationalism, including our own particular brand, that has played such havoc with world commerce. In a darkling world of upset trade they constitute the only bright ray of light.

This country must not turn back the hands of the clock. Despite so many neo- and quasi economists to the contrary, we Americans



believe that prosperity rests not on scarcity but on abundance. We still believe in private initiative and in the honest enterprise that has built up our country over the last 150 years. There are no frontiers to the mind or genius of the American people. We will still fight—believe it or not, as you like—for the ideal of hard work and thrift in private and public affairs. And I believe we shall not turn our backs on the policy of rebuilding world trade. The pursuit of such a policy now will, when anything like peaceful times comes again, mean for us greatly added prosperity and increasingly high standards of living for all our people.

### The Late Father Alphonse H. Van Oppen

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

*Tuesday, March 5 (legislative day of Monday, March 4), 1940*

EDITORIAL FROM THE CATHOLIC TRANSCRIPT

Mr. MALONEY. Mr. President, a few days ago word was received from Holland of the death of Rev. Alphonse H. Van Oppen, who was for a long time a leader in religious activities in the State of Connecticut. At the time of his death he was 90 years old, and had been living in Holland, the land of his birth, for the past 20 years.

In the Catholic Transcript of last week appeared a very fine editorial referring to this distinguished churchman. Among the interesting references of the editorial was a reminder that Father Van Oppen was head of a parish made up of the French-American and German-American people of his city, who worked in harmony for the spiritual development of their families and their community, and did it with great success.

It has seemed to me that a reminder of this good feeling of a long time ago might at least be a little bit helpful to the need for tolerance in this uncertain period.

I ask unanimous consent that this fine editorial be published in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Catholic Transcript]

#### THE OLDEST OF ALL

Father Van Oppen, who died in his native Holland last week, was a priest for 65 years. Never, till a few years ago, did a priest of the diocese of Hartford celebrate his fiftieth anniversary. This Belgian-educated priest stands alone—alone he will stand for a century at least, and perhaps forever.

He was ordained before coming to America. After serving for a year or two as a curate in Windsor Locks, he went to Putnam for another short stay. He was then sent to Meriden, to St. Rose's Church, and almost immediately established St. Laurent's parish. The French and Germans of the city were set apart and they worshiped under his direction. He was their pastor for about 40 years.

In the year 1919 Father Van Oppen resigned his Meriden parish and returned to Holland to spend another 20 years, serving as chaplain to a religious community, where he lived and revived his love of home and country. How he could have been happy for 20 years away from the parish which he had established and built up, and absent from his adopted country, is one of the mysteries of human nature which is not ours to solve.

American priests who remember the retired Hollander very well, all agree that kindness was his both by nature and cultivation. His parish loved him and enabled him to do the best possible work for them. He kept a good school for their children, and watched carefully over the spiritual and even the temporal health of all. They were anxious to second him in every endeavor.

Father Van Oppen was not pastor of St. Laurent's parish for a full year before he called upon his people to come out and provide a cellar for their proposed church. They assembled so numerously and worked so diligently that their undertaking was brought to a successful close before the end of the day. Joy reigned supreme, the enthusiastic workers came together under the leadership of their band, and paraded the town, holding aloft their spades and shovels and demonstrating their delight in the performance of the day.

Good nature and good feeling obtained throughout the 20 years of Father Van Oppen's Meriden pastorate. The French loved him

as dearly as did the Germans, and both were almost inconsolable when he decided to yield to the encroachments of age and retire to spend his closing days in his native land. Had Father Van Oppen himself realized that 20 years of his life still remained to him, it is doubtful that he would have resigned his parish in 1919. His Meriden flock were known to him and they were eager to render respect and reverence as well as gratitude and obedience to their spiritual father.

Rev. Alphonse Van Oppen goes on record as one of the church builders of the diocese of Hartford. When he came here many of his fellow countrymen were laying the outposts of the see of Hartford. They were well educated and holy men. They sacrificed themselves generously for their people and they are worthy of whatever of gratitude the Catholics of this State can render them. We must remember Father Van Oppen in our prayers during the holy season of Lent and further on throughout the year.

### The First 7 Years of the New Deal

#### EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

*Tuesday, March 5 (legislative day of Monday, March 4), 1940*

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. TRUMAN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD the most informative and ablest address upon the accomplishments and the record of the New Deal which it has been my privilege to hear, an address delivered by the distinguished junior Senator from the State of Washington [Mr. SCHWELLENBACH] yesterday evening over the radio in the Washington Star Radio Forum.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Seven years ago today Franklin Roosevelt became President. To get the whole picture, it may be well to think briefly of that day. I am going to let one of the Nation's most respected and reliable newspaper correspondents describe it to you. Yesterday, in the New York Times, Turner Catledge said this:

"That day dawned a dark one in every respect. The great depression hung over the country like a darkening cloud. Banks were closing literally by the hundreds. Life savings in bank accounts and securities were being blown away like so much dust. Homes and farms were going on the auction block in ever-increasing numbers. In certain sections citizens were beginning to grow desperate."

President Roosevelt quickly changed those conditions. Within a week the hearts of the American people, which had been filled with despair, found new hope and courage. They had a leader whom they trusted. Never in our history has one man accomplished what Roosevelt did then. He was acclaimed by everyone. It is hardly understandable how a man who had accomplished this much and had been so acclaimed could have been subjected to the wrath, rancor, and even ridicule which have been the President's lot the last 6½ years.

Tonight Senator TAFT and I are supposed, in 12 minutes each, to set up a sort of balance sheet on Roosevelt's 7 years as President. Balance sheets invariably have two sides. On one are the assets and on the other are the liabilities. The business whose balance sheet shows no liabilities hasn't done very much business. I am not going to be foolish enough to claim that there have been no liabilities in the Roosevelt record. We have had Presidents who have made no mistakes. They are the ones who have accomplished nothing.

What are the Roosevelt accomplishments?

First was the rehabilitation of banks and the establishment of Federal deposit insurance. The number of failures has been brought down from 1,500 per year under Hoover to 51 per year under Roosevelt. Even in these failures 99¼ percent of the depositors have been paid in full.

More than 2,500,000 young boys have been taken off the streets and rehabilitated physically and mentally in the C. C. C. camps.

Two million nine hundred thousand homes have been built or rebuilt under the Federal Housing Act.

National farm income has increased from \$4,682,000,000 in 1932 to \$7,711,000,000 in 1939. Farm wealth has increased two and a quarter billions. Farm foreclosures dropped from 38 per thousand to 13 per thousand. The rural-electrification program has brought cheap electricity to 1,500,000 farm folks. Six million farmers now participate in the soil-conservation program.

Since 1935 the National Youth Administration has made it possible for 2,500,000 young boys and girls to get high-school and college education.

Under the President's foreign-trade program our exports increased from a billion and a half in 1932 to three billion one hundred million in 1939.

Under President Roosevelt Congress has written the Social Security Act, which is our first recognition of the responsibility of Government to the aged. It has adopted a Fair Wage Standards Act under which wages of 900,000 have been increased. It has regulated stock selling and public utilities. It has given those who labor the right to organize and bargain collectively. It is of interest in reference to these controversial questions that the Republican Party policy committee, under Glenn Frank, in its recent report did not urge abandonment of a one of them. The Republicans say they will keep all these reforms. They claim they can operate them better than can the Democrats. In that regard I simply want to say this. It is very seldom that a parent who did not want to have children turns out to be a very good father or mother. Our Republican friends have certainly proved in the last 7 years that they did not want these reform children to be born.

Now, let us turn to the liability side of this balance sheet. Let us examine briefly the most serious charges made against the President.

The first is that he has only half solved the unemployment problem. Our friends say that he has only reduced unemployment from the fourteen or fifteen million down to eight or nine million. Therefore, they argue that he has failed. Yet the figures show that Roosevelt has done a much better job than he is given credit for. In 1929 there were 48,000,000 laborers in the United States, 47,000,000 of them at work. On December 31 last year there were 54,000,000 laborers in the United States, 46,000,000 of them at work. Of the 8,428,000 unemployed at the present time, approximately 7,000,000 are accounted for by increases in the laboring population of the United States. President Roosevelt has come within 1,000,000 of the 1929 figure.

The second charge is that we have increased the national debt. That, too, is true. But that statement is very widely exaggerated. The national debt at the end of Hoover's last fiscal year was \$23,756,000,000. The gross national debt as of December 31 last year was \$41,942,000,000. Therefore it is argued that the debt has been increased by \$18,190,000,000. It must be remembered, however, that we are setting up a balance sheet. Any fair balance sheet makes a showing of the assets as well as the liabilities. On December 31 we had cash on hand in the Treasury, in the Stabilization Fund, and in Government-owned corporations amounting to \$7,715,000,000. Deducting these items leaves a true net increase in the national debt of \$10,475,000,000. Of this, \$2,000,000,000 was spent paying off the obligations created during the Coolidge administration for the soldiers' bonus. Deducting this \$2,000,000,000 payment, which should not be charged against President Roosevelt, you have an actual net increase in the national debt up to December 31, of \$8,475,000. The deductions that I have made are actual cash deductions, but that doesn't mean that the country as a whole hasn't many other assets for the money which was spent. We have school buildings, public buildings, highways and streets, water works, reclamation and power dams, airports, rural electrification lines. There isn't time to list them all or give the amount for each. But these items of a permanent nature which have been added to the total national wealth have a value of thirteen and one-half billion dollars. In addition to that we spent four and one-half billion dollars on national defense. Certainly nobody today regrets that investment.

The third charge is that President Roosevelt has let labor run wild. We have had too many strikes. The other night I heard over the radio a speaker tell of the railroad brotherhoods' record during this last 10 years, with no strikes, no contracts broken by either side. I thought, why couldn't all labor unions be like the railroad brotherhoods? Then I remembered 1916, when they were fighting for an 8-hour day. I got some of the magazines of that day. I found there the same attacks upon the railroad brotherhoods that are now being made upon the A. F. of L. and the C. I. O. Let me read briefly from one of them, which is typical. I quote:

"Are the patriotic citizens of this country going to remain inert and let this disease continue its ravages? Are they going to let the barons of organized labor secure a stronger and stronger hold on their Government until this Nation will be converted into a mere mobocracy?"

That is what they then said about the railroad brotherhoods. Both sides to that controversy have since learned how to deal with each other amicably. So long as we have the Weirs and the Girdlers dominating our industrial scene, just so long will we have labor controversy.

The fourth charge is that business can no longer operate at a profit. The facts are that during the 3 years from 1936 to 1938, inclusive, the net profit of industry averaged 8.3 percent on net worth, the highest return ever made by American industry; this compared with 6.5 percent in the 3 years from 1927 to 1929. The fact is that last year's figures show a substantial increase in net profit over the year before.

For the last 6½ years we have heard scare stories. None of them proved true. You were told that Roosevelt was to plunge us into inflation. Yet today the American dollar is the soundest and most sought after currency in the world.

You were told when we passed the Wheeler-Rayburn bill public-utilities stock values would be destroyed. Since then the average index figure for utilities' common stocks has gone up from 63 to 69.

You were told that the President wanted to control the courts in order that he might destroy your liberties. Yet 3 weeks ago the Supreme Court, a majority of whom he has now appointed, handed down the most outstanding opinion supporting the liberties of the people it has ever rendered.

You were told that if we passed the reorganization bill Roosevelt would become a dictator. Yet the two reorganization orders he has sent to the Congress were approved almost without debate.

You were told last fall, when we passed the President's neutrality bill, that within 2 months we would be at war. The leadership of Franklin Roosevelt has kept and will keep us at peace.

Republican speakers rely chiefly upon their prediction that disaster is just around the corner. Fortunately for the American people, that seems to be the same elusive corner around which Hoover promised to find prosperity.

These last 10 years have been cruel ones everywhere. All about us we see civilization threatened. The rest of the world is at war. We are at peace. The economic structures of many nations have collapsed. Ours has been maintained. Foreign currencies have crumbled. Ours has stood firm. In most places civil liberties have been destroyed. Ours have been protected. Knowing the fair-mindedness of the American people, who view the record in the light of the problems and difficulties, I think most of them on this night are saying to Franklin Roosevelt, "Well done, thou good and faithful servant."

## Letter From Raymond Clapper to Ernest T. Weir

### EXTENSION OF REMARKS

OF

### HON. LISTER HILL

OF ALABAMA

### IN THE SENATE OF THE UNITED STATES

*Tuesday, March 5 (legislative day of Monday, March 4), 1940*

LETTER FROM THE MONTGOMERY (ALA.) ADVERTISER OF MARCH 3, 1940

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter from Raymond Clapper to Ernest T. Weir, appearing in the Montgomery Advertiser of March 3 last.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Montgomery (Ala.) Advertiser of March 3, 1940]

CLAPPER'S LETTER

(By Raymond Clapper)

WASHINGTON, March 2.—DEAR MR. WEIR: I find that your letter to me of February 28 has been distributed as a general press release by the Republican National Committee. Therefore the controversy must be of more public interest than I had assumed.

Nothing is more important, in a system of private enterprise, than that Government and business have reasonable working relations with each other. Our system rests fundamentally upon private enterprise. But sometimes conditions reach a point where Government must do certain things to cushion the effects of maladjustments. In response to public demand, and I think to real public need, we have adopted Federal guaranties for collective bargaining, for wage-and-hour protection in the bottom levels, for old-age and unemployment insurance, for stock-market regulation and supervision of those who handle the invested funds of the public.

But many businessmen fought most of these and did everything possible to prevent their enactment. I believe you fought Government efforts to protect collective bargaining. Only 2 months ago you said "Fascism, communism, nazi-ism, and new dealism all came out of the same box."

Hence, when the Glenn Frank report was issued, accepting most of these reforms in principle, I said it would be fine if you got behind this report and pushed it. But I doubted if you would in view of your recent speech linking the New Deal as of common origin with communism and nazi-ism.

I am happy to have you say that I am wrong, because a leading and highly respected industrialist like yourself can do much. As you go about in your capacity as chairman of the Republican finance committee, collecting funds, you can induce your business friends to see the light also. For I suspect that some of them are still loyal to the Mr. Weir of old, when you were fighting collective-bargaining legislation and before you saw the great light.

The La Follette Civil Liberties Committee report asserts that you were prominent among antiunion forces and that your Weirton Steel Co. "purchased large quantities of munitions in 1933 during a strike and, in 1934, when there was a threat of a general strike



on the issue of union recognition. Weirton Steel Co., it will be remembered, was instrumental in incapacitating the National Labor Board's order for an election to determine employee representation, and obtained an injunction against the Board."

You were singled out as an unfortunate example of an antiunion employer by William Green, president of the A. F. of L., in his recent book, *Labor and Democracy*.

Mr. Green says: "Among the employers whose cases were heard by the Labor Board (the first board under N. I. R. A.) were men like Ernest T. Weir, of the Weirton Steel Co., who met labor with everything to take and nothing to give. These men were determined from the outset to prevent at all costs any and all forms of workers' exercise of their rights. Their decisions were made and their minds were made up not to yield an inch of power or privilege to which they cling. It was interesting and significant that there were relatively few employers with practical direct experience in management who were so recalcitrant and unbending."

So when you say you fully approve of the Glenn Frank report, I assume that the past is to be forgotten and you now subscribe to the report, including this passage: "The right of the American workers to organize under leadership of their own choosing and to bargain collectively with management is essential to protect the interest of the workers. It is proper that a right so basic should be guaranteed by law."

It is encouraging that you have come to a more broad-minded attitude about these questions because nothing could be more salutary than revival of the Republican Party on a basis that would inspire public confidence. The country as well as the party has suffered from the stupidities of the opposition in recent years.

NOTE.—I hope you will induce the Republican National Committee to grant me the courtesy of giving this reply the same circulation which it gave your letter to me.

Sincerely yours,

RAYMOND CLAPPER.

### Proposed Loan to Finland

#### EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5 (legislative day of Monday, March 4), 1940

ARTICLE BY GARNETT D. HORNER

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD an article by Garnett D. Horner, in which His Excellency, the Minister of Finland, Hjalmar J. Procope, stated that the loan available to his country through the Export-Import Bank would greatly help his country.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW LOAN WILL HELP FINLAND GREATLY, PROCOPE SAYS—MINISTRY IS OPTIMISTIC AS HE SPEEDS PLANS FOR USING CREDIT

(By Garnett D. Horner)

Finland, fighting on against Russian invaders with an unbeaten spirit and the conviction that she will get adequate help from the outside sooner or later, sped arrangements today to buy vital non-military supplies here with a new \$20,000,000 credit from the Export-Import Bank.

"Don't think that because the Finnish forces have retreated some and suffered some reverses that we are beaten," Finnish Minister Hjalmar J. Procope told a press conference at the Legation late yesterday after a trans-Atlantic telephone talk with his Prime Minister.

"Most of you thought 3 months ago that we would be beaten in 2 or 3 days, but we are still fighting," he added. "Even if we have to retreat a little more we still will have strong lines of defense and will keep on fighting, convinced that help will come sooner or later."

"No one can help us so much without going into war as the United States."

#### NEW \$20,000,000 CREDIT

He said that gasoline, oil, wheat, lard, and other supplies to be bought with the new \$20,000,000 credit allocated Finland by the Export-Import Bank even before President Roosevelt had signed legislation making possible the loan, would be of great assistance to his country.

In addition to these civilian commodities which can be bought with the Government-loan funds, Finland also needs airplanes, artillery, and ammunition and is buying large quantities of these war materials here with her own funds, Mr. Procope added.

Both Mr. Procope and Col. Per Zilliacus, Finnish military attaché, emphasized that current reverses to the Finnish forces on the Karelian Isthmus were not of vital importance.

"There are two ways to fight a war," Colonel Zilliacus said. "You can hold ground and sacrifice your people, or sacrifice ground to a certain extent and save your people. We have lots of ground and few people and so are sacrificing some ground."

He added that the Russian invaders had an even harder job ahead than they had faced so far in the way of terrain, with hundreds of lakes and hilly, rocky, wooded ground ahead of them.

#### ROADS BAD IN SPRING

Furthermore, he said, spring would provide new difficulties for the Russians. With the breaking up of ice and the melting of snows the last of April, Finland's roads will be virtually impassable for a month or so, increasing the difficulties of an attacking army.

Mr. Procope said there scarcely was one place in Finland that had not been bombed by the Russians "with absolutely no military goals to achieve." The Finnish civilians killed or wounded total between 2,000 and 3,000, he added.

He and Colonel Zilliacus said they did not know definitely why Finnish planes had not bombed Leningrad in retaliation. Colonel Zilliacus said it was an important strategical point for bombing, but assumed that the Finnish Army leaders were not willing to risk the loss of planes on such a venture until they were sure they could do the job effectively.

#### SWEDISH LOAN APPROVED

Jesse H. Jones, the Federal Loan Administrator, announced the new credit allocation to Finland yesterday and at the same time disclosed that the Export-Import Bank had allocated \$15,000,000 to the Bank of Sweden to finance American exports to that country and had confirmed a previously announced \$10,000,000 loan to Norway.

He said President Roosevelt, who has been away from the Capital on a sea-going vacation, had advised him he would sign the measure by which Congress authorized a \$100,000,000 increase in the bank's capitalization.

The agency which is making the advances was created 6 years ago to help trade with Russia.

Warren Lee Pierson, the 42-year-old Los Angeles lawyer who heads the bank, grinned as he reviewed the turnabout since then.

"I can still remember working with Bill Bullitt (then United States Ambassador to Russia and now Ambassador to France) on the Presidential order setting up the bank in 1934," he said.

#### NEVER GOT AROUND TO IT

"We were recognizing Russia and expected to do a lot of trading with them and figured this bank would help finance the business. 'Somehow, we never got around to loaning any money to Russia. Weren't we lucky?'"

The bank now has three main credit lines—Finland and Scandinavia, Latin America, and China.

Under the new law, the bank can have \$200,000,000 of loans outstanding at any one time. With the new Finnish loan and the \$15,000,000 credit given Sweden at the same time, the bank's loans now amount to about \$100,000,000.

Mr. Pierson indicated that Sweden will get more, Denmark is in line, China may get as much as \$20,000,000—maximum loan which may be made to any one country out of the new money—more, and Latin America is slated for generous consideration.

### Reciprocal-Tariff Agreements

#### EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5 (legislative day of Monday, March 4), 1940

EDITORIALS FROM SIOUX CITY TRIBUNE

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials from the Sioux City Tribune of February 27, 1940. The editorials were written by Mr. O. L. Brownlee.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Sioux City Tribune of February 27, 1940]

#### FOR MR. HULL TO ANSWER

If we were a Congressman—and we're thankful that we are not one—we'd probably make ourselves obnoxious by asking Secretary of State Cordell Hull a few pointed questions concerning certain of his acts and policies with respect to reciprocal trade relations agreements.

For instance, we'd ask him to tell the country what specific reductions, if any, had been made in schedule 304—the steel schedule—and to give his version of why steel tariffs have advanced about 75 percent since 1932 while he has been reducing tariffs on farm and mine products.

We'd ask him to set down in black and white the number of tariff reductions he has made on manufactured goods of all kinds, how much revenue the Government has lost through reductions made in customs duties, and how many and what schedules he has increased, and how much revenue the Government has gained thereby.

We'd ask Mr. Hull to explain why, if the Hawley-Smoot tariff law is such a bad law, nothing has been done in 7 years to repeal or amend it? Why has Mr. Hull let most of its provisions stand while he has been whittling down the tariff on raw materials which those same manufacturers buy from the farmer, miner, etc.

We'd ask Mr. Hull to confirm or deny that his policy actually is intended to favor the very "interests" he denounces by crediting credits here which they can liquidate with their manufactured products.

Yes, we'd probably get in pretty bad with the free traders, but we'd have the satisfaction of seeing anybody squirm when and if he attempted to answer those questions.

#### STEEL AND FARM TARIFFS

Between the years 1922 and 1937, inclusive, the tariff duty on crude and semi-finished steel products enabled American manufacturers to collect approximately \$8,408,000,000 from American consumers.

The Iron Age, organ of the steel industry, of April 1, 1938, printed a financial analysis of the steel industry which showed a capital investment of \$4,430,835,614 in units representing 92.2 percent of the country's total plant capacity.

Thus it will be seen that during the 15-year period 1922-27, the steel industry's tariff "take" alone amounted to approximately 200 percent of the invested capital. Steel manufacturing is definitely a good business.

Out of that extra "take," of course, came the higher wages enjoyed by American steel industry workers than German, English, French, Belgian, and other foreign laborers are paid. One purpose of the tariff, of course, is to enable industry to pay higher wages.

Imagine, if you can, what would happen if tariffs on farm products were as high and equally as effective as they are on steel. Suppose that agriculture could pull down double its capital investment in 15 years.

The total capital investment of agriculture is in the neighborhood of \$45,000,000,000—in land, buildings, machinery, livestock, poultry, etc.

That means in 15 years, operating on the same tariff base enjoyed by steel, agriculture would pull down about \$90,000,000,000 in tariff benefits over and above the world price it generally has received.

That would amount to about \$6,000,000,000 per year. Agricultural income under present conditions amounts to about \$8,000,000,000 per year. That extra \$6,000,000,000 of income is just about what is needed to put agriculture on a parity-price basis with steel.

Accepting the principle that the velocity at which the American farm dollar turns over is seven times each year, it will be seen that with a \$14,000,000,000 annual income for agriculture, the national income would be boosted up to around \$98,000,000,000 per year which is just about where it should be to carry the present tax burden and support Government in the extravagant style to which it has become accustomed.

If we accept that seven-time turnover—and it cannot be mathematically refuted—we can, by the simple process of multiplication, determine that the extra \$90,000,000,000 of a farm income would have created \$630,000,000,000 of national income—and there would have been no depression, no unemployment, no relief problem.

Businessmen generally are beginning to see that side of the picture which probably accounts for the increased consideration the parity principle is receiving in high financial and manufacturing circles. Business wants the extra volume and profits that can be wrung out of increased farm income.

### The Neely Bill

#### EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER  
OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

Mr. ALEXANDER. Mr. Speaker, for the past several months a large amount of the time of Members of Congress has been taken up by proponents and opponents of the Neely

motion-picture measure, or anti-block-booking bill, both in the way of private interviews and also in the form of letters, telegrams, and petitions.

Of course, we like to get the varied views of these interested parties, but it does seem as a matter of good, ordinary business judgment, that, if there is need for this proposed legislation, if there is something wrong with the system now in vogue by the motion-picture industry, then are we not justified in asking the question, Why in the name of common sense do they not wake up, clean their own house, and rectify their program so as to meet the criticism on the part of the public which favors the Neely bill?

Why is it necessary to make such business problems matters of legislation? Why do we have to try, and I believe foolishly, to legislate business ethics and principles of business management? It is not only foolish but it is just another one of the many insidious ways in which we are doing away with individual initiative, contaminating business with politics, and otherwise destroying the sound and fundamental principles of free government originally set up in this country, and which worked so well for about 130 years that they made us the greatest industrial nation in the world.

As an illustration of the sort of thing that is going on and that we are asked to pass on in this matter, I submit the following letter just received from the Independent Theatre Owners of the Northwest, and express the hope that these groups will iron out their differences and thus make the Neely bill unnecessary:

FEBRUARY 29, 1940.

Mr. W. H. WORKMAN,  
Metro-Goldwyn-Mayer Distributing Corporation, 1104 Currie  
Avenue North, Minneapolis, Minn.

DEAR MR. WORKMAN: Yesterday afternoon we learned that your company had conducted a preview of a motion picture at a theater in this city. To this preview and under the pretense of showing this picture, and for no other reason, you asked the City Wide Leisure Time Activities Committee of the P. T. A. Central Council of Minneapolis to invite its members.

After you had succeeded in bringing a large number of the P. T. A. members to the theater you asked them to listen to speeches by four hirelings of the producers and their affiliated theaters on the motion-picture block-booking bill which was recently passed by the United States Senate and is now before the United States House of Representatives for their consideration. This bill is more commonly known as the Neely bill, and its purpose is to permit theater owners some right of selection, which they do not now have, in choosing the type of motion pictures which they would like to show in their respective theaters.

Immediately after the speeches by the paid members of the producers and affiliated theaters and as an apparent part of a well-covered-up scheme, someone got up from the floor and made a motion that the group go on record against the Neely bill. It is a tribute to the intelligence of the people present that they refused to be hoodwinked and for that reason would not vote on this motion.

We, of course, have no objections to any meetings which are designed to throw light on the Neely bill and what it means to all theaters of the United States and to the theater-going public.

We know that the above-named Central P. T. A. Council of Minneapolis is also desirous of obtaining all the information they can on the Neely bill. This is especially true in view of the fact that the National Council of the P. T. A. is on record with its unqualified endorsement of the bill and that its national officers have appeared before congressional committees urging its passage.

We know that the City Wide Leisure Time Committee of Minneapolis did not realize they were being called to a meeting at which your company and other opponents of the bill would be present to give them a one-sided discussion and explanation without offering them the opportunity of hearing the other side.

We ask whether you were afraid to have the other side present so that they could explain the merits of the bill to those people whom you had invited to the theater?

The purpose of this letter is simply this: If you plan to hold other meetings of a similar nature, may we be so bold as to suggest, in fairness to those whom you invite, that you advise them of the real purpose of the meeting, and may we further ask that you be so kind as to invite us so that we can give our views on the merits of the Neely bill and why it so vitally affects the interests of the thousands of theater owners in the entire United States.

With kindest personal regards.

Very truly yours,

ALLIED THEATRE OWNERS OF THE NORTHWEST,  
BEN ASHE, Secretary.



## Discriminatory Freight Rates

## EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

ARTICLES BY J. LACEY REYNOLDS

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following articles by Mr. J. Lacey Reynolds:

WASHINGTON, D. C.—The attitude of the railroads of the Nation is an important factor in the Interstate Commerce Commission's current investigation of discriminatory freight rates in the South, Southwest, and West.

Success of the southern freight-rate fight may well depend upon the positions taken by the carriers—both North and South—in this proceeding.

So far neither the northern nor southern roads have defined their positions. The American Association of Railroads—whose membership includes the major southern lines, incidentally—is known to have considered petitioning the Commission to abandon the investigation.

The petition has not been filed to date, but any such move would be resented by southerners, particularly if the southern lines were a party to it.

Northern lines opposed the competitive rate reductions granted by the I. C. C. in the Southeastern Governors case last fall, and are now seeking to reopen the case in hopes of obtaining a reversal.

They have fought the South on rates traditionally—and for very tangible reasons.

One reason grows out of the layout of the Nation's rail transportation system. The northern lines are principally east-and-west lines, while the southern roads run north-and-south, terminating with one exception at the Ohio River.

Because they obtain longer hauls and therefore greater revenue, northern lines would prefer to handle east-west traffic. For in taking north-south shipments, they receive revenue only for the relatively short distance to the Ohio River crossings, where the traffic is turned over to southern lines.

This desire for east-west shipments may be a basic reason why northern lines have extended more favorable through rates to the carriers east and west of them—to New England on the one side and western trunk-line territory on the other. This is also the reason why more uniform freight classifications are found on this traffic than on north-and-south traffic.

Since ample joint rates and uniform classification make for lower transportation charges, this is one reason why North and South rates are higher than East and West rates.

Although this may be one explanation of the South's freight-rate plight, it is no justification, rate experts assert. The fact that rates and classifications are comparatively unsatisfactory is given as one salient reason why the I. C. C. should proceed with its investigation into the class-rate structure and bring both into better relationship.

There are other contributory explanations for the traditional opposition of northern carriers to southern rate-equality demands, but one deserves special mention, since it is considered fundamental: The northern railroads do not want southern competition for the industries located along their own lines.

They naively admitted this back in 1935 in a memorandum filed in answer to a request from the I. C. C. for suggestions as to how to remedy the interterritorial freight-rate problem.

"The territory (official territory in the North and East) is hemmed in on the south, southwest, and the west by territories, and carriers serving them, all seeking to market their products within the territory served by official lines," the memorandum read. "In many instances such commodities sought to be marketed within official territory come into direct competition with the commodities produced in that territory."

"Official lines, therefore, are duty bound to protect the geographical or other natural advantages possessed by shippers or producers on their lines, and as a matter of justice and equality they may not be required to join in such low bases of interterritorial rates as to nullify or neutralize these natural advantages."

Of course, the principal "natural advantage" referred to is lower freight rates.

Here we have the spectacle of northern lines pleading in the name of "justice and equality" to maintain an unjust and inequitable rate structure—without thought for the national interest and without regard for the effect of such discriminations on the Nation's economic development.

In the Temporary National Economic Committee's forthcoming study of the effects of freight-rate discriminations on regional

competition and development, its economists are expected to demonstrate conclusively how freight-rate discriminations can be used by interests in the dominant North to insulate themselves against serious competition from the South and West.

In view of the past attitude of northern carriers and their apparent unconcern for the general welfare, a southern leader in the freight-rate fight recently made this significant comment:

"The I. C. C.'s present investigation will determine whether we will permit northern railroads to dictate, rather than serve, our whole national economy."

The attitude of the southern carriers toward the investigation has not been brought out into the open, although some of their officials have been hobnobbing with southern raw-material and heavy-goods shippers, who are working to kill the probe.

In the readjustment of rate inequalities, southern railroads face a fundamental problem: How to effect rate reductions and still maintain revenues.

No disastrous revenue cuts are likely to flow out of rate reductions on a few products, and that may explain why they went along with the southeastern Governors in their recent case. Only a limited number of commodities was involved in that case.

But in any general lowering of the rate level, the southern lines fear that their financial structure will be impaired. Of course, those favoring lower rates are inclined to take the carriers to task for their fears.

They point out that railroad officials too often have been wedded to the theory that rate reductions necessarily mean reductions in revenue. Lowering of rates may attract additional volume of traffic to produce increased revenues, it is argued. Failure of railroads in general to realize this is advanced as one reason why they have taken such a beating at the hands of motor-carrier operators.

Aside from this, however, the southern carriers find themselves in a precarious position in the coming Interstate Commerce Commission investigation. While they may be disinclined to grant a general rate cut for revenue reasons, they cannot argue that the general average of rates to, from, and within the South are anywhere near as low as for official territory.

Recently they admitted to—or rather, tried to convince—the Interstate Commerce Commission that the excess of southern rates over levels in official territory was not less than 20 percent. This figure was arrived at, they said, after actual traffic tests on all shipments moving between southern and official territories for a period of 2 months.

Although the statement was made for another purpose—to persuade the Commission to give them a larger division of the rates on traffic between the two regions—it places apologists for the South's freight rate level in an embarrassing position.

Recently they have attempted to convince the public that southeastern freight rates are not "unreasonably" high. Now they are forced to defend this excess of 20 percent as "reasonable."

Southern carriers, thus having deprived themselves of grounds for denial of the argument that southern rates are higher, may follow one or more of a number of alternatives in the I. C. C. investigation.

Of course, they could join with the southern freight-rate bloc and fight shoulder to shoulder for removal of discriminations, regardless of the attitude of northern carriers or southern heavy-goods shippers, who already enjoy low rates and fear that a general readjustment may deprive them of their advantage.

They may elect to stay out of the fight insofar as possible. Naturally, this would involve separating themselves from the American Association of Railroads in the event the association should actively fight the investigation. To remain in the association, even though maintaining a neutral attitude otherwise, likely would create resentment among the southern reductionists.

There are other alternatives. Southern carriers might fight the investigation outright and try to brave the storm that would inevitably break about their heads in their own territory.

Or they might make concessions on some commodities in the hope of obtaining shipper support to fight a general reduction. But this would be eminently open to attack.

In the absence of definite information as to their attitude, the above merely suggests possible courses of action, to demonstrate the difficulties that lie ahead in the coming months. No one envies them their position.

WASHINGTON, D. C.—In the recent Southeastern Governors freight-rate case, Chairman Joseph Eastman voted against the South and handed down a scathing dissent in which he emerged from the atmosphere of cold impartiality surrounding the Commission to charge that freight rates had become a political issue.

Today the southern freight-rate bloc, which had to take this on the chin, can in turn indict the New England bred and experienced chairman on the equally serious charge of inconsistency.

And the indictment can be leveled not only at Eastman but also at Commissioner Claude R. Porter, from Iowa, who joined in the scorching Eastman dissent.

A check of Commission decisions reveals that both Eastman and Porter were on the opposite side of the fence when rates involving their respective regions were involved.

Had they been consistent they would have been voting with the South in the Governors case. If they should desire to return to the paths of consistency, they need only refer to a couple of decisions they wrote back in 1930.

During that year Eastman enunciated a principle in the eastern class-rate investigation which, if applied to the Southeastern Governors case, would have met completely the southern situation. The eastern class-rate study was similar to that now being undertaken by the I. C. C. in the South, Southwest, and West.

In the Eastern Class Rate case, one basic consideration was whether New England manufacturers would continue to enjoy rates into the North Central States, on a parity with competing manufacturers located elsewhere in official territory.

Factors involved in this determination were not materially different from those in the Southwestern Governors' case. New England is a subterritory of official territory, which embraces the North and East.

That the Southeast is a separate rate-making territory from official territory is not a substantial difference, particularly in view of the fact that many southern shippers are geographically closer to parts of official territory than their New England competitors.

There are other similarities in the New England and southern situations. For example, the cost of operating railroads in New England was a question, and Eastman conceded that cost of operation was greater in New England than in the rest of official territory.

The argument that the cost of operating railroads in the South is greater than in official territory has been advanced as partial justification for the higher level of southern rates.

In the Eastern Class Rate case, Eastman discussed cost of operation and other factors, but minimized their rate-making importance enough to give the New Englanders competitive transportation access to the desired Ohio-Indiana-Illinois-Michigan market.

In the Southeastern Governors' case, however, he ignored the similarities between the situations in New England and the South and voted against the South with this pious comment:

"This Commission has an equal duty with respect to every part of the country, and nothing will speed its ruin more quickly than the disease of sectionalism."

Commissioner Porter, who sided with Eastman in the Governors' case, has an equally inconsistent record.

In the western trunk line class rates investigation he wanted to give manufacturers in his home State of Iowa and in parts of Wisconsin, Minnesota, and Missouri better access to the Illinois market in official territory.

But the majority of the Commission set a level of rates on this traffic approximating 125 percent of the rate level in Illinois.

Porter found himself in "thorough disagreement" with any such arrangement and criticized the majority for the manner in which it arrived at its conclusions.

In doing so, he had incidental occasion to discuss the southwestern freight-rate levels, which he said were 54 percent higher than those in official territory.

Placing himself on record in a manner that should be encouraging to southwesterners in their fight for lower rates. Porter commented:

"This difference (54 percent) is too great, in my estimation."

He summed up his dissent by arguing, in effect, against the continuation of freight-rate barriers which tend to exclude manufacturers of other regions from the markets of official territory:

"The result of all these severe changes in relationships," he said, "is certain to be that the western trunk line (Iowa, etc.) shipper, particularly for short distances within that territory, will be unduly restricted and the long-haul shipper, especially from the industrial East will be unduly advantaged."

His and Eastman's subsequent refusal in the Governors' case to give southern shippers the same advantages they had urged for shippers of their home States 9 years before is best described in President Roosevelt's adaptation of a familiar phrase:

"Inconsistency, thy name is geography."

## The March of Liberal Democracy

### EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

ADDRESS BY HON. HARRY H. WOODRING, SECRETARY OF WAR

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. Harry H. Woodring, Secretary of War, at the Washington Day banquet of the Kansas Democratic Club, in Topeka, Kans., Thursday evening, February 22, 1940, as follows:

Tonight on the free soil of Kansas we commemorate the birth of the father of our free country—a Republic of free people—

freedom of assembly, freedom of speech, freedom of the press, freedom of religion—perhaps the last bulwark of freedom—the last bulwark of democracy.

Though born the subject of a foreign king, Washington was the very personification of the dignity of human liberty. He was a liberal of liberals. He pledged his life, his fortune to the cause of freedom. Nay more, he devoted wholeheartedly his splendid talents, his masterful leadership to the creation of our American democracy. Because he was a liberal he was denounced as a radical by the Tories of his day, just as his liberal successor is today denounced as a radical by these latter-day Tories.

Throughout America—indeed throughout the world—the name of Washington is revered and honored. In remembrance of his service to America and to the world, noble statues and towering monuments have been erected. Nevertheless, his greatest monument is the living presence of our vibrant American democracy in the family of nations. So long as America shall live the fame of Washington will continue to shine in deathless glory.

As American citizens and as Kansas Democrats, we are heirs to the liberalism of Washington and of Jefferson and of their successors in the generations that followed—Jackson, Lincoln, Cleveland, Theodore Roosevelt, Woodrow Wilson, and Franklin Roosevelt. Each of these great presidents gave something of his own genius, his own character to the fabric of democracy that has been woven throughout our history. Ours has been a dynamic, a progressive—not a static—nation. With only occasional interruptions, we have moved steadily forward—forward to a better and a fuller life, to a brighter and happier existence. At times clouds of discouragement may temporarily obscure our vision, but from Washington to Roosevelt the course has been steadily upward. Under no one has this progressive advance been more marked than during the administration of our greatest of liberals—President Franklin D. Roosevelt.

In this march of progress the pioneers of Kansas and their successors on the farms, the villages, and the cities of this great State have ever been in the ranks of advancing Americans. Here, amid the rolling prairies, some of our most liberal reforms have been launched. Some of us are old enough to remember that prairie fire of Populism that swept our agricultural West nearly half a century ago. The ultraradical farmers of Kansas demanded such unheard of reforms as popular election of United States Senators, a Federal income tax, the Australian ballot, rural free delivery, parcel post, equal suffrage, regulation of railroad rates, and antitrust laws. Radical for the nineties, yes, but for the 1940's all these reforms are accepted by even the most conservative as the true American way.

Nearly half a century ago, Kansas farmers who proposed such innovations were denounced as starry-eyed dreamers—impractical theorists who would ruin the Republic in a vain attempt to enlarge our liberties. So, too, the Tories of 1776 denounced Washington as loosely advocating a ruinous liberty that would breed anarchy and chaos. So, too, the Tories of today denounce Franklin Roosevelt and his democratic and liberal followers who have brought to many millions of our countrymen the boon of a new freedom—a security and a happiness undreamed of in the philosophy of Mammon.

Seven years ago tonight, the future of our American Republic was none too bright. Banks, business institutions, transportation agencies, insurance companies—all were victims of chaotic economic conditions. Fifteen millions vainly sought nonexistent jobs. Respectable citizens were reduced to beggary. Even farmers, of all people, suffered the pangs of want and hunger. There was only one ray of hope. A new President had been chosen. A Democratic Congress had been elected. There was a sentiment—more felt than expressed—that somehow, some way, Roosevelt would do something to alleviate the distress, something to lessen the cruel blow that had wrought such havoc throughout the land.

Then came the 4th of March 1933. The ringing inaugural address of our new President was a tonic for the country. Hope replaced fear. Courage supplanted despair. It was clear that democracy still lived, and that this was a government of, by, and for the people. Under the inspiring leadership of a great humanitarian President, the country began the colossal task of repairing the damage and rebuilding for the future.

The great problem was made a hundredfold more difficult by the neglect and defeatism of the previous administration. In 1928 in the midst of prosperity a President had been elected on the promise that poverty would be abolished, that all automobiles would be twins, and that chicken pies would grace the family menu with monotonous regularity. In a few months came the great disillusionment. Prosperity vanished like a house of straw in a Kansas tornado. Amid the wreckage was left the forlorn and pitiful figure of an administration, too discouraged and too inept to attempt repairs. For nearly 4 years feeble efforts were equally divided between attempts to minimize the scope of the disaster and to prove that its fury had passed. When prompt courage was required it was hesitant timidity that responded. When bold attack was clearly indicated, a craven retreat was ordered. Thus, precious time was lost and the forces of despair and defeat were in the ascendancy. The change of leadership came none too soon. When relief came, a spontaneous cry arose—thank God for Franklin D. Roosevelt!

The instant task was to restore to millions of Americans the hope of the future. By a series of bold strokes the new administration checked the forces of disaster. The crumbling banking structure



of the United States was promptly repaired. Confidence was restored. Guaranties were provided for bank deposits. To the dismay of carping critics, the Government insurance of deposits not only did not wreck our banking institutions but actually restored the vigor that had all but departed from our banks.

Work was provided—inadequate, to be sure, but nonetheless welcome—for millions of our unemployed. Youths approaching manhood, faced only with bleak discouragement, were provided with useful work in our Civilian Conservation Corps, where, amid inspiring surroundings and clean manhood, millions of young men contributed materially to the conservation of our great natural resources. Many millions of men and women were taken from relief rolls and given useful employment under the W. P. A. and P. W. A. facilities. They were given an opportunity to become self-supporting and at the same time to add appreciably to the tangible assets of our country through the construction of roads, buildings, and other substantial improvements.

Not only was the immediate distress appreciably relieved, but provision was made to minimize the evils of a recurrence of such a disaster. Unemployment compensation and old-age insurance were provided. Payments under our old-age insurance law have just commenced, and already many of our senior citizens are enjoying the comfort provided from annuities which transform a cheerless old age into one of contentment and happiness.

Farmers' cash incomes have increased 85 percent over 1933. Benefit payments, commodity loans, and other advances have vastly ameliorated the distress of agriculture. You and I know that these are mere temporary expedients—a permanent solution for our farm problem is still to be found. With millions of Americans and hundreds of millions in other lands ill-clothed and ill-fed, and with surplus production of textiles and food in the United States, the problem is that of matching huge excesses against desperate needs. One of our great agricultural problems is underconsumption. Maldistribution is the crux of the evil. Grain from Kansas wheat fields transformed into bread for the hungry must reach the ultimate consumers in teeming American cities and foreign countries unburdened by excessive transportation and handling charges. Nevertheless, though our farm problem is not permanently solved, under a Democratic administration the condition of the farmer is vastly improved over that of 7 years ago, and the immediate future is bright with the hope of further betterment.

We would be less than frank if we did not recognize that much remains to be done toward improving the relations of capital and labor, of government and business. Closer cooperation of all elements is necessary if we are to have the progress and prosperity so essential to the public welfare. However, the national income has more than doubled since 1933. Though the national debt has increased, the Nation's private debt has been tremendously reduced. There has been a marked decline in interest rates, a great reduction in mortgage foreclosures and in business failures. By every criterion, by every available test, it is clearly seen that domestic economic forces under our leadership are moving steadily forward toward complete recovery.

Some of our opponents, whose politics warp their judgment, continue to inveigh against the progress that has been made. They pay lip service to liberalism, but cry out against reform with all the zeal of the Tories of Washington's day. Their insistent demand is that we take the Government away from the people under the New Deal and give it back to the Republicans. Without naming the specific reforms they would repeal, these modern Tories emphasize the expense. Expensive? Of course the measures taken have been expensive. It is impossible to relieve the distress of many millions without an appropriate expenditure of funds. But they have been Federal funds, collected from income and excise taxes. And not \$1 spent by the Roosevelt administration in the past 7 years has been a tax dollar on your farm or on your home. But a true picture of that expense demands an examination of both sides of the ledger. We must look at the credits as well as the debits. What have we to show for all the billions that have been expended? Well, first of all, we have unquestionably preserved American democracy. Millions of Americans have found relief under our form of government and have not been led astray by the siren songs of communism and totalitarianism in desperation of personal frustration. This is a very real, though, perhaps, an intangible accomplishment. There are tangible assets also. Thousands of miles of good roads have been constructed. Hundreds of new schools, hospitals, and public buildings are found in every State in the Union. Great new dams have been constructed, developing vast power resources for present and future generations. Rivers and harbors have been vastly improved; navigation facilities have been extended; the national defense has been expanded and materially strengthened. All this has vastly increased the net worth of your Government and has, at the same time, provided for millions of worthy American citizens, at a time when they were faced with threats of permanent unemployment.

Today our eyes and thoughts are focused on a great war in Europe. Another great war is raging in the Orient. The peoples involved in these great struggles number more than half the population of our restless planet. The raging holocaust of war threatens to spread its devastating flames over many countries not now involved, leaving only the independent republics of our Western Hemisphere unscathed by its fury. The advent of spring may redouble the intensity of the conflicts. Horror may be piled on horror! The pale horsemen of death, disease, famine, and desolation may range widely among city, village, and farmstead.

As Secretary of War, I am in a position to know something of the horrors of modern warfare. Death and desolation are no longer confined to the fighting force and the firing line. From the air and from beneath the waves flaming death may and does come to men, women, and children, young and old, strong and weak, fighters and noncombatants. Because I know all this, I know that America must remain at peace. We can and we must keep out of war. Let me pledge to my fellow Kansans that insofar as my influence in the councils of this Government may prevail, no son of mine and no son of yours will be called upon to serve as a blood offering on the altar of Mars. I know that the President of the United States hates war with every fiber of his soul, and I know that he is firmly resolved that no American blood will be spilled on the battlefields of Europe.

Already we have made great sacrifices to insure ourselves against involvement in the war. We have kept our ships out of the war zones. We have sacrificed hundreds of millions in exports. We have suffered an acute dislocation of our foreign trade. This loss has been a well worth-while sacrifice because it has tended to insure the maintenance of peace.

We have a saying—but not always true—that in national emergencies politics stops at the water's edge; that Americans of all parties, however much they may differ in domestic affairs, always support our foreign policies. It is particularly gratifying to know that in this grave crisis of world affairs, the overwhelming majority of the people of our Nation is a unit in acclaiming the masterful direction of our foreign policy under Franklin D. Roosevelt.

Our policy is first of all to keep America at peace. War would bring not only its ghastly toll of death, sorrow, and desolation, but it would likewise seriously endanger the very maintenance of our democratic institutions. The first few months of the war in Europe have witnessed either the complete or the partial suspension of democratic functions in even the most liberal of countries involved. Indeed, a noted British economist recently asked the question, Are democracies committing suicide in self-defense? To paraphrase the Good Book, what would it profit our country to gain a military triumph and lose its democratic soul?

Ever mindful of the realistic fact that force is needed to repel force, we have recently strengthened materially our national defenses. In doing so we have acted not with a view to waging war, but rather that we might speak with authority for peace. Our entire military policy is based on the defense of our territory and our institutions, not on an offensive against any other country under God's heaven.

While we will probably be able to insulate our country in a military sense against the conflicts now raging, America, of course, cannot hope to escape the economic consequences of this disaster. True, there may be some temporary profit from war orders, but, as we know from sad experience, prosperity built on conflict is fleeting and evanescent. War is waste. The waste of war is assessed not merely on the vanquished, but with tragic impartiality on victor and neutral as well.

How long this deadly warfare may continue we know not. It is safe to say that one result of any prolonged conflict may well be the extinguishment of democracy in Europe and Asia. All the more reason then that we in America should preserve our democracy; that we should shield the precious torch of American liberty from the gusts of war. This we owe not only to America but to human civilization. There should be one place on God's footstool where the rights and dignity of man are preserved as a priceless heritage for future generations. With God's help that place will be America.

While our eyes and thoughts are necessarily on the spectacular drama daily enacted on foreign battlefields, we must not permit ourselves to lose sight of the domestic scene. Here at home we have a full field for our energies and our talents. We Democrats have made splendid progress in recent years toward the solution of our problems, but much remains to be done. We have relieved much of the acute distress due to unemployment, but there are still too many jobless who are vainly seeking work. We still have poverty in the midst of plenty. Farmers still raise more food than they can sell at a reasonable profit, yet millions are undernourished. Labor and capital have still to learn the lessons of cooperation. Business and government must work together—not apart. We must now relate our Federal expenditures more closely to our Federal revenues. Franklin Roosevelt, with our Democratic administration, has remedied the more acute fundamental phases of our economic ills. The chronic ailments of our body politic demand the continued attention of a progressive Democratic administration. The incidence of the war in Europe has made the solution of our domestic problems a hundredfold more difficult. Nevertheless, we cannot shirk our responsibility. We cannot delay. The task is at hand. It must be undertaken.

Here in Kansas, as elsewhere in the Nation, there is a great body of independent voters, men and women who put patriotism above partisanship. Here, as elsewhere, these citizens have frequently joined the Democrats in advocating and accomplishing those liberal reforms which have meant so much to the happiness and well-being of the American people. Of recent years, they have formed the commendable habit of voting the Democratic ticket with almost uniform regularity. The results attained have justified their action.

This year is another campaign year. In 1940, as in other recent election years, we aim to present to the American people a liberal platform and liberal candidates pledged to the continuance and development of the liberal policies of the past 7 years. We cannot

afford a lapse in progress. We must remember that 7½ years of Theodore Roosevelt were followed by 4 years of Taft, that the liberal reforms of 8 years of Woodrow Wilson were almost undone in the 12 deadly years of Harding, Coolidge, and Hoover. Let us not permit the progress of 8 years under Franklin Roosevelt to sink in the morass of 4 years of some new Tory.

Here in the center of the great agricultural West, on the anniversary of the birth of our country's founder, let us rededicate ourselves to American democracy. As patriotic Americans, as liberal Democrats, we are proud of our heritage, proud of our achievements, and proud of our record of service to the people. Let us here and now resolve that we will vigorously oppose any recession of American progress. The untainted democracy of the free State of Kansas takes its place in the front ranks to fight for the continued maintenance of American freedom under a progressive Democratic administration both in the State and Nation. We extend a welcoming hand to all others irrespective of past political beliefs, and urge them to make common cause with us in battling for human rights. We will close the ranks of liberals and elect a Democratic Governor in Kansas and a progressive Democratic administration in our State and choose a Democratic President and a liberal national administration.

With such a force and in such a cause we cannot lose. Once more, before another winter's snow blankets the priceless Kansas prairies, the victorious banner of democracy will fly at the masthead of our great Commonwealth and our glorious Republic. Again we will win, because the progressive masses of the American people under a militant democracy deserve to win.

### What the Income Tax Could Yield

#### EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

RADIO ADDRESS BY HON. KNUTE HILL, OF WASHINGTON

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I delivered over the Columbia Broadcasting System at a luncheon of the People's Lobby, March 2, 1940.

During these early days of the month of March a great many of us are engaged in making out our annual income-tax reports. It may seem rather strange to some when I say that this is one of my pleasant duties. In these days of so much unemployment and distress, I for one, am certainly thankful that I am permitted to earn an income on which to pay a tax. Taxes should be levied on the basis of ability to pay and benefits received. It takes money to run a complex modern government; and we who receive the benefits and protection of that Government and have the opportunity of earning an income because of the existence and functioning of that Government should be glad and willing to bear our share of the expense in connection therewith. To those who are disposed to complain may I call attention to income taxes paid in Great Britain:

An Englishman with a wife and one child will pay in income taxes this year as follows:

Tax	
Income:	
\$2,000-----	\$171.25
\$4,000-----	796.25
\$6,000-----	1,421.25
\$8,000-----	2,171.25

Statistics are rather tiresome but let me just briefly outline the situation in the United States:

Figures recently reported by the Treasury Department on personal incomes for 1938, and Treasury data on corporation profits, show that the Federal Government could get at least two to two and a half billion dollars a year more than it does, from taxes on personal and corporation income.

The Treasury reports that in 1938, almost 3,000,000 taxable incomes were reported, with a total net income of about twelve and two-thirds billion dollars.

Upon this enormous income the total Federal income tax, and surtax was only \$765,000,000, an average of \$255, or 6 percent.

The average income of these nearly 3,000,000 individuals was \$4,215.

If these 3,000,000, who received the major part of rent, interest, and profits paid in 1938, had paid an average of about \$700 more in income tax and surtax, they would still have had left an average of about \$3,500—which was nearly three-quarters more than the average family income in 1938.

This would have given the Government a little over \$2,000,000,000 more than it got from income taxes and surtaxes in 1938.

Of course, under our system of progressive income taxes and surtaxes people with incomes under \$5,000 would not pay much more income tax, not over \$100 to \$150 more at most, while those with incomes of over \$10,000 could pay \$1,000 to \$50,000 more than they do.

In 1938 almost 176,000 people reported net incomes of over \$10,000 with a total of \$3,987,000,000, upon which they paid just under \$625,000,000 in taxes. After paying these taxes they had left \$2,000,000,360, an average of \$13,433.

In 1936 the reporting corporations paid in cash and stock dividends over seven and a half billion dollars. In 1939, 3,058 companies paid \$3,241,000,000 in dividends. In 1939, 3,239 companies paid \$3,566,000,000.

In addition to these huge dividend payments, the surplus and undivided income of corporations, estimated on their reports for 1936, are about \$50,000,000,000.

This is more than the total national debt, upon which the interest payment alone, next year, will be \$1,100,000,000!

Every year about 20,000 people get nearly one-third of all dividends paid, and they also have rights to about one-third of the \$50,000,000,000 of corporation surplus and undivided profits.

On the basis of British income-tax rates, we could raise nearly \$3,000,000,000 more in income taxes than we do, through the personal and corporation income tax.

Today the National Government raises nearly three-fifths of its income by taxes which fall heaviest on those least able to pay.

You are probably asking yourselves why Congress doesn't change this tax system, now, and tax according to ability to pay. The real reason is that those who could and should pay are opposed to it.

Every progressive Member in both branches of Congress, and in all parties represented, want Congress to do this. No individual Member, however, and no small group of Members can force this.

Under the Constitution all revenue bills, that is, tax bills, have to start in the House of Representatives. That means the House Committee on Ways and Means has to have hearings on amending the present revenue act. The chairman of the committee is the Honorable ROBERT L. DOUGHTON. If enough people will write him, urging that his committee hold hearings, and get their Representatives to also ask him, the hearings can be held.

Unless income-tax rates are raised, needed relief and farm-aid will be cut. The American people must make themselves heard on this question in Washington.

We must revise our outmoded tax system so as to place the burden of taxation on those best able to pay and in such a way as to make collections certain and economical and, lastly, to raise enough revenue to run our Government and retire our debt.

### Utah Republican State Committee

#### EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. STYLES BRIDGES, of New Hampshire, at a rally of Utah Republicans under the auspices of the Utah Republican State Committee, at Salt Lake City, Utah, Monday evening, February 19, 1940:

On November 5, in less than 9 months, you in Utah, along with the rest of the American people, will go to the polls. The decision you make at that time will be not merely the selection of a President for the next 4 years. You must decide whether you want 4 more years of new dealism and all that it represents. You must decide whether you want 4 more years of bureaucratic government by the arbitrary decree of men whom neither you nor anyone else elected to office, but who hold the power of life or death over your farm, your business, or your job, or whether you want to return to the democratic ideal of a government limited in its powers over your lives and responsible only to you. You must decide whether you will tolerate 4 more years of mass unemployment, paralyzed business, and ruinous agricultural prices, or whether you are determined to elect an administration that will release the energies of our people and the vast productive powers of our Nation. You must decide whether you will be content with 4 more years of industrial strife, of jealousy, hatred, and dissension fostered by men in high office, or whether you will insist that those who administer the affairs of your Government set



an example of justice and tolerance and inspire the spirit of voluntary cooperation by which a free people must go forward together.

The planners have had their chance. They have held office for 7 long years, entrusted with powers such as no officials of a free government have ever before enjoyed. They have made their charts, they have tried their theories, they have regulated and reformed every phase of our economic life. And, after 7 years, the major problems of unemployment, industry, and agriculture with which we were faced when they took office are with us still—with many others added to them. An administration vested with the vast powers which have been entrusted to the New Deal, an administration that boasts that "we planned it that way" when things are looking up, must also be willing to take the responsibility for its failures.

Today, as election draws nearer, the American people are making a mental balance sheet. They are taking the subject of government more seriously than ever before, because they are more and more aware of its influence upon their lives. Ten years of depression have made them a soberer and a somewhat disillusioned people. They will no longer be beguiled by alluring promises, by eloquent declarations of "social objectives." They are not likely to be fooled by alibis or red herrings drawn across the path. They are looking at the record. They are looking for results. And more and more they are coming to the conclusion that the New Deal, whatever temporary benefits they may have received, has failed them fundamentally. The myth of the New Deal is exploding. More and more clearly they are realizing the difference between promise and performance, between theories and results, between dreams of Utopia and the cold, harsh facts of reality. They are remembering that well-known road paved with good intentions.

First, there was the myth that the New Deal was the champion of those in need—the underprivileged, the ill-fed, ill-housed, and ill-clad. The unemployed, the worker, and the farmer were to receive special care.

The unemployed have received a meager subsistence that has held body and soul together. But, after 7 years, they are weary of dependence upon the bounty of the Government for the necessities of life. They know, despite the New Deal propaganda to the contrary, that they would not be allowed to starve by any administration, regardless of party. More and more they are demanding an administration that will permit them to go back to work, to take their place as self-supporting and creative members of their communities, and to rise according to their abilities. More and more they are awakening to the fact that no subsidy can compensate for the right to work, and that an administration which, after 7 years, has been unable to assure them that right has failed.

The worker has received a law presumably designed to put a floor under wages and a ceiling over hours. But of what use is it to him if he is barely subsisting on part-time work? He has also learned that when it is administered without regard to economic conditions, in an attempt to regulate all wages and hours, it increases unemployment and endangers his job. Moreover, he knows that increased wages cannot be raised by legislation alone, but must come from increased business. He has received the Wagner Labor Act, presumably designed to assure his right to collective bargaining. But he has learned that the Board which administers the act may force him to join a union for which he never had an opportunity to vote and arbitrarily destroy the union of his choice. He has had a social-security law written on the books for his benefit. But he has seen the money taken from his pay envelope lumped in with the general fund of the Treasury and spent on pump-priming projects. He knows that if Government extravagance continues at its present rate new taxes will have to be raised and that they will hit him. Today he is awakening to the fact that the New Deal has actually failed to assure him these things. He is demanding an administration that will assure him the genuine rights of collective bargaining, free from coercion from the Government as well as from his employer. He is demanding an administration that will assure him the true source of higher wages and social security—a full-time job in a prosperous and expanding industry with an opportunity to rise.

The farmer has received subsidies from the Government. But he has paid for them with his independence. No longer is his farm his own to do with as he thinks best. It is now being run by the planners in Washington. Today the prices he receives on many products are down to the levels of 1932 to 1934. He has seen his markets, both at home and abroad, dwindle away. He has seen Government taxation of industry and industrial strife add to the cost of all that he must buy. More and more he is awakening to the fact that the meager subsidies he has received are nothing compared to such losses. He too has come to realize that the New Deal has failed to fulfill its lofty promises or meet his primary needs—expanding markets and an urban population that is able to pay a fair price for agricultural products.

Today a disillusioned American people are asking themselves which, if any, of the New Deal policies that were supposed to bring about recovery have succeeded in any appreciable degree. I challenge the Administration to point to any of its policies which have accomplished all or even a major portion that was promised for it.

The spending for recovery? Including the estimates for 1940 and 1941, the Administration of President Roosevelt has spent

approximately 66 billion dollars in 8 years—more than half the amount spent by all the administrations of the 31 previous Presidents in the preceding 144 years of our history. The New Deal has likewise collected well over 40 billions of dollars in revenue, or nearly one-third of all the revenues of all previous administrations in our history. It has had more deficits than all the rest of the Presidents in our history, thereby succeeding in the unprecedented feat of doubling the national debt in time of peace.

More and more the American people are awakening to the fact that this spendthrift policy has, instead of bringing recovery, made it impossible. The President has been boasting recently of the improvement of conditions since 1932. But it is no more fair to compare conditions today with those at the depth of the world-wide depression than it is to compare them with the boom days of 1929. Average the 7 years of the New Deal with the last 7 years of Republican administration and you get a different but a fairer picture. Gross farm income is nearly \$2,000,000 less a year—despite Government subsidies. The average of factory pay rolls dropped 24 percent; and the average of national income per person dropped 33 percent during the last 7 years compared with the previous 7—and we still have some 10,000,000 unemployed. One can conclude only that spending for spending's sake has not only failed to solve our major problems, but has only added to them the problems of crushing debt and oppressive taxation.

Another experiment of the New Deal which was promised to raise the level of prices was the devaluation of the dollar. That it failed to do so is apparent. But what the fantastic policy of buying silver and gold indiscriminately from all the world has done is to drain the world of these metals on one hand and to accumulate, at the expense of the American taxpayers, a hoard unparalleled in history, for which we can have no possible use. Year after year we have paid in cash for gold not only the value of our exports to other nations, but a bounty besides. The world, glad to get American cash, has increased its production of these metals. In the last 10 years the world production of silver has averaged 175,000,000 ounces. In 1939 it is estimated to have been approximately 266,000,000 ounces, only 57,000,000 of which was mined in the United States. We have been buying at a rate of better than 4 foreign ounces of silver to every American ounce. As for gold, less than twenty-five and one-half million ounces were being mined annually in 1933. In 1938 this jumped to over 39,000,000 ounces—an increase of 54 percent in 5 years. And yet we are buying it several times faster each year than it is being mined. Our hoard has risen from approximately \$4,000,000,000 worth to some eighteen billions in 6 years.

Every additional ounce of silver and gold for which the American people pay the rest of the world a handsome subsidy now but hastens the day of reckoning when, having drained the other nations of these riches, we make these metals virtually useless as far as the rest of the world is concerned. Although Secretary Morgenthau seems to enjoy his trusteeship of this vast hoard, other new dealers are frank in admitting that this gluttonous policy of chasing the gold and silver rainbow is rapidly decreasing its true value. It has even been suggested that, having paid so many billions to the rest of the world for these metals with the hard-earned money of the American people, we may have to give them away.

Every additional ounce for which we subsidize other nations today increases the dangers of inflation tomorrow so long as the President retains his power over our monetary system, for it adds to the hoard against which he can make new money and write off a paper profit.

If we are to protect the currency of the United States and of the rest of the world; if we are to protect our American miners of these precious metals; if we are to protect all of our people from the peril of inflation, this reckless, senseless policy of buying the world's silver and gold from the rest of the world, only to return it to the earth again, must be curbed. Today the New Deal has placed us in the position of disrupting the currencies of the world if we abandon the policy suddenly and completely, but it must be gradually reduced if the currencies of all the world are not to be threatened with collapse, and if American prices, wages, savings, and investments are to be safeguarded. Thus another New Deal panacea for prosperity has not only failed miserably but has endangered all that it was designed to aid. Another New Deal bubble has burst.

Another panacea for recovery was the reciprocal-trade program which, it was promised, would help us recover our world markets, which had naturally shrunk during the world-wide collapse at the end of 1929, through the general stimulation of world trade. After 6 years we must face the fact that, as administered, the program has not only done far more harm than good but that it has been particularly disastrous to those whom new dealers promised us would gain the most—the farmer.

Here again we must recognize the difference between idealistic dreams of beautiful theory and the harsh, stern truths of reality. We must face the fact that our share of world trade has not increased and that American foreign markets, which the administration policy of scarcity at home made it impossible to recapture, have been taken over by other nations. There is no denying that the only thing which has given the United States a favorable balance of trade in recent years has been the armament race throughout the world, which was climaxed by the outbreak of war. It is equally true that not only have competitive imports increased alarmingly in recent

years but that the chief reason we have not been even more flooded with the cheap products of peasant labor abroad has been the pre-occupation of the great nations of Europe and Asia with undeclared wars or preparation for war.

We must face a truth that has been demonstrated time and again to our sorrow, a sad truth that we should have learned since the first World War, namely, that other nations are not as philanthropic and as idealistic as we. The late Will Rogers never spoke truer words than when he declared that we Americans had never lost a war or won a conference. For example, just before negotiations began for a trade treaty with the French they raised their duties on almost all imports. The Secretary of State was greatly pained. Not only did he publicly denounce this practice but he declared that he would not deal with a nation that employed such tactics. But nevertheless he did.

In our altruism, we have not only made more concessions than we received from the nations with which a treaty was concluded, but we have let down the bars to every country in the world, while receiving concessions from only one. We have reduced duties in the same amount to every nation, regardless of the extent to which its standard of living differed from ours. In the United Kingdom, for instance, wages are one-third of what they are in this country. In Italy, wages are less than one-fifth of American wages, and in Japan, they are less than one-tenth. And yet the same reduction in duties applies to all of them alike.

The Research Division of the Raw Materials National Council has made a study of leading agricultural imports which compete with domestic production during the 3 years of 1935, 1936, and 1937, estimating the value of these imports had they been produced in the United States, and the displacement of American acres of land caused by importing them instead of raising them at home. The figures are startling. For these 3 years alone, it estimates that competitive farm imports, valued at a little under \$3,000,000,000, would have valued over eight and a quarter billion dollars had they been produced in the United States. In other words, the average foreign value is approximately one-third of the American value. And it estimates the number of acres displaced by importing these products at an average of nearly 79,000,000 acres a year.

Let me give one specific example which directly concerns the people of Utah, and other sheep-raising States. During the 3 years of 1935 through 1937, approximately seven hundred and eighty-six and a half million pounds of wool and mohair were imported. The value given to them was the foreign value of something over one hundred and seventy-nine and a half million dollars. But the American value, had this wool and mohair been produced in the United States, would have been over five hundred and thirty-eight and three-quarters million dollars. The average number of acres thus displaced each year was approximately 58,000,000. As for wool manufactures, our imports were valued at less than sixty-four and a half million dollars, but the American value would have been well over \$193,000,000. The number of American acres thus displaced was over twenty-nine and a half million—to say nothing of the men and mills which might have been employed to manufacture the wool had it been produced in this country.

And still these imports increase. In 1938 we imported one hundred and four and a quarter million pounds of unmanufactured wool. The value placed upon it was a little over twenty-two and a half million dollars. But at the ratio of 3 to 1, estimated by the Raw Materials National Council, the American value, had this wool been produced in this country, would have been over \$69,000,000. In 1939, our importation of wool was more than double the amount of the preceding year, amounting to nearly 246,000,000 pounds. Here again, although it was valued at a little over forty-nine and a half million dollars, the American value would have been over \$149,000,000.

We cannot hitch our economic wagon to the star of the altruistic ideal of free trade and preserve the American standard of living. We cannot mesh our economy to the economy of the world—particularly in its chaotic condition today—and avoid being dragged down to its level. The alternative is not a policy of self-sufficiency and selfish nationalism. It is rather a return to the principle of true reciprocity by which we receive concessions comparable to those we give, and seek to promote world trade through the exchange of goods and materials which nations need but do not have and cannot produce. Such a program is not incompatible with the protection of our American standard of living.

I am heartily in favor of trade treaties between the United States and other nations. But they should be used as the means of helping the American farmer and worker to dispose of those products which they have for export. They should safeguard the American farmer and worker against cheap competitive imports sold in this country below the American cost of production. Our people must be assured of ample hearings before negotiations are concluded—and the democratic right of appeal at all times—a right of which they were deprived by the Reciprocal Trade Act. And they must be given the opportunity to pass on all treaties through their Representatives in Congress. In no other way can the American standard of living and the American processes of democratic procedure be preserved. Here, again, Americans are awakening to the fact that the reciprocal-trade program, as administered, has not only failed to achieve what was promised for it but has proved one more stumbling block in the way of recovery.

The American people may reelect an administration once to give it a fair chance to make good on its promises. But, after 8 years, they are not going to reelect an administration on the basis of noble motives or grandiose social objectives. The ill-fed, ill-housed, and ill-clad want more than solicitude and insufficient hand-outs from those who hold public office. They are weary of promises instead of prosperity, and reform for reform's sake at the price of recovery. They are tired of the tinkering of pseudo-intellectual theorists and professional experimenters with their economic system and their lives. They will no longer be satisfied with the stone of bare subsistence for the bread of prosperity. What they ask is an opportunity to go forward on their own steam.

If I did not think that the American people were capable of going forward through their own initiative, energies, and effort, then I would say that the New Deal has not gone far enough. If I thought that the American people had fallen so low that they are incapable of caring for themselves and planning their own destiny, then I would say that they must fall prey to a paternalistic despotism, benevolent at first, but gradually stripping them of their liberties and their independence. That has been the tragedy of one people after another throughout history. Indeed, we have seen it happen before our very eyes in recent years. But, because my faith in the American people, to achieve progress for themselves under a Government that makes it possible, remains firm, I accuse the New Deal of stifling their initiative, wasting their energies, and holding them back when they might have gone forward.

Today the American people are awakening to the fact that the New Deal experimenters have nothing new to offer. The President's recent defenses of his spending policies are eloquent evidence that we can expect nothing more from a third term of the New Deal than a continuation of reckless spending, mounting deficits, and rising taxation, repressive regulation, and enforced scarcity at home, coupled with a policy of economic internationalism in our trade relations with other nations. We know that the continuation of these policies can lead only to bankruptcy, inflation, or repudiation, economic stagnation, and lower level of living for our people.

Such a prospect should be particularly repulsive to a people who chose for their motto the one word "Industry." You in Utah have demonstrated how men and women of varying beliefs can live together, work together, and advance together with mutual tolerance and respect, through voluntary cooperation for the welfare of all. You have demonstrated how a people can face hardships and overcome difficulties that seemed at the time insurmountable by your courage, your faith, and your industry. You have furnished an inspiring example of the American way of life and progress in the past, and I believe that you will continue to do so in the future.

The American people today are looking for an administration that will put an end to government by repression. They are looking for an administration that will ease the burden of debt and taxation, of bureaucratic regulation of their lives, of scarcity caused and subsidy made necessary by government folly. They are looking for an administration which will release their energies and unite them in the common cause of going forward together. The Republican Party stands ready to answer that challenge.

We solemnly pledge ourselves to remove every restraint upon recovery, and to lend every encouragement to an expanding economy of plenty. But cutting every unnecessary governmental expenditure and a thorough revision of our entire tax structure, we will release the flow of funds into increased wages and greater employment. By a revision of the administration of the Securities and Exchange Commission we will encourage investment and thus the expansion of business. By a revision of the Wagner Labor Act we expect to assure genuine collective bargaining for the worker, free from coercion from any source, and to assure equal justice to employer and employee alike. It will be administered by a board whose purpose is neither the direction of a class struggle nor the triumph of one group of workers over another but the promotion of the partnership of capital and labor which alone can bring industrial peace and progress. We will not administer the Wages and Hours Act in an attempt to dictate all wages and hours regardless of economic conditions, thus putting men out of work, but rather for the purpose intended by the law, namely, the assurance of minimum-wage and maximum-hour standards.

Under such a program the unemployed will be assured of the one hope of real jobs—an expanding economy. The worker will be assured of the one true source of increased wages—a prosperous business. The farmer will be assured of his one chance of adequate markets and prices—a healthy, prosperous domestic market and a fair opportunity to compete for the markets of the world. Every citizen may look with confidence to friendly government for protection of his right to the fruits of his labor, and for encouragement to rise as high as he is fairly able so long as he does not interfere with the equal rights and opportunities of others.

Such a program presents no panacea. It is no short cut to Utopia. But, after 7 years of bitter experience, these are not what the American people seek. It is a program by which freemen can advance under a free government and a free economy. It is a program under which the American people will be assured the freedom and the opportunity to go forward, as they have in the past, through their industry and their genius, to the building of a better America and to the conquest of new frontiers for all mankind.



Hon. Cordell Hull

## EXTENSION OF REMARKS

OF

HON. MIKE MONRONEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

EDITORIAL BY WALTER M. HARRISON

Mr. MONRONEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I ask unanimous consent to incorporate the editorial in the Daily Oklahoman written by Walter M. Harrison on March 1 concerning Hon. Cordell Hull, Secretary of State.

[From the Daily Oklahoman]

WALTER M. HARRISON APPRAISES THE SECRETARY OF STATE—HULL: ALERT, EXPERIENCED, SANE, SOUND

WASHINGTON, D. C., March 1.—In order to make up my own mind as to just how old Cordell Hull is, I have been watching him at press conferences and before committees.

The first thing the third-term boys fling at you when they say there simply isn't anybody to carry on, with "Greatheart" out of the picture and you say how about the Secretary of State: "Hull is a good man but too old."

Born in October 1871 the Tennessean will be 69 years old before the votes are counted in November. But older men have been President of the United States. Older men have ruled France, England, Germany, with iron fists.

The fact is a fiction is spreading that none except flaming youth in this chaotic era of groping seems gambler enough to carry the torch.

Mere years should not check a good man out, when it is the virility of the thinking mechanism that counts. I believe Cordell Hull is at the height of his faculties, possessed of an alert and learning mind, a sounder body than the average man of his years and a wealth of experience, sanity, and idealism which ought to be given the utmost consideration.

Moderns turn their noses up at the rococo pile across from the White House known as the State, War, and Navy Building. A relic of Grant, little in keeping with the classic buildings which have mushroomed in the last generation. It contains no chromium, bronze, nor W. P. A. murals. Its checkerboard stone floors are worn and sagged. The swinging latticed doors, with their black-paint borders to hide dirty hand marks, remind one of emergency construction.

But there is a sense of sanity, poise, dignity, and smoothness there, one never can find in such ornate piles as the enormous and ultra Department of Commerce.

The conference room just off Mr. Hull's private office, decorated with Georgian furniture, presided over by the ghosts of late, great Secretaries, counseling from their canvas and pigment selves, is as quietly sure of itself as is Secretary Hull, standing there behind the big chair at the end of the table, with gray McDermott by his side, facing the ring of newspapermen and their belt of machine-gun-question ammunition.

State Department press conferences are not wisecracking sessions, as they so often prove across the way. Short questions. Short answers. If there is nothing to discuss, nobody's time is wasted. But when an element of State Department activity is of value, Hull speaks with exact information, sure knowledge, and the few times he is in doubt, he holds the query to get the facts.

This week Mr. Hull was the first witness before the Senate Finance Committee considering the extension of the reciprocal-trade treaties. Here would be a swell place to watch the Secretary under sharp-shooting fire. Here Senators VANDENBERG, CAPPER, LA FOLLETTE, LODGE, JOHNSON of the G. O. P. would enfilade him.

I knew the press associations would carry reams of testimony, so I watched only the byplay, the time of Hull's reactions, his alertness, his speed in ordering thoughts, his mastery of himself.

For 3 hours the hearing continued with Hull in the well, surrounded by Senators on the oval bench, with PAT HARRISON in the chairman's position. For 2 hours of the time, cameramen worked close in, flashing bulbs at unexpected moments, movie cameras stuck their black noses in the door behind the bench and ground, the opposition pricked with their questions. Hull was as fresh at the finish as he was when he went on and began by reading his prepared statement.

I saw no cameraman work on what, to me, was the best composition of all. VANDENBERG, leaning over the mahogany, peering down at Hull, poking out a forceful finger to establish his point, the Secretary leaning forward, eyeglasses on a black ribbon stuck on his right thumb, intensely alert to follow his inquisitor.

It might be that these two men, sitting there sparring in the Finance Committee room, less than 6 feet apart, would be the nominees of the summer conventions.

Secretary Hull had no office assistant there to prompt him. He brought his portfolio full of papers. He fumbled for one occasionally, groping for the right answer, but he generally got what he needed without pause. More than once he halted to order his thoughts, but not too long. Generally he was ready before the Senator's question was finished. When the situation called for a little political dig, he gave as good as was sent. When the occasion called for repartee, he had it. After 2 hours he held up a flimsy sheet and read from it. I noticed not the slightest quiver in his hand. He did not reach for a glass of water a single time.

He was never offended, never belligerent, never raised his voice. That kind of appearance is hard work. Mr. Hull walked out of that session as fresh as a spectator, instead of the principal actor.

It is traditional that a Secretary of State should have dignity. Hull has developed much of the cold front he wears on the stage. Behind his private office doors he can still utter a good round damn if the occasion requires. He has the fire of his fighting days in Congress, but such attributes are unbecoming the second officer of the Government, in his lexicon, and he lives a fine mask for himself.

It will take something more than the "old man" campaign to destroy Hull, who daily becomes more interesting to the American people as they ponder the mysteries of politics in a Presidential year.

WALTER M. HARRISON.

## The Water Pollution Control Bill, S. 685, and the East Bay Sewage Disposal Project

## EXTENSION OF REMARKS

OF

HON. JOHN H. TOLAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

Mr. TOLAN. Mr. Speaker, on Friday last, March 1, I took the floor of the House to offer an amendment to the so-called Barkley bill, S. 685, which would authorize the creation of a Division of Water Pollution Control in the United States Public Health Service.

The amendment I offered was absolutely necessary to restore the original provisions of the measure in the form in which it was passed by the Senate. Although the House refused to take favorable action on this amendment restoring the 33 1/3-percent grant provisions to municipalities to aid in the construction of sewage-treatment plants, I intend to do everything in my power to have the conferees of the House and Senate keep Senator BARKLEY's bill in its original form.

Mr. Speaker, last Friday I acted upon my own responsibility in proposing this amendment. In my mind there is a real interest among the residents of my district in obtaining Federal assistance for the proposed East Bay sewage-disposal project. Yesterday, I received fresh assurance that the concern of our community is still with the possibility of direct assistance from the Federal Government, and I would like to insert in the RECORD at this point the following letter from the Berkeley Chamber of Commerce, Berkeley, Calif.:

BERKELEY CHAMBER OF COMMERCE,  
Berkeley, Calif., February 27, 1940.

Congressman JOHN H. TOLAN,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN TOLAN: Advice from the United States Chamber indicate that the Barkley bill, S. 685, is soon to become active again.

The Berkeley Chamber of Commerce for the last 2 years has been urging the support of our California delegation for the passage of this bill.

The sewage-disposal problem along the east shore of San Francisco Bay, is one difficult of solution, and the assistance of the Federal Government under the terms of the Barkley bill would prove very helpful. The Berkeley Chamber of Commerce, therefore, reaffirms its position and requests that you use your good offices in securing passage of this measure.

Cordially yours,

BERKELEY CHAMBER OF COMMERCE,  
J. D. SARBEE,  
Vice President and General Manager.

**Father Abraham's Men**  
**EXTENSION OF REMARKS**  
 OF  
**HON. BERTRAND W. GEARHART**  
 OF CALIFORNIA  
 IN THE HOUSE OF REPRESENTATIVES  
*Tuesday, March 5, 1940*

AN ABRAHAM LINCOLN ARTICLE BY EMANUEL HERTZ

Mr. GEARHART. Mr. Speaker, in the February issue of the American Legion magazine there appeared an article from the most capable pen of Emanuel Hertz which is of unusual interest, especially during this season of the year when the name of the immortal Lincoln is upon the lips of everyone.

In this article, which he has entitled "Father Abraham's Men," Mr. Hertz reveals more clearly than ever before Lincoln's deep concern for the common soldier. No one other than a thoroughgoing student of the life and character of the wartime President could have amassed so much heretofore unknown or inadequately evaluated evidence as this eminent scholar has collected in the essay to which I refer.

Because I am quite sure that that which Mr. Hertz has written will add tremendously to a better understanding and appreciation of the real Lincoln, I feel that I am privileged, indeed, to offer Father Abraham's Men for inclusion in the CONGRESSIONAL RECORD.

The unanimous consent of the membership having been given, the article referred to follows:

[From the American Legion magazine]  
**FATHER ABRAHAM'S MEN**  
 (By Emanuel Hertz)

Aside from a few events, which for a brief moment focused popular attention on Lincoln's treatment of a particular soldier, no one has had occasion to dwell upon that phase in its entirety and chronicle for all time to come Lincoln's relations with the Union soldiers and sailors. He has been documented on quite a number of outstanding policies which to the historian and biographer seemed important. Many a useful treatise is the result of such research. But taken all in all no one has deemed it of sufficient importance to reveal what Lincoln said and did and thought of the young man in his Army and Navy—of the fighting soldier and daring sailor and what they thought of him.

The sick and the wounded had to be cared for—and they were, as far as the methods of the day would permit. The United States Sanitary Commission and the Christian Commission were supported and encouraged in their work and he constantly helped to make them more efficacious and workable. All that seems to be known is that he called for volunteers, he increased the Army, he declared a state of war and blockade, he authorized huge expenditures, he permitted arbitrary arrest and imprisonment without trial, and that he suppressed some newspapers.

Congress generally validated these acts after their promulgation, and the Supreme Court, in days to come, sustained both the Executive and Congress. But he did a great deal more of which little or nothing is known. If there was one department unknown and nonexistent, it was what is today called the publicity department. He was a poor advertiser—he was genuinely humble and he declined to boast of his performances. He understated the importance of what he did and he refused to "point with pride" at what he did. His Gettysburg address, he said, after he uttered those imperishable words, "wouldn't scour." It took him some time to admit to Thurlow Weed, who praised his second inaugural address, that, "Everyone likes a compliment—thank you for yours \* \* \* on the recent inaugural address \* \* \* which will wear as well as—perhaps better than—anything I have produced."

In his letter to James C. Conkling, one of the best documents he ever wrote, which was to be read at the meeting to be held in Springfield on September 3, 1863, he says: "It was hard to say that anything has been more bravely and well done than at Antietam, Murfreesboro, Gettysburg, and on many fields of lesser note, nor must Uncle Sam's webfeet be forgotten. At all the watery margins they have been present. Not only on the deep sea, the broad bay, and the rapid river, but also up the narrow, muddy bayou and wherever the ground was a little damp they have been and made their tracks."

In consequence of the absence of adequate records of the performances, none of the numerous manifestations of his relations with the Army are revealed. In round numbers there were about

2,150,000 men in the Army and Navy; about one-fifth were wounded during the 4 years, and about one-tenth were sick throughout the war. From the days of anxiety when he was alone in the White House, waiting for the first regiments to appear and save the threatened Capital, down to the days when they marched to the front, with a short stop at the White House to receive the benediction of Father Abraham, who had summoned them to the service, Lincoln kept in constant contact, and was called upon in one way or another to act upon numerous problems which the War Department could not finally or definitely dispose of.

An entire saga could be written of the innumerable attempts by subordinate officers and by the Secretary of War to prevent the cases from reaching the President. On many occasions judgments were rendered and punishments meted out and report of the cases withheld until it was too late for the President to interfere. Many an injustice was thus perpetrated simply because the system was new and imperfect. When he ascertained what was happening, he issued orders that no capital cases be disposed of without submission of all records to him for final decision.

In so vast an army, thousands of such cases reached him, and he disposed of them after carefully reading the entire record in each case. In practically all, he approached his task with an effort to find a way of saving life. In the slave dealer's case, however, he said to the spokesman, "My friend, that is a very touching appeal to our feelings. You know my weakness is to be, if possible, too easily moved by appeals for mercy, and if this man were guilty of the foulest murder that the arm of man could perpetrate I might forgive him on such an appeal; but the man who could go to Africa and rob her of her children, and sell them into interminable bondage with no other motive than that which is furnished by dollars and cents, is so much worse than the most depraved murderer that he can never receive pardon at my hands. No! He may rot in jail before he shall have liberty by any act of mine."

He could easily be induced to upset the stringent orders of the courts martial. Would that it were possible to compile all his reasons for his repeated acts of mercy. Almost any pretext would suffice. The endorsements on the papers were made and the tearful mother, the anxious wife, the determined sweetheart walked away in joy at the saving of the life of the young soldier for whose life they came from the ends of the land to plead and pray.

He was a lawyer of no mean attainments. How the best-laid plans of the Army men to hold fast to their victims crumbled or were laughed away or were demolished by an apt remark or a pointed story is engrossing and so human that all these ought to be gathered and told.

No other performances throw so full a light upon the war President as does that vast unwritten chapter of his life which had to do with his contacts with the young men from every part of the service. He literally invented means for showing his love for the soldier; but when the officer seeking promotion came before him with the recommendation of his superiors, Lincoln noticed the fact that liquor had stamped its seal upon his features: "I dare not restore this man to his rank and give him charge of a thousand men when he puts an enemy into his mouth to steal away his brains."

"General, there are too many weeping mothers in the United States," was the excuse for thwarting and confounding the professional Army man on the court martial, ever on the alert for discipline, and who asked the President to sign warrants for the execution of 24 deserters: "For God's sake don't ask me to add to their number—for I won't do it."

He made a special study of the term "desertion" and what prompted it in every case, for thousands of these cases came before him. "I would have court-martialed him," he said in one case, "if he had not gone to see his sick mother."

If there was a good reason or a humane explanation for the desertion, he looked behind the record and acted. A boy who was taken to the Army the day after he was married and was late on his return after a short furlough to visit his young bride was pardoned. "And you say, my child, that Fred was compelled to leave you the day after the wedding? Poor fellow; I don't wonder at his anxiety to get back; and if he stayed a little longer than he ought to have done, we will have to overlook his fault this time."

"My son is a good boy, Mr. President; he would not be guilty of an act of cowardice like that," from another. And to the girl who "came with no Governor, Senator, or Congressman to plead your (her) cause," he said: "You seem truthful, and you don't wear hoops, and I will be whipped, but I'll pardon your brother."

In another case he said, "I must put this by until I can settle in my mind whether this soldier can better serve the country dead than living."

Judge Holt presented another case for approval; Lincoln hesitated, then replied, "Well, after all, Judge, I will put this among my leg cases." "Leg cases?" queried the Judge, "What do you mean by leg cases?" Lincoln replied, "They are cases you call cowardice in the face of the enemy, but I call them for short my leg cases; I put it to you, if Almighty God gives a man a cowardly pair of legs how can he help their running away with him in time of battle?"

"No one need ever to expect me to sanction the shooting of a man for running away from battle," Lincoln said to Senator Voorhees. "I won't do it. A man can't help being a coward any more than he could help being a humpback, if he were born with one." Then turning to the Senator, he said, "Voorhees,



were you ever scared?" Voorhees confessed that he had had some little experience that way. "So have I," said Lincoln, laughing, "and I just know what it means. And in any contest or controversy which arises between the head and the heels, I never knew the heels to get anything but the best of it. No, sir; they needn't send any leg cases to me at all, I'll never order a man shot for any such offense."

"I haven't had any pay in 7 months," said the officer charged with disloyal utterances, "and my wife needed the money, I tell you, Mr. President, she was actually hungry; I got drunk that night and talked foolishly, but I couldn't have said anything disloyal. I haven't got a disloyal thought or a disloyal drop of blood in me."

"Well," said Lincoln, after a little pause, and speaking very deliberately, "If I'd been fighting 7 months and got no pay and Mary had no food, I presume I'd say something disloyal myself." Lincoln listened to a widow's story pleading for the life of her only son, a story told between sobs; Lincoln said nothing, but he was scribbling a few lines with a pencil on a pad of paper, and his first words were, "Well, he is a good son. He went to save his mother." Then to the mother direct: "I do not think it would do him any good to shoot him, do you?"

The tired President found time to read thousands of pages of testimony taken by General Sibley in the trial of 303 Indians, who were all condemned to be hanged as a result of one of the most bloodthirsty Indian massacres on record. Lincoln, after reading the whole record, reduced the number to 39.

Stanton was considered the nemesis of the accused soldier. The findings of the court martial were final and should not be disturbed. The findings and decisions of the military clique in the Army were sustained and upheld almost uniformly. It required a superman like Lincoln to overrule these arbitrary decisions of his otherwise indispensable War Minister. And nowhere was this more needed than in the problems raised by the thousands of soldiers whose misfortune brought them in collision with the War Department in the field or in the violation of one of the many rules of the War Department.

Lincoln's sense of humor in many cases came to his assistance. He was never slow to praise or to give a mild reproof. Putting his hand on the shoulder of a young soldier as he was entering a saloon on Pennsylvania Avenue, he said, "I don't like to see our uniform going into these places." The young man never did. "He fixed me so, that whenever I go near a saloon and in any way think of entering, his words and face come back to me."

As he was walking down the stairs in the War Department one day a number of young soldiers dashed up, taking about three stairs at a time and coming into violent collision with the President. A second glance revealed that they had struck the Commander-in-Chief of the Army and Navy. There followed a special tender of ten thousand pardons. To which the President replied, "One's enough; I wish the whole Army would charge like that."

The only manner of judging whether the feeling of the soldier for Lincoln was reciprocated, whether the great love of Lincoln was appreciated by the soldier and the sailor, came for the first time in the fall of 1864, when the ballots of the men at the front were counted and revealed an overwhelming vote for Lincoln's reelection. In many instances the soldier ballots were decisive of the result in close election districts. And what is more remarkable they became the preachers of Lincoln's cause for the rest of their lives.

The records of his deeds of mercy were told and retold on innumerable occasions everywhere, and thus his battling evangel kept alive and burning the torch which Father Abraham entrusted to their keeping as it fell from his lifeless hands. It became the most exalted theme at thousands of firesides and at all succeeding convocations of soldiers and sailors of a reunited Union.

It was agreed at one time among the corps commanders that they would carry into effect the sentences by courts martial before Mr. Lincoln would have an opportunity of granting a reprieve. This was done in many cases. "When on the march to Gettysburg," says General Slocum, "we had with us three prisoners sentenced to death as bounty jumpers. The men extending the telegraph lines were within 2 or 3 miles of my camp. The three prisoners were executed just before the lines reached us. The very first message that came over the line was an order from Mr. Lincoln to postpone their execution." The general telegraphed back to Lincoln that the sentence had already been carried into effect.

Several months after he stopped at the White House to say goodbye to Mr. Lincoln on his way to the West. "The moment I entered the room he said, 'General Slocum, the last message I received from you caused me more pain than anything that has occurred since I became President. When you were at Leesburg I telegraphed you to suspend sentence in the case of a man condemned to death. When I did so, the mother and sister of the soldier were seated here at this table, and I was compelled to open and read your dispatch saying that he had already been executed.'"

Judge Peck on one occasion was walking up and down the East Room with Mr. Lincoln, who looked exceedingly sad, and every now and then threw out his arm in a pathetic gesture. The judge said, "Mr. President, may I inquire what distresses you tonight?" "Oh, Judge," he said, "this is Friday—black Friday, hangman's day; this day they execute farmers' boys for falling asleep at their posts down on the Potomac. If I say anything they say I interfere with Army discipline. Oh, I can't bear it; I can't bear it."

"I remember," said Peck, "a time when Lincoln was sitting at his table with a large pile of papers before him, and after a pleasant talk he turned quite abruptly and said 'Get out of the way, Swett; tomorrow is butcher day, and I must go through these papers and see if I cannot find some excuse to let these poor fellows off.' The pile of papers he had were the records of courts martial of men who on the following day were to be shot."

The President said: "I have done something this morning which has roused the ire of Secretary Stanton. Congressman Dennison of Pennsylvania came to me this morning with the mother of John Russell, a soldier who was to be shot within 48 hours for insubordination, and I gave a peremptory order pardoning the soldier and restoring him to his regiment. At a recent battle, in the face of the enemy, John Russell's captain ran away. When the battle was over, in which half the command was lost, this soldier met his captain and, walking up to him rifle in hand, said, 'Captain, you're a damn coward; you ought to be shot for cowardice.' The captain pulled out his revolver and attempted to kill Russell, who aimed his rifle at the captain's head. They were separated. The captain preferred charges of insubordination against the soldier, and a subservient court martial promptly sentenced Russell to be shot and did not even censure the cowardly officer. Congressman Dennison has just given me all the facts in the case, and I have just made the poor mother happy by saving the boy." And with compressed lips, he said, "And I did more; I dismissed the cowardly captain from the Army."

To an Illinois friend asking pardon for a soldier condemned to be shot for a purely technical "desertion" he said, "Well, I think the boy can do us more good above ground than underground."

When confronted with the task of deciding between life and death for these boys facing the enemy he thought of the words of John Bright, "The Angel of Death has been abroad throughout the land"; he almost heard "the beating of his wings." As the casualty list lengthened he observed: "There is no one, as when the first-born were slain of old, to sprinkle with blood the lintel and the two side posts of our doors, that he may spare and pass on; he takes his victims from the castle of the noble, the mansion of the wealthy, and the cottage of the poor and lowly."

His heart bled for the common soldier of the Confederacy; when General Grant arrived and had told briefly the incidents of Lee's surrender, the President asked, "What terms did you make for the common soldiers?" Grant told him, "I told them to go back to their homes and families, and they would not be molested, if they did nothing more."

An ungrateful posterity has neglected not only to gather and make available these acts of mercy and of justice, but for a long time discouraged the telling of these heartthrobs of the lone man in the White House, struggling to save not only the Union but every human being in it; and he looked upon the Army and Navy as the indispensable instruments to achieve his purposes.

True, some of the official documents of his administration have been preserved; some sort of a record of the battles has been achieved; a vast storehouse of the history of the war has been collected after 30 years of work and enormous expenditure of time and treasure; 140 volumes of 138,579 pages, containing some 76,000,000 words, about the Civil War and all the Army movements have been printed and not a word about the soldier who made success possible is to be found in the vast compilation.

About 9,000 books, pamphlets, and magazine articles about Lincoln have been accumulated, and not one dedicated to the purpose of adequately telling the main facts which would describe the daily contact of Lincoln with the soldier and sailor during his stay at the White House. His addresses to two regiments on their way to the front are illustrative of the importance of these talks.

To an Ohio regiment in 1864 he defined in one phrase the essential character of our Government with more accuracy and clearness than ever Jefferson had done: "There is involved in this struggle the question whether your children and my children shall enjoy the privileges we have enjoyed." To another regiment he said these words, which reveal that the man who gave us the Gettysburg Address thought along those lines constantly:

"I happen, temporarily, to occupy the big White House. I am a living witness that any one of your children may look to come here as my father's child has. It is in order that each one of you may have, through this free Government which we have enjoyed, an open field and a fair chance for your industry, enterprise, and intelligence—that you may all have equal privileges in the race of life with all its desirable human aspirations—it is for this that the struggle should be maintained, that we may not lose our birthright—the Nation is worth fighting for to secure such an inestimable jewel."

Every moment he could spare he spent in the hospitals, seeing that the wounded soldier was properly cared for and made whole.

He found time to study Dr. Robert K. Stone's message outlining and recommending a disinfectant for camps, hospitals, and ships which was odorless but powerful, and asked the Surgeon General to give it a trial. "I am personally acquainted with Dr. Stone—and believe him to be a skillful physician altogether capable of forming a correct opinion on the subject he has spoken about; I think it probable the disinfectant would be valuable in our hospitals and camps."

His many visits to the hospitals, his talks with the wounded boys, their last requests and how he complied with them, is subject matter for another treatise. He saw the surgeon, the doctor, the nurse at work. He was at home in the hospitals, as will be seen from the following incident.

Mrs. E. M. Stanton, wife of the Secretary of War, had given 8 bushels of strawberries to the hospital, and Mrs. Cole, the head dietitian, had supervised the baking of a mammoth strawberry shortcake. As the soldiers were lounging around the kitchen, President Lincoln and his Cabinet entered.

There were few chairs and the dining room was filled. When Mrs. Cole brought the President a large piece of the cake, he graciously took it, walked to the corner of the room, and sat down on the floor. The Cabinet members all followed his example. It was a simple but revealing act.

At the other end of Pennsylvania Avenue everything that was said by the Members of both Houses of Congress was carefully recorded—but the messages of this great soul to the soldiers and to the visitors were not considered of sufficient importance to be preserved. The irony of history has consigned the former to oblivion whereas what Lincoln said is eagerly sought for and preserved with the eagerness and hunger characterized in reassembling the pieces of sacred literature.

What an education for his countrymen if a series of radio talks of such incidents in his life should be prepared and delivered so that the millions of this day to whom Lincoln is but a legendary figure could hear and be inspired. At a time like this when vast multitudes are sacrificed to the Moloch of aggression—how timely the story of the travail of this great man to save a life, to lift a burden of sorrow from a mother, a sister, or a wife would fall upon the expectant ears of us who constantly listen to the story of force, of slaughter, of destruction, and of poison propaganda.

Alas, the men who came in contact with Lincoln are almost all gone from the stage. The Grand Army of the Republic has faded away. But most if not all who came in contact with Lincoln have spoken, have repeated his words; have told the story of their liberation; of his humane deeds; of his pardons; of his help; of his humor; of his anecdotes; of his parables; of his smile; of his handshake—these are the treasures of the memory of the grateful men and women and can never be forgotten, and should never be forgotten.

A number of his predecessors and his successors in the White House have been more thoroughly documented; they left more written words to posterity than did Lincoln. It will require decades to properly classify many of these important documents. But not another one has planted the story of so many humane acts in the hearts of his contemporaries, especially in the hearts of the soldiers and in the hearts of their families, as has Lincoln.

He who will write that story based upon all these available facts, will write the story of the great heart and prophetic soul of Lincoln.

### Multnomah County Pomona Grange Against Renewal of Reciprocal Trade Treaty Act

#### EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

RESOLUTION BY THE MULTNOMAH COUNTY POMONA GRANGE,  
NO. 15, OF PORTLAND, OREG.

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by Multnomah County Pomona Grange, No. 15, of Portland, Oreg.:

Whereas, most of the 21 reciprocal-trade treaties consummated thus far have worked a handicap and hardship to most of the farmers, lumbermen, producers, and purveyors in our section of the country and other sections as well by admitting farm products, shingles, lumber, meats, and wool with our comparable duty from countries that have a cheaper labor and probably a lower standard of living, into our country where labor is higher and a higher standard of living prevails; thereby destroying a gainful market for our products and causing the unemployment of many and keeping us from the pursuit of happiness guaranteed to us by the United States Constitution; destroying much initiative and morale and forcing many deserving citizens on relief rolls, destroying their heritage as a worker and producer and placing additional burdens to the taxpayers by the application of such reciprocal-trade treaties. Furthermore we believe the markets of our country should be for our people up to their ability to supply the markets; and whereas we believe that in a democracy as ours no one man should be delegated such authority and power as the making such treaties that so concern the livelihood, interests, and happiness of a democratic people as we; that this power of treaty making should be returned

to the President and Members in the United States Congress, where it constitutionally belongs: Therefore be it

*Resolved by Multnomah County Pomona Grange, No. 15, in its regular session held at Pleasant Valley Grange Hall, February 21, 1940, That we request our Members in Congress to use their voice and vote to try to prevent the renewal of the Reciprocal Trade Treaty Act that expires in June of this year; and*

*Resolved further, That our Members in Congress use such means as aforesaid, to try to restore the treaty-making power to the President and Congress of the United States as specified in the Constitution; and*

*Resolved, That a copy of these resolutions be sent to each of our Members in Congress, the Oregon Grange Bulletin, and the daily papers in this locality.*

### Our Debt to Greece

#### EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me before the Order of Ahepa on March 4, 1940:

"Where liberty dwells, there is my country!" It was in these words that a Hellenic patriot of years gone by expressed the thoughts and the feelings which have permeated the very life of your great people from ancient days to modern times. Today, as we glance about us, and as we take note of the positive contributions of the Hellenic immigrants to the various fields of American endeavor, we become even more impressed with the full truth of that patriot's declaration.

The Hellenic devotion, your devotion, to the basic principles of democracy reached the zenith of its crowning glory during the World War, when more than 60,000 Hellenic sons, your sons, marched off to battle and offered their "last full measure of devotion" upon the altar of American liberty and democracy.

In peace, as in war, you continue to carry on, yielding to none in purity of purpose or patriotic loyalty. For yourselves and your families you desire only those common endearments of life, liberty and the pursuit of happiness, guaranteed by the Constitution. This is not strange, for your people today are basically not unlike your forefathers of years gone by.

Thus, I am reminded of the oration delivered by Pericles in honor of the Athenians who fell in the Peloponnesian War. He there defined democracy as being that government in which each one has a place, and from which none are excluded, except idlers, who are useless to the state. Did he not thus trace for us a model to follow?

Greek democracy has indeed happily permeated our American democracy. Our debt to Greece is immeasurable.

We often hear of the "Greek miracle," and particularly as pointed out by the famous French writer, Renan. It is that creation of beauty as exemplified in the great Greek masters of prose, poetry, philosophy, painting, and sculpture. What a profound effect this Greek miracle has had upon modern thought, modern artistry—upon democracy—upon our very lives! It is only the departure from the "Greek blessing" that has caused the world's travail and the trials and tribulations that now grip nations abroad.

It is ever well to contemplate our sacred debt of gratitude toward Greece. We must love ancient and modern Greece, or rather, we cannot cease to love her without rejecting what is best in ourselves. To turn away from Greece, to disown her, the human mind must be utterly changed, so firmly are our lives interwoven with the Hellenic laws of reason and its principles of art.

I do not overstate the case when I affirm that Greek civilization is superior to that of all the other races which people the Balkan Peninsula. Educator of the European and Asiatic worlds in ancient times, Hellas continued to be so up to the conclusion of the Byzantine period. In the Middle Ages, when western Europe was plunged into the abysmal depths of ignorance, despair, and darkness, Greece flourished with her culture and refinement. It was so again at the beginning of modern times by its participation in the Italian Renaissance.

Some may contend that this supremacy is more relative than absolute; even so, it is not the less significant. The ancient Greeks lacked, of course, the distinctively modern appliances which have so largely increased human efficiency. The mighty blocks of



the Parthenon were lifted into place by muscle rather than by steam power. The education of the Athenian citizen was accomplished without the printing press. Decidedly, in the matter of plant, our civilization is superior.

But is it not clear that this very fact increases the marvel of Greek achievement? If they could produce such temples and such personalities with their meager appliances, what ought we to produce with ours? If we measure civilization by its plant, ours is easily ahead. But if we measure by ratio of product to plant, ours bears no comparison. Decidedly, the Greek was a success at the task of living. It is this, *How to Live*, which we of today must learn.

Nor can I proceed without pointing out some striking traits of the Greek character, which are also marked features of our own nationality. Ready wit, audacity, resourcefulness, practicality—all these we have in common with the Greeks. We are versatile as they were; we moralize as they moralized; our Franklin is as their Theognis. But their delightful tolerance we today unfortunately do not possess in abundant quantity. I refer to that which was, and I believe still is, a national Greek virtue, called "epielkeia," which has been translated into English by Mathew Arnold as "sweet reasonableness"; and it is this "sweet reasonableness"—this readiness to put up with things, this large allowance for individual failings, this good humor in the crowded mart of life—which many of us should try to cultivate.

I should like to see more of this tolerance, more of this Hellenic "sweet reasonableness" in the Senate and in the House, and, especially, when we consider legislation applicable to aliens. How intolerant are some of the outbursts of our own Members. They forget what Abraham Lincoln said in writing the Republican Party platform of 1864:

"Resolved, That foreign immigration, which in the past has added so much to the wealth, development of resources, and increase of power to the Nation, the asylum of the oppressed of all lands, should be fostered and encouraged by a liberal and just policy."

How cruelly unjust are some of our Members when they fail to hold up the lamp of welcome to the politically homeless and the victims of tragic political and religious tortures abroad. For example, the quota from Greece is but 307 per annum, and the thousands of Greeks who clamor for admission to this country will be unable to come here for years. The British quota, per annum, is 65,721. In the last fiscal year only 3,604 came in from Great Britain. This left 62,117 unused quota numbers. Why couldn't some of these 62,117 wasted-quota numbers be applied to increase the Greek quota? Furthermore, would it not be fairer to take the 150,000 of total quotas and rearrange them as to national ratios. I would take the unused British quota and divide it up amongst nations like Greece, which seek to enrich America with the blood of her nationals. It would be like changing the rooms of a house without changing the size of the building.

It is only because of the prevalence here of an antithesis of Greek tolerance that prevents the action I propose.

You, the modern Greek, commend yourself to our affection and regard by your passionate identification with the Hellenes that once were. Hellenism is your watchword. You could not shake off ancient Greece if you wanted to.

You, the modern Greek, especially realize and practice as did Euclid, Plato, Socrates, Theogenes, that nothing in the world exists by itself but that everything pertaining to the human spirit is correlated and interrelated with everything else. What a better world we would live in if more of us believed as you do.

America may well be proud of your order of Ahepa—American Hellenic Educational Progressive Association—since its purpose is to promote loyalty to the democratic institutions of America; to teach the tenets of government and citizenship; to cultivate the spirit of Hellenic altruism; to champion the cause of education. It is an organization striving to serve practical needs and to solve practical problems on the highest principles of human-kind. Those who are in distress, those who are in want and in trouble are aided and assisted by your order, for you hold fast to the principle that every man is his brother's keeper. Through your order the very soul of Hellenic wisdom and charity speaks. May you continue in your great work and your good deeds.

### What American Democracy Means to Me

#### EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

Mr. VOORHIS of California. Mr. Speaker, democracy means to me a way of life and a form of government in which every man, woman, and child of every race and creed

has an equal right to use his creative effort to attempt to enrich and improve it.

Democracy means liberty; the liberty to speak one's mind without fear; the liberty to criticize those in high places and to oppose the group or party in power; the liberty to work to reform the economic order and perfect the political state. Democracy means as much of liberty as any man or group of men can have without depriving others of that same liberty.

Democracy does not attempt to confine people's minds to dogmas and patterns of thought which are acceptable to the regime in power. It opens to them all the beauty and culture, art, and literature of all peoples.

Democracy means to me the right of every man to call his soul his own and to thank only God for giving it to him. It gives to each of its citizens the right to worship God according to the guidance of his own conscience. And since the very soul of religion is freedom of faith and without that freedom no true religion has ever existed, it is only under the Democratic way that religion can really flourish at all. Democracy means a freedom dearly bought and whatever temporary triumphs dictatorship may achieve, nevertheless when dictatorship destroys its people's freedom, as it must do, it destroys the better part of the heritage of 10,000 years of human struggle. Economic injustice, unemployment, and all the other problems that afflict human beings can be done away with by a determined free people. But a people which has lost its freedom—whatever else it may seem to have gained—must await the slow decay of a stealthy system of dictatorial control and then endure civil strife and conflict before it can gain that freedom back again.

Democracy means a way of life and a form of government in which the common people are the most important because they are most numerous. The greatness of a democratic nation must be measured not by the power or wealth of a favored economic class, political hierarchy, or racial group, but by the general welfare and happiness of the rank and file of its citizens.

Therefore, true democracy can no more endure monopolistic power in finance or industry than in government. Democracy must mean a running fight against monopolistic power because the life of democracy depends upon the continuance of reasonable opportunity for people of small economic resources to develop enterprise and make their contribution to the welfare of the Nation. Monopoly destroys those opportunities.

Democracy means to me basic economic right of the people to consume in proportion to their power to produce, and all things which stand in the way of their realization of this right must be progressively removed until needless poverty has been done away with. Democracy as a form of government and a way of life does not imply any particular economic order. It only seeks the maximum of true economic freedom—including freedom from fear and want and joblessness—for the maximum number of its people.

Democracy is dynamic, not static, and it means an eternal struggle on the part of free people to establish greater justice and a better life for themselves and their fellow citizens.

Finally, democracy can have no part of unemployment; indeed, sincere devotion to democracy requires a really determined effort to put our people back to work forthwith.

Freedom is a positive, not a negative, thing. The man without work to do lives under the dictatorship of fear and hopelessness. Only through the release of the skills and energies which God has given him can that man be set free again—free to help build his Nation, to supply his family with their needs, to warm his soul at the fireside of a duty and a work well done.

Let us therefore solemnly resolve that whatever things are necessary to be done to end the curse of unemployment, those things we will do; and let us also dedicate ourselves anew to preserve, protect, and defend, with tolerance but with deep determination, the constitutional democracy which

the sacrifices of past generations and the blessings of a kind providence have entrusted to our care.

For the first duty which rests upon this generation of Americans is the duty of passing on to our children the torch of freedom with its light burning at least a little more brightly than when our fathers handed it to us.

### A Naval Cruise to the West Indies

#### EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1940

ARTICLE BY DR. ERNEST RISLEY EATON

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article entitled "A Naval Cruise to the West Indies," written by my friend, Dr. Ernest Risley Eaton, of New York:

A NAVAL CRUISE TO THE WEST INDIES WITH THE MEMBERS OF THE NAVAL BATTALIONS OF HARVARD, YALE, GEORGIA TECH, AND NORTHWESTERN UNIVERSITIES

(Described by Ernest Risley Eaton, Lieutenant Commander, Medical Corps, United States Naval Reserve)

A detachment of six destroyers from the Training Squadron, United States Fleet, carrying on board approximately 300 student members of the Naval Reserve Officers' Training Corps from the Georgia School of Technology, Harvard, Northwestern, and Yale Universities, assembled at a previously designated meeting place off the Atlantic coast of the United States on June 18, 1935, for a training cruise to the West Indies. The destroyers of this detachment, before leaving on the cruise, had received on board in the ports of New Haven, Boston, Washington, and Charleston, members of the various R. O. T. C. units.

In my capacity as a lieutenant commander in the Medical Corps (special service), United States Naval Reserve, I had the privilege of serving as the squadron medical officer during the cruise, taking passage in the U. S. S. *Badger* (DD126), one of the six destroyers of the detachment. During that time my close association with these college students gave me the privilege and opportunity of observing them in training and practice; and in the belief that my observations may offer a more comprehensive understanding of the objectives and educational advantages of the N. R. O. T. C. to newly enrolled members, and university students who may become members, as well as to those who are interested in learning how young men are trained for Naval Service, I give a brief description of the training received on this cruise, together with certain fundamental qualifying instructions in naval science and tactics.

As a part of a sane peacetime program, to further the expansion of the United States Navy in time of national emergency, the Naval Reserve Officers' Training Corps deserves the thoughtful attention of all college students who wish to perform more efficiently their part in the defense of their country. Besides receiving the benefits of a broader general education and a better disciplined mind and body, it teaches courage and self-reliance in assuming responsibilities of leadership.

The Naval Reserve Officers' Training Corps was established on March 4, 1925, by an act of Congress which authorized a total enrollment of 1,200 Naval R. O. T. C. students in six institutions of higher learning, namely, Harvard, Northwestern, and Yale Universities, Georgia School of Technology, University of California, and University of Washington. The corps is a voluntary organization of undergraduate students at these six universities, and commonly called the Naval R. O. T. C. unit, the enrolled members being known as Naval R. O. T. C. students of their particular university. Judging by its popularity on the campus, the comments of students enrolled, and the patriotic approval of their parents, membership in a naval unit is highly prized.

The qualifications necessary are the usual physical requirements as laid down by the Naval Academy, as well as good character and evidence substantiating their United States citizenship. In addition, they must be not less than 14 years old. No member of the Regular Army, Navy, Marine Corps, Officers' Reserve Corps, the Organized Reserves, the Enlisted Reserve Corps of the Army, Marine Corps Reserve, Naval Reserve, Coast Guard, Naval Militia, or Army Reserve Officers' Training Corps is eligible for membership.

In other words, it is composed of college students having no connection with any other official military or naval organization. The Navy Department hopes to disseminate by means of these units a more widespread knowledge of the Navy, and to accomplish the equally important task of building up an officer reserve of sufficient proportions to be of material value to the Government in the event of a national emergency.

The subjects covered, and the hours or units given during the school year are, with slight variations, substantially as follows:

	Hours
a. Seamanship.....	60
b. Communication.....	60
c. Ordnance.....	40
d. Gunnery.....	40
e. Engineering.....	22
f. Electricity.....	10
g. Navigation, piloting.....	90
h. Navigation, dead reckoning and sailings.....	
i. Navigation, celestial.....	90
j. Navigation compasses.....	
k. Aviation.....	20
l. Military drills and instruction.....	60
m. Administration.....	20
n. Navy Regulations, all lectures.....	10
o. Naval Reserve Force.....	10
p. Naval leadership.....	10
q. Naval history.....	30
r. Military law.....	20

The total number of hours for the course is approximately 500. The course in naval science and tactics is divided into two parts: Freshman-sophomore years, basic course; junior-senior years, advanced course. Three hours per week, during the first 2 years, and 5 hours per week, for the last 2 years, are required. Each university credits its students with 2 hours each semester for the basic course, and 3 hours for the advanced course, some awarding additional credits for nautical astronomy and cruises. The total university credit amounts to 20 to 36 hours. The system of lectures by Regular naval officers as instructors accounts for 25 to 30 percent of the students' total college curriculum, and is, in substance, an extension course of the Naval Academy at Annapolis. At least one deep-sea cruise must be made in order to receive a commission as ensign (deck-volunteer), United States Naval Reserve, upon graduation or completion of a regular 4 years' course in naval science. The new sophomore and junior students at Northwestern University usually make a cruise on the Great Lakes each summer, providing the Navy Department does not arrange for a salt-water cruise. Other units take week-end cruises throughout the year in submarines and eagle boats.

The training squadron, now designated as the training detachment, United States Fleet, is comprised of 4 battleships and 15 destroyers. The primary purpose of this detachment is to train Naval Reserve divisions—organized and located at various pivotal points in the United States—throughout the year, and to cruise midshipmen of the United States Naval Academy, members of the naval R. O. T. C. units, and men of the United States Naval Reserve divisions.

The detachment of destroyers of Squadron 10 making this particular cruise, under the command of Capt. R. E. Cassidy, United States Navy, was composed of the following vessels: U. S. S. *Tatnall*, flagship of Captain Cassidy, squadron commander; Lt. Comdr. H. A. Sailor, United States Navy, commanding; U. S. S. *Badger*, Lt. Comdr. S. H. Hurt, United States Navy, commanding; U. S. S. *Tillman*, Lt. Comdr. W. D. Sullivan, United States Navy, commanding; U. S. S. *Schenck*, Lt. Comdr. I. N. Kiland, United States Navy, commanding; U. S. S. *Leary*, Lt. Comdr. V. Bailey, United States Navy, commanding; U. S. S. *Dickerson*, Lt. V. Rathbun, United States Navy, commanding.

These destroyers, designed at or near the time of our entrance into the World War, and constructed either during the war or immediately thereafter, have therefore been in service in the Navy for more than 15 years. In age, design, and length of operating service they may be termed obsolete, yet they still serve a useful purpose. Their armament of guns, torpedoes, and depth charges, and their high rate of speed, make them an indispensable force in a well-balanced fleet. They have a length of approximately 315 feet, a displacement of about 1,250 tons, and a potential speed of 33 to 35 knots. The term "destroyer" meant originally destroyer of torpedo boats, but destroyers themselves are now torpedo boats which have evolved into a higher efficiency and power than the boats they were originally designed to destroy.

The first contingent of the Naval R. O. T. C. was not to be embarked until we arrived at New Haven, Conn. Later we received on board the Harvard members of the R. O. T. C. unit, and sailed out of Boston Harbor. The Yale and Harvard students, coming on board at New Haven and Boston, were accompanied by a United States naval officer, member of the naval science and tactics staff of the university. All training and instruction were conducted in accordance with the approved plans of the training detachment commander. The details were worked out by the commanding officer of the ship, assisted by naval science and tactics staff representative, officer in charge R. O. T. C. detachment.

The members of the units, upon arrival on board, were given individual station billets and assigned quarters in the crew's compartments forward. These living spaces contained necessary sleeping bunks, locker space for storage of personal belongings—clothing, books, and other instructional material—tables for messing which served further as writing tables when solving navigational problems, or writing up notebooks on navigation, seamanship, communications, engineering, and other subjects explored during the cruise.

The R. O. T. C. detachment on each destroyer was organized into three sections of two squads each. The normal squad was composed of eight members. Each of the three sections had a section



leader appointed from among its members. A member of each squad was designated as its squad leader. This set-up corresponded with the standard destroyer organization, and facilitated the amalgamation of the members of the R. O. T. C. units and the regular members of the ship's complement. This enabled the members of the units at all general drills and exercises to take up their proper stations with the least confusion. For purposes of instruction, the organized squad composed of eight members seemed best to meet the requirements as regarded size and flexibility.

Subjects covered during the instruction periods were grouped under four major headings: (a) Seamanship and tactics; (b) navigation and communications; (c) gunnery and fire control; (d) engineering.

Instruction under (a) seamanship and tactics was given in ground tackle, lifeboats, heaving the lead, shiphandling, deep-sea-sounding machine, torpedo attacks, bridge details, Naval Regulations, customs and traditions of the Navy, watch-standing duties, lookouts, military and international law.

Under (b) navigation and communications, instruction was given under the following headings: Piloting, charts, sun and star sights, dead reckoning, navigational instruments, light lists, sunrise and sunset tables, tide tables, general signal book, semaphore, blinker, searchlights, signal flags, radio-equipment procedure, etc.

Instruction under (c) gunnery and fire control, covered gun construction, safety precautions, fire-control procedure, gun directors, spotting range finder, loading drills, pointer group drills, rules for modified short-range battle practice, star-shell firing, star-shell safety precautions, rescue breathing apparatus, torpedo control, etc.

Under (d) engineering, instruction covered main engines, boilers, auxiliaries, engine-room and fire-room procedure, safety precautions, etc.

That these students had little time to idle away on a normal day becomes evident when one inspects the daily routine established for the period of the cruise.

Routine (given in sea time, with a period of 24 hours rather than two periods of 12 hours each):

0600 (6 a. m.) Call all hands.  
0615 Turn to, scrub clothes, clean own part of ship.  
0715 Breakfast.  
0800 Quarters, muster, and inspection.  
0815 Clean own part of ship and gun.  
0900 General quarters and gun drills.  
1030 Instruction period.  
1200 (noon) Dinner.  
1300 General quarters and gunnery drills.  
1430 Instruction period.  
1530 Tactical exercises.  
1800 Supper.  
2030 Night exercises.  
2200 (10 p. m.) Taps.

In addition to carrying out the above routine for the normal day at sea, the students stood one out of every three watches.

Without doubt the most interesting feature of the cruise was the firing of short-range battle practice, in preparation for which the R. O. T. C. members drilled forenoon and afternoon. They worked at the loading machine, held pointer and sight-setter drills, fire-control drills, and target-practice rehearsals. These drills and exercises seemed endless to a casual observer; nevertheless, the students certainly put their hearts into this work. Each member took pride in striving to the limit during every hour spent in fitting himself to meet the test of the actual firing of the battery.

Other spectacular features were the firing of star shells at night for target illumination, and tactical exercises conducted in conjunction with smoke-screen procedure. The morning of June 29, after visiting San Juan, St. Thomas, and Guantanamo Bay, orders were given to get under way shortly after noon mess—and our six destroyers steamed out of the harbor—homeward bound.

The first day out was given over to holiday routine, with not much work, and with time to relax and reflect on the many things we'd learned and the sights we'd seen. Then, in the following 2 days, came general gunnery drills, smoke-screen formation, and the actual firing of short-range battle practice, in which it was every student's ambition to be the one actually to fire the gun. It was thrilling to see groups of college students, young, intelligent, quick, and eager to master the many details of life on shipboard, partake in the deadly seriousness of battle practice, with the feeling so clearly revealed in their faces that they were learning to do something that some day might more adequately protect their country in time of war.

In looking back over experiences on board, I remember those connected with tactical maneuvers, and how they were enjoyed by the students—especially those having to do with the actual handling of the ship. In the latter, a student standing on the ship's bridge, was given entire charge of the ship, and was required to state how he proposed to execute a signal from the commanding destroyer detailing the maneuvers, as soon as the meaning of the signal had been determined. He was, as far as practicable, allowed to handle the ship without comment or suggestion. In other words, he gave the commands for shifting the ship's position. Upon completion of the maneuver any errors were commented upon and explained.

On the third day out three of the destroyers left the formation at almost the same place where they miraculously, it seemed to me, had met our contingent of three destroyers on the way south. And on the Fourth of July the U. S. S. *Badger* arrived at New Haven, there to disembark and discharge its students. The following day we arrived at New York, and I left the destroyer that had been my home for 31 days with a deep conviction that there had been instilled into the members of the naval units of Yale, Harvard, Georgia Tech, and Northwestern Universities a resourcefulness and dependability which go to make the essence of sea training. I felt that upon this cruise there had been exemplified the code of an officer and gentleman who follows the sea and who applies those finer principles for which the United States Navy stands—to tell the truth; to fear no obstacle; to use no profane language; to take nothing you do not own; to keep one's body clean and healthy; to fight to the finish; and to coordinate the elements of an officerlike character in loyalty, courtesy, modesty, simplicity, and moral courage.